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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	<i>69 A - 70</i>	Press <u>Mis.</u>
<i>88-90.</i>		
Dated	<i>27-1-</i>	<i>1862.</i>

88-89.

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Not to be folded or roughly handled

*Proceedings of the Madras Government, Financial Department,
27th January 1862.*

No. 88. Read the following letter from F. LUSHINGTON, Esq., Acting Accountant General; to the Chief Secretary to Government, Fort Saint George, dated 27th January 1862, No. 298.

Book and Adjustment Department.

I have the honor to acknowledge the receipt of the Order of Government in the Financial Department, No. 55, dated 20th instant, transmitting Extract from the Proceedings of the Government of India noted in the margin, and directing me to report the detailed arrangement which I would "propose to make with the Bank of Madras on the transfer to it of the Treasury business, the extent of the Presidency Currency circle, date of commencement of transfer of Treasury business, and introduction of the Paper Currency, with any other particulars in view of carrying out the arrangements in general accordance with those sanctioned for Calcutta.

2. In reply I have the honor to state that the transfer of the Treasury business to the Madras Bank, and the introduction of the Paper Currency may both in my opinion be conveniently ordered to take effect from the 1st of March next. It is proper however to mention that up to the present time, I have been unable to obtain the execution of the Agreement by the Madras Bank, as the Directors wish, before signing the Agreement to receive the decision of the Supreme Government on their application for an increase of the maximum and minimum balances, on the understanding that they are about to open Branch Banks in some of the Districts. The decision of the Government of India on this point is expected by the present Steamer from Calcutta, and immediately the Agreement has been executed, I shall be prepared to submit the detailed arrangements required by Government, and which will generally accord with those sanctioned for Calcutta, as recorded in the Proceedings of the Government of India above referred to.

3. In the mean time one question presses for early decision, namely, whether or not, the value of the copper coin to be handed over to the Bank is to be excluded from the maximum and minimum balances. At Calcutta the copper bears a small proportion to the total balance, and it is probable that this question has not arisen, nor been considered there; but here it is otherwise, and if the maximum and minimum balances at the disposal of the Bank were to include the copper, of which there is now nearly 7 lacs in the Treasury and Mint, the Bank would really only have the use of 3 and 8 lacs of Government balances. The Bank, it is true, might include the copper in the reserve to be made over to the Mint Master, as Section 2 of the Agreement does not specify in what coin the reserve is to be kept, but the inconvenience and labor attending the transfer backwards and forwards from the Mint to the Bank, of such large amounts of copper, would be such as to render the arrangement impracticable. The amount of copper now in store will probably be considerably reduced before the transfer takes place, as I have requested the Civil Paymaster to arrange for remitting as much of it as possible up country, but the amount in store will always be large enough to affect largely the maximum and minimum balances at the disposal of the Bank.

4. The Districts to which, as an experimental measure, I am of opinion the Paper Currency may be extended are Madras, North and South Arcot, Nellore, Cuddapah, Salem and Tanjore, I beg to suggest that the Government of India may be moved to send down to the Mint Master Forms of the Registers, Accounts, &c., which may have been adopted in the Calcutta Mint in connection with the introduction of the Paper Currency.

5. I beg to add in conclusion that the boxes containing the Notes received from England are now in the Treasury, and to suggest that they be at once made over to the Mint Master to be signed and made ready for delivery to the Bank when the proper time shall arrive.

No. 89. ORDER THEREON, 27th January 1862, No. 69A.

Resolved, that a copy of the foregoing letter be transmitted to the Government of India, and that their instructions be solicited on the question mooted in paragraph 3, viz., whether or not the value of the Copper Coin to be handed over to the Bank is to be excluded from the maximum and minimum balances.

*Proceedings of the Madras Government, Financial Department,
27th January 1862.*

2. The Government of India will at the same time be requested to send down for the Mint Master here Forms of Registers, Accounts, &c., which may have been adopted in the Calcutta Mint in connection with the introduction of the Paper Currency.

3. With reference to the concluding paragraph of the Acting Accountant General's letter, the Government direct that the Notes received from England and now in the Treasury be made over to the Mint Master for the purpose indicated.

Ordered that the following letter be Despatched.

(Signed) T. PYCROFT,
Chief Secretary.

No. 90. To the Secretary to the Government of India, Financial Department, dated Fort Saint George, 27th January 1862, No. 70.

With reference to an Extract from the Proceedings of the Government of India under date the 3rd instant, No. 51, I am directed by His Excellency the Governor in Council to forward the accompanying copy of a letter from the Acting Accountant General of this day's date.

