M.R.O. 1—77,006—8-6-37.

(1) Number of pages 38

(2) Date of repair

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 128	Press / Mis.
52-53	
Dated 14-3- 1867.	

19/15

52-53

Not to be folded or roughly handled

No. 52. Read the following letter from the Commissioner of Issue of Paper Currency, to the Chief Secretary to Government, Fort Saint George ; dated Madras Mint, 21st January 1867, No. 56.

The arrangements proposed by Government, in your letter as per margin to the Government of India, for the conduct of the Paper Currency Offices at Calicut, Trichinopoly, and Vizagapatam, having been approved of, were ordered, in a letter from the Head Commissioner, dated 10th August 1866, to be adopted, and Rules 15 and 16 of the Manual were modified accordingly. By this arrangement, the Collectorate Treasurer was relieved of all responsibility in connection with the Exchange Department, and the duty of daily examination of Notes and Coin was allotted to the Deputy Collector in charge of Treasury, in conjunction with the 1st Teller or Cashier. The Deputy Commissioner of Calicut since* proposed that the Deputy Collector in charge of Treasury should be relieved of this duty, which he considers incompatible and unnecessary, and requested that, as proposed by him in a former communication†, the Collectorate Treasurer and the 1st Teller should daily examine and arrange all Notes and Coin in the Exchange Department, and that the Deputy Collector's duty should be confined to superintending and examining the accounts, and to a personal examination of the Notes and Cash once or twice a month. I declined to support his proposal, on the ground that the subject had been fully considered before Rules 15 and 16, as they now stand, were passed, and because of the short time that had elapsed since then ; but the Deputy Commissioner still presses a reconsideration of the matter, and I, therefore, submit it for the orders of Government. The correspondence, in original, accompanies, and I request, when no longer required, that it may be returned. My own opinion is that the present arrangement should be left undisturbed. The Deputy Collector receives a hundred Rupees a month *extra* salary from the Paper Currency Department, and his personal examination of the daily balance of Notes and Coin is, I consider, very desirable.

No. 581, 19th December 1865.

* Letter No. 3, 14th January 1867.

† No. 261, 20th December 1866.

2. Reference is made in this correspondence to a fraud recently committed in the Paper Currency Department at Calicut, which consisted in the abstraction by the 1st Teller or Cashier of 10 small Notes, amounting in the aggregate to Rupees 120, and the misappropriation of Rupees 58-2-0 from the contingent expense balance. He was convicted by the Session Court, and sentenced to two years' rigorous imprisonment.

3. No objection has been raised to the present arrangement of business by the Deputy Commissioner at Vizagapatam, nor at Trichinopoly, further than that the Deputy Commissioner there considers that the Collectorate Treasurer should have his salary augmented, and has urged it in the strongest terms. Bearing in mind your communication to the Government of India, referred to in first paragraph hereof, I had declined proposing any increase of salary ; but the present is a suitable opportunity for reconsidering the question, and I venture to recommend that the Collector's Treasurers at Calicut, Trichinopoly, and Vizagapatam should receive an addition to their salaries, of Rupees 25 a month each, to be charged to the Paper Currency Department.

From the Deputy Commissioner of Issue of Paper Currency, Calicut, to the Acting Commissioner of Issue of Paper Currency, Madras ; dated Calicut, 26th June 1865, No. 39.

In acknowledging your letters of the 5th and 16th instant, accompanied by certain instructions from the Head Commissioner, in regard to the duties and responsibilities of the Officers connected with the Currency Department, I have the honor to submit the following observations for the consideration of yourself and the Head Commissioner.

2. The effect of the above orders would be to attach to the Huzur Treasurer a degree of responsibility far greater than the standing of this class of Officers in the Districts in the Madras Presidency warrants. The Huzur Treasurer of a Collectorate is an Officer on a salary of 100 Rupees per mensem, and, under existing orders, furnishes security to the extent of only 5000 Rupees.

Care is taken to appoint to the office only men of respectability and wealth ; but it is obvious that their responsibility can be enforced only to the extent of the moderate security furnished by them, and that the safety of all the Treasure which passes through the Collector's office must mainly depend upon efficient supervision and the regular keeping of the accounts. It is an essential part of this system that all the other servants employed in the Treasury, besides the Treasurer, should be severally responsible directly to the Collector. Accordingly, even the Shroffs in the Treasury are appointed by the Collector, and not by the Treasurer, and furnish separate securities to Government, in various sums, as prescribed by the Board of Revenue. This separate responsibility of the subordinate servants of the Treasury to Government does not and cannot diminish the responsibility of the Treasurer for all the sums in his charge in the Treasury ; it only furnishes an additional security for their safe custody.

