

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	221	Press <u>Mis.</u>
Dated	19. 5.	186a

B. NO. 24-25

8/9

Not to be folded or roughly handled

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

No. 24. Read the following letter from the Government Directors of the Bank of Madras, to the Chief Secretary to Government.

We have the honor to request the attention of Government, to the Order passed on the 2nd April 1859, upon the application of Mr. Prendergast declining to authorize the Government Directors of the Bank of Madras, to receive payment for their attendance at the Bank's weekly meetings.

2. We are not aware of the grounds upon which Mr. Prendergast's application to be allowed to receive the fees which the Proprietors of the Bank at a general meeting authorized to be paid to each Director, whether nominated by Government or elected by themselves, was refused, but we presume that it was considered that as Government servants, our time is entirely at their disposal and that we are not entitled to extra remuneration for any additional duties we may be called upon by Government to perform. We venture to solicit a reconsideration of the question referred by Mr. Prendergast for the following reasons:

That as Government Directors, we equally with those Directors who are elected by the remaining Proprietors, perform all duties connected with the management of the Bank, and control of its operations, and we respectfully submit that we are equally with them entitled to whatever remuneration the Proprietors agree to make to the Directors for their labours. The Bank of Madras is a flourishing Institution, yielding large profits. To ensure attendance at the meetings of the Board and efficient supervision over the working of the Bank, a general meeting of shareholders agreed that to each Director should be paid a fee of 25 Rupees for every meeting at which he attends. We are, we would respectfully urge, unable to perceive any equitable reason why this fee should be paid to some of the Directors and withheld from others, when all share in and perform precisely the same duties. Both in this Presidency and in Bengal, there are instances in which Officers in the service of Government are allowed to receive remuneration for services performed which are not for Government. We may refer to the Secretaries to the Civil Service Annuity Funds in each Presidency, and we doubt not that other cases of a similar nature

** In Calcutta the Chief Commissioner of Police and the Deputy Surveyor General, the former a Civil and the latter a Military Officer of Government, are appointed by Government Municipal Commissioners for the Town of Calcutta, and are allowed to receive each Rupees 250 per mensem from the Municipal Fund.*

may be adduced.* We contend that though appointed to watch over the interests of the Government, our services as Directors are rendered to the Bank as well as to the Government. We observe that in the Order of Government, the Directors appointed by them are designated Ex-Officio. We submit with deference however, that we are not (all of us, if any) Ex-Officio, for we do not become Bank Directors in

virtue of any particular appointment we hold, but require to be specially appointed as such by Government. It has long been the intention of two of our number respectfully to bring this subject before the Government, but our attention has recently been prominently attracted to it by an application preferred at the last meeting of the Board by Mr. Underwood, late a Government Director, and who has now retired from Her Majesty's service, for *all* the fees he considers due to him, amounting to Rupees 1,200.

In conclusion we beg leave to recommend that if the Government still consider it advisable to prohibit their servants and nominees from appropriating to their own use the fees, to which as Directors of the Bank, they are entitled, the fees should still be received by them at the Bank, and paid into the General Treasury to the credit of the Government. We would suggest this course with a view of preventing the future institution of claims (similar to that now preferred by Mr. Underwood) by Ex-Government Directors after retirement from the service, claims which in our opinion the Bank could not (legally) refuse to admit.

(Signed) R. P. HARRISON,
(„) HUGH SANDEMAN,
(„) CHARLES A. ORR,

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

No. 25.

ORDER THEREON, 19th May 1860, No. 221.

On reconsideration of the Order passed under date 2nd April 1859, and adverting to the fact, that the Government Directors of the Bank of Madras do not, as was therein assumed, hold their appointments ex-officio, but have to discharge their duties as Directors, in addition to, and independently of, those of their own proper offices, His Excellency the Governor in Council will not object to their receiving the same fees as other Directors for attendance at the Bank's weekly meetings.

This Order will have retrospective effect as respects the present Government Directors and Messrs. Sandeman and Underwood.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

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services performed which are not for Government.

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we hold, but require to be specially

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It has long been the intention of two

of our number respectfully to bring this

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last Meeting of the Board by Mr. Underwood

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now retired from Her Majesty's service, for
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into the General Treasury to the credit
of the Government. We would suggest
this course with a view of preventing the future
institution of claims (similar to that now pre-
ferred by Mr. Underwood) by Ex-Govt. Directors
after retirement from the service, claims which
in our opinion the Bank could not (legally)
refuse to admit.

We have the honor to be
Sir

Your obedient servants

Wm. S.
H. J. Sandeman
Amth. A. B. S.

