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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 118-19 Press
~~Mis.~~

Dated 20-3 1860

B. No: 10-12 6/7

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, for the month of March 1860.

No. 10. Read the following letter from HUGH SANDEMAN, Esq., Secretary to the Government Savings' Bank, to the Chief Secretary to Government, Fort Saint George, dated 13th March 1860, No. 1019.

With reference to the Order of Government, No. 87, dated 27th February 1860, forwarding letter from Major E. K. Elliot, Commissioner of Nagpúr for the report of the Directors of the Government Savings' Bank, I have the honor to submit for the information of Government, the opinion of Mr. Harrison and myself on this subject. Captain Baldock the Acting Town Major has subscribed his initials but given no opinion.

Minute by Hugh Sandeman, Esq., Director and Secretary Government Savings' Bank, dated 8th March 1860.

I have read the Proceedings of the Madras Government relative to a letter from Major E. K. Elliot, Commissioner of Nagpúr, advocating a modification of the Rules of the Government Savings' Bank, so as to admit of Public Servants, assigning (as security) to Government Officers monies which they may hold in deposit in the Bank, but themselves continuing to draw the interest on their Capital.

It is shewn in support of the recommendation that the Rules of the Government Savings' Bank in Calcutta, have been modified in order to meet a similar position, and the desirability is consequently urged of extending the modification to this Presidency and that of Bombay.

In the case quoted as a precedent, and in which I was concerned as being the Accountant referred to, I threw a legal objection only in the way of Captain Pollard's proposition, thinking that that would have been sufficient to decide the matter. Had I anticipated that any alteration of the Bank Rules would be made to meet the case, I should have expressed an opinion on the inadvisability of so doing.

In all cases where Rules made at one period are found to be inapplicable at another, a change becomes desirable if not inevitable, but I cannot but regard alterations as objectionable when they are not absolutely required, and especially so in Banking establishments where changes and modifications are likely to tend to confusion of account besides offering a temptation (by precedent) to repetition of the act on after occasions.

In the case now before the Directors of the Government Savings' Bank, I can see no absolute necessity for altering our law, and would therefore deprecate a change. In the first place the primary object of the Institution is to promote a spirit of economy among the poorer classes, and I would contend that it is foreign to that primary object to make a convenience of the Bank by depositing security monies in the manner proposed, especially when at variance with a Rule which is considered so important as to appear in print in Italic letters. But apart from this consideration I would urge that a change is not needed even for the convenience of the class of servants under notice, for if the Government require from them personal instead of collateral security, and think it hard for an individual that his capital should be thus locked up, to the loss of its annual income, the loan market is open to him where stock of every denomination can be purchased to a minimum of (500) Rupees and yielding a higher rate of interest than that given by the Bank.

I beg to submit this Memo. for the opinion of my fellow Directors.

Minute by R. P. Harrison, Esq., Accountant General, and Director of the Government Savings' Bank.

The new Rule sanctioned by the Supreme Government for the Government Savings' Bank Calcutta, appears to me to have beenpassed with a view to the relief of those who are required to deposit cash as security to a smaller amount than 500 Rupees. If the cash deposited by such persons be not received into the Savings' Bank but simply locked up in the Government Treasury they must be deprived of the interest which they would otherwise receive for it.

I do not think that there is any objection to the introduction of the new Rule into the Government Savings' Bank in Madras, provided the Bank is only allowed to receive sums below

500 Rupees in deposit from Government Officers, being sums deposited with them by other parties as security. When parties are required to furnish cash security for Rupees 500 or upwards, they should be allowed to deposit Government Promissory Notes to the value thereof.

(True Copies.)

HUGH SANDEMAN,
Secretary, Government Savings' Bank.

No. 11. ORDER THEREON, 24th March 1860, No. 118.

The Government concur in the opinion of the Accountant General, and accordingly direct that the new Rule, as therein proposed, be adopted in the Savings' Bank at Madras.

(Signed) T. PYCROFT,
Chief Secretary.

No. 12. To Major E. K. ELLIOT, Commissioner of Nagpúr, dated Fort Saint George, 24th March 1860, No. 119.

With reference to your letter dated the 10th ultimo, No. 5, I am directed by the Honorable the Governor in Council to transmit a copy of one from the Secretary to the Government Savings' Bank with its enclosure, and to express the concurrence of this Government in the opinion of the Accountant General in favor of the introduction of the new Rule into the Savings' Bank at Madras, provided the Bank is only allowed to receive sums *below* 500 Rupees in deposit from Government Officers, being sums deposited with them by other parties as security. Instructions to this effect will accordingly be issued to the Directors of the Bank.

Dated 13th March 1860, *No.* 1019.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

Minute by H. Hugh Sandeman Esqre
Director and Secretary Government Savings Bank.

