

(1) Number of pages 24(2) Date of repair 22-6-38(3) Initials of the Referencer Q

## MADRAS RECORD OFFICE.

Government of Madras.

*Financial* DEPARTMENT.G.O. No. 693Press  
Mis.*60-63*Dated 30-7-3818 62*60-63**14/15*Not to be folded or roughly handled

*Proceedings of the Madras Government, Financial Department,  
30th September 1862.*

Read the following papers:--

No. 60. From H. A. MANGLES, Esq., Acting Accountant General; to the Chief Secretary to Government, Fort Saint George, dated 10th September 1862, No. 204.

\* No. 53, dated 5th instant, to be returned.

I have the honor to forward in original a letter\* from the Collector of Coimbatore, requesting information as to whether he is at liberty to

cash half of a Government Currency Note, the party presenting it stating that the second half had been lost while in transit through the Post Office.

2. I have informed him in reply that he should invariably refuse to cash halves of Government Notes, but should refer applicants to the Secretary to the Bank of Madras as the Agent appointed by Government for the issue, circulation, payment and cashing of such Notes, under Act XIX of 1861.

3. Hitherto it has been the practice, I believe, of the Bank in the case of its own Notes, to cash halves on the presenter executing a Bond of Indemnity protecting the Bank against all consequences arising out of such act.

4. As however, this question appears to fall more within the province of the Currency Commissioner than of the Accountant General for report, I refrain from making any further remarks on the subject.

Referred to the Commissioner of the Department of Issue at Madras for his opinion.

FORT SAINT GEORGE,  
12th September 1862.

(Signed) T. PYCROFT,  
Chief Secretary.

No. 61. From Lieutenant Colonel C. A. ORR, Commissioner for the Department of Issue of Paper Currency; to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated 19th September 1862, No. 20.

Enclosures 3.

With reference to your endorsement on a letter from the Acting Accountant General, under date the 10th September 1862, No. 204, referring for my opinion the subject of an application that has been made by the Collector of Coimbatore, as to whether he was at liberty to cash half of a Government Currency Note when the party presenting it stated that the second half had been lost while in transit through the Post Office, I have the honor to inform you that I fully agree with the Accountant General that it will be necessary for all Officers in charge of District Treasuries invariably to refuse to cash half Notes, and to refer the holders to the Bank of Madras, where alone payment of them can properly be obtained.

2. If Officers up-country be ready to cash half Notes it is obvious that the full value of a Note might be obtained twice over by fraudulent parties, through the simple expedient of cutting it into two halves and arranging to have the two pieces presented for payment simultaneously at two separate Treasuries, for it will generally be difficult to disprove any statement that the holder, for the time being, of each half Note may make of the lawfulness of the mode in which it came into his possession. There ought, in my opinion, to be but one place where half Notes should be cashed, and that place is, I think, the Bank of Madras, because, it is there that they must ultimately be sent for cancelment, and, as the constituted Agent of the Government for the management of the circulation, the Bank has bound itself, by Clause XVI of its agreement, to undertake the whole responsibility for any loss or damage that may be occasioned by the wrongful payment or exchange of any Notes at or by the Bank, and has thereby made it unnecessary for the Government needlessly to incur the risk of wrongful payment being made by its own Officers in doubtful cases. It will be better to refer all these to the Bank, which, moreover, by its location at the Presidency, where stolen Notes are most likely to be sent, and as the centre of the Note circulation is, I believe, in the best position to discover the traces of the missing halves, and to prevent their conversion into cash. The very prevalent practice of abstracting half Notes from letters may also be checked by its being known that difficulties are

*Proceedings of the Madras Government, Financial Department,  
30th September 1862.*

thrown in the way of cashing such half Notes, and that money for them can only be had at the Bank, under conditions which make payment to the wrongful holder of no advantage to him.

3. District Officers should be directed to refer the holders of half Notes to the Bank of Madras, and instructions should be issued to the Bank to cash such half Notes in the same manner as it cashed halves of its own Notes, on the persons presenting them giving satisfactory evidence of their ownership of them, and complying with the usual conditions of advertising the loss of the missing halves a certain number of times in the Gazette, and entering into a Bond to indemnify the Bank for any legal expenses it may have to incur in resisting a demand for payment of the second halves at any future time.

No. 62. From Lieutenant Colonel C. A. ORR, Commissioner for the Department of Issue of Paper Currency; to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated 24th September 1862, No. 22.

