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MADRAS RECORD OFFICE.

Government of Madras.

Finance DEPARTMENT.

G.O. No. 363 Press / Mis.

28-29

Dated 22-7- 1865.

28.29 11/12

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 22nd July 1865.

No. 28. Read the following letter from H. G. SMITH, Esq., Collector of Cuddapah, to the Honorable A. J. ARBUTHNOT, Chief Secretary to Government, Fort Saint George; dated Muddenapully, 26th April 1865, No. 14.

Being under the impression that the Government were desirous that the circulation of the new Currency Notes should be as widely extended as possible, although there is no such positive order on the subject, but I am led to gather so from Mr. James Lushington's (the Acting Accountant General) Circular* to all Collectors, in which he says "taking care always to keep "the Treasury well supplied with Notes," I last year indented for two lacs of Rupees, which was refused me, as the Accountant General thought I had already too many. I consequently was obliged to let the Treasury run so low, that, before I could get Notes on a second Indent, there were applications for 32,000 Rupees in one day made at the Huzur, and I had not a Note.

* 27th February 1863, No. 208.

2. Determining, therefore, that the Huzur and the Taluq Treasuries should be well supplied, and that they should not again run short, and as the traffic in the District is at this time very great, and a rise in cotton would make it still more so, I indented for one lac of Rupees, which the Accountant General refused me. Knowing, however, that did I not receive a supply I must run short, I again wrote sending a Statement of Notes in the different Taluqs, and have only been met with a partial remittance (not yet received); the Accountant General apparently objecting to supply me with more, because, as he says, he thinks that the large demand in March was caused by the merchants desirous of making their private remittances to Madras, at the expense of the Government, which he says has been declared by the Government of India never to have been intended. He is doubtless in fact right as to the cause of the demand, and I can almost say for certain that the whole or nearly so have been taken by Merchants; but if the Paper Currency is not to be used for this purpose, I can scarcely see its use at all, for, if any, it must be very limited.

3. The Accountant General need have very little fear of there being too much silver in the Treasury of Cuddapah, for, as has been pointed out by my predecessor, there is sometimes not sufficient money to meet the demands for Bills, and now the demands of the Railway and Irrigation works have also to be met, and there is now only 4,83,062 Rupees† to meet all demands till next November, the outstanding balance being only Rupees 5,00,000, which makes therefore Rupees 9,83,062.

† Exclusive of April's kist.

4. Since I first wrote to the Accountant General for Notes, the supply in the Kadiri Taluq is exhausted, causing great inconvenience to the public; and four days ago there were only Notes in the Huzur Treasury to the value of Rupees 1020, which‡ has doubtless gone by this time, and in the Cuddapah Taluq, to which applicants would resort if there were none in the Huzur, there were, on the 15th instant, only 5 Notes of 200 Rupees in value.

‡ Notes of the value of Rupees 180, as per Report which has just been received from the Officer in charge of the Treasury at Cuddapah, are only available.

5. Being, therefore, well aware of the great inconvenience the present ruling of the Accountant General causes to Merchants and others, as also that it cannot but be detrimental to the Paper circulation, and further that it is contrary to the wishes of Government, I beg, as requested by himself, to forward direct the correspondence that has taken place on the subject, with a request that my application for one lac of Notes be attended to immediately, and also that I may be favored with the opinion of Government as to whether applications from Collectors for Notes ought to be met to their full extent, for they, I think, are most likely to know what is likely to be required in their Districts, which must be regulated according to the trade likely to take place prospectively, without reference to the demand which has been made for Notes during the previous months; for instance at Muddenapully and Calkadda, during several months in the year the demand may be small, but as the Collector knows that in the months of March, April and May, there will be a great traffic in Jaggery and grain, he of course keeps a large supply in these months, and so on in other Taluqs according to the demand for the different products.

letter as per Margin, I have the Honor to

Proceedings of the Madras Government, Financial Department, 22*nd July* 1865.

From F. LUSHINGTON, Esq., Deputy Auditor and Accountant General to the Government of Madras, to H. G. SMITH, Esq., Collector of Cuddapah; dated 12th April 1865, No. 5156.

Resource Department.

Vide your office Indent, No. 1, dated 8th instant, for Currency Notes, returned.

2. As you have in stock a large balance of Notes, value Rupees 52,900, this application for a further supply is premature, and I cannot therefore comply with it. When your Notes get lower, you may send in an Indent for them, irrespective of the quarter.

From H. G. SMITH, Esq., Collector of Cuddapah, to F. LUSHINGTON, Esq., Deputy Auditor and Accountant General, Fort Saint George; dated Muddenapully, 17th April 1865, No. 264.

