M.R.O.—1—77,000—8-6-37.

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Reference _____

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 55 Press / Mis.

82-83

Dated 27-1- 1865.

82-83 7/8

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 27th January 1865.

No. 82. Read the following letter from F. LUSHINGTON, Esq., Accountant General; to A. J. ARBUTHNOT, Esq., Chief Secretary to Government, Fort Saint George, dated 12th January 1865, No. 178.

Book and Adjustment Department.

I have the honor to inquire, with reference to the Order of Government, Financial Department, No. 4, dated 5th January 1865, whether the investments of certain Savings' Bank balances, in Government Securities therein directed to be made, should be so invested on account and risk of the Government, or the depositor; my own impression is that, in order to assist in covering the charges of interest, it was the intention of the Government of India to make the investments on the Government account.

2. The entire Civil balances on the 1st May last, stood at about nine lacs, of which, say six belong to account exceeding Rupees 500, and this sum, viz., six lacs, might be safely and advantageously invested in 4 per cent. paper gradually on *Government account*, leaving a cash working capital of lacs three, an ample margin, in my opinion, for the purpose.

3. The Interest account in round figures would stand thus:—

	Rs.
To Interest paid on nine lacs at Rupees 3-12-0 per cent., the rate allowed to Civil depositors...	33,750
By Interest on Promissory Notes of the Government of India, purchased in the 4 per cent. Loan, for six lacs is...	24,000
Leaves...	9,750

to be provided for on interest account. The gain by discount on six lacs of paper, say of the 4 per cent. Loan, on the *first* investment would amount to Rupees 42,000, at the low rate of 7 per cent., though the market rate is, I believe, nearer 8 than 7 per cent.

4. I cannot give instruction to the Bank of Madras to make the necessary purchases of stock, until I am favored by Government with their views on the question I have raised; but if His Excellency in Council agrees with me, the order can be carried out at once.

No. 83. ORDER THEREON, 27th January 1865, No. 55.

Under the circumstances stated in paragraphs 2 and 3 of the foregoing letter, the Governor in Council agrees with the Accountant General that the investment, in Government Securities, of the Savings' Bank balances referred to, should be made on account and risk of the Government.

(True Extract.)

Chief Secretary.

To the Deputy Auditor and Accountant General.

Exd. S. T. Augustin.

Book and Adjust.ts Depart.t

No. 178

Fort Saint George
Account.s Gen.l Office
12.th January 1865

From
Fr. Lushington Esquire
Accountant General

To A. J. Arbuthnot Esquire
Chief Secretary to
Government

Sir,

I have the honor to enquire, with reference to the order of Government Finance & Department No. 4 dated 5.th January 1865, whether the investments of certain Savings Bank balances in Government Securities therein directed to be made, should be so invested on account and risk of the Government, or the Depositor; My own impression is that, in order to assist in covering the charges of Interest, it was the intention of the Government of India to make the investments on the Government account.

2. The entire Cash balances on the 1.st May last, stood at about 9 lacs, of which, they 6 belong to account exceeding Rupees 500, and this sum Viz.t 6 lacs, might be safely and advantageously invested in 4 to 5 per gradually on Government account, leaving a Cash working Capital of lacs 3, an ample margin in my opinion for the purpose—

The

3 The Interest account in round figures would stand thus:

		Rs	A
To Interest paid on 9 lacs at 3- 12%, the rate allowed to Civil depositors	Rs	33750	
By Interest on Prom.y Notes of the Government of India purchased in the 4% Loan, for 6 lacs is		24,000	
leaves		9,750	

to be provided for on Interest account. The gain by discount on 6 lacs of Paper, say of the 4% Loan on the first investment would amount to Rupees 42,000, at the low rate of 7% tho' the market rate is, I believe, nearer 8 than 7%.

4 I cannot give instruction to the Bank of Madras to make the necessary purchases of Stock, until I am favored by Government with their views on the question I have raised, but if His Excellency in Council agrees with me, the order can be carried out at once.

