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(2) Date of repair 9-2-40

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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 251 Press Mis.

113-114.

Dated 13-2- 1874.

11/12

Not to be folded or roughly handled

C.J.K.

Proceedings of the Madras Government, Financial Department,
13th February 1874.

No. 113. Read the following letter from F. LUSHINGTON, Esq., Commissioner of Paper Currency, to the Hon. W. HUDLESTON, Chief Secretary to Government, Fort St. George, dated Fort St. George, 17th July 1873, No. 326 :—

With reference to the concluding paragraph of my Administration Report for the past official year I have the honour to submit copies of correspondence that has passed between this office and the Bank of Madras with reference to the statement made by Messrs. Aspinwall and Co., of Cochin, that the branches of the Madras Bank at Cochin and Alleppy have for many months declined to accept Currency Notes except at a discount :—

Letter from Messrs. Aspinwall and Co., Cochin, to Deputy Commissioner of Paper Currency, Calicut, dated 21st March 1873.

Letter to Secretary and Treasurer, Bank of Madras, No. 156, dated 16th May 1873.

Letter from Secretary and Treasurer, Bank of Madras, No. 205, dated 5th June 1873.

Letter to Secretary and Treasurer, Bank of Madras, No. 201, dated 5th June 1873.

Letter from Secretary and Treasurer, Bank of Madras, No. 243, dated 27th June 1873.

Letter from Secretary and Treasurer, Bank of Madras, No. 315, dated 14th July 1873.

From Messrs. ASPINWALL AND Co., Cochin, to the Deputy Commissioner of Paper Currency, Calicut, dated Cochin, 21st March 1873.

We have the honour to acknowledge receipt of your printed letter, dated the 12th instant, but we hesitate to fill up the details requested as our doing so would only give you an erroneous idea or basis of the amount of Currency Paper required.

2. In the first place, for the business of Cochin March is scarcely a fair criterion. During October to January, both inclusive, we require more Currency Paper than at any other season of the year ; secondly, and possibly more important, owing to the Bank here and at Alleppy having for many months declined to accept Bank Notes except at a discount, we have been compelled, much to our annoyance and of the natives offering the Currency Notes, to decline receiving any payments unless made in Rupees.

3. To what extent these hindrances have checked the circulation of Currency Notes it is, of course, impossible to state, but there is not any doubt that the circulation has been most materially affected.

4. For these reasons we would, with all due deference, suggest that some other means should be taken to ascertain the extent to which the Government Paper Currency is used.

5. It is a matter which has given rise to considerable annoyance and bad feeling, and, therefore, demands an inquiry which would really ascertain the requirements of the mercantile community.

6. Apologizing for the length of our remarks.

From W. DONALD, Esq., Officiating Assistant Accountant-General, in charge of Paper Currency Department, to J. McIVER, Esq., Secretary and Treasurer, Bank of Madras, dated Fort St. George 16th May 1873, No. 156.

A letter from Messrs. Aspinwall and Co. to the Deputy Commissioner of Paper Currency, Calicut, dated 21st March 1873 (copy enclosed), which was forwarded with returns to this

office, discloses a systematic contravention of orders of the Governments of India and Madras by the Agents of the Branch Banks at Cochin and Alleppy. The orders to which I allude are embodied in Proceedings of the Madras Government, dated 21st December 1867, No. 576, Financial Department.

2. I have the honour, therefore, by direction of the Commissioner, to request that you will call upon the Agents in question to explain their disobedience of orders, particularly in the case of the former, as the branch at Cochin was one of those specified in the Madras Government Order referred to above.

3. I am further to request that you will remind all the Agents of the Government of India's directions, as, judging from what has occurred at Cochin, it seems probable that the practice complained of may obtain at other branches.

From J. McIVER, Esq., Secretary and Treasurer, Bank of Madras, to W. DONALD, Esq., Officiating Assistant Accountant-General, in charge of Paper Currency Department, Fort St. George, dated Madras, 5th June 1873, No. 205.

With reference to your letter of the 16th ultimo, No. 156, I now beg to hand you enclosed copy of a letter received from our Cochin Agent, dated 31st May, regarding the matter therein referred to.

From D. NOBLE, Esq., Agent, Madras Bank, Cochin, to J. McIVER, Esq., Secretary and Treasurer, Bank of Madras, dated Cochin, 31st May 1873, No. 23-31.

I beg to acknowledge receipt of your letter, No. 659, dated 19th instant, with copies of letters noted below, and, in reply, to inform you that no charge has in any case been made for cashing Notes since receipt of your letter, dated 22nd March 1873, giving me instructions to cash them at par :—

(1.) Messrs. Aspinwall and Co., to Deputy Commissioner of Paper Currency, Calicut, 21st March 1873.