In acknowledging the receipt of your letter as per margin, I have the honor to enclose a list of the Notes in the various Taluqs, by which you will see there is not one that may not be cleared in a day, particularly if any rise in the cotton trade takes place, and in the Huzur there were, at the end of March, Notes to the amount of 26,810, which is now reduced to Rupees 5460.

12th April 1865, No. 5156.

As per report from the Officer in charge of the Treasury, dated 10th April 1865.

2. The Government, I believe, attach great importance to having the Taluq treasuries well supplied with Notes, although they ought not to be over-stocked, and I need hardly say that applications for them at a drained treasury causes great diffidence among the merchants, detrimental to the circulation. It is only a few months ago I was refused Notes, and on one day 32,000 Rupees worth were tendered for them, but none were to be had, notwithstanding my application had been made in time to meet the demand.

3. Under these circumstances, therefore, I have the honor to request you will send me the number required, or else that you will refer the matter to Government, as to whether a Collector's application for Notes, which he deems requisite for his District, ought or ought not to be met accordingly.

Vide Indent in duplicate herewith submitted.

List of Government Currency Notes remained both in the Huzur and Taluq Treasuries at the end of March 1865.

	No.	Value. Rs.
In the Huzur Treasury...	155	26,810
In the Taluq Treasuries—		
Budwail...	25	460
Jammalamadugu...	26	1,370
Proddatur... ...	4	180
Pullampett... ...	124	5,760
Sidhavatam... ...	7	740
Cuddapah... ...	5	200
Calkadda... ...	4	180
Muddenapully... ...	213	15,560
Pulivendla... ...	11	380
Kadiri...	13	490
Royachote... ...	25	770
	457	26,090
Total...	612	52,900

CUDDAPAH, COLLECTOR'S OFFICE,
ON CIRCUIT AT MUDDENAPULLY,
17*th April* 1865.

(Signed) H. G. SMITH,
Collector.

30

Proceedings of the Madras Government, Financial Department, 22*nd July* 1865.

From F. LUSHINGTON, Esq., Deputy Auditor and Accountant General, to H. G. SMITH, Esq., Collector of Cuddapah; dated Fort Saint George, 21st April 1865, No. 5226.

Resource Department.

I have the honor to acknowledge the receipt of your letter of the 17th instant, and in reply to state that, under the explanation therein afforded, I have forwarded your Indent for Currency Notes to the Bank of Madras, for compliance to the extent of Rupees 68,000, which amount will, in my opinion, suffice for the current wants of your District.

2. On referring to the Cash Balance Reports of the Huzur Treasury of your District for the months of January, February, and March, I find that in the two former months the issue of Notes averaged Rupees 9335, while the receipts from the public during the same period averaged Rupees 3175. The Currency Notes in your Huzur Treasury, which at the end of March amounted in value to Rupees 26,810, were, therefore, at the above rate of consumption, equal to rather more than four months' expenditure. In March, however, the issue of Notes rose to Rupees 66,290, and I have no doubt in my own mind that this large demand was in a great measure caused by the application for Notes by merchants desirous of making their private remittances to Madras, at the expense of the Government, which has already to make large remittances of silver to Madras from your Treasury at considerable cost, and this opinion is further strengthened by the fact that in your present Indent for Currency Notes, amounting to one lac of Rupees, more than half of that amount is for notes of the highest denomination, namely 1000 Rupees. It has been expressly declared by the Government of India that it was never intended that private parties should be permitted to resort to the Paper Currency as the means of making their remittances at the expense of the State, and I have accordingly reduced your Indent for Notes of the value of 1000 Rupees from 52 to 20.

3. In the Statement appended to your letter, I observe that in the Taluq treasuries of Muddenapully and Pullampett the value of Notes retained is Rupees 15,565 and Rupees 5760, respectively. These amounts appear to be so large, when compared with those usually retained in the Taluq treasuries of this Presidency, that I must request you to furnish me with a Statement exhibiting the receipts from, and the issues to, the public in those Taluqs, during the past six months, to enable me to judge whether the retention of such large sums in Notes is absolutely necessary.

4. Adverting to the concluding paragraph of your letter under acknowledgment, I beg that, if you entertain any doubts regarding my competency to issue instructions regarding the supply of Currency Notes for your District, or on the state of your treasuries generally, you will yourself refer the matter to Government, as I do not feel justified in troubling them with questions in respect to which I myself entertain no doubt whatever.

(True Copies).

(Signed) H. G. SMITH,
Collector.

No. 29. ORDER THEREON, 22nd July 1865, No. 343.

The Governor in Council is not prepared to interfere with the Accountant General in the exercise of the discretion vested in him, in regulating the supplies of Currency Notes to the several Treasuries.

(True Extract).

Chief Secretary.

