M.R.O. 1—77,006—8-8-37.

(1) Number of pages 42.

(2) Date of repair

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 502 Press Mis.

29-33

Dated 8-11- 18 67.

29-33 21/22

Not to be folded or roughly handled

Read the following papers :—

No. 29. From R. B. ELWIN, Esq., Agent and Manager of the Madras Railway Company, to the Acting Consulting Engineer for Railways ; dated Madras, 2nd October 1867, No. 353.

I have the honor to enclose a copy of some correspondence which has passed between the Mint Master, the Secretary and Treasurer of the Bank of Madras, and myself, regarding the loss of Government Currency Note, No. B-11, 49873, for Rupees 100, which was reported on the 23rd July last.

2. Mr. McIver's letter of the 28th ultimo, No. *b*/575, is so unsatisfactory, and the system adopted by the Bank so fraught with danger to the public, in the facility which it affords for the disposal of stolen Notes, that I venture to trouble you in the matter, with a view to the necessary representation being made to the Government.

From the Agent and Manager, Madras Railway Company, to J. McIVER, Esq., Secretary and Treasurer, Bank of Madras ; dated Madras, 23rd July 1867, No. 319.

I regret to have the honor to inform you, that Currency Note for Rupees 100, No. B-11, 49873, alleged to have been forwarded by the Station Master, Moodanoor, to the Cashier of this Company, Madras, by train, in a locked cash-bag, on Saturday last, was not found in the bag when received by the latter Officer.

2. Under these circumstances, I shall feel obliged by your stopping payment of the Note, and detaining any person producing it, and also, in such event, by your communicating immediately with the Police.

From the Agent and Manager, Madras Railway Company, to the Mint Master, Madras ; dated Madras, 23rd July 1867, No. 327.

I regret to have the honor to inform you that Currency Note for Rupees 100, No. B-11, 49873, alleged to have been forwarded by the Station Master, Moodanoor, to the Cashier of this Company, Madras, by train, in a locked cash-bag, on Saturday last, was not found in the bag when received by the latter Officer.

2. Under these circumstances, I shall feel obliged by your stopping payment of the Note, if presented to you, and detaining any person producing it, as also, in such event, by your communicating immediately with the Police.

No. 1266.

OFFICE MEMORANDUM.

The undersigned begs to inform R. B. Elwin, Esq., Agent and Manager, Madras Railway Company, that the undermentioned entire Note, the loss of which was reported to this office on the 23rd July last, was presented for payment by the Secretary and Treasurer of the Bank of Madras, on the 23rd instant, and value paid to him. The Police has been informed of the circumstance.

Note No. B-11, 49873, for Rupees 100.

(Signed) J. CARPENDALE,
Commissioner of Paper Currency.

From the Agent and Manager, Madras Railway Company, to J. McIVER, Esq., Secretary and Treasurer, Bank of Madras ; dated Madras, 27th September 1867, No. 935.

With reference to my letter of the 23rd July, No. 319, I have the honor to forward, for your information, copy of a communication, No. 1266, from Colonel Carpendale, by which you will observe that Currency Note No. B-11, 49873 has been presented by you for payment and cashed.

2. May I ask you to be good enough to let me know from whom the Currency Note was received, &c., &c.

From J. McIVER, Esq., Secretary and Treasurer, Bank of Madras, to the Agent and Manager, Madras Railway Company; dated Madras, 28th September 1867, No. *b*/575.

In reply to your letter of yesterday, I beg to state that the Bank is unable to name the party who presented the Currency Note referred to, as no register of Notes received and issued has been kept since the transfer of the Currency Department to the Currency Commissioner.

No. 269.

Submitted to Government for consideration.

2. The action stated to have been adopted by the Bank of Madras since the transfer of the Currency Department is certainly calculated to facilitate the disposal of stolen Notes, and is, therefore, highly prejudicial to the interests of the Public.

MADRAS, 3*rd October* 1867. (Signed) J. SHAW STEWART, Major, R. E.,
Ag. Consulting Engr. for Railways.

To the Secretary to Government, P. W. Dept,. Fort Saint George.

Referred to the Financial Department.

(Signed) J. SHAW STEWART, Major, R. E.,
5*th October* 1867. *Under Secretary to Government, P. W. D.*

Forwarded to the Commissioner of Issue of Paper Currency for his remarks.

FORT SAINT GEORGE, (Signed) A. J. ARBUTHNOT,
8*th October* 1867. *Chief Secretary.*

No. 30. From the Commissioner of Issue of Paper Currency, to the Chief Secretary to Government, Fort Saint George ; dated Madras, 9th October 1867, No. 1354.

