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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 1026 Press Mis.

Dated 19-7- 1873.

16/11

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
19th July 1873.

No. 140A. Read the following letter from J. McIVER, Esq., Secretary and Treasurer, Bank of Madras, to the Hon. W. HUDLESTON, Chief Secretary to Government, Fort St. George, dated Madras, 12th July 1873:—

I have the honour, by desire of the Board of Directors, to address you with reference to the present unsatisfactory condition of the affairs of the Bank at Negapatam.

The business of that branch has for long engaged the special attention of the Board, and has been to it the subject of grave anxiety.

In the month of August 1871 the Agent was summoned to Madras to afford the Directors personally explanations as to various matters connected with the business of the branch. His explanations were on the whole regarded as satisfactory, and he returned to Negapatam.

In May 1872 the amount of overdue bills having increased considerably, and the Directors feeling uneasy with regard to the discount business generally, the Inspector of Branches was sent to inspect the branch, and a report was in due time received from him of a favourable character, and more calculated to allay than to augment the apprehensions of the head office and of the Board.

The steadily increasing amount of overdue obligations made it evident, however, that Mr. Gebbie had failed in arriving at anything like a correct estimate of the character of the discount business, and at the present moment there can be no doubt but that the information acquired and transmitted by him to the head office was thoroughly false and untrustworthy.

At this time the Agent, Mr. Crewe, reported that Rupees 12,000 was the largest possible loss anticipated at the branch, and from first to last expressed unabated confidence in his constituents.

In March last Mr. Crewe was again summoned to Madras, when, after two interviews with the Directors, it was considered advisable to afford him an opportunity of making good the promises he held out of effecting, by the help of his local knowledge, speedy and considerable recoveries, and he was sent back to Negapatam expressly for that purpose, all current and new business being entrusted to other hands.

No long period, however, elapsed before it became evident to the Directors that Mr. Crewe had no foundation for the confidence he had professed in the Bank's debtors, and he was accordingly dismissed from the service of the Bank.

It is probably in the recollection of the Government that the late Cash-keeper of the Negapatam Branch Bank was recently tried and convicted by the Sessions Judge at Tranquebar for criminality in connexion with some of the Bank transactions.

The Directors think it probable, from the reports which have since reached them in regard to the obligants of the Bank, that an extensive system of fraud has been carried on.

They are of opinion that a searching investigation is necessary both in the interests of the shareholders and of the Government, and they would respectfully solicit that the Government will assist them in their endeavour to obtain it. Captain Weldon has been named to the Directors as an officer eminently fitted to con-

duct an investigation of the kind which is desiderated, and I am desired to request you will move the Government to place his services at the Bank's disposal for the purpose.

The Directors will, of course, be glad to give all the assistance which Captain Weldon may require of them to enable him to carry out the investigation effectively.

The Directors have reason to believe that inquiries are now being made by the Tahsildar and Inspector of Police, regarding the past business of the Negapatam branch, and, in the opinion of the Bank's officers, in such a way as to be injurious to the Bank's interests.

There would, therefore, appear to be the more reason for the inquiry being conducted in a duly authorized manner, and under the charge of an officer of Captain Weldon's well-known tact and discretion.

No. 140B. ORDER THEREON, 19th July 1873, No. 1026.

The Governor in Council resolves to instruct Captain Weldon, Police Magistrate of Madras, to confer with the Directors of the Madras Bank on the subject of the above letter, in order to ascertain whether, in his opinion, his services can be usefully employed to investigate matters at Negapatam in view to bringing to justice parties guilty of fraud against the Bank.

2. Captain Weldon will report the result of the conference.

(True Extract.)

W. HUDLESTON,
Chief Secretary.

To Captain T. Weldon, Magistrate of Police, Madras.
To the Directors of the Bank of Madras.

