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MADRAS RECORD OFFICE.

Government of Madras.

financial **DEPARTMENT.**

Letter

G.O. No. 720 Press ~~Mis.~~ Original

19-21.

Dated 11-11- 1863.

19-21 25/26

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
11th November 1863.

Read the following papers :—

No. 19. From J. McIVER, Esq., Secretary and Treasurer to the Bank of Madras; to the Honorable A. J. ARBUTHNOT, Chief Secretary to Government, Fort Saint George, dated Madras, 1st October 1863, No. 23/556.

I have the honor, by desire of the Directors, to bring to your notice the altered system introduced by the Acting Accountant General, of purchasing Bills of Exchange on account of the Government.

You are probably aware that hitherto the Bank has exclusively purchased these bills for the Government, and that a question arose whether the Bank was entitled to charge ¼ per cent. on such business. The Government has for the present waived the claim made by the Acting Accountant General to a refund of the commission charged; and a reference made by this Bank to the Bank of Bengal, has resulted in proving that that Bank considers the charge a legitimate one under the Bank's agreement with Government.

The Acting Accountant General in consequence, it is presumed, of this decision, has discontinued employing this Bank in the purchase of bills, and invited the Branch Banks doing business here, to tender to him their bills on Bombay, without even sending notice or intimation of any kind to this Bank, and he has in this manner made extensive purchases on account of Government.

It would be easy for the Directors to prove that the Government has not in any way benefited by this mode of purchasing Bills of Exchange, and that this Bank could either have sold its own bills, on equally favorable terms, or have purchased bills in market for Government, at a rate which including the Bank's commission, should not have cost the Government so much as the bills alluded to, and that the Bank did in fact purchase bills at considerably more favorable rates than those bought by the Acting Accountant General.

This is not, however, the object of the present communication. The Directors consider they would be neglecting their duty to the share-holders, if they did not draw the attention of Government to these circumstances, and they would submit that the Acting Accountant General having a seat at the Board of Directors of the Bank, went beyond his duty in thus discontinuing the agency of the Bank, and in exerting his official influence to divert to the other Banks, with which the Government has no connection, the business which the Directors consider should be entirely entrusted to this Bank, in which the Government is a share-holder, and with which it is otherwise intimately connected.

The Directors would go further and would venture to urge that on the ground of recognized public policy, it is not expedient that an Officer of Government holding the position of an Accountant General, should have direct personal dealings in regard to public monies with private Bankers and Sowkars, when Government has provided a recognized channel through which such transactions may be effected.

I am directed also to point out the disturbing effect on the Exchange market of such direct purchases by a Government Officer, confessedly unacquainted with the course of exchange, and to say that such disturbance would be entirely avoided and consequently better rates obtained by gradual purchases being made through the agency of the Bank.

The Directors feel assured that the course of action adopted by the Acting Accountant General, has only to be pointed out to be put a stop to.

—

N. B.—This letter was written on the 1st instant, but retained to be approved by the Board of Directors, and since written, the following correspondence between the Secretary and Accountant General has taken place.

From R. W. LODWICK, Esq., Acting Deputy Auditor and Accountant General to the Government of Madras; to the Secretary and Treasurer, Bank of Madras, dated Madras, the 2nd October 1863, No. 352.

Resource Department.

States that he is receiving continual tenders for Bills on Bombay at various rates of discount, and inquires whether the Bank feels inclined to give bills at a month's sight, and if so at what rate.

From JOHN McIVER, Esq., Secretary and Treasurer; to R. W. LODWICK, Esq., Acting Accountant General, dated Madras, 2nd October 1863, 23-447.

In reply to your Memorandum, No. 352, you have disturbed the market so much by your large and sudden purchases on Bombay, that I have entirely withdrawn from it for the present.

Referred to the Acting Accountant General for his remarks.

FORT SAINT GEORGE,
20th October 1863.

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

No. 20. 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, 26th October 1863, No. 233.

I have the honor, with reference to Government endorsement, No.——, dated the 20th instant, to report as follows:—

2. The present letter from the Bank was read at the meeting of the Board on the 6th instant, when I pointed out to the other Directors that the words given in the margin were unsuitable unless an order could be pointed out forbidding the Accountant General from personally entering the market. No such order exists that I am aware of, nor could the Board on my challenging them to do so produce one, and the only reply I received was that such a prohibition was to be *inferred*.

" They would submit that the Acting Accountant General having a seat at the Board "*went beyond his duty*" in discontinuing the agency of the Bank."

3. After, therefore, explaining my reasons for acting as I have done and detailing the results which have followed on my proceedings, I shall show, first, that the Accountant General is not tied down to employ the Bank when he desires to purchase bills, and secondly, that it is not expedient that he should be so tied down unless the Bank take upon itself certain responsibilities and engagements not at present in force.

4. My reasons for entering the market personally were these. On the 18th ultimo* the Secretary made me an offer to take from me 2 lacs at 2 Annas premium from my Cochin balance in exchange for a bill of similar amount on Bombay at 15 days' sight at par. Considering that the money at Cochin is advertised, and every bill day taken up at 4 Annas premium, and that the market price for bills on Bombay at a month's sight was at the time this offer was made set down in the public papers at ¼ per cent. discount, this offer appeared to me very far from a liberal one. I accordingly refused the terms, but consented eventually to give the bill on Cochin at the advertised rate for a bill on Bombay at 30 days' date at par.† These then were the best terms I could make with the Bank, and it being incumbent on me to get 18 lacs to Bombay by the‡ 17th November, I considered that it would be to the advantage of Government if I tried to procure bills personally in the market, for I argued that as bills were quoted at ¼ discount for one month's sight in the papers§ if I employed the Bank to purchase, the commission they charge (¼ per cent.) would swallow up all

* Vide annexure A.

† Vide annexure B.

‡ Vide annexure C.

§ Vide Athenæum of the 29th September to October 2nd, slips enclosed.

the profits in the case of 30 days bills, and the greater part of the profits in that of bills at 60 days' sight. I therefore addressed the different leading Banks and invited offers from them, receiving in reply certain tenders which I accepted, as they appeared to me sufficiently favorable according to the published rates. In the margin* are given the purchases I made, and it will be seen that in a few days I conveyed 9 lacs to Bombay at a clear profit to Government of Rupees 3312-8.