With reference to my letter of the 19th instant, No. 20, and to the correspondence, as per

Enclosure one.

\* Letter from J. Iyaleo Naidoo to the Deputy Collector in charge of the Treasury, Coimbatore, dated 29th August 1862.

Letter from the Collector of Coimbatore, to the Acting Accountant General, dated 5th September 1862.

Letter from the Acting Accountant General, to the Chief Secretary to Government, dated 10th September 1862, No. 201.

Government concur in my opinion that the Bank is the only place where half Notes can properly be cashed, instructions may be given for their being paid there in the same manner and under the same conditions as the halves of its own Notes have usually been cashed by the Bank.

From J. McIVER, Esq., Secretary and Treasurer Bank of Madras; to Lieutenant Colonel C. A. ORR, Currency Commissioner, dated 33rd September 1862, No. 18-903.

I have the honor to state that several reports have been made to me of the loss of the halves of Government Currency Notes, in transmission by post, and accompanied by applications from the parties requesting payment of the amounts on their returning to the Bank the corresponding halves; I request you will have the goodness to intimate to me what course is to be pursued by the Bank with respect to such applications.

I may state that the usual practice of the Bank, when the loss of the half of one of its own Notes was reported, was to register the loss, and request the party to advertise it in the Government Gazette; and if the missing half was not forthcoming within a period of 3 months, to pay the amount of the Note on the remaining half being deposited with the Bank, accompanied by a Bond of Indemnity from some known party resident in Madras.

(True Copy.)

(Signed) CHARLES A. ORR, Lieut. Colonel,  
Commissioner for the Department of Issue.

No. 63. ORDER THEREON, 30th September 1862, No. 693.

The Government quite concur in the opinion of the Commissioner of the Issue Department, and they resolve to furnish a copy of his letter to the Accountant General for communication to the Collector of Coimbatore for his information and guidance—and in view to instructions being issued to the several Officers in charge of District Treasuries to the effect stated in para. 2 of his letter of the 10th instant, No. 204.

2. Resolved, that a copy of the letters above recorded and of the foregoing Order be furnished to the Secretary and Treasurer of the Bank of Madras, and that, as suggested in the concluding para. of the Commissioner's letter, the Bank be instructed to cash half Notes in the

*Proceedings of the Madras Government, Financial Department,  
30th September 1862.*

same manner as it cashed halves of its own Notes, on the persons presenting them giving satisfactory evidence of their ownership of them, and complying with the usual conditions of advertising the loss of the missing halves a certain number of times in the Gazette, and entering into a Bond to indemnify the Bank for any legal expenses it may have to incur in resisting a demand for payment of the second halves at any future time.

(Signed) T. PYCROFT,  
Chief Secretary.

To

Colonel C. A. Orr

Currency Commissioner

Sir,

I have the honor to state that several reports have been made to me of the loss of the halves of Government Currency notes, in transmission by post, and accompanied by applications from the parties requesting payment of the amounts on their returning to the Bank the corresponding halves; I request you will have the goodness to intimate to me what course is to be pursued by the Bank with respect to such applications.

I may state that the usual practice of the Bank, when the loss of the half of one of its own notes was reported, was to register the loss, and request the party to advertise it in the Government Gazette, and if the missing half was not forthcoming within a period of 3 months, to pay the amount of the note on the remaining half being

being deposited with the Bank, accompanied  
by a Bond of Indemnity from some known  
party resident in Madras.

I have &c

Bank of Madras, } Signed / J. McLeer  
23<sup>rd</sup> September 1862 } Secretary & Treasurer.

*Q. Q.*

/ True Copy /

*Wm. S. M.*  
Commissioner for the  
Department of Public.

From Lieut Colonel C. A. Orr

Commissioner for the Dept of Issue  
of Paper Currency.

To T. Pycroft Esq,  
Chief Secretary to Government.

Fort St. George

Sir,

With reference to my letter of the  
19<sup>th</sup> instant, N<sup>o</sup> 20, and to the correspondence,  
as per margin, to which it relates, I here-  
with submit the accompanying copy of a  
letter to my address from the Secretary  
and Treasurer of the Bank of Madras  
on the subject of the Bank cashing the  
halves of Currency notes presented to it  
for payment when the other halves have  
been lost, and I have the honor to request  
that, if the Government concur in my  
opinion that the Bank is the only place  
where half notes can properly be cashed,  
instructions may be given for their being  
paid there in the same manner and

under

Enclosure. One.