(2.) The Officiating Assistant Accountant-General, in charge of Paper Currency, to the Secretary and Treasurer, Bank of Madras.

From W. DONALD, Esq., Officiating Assistant Accountant-General, in charge of Paper Currency Department, to J. McIVER, Esq., Secretary and Treasurer, Bank of Madras, dated Fort St. George, 5th June 1873, No. 201.

I have the honour, by direction of the Commissioner, to state that Mr. Noble's letter is no answer to the inquiry contained in mine of 16th April, and to request that you will call upon that gentleman for an explanation of the circumstances which led to the orders of the Governments of India and Madras of 1867 having on any one occasion been contravened by him.

2. This information is required for transmission to the Head Commissioner with reference to Messrs. Aspinwall and Co.'s letter, which will be forwarded to him in reply to his call for information regarding the proportion of Currency Notes used in business transactions.

From J. McIVER, Esq., Secretary and Treasurer, Bank of Madras, to W. DONALD, Esq., Officiating Assistant Accountant-General, in charge of Paper Currency Department, Fort St. George, dated Madras, 27th June 1873, No. 243.

With reference to your letter of the 5th instant I have the honour to enclose copy of a letter from Mr. D. Noble, Agent at the branch at Cochin, dated 25th instant, No. 23-44, regarding the commission of 1-8 per cent. charged by him for the encashment of Currency Notes.

Proceedings of the Madras Government, Financial Department,
13*th February* 1874.

From D. NOBLE, Esq., Agent, Bank of Madras, Cochin, to J. McIVER, Esq., Secretary and Treasurer, Bank of Madras, dated Cochin, 25th June 1873, No. 23-44.

Referring to your letters of 7th and 17th instant I regret to find that on one occasion a commission of 1-8 per cent. was charged at this branch for the encashment of Currency Notes; but this was at a time when I had no authority to cash so large an amount (Rupees 50,000) on account of Government, and we cashed the Notes from the Bank's funds charging only the cost of specie from Calicut. Your instructions, dated 6th April 1869, were inadvertently overlooked or I would not have cashed the Notes.

From J. McIVER, Esq., Secretary and Treasurer, Bank of Madras, to W. DONALD, Esq., Officiating Assistant Accountant-General, in charge of Paper Currency Department, dated Madras, 14th July 1873, No. 315.

In accordance with your letter of 16th May, No. 156, I have the honour to forward a copy of a letter from the Alleppy Agent giving his reasons for not cashing Notes.

From the Agent, Bank of Madras, Alleppy, to J. McIVER, Esq., Secretary and Treasurer, Bank of Madras, dated Alleppy, 11th July 1873, No. 12-9.

I am favoured with your letter, No. 1459, of the 3rd instant, with enclosure, and, in compliance with the request therein contained, beg to submit the following explanation.

2. This branch being established in a foreign State, and holding no funds of the Government of India in my hands, I cannot cash Currency Notes except at a serious loss to the Bank, for where in the place of bills now Government Currency Notes are offered to the detriment of my exchange account in two ways—first, the loss of bills on Madras at half per cent., which is, in all conscience, low enough; and, secondly, the loss of charges incurred in bringing my funds from Madras, which on the last occasion cost me over 6 Annas per cent.

P. S.—As to this branch having charged a commission on Government Currency Notes the statement is utterly erroneous.

No. 114. ORDER THEREON, 13th February 1874, No. 251.

To be recorded.

2. The Governor in Council gathers from this correspondence that all cause for complaint in the matter of cashing Currency Notes at the Cochin Branch Bank was promptly removed.

(True Extract.)

Chief Secretary.

To the Commissioner of Paper Currency.

Exd. A. S. Rodgers.

Govt. of Madras.
1874.
FINANCIAL.
To
THE COMMISSIONER OF PAPER CURRENCY.
Dated February, 13th.
Recd.
G. O., 13th February 1874, No. 251.
FEBRUARY.
Nos. 113-114.
Currency Notes.—Certain correspondence respecting an allegation made by Messrs. Aspinwall and Co., of Cochin, that the branches of the Madras Bank there and at Alleppy decline to accept Currency Notes at par, recorded with the observation that it is gathered from the correspondence that all cause for complaint in the matter at the Cochin Branch was promptly removed.

5

From Messrs Aspinwall & Co.
Cochin, to the Deputy Commissioner
of Paper Currency Calicut, dated
Cochin 21st March 1873.

