

MADRAS RECORD OFFICE.

Government of Madras.

Revenue

DEPARTMENT.

G.O. No. 2792

Press

~~Mis.~~

245-246

Dated

15-11

1865.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
15th November 1865.*

No. 245. Read the following letter from the Accountant General, to the Chief Secretary to Government, dated Fort Saint George, 17th October 1865, No. 130:—

1. Adverting to the Order of Government in the Revenue Department, dated 28th July last, I have the honor to submit, for the information of His Excellency the Governor in Council, a brief summary of the replies received from the Districts to my Circular of the 2nd August last, directing Collectors to report, with reference to paragraph 4 of the above Order, under what system the issue and receipts of Currency Notes is conducted in their Districts. From these replies it will be observed that in its main features this system, which is indeed that prescribed in the series of Circulars issued by this Office on the subject, is nearly the same in all the Districts, trifling differences on minor points, and of an unimportant nature being observable in some of them.

2. Circular No. 51 of that series, dated 31st December 1864, prescribes a form of Register of Notes received and issued, to be kept up in each District, in which the names of all parties, either receiving Notes, or paying them into the Treasury, are required to be entered. If this Register be properly kept up, and frequently inspected, as it ought to be, by the Collector, any partiality evinced by the Treasury Officer in the issue of Notes could not long escape detection, as the frequent recurrence of any one name in the Register would be sure to attract attention; and I can only attribute the non-discovery at an earlier date of the malpractices brought to notice in the District of Kurnool, to the failure of the Collector to exercise the necessary precaution of occasionally inspecting the Registers. It does not appear to me, however, that there is any likelihood of similar misconduct on the part of a Treasury Officer, in future, as very stringent orders have recently emanated from the Supreme Government prohibiting the issue of Currency Notes to Merchants and Soucars for the purpose of remittance even for small sums. It will not be necessary, therefore, that this Government should take further action in the matter, as it will be my duty to see that the Orders of the Government of India on the subject are duly observed. The Treasuries will in future be amply supplied with Currency Notes for local circulation, but not for remittance transactions, and Treasury Officers have been advised accordingly.

3. With reference to the concluding paragraphs of the foregoing order, in which it is observed that the Government cannot allow the Collectors to be put aside in the manner that they now are in much important treasury work, and desire that I should submit for their approval, rules to ensure that the Collectors shall be kept fully informed of all direct correspondence between my Office and the District Treasury Officers, I have the honor to state, that so far from wishing to put aside the authority of the Collectors in the slightest degree, it has always been my earnest endeavor to draw the attention of those Officers to the importance of their treasury work, and to secure their co-operation in the discharge of the duties connected therewith. By some of the Collectors, and I would here specially mention those of Tanjore, South Canara, Godavery, Vizagapatam, and the present Collector of South Arcot, the duties connected with the Treasury Department are estimated at their proper value, and from those

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Officers I have invariably received willing and valuable assistance; but by others, and they unfortunately form the majority, treasury work is viewed with distaste, and as comparatively unimportant, and it is consequently left almost entirely to the Deputy Collector to discharge.

4. All correspondence proceeding from this Office is, as a matter of form, commonly addressed to the Officer in immediate charge of the treasury; but I now learn, for the first time, that the correspondence is not seen by the Collector. I took it for granted that no letters either passed into, or out of the Deputy Collector's Office, without the cognizance of his superior Officer, and that such supervision is exercised by the Officers whom I have named is manifest from the fact that I invariably receive replies from them to all letters of ordinary importance, even though they be addressed to the Treasury Officer. I submit therefore that, if the authority of Collectors is in any way put aside by their Deputies, as the Government are disposed to think, that the fault rests not with this Office, but with the Collectors themselves, and the remedy for the same is in their own hands.

5. It would be difficult, with the varied correspondence which proceeds from this Office, to lay down any precise rule defining what letters should be addressed to the Collector, and what to his Deputy; but, as a general rule, I am of opinion that all questions connected with the currency or general resources of the District should be brought under the immediate consideration of the Collector, and disposed of by him; while all letters relating simply to matters of account would probably be more readily disposed of by the Treasury Officer. But if this rule be adopted, it will be necessary to provide that, during the absence of the Collector from the Huzoor, the Treasury Officer shall be empowered to open all letters from this Office whether addressed to the Collector or his Deputy, as such letters frequently relate to remittances or payments of drafts, which require immediate attention, and would not admit of a previous reference to the absent Collector.