I have the honor to be

Sir

Your most obedient servant

F. Turbinston

Accountant General

Compd. L.D.W.

Copd. Authenticated

Rec: 5th Jany 65 - 5-6-

Finl 1865 Department

From

The Dy. Mud. & Acct. Genl. &c &c &c

To

The Chief Secretary to Government

Dated 12th } January 1865.
Recd 13th }

No 19

Fin 130 617

Enquires whether the investment of certain Savings Bank balances in Government Securities, should be invested on account and risk of the Govt. or the depositor.

1 Encl. Mr. Pearson

C 24 Jany 1827 a

82 - 83

Encl. to letter

82-83

enlarged limitation had
not there would appear
to be room for a read of the
State on trusting itself
with the funds of any
beyond those strictly
Local Revenue, and those
existing guarantees shall
they could not otherwise
preserve.

2. The aggregate amount Vide letter
of deposits in the Savings' Bank of Ja. Asst'd
Bank of Jamaica above 500 & Asst'd Genl
Returns are also for Jan. dated 1st Feb.
the 1st May 1864 as per 1864 - No 130.
following abstract

Deposits not exceeding £500 in 1863
aggregate Balance Rs. 602,013. 8.0
Deposits not exceeding £500 in 1864
aggregate Balance Rs. 293,837 8.0
Total number of accounts 4,807 Balance 895,851. 8.0

From this, it will be observed
that

Arthur Bourne

that no provision of the Act
of the late Government of Ja-
maica did at the date of
the Revision by exceeding 500
Pounds

Vide letter No. 5. Your attention is called to the
564 dated 30 fact that no person can at
April 1864. the same time be a Trustee at
present for more than one
Depositor having 500 Rds
or the Maximum of the Savings
Bank Deposits

Commission to inquire
into the desirableness of
transferring the Savings Banks
of Jamaica to the Post Office
Department

Order 5 Aug. 1865. The Secretary of State
No 4. has approved of the appointment
of Commissioners to inquire into
these matters.

With reference to
Vide letter the Secretary of State's Order
No 178 dated requiring whether the
12 Jan 7, 1865. Legislature's sanction
investment of the Savings'
Bank

[illegible] the Issues in Jamaica
[illegible] Separated, as therein
[illegible] ted, and to aid in Pursuance to
[illegible] directed Sirth of
[illegible] mencement, in the Se-
[illegible] ted Kingdom in
[illegible] ness, he states as that
[illegible] der to assist in Cover-
[illegible] the charges of Interest,
[illegible] the Institution of the
[illegible] [illegible] to make the
[illegible] mainly on the Sale
[illegible] ster. They desire to
[illegible] assist from para 3
[illegible] Charlington's letter
[illegible] the Sale will gain
[illegible] 000 by discount on
[illegible] sale of Notes pay-
[illegible] ment instead in
[illegible] loan at the low
[illegible] [illegible] rate of
[illegible] at would not be
[illegible] on their account

and

1 Ans the Warrant

and Risk - I cannot under-
stand why the sum
of about 13 Lakhs of Rupees
being deposits
not exceeding 500 Rs, should
be repaid up in calcula-
ting the Interest. This
sum is not to be invest-
ed, perhaps it is merely
intended to show the In-
terest account on the
Stock amount of deposits.
He goes by discount is
clear enough.

A. B. H.
18 Jany 65.

Memorandum

regarding the investment in Government Securities of Savings' Bank deposits pending 500 Rs.

Financial Dept.

Proceedings of the Madras Government

Read letter from the Sr: Asst: to Accountant General.

Dated 12th January 1865 - No 178

Order - 27 January 1865 No 55.

Under the circumstances stated in paras 2 & 3 of the foregoing letter, the Governor in Council agrees with the Accountant General that the investments in Government securities, of the Savings' Bank balances referred to, should be made on account & risk of the Government.

To the Asst: to Accountant General dated 31/1

Financial 1865. Department.

No. 55.

PROCEEDINGS of GOVERNMENT.

Dated 27th January 1865.

The investment on account and risk of the Government of certain Savings Bank balances authorized

82483