3. The money in the Collector's Treasury is thus kept :—The great bulk of it is secured in chests under the Collector's own lock, while the current receipts, and such money as may be required for current disbursements, alone remain in the hands of the Treasurer, in a box which is under the joint lock and key of the Treasurer and the Head Shroff. This does not divide their responsibility, but supplies two independent securities each for the full amount of the money.

4. From the foregoing description of the principle upon which a Collector's Treasury in Madras is managed, it will be seen that the proposal of the Head Commissioner that the Treasurer should be left to appoint all the Tellers in the Currency Department, taking any deposit which he may consider necessary from them, would tend to weaken rather than strengthen the safeguards of the Department. The Tellers in the Calicut Currency Department were appointed by me. The Head Commissioner observes that it was intended they should be nominees of the Treasurer, but I do not remember that this intention was expressed, or even indicated, before. I am decidedly of opinion that the existing system, which is in accordance with the principles of the Treasury management in the Madras District, under which the Tellers are appointed by the Deputy Commissioner, and furnish securities to him, in prescribed sums, for the proper discharge of their duties, should continue undisturbed. The safety of the Cash and Notes in the Currency Department will then be secured in the same manner as in the Revenue Department of the Collector. The main bulk of them will, as provided for by the Rules, be kept under the joint seals and keys of the Deputy Commissioner and the Treasurer ; a smaller portion of them for current purposes, under the joint seals and keys of the Assistant Commissioner and Treasurer. The Notes and Cash involved and required for the daily transactions of the Exchange Department have, heretofore, been under the joint seals and keys of the Cashier of the Exchange Department, or Teller No. 1, and the Assistant Commissioner. These may hereafter be more properly kept jointly by the Teller No. 1 and the Treasurer ; the responsibility of the latter extending to the total amount of the Notes and Coins of each description, which he will daily examine before locking the box, while the Tellers will be severally responsible for all defaults connected with their respective duties in the Exchange Department.

5. As regards the accounts, they have, heretofore, been prepared by the Clerk or Accountant, under the orders of the Assistant Commissioner, by whom they have been daily examined and signed, while separate books have been kept by the Treasurer and Teller No. 1, simply showing the amount of each description of Note and Coin in their hands, according to forms C. F. G. M. and N. There was no needless keeping of duplicate books, and the accounts have been regularly kept. But I see no objection to the adoption of the proposed distribution of the books amongst the Officers who are responsible for the respective transactions, as laid down in the Instructions of the Head Commissioner, copies of the accounts being furnished to the Assistant Commissioner, who will examine and sign them as well as the original books. The only alteration which would seem to be required, is that form G, as well as form F, will have to be prepared by the Treasurer, who is responsible for the balance of Cash and Notes in these accounts, jointly with the Assistant Deputy Commissioner. Form D, if it involves the entry of the individual numbers of all the Notes issued to the Exchange Department, or the public in large transactions, will be too burdensome a work for the Treasurer, and must be prepared by the Accountant from the cheque-foils, in which the number

of Notes issued, as from such a number to such a number, will be briefly entered by the Treasurer. But I am not sure if this detailed entry of the individual numbers of all the Notes issued in Column 1 of form D is necessary, though it is indicated by the model form showing the manner of filling in the Statement brought by the writer from your office. It seems sufficient for all purposes if the Notes issued are entered as from such a number to such a number ; and if this view meets with your concurrence, there will be no objection to the Treasurer preparing the Statement D as provided for in the instructions of the Head Commissioner. Form B will continue to be the complete record showing the numbers of all the Notes counterstamped and issued for circulation in the Circle, and cancelled from time to time. Of course, the individual numbers must be entered in B, to admit of the entry of cancelment being made against any when necessary. Forms M and N, prepared by the Teller No. 1, will have to be signed by him and the Treasurer, as they will be jointly responsible for the balances of these accounts. With these slight modifications, the new distribution of work will be at once adopted. Any additional work of copying will be distributed amongst the Accountant and Tellers in such manner as may be found convenient by the Assistant Commissioner, and I have no further modifications to suggest in the list of duties which are already laid down by the Head Commissioner.