I have the honor to return the correspondence received with your endorsement of the 8th instant, relative to a Currency Note for a hundred Rupees, which was stolen from the Madras Railway Company, and cashed on presentation at the Bank of Madras, apparently without any notice being taken of the person who presented it, and to report that, so long as the Bank was employed as a Government Agency for the circulation of the Paper Currency, every Note received and paid was registered, but, from the 1st of March last, when the new agreement between the Government and the Bank came into operation, the Bank discontinued to keep any Registers, except one of "stopped Notes," that is of Notes reported to the Bank to be lost or stolen, and this the Bank still professes to do, and ought to have done in the particular case in question, as the Agent and Manager of the Railway Company specially reported the loss to the Bank, and the least the Bank might have done was to have recorded the name and address of the presenter, and immediately communicated those particulars to Mr. Elwin, it being quite optional with the Bank, which is not the case with this office, to refuse payment of stolen Notes.

2. I may add that the greater portion of the "stopped Notes" which come to this office are presented by the Bank of Madras, and that it only very recently came to my knowledge that the Bank does not take cognizance of lost or stolen Notes upon advertisements in the Gazette, but only when the information is communicated direct to the Bank. Mr. McIver's letter to Mr. Elwin would appear to have been written under some misapprehension.

Referred to the Directors of the Bank of Madras, with a view to their explaining what is the course actually followed in the Bank of Madras in respect to "stopped Notes."

FORT SAINT GEORGE, (Signed) A. J. ARBUTHNOT,
15*th October* 1867. *Chief Secretary.*

No. 31. From J. McIVER, Esq., Secretary and Treasurer, Bank of Madras, to the Chief Secretary to Government, Fort Saint George ; dated Madras, 18th October 1867, No. 49-699.

In reply to your endorsement on a letter from the Commissioner of Issue of Paper Currency to your address, dated 9th October, No. 1354, I have the honor, by desire of the Directors, to annex copy of a letter forwarded this day to the above office, and which affords the required information as to the course followed at the Bank in respect to stopped Notes.

From J. McIVER, Esq, Secretary and Treasurer, Bank of Madras, to the Commissioner of Issue of Paper Currency ; dated Madras, 18th October 1867, No. 49-698.

I have the honor, by desire of the Directors of the Bank, to inform you, in reply to your letter, No. 1355, of the 10th instant, that the practice observed at this office, prior to the transfer of the Currency Department to the Mint, of comparing Notes received over the counter with the Register of stopped Notes, has never been discontinued, but, as there are many lost Notes of which the stoppage at the Mint has not been intimated to the Bank, and others which, since their stoppage here, have been presented and paid at the Mint, or otherwise disposed of, without intimation to the Bank, the Register kept at this office is necessarily very imperfect. I am directed, therefore, to request that you will be good enough to furnish me with a complete list of all the Notes which have been stopped or traced at the Mint since 1st March last, and that you will continue to keep me advised of the same from time to time.

2. A great proportion of the Notes received at the Bank are brought in by its Collecting Peons, at a late hour in the afternoon, generally after 4 o'clock, and it has not recently been the practice to compare these with the Register of stopped Notes, which will probably account for the fact of lost or stolen Notes being received at the Bank without intimation being given to the parties who have notified the loss.

3. With reference to this, I may remark that I have reason to believe that the other Banks and Houses of Agency either keep no Register at all of Notes, or else very imperfectly, and that, while this Bank is willing to afford the Public every assistance in its power towards the recovery of Notes lost or stolen, the Directors are of opinion that any measures it may adopt will be of very little practical benefit if the Notes cannot be traced further than the particular Bank or Firm from which they were immediately received into this office.

No. 32. From the Commissioner of Issue of Paper Currency, to the Chief Secretary to Government, Fort Saint George ; dated Madras, 21st October 1867, No. 1440.

In continuation of my letter as per margin, I have the honor to report that I have just learned, in correspondence with the Bank of Madras, that the following system prevails in that Establishment, in regard to stopped and stolen Notes.

No. 1354, dated 9th October 1867.

1*st.*—The Bank continues to keep a Register of such Notes, but only enters in it the particulars of those that are communicated direct to the Bank, and takes no notice of advertisements in the *Fort Saint George Gazette.*

2*nd.*—The Bank compares with its list of stopped Notes those Notes only which are presented at the counter in the Bank, but does not in any way examine, with the object of detecting lost and stolen Notes, the large quantity of Currency Notes which its Peons receive at other Banks and Houses of Agency in payment of cheques.

