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(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 289 Press / Mis.

Dated 28-5- 1864.

T3-74 21/22

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
28th May 1864.

No. 73. Read the following letter from J. MACKEY, Esq., Secretary to the Government Savings' Bank; to A. J. ARBUTHNOT, Esq., Chief Secretary to Government, Fort Saint George, dated 29th February 1864, No. 1018.

I have now the honor to submit, by order of the Directors, the report called for in the Order of Government, Financial Department, No. 14, dated 8th January 1864, relative to the transfer of the Savings' Bank to the Bank of Madras.

2. The Directors of the Bank of Madras are ready to take over the *Civil portion* of the work only, whenever they may be called upon to do so, for a monthly remuneration of Rupees 500, exclusive of cost of stationery—Vide their letter in original herewith enclosed, No. 25-111, dated 29th January 1864, in reply to letters from this Department, No. 853 of 15th January and 865 of 21st January, copies of which are enclosed.

3. As the last paragraph of Mr. McIver's letter, No. 25-111, already mentioned, was not clear, this gentleman was again addressed—Vide copy enclosed, No. 915, dated 4th February; and his reply in original, No. 25-283, dated 5th February, states that the Bank decline to undertake any part of the Regimental work.

4. As the Bank of Madras will only perform the Civil portion of the work, the Directors were again requested in letter, No. 934, dated 9th February (copy enclosed), to state what reduction of remuneration they would make. From their reply, No. 25-396, dated 11th instant (original enclosed), it will be seen that they decline to undertake even the Civil portion of the work for a less sum than Rupees 500.

5. Under the circumstances stated above, the majority of the Directors (viz., five out of six) desire me to state that they do not consider a division of the Civil and Military work desirable, and that the Bank should perform the whole or none. The amount asked by the Bank also seems to them disproportioned to the share of labor which will be entailed when the Military accounts are divided from the Civil, nor can the Directors see that there is any advantage in the proposed transfer, either in point of economy or management.

6. Should, however, the Government decide that the work is to be divided, and the Regimental portion transferred to the Military Accountant, as is the case in Bombay and Calcutta, a small permanent establishment would be required for this work, beside a temporary establishment for the annual audit of the Regimental accounts.

7. The following figures will show the cost likely to be involved by the transfer:—

Permanent establishment for the Regimental work if transferred to the Military Accountant.

			Rs.
1 Head Clerk or Manager...			120
1 Writer...			30
1 Peon...			7
	Per month...		157 × 12 = 1884
Annual Audit of Regimental Ledgers		...	1000
			2884
Allowance to Bank at 500 per month...		6000	
Civil Audit fee...		500	
		——	6500
			9384

Present cost of Savings' Bank.

Permanent establishment...	6876	
Audit of Regimental Ledgers...	1000	
	7876	
Estimated fee for Civil Audit...	500	
	——	8376
	Excess cost...	1008

8. In explanation of the item of Rupees 1000 for the audit of the Regimental Ledgers, I am to state that the Directors consider that the annual audit of the Regimental Ledgers should be entirely performed in three months, and that they should be returned to the various Corps by 31st August of each year. To do this a large temporary establishment would be necessary, or if the Government consider it more advisable, the audit of these Ledgers could be given on contract at so much per 100 accounts. As far as at present known, Rupees 1000 judiciously used, should clear off the Ledgers for one year. The Savings' Bank has hitherto been laboring under the disadvantage of heavy arrears in this portion of the work, but these are

being gradually cleared off. Should they not be so at the time of the transfer, it will be necessary to obtain a special grant for that purpose.

9. The Directors would suggest the 1st of May next as the date of transfer, if it is decided to alter existing arrangements.

10. The Officiating Accountant General so far differs from his colleagues, that he infers from the correspondence that it is the intention of the Government of India that the transfer should take place even though an extra expense be incurred thereby; and he is further strengthened in this opinion, by the fact of the Government of India directing the transfer of the duties of the Bombay Savings' Bank to the Bank of Bombay, at an additional cost to the State of Rupees 250 per mensem. It also seems useless to him to discuss whether or not the remuneration to the Bank of Madras is excessive as the Bank refuse to take less, and will not perform any Regimental work. It follows then that the Regimental work must be done by some Officer of Government, and he is of opinion that it should be performed here by the Military Accountant, as it is in Calcutta and Bombay. He concurs with his colleagues as to the establishment that will be required, as stated in paragraph 7.

From J. MACKEY, Esq., Secretary to Government Savings' Bank; to J. McIVER, Esq., Secretary and Treasurer, Bank of Madras, dated Fort Saint George, 15th January 1864, No. 853.

I have the honor, under instructions from the Directors of this Bank, to forward a copy of Government Order, No. 14, dated 8th January 1864, and with reference thereto, solicit the views of your Directors in regard to the proposed transfer of the Savings' Bank. I would suggest that a personal examination into the Bank system would save much correspondence, and if you agree, any person whom you may depute will receive every assistance and information that this Department can give, bearing in mind that Tuesday and Friday are Bank days, when the examination would be inconvenient.