6. Before concluding there is another point which I deem it necessary to notice. Even with the modifications suggested, the responsibilities of the Treasurer are very largely increased by the addition of the Currency Department, and the additional work and security required from him cannot fairly be exacted from him without some addition to the very moderate salary of 100 Rupees now provided for the office. Eventually, the effect of the opening of the Branch Office of Issue must be to concentrate all the Coin into it, and to make the Treasury of this Collectorate the channel through which all remittances to other places will have to be made, while the transactions at the other Treasuries of the Circle are chiefly conducted in Notes. I would beg, therefore, to suggest that arrangements may be made for constituting the Collector's Treasury at each of the three branch offices of Issue, a Principal Treasury, providing a higher scale of pay, say 150 Rupees, to the Treasurer, and taking double the usual security from him, so as to embrace the transactions of both the Collector's Treasury and the Currency Department.

From the Deputy Commissioner of Issue of Paper Currency, Calicut, to the Commissioner of Issue of Paper Currency, Madras ; dated Calicut, 20th December 1866, No. 261.

With reference to your letter, dated 11th October 1866, No. 916, forwarding the modified Rules 15 and 16 of the Currency Department, relieving the Collectorate Treasurer from the duties therein assigned to him, I have the honor to state that, with reference to the transfer of the duties of Assistant Commissioner to the Treasury Deputy Collector, who has other heavy work to attend to, it will be necessary to relieve the above Officer also from these duties, which will be properly performed by the 1st Teller alone.

2. The Coin and Notes of the department will be secured in the manner pointed out in paragraph 4 of my letter, dated 26th June 1865, No. 39 ; the main bulk of them being kept under the joint seals and keys of myself and the Treasurer, whilst such small portions as may be in daily use for exchange operations will alone remain in the joint charge of the Collectorate Treasurer and the 1st Teller, the latter of whom will be responsible for the money in detail, while the former will be bound to see daily that the money and Notes are correctly lodged in the Cash Chest of the Exchange Department. The Treasury Deputy Collector will have ordinarily nothing to do with the charge of Cash or Notes any more than he has in the Revenue Department ; but he will be bound to see that all the accounts are correctly kept, and to exercise all other measures necessary for the efficient supervision and control of the Department. I request these points may be taken into consideration, and the Rules 15 and 16 modified accordingly.

From the Commissioner of Issue of Paper Currency, Madras, to the Deputy Commissioner of Issue of Paper Currency, Calicut ; dated Madras Mint, 5th January 1867, No. 11.

In reply to your No. 261 of 20th ultimo, I regret that I cannot concur in your opinion of the propriety of relieving the Deputy Collector in charge of the Treasury of the responsibility devolv-

ing on him in his capacity of your Assistant in the Paper Currency Department, under the paragraphs 15 and 16 of the Rules for guidance. The fraud committed by Mr. Rozario, the 1st Teller or Cashier, which you have just brought to notice, is, in my opinion, conclusive evidence of the inexpediency of putting any additional confidence in servants of this class. Moreover, Rules 15 and 16, as they now stand, were fully considered by the Madras Government and the Government of India, before being passed, and I would therefore be very reluctant to so soon propose any alterations in them, especially one relieving the Deputy Collector of any portion of his extra duty, as he receives 100 Rupees a month additional remuneration on that account, for which something more than general supervision of the accounts is to be expected. The only ground upon which I could support a proposal to relieve the Deputy Collector of the duties assigned to him in paragraphs 15 and 16 is, that the nature of his other duties do not allow him time for the new ones ; but that point was, I suppose, considered by Government at the time the change of system was decided on.

2. Copy of a recent communication to the Deputy Commissioner, Trichinopoly, on this subject is enclosed for your information.

From the Deputy Commissioner of Issue of Paper Currency, Calicut, to the Commissioner of Issue of Paper Currency, Madras ; dated Calicut, 14th January 1867, No. 3.

With reference to your letter of the 5th instant, No. 11, I have the honor to state that in the proposals made in my communication of the 30th ultimo, it was not my intention to relieve the Treasury Deputy Collector from any portion of the responsibility which, as far as I can judge, really and properly devolves upon him ; but the task of examining and arranging all Notes and Coins received daily by the Exchange Department, jointly with the 1st Teller, is one which it seems to me is incompatible with the nature of his other duties, and which, considering the principles on which the rest of the cash arrangements are managed, it would be an anamoly to insist on his performing.

