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(3) Initials of the Reference _____

MADRAS RECORD OFFICE.

Government of Madras.

DEPARTMENT.

G.O. No.	Press / Mis.
Dated	18 .

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
15th May 1862.

No. 59. Read the following letter from A. C. BRICE, Esq., Managing Director of the East India Cotton Agency, Limited; to the Right Honorable the Governor in Council Madras, dated London, 3rd April 1862.

I have the honor to enclose copy of an application made by me as Managing Director of this Company now fully established (of which I send herewith a Prospectus) to Her Majesty's Secretary of State for India to have granted the privilge of Managing, on behalf of the Government the issue of the New Paper Currency at such of the stations in the interior of the Madras Presidency as are about to be opened for the conduct of the Company's operations in Cotton. and which have not at the time of the receipt of this application been occupied by the Presidency Bank, to which I beg your favorable consideration.

2. The question as to security and as to whether the privilege now sought shall be exercisable by a distinct Branch of this Company is submitted to the consideration of Her Majesty's Secretary of State and we will seek to comply with his requirements by enlargement of capital or otherwise.

3. In pursuance of said application and in conformity with the Supreme Government Minute of the 20th March 1861, I have to request that we may be recognized as having a preferential claim to establish Branches of Issue at Cochin, Calicut, Mangalore, Coimbatore, Bellary, Madura, Palamcottah and at some two or three other suitable centres of Circles to be named so soon as we learn the precise stations settled by the Presidency Bank.

I have the honor to send copy of a Pamphlet prepared by me three years ago for privat t circulation among the Members of Government and urging upon their attention the subject of such a currency as that now adopted, which I trust will satisfy you that my efforts have been long directed to the point now attainable through means of which this Company seeks, while advancing a most important branch of internal trade to supply the means of that trade being efficiently and economically conducted to the benefit of the people of India.

From A. C. BRICE, Esq., Managing Director of the East India Cotton Agency, Limited; to the Under Secretary of State for India, dated London, 28th March 1862.

The difficulties, risk, and expense attending the transmission of Specie, into the interior of India for the purchase of produce are felt by this Company to be a great barrier to success.

The prospects of the existing Banks establishing a sufficient number of Provincial Branches to enable the new Paper Currency system to be fairly tested and advantageously worked seem very distant and uncertain.

I have therefore the honor to offer the medium of this Company, or if preferred by Her Majesty's Secretary of State for India of a separate Company to be formed under the same auspices to introduce the issue of the new Government Notes in such districts as this Company proposes to occupy, and in which at the time notice of this application reaches India branches have not been established by the Presidency Banks in conformity with the terms of the Memorandum of the Supreme Government of 20th March 1861, which are that "when other Banks have been established before the Presidency Bank thinks fit to establish a Branch, they will have a preferable claim on equal terms and on finding proper security."

This Company being established in England it would not be possible to comply *immediately in India*, with the terms conditioned for by the Government there; and while arrangements were being made here to meet their requirements, the existing Presidency Banks or other institutions might actually open a Branch. It is therefore desirable that the terms, and the nature and amount of the security required by Her Majesty's Secretary of State should be arranged here, and on such being done we s hall be prepared to name the stations in the three Presidencies at which we would open Branch Banks or Agencies of Issue.

Meanwhile we beg to have it recoginised that we are entitled to a preference as regards the districts of Berar and Dharwar, provided that other Banks have not opened Branches there prior to the despatch conveying the intelligence of this negociation reaching India.

Proceedings of the Madras Government, Financial Department,
15th May 1862.

The arrangements made with the Bank of Bengal as detailed in the report of the Financial Department of the Government of India 1860-61, would I presume be followed as a precedent in the arrangements that may be made with this Company.

No. 60. ORDER THEREON, 15th May 1862, No. 364.

The Governor in Council will defer disposing of the foregoing letter until he learns the result of the application made to Her Majesty's Secretary of State for India on the subject to which it relates.

2. In the meantime the Managing Director of the East India Cotton Agency will be informed that the Bank of Madras has already occupied some of the ground sought for by that Agency, and that arrangements have already been made by it for opening a Branch Bank at Cochin. The Government have also been in correspondence with the Manager of the Agra Bank with reference to the establishment of Branch Banks in connection with the Agra Bank. The papers will be sent to the Accountant General for any remarks he may have to offer in reference to paragraph 3 of the Managing Director's letter.