- \* Letter from J. Pycroft Esq to the  
Collector, in charge of the Treasury,  
Cimbatore, dated 29<sup>th</sup> August 1862.
- do - from the Collector of Cimbatore to the  
Ag. Secy. General dated 5<sup>th</sup> Sept. 1862.
- do - from the Ag. Secy. General to the  
Chief Secretary to Govt, dated 10 Sept. 1862, p 204.

Enclosure in a letter from  
the Commissioner for the  
Department of Issue  
to the Chief Secretary to  
Government, Fort St. George,  
dated 24<sup>th</sup> September 1862,  
N<sup>o</sup> 22, -

File N<sup>o</sup> 22-762

under the same conditions as the halves of  
its own notes have usually been cashed by  
the Bank.

I have the honor to be,

Sir,

Your most obedient servant.

Madras,

Mint,

21<sup>st</sup> September 1862

Ex<sup>o</sup> C. B.

Charles A. B. R.

Commissioner for the  
Department of Issue.

No 204

117  
Fort Saint George  
Actt Genl's Office  
10 September 1862

From The Acting Accountant General  
To The Chief Secretary  
to Government

Sir,

I have the honor to forward in  
Original a letter from the Collector of Coimbatore  
requesting information as to whether he is at liberty  
to cash half of a Government Currency note, the  
party presenting it stating that the second half  
had been lost while in transit through the Post  
Office.

\* No 33 of 5<sup>th</sup> August  
to be returned -

2. I have informed him in reply that he  
should invariably refuse to cash halves of Govern-  
ment notes, but should refer applicants to the  
Secretary to the Bank of Madras as the Agent  
appointed by Government for the issue, circulation,  
payment and cashing of such notes under Act  
XIX of 1861.

3. Hitherto it has been the practice the  
line, of the Bank in the case of its own  
notes, to cash halves on the presenter executing  
a Bond of Indemnity protecting the Bank  
against all consequences arising out of such  
act -

4. As however this question appears to  
fall more within the province of the Currency  
Commissioner

Final 1862 (Draft)

From the Commissioner

for the Dept of Revenue

of Mysore & Coimbatore

To The Chief Secretary

to Government

Fort St George

Dated 19<sup>th</sup> Decr 28<sup>th</sup> Feb 1862

Enclosure. One

No 204 of 762

Submits copy of a letter

from the Secretary and

Commissioner of the Bank of

Madras and requests that

instructions may be given

for the issue of Currency notes  
being issued at the Bank  
under the usual conditions.

117

Commissions than of the Accountant General  
for report, I refrain from making any further  
remarks on the subject -

I have the honor to be

Sir

Your obedient servant

G.D.

R. Mangles

Actg Account General

From Lieut Colonel C. A. Orr.  
 Commissioner for the Dept of Issue  
 of Paper Currency.

To J. Pycroft Esq.  
 Chief Secretary to Government  
 Fort St George

Sir,  
 With reference to your endorse-  
 -ment on a letter from the Acting Account-  
 -ant General, under date the 10<sup>th</sup> September  
 1862, No. 204, referring for my opinion the  
 subject of an application that has been  
 made by the Collector of Coimbatore, as  
 to whether he was at liberty to cash half  
 of a Government Currency note when  
 the party presenting it stated that the  
 second half had been lost while in transit  
 through the Post Office, I have the honor  
 to inform you that I fully agree with  
 the Accountant General that it will be  
 necessary for all Officers in charge of  
 District Treasuries invariably to refuse  
 to cash half notes, and to refer the holders  
 to the Bank of Madras, where alone  
 payment

Enclosures 3.

File 1862 Department

From  
The Accountant General

To The Chief Secretary  
to Government

Coimbatore  
12<sup>th</sup> Sept 1862

No. 204. 1862

No. 737

Shows a question from  
the Collector of Coimbatore  
whether the half of a Govt.  
currency note may be cash-  
ed when the other half being lost.

Refered

Refered to the Com-  
missioner of the Department  
-due at Madras for his opinion.

12<sup>th</sup> Sept 1862

Chief Secretary to Govt

The Commissioner of the Dept  
of Madras at Madras.

Returned with the Encl.  
19<sup>th</sup> Sept 1862

24. 9. 62

payment of them can properly be obtained.

