M.R.O. 1—77,000—4-4-35.

(1) Number of pages 4

(2) Date of repair

(3) Initials of the Reference

MADRAS RECORD OFFICE.

Government of Madras.

DEPARTMENT.

G.O. No. 1517	Press / Mis.
Dated 12-4-	18 08.

24-25 3/4

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
18th April 1868.

No. 24. Read the following letter from the Secretary to the Government of India, to the Chief Secretary to Government, Fort Saint George; dated Fort William, 25th March 1868, No. 1602.

Mint and Currency.

I am directed to acknowledge the receipt of your letter, No. 68, dated 10th ultimo, forwarding for consideration a letter from the Bank of Madras, requesting a modification of the orders directing the encashment of Currency Notes at the Branch Banks at Tuticorin, Cochin, and Ootacamund at par.

2. The alleged ground on which this request is based is that the orders in question are directly at variance with the 15th Clause of the Agreement with Government, which prescribes that "the Bank shall be at liberty to employ for its own benefit and profit the whole of the "balances, however large, for the time being appearing in the accounts, which are now or hereafter may be established as Government balances."

3. In reply I am directed to point out that the construction which the Bank put on the terms of its Charter is unwarranted. The balances which the Bank may make use of are the surplus Government deposits after all the demands of the Government are satisfied. Further, the application of the Bank is totally at variance with the policy of the Act, and on these grounds alone the modification of the orders of Government is totally inadmissible.

4. With regard, however, to Notes belonging to a Circle other than that within which a Branch Bank may be situated, payment may be refused except when the accommodation is sought by a traveller.

No. 25. ORDER THEREON, 18th April 1868, No 197.

Communicated to the Directors of the Bank of Madras, with reference to their Secretary and Treasurer's letter, dated the 20th January last, No. 50-141.

(True Extract).

R. S. ELLIS,
Chief Secretary.

To the Directors of the Bank of Madras.

Col. P. R. Pattle[illegible].

No. 1662.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

Mint and Currency.

To the CHIEF SECRETARY to the GOVERNMENT of MADRAS.

Fort William, *the 7th March* 1868.

Sir,

I am directed to acknowledge the receipt of your letter No. 65, dated 10th ultimo, forwarding for consideration a letter from the Bank of Madras, requesting a modification of the orders directing the encashment of Currency Notes at the Branch Banks at Tuticorn, Cochin, and Ootacamund at par.

2. The alleged ground on which this request is based is that the orders in question are directly at variance with the 13th clause of the Agreement with Government, which prescribes that "the Bank shall be at liberty to employ "for its own benefit and profit the whole of the balances [illegible] "established as Government balances."

3. In reply I am directed to point out that the construction which the Bank put on the terms of its Charter is unwarranted. The balances which the Bank may make use of are the surplus Government deposits after all the demands of the Government are satisfied. Further, the application of the Bank is totally at variance with the policy of the Act, and on these grounds alone the modification of the orders of Government is totally inadmissible.

4. With regard, however, to Notes belonging to a Circle other than that within which a Branch Bank may be situated, payment may be refused except when the accommodation is sought by a traveller.

I have the honor to be,

Sir,

Your most obedient Servant,

[signature]

Secretary to the Government of India.

Copy to Head Commissioner of Issue.

Rec. 10 Feby 68 — 24 — 28

Govt of Bengal

Govt of India

Bank of Bengal

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

Mint and Currency.

Regn
Govt of India
F.D. Dept

No. 1602.

Dated, Fort William, the 25 March 1868.

Received ——— 7 April

Bengal Copies

No 175

Transmitting Bank copy of the order regarding the management of Currency at the Branch Bank at Kurpai, Cocanada & Masulipatam, & Ellore

O. S. G. P.—No. 1073 C. F.—21-3-68.—25.

W.R. can only

15 April 1868 No 197.

Communicated to the Directors of the Bank of Madras, with reference to Mr Secretary Taylor's letter dated the 20th ult. last—No 50—141—

To the Directors of the Bank

of Madras dept