

Government of Madras

FINANCIAL DEPARTMENT

ELLISCELLANEOUS

Reed.

Regis.

G.O. Co., Nos. 925, 926, 25th August 1899

25

Amendment of the Preliminary Estimate Act

[illegible]

Government of Madras.

FINANCIAL DEPARTMENT.

MISCELLANEOUS.

Recd.

Enclosures

Regd.

1899.

Spare copies

G.O., &c., Nos. 925, 926, 25th August 1899.

Amendment of the Presidency Banks Act.

Forwarding for the favourable consideration of the Government of India copy of letter from the Secretary and Treasurer, Bank of Madras, and of a communication from the Madras Chamber of Commerce proposing the inclusion of loans issued by District Boards with the authority of Government in the —.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—the following papers:—

I

Telegram—from the Secretary and Treasurer, Bank of Madras.
To—the Chief Secretary to Government.
Dated—the 18th August 1899.

Referring to amendment to Presidency Banks Act to be introduced Simla 25th instant my Directors suggest inclusion of loans issued by District Boards with authority of Government such as proposed Tanjore District Board loan. At present Presidency Banks unauthorised to deal in such securities, writing.

II

Letter—from G. D. KER, Esq., Secretary and Treasurer, Bank of Madras.
To—the Chief Secretary to Government.
Dated—the 18th August 1899.

I have the honour to confirm the following telegram despatched to you this day:—

“Referring to amendment to Presidency Banks Act to be introduced Simla 25th instant my Directors suggest inclusion of loans issued by District Boards with authority of Government such as proposed Tanjore District Board loan.

“At present Presidency Banks unauthorised to deal in such securities, writing.”

My Directors are prompted to make this suggestion in consequence of a letter which the Bank lately received from the Tanjore District Board asking for advice with reference to a loan which that Board proposed to float in the open market for the purposes of railway extension in that district.

I enclose for your information a copy of my reply to the Board's letter, which explains the position so far as this Bank is concerned.

In view of the fact that an amendment to the Presidency Banks Act is about to be introduced into the Supreme Council at Simla on 25th instant for the purpose of authorizing the Presidency Banks to deal in securities issued by the Bombay Improvement Trust, my Directors think that advantage might be taken of this opportunity to extend the amendment so as to include loans such as that which the Tanjore District Board proposes to raise.

Should this meet with the approval of Government I am to ask that you will be good enough to wire to Simla recommending the additional amendment now proposed.

ENCLOSURE.

Letter—from G. D. KER, Esq., Secretary and Treasurer, Bank of Madras.
To—the President, District Board, Tanjore.
Dated—the 12th August 1899.

I have the honour to acknowledge receipt of your letter No. 1492-D.B. of 5th instant in which you ask my advice as to the prospects of launching locally a loan of Rs. 15 or Rs. 25 lakhs on account of the Tanjore District Board, and the probable rate at which it has a chance of being placed.

In reply I beg to inform you that this bank is not authorized by the Presidency Banks Act to invest in or lend money upon the security of debentures issued by District Boards, and this of course applies also to the other Presidency Banks.

You are doubtless aware that the last 4 per cent. Madras Municipal loan which was offered in June last was not fully placed, only Rs. 5,70,000, out of a total of Rs. 13,50,000, being allotted at an average of Rs. 98-5-4½.

This is a security in which the Presidency Banks are authorized to deal, and it is therefore more marketable than would be a loan issued by a District Board.

For this reason I doubt whether the Tanjore District Board would be successful in placing the loan you refer to in this market at the present time even at 4½ per cent.

A certain amount might be tendered for by Pachiappa Trustees or similar institutions but being a non-marketable security it is, I think, improbable that it would be subscribed for largely by the general public.

Moreover until it is seen what steps the Government of India propose to take to make the gold standard effective, there is a general desire amongst the mercantile community to keep funds in liquid securities.

When full confidence is established in the Rs. 4d. rupee it is anticipated that English capital will be attracted to this country and when that time arrives I am of opinion that a loan such as your Board wishes to raise could be placed much more satisfactorily than now, more especially if the Presidency Banks Act be amended so as to bring such securities within the scope of their operations.

III

Letter—from the Hon'ble Mr. C. E. P. VANS AGNEW, Chairman, Chamber of Commerce, Madras.

To—the Chief Secretary to Government.
Dated—the 19th August 1899.

I have the honour to forward herewith, for favour of submission to the Government of India, a letter regarding the Presidency Banks Act Amendment a duplicate copy of which has been forwarded direct to the Supreme Government.

I beg further to express the Chamber's hope that the Government of Madras will be pleased to wire the Government of India in support of its representation.

ENCLOSURE.

Letter—from the Hon'ble Mr. C. E. P. VANS AGNEW, Chairman, Chamber of Commerce, Madras.

To—the Secretary to the Government of India, Legislative department.
Dated—the 10th August 1899.

I have the honour to confirm the following telegram which I have this day despatched to you:—

“Madras Chamber of Commerce understands that an amendment to Presidency Banks Act will be introduced at Supreme Council next Friday empowering Presidency Banks to invest in or lend money upon security of Bombay Improvement Trust debentures. Chamber respectfully requests Government to include in the amendment debentures or loans issued by District Boards with the authority of Government. Letter follows through Madras Government.”

