

MADRAS RECORD OFFICE.

Government of Madras.

Judicial DEPARTMENT.

G.O. No. 762	<u>Press</u>
39-40	<u>Mis.</u>
Dated 31-5-	1918

Not to be folded or roughly handled

*Proceedings of the Madras Government, Judicial Department,
from 28th to 31st May 1859.*

No. 39. Read the following letter from Messrs. ARBUTHNOT and Co., Madras; to the Right Honorable SIR CHARLES TREVELYAN, K. C. B., Governor of Madras, dated 5th May 1859.

We have the honor to bring to your notice events which have occurred in the Vizagapatam District, of such a nature as to occasion us deep anxiety, and to embolden us to apply to you and to your Excellency's Government for assistance.

The Government are aware that for many years our Firm has held property in the Vizagapatam District, and especially in the neighbourhood of Bimlipatam, where we have a large Sugar factory and a number of Vats for the manufacture of Indigo. We are also renters of the Palcondah and Howgoram Talook, and some ten years ago we introduced into the District, the cultivation of gingelly seeds, which has gone on steadily increasing year by year, and has now attained a very large development.

The system by which the trade has been carried on has been that of paying money in advance to the cultivators for the produce to be delivered, and although it may be theoretically wrong, we have always heretofore been able to recover our advances. We have learned, however, by a letter from our representative, Mr. J. F. MacKenzie, received in last week and which we have submitted to your Excellency that a fraud or series of frauds of great magnitude have been committed, whereby we are threatened with the loss of a very large amount, the whole amount of our outstanding advances for produce of all descriptions jaggery, gingelly seeds, rice and rape seed.

The particulars of these fraudulent transactions are involved in much obscurity and simultaneously with their discovery has occurred the death under suspicious circumstances of a Brahmin, one Gumpa Soobarow, through whose agency a large portion of the produce was purchased.

It is represented to us that the monthly accounts which have been rendered to us are all false and that a much higher rate has been paid to the merchants than appears by them or than was authorized by us. We cannot credit this statement, and we look upon it as a ruse to deceive us into the belief that the money is gone, whereas we are firmly convinced that this is not the case, but that it remains in the possession of the perpetrators of the fraud, and we are confirmed in that opinion by more than one anonymous communication which we have received.

We conceive it to be of great importance that prompt and decisive action be taken with a view to the recovery of the stolen money and the detection and punishment of the delinquents, and if we may be permitted to make a suggestion, we would respectfully urge that Mr. W. Robinson, the active and energetic Commissioner of Police, be appointed to take the matter up, and that if practicable he may be deputed to proceed in person to the spot.

We may truly say, both for ourselves and for our predecessors, that our mercantile operations in the Northern Circars have done much to promote the well-being of all classes of the inhabitants, such a result is inseparable from the diffusion of capital and the employment of labor on an extended scale.

We trust therefore that on public grounds we may be permitted to appeal to your Excellency in these difficult circumstances and that you will not refuse to us the assistance which is at your command.

No. 40. ORDER THEREON, 31st May 1859, No. 762.

In the above letter Messrs. Arbuthnot and Co. represented that a fraud or series of frauds of great magnitude had been committed whereby they were threatened with the loss of a very large amount, the whole amount of their outstanding advances made in the Vizagapatam District, for produce of all descriptions, jaggery, gingelly seeds, rice, and rape seeds.

2. It was stated that the particulars of these fraudulent transactions were involved in much obscurity, and that simultaneously with their discovery had occurred the death under suspicious circumstances of a Brahmin, one Gumpa Soobarow, through whose agency a large portion of the produce had been purchased. Messrs. Arbuthnot and Co. were firmly convinced that their advances had not, as had been represented to them, been paid away to the Native merchants, but that they remained in the possession of the perpetrators of the fraud.

*Proceedings of the Madras Government, Judicial Department,
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3. They solicited that Mr. W. Robinson, the Chief Commissioner of Mofussil Police, should be appointed to take the matter up, and that if practicable he might be deputed to proceed in person to the spot. Messrs. Arbuthnot and Co., concluded by urging in support of their application that both they and their predecessors had in their mercantile operations in the Northern Circars done much to promote the well-being of all classes of the inhabitants by the diffusion of capital and by the employment of labor on an extended scale.

4. When the above letter was received, Mr. W. Robinson was, as he still is, fully engaged in the District of North Arcot, in making arrangements for the re-organization of the Police, and it was impossible to spare him for the duty referred to. At the same time the Governor in Council was prepared to recognize the claim that Messrs. Arbuthnot and Co., and all persons who, like them, had invested largely in the produce of the country, had upon Government for all the assistance and protection that could properly be afforded them, in the conduct of their mercantile transactions.

5. Under these circumstances, the Governor in Council resolved to summon to Madras Mr. W. Holloway, Sub Judge of Calicut, and to place him in communication with Messrs. Arbuthnot and Co., that he might investigate the subject at Madras with the view, if the circumstances appeared to require it, of his proceeding to the spot to unravel the whole of this remarkable series of frauds.

6. It appears, however, from Mr. Holloway's conferences with the members of the House, and it has been, on consideration, admitted by themselves, that the matter is not one in which the Government could intervene.

7. Mr. Holloway is consequently informed that his services are no longer required at Madras and he is directed to rejoin his Court at Calicut.

8. The Governor in Council at the same time desire that Mr. Holloway be informed, that they observed with satisfaction the promptness with which he responded to this call upon his exertions, and that they have reason to believe that he has shewn much ability and sound discretion in his treatment of the case. The confidential Memorandum furnished by him to the Governor has been deposited with the Private Secretary.

9. The Civil Auditor will pass the usual travelling allowance to Mr. Holloway for his journey from Calicut to Madras and back.

(Signed) T. PYCROFT,
Chief Secretary.

Judicial Department.

Proceedings of the Madras Government

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from Messrs Arbuthnot & Co
Madras.*

(Here enter 5 May 1859.)

Order thereon 31st May 1859 No. 762.

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The Governor in Council,
The Civil Auditor will
pass the usual travelling al-
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for his journey from Calicut to
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To Mr. W. Holloway.
Civil Auditor. P. 789.

Sept 9th

Memorandum
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has been deposited with the
Private Secretary

39440
D. P. P. P.