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(3) Initials of the Referencer

# MADRAS RECORD OFFICE.

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## Government of Madras.

Financial DEPARTMENT.

G.O. No. 276 Press / Mis.

64-65

Dated 25-6- 1867.

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64-65

**Not to be folded or roughly handled**

FINANCIAL DEPARTMENT.

No. 276.

FROM

A. J. ARBUTHNOT, ESQ.,
*Chief Secretary to the Government of Fort Saint George,*

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

SIR,

I am directed to submit, for the consideration and orders of His Excellency the Viceroy and Governor General in Council, the annexed copy of a letter, under date the 12th instant, from the Secretary and Treasurer to the Bank of Madras, submitting, on behalf of the Directors of that Institution, an application for permission to establish a Branch Bank at Bombay, on the ground that the arrangements under which the business of the Bank of Madras at Bombay is conducted has not been found satisfactory, and that the only mode of securing that "attention to the "interests of the Bank which its increasing transactions with Bombay imperatively require, "is to establish a separate agency under the control of an experienced Manager having a strong "personal interest in communicating prompt and accurate information, and in the protection and "furtherance generally of the Bank interests."

2. The Governor in Council is of opinion that, under the circumstances, the Directors of the Bank of Madras are justified in making the proposal which they have submitted to Government, and, under ordinary circumstances, His Excellency in Council would have been prepared to sanction the arrangement, under the authority vested in him by Section 35 (Madras) Act VI of 1866; but, adverting to the correspondence which passed by telegraph between the Madras Government and the Government of India, in March last, with reference to an inquiry made by the Directors of the Bank of Madras as to the propriety of their continuing their account with the Bank of Bombay, and referring especially to the intimation made in your telegram of the 11th March last, that, in the opinion of the Governor General in Council, "it would be most inexpedient for the Bank of Madras to withdraw its account from the Bank of Bombay," the Madras Government would be reluctant to sanction the establishment at Bombay of a Branch of the Bank of Madras without consulting the Supreme Government. I am accordingly directed to inquire whether, under the circumstances of the case, the Governor General in Council has any objection to the arrangement contemplated by the Directors of the Bank of Madras.

I have the honor to be,
Sir,
Your most obedient Servant,

FORT SAINT GEORGE,
*25th June* 1867.

*Chief Secretary.*

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From the Secretary and Treasurer of the Madras Bank, to the Chief Secretary to Government, Fort Saint George; dated Madras, 12th June 1867, No. $\frac{48}{1086}$.

I have the honor, by desire of the Directors, to request that the permission of Government be obtained for the establishment by this Bank of an Agency in Bombay.

2. The business of this Bank in Bombay has hitherto been transacted by the Bank of Bombay, and, by mutual arrangement, their business in Madras has been conducted by this Bank, without, until recently, any charge of commission on either side. The transactions of this Bank, however—particularly those of its Branches—with Bombay, became so extensive, that an arrangement was entered into with the Bank of Bombay, by which one of its experienced Assistants was specially selected to attend solely to our business, the monthly salary of the Assistant being a charge upon the Bank of Madras.

3. This arrangement has now been in operation for some months, but the Directors regret that it has not accomplished the object they had in view, and they consider that their only feasible alternative, to secure that attention to the interests of the Bank which its increasing transactions with Bombay imperatively require, is to establish a separate agency under the control of an experienced Manager, having a strong personal interest in communicating prompt and accurate information, and in the protection and furtherance generally of the Bank's interests.

4. Looking forward to the increased business with Bombay which must result from the Branch at Colombo, and from additional Branches which will probably be established in the Presidency, the Directors hope that Government will deem it expedient to comply with their request, and, on account of the distrust which is created by the existing state of affairs in Bombay, they would ask for an early reply.

Bank of Madras. 32

No 48/1086. Madras 12th June 1867

The Honble A. J. Arbuthnot
Chief Secretary to Govt
Fort St George

Sir

1. I have the honor by desire of the Directors to request that the permission of Government be obtained for the establishment by this Bank, of an Agency in Bombay.

2. The business of this Bank in Bombay has hitherto been transacted by the Bank of Bombay, and by mutual arrangement their business in Madras has been conducted by this Bank, without, until recently, any charge of Commission on either side. The transactions of this Bank however — particularly those of its Branches — with Bombay, became so extensive, that an arrangement was entered into with the Bank of Bombay, by which one of its experienced Assistants was specially selected to attend solely to our business, the monthly salary of the Assistant being a charge upon the Bank of Madras.

