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(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 657 Press Mis.

21-20.

Dated 9-10- 1863.

21-23 11/12

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 9th October 1863.

Read the following papers :—

From Messrs. Arbuthnot & Co., dated 29th August 1863.
From the Chairman of the Chamber of Commerce, dated 7th September 1863.

} Recorded in the Proceedings of Government, 9th September 1863, No. 586.

No. 21. From R. W. LODWICK, Esq., Acting Deputy Auditor and Accountant General, Madras; to the Chief Secretary to the Government of Madras, dated Fort Saint George, 15th September 1863, No. 192.

I have the honor, with reference to a copy of letter from the Chamber of Commerce to Government, dated 9th instant, forwarded to me by its Chairman Mr. Crake, to lay the following observations before His Excellency in Council.

2. The rule of this office, which has been most strictly and carefully followed, is exactly that which Government established and which is undoubtedly the correct one financially speaking, viz., to accept only at the *highest rate* of *tender* on any one place.

3. Thus, say twenty tenders come in on Tanjore, of which one offers me 6 Annas per cent. premium, three or four, 4 Annas, and the rest ask for the Bills at par; the course adopted is to write "accepted" on the tender at 6 Annas, and if it be of sufficiently large amount to reject the others. But should this tender be for only 5,000 Rupees and I am anxious to bring away the surplus, say 20,000 Rupees at Tanjore quickly, I give the rest (up to the amount I desire to bring to the Presidency) a chance of getting Bills by writing thereon "accepted at 6 Annas per cent. premium, the rate obtained."

4. If the parties want Bills they accept these terms, otherwise they do not pay in the money to the Bank; and the five days allowed them for doing so having expired, the matter ends.

5. This system it will be seen is perfectly fair and in accordance with Government Orders, for while only the highest rate of tender is taken, the parties have no cause for complaint and are only called on to pay Government the fair Market price for their Bills, for it is clear that if it be worth one man's while to give 6 Annas it is equally the interest of others to do so, and Government are clearly entitled to get a fair price for the accommodation they afford merchants.

6. The merchants of Madras, who by their Chairman lay claim to such a desire to carry out the orders of Government, I would respectfully point out, are the very persons who try to evade those orders for, as observed by me in the case lately decided by Government,* they send in tenders at *different rates* on the same place and are indignant at such tenders not being accepted.

* Messrs. Arbuthnot & Co.'s letter, dated 4th August last.

7. So far from the course adopted by this Department hindering tenders being made, I can show that the cash balances were never lower than now, proving clearly that there is no lack of tenderers.

8. Government, I submit, cannot be justly debarred from making a fair profit on its Bills, and indeed it is absolutely necessary that it should do so, for otherwise there would be no set off against the expenses incident to moving Treasure where Bills are not procurable. If then Europeans do not choose to give as good terms as Natives, the latter must have bills in preference.

No. 22. From R. W. LODWICK, Esq., Acting Deputy Auditor and Accountant General, Madras; to the Chief Secretary to the Government of Madras, dated Fort Saint George, 15th September 1863, No. 193.

I have the honor, with reference to Government Order, No. 586, dated 9th instant, to state that the meaning of my letter to Messrs. Arbuthnot, & Co., was not that I can reject any tender which is at the highest rate of tender for the time being; but that I can demand premium when it has been given me by another person.

2. The accompanying letter was written before the receipt of the present Government Order, and fully explains the procedure adopted in this Department.

3. It will be seen that that procedure is precisely in accordance with the views of Government as expressed in the present Resolution, for the highest rate of tender is accepted and the other tenderers are given the choice of tendering at that rate or of being rejected.

4. By this means considerable profits are made, for parties know well enough the market price* and when they find it is insisted on they give it in most cases.

* *i. e.* the highest rate at which Bills are selling.

No. 23. ORDER THEREON, 9th October 1863, No. 657.

The foregoing letters have reference to a change which the Acting Accountant General has introduced in regard to granting Bills on Treasuries in the Mofussil, and which formed the subject of the correspondence recorded in the Proceedings of Government, under date the 15th August last. Messrs. Arbuthnot & Co., in their letter of the 4th of that month, complained of the Acting Accountant General having declined, in the case of tenders for Bills being presented by the same Firm at several different rates, to grant Bills at less than the highest rate tendered. On considering Mr. Lodwick's explanation, in which he showed that the practice he had discountenanced was opposed to the interests of the Government, the Governor in Council declined to interfere.

2. The matter has again been brought forward by Messrs. Arbuthnot & Co., in their letter of the 29th August, recorded in the Proceedings of Government, under date the 9th ultimo, together with the more general question whether the Accountant General is justified in rejecting tenders for Bills on Mofussil Treasuries at or above par when there are funds available for which no higher tenders have been made. The same question is raised in a letter from the Chairman of the Chamber of Commerce, under date the 7th ultimo, recorded in the same Proceedings.