2. I beg to enclose my correspondence* with the Bank, and, with reference to the Secretary's letter of the 18th instant, No. 49-698, I have to observe that I cannot perceive any valid reason for the Bank's exercising less caution in regard to lost and stolen Notes now than it formerly did. It was formerly the custom for the Bank to compare the Notes brought in by its Collecting Peons with the stopped list, and if this practice is not to continue, and thereby every facility is to be afforded for the cashing of lost and stolen Notes, there is no use at all in the Bank keeping a list of stopped Notes, or in one being kept in this office.

* From Commissioner to Bank, No. 1355, dated 10th October 1867.
From Bank to Commissioner, No. 49-698, dated 18th October 1867.

3. In regard to the Bank's excuse of the incomplete state of its list of stopped Notes because I omitted to communicate to it all stoppages registered in my office, I have the honor to state that there was no reason why I should each day write these particulars to the Madras Bank any more than to the other Government Treasuries. In taking the precaution that every loss

was advertised in the *Fort Saint George Gazette*, I obeyed the instructions laid down for my guidance—vide the accompanying letters.

No. 2883 of 12th October 1865 from the Secretary to the Government of India.

No. 595, 3rd February 1866, from the Head Commissioner of Paper Currency.—

And it is for the Government to consider whether, under its agreements with the Bank for the conduct of the General Treasury business, it was not incumbent on the Bank of Madras to take notice of the advertisements in the Gazette as other Treasury Officers do, though I am prepared hereafter to furnish the Bank with a list of stopped Notes daily, and have already commenced doing so.

From the Commissioner of Issue of Paper Currency to J. McIVER, Esq., Secretary and Treasurer of the Bank of Madras, dated 10th October 1867, No. 1355.

I have the honor to request that you will lay before the Board the following remarks in reference to the Bank's mode of dealing with "stopped Currency Notes".

2. On the transfer of the Exchange Office Paper Currency Department from the Bank to the Mint, on the 1st of March last, I learned, on inquiry at the Bank, that a Register of lost and stolen Notes would continue to be kept, although the former practice of registering the particulars of all Notes received and issued would be discontinued; but from the very large number of stopped Notes which are presented by the Bank at this office, I am led to conclude either that the list of stopped Notes in the Bank is kept in a very incomplete state, or else that proper caution is not exercised, when receiving Currency Notes, to prevent lost and stolen ones being inadvertently cashed.

3. From the Government connection with the Bank of Madras a large portion of the Public regard the Bank in the light of a State Bank, and I submit, for the Board's consideration, that the Public have a right to expect that the Bank of Madras will at least afford them the same assistance in recovering their property as is readily accorded by other Banks and Houses of Agency generally in Madras, either by refusing to receive the stopped Notes, or by noting the name and address of the presenter at the time of payment, and communicating those particulars to the advertiser of the lost and stolen property.

4. I request it may be understood that I intend the above remarks to apply not only to Notes the loss of which is communicated direct to the Bank, but to all others which are advertised in the *Fort Saint George Gazette*.

5. In illustration of this subject, I beg the Board's attention to the following case, which the Agent and Manager of the Madras Railway has just brought to the notice of Government:—

On the 23rd July last, Mr. Elwin, Agent and Manager, Madras Railway, intimated to you the loss of a Currency Note for Rupees 100, which had been stolen from the Railway Company; that Note was presented by you at this office on the 23rd September last and cashed, and Mr. Elwin informed of the circumstance on the 27th September. Mr. Elwin asked you to inform him from whom you received the said Note, and, in reply, on the 28th idem, you state that "the "Bank is unable to name the party who presented the Note, as no Register of Notes received and "issued has been kept since the transfer of the Currency Department to the Currency Com- "missioner," and yet I am aware, both from personal communication with yourself and with the Deputy Treasurer and Chief Accountant, and from your correspondence with other parties who have stopped Notes, that the Bank does profess to keep a Register of stopped Notes.

[For the reply of the Secretary and Treasurer, dated 18th October 1867, No. 49-698, see page 3.]

From the Secretary to the Government of India, Financial Department, to the Head Commissioner for the Issue of Paper Currency; dated Simla, 12th October 1865, No. 2883.

It is observed that the Commissioner of the Department of Issue of Paper Currency, Bombay, lately recommended the discontinuance of the practice observed in his Department of sending intimation to Officers in charge of Treasuries whenever payment of any Currency Notes has been stopped at the Bank of Bombay, but the Government of Bombay properly refused to adopt the recommendation.

2. I am directed to request that the course which the Government of Bombay has upheld may be followed in every other Circle of Paper Currency where it is not now observed.

No. 379.

MEMORANDUM.