2. The daily arrangement of the Notes and Coins may, I think, safely be left to the Tellers ; the Treasury Deputy Collector, of course, daily attesting the accounts ; but the 1st Teller is not, and was not, proposed to be left in sole charge of the Notes and Coins. The Collectorate Treasurer is bound to examine, in company of the 1st Teller, the Notes and Cash each day before they are received into the Treasury. It is hard, I allow, to throw this additional responsibility on the Treasurer without additional remuneration, and I would again urge upon your consideration the propriety of obtaining for him a small additional pay of, say, 25 Rupees per month, for the additional work and responsibility entailed. But, however this question may be settled, I see no way of relieving the Treasurer altogether from the work, as, on general grounds, it is inexpedient that any money should be lodged in the Treasury, for which the Collectorate Treasurer is not solely or jointly responsible. The Treasurer is the Officer to whom it naturally falls daily to see that the Notes and money returned by the Teller are correct ; and the joint responsibility of these two Officers ought to be sufficient for the small amount of Notes and money left for the daily exchange operations, in the same manner as the joint responsibility of the Treasurer and the Shroffs are found sufficient in the Revenue Department, without the necessity of daily detailed examinations by the Treasury Deputy Collector.

3. But the duties of the Treasury Deputy Collector will not consist of a mere general supervision of accounts ; he will have to examine and attest the accounts daily, examine the Coin and Notes in the Exchange Department, once in a month, or twice if you consider it necessary, and see that they do not accumulate to a larger sum than is safe to leave in the Cash-keepers and Tellers' hands, arranging for the transfer of any excess to the Deputy Commissioner's chests from time to time. It will be clearly his responsibility to see that no more money is placed in the hands of the Treasurer and Tellers than their security will amply provide for. He will rarely be in direct charge of money, excepting when the Deputy Commissioner, owing to his absence and the absence of other Covenanted Officers in the Station, should find it necessary to leave a certain portion of the Notes and money in the Treasury Deputy's charge, to meet the demands of the Exchange Department.

4. The above is in accordance with the system pursued in the Revenue Department, any deviation from which is, I think, unnecessary, and can only tend to occasion needless confusion as the Superior Officers are common to both.

5. In your letter, you allude to the recent fraud in the Currency Office here, but I submit that the fact of its having been found impossible to commit fraud to any larger amount than that abstracted proves the sufficiency of existing arrangements, if they are carried out strictly in all respects. Real security consists not so much in several persons doing the same work, as in such a division of the responsibility amongst them, that none can evade it without falling under the observation and check of the others.

6. I trust, under the above circumstances, you will favorably reconsider my proposals for submission to Government. They were the same that were made in paragraph 4 of my letter, dated 26th June 1865, the principle of which has been generally approved by Government, though it does not appear to have been kept in view in framing the modified Rules 15 and 16.

No. 53. ORDER THEREON, 14th March 1867, No. 128.

The Governor in Council is not prepared to recommend any alteration in the Rules referred to, or to propose an addition to the salaries of the Treasurers at Calicut, Trichinopoly, and Vizagapatam, with reference to the work devolving on them in connection with the Currency Department.

(True Extract).

Chief Secretary.

To the Commissioner of Issue of Paper Currency.

Exd. J. H. Burns.

Answered. No. 425. 3d July 1865.
To The Head Comptr. No. 436. 5th do

No 39.

Calicut 26th June 1865.

From,

G. A. Ballard Esqre

Deputy Commissioner of Issue
of Paper Currency.

To,

Lieut Colonel C. V. Wilkieson, A.C.

Acting Commissioner of Issue
of Paper Currency
Madras.

Sir,

In acknowledging your letters of the 5th & 16th Instant accompanied by certain instructions from the Head Commissioner in regard to the duties and responsibilities of the officers connected with the Currency Department, I have the honor to submit the following observations for the consideration of yourself and the Head Commissioner.

