

MADRAS RECORD OFFICE.

Government of Madras.

DEPARTMENT.

Financial

G.O. No.

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Dated

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Not to be folded or roughly handled

*Proceedings of the Madras Government, Financial Department,
17th August 1860.*

No. 45. Read the following Proceedings of the Government of India, dated 25th July 1860, No. 6,790.

Read the following :—

From B. H. ELLIS, Esq., Secretary to the Government of Bombay, to C. H. LUSHINGTON, Esq., Secretary to the Government of India, No. 391, dated 1st June 1860.

Financial Department.

In a communication received from the Secretary to the Government Savings' Bank at this Presidency, that Officer states, with reference to the Government Notification marginally quoted, that, as the Notification refers only to Regimental Savings' Banks, other classes of Military depositors who cannot avail themselves of Regimental Savings' Banks, will still enjoy the privilege of depositing their savings in the Bank, either direct or through Divisional Paymasters, and the Committee of Management are of opinion, that these should not now be classed with Military depositors, but should be brought under the same rules and allowed the same rate of interest as Civil depositors, *viz.*, 4 per cent. per annum.

Dated the 29th March, 1860, directing the abolition of the Military Branch of the Government Savings' Bank, and the establishment of Regimental Savings' Banks.
Bombay Government Gazette, page 372.

Sepoys, Non-effective Staff Pensioners and Invalids, Women and Children of Soldiers.

brought under the same rules and allowed the same rate of interest as Civil depositors, *viz.*, 4 per cent. per annum.

2. The Accountant General concurs in this view, and adds, that "Regimental Savings' Banks having been separately established, the necessity for class distinction among depositors of the Government Savings' Bank, no longer exists; henceforward their privileges will be uniform."

3. I am directed by His Excellency the Governor in Council to refer the question for the instructions of the Government of India.

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Nos. 5021-2, FINANCIAL DEPARTMENT, FORT WILLIAM, THE 15th JUNE 1860.

Forwarded to the Accountant General to the Government of India, for report.
Copy sent to the Secretary to the Government Savings' Bank, Calcutta, for report.

From the Secretary Government Savings' Bank, Calcutta, to C. H. LUSHINGTON, Esq., Secretary to the Government of India, Financial Dept. No. 71, dated 19th June 1860.

I have the honor to acknowledge the receipt of your docket, No. 5021, dated the 15th instant, calling upon me to report on the expediency of allowing Military miscellaneous depositors the same rate of interest that is at present allowed to Civil depositors, *viz.*, 4 per cent.

2. In reply, I beg to state, that Military miscellaneous depositors are divided into two classes, *viz.*, 1st, Commissioned officers, 2nd, Non-Commissioned officers, Privates, Pensioners or Invalids, Women, Children, Wards of Lawrence Asylum, Clerks employed in offices connected with the Military.

3. It has been the practice of this Bank to make the interest on the deposits of Commissioned officers, who are included under the head of "Military miscellaneous depositors," vary with the rise and fall of that allowed to Civil depositors; while 3½ per cent. per annum, the rate fixed by the Royal Warrant, is allowed to other Military miscellaneous depositors, with reference to the orders of Government conveyed in letter No. 1532, dated the 20th April 1855.

4. The various depositors forming the head "Military miscellaneous" being now transferred to the Civil branch of the Bank, consequent on the intended abolition of the Military Check Savings' Bank, I concur with the Accountant General, Bombay, in thinking, that the necessity of class distinction among depositors of the Civil branch of the Government Savings' Bank should no longer exist, and that it is expedient that a uniform rate of interest should be allowed to Civil and to all Military miscellaneous depositors.

5. As the order relative to the transfer of Military miscellaneous accounts to the Civil branch, is to take effect from the 1st May, 1860, I beg to suggest that the alteration in the rate of interest, should the Government be pleased to sanction it, might take effect retrospectively from that date.

Proceedings of the Madras Government, Financial Department,

17th August 1860.

6. In concluding, I take the opportunity to submit for the consideration of Government, that it appears to me that the present rate of interest allowed to depositors of the Government Savings' Bank is rather high, considering the present market rate. It is also my opinion that it is not desirable to allow Civil depositors the advantage of a higher rate of interest than that allowed to Her Majesty's soldiers. I beg to suggest, therefore, that a uniform rate of interest, viz., $3\frac{1}{2}$ per cent. per annum, should be allowed to all classes of depositors, Military and Civil. Should this measure not meet with the approbation of Government, I would propose, that the rate of interest to be allowed to Civil depositors in the Government Savings' Bank, be fixed annually a little before the commencement of each official year, upon a report submitted on the subject from the Secretaries of the Banks, and a notice fixing the rate for the year, be published in the Government Gazette for the information of Depositors.

REPORT by the Accountant General to the Government of India, No. 466 c., dated Fort William, 22nd June, 1860.

With reference to docket No. 5022, dated the 15th current, from the Financial Department, the Accountant General has the honor to report, that he concurs with the Bombay authorities in the opinion that Miscellaneous Military depositors in the Government Savings' Bank should henceforward in all respects be treated as Civil depositors.

2. Instructions to this effect have already been issued from this office.

FINANCIAL DEPARTMENT, FORT WILLIAM, THE 25TH JULY, 1860.

RESOLUTION.

With reference to the above letter from the Secretary to the Government of Bombay, and the reports thereon from the Accountant General to the Government of India, and the Secretary to the Government Savings' Bank at this Presidency, the Governor General in Council has no doubt that the Miscellaneous Military depositors should be put on the same footing as Civil depositors; but the point to be decided is, whether the Government should adopt a uniform rate of $3\frac{1}{2}$ per cent. interest as paid to the Military depositors, or a fluctuating rate fixed annually on the 1st of May. His Excellency in Council inclines to the fixed rate, and he sees no reason why a different rule should prevail with regard to the Soldier and the Civilian.

2. If, however, the rate of $3\frac{1}{2}$ per cent. is less than is at present given to Civil depositors, His Excellency in Council directs that it shall not have retrospective effect, but shall be dated from the next half year.

Ordered, that a copy of the above be sent to the Government of Bombay, for information and guidance, with reference to its Secretary's letter, No. 391, dated the 1st June, 1860.

Ordered, also, that a copy of the above be sent to the Accountant General to the Government of India, and the Secretary to the Government Savings' Bank, Fort William, respectively, for information.

Ordered further that a copy of the Resolution be sent to the Military Department, and the Government of Madras, for information.

(A true Extract.)

(Signed) C. HUGH LUSHINGTON,

Secretary to the Government of India.

No. 46.

ORDER THEREON, 17th August 1860, No. 408.

Ordered to be communicated to the Secretary to the Government Savings' Bank, Accountant General, and the Military Department.

(Signed) T. PYCROFT,

Chief Secretary.

Order thereon - 17th August 1860. No. 408.

Ordered to be communicated to the Secy to the Govt Savings Bank, Accountant General, and the Military Department.

To the Secy to the Govt Savings Bank, Accountant General, and Military Department. } Disp. 21st

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[Exd. R. N. Dhur.]

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Secretary to the Government of India.

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