	RS.
Agra Bank 31 days' sight ¼ per cent. discount...	1,00,000
Do. 60 days' ¼ per cent. discount.....	1,00,000
Mercantile Bank 3 Annas discount 30 days' sight.	3,00,000
Do. ¼ per cent. discount 60 days' sight.....	2,00,000
Do. do. do.	2,00,000
	9,00,000

5. The Bank Directors profess to take it ill that I did not write to them, but I am surprised that they should have written in this manner, for it was not to be expected that I should address them not only because having had a transaction with them as before stated, I had no need to make inquiries as to *their* terms, but also because I had frequently spoken to the Secretary, had told him I was anxious to remit money to Bombay, had stated that I was purchasing in the market and had therefore given him every opportunity of making a tender or offer which he could just as easily have made at this time as on the 18th September when he made me the very illiberal proposal I have referred to in paragraph 4, or on the 7th ultimo, vide annexure D.

6. I now turn to the consideration of that part of the Bank's letter in which they charge me with making a worse bargin than the Secretary would have made had I employed him. I have been enjoined by the Government of India† to take especial care that all the bills I buy are *first class* bills. It is not long since that at a discussion at the Board I was startled to hear it affirmed that the Bank when purchasing bills for Government *did not necessarily make itself liable for the safety of the said bills,*‡ now under these circumstances what is my position? The Government of India look to me for the security of every Rupee I send away. If I employ the Secretary to buy bills he makes such purchases as *seem* to him safe, but knowing Bombay as I do, and being aware that speculation has of late become such a mania there that many a man supposed to be rolling in wealth is in reality in danger of bankruptcy, I have never felt easy with regard to bills bought through brokers since I heard that if the said bills were dishonored the Bank would not be answerable. Bought without my intervention of persons respecting whom I know nothing and on firms or private individuals respecting whom I have little or no knowledge, how can I feel sure that the bills are *first class*? For this reason, as well as to save Government the cost of commission, I preferred going into the market myself, and for this reason I declined to have any dealings with brokers (several of whom came to my office) making my proposals direct to the Banks. The Madras Bank affirms that it could have made better purchases than I did, alluding of course to the rates at which the Secretary bought his bills. The difference of profit is not *very* great (vide annexure K,§) but taking for granted that the Bank could have made this profit, which is certainly doubtful, for the purchase of lacs and a few thousands are very different matters, I respectfully affirm that I prefer the bills I have bought to those which the Bank would have bought for me. In every sense of the word my bills are *first class*, and I consider that while a respectable profit has been made the transaction has been attended with less risk than it would otherwise have been. Had I done as the Bank Secretary does when buying bills, viz., employed brokers and bought bills on *Native firms*, I see no reason why I should not have made as good terms as he did; but my object was security, and I submit that that object has been very cheaply attained at the sacrifice of the few Rupees which constitute the difference between my profit and that the Bank asserts it could have made for Government.

† "You will take care to purchase none but bills of undoubted security."
Letter from Government of India, No. 3,160, dated 16th July 1863, vide annexure E.

‡ Vide annexures H and I. It will be observed that I cannot force the Bank to endorse bills.

§ Statement called for by me from the Bank of the purchases made by it when I was buying bills.

7. And here before proceeding to the consideration of the main question at issue, viz., whether the Bank has a right to be always employed when Government is purchasing bills, I

may say a few words on the subject of disturbing the market which is one of the charges brought against me. Now it is self-evident that if any one buys largely at once the market must be to a certain extent affected, but I must altogether demur to the statement that my purchases had any *very* prejudicial effect, or that if the Secretary of the Bank had been purchasing instead of me the market would have been much less affected. The offers accepted by me were all of them at the ordinary rates quoted in the papers. I made no strike for a high rate of discount, I did not pit broker against broker or offer largely for favorable rates, and I therefore consider that it is impossible that I can have done the market any serious injury; and in this opinion I am confirmed by the fact of offers having been made me up to the last* at very steady rates which would not have been the case had the Bank's statement been correct. The Secretary's refusal to treat with me when I made him the offer of the 2nd instant† is, I submit, grounded on reasons which do not bear looking into. He says that he had retired from the market owing to its having been so disturbed by my large and sudden purchases, but why could not the Madras Bank give me *as asked*† *its own bills* at the same rates as other Banks? The Secretary knew quite well that I would take very moderate discount, and yet he makes no offer of any sort, clearly showing that *he* was acting the part of disturber of the market by holding out for rates less favorable to the purchaser than those he could procure elsewhere.

* Vide annexure G.—Copy of a tender I did not accept being not in want of 60 days' sight bills.

† See copy attached to Bank's letter together with Bank's reply.

8. I now turn to the chief question involved in the reference to Government made by the Bank. Can the Accountant General, as representing Government himself, enter the market or must he employ the Bank Secretary to buy his bills? There is, I believe, no rule or order making it incumbent on the Accountant General to buy bills by proxy. This I think is acknowledged on all hands, and we have therefore only to consider whether the contrary course is supported by any order direct or indirect or by precedent. I think I can show that both are in its favor. The accompanying letter of the Government of India, No. 3,160, dated 16th July 1863, is submitted, and it will be seen that no orders making it imperative on me to employ the Bank are contained therein. It is a reply to a letter I wrote commencing as follows:—

"I have the honor to report that * * * * I have entered the market and have to-day purchased two bills, the one for Rupees 50,000 and the other for 60,000 Rupees."

The bills I referred to, were bought by the Secretary on my requisition, but I considered that what was done by him for me was done by myself, and I did not therefore consider it at the time necessary to say more than that I had entered the market. In a subsequent letter I explained that the bills had been purchased by the Bank as under:

"I have the honor to inform you that in calculating the amount of profit by purchasing bills on Bombay at discount, the commission payable to the Bank was not taken into consideration," but it is clear that the Government of India saw no reason to object to an Officer like myself making his own purchases or they would have referred to this point in replying to my first letter. I consider therefore that this settles the question as to an Accountant General being at liberty to buy bills himself, and I really cannot see why on the face of it there should be more objection to his buying than to his selling bills which he does regularly twice a week. Then as to precedent I beg to submit the following copy of a telegram* received from Bombay, which shows that the practice of employing the Bank to purchase bills is not followed there I thought this was the case, but not feeling perfectly sure I considered it best to ascertain the fact beyond the possibility of doubt, and telegraphed for the information to the Accountant General.