3. From a letter addressed by Mr. Lodwick to Messrs. Arbuthnot & Co., an extract of which was appended to their letter of the 29th August, it was not quite clear what was the course taken by the Accountant General when the highest tender was at par, and whether or not he considered himself at liberty in such a case to reject the tender. Accordingly, in forwarding the letter to the Accountant General for explanation, the Governor in Council observed that that Officer was bound, under the rules at present in force, to accept the highest rate offered, if not below par; and that should the amount tendered for at the highest rate be insufficient to dispose of the amount available, it was for the Accountant General to exercise his discretion in accepting the next highest rate according as the public interests might demand.

4. Mr. Lodwick's explanation is given in his letters of the 15th ultimo, recorded at the head of these Proceedings. He states that the procedure of his office is precisely in accordance with the views of Government, as expressed in their Proceedings of the 9th ultimo. The highest rate of tender on any one place is accepted; and if the whole amount available is not taken up, parties tendering lower rates are given the option of taking Bills at the highest rate tendered, and are allowed five days for this purpose. Mr. Lodwick observes that this course in no way hinders the operations of his Department, as is proved by the fact that the cash balances in the Mofussil Treasuries were never lower than they are at the present time.

5. The Governor in Council considers the Acting Accountant General's explanation to be satisfactory. The highest tenders on any one Treasury being always accepted when not below par, the Notification of the 27th February 1862 is substantially carried out; and as it appears that there is no difficulty in obtaining tenders consequent on the practice introduced by Mr. Lodwick, it would clearly be in opposition to the interests of Government that it should be altered.

6. It is desirable, however, that the Accountant General should notify for general information what is the exact course of procedure observed by him in this matter; and the Governor in Council accordingly directs that Mr. Lodwick will prepare a Notification for that purpose, submitting it in draft for the previous sanction of Government.

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

Exd. T. O'Connor.

Financial Department.

Acct 626/677

From the Acting Deputy Auditor and Accountant Genl.

Dated 15 September 1863

To Orders

No 626. The explanation contained in this letter seems satisfactory and the course which Mr Lodwick has pursued appears to be in accordance with the orders of the 15th ult. & 9th inst.

The highest tender not being below par is accepted. If that does not obtain all the cash advertized Mr Lodwick will accept the lowest tenders at the maximum rate, and the parties tendering have five days allowed them to take bills at that rate if they will.

Proceedings of the Madras Government, Financial Department,
9th October 1863.

4. By this means considerable profits are made, for parties know well enough the mar

This mode of conditional acceptance
has the effect that would be incurred
if the Govt. had rejected
absolutely and fixed a limit to
Govt. operations.

No 627. I do not understand
what the actg Govt. feel means
by saying, "I can draw and premium
when it has been given me by another
person." I suppose it is that if A tenders
at 6 annas per cent and B at 4 or
at par, & Govt. accepts B's tender
his offer to A's or to 6 annas. This
will seem borne out by the third
letter No 626 and by para 3 of this.
is correct?

Mr Lodwick 1st time. I think
this document pretends

state explicitly what it comes is that
he does follow - the wish is indeed
to submit such a draft advertise-
-ment for the approval of first-hand
issue.

The papers must be kept
until Mr Maltby returns that he
may see them before orders are
issued or know

JP
10/9/63

- I concur in the Agents view - the
highest tender being always accepted,
when not below par, the Govt notification
is substantially carried out -

EHL

No. 192 FORT SAINT GEORGE,

DEPUTY AUDITOR AND ACCOUNTANT GENERAL'S OFFICE,

15th September 1863.

From THE ACTING DEPUTY AUDITOR AND ACCOUNTANT GENERAL,

Madras.

To *Chief*

THE SECRETARY TO THE GOVERNMENT OF

Madras

SIR,

I have the honor with reference to Government ~~Order No.~~ dated 9th inst:— ~~186~~, ~~to~~ forwarded to me by its chairman Mr. Crake to lay the following observations before His Excellency in Council—

2- The rule of this Office which has been most strictly & carefully followed is exactly that which Govt established & which is undoubtedly the correct one financially speaking viz: to accept only at the highest rate of tender on any one place—

3- Thus say 20 tenders come in on Tanjore of which one offers me 6 annas per cent premium— 3 or 4 - 4 annas & the rest ask for the bills at par— the course adopted is to write "accepted" on the tender at 6 annas & if it be of sufficiently large amount to reject the others. But should this tender be for only 5,000 Rs. & I am anxious to bring away the surplus say 20,000 Rs. in Tanjore quickly I give the rate up to the amount I desire to bring to the Presidency) a chance of getting bills by writing thereon "accepted at 6 as: percent prem: the rate obtained"

4- If the parties want bills they accept these terms otherwise they do not pay in the money to the Bank & the 5 days allowed them for doing so having expired the matter ends—

5- This system it will be seen is perfectly fair & in accordance with Govt orders for while

only the highest rate of tender is taken the parties have no cause for complaint & are only called on to pay Govt the fair market price for their bills for it is clear that if it be worth one man's while to give 6. annas it is equally the interest of others to do so & Govt are clearly entitled to get a fair price for the accommodation they afford merchants.

6- The merchants of Madras who buy their Chairmen lay claims to such a desire to carry out the orders of Govt I would respectfully point out are the very persons who try to evade those orders for as observed by me in the case lately decided by Govt* they send in tenders at different rates on the same place & are indignant at such tenders not being accepted.