2. The effect of the above orders would be to attach to the Hazur Treasurer a degree of responsibility far greater than the standing of this class of Officers in the Districts in the Madras Presidency warrants. The Hazur Treasurer of a Collectorate is an

officer

Officer on a salary of 100 Rupees per mensem, and under existing orders furnishes security to the extent of only 5,000 Rupees; Care is taken to appoint to the Office only men of respectability and wealth, but it is obvious that their responsibility can be enforced only to the extent of the moderate security furnished by them and that the safety of all the Treasure which passes through the Collector's Office must mainly depend upon effecient supervision and the regular Keeping of the accounts. It is an essential part of this system that all the other servants employed in the Treasury besides the Treasurer should be severally responsible directly to the Collector.- Accordingly even the Shroffs in the Treasury are appointed by the Collector and not by the Treasurer and furnish separate securities to Government in various sums as prescribed by the Board of Revenue. This separate responsibility of the subordinate Servants of the Treasury to Government does not and cannot diminish the responsibility of the Treasurer for

for all the sums in his charge in the Treasury. It only furnishes an additional security for their safe custody.

3. The money in the Collector's Treasury is thus kept. The great bulk of it is secured in Chests under the Collector's own lock, while the current receipts and such money as may be required for current disbursements alone remain in the hands of the Treasurer in a Box which is under the joint lock and Key of the Treasurer and the Head Shroff. This does not divide their responsibility but supplies two independent securities each for the full amount of the money.-

4. From the foregoing description of the principle upon which a Collector's Treasury in Madras is managed, it will be seen that the proposal of the Head Commissioner that the Treasurer should be left to appoint all the Tellers in the Currency Department taking any deposit which he may

may consider necessary from them would tend to weaken rather than strengthen the safeguards of the Department. The Tellers in the Calcutt Currency Department were appointed by me. The Head Commissioner observes that it was intended they should be nominees of the Treasurer, but I do not remember that this intention was expressed, or even indicated before. I am decidedly of opinion that the existing system which is in accordance with the principles of the Treasury management in the Madras Districts, under which the Tellers are appointed by the Deputy Commissioners, and furnish securities to him in prescribed sums for the proper discharge of their duties, should continue undisturbed. The safety of the cash and Notes in the Currency Department will then be secured in the same manner as in the Revenue Department of the Collector. The main bulk of them will as provided for by the rules be kept under the joint seals and Keys of the Depy. Commissioner and the Treasurer. A smaller

portion

portion of them for current purposes under the joint seals and Keys of the Assistant & Commissioner and Treasurer. The Notes and Cash involved and required for the daily transactions of the Exchange Department have heretofore been under the joint seals and keys of the Cashier of the Exchange Department or Teller No. 1. and the Asst. Commissioner. These may hereafter be more properly kept jointly by the Teller No. 1. and the Treasurer, the responsibility of the latter extending to the total amount of the Notes and Coins of each description which he will daily examine before locking the box; while the Tellers will be severally responsible for all defaults connected with their respective duties in the Exchange Department.

5. As regards the Accounts, they have heretofore been prepared by the Clerk or Accountant under the orders of the Assistant Commissioner by whom they have been daily examined and signed while separate Books have been kept by the Treasurer and Teller No. 1 simply shewing

the amount of each description of Note and coin in their hands according to forms C. F. G. M. and N. There was no needless keeping of duplicate Books and the Accounts have been regularly kept. But I see no objection to the adoption of the proposed distribution of the Books amongst the Officers who are responsible for the respective transactions as laid down in the Instructions of the Head Commissioner copies of the Accounts being furnished to the Assistant Commissioner who will examine and sign them as well as the original Books. The only alteration which would seem to be required is that form D. as well as form F. will have to be prepared by the Treasurer who is responsible for the balance of cash and Notes in these accounts jointly with the Assistant Depy. Commissioner. Form D. if it involves the entry of the individual numbers of all the Notes issued to the Exchange Department or the public in large transactions will be too burdensome a work for the Treasurer and must be prepared by the Accountant from the

chequefoils in which the Nos of Notes issued as from such a No to such a number will be briefly entered by the Treasurer. But I am not sure if this detailed entry of the individual numbers of all the Notes issued in Col: 1 of Form D. is necessary though it is indicated by the model form shewing the manner of filling in the Statement brought by the writer from your office. It seems sufficient for all purposes if the Notes issued are entered as from such a number to such a number and if this view meets with your concurrence there will be no objection to the Treasurer preparing the Statement D. as provided for in the Instructions of the Head Commissioner. Form B. will continue to be the complete record shewing the numbers of all the Notes counterstamped and issued for circulation in the circle and cancelled from time to time. Of course the individual numbers must be entered in B. to admit of the entry of cancellment being made against any when necessary. Forms M. and N. prepared by the Teller No 1 will have to

be signed by him and the Treasurer as they will be jointly responsible for the balances of these Accounts. With these slight modifications the new distribution of work will be at once adopted. Any additional work of copying will be distributed amongst the Accountant and Tellers in such manner as may be found convenient by the Assistant Commissioner and I have no further modifications to suggest in the list of duties which are already laid down by the Head Comr.—

