

Financial (1895) Department.

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Dated 3rd Dec. 1895.

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13/14

[Despatch Abstract.]

CASH BALANCES AND RESOURCE OPERATIONS OF THIS PRESIDENCY

Recording letter from the Accountant-General submitting copy of his report to the Comptroller-General on the -- for the twelve months from October 1894 to September 1895.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
	3671		1896				

Final

(189) DEPARTMENT.

G. O. 1029:26:11-94

From

THE ACCOUNTANT-GENERAL,

MADRAS,

To

THE Chief Secy. to Govt.
Financial Dept.

K.M.
For Journal

Order 3-12-55
This 29/11/95
Rendered

No. 3179

Dated

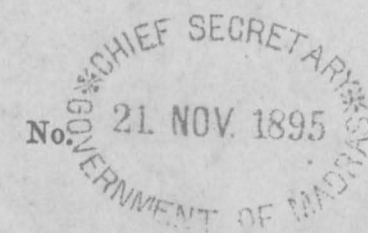
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Received

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now

1895.



Subject.

Submitting copy of his report
to the Comptroller General
on the Cash Balances and
resource operations of
this Presidency for the
12 months from 1st Aug.
to 31st Sept 95.

WITH ORDER

C-28/8
R 29/11

15th November 1895.

No. 3179

From

H. C. Harrison Esq.,

Offg: ACCOUNTANT-GENERAL TO THE

GOVERNMENT OF MADRAS,

To

THE Comptroller General,
Calcutta.

SIR,

With reference to article 1505, Chapter 71, of the Civil Account Code, I have the honour to submit my report on the Cash Balances and Resource operations of this Presidency for the 12 months from October 1894 to September 1895.

(1) Cash Balances

2. The following statement compares in thousands of Rupees the actual balances which remained in the District Treasuries on the first day of each month with the corresponding minimum Balances estimated for the same period. The amounts proposed in my No. 2687 dated the 30th September last for the current year are entered in a separate column.

Months	1894-95					Actuals 1893-94	Minimum 1895-96
	Estimated Mini- mum.	Actuals	Excess over Mini- mum.	Below Mini- mum.	Net withdrawn each month.		
October	80.00	94.87	14.87	"	5.00	75.81	80.00
November	85.00	97.68	12.68	"	12.18	83.02	85.00
December	75.00	90.26	15.26	"	25.51	87.60	75.00
January	85.00	120.61	35.61	"	59.44	121.25	80.00
February	150.00	193.23	43.23	"	107.62	165.32	150.00
March	150.00	217.21	67.21	"	107.86	191.77	165.00
April	120.00	253.23	133.23	"	104.35	227.27	125.00
May	120.00	217.77	97.77	"	80.58	163.13	125.00
June	100.00	176.51	76.51	"	41.06	135.97	105.00
July	100.00	151.47	51.47	"	24.61	120.93	100.00
August	80.00	130.15	50.15	"	16.48	110.39	80.00
September	80.00	112.48	32.48	"	1.72	100.86	80.00
					586.41		

3. The prescribed minimum is generally exceeded in the collection months (December to June). The revenue collections at the several sub-treasuries are received so late in the month that it is not found feasible to have them removed to the head quarter treasury for transfer to currency chests or for remittance to the Reserve Treasury

Treasury at Madras within the month. Moreover, there having been no pressure for money in the year under review, concentration of balances was not insisted upon without due regard to economy and convenience. In some cases also the currency chest accommodation at district Treasuries was exhausted. At the present moment I am unable to order coin to Madras owing to my vaults being full. The congestion is to some extent due to the receipt of large quantities of note forms. During the year under review, no more than 35 lakhs were received by transfer from other Provinces (Calcutta) through currency to meet the deficit in the months of October and November. Twenty lakhs were re-mitted to other Provinces in January but half this amount had to be obtained from thence to meet Council Bills about the middle of the same month.

4. The following statement brings into juxtaposition in thousands of rupees the aggregate balances of this Presidency on the first day of each month for the past two years, the amount held in the Branch Reserve Treasury being separately shown.