(Signed) A. J. ARBUTHNOT,
Acting Chief Secretary.

No. 61. To the Manager of the East India Cotton Agency, dated Fort Saint George, 15th May 1862, No. 365.

In acknowledging the receipt of your letter of the 3rd ultimo, I am directed by His Excellency the Governor in Council that before giving any definite reply to your application he will await the receipt of a communication from the Right Honorable the Secretary of State on the subject to which it relates.

2. At the same time he desires me to observe that the Bank of Madras has already occupied some of the ground sought by the East India Cotton Agency, and that arrangements have already been made by it for the establishment of a Branch Bank at Cochin. The Government have also been in correspondence with the Manager of the Agra Bank with reference to the establishment of Branch Banks in connection with that Bank.

3. Your letter and its enclosure have been sent to the Accountant General for any remarks he may have to offer in reference to paragraph 3.

(Signed) A. J. ARBUTHNOT,
Acting Chief Secretary.

Exd. F. Cartledge.

Copy

London 28th March 1862

To the
Under Secretary of State for India

Sir

The difficulties, risk, and expense attending the transmission of specie into the interior of India for the purchase of Produce are felt by this Company to be a great barrier to success

The prospects of the existing Banks establishing a sufficient number of Provincial Branches to enable the New paper Currency system to be fairly tested and advantageously worked seem very distant and uncertain.

I have therefore the honor to offer the medium of this Company, or if preferred by Her Majesty's Secretary of State for India of a seperate Company to be formed under the same auspices to introduce the issue of the new Government notes in such districts as this Company proposes to occupy, and in which at the time notice of this application reaches India branches have not been established by the Presidency Banks in conformity with the terms of the memorandum of the Supreme Government of 20th March 1861 which are that "When other Banks have been established before the Presidency Bank thinks fit to establish a Branch they will have a preferable claim on equal terms and on finding proper security."

This Company being established in England it would not be possible to comply immediately in India with the terms contemplated for by the Government there; and while arrangements are being made here to meet their requirements the

P.T.O.

the existing Presidency Banks or other institutions might actually open a Branch. It is therefore desirable that the terms, and the nature and amount of the Security required by Her Majesty's Secretary of State should be arranged here, and on such being done we shall be prepared to name the Stations on the three Presidencies at which we would open Branch Banks or Agencies of Issue

Meanwhile we beg to have it recognised that we are entitled to a preference as regards the districts of Berar and Dhanwar provided that other Banks have not opened Branches there prior to the despatch conveying the intelligence of this negociation reaching India

The arrangements made with the Bank of Bengal as detailed in the Report of the Financial Department of the Government of India 1860-61 would be presumed be followed as a precedent in the arrangements that may be made with this Company.

I have the honor to be

Sir

Your very obedient servant

(signed) A.C. Brice

Managing Director

of the East India Cotton

Agency. Limited

East India Cotton Agency Limited
30 King William Street, E.C.
London 3rd April 1862

The Right Honorable
the Governor in Council
Madras

Sir

I have the honor to enclose copy of an application made by me as Managing Director of this Company now fully established (of which I send herewith a prospectus) to Her Majesty's Secretary of State for India to have granted the privilege of Managing, on behalf of the Government the issue of the New Paper Currency at such of the stations in the Interior of the Madras Presidency as are about to be opened for the conduct of the Company's operations in Cotton and which have not at the time of the receipt of this application been occupied by the Presidency Bank, to which I beg your favorable consideration.

2. The question as to security and as to whether the privilege now sought shall be exercisable by a distinct Branch of this Company is submitted to the consideration of Her Majesty's Secretary of State and we will seek to comply with his requirements by enlargement of Capital or otherwise.

3. In pursuance of said application and in conformity with the Supreme Government minute of the 20th March 1861, I have to request that we may be recognised as having a preferential claim to establish Branches of Issue at Cochin Calicut, Mangalore, Coimbatore, Bellary Madura, Palamcottah and at some two or three other suitable centres of Circles to be named so soon as we learn the precise stations settled by the Presidency Board.

