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MADRAS RECORD OFFICE.

Government of Madras.

Finance **DEPARTMENT.**

G.O. No.	427	Press ~~Mis.~~
31-34		
Dated	13-9-	1865.

31-34 16/17

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
13th September 1865.

Read the following papers :—

No. 31. Abstract of Petition from T. TIRUVENGADA MOODELLY, residing at Chittampakam, in the Taluq of Teruvallur, dated 25th February 1865.

Represents the inconvenience to which he was subjected by a refusal on the part of the Tahsildar of Tindivanum, attached to South Arcot, to cash a Bank Note presented by the petitioner; submits that such conduct tends to produce a mistrust of Government in the minds of the people; and solicits that orders may be issued for the payment of cash for notes in the Taluq Cutcherries and other public places.

No. 539.

Referred to the Collector of the South Arcot District, for report, with reference to the Accountant General's Notification of the 22nd March 1864, published in page 523 of the *Fort Saint George Gazette*.

(By Order).
(Signed) F. BRANDT,
Acting Under Secretary to Government.

FORT SAINT GEORGE,
26th April 1865.

No. 32. From C. W. READE, Esq., Collector of South Arcot, to the Honorable A. J. ARBUTHNOT, Chief Secretary to Government, Fort Saint George; dated Cuddalore, 28th July 1865, No. 62.

In acknowledgment of the Endorsement, dated 26th April last, on a petition to Government, No. 539 of 1865, I have the honor to state that the notification of the Accountant General quoted in the Government Order applies rather to District Treasuries than to Taluq Treasuries, at least so it was understood at the time by my Treasury Deputy Collector and myself; but as the convenience of issuing and receiving Bank Notes in the interior of the District had been represented to me, I authorized such arrangement generally throughout the District, under certain restrictions and limits.

20th May 1865.

2. The unrestricted or unconditional circulation of Bank Notes would of course be highly objectionable for obvious reasons; and when I sanctioned the partial introduction of the system, I drew up rules for the guidance of Tahsildars to avoid all risk and chance of imposition or of any abuse of the privilege.

3. The petitioner appears to have the mistaken opinion held by many of his countrymen that a currency note is legally and compulsorily payable at any Government Treasury; and this idea was so strongly impressed on the minds of merchants and others when Currency Notes were first introduced, that to save the trifling premium for bills as usual from the Accountant General, Native traders of Pondicherry and this District brought up large quantities of these Notes from Madras and presented them at my Treasury demanding immediate payment, and it was some time before they could be made to understand their error, and that Government were at that time in no way bound to receive any of them. I think that within a few days in one month Currency Notes to the value of more than one lac of Rupees were presented,' but for which payment was of course refused by me.

4. A copy of my order referred to, together with a copy of the Rules accompanying it, are herewith enclosed, for the information of Government, and I have nothing further to offer in explanation of the alleged grievance represented by the petitioner.

Rules for the guidance of Tahsildars in cashing Paper Currency Notes.

At present Bank Notes are issued freely from the Taluq Treasuries to parties applying for them; but such Notes are not received and cashed. The inconvenience thus occasioned to Merchants, travellers, &c., has been represented to the Collector, and it is now resolved to authorize Tahsildars to receive and give cash on Bank Notes tendered for the purpose under certain

limitations ; and accordingly the following rules will be observed by these officers in regard to cashing the said Notes.

1*st*.—It should be ascertained that the Notes presented for payment are genuine.

2*nd*.—If, from any cause, the Notes are suspicious, payment may be refused or with the consent of their owner they may be forwarded to the Deputy Collector in charge of the Treasury for his instructions, but on mere doubt of genuineness, no Bank Note is to be detained without the owner's consent, but cash for it is simply to be refused.

3*rd*.—Where there is no reason to suspect the genuineness of Bank Notes, it should then be seen whether they bear the Circular stamp of the Madras Bank only or also that of any of the 3 Circles lately established, viz., Vizagapatam, Trichinopoly, and Calicut, or whether they belong to any of the other Presidencies.

4*th*.—If they bear only the stamp of the "Madras Bank", then cash may at once be given for them whoever the parties presenting may be, merchants, ryots, officers, or travellers.

