

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 404

Press
~~Mis.~~

359. 360

Dated

25. 2 - 19 1863

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
25th February 1863.*

No. 359. Read the following Proceedings of the Madras Government in the Public Works Department, dated 30th January 1863, No. 263:—

Referring for consideration the opinion of District Engineers } (Vide Public Works Proceedings, 30th
generally, on the working of the new system of cashing } January 1863, Nos. 524, 525.)
cheques by a letter of Advice.

No. 360. ORDER THEREON, 25th February 1863, No. 404.

1. The reports of the District Engineers transferred to this Department for consideration with the Public Works Order above recorded, show that those Officers are divided in opinion as to the efficacy of the system laid down in Revenue Order dated 7th February 1862, No. 1,471, which prohibited Tahsildars from paying any cheque issued by an Officer of the Department of Public Works until they have received from the drawer a regular Letter of Advice, and made them personally responsible for payments made by them on forged cheques. The majority of District Engineers are in favor of the new rule as materially lessening the facility for forging cheques, though at the cost of some extra trouble and inconvenience.

2. If the responsibility of Tahsildars for payments on forged cheques is maintained and enforced, the letters of advice must, in justice to them, be retained, as a protection, however partial and inconvenient; but on a careful re-consideration of the subject the Government are of opinion that it is not right to throw the entire responsibility of paying forged cheques on Tahsildars. Some of them do not know English at all, and others who understand English are not competent judges of English signatures. All these Officers are heavily worked and are as often absent from as present at their Treasury stations. In the absence of the Tahsildar the Sheristadar takes charge, and the best paid Sheristadar only gets 55 Rupees monthly; for which sum a person who knows English well enough to detect a forged signature to a regular cheque cannot be easily procured.

3. In the case which gave rise to the order under consideration, the forger obtained blank forms of cheques by the neglect of the Assistant Engineer to keep them under lock and key. In the correspondence now submitted many of the District Engineers lay great stress on the importance of District and range Officers being ordered to keep their cheque books under lock and key, implying that cheques are not so kept at present. The "body" of the cheque appears as a rule to be filled up by a Clerk, who of course gets the book into his hands for this purpose whether at other times it is locked up or not. The letters of advice are generally written out by a Clerk and sometimes they appear to be entrusted to the holder of the cheque. This laxity in doing business is the natural result of the responsibility being taken off the Department of Public Works and thrown on the Revenue Officers. If the former keep their cheques under lock and key forgery is practically impossible.

4. Under these circumstances His Excellency the Governor in Council resolves to lay down the following Rules on the subject of drawing cheques:—

I. Every Officer of the Public Works Department entitled to draw cheques will be furnished with a regular cheque book prepared in a style rendering forgery practically impossible, consecutively numbered and, in fact, similar in all respects to those used by Banking Establishments.

II. The holder of every cheque book will be required to keep it *safely* under lock and key, and to account for every cheque in it.

III. The body of the cheque and the counter-margin should be filled in by the drawing officer, out of whose possession the cheque book is on no account to pass.

IV. The cheque should be drawn simply in favor of "——— or bearer" and handed over to the *payee*, whose business it will be to take care of it as he would of coin.

a poor case on this

*Proceedings of the Madras Government, Revenue Department,
25th February 1863.*

V. Disbursing officers will refuse to cash any cheque drawn on any thing but the established form of cheque or which may appear to them to have been forged or tampered with.

VI. Disregard of these precautions will involve invariably payment of the loss entailed on Government.

5. If after the promulgation of these Rules forged cheques drawn on any but the authorized forms be cashed the whole responsibility will rest on the paying officer, and if the forged cheque be of the established form the officer of the Public Works Department through whose negligence the cheque was obtained will be held responsible for the loss which the Government may incur in consequence of the forgery. Even in the latter cases the paying Officers will be expected to exercise all due precaution to prevent the successful commission of forgery; but responsibility for the loss will not devolve on them. They will be amenable however to punishment for such culpable negligence as may be established against them.

6. Under the Rules now passed letters of advice are unnecessary and may at once be given up, they must give extra trouble, cause delay occasionally, and unnecessarily burden the post.

