

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____ *[Signature]*

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	507	Press
		Mis.
30-31		
Dated	18-10-	1861.

30-31

8/9

Not to be folded or roughly handled

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Proceedings of the Madras Government, Financial Department,
18th October 1861.

No. 30. Read the following letter from JOHN MILLER, Esq., Acting Government Solicitor, Madras; to J. D. SIM, Esq., Acting Chief Secretary to Government, Madras, dated 14th October 1861, No. 744.

1. I have the honor to acknowledge the

Dated 12th October 1861, No. 499, Financial Department. Proceedings of Government, noted in the margin, and its enclosures.

2. I submitted them for the consideration of the Advocate General, who has written the further remarks and opinion, of which I now send you a copy and shall be obliged by your furnishing me with the further information therein asked for.

COPY—OPINION.

I have received the Order of Government, giving the desired information on all points but one, and I have accordingly completed the Draft with that one exception, and as soon as it has been fair copied it shall be forwarded immediately.

I find from the Note E. appended to the Order of Government now under acknowledgment, that I did not explain myself with sufficient clearness on the point therein referred to.

I quite understood from the Government Order 11th September 1861, (No. 460, Financial Department) and the marginal extract annexed to paragraph 2 of Mr. Lushington's letter, dated 23rd August 1861, (No. 10,368) that I was to make provision in the modified Charter of the Bank of Madras for authorizing the Bank of Madras to enter into an agreement with the Government of Madras.

What I wished to convey was this. It seems to me that such an authority is just as much required for the Bank of Bengal, as it is for the Bank of Madras and the Agreement between the Government of India and the Bank of Bengal seems to admit this, for, in the Recital "And whereas, &c. &c. and by the said Act of 1861, the said Bank have been empowered to enter into an agreement in that behalf with the Secretary of State in Council." at the commencement of the Agreement, occur the words in the margin, stating that the Bank of Bengal *has been* so authorized, and that the authorization is contained in "the said Act of 1861." Now Act XIX of 1861 is the only Act mentioned, and I can find no such authority therein, unless it is considered that it is contained in the latter part of Section IV.

If *this* is sufficient for the Bank of Bengal (as the words above marginally quoted from the Agreement with that Bank seem to import) then I presume it is sufficient for the Bank of Madras also; for Act XIX of 1861 applies as much to the Bank of Madras as to the Bank of Bengal.

It seems to me, however, that Section IV of Act XIX of 1861, does *not* convey any sufficient authority for this purpose. It empowers the Governor General of India, by rules to be published in the Government Gazette, at Calcutta, Madras, &c., to make all necessary arrangements with Banks at Calcutta, Madras, and elsewhere, for regulating and facilitating the issue and payment under this Act, of the new Government Promissory Notes—but this, it seems to me, is merely an authority to one party, viz., the Governor General of India in Council, and is not an authority to the Banks of Calcutta or Madras to enter into the arrangements in question.

It would seem, however, that the Government of India take a different view of this Section; for I presume that the "Agreement with the Bank of Bengal" has been laid before that Government and approved of; and this Agreement states expressly that the Bank of Bengal "*have been empowered to enter into an Agreement, &c., &c.*"

What I want to know is firstly, when, where, or how, has the Bank of Bengal been so empowered? 2ndly, If by the concluding part of Section IV of Act XIX of 1861, is that considered sufficient? 3rdly, If that authority is considered sufficient for the Bank of Bengal, is it not equally so for the Bank of Madras? And then, where is the necessity for any further provision for that purpose in the modified Charter of the Bank of Madras? If the authority by which the Bank of Bengal "*have been empowered to enter into an Agreement, &c., &c.*" is *not* in Section IV of Act XIX of 1861, where is it?

Proceedings of the Madras Government, Financial Department,
18th October 1861.

It seems to me that all the provisions and arrangements respecting the new Paper Currency as between Government on the one side and the Local Banks on the other, ought to be strictly uniform as far as possible, and therefore it is that I would solicit Government to ascertain for me the views of the Government of India on the above points.

(Signed) T. SYDNEY SMYTH,
Advocate General.

(True Copy.)

(Signed) JOHN MILLER,
Acting Government Solicitor.

No. 31. To the Secretary to the Government of India, Financial Department, dated Fort Saint George, 18th October 1861, No. 507.

I am directed by the Governor in Council to acknowledge the receipt of your letter, dated the 23rd August last, No. 10,368, with its enclosures, and to state that the papers were duly submitted, as requested, to the Law Officers of this Government for their opinion on the point indicated in paragraph 2.

2. I am now to forward to you a copy of the opinion of the Advocate General, and to request that this Government may be favored with the views of the Government of India on the points therein noticed, as also with a copy of the modified Charter of the Bank of Bengal.

From Acting Government Solicitor, dated 14th
October 1861, No. 744.

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

Exd. F. Cartledge.

Copy Opinion.

I have received the Order of Government giving the desired information on all points but one, and I have accordingly completed the Draft with that one exception, and as soon as it has been fair copied it shall be forwarded immediately.

I find from the Note E appended to the Order of Government now under acknowledgment, that I did not explain myself with sufficient clearness on the point therein referred to.

I quite understood from the Government Order 11th September 1861, (No. 450 Financial Department) and the marginal extract annexed to Para 2 of Mr. Lushington's letter dated 23rd August 1861, (No. 10,368) that I was to make provision in the modified Charter of the Bank of Madras for authorizing the Bank of Madras to enter into an agreement with the Government of Madras.