5*th*.—The aggregate of the Notes so to be cashed should not exceed 200 Rupees in any one month.

6*th*.—The Notes so received may be re-issued by the Tahsildars for circulation.

7*th*.—If the Bank Notes belong to any of the three Circles mentioned in Rule No. 3, such Notes can only be cashed for travellers, and for no other persons on any account.

8*th*.—The aggregate of cash that may be given for this description of Notes should not exceed Rupees 100 in each month.

9*th*.—The Notes so received must not be re-circulated, but must be forwarded at once to the Huzur Treasury.

10*th*.—If Bank Notes belonging to any of the other Presidencies are presented, they are not to be cashed on any account.

11*th*.—All Notes tendered in payment of Government dues are at once to be received, whether those of the Madras Bank or of any of the Circles in this Presidency, and to any amount.

12*th*.—A Register, in the accompanying form, should be kept of the Notes received under these rules.

13*th*.—In the beginning of each month, a simple Memorandum should be sent by the Deputy Collector in charge of the Treasury, exhibiting the aggregate value respectively of the Notes issued from, and received into, each Taluq Treasury.

CUDDALORE,
20*th May* 1865.

(Signed) C. W. READE,
Collector.

(True Copy).

(Signed) C. W. READE,
Collector.

Referred to the Accountant General for his remarks.

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

7th August 1865.

No. 33. From F. LUSHINGTON, Esq., Accountant General, to the Honorable A. J. ARBUTHNOT, Chief Secretary to Government, Fort Saint George; dated Fort Saint George, 17th August 1865, No. 83.

Resource Department.

With reference to your docket, dated 7th instant, forwarding for my remarks a letter in original with enclosure from the Collector of South Arcot No. 62, dated 28th ultimo, reporting upon a petition submitted by one Teruvengada Moodelly complaining that a Tahsildar of the District had refused to cash a Currency Note presented at the Taluq Treasury, I have the honor to observe that the orders in force provide that Currency Notes " are to be cashed only to a limited extent, and for small sums as an accommodation to private parties and travellers at the discretion of Treasury officers," and there is no objection to these orders being carried out at Taluq Treasuries, in the manner indicated in the Rules framed by Mr. Reade for the guidance of his Tahsildars. It appears that it was under the ordinary operation of these Rules that payment of the Note in question was refused, and this course was no doubt justifiable.

2. I do not precisely understand what Mr. Reade means when he says that " the unrestricted or unconditional circulation of Bank Notes would, of course, be highly objectionable for " obvious reasons," as it is clearly to the interest of Government that the free circulation of Notes should be encouraged in every possible way. The unrestricted cashing of Notes either at the Taluq or Huzur Treasuries might, and unquestionably would be, highly inconvenient, and it has accordingly been prohibited by the Government of India, and the accommodation limited to Travellers. This limitation has been exceeded in the rules laid down by Mr. Reade, but it does not appear to me to be necessary that the concession which he has made to the public on that point should be withdrawn.

3. The enclosures of your docket are herewith returned, copies being kept for record.

No. 34. ORDER THEREON, 13th September 1865, No. 427.

Ordered that a copy of the Accountant General's letter be furnished to the Collector of South Arcot, and that his attention be drawn to the remarks in paragraph 2. The Governor in Council sees no reason to interfere with the arrangements made by Mr. Reade for the guidance of Tahsildars in his District in cashing Paper Currency Notes.

(True Extract).

Chief Secretary.

To the Collector of South Arcot.
„ Accountant General.
To T. Teruvengada Moodelly, Chittampakam, Teruvallur Taluq, Madras.

Exd. J. H. Burns.

9

5A

Resource Department

Fort Saint George
Accountant Genl's Office
17th August 1865

No. 83

From
F. Lushington Esquire
Accountant General

To
The Chief Secretary
to the Government
of Madras

Sir,

With reference to your docket dated 7th Instant forwarding for my remarks a letter in original with enclosure from the Collector of South Arcot No. 62 dated 28th Ultimo, reporting upon a Petition submitted by one Teravengada Mudeli complaining that a Tahsildar of the District had refused to cash a Currency Note presented at the Taluq Treasury I have the honor to observe that the Orders in force provide that Currency Notes "are to be cashed only to a limited extent, and for small sums as an accommodation to private parties and travellers at the discretion of Treasury Officers" and there is no objection to these Orders being carried out at Taluq Treasuries in the manner indicated in the Rules framed by Mr Reade

for

for the guidance of his Tahsildars. It appears that it was under the ordinary operation of these Rules that payment of the Note in question was refused, and this course was no doubt justifiable.-

