M.R.O. 1—77,005—8-6-37.

(1) Number of pages 30

(2) Date of repair 1936-37.

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras,

DEPARTMENT.

G.O. No. 745-46	Press / Mis.
Bm. 9-2	
Dated 21-10	18 .

59-62 13/14

Not to be folded or roughly handled

Read the following papers :—

No. 59. From H. A. MANGLES, Esq., Acting Accountant General; to the Chief Secretary to Government, Fort Saint George, dated 8th September 1862, No. 200.

Book and Adjustment Department.

I have the honor to forward for the Orders of Government, the accompanying letter* in original, from the Collector of Malabar, together with the correspondence as per margin, on the subject of the Agent of the Branch Bank at Cochin, charging a discount in cashing Notes that have been issued within the Madras Circle of Issue.

* To be returned
From Collector Malabar, to Agent, Madras Bank, Cochin, dated 25th August 1862, No. 3,649.
From Agent, Madras Bank, Cochin, to Collector Malabar, dated 28th August 1862, No. 117.

2. Mr. Winscom states his willingness to cash Notes belonging to the Cochin Circle of Issue, bearing his stamp upon them, but adds, that it is obviously impossible that the Bank can undertake to cash Notes issued in the Madras Circle.

3. This distinction of Circles on the part of Mr. Winscom, is altogether imaginary, as at present there is in this Presidency but one Circle of Issue, viz , that of Madras. This Government consented to make over the balance of cash at Cochin, to the Bank, when they established a Branch there, but beyond this, nothing has been done to establish a second Circle of Issue, and in that Circle to appoint a city or town to be the place of Issue of Notes, as is required by Act 19 of 1861.

4. The distinction therefore between Notes with, and those without the stamp of the Cochin Branch upon them, appears objectionable, as tending to throw certain Notes which have not happened to pass through the Agent's hands into discredit, and it therefore seems advisable that the principle of the clause of the agreement adopted in Bengal at the time of the establishment of different Agencies of Issue there should be introduced into this Presidency, viz., "That the said Branch Bank during the continuance of these presents, shall and will, to the utmost of their power, pay and satisfy, on demand, to the holders, the amount of all Government Currency Notes duly issued within the Circle of Calcutta, under the said Act 19 of 1861, which shall be presented for payment or conversion into cash at the Office of the Bank at———."

5. Though the agreement with the Bank of Bengal, containing the terms on which the business of Government Treasuries, and the issue and circulation of the Government Paper Currency sho. ld be conducted by its Branches, is not in its entirety applicable to the case of the Cochin Branch, where no fresh Circle of Issue has been established, but only the cash balance of the Talúq Treasury transferred to it, still it is a matter for the consideration of Government, whether some general agreement should not be entered into with the Bank, regarding the receipt, collection, payment and remittances of money on account of Government, submission of Returns, inspection and verification of the cash balance by a Government Official, and circulation of the Paper Currency.

From G. A. BALLARD, Esq., Collector of Malabar; to H. A. MANGLES, Esq., Accountant General, Fort Saint George, dated Calicut, 1st September 1862, No. 3,716.

In forwarding the correspondence noted, I have the honor to request you will inform me whether the Branch Bank at Cochin is justified in charging any discount in cashing Notes that would have been cashed free, as far as the resources of the Taluk Treasury admitted, had the Taluk Treasury been continued at Cochin instead of having been, for the expected mutual benefit of the public and the Bank, transferred to the Bank's management.

From Collector of Malabar to Agent Madras Bank, Cochin, dated 25th August 1862, No. 3,649.
From Agent Madras Bank, Cochin, to Collector of Malabar, dated 28th August 1862, No. 117.

From G. A. BALLARD, Esq., Collector of Malabar; to the Agent of the Branch Bank, Cochin, dated Calicut, 25th August 1862, No. 3,619.

It has been brought to my notice that you charge a discount of 1 per cent. for cashing Currency Notes of the Madras Government.

2. If this statement is true, I must express myself quite at a loss to understand such a proceeding which I consider most objectionable as tending to impede the circulation of the Notes and as inflicting an unwarrantable charge on the public.

3. At the Government Treasuries the circu[illegible] of the Currency Notes is absolutely free. The Branch Bank at Cochin has been allowed at its own desire, but for the convenience of all parties, to assume the functions of the Government Treasury. Had the Treasury been continued the Notes would have passed without charge, and assuredly the Bank should pass them on the same terms.