NOTE.—I was when I first gave the Bank instructions to buy for me quite unaware that they would claim commission and the rates being *extraordinarily* high, I thought at the time that it would be better not to go personally into the market lest they should fall suddenly, but from what I have seen since I am now of opinion that had I entered the market myself I could have made purchases very nearly if not quite as good as the Secretary, and Government would have been saved commission.

* Annexure F.

9. Thus I conceive I have shown that my proceedings are perfectly justifiable, and I have now only to prove that it is not *advisable* that the Accountant General should be bound to employ the Bank always.

10. I feel sure Government will admit that when remittances by bills are made the main object is to save expense, for it is clear that the conveyance of specie by steamer is a much more speedy mode of getting Treasure to another Presidency. Now Treasure can be conveyed by Steamer always at the rate of 6 Annas per cent. and sometimes at that of 4 Annas, and therefore when the market is as now* very unfavorable the loss to Government of employing the Bank to purchase bills would be enormous, for in addition to the premium paid, the Bank's commission would have to be made good, and the two together would greatly exceed the rate at which the money could be conveyed by sea. The Accountant General going into the market himself at a time when the rates of exchange are unfavorable can buy bills sufficiently cheap to make the remittance of money in this manner pay, but it is abundantly evident that if he systematically employed the Bank this could not be the case. Again, even when rates are favorable no object is gained by employing the Bank, for allowing that the Accountant General on grounds of caution buys bills at a somewhat worse rate than the Bank, he could by watching the market closely for some time beforehand make in most cases a bargain so little inferior to that which the Bank could effect as to render Government in reality a gainer by the non-payment of the $\frac{1}{4}$ per cent. commission, always of course supposing that both parties kept the principle of buying none but bills "of undoubted security" in view.

* Vide "Athenæum," dated 20th to 23rd October, slips attached.

11. The above arguments, it will be seen, are all founded on the supposition that the Bank in acting for Government as a bill purchaser invariably requires a commission. As I have intimated however in my 3rd paragraph, there are certain conditions on which it would be advisable to employ it on all occasions, but these are I fear such as the Bank would not consent to. They are, first, that the Secretary should abandon all claim to commission on the purchase of bills already pronounced to be illegal by the Advocate General or consent to give Government his own bills *whenever called upon* at the *quoted market rate*, and secondly, that the Bank should undertake to be answerable for every bill it buys for Government. Were these concessions made I should of course employ the Bank always, but at present I hold that the relation of the Bank to Government is simply one of optional agency as far as bill purchasing is concerned, and that as the latter cannot force the former to get bills always at stated rates, neither can the former oblige the latter to enter the market only by proxy.

12. I will only in conclusion respectfully solicit the attention of His Excellency in Council to the fact, that the course I have pursued and am advocating is not one which I am interested personally in seeing enforced. Had I consulted my own convenience it would have been infinitely preferable to have placed the purchase of bills in the Bank Secretary's hands, for I should have thereby saved myself the trouble of writing numerous letters, &c., but I consider it my duty on all occasions to take the course which seems to me best calculated to advance the interests of Government, and I therefore confidently hope that my motives will be appreciated, and that I shall be supported against the attack now made upon me.

P. S.—The letter from the Bank is returned.

A.

From JOHN McIVER, Esq., Secretary and Treasurer Bank of Madras; to R. W. LODWICK, Esq., Acting Deputy Auditor and Accountant General, dated Madras, 18th September 1863.

I am willing, though we have ample funds there at present, to take your bill on Cochin for 2 lacs at $\frac{1}{8}$ per cent. premium in exchange for a bill of similar amount by the Bank on Bombay at 15 days' sight at par.

(True Copy.)

(Signed) R. W. LODWICK,
Acting Deputy Auditor and Accountant General.

B.

From JOHN McIVER, Esq., Secretary and Treasurer Bank of Madras; to R. W. LODWICK, Esq., Acting Deputy Auditor and Accountant General, dated Madras, 19th September 1863.

I think a large amount like 2 lacs should be given on better terms than a small amount, as such an amount can be sent by escort to Cochin for ¼ per cent. Sight bills on Bombay are quoted at ¼ premium. I can only give you ¼ per cent. commission for your bill in lieu of our's on Bombay at 30 days' sight at par.

(True Copy.)

(Signed) R. W. LODWICK,
Acting Deputy Auditor and Accountant General.

C.

Extract of a letter from the Acting Deputy Auditor and Accountant General, to the Secretary to the Government of India, Financial Department, No. 208, dated 17th August 1863.

Paragraph 2. Having succeeded in disposing of 2 lacs of Rupees which were at Travancore by bringing them to Cochin, and having made arrangements for the despatch to the same place of 6 lacs which were at South Canara, I hope to be able to send a considerable remittance to Bombay in excess of the 82 lacs already forwarded. The amount of this further remittance is at present uncertain, but should I succeed, as I hope in bringing the 6 lacs from Cochin to the Presidency by bills, I may be able to send as much as 18 lacs within the next three months.

D.

From JOHN McIVER, Esq., Secretary and Treasurer Bank of Madras; to R. W. LODWICK, Esq., Acting Deputy Auditor and Accountant General, dated Madras, 7th September 1863.

If you want to remit to Bombay I can let you have a lac of the Bank's bills at par on demand.

(True Copy.)

(Signed) R. W. LODWICK,
Ag. Dy. Audr. and Acct. General.

E.

From E. H. LUSHINGTON, Esq., Secretary to the Government of India; to the Deputy Auditor and Accountant General, Fort Saint George, dated Fort William, the 16th July 1863, No. 3,160.

Financial Department.

I am directed to acknowledge the receipt of your letter of the 24th ultimo, No. 1,009, and to inform you that your proceedings, as therein reported, are approved.

2. You will continue to buy as many bills on Bombay (within the limit of the sum available for remittance to the Treasury at that place) as can be procured at rates as favorable as those at which Mr. Birch may at the time be drawing upon Madras. You will act in the closest concert with that Officer, and will take care to purchase none but bills of undoubted security.

Proceedings of the Madras Government, Financial Department,
11*th November* 1863.

F.

From the Deputy Auditor and Accountant General, Bombay; to Deputy Auditor and Accountant General, Madras, received 16th October 1863.

DUPLICATE.—We never employ Bombay Bank to purchase bills in market. 14-12-18.

G.

From W. TAYLOR, Esq., for Manager; to R. W. LODWICK, Esq., Acting Deputy Auditor and Accountant General, Madras, dated 3rd October 1863, No. 2,028.