6. I regret the delay which has occurred in answering this reference, and which has been caused by my having been only put in possession of the replies of two of the Collectors late last evening.

Transferred to the Revenue Department for disposal.

(Signed) W. HUDLESTON,
Acting Secretary to Government.

17th October 1865.

No. 246.

ORDER THEREON, 15th November 1865, No. 2,792.

Miscellaneous.

1. Ordered to be communicated to the Revenue Board.
2. The Government accept Mr. Lushington's assurances that in the matter of the Currency Notes no action on their part is necessary.
3. As to the question of the departmental correspondence, the Government had no intention whatever to impute to Mr. Lushington any intention to set the Collectors improperly aside in the despatch of treasury business, although they saw

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reason to believe that practically the result of the system of direct correspondence between the Accountant General's Office and the Deputy Collectors in charge of Treasuries was that the Collector had ceased to be cognizant of much that went on in this very important department of District administration, and there is no room to doubt that this has been the case.

4. The Government have no desire to insist on Collectors directly carrying on all petty detail correspondence between the Accountant General's Office and the District Treasuries, which the Deputy Collectors are fully competent to dispose of, but they deem it indispensable that the Collector be kept acquainted with all that goes on in the Department, and that nothing of importance is disposed of without his knowledge and concurrence, even if the correspondence does not run in his name.

5. The Board of Revenue will, therefore, instruct Collectors that they are at intervals of not more than a week to call for and peruse all correspondence that may have taken place directly through the Accountant General's Office and their Deputy in charge of the treasury since last inspection, making a note of each inspection in the correspondence book; and that they are to order their Deputies to take their instructions upon every matter of importance that may form the subject of any direct letter from the Accountant General before replying to it, and in their answer to state that they reply "under the instructions of the Collector." Should any emergent reference in the Collector's absence render this course impracticable, the Deputy Collector will take the letter and his draft reply to any Covenanted Revenue Officer at head quarters, and consult with him before its despatch, and he will at once report to the Collector what he has done, and forward the correspondence for his information. The Accountant General will be good enough in any matters of importance to direct the Deputy Collectors to take the instructions of the Collector, and to inform him in their reply that they have done so.

6. The Government will hold the Deputy Collectors responsible for strict observance of these orders in good faith, and will visit with their severest displeasure any wilful disregard of them.

7. Collectors must distinctly understand that they have not been relieved from responsibility for the proper administration of their Treasury Departments, and that it is their duty as much as ever to see that all the Departments of their office are properly and punctually worked, although the addition of a Deputy to their establishment may have enabled them to transfer the actual charge of any particular work.

(True Extract.)

(Signed) W. HUDLESTON.

Acting Secretary to Government.

To the Board of Revenue.
,, the Accountant General.

Exd. S. T. Augustin.

Order

3

Abstract of Replies to the Accountant General's
Circular (Madras) No. 1452 dated
2^d August 1865.

Bangalore Since the Establishment
of the Madras Branch Bank
at Bangalore, Currency Notes
issued only in payment of
public demands, on application,
with reference to stock in hand.

Traivancore Notes received in payment of
Government demands, and issued
— to a limited extent and for
small sums to private parties
and travellers to Holders of
Supply Bills not as a rule
to the Public in exchange for
cash, under this Office Notification
No. 98 dated 22 March 1864.
Applications complied with
without preference or reservation
and Registers of Receipt and issue
of Notes kept.

Ganjam Notes received in payment of
Government demands unreserved
by, under Government Order
dated 29th July/62 & our Circular
No. 1149 of 31st idem, issued to
private parties with due pre-
cautions under Government
Order

whether

Order dated 30th June/62 and Circular N^o 133 dated 5th July/62, Cashed to a limited extent and for small sums to accommodate private parties & travellers with reference to Circular N^o 223 dated 5th May/63, and to the extent of 2/3rd of purchases in previous months under Notification of March/64, after previous advertisement in District Gazette. Notes of high denomination when presented by merchants for Remittance purposes not cashed. Registers of Receipt and Issue of Notes kept as prescribed in Circular N^o 51 dated 31st Dec/64.

Notes of all Circles received Vizagapatam in payment of Government demands. Cashed as an indulgence to Travellers, and to a very limited extent for the Public. Issued on application in payment of salaries, but not to the Public for remittance purposes. Register kept of receipts & issues as prescribed in Circular N^o 51 dated 21st December/64.