Copy of the above forwarded to the Commissioner of Paper Currency, Madras, for information and guidance.

(Signed) J. F. SHEKLETON,
Officiating Head Commissioner.

20*th October* 1865.

From the Head Commissioner of Paper Currency, to the Commissioner of Paper Currency, Madras; dated Calcutta, 3rd February 1866, No. 595.

As parties losing Notes will be required to advertise the loss of all such Notes in the *Gazette of India* and the Local Government Gazette, it will be unnecessary for you to send intimation of such lost Notes to all Treasury Officers within your Circle of Issue, and you will accordingly discontinue the practice lately ordered to be adopted.

2. * * *

No. 33. ORDER THEREON, 8th November 1867, No. 502.

It is evident from the foregoing papers that the course followed by the Bank of Madras, in respect of "stopped Notes," since the transfer of the Currency Department to the Mint, has facilitated, rather than restricted, the admission of such Notes into the Bank.

2. It is observed from the letter from the Secretary and Treasurer of the Bank to the Commissioner of Issue of Paper Currency, dated 18th October 1867, that a "great proportion" of the Notes are brought in by the Collecting Peons of the Bank at a late hour in the afternoon, and that, with the exception of the Notes received over the counter, no comparison or check whatever is exercised over them.

3. The Governor in Council is aware that no efficient system of check is maintained by the other Banks, Houses of Agency, and Shop-keepers, with regard to "stopped Notes," but that is no valid reason why the Bank of Madras, the depository of the Government treasure, and the transactions of which are on a far more extensive scale, should have abstained from exercising a more efficient check.

4. The Governor in Council requests that the Directors of the Bank will cause a Register to be carefully kept of all Notes, the loss of which is either advertised in the *Fort Saint George Gazette*, or reported direct to the Bank, and that a systematic examination be carried out daily of all Notes received over the counter, or through the Collecting Peons of the Bank.

(True Extract).

Chief Secretary.

To the Public Works Department.
" Commissioner of Issue of Paper Currency.
" Directors of the Bank of Madras.
" Accountant General.

Exd. J. H. Burns.

Paper Currency Office
Mint, Madras, 9th October 1867.

No. 1357

From.

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

To.

The Chief Secretary to Government
Fort Saint George.

Sir

I have the honor to return the correspondence received with your endorsement of the 8th instant relative to a Currency Note for a hundred rupees which was stolen from the Madras Railway Company and cashed on presentation at the Bank of Madras — apparently without any notice being taken of the person who presented it, and to report that so long as the Bank was employed as a Government Agency for the circulation of the Paper Currency, every Note received and paid was registered; but from the 1st of March last when the new agreement between the Government and the Bank came into operation the Bank discontinued to keep any Register except one of "Stopped Notes", that is of Notes reported to the Bank to be lost or stolen, and this the Bank still professes to do, and ought to have done in the particular case in question as the Agent and Manager of the Railway Company specially reported the loss to the Bank, and the least the Bank might have done was to have recorded the name and address

address of the Presenter and immediately communicated those particulars to Mr. Elwin, it being quite optional with the Bank, which is not the case with this Office, to refuse payment of stolen Notes.

2. I may add that the greater portion of the "stopped Notes" which come to this Office are presented by the Bank of Madras, and that it only very recently came to my knowledge that the Bank does not take cognizance of lost or stolen Notes upon advertisements in the Gazette, but only when the information is communicated direct to the Bank - Mr. McIver's letter to Mr. Elwin, would appear to have been written under some misapprehension.

I have the honor to be
Sir
Your most obedient Servant.

G. Gubbins dale
Commissioner of Issue
of Paper Currency

C.C.

No 49/1867

Bankmadras
Madras 15th October 1867

The Chief Secretary to Government
Fort St George

Sir

I am directed by your Excellency in Council to forward a letter from the Commissioner of Issue of Paper Currency dated 9th October No 1354, I have the honor to be,

Sir
Your most obedient Servant
J Prinsep Actg
Secretary & Treasurer

To

His Excellency the Governor
&c &c &c
Fort St George

Financial 1867. Department. RN 468

From
The Commissioner of Issue of Paper Currency.
To
The Chief Secretary to Government Fort St George

Dated 9th } October 1867.
Received 10 }

No. 1354.

Enclosure - One slip

No 473.

Returns correspondence relative to a Currency Note for a hundred Rupees which was stolen from the Madras Railway Company and cashed on presentation at the Madras Bank; and submitting remarks thereon.

Referred

9

Referred to the Directors of the Bank of Madras with a view to their explaining what is the course actually followed in the Bank of Madras in respect to "stopped notes."