What I wished to convey was this;— It seems to me that such an authority is just as much required for the Bank of Bengal, as it is for the Bank of Madras— and the Agreement between the Government of India and the Bank of Bengal seems to admit this; for, in the Recital, at the commencement of the

"And whereas ^{see Recd} and by the said
"act of 1861 the said Bank have been
"empowered to enter into an Agree-
"ment in that behalf with the Sec-
"etary of State in Council."

Agreement, occur the words
in the margin, stating that
the Bank of Bengal has been

so authorized, and that the authorization is contained in "the said Act of 1861." Now Act XIX of 1861 is the only Act mentioned, and I can find no such authority therein, unless it is considered that it is contained in the latter part of Section IV.

If this is sufficient for the Bank of Bengal (as the words above marginally quoted from the Agreement with that Bank seem to import) then I presume it is sufficient for the Bank of Madras also; for Act XIX of 1861 applies as much to the Bank of Madras as to the Bank of Bengal.

It seems to me, however, that Section IV of Act XIX of 1861 does not convey any sufficient authority for this purpose. It empowers the Governor General of India, by Rules to be published in the Government Gazette, at Calcutta, Madras, &c. to make all necessary arrangements with Banks at Calcutta, Madras, and elsewhere, for regulating and facilitating the issue and payment under this Act of the new Government Promissory Notes - but this, it seems to me, is merely an authority to one party, viz the Governor General of India in Council, and is not an authority to the Banks of Calcutta or Madras to enter into the arrangements in question.

It would seem, however, that the Government of India take a different view of this Section, for I presume that the "Agreement with the Bank of Bengal" has been

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"been laid before that Government and approved of, and this Agreement states expressly that the Bank of Bengal have been empowered to enter into an agreement &c. &c."

What I want to know is 1^{stly} when, where, or how has the Bank of Bengal been so empowered? 2^{ndly} If by the concluding part of Section IV of Act XIX of 1861, is that considered sufficient? 3^{rdly} If that authority is considered sufficient for the Bank of Bengal, is it not equally so for the Bank of Madras? and then, where is the necessity for any further provision for that purpose in the modified Charter of the Bank of Madras? If the authority by which the Bank of Bengal have been empowered to enter into an Agreement &c. is not in Section IV of Act XIX of 1861, where is it?

It seems to me that all the provisions and arrangements respecting the new Paper Currency as between Government on the one side and the Local Banks on the other ought to be strictly uniform as far as possible, and therefore it is that I would solicit Government to ascertain for me the views of the Government of India on the above points.

Signed / J. Sydney Smyth
Adv. Genl.

October 14th, 1861.

/ True Copy /
Edmund Miller
Actg. Gov. Secy.

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No 744.

Madras, October 14th, 1861.

From John Miller Esq^r
Actg. Government Solicitor - Madras.

To J. D. Sim Esq^r
Actg. Chief Secretary to Government - Madras.

Sir,

1. I have the honor to acknowledge the Proceedings of Government noted in the margin and its enclosures.

2. I submitted them for the consideration of the Advocate General, who has written the further remarks and opinion, of which I now send you a copy and shall be obliged by your furnishing me with the further information therein asked for.

I have the honor to be,
Sir,
Your most Obedient Servant
Wm. Miller
Actg. Gov. Solr.

1861.

B

The proposed modification of the Charter of the Bank of Madras with reference to the paper currency and the proposed agreement with the Bank of Madras for the holding the power of creating of paper currency.

Advocate General's Opinion on No 744.

From the Actg. Secretary to the Govt. of Madras to you - Madras.

Dated October 14th, 1861.

File 1618
No 587

1. Sa,

I am now to forward
to you a copy of the
opinion of the Advocate
General, and to request
that this Govd. may be
favored with the views
of the Govd of India on
the points therein no-
ticed. ~~for communication~~
~~to that Office~~

25

Final 1861. Reprod.

Yours
The Clerk for Solferino
To the Secretary to Govt
Washington

Oct 14⁷
Recd 163¹⁰⁰ dollars

A.L. No. 50
 1000000
 1000000

turned, with reference to
 the proceedings of said Society
 12th October 1861. Vol. 499
 Financial Department, Copy
 of the proposed General Accounts
 of the Executive of the Bank
 of England with reference
 to the said currency Act
 and the proposed Agreement
 with the Bank of England
 for its holding the General
 Meeting of 10th & 11th May 62

as also with a copy of
the modified Charter
of the Bank of Bengal.

Fort Saint George,
18th October 1861.

J. D. L.

Lib. 567 with encls

16/11

J. D. L.
10th Oct. 1861.

Agreement with the Bank
of Madras.
Wigent.

30791

Financial, 861. Department.

28th 507.

To
The Secretary to
the Government
of India

Dated 18th October 1861.

File No. 706. No. 10. Dec 2/61 No 616.

Conforming with the
reference to the letter from
the Govt of India copy of the
specimens of the Bank of India
of the Govt regarding the
proposed introduction of the
charter of the Bank of India
with reference to the paper
concerning the same the pro-
posed agreement with
the Bank of India
for its holding the general
Treasury of India at Madras
and requesting for its
approval

Forwarded with the views
of the Govt of India on the
points therein noticed and
with a copy of the modified
charter of the Bank of India.