M.R.O.—1—27,000—8-6-37.

(1) Number of pages

(2) Date of repair 20-7-38

3) Initials of the Reference CR

# MADRAS RECORD OFFICE.

## Government of Madras.

DEPARTMENT.

G.O. No. 7 Press Mis.

Dated 4-1- 1864.

13-14 7/8

**Not to be folded or roughly handled**

No. 13. Read the following letter from R. W. LODWICK, Esq., Acting Deputy Auditor and Accountant General, Madras; to the Chief Secretary to the Government of Fort Saint George, dated 23rd December 1863, No. 305.

I have the honor, with reference to Government Order, No. 828, dated 22nd instant, respectfully to point out that the words in the proposed Notification, to which His Excellency in Council has taken objection, are those used by the Government of India in their orders respecting Currency Notes.

2. It is expressly laid down therein that Currency Notes are not to be used as a vehicle of remittance, and I am therefore of opinion that it is necessary to bring this point to the notice of Government before issuing the Notification in the corrected form.

3. I would respectfully beg to submit that it is in the power of Deputy Collectors in charge of Treasuries to inquire, when a large number of Notes are presented by a single individual, whether they have been sent as a remittance, and as a general rule to ascertain the fact, and that should there not be some restriction of this sort before the public merchants would avail themselves so largely of the privilege as to render the *general* usefulness of the order to a great extent nugatory.

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No. 14. ORDER THEREON, 4th January 1864, No. 7.

The Governor in Council adheres to the order passed under date the 22nd ultimo, directing that the proviso which Mr. Lodwick proposed to insert in his Notification regarding the cashing of Currency Notes should be omitted. Mr. Lodwick states that the words objected to "are those used by the Government of India," referring apparently to the Order of the Government of India in the Financial Department, under date the 19th March 1862; but in that order no such words occur, nor in the opinion of the Governor in Council do the terms of that order necessitate any such proviso. It does not appear that the cashing of Notes at the Local Treasury, to the extent to which they may be re-issuable, would interfere with the legitimate operations of private enterprize, or with the system of supply Bills, to which the public are accustomed. It must be impossible to ascertain *why* Notes are presented; and so long as no more Notes are received than can be issued again, the Governor in Council does not see that anybody would be prejudiced while the general public would be benefited.

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

Ed. J. Tulloch.

Finance Department.

34

A. 884

From the Dy Deputy Auditor and Accountant General.

Dated 29th December 1863.

For Orders.

Mr Lodwick says that the words objected to by the Govt are those used by the Govt of India - but I find some such in the papers put up - in its original form this draft order would have led a Treasury Officer to enquire whenever a note was presented to be cashed, whether it was "a vehicle of remittance" & thus coerced to be both executive & practically a Court of Justice - The Govt of India on the other hand do not object to notes being used for remittances under certain circumstances & for small sums - a discretion being

kept in the latter point to Treasury Officers
I think that the Notification should
go out as amended by the Govt a
that a new one should be prepared merely
stating that "the discretion" allowed to
Treasury Officers by the Order of the Supreme
Govt of 19 March/62 No 43 may be
exercised to the extent of issuing Notes
"to an extent nearly commensurate with
the rate at which the stock of Currency
Notes is found to be diminishing."

JLe

I would direct the issue of Mr L's
Notification as amended by
Govt — I dont see that the
cashing of Govt Notes at the

Local Treasuries to the extent to which
they may be reissued would conflict
- for with the legitimate operations
of private enterprize, or with the
system of supply by Bills to which
the public are accustomed - It
would be impossible to ascertain
why notes are presented - and
so long as no more Notes are
issued than can be absorbed
again, I dont see that any
body would be prejudiced,
while the general public would
be benefitted

JP

5K

Immediate

7K

No. 305

FORT SAINT GEORGE,
DEPUTY AUDITOR AND ACCOUNTANT GENERAL'S OFFICE,
December 23d 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 828 dated 22d inst:
~~186~~, ~~to~~ respectfully to point out that the words in the proposed notification to which His Excellency in Council has taken objection are those used by the Government of India in their orders respecting Currency Notes -

2- It is expressly laid down therein that Currency notes are not to be used as a vehicle of remittance & I am therefore of opinion that it is necessary to bring this point to the notice of Govt before issuing the notification in the corrected form -

3- I would respectfully beg to submit that it is in the power of Deputy Collectors in charge of treasuries to inquire when a large number of notes are presented by a single individual whether they have been sent as a remittance & as a general rule to ascertain the fact & that should there not be some restriction of this sort before the public merchants would avail themselves so largely of the privilege as to render the general useful scheme of the order to a great extent nugatory

× yes. but not to ascertain-

I have the honor to be,

Sir,

Your most obedient Servant,

W Chodwick

*Ag. Dy. Audr. and Acct. General.*

Financial Department

Proceedings of the Madras Government

Read the following letter from the

A/Dy Audr & Accountant General

(Here Enter 23d December 1863. No 385)

Order thereon 1st ~~December~~ January 1864. No 7.

The Governor in Council

adheres to the order passed

under date the 22d ~~October~~ December

directing that the proviso

which Mr Lodwick pro-

posed to insert in his Notification

regarding the Cashing of

Currency Notes should be

omitted. Mr Lodwick

states that the words

objected to "are those used

by the Government of India"

referring apparently to

the Order of the Govern-

ment of India in the

Financial Dept under

date the 19th March 1862.

but in the Proviso of

that order the words

those occur not in the

Rec'd 22 Dec 1863 No 828.

Lib of 12 Jany 64.

13-14

R. 28 Dec

Opinion of
the Governor in Council,
as to the terms of that order
~~do not~~ not necessitate any
such proviso. It does
not appear that the
cashing of Notes at the
Local Treasury to the Extent
to which they may be
~~re~~payable, would interfere
with the legitimate operations
of private Enterprize, or
with the system of supply
bills, to which the public
are accustomed. It must
be impossible to ascertain
why notes are presented;
and so long as no more
Notes are received than
can be issued again, the
Governor in Council does
not see that any body
would be prejudiced while
the General public would
be benefited. —

W. A.

To the Depy. Auditor & Accountant General

Sec of St. Jany/64.

Financial 1864. Despatch

No 7

Proceedings of Govt

D/4 " January/64

13 & 14