Fort St George
15 Oct. 1867

Chief Secretary

To the Directors of the Bank of Madras.

Disp'd 18/10-
Rec'd 19/10-

C 29 Oct
Rec'd Nov

30

Bank of Madras

No 49/698. Madras 18th October 186[illegible]

To

The Commissioner of Issue
of Paper Currency

Sir,

I have the honor by desire of the Directors of the Bank to inform you in reply to your letter No 1355. of the 10th instant that the practice observed at this Office, prior to the transfer of the Currency Department to the Mint, of comparing notes received over the counter with the Register of stopped notes, has never been discontinued, but as there are many lost notes of which the stoppage at the Mint has not been intimated to the Bank, and others which since their stoppage here have been presented and paid at the Mint, or otherwise disposed of without intimation to the Bank, the Register kept at this Office is necessarily very imperfect. I am directed therefore to request that you will be good enough to furnish me with a complete list of all the notes which have been stopped or traced at the Mint since 1st March last, and that you will continue to keep me advised of the same from time to time.

A great proportion of the notes received at the Bank are brought in by its collecting Peons, at a late hour in the afternoon - generally after 4 o'clock and it has not recently been the practice to compare these with the Register of stopped notes - which will probably

probably account for the fact of lost or stolen notes being received at the Bank without intimation being given to the parties who have notified the loss.

With reference to this, I may remark, that I have reason to believe that the other Banks and Houses of Agency either Keep no Register at all of notes, or else very imperfectly; and that while this Bank is willing to afford the Public every assistance in its power towards the recovery of notes lost or stolen, the Directors are of opinion that any measures it may adopt, will be of very little practical benefit if the notes cannot be traced further than the practicular Bank or Firm from which they were immediately received into this Office.

I have the honor to be
Sir.
Your obedient Servant.
Signed J. McIver
Secretary and Treasurer.

R N A 4/13
488

C29 Ch
K2 Fo.

31

Forwarded to the Commissioners of Stamps & Paper Currency for their remarks.

Fort St George
8th October 1867

A. J. Cumbrae
Chief Secretary

To The Commissioners
of Stamps & Paper Currency

Dispd 8/10.
Retd 10/10.

Forwarded 18th Oct

Secretary Treasurers
Bombay Bank
No 49 1/1868

Rec'd 19th Oct

No 4 Pos-
Forwards a letter stating
the course followed at
the Bank in enquiries
& offices made

No. 353.

MADRAS RAILWAY COMPANY.

AGENT AND MANAGER'S OFFICE.

Madras, Oct 2nd 1867.

From R. B. Elwin Esq^r

Agent and Manager of the Madras Railway Company.

To Major I. S. M. Shaw-Stewart R.E.

Acting Consulting Engineer for Railways.

SIR,

I have the honor to enclose, a copy of some correspondence, which has passed between the Mint Master, the Secretary and Treasurer of the Bank of Madras, and myself, regarding the loss of Government Currency Note No. B/11 49873 for Rs. 100, which was reported on the 23rd July last.

Mr McIver's letter of the 28th ult. No. 6/575 is so unsatisfactory, and the system adopted by the Bank, so fraught with danger to the public, in the facility which it affords for the

disposal of stolen votes, that I
venture to trouble you in the
matter, with a view to the
necessary representations being made
to the Government.

I have the honour to be,

Sir,

Your most obedt Servt

Arthur H. Hunter

Agent and Manager

Madras Railway,
Madras, July 25th 1867.

No 319.

From

R. B. Elwin Esqre.,
Agent and Manager, M. R. Co.

To

J. Mc. Ivor Esqre.,
Secretary and Treasurer,
Bank of Madras.

Sir,

I regret to have the honor to inform you, that Currency note for Rs. 100 No. B/11 49873, alleged to have been forwarded by the Station Master, Moadamoor to the Cashier of this Company, Madras, by train in a locked Cash Bag on Saturday last, was not found in the bag when received by the latter Officer.

Under these circumstances, I shall feel obliged by your stopping payment of the note, and detaining any person producing it, and also in such event, by your communicating immediately with the Police.

I have &c.,
p/o Walter J. Hooper
for Agent & Manager.

No. 327.

Madras Railway
Madras 25th July 1867.

From

Robert B. Elwin Esqre.,
Agent & Manager of the M. R. Co.

To

Colonel J. Carpendale, R.E.,
Mint Master,
Madras.

Sir,

I regret to have the honor to inform

MADRAS RAILWAY.

From.

The Agent and Manager.

To

The Consulting Engineer.

for Railways

Dated 26th October 186

Recd.

No. 353.

