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ANNEXURE.

Serial number. (1)	Date of issue. (2)	Particulars of records furnished. (3)	Purpose for which furnished. (4)	To whom furnished. (5)	Remarks. (6)
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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 68 Press
94-95 Mis.

Dated 31 1 1863.

7/8

94-95

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 31st January 1863.

No. 94. Read the following letter from the Honorable EDMUND DRUMMOND, Secretary to the Government of India, Financial Department; to the Secretary to the Government of Madras, dated Fort William, the 20th December 1862, No. 1,324G.

I am directed to acknowledge the receipt of your letter No. 746, dated the 21st October last, and in reply to intimate that before final orders are passed on the question submitted in your letter, the Governor General in Council desires to be furnished with a copy of the agreement which has been entered into with the Bank of Madras for the establishment of a Branch Bank at Cochin, and which should have been communicated to this Government for confirmation and for publication in the Calcutta Gazette.

2. I am at the same time desired to forward to you a copy of the instructions issued to Treasury Officers in Bengal, dated the 19th March 1862, with the remark that irrespective of any special conditions in the agreement, Branch Banks would be expected to act up to the same rules.

FINANCIAL DEPARTMENT.

No. 43.

Fort William, the 19th March 1862.

Notification.—Act XIX of 1861 having come into operation on the 1st instant, it is important to guard against any misapprehension among Treasury Officers as to the wishes of Government in regard to the action of District Officers generally in promoting the introduction of the new Currency.

The new Currency Notes are now a legal tender in certain Districts as specified in the Notification cited in the margin, and must necessarily be received, when tendered, in payment of demands of Government of every description; but Silver can only be demanded as of right in exchange for Notes at the several Presidency Towns whence they have been issued.

Financial Notification, No. 1, dated 3rd January 1862.

It is the desire of Government that, as far as possible, every facility may be afforded by local Officers for cashing Notes, and that every legitimate means may be employed to promote, generally, the free circulation of the new Currency; but it is equally their wish that there may be an entire absence of any thing which could be construed into a desire to force the circulation, or in any way interfere with the free action of the community in resorting, at their own time, and in their own way, to the use of the Currency Notes. Officers will recollect that the Government have no direct interest in forcing the Paper Currency, and that any Act which leads to such a suspicion will only retard the period when confidence may be fully established, and the community reap the benefit of an improved circulating medium.

It may be expected that there will be a tendency to employ the new Notes to a considerable extent as a means of remittance and for small amounts among private parties, and, in localities distant from Banks, it may be desirable that the Government should give facilities for this purpose; but it would be very objectionable if this were carried so far as to interfere with the legitimate operations of private enterprize, or with the system of Supply Bills to which the public are accustomed.

Much, in matters of this description, must necessarily be left to the discretion of the local Officers; but without incurring risk of inconvenience, it may be prescribed, generally, as the rule to be observed—

1*st*.—That Notes are to be received in payment of all demands of Government, but are for the present to be paid only when parties receiving payment do not object.

2*nd*.—That Notes are to be cashed at places where there are no Branch Banks acting as Agents for the Government Currency, and then only to a limited extent, and for small sums, as an accommodation to private parties or travellers at the discretion of Treasury Officers.

3*rd*.—That Supply Bills are to be paid, generally, at the option of the holders either in Coin or Notes, subject to such instructions as may, from time to time, be received from the Deputy Auditor and Accountant General.

Proceedings of the Madras Government, Financial Department, 31st January 1863.

4*th*.—That Notes should never be returned to the Presidency except under the direct instructions of the Deputy Auditor and Accountant General.

5*th*.—That a Report as to the progress of these measures should, from time to time, be furnished to Government, and should the local Officers foresee any difficulty as likely to arise they should at once report it.

Published by Order of His Excellency the Governor General in Council.

(Signed) C. HUGH LUSHINGTON,
Secy. to the Govt. of India.

(True Copies.)

(Signed) EDMUND DRUMMOND,
Secy. to the Govt. of India.

No. 95. ORDER THEREON, 31st January 1863, No. 68.