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in operation for some months, but the Directors regret that it has not accomplished the object they had in view, and they consider that their only feasible alternative, to secure that attention to the interests of the Bank which its increasing transactions with Bombay imperatively requires, is to establish a separate agency under the control of an experienced Manager having a strong personal interest in communicating prompt and accurate information, and in the protection and furtherance generally of the Bank's interests.

4. Looking forward to the increased business with Bombay which must result from the Branch at Colombo, and from additional Branches which will probably be established in the Residency the Directors hope that Government will deem it expedient to comply with their request, and on account of the distress which is created by the existing state of affairs in Bombay, they would ask for an early reply.

I have the honor to be
Sir
Your most obedient Servant
J M: Ird
Secretary Treasy

Financial Department.

No. 262.

From The Secy. and Treasurer of the Madras Bank

Dated 12th June 1866.

FOR ORDERS.

Please letter Law Dept. for opinion whether Section 35 of Act IV of 1866 (Madras) has power to authorise Branch Boards, constituted of a Branch Board, to act as a Branch Board would be authorised by Rule 4 of Rules & Bye laws of Madras Bank without power to call a meeting of Shareholders to vote upon the resolution proposed to be submitted to Shareholders.

13 June

Yes, under Section 35 Act IV of 1866 (Madras) has power to authorise Boards, constituted of a Branch Board, to act as a Branch Board would be authorised by Rule 4 of Rules & Bye laws of Madras Bank without power to call a meeting of Shareholders to vote upon the resolution proposed to be submitted to Shareholders.

Pro: 12 March 67 Nos 30 & 32
13 " " " 39-40.

Financial Dept

(23)

From
Secy & Treasurer of the
Madras Bank
Dated 12th June 1867

Rec'd 13th June 67

Read

No 262.

Request permission to
Establish a Branch
Bank at Bombay

For order

C 12 June
R 14 Do

64

the terms of Act XXIV of 1861 which regulates the issue of Currency Notes by the Banks of Bengal, Bombay, & Madras, such further particulars as will be wanted for the consideration of the proposed Branch Bank, if established at Bombay, I would refer the Board to the 20th Para of Lord Cranborne's letter now on table past of the draft-letter now under circulation in respect of this Branch Bank proposed to be established at Colombo.

WOK

14 June

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Financial Department.

No. 296

To

The Secretary to the Government
of India.

Financial Department.

Sir,

I am directed to submit for the consideration and orders of His Excellency the Viceroy and Governor General in Council, the annexed copy of a letter under date the 12th instant from the Secretary and Treasurer to the Bank of Madras, submitting on behalf of the Directors of that institution an application for permission to establish a Branch Bank at Bombay; on the ground that the arrangements under which

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W.O.K.

which the business
of the Bank of Madras
at Bombay is conducted
has not been found
satisfactory, and that
the only mode of securing
that "attention to the
"interests of the Bank
"which its increasing
"transactions with Bombay
"imperatively requires,
"is to establish a separate
"agency under the control
"of an experienced manager
"having a strong personal
"interest in communicating
"prompt and accurate
"information and in
"the protection and
"furtherance generally
"of the Bank's interests".

2. The Governor in
Council is of opinion
that



that, under the circumstances,
the Director of the Bank
of Madras are justified
in making the proposal
which they have submitted
to Government, and under
ordinary circumstances
His Excellency in Council
would have been prepared
to sanction the arrangement
under the authority vested
in him by Section XXXV
(Madras) Act VI of 1866;
but adverting to the cor-
respondence which passed
by telegraph between the
Madras Government and
the Government of India
in March last with re-
ference to an enquiry
made by the Director of
the Bank of Madras
as to the propriety of their
continuing their account
with

with the Bank of Bombay, and referring especially to the intimation made in your telegram of the 11th March last that in the opinion of the Governor General in Council "it would be most inexpedient for the Bank of Madras to withdraw its account from the Bank of Bombay" the Madras Government (do not feel themselves at liberty to sanction) the establishment at Bombay of a Branch of the Bank of Madras without (obtaining the previous concurrence of the Supreme Government. I am accordingly directed to enquire whether, under the circumstances of the case, the Governor General in Council has any objection

would be reluctant to sanction.

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consulting the

objection to the arrange-ment contemplated by the Direction of the Bank of Madras.

Ent H. Enger
25 June 1867

Pro: 12th March 67 30-32
13 " " 39-40

Financial 1867 Departt.

No 276.

To

The Secy: to the Govt
of India

Dated 25th June 1867.

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