4. Unless you assent to this, I request you will let me hear from you by return of Post in order that I may bring the matter before Government.

From J. C. WINSCOM, Esq., Agent Madras Bank; to G. A. BALLARD, Esq., Collector of Malabar, dated Cochin, 28th August 1862, No. 117.

I have the honor to acknowledge the receipt of your communication No. 3,649 of the 25th instant.

The Notes belonging to the Cochin Circle of Issue bearing our stamp upon them are always cashed at the Bank on presentation, and without charge; but it is obvious that the Bank cannot undertake to cash the Notes issued in the Madras Circle, as the whole of the funds in my hands might if such were the case, at any time be exhausted by so doing; besides it would entail upon the Bank a serious loss, as merchants would then instead of drawing upon Madras against the shipments they make here, receive from that place remittances in Notes and demand Silver for them at the Bank; the whole cost therefore of providing the Silver which must be obtained either from Madras or Bombay, would fall upon the Bank and no corresponding advantage ensue. You have been misinformed as regards the amount of charge as it is only ten Annas per cent. which is the very smallest sum that can cover the expense of their transmission to Madras and the conveyance of Silver therefrom. Notes of the Madras Circle are received from the Revenue Officers on account of Government dues without charge. This entails a loss to the Bank but the amount is too small to render it worth mentioning.

* * *

(True Copies.)

(Signed) G. A. BALLARD,
Collector.

Referred to the Directors of the Bank of Madras for their remarks.

FORT SAINT GEORGE,
13th September 1862.

(Signed) T. PYCROFT,
Chief Secretary to Government.

No. 60. From JOHN McIVER, Esq., Secretary and Treasurer of the Bank of Madras; to the Chief Secretary to Government, Fort Saint George, dated 24th September 1862, No. 18-915.

I have the honor to acknowledge receipt of letter received by you from the Acting Accountant General of 8th September, along with original letter addressed to him by the Collector of Malabar, and copy correspondence between the latter and Mr. Winscom the Bank's Agent at Cochin, having reference to a charge of discount made by Mr. Winscom on cashing Government Currency Notes issued at Madras and which is referred by you to the Directors for their remarks.

In reply I am directed to state, 1st, That the Government Currency Notes issued by the Branch of the Bank at Cochin are impressed with a stamp denoting that they have been so issued, that though there is only one Circle of Issue in the Presidency, and Mr. Winscom is not strictly correct in using the term "Cochin Circle," it was necessary for the protection of the Branch to create a distinction between the Notes actually issued by the Branch and those issued at Head Office.

2. The Acting Accountant General is of opinion that this distinction is objectionable as tending to throw discredit on the Notes on which a discount is exacted. The Branch undertakes to cash all Notes issued directly from it, but no provision having been made by Government to enable the Bank to retire every Note that may be presented, this distinction became unavoidable; the same discredit relatively attaches to Notes of the different Circles in Bengal and Bombay and those issued from the various Branches of the Bank of England if presented where they are not payable.

3. This distinction is indispensable, as otherwise the Notes would be extensively employed in exchange remittances, and as Mr. Winscom observes all the funds in his hands might at any time be exhausted.

4. The Treasury balance at the Cochin Branch is comparatively limited and may be nearly all required at any moment for remittance to other Taluks or Districts, and it is evident the Bank cannot depend upon it for the purpose of retiring Notes.

5. The Directors for obvious reasons are desirous that as few impediments as possible be placed in the way of a free circulation of the Notes, but they are of opinion that any other course than the one they have pursued is, under the circumstances, impracticable.

No. 61. ORDER THEREON, 21st October 1862, No. 745.

The Governor in Council resolves to refer the question submitted in the foregoing papers to the Government of India for their instructions.

(Signed) T. PYCROFT,
Chief Secretary.

No. 62. To the Secretary to the Government of India, Financial Department, dated Fort Saint George, 21st October 1862, No. 746.

I am directed by the Governor in Council to forward to you, for submission to the Government of India, copies of the papers* noted in the margin, having reference to a charge of discount made by the Agent of the Branch Bank at Cochin on cashing Government Currency Notes that have been issued within the Madras Circle of Issue.

* Letter from the Acting Accountant General, with enclosures, dated 8th September 1862, No. 200.
Do. from the Secretary and Treasurer of the Bank of Madras, 24th September 1862, No. 915.