IV

Telegram—from the Chief Secretary to the Government of Madras.
To—the Secretary to the Government of India, Legislative department.
Dated—the 21st August 1899.
No.—510.

“Bank of Madras wires. Begins Referring to amendment to Presidency Banks Act to be introduced Simla 25th instant my Directors suggest inclusion of loans issued by District Boards with authority of Government such as proposed Tanjore District Board loan. At present Presidency Banks unauthorised to deal in such securities. Ends Madras Government support this suggestion. Letter follows.”

V

Telegram—from the Chief Secretary to the Government of Madras.
To—the Secretary to the Government of India, Legislative department.
Dated—the 23rd August 1899.
No.—513.

In continuation of my telegram No. 510, dated 21st August 1899, I am also to suggest that the Trust Act of 1882 be amended by inserting the words "or District Boards" in section 20, clause (d).

Order—No. 925, Financial, dated 25th August 1899.

Copy of the letter from the Secretary and Treasurer, Bank of Madras, with its enclosure and of the communication from the Chairman of the Chamber of Commerce will be forwarded to the Government of India in continuation of telegram No. 510, dated the 21st instant.

(True Extract.)

G. STOKES,
Chief Secretary.

To the Directors of the Bank of Madras.
" Chairman, Chamber of Commerce.

Letter—No. 926, Financial, dated 25th August 1899, to the Secretary to the Government of India, Legislative Department.

In confirming my telegrams noted in the margin, I am directed to enclose copy of a letter from the Secretary and Treasurer, Bank of Madras, dated the 18th August 1899, with its enclosure and of a communication received from the Madras Chamber of Commerce for transmission to your address. [It will be seen that the proposal of the Directors of the Bank to include loans issued by District Boards with the authority of Government amongst the securities in which Presidency Banks are authorized to deal, has been suggested primarily by a recent reference from the Tanjore District Board in regard to a loan of Rs. 15 or Rs. 25 lakhs which, in accordance with your Railway letter No. 303-R.C., dated the 5th May 1898, the Board proposed to float in the open market for the purposes of railway extension in the Tanjore district. Owing to Presidency Banks being unauthorized to deal in such securities, it is difficult satisfactorily to place loans of this description upon the market, and, in view of the encouragement of local enterprise in railway extension, the Governor in Council considers that it is important that local bodies should be given every facility in the matter. I am therefore, as stated in my telegram, to support the suggestion of the Directors of the Bank of Madras and to submit it for the favourable consideration of the Governor-General in Council.

I am instructed to add that the present seems a suitable occasion for suggesting the advisability of amending the Trust Act, by inserting the words "or District Board" after the words "Municipal body" in section 20 (d).

G. STOKES,
Chief Secretary.

NOTES CONNECTED WITH G.O. Nos. 925, 926, FINANCIAL, DATED
25th AUGUST 1899.

[SUBJECT.—Amendment of the Presidency Banks Act.]

I

Telegram from the Bank of Madras, dated 18th August 1899.

II

Letter from the Bank of Madras, dated 18th August 1899.

III

Letter from the Chairman, Chamber of Commerce, Madras, dated 19th August 1899.

The Bank of Madras is apparently referring to the proposal to establish a Central State Bank in connection with the new currency scheme now before the Government of India. Please see the *Madras Mail* of the 10th, 11th and 12th instant. The Currency Bill is to be introduced into the Supreme Legislative Council on the 25th instant. Submitted that this Government is not in a position to deal with this question and that the telegram of the Madras Bank may be repeated to the Government of India.

G.S.S.—19-8-99.

C. M. SENNIOR—19-8-99.

His Excellency the Governor—

It should certainly go on to India, I think. See their letter received to-day.

G. STOKES—20-8-99.

Certainly, and I think with our support. Please ask Mr. Spring if he has anything to say on the subject. I think he has.

A. E. H[AVELOCK]—21-8-99.

Send the following telegram to India:—

"Bank of Madras wires: begins. Referring to amendment to Presidency Banks Act to be introduced Simla, 25th instant, my Directors suggest inclusion of loans issued by District Boards with authority of Government such as proposed Tanjore District Board loan. At present Presidency banks unauthorised to deal in such securities"—ends. Madras Government support this suggestion. Letter follows."

G.S.—21-8-99.

Chief Secretary—

The telegram has been despatched*. Orders are submitted as to whether, with reference to His Excellency the Governor's note, draft letter A should be prepared at once or the file go to Mr. Spring for remarks.

C.M.S.—21-8-99.

A Yes.

G.S.—21-8-99.

A draft order and a letter to the Government of India are submitted for approval.

C.M.S.—22-8-99.

Public Works (Railway) Department for remarks.

G.S.—22-8-99.

PUBLIC WORKS (RAILWAY) DEPARTMENT.

