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MADRAS RECORD OFFICE.

Government of Madras.

Finance DEPARTMENT.

G.O. No. 275 Press ~~Mis.~~
57-58

Dated 21-4- 1863.

57-58 7/8

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
21st April 1863.

No. 57 Read the following letter from J. L. LUSHINGTON, Esq., Acting Accountant General; to A. J. ARBUTHNOT, Esq., Chief Secretary to Government, Fort Saint George, dated 1st April 1863, No. 452.

In continuation of my letter, No. 439, dated 25th March 1863, regarding a uniform Currency Note for all India, I have now the honor to submit copy of reply received from the Chairman of the Chamber of Commerce on this subject. Government are now in possession of all the information collected in reference to the question of a uniform Currency Note.

From W. H. CRAKE, Esq., Chairman Chamber of Commerce; to J. L. LUSHINGTON, Esq., Acting Accountant General, Fort Saint George, dated Madras, 31st March 1863.

I have the honor to acknowledge receipt of the Proceedings of the Madras Government and Order thereon, dated 21st January 1863, No. 41, inquiring if in the opinion of the Chamber the absence of the expression of the value of the Currency Notes in the Vernacular of the District has interfered with their acceptance and currency.

I am desired to state that in the opinion of the Chamber this omission has been a hindrance to the circulation of the new Currency Notes, but to what extent it is impossible to state, as no means exist of forming an estimate.

The relative advantage of having a uniform Note for all India bearing on its face the value written in four languages, one of these being the Vernacular of the District, or of a Special Note for each large Circle of Issue, forms the second subject of inquiry in the Financial Secretary's Circular.

Whilst recognizing the advantage of a uniform Note for all India, the Chamber is of opinion, that the proposal to insert their value on the Notes in one of the principal Vernaculars in a Presidency like that of Madras, where there are at least four distinct languages in use would but partially remove the risks that a uniform Currency Note must entail.

The Chamber holds that in this great experiment of the Government's dealing with the Currency of the country, every circumstance calculated to excite suspicion in the minds of the Native population as to the immediate convertibility of the Notes should be carefully avoided, and if the Notes are not such, that the most illiterate can readily distinguish them, from those of other Circles, there will be the risks of holders finding themselves in possession of Notes that cannot be locally cashed, except at a discount by the money dealers.

A uniform Note for all India would be most desirable if its convertibility could be secured at all of the chief Circles of Issue; but there is no probability of the Government being able to take upon itself the liability to cash the Currency Notes in any other Circle than that in which they are issued, and so long as this is the case, and an actual exchange exists between the Presidencies, there will always be a temptation to force the circulation of Notes of one Presidency in the other.

The Chamber is disposed to recommend the adoption of such a form of Note in each Presidency as shall render them readily recognizable by all classes amongst whom they circulate.

(True Copy.)

(Signed) J. MACKEY,
Acting 2nd Assistant Accountant General.

No. 58 To the Secretary to the Government of India, Financial Department, dated Fort Saint George, 21st April 1863, No. 275.

With reference to my letters of the 20th and 26th ultimo, regarding the extent to which the absence of the expression of the value of the Currency Notes has interfered with their acceptance and currency, and the relative advantages of a uniform Note for all India or of a special Note for each large Circle of Issue, I am directed to transmit for the information of the Honorable the President in Council the annexed copy of a letter addressed by the Chairman of the Madras Chamber of Commerce to the Acting Accountant General, stating the views of the Chamber on these questions. The Chamber it will be

31st March 1863.

Proceedings of the Madras Government, Financial Department,
21st April 1863.

seen are in favor of having a special Note for each large Circle of Issue. The Governor in Council adheres to the opinion expressed in my letter of the 20th ultimo in favor of a uniform Note, and that if the value is given in a certain number of the Vernacular languages as well as in English, Telugu should be selected as the language of this Presidency the characters of which are most extensively known,

(Signed) A. J. ARBUTHNOT,
Chief Secretary.

Exd. T. McMootry.