I can draw for you on Bombay for one lac at 31 days' sight at 3 Annas per cent. discount, conditionally, on another lac at 60 days' sight being taken at 7 Annas per cent. discount, say 2 lacs in all.

No. 363.

To the Manager Agra and United Service Bank, Limited, Madras.

I cannot accept your terms.

I do not wish to take any more bills at 60 days' sight, but I am willing to give you 2 lacs at 30 days' sight at 4 Annas discount.

H.

MY DEAR SIR,

You will recollect that at a Bank Meeting some time ago it was asserted that the Bank when purchasing bills for Government did not, unless it endorsed the bills, necessarily make itself answerable for the bills bought, and that I demurred to this; but was informed that such was the rule in respect to Agents and their employers. May I request the favor of your informing me exactly how the rule stands, and of your giving me to know whether my recollection of the conversation as above stated is substantially correct.

(Signed) R. W. LODWICK.

(True Copy.)

(Signed) R. W. LODWICK,
MADRAS, 21*st October* 1863. *Acting Deputy Auditor and Accountant General.*

I.

From JOHN McIVER, Esq., Secretary and Treasury Bank of Madras; to R. W. LODWICK, Esq., Acting Deputy Auditor and Accountant General, dated Madras, 21st October 1863, No. $\frac{33}{765}$.

Your recollection of the conversation at the Board Meeting in regard to the non-responsibility of the Bank for bills purchased on account of constituents, and not endorsed by the Bank is quite correct.

(True Copy.)

(Signed) R. W. LODWICK,
Actg. Deputy Auditor and Accountant General.

Bills purchased by the Accountant General on Bombay.					Bank purchases.		
Date.	Drawer.	Amount.	Currency.	Rate.	Amount.	Currency.	Rate.
		Rs. A. P.			Rs. A. P.		
29th September 1863...	Agra Bank..	1,00,000 0 0	30 days' sight.	½ per cent. dis	10,000 0 0	31 days' sight.	½ per cent. Discount.
30th do. „ ...	Do.	1,00,000 0 0	60 „	½ „	15,000 0 0	61 „	1 „ „
	Mercantile Bank.	3,00,000 0 0	30 „	3/16 „	30,000 0 0	31 „	½ „ „
1st October „ ...	Do.	2,00,000 0 0	60 „	½ „	No purchases to-day.		
2nd do. „ ...	Do.	2,00,000 0 0	60 „	½ „	Do. do.		

BANK OF MADRAS,

23rd October 1863.

(Signed) JOHN McIVER,

Secretary and Treasurer.

K.

NOTE.—It will be observed that the Bank's Secretary purchased only *very* small amounts, *e. g.*, on the 30th September when this Department bought no less than 4 lacs, the Secretary bought only 45,000 Rupees in all, and on the 1st and 2nd instant when the purchases of this Department amounted to another 4 lacs, Mr. McIver bought nothing. Allowing then, that he could have bought the same amounts as this Department on the days he made purchases, viz., 29th and 30th, this is all supposition, for had the Secretary like this Department been a purchaser to a large amount and from 1st class Banks, he would never have got such good terms. at his own rates, his total profit would have been 3,000 Rupees, from which deduct commission he would have claimed 1,242-8 and the clear profit to Government would have been 1,757-8. Deduct from this the total profit made by this Department, *i. e.*, 1,312-8, and the excess of gain would be 445 Rupees; but it is evident

(Signed) R. W. LODWICK,

Deputy Auditor and Accountant General.

MADRAS, 1st September 1863.

5½ per cent. G. P. Notes, 18¼ to 18⅝ premium.
5 do. do. 9 to 9½ premium.
4 do. do. ¾ to 1 discount.
Sovereigns Rupees 10-4-9 each.
Bank of Madras Shares 120 premium.
Exchange on Calcutta 30 days ½ discount.
Do. sight par.
Exchange on Bombay 30 days ⅛ discount.
Do. sight par.
Exchange on London at 6 m/s. 2-0.
Do. 3 „ 1-11⅝.
Do. demand 1-11¾.

MADRAS, 29th September 1863.

5¼ per cent. G. P. Notes, 17½ to 17⅝ premium.
5 do. do. 8¼ to 8⅜ premium.
4 do. do. ¾ to 1⅛ discount.
Sovereigns Rupees 10-4-9 each.
Bank of Madras Shares 120 premium.
Exchange on Calcutta 30 days ¼ discount.
Do. sight par.
Exchange on Bombay 30 days ¼ discount.
Do. sight ⅛ premium.
Exchange on London at 6 m/s. 2-0¼.
Do. 3 „ 1-11⅝.
Do. demand 1-11¾.

MADRAS, 1st October 1863.

5½ per cent. G. P. Notes, 17¼ to 17⅜ premium.
5 do. do. 8¼ to 8⅜ premium.
4 do. do. ¾ to 1¼ discount.
Sovereigns Rupees 10-4-9 each.
Bank of Madras Shares 120 premium.
Exchange on Calcutta 30 days ¼ discount.
Do. sight par.
Exchange on Bombay 30 days ¼ discount.
Do. sight ⅛ premium.
Exchange on London at 6 m/s. 2-0¼.
Do. 3 „ 1-11⅝.
Do. demand 1-11¾.

MADRAS, 2nd October 1863.

5½ per cent. G. P. Notes, 17¼ to 17⅜ premium.
5 do. do. 8¼ to 8⅜ premium.
4 do. do. ¾ to 1¼ discount.
Sovereigns Rupees 10-4-9 each.
Bank of Madras Shares 120 premium.
Exchange on Calcutta 30 days ¼ discount.
Do. sight par.
Exchange on Bombay 30 days ¼ discount.
Do. sight ⅛ premium.
Exchange on London at 6 m/s. 2-0¼.
Do. 3 „ 1-11⅝.
Do. demand 1-11¾.

MADRAS, 20th October 1863.

5½ per cent. G. P. Notes,	16½ to 17	premium.
5 do. do.	6½ to 7⅛	premium.
4 do. do.	2 to 2½	discount.
Sovereigns	Rupees 10-4-9 each.	
Bank of Madras Shares	114	premium.
Exchange on Calcutta	30 days ¾	discount.
Do. do.	sight ⅞	discount.
Exchange on Bombay	30 days ½	premium.
Do. do.	sight 1	premium.
Exchange on London	at 6 m/s. 2-0¼	
Do. do.	3 „ 1-11⅞.	
Do. do.	demand 1-11½.	