See my clause interpolated, viz., "in accordance with your Railway letter No. 303 R.C., dated the 5th May 1898", after the words "15 or 25 lakhs which" in the second sentence of the draft letter and the suggested alteration substituting the words "in railway extension" for the words "such as railway construction" in the same sentence. I would add the following at the end:—

"I am instructed to add that the present seems a suitable occasion for suggesting the advisability of amending the Trust Act by inserting the words 'or District Board' after the words 'Municipal body' in section 20 (d)."

I put up the following note which I had written for His Excellency before receipt of this file. The note need not now go:—

"It would be a great pity to miss the opportunity of the meeting on the 25th instant of the Legislative Council at Simla to have the Presidency Banks Act amended so as to allow them to deal with loans issued by District Boards.

"The Trust Act also needs amendment on similar lines. I have referred to this in a note addressed to-day to His Excellency about the financing of the proposed Tanjore Railway loan.

"I think that the following wire might go to Simla:—

"Referring to your Railway letter No. 303 R.C., dated 5th May 1898, it is suggested that at meeting of Legislative Council which according to papers (extracted in margin) will be held 25th instant to amend Presidency Banks Act, these banks be authorised to deal also with loans issued by District Boards. Trust Act also needs amendment in same sense by inserting the three words 'or District Board' after the words 'Municipal body' in clause 20 (d)."

F. J. E. SPRING—23-8-99.

FINANCIAL DEPARTMENT.

Issue the following telegram to the Government of India, Legislative Department:—

"In continuation of my telegram No. 510, dated 21st August 1899, I am also to suggest that the Trust Act of 1882 be amended by inserting the words 'or District Board' in section 20, clause (d)."

G.S.—23-8-99.

[Telegram issued as No. 513, dated 23rd August 1899.]

H.M. and H.E. the Governor—

G.S.—23-8-99.

Yes.

A. T. A[RUNDEL]—23-8-99.

A. E. H[AVELOCK]—23-8-99.

Issue.

G.S.—24-8-99.

[G.O., Nos. 925, 926, Financial, dated 25th August 1899.]

Code
Class

INDIAN TELEGRAPHS. Monthly Number. 11332

To
(Office)

Words

Day

Hour

Minute

Official
Instructions

From
(Office)

To
(Person)

From
(Person)

Chief Secretary
to Govt

Bank of Madras

Referring to amendment to
presidency banks act to
be introduced simla 25
instant my directors suggest
inclusion of loans issued
by district boards with
authority of government such
as proposed tanjore district
board loan at present
presidency banks unauthorised
to deal in such
securities writing

Read from

LN.

Sent to

LN.

At

Hrs.

Mins.

At

Hrs.

Mins.

Telegraph Master

C.G.P.—No. 111 T—11-11-1899

OOTACAMUND 18-8-99

Financial (189) Department.

CURRENT No. 2723

Order

From

The Secretary & Treasurer,
Bank of Madras.

No. ..

Dated 18. 8. 99

Received 20. 8. 99

Registered .. do ..

Enclosures (1)

Spare copies. —

SUBJECT.

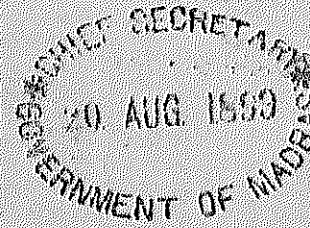
Re the inclusion of loans issued
by S.L. Board with the authority of
Govt. in the amendment of the Proq
Banks Act.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.



Bank of Madras.

Madras 18th Aug 1899.

The Chief Secretary
to the Government of Madras
Colacannud.

Sir,

I have the honor to confirm the following telegram despatched to you this day: "Referring to amendment to Presidency Banks' Act to be introduced ^{on 25} instant my Directors suggest inclusion of loans ^{and} by District Boards with authority of Government ^{and} as proposed Tanjore District Board loan. At present Presidency Banks unauthorised to deal in such securities, viz.,

My Directors are prompted to make this suggestion in consequence of a letter which the Board lately received from the Tanjore District Board asking for advice with reference to a loan which that Board proposed to float in the open market for the purpose of Railway extension in that District.

I enclose for your information a copy of my reply to the Board's letter, which explains the position so far as the Bank is concerned.

In view of the fact that an amendment to the Presidency Banks' Act is about to be introduced into the Supreme Council at Simla on 25th inst. for the purpose of authorising the Presidency Banks to deal in securities ^{and} by the Bombay Improvement Trust, my Directors think that advantage might be taken of this opportunity to extend the amendment so as to include loans such as that which the Tanjore District Board proposes to raise.

238
18

Bank of Hudson.

Hudson.

Should this meet with the approval of Government
I am to ask that you will be good enough to wire to
Simla recommending the additional amendment
now proposed.

I have the honor to be,

Sir,

Your obedient servant.

Secretary, Treasurers.



Bank of Madras.

Madras. 12th Aug 1899.

The President
District Board
Tanjore

Sir.

I have the honor to acknowledge receipt of your letter No ¹⁴⁹² D.B. of 5th inst in which you ask my advice as to the prospects of launching locally a loan of Rs 15 ~~or~~ Rs 25 lacs on account of the Tanjore District Board, & the probable rate at which it has a chance of being placed.