7. These Rules will be communicated to the Public Works Department in order that effect may be given to them; and the Board of Revenue will be requested to circulate them to the Collectors. The Chief Engineer should adopt measures to have a supply of cheques prepared carefully at Madras of some pattern not easy to be imitated and sent to the several Collectors to be secured in their Treasuries under the usual precautions and issued from time to time to the Officers of the Department of Public Works as required. Indents for these cheque books should be countersigned by the District Engineer and sent to the Collector or Deputy Collector in charge of the Treasury, and it will be the duty of either of these Officers in complying with the indents to number the cheques and enter the total number thereof on the fly leaf of the cheque book under his signature. The Government deem it also necessary in order to protect the Works Department bear in one corner the signature of the Treasury Deputy Collector with which the Talook officers will usually be familiar.

8. The Deputy Chief Engineers will be required to satisfy themselves that these Rules are attended to in every District, and to inspect the cheque books occasionally and see that the margins are properly written up.

(Signed) J. D. SIM,
Secretary to Government.

PUBLIC WORKS DEPARTMENT.
Public.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following letter from Colonel W. I. BIRDWOOD, R. E., Chief Engineer, to the Secretary to Government, Public Works Department, dated Chepauk, 16th January 1863, No. 5,076:—

SIR,

1. With reference to their Orders marginally quoted, I have the honor to forward for submission to Government the accompanying letters containing the opinion of District Engineers generally on the working of the new system of Cashing Cheques by a Letter of Advice. A precis of the correspondence is subjoined. This system has not been followed out in the Presidency District.

27 Letters and Memoranda.
3rd September 1862, No. 2,103.
18th " " 2,237.

Ganjam.—Is no additional protection against fraud, whilst a considerable amount of additional office work is entailed thereby.

Letter No. 181, dated 5th November 1862.

Letter No. 943, dated 29th October 1862.

Vizagapatam.—Works well, and answers the purposes for which it is intended.

Godavery.—Affords no protection from loss, and is productive of delay in paying work people and contractors.

Letter No. 891, dated 10th November 1862.

Letter No. 116, dated 10th November 1862.

Kistna.—Not aware of any objection to the new system, which works well in this District.

Letter No. 2,241, dated 3rd November 1862.

Nellore.—Does not appear to give much security, while it involves some delay in obtaining cash.

Letter No. 628, dated 27th October 1862.

Cuddapah.—Causes no difficulty in this District.

Letter No. 262, dated 10th November 1862.

Bellary.—Works well, and is a perfect check against forgery.

Kurnool.—Is considered to be a decided improvement when the Letters of Advice are despatched by the District post. But in a few instances difficulty was experienced in despatching them by that means.

Letter No. 544, dated 6th November 1862.

Madras.—As yet no inconvenience has resulted beyond the additional trouble of writing the Letter of Advice. That such a document is of any advantage is purely imaginary.

Letter No. 1,267, dated 3rd November 1862.

North Arcot.—It has its advantages though it imposes a little extra labor which can be saved by the use of printed Letters of Advice. The only objection to the system is the delay it will cause in the cashing of cheques.

Letter No. 1,788, dated 7th November 1862.

South Arcot.—Does not afford much security against forged cheques being cashed, and by the delay in the payment of cheques might cause much inconvenience to parties.

Letter No. 139, dated 6th December 1862.

Tanjore.—Will cause delay in the cashing of cheques, and probably the cost of paper and the time taken up will far exceed the amount of risk incurred at present.

Letter No. 122, dated 5th August 1862.

Letter No. 690, dated 5th August 1862.

Trichinopoly.—Will occasion delay in paying contractors, &c.

Madura.—Has not so far interfered with the prompt receipt of money by subordinates, but opinions differ respecting the efficacy of the system.

Letter No. 879, dated 1st November 1862.

Letter No. 101, dated 6th November 1862.

Tinnevely.—Generally not productive of inconvenience, but is not an entire prevention to forgery.

a poor case on this

Letter No. 416, dated 27th December 1862.

Coimbatore.—Is not productive of any inconvenience, but affords an excellent check against forgery.