MADRAS, 23rd October 1863.

5½ per cent. G. P. Notes,	16 to 16½	premium.
5 do. do.	6 to 6⅜	premium.
4 do. do.	2½ to 3	discount.
Sovereigns	Rupees 10-4-9 each.	
Bank of Madras Shares	112	premium.
Exchange on Calcutta	30 days ⅝	discount.
Do. do.	sight ⅞	discount.
Exchange on Bombay	30 days	par.
Do do.	sight ½	premium.
Exchange on London	at 6 m/s 2-0¼.	
Do. do.	3 „ 2-0⅛.	
Do. do.	demand 1-11½.	

No. 21. To the Secretary to the Government of India, Financial Department, dated Fort Saint George, 11th November 1863, No. 720.

I am directed by His Excellency the Governor in Council to transmit, for the consideration and orders of the Honorable the President in Council, the annexed copies of a correspondence* which has taken place regarding certain purchases of Bills on Bombay by the Acting Accountant General, which were made by that Officer direct through certain private Banks, and not through the intervention of the Bank of Madras.

*From Secretary and Treasurer, Bank of Madras, 1st October 1863, No. 23/556.
From the Acting Accountant General, 26th October 1863, No. 233.

2. The Directors of the Bank object to the course taken by the Acting Accountant General in "exerting his official influence to divert to Banks with which the Government have no "connexion, the business which, the Directors consider, should be entirely entrusted to the Madras "Bank, in which the Government is a shareholder, and with which it is otherwise intimately "connected." They also argue that it is opposed to public policy that a public Officer in the position of the Accountant General "should have direct personal dealings in regard to public "monies with private Banks and Soucars," and that the effect of such direct purchases by a Government Officer is to disturb the exchange market.

3. Mr. Lodwick has replied at length to the arguments urged by the Directors of the Bank. He contends that if he can purchase Bills at more favorable rates and with better security† than that offered by the Bank, he is bound to do so; that his transacting this duty personally has not tended to disturb the market more than would have been the case if the duty had been entrusted to the Secretary to the Bank; and he shows that the practice for which the Bank Directors contend, is not followed at Bombay.

†NOTE.—It will be seen that the Bank do not consider themselves answerable for Bills bought by them on account of Government unless endorsed by themselves.

4. As the question is one which applies to each of the Presidency Towns, where the Government has shares in the Presidency Bank, the Governor in Council thinks it advisable, before passing any orders on the correspondence, that he should be furnished with the views and instructions of the Supreme Government.

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

Exd. T. McMootry.

A

R. W. Lodwick Esq
Bank of Madras
Madras 18th Sept 1863

My dear Sir,

I am willing though to me have ample funds there at present to take your bills on Cochin for 2 lacs at 1/8 p prem: in exchange for a bill of similar amount on the Bank on Bombay at 15 d/s at par

Yours faithfully
(signed) John McIver
Sec.

True copy
R. Lodwick
A. Dep. and Acct. Genl

A

B.

8

R W Goodrich Esq
Bank of Madras
Madras 19th Sept. 1863

139

My dear Sir,

I think a large amount like 2 lacs should be given on better terms than a small amount as such an amount can be sent by escort to Cochin for 1/4 % - Sight Bills on Bombay are quoted at 1/4 prem: - I can only give you 1/4 % comm[n] for your bills in lieu of ours on Bombay @ 30 d/d at par

Yours faithfully
(signd) John McIver

Encm 1/2 sheet -

True copy
R W Goodrich
A[g] Dep[y] and [t] Asst Genl

C

Extract of a letter from the Acting Deputy Auditor and Accountant General to the Secretary to the Government of India Financial Department No: 208 dated 17th August 1863.

Para 2 Having succeeded in disposing of 2 lakhs of Rupees which were at Travancore by bringing them to Cochin and having made arrangements for the dispatch to the same place of 6 lacks which were at South Canara I hope to be able to send a considerable remittance to Bombay in excess of the 82 lakhs already forwarded - The amount of this further remittance is at present uncertain but should I succeed as I hope in bringing the 6 lakhs from Cochin to the Presidency by bills I may be able to send as much as 18 lakhs within the next 3 months.

D 17

Bank of Madras
Madras 7th Septr 1863.

My dear Sir,

If you want to remit to Bombay I can let you have a lac of the Bank's bills at par on demand.

Yours faithfully
(signed) John Mc Iver

R. W. Lodwick Esq.

True copy
R W Lodwick
Ag. D.A and Q.M. & Asst Genl

E

No. 3160

To

The Deputy Auditor & Accountt. General
Fort Saint George.

Financial Departt. Sir,

I am directed to acknowledge the receipt of your Letter of the 24th. Ultimo, No. 1009, and to inform you that your proceedings, as therein reported, are approved.

2. You will continue to buy as many Bills on Bombay (within the limit of the sum available for remittance to the Treasury at that place) as can be procured at rates as favorable as those at which Mr. Birch may at the time be drawing upon Madras. You will act in the closest concert with that Officer and will take care to purchase none but Bills of undoubted security.

I have &c.
(Signed) E. H. Lushington
Secy. to the Govt. of India

Fort William
The 16th. July 1863.

12
2/

F

Received 16th October 1863.

From
Bombay - Deputy Auditor and
Accountant General

To
Madras - Deputy Auditor and
Accountant General

Duplicate - We never employ Bombay
Bank to purchase bills in market - 14-12-18

B 232

G

Agra & Bank
Madras 3d Oct. 1863

No. 2028

To R. N. Lodwick Esquire
Deputy Auditor and Accountt General
Madras

Sir

I can draw for you on Bombay for one lac at 31 Days sight at 3 annas per Cent discount; conditionally, on another lac at 60 days sight being taken at 7 annas per Cent discount - say 2 lacs in all.

I have &c
(signed) W Taylor
for Manager

No. 363

To The Manager Agra and United Service Bank limited Madras.

I cannot accept your terms -
I do not wish to take any more Bills at 60 days sight, but I am willing to give you 2 lakhs at 30 days sight at 4 annas Discount

H.

14

259

Madras
October 21st 1863.