Months	1894-95			1893-94		
	As held Treasuries & Bank	Reserve Treasury	Total	As held Treasuries & Bank	Reserve Treasury	Total
October	124.98	19.09	144.07	95.09	8.38	103.47
November	127.77	12.50	140.27	105.29	7.01	112.30
December	119.72	20.18	139.90	112.34	1.53	113.87
January	151.40	20.61	172.01	147.92	20.35	168.27
February	233.45	32.68	266.13	210.17	56.93	267.10
March	248.41	78.26	326.67	215.81	96.78	312.59
April	287.62	88.40	376.02	256.24	95.14	351.38
May	252.79	122.30	375.09	198.31	134.86	333.17
June	216.28	117.80	334.08	164.66	130.85	295.51
July	185.39	127.80	313.19	153.62	105.91	259.53
August	153.46	109.95	263.41	132.34	62.82	195.16
September	138.23	98.58	236.81	133.66	22.83	156.49

5. Notwithstanding the heavier drawings by the Secretary of State and the larger net remittances to other Provinces, the balances with the exception of those of the month of February in which there was a decrease, were considerably better than those of the previous year. This improvement was due to the increase of revenue and short expenditure on the East Coast Railway. In 1893-94 no large amounts were transferred to other Provinces through currency. The only amount transferred was 300,000/ from Coconada to Calcutta Currency through Madras currency. In 1894-95 Rs 30,00,000 were transferred to Bombay through currency in September 1895.

(2) Movement of Funds.

6. The receipts and disbursements of the District Treasuries excluding remittances amounted in the aggregate to Rs 15,73,70,000 and Rs 9,70,67,000 respectively, shewing a balance in favour of receipts of Rs 6,03,03,000. But the net amount withdrawn from the districts was Rs 5,86,41,000 as shewn below in thousands of Rupees.

	Sent by Treasuries	Sent to Treasuries	Net sent by treasuries from October '94 to September '95.	Net sent in the previous 12 months.
Transfers through Bank	346,45	"	346,45	220,75
do — currency	299,29	99,72	1,99,57	204,47
In specie	63,31	59,29	4,02	64,52
In Currency Notes	45,43	12,04	33,39	17,78
In Supply Bills	3,80	1,10	2,70	99
Total Local	758,28	172,15	586,13	508,51
Foreign India	32	2	30	34
do — Bombay	1	7	— 6	— 311
do — Supply Bills.	4	"	4	16
	758,65	172,24	586,41	505,90

7. The net amount of remittances sent by Treasuries during the period under review exceeded by 30½ lakhs that sent in the previous 12 months. An important feature in these operations is the large reduction effected in the amount of specie remittances, the net amount sent by treasuries having fallen from 64,52,000 in 1893-94 to 4,02,000 in 1894-95 and the cost from Rs 23,000 to Rs 16,000. This desirable result was due not only to the utilization by the Bank of Madras of larger district balances for its branches but also to the larger transfers to temporary currency agency chests as well as the issue of supply Bills amounting to Rs 38,000. The premium realized on the latter and cash remittances was Rs 1000 in round numbers. The saving in the cost is, however, not proportionate to the decrease in the remittances as the cost includes charges for the remittances of portions of the District Currency Chest balances for which accommodation could not be found in the treasuries. The sums so permitted to my currency office and other district currency chests where accommodation was available amounted to Rs 70 lakhs against Rs 86 lakhs in the previous year.

8. Perhaps a few observations on the method of moving surplus funds in this Presidency will be of interest. Unlike other Presidency Banks the Bank of Madras has numerous branches and many years ago it was arranged to make over to them free of charge the surplus balances on the Bank

undertaking

undertaking to transmit here all the monies they could not profitably employ. In course of time naturally enough the Bank attempted (with success) to modify these arrangements so that it was only responsible for the balances of districts where their operations admitted of the timely use of the accruing surplus. The result of course to Government was unfavourable. No premium was realized where premium could be obtained and the expense of moving the surplus of other districts fell upon Government. On a review of the facts it seemed to me that the old system was faulty. The Bank, unlike Government, must employ its funds at interest and cannot be expected to take over monies it cannot utilize immediately. To compel it to hold funds idle was to injure the bank and to benefit no one. Clearly the proper course is where silver is at a high premium to charge the Bank a small one, and to hold funds for the Bank in currency chests and transfer monies from sluggish to active districts also at a premium.