2 I do not precisely understand what Mr Reade means when he says that "the unrestricted or unconditional circulation of Bank Notes would of course "be highly objectionable for obvious reasons", as it is clearly to the interest of Government that the free circulation of Notes should be encouraged in every possible way. The unrestricted Cashing of Notes either at the Taluq or Huzur Treasuries might and unquestionably would be highly inconvenient and it has accordingly been prohibited by the Government of India and ~~~~ the accommodation limited to Travellers. This limitation has been exceeded in the rules laid down by Mr Reade, but it does not appear to me to be necessary that the concession which he has made to the public on that point should be withdrawn.

3 The enclosures of your docket are

are herewith returned, Copies being kept for record.-

I have the honor to be,
Sir
Your most Obdt. Servant
F. Huthwaite
Accountant General

Copied
Nagpur Ruthnum

Barnes

From,
C. W. Reade Esqre
Master of Lunatic Asylt.

To,
Hon'ble J. J. Arbuthnot,
Chief Secretary to Government,

Fort St. George.

Sir,

In acknowledgment of the Endorsement dated 26th April last on a Petition to Government No. 539 of 1865, I have the honor to state that the Notification of the Accountant General quoted in the Government Order applies rather to District Treasuries than to Taluq Treasuries, at least so it was understood at the time by my Treasury Deputy Collector and myself; but as the convenience of

Reade

Signature of Petitioner
Name
Date of Receipt in Genl Dept
To the Chief Secretary to Government
Madras

Dated 27th April 1865
Rec'd 28th " "
No. 539

Petition for

Whether Petitioner has applied to any Court of Justice in the matter of the Petition
If so date of application
Name of Court
Date of Decree
Nature of Decree
Whether Petitioner has appealed against the Decree
Whether Petitioner has complied with the Decree
Whether Petitioner has paid the costs awarded against him
Whether Petitioner has received any portion of the property claimed by him
Whether Petitioner has received any portion of the costs awarded to him
Whether Petitioner has complied with the Decree
Whether Petitioner has paid the costs awarded against him
Whether Petitioner has received any portion of the property claimed by him
Whether Petitioner has received any portion of the costs awarded to him

P 3rd 3rd 1865

38

of issuing and receiving
Bank Notes in the interior
of the District had been
represented to me, I sanctioned
such arrangement generally
throughout the District under
certain restrictions & limits.

20 May 1865

2. The unrestricted
or unconditional circulation
of Bank Notes would of
course be highly objectionable
for obvious reasons; & when
I sanctioned the partial
introduction of the system,
I drew up rules for the
guidance of Tahsildars to
avoid all risk and chance
of imposition or of any
abuse of the privilege.

3. The Petitioner
appears to have the mistaken
opinion held by many of
his Countrymen that a Currency
Note is legally & compulsorily
payable

payable at any Government
Treasury; and this idea was
so strongly impressed on the
minds of Merchants & Others
when Currency Notes were
first introduced that to save
the trifling Premium for
Bills as usual from the
Accountant General, Native
traders of Pondicherry and
this District brought up
large quantities of these
Notes from Madras. and
presented them at my
Treasury demanding
immediate payment, and
it was some time before
they could be made to
understand their error, and
that Government were at
that time in no way bound
to receive any of them.
I think that within a few
days in one month Currency Notes
to the value of more than 1 Lac
of

of Rupees were presented, but for which payment was of course refused by me!

6. A copy of my Order referred to together with a copy of the Rules accompanying it are herewith enclosed for the information of Government, and I have nothing further to offer in explanation of the alleged grievance represented by the Petitioners.—

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

Chas A Reade
Collr

Sylhet Collr's Cutcherry
Cuddalore
28th July 1865.

151

Rules for the guidance of Tahsildars in Cashing Paper Currency Notes.