My dear Sir,

You will recollect that at a Bank meeting some time ago it was asserted that the Bank when purchasing Bills for Govt did not unless it endorsed the Bills necessarily make itself answerable for the Bills bought & that I demurred to this but was informed that such was the rule in respect to Agents and their employers - May I request the favour of your informing me exactly how the rule stands & of your giving me to know whether my recollection of the conversation as above stated is substantially correct -

I remain
Faithfully Yours
Signed. R. W. Lodwick

True copy -
R W Lodwick.
Asst Dep Paymr Gen Dept.

COMMERCIAL. 16

MADRAS, 1ST SEPTEMBER, 1863.

5½ per cent. G. P. Notes,		18¾ to 18¾	prm.
5 do	do	9 to 9¼	prm.
4 do	do	½ to 1	dis.
Sovereigns		Rs. 10-4-9	each.
Bank of Madras Shares		120	prem.
Exchange on Calcutta	30 days	¼	dis.
Do	do	sight	par.
Exchange on Bombay	30 days	¼	dis.
Do	do	sight	par.
Exchange on London	at 6 m/s		2-0
Do	do	3 „	1-11⅞
Do	do	demand	1-11¾

COMMERCIAL. 17

MADRAS, 29TH SEPTEMBER 1863.

5½ per cent. G. P. Notes,		17¼ to 17¾	prm.
5 do	do	8¼ to 8¾	prm.
4 do	do	¾ to 1¼	dis.
Sovereigns		Rs. 10-4-9	each.
Bank of Madras Shares		120	prem.
Exchange on Calcutta	30 days	¼	dis.
Do	do	sight	par.
Exchange on Bombay	30 days	¼	dis.
Do	do	sight	⅛ prm.
Exchange on London	at 6 m/s		2-0¼
Do	do	3 „	1-11⅞
Do	do	demand	1-11½

COMMERCIAL. 18

MADRAS, 1ST OCTOBER 1863.

5½ per cent. G. P. Notes,		17¼ to 17¾	prm.
5 do	do	8¼ to 8¾	prm.
4 do	do	¾ to 1¼	dis.
Sovereigns		Rs. 10-4-9	each.
Bank of Madras Shares		120	prem.
Exchange on Calcutta	30 days	¼	dis.
Do	do	sight	par.
Exchange on Bombay	30 days	¼	dis.
Do	do	sight	⅛ prm.
Exchange on London	at 6 m/s		2-0¼
Do	do	3 „	1-11⅞
Do	do	demand	1-11½

COMMERCIAL. 19

MADRAS, 2ND OCTOBER 1863.

5½ per cent. G. P. Notes,		17¼ to 17¾	prm.
5 do	do	8¼ to 8¾	prm.
4 do	do	¾ to 1¼	dis.
Sovereigns		Rs. 10-4-9	each.
Bank of Madras Shares		120	prem.
Exchange on Calcutta	30 days	¼	dis.
Do	do	sight	par.
Exchange on Bombay	30 days	¼	dis.
Do	do	sight	⅛ prm.
Exchange on London	at 6 m/s		2-0¼
Do	do	3 „	1-11⅞
Do	do	demand	1-11½

COMMERCIAL. 20

MADRAS, 20TH OCTOBER 1863.

5½ per cent. G. P. Notes,		16½ to 17	prm.
5 do	do	6½ to 7⅛	prm.
4 do	do	2 to 2½	dis.
Sovereigns		Rs. 10-4-9	each.
Bank of Madras Shares		114	prem.
Exchange on Calcutta	30 days	¾	dis.
Do	do	sight	dis.
Exchange on Bombay	30 days	½	prem.
Do	do	sight 1	prem.
Exchange on London	at 6 m/s		2-0¼
Do	do	3 „	1-11⅞
Do	do	demand	1-11½

COMMERCIAL. 21

MADRAS, 23RD OCTOBER 1863.

5½ per cent. G. P. Notes,		16 to 16½	prm.
5 do	do	6 to 6⅜	prm.
4 do	do	2½ to 3	dis.
Sovereigns		Rs. 10-4-9	each.
Bank of Madras Shares		112	prem.
Exchange on Calcutta	30 days	¾	dis.
Do	do	sight	dis.
Exchange on Bombay	30 days		par.
Do	do	sight ½	prem.
Exchange on London	at 6 m/s		2-0¼
Do	do	3 „	2-0⅛
Do	do	demand	1-11½

312 4

No. 233

FORT SAINT GEORGE,

DEPUTY AUDITOR AND ACCOUNTANT GENERAL'S OFFICE,

26th October 1863.

From

THE ACTING DEPUTY AUDITOR AND ACCOUNTANT GENERAL,

Madras.

To

THE Chief SECRETARY TO THE GOVERNMENT OF Madras.

SIR,

I have the honor with reference to Government Endorsement No. 4 dated the 20th instant, to report as follows -

2- The present letter from the Bank was read at the meeting of the Board on the 6th inst: when I pointed out to the other Directors that the words given in the margin were insertable unless an order could be pointed out forbidding the Accountant General from personally entering the Market - No such order exists that I am aware of nor could the Board on my challenging them to do so produce one & the only reply I received was that such a prohibition was to be inferred -

they would also infer that the acting Accountant General having a seat at the Board went beyond his duty at discountenancing the agency of the Bank

3- After therefore explaining my reasons for acting as I have done & detailing the results which have followed on my proceedings I shall — " show first that the Accountant General is not tied down to employ the Bank when he desires to purchase Bills & 2dly that it is not expedient that he should be so tied down unless the Bank take upon itself certain responsibilities & engagements not at present in force -

4- My reasons for entering the market personally were these. On the 18th ultimo the Secretary made me an offer to take from me 2 lakhs at 2 annas premium from my Cochin balance in exchange for a bill of similar amount on Bombay at 15 days sight at par - Considering that the money at Cochin is advertised & every bill day taken up at 4 annas premium & that the market price for Bills on Bombay at a months sight was at the time this offer was made set down in the public papers at 1/4 per cent discount this offer appeared to me very far from a liberal one - I accordingly refused the terms but consented eventually to give the Bill on Cochin at the advertised rate for a bill on Bombay at 30 days date at par - These then were the best terms I could make with the Bank & it being incumbent on me to get 18 lakhs to Bombay by the 17th Nov. I considered that it would be to the advantage of Government if I tried to procure bills personally in the market for I argued that as Bills were quoted at 1/4 discount for 1 months sight in the papers if I employed the Bank to purchase, the commission they charge (1/4 per cent) would swallow up all the profits in the case of 30 days bills & the greater part of the profits in that of bills at 60 days sight - I therefore addressed the different leading Banks & invited offers from them receiving in reply certain tenders which I accepted as they appeared to me sufficiently favourable according to the published rates - In the margin* are given the purchases I made & it will be seen that in a few days I conveyed 9 Lakhs to Bombay at a clear profit to Govt of Rs: 3312.8-