In reply I beg to inform you that this Bank is not authorized by the Presidency Banks Act to invest in or lend money upon the security of debentures issued by District Boards, and this of course applies also to the other Presidency Banks.

You are doubtless aware that the last 4% Madras Municipal Loan which was offered in June last was not fully placed, only Rs 5,70,000, out of a total of Rs 13,50,000 being allotted at an average of Rs 98.5 1/2.

This is a security in which the Presidency Banks are authorized to deal, & it is therefore more marketable than would be a loan issued by a District Board.

For this reason I doubt whether the Tanjore District Board would be successful in placing the loan you refer to in this market at the present time even at 4 1/2%.

A certain amount might be tendered for by Pachappa Trustees or similar Institutions but being a non-marketable security it is I think improbable that it would be subscribed for largely by the general public.

Moreover until it is seen what steps the Government of India propose to take to make the gold standard effective there is a general desire amongst the

Bank of Madras.
Madras.

18

58

mercantile community to keep funds in liquid securities.

When full confidence is established in the 1:4th Rupee it is anticipated that English capital will be attracted to this country: when that time arrives I am of opinion that a loan such as your Board wishes to raise could be placed much more satisfactorily than now, more especially if the Presidency Banks Act be amended so as to bring such securities within the scope of their operations.

Yours faithfully
(Sg^d) G. D. Ker
Secretary & Treasurer.

The following is a summary of the
 information received from the
 various sources. It is to be
 noted that the information is
 not complete and that further
 investigation is required. The
 information is as follows:

Print

(4)

Pres
 Print
 Telegram
 # sending the
 last word "writing"

Telegram India.
 Legislation Dept.

510x
 Part of Indian wires. Rep.

(Here entire telegram
 omitted last word writing.)

Indian Lr. Support this
 suggestion letter follows.

11/21/87.

In the Cb.

The telegram has been
 despatched. Order are solicited
 as to whether with ref. to H.S. the
 government, Draft letter should
 be prepared at once or the file go
 to Mr. Spring for remarks

H.S.
 Y.S.
 11/21/87.

C.S.
 8-94

Encl: to India 2923/11
 20/11/87

Financial (1899) Department.

CURRENT No.

Order

From The Chairman
Chamber of Commerce
Madras.

No.

Dated 19 Aug 99

Received { 22 "
Registered

Enclosures /

Spare copies. -

SUBJECT.

Forwarding for transmission
to the Govt of India a letter
regarding the Presidency Bank's
Act amendment.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

CURRENT NO.

The Madras Chamber of Commerce.

Madras, 19th Sept 1899.



FROM

The Hon. C. P. Sivasubramanian
CHAIRMAN, CHAMBER OF COMMERCE.

MADRAS.



TO

The Chief Secretary to Govt.
Legislative Dept
Cobnamund.

Sir:

I have the honour to forward
herewith, for favour of
submission to the Government
of India, a letter regarding the
Presidency Banks' Act Amendment,
a duplicate copy of which has
been forwarded direct to the
Supreme Government.

I beg further to express the
Bank's hope that the Govern-
ment of Madras will be pleased

were the Government of India
in support of its representatives.

I have the honour to be,

Sir,

Yours most obedt Servant

Wm. A. D. D.

Chairman

Copy of letter from the Chairman,
Chamber of Commerce, Madras, to the Secre-
tary to the Government of India, Legislative
Department, dated 19th August 1899:-

I have the honour to confirm the
following telegram which I have this day
despatched to you:-

"Madras Chamber of Commerce under-
stands that an amendment to Presidency
Banks' Act will be introduced at Supreme
Council next Friday empowering Presi-
dency Banks to invest in or lend money
upon security of Bombay Improvement
Trust Debentures. Chamber respectfully
requests Govt to include in the amend-
ment debentures or loans issued by
District Boards with the authority of
Govt. Letter follows through Madras
Government."

IV

23/8/99
100/1

513a continuation of my
Telegram No. 23/8/99
I also suggest that
the Fourth Act of 1882
be amended by inserting
the words "Distinct Words"
in the word "distinct"
12/9/99

C. 2018/98

Financial CURRENT NO. 5000

NR117

Recd. 30/9/98
Regd. 30/9/98

Bank of Madras.

Madras, 2nd September, 1899.

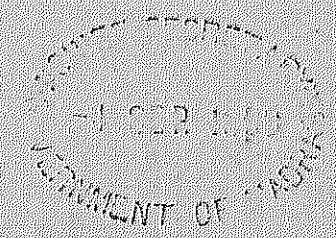
625

The Chief Secretary,

To the Government of Madras,

Ootacamund.

6-7-9



Sir,

I have the honor to acknowledge receipt of Government order No. 925 (Financial) dated 25th ultimo for which I thank you.

I have the honor to be,

Sir,

Your obedient servant,

[Signature]
Secretary & Treasurer.

~~Order~~
RA
Recd. Lodged
ans
date

[Signature]

Office Sketch with the original of No. 925th 25/9/98

Cur

C 20/8/99
N 21.8.99

Financial (1899) Department.