2. The Accountant General, in submitting the correspondence on the subject for the Orders of this Government, states that the Agent of the Branch Bank expresses his willingness to cash Notes belonging to the Cochin Circle of Issue, bearing his stamp upon them, but adds that it is obviously impossible that the Bank can undertake to cash Notes issued in the Madras Circle. This distinction of Circles, Mr. Maugles remarks, is altogether imaginary, as at present there is in this Presidency but one Circle of Issue, viz., that of Madras. The Government consented to make over the balance of cash at Cochin to the Bank, when they established a Branch there; but beyond this, nothing had been done to establish a second Circle of Issue, and in that Circle to appoint a city or town to be the place of issue of Notes, as required by Act XIX of 1861. The distinction therefore between Notes with, and those without, the stamp of the Cochin Branch upon them, he considers objectionable as tending to throw discredit on certain Notes which have not happened to pass through the Agent's hands, and he therefore thinks it advisable that the principle of the clause† of the agreement adopted in Bengal at the time of the establishment of different Agencies of Issue there, should be introduced into this Presidency.

† "That the said Branch Bank during the continuance of these presents, shall and will to the utmost of their power, pay and satisfy, on demand, to the holders, the amount of all Government Currency Notes duly issued within the Circle of Calcutta, under the said Act 19 of 1861, which shall be presented for payment or conversion into cash at the Office of the Bank at———."

3. The Directors of the Bank of Madras, to whom the Accountant General's letter was referred, state that the Government Currency Notes issued by the Branch Bank at Cochin are impressed with a stamp denoting that they have been so issued—that though there is only one Circle of Issue in this Presidency and the Agent is not strictly correct in using the term

Proceedings of the Madras Government, Financial Department,
21st October 1862.

"Cochin Circle," it was necessary for the protection of the Branch to create a distinction between the Notes actually issued by the Branch and those issued at Head Office, and that the Branch undertakes to cash all Notes issued directly from it, but no provision having been made by Government to enable the Bank to retire every Note that may be presented, this distinction became unavoidable. The distinction, they further remark, is indispensable, as otherwise the Notes would be extensively employed in exchange remittances, and all the funds in the Agent's hands might at any time be exhausted. The Treasury balance at the Cochin Branch being comparatively limited, might be nearly all required at any moment for remittance to other Talooks or Districts.

4. It appears to the Governor in Council that the Agent of the Cochin Bank has no right to stamp any Currency Notes with a stamp of that Branch Bank, nor to draw any distinction between Notes so stamped and other Notes. The Branch Bank is bound to cash at par all Notes, stamped or unstamped, that may be presented to it as far as its means may admit, just as the Cochin Taluq Treasury, which it has superseded, would have done; but it is not obliged to do more. As the question however, is a general one, the Madras Government have thought it proper to refer it to the Government of India for their instructions.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

N.: 3649 (Copy) Cabcut 25 August 1862.

To

The Agent of the Branch Bank
Cochin

Sir,

It has been brought to my notice that you charge a discount of 1 per Cent for cashing Currency notes of the Madras Governmen

2. If this statement is true I must express myself quite at a loss to understand such a proceeding which I consider most objectionable as tending to impede the circulatio of the notes and as inflicting an unwarranted charge on the public.

3. At the Government Treasuries the circulation of the Currency notes, absolutely free The Branch Bank at Cochin has been allowed at its own desire, but for the convenience of all parties, to assume the functions of the Governmen Treasury. Had the Treasury been continued the notes would have passed without charge, and assuredly the Bank should pass them on the same terms.

4. Unless you assent to this I request you will let me hear from you by return

of Post in order that I may bring the matter before Government.

I have &c.

(Signed) G. A. Ballard

Collector.

No. 117.

Bank of Madras

Cochin 28th August 1862

From

J. C. Winscom Esquire

Agent Madras Bank

To

G. A. Ballard Esquire

Collector of Malabar

Sir,

I have the honor to acknowledge the receipt of your communication No. 3649 of the 25th Instant.

The Notes belonging to the Cochin circle of issue bearing our stamp upon them are always cashed at the Bank on presentation, and without charge; but it is obvious that the Bank cannot undertake to cash the Notes issued in the Madras Circle, as the whole

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of the funds in my hands might if such were the case, at any time be exhausted by so doing; besides it would entail upon the Bank a serious loss, as Merchants would then instead of drawing upon Madras against the shipments they make here, receive from that place remittances in Notes and demand silver for them at the Bank; the whole cost therefore of providing the silver which must be obtained either from Madras or Bombay, would fall upon the Bank and no corresponding advantage ensue. You have been misinformed as regards the Amount of Charge as it is only ten Annas per Cent which is the very smallest sum that can cover the expense of their transmission to Madras and the conveyance of Silver therefrom. Notes of the Madras Circle are received from the Revenue Officers on account of Government dues without charge. This entails a loss to the Bank but the Amount is too

small to render it worth mentioning.

