M.R.O. 1—77,006—5-6-37.

(1) Number of pages 12

(2) Date of repair 2-5-1937

(3) Initials of the Referencer A

MADRAS RECORD OFFICE.

Government of Madras.

Finance DEPARTMENT.

G.O. No. 519 Press ~~Mis.~~

15-16.

Dated 4—11— 1865.

7/8

15-16

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 4th November 1865.

No. 15. Read the following letter from the Secretary to the Government of India; to the Chief Secretary to the Government of Madras, dated Simla, 29th September 1865, No. 2637.

In forwarding to you, for communication to the Bank of Madras, the accompanying copy of a Despatch from the Secretary of State for India, No. 102, dated 25th April 1865, I am directed to request that, with the permission of the Governor in Council, you will state whether the Directors of the Bank are now willing to enter into a new agreement on the modified terms proposed below :—

I. That the Agency of the Bank of Madras for the issue of the Government Paper Currency under the existing agreement shall cease.

II. That the annual sum of Rupees 48,750 (being ¾ per cent. on Rupees 65,00,000) shall be paid to the Bank of Madras, until the 1st of March 1867, as compensation for the loss of such agency.

III. That the Bank shall act as Bankers to the Government at Madras, on the understanding that an average annual balance shall be kept of twenty-one lakhs of Rupees, which shall be shown in the Bank Accounts as Government balance; and if the Government balance should, at any time, fall below sixteen lakhs, interest will be paid on the difference between the amount of the actual balance and the sum of sixteen lakhs; the interest being calculated at the lowest rate of interest paid by the public on loans during the month. The Government Cash Balance will be understood to include small silver and copper coin, but not any separate accounts of Public Officers, apart from the account of the Government.

IV. That the Bank shall act in the same capacity at places in the Madras Presidency where Branch Banks have been or may hereafter be established by it with the sanction of the Government, and the Bank will be at liberty to employ for its own benefit the Government balances deposited at the Branch Banks, on the understanding that they are shown in the Bank's accounts as Government balance, and that the Bank will, at all times, be ready to meet the drafts of the Government.

V. That the Bank shall not draw or purchase, at its own risk, Bills of Exchange or Letters of Credit payable out of India.

VI. That the present payment of Rupees 12,000 per annum for establishment shall be continued during the term of the new agreement.

NOTE.—In the Despatch of the Secretary of State this allowance for establishment is inadvertently stated at Rupees 1200 a month.

VII. That the Bank shall undertake the duties connected with the management of the registered public debt at Madras now performed under the superintendence of the Accountant General, including the payment of interest, and shall be responsible for any losses which may occur in reference to such management, in consideration of which the Bank will be paid Rupees 4,000 per crore of Rupees of that portion of the debt, the interest of which is paid in the Madras Presidency.

VIII. That the agreement to be entered into on these terms shall take effect as soon as it can be prepared in detail, and be duly executed, and shall last for seven years from the 1st March 1867.

2. The Governor General in Council requests to be informed whether the Directors of the Bank of Madras are willing to enter into a new agreement on the above-mentioned terms.

From the Right Honorable the Secretary of State for India; to His Excellency the Right Honorable the Governor General of India in Council, dated India Office, London, 25th April 1865, No. 102.

I have considered in Council your Financial letter, dated the 4th March last, No. 46, transmitting copy of a correspondence with the Government of Madras relative to the revised terms of agreement with the Bank of Madras.

Proceedings of the Madras Government, Financial Department,
4th November 1865.

2. In regard to the proposition that if the average annual cash balance in the Bank should fall below the minimum of ten lakhs, interest will be paid by Government on the difference between the amount of the actual balance and the sum of ten lakhs, I am prepared to assent to either of the following arrangements :—

1*st*.—That the minimum balance shall be understood not to include the small silver and copper coin kept by Government at the Bank, or

2*nd*.—That the minimum balance shall be augmented by such a sum as you may consider equal to the average amount of such coin.

3. I concur in your opinion that the allowance of Rupees 1200 a month for Establishment should not be increased, and that no higher rate of payment than Rupees 4000 per crore, should be made to the Bank for the management of the Public Debt.

(A true Copy.)

(Signed) J. E. COOKE,
Asst. Secy. to the Govt. of India.

No. 16. ORDER THEREON, 4th November 1865, No. 519.

Resolved that the Directors of the Bank of Madras be requested to state whether they are prepared to enter into a new agreement with the Government on the terms specified in the foregoing letters from the Secretary of State and the Government of India.

(True Extract).

Chief Secretary.

To the Directors of the Bank of Madras.

Exd. J. Tulloch.

№ 2637.

To
The Chief Secretary to the Govt.
of Madras.

Fin. Dept.