2. The present monthly cost of the Savings' Bank establishment is Rupees 573 per month, or yearly Rupees 6876; a portion of this sum would, however, have to be retained to meet the expense of an annual audit, say the odd 73, similar to the arrangement that has been made in Calcutta, where you will observe a sum of Rupees 77-8-0 monthly has been retained for this purpose—Vide letter No. 958 of 8th December 1863, from the Accountant General to the Government of India, to the Financial Secretary.

1. From Secretary Bank of Bengal, No. 2205, dated 22nd June 1863.
2. Do. do. 20th July 1863.
3. Extract from the Proceedings of Government of India, No. 3321, dated 23rd July 1863, sanctioning the transfer from 1st September 1863.
4. Letter from Financial Secretary, No. 4998, dated 5th October 1863, to the Chief Secretary to the Government of Fort Saint George, calling for a report upon the advisability of transferring the Savings' Bank to the Bank of Madras.
5. Endorsement of the Chief Secretary on the above, calling upon the Directors to furnish the report called for.

3. To assist in the deliberation of the Directors, I am directed to forward copies of the correspondence marginally noted (to be returned) between the Secretary Bank of Bengal, and the Honorable Sir Charles Trevelyan, Financial Minister, with the Proceedings thereon in the Financial Department.

Form J. MACKEY, Esq., Secretary to Government Savings' Bank; to J. McIVER, Esq., Secretary and Treasurer Bank of Madras, dated Fort Saint George, 21st January 1864, No. 865.

1. Proceedings of the Madras Government in the Military Department containing the report of the Military Accountant, forwarded by the Controller of Military Finance with Order of Government, No. 1873, dated 9th June 1863.
2. Proceedings on do. in the Financial Department, with Order of Government, No. 423, dated 30th June 1863.
3. Proceedings of Government in the Financial Department, containing the report of the Accountant General on the subject, with Order of Government, No. 464, dated 17th July 1863.

In terms of my conversation with you this day, I have the honor to forward copies of the correspondence, marginally noted, on the question of the transfer of the audit of Regiment Savings' Bank accounts to the Military Accountant, with the Orders of Government thereon in the Financial Department, deciding that the Regimental work should remain with the Savings' Bank.

From J. McIVER, Esq., Secretary and Treasurer Bank of Madras; to J. MACKEY, Esq., Secretary to the Government Savings' Bank, dated Madras, 29th January 1864, No. 25-111.

I have the honor, by desire of the Directors, to acknowledge receipt of your letters, dated the 15th and 21st instant, with their respective enclosures, and am desired by them to state in reply:

1st.—That the Bank is prepared to accept the management of the Government Savings' Bank for the proposed allowance of Rupees 500 per mensem, exclusive of the bare disbursements for paper, books, &c., whenever it may suit the convenience of your Directors to hand it over.

2nd.—That the Savings' Bank be managed exclusively by the present employés of this Bank, with the aid of any additional assistants which may be found necessary.

3rd.—That the hours of business of the Savings' Bank be the same as those of the Bank of Madras.

4th.—That the management of the Savings' Bank is accepted, on the understanding, that the audit of the Regimental Savings' Bank is not to be included in the arrangement, this duty the Directors consider belonging more properly, as in Calcutta, to the office of the Military Accountant.

From J. MACKEY, Esq., Secretary to Government Savings' Bank; to J. McIVER, Esq., Secretary and Treasurer Bank of Madras, dated Fort Saint George, 4th February 1864, No. 915.

In reply to your letter, No. 25-111, dated 29th January 1864, relative to the transfer of the Savings' Bank, I am directed to ask the precise meaning of the last paragraph wherein you write: "The audit of the Regimental Savings' Bank is not to be included in the arrangement." Do you intend by this to decline the *whole* of the Regimental work, or simply the audit of the Ledgers?

2. The Regimental portion of the work is now performed by the Bank Assistants, and is distributed among them generally in the same manner as the Civil work; for the audit of the Regimental Ledgers, received from Regiments once a year, a distinct temporary establishment is employed, as the time of the permanent establishment of the Bank is fully engaged in the current duties.

3. It is quite clear that if the Military Accountant has to undertake the audit above alluded to, the rest of the Military work should accompany it.

From J. McIVER, Esq., Secretary and Treasurer Bank of Madras; to the Secretary to Government Savings' Bank, Madras, dated 5th February 1864, No. 25-283.

In acknowledgment of your letter of yesterday's date, No. 915, I have to state that in writing you with reference to the transfer of the Savings' Bank, I used the term audit as applicable to the whole work connected with the Regimental Savings' Bank, and this is certainly what the Directors intended to convey.

From J. MACKEY, Esq., Secretary to Government Savings' Bank; to J. McIVER, Esq., Secretary and Treasurer Bank of Madras, dated Fort Saint George, 9th February 1864, No. 934.

In reply to your letter, No. 25-283, dated 5th instant, I am directed to ask, that as your Directors decline to undertake *any portion* of the Military work in connection with the Savings' Bank, what reduction upon the sum named in your communication of 29th January* will be accepted by them for the performance of the Civil portion.