Transmitting Copy of a Letter from the Bank of Madras dated the 25th Instant, & its Enclosure, & requesting Credit may be given to the Company for the Sum of Rupees Hundred, Currency Note No. B/11 49873 Currency Rupees 100 —

Rs. 100 —

via Rs. 100 0 0

you, that Currency Note for Rs. 100, No. B/11 49873, alleged to have been forwarded by the Station Master, Moadavoor, to the Cashier of this Company, Madras, by train, in a locked Cash bag, on Saturday last, was not found in the bag when received by the latter Officer.

Under these circumstances, I shall feel obliged by your stopping payment of the Note, if presented to you, and detaining any person producing it, & also in such event, by your communicating immediately with the Police.

I have &c.,
(Sd) Walter F. Hooper,
for Agent & Manager.

No. 1266. Paper Currency Department
Madras Mint

Office Memo.

The undersigned begs to inform R. B. Clarin Esqre., Agent and Manager, M. A. C. that the undermentioned entire Note the loss of which was reported to this Office on the 23d July last, was presented for payment by the Secretary and Treasurer of the Bank of Madras on the 23d instant, and value paid to him: the Police has been informed of the circumstance.

Note No. B/11 49873 for Rupees 100

(Sd) J. Carpendale,
Commissioner of Paper Currency.

26 Sept 67

No. 935 Madras Railway
Madras 27th September 1867.

From

Robert D. Clarin Esqre.,
Agent & Manager, M. A. C.

To

J. Mc. Ivor Esqre.,
Secretary and Treasurer
Bank of Madras.

Sir,

With reference to my letter of the 23d July No. 319, I have the honor to forward for your information copy of a communication No. 1266 from Colonel Carpendale by which you will observe that Currency Note No. B/11 49873 has been presented by you for payment and cashed. May I ask you to be good enough to let me know from whom the Currency Note was received &c. &c.

I have &c.,
(Sd) Walter F. Hooper
for Agent & Manager.

No. B/575 Bank of Madras
Madras 28th September 1867.

The Agent & Manager,
Madras Railway Company.

Dear Sir,

In reply to your letter of yesterday I beg to state that the Bank is unable to name the party who presented the Currency Note referred to as no register of notes received and issued has been kept since the transfer of the Currency Department to the Currency

Commissioner.

Yours faithfully,
Pro J. M. Pérez,
Secretary & Treasurer.

True Copies
Agent and Manager.

Recd 1st Dec 1893

Pro 3744/93

P.R.

6

Referred to the Financial Dept

Mem[illegible]
Major RE
Under Secy to Govt

5th Octr 67.

[illegible]
12 Nov

29

1867 Dec
From [illegible] No 3764

Re: Son

Noting Consulting Engine for Railways.

The Secretary to Govt
P. W. Dept

Dated 3d
Rec'd 4th } Octr 5/67.

Enc 7

Rs 269.
Eu 408.

Observations on a letter from the Agent & Manager of the S. I. Ry Coy submitting copy of correspondence with reference to the loss of Govt Currency Note for Rs 100.

Paper Currency Office
Mint, Madras 21st October 1867.

No. 1440

From

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

To

The Chief Secretary to Government
Fort Saint George.

Sir

In continuation of my letter as per margin, I have the honor to report that I have just learned in correspondence with the Bank of Madras that the following system prevails in that Establishment in regard to stopped and stolen Notes.

1st The Bank continues to keep a Register of such Notes, but only enters in it the particulars of those that are communicated direct to the Bank, and takes no notice of advertisements in the Fort St. George Gazette.

2d The Bank compares with its list of stopped Notes those Notes only, which are presented at the Counter in the Bank, but does not in any way examine, with the object of detecting lost and stolen Notes, the large quantity of Currency Notes which its Peons receive at other Banks and houses of Agency in payment of cheques.

2. I beg to enclose my correspondence with the Bank, and with reference to the Secretary's letter of the 18th instant, No. 49/698, I have to observe that

× No. 1354 dated 9th Octr. 1867.

⊗ From Comr. to Bank No. 1355 d/10th Oct/67.
From Bank to Comr. No. 49/698 d/18 Oct/67.

that I cannot perceive any valid reason for the Bank's exercising less caution in regard to lost and stolen Notes now than it formerly did. It was formerly the custom for the Bank to compare the Notes brought in by its collecting Peons with the stopped list, and if this practice is not to continue, and thereby every facility is to be afforded for the cashing of lost and stolen Notes, there is no use at all in the Bank keeping a list of stopped Notes, or in one being kept in this Office.