Rec'd 16-7-73

Madras
12 July 1873

Myself Hudleston

Mr Robinson yesterday called
on me on the behalf of the Madras
Bank Directors that I would
allow them to apply to Govt for
any services to institute an
enquiry into the recent heavy
losses by the Bank at Nega-
patam and I believe else-
where. I understand the enquiry
to be a purely financial one.
Mr R was very urgent in begging
me not to refuse as the Directors
Boards were equally anxious

He seemed truly grieved about
Edward to consider any deserion
After any serious Consideration
I wish to beg that Quickly he
Executed - If appearances could be
a duly on which a Skilled
financier should be employed
I can in no way lay any claim
to be such my ideas of Banking
extending little beyond the
practical limit of cashing
my payable monthly accounts
duly upholding the proceeds.
I suppose that the fact of
employing me would of
itself imply a suspicion
of fraud and perhaps
create alarm not only in
the minds of the possible
but also of private individuals
who would otherwise have

been willing to give most
valuable information to a
paid financial officer but
who would shrink from any
Communication with an
Emissary from the Criminal
Court. Robinson, nothing
daunted, returns to the charge
& applications his whole Key
in very flattering words over
from deprecating love & devotion
for the Chairman of the
Bank expressing entire
Confidence in my ability to
do what they require better,
than any one else and con-
cluding that my objections
arise rather from unfounded
diffidence than any personal
objection to the task. Despite
this nothing a terrible Question of
had not worked to my success

regarding my personal feelings but that on that point I thought it was right to say that independently of other considerations I was personally disinclined to undertake the enquiry and so I am - very much disinclined and I hope if the matter be referred to Gov.t you will not encourage the interposition They evidently think I am one of those insane people who may be treated with Equal confidence to manage a Bank or a Balloon. Why I never could be called a bold or bad man in my life - I would be so treated - an annoying sight here me gravely sitting in the Bank Parlour Calculating the books and looking like the Governor & Comp.a of the Bank of England are locked down to me - I am now be Seen by over-reached by Cashiers - I am a Poor Devil - I do not know more. I distinctly understand that therefore the

who would otherwise

2

Directors seek to avoid the pecuniary responsibility of the Bank - to distinguish the good from the bad debts for ought to have something like a Buffle Hunter for this and to suggest any thing or something to prevent, if possible, such bad dealings in future - I am for the inquiry I require a Person thoroughly acquainted with the Extent of Securities and where of them would carry weight with the public - Any opinion I might form I would be open to dispute and responsible - I suggested Barnard or if he was not available

Me taste of Rueteed — Mr Fitzmaurice
Jaucy Rivers brought a letter
& Shady bill Letter Ham Buxton
And his Expensive pirate debts
would be considerable — Mr
Ludwick Brueck be aware from
whom an opinion should be
more valuable than from

Sir Thomas
Sheldon

whom please Rent Cent

Regard Mr Wheeler the
Trader Custom house. Mark
J. R. Bd Portsmouth his influence &
Lear Heavy his Print Cash

Lucy told Mrs Mash
Said Rotwick to be em-
ployed Said Ted to
leave Marlene Good day
Sheller under the circum-
stances I shall be obliged
if you will take the

Tw.

Bank of Madras

Madras 12 July 1873

To

The Chief Secretary
to Government
Fort Saint George.

Sir

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I have the honorable
Sir
Your most obedient servant
J. Ina Lee
Secretary pro tem

Mr Simon Cotareammed 19. July 70 - f. 1026 -

Please inf. Secretary & Inspector Capt. Weldon. Police Magistrate & enquire into the Directors of the Madras Bank in the despatch the above letter - in order to ascertain whether in his opinion his services can be usefully employed & if so to take them at the Negapatam Branch & instruct & direct parties guilty of fraud against the Bank [illegible] Capt. Weldon his (Directors Minute 6. / 18. July 73) expenses to be debited to the Bank -

J.H.S.

Capt. J. Weldon Magistrate of Police Madras
Mr. Inspector of Police Madras

Treasury 1873 DEPARTMENT.

From 1026
19-2-73.

No.

Dated 12 Aug
Recd. 14 Aug } 1873.

No.

S. C.

E.