I have read the Proceedings of the Madras Government relative to a letter from Major E. K. Elliot, Commissioner of Nagpore, advocating the modification of the rules of the Government Savings Bank, so as to admit of Public Servants assigning (as security) to Government Officers monies which they may hold in deposit in the Bank but themselves continuing to draw the interest on their Capital.

It is shewn in support of the recommendation that the rules of the Government Savings Bank in Calcutta have been modified in order to meet a similar position, and the desirability is consequently urged of extending the modification to this Presidency and that of Bombay.

In the case quoted as a precedent, and in which I was concerned as being the Accountant referred to, I threw a legal objection only in the way of Capt. Pollard's proposition, thinking that that would have been sufficient to decide the matter. Had I anticipated that any alteration of the Bank Rules would be made to meet the case, I should have expressed an opinion on the inadvisability of so doing.

In all cases where rules made at one period are found to be inapplicable at another, a change becomes desirable if not inevitable, but I cannot but regard alterations as objectionable when they are not absolutely required, and especially

so

Minute by A P Harrison Esquire Accountant Genl. and Director of the Government Savings Bank.—

The new rule sanctioned by the Supreme Government for the Government Savings Bank Calcutta appears to me to have been passed with a view to the relief of those who are required to deposit cash as security to a smaller amount than 500 Rupees. If the cash deposited by such persons be not received into the Savings Bank but simply locked up in the Government Treasury, they must be deprived of the interest which they would otherwise receive for it.—

I do not think that there is any objection to the introduction of the New Rule into the Government Savings Bank in Madras provided the Bank is only allowed to receive Sums below 500 Rupees. in deposit from Government Officers being Sums deposited with them by other parties as Security — When parties are required to furnish Cash Security for Rupees 500 or upwards they should be allowed to deposit Government Promissory Notes to the value thereof.—

(Signed) A P Harrison.

/ True Copies /

Hugh Sanderman

Secretary Govt. Savings Bank.

So in Banking Establishments where changes and modifications are likely to lead to confusion of account besides offering a temptation (by precedent) to a repetition of the Act on after occasions.—

In the case now before the Directors of the Government Savings Bank, I can see no absolute necessity for altering our law and would therefore deprecate a change. In the first place the primary object of the Institution is to promote a spirit of economy among the poorer Classes and I would contend that it is foreign to that primary object to make a convenience of the Bank by depositing Security monies in the manner proposed, especially when at variance with a rule which is considered so important as to appear in print in Italic letters.— But apart from this consideration I would urge that a change is not needed even for the convenience of the class of Servants under notice, for if the Govt. Require from them personal ~~[illegible]~~ of collateral Security and think it hard for an individual that his capital should be thus locked up, to the loss of its annual income, the loan market is open to him where Stock of every denomination can be purchased to a minimum of /500/ Rupees and yielding a higher rate of interest than that given by the Bank.—

I beg to submit this memo for the opinion of my fellow Directors.—

Fort Saint George
Govt. Savings Bank
8 March 1860

(Signed) Hugh Sanderman.

Order thereon 24th March 1860. No. 118.

The Govr. concurr in the opinion of the Accountant Genl, and accordingly direct that the new Rule thereon proposed be adopted in the Savings Bank at Nassau.

J P

To the Secy to the Govr.
Savings Bank. } Dispd 26th

1860

No 1.

Enclosure in a letter from the Secretary to the Govt Savings Bank dated March 13th 1860 No 1019 -

The Opinion of the Directors on the Subject of altering Rule 13.

From the Secretary
to Govt Savings Bank
Nassau

To the Colonial Secretary
to Government
Fair Copy
Dispd 105

Dispd 30th

X5

Financial Department.

No 119.

To Major C. R. Elliot
Commissioner of Nagpore.

Sir,

With reference to your letter dated the 10th Ultimo No 5, I am directed by the Honible the Governor in Council to transmit a copy of one from the Secy to the Govt Savings Bank with its enclosure, and to express the concurrence of this Govt in the opinion of the Accountant General in favor of the introduction of the new rule into the Savings Bank at Nagpore, provided the Bank is only allowed to receive sums below 500 Rupees in deposit from Govt Officers, being sums deposited with them by other parties as security. Instructions to this effect will accordingly be

Dated 13th March, 1860 No 1019.

be issued to the Directors
of the Bank.

Fort St George
24th March 1860.

JP

Add Ltr. to follow

Rec'd 11 June
Ans - 1860 Despatch
No 19.

To
Major E.K. Elliot
Commissioner of Kistna
Masulipatam.
Dated 26 June 1860.

Copy to the Directors of
the Govt Savings Bank. } Desp. 30

10 C 12.

C 19
225