* Mysore Furniture Allowance Bills Letter dated 4th Aug. last.

7- So far from the course adopted by this Deptt hindering tenders being made I can show that the cash balances were never lower than now proving clearly that there is no lack of tenderers-

8- Govt I submit cannot be justly demanded from making a fair profit on its bills indeed it is absolutely necessary that it should do. for otherwise there would be no set off against the expenses incident to moving treasure where bills are not procurable - If then Europeans do not choose to give as good terms as natives the latter must have bills in preference

I have the honor to be,

Sir,

Your most obedient Servant,

Ramchandra

Ag. Dy. Audr. and Acct. General.

Rec'd 9th Sept 63 G.O. 880

From

Ag Secy Govt
Mad Pub Dept
Fort St George
No 152

Dated 15th Sept 1863

Rec'd 19th Sept 1863

No 626

Offer an explanation
in the Complaint of the
Chairman of the Municipality
Conveyance of a Quantity
Sugarcane being adopted in
All cases on the Mode
Same thereafter

G.O. No 657.

F. No 695
731

24 - 23

No. 193 FORT SAINT GEORGE, 11A

DEPUTY AUDITOR AND ACCOUNTANT GENERAL'S OFFICE,
15th September 1863.

From THE ACTING DEPUTY AUDITOR AND ACCOUNTANT GENERAL,
Madras.

To THE SECRETARY TO THE GOVERNMENT OF
Madras.

SIR,

I have the honor with reference to Government Order No. 586 dated
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my letter to Messrs Arbuthnot &c was not
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being but that I can demand premium
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2. The accompanying letter was written be-
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3 - It will be seen that that procedure is pre
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Your most obedient Servant,

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4th of that month, complained of the Acting Accountant General having declined, in the case of tenders for bills being presented by the same firm at several different rates, to grant bills at less than the highest rate tendered. On Considering Mr. Lodwick's explanation, in which he showed that the practice he had discountenanced was opposed to the interests of the Government, the Governor in Council declined to interfere.

2. The matter has again been brought forward by Messrs. Arbuthnot & Co. in their letter of the 29th August recorded in the Proceedings of Government under date the 9th Ultimo, together

together with the more general question whether the Accountant General is justified in rejecting tenders for bills on Disposal Reserves at or above par when there are funds available for which no higher tenders have been made. The same question is raised in a letter from the Chairman of the Chamber of Commerce under date the 7th Ultimo recorded in the same Proceedings.

3. From a letter addressed by Mr. Lodwick to Messrs Arbuthnot & Co. an Extract of which was appended to their letter of the 29th August, it was not quite clear what was the Course taken by the Accountant General when the highest tender

Financial Department.

134

PROCEEDINGS of the MADRAS GOVERNMENT.

Read again

Read the following:-

Letter from Messrs Arbuthnot & Co dated 29th August 1863.
Letter from the Chairman of the Chamber of Commerce 7th September 1863.

Recorded in the Proceedings of Govt. 9th Septr 1863. No 586.

Read also the following Letters from the Accountant General. (Here enter 15 Septr Nos 192 & 193)

Order thereon 9th October 1863. No 657.

The foregoing letters have reference to a change which the Acting Accountant General has introduced in regard to granting bills on treasuries in the Mofussil, and which formed the subject of the Correspondence recorded in the Proceedings of Government under date the 15th August last. Messrs Arbuthnot & Co. in their letter of the 4th

Rec'd 9th Sept 63 - Cons 586

From Colr Cadell Accountt General

Dated 15th Septr 1863.

Rec'd 15th Sept 1863.

A. G. No 657.

Fin No 695 791

193

No 627

Explains the necessity which exists for issuing Bills on the Treasuries at the Presidency Towns on the Interior & requests the favorable consideration of Government to the proposal

22

C.T. No 2 2.8th Sept.

tender was at par, &,
and whether or not he
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and that should the
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the highest rate be insuffi-
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Treasuries were never lower than they are at the present time.

5. The Governor in Council considers the Acting Accountant General's explanation to be satisfactory. The highest tenders on any one Treasury being always accepted when not below par, the Government Notification of the 27th February 1862 is substantially carried out; and as it appears that there is no difficulty in obtaining tenders consequent on the practice introduced by Mr Lodwick, it would clearly be in opposition to the interests of Government that it should be altered.

6. It is desirable, however, that the Accountant General should notify for General information what is the exact course of procedure observed by him in this matter; and the Governor in Council accordingly directs that Mr Lodwick be will prepare a Notification for that purpose, submitting it in draft for the previous sanction of Government.

4/12

To
The A/G Accountant General
The Chamber of Commerce
Messrs Ashmore & Co
} 3 despd-10

No. 657

PROCEEDINGS of GOVERNMENT.

F/1/1 695 of 1863
791

Dated 9th October 1863.—

Considering the Accountant Genls explanation regarding the practice introduced by him for granting bills on Mofussil Treasuries to be satisfactory & requesting him to submit a draft of a Notification for sanction shewing what is the exact course of procedure

1211

procedure observed by him in this matter 2

21–23