* 500 per month.

(True Copies.)

(Signed) J. MACKEY,
Secretary.

From J. McIVER, Esq., Secretary and Treasurer Bank of Madras; to the Secretary to Government Savings' Bank, Madras, dated 11th February 1864, No. 25-396.

In reply to your letter of the 9th instant, I am instructed by the Directors to state that, considering the expense which Government would incur in the appointment of an efficient and responsible Secretary to the Savings' Bank, they are of opinion that the allowance of Rupees 500 per mensem will be an economical arrangement for Government, and they have difficulty in seeing how the work can be efficiently performed for a less sum. The public will also reap the advantage of the Savings' Bank being open during the usual business hours of the Bank, and it is expected that this will have the effect of considerably increasing the work.

Questions.	Bombay Answers.	Madras Answers.
1. What is the total cost of your permanent establishment yearly?	1. The total cost of the Savings' Bank establishment here is Rupees (734) seven hundred and thirty-four monthly, and Rupees (400) four hundred annually for auditing the accounts. The number of hands, including the Shroff, is 10.	1. Rupees 573 monthly, or annually Rupees 6876.
2. Does the above establishment do the whole of the Civil as well as Military work?	2. The work of the Civil and Miscellaneous, Military (*i. e.*, Non-effective, Warrant and Non-Commissioned Officers, and Sepoys) depositors, is performed by this establishment, that of Regimental depositors is under the control of the Military Accountant.	2. Yes, except the annual audit of the Military Ledgers; all the other Military and Civil work is performed by the permanent establishment.
3. Have you any temporary establishment?	3. The Bank has no temporary establishment.	3. Yes, Government lately sanctioned one, to the extent of Rupees 1000, for the audit of the Regimental Ledgers—but the establishment will be discharged as soon as the sum is exhausted—but will have to be renewed yearly, or the said Ledgers cannot be audited unless other assistance is given.
4. Have you any other expenses whatever?	4. The monthly Contingent allowance is Rupees (10) ten, exclusive of other charges, for printing Pass-books, Paper, Ledgers, &c., &c.	4. Yes, monthly Contingent Bill averages, say 7.
5. State the terms upon which the Bank of Bombay will take over the Savings' Bank?	5. The Government has sanctioned Rupees (1000) one thousand monthly to the Bombay Bank for undertaking the management of the Savings' Bank. This sum has been allowed in consequence of the Bank being under-handed.	5. The Bank of Madras Directors decline to undertake any portion of the Military work, but will do all the rest for Rupees 6000 annually. This offer has not yet been accepted by Government; in fact, the amount must be reduced, before the Savings Bank Directors would recommend its entertainment by Government, say 400 (or 450) monthly should be sufficient remuneration without the Military work.

Questions.	Bombay Answers.	Madras Answer.
6. Does the Military Accountant do any of the Military work or Audit the Regimental Ledgers?	6. Regimental Savings' Bank deposits have been under the control of the Military Accountant since the 1st of May 1860. The audit of those accounts is performed annually by an Auditor appointed by Government.	6. The Military Accountant does *nothing* here, and from a recent correspondence between Government, the Accountant General and Military Accountant, as to who should audit the Regimental Ledgers, it was decided by Government on the recommendation of the Accountant General, to let the Savings' Bank do the audit with a temporary establishment.
7. When will the Bank be transferred?	7. The Bombay Savings' Bank will, in all probability, be transferred on the 1st May next.	7. The Madras Bank will take charge of the Savings' Bank whenever its Directors think proper to make it over. This point is not yet settled, but the time will be not later than 1st May 1864.
8. If the Bank of Bombay decline to do the Military work, will it be transferred to the Military Accountant, or will a small separate establishment be organised in the Accountant General's office for its performance?	8. The Bombay Bank has undertaken to carry on the duties of the Civil and Miscellaneous Military Deposits only, for the sum of Rupees (1000) one thousand monthly as already stated, but this amount is to cover any expense attending the annual audit of the accounts.	8. This is a point now in dispute: first we must get the Bank of Madras to make such a reduction on the 6000 demanded for the Civil work, as from the Savings a small establishment could be organised, and I think an establishment of Rupees 214 per month could do all the Military work as well as audit the Military Ledgers. The Rupees 1000 now given, see Answer 3, would form a portion of the 214.
9. Have your Civil Accounts for 1862-63 been audited by a special Auditor?	9. The accounts for 1862-63 have not yet been audited. Two Auditors are annually appointed by Government: their fee has already been stated in the answer to query 1. This practice has been in existence since 1851.	9. Yes, the Madras Civil Accounts have been audited for 1862-63 or up to 30th April 1863, by a special Auditor appointment by Government. The Auditor's Report is now before Government, but as no orders have as yet been passed upon it I am unable to state positively what audit fee will be given. The amount provided in my Budget Estimate for this charge is 500, and the local Government have sanctioned the entry pending the confirmation of the Government of India. This is the first instance since the establishment of the Bank, that the accounts have been professionally audited.