6. Before concluding there is another point which I deem it necessary to notice. Even with the modifications suggested the responsibilities of the Treasurer are very largely increased by the addition of the Currency Dept and the additional work and security required from him cannot fairly be exacted from him without some addition to the very moderate salary of 100 Rupees now provided for the office. Eventually the effect of the opening of

of the branch Office of Issue must be to concentrate all the coin into it and to make the Treasury of this Collectorate the channel through which all remittances to other places will have to be made while the transactions at the other Treasuries of the Circle are chiefly conducted in Notes. I would beg therefore to suggest that arrangements may be made for constituting the Collector's Treasury at each of the three branch Offices of Issue. A Principal Treasury providing a higher scale of pay say 150 Rs to the Treasurer and taking double the usual security from him so as to embrace the transactions of both the Collector's Treasury and the Currency Department.—

I have the honor to be,
Sir,
Your most Obed.t Servant.

G. A. Ballard
Depy Commissioner.

Deputy Commr. Office
Calcutta 20th December 1866.
Recd 28th —

No. 261
1866

From

G. A. Ballard Esqr.
Deputy Commissioner of Issue of P.C.

To,

Lieut. Col. J. Carpendale R.E.
Commissioner of Issue of Paper Currency
Madras

Sir,

With reference to your letter dated 11th October 1866 No. 916, forwarding the modified Rules 15 & 16 of the Currency Department relieving the Collectorate Treasurer from the duties therein assigned to him, I have the honor to state that with reference to the transfer of the duties of assistant Commissioner to the Treasury Deputy Collector who has other heavy work to attend to, it will be necessary to relieve the above officer also from these duties, which will be properly performed by the 1st Teller alone.

The coin & notes of the department will be secured in the manner pointed out in para 4 of my letter dated 26th June 1865 No. 39; the main bulk of them being kept under the joint seals & Keys of myself & the Treasurer; whilst such small portions as may be in daily use for exchange operations will alone remain in the joint charge of the Collectorate Treasurer and the 1st Teller, the latter of whom will be responsible for the money in detail, while the former will be bound to see daily that the money & notes are

correctly

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From
The Commissioner of Paper Currency
Calcutta
Dated 26th June 1865.
No. 39.

Recd 11th March 1866 No 52.

correctly lodged in the Cash Chest of the Exchange Department. The Treasury Deputy Collector will have ordinarily nothing to do with the Charge of Cash or Notes any more than he has in the Revenue Department; but he will be bound to see all the accounts are correctly kept & to exercise all other measures necessary for the efficient Supervision & control of the Department. I request these points may be taken into consideration and the rules 15 & 16 modified accordingly.

I have the honor to be,
Sir,
your most obdt. servant.

Rec.d Dec.r 28th.

Cameron
Deputy Commissioner
of Ipcy of P.C.

Shows Deputy powers when Assistant
and the New Rules as to the
Inspection Duties of Treasury.

8/8. Note:

No. 11.

To

The Dy: Commissioner of Income
of Paper Currency
Calicut

Sir

In reply to your No. 261 of 20th Ultimo, I regret that I cannot concur in your opinion of the propriety of relieving the Deputy Collector in charge of the Treasury of the responsibility devolving on him in his Capacity of your Assistant in the Paper Currency Department under the paras: 15 & 16 of the Rules for Guidance. The Grand Committed by Mr. Pozario, the 1st. Teller or Cashier, which you have just brought to Notice was in my opinion conclusive Evidence of the inexpediency of putting any additional confidence in Servants of this Class. Moreover Rules 15 & 16 as they now stand were fully Considered by the Madras Govt: and the Govt: of India before being passed, and I would therefore be very reluctant to so soon propose any Alterations in them, especially one relieving the Deputy Collector of any portion of his extra duty as he receives 100 Rs. a month additional remuneration on that account, for which, something more than general supervision of the accounts is to be expected. The only ground upon which I could support a proposal to relieve the Deputy Collector of the duties assigned to him in paras: 15 & 16 is, that

the

the nature of his other duties do not allow him time for the new ones but that point was I suppose considered by Govt: at the time the change of system was decided on.