5- The Bank, Sirs, profess to take it ill that I did not write to them but

4- vide annexure A.

vide annexure C.

vide Athenæum of 17th 29th April @ 1/4 per cent 2d - 1/4 per enclosed

* 29th Bank 30 days sight 1/4 p.C. discount 100000
Do 60 days 1/2 p.C. Do. 100000
Mercantile Bank 30 days at 3.00000
Do 1/2 p.C. discount 60 days at 200000
Do. Do. Do. 200000
900000

I am surprised that they should have written in this manner for it was not to be expected that I should address them not only because having had a transaction with them as before stated I had no need to make enquiries as to their terms but also because I had frequently spoken to the Secretary, had told him I was anxious to remit money to Bombay, had stated that I was purchasing in the market & had therefore given him every opportunity of making a tender or offer which he could just as easily have made at this time as on the 19th Sept. when he made me the very illiberal proposal I have referred to in para: 4 or on the 7th ultimo vide annexure **D**—

6- I now turn to the consideration of that part of the Bank's letter in which they charge me with making a worse bargain than the Secretary would have made had I been allowed him - I have been enjoined by the Govt of India* to take especial care that all the bills I buy are first class bills - It is not long since that at a discussion at the Board I was startled to hear it affirmed that the Bank when purchasing Bills for Govt did not necessarily make itself liable for the safety of the said bills & must under these circumstances look to me for the security of every rupee I send away - If I employ the Secretary to buy bills he makes such purchases as seem to him safe but knowing Bombay as I do & being aware that speculation has of late become such a mania there that many a man supposed to be rolling in wealth is in reality in danger of bankruptcy I have never felt easy with regard to bills bought through brokers since I heard that if the said bills were dishonoured the Bank would not be answerable - Bought without my intervention of persons respecting whom I know nothing & the firms or private individuals respecting whom, I have little or no knowledge how can I feel sure that the bills are first class? For this reason as well as to save Govt the cost of Commission I preferred going into the market myself & for this reason I declined to have any dealings with brokers (several of whom came to my office) making my proposals direct to the Banks - The Madras Bank affirms that it could have made better purchases than I did, alluding of course to the rates at which the Secretary bought his bills - The difference of profit is not very great (vide Annexure K) but taking for granted that the Bank could have made this profit which is certainly doubtful for the purchase of lakhs & a few thousands are very different matters I respectfully affirm that I prefer the bills I have bought to those which the Bank would have bought for me - In every sense of the word my bills are first class & I consider that while a respectable profit has been made the transaction has been attended with less risk than it would otherwise have been - Had I done as the Bank Secretary does when buying bills viz: employed brokers & bought bills on native firms I see no reason why I should not have made as good terms as he did but my object was security & I submit that that object has been very cheaply attained at the sacrifice of the few rupees which constitute the difference between my profit & that the Bank asserts it could have made for Govt -

7- And here before proceeding to the consideration of the

* You will take care to purchase none but Bills of undoubted security" Letter from Govt of India No 3 to 6 dated 18th July 63 vide annexure **E**.

* vide Annexure **G**. Copy of a tender I did not accept being not in want of 60 days sight bills -

* See copy attached to Bank's letter together with Bank's reply -

* Testimonial called for by me from the Bank of the prices at which I was buying Bills -

main question at issue viz: whether the Bank has a right to be always employed when Govt is purchasing bills I may say a few words on the subject of disturbing the market which is one of the charges brought against me - Now it is self evident that if any one buys largely at once the market must be to a certain extent affected but I must altogether demur to the statement that my purchases had any very prejudicial effect or that if the Secretary of the Bank had been purchasing instead of me the market would have been much less affected - The offers accepted by me were all of them at the ordinary rates quoted in the papers I made no stroke for a high rate of discount, I did not put Broker against Broker or offer largely for favourable rates & I therefore consider that it is impossible that I can have done the market any serious injury & in this opinion I am confirmed by the fact of offers having been made me up to the last at very steady rates which would not have been the case had the Bank's statement been correct - The Secretary's refusal to treat with me when I made him the offer of the 2d inst* is I submit grounded on reasons which do not bear looking into - He says that he had retired from the market owing to its having been so disturbed by my large & sudden purchases but why could not the Madras Bank give me, as asked* its own bills at the same rates as other Banks? The Secretary knew quite well that I would take very moderate discount & yet he makes no offer of any sort clearly showing that he was acting on the part of disturber of the market by holding out for rates less favourable to the purchaser than those he could procure elsewhere -

8- I now turn to the chief question involved in the reference to Government made by the Bank - Can the Accountant General as representing Government himself enter the market or must he employ the Bank Secretary to buy his bills? There is I believe no rule or order making it incumbent on the Accountant General to buy bills by proxy - This I think is acknowledged on all hands & we have therefore only to consider whether the contrary course is supported by any order direct or indirect or by precedent - I think I can show that both are in its favour - The accompanying letter of the Govt of India No 3161

dated 16th July/83 is submitted & it will be seen that no orders making it imperative on me to employ the Bank are contained therein - It is a reply to a letter I wrote commencing as follows "I have the honor to report that xxxx I have entered the market & have today purchased 2 bills the one for 50.000 the other for 60.000 Rs:" The bills I referred to were bought by the Secretary on my requisition but I considered that what was done by him for me was done by myself & I did not therefore consider it necessary to say more than that I had entered the market. In a subsequent letter I explained that the bills had been purchased by the Bank as under

"I have the honour to inform you that in calculating the amount of profit by purchasing bills on Bombay at discount the commission payable to the Bank was not taken into consideration"

but it is clear that the Govt of India saw no reason to object to an officer like myself making his own purchases or they would have referred to this point in replying to my first letter. I consider therefore that this settles the question as to an Accountant General being at liberty to buy bills himself & I really cannot see why on the face of it there should be more objection to his buying than to his selling bills which he does regularly twice a week - Then as to precedent I beg to submit the following copy of a telegram* received from Bombay which shows that the practice of employing the Bank to purchase Bills is not followed there - I thought this was the case but not feeling perfectly sure I considered it best to ascertain the fact beyond the possibility of doubt & telegraphed for the information to the Accountant General -

9. Thus I conceive I have shewn that my proceedings are perfectly justifiable & I have now only to prove that it is not advisable that the Accountant General should be bound to employ the Bank always -

10 - I feel sure Government will admit that when remittances by Bills are made the main object is to save expense for it is clear that the conveyance of Specie by steamer is a much more speedy mode of getting treasure to another

Note - I was when I first got the Bank instructions to buy some bills we were told there would be a Commission and the rates being the same as Exchange I thought at the time it would be better not to go personally into the market but simply put down what I should like the rate to be & leave it to the Bank to get the best they could. I subsequently found that I could have made a profit of Rs 3/ per cent & got quit of the Secretary & Govt would thus have had the benefit of the commission -

* amended F.