Questions.	Bombay Answers.	Madras Answers.
10. State what number of open Civil accounts stood in your books on the 30th April 1863, with the total sum due to such depositors?	10. The number of Accounts on the 30th April 1863, was... ... ...8221 To the present date it is...8800 The amount due to depositors on the 30th April 1863 was Rupees (18,90,562) eighteen lacs, niety thousand five hundred and sixty-two.	10. Number of Accounts... 4534 Amount... Rs. 8,88,428-9-11
11. Is it in contemplation to have the Civil accounts annually audited; and if so, what will be the fee allowed the Auditor?	11. See answer to query 9.	11. Not known yet, but think it most probable the accounts will be audited, and the fee either 400 (or 500).
(Signed) J. MACKEY, *Secretary.* FORT SAINT GEORGE, GOVT. SAVINGS' BANK, *5th February* 1864.	(Signed) J. CHRISTIE, *Secretary, Govt. Savings' Bank.* GOVT. SAVINGS' BANK, BOMBAY, *12th February* 1864.	(Signed) J. MACKEY, *Secretary.* FORT SAINT GEORGE, GOVT. SAVINGS' BANK, *5th February* 1864.

(True Copies.)

19th February 1864.

(Signed) J. MACKEY,
Secretary, Govt. Savings' Bank.

No. 74. ORDER THEREON, 28th May 1864, No. 289.

On the 4th November 1862, this Government applied to the Government of India for authority to appoint a paid Secretary to the Government Savings' Bank on a salary of Rupees 400 per mensem, in lieu of the Actuary on a salary of Rupees 250 per mensem hitherto employed. The recommendation was made in consequence of the frauds on the part of the late Actuary, Mr. Clarke, the perpetration of which, in the opinion of the Governor in Council, had been "facilitated by there being an indifferently paid Actuary, who had really the whole management of the Bank, and an unpaid Secretary, whose time was fully occupied with his other duties, and who, as belonging to the Account Department, was liable to be frequently changed." Within less than one year there had been three different Secretaries in charge of the Government Savings' Bank.

2. With reference to this application, the Supreme Government has suggested that, in lieu of appointing a paid Secretary to the Government Savings' Bank, the duties hitherto discharged by it, should be entrusted to the Bank of Madras; a similar arrangement having been made at Calcutta and at Bombay. The Directors of the Savings' Bank have been in correspondence on the subject with the Directors of the Madras Bank, who offer to undertake the Civil business of the Savings' Bank, provided that they receive an allowance of Rupees 500 to meet the cost of establishment, but decline to undertake the Military work. Under these circumstances, the majority of the Directors of the Savings' Bank are opposed to the transfer, on the ground that it will entail, as shown in the 7th paragraph of their Secretary's letter, an additional charge of Rupees 1008 per

annum. The Officiating Accountant General is in favor of it, and considers that the Military work should be performed by the Military Accountant, as it is in Calcutta and Bombay.

3. The Governor in Council is of opinion that the transfer should be made. It appears that a similar arrangement has been carried out at both the other Presidencies; and, at Bombay, at an increase of expenditure of Rupees 250 per mensem. Taking into account the increase of charge which will be requisite if the Savings' Bank is to be retained on its present footing in the appointment of a paid Secretary, the transfer—after providing for the allowance to be paid to the Bank of Madras, the establishment required for the Military Accountant, and other charges—will, in the end, be attended by a slight saving. Moreover, the Civil Savings' Bank will be open daily, instead of only twice a week as at present.

4. The Governor in Council accordingly directs that the transfer of the business of the Savings' Bank to the Bank of Madras and Military Accountant, shall be carried out from the 1st July next.

(True Extract.)

Chief Secretary.

To the Secretary to the Government Savings' Bank.
" Accountant General.
" Civil Paymaster.
" Secretary and Treasurer of the Bank of Madras.
" Controller of Military Finance.
" Military Accountant.
" Military Department.

Exd. J. Tulloch.

Questions.	Bombay Answers.	Madras Answers.
1. What is the total cost of your permanent Establishment yearly?	1. The total cost of the Savings Bank Establishment here is Rs 734/ Seven hundred and thirty four monthly and Rupees 400/ Four hundred, annually for auditing the accounts.- The number of hands including the Shroff is 10.-	1. Rs 573 monthly or annually Rs 6876.
2. Does the above Establishment do the whole of the Civil as well as Military work?	2. The work of the Civil and Miscellaneous Military (i. e. Non effective, warrant and Non Commissioned Officers and Sepoys) depositors is performed by this Establishment- that of Regimental depositors is under the Control of the Military Accountant.	2. yes except the annual audit of the Military Ledgers - all the other military and Civil work is performed by the Permanent Establishment.
3. Have you any temporary Establishment	3. The Bank has no temporary Establishment.	3. Yes Government lately sanctioned one to the extent of Rs 1000 for the audit of the Regimental Ledgers - but the Establishment will be discharged as soon as the sum is exhausted - but will have to be renewed yearly, or the said Ledgers cannot be audited unless other assistance is given.