Sufficient supply of Notes kept, Godavery and issued to all applicants who

who tender money, and in payment of claims on Government. Coconada Branch Bank makes large indents which are complied with. No inconvenience felt by the Public. Rules contained in Circular N^o 119 dated 27th June/62 and 6th dated 11th May 1865 duly observed.

Kistna Notes received and issued without preference to applicants when tendered or required in payment of Government demands and dues. Cashed for the convenience of private parties and Travellers, with reference to Accountant General's Letter N^o 5263 dated 23 December/62 and Circular N^o 223 dated 5th May/63. As a general rule does not refuse to cash any notes. Demand for notes greater than demand for Cash.

Madras (S) Register kept of all notes, which pass without exception through the hands of the Deputy Collector.

Vellore No check - only sees the account of notes in store, and indents for fresh supplies.

Register

wherever

Register of Receipts and South Arcot
Issues the only check. Deputy
Collector makes over notes to
Cashkeeper for payment not
exceeding 5000 Rupees in amount
and receives those taken when
they amount to the same sum
or 6000 Rupees.

Register kept of all notes Tanjore
received and issued, Instructions
of this office attended to. Cites
those of 21st April 1865 N^o 5225
and 2nd May 65 N^o 40. Is aware
of no additional check to
prevent irregularities of the
kind noticed in our Circular.

Issue of notes now Madura
restricted to Travellers and
Government officials with
reference to Accountant Genl's
letter N^o 3759 dated 6th Aug 65
great demand for notes in
the District chiefly from
merchants for remittance
purposes. Applications refused,
Receipts of notes scarcely
average 1000 a month.

Notes exchanged for Tinnevely
Cash for travellers with reference
to

to Circular N^o 55 dated 17th Aug
last: requisitions complied with
patiently and according to priority.
Register kept of Receipts & Issues
no partiality observed.

Malabar

Receipt & issue of notes
regulated by Circular N^o 119
of 27th May 62, N^o 223 of 5 May 63
98 (Notification) 22 March 1864.

South Canara

Issue and exchange of
notes conducted by Deputy
Collector and registered. No
complaints of irregularity have
reached Collector. Issue and
receipt in Taluk Treasuries
insignificant.

Coimbatore

Notes tendered in pay-
ment of Government demands
received and those presented
by Travellers, cashed. Does
not think favoritism exists.
Issue of notes regulated by
Notification 98 of 20th March 64.
Suggests that a specified amount
should be set aside for cashing
notes. Applications for notes
complied with according to
priority. Does not think
any change necessary. Tahsildars
are advised of the number
of notes to be indented for and
issued by them.

No

No particular check
notes issued to parties applying
for them, and received to the
extent of $\frac{3}{4}$ of the amount
in circulation when presented
for conversion into Cash, and
unreservedly when offered in
payment of a demand. — Cuddapah

The issue of notes to the
public now restricted except
in the case of Soucars who
are not permitted to take notes
to a greater value than 1000 Rs. Kurnool

Is guided in receiving
notes in exchange for Cash
by notification of the 22 March/64
and in the issue of notes to the
Public by this Office letter
dated 7th December last in
which the indiscriminate and
wholesale issue of notes to
parties chiefly merchants
for purposes of Remittance to
the Presidency is prohibited. Bellary

A Register of Receipt & Issue kept up as prescribed
in Circular No. 51. No Complaints
against Treasury Officers have
been made & every facility is
afforded for the free circulation
of Currency notes. — Salem

Trichinopoly

Does not think abuses can
be practiced, as the Assistant
Commissioner of Paper Currency
personally superintends the
issue of notes. Cashed notes of
other Circles to the extent of 100 Rs.
to accommodate Travellers
and issues them again to appli-
cants. His own Circle notes
cashed at the Currency Office.
No Complaints made regarding
the issue of notes, but against
the rules restricting the cashing
of other Circle notes, and the
exchange of notes for specie
when required for remittance.

North Arcot

Notes unreservedly issued
for Cash. They are received
from Travellers and other
private parties as an accommo-
-dation. The issues 10 times
greater than the Receipts. Takes
care that the instructions
in notification of March/64
are carried out. Does not
think that any improper practices
can exist.