We have the honor to
acknowledge receipt of your Printed
Letter dated 12th instant, but we
hesitate to fill up the details re-
quested as our doing so would only
give you an erroneous idea or basis
of the amount of Currency Paper
required.

In the first place for the
business of Cochin March is scarcely
a fair criterion. During October to
January both inclusive we require
more Currency Paper than at any
other season of the year.

Secondly and possibly more
important.

Owing to the Bank here
and at Alleppy having for many
months declined to accept Bank
Notes except at a discount, We
have been compelled much to our
annoyance and of the Natives offer-
ing the Currency Notes, to decline
receiving any payments unless made
in Rupees.

To what extent these
hindrances have checked the

circulation

circulation of Currency Notes, it is of course impossible to state, but there is not any doubt that the circulation has been most materially affected.

For these reasons we would with all due deference suggest that some other means should be taken to ascertain the extent to which the Government Paper Currency is used.

It is a matter which has given rise to considerable annoyance and bad feeling and therefore demands an enquiry which would really ascertain the requirements of the Mercantile Community.

Apologising for the length of our remarks.

(Signed) Aspinwall & Co.

From Offg. Asstt. Accountant General in charge of Paper Currency Department Fort St. George, to the Secretary and Treasurer Bank of Madras, dated 16th. May 1873, No. 156.

A letter from Messrs. Aspinwall & Co. to the Deputy Commissioner of Paper Currency Calicut dated 21st. March 1873 (copy enclosed) which was forwarded with returns

to

this Office discloses a systematic contravention of orders of the Governments of India and Madras by the Agents of the Branch Banks at Cochin and Alleppy. The orders to which I allude are embodied in proceedings of the Madras Government dated 21st. December 1867 No. 576 Financial Department.

2. I have the honor therefore by direction of the Commissioner to request that you will call upon the Agents in question to explain their disobedience of orders particularly in the case of the former as the Branch at Cochin was one of those specified in the Madras Government order referred to above.

3. I am further to request that you will remind all the Agents of the Government of India's directions as judging from what has occurred at Cochin it seems probable that the practice complained of may obtain at other Branches.

(Signed) W. Donald
Offg. Asstt. Accountant General
in charge of Paper Currency
Dept.

From

From the Secretary and Treasurer Bank of Madras to the Offg. Asstt. Accountant General in charge of Paper Currency Department Fort St. George, dated 5th. June 1873 No. 205.

With reference to your letter of 16th. ultimo No. 156, I now beg to hand you enclosed copy of a letter received from our Cochin Agent dated 31st. May regarding the matter therein referred to.

(Signed) J. McIver
Secretary & Treasurer.

From the Agent, Madras Bank Cochin, to the Secretary and Treasurer Bank of Madras dated 31st. May 1873 No. 23/31.

I beg to acknowledge receipt of your letter No. 659 dated 19th. instant with copies of letters noted below and in reply to inform you that no charge has in any case been made for cashing Notes since receipt of your letter dated 22nd. March 1873 giving me instructions to cash them at par.

(Signed) D. Noble
Agent.

Messrs. Aspinvall & Co. to Deputy Commissioner of Paper Currency Calicut 21st. March 1873.

The Offg. Asstt. Accountant General in charge of Paper Currency to the Secretary and Treasurer, Bank of Madras.

From Offg. Asstt. Accountant General in charge of Paper Currency Department Fort St. George to the Secretary and Treasurer Bank of Madras dated 5th. June 1873 No. 201

I have the honor by direction of the Commissioner to state that Mr. Noble's letter is no answer to the enquiry contained in mine of 16th. April, and to request that you will call upon that gentleman for an explanation of the circumstances which led to the orders of the Governments of India and Madras of 1867 having on any one occasion been contravened by him.

This information is required for transmission to the Head Commissioner, with reference to Messrs. Aspinwall & Co's. letter which will be forwarded to him in reply to his call for information regarding the proportion of Currency Notes used in business transactions.

(Signed) W. Donald
Offg. Asstt. Accountant General
in charge of Paper Currency Dept.

From Secretary and Treasurer Bank of Madras to Offg. Asstt. Accountant General in charge of Paper Currency Department, Fort St. George dated 27th. June 1873, No. 243.

With

With reference to your letter of the 5th. instant, I have the honor to enclose Copy of a letter from Mr. D. Noble Agent at the Branch at Cochin dated 25th. instant No. 23/44 regarding the Commission of 1/8 % charged by him for the encashment of Currency Notes.

/Signed/ J. McIver
Secretary & Treasurer.

From the Agent. Bank of Madras Cochin to the Secretary & Treasurer Bank of Madras dated 25th. June 1873.