Questions	Bombay Answers.	Madras Answers
4. Have you any other expenses whatever?	4. The monthly Contingent Allowance is Rs (10) ten, - exclusive of other charges for printing Pass books, Paper, Ledgers &c., &c.	4. Yes, - monthly Contingent Bill averages say 7/-
5. State the terms upon which the Bank of Bombay will take over the Savings' Bank?	5. The Government has sanctioned Rs (1000) One thousand monthly to the Bombay Bank for undertaking the management of the Savings' Bank. This sum has been allowed in consequence of the Bank being underhanded.	5. The Bank of Madras Directors decline to undertake any portion of the Military work, but will do all the rest for Rs 6,000 annually - this offer has not yet been accepted by Government - in fact the amount must be reduced, before the Savings' Bank Directors would recommend its entertainment by Government, say 400/ or 450/ monthly - should be sufficient remuneration without the Military work.
6. Does the Military Accountant do any of the Military work or Audit the Regimental Ledgers?	6. Regimental Savings Bank deposits have been under the Control of the Military Accountant since the 1st of May 1860. The audit of those Accounts is performed annually by an Auditor appointed by Government.	6. The Military Accountant does nothing here, and from a recent correspondence between Government, The Accountant General and Military Accountant, as to who should audit the Regimental Ledgers, it was decided by Government on the recommendation of the Accountant General, to let the Savings' Bank do the audit with a temporary establishment.
7. When will the Bank be transferred?	7. The Bombay Savings Bank will, in all probability, be transferred on the 1st of May next.	7. The Madras Bank will take charge of the Savings' Bank whenever its Directors think proper to make it over. This point is not yet settled, but the time will be not later than 1st of May 1864.
8. If the Bank of Bombay decline to do the Military work will it be transferred to the Military Account, or will a small separate Establishment be organised in the Accountant General's Office for its performance?	8. The Bombay Bank has undertaken to carry on the duties of the Civil and Miscellaneous Military Deposits only for the sum of Rs (1000) One thousand monthly as already stated, - but this amount is to cover any expense attending the annual Audit of the Accounts.	8. This is a point now in dispute, first we must get the Bank of Madras to make such a reduction on the 6,000/ demanded for the Civil work as from the Savings, a small Establishment could be organised and I think an Establishment of Rs 214 per month, could do all the Military work as well as audit the Military Ledgers. The Rs 1,000 now given see answer 3 would form a portion of the 214. -
9. Have your Civil Accounts for 1862/63 been audited by a Special Auditor?	9. The accounts for 1862/63 have not yet been audited. Two Auditors are annually appointed by Government, their fee has already been stated in the answer to Query 1. This practice has been in existence since 1851.	9. Yes, the Madras Civil Accounts have been audited for - 1862/63 or up to 30th April 1863 by a Special Auditor appointed by Government. The Auditor's Report is now before Government but as no orders have as yet been passed upon it I am unable to state positively what audit fee will be given. The amount provided in my Budget Estimate for this charge is 500/ and the local Government have sanctioned the entry pending the confirmation of the Government of India. This is the first instance since the Establishment of the Bank, that the accounts have been professionally audited. -
10. State what number of open Civil Accounts stood in your Books on the 30th April 1863 with the total sum due to such depositors?	10. The number of Accounts on the 30th April 1863 was — 8,221. to the present date it is — 8,800. -	10. Number of Accounts — 4,534 Amount — Rs 8,88,428 - 9 - 11.

Questions	Bombay Answers
	The Amount due to depositors on the 30th April 1863, was Rs (18,90,562) - Eighteen lacs ninety-thousand five hundred sixty two.
11. Is it in contemplation to have the Accounts annually audited, and if so, what will be the fee allowed the auditor? - Query 9. -	11. See answer to Query 9. -
Fort Saint George. Govt Savings' Bank. 5th February 1864.	/Signed/ J. Mackey. Secretary Govt Savings' Bank.
Fort Saint George. Govt Savings' Bank. 5th February 1864.	/Signed/ J. Mackey. Secretary.
	True Copy.
	(Signed) Secretary Govt Savings' Bank.
	Secretary, Govt Savings' Bank.
19th February 1864.	

Encl. to Ex. 2. in No. 124.

Encl. to Ex. 5 in No. 124.

No. 853.

Fort Saint George.
Govt Savings' Bank.
15th January 1864.

From

J. Mackey Esqre.
Secretary to Govt. Savings' Bank.

To

J. Mc Ivor Esqre.
Secretary and Treasurer.
Bank of Madras.

Sir

I have the honor under instructions from the Directors of this Bank, to forward a copy of Government Order No. 14 dated 8th January 1864, and with reference thereto solicit the views of your Directors in regard to the proposed transfer of the Savings' Bank. I would suggest that a personal examination into the Bank system would save much correspondence, and if you agree, any person whom you may depute, will receive every assistance and information that this Department can give, bearing in mind that Tuesday and Friday are Bank days, when the examination would be inconvenient.

2. The present monthly cost of the Savings' Bank Establishment is Rs 573 per month, or yearly Rs 6,876 — —, a portion of this sum would however have to be retained, to meet the expense of an annual audit, say the odd 73 similar to the arrangement that has been made in Calcutta, where you will observe a sum of Rupees 77-8 — monthly has been retained for this purpose, vide letter No. 958 of 8th December 1863 from the Accountant General to the Government of India, to the Financial Secretary.