G. J.

2. ~~Open the communication~~
 The W. accept N^o 7
 Looking to his assurance
 that in the matter of the currency
 etc. reaction in their parties
 necessary. As to the question of
 the departmental correspondence
 the Gov. had no intention that
 was I impudently W. looking
 any instruction but the Gov.
 in properly aside in the Dept.
 of Treasury business. altho
 they had reason to believe that
 practically the result of the
 system of direct correspondence
 between the Act. Secy office
 & the D^y W^{ts} in charge of
 measures was that the Gov.
 had ceased to be cognizant
 of much that went on in this
 very important department

1845
 1846

of his first administration & there
is no room to doubt that he has
known the case. I do not know whether

to insist on your directly carrying
on all petty detail correspondence
the Act-Secy's office & the S. Treasury
S. the S. Secy's are fully competent
to dispose of: but they must indis-
pensably that the S. Secy be kept
acquainted with all that goes on
in the Dept. & that nothing of impor-
tance is disposed of without
his knowledge & concurrence
even if the correspondence is not
in his name. The S. Secy will
therefore instruct S. Secy that they are
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a week to call for & peruse all
correspondence that may have taken
place directly thro' the Act-Secy's
office & that S. Secy in charge of the

The Act-Secy will be given such in and out
of importance & direct the S. Secy to take
the instructions of the S. Secy & to give him in the
S. Secy's name.

training, in a last inspection, &
that they are to order their Deputies
to take their instructions upon every
matter of importance that may come
the subject of a letter from the A. Secy.
before replying to it. In this manner
to state that they reply under the
instructions of the S. Secy. Should any
emergency arise in the S. Secy's absence
under this course impracticable, the
S. Secy will take the letter & his draft
reply & any communication his officers
or S. Secy's Deputies will take him
before it is dispatched. & he will at
once report to the S. Secy. But he
done. & forward the correspondence for
his inspection. The S. Secy will look to the
Clerks responsible for strict observance
of these orders in good faith. & will visit
with their own direct displeasure any
wilful disregard of them. Clerks must
distinctly understand that they cannot
be excused from responsibility for the
proper administration of the Treasury

the Office, to lay down any precise rule defining what letters should be referred to the Collector and what to his Deputy, but as a general rule, I am of opinion that all questions connected with the currency or General Resources of the District should be brought under the immediate consideration of the Collector, and disposed of by him, while all letters relating simply to matters of Account would probably be more readily disposed of by the Treasury Officer. But if this rule be adopted, it will be necessary to provide that during the absence of the Collector from the Office, the Treasury Officer

the upper collection, referred to the Collection
as first Object to send letters frequently relate
to remittances or payments of drafts, and
require immediate attention, and would not
admit of a previous reference to the absent
Collector.

67114. I regret the delay which has occurred in reviewing this paper and which has been caused by my leaving home only just in the spring of the year of two of the collections into last evening.

Have the honor to be
Yours most obedient servant

Wm. Lehigh
Accountant General

of is L. n. Department. & that it is their duty as much as ever to see that all the dept of their office are properly & punctually looked after. altho. the adv. of a 2^d tier establishment may have resulted to transfer the actual charge of particular work - LK: 27. 10.

Pro. 28th July 1865 1322/52

Transf. to the
Ld. Dept. for
disposal.

L. B. Drake
Attn. A. G. B. G.
7. Oct. 1865

Rec. 1865 Depart.
No. 2945.

From
The Asst. General
To
The Chief Secy to Gov.

Dated
Rec. 17 } Oct. 1865

No
No

Submit a brief summary
of the replies received from
all on the subject of the
system on which the issue
and receipt of Currency Note
is conducted.

No. 225.

Rec. 2792 15 Nov

Transf.
With Order

c. 4. 17. 1865

Revenue Department

No. 2792

Proceedings of the Madras Government
Under date the 15th November 1865.

Read the following
letter from the Accountant
General. —

Submits a brief summary
of many of the replies received from
Collectors on the subject of the
system on which the issue
and receipt of Currency Note
is conducted. —

(Here enter 17th Oct. 1865
No. 130.)

Ordered to be commu-
nicated to the Revenue
Board. —

The Government is
decept Mr. Lushington's
assurances that in the
matter of the Currency Note
no action on their part
is necessary.

As to the question
of the departmental
correspondence the
Govt. had no intention
whether

MD

WOL

JP

whether to impute
to Mr. Lushington any
intention to set the collector
improperly aside in the
despatch of Treasury
business: altho' they
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that they are to order - inspection in the work.
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to state that they reply
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The Govt will hold
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work.

[Signature]

To the Board of the Des. Soc.
& the Accountant General

Revenue 1865 Debt
No. of Govt Revenue

No 2792.

No. of the attached Govt.
Revenue is 1865.

Following orders on
letter from the Secy. of
General reporting the
system under which the
Revenue and receipts of
current notes is con-
ducted.

No 246 & 246.