No 23/44

Referring to your letters of 7th. and 17th. instant I regret to find that on one occasion a commission of 1/8 % was charged at this branch for the encashment of Currency Notes but this was at a time when I had no authority to cash so large an amount (Rs. 60,000) on account of Government, and we cashed the Notes from the Bank's funds charging only the cost of Specie from Calicut. Your instructions dated 6th April 1869 were inadvertently overlooked or I would not have cashed the Notes

/Signed/ Donald Noble
Agent.

From Secretary and Treasurer Bank of Madras to Offg. Asstt. Accountant General in charge of Paper Currency Department dated 14th. July 1873 No. 315.

In accordance with your letter of 16th. May No. 156 I have the honor to forwd a Copy of a letter from the Alleppy Agent giving his reasons for not cashing Notes.

(Signed) J. McIver
Secretary & Treasurer.

From the Agent Bank of Madras Alleppy, to the Secretary & Treasurer Bank of Madras. dated 11th. July 1873 No. 12/9.

I am favored with your letter No. 1459 of the 3rd. instant with enclosure and in compliance with the request therein contained beg to submit the following explanation.

This Branch being established in a foreign state and holding no funds of the Government of India in my hands I cannot cash Currency Notes except at a serious loss to the Bank. For where in the place of bills now G. C. Notes are offered to the detriment of my exchange a/c in two ways first the

the loss of bills on Madras at ½%
which is in all conscience low enough
and secondly the loss of charges
incurred in bringing my funds from
Madras which on the last occasion
cost me over 6 annas per cent.

/Signed/ E. H. Stonehewer
for Agent.

P.S. As to this Branch having
charged a commission on G.C. Notes
the Statement is utterly erroneous.
/Sd/ E. H. S.

(True Copies)

H. Donald

Offg. Asst. Accountant General
in charge of Paper Currency
Dept.

H.C.

No. 3261

Fort St. George,
Accountant-General's Office,
Paper Currency Department.
17th July 1873.

From,

F. Lushington Esqre.
Commissioner of Paper Currency

To

The Chief Secretary
to the Government of
Fort St. George.
Ootacamund.

Sir,

With reference to the concluding para of my Administration Report for the past official year, I have the honor to submit copies of correspondence that has passed between this Office and the Bank of Madras, with reference to the statement made by Messrs. Aspinwall & Co. of Cochin, that the branches of the Madras Bank at Cochin and Alleppy have for many months declined to accept Currency Notes except at a discount.

Letter from Messrs. Aspinwall & Co. Cochin to Deputy Commissioner of Paper Currency Calicut dated 21st. March 1873.

Letter

Enclosure to letter from Commissioner of Paper Currency to the Chief Secretary to the Govt. of Fort St. George Ootacamund dated 17th July 1873, No. 3261.

Fort St. George
Pub. 2655/73

Letter to Secretary and Treasurer
Bank of Madras No. 156 dated
16th. May 1873.

Letter from Secretary and Treasurer
Bank of Madras No. 205 dated
5th. June 1873.

Letter to Secretary and Treasurer
Bank of Madras No. 201 dated
5th. June 1873.

Letter from Secretary and Treasurer
Bank of Madras No. 243 dated
27th. June 1873.

Letter from Do. — No. 315 dated
14th. July 1873.

I have the honor to be,
Sir,
Your most obedient servant.

H. Cunningham

Commissioner of
Paper Currency

&c.

Jamaica 1873
Financial Department.

From
Commissioner of
Paper Currency
Kingston Jamaica.

c/o The Chief Secretary
to the Government of
Jamaica Kingston.

Dated 17th July 1873
Received 21st July 1873
No. 326
No. 1285 Enclosure 1.

Submitting copy of correspondence with reference to the Statement made by Messrs. Solomon & Co. of Cochin that the Branches of the Madras Bank at Cochin and Banks at Calicut have for many months declined to accept Currency Notes except at a discount.

Recorded — 13 Feb 74 No 251

No 6

The final letters from this Corresp.ce that all cases for compl.t in the matter speaking Currency Notes at the Cochin Branch Bank was promptly removed.

The Comm.r of P. Currency dated 25/12

Go… {1874} Madras.

Finl.

To, The Commissioner of Paper Currency.

…D… Feby.
…R… Feby.

Rec'd.

13 Feby. 1874, No. 251.

Nos. 113-114.

…urrency Notes. Certain correspondence respecting an allegation made by Messrs. Aspinwall & Co. of Cochin that the branches of the Madras Bank there & at Alleppy decline to accept currency notes at par recorded with the observation that it is gathered from the cor

…respondence that all cause for complaint in the matter at the Cochin branch, was promptly removed.