Sir,

In forwarding to you, for communication to the Bank of Madras, the accompanying copy of a Despatch from the Secretary of State for India № 102 dated 25th April 1865, I am directed to request that, with the permission of the Governor in Council, you will state whether the Directors of the Bk. of are now willing to enter into a new Agreement on the modified terms proposed below.

I That the agency of the Bank of Madras for the issue of the Govt. Paper Currency under the existing Agreement shall cease.

II That the annual sum of Rupees 48750 (being ¾ per Cent on Rupees 6500000) shall be paid to the Bank of Madras, until the 1st of March 1867, as compensation for

for the loss of such Agency.-

III That the Bank shall act as Bankers to the Government at Madras, on the understanding that an average annual balance shall be kept of Twenty one Lacks of Rupees, which shall be shown in the Bank Accounts as Government balance; and if the Government balance shall, at any time, fall below Sixteen Lakhs, interest will be paid on the difference between the amount of the actual balance and the sum of Sixteen Lakhs; the interest being calculated at the lowest rate of interest paid by the public on loans during the month.- The Govt. Cash Balance will be understood to include small Silver & Copper Coin, but not any separate Accounts of Public Officers, apart from the Account of the Government.

V That the Bank shall act in the same capacity at places in the Madras Presidency where Branch Banks have

been

Financial
No. 102

India Office
London 25th April 1865

To

His Excellency
The Right Honble
The Governor General of
India in Council

1. I have considered in Council your Financial Letter dated the 4th March last, No. 46, transmitting Copy of a correspondence with the Government of Madras relative to the revised terms of Agreement with the Bank of Madras.

2. In regard to the proposition that if the average annual Cash Balance in the Bank should fall below the minimum of 10 Lacs, interest will be paid by Government on the difference between the amount of the actual balance and the sum of 10 Lacs,

I am prepared to assent to either of the following arrangements

1st that the minimum balance shall be understood not to include the small Silver and Copper coin kept by Government at the Bank, or

2d that the minimum balance shall be augmented by such a sum as you may consider equal to the average amount of such coin.

3. I concur in your opinion that the allowance of Rs 1200 a month for Establishment should not be increased, and that no higher rate of payment than Rs 4000 per Crore, should be made to the Bank for the management of the Public Debt.

I have
&c &c Wood

/A true copy/
J. R. Cole
Asst Secy to the Govt of India

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No 486

been or may hereafter be established by it with the sanction of the Government, and the Bank will be at liberty to employ for its own benefit the Government Balances deposited at the Branch Banks, on the understanding that they are shown in the Banks Accounts as Govt. Balance, and that the Bank will, at all times, be ready to meet the Drafts of the Government.

V That the Bank shall not draw or purchase, at its own risk, Bills of Exchange or Letters of credit payable out of India.

VI That the present payment of Rs 12,000 per annum for Establishment shall be continued during the term of the new agreement.

Note In the Despatch of the Secy: of State this allowance for Establishment is inadvertently stated at Rs 12000 a month.—

VII That the Bank shall undertake the Duties connected with the management of the registered Public Debt at Madras now performed under the superintendence of the Accountant General, including the payment of interest, and shall be responsible for

for any losses which may occur in re-ference to such management, in consideration of which the Bank will be paid Rs. 4000 per crore of Rupees of that portion of the Debt, the interest of which is paid in the Madras Presidency.

VIII That the Agreement to be entered into on these terms shall take effect as soon as it can be prepared in detail, and be duly executed, and shall last for seven years from the 1st March 1867.

2. The Governor General in Council requests to be informed whether the Directors of the Bank of Madras are willing to enter into a new Agreement on the above mentioned terms.-

I have the honor to be
Sir
your most Obedient servant

Simla
the 29th Sept.r
1865.

Ed. Harlington
Secy. to the Govt. of India

Press No. 2127, G. M.—7-10-65—300.

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List

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from the Secy. to the Govt. of India Financial Dept.- Simla.

(Here enter 29 Sept.r 65 No. 2687)

Order thereon 4th November 1865 No. 319.

Resolved that the Directors of the Bank of Madras be requested to state whether they are prepared to enter into a new Agreement with the Government on the terms specified in the foregoing letter from the Secretary of State and the Government of India.

The Directors of the Bank of Madras desps 6/11
Accountant General for information & desp 7/11

186 . *Department.*

No.

PROCEEDINGS OF GOVERNMENT.

Dated

15416

Rec. 16th Feby 65 — 38-41
" 4th Jany 65 — 1-2

Financial 1865 Dept

From
Secretary to Govt of India
in Financial Dept
No 2137

Date 29 Sept 1865
Rec'd Oct 3 1865

No 486

Ask to be informed whether the Directors of the Madras Bank are now willing to enter into a new Agreement with the Govt on the terms specified

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