This year I have made a start by giving the Bank the surplus of Coconada (about 45 lakhs) at a uniform premium of $\frac{3}{32}$ per cent and I have released it from its engagement at Vizagapatam where I hope to sell 10 to 15 lakhs of bills to the public, and also a considerable quantity to the Bank. In Coorg arrangements are in contemplation to make over 20 lakhs to coffee planters at a rate which will at least cover expenses. In other districts I have received

intimation

intimation that I can sell several lakhs to finance cotton presses, and in all I hope in the next twelve months to sell not less than a crore at a profit to Government. Later on the screw might be turned on the Bank at Tuticorin and Bellary, but there is no hurry. The Bank requires tender handling after the exceptional indulgence it has hitherto received.

9. As explained in para. 3 supra, the demand for money at Madras in 1893-94 was less than in the year under review. A sum of Rs 7000 in small silver against Rs 324,500 in the previous year was received from Dharwar into the Kuddapah treasury which sent Rs 25,000 in the same description of coin to Coorg against Rs 35,000 in the previous year.

10. The receipts and disbursements of the central Treasury at Madras (Bank and Reserve) amounted in the aggregate to Rs 326,23,000 and Rs 315,16,000 respectively. Unlike previous years the receipts during the year under review were Rs 11,07,000 more than the disbursements. In 1893-94, the disbursements exceeded the receipts by Rs 4,03,200. The variation from the latter year resulted chiefly from the following causes:-

- (1) An increase of about 16 lakhs in the salt receipts credited at the Bank of Madras.
- (2) The special repayment of 5 lakhs of the loan taken by the Harbour Trust Board.
- (3) An increase of about 6 lakhs in the receipts of the Post Office Department.

(4) An increase of about 12 lakhs in the Madras Railway receipts.

(5) Short expenditure of about 6 lakhs on account of the Military, Public Works and Postal Departments and the South Indian Railway.

11. The Cash Balances at the Presidency Capital were raised by Rs 3016,000 and those of the Small Coin Depot lowered by Rs 20,000/-

12. The following statement exhibits in thousands of Rupees the entire transactions of the Central Treasury at Madras for the past two years:-

	1894-95	1893-94
Net receipts from the district treasuries ...	5,83.62	507.92
Net receipts in the Bank of Madras ...	11.07	"
	594.69	507.92
<u>Disbursements.</u>		
Presidency Payments (net) ...	"	40.32
London Drawings ...	3,44.11	260.17
Foreign Supply Bills ...	19	27
Foreign Remittances (net) ...	220.43	188.70
Balances raised ...	29.96	18.46
	5,94.69	507.92

13. The net remittances from the district Treasuries rose by very nearly 75 ³/₄ lakhs and with the increase already noticed in the receipts directly credited in the Bank of Madras here, the year closed with a much larger balance than that ^{with} which it

it began although the Secretary of State and other Provinces drew for Rs 84. and 31 ³/₄ lakhs respectively more than in the previous 12 months.

14. Particulars of the figures entered above under Foreign Remittances are exhibited in the following table in thousands of Rupees.

	1894-95	1893-94
Gross remitted to India	114.66	128.52
Bombay	175.82	169.15
Total remitted	290.48	297.67
Deduct		
Received India Currency	45.00	85.00
" Bombay - do	"	10.00
Bills and Transfers	3.50	1.00
Notes and Small Coin India	18.26	12.33
Small Coin Bombay	3.00	4.3
Notes Rangoon	29	21
Total Received	70.05	108.97
Net remitted	220.43	188.70