Presidency - Now Treasure can be conveyed by steamer always at the rate of 6 as: per cent & sometimes at that of 4 as: & therefore when the market is as now very unfavourable the loss to Govt of employing the Bank to purchase Bills would be enormous for in addition to the premium paid the Bank's commission would have to be made good & the two together would greatly exceed the rate at which the money could be conveyed by sea - The Accountant General going into the market himself at a time when the rates of exchange are unfavourable can buy bills sufficiently cheaply to make the remittance of money in this manner pay but it is abundantly evident that if he systematically employed the Bank this could not be the case. Again even when rates are favourable no object is gained by employing the Bank for allowing that the agency buys bills at a somewhat worse rate than the Bank he could by watching the market closely for some time beforehand make in most cases a bargain a little inferior to that which the Bank could effect as to render Government in reality a gainer by the non-payment of the 1/4 per cent commission always of course supposing that both parties kept the principle of buying none but bills "of undoubted security" in view -

* Vide Attenzyhen dated 20th to 23rd Oct: slips attached -

11 - The above arguments it will be seen are all founded on the supposition that the Bank in acting for Govt as a bill purchaser invariably requires a commission - As I have intimated however in my 3rd para: there are certain conditions on which it would be advisable to employ it on all occasions but these are I fear such as the Bank would not consent to. They are first that the Secretary should abandon all claim to commission on the purchase of bills, already pronounced to be illegal by the Advocate General or

consent to give Gov't his own bills whenever called upon at the quoted market rate and secondly that the Bank should undertake to be answerable for every bill it buys for Government - Were these conditions made I should of course employ the Bank always but at present I hold that the relation of the Bank to Government is simply one of optional agency as far as bill purchasing is concerned and that as the latter cannot force the former to get bills always at stated rates neither can the former oblige the latter to enter the market only by proxy -

12- I will only in conclusion respectfully solicit the attention of His Excellency in Council to the fact that the course I have pursued & am advocating is not one which I am interested personally in seeing enforced - Had I consulted my own convenience it would have been infinitely preferable to have placed the purchase of bills in the Bank Secretary's hands for I should have thereby saved myself the trouble of writing numerous letters &c but I consider it my duty on all occasions to take the course which seems to me best calculated to advance the interests of Govt & I therefore confidently hope that my motives will be appreciated & that I shall be supported against the attack now made upon me

I have the honor to be
Sir,
Your most obed't Serv't
W. Lodwick
Asst Dep't Aud'r & Asst Gen'l

P.S. The letter from the Bank is returned -

Respect to the letting
Lieutenant Leonard for
his services.

Yours truly
Christopher

Fort St. Lewis
Col. 20th Oct. 1863

Pro: 9th Sept 63 0588
19th Augt 63. 128

Financial 1863 Deptt.

413

From
The Secy & Treasurer
Bank of Madras
No 23/536.

Dd 8th & 9th Oct.

Rd 10th Oct

No 681

Brings to notice the altered system introduced by the Ag Accts Dept. of purchasing Bills of Exchange on account of the Government.

Printed copy annexed.

Referred

19

29/10

C.S. Nairn.
1274

Pro: "Expenditure" Dec 14th 1863

Financial Department

No 720.

To,
The Secretary to the
Government of India,
Financial Department

Sir,

I am directed by His Excellency the Governor in Council to transmit, for the consideration and orders of the Honorable the President in Council, the annexed copies of a correspondence which has taken place regarding certain purchases of bills on Bombay by the Acting Accountant General, which were made by that Officer direct through certain private banks, and not through the intervention of the Bank of Madras.

2. The Directors of the

* From Secy & Treasurer, Bank of Madras - 1st Octr/63. No 23/536
From the Ag Accountant General, 26th Octr/63. No 233.

I think that the Govt is bound to express dissent from the course pursued by Mr Ladewick. which in my opinion has been altogether incorrect

He seems to me to have been correct - but it is for the Govt of India to judge of that. I think that it will be sufficient to express your opinion for their orders

I think so too, as the question is a general one & relates to a

the Bank object to the course taken by the Acting Accountant General in exerting his official influence to to divert to Banks with which the Government have no connexion, the business which, the Directors consider, should be entirely entrusted to the Madras Bank, in which the Government is a shareholder and with which it is otherwise intimately connected. They also argue that it is opposed to public policy that a public officer in the position of the Accountant General should have direct personal dealings in regard to public monies with private Bankers and Soucars, and that the effect of such direct

I would insert a foot-note here

Note. It will be seen that the Bank do not consider themselves answerable for bills bought by them on account of Govt. unless endorsed by themselves.

This I think is prominently brought to notice

purchases by a Government Officer is to disturb the Exchange market.

3. Mr. Lodwick has replied at length to the arguments urged by the Directors of the Bank. He contends that if he can purchase bills at more favorable rates and with better security than that offered by the Bank, he is bound to do so; that his transacting this duty personally has not tended to disturb the market more than would have been the case if the duty had been entrusted to the Secretary to the Bank; and he shows that the practice for which the Bank Directors contend, is not followed at Bombay.

4. As the question is one

which applies to Each
of the Presidency Towns,
where the Government has
shares in the Presidency
Bank, the Governor in
Council thinks it advisa-
ble, before passing any
orders on the Correspondence,
that he should be fur-
nished with the views and
instructions of the Supreme
Government. —

Fort St. George
11th November 1863

Finl. 1863 Department

N° 726

To The Secretary to the Govt
of India F. D.

Dated 11th Nov 63

Rec'd 14

Correspondence respecting the course taken by the Ag. Accountant Genl in purchasing Bills on Bombay through private Banks and not through the Madras Bank, submitted for the orders of the Supreme Government.

19-21