3. In regard to the Bank's excuse of the incomplete state of its list of stopped Notes because I omitted to communicate to it all stoppages registered in my Office, I have the honor to state that there was no reason why I should each day write these particulars to the Madras Bank, any more than to the other Government Treasuries in taking the precaution that every loss was advertised in the Fort St. George Gazette, I obeyed the instructions laid down for my guidance, vide the accompanying letters.

No. 2883 of 12th October 1865 from the Secretary to the Government of India -

No. 595, 3rd February 1866 from the Head Commissioner of Paper Currency.

And it is for the Government to consider whether under its agreements with the Bank for the conduct of the General Treasury business, it was not incumbent on the Bank of

Madras to take notice of the advertisements in the Gazette as other Treasury Officers do, - though I am prepared hereafter to furnish the Bank with a list of stopped Notes daily, and have already commenced doing so.

I have the honor to be
Sir
Your most obedient Servant.

J. Johnstone
Commissioner of Issue
of Paper Currency.

From the Commissioner of Issue of Paper Currency to the Secretary and Treasurer of the Bank of Madras, No. 1355 d/ 10th October 1867.

I have the honor to request that you will lay before the Board the following remarks in reference to the Bank's mode of dealing with "stopped Currency" "Notes".

2. On the transfer of the Exchange Office, Paper Currency Department from the Bank to the Mint on the 1st of March last I learned on enquiry at the Bank that a Register of lost and stolen Notes would continue to be kept although the former practice of registering the particulars of all Notes received and issued would be discontinued, but from the very large number of stopped Notes which are presented by the Bank at this Office, I am led to conclude either that the list of stopped Notes in the Bank is kept in a very incomplete state, or else that proper caution is not exercised when receiving Currency Notes to prevent lost and stolen ones being inadvertently cashed.

3. From the Government connection with the Bank of Madras a large portion of the Public regard the Bank in the light of a State Bank, and I submit for the Board's consideration that the Public have

Enclosure 1/Dy. Secretary's Office, 10th October 1867. Department

No. 502

The Commissioner of Issue of Paper Currency

To

The Chief Secretary to Government

Fort St. George

Dated 21st October 1867

Received [illegible]

Proceedings

Enclosure 1/Dy. Secretary's Office

Reports the system pursued in the Bank of Madras in regard to stopped and stolen Currency Notes.

C2/2011
82 Sheets
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have a right to expect that the Bank of Madras will at least afford them the same assistance in recovering their property as is readily accorded by other Banks and Houses of Agency generally in Madras either by refusing to receive the stopped Notes or by noting the name and address of the Presenter at the time of payment, and communicating those particulars to the advertiser of the lost and stolen property-

4. I request it may be understood that I intend the above remarks to apply not only to Notes the loss of which is communicated direct to the Bank, but to all others which are advertised in the Fort St. George Gazette.

5. In illustration of this subject, I beg the Board's attention to the following case, which the Agent and Manager of the Madras Railway has just brought to the notice of Govt.

On the 23d July last Mr. Elwin, Agent and Manager, Madras Railway, intimated to you the loss of a Currency Note for Rs 100 which had been stolen from the Railway Company - that note was presented by you at this Office on the 23d September last and cashed, and Mr. Elwin informed of the circumstance on the 27th September. Mr. Elwin asked you to inform him from whom you received the said Note, and in reply on the 28th idem, you state that "the Bank is unable to name" "the party who presented the Note as no Register of" "Notes received and issued has been kept since the" "transfer of the Currency Department to the Currency" "Commissioner," and yet I am aware both from personal communication with yourself and with the Deputy Treasurer and Chief Accountant and from your correspondence with other parties who have stopped Notes that the Bank does profess to keep a Register of stopped Notes.

I have &c
Signed J. Carpendale
Commissioner of Issue
of Paper Currency

From the Secretary and Treasurer of the Bank of Madras to the Commissioner of Issue of Paper Currency, No. 49/698, dated 18th October 1867-

I have the honor by desire of the Directors of the Bank to inform you in reply to your letter No. 1355 of the 10th Inst: that the practice observed in this Office, prior to the transfer of the Currency Department to the Mint, of comparing Notes received over the counter with the Register of stopped Notes, has never been discontinued, but as there are many lost Notes of which the stoppage at the Mint has not been intimated to the Bank, and others which since their stoppage here have been presented and paid at the Mint, or otherwise disposed of without intimation to the Bank, the Register kept at this Office is necessarily very imperfect. I am directed therefore to request that you will be good enough to furnish me.

me with a complete list of all the Notes which have been stopped or traced at the Mint since 1st March last, and that you will continue to keep me advised of the same from time to time.