Letter No. 118, dated 27th October 1862.

Salem.—Works satisfactorily, and answers the purpose for which it was introduced.

Letter No. 121, dated 4th November 1862.

South Canara.—Is to some extent conducive to security against fraud.

Malabar.—Contracts very much the margin left open for forgery or other fraud. It may occasion a little more trouble and delay, which, however, cannot overbalance the advantages gained by way of precaution against fraud.

Letter No. 390, dated 17th November 1862.

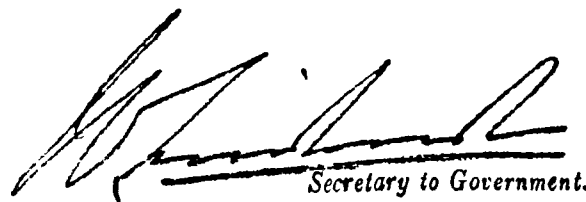
Bangalore.—Works well, and affords additional security against fraud.

2. On a review of the whole I am of opinion that the Letter of Advice may be continued with advantage.

ORDER THEREON, 30th January 1863, No. 263.

Referred to the Revenue Department for consideration with reference to the Orders in that Department dated 13th September 1862, No. 1,965.

(True Extract.)



Colonel, R. E.,

Secretary to Government.

To the Revenue Department, with ²⁷enclosures.
,, Chief Engineer.

Exd. S. T. Augustin.

a poor case on which

In 1862 an Officer
of the D.P.W. left
his trunk charged
by in about his room.
His accountant took
one - filled it up for
500 Rs - forced the
Officer's name to it
and got it cashed
at the Takildan Tea
Shop.

The pot at such
directed the Officer
to pay the money - he
on take present exple.
Native Jangare him.

I think he was
a lucky man - at
any rate it was not
a good case on which

x and were very soft for
us doing I think -
H.

Dec 13th 1862 - 1863

Dec 13th 1863 (11/11/1863)
Dec 13th 1863 (11/11/1863)

Grounding of the
Hudson's Bay Co. in the
Public Works (H.B.C.)

Placed 30th January
1863 - 3rd July 1863.

Co-27th January 1863 - 263.

1863 - 1864 - 25th July

Reopening of the
Hudson's Bay Co. in the
Engineering and the
H.B.C. in the
H.B.C. in the
H.B.C. in the
H.B.C. in the

1863.

1863 - 1864 - 25th July

1863 - 1864 - 25th July

to found remarks
on the "responsibility
of Zakildars as
Cashiers of the public
funds" for however
culpable the cheques
now forged, forgery would
have been simply im-
possible, if the Officer
had taken proper care
of the cheques. Col
Dickinson however
did start this question
and suggested further
that Zakildars should
be prohibited from
cashing cheques until
they had received
from the drawer a
regular letter of advice
specifying the number,
amount & date of a
cheque drawn & the
name of the party
to whom it was

or is to be made payable
The ^{subject was then} ~~now~~ referred to
the Res. Dept. with
the remark that "the
Code under review fully
warrants a caution
to all paying Officers
that they will be
held personally re-
sponsible for all pay-
ments made by them
on forged cheques."

The Res. Dept.
administered the
warning & ordered
the adoption of the
letter of advice -

The question now
is - are these letters
of advice of real
use & worth retaining?

The District
Engineers are much
divided in opinion.

as to the efficacy
of the system - but
the majority are in
its favor - as materially
lessening the facility
of forging cheques, though
at the cost of some extra
trouble & inconvenience.

It seems true
that if the P.O. already
mentioned, throwing the
responsibility of cashing
forged cheques on the
Jahildars is main-
tained, the letter of
advice ought to be re-
tained in justice to
the Jahildars - as some
though very imperfect
security.