To the Collector of Cuddapah.
,, Accountant General.

Exd. J. H. Burns.

Revenue Departt No 3756 Dated 12th April 1865

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60

From The Dy Auditor & Accountant General
to the Government of Madras

To The Collector of Cuddapah

Vide { Yours / Office Endent No dated 8th instant for Currency Notes returned

As you have in stock a large balance of Notes, on hand Rupees 52,900 this Application for a further supply is premature and I cannot therefore Comply with it. When your Notes get lower you may send in an Endent for them irrespective of the quarter

(Signed) F. Cushington
Dy Aud & Accountant General

Cuddapah Collectors Office
the Circuit at Madanapalle
17th April 1865

No 264

From H. G. Smith Esquire
Collector of Cuddapah

To F. Cushington Esquire
Dy Aud & Accountant General
Fort Saint George

Sir,

In acknowledging the receipt of your letter as per Margin, I have the honor to

12th April 1865
No 3756

to enclose a list of the Notes in the various Talugs by which you will see there is not one that may not be cleared in a day particularly if any rise in the Cotton trade takes place and in the Nagore there were at the end of March Notes to the Amount of 26810 which is now reduced to Rs 5460

As per report from the Officer in Charge of the Treasury dated 16th April 1865

2 The Government I believe attach great importance to having the Taluq Treasuries well supplied with Notes although they ought not to be overstocked & I need hardly say that applications for them at a drained Treasury causes great diffidence among the Merchants detrimental to the circulation. It is only a few months ago I was refused Notes and on one day 32000 Rupees worth were tendered for them but none were to be had, notwithstanding my application had been made in time to meet the demand.

3 Under these circumstances therefore I have the honor to request you will send me the number required or else that you will refer the matter to Govt as to whether a Collectors application for Notes which he deems requisite for his district ought or ought not to be met accordingly.

Note Indent in duplicate herewith submitted

I have &c
(Signed) H. G. Smith
Collector

70 25

List of Government Currency Notes remaining both in the Nagore and Taluq Treasuries at the end of March 1865

In the Nagore Treasury			155	26810
In the Taluq Treasuries				
	Rs	Value		
Budwail	25	460		
Jammalamadugu	26	1370		
Proddatur	4	180		
Pullampett	124	5760		
Sidhavatam	7	760		
Cuddapah	5	200		
Caltadda	4	180		
Madanapalli	213	13560		
Palivendla	11	380		
Royachoti	25	770	457	26090
Total			612	52900

Cuddapah Collectors Office
& Circuit at Madanapalli
17th April 1865

(Signed) H. G. Smith
Collector

Resource Deposit

No 3226

Fort Saint George
Dy Adt & Accountant Generals Office
21st April 1865

From Washington Esquire
Dy Adt & Accountant General
To The Collector of Cuddapah

Sir,

1 I have the honor to acknowledge the receipt

receipt of your letter of the 17th instant and in reply to state, that, under the explanation therein afforded, I have forwarded your Indent for Currency Notes to the Bank of Madras for Compliance to the extent of Rupees 68000 which amount will in my opinion suffice for the current wants of your District

2 By referring to the Cash Balance Reports of the Nuzui Treasury of your District for the months of January February and March, I find that in the former months the issue of Notes averaged Rupees 9235, while the receipts from the public during the same period averaged Rupees 3175. The Currency Notes in your Nuzui Treasury which at the end of March amounted in value to Rupees 26810 was therefore at the above rate of Consumption equal to rather more than 4 Months expenditure In March, however, the issue of Notes arose to Rupees 16390 and I have no doubt in my own mind that this large demand was in a great measure caused by the application for Notes by Merchants desirous of making their private remittances to Madras at the expense of the Government which has already to make large remittances of Silver to Madras from your Treasury at considerable cost, & this opinion is further strengthened by the fact that in your present Indent for Currency Notes amounting to one lac of Rupees, more than

than half of that amount is for Notes of the highest denomination namely 1000 Rupees. It has been expressly declared by the Government of India that it was never intended that private parties should be permitted to resort to the Paper Currency as the means of making their remittances at the expense of the State & I have accordingly reduced your Indent for Notes of the value of 1000 Rupees from 52 to 20.

3 In the Statement appended to your letter I observe that in the Taluq Treasuries of Mannapalle & Pullampett the value of Notes retained is Rs 15,565 & Rupees 5760 respectively These amounts appear to be so large when compared with those usually retained in the Taluq Treasuries of this Presidency that I must request you to furnish me with a Statement exhibiting the Receipts from & the issues to the public in those Taluqs during the past 6 months, to enable me to judge whether the retention of such large sums in Notes is absolutely necessary.