3. To assist in the deliberation of the Directors, I am directed to forward copies of the correspondence marginally noted (to be returned), between the Secretary, Bank of Bengal, and the Honorable Sir Charles Trevelyan Financial Minister with the proceedings

1. From Secy Bank of Bengal, No. 2205 dated 22nd June 1863.
2. Do — 20th July 1863.
3. Extract from the Proceedings of Govt of India No. 3321 dated 23rd July 1863 — sanctioning the transfer from 1st Sept 63.
4. Letter from Financial Secy No. 1998 dated 5th October 1863 to the Chief Secy 16

to the Government of Fort Saint George, calling for a report upon the advisability of transferring the Savings Bank to the Bank of Madras.
5. Endorsement of the Chief Secretary on the above, calling upon the Directors to furnish the report called for.

proceedings thereon in the Financial Department.

I have the honor to be
Sir
Your most Obedient Servant
/Signed/ J. Mackey.
Secretary to Govt. S.B.

No. 865.

Fort Saint George.
Govt. Savings Bank.
21st January 1864.

From
J. Mackey Esqre.
Secretary to Government Savings Bank.

To
J. Mc Iver Esqre.
Secretary and Treasurer.
Bank of Madras.

Sir

In terms of my conversation with you this day, I have the honor to forward Copies of the correspondence, marginally noted, on the question of the transfer of the audit of Regt. Savings' Bank accounts to the Military Accountant with the Orders of Government thereon in the Financial Department deciding that the Regimental work should remain with the Savings' Banks.

1. Proceedings of the Madras Govt in the Mil. Dept. containing the report of the Military Accountant, forwarded by the Controller of Mil. Finance with Order of Govt. No. 1873 dated 9th June 63.
2. Proceedings and Do. in the Financial Dept. with Order of Govt. No. 423 dated 30th June 1863.
3. Proceedings of Govt in the Financial Dept. containing the report of the Accountant General on the subject with Order of Govt. No. 464 dated 17th July 1863.

I have the honor to be
Sir
Your most Obedient Servant
/Signed/ J. Mackey.
Secretary, Govt. Savings' Bank.

15

No. 25/283

Bank of Madras
Madras 5th February 1864

To
The Secretary
Government Savings Bank.

Sir,

In acknowledgment of your letter of yesterday's date, No. 915, I have to state that in writing you with reference to the transfer of the Savings Bank, I used the term Audit, as applicable to the whole work connected with the Regimental Savings Bank, and this is certainly what the Directors intended to convey.

I have the honor to be
Sir
Your Obedient Servt.
John Mc. Iver
Secretary & Treasurer

in
5/2/64
1/4 to 6

Rec'd 22 Jan 1864 in Re 129.

No. 915.

6 17

Fort Saint George.
Govt Savings Bank.
4th February 1864.

From,

J. Mackey Esqre.
Secretary to Govt Savings Bank

To,

J. Mc Iver Esqre.
Secretary and Treasurer.
Bank of Madras

Sir,

In reply to your letter No. 25/III dated 29th January 1864, relative to the transfer of the Savings Bank, I am directed to ask the precise meaning of the last para: wherein you write "The audit of the Regimental Savings Bank is not to be included in the arrangement." Do you intend by this to decline the whole of the Regimental work, or simply the audit of the Ledgers.

2. The Regimental portion of the work is now performed by the Bank assistants and is distributed among them generally in the same manner as the Civil work; for the audit of the Regimental Ledgers, received from Regiments once a year, a distinct temporary Establishment is employed, as the time of the permanent establishment of the Bank is fully engaged in the current duties.

3. It is quite clear that if the Military Accountant has to undertake the audit above alluded to, the rest of the Military work should accompany it.

I have the honor to be
Sir
Your most Obedient Servant.
(Signed) J. Mackey.
Secretary Govt Savings Bank.

P. T. O.

8

№ 934.

Fort Saint George.
Govt Savings' Bank.
9th February 1864.

From,

J. Mackey Esqre
Secretary to Govt Savings' Bank.

To

J. Mc Iver Esqre.
Secretary and Treasurer.
Bank of Madras.

Sir,

In reply to your letter № 25/283 dated 5th Instant, I am directed to ask, that as your Directors decline to undertake any portion of the Military work in connection with the Savings' Bank, what reduction upon the sum named in your communication of 29th January, will be accepted by them for the performance of the Civil portion.— * 500 per month.

I have the honor to be
Sir,
Your most Obedient Servant
(Signed) J. Mackey.
Secretary, Govt Savings Bank.

(True Copies)

Secretary.

✓

9 19

№ 25/396

Bank of Madras
Madras 11th February 1864

The Secretary
Government Savings Bank

Sir,

In reply to your letter of the 9th Inst., I am instructed by the Directors to state, that considering the expence which Government would incur in the appointment of an efficient and responsible Secretary to the Savings Bank, they are of opinion that the allowance of Rs. 500 per mensem will be an economical arrangement for Government, and they have difficulty in seeing how the work can be efficiently performed for a less sum. The Public will also reap the advantage of the Savings Bank being open during the usual business hours of the Bank, and it is expected that this will have the effect of considerably increasing the work.