But I am not satis-
fied that it is not
fair to throw this re-
sponsibility on Jahildars.
Some of them are

yet the responsibility is assumed
JP. MD

do not know English
at all - others under-
stand English but are
no more judges of an
Englishman's signature.
Those who know Telugu
& Tamil are of natives'
signature - all are
heavily worked & are
often absent from their
posts at their regular
stations - In the ab-
sence of the Sahibdar
the Sheristadar takes charge
and the best paid
Sheristadar only gets 50 Rs
monthly - for which sum
an English scholar is
not easily procurable.
It seems true ridiculous
to talk of these officers
as if they were "Cashiers"
or competent usually
to detect a forged sig-
nature & a regular

cheque - I would by
attention to & some
of the signatures of the
S.M. - Most are ex-
cellent - but look at
Capt Fords - (N^o 8764)
I wonder the C.M. pays
his pay on such a
signature! Look too
at Capt Palmer's (N^o 146)
Major Peenway's (7698)
Major Anderson's (8208)
Capt Hunter - (7910)
Any one could imitate
these scrawls well enough
to pass muster with
a native "Cashier."

The impolicy of thus
throwing the responsibility
on the paying Officer
is I think clearly shown
by the letters of the S.C.
Capt. Several lay great
stress on the importance
of District & Range

Officers being ordered to
keep their cheque books
under lock & key - im-
plying of course that
no such order exists -
& that cheques are not
so kept - The "body" of
the cheque is also, as a
rule it seems - filled
up by a clerk - who
of course puts the book
into his hands for
this purpose when at
other times it is locked
up or not - The letters
of a Rice are generally
written out by a clerk
and sometimes, it may
seem, entrusted to
the holder of the cheque!
Now all this laxity is
I think the natural
result of the responsi-
bility being taken off.

the D.M. & Thrown.
in the Recd. Office -
If they ^{former} keep their
cheques under lock
& key it is - practically
impossible for forgeries
to be committed -

The course I would
suggest therefore is as
follows.

I. Every D.M. Officer
entitled to draw cheques
to be furnished with
a regular cheque book
similar in every re-
spect to those used
by Banking Establi-
ments.

II. The holder of every
Cheque Book to be re-
quired to keep it
safely under lock &
key and to account
for every cheque in it.

III. The body of the
cheque & the counter -

you - Mr
JP. The Deputy Chief Engineer
should be required to satisfy
himself that this is done
and should inspect the
cheque books occasionally
and see that the
marginaliam properly
written up. - JP

you
JP

- margin to be filled
in by the Drawing
Office - out of whose
possession the cheque
book
is on no account to
pass.

IV. The cheque to be
drawn simply in form
of — or Bearer -

V. ~~No~~ Disbursing Officers
to be ~~responsible~~ pro-
hibited from cashing
any cheque drawn
on any thing but the
established form of
cheque - and from
cashing any cheque
which appears to
them to have been forged
or tampered with -

VI. Disregard of these
precautions to involve
irrevocable payment of

you appear to
be sure I think
JP

you
JP

4m 9p-

not necessarily WRD

I concur in these remarks - how & by whom Colrs. should stamp & make
 the Cheque Books prepared? - If this is done whenever in each book
 so I suppose by the Colrs. or by Depts in charge of the Treasury, before issuing it -
 the cheques should be numbered in the total number of Depts.
 entered in the fly leaf of the Cheque Book under the Colrs. or his Deputy's signature or
 I think too that to protect the Subscribers each cheque should bear the Colrs. Stamp - This way
 the signature of the Treasury Dept. Colrs. with which they would be familiar - This way
 of course he would be supplied to the D. P. M. Officer
 before

If this plan be adopted, letters of advice may at once be given up - ^{you} ^{must} ^{not} give some trouble, - can be delayed occasionally - and unnecessarily hinder the post - while, unless they are prepared in the same manner as cheques and as carefully preserved - their keeping is not less difficult than that of the cheques themselves.

The IV rule needs
some explanation - it

him let seen from
 Major been says letter
 that paying officers
 are responsible or com.
 sidered responsible
 for paying the cheques
 to the person in whose
 favor it is drawn - This
 I think is throwing more
 on the paying officer than
 is right - The cheque shd
 be to "A B or bearer" &
 it shoud be A B's
 business not to lose the
 cheque - why should he
 be relieved of this
 whole care of his pro-
 perty when he is paid
 by a cheque more than
 when he is paid in
 coin - & why should
 the Cashier be bound
 to identify every drawer.