Adverting to the Concluding para of your letter under acknowledgment I beg that if you entertain any doubts regarding my Competency to issue instructions regarding the supply of Currency Notes for your District or on the State of your Treasuries generally you will yourself refer the matter to Govt as I do not feel justified in troubling

them

them with questions in respect to which I myself entertain no doubt whatever

Have &c &c

(Signed) F Cushington

By Adt Genl Scott

(True Copies)

W Smith

Collector

Ex. Contributions &c &c

Cuddapah Collectors Office
On Circuit at Muddenpally
26th April 1865.

No. 14

From H G Smith Esquire
Collector of Cuddapah

To The Honorable A. S. Arbuthnot
Chief Secretary to Government
In the Revenue Department
Fort Saint George.

Sir.

Being under the impression that the Government were desirous that the circulation of the new Currency Notes should be as widely extended as possible although there is no such positive order on the subject but I am led to gather so from Mr. James Lushington's (the Acting Accountant General) Circular to all Collectors in which he says "taking "care always to keep the Treasury well "supplied with Notes." "I last year indented for 2 lacs of rupees which was refused me as the Accountant General thought I had already too many. I consequently was obliged to let the Treasury run so low that before I could get Notes on a second Indent

+ 27th February 1863 No 268.

Acknowledged by a letter from the Collector of Cuddapah dated 28th April 1865 No 14.

Copied & Compared
with the Collrs
and the Accountant &c
=mant Separately the 6th
-ber of Currency Letter-

there were applications for 32000 rupees in one day made at the Huzur and I had not a Note.

2. Determining therefore that the Huzur and the Taluq Treasuries should be well supplied and that they should not again run short and as the traffic in the District is at this time very great and a rise in Cotton would make it still more so I indented for one lac of rupees which the Accountant General refused me - Knowing however that did I not receive a supply I [illegible] run short, I again wrote sending a Statement of Notes in the different Taluqs and have only been met with a partial remittance (not yet received) the Accountant General apparently objecting to supply me with more because as he says he thinks that the large demand in March was caused by the Merchants desirous of making their private remittances to Madras at the expense of the Government which he says has been declared by the Government of India never to have been intended. He is doubtless in

fact right as to the cause of the demand I can almost say for certain that the whole or nearly so have been taken by Merchants but if the Paper Currency is not to be used for this purpose I can scarcely see its use at all for, if any it must be very limited.

3. The Accountant General need have very little fear of there being too much Silver in the Treasury of Cuddapah for as has been pointed out by my predecessor there is sometimes not sufficient money to meet the demands for Bills and now the demands of the Railway and Irrigation works have also to be met and there is now only 483.062 × Rupees to meet all demands till next November the outstanding balance being only Rs 500.000 which makes therefore Rs 983.062.

× Exclusive of April's Mist.

4. Since I first wrote to the Accountant General for Notes the supply in the Cadiri Taluq is exhausted causing great inconvenience to the Public

and four days ago there were only Notes in the Huzur Treasury to the value of Rs 1020 × which has doubtless gone by this time and in the Cuddapah Taluq to which applicants would resort if there were none in the Huzur there were on the 15th Instant only 5 Notes of 200 Rs in value.

× Notes of the value of Rs 188. as per report which has just been received from the officer in charge of the Treasury at Cuddapah are only available.

5. Being therefore well aware of the great inconvenience the present ruling of the Accountant General causes to Merchants and others as also that it cannot but be detrimental to the Paper circulation and further that it is contrary to the wishes of Government I beg as requested by himself to forward direct the correspondence that has taken place on the subject with a request that my application for one lac of Notes be attended to immediately and also that I may be favored with the opinion of Government as to whether applications from Collectors for Notes ought to be met to their full extent, for they I think are most likely to know what is likely to be required in their Districts which must be regulated according to the trade likely to take place prospectively without reference to the demand which has been made for Notes during the previous months, for instance at Cuddapah and Calicoda during several months in the year the demand may be small but as the Collector knows that in the months of March April and May there will be a great traffic in Jaggery and grain he of course keeps a large supply in these months and so on in other Taluqs according to the demand for the different products.

I have the honor to be
Sir,
Your most Obed Servt

G W Smith
Collector

Ex Custom Cuddapah 2d MC

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from the Collector of Cuddapah.

Rec^d 26th April 1865 & 14

Order thereon 22nd July 1865 No. 343.

The Governor in Council is not prepared to interfere with the Accountant General in the exercise of the discretion vested in him in regulating the supplies of Currency Notes to the several treasuries

Drafted by the Chief Secy

To the Collector of Cuddapah - 3
— Accountant General. 57 dcsp 27/7

Financial 1865. Department.

No. 343

PROCEEDINGS OF GOVERNMENT.

Dated 22 July 1865