Ens
11/2
6 p.m

I have the honor to be
Sir
Your Obedient Servt.
J. Mc Iver
Secretary & Treasurer

Feb/64: 2
in 160 Reg.

My dear Mr Mackay

Mr McIver's intention in using the word "Audit" was to include the whole of the duties connected with the Regimental Savings Bank - but as this point does not appear to be sufficiently clear from his letter, I think you had better address him officially, requesting a more

explicit statement of his
meaning.

Yours sincerely
J. Mackey

30. Jany. 1864

J. Mackey Esq

No. 25/111

Bank of Madras
Madras 29th January 1864

To
J. Mackey Esq:
Secretary to the Government
Savings Bank.

Sir,

I have the honor, by desire of the Directors, to acknowledge receipt of your letters dated the 15th and 21st inst. with their respective enclosures, and am desired by them to state in reply,

1st that the Bank is prepared to accept the management of the Govt. Savings Bank for the proposed allowance of Rs. 500 per mensem, exclusive of the bare disbursements for Paper, Books &c., whenever it may suit the convenience of your Directors to hand it over.

2d that the Savings Bank be managed exclusively by the present employés of this Bank, with the aid of any additional assistants which may be found necessary.

3d that the hours of business of the Savings Bank be the same as those of the Bank of Madras.

2m
29/1

4th That the management of the Savings Bank is accepted on the understanding that the audit of the Regimental Savings Bank, is not to be included in the arrangement. This duty the Directors consider belonging more properly, as in Calcutta, to the Office of the Military Accountant.

I have the honor to be
Sir
Your Obedient Servt.

John Mc Ivor
Secretary & Treasurer

Fort Saint George.
Govern.t Savings' Bank.
29.th February 1864.

No. 1018

From

A. Mackey Esq.re.
Secretary to the
Government Savings' Bank.

To,

A. J. Arbuthnot Esq.re.
Chief Secretary to
Government.

Sir,

I have now the honor to submit by order of the Directors, the report called for in the order of Government, Financial Depart.t, No. 14, dated 8.th January 1864, relative to the transfer of the Savings Bank to the Bank of Madras.

2. The Directors of the Bank of Madras are ready to take over the Civil portion of the work only, whenever they may be called upon to do so, for a monthly remuneration of Rs. 500, exclusive of cost of Stationery, vide their letter in original herewith enclosed, No. 25/111 dated 29.th January 1864, in reply to letters from this Department, No. 853 of

From
The Secy & Treasr
Bank of Madras

G. 29 Jany 64
R. — do
C.

Offer Bank of Madras
Bank of Madras
to undertake
Re management
of Civil Savings Bank
on certain conditions

of 15th January 1865 of 21st January, copies of which are enclosed.

3. As the last para of Mr. McIver's letter No 25/111 already mentioned, was not clear, this Gentleman was again addressed, vide copy enclosed No 915 dated 4th February and his reply in original No 25/283 dated 5th February, states that the Bank declines to undertake any part of the Regimental work.

4. As the Bank of Madras will only perform the Civil portion of the work, the Directors were again requested in letter No 934 dated 9th February, (copy enclosed) to state, what reduction of remuneration they would make. From their reply No 25/396 dated 11th Instant, (original enclosed) it will be seen that they decline to undertake even the Civil portion of the work for a less sum than Rupees 500.

5. Under the circumstances stated above, the majority of the Directors (viz. 5 out of 6) desire me to state that they do not consider a division of the Civil & Military work desirable, and that the Bank should perform the whole or none. The amount asked by the Bank also seems to them disproportioned to the share of labor which will be entailed when the Military accounts are divided from the Civil, nor can the Directors see that there is any advantage in the proposed transfer, either in point of economy or management.

6. Should however the Government decide that the work is to be divided, and the Regimental portion transferred to the Military Accountant, as is the case in Bombay and Calcutta, a small permanent establishment would be required for this work besides a temporary establishment for the Annual Audit of the Regt. accounts.

7. The following figures will show the cost likely to be involved by the Transfer.

Permanent Establishment for the Regt. work if transferred to the Military Acct.

1	Head Clerk or Manager	120
1	Writer	30
1	Peon	7
	Per Month	157 × 12 = 1884
	Annual Audit of Regimental Ledgers	1000
		2884
	Allowance to Bank at 500 ₹ Month	6000
	Civil Audit fee	500
		6500
	Carried forward	9384

Brought forward - 9.384

Present cost of Savings Bank.