Orders requested

J.D.S. 4/2

JP

In this case the D.P.O. Officer
 would have to give the cheque
into the hands of the payee -
 but I am not aware of there
 being any valid objection
 to this - Indeed the course
 might be advisable for security
 sake in other cases
 E.H. JP

Question as to Order

MD

Making cheques payable
 to order would throw upon
 the paying officer the onus
 of verifying the endorse-
 ment of these cheques
 payee - which, I think,
 he should not have to
 bear JP

Rev Depart

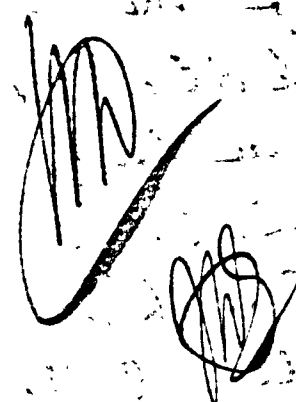
N^o 441

Proceedings of the Madras Government
 Under date the 25th July 1863.

Read the following
 Pro of the Madras Govt
 in the Public Works Dept

Referring for con-
 sideration the opinion of
 District Engineer generally (Memo dated 30 January/63
 on the working of the new
 system of banking to be
 by a letter of advice - S: 263)

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letter of advice, ~~that~~
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made by them or forged
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2 ~~The Government~~ ^{terially lessening the facility}
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3 In the case which gave
rise to the order under consider-
ation, the forger obtained blank
forms of cheques by the neglect
of the Assistant Engineer
to keep them under lock and
key. In the correspondence
now submitted

3 ~~Measures should~~
~~be taken~~ ⁱⁿ ~~the~~ ^{which} ~~cheques~~
~~are drawn to prevent~~
~~forgery~~ Many of the
District

District Engineers lay
great stress on the im-
portance of District and
Range Officers being
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II The holder of every cheque book will be required to keep it safely under lock and key and to account for every cheque in it.

III The body of the cheque and the counter margin should be filled in by the drawing officer; out of whose possession the cheque book is on no account to pass.

IV The cheque should be drawn simply in favor of "Bearer" and handed over to the payee, whose business it will be to take as much care of it as he would of coin.

V Disbursing officers will refuse cashing any

any cheque drawn on any thing but the established form of cheque or which may appear to them to have been forged or tampered with.

VI Disregard of these precautions will involve invariably payment of the loss entailed on Government.

5 If after the promulgation of these rules forged cheques ~~(KTA)~~ drawn on any but the authorized ^{he cashed} forms the whole responsibility will rest on the paying officer, and if the forged cheque be of the established form the officer of the Pub. Works Department ~~from whom~~ and through whose negligence the

the cheque ^{was obtained} ~~must have been~~
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Collector in charge of the
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number thereof on the fly
leaf of the cheque books
under his signature -

The Government deem it
also necessary ^{in order} to protect

the Tahsildars to direct
that each cheque shall

before it is supplied to the

Officers of the Pub Works

Dept bear ^{in one corner} the following

~~stamp~~ the signature

of the Treasury Dy Collr.

with which ^{the taluk officers, will usually} ~~they~~ ^{be} familiar.

* be familiar.

8 The Deputy Chief
Engineers will be required
to

to satisfy themselves that
these rules are attended
to in every District, and
to inspect the cheque books
occasionally and see that
the margins are properly
written up -

21 Opus to the Deputy Govt Dy Collr
14- in B of Revenue
3- Accts Genl

Revenue 1863 Dept.
Pro: of Govt for February.

N: 404.

Pro: of the Madras Govt.
D: 35th February/63.

From Pub Works 7/14 Feb/63
Cr. 457.

From. 30 Dec. 31 March 63.
Cr. 799 in Pro.
From. Pro. 10 of 6. Dec. 7. 63, Cr. 51

Proceedings Public Works
Department referring the
opinion of District Engineer
generally on the working of
the new system of cashing
cheques by a letter of advice,
with orders thereon.

From PW-D of 3 April/63 Cr. 1405

N: 359 & 360