A great proportion of the Notes received at the Bank are brought in by its collecting Peons at a late hour in the afternoon - generally after 3 o'clock - and it has not recently been the practice to compare these with the Register of stopped Notes which will probably account for the fact of lost or stolen Notes being received at the Bank without intimation being given to the parties who have notified the loss.

With reference to this I may remark that I have reason to believe that the other Banks and Houses of Agency either keep no Register at all of Notes, or else very imperfectly, and that while this Bank is willing to afford the Public every assistance in its power towards the recovery of Notes lost or stolen, the Directors are of opinion that any measures it may adopt will be of very little practical benefit if the Notes cannot be traced further than the particular Bank or Firm from which they were immediately received into this Office.

/a True Copies/ /Signed/ L. McIver.
Secretary & Treasurer.

J. Richardson
Commissioner of Issue
of Paper Currency

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No. 2883

To

The Head Commissioner
for the Issue of Paper Currency

Sir

Financial Dept.

It is observed that the Commissioner of the Department of Issue of Paper Currency, Bombay, lately recommended the discontinuance of the practice observed in his Department of sending intimation to Officers in charge of Treasuries whenever payment of any Currency Notes has been stopped at the Bank of Bombay, but the Govt. of Bombay properly refused to adopt the recommendation.

2 I am directed to request that the course which the Government of Bombay has upheld may be followed in every other Circle of Paper Currency, where it is not now observed.

I have &c.

Simla
The 12 Octr.
1865

/Signed/ C. H. Lushington
Sec. to the Govt. of India

Memo No. 379 dated 20th October 1865.

Copy of the above forwarded to the Commissioner of Paper Currency, Madras, for information and guidance.

(Signed) J. F. Skekleton
Offg. Head Commissioner

See Over

Department of Issue of Paper Currency, Calcutta
No. 595 dated the 3rd February 1866.

From

Captain H. Hyde, R.E.
Head Commissioner of Paper Currency

To

The Commissioner of Paper Currency
Madras

Sir,

As parties losing Notes will be required to advertize the loss of all such Notes in the Gazette of India and the Local Government Gazette, it will be unnecessary for you to send intimation of such lost Notes to all Treasury Officers within your Circle of Issue, and you will accordingly discontinue the practice lately ordered to be adopted.

2nd × × ×

I have &c.
(Signed) J. F. Skekleton
for Head Commissioner

True Copies

J. Greendale
Commissioner of Issue
of Paper Currency

Financial Department.

39/1

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following papers.

From the Ag. Consulting Engineer for Railways - Nilgiri P.W. Deptt	D/ 3d Octr. 1867. No. 269.
From the Commissioner of Issue of Paper Currency.	D/ 9 — " — " — No. 1354.
From the Secy. & Treasurer Bank of Madras.	D/ 18 — " — " — No. 49/699.
From the Commissioner of Issue of Paper Currency.	D/ 21st — " — " — No 1440.

39/2

Order thereon. 8 Nov. 16 R. 502.

It is evident from the foregoing papers that the course followed by the Bank of Madras in respect of "Stopped Notes", since the transfer of the Currency Department to the Mint, has facilitated rather than restricted the admission of such Notes into the Bank.

2. It is observed from the

N.

WM

Enclosure to letter from the Commissioner of Issue of Paper Currency to the Chief Secretary to Govern-ment, Fort St. George. No. 1440 D/ 21st October 1867

Pros. 8th Nov. 1867 No. 32

To Ag. Pro. 4 Dec. 1867 No.

the letter from the Secretary and Treasurer of the Bank to the Commissioner of Issue of Paper Currency

of the Notes are brought in by the Collecting Peons of the Bank at a late hour in the afternoon, and that, with the exception of the Notes received over the Counter, no comparison or check whatever is exercised over them.

3. The Governor in Council is aware that no efficient system of check is maintained by the other Banks, Houses of Agency and Shopkeepers with regard to "Stopped Notes", but that is no valid reason why the Bank of Madras, the depository of the Govt Treasury, and the transactions of which are on a far more extensive scale, should have abstained from exercising a more efficient check.

4. The Governor in Council requests that the Directors of the Bank will cause a Register to be carefully kept of all Notes the loss of which is either advertized in the Fort St. George Gazette, or reported direct to the Bank, and that a systematic examination be carried out daily of all Notes received over the Counter, or thro' the Collecting Peons of the Bank.

Public Works Deptt.
Comm. of Issue of Paper Currency
Directors of the Bank of Madras
Accountant General.

Fin. 1867. Department.

No. 502

PROCEEDINGS OF GOVERNMENT.

Dated 8th November 1867