× × ×

I am &c.

(Signed) J. C. Winscom

Agent.

(True Copies)

P. Balfour

Collector.

Fort St. George

Dated 1st Sept. 1826

Comptr's Off.

9H

No. 18/915.

To

The Chief Secretary

to Government

Fort St. George

Sir,

I have the honor to acknowledge receipt of letter received by you from the Acting Accountant General of 8th. September along with Original letter addressed to him by the Collector of Malabar and Copy Correspondence between the latter and Mr. Winscom the Bank's Agent at Cochin, having reference to a Charge of Forgery by Mr. Winscom on Cochin Government Currency Notes issued at Madras and which is referred by you to the Directors for their remarks.

In reply I am directed to state 1st. That the Government Currency Notes issued by the Branch of the Bank at Cochin are impressed with a Stamp denoting that they have been so issued, that though there is only one Circle of Issue in the Presidency, and Mr. Winscom is not strictly correct in using the term "Cochin Circle" it was necessary for the production of the Branch to create a distinction between the Notes

Actually issued by the Branch and those issued at Head Office.

2. The Acting Accountant General is of opinion that this distinction is objectionable as tending to throw discredit on the Notes on which a discount is exacted. The Branch undertakes to Cash all Notes issued directly from it, but no provision having been made by Government to enable the Bank to retire every Note that may be presented, this distinction becomes unavoidable, the same discredit relatively attaches to Notes of the different Circles in Bengal and Bombay and those issued from the various Branches of the Bank of England if presented where they are not payable.

3. This distinction is indispensible as otherwise the Notes would be extensively employed in Exchange remittances, and as Mr Winscom observes all the funds in his hands might at any time be exhausted.

4. The Treasury balances at the Cochin Branch is comparatively limited and may be nearly all required at any moment for remittance to other Talooks & Districts, and it is evident the Bank Cannot depend upon it for the purpose of retiring

notes.

5. The Directors for obvious reasons are desirous that as few impediments as possible be placed in the way of a free Circulation of the Notes, but they are of opinion that any other Course than the one they have pursued is under the Circumstances impracticable.

I Have the Honor to be
Sir,
Your Obedient Servant.

John Mc Ivor
Secretary and Treasurer

Bank of Madras
Madras 24th Sept. 1862.

No 3716

From

Calicut 1st September 1862.

No 2284

G. A. Ballard Esquire

Collector of Malabar

To

H. A. Mangles Esquire

Accountant General

Fort St. George

Sir,

In forwarding the correspondence noted, I have the honor to request you will inform me whether the Branch Bank at Cochin is justified in charging any discount in cashing Notes that would have been cashed free, as far as the resources of the Taluk Treasury admitted, had the Taluk Treasury been continued at Cochin instead of having been, for the expected mutual benefit of the public and the Bank, transferred to the Bank's management.

From Collector of Malabar to Agent Madras Bank Cochin dated 25th August 1862 No 3649.

From Agent Madras Bank Cochin to Collector of Malabar dated 28th August 1862 No 117.

I have the honor to be

Sir

Your most Obedient Servant

G. A. Ballard

Collector.

balance

Book and Adjus.te Despatch

No. 200

Fort Saint George
Accountant Genls Office
8th September 1862.

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

I have the honor to forward for the orders of Government, the accompanying letter in Original, from the Collector of Malabar, together with the Correspondence as per margin, on the subject of the agent of the Branch Bank at Cochin, charging a discount in cashing Notes that have been issued within the Madras Circle of Issue.

From Coll.r Malabar to Agent Madras Bank Cochin dated 25th Augt. 1862 No. 3649.
From Agent Madras Bank Cochin to Coll.r Malabar dated 28th August 1862 No. 117.
* to be returned.

2. Mr. Winscom states his unwillingness to cash Notes belonging to the Cochin Circle of Issue, bearing his stamp upon them, but adds, that it is obviously impossible that the Bank can undertake to cash Notes issued in the Madras Circle.