At present Bank notes are issued freely from the Taluq Treasuries to parties applying for them. But such notes are not received & cashed. The inconvenience thus occasioned to merchants travellers &c has been represented to the Collector, and it is now resolved to authorize Tahsildars to receive and give cash on bank notes tendered for the purpose under certain limitations, and accordingly the following rules will be observed by these officers in regard to cashing the said notes.

1st It should be ascertained that the notes presented for payment are genuine.

2d If from any cause the

D A & A G Office
Recd 8
Ansd 8 1865

Referred to the Accountant General for his remarks.

C. J. [illegible]
Chief Secretary
7th Aug/65

the notes are suspicious, payment may be refused or with the consent of the owner they may be forwarded to the Deputy Master in charge of the Treasury for his instructions on the point, or where doubt of genuineness of Bank notes to be detained without the owner's consent, but Cash for it is simply to be refused.

3. Where there is no reason to suspect the genuineness of Bank Notes it should then be seen whether they bear the Circular Stamp of the Madras Bank only or also that of any of the 3 Circles lately established, viz Vizagapatam, Trichinopoly Calicut or whether they belong to any of the other Presidencies.

4. If they bear only the Stamp of the "Madras Bank

then

then Cash may at once be given for them whoever the parties presenting may be, merchants, ryots, Officers or travellers.

5. The aggregate of the Notes so to be cashed should not exceed 200. Rupees in any one month.

6. The Notes so received may be re-issued by the Tahsildars in circulation.

7. If the Bank Notes belong to any of the 3 Circles mentioned in rule No. 3 such note, can only be cashed for travellers and for no other persons or any account.

8. The aggregate of Cash that may be given for this description of notes should not exceed Rupees 100. in each month.

9. The Notes so received must not be re-issued, but

must be forwarded at once to the Assay Treasury.

10. If Bank Notes belonging to any of the other Presidencies are presented they are not to be cashed on any account.

11. All notes tendered in payment of Government dues, are at once to be received whether those of the Madras Bank or any of the Circle Bills, without reference to account.

12. A register in the accompanying Forms should be kept of the Notes received under these rules.

13. In the beginning of each month a simple Memo should be sent by the Deputy Collector in charge of the Treasury exhibiting the aggregate value, respectively of

of the Notes issued from and received into each Sub Treasury.

[Signed] G. H. Read

Collector
20th August 1862

Collector

[True Copy]

Chas. G. Hamilton
Coll.

458

No. 539 of 1865.

Referred to the Collector of the South Arcot District for report with reference to the Accountant General's Notification of the 22d March 1864 published in page 523 of the Fort St. George Gazette.

By Order.

Fort Saint George
26 " April 1865.

W. Brandt
No. Under Secy. to Govt.

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the foll[illegible]
papers.

Petition from Seruvengada Mudali } Dated 25th Febr: 1865.)

Report thereon from Collector of South Arcot } —"— 28th July —"— No 62)

Letter from Acct: General (—"— 17th Augt —"— 88)

Order— 13th Sept: 1865 No 427.

Ordered that a copy of the Accountant General's letter be furnished to the Collector of South Arcot, & that his attention be drawn to the remarks in para 2. The Governor in Council sees no reason to interfere with the arrangements made by Mr Reade for the guidance of Tahsildars

Financial 1865 Deptt
No 539 of 1865

From T. Seruvengada Mudali residing at Chittampakam in the Taluq of Verravallur Taluq, Madras.

Dated 25 February 1865
Rec'd 28
Rec'd 2d August
No 370.

Represents the inconvenience to which he was subjected by a refusal on the part of the Tahsildar of Tindivanam attached to South Arcot, to cash a Bank note presented by the Petitioner; submits that such conduct tends to produce a mistrust of Govt in the minds of the people; & solicits that orders may be

issued for the payment of cash for Notes in the Taluq Cutcherries & other public places—

Sent 26th Sept 1865

31

5 shaikdars in his District in cashing Papers & currency Notes.

To The Collector of South Arcot
" Accountant General
" J. Sermungada Mudali
C/o Chittampakam
Sermadhur Taluq - Madras

dispd. 16/9/65

Sept 26th Sept 65

Procs of September
Financial 1865. Department.

No. 427.

PROCEEDINGS OF GOVERNMENT.

Dated 13th Septr 1865.

31 @ 3/-