CURRENT No.

Aug. 29/14 + 2923

Telegram from the Bank of Madras by wire Telegram

H. E. The Govt

From The Bank of Madras
Madras

For order
in enclosure

The Bank of Madras is apparently referring to the proposal to establish a Central State Bank in connection with the new Currency Scheme now before the Govt of India. Please see the "Madras Mail" of the 10th, 11th and 12th instant - portions marked in red chalk on pages 5, 4 and 6 respectively. The Currency Bill is to be introduced in the 25th instant. Submitted that the Govt is not in a position to deal with this question and that the telegram of the Madras Bank ^{may} be ^{repeated} forwarded to the Govt of India ~~for consideration~~.

Dated 18. Aug. 99

Received } 19 "
Registered

Enclosures -

Spare copies. -

SUBJECT.

Regarding the inclusion of loans issued by District Boards with the authority of Govt in the amendments to the Presidency Revenue Act.

M.S.
18.8.99

Contd.

It is certainly true to India & India in their letter in today.

20/8/99

BACK PAPERS.

G.O.	No.	Department.	Date.

Form No. 10.

PUBLIC WORKS DEPARTMENT.

RAILWAY BRANCH.

C. No.

SUBJECT.

HIS EXCELLENCY THE GOVERNOR.

THE HON'BLE MR. ARUNDEL C.S.

THE HON'BLE MR. H. M. WINTERBOTHAM, I.C.S.

FOR ORDERS.

It is stated here that an amendment to the Presidency Banks Acts will be introduced at the next meeting of the Legislative Council at Simla on the 25th August, empowering the Presidency Banks to lend money to the Bombay Improvement Trust, or to purchase and make advances and lend money upon the securities of the Trust. This amendment will of course enable the bank to tender for the loan, tenders for which may be received up to the 31st of the current month.

It would be a great pity to miss the opportunity of the meeting on the 25th inst of the Legislative Council at Simla, to have the Presidency Banks act amended so as to allow them to deal with loans issued by District Boards.

The Trust has also made amendment in similar line. I have referred to this in a note addressed to Mr. H. M. about the financing of the proposed Turgin Railway loan.

I think that the following may be sent to Simla.

Referring to your Meeting letter No. 303 B.C. May 5th 98 it is suggested that at meeting of Legislative Council which according to report will be held 25th inst to amend Presidency Banks act. These banks be authorized to deal also with loans issued by District Boards. Trust has also made amendment in same sense by inserting the three

FURTHER PAPERS.

G.O.	No.	Department.	Date.

with our report. Please send Mr. Spring up has something to say on the subject. I think he has.

21.8.99

Send the following telegram:

Bank of England wires begin (transmit telegram) word (writing) Had as yet support the suggestion. Ltr. follows.

G.S. 21.8.99

For the C.S.

The telegram has been dispatched. Order are submitted as to whether with ref. to Mr. H. M. W. and Mr. H. M. W. the Governor's note draft letter should be prepared at once. The file go to Mr. H. M. W. for consideration.

G.M.S.

C.M.S.

yes

G.S. 20.8.99

A draft order & letter to the forwarding Subad and submitted for approval.

C.M.S. 22.8.99

A

words "or District Board" after the words
Municipal body in clause 20 d.

F.H.S.

16-30

20/8/99

Issue the following telegram
to the Govt of India, Dept. of Public
Works -

"In continuation of
my telegram no 510 of 20-8-99
I am also to suggest that
the Trust Act of 1882 be
amended by inserting the
words "or District Board"
in Sec 20. Clause (d).

S.S. 23-8-99

Telegram issued as no 513 of 23-8-99

(H.E.A. on page 2)

Send to D.P.W. (Ry) for remarks.
S.S. 22-8-99

Letter to Mr. P.W. (Ry) Dept.

P.W. (Ry) Dept.

See my clause interpolated above in
accordance with your Railway letter no 302 of 2
dated the 5 May 1898 "and the suggested
amendment of the Trust Act, I would add
the following:-

"I am instructed to add that the
present seems a suitable opportunity occurring
for suggesting the advisability of amending
the Trust Act, by inserting the words
"or District Board" after the words
"Municipal body" in section 20(d)."

F.R. Sprang 23-8-99

I put up below a note
which I had written for
H.E. before receipt of his
file. The note need not
now go.

Financial Dept.

H.M. and H.E. the former

S.S. 23-8-99

yes

A.T. Abundant

23-8-99

A.S. H. (Ry) Dept.

23-8-99

Issue.

S.S. 24-8-99

[S.O. no 905-6 of 25-8-99]

[9]

1,000-21-

C23-8-99 R23-8-99
R24-8-99

Financial DEPARTMENT.

H.R. The

- (1) U. No. 2914 ^{Telegram} From the Bank of Madras, No. —, dated 18.8.1899.
- (2) " 2923 " " " " " " 18.8.1899.
- (3) " 2930 " " Chamber of Commerce " " " 19.8.1899.
- (4) Telegram to the Govt. of India, Leg. Dept., No. 510, dated 21.8.1899.