2 If Officers up country be ready to cash half notes it is obvious that the full value of a note might be obtained twice over by fraudulent parties, through the simple expedient of cutting it into two halves and arranging to have the two pieces presented for payment simultaneously at two separate Treasuries, for it will generally be difficult to disprove any statement that the holder, for the time being, of each half note may make of the lawfulness of the mode in which it came into his possession. There ought, in my opinion, to be but one place where half notes should be cashed, and that place is, I think, the Bank of Madras, because, it is there that they must ultimately be sent for cancellation, and, as the constituted agent of the Government for the management of the circulation, the Bank has bound itself, by clause ~~xvi~~ of its agreement, to undertake the whole responsibility for any loss or damage that may be occasioned by the wrongful payment or exchange

171  
exchange of any notes at or by the Bank, and has thereby made it unnecessary for the Government needlessly to incur the risk of wrongful payment being made by its own Officers in doubtful cases. It will be better to refer all these to the Bank, which, moreover, by its location at the Presidency, where stolen notes are most likely to be sent, and as the centre of the note circulation is, I believe, in the best position to discover the traces of the missing halves, and to prevent their conversion into cash. The very prevalent practice of abstracting half notes from letters may also be checked by its being known that difficulties are thrown in the way of cashing such half notes, and that money for them can only be had at the Bank, under conditions which make payment to the wrongful holder of no advantage to him.

3 District Officers should be directed to refer the holders of half notes to the Bank of Madras, and instructions should be issued to the Bank to cash such half notes in the same manner as it cashed halves

halves of its own notes, on the persons pre-  
senting them giving satisfactory evidence  
of their ownership of them, and complying  
with the usual conditions of advertising the  
loss of the missing halves a certain number  
of times in the Gazette, and entering into  
a Bond to indemnify the Bank for any  
legal expenses it may have to incur in  
resisting a demand for payment of the  
second halves at any future time.

I have the honor to be,

Sir,

Your most obedient servant.

Charles A. Orr

Commissioner for the  
Department of Issue.

Madras,  
Mint,  
19<sup>th</sup> September 1862.

Ch. A. Orr

241-57  
1256

that the Bank of  
Madras is the only place  
where notes of currency  
notes should be cashed  
as they would ultimately  
be sent there for pay-  
ment and cancellation.

Final 1862 Definitive  
from the Commissioner  
for the Dept of Revenue  
of Paper Currency  
to the Chief Secretary  
to Government  
Dated 19<sup>th</sup> Sept 1862  
No 7572  
Enclosed please  
State his opinion

60-63

Financial Department.

211

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following  
papers:

- From the Adg. Sec. (General) } Dated 10<sup>th</sup> Sept. 1862 No 204)
- From the Commissioner }  
for the Department of }  
Issue of Paper Currency } 19 - - - - 20)
- From - do - - - - 21 - - - - 22)

Order - 30<sup>th</sup> Sept. 1862 No 693.

Will

The Govt. quite concurs  
in the opinion of the  
Commissioner of the  
Issue Department, &  
resolve to furnish a copy  
of his letter to the A.C.  
-countant General  
for communication  
to the Collector of Coin-  
batore for his informa-  
tion & guidance & in  
view to instructions  
being issued to the  
several Offices in charge  
of

of District Treasuries  
to the effect stated in  
para 2 of his letter of  
the 10<sup>th</sup> Instant. N<sup>o</sup> 204-

2 Resolved that a copy  
of the letter above record-  
ed, of the foregoing  
Order be furnished to  
the Secretary & Treasurer  
of the Bank of Madras  
& that, as suggested in  
the concluding para  
of the Commissioner's  
letter, the Bank be in-  
structed to cash half  
Notes in the same  
manner as it cashed ~~half~~  
halves of its own Notes,  
on the persons presenting  
them giving satisfactory  
evidence of their owner-  
ship of them, & complying  
with the usual conditions  
of advertising the loss of  
missing halves a  
certain number of times  
in the Gazette, & entering  
into a Bond to in-  
demnify the Bank for  
any

any legal expenses it  
may have to incur  
in resisting a demand  
for payment of the se-  
cond halves at any  
future time.

JP

Secy. General  
- Comr. for the Dept. of  
Issue of Paper Currency  
- Secy. & Treasurer of the  
Bank of Madras

Sept 30

Office, 1862. Department.

No. 1093.

PROCEEDINGS OF GOVERNMENT.

Dated 30th April 1862

7/11 469-52-165