(3) Foreign Bills

15. Foreign Supply Bills aggregating in value Rs 310,000 and Rs 76,000 were drawn by this Presidency on Bombay and Coorg

respectively against Rs 116000 and 165850 in the previous year. Of the amount issued on Bombay Rs 140000 represents telegraphic transfers issued in favour of Messrs. Birming & Co. 11. on the Gadag Sub treasury at a premium of 2 annas per cent. Of the balance of issues on 12 Bombay bills for Rs 125000 were issued by anyone at a premium of one anna per cent in favour of Mooljee Jaitha & Co. and Rs 45000 at a premium of 6 annas per cent by the Sub Treasury at Bixwada in the district of Kistna in favour of the Agent and Manager H. H. the Nizam's Guaranteed Railway Company Ltd. The bills and wire transfers on Coorg were drawn in accordance with the instructions ending with your letter No 749 dated the 4 August 1893 at a premium of 2 annas per cent.

16. The payments amounted to Rs 24000 in round figures against Rs 43000 in the previous year and Rs 17000 in 1892-93.

(b) Absorption of Small Coin

17. The following table gives in thousands of Rupees the receipts, issues and balances of small silver and copper coins.

	Opening Balance						Closing Balance						Net Issues	
	Reserve Treasury and Bank of Madras	District Treasuries	District Chests	District and Calcutta Currency	Small Coin	Total Receipts	Reserve Treasury and Bank of Madras	District Treasuries	District Chests	District and Calcutta Currency	Small Coin	Total	Local	Other
Small Silver														
Quarter Rupees	5	263	334	3	34	639	20	282	92	7	44	445	169	25
Eighth Rupees	2	156	20	5	56	239	17	171	6	9	42	245	281	20
	7	419	354	8	90	878	37	453	98	16	86	690	450	45
Copper														
Double Pie	14	83			69	166	20	101			49	170	19	15
Single Pie	33	191			216	440	38	197			198	433	9	10
Half Pie		1			1	2		1				2		
Pie Pieces	1	8			3	12	1	8			13	22	49	1
	48	283			289	620	59	307			261	627	7	26
Total	55	702	354	8	379	1498	96	760	98	16	347	1317	457	71

18. The local circulation of small silver rose from Rs 419000 in 1893-94 to Rs 450000 in 1894-95. There is generally a great demand for small silver in this Presidency especially 2 anna pieces. The absorption of small silver during the year under review was largest in the Presidency town and in the following districts, Bangalore, the Nilgiris and Malabar in the west, Madras, South Arcot, Tinnevely, and Tanjore in the south, Godavari and Kistna in the north and the ceded districts, viz. Bellary, Kurnool, and Suddapah in the centre.

19. In the Presidency town, the weaving and spinning Mills Company Ltd., the agents of Gold Mining Companies and of ground nut merchants in Pondicherry and the Public Works Department and others engaged in construction work took small coin largely. In the west coast districts, the demand was from the Military and the Public Works Departments

Departments and from planting and mining associations. In Madras, Tinnevely and Tanjore the Perijar project works absorbed a large quantity. In South Arcot there is generally a large demand during the ground nut season, and a portion of the compensation to the French Government is paid in this description of coin. In Godavari and Kistna the construction of the East Coast Railway is responsible for the issue of a large quantity of small silver. The ceded districts are cotton producing ones, and for payment of coolies employed on the cotton mills and on large works of construction fractional currency is largely required.

20. On the other hand there was a large return from circulation chiefly in the districts of Trichinopoly, North Arcot, Nellore, Salem, Viragapatam and Tanjore. The amount returned in the first named

district was considerable. Here as well as in the other districts they formed part of Railway collections.

21. The issues for the past 4 years are given below in thousands of Rupees.

	$\frac{1}{4}$ Rs	$\frac{1}{8}$ Rs	Total
1891-92	3.65	3.88	7.53
1892-93	87	2.02	2.89
1893-94	12.8	2.91	4.19
1894-95	1.69	2.81	4.50

22. The local circulation of copper coin diminished from Rs 20000/- in 1893-94 to Rs 7000/- in 1894-95. Double and single pice show a return of Rs 22000 into Treasuries against Rs 19000 in the previous year and the issues of pie pieces also fell from Rs 39000/- to Rs 29000/- in the year under review. The absorption of copper coins was largest in the same places in which small silver was much consumed, and the same districts which returned small silver largely into their Treasuries also enhanced the return of copper coins. There is at present a very large

large accumulation of copper coins in the Viragapatam Treasury even after transferring Rs 50000 worth of quarter Annas to the Depot newly opened there.