U. No. 925 of 25-8-99.

is.

HA

Copy of the letter from the

Secretary and Treasurer, Bank of Madras,

with its enclosure will be forwarded

to the Govt. of India in continuation of

telegram No. 510, dated the 21st instant,

with the following letter.

Copy of the letter from the
the Chairman of
the Chamber of Commerce

The Directors of the Bank of Madras
(12.9.22.9 3.10.4.20)
(Chairman Chamber of Commerce)
(13.10.22.10 3.10.4.20)

C. 23-8-99

M. 23-8-99

U. No. 926.

L. D. W. R. 4/10

Remarks.

M. 23-8-99

W. 23-8-99

The Secretary to the Govt. of

India, Leg. Dept.

In confirming my telegram

noted in the margin, I am directed to

enclose copy of a letter from the Secy.

Treasurer, Bank of Madras, of the 18th

August 1899, with its enclosure, and

will

be seen that the proposal of the direct-

ors of

and of a communication
received from the Madras
Chamber of Commerce for
to be forwarded to

U. No. 926.

of the Bank to include loans issued by
District Boards with the authority of Govt.
amongst the securities in which Presy.
Banks are authorized to deal, has been
suggested primarily by a recent refer-
ence from the Tanjore Dist.
Board in regard to a loan of Rs. 15 or Rs. 25 lakhs
which the Board proposed to float in
the open market for the purposes of rail-
way extension in Tanjore District. Owing to
Presy. Banks being unauthorized to deal
in such securities, it is difficult
to satisfactorily place loans of this
description upon the market, and in view
of the encouragement of local enterprise
by railway extension, the
Governor in Council considers that it is
important that local bodies
should be placed every facility in the
market. It is therefore, as stated in my
telegram, to support the suggestion of
the Directors of the Bank of Madras
and to submit it for the favourable con-
sideration of the Government in
Council.

It will be seen from the
Telegram from the Madras Chamber of Commerce
of the 11th August 1899 to your address
a copy of which has been forwarded to this
Govt. (the Chamber of Commerce is
also in favour of the proposed amendment
of the Presy. Banks Act.

yes
MA

in accordance with your Reply Ltr. N. 303. N.C.
dated 8th May 1898,

MA

Run.



See enclosure to
2130 in original
C.M.

See my clause in original above the suggestion
attention is given. I would add the following:

" I am inclined to add that the present clause
" should remain for suggesting the advisability of issuing the
" Trust Act, by limiting the loan to District Board after
" the words 'Municipal body' in clause 20 (b).
" section 20 (d) MA

I put up before a Note which I had written for H.B.
before receipt of the file. The Note said that we go

15-6
15-6
See queries added 14/6/06

2
Nos. 925, 926, FINANCIAL, 25TH AUGUST 1899.
GOVERNMENT OF MADRAS.
FINANCIAL DEPARTMENT.

READ—the following papers:—

I
Telegram—from the Secretary and Treasurer, Bank of Madras.
To—the Chief Secretary to Government.
Dated—the 18th August 1899.

Referring to amendment to Presidency Banks Act to be introduced Simla 25th
instant my Directors suggest inclusion of loans issued by District Boards with authority
of Government such as proposed Tanjore District Board loan. At present Presidency
Banks unauthorized to deal in such securities, writing.

II
Letter—from G. D. KER, Esq., Secretary and Treasurer, Bank of Madras.
To—the Chief Secretary to Government.
Dated—the 18th August 1899.

I have the honour to confirm the following telegram despatched to you this day:—
" Referring to amendment to Presidency Banks Act to be introduced Simla 25th instant
" my Directors suggest inclusion of loans issued by District Boards with authority of Government
" such as proposed Tanjore District Board loan.
" At present Presidency Banks unauthorized to deal in such securities, writing".

My Directors are prompted to make this suggestion in consequence of a letter
which the Bank lately received from the Tanjore District Board asking for advice
with reference to a loan which that Board proposed to float in the open market for the
purposes of railway extension in that district.

I enclose for your information a copy of my reply to the Board's letter, which
explains the position so far as this Bank is concerned.

In view of the fact that an amendment to the Presidency Banks Act is about to
be introduced into the Supreme Council at Simla on 25th instant for the purpose of
authorizing the Presidency Banks to deal in securities issued by the Bombay Improve-
ment Trust, my Directors think that advantage might be taken of this opportunity to
extend the amendment so as to include loans such as that which the Tanjore District
Board proposes to raise.

Should this meet with the approval of Government I am to ask that you will be
good enough to wire to Simla recommending the additional amendment now proposed.

ENCLOSURE.
Letter—from G. D. KER, Esq., Secretary and Treasurer, Bank of Madras.
To—the President, District Board, Tanjore.
Dated—the 12th August 1899.

I have the honour to acknowledge receipt of your letter No. 1492-D.B. of 5th instant in
which you ask my advice as to the prospects of launching locally a loan of Rs. 15 or Rs. 25 lakhs
on account of the Tanjore District Board, and the probable rate at which it has a chance of being
placed.