Wm. S.

Remarks by the Members
of Government, on a Letter from
the Government Directors of the
Bank of Madras.

Dated

By the
Honorable
the President.

Public officers stand upon a
different footing from Private Mer-
chants in this respect. The whole
working time of the former belongs
to the Government. To the latter time
is money, and if they give up a portion
of their time from their private business,
they ought to be paid for it. I think
it would have a bad effect upon
the Public Service in several ways
if we yielded to this application.
11th May 1860. (Sig. of C. E. Trevelyan.

By the
Honorable
W. A. Morehead.

I am of opinion that the
claim made is a valid one. I
do not see why the Government
should require their servants to
perform duties extra to their
official ones, and refuse to allow
them

them to draw that remuneration which the Bank Shareholders have deemed it proper to grant to those who are elected or selected to perform on their behalf the important duty of watching over the welfare of the Bank. When the matter was formerly before Government, I thought the Government Servants held office in the Bank Parlour as ex-officio Members as I now find this was an error, I am of opinion that the Government have no right to withhold from them the fee in question.

(Sgd. W. A. Morehead.)

The Government nominees not being ex-officio, I agree with Mr. Morehead, that they are entitled to receive the same remuneration as the other Bank Directors for their extra duty.

(Sgd. E. Malthby.)

W. A. Morehead

Remarks by
the Members
of Government,
on a Letter from
the Govd. Directors
of the Bank of
Scotland.

Not to be printed

the Govt. has been asked to receive
the application for the Bank directors
to receive the Bank directors
the Govt. has been asked to receive
the application for the Bank directors
to receive the Bank directors
the Govt. has been asked to receive
the application for the Bank directors
to receive the Bank directors

Means.

application has come before
before, when it was refused.

found seemingly that as

for Directors are highly paid

functionaries they ought not to be

exaggeration for such duties as

some doubt was also of

as to the propriety of their

representing at all -

Directors have been

accountant and sent - The Secretary

and the Coll of Heston.

The two first still remain full
Directors - but the present Sub
Treasurer is not so well paid
as was the first who received
a compensation allowance for
the loss of his fees in the Gulf
Agency, and was also Secretary
to the Civil Fund - this last how-
ever not paid by full -

In place of the Sea Custom Coll
or the third full Director, there
is now the Mint Master who
draws a much lower salary
\$1750 per annum.

In the full order 2 April/59

then - Directors are termed Ex
officio - This is an error they
do not hold the Directorship
in virtue of their position in
office - but by direct & distinct
appointment - usually known
the Accountant General &
Sub Treasurer are made
Directors - JP

10-5-60

Public Officers stand upon a different footing
from Private Merchants in this respect -
The whole working time of the former belongs
to the Government. To the latter time
is money, and if they give up a portion
of their time from their private business, then

ought to
 should be paid for it. I think it would
 have a bad effect upon the Public Service
 in several ways if we yielded to this
 application
 11 May 1860.
 I am of opinion that the Directors
 should not accede to the request
 made by the Bank - should not
 again increase the number of
 Directors extra to the
 present number of 12
 but to leave the number of
 Directors as at present
 and to leave the Bank
 to make such use of the
 power as it may see fit
 to exercise in the
 management of the
 Bank's affairs.

dist

Order thereon 19 May 1860. No 221.

On reconsideration of the order
 passed under date 2 April 1859,
 and admitting to the fact, that
 the Govt Directors of the Bank
 of Montreal do not, as was
 then assumed, hold their
 appointments ex officio, but
 have to discharge their duties
 as Directors, in addition to,
 and independently of those
 of their own proper offices, the
 Regl will not object to their
 receiving the same fees as other
 Directors for attendance
 at the Bank's weekly meetings.

This order will have retro spec-
 tive effect as respects the present
 Govt Director and ^{Mr} Sande.
 - Wm W. Underwood -

Govt Directors of the
 Montreal Bank. } Disp 23^d
 C. A. - Asst Genl }
 Secy. & Treasurer, Bank of Montreal. Disp 26th

Feb 25 1894

June 1880. We have
 no offshoots no change
 from

The South Division
of the Bank of Australia.

21

7th May 1860.

No 206

Calling attention to the
order passed on the 2^d April 18
on the application of Mr. Parker,
and declining to authorize the
forfeiture of the Bank to receive
payment for their attendance
at the Bank's monthly meetings
I request your permission with
the appropriate to their turn me
to fees to which they are entitled
or to credit them for 50¢, after
receiving them.

With an only

26 May 26