Chambers of Commerce
Madras 31st March 1863

From

W. H. Crake Esquire
Chairman Chamber of Commerce

To J. L. Lushington Esquire
Accountant General
Fort Saint George

Sir,

I have the honor to acknowledge receipt of the Proceedings of the Madras Government and order thereon dated 21st January 1863 No 41 enquiring if in the opinion of the Chamber the absence of the expression of the value of the Currency Notes in the Vernacular of the District has interfered with their acceptance and currency.

I am desired to state that in the opinion of the Chamber this omission has been a hindrance to the circulation of the New Currency Notes, but to what extent, it is impossible to state as no means exist of forming an estimate.

The relative advantage of having a uniform Note for all India bearing

bearing on it's face the value written in four languages, one of these being the vernacular of the District, or of a Special Notes for each large circle of issue, forms the second subject of enquiry in the Financial Secretary's Circular.

Whilst recognising the advantages of a uniform Note for all India, the Chamber is of opinion, that the proposal to insert their value on the Notes in one of the principal vernaculars in a Presidency like that of Madras, where there are at least four distinct languages in use would but partially remove the objection that a uniform Currency Note must entail

The Chamber holds that in this great experiment of the Government's dealing with the currency of the Country, every circumstance calculated to excite suspicion in the minds of the Native population as to the immediate convertibility of the Notes should be carefully avoided, and if the Notes are not such, that the most illiterate can readily distinguish them, from those of other Circles, there will be the risks of holders finding themselves in possession of Notes that cannot be locally cashed, except at a discount by the Money dealers.

A uniform Note for all India would be most desirable if it's convertibility could be secured at all of the Chief Circles of issue but there is no probability of the Govt. being able to take upon itself the liability to cash the Currency Notes in any other Circle than that in which they are issued, and so long as this is the case, and an actual exchange exists between the Presidencies, there will always be a temptation to force the circulation of Notes of one Presidency in the other.

The Chamber is disposed to recommend the adoption of such a form of Note in each Presidency as shall render them readily recognisable by all classes amongst whom they circulate

I have &c
(Signed) W. H. Crake
Chairman

(True Copy)

Acting 2d Asst. Accot Genl

Fort Saint George
No. 1152 Accountt. Genls. Office
1 April 1863

From
J. L. Lushington Esquire
Ag Accountant General

To
A. J. Arbuthnot Esquire
Chief Secretary to Government

Sir

In continuation of my letter No. 439 dated 25th March 1863 regarding a uniform Currency Note for all India I have now the honor to submit Copy of reply received from the Chairman of the Chamber of Commerce on this subject. Government are now in possession of all the information collected in reference to the question of a uniform Currency Note.-

I have the honor to be
Sir
Your most obedient Servant
J L Lushington
Ag Accountt General

Recd 18th April
No. 258

Steamer "Arvila"
Aug 8 63

9

Financial Department.

No. 275

The Secretary to the Government
of India.

Financial Department.

Sir,

With reference to my letters of the 20th 26th ultimo regarding the extent to which the absence of the expression of the value of the Currency Notes has interfered with their acceptance & currency and the relative advantages of a uniform note for all India or of a Special note for each large Circle of issue, I am directed to transmit for the information of the Honorable the President in Council the annexed copy of a letter addressed by the Chairman of the Madras Chamber of Commerce to the Actg Accountant Genl stating

Rs. 26 March 63 & 210

Fwd 1863 Despatch receipt from the Actg Accountant General to the Chief Secretary to Government

No 275

Dated 31st March 1863

Rec'd 8th August 1863

Rs 12 Rupees:

Rs 268

Communicating Chairman Chamber of Commerce's letter on Circulation Notes for all India

31st March 63

Rs

stating the views of the Chamber on these questions. The Chamber it will be seen are in favor of having a special note for each large Circle of issue. The Governor in Council adheres to the opinion expressed in my letter of the 20th Ultimo in favor of a uniform note and that if the value is given in a certain number of the Vernacular languages as well as in English, Telugu should be selected as the language of this Presidency the characters of which are most extensively known.

I have &c.

Fort St. George,
7th April 1863.

Finl 1863 Despatch

No. 275

To

The Secretary to the

Govt. of India

D/ 21 April 1863.

Views of the Chamber of Commerce on the expression of the value of Currency Notes and on the advantages of a uniform Note for all India forwarded to the Supreme Government.

57-58