In reply I beg to inform you that this bank is not authorized by the Presidency Banks Act
to invest in or lend money upon the security of debentures issued by District Boards, and this of
course applies also to the other Presidency Banks.

You are doubtless aware that the last 4 per cent. Madras Municipal loan which was offered
in June last was not fully placed, only Rs. 5,70,000, out of a total of Rs. 13,50,000, being allotted
at an average of Rs. 98-5-4.

This is a security in which the Presidency Banks are authorized to deal, and it is therefore
more marketable than would be a loan issued by a District Board.

For this reason I doubt whether the Tanjore District Board would be successful in placing
the loan you refer to in this market at the present time even at 4 1/2 per cent.

A certain amount might be tendered for by Pachappa Trustees or similar institutions but
being a non-marketable security it is, I think, improbable that it would be subscribed for largely
by the general public.

Pls. H. H. H.

Moreover until it is seen what steps the Government of India propose to take to make the gold standard effective, there is a general desire amongst the mercantile community to keep funds in liquid securities.

When full confidence is established in the 1s. 4d. rupee it is anticipated that English capital will be attracted to this country and when that time arrives I am of opinion that a loan such as your Board wishes to raise could be placed much more satisfactorily than now, more especially if the Presidency Banks Act be amended so as to bring such securities within the scope of their operations.

III

Letter—from the Hon'ble Mr. C. E. P. VANS AGNEW, Chairman, Chamber of Commerce, Madras.

To—the Chief Secretary to Government.

Dated—the 19th August 1899.

I have the honour to forward herewith, for favour of submission to the Government of India, a letter regarding the Presidency Banks Act Amendment a duplicate copy of which has been forwarded direct to the Supreme Government.

I beg further to express the Chamber's hope that the Government of Madras will be pleased to wire the Government of India in support of its representation.

ENCLOSURE.

Letter—from the Hon'ble Mr. C. E. P. VANS AGNEW, Chairman, Chamber of Commerce, Madras.

To—the Secretary to the Government of India, Legislative department.

Dated—the 19th August 1899.

I have the honour to confirm the following telegram which I have this day despatched to you:—

"Madras Chamber of Commerce understands that an amendment to Presidency Banks Act will be introduced at Supreme Council next Friday empowering Presidency Banks to invest in "or lend money upon security of Bombay Improvement Trust debentures. Chamber respectfully "requests Government to include in the amendment debentures or loans issued by District Boards "with the authority of Government. Letter follows through Madras Government".

IV

Telegram—from the Chief Secretary to the Government of Madras.

To—the Secretary to the Government of India, Legislative department.

Dated—the 21st August 1899.

No.—510.

Bank of Madras wires. Begins—Referring to amendment to Presidency Banks Act to be introduced Simla 25th instant my Directors suggest inclusion of "loans issued by District Boards with authority of Government such as proposed "Tanjore District Board loan. At present Presidency Banks unauthorised to deal in "such securities. Madras Government support this suggestion. Letter follows."

V

Telegram—from the Chief Secretary to the Government of Madras.

To—the Secretary to the Government of India, Legislative department.

Dated—the 23rd August 1899.

No.—513.

In continuation of my telegram No. 510, dated 21st August 1899, I am also to suggest that the Trust Act of 1882 be amended by inserting the words "or District Boards" in section 20, clause (d).

Order—No. 925, Financial, dated 25th August 1899.

Copy of the letter from the Secretary and Treasurer, Bank of Madras, with its enclosure and of the communication from the Chairman of the Chamber of Commerce will be forwarded to the Government of India in continuation of telegram No. 510, dated the 21st instant.

(True Extract.)

G. STOKES,
Chief Secretary.

To the Directors of the Bank of Madras.
" Chairman, Chamber of Commerce.

Pls. V. K. S. 10/9/99

Letter—No. 925, Financial, dated 25th August 1899, to the Secretary to the Government of India, Legislative Department.

8/9/99

In confirming my telegrams noted in the margin, I am directed to enclose copy Telegram No. 510, dated 21st August 1899. of a letter from the Secretary and Treasurer, Bank of Madras, dated the 18th August 1899, with its enclosure and of a communication received from the Madras Chamber of Commerce for transmission to your address. It will be seen that the proposal of the Directors of the Bank to include loans issued by District Boards with the authority of Government amongst the securities in which Presidency Banks are authorized to deal, has been suggested primarily by a recent reference from the Tanjore District Board in regard to a loan of Rs. 15 or Rs. 25 lakhs which, in accordance with your Railway letter No. 303-R.C., dated the 5th May 1898, the Board proposed to float in the open market for the purposes of railway extension in the Tanjore district. Owing to Presidency Banks being unauthorized to deal in such securities, it is difficult satisfactorily to place loans of this description upon the market, and, in view of the encouragement of local enterprise in railway extension, the Governor in Council considers that it is important that local bodies should be given every facility in the matter. I am therefore, as stated in my telegram, to support the suggestion of the Directors of the Bank of Madras and to submit it for the favourable consideration of the Governor-General in Council.

I am instructed to add that the present seems a suitable occasion for suggesting the advisability of amending the Trust Act, by inserting the words "or District Board" after the words "Municipal body" in section 20 (d).