2. From this it will be seen that in the opinion of Mr. F. Lushington, the transfer of the Treasury business to the Madras Bank and the introduction of the Paper Currency may both be conveniently ordered to take effect from the 1st of March next. He, however, mentions that up to the present time he has been unable to obtain the execution of the Agreement by the Madras Bank, as the Directors wish before signing it to receive the decision of the Supreme Government on their application for an increase of the maximum and minimum balances, on the understanding they are about to open Branch Banks in some of the Districts.

3. The Acting Accountant General states that the decision of the Government of India on this point is expected from Calcutta by the present Steamer—but I am to observe that the Directors' letter was sent from Madras by Land Dâk on the 16th instant, (a duplicate being kept for the Steamer now expected.) The decision of the Government of India cannot therefore be communicated by the Steamer of the 23rd; but I am to request that it may be intimated by Telegraph.

4. The Accountant General states that immediately on the Agreement having been executed, he will be prepared to submit the detailed arrangements required for carrying out the new system which will generally accord with those sanctioned for Calcutta.

5. I am desired to solicit instructions on the question mooted by Mr. Lushington in paragraph 2 of his letter, viz., whether or not the value of the Copper Coin to be handed over to the Bank is to be excluded from the maximum and minimum balances.

6. This Government will in a few days submit their views as to the Districts to which the Paper Currency should be extended. Meanwhile, I am to request that there may be sent down for the Mint Master here forms of Registers, Accounts, &c., which may have been adopted in the Calcutta Mint in connection with the introduction of the Paper Currency.

7. With reference to the concluding paragraph of the Acting Accountant General's letter, the Notes received from England and now in the Treasury have been made over to the Mint Master for the purpose indicated.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

Booke and Adjust. Department

N^o 298

*Fort Saint George,
Account^t Gen^l's Office,
27 January 1862.*

From

*The Acting Accountant General
To The Chief Secretary
to Government
Sir,*

I have the honor to acknowledge the receipt of the order of Government in the Financial Department N^o 55 dated 20th Instant transmitting Extract from the Proceedings of the Government of India noted in the margin, and directing me to report the detailed arrangement which I would propose to make with the Bank of Madras on the transfer to it of the Treasury business the extent of the Presidency Currency circle-date of commencement of transfer of Treasury business, and introduction of the Paper Currency with any other particulars in view to carrying out the arrangements in general accordance with those sanctioned for Calcutta.

2. In reply I have the honor to state that the transfer of the Treasury business to the Madras Bank, and the introduction of the Paper Currency may both in my opinion be conveniently ordered to take effect from the 1st of March next. It is proper however to mention

that

that up to the present time I have been unable to obtain the execution of the Agreement by the Madras Bank, as the Directors wish, before signing the Agreement to receive the decision of the Supreme Government on their application for an increase of the Maximum and Minimum balances, on the understanding that they are about to open Branch Bank in some of the Districts. The decision of the Government of India on this point is expected by the present Steamer from Calcutta, and immediately the agreement has been executed I shall be prepared to submit the detailed arrangements required by Government, and which will generally accord with those sanctioned for Calcutta, as recorded in the Proceedings of the Government of India above referred to.

3. In the mean time one question presses for early decision, namely whether or not, the value of the copper coin to be handed over to the Bank is to be excluded from the Maximum and Minimum balances. At Calcutta the copper bears a small proportion to the total balance, and it is probable that this question has not arisen, nor been considered there. but here it is otherwise, and if the Maximum and Minimum balances at the disposal of the Bank were to include the copper, of which there is now nearly 7 lacs in the Treasury and Mint, the Bank would

5
would really only have the use of 3 and 8 lacs of Government balances. The Bank, it is true, might include the copper in the reserve to be made over to the Mint Master, as section 2 of the Agreement does not specify in what coin the reserve is to be kept but the inconvenience and labor attending the transfer backwards and forwards from the Mint to the Bank, of such large amounts of copper would be such as to render the arrangement impracticable. The amount of copper now in store will probably be considerably reduced before the transfer takes place, as I have requested the Civil Paymaster to arrange for remitting as much of it as possible ^{up Country but this} amount in store will always be large enough to affect largely the Maximum and Minimum balances at the disposal of the Bank.

4. The Districts to which, as an experimental measure, I am of opinion the Paper Currency may be extended are Madras, North and South Arcot, Bellone Cuddapah Salem and Tanjore. They to suggest that the Government of India may be moved to send down to the Mint Master Forms of the Register, Accounts &c. which may have been adopted in the Calcutta Mint in connection with the introduction of

of the Paper Currency.

