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# MADRAS RECORD OFFICE.

Government of Madras.

*Financial* DEPARTMENT.

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| G.O. No. <u>602</u>      | Press<br><del>Mis</del> |
| <i>Bm 45-46</i>          |                         |
| Dated <u>14</u> <u>8</u> | <u>1862.</u>            |

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*Proceedings of the Madras Government, Financial Department,  
14th August 1862.*

No. 45. Read the following letter from H. A. MANGLES, Esq., Acting Accountant General; to the Chief Secretary to Government, Fort Saint George, dated 31st July 1862, No. 134.

I have the honor to submit, in original,\* for the Orders of Government, a letter to my address from the Resident of Travancore and Cochin, No. 1,095, dated the 22nd instant, that Officer being desirous of obtaining the permission of Government to receive all Government Currency Notes whether of the Bengal or Bombay Government, equally with those of this Presidency, which may be tendered in payment of the Travancore Subsidy.

2. As questions relating to this subject are frequently referred to this Office for report, I beg to make a few remarks on the proposition of the Resident.

3. Though the Resident fears that any refusal on his part to take all Notes alike may raise doubts in the minds of the people as to the safety of dealing in and using them, I regret, I cannot agree with him as to the advisability of permission being granted him to receive Notes of other Presidencies beyond the amount that he would probably be able to dispose of at his own Treasury. If Bombay Notes are largely used as a remittance to the sea ports of the Travancore country, it is most probable if the Resident's request was granted that they would nearly all find their way up to his Treasury, as the Branch Bank of Madras at Cochin would not only refuse to cash them, but would also probably do their utmost to impede their circulation in a District within the limits of this Presidency. This might lead to serious results and cause great inconvenience by necessitating the periodical despatch of silver to the Resident's Treasury.

4. If, as Mr. Fisher anticipates in paragraph 8, no difficulty in disposing of Bombay Notes is likely to arise, he is at liberty, I imagine, under the Orders of Government, No. 479, dated 30th June 1862, to exercise his discretion in the matter, as there appears to be no reason that Notes which can be received from private parties should not equally be received from the Travancore Government, provided the condition therein specified is not violated.

5. The practice of remitting Notes to Bombay to be credited to this Presidency as proposed in paragraph 7 is, I consider, objectionable. If the option of receiving Bombay Notes to any extent is allowed to the Resident at Travancore, there appears to be no valid reason why the privilege of making payments in similar Notes should be withheld from the population of other Districts on the Western Coast. The result of this, I apprehend, would be that the remittances from Bombay for the purchase of produce, which in 1861-62 amounted to no less than 37½ lakhs in Malabar alone, would nearly all be made in Notes, most of which would probably soon find their way into some Government Treasury, and would have to be remitted back to Bombay at the risk and expense of Government.

6. I request that I may be favored with a copy of the Orders of Government passed on the Resident's letter.

From WILLIAM FISHER, Esq., Resident of Travancore and Cochin; to H. A. MANGLES, Esq., Acting Accountant General, Fort Saint George, dated Trevandrum, 22nd July 1862, No. 1,095.

His Highness the Rajah of Travancore has been pleased, as you are probably aware, to issue a Proclamation notifying that the Currency Notes of the British Indian Government will be received in payment of all Sirkar dues throughout His Highness' territory, and His Excellency the Governor in Council has expressed his satisfaction with this measure.

2. Notes so received will no doubt be hereafter tendered in payment of the Travancore Subsidy, and as the Proclamation makes no distinction between Notes issued by the various Presidency Banks, but refers to Promissory Notes of the Government of India generally, it is not improbable that Bombay Currency Notes will be received by the Sirkar, and tendered at my Treasury in part payment of the Subsidy.

3. The receipt of such Notes is probable, because trade in this part of the country is more connected with Bombay and the Western Coast generally, than with Madras; but the Order of Government, No. 479, dated 30th June 1862, on your letter No. 67 of the 17th idem, seems to

*Proceedings of the Madras Government, Financial Department,  
14th August 1862.*

indicate, that Bengal and Bombay Notes can only be received from and issued to private parties, and that Treasury Officers in the Madras Presidency are to be careful not to receive more Notes of the above descriptions, than they will probably be able to dispose of.

4. The Travancore Government no doubt acted as they have done, on the understanding that Currency Notes of the Government of India would all be received in lieu of cash in payment of the Subsidy; but, I am apparently precluded from receiving either Bengal or Bombay Notes from the Travancore Government.

5. It would appear desirable under these circumstances, that I should either obtain the sanction of Government for receiving all Promissory Notes of the Government of India in payment of the Subsidy, or that the Travancore Government should modify the Proclamation issued, and notify that the Notes referred to, are those only which are issued from the Government Banks in the Madras Presidency.

6. Before advising the latter step, which would in my opinion injure trade, and raise doubts in the minds of the people as to the safety of dealing in, or using the Currency Notes, I have the honor to request, that the subject may be laid before Government, with a view to my obtaining permission to accept Bombay and Bengal Notes as well as those stamped as issued in the Madras Presidency.

7. I do not suppose that the measure can cause embarrassment of any sort, even if I should be under the necessity of transmitting the majority of such Notes to the Presidencies to which they appertain, with a view to the value being credited to the Presidency of Madras.

8. I do not at present see reason to suppose that I should have much difficulty in disposing of Bombay Notes, if they were ever paid into my Treasury, as it is not improbable that all Notes of the Government of India being current in Travancore, those of Bombay will be in greater demand than those of Madras, which will be of little or no use to merchants trading with Bombay, or the Ports north of Mangalore.

9. Under any circumstances it may be deemed desirable, that some little risk of inconvenience to Government should be incurred, rather than that a measure should be taken which would perhaps unsettle men's minds on a subject on which at present no very clear ideas are supposed to be entertained by the Native public.