Resolved that the foregoing letter and the copy of instructions to Treasury Officers in Bengal which accompanied it, be communicated to the Accountant General, with a request that he will circulate the Rules therein laid down for the information and guidance of all Treasury Officers concerned, in this Presidency.

2. A copy of the Rules will also be furnished to the Secretary and Treasurer of the Bank of Madras, with the remark that the Branch Bank at Cochin will be expected to act up to the same.

3. It is observed that on the establishment at Cochin of a Branch of the Bank of Madras, the cash balances in the Taluq Treasury at that Station were ordered to be transferred to it, on the understanding that the Government reserved to itself the right of withdrawing such sums as from time to time might be required for remittance for other Taluqs or Districts. But no agreement was entered into with the Bank, containing the terms on which the business of the Government Treasury and the issue and circulation of the Paper Currency should be conducted by its Branch.

4. In his letter of the 8th September last,* No. 200, (a copy of which was forwarded to the Government of India with the letter* to which that above recorded is a reply) the Acting Accountant General submitted that, 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 should be conducted by its Branches was not *in its entirety* applicable to the case of the Cochin Branch, where no fresh circle of issue had been established, but only the cash balance of the Taluq Treasury transferred to it, still it was 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. His Excellency the Governor in Council now desires, in reference to the requisition of the Supreme Government, that the Accountant General will, in communication with the Directors of the Bank of Madras, draw up and submit such an agreement for the approval of this Government and for transmission to the Government of India for their confirmation and for publication in the Calcutta Gazette.

* Dated 21st October 1862, No. 746.

5. The Accountant General, it is observed, has not yet reported upon the suggestion of the Directors of the Bank that British Cochin and Malabar be added to the Madras Circle of Issue, as desired in the last paragraph of the Order of Government, dated 24th May 1862, No. 395. His attention will now be drawn to the subject.

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

Exd. T. McMootry.

FINANCIAL DEPARTMENT.

No. 43.

Fort William, the 19th March 1862.

Notification.—Act XIX. of 1861 having come into operation on the 1st instant, it is important to guard against any misapprehension among Treasury Officers as to the wishes of Government in regard to the action of District Officers generally in promoting the introduction of the new Currency.

The new Currency Notes are now a legal tender in certain Districts as specified in the Notification cited in the margin, and must necessarily be received, when tendered, in payment of demands of Government of every description; but Silver can only be demanded as of right in exchange for Notes at the several Presidency Towns whence they have been issued.

Financial Notification No. 1, dated 3rd January 1862.

It is the desire of Government that, as far as possible, every facility may be afforded by local Officers for cashing Notes, and that every legitimate means may be employed to promote, generally, the free circulation of the new Currency; but it is equally their wish that there may be an entire absence of any thing which could be construed into a desire to force the circulation, or in any way interfere with the free action of the community in resorting, at their own time, and in their own way, to the use of the Currency Notes. Officers will recollect that the Government have no direct interest in forcing the Paper Currency, and that any Act which leads to such a suspicion will only retard the period when confidence may be fully established, and the community reap the benefit of an improved circulating medium.

It may be expected that there will be a tendency to employ the New Notes to a considerable extent as a means of remittance and for small amounts among private parties, and, in localities distant from Banks, it may be desirable that the Government should give facilities for this purpose; but it would be very objectionable if this were carried so far as to interfere with the legitimate operations of private enterprize, or with the system of Supply Bills to which the public are accustomed.

Much, in matters of this description, must necessarily be left to the discretion of the local Officers; but without incurring risk of inconvenience, it may be prescribed, generally, as the rule to be observed—

1*st*.—That Notes are to be received in payment of all demands of Government, but are for the present to be paid only when parties receiving payment do not object.

2*nd*.—That Notes are to be cashed at places where there are no Branch Banks acting as Agents for the Government Currency, and then only to a limited extent, and for small sums, as an accommodation to private parties or travellers at the discretion of Treasury Officers.

3*rd*.—That Supply Bills are to be paid, generally, at the option of the holders either in Coin or Notes, subject to such instructions as may, from time to time, be received from the Deputy Auditor and Accountant-General.

4*th*.—That Notes should never be returned to the Presidency except under the direct instructions of the Deputy Auditor and Accountant-General.