Copy of a recent Communication to the Dy: Commissioner Trichinopoly on this subject is enclosed for ~~your~~ information

I have &c, &c,

Office of the Commissioner
of Salt
Madras Mint 5th January 1807

Sd. J. Carpendale
Commissioner.

N° 3/1867

Deputy Commissioner's Office
Calicut 14th January 1867
Recd 16 —do—

From

G. A. Ballard Esqre
Deputy Commissioner of
Issue of Paper Currency.

To,

Lieut. Col: J. Carpendale, &c. &c.
Commissioner of Issue of
Paper Currency
Madras.

Sir,

With reference to your letter of the 5th instant N° 11. I have the honor to state that in the proposals made in my communication of the 2nd I did not mean to relieve the Treasury Deputy Collector from any portion of the responsibility which as far as I can judge really and properly devolves upon him; but the task of examining and arranging all Notes and Coins received daily by the Exchange Department jointly with the 1st Teller is one which it seems to me is incompatible with the nature of his other duties and which considering the principles on which the rest of Cash arrangements are managed it would be an anamoly to insist on his performing.

2. The daily arrangement of the Notes and Coins may I think safely be left to the Tellers. The Treasury Dy: Collector of course daily attesting the accounts. but the 1st Teller is not and was not

To

The Dy. Commissioner
of Issue of Paper Currency

Dated 5th January 1867.

No 11.

Reckon Trustee the
Dy. Collector in charge of
the Treasury of the Sea-
-sonable advantage on
him in his Office as
Cashier in the
Paper Currency Depart-
-ment.

Dy. Coll. 8/2/67

not proposed to be left in sole charge of the Notes and coin — The Collectorate Treasurer is bound to examine in company of the 1st Teller the Notes and cash each day before they are received into the Treasury — It is hard I allow to throw this additional responsibility on the Treasurer without additional remuneration, and I would again urge upon your consideration the propriety of obtaining for him a small additional pay of say 25 Rupees pr. month for the additional work and responsibility entailed — But however this question may be settled, I see no way of relieving the Treasurer altogether from the work as on general grounds it is inexpedient that any money should be lodged in the Treasury for which the Collectorate Treasurer is the Officer to whom it naturally falls daily to see that the Notes and money returned by the Teller are correct, and the joint responsibility of these two Officers ought to be sufficient for the small amount of Notes and money left for the daily Exchange operations in the same manner as the joint responsibility of the Treasurer and the Shroffs are found sufficient in the Revenue Department without the necessity of daily detailed examinations by the Treasury Deputy Collector.

3. But the duties of the Treasury Deputy Collector will not consist of a mere general supervision of Accounts; he will have to

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to examine and attest the accounts daily, examine the coin and Notes in the Exchange Department once in a month or twice if you consider it necessary, and see that they do not accumulate to a larger sum than is safe to leave in the Cash keepers and Tellers hands — arranging for the Transfer of any excess to the Deputy Commissioners Chests from time to time — It will be clearly his responsibility to see that no more money is placed in the hands of the Treasurer and Tellers than their security will amply provide for — He will rarely be in direct charge of money excepting when the Dy: Commissioner, owing to his absence and the absence of other Covenanted Officers in the Station, should find it necessary to leave a certain portion of the Notes and money in the Treasury Deputys charge to meet the demands of the Exchange Departt.—

4. The above is in accordance with the system pursued in the Revenue Departt. Any deviation from which is I think unnecessary and can only tend to occasion needless confusion as the Superior Officers are common to both.—

5. In your letter, you allude to the recent fraud in the Currency Office here but I submit, that the fact of its having been found impossible to commit fraud to any larger amount than that abstracted, proves the sufficiency of existing arrangements if they

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are carried out strictly in all respects. Real security consists not so much in several persons doing the same work, as in such a division of the responsibility amongst them that none can evade it without falling under the observation and check of the others.

6. I trust under the above circumstances you will favorably re-consider my proposals for submission to Government, they were the same that were made in Para: 4 of my letter dated 26th June 1865, the principle of which has been generally approved by Govt., tho' it does not appear to have been kept in view in framing the modified Rules 15 & 16.—

I have the honor to be,
Sir,
Your most Obt. Servant

E. Ballard
Dy: Commissioner.

Encl. No. 16!

File Answering Correspondence

Note.

Office of the Commissioner of Leone.
Madras Mint, 21st January 1867.

No. 56.

From

Colonel J. Carpendale, R.E.
Commissioner of Leone
of Paper Currency.