G. STOKES,
Chief Secretary.

MISCELLANEOUS.

G.O., Nos. 925, 926, 25th August 1899.

Amendment of the Presidency Banks Act.

Forwarding for the favourable consideration of the Government of India copy of letter from the Secretary and Treasurer, Bank of Madras, and of a communication from the Madras Chamber of Commerce proposing the inclusion of loans issued by District Boards with the authority of Government in the —.

Run

Please correct and strike off.

for 17/9/99

from 9/10/99

20 copies with notes

for which the same shall

*17/9/99
17/9/99
17/9/99*

22 6
22 6
NOTES CONNECTED WITH G.O., Nos. 925, 926, FINANCIAL, DATED
25TH AUGUST 1899.

[SUBJECT.—Amendment of the Presidency Banks Act.]

FINANCIAL DEPARTMENT.

I
Telegram from the Bank of Madras, dated 18th August 1899.

II
Letter from the Bank of Madras, dated 18th August 1899.

III
Letter from the Chairman, Chamber of Commerce, Madras, dated 19th August 1899.

The Bank of Madras is apparently referring to the proposal to establish a Central State Bank in connection with the new currency scheme now before the Government of India. Please see the Madras Mail of the 10th, 11th and 12th instant. The Currency Bill is to be introduced into the Supreme Legislative Council on the 25th instant. Submitted that this Government is not in a position to deal with this question and that the telegram of the Madras Bank may be repeated to the Government of India.

G.S.S.—19-8-99.

C. M. SCHMIDT—19-8-99.

His Excellency the Governor—

It should certainly go on to India, I think. See their letter received to-day.

G. STOKES—20-8-99.

Certainly, and I think with our support. Please ask Mr. Spring if he has anything to say on the subject. I think he has.

A. E. H[AVELOCK]—21-8-99.

65 2/2 in
Send the following telegram.
"Bank of Madras wires: Begins. Referring to amendment to Presidency Banks Act to be introduced Simla, 25th instant, my Directors suggest inclusion of loans issued by District Boards with authority of Government such as proposed Tanjore District Board loan. At present Presidency banks unauthorised to deal in such securities"—Lands. Madras Government support this suggestion. Letter follows."

G.S.—21-8-99.

Chief Secretary—

The telegram has been despatched. Orders are solicited as to whether, with reference to His Excellency the Governor's note, draft letter

No. 610, dated 21st August 1899.

A should be prepared at once or the file go to Mr. Spring for remarks.

C.M.S.—21-8-99.

A Yes.

G.S.—21-8-99.

A draft order and letter to the Government of India is submitted for approval.

C.M.S.—22-8-99.

Public Works (Railway) Department for remarks.

G.S.—22-8-99.

PUBLIC WORKS (RAILWAY) DEPARTMENT.

See my clause interpolated, viz., "in accordance with your Railway letter No. 303 R.C., dated the 5th May 1898", after the words "15 or 25 lakhs which" in the second sentence of the draft letter and the suggested alteration substituting the words "in railway extension" for the words "such as railway construction" in the same sentence. I would add the following at the end:—

"I am instructed to add that the present seems a suitable occasion for suggesting the advisability of amending the Trust Act by inserting the words 'or District Board' after the words 'Municipal body' in section 20 (d)."

I put up the following note which I had written for His Excellency before receipt of this file. The note need not now go:—

4 "It would be a great pity to miss the opportunity of the meeting on the 25th instant of the Legislative Council at Simla to have the Presidency Banks Act amended so as to allow them to deal with loans issued by District Boards.
"The Trust Act also needs amendment on similar lines. I have referred to this in a note addressed to-day to His Excellency about the financing of the proposed Tanjore Railway loan.
"I think that the following wire might go to Simla :—
"Referring to your Railway letter No. 303 R.O., dated 5th May 1898, it is suggested that at

"meeting of Legislative Council which according to papers (extracted in margin) will be held 25th instant to amend Presidency Banks Act, these banks be authorised to deal also with loans issued by District Boards. Trust Act also needs amendment in same sense by inserting the three words 'or District Board' after the words 'Municipal body' in clause 20 (d)."
F. J. E. SPRING—23-8-99.

Issue the following telegram to the Government of India, Legislative Department :—
"In continuation of my telegram No. 510, dated 21st August 1899, I am also to suggest that the Trust Act of 1882 be amended by inserting the words 'or District Board' in section 20, clause (d)."
G.S.—23-8-99.

[Telegram issued as No. 513, dated 23rd August 1899.]

FINANCIAL DEPARTMENT.

Honourable Member and His Excellency the Governor.

Yes.

G.S.—23-8-99.

A. T. A. [RUNDL]—23-8-99.
A. E. H. [AVELOCK]—23-8-99.

Issue.

G.S.—24-8-99.

[G.O., Nos. 925 926, Financial, dated 25th August 1899.]

Proof submitted to the Registrar for approval.

for
Mr G. B.
from
M.B.V.

3 copies of the memo
for Mr. [unclear]
[unclear]
[unclear]
[unclear]

20 Copies