3 This distinction of Circles on the part of Mr. Winscom, is altogether imaginary, as at present there is in this Presidency but one circle of Issue, Viz.t that of Madras. This Government consented to make over the

balance

1863 Dept.
From
The Collector of Malabar
To
The Accountant General
dated 1st September 1862
Received 5th —
No. 3716
Enc. 1
No.

Requesting to be informed whether the Branch Bank at Cochin is prohibited from charging any discount in cashing Notes.

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balance of cash at Cochin, to the Bank, when they Established a Branch there, but beyond this, nothing has been done to establish a second circle of Issue and in that circle to appoint a city or town to be the place of issue of notes, as is required by act 19 of 1861.

4 The distinction therefore between Notes with, and those without the stamp of the Cochin Branch upon them, appears objectionable, as tending to throw certain Notes which have not happened to pass through the agents' hands into discredit, and it therefore seems advisable that the principle of the clause of the agreement adopted in Bengal at the time of the Establishment of different agencies of Issue should be introduced into this Presidency, Viz.ᵗ "That the said Branch Bank during the continuance of these presents, shall and will, to the utmost of their power, pay and satisfy, on demand, to the holders, the amount of all Government Currency Notes duly issued within the circle of Calcutta, under the said act 19 of 1861, which shall be presented for payment or conversion into cash at the Office of the Bank at ——".

5 Though the agreement with the Bank of Bengal, containing the terms on

1717

on which the business of Government Treasury and the issue and circulation of the Government Paper Currency should be conducted by its Branches, is not in its entirety applicable to the case of the Cochin Branch, where no fresh circle of Issue has been Established but only the cash balance of the Siling transferred to it, still it is a matter for the consideration of Government, whether some general agreement should not be entered into with the Bank, regarding the receipt, collection, payment and remittances of money on account of Government, submission of Returns, inspection and verification of the cash balance by Government Officers, and circulation of the Paper Currency.

I have the honor to be,
Sir,
Your most obedient servant
H. Mangles
Ag. Accountᵗ Genᵈ

Compᵈ J.W.

Genᵈ Lt Authᵗ Rammohun

Financial Nos 7264 7264-

Memo

In order

It seems to me

that the Manager of

the Cochin Bank

has no right to

- y notes with the Liability

of that Branch

Bank, nor to draw

any dis in not a

bill on notes so

Rec'd 29 Sept/62 Ans 173

Financial 1862 No. 7264

From The Acting Accountant

To The Chief Secretary

to Government

Madras 26th September 1862

No. 7264

Sir

I have the honor to forward herewith a Letter from the Collector of Malabar, together with a Statement and Correspondence on the subject of the Agency of the Bank of Madras at Calicut, praying that Notes issued on Calicut may be received in Payment of Revenue at Cochin and Tellicherry.

I have the honor to be

Sir

Your most obedient

Humble Servant

Acting Accountant

Referred to the Collector of Malabar for his Remarks.

(Signed) G. Harris

Chief Secretary

Fort St George

6th October 1862

To the Directors

of the Bank of Madras

and 2 Cards

Copied

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13 Dec
25 "

Rec'd 29 Feby 64

Stamped or unstamped
Ste. unpaid unless
otherwise. The
Postal Guide is
to be the
sole authority
as to Rates

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which it has
superseded
would have done
it is
Obliged to do in a
few instances
The practice
but as far as it
might have to
many may admit,
influence the
just as it Could in
fact of Justices to
Taloh Framing
their instructions
JPS.

Financial Department

Proceedings of the Madras Govt

Read the following
letters:

From the Sec. to Govt. Fort St. George

(Dated 8 Sept. 1862. No. 700)

From the Sec. & Treasurer
of the Bank of Madras

(Dated 24th ult. No. 915.)

Order thereon 21 October 1862 No. 745.

The Governor in Council resolves to refer the question submitted in the foregoing papers to the Government of India for their instructions. Ordered accordingly that the following letter be despatched.

To the Sec. to the Govt. of
India Financial Dept.

To the Accountant General.
a Sec. & Treasurer of the
Bank of Madras.

} Despd. No. 22 dd.

Jud. 1862 Dept.

No 745.

Proceedings of Govt.

D/63
Ft. 9/27/63

October 1862

Report for the instructions of the Supreme Govt. in the question as to the charge of discount made by the Agent of the Bengal Bank at Cochin on encashing Govt. Currency Notes.

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62/962