5. I beg to add in conclusion that the boxes containing the notes received from England are now in the Treasury, and to suggest that they be at once made over to the Mint Master to be signed and made ready for delivery to the Bank when the proper time shall arrive.

I have the honor to be,

Sir,

Your obedient servant,

P. L. Loring

A. C. Accountant General

C. M. W.

I enclose returned as requested

Financial Depart.

The Madras Govt

Read the following letter from the Acting Accountant General.

Dated 27 January 1862 No 298

on 24th January 1862

Resolved, that a copy of the foregoing letter be transmitted to the Govt of India, and that their instructions be solicited on the question mooted in para 3. viz. whether or not the value of the Copper coin to be handed over to the Bank is to be excluded from the maximum and minimum balances.

The Govt of India will at the same time be requested to send down for the Mint Master here forms of Registers, Accounts

Financial 1862 Department

From The A^c Account Genl to the Chief Secretary to Government

12th 27th January 1862

1862. Reporting on the

proposed transfer of the General Standing to the Madras Bank and the value of the paper currency on the 1st March next.

Accounts say, which may
have been adopted in the
Alcutta Mint in connec-
tion with the introduction
of the Paper Currency.

With reference to
the concluding para. of
the Asst. General's let-
ter, the Govt direct that
the notes received from
England and now in the
Treasury be made over
to the Mint Master for
the purpose indicated.

Ordered, that the
following letter be des-
patched.

The Secy to the Govt of India
Financial Dept.

JF

11/20/60

to the Asst. General. } Despd 29th
" Mint Master. }
" To the Sub. Treasurers - Despd 30th

13
Gaul. Sep^r.

To the Secretary

the Gov^r of India
Gaul. Sep^r.

Sir

With reference to
an Extract from the
Proceedings of the Gov^r
of India under date
the 3^d Instant. N^o. 57,
I am directed by
H. C. the Governor in
Council to forward
the accompanying
copy of a letter from
the Acting Account
ant General of this
days date.

2 From this it
will be seen that
in the opinion of
Mr. F. Lushington
the transfer of the

Treasury vinding
Madras Bank a
the introduction of a
Paper Currency may
both be conveniently
ordered to take effect
from the 1st of March
next. He, however men-
tions that up to the
present time he has
been unable to ob-
tain the execution
of the Agreement
by the Madras
Bank as the Directors
wish before signing
it to receive the
decision of the Su-
preme Government
on their application
for an increase
of the maximum
and minimum
balances, on the

15
the Steamer
now expected).

The decision of the
Government of India
cannot therefore
be communica-
ted by the Steamer
of the 23rd, but
I am to request
that it may be
intimated by Tele-
graph.

4 The Accountant
General states that
immediately on the
Agreement having
been executed, he
will be prepared
to submit the

detailed

standing the
about to open
Branch Banks in
some of the District

3 The Acting Ac.
countant General
states that the
decision of the
Government of
India on this
point is expected
from Calcutta
by the present
steamer - but I
am to observe
that the Directors
letter was sent
from Madras
by Land Pak
on the 16th In-
stant, (a dupli-
cate being kept

detailed arrang-
ments required
for carrying out
the new system
which will gene-
rally accord with
those sanctioned
for Calcutta.

17

5 I am desired
to solicit instructions
on the question mooted
by Mr. Lushington
in para: 2 of his letter
viz: whether or not
the value of the Cop.
per coin to be
handed over to the
Bank is to be ex-
cluded from the
maximum and
minimum balances.

6. This Govt. will

a few days &
with their views as
the Districts to which
the Paper Currency should
be extended - Mean-
while, I am to request
that there may be
sent down for the
Mint Master here
forms of Registers, Ac-
counts &c., which
may have been a-
dopted in the Cal-
cutta Mint in
connection with
the introduction of
the Paper Currency

7 With reference
to the concluding
para. of the Acting
Accountant General's
letter, the notes
received from
England and

Memorandum 1862 (Departt)

No 69 A

Proceedings of Govt

D/27 January 1862-

No 70

To
The Secretary to the
Govt of India

D/27 January 62

F. No 184/1862

" " 301/62

Report the measures taken
with reference to the Resolution
of the Govt. of India of the
31st instant relating to the
transfer of the Treasury
from the Bank and
the introduction of the Paper
Currency.

have been run
over to the Mint
Master for the
purpose indicated

Fort St. George
27 January 1862

I have
JF

12 Letters
to follow