Permanent establishment 6.876

Audit of Regtl Ledgers - 1.000

7.876

Estimated fee for Civil Audit 500

8.376

Excess Cost 1.008

8. In explanation of the item of Rs. 1.000 for the audit of the Regimental Ledgers, I am to state that the Directors consider that the annual Audit of the Regimental Ledgers, should be entirely performed in 3 months, and that they should be returned to the various corps by 31st August of each year - To do this a large temporary establishment would be necessary, or if the Government consider it more advisable, the audit of these Ledgers could be given on contract at so much per 100 accounts. As far as at present known, Rs. 1.000 — judiciously used, should clear off the Ledgers for 1 year - The Savings Bank has hitherto been laboring under the disadvantage of heavy arrears in this portion of the work, but these are being gradually cleared off. Should they not be so at the time of the Transfer, it will be — necessary to obtain a special grant for that purpose.

9. The Directors would suggest the 1st of May next as the date of transfer, if it is decided to alter existing arrangements.

10. The Officiating Accountant General so far differs from his colleagues, that he infers from the correspondence that it is the intention of the Government of India, that the transfer should take place even though an extra expense be incurred thereby, and he is further strengthened in this opinion, by the fact of the Government of India directing the transfer of the duties of the Bombay Savings Bank to the Bank of Bombay, at an additional cost to the State of Rupees 250 per mensem. It also seems useless to him to discuss whether or not the remuneration to the Bank of Madras is excessive as the Bank refuse to take less, and will not perform any Regimental work. It follows then, that the Regimental work must be done by some officer of Government, and he is of opinion that it should be performed here by the Military Accountant

as it is in Calcutta & Bombay. He con-
-curs with his colleagues as to the establish-
-ment that will be required as stated
in para 7.

I have the honor to be
Sir
Your most obed.t Servant

Secretary.

Soar
11

Financial Department

Proceedings of the Madras Government.

Read the following letter from the
Secretary to the Government Savings' Bank

(Here enter 29th February 1864 No. 1018)

Order 28th May 1864 No. 289.

On the 4th November
1862, this Government
applied to the Government
of India for authority to
appoint a paid Secretary
to the Government Savings
Bank on a salary of
Rs. 400 per mensem, in
lieu of the Actuary on a
salary of Rs. 250 per
mensem hitherto employed.
The recommendation was
made in consequence of the
frauds on the part of the
late Actuary, Mr. Clarke,
the perpetration of which,

in

Fin. Dept.
No. 289
Dated 28th May 1864
To the Secretary to the Govt. Savings Bank
Madras
385
To the Chief Secretary to Government
Fort St. George
Fin. 289 of 1864
Dated 29th
Rec'd 30th May
Enclosures 5
A.G.
Forwards the Report
of the Committee appointed
to audit the accounts of the
Savings Bank in order
that the Govt. may
sanction the payment
of the Actuary's Salary
from the Savings Bank
Funds.

C.R. Sunday
1/8

in the opinion of the Governor in Council, had been "facili-
"-tated by there being an
"indifferently paid Actuary,
"who had really the whole
management of the Bank,
"and an unpaid Secretary,
"whose time was fully occu-
"-pied with his other duties,
"and who, as belonging to
"the Account Department,
"was liable to be frequently
"changed". Within less than
one year there had been
three different Secretaries
in charge of the Government
Savings Bank.

2 With reference to this application, the Supreme Government has suggested that, in lieu of appointing a paid Secretary to the Government Savings Bank, the duties hitherto discharged by

by it should be entrusted to the Bank of Madras; a similar arrangement having been made at Calcutta and at Bombay. The Directors of the Savings Bank have been in corres-
-pondence on the subject with the Directors of the Madras Bank, who offer to undertake the civil busines of the Savings Bank, pro-
-vided that they receive an allowance of Rs. 500 to meet the cost of Esta-
-blishment, but decline to undertake the Military work. Under these circum-
-stances, the majority of the Directors of the Savings Bank are opposed to the transfer, on the ground that it will entail, as shown in the 7th paragraph of the Secretary's letter, an addi-
-tional charge of Rs. 1008 pe

per annum. The Officiating Accountant General is in favor of it, and considers that the Military work wants to be performed by the Military Accountant, as it is in Calcutta and Bombay.

3. The Governor in Council is of opinion that the transfer should be made. It appears that a similar arrangement has been carried out at both the other Presidencies; and, at Bombay, at an increase of expenditure of Rs. 250 per mensem. Taking into account the increase of charge which will be requisite if the Savings Bank is to be retained on its present footing on the appointment of a paid Secretary, the transfer - after providing for

for the allowance to be paid to the Bank of Madras, the Establishment required for the Military Accountant, and other charges - will, in the end, be attended by a slight saving. Moreover the Civil Savings Bank will be open daily, instead of only twice a week as at present.

4. The Governor in Council accordingly directs that the transfer of the business of the Savings' Bank to the Bank of Madras and Military Accountant, shall be carried out from the 1st July next.-

To The Secy to the Govt Savings Bank
The Accountant General
The Civil Paymaster
The Secy & Treasurer of the Bank of Madras.
The Controller of Stores
The Military Accountant
The Military Department.

desptd 31/5

Financial 1864. Departt

№ 289

Pros: of Government

D/28" May 1864.—

F.R. 2561
S. № 295

Transfer of Certain Funds
Bank to the State Treas.
Mississippi Acct

73 874