5*th*.—That a Report as to the progress of these measures should, from time to time, be furnished to Government, and should the local Officers foresee any difficulty as likely to arise they should at once report it.

Published by Order of His Excellency the Governor General in Council,

C. HUGH LUSHINGTON,
Secy. to the Govt. of India.

(True Copy)

Edmund Drummond
Secy. to the Govt. of India

No. 1324 G 3L

From

The Hon'ble Edmund Drummond
Secretary to the Govt. of India
Financial Department

To

The Secretary to the Government
of Madras

Sir,

I am directed to acknowledge the receipt of your letter No. 746 dated the 21st October last, and in reply to intimate that before final orders are passed on the question submitted in your letter, the Governor General in Council desires to be furnished with a copy of the agreement which has been entered into with the Bank of Madras for the Establishment of a Branch Bank at Cochin, and which should have been communicated to this Government for confirmation and for publication in the Calcutta Gazette.-

2 I am at the same time desired to forward to you a copy of the instructions issued to Treasury officers in Bengal, dated the 19th March 1862, with the remark that irrespective of any special conditions in the Agreement Branch Banks would be expected to act up to the same rules.-

I have the honor to be,
Sir,
Your most obt. Servant
[illegible]
Secy to the Govt. of India

Fort William
The 20th December 1862

Financial Dept.

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read letter from the Secy to the Govt: of India

(Dated 20th Decr: 1802 No 1324)

Order- No 68 of 31st Jany 1803.

Resolved that the fore-going letter & the copy of instructions to Treasury Officers in Bengal which accompanied it, be com-municated to the Ac-countant General, with a request that he will circulate the Rules there-in laid down for the in-formation & guidance of all Treasury Officers con-cerned, in this Presi-dency.

A

2 A copy of the Rules will also be furnished to the Secretary & Treasurer of the Bank of Madras, ~~with the remark~~ that the Branch Bank at Cochin would be expected to act up to the same.

3 It is observed that on the establishment at Cochin of a branch of the Bank of Madras, the Cash balances in the Salem Treasury at that Station were ordered to be transferred to it, on the understanding that the Govt. reserved to itself the right of withdrawing such sums as from time to time might be required for remittance for other Talugs or Districts. But no Agreement has been entered into with the Bank, containing the terms on which the business of the Govt Treasury & the issue & circulation of the Paper Currency should be conducted by its Branch.

4 In his letter of the 8th September last - No 200 - (a copy of which was forwarded to the Govt of India with the* letter to which these are the proceedings is a reply) the Actg. Accountant General submitted that, though the Agreement with the Bank of Bengal, containing the terms on which the business of Govt. Treasuries & the issue & circulation of the

*Dated 21st Octr. 1862 No 746.

the Govt: Papers & currency should be conducted by its Branches was not in its entirety applicable to the case of the Cochin Branch, where no fresh Circle of Issue had been established, but only the cash balance of the Salary Treasury transferred to it, still it was a matter for the consideration of Govt: whether some general agreement should not be ~~[illegible]~~ entered into with the Bank regarding the receipt, collection, payment & remittances of money on account of Govt:, submission of returns, inspection & verification of the cash balances by a Govt: Official, & circulation of the Paper Currency. His Excellency The Governor in Council [illegible] Services, in reference to the acquisition of the Supreme Govt: that the Accountant General will, in communication with the Secretary of the Bank thereof, draw up and submit such an Agreement for the approval of their Government & for transmission to the Govt of India for their Confirmation and for publication in the Calcutta Gazette.

To Acctt: General

Secy & Treasurer of the Bank of Madras.

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5 The Accountant General, it is observed, has not yet reported upon the suggestion of the Directors of the Bank that British Cochin & Malabar be added to the Madras Circle of Issue - as desired in the last para of the Order of Govt: dated 24 May 1862 - No 395. His attention will now be drawn to the subject.

H C & END

Finl 1863. Department.

No. 68

PROCEEDINGS OF GOVERNMENT,

Dated 31st Jany 63

Regarding the agreement for the Establishment of a Branch Bank at Cochin and the Rules issued to Treasury Officers in Bengal

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