M.R.O. 1—77,006—8-6-37.

(1) Number of pages 9

(2) Date of repair 6.38

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Print DEPARTMENT.

G.O. No. 464 Press / Mis.

23-24

Dated 13-9- 1861.

23-24 5/6

Not to be folded or roughly handled

3. Read the following letter from W. BALMAIN, Esq., Officiating Secretary and Director of the Government Savings' Bank; to the Chief Secretary to Government, Fort Saint George, dated 26th August 1861, No. 473.

The Directors of the Savings' Bank have the honor to bring to the notice of Government that a considerable portion of the business now conducted is not such as properly appertains to the Savings' Bank, and they request sanction to a fresh rule limiting the total amount to be deposited at one time.

The object of a Savings' Bank and for which Government incur a considerable expense is to enable persons of small means to put by monthly part of their income, but at present many persons make use of the Bank merely as a place of deposit for their spare cash, depositing and withdrawing large sums each month. About ½th of the deposits (made at one time) are of Rupees 100 and upwards; a considerable number are upwards of Rupees 500 and some exceed Rupees 1,000. Such accounts do not appear to be legitimate business, and as there are plenty of other Banks where such persons can place there money, the rules should be so altered as to exclude them.

3 When originally established, the maximum amount allowed for any one account was Rupees 500. In 1854, the limit was extended by order of the Court of Directors to Rupees 1,500 and in 1859, Mr. E. F. Harrison obtained the sanction of Government (Proceedings No. 3, October 18th) to raise the maximum amount of deposits to Rupees 2,500 to be allowed to accumulate with interest to Rupees 3,000. The reasons are not fully stated, but the closing of the loans and the alteration of the Military rules are referred to. It does not however appear necessary that the rules of Civil depositors should conform to those laid down for the Army: for Military men are in a peculiar position and have not often any other means of placing their money in safety also though there is no Government loan open, persons can always purchase paper in the market.

4. It has been the practice at the Bank, there being no rule on the matter, to receive deposits at one time up to the amount of Rupees 1,500, a very large sum to be *saved* in one month.

5. In England where money is on the whole less valuable and persons' incomes on the whole greater, the limit of a deposit account is £150, and only £30 is allowed to be deposited in any one year.

6. In the reasons stated above, the Directors would recommend that the maximum of a deposit account should be again fixed at Rupees 1,500, and that the amount to be deposited at any one time should be limited to Rupees 100, which they consider would quite meet the wants of the class for which the Bank can legitimately be expected to transact business. If the Government approve of the alteration, the following might be substituted for Rules VII and XI.

Rule VII. Any sum not less than one Rupee and not exceeding Rupees 100 will be received in deposit.

Rule XI. All deposits will be regularly entered in a book at the time they are made, and the Depositor of the deposit made at the Presidency will be furnished with a small book having a duplicate of the entry. This book is to be brought to the Bank whenever any sum is deposited or withdrawn. The account thus kept will be closed on the 30th April of every year and the balance of interest due at that period will be paid to the depositor or carried to account thenceforward to accumulate at compound yearly interest until it shall amount to Rupees 1,500, when no further deposits will be received.

No. 24. ORDER THEREON, 13th September 1861, No. 464.

The Government desire to know whether the restriction proposed to be placed on deposits in the Saving's Bank will admit of any reduction of establishment or saving expense, and if not, what other object it will subserve.

(Signed) J. D. SIM,
Secretary to Government.

Exd. T. O'Connor.

N° 478.

3W

From

The Offg Secretary to the
Government Savings Bank

To

The Chief Secretary to
Government

Sir

The Directors of the Savings Bank have the honor to bring to the notice of Government that a considerable portion of the business now conducted is not such as properly appertains to a Savings Bank & they request sanction to a fresh rule limiting the total amount to be deposited at one time.

2. The object of a Savings Bank & for which Government incur a considerable expense is to enable persons of small means to put by monthly part of their income, but at present many persons make use of the Bank merely as a place of deposit for their spare cash, depositing and withdrawing large sums each month. About ¼th of the deposits made at one time are of Rs. 100 & upwards: a considerable number are upwards of Rupees 500 & some exceed Rs. 1000. Such accounts do not appear to be legitimate business & as there are plenty of other

Banks

Banks where such persons can place their money the rules should be so altered as to exclude them.

3. When originally established, the maximum amount allowed for any one account was Rupees 500. In 1854 the limit was extended by order of the Court of Directors to Rupees 1500. In 1859 Mr. E. F. Harrison obtained the sanction of Government (Proceedings No. 642 of Octr. 18th) to raise the maximum amount of deposits to Rupees 2500 to be allowed to accumulate with interest to Rupees 3000. The reasons are not fully stated, but the closing of the loans & the alteration of the Military rules are referred to. It does not however appear necessary that the rules of Civil depositors should conform to those laid down for the Army. For military men are in a peculiar position & have not often any other means of placing their money in security, also though there is no Govt. Loan open persons can always purchase paper in the market.

4. It has been the practice at the Bank there being no rule on the matter to receive deposits at one time up to the amount of Rs. 1500, a very large sum to be saved in one month.

5.

5. In England where money is on the whole less valuable & persons incomes on the whole greater, the limit of a deposit account is £150 and only £30 is allowed to be deposited in any one year.

6. In the reasons stated above the Directors would recommend that the maximum of a deposit account should be again fixed at Rs. 1500 and that the amount to be deposited at any one time should be limited to Rs. 100, which they consider would quite meet the wants of the class for which the Bank can legitimately be expected to transact business. If the Government approve of the alteration the following might be substituted for rules VII & XI.

I have the honor to be
Sir
Your most Obdt. Servt.
W. Halmann
Offg. Secretary
Dem. &c

Fort St. George
Govt. Savings Bank
26 August 1861
&c

Rule VII. Any sum not less than one Rupee & not exceeding Rs. 100 will be received in deposit.

Rule XI. All deposits will be regularly entered in a Book at the time they are made, and the Depositor of the deposit made

made at the Presidency will be furnished with a small book having a duplicate of the entry. This book is to be brought to the Bank whenever any sum is deposited or withdrawn. The account thus kept will be closed on the 30th April of every year and the balance of Interest due at that period will be paid to the Depositor or carried to account thenceforward to accumulate at compound yearly interest untill it shall amount to Rupees 1,500 when no further deposits will be received.

W.H.

Final 1861 Dept.
From
The Offg. Secretary
Govt. Savings Bank
J. O. M. 4/61.
The Chief Secy.
to Government
Dated 26 Augt. 61.
Recd. 27th —

No. 493
Cu:
Brings to notice that a considerable portion of the business now conducted is not such as properly appertains to a Savings Bank, & requests sanction to a fresh rule limiting the total amount to be deposited at one time.

No 31st Octr. 60 No 5-40.

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read letter from the Offg: Secy: to the Govt. Savings Bank.

(Dated 26th August 1861. No. 473)

Order thereon 13th Septr. 1861 No. 464.

The Govt. desire to know whether the restriction proposed to be placed on deposits in the Savings Bank will admit of any reduction of establishment or saving of expense & if not, what other object it will subserve.

J. D. S.

To Secy: to the Govt: Savings Bank. } 16/9

Financial 1861. Department.

No. 462

PROCEEDINGS of GOVERNMENT.

Dated 13th Sept. 1861

4394] Madras—Printed at the Government Press.