23. The issues during the past 4 years were as follow

	Double Pie	Single Pie	Half Pie	Pie Pieces	Total
1891-92	- 20	176	.	73	229
1892-93	- 46	16	- 1	35	4
1893-94	- 14	- 5	.	39	20
1894-95	- 19	- 3	.	29	7

24. The following remittances in small silver and copper were received from other Provinces during the past 4 years.

	$\frac{1}{4}$ Rs	$\frac{1}{8}$ Rs	Double Pie	Single Pie	Pie Pieces	Total
1891-92	200	350	10	275	79	9.14
1892-93	258	323	18	137	36	7.72
1893-94	145	124	24	19	35	3.47
1894-95	.	307	.	.	40	3.47

25. The large remittances in copper in the first two years were due chiefly to the prevalence of Famine, while the opening of currency chests in the districts had the effect of minimizing the supply of small silver from other Provinces in as much as small silver accumulated as a reserve

reserve in the District chests for supply to districts that required it. From 1892-93, the receipts include the surplus remitted from Dharwar.

26. The issues in small coin to other Treasuries shown in the statement appended to para 17 supra represent those sent to Coorg under your instructions.

(5) Shroff marked and uncurrent coin

27. Shroff marked and other uncurrent coins as entered below were remitted from this Presidency to the Calcutta and the Bombay mints during the past 4 years.

1891-92	Rs 65000 (a)	(a) Calcutta
1892-93	67,000 (b)	(b) Calcutta 63000 Bombay 4000
1893-94	76,000 (c)	(c) Calcutta 64000 Bombay 12000
1894-95	8000 (d)	(d) Calcutta 7000 Bombay 1000

28. The remittances of Portuguese coins to the mints diminished considerably during the year under review - Rs 87 of such coins only having been sent to the Calcutta mint and Rs 3 to the Bombay mint. Shroff marked coins so sent

amounted to Rs 6000 only and the remainder Rs 2000 consisted of light weight soldered or otherwise defaced coins.

29. Shroff marked coin is received in large quantities in Ganjam, Godavari, Krishna and Suddapah as stated in last year's report. Of shroff marked and light weight coins, the Revenue Treasuries held a balance of Rs 49,000 on the 30th Sept/95 of which Rs 41,000 was in the Reserve Treasuries. The Currency also held Rs 8,000 on that date. Portuguese coins to the value of Rs 117/- were held by the Reserve Treasuries against Rs 203/- on the corresponding date in the previous year.

30. I enclose statement detailing the movement of funds in the form presented in your letter No 2577 dated the 18th February/95.

I have &c
Signed F. C. Harrison,
No 3230 20. 11. 95 Offg. Accountant General

Copy forwarded to the Chief Secretary to Government, Financial Deptt, Fort Saint George.

J. Harrison
Offg. Accountant General.

Madras Presidency
 Movement of Funds
 From October 1894 to September 1895

K. Madras

Supplies drawn to Madras from
 Madras Treasuries.

By Notes

" Specie remittance

45.43

" Supply Bills

63.31

" Transfers through Bank

3.80

" Transfers through Currency

346.45

299.29

758.28

Less remittances to Madras Treasuries

By Notes

" Specie

12.04

" Supply Bills

59.29

" Transfers through Currency

1.10

99.72

172.15

Provincial Surpluses drawn away to

Calcutta

Currency Transfers

Bank " "

45.00

do. Bills

104.00

Notes

9.00

Specie

17.88

58

50.70

Provincial Surpluses drawn away (contd.)

To

Bombay

Currency Transfers

30.00

Bank " "

139.43

do. Bills

3.89

Specie

3.06

170.26

To

Burmah

Notes

29

By Council bills and wire payments

344.11

Ch
 19/11

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STATEMENT WITH DITTO

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