No. 46.

ORDER THEREON, 14th August 1862, No. 602.

The Governor in Council observes that there can be no objection to the Government Currency Notes being paid into the Resident's Treasury in discharge of the Travancore Subsidy; but as regards Notes of the Bombay Presidency, they must be received under the same condition on which those Notes are received in payment of revenue by the Collector of Malabar, viz., that no more are to be received than the Resident will probably be able to dispose of. It would seem from paragraph 8 of Mr. Fisher's letter, that practically this restriction will not much limit the receipt of Bombay Notes.

2. Referring to paragraph 5 of the Resident's letter, it will of course be open to the Travancore Government to modify their Proclamation, if they see fit, to the effect stated, but the Resident should not in any way suggest it, nor interfere in the matter.

Ordered that a copy of the Accountant General's letter and of these Proceedings be furnished to the Resident in Travancore.

(Signed) T. PYCROFT,  
Chief Secretary.

45-46

Respecting the  
proposal of Mr. Peck,  
Agent of Travancore  
to receive Bombay  
& Bengal Notes in  
payment of  
Travancore Subsidy.

27th 1862 Dept  
No 612  
Proceedings of Govt  
Dated 14th Aug 62

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Fort Saint George  
Accountants Office  
No 131  
31 July 1862.

From  
The Acting Accountant General  
To The Chief Secretary  
to Government  
Sir

+to be returned

I have the honor to submit,  
in Original, for the orders of Government,  
a letter to my address from the Resident  
of Travancore and Cochin, No 1095 dated the  
22d Instant, that Officer being desirous of  
obtaining the permission of Government to receive  
all Government Currency Notes whether of the  
Bengal or Bombay Government, equally  
with those of this Presidency, which may  
be tendered in payment of the Travancore  
Subsidy.

2. As questions relating to this  
subject are frequently referred to this Office  
for report, I beg to make a few remarks on  
the proposition of the Resident.

3. Though the Resident fears that  
any refusal on his part to take all notes alike  
may raise doubts in the minds of the people

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as to the safety of dealing in and using them, I regret I cannot agree with him as to the advisability of permission being granted him to receive notes of other Presidencies beyond the amount that he would probably be able to dispose of at his own Treasury. If Bombay notes are largely used as a remittance to the sea ports of the Travancore Country, it is most probable if the Resident's request was granted that they would nearly all find their way up to his Treasury, as the Branch Bank of Madras at Cochin would not only refuse to cash them, but would also probably do their utmost to impede their circulation in a district within the limits of this Presidency. This might lead to serious results and cause great inconvenience by necessitating the periodical despatch of silver to the Resident's Treasury.

4. If as Mr. Fisher anticipates in para 8 no difficulty in disposing of Bombay notes is likely to arise, he is at liberty to imagine under the orders of Government No. 479 dated 30<sup>th</sup> June 1862 to exercise his discretion in the matter, as there appears to be no reason that notes which can be received from private parties should not equally be received from the Travancore Gov<sup>t</sup> provided the conditions therein specified is not violated.

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5. The practice of remitting notes to Bombay to be credited to this Presidency as proposed in para 7 is I consider objectionable. If the option of receiving Bombay notes to any extent is allowed to the Resident at Travancore, there appears to be no valid reason why the privilege of making payments in similar notes should be withheld from the population of other districts on the Western Coast. The result of this, I apprehend, would be that the remittances from Bombay for the purchase of produce, which in 1861/62 amounted to no less than 37½ lakhs in Malabar alone, would nearly all be made in notes, most of which would probably soon find their way into some Government Treasury, and would have to be remitted back to Bombay at the risk and expense of Government.

6. I request that I may be favored with a copy of the orders of Government passed on the Resident's letter.

I have the honor to be  
Sir

Yours most obedient servant  
R. M. Mung  
Ag. Account General

S. M. and K. M. Pillay  
Cof. Secy to the Government

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read letter from the Agt.  
Accountant General.

(Dated 31 July 1862 No 134)

Order thereon 14 Augt. 1862 No 602

The Governor in Council observes that there can be no objection to the Govt. Exchequer Notes being paid into the Resident's Treasury in discharge of the Travancore Subsidy; but as regards Notes of the Bombay Presidency they must be <sup>received</sup> under the same condition on which those Notes are received in payment of revenue by the Collector of Malabar, viz, that no more

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No: 1<sup>st</sup> July 1862  
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" - 30 June 1862  
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To the Chief Secretary  
to the Government  
Dated 31<sup>st</sup> July 1862  
No 134  
No 602

Forwarded with above  
enclosed a letter from the Agt.  
of Travancore proposing  
to receive notes of other Pres.  
in payment of the  
Travancore Subsidy.

55 Augt  
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are to be received than the Resident will probably be able to dispose of. It would seem from para 8 of Mr. Fisher's letter that practically this restriction will not much limit the receipt of Bombay Notes.

2 Referring to para 5 of the Resident's letter, it will of course be open to the Travancore Govt. to modify their proclamation, if they see fit, to the effect stated, but the Resident should not in any way suggest it, nor interfere in the matter.

Ordered that a copy of

of the Accountant General's letter & of these Proceedings be furnished to the Resident in Travancore.

*[Signature]*

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To Acct<sup>y</sup> General with  
" Resident of  
Travancore & Cochin

Des<sup>d</sup> 15<sup>th</sup>

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Respecting the pre-  
sents of the Madras  
Government to receive  
Bamboo & Sugar Notes  
in payment of Madras  
Subsidy.

Dated 14<sup>th</sup> Aug 1862

PROCEEDINGS OF GOVERNMENT.

No. 602

File 1862. Department.