To

The Honorable A. J. Arbuthnot
Chief Secretary to Government
Fort St. George.

Sir,

The Arrangements proposed by Govern-
×No. 581. 19th Dec. 1865. -ment in your letter as per ×margin to the Government
of India for the Conduct of the Paper Currency Offices
at Calicut, Trichinopoly, and Vizagapatam, having
been approved of, were ordered in a letter from the Head
Commissioner dated 10th August 1866 to be adopted,
and Rules 1546 of the Manual were modified accord-
-ingly. By this Arrangement the Collectorate Treasurer
was relieved of all responsibility in connection with
the Exchange Department, and the duty of daily exa-
-mination of Notes and Coin was allotted to the Deputy
Collector in Charge of Treasury in Conjunction with
the 1st Teller or Cashier. The Deputy Commissioner
×Letter No. 3. 14th Jan. 67. ×of Calicut since proposed that the Deputy Collector
in Charge of Treasury should be relieved of this duty
which he considers incompatible and unnecessary,
and requested, that as proposed by him in a former

Communication

Communication the Collectorate Treasurer and the 1st Teller should daily examine and Arrange all Notes and Coin in the Exchange Department, and that the Deputy Collectors duty should be confined to superintending and Examining the Accounts, and to a personal Examination of the Notes and Cash once or twice a Month. I declined to support his proposal on the ground that the Subject had been fully Considered before Rules 15 & 16, as they now stand, were passed, and because of the short time that had elapsed since then; but the Deputy Commissioner still presses a reconsideration of the matter and I therefore submit it for the Orders of Government. The correspondence in original accompanies, and I request when no longer required that it may be returned. My own opinion is that the present arrangement should be left undisturbed: the Deputy Collector receives a hundred Rupees a Month extra Salary from the Paper Currency Department, and his personal Examination of the daily balance of Notes and Coin is I consider very desirable.

2. Reference is made in this Correspondence to a fraud recently committed in the Paper Currency Department at Calicut which consisted in the Abstraction by the 1st Teller or Cashier of 10 Small Notes amounting in the aggregate to Rs. 120 and the Misappropriation of Rs. 58-2-. from the Contingent expense balance. He was convicted by the Sessions Court and Sentenced to two Years rigorous imprisonment.

3. No objection has been raised to the present Arrangement of business by the Deputy Commissioner at Vizagapatam, nor at Trichinopoly further than that the Deputy Commissioners there considers that the Collectorate Treasurer should have his Salary Augmented, and has urged it in the strongest terms. Bearing in mind your communication to the Govt: of India referred to in first para: hereof, I had declined proposing any increase of Salary, but the present is a suitable opportunity for reconsidering the question, and I venture to recommend that the Collectors Treasurers at Calicut, Trichinopoly, and Vizagapatam, should receive an addition to their Salaries of Rs. 25 a Month each to be charged to the Paper Currency Department.

Documents accompanying-

From Dy: Commissioner Calicut — No. 39. 26th June 1865.
— " — " — " — " — " — 261. 20th Decr. 1866.
To — " — " — " — " — 11. 5th Jany. 1867.
From — " — " — " — " — 3. 14th — " — " —

I have the honor to be
Sir
Your most Obedient Servant

J. G. Grindle
Commissioner of Issue
of Paper Currency.

C. S.

C8 Board
211 "
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No. 19 Dec 1865 30-32

1865
Read Letter from the Commissioners of Paper Currency

No. 128

To the Chief Secretary to Government

Dated 21st January 1865
Rec'd 23 "

No 56.

Enclosures 4.

Fin. Dept.

Contract for Orders of Government as Inspectors of the Bank Commissioners Bank Notes Contracts for obtaining the Rupees Collected in charge of Treasury &c. &c. &c. and Cost and accompaniments and additions of 25 Office of the Accountant & Cashier and Cargo Paper Currency

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from the Commr of Issue of Paper Currency dated 21st January 1865. No. 56.

Order thereon 16th March 1865 No. 128.

The Governor in Council is not prepared to recommend any alteration in the rules referred to, or to propose an addition to the salaries of the Treasurers at Calicut, Tuticorin, Cochin and Vizagapatam, with reference to the work devolving on them in connexion with the Currency Department.

To the Commr. of Issue of Paper Currency

Financial 186 4. Department.

No. 128

PROCEEDINGS OF GOVERNMENT.

Dated. 11 March 64.

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