I

Not acc'd

I have the honor to send Copy of a Pamphlet prepared by me three years ago for private circulation among the members of Government and urging upon them attention the subject of such a currency as that now adopted, which I trust will satisfy you that my efforts have been long directed to the point now attainable through means of which this Company seeks, while advancing a most important branch of internal trade to supply the means of that trade being efficiently and economically conducted to the benefit of the people of India

I have the honor to be

Sir

Your very obedient Servant

A. L. Price



Lt. Wm:
The Governor in Council
Madras
Via Marseilles

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from the Managing Director of the East India Cotton Agency Limited.

/Here Enter 3 April 1862/

Order thereon 15th May 1862 No 364.

The Governor in Council will defer disposing of the foregoing letter until he learns the result of the application made to Her Majesty's Secretary of State for India on the subject to which it relates.

2. In the meantime the Managing Director of the East India Cotton Agency will be informed that the Bank of Madras has already occupied

Rec'd 15th May/62.
Financial 1862 No 365.
Managing Director of the East India Cotton Agency Limited.
364
365
Bank of Madras.

No 302 / 30 April 1862. Rec'd 1.

Letter from Managing Director of the East India Cotton Agency Limited, dated 30th April 1862, requesting that the Bank of Madras may be required to state the terms on which they will undertake the Agency of the Company, and to arrange for the transfer of the Agency to them.

57—67

C.J. 7 May 62

occupied some of the ground sought for by that Agency and that arrangements have already been made by it for opening a Branch Bank at Cochin. The Govt have also been in correspondence with the Manager of the Agra Bank with reference to the Establishment of Branch Banks in connection with the Agra Bank. The papers will be sent to the Accountant General for any Remarks he may have to offer in reference to para 3 of the Managing Directors letter. The Prospectus and Memorandum referred to have not been received.

Sent 2d rec'd

I am directed to forward herewith the following letter to be despatched.

Luther Managing Director of Oakshott & Co Agency Limited.

" Accountt General. Dec.r 15th 80 C. L. E80

HB 15 11/11

No. 365.

To
The Manager of the
Land Mortgage Bank
of India

Sir

I am directed to acknowledge the receipt of your letter of the 5th inst. and I am directed by His Excellency the Governor in Council to inform you in reply to your application for a copy of the Act under the heading of Statute as the subject to which it relates.

Act

2. At the same time he desires me to observe that the Bank of Madras has already occupied some of the ground sought for by the Land Mortgage

Cotton Agency
and that arrangements
have already been made
for the establish-
ment of a Branch Bank
at Cocanada. The Govt.
have also been in
correspondence with
the Managers of the Agra
Bank with reference
to the establishment
of Branch Banks in
connection with that
Bank
I have the honor to forward
herewith a letter and its
enclosures from the
Accountant General
in which he brings
to notice & offers
remarks on para: 3. of the
Despatch
Proceedings
of the Madras Govt.
dated
15th May 1862.
Sent per Ld. Ford
Saint George
15th May 1862.
I have &c.
(sgd) G. Gardiner.

No. 186 . Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

[5329] Madras: Printed at the Government Press.

Financial Depart.

Proceedings of the Madras Govt.

Read the following
letter from the Managing
Director of the East India
Cotton Agency Limited.

(Dated London 3d April 1862)

Order thereon.

Govt will await the
result of the application
made to Her Majesty's
Secretary of State for India.
In the meantime the
papers will be communi-
cated to the Accountant
-tant General for any
remarks he may have
to offer in reference to
para 3 of the Managing
Director's letter. The
Despatches & Pamphlet
referred to have not
been received.

I think that the writer should
be informed that the Madras
Bank has accepted some of
the Grounds sought for by him.
and generally that the Govt
proposes awaiting communi-
cations from the Agra Bank on
the points adverted to.

To the Acctt General. (sgd) G.

Finl 1862 Depart^{t}

No 364.

Proceedings of Govt

D/ 15 May /62

Defer disposing of the letter from the Managing Director of the East India Cotton Agency Limited relative to the issue of the new Paper Currency at certain Stations in the interior of the Madras Presidency until the result of the application made by the Company to H. M.s Secretary of State for India is known - Informing them that the Bank of Madras has already occupied some of the the ground sought for by the Agency and that arrangements have already been made by it for opening a Branch Bank at Cochin - Forward the papers to the Accountant Genl for any remarks he may have to offer in reference to para 3 of the managing Directors letter

59@61

C2 May 17