M.R.O. 1—77,006—8-6-37.

(1) Number of pages 16

(2) Date of repair 2-12-32

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Finance **DEPARTMENT.**

G.O. No. 542 Press / Mis.

91-92.

Dated 27-11- 1868.

91-92 9/9

Not to be folded or roughly handled

1-A

Proceedings of the Madras Government, Financial Department,
27th November 1868.

No. 91. Read the following letter from Messrs. ARBUTHNOT and Co., to the Chief Secretary to Government, Fort Saint George ; dated Madras, 18th November 1868.

At a meeting of Shareholders in the new Bank of Bombay, Limited, residents at Madras, which was held in this place on Friday the 13th instant, and of which Mr. Patrick Macfadyen was Chairman, it was unanimously resolved to submit a Memorial to the Home Government with the object of procuring the discontinuance of the Bengal Bank's Agency in Bombay.

2. We have now, in the absence of Mr. Macfadyen, the honor to transmit, herewith, the Memorial, in triplicate, and to request that it may be forwarded to the Secretary of State for India by the next outgoing Mail.

No. 92. ORDER THEREON, 27th November 1868, No. 542.

Ordered that the Memorial received with this letter be transmitted to the Government of India, for submission to the Secretary of State, and that a copy of the letter to the Government of India, with a copy of the Memorial, be forwarded direct to the Secretary of State.

(True Extract).

Chief Secretary.

To Messrs. Arbuthnot and Co.

Md. J. H. Burns,

Govt. of India, 1868, 29 Madras.

FINANCIAL.

To

MESSRS. ARBUTHNOT & Co.

Dated November, 27th.

Read.

Encl.

G. O., 27th November 1868, No. 542.

NOVEMBER.
Nos. 91-92A.

Directing that the Memorial from the Shareholders in the new Bank of Bombay be transmitted to the Government of India, for submission to the Secretary of State, and that a copy of the letter to the Government of India, with a copy of the Memorial, be forwarded direct to the Secretary of State.

2-A

TO:

THE RIGHT HONORABLE,

SIR STAFFORD NORTHCOTE BART,

HER MAJESTY'S SECRETARY OF STATE FOR INDIA.

The humble Memorial of the undersigned shareholders in the New Bank of Bombay, limited, residents at Madras:

SHEWETH,

That in the beginning of May last many of the Shareholders resident here submitted to His Excellency the Governor General a Memorial praying as therein prayed, copy whereof was forwarded to yourself through the Government of Madras.

2. To that Memorial we have received from H. E. the Governor General no reply, other than a formal acknowledgment of its receipt, and an intimation that certain questions connected with the subject had been referred to Bombay. We were, however, furnished by the Supreme Government with copy of certain strictures and comments on our Memorial by Mr. Dickson, the Secretary of the Bengal Bank, on the correctness or quality of which it is not now necessary to comment.

3. We learn from your Dispatch to the Madras Government, acknowledging the receipt of copy of our Memorial to H. E. the Governor General, that you had on the 12th of June last issued an explicit request to H. E. the Governor General to discontinue the Bengal Bank's Agency in Bombay.

4. Months have elapsed since that Dispatch must have been received in India; yet the Agency continues, unremoved, in open opposition to the Bank of Bombay.

5. Indeed, we learn from good authority, that your Dispatch above referred to has not been as yet carried out; and we see that there is but a remote chance of our Memorial eliciting any satisfactory reply from H. E. the Governor General.

6. For it has been referred to the Law Officers of Government to say, whether the Supreme Government can legally order the discontinuance of the Agency, after having once sanctioned it: and the Government Law Officer, we presume the Advocate General of Bengal, has replied in the negative.

7. As to the soundness or otherwise of this opinion, we are quite incapable of forming any judgment, without seeing the "Case" on which it was given. But we respectfully submit that no sanction to any *permanent* occupation of Bombay by the Bengal Bank's Agency was ever contemplated, or given, by the Indian Government or yourself. The application for leave to establish an Agency was, as appears by public official documents, clearly limited to a specific object, and a temporary purpose, the "collection of outstandings." For that alone was the Agency ever permitted to be established, and that object having been achieved, it seems difficult to understand how, or why, a sanction originally given for a merely temporary agency, can now be wrested into sanction of a permanent invasion and occupation of the Bombay Bank's legitimate field of operations.

8. Our remarks and our prayer extend to the Bengal Bank's Agency established at Kurrachee, a place within the limits of the Presidency of Bombay, the seat of the most important Branch of the Bombay Bank.

9. In the recent Report of the Bengal Bank, the Directors quietly drop all allusion to the original purpose for which the Agency was sanctioned; and seek to rest the necessity of its permanent continuance upon the magnitude of the interests which the Bengal Bank has created in Bombay; interests which they assert cannot be safely entrusted to the new Bank of Bombay. There is no reason, however, for assuming that the new Bombay Bank cannot safely conduct all the legitimate agency business of the Bengal Bank; while it is

rather a stong measure to bring forward the very interests which the Bengal Bank has created during its avowedly temporary occupation of Bombay, as a reason for the permanent continuance of its Agency.

10. We trust that the opinion of the Law Officers of the Crown in England may be taken as to the powers of the Government in the premises. But whatever may be the law, this question, we submit, is one not of dry law, but of justice, expediency, and policy.

11. We will not reiterate the arguments which we have previously brought forward to show how unjust it is to the shareholders of the Bombay Bank to permit this invasion of their legitimate sphere of operations; for you, Right Honorable Sir, having repeatedly expressed your desire that the Agency should be put an end to, have unmistakeably evinced your own opinion of the impropriety of an opposition in one and the same Presidency, of two Banks, in both of which the Government is a shareholder, and in which the interests of the public shareholders are necessarily in conflict.

12. It may be that a recourse to the Legislature will be necessary to empower the Government to remove the obstacle now opposed to the prosperity of the Bank in which we are shareholders; though we can scarcely think that any such extreme measure can be indispensable. Be that as it may, we respectfully pray that you will either find or make a way to protect our interests, and the value of those shares which we took in one Government Bank, upon the full faith and understanding that no other Government Bank would be allowed to occupy a part of our ground, and unavoidably intercept and diminish our profits.

AND YOUR MEMORIALISTS SHALL EVER PRAY.

3-A

4-A

TO;

THE RIGHT HONORABLE,

SIR STAFFORD NORTHCOTE BART,

HER MAJESTY'S SECRETARY OF STATE FOR INDIA.

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AND YOUR MEMORIALISTS SHALL EVER PRAY.

5-A

Madras, 18th November, 1868

6-A

The Chief Secretary
to Government,
Fort St George.

Sir,

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We have now in the absence of Mr. MacFadyen the honor to transmit herewith the Memorial, in triplicate, and to request that it may be forwarded to the Secretary of State for India by the next outgoing mail.

We have the honor to be,
Sir,
Your most obedt Servants,

Arbuthnot & Co

No 542 — 27 Nov.r/68.

Ordered that the memorial received with this letter be transmitted to the Govr. of India for transmission to the Secretary of State, and that a copy of the letter to the Govr. of India with a copy of the memorial be forwarded direct to the Secy of State

Dft. Resp. to Mutiny & Co. Dec.r/68

Govt. of India
Public Letter to England
Dec.r 9th 21 of 1868.

From
Govr. Genl. of India
in Council

Recd Dec.r 26th

Read Dec.r 31st

Ansd

Govt. of India with a copy of the Memorial be forwarded direct to the Secy. of State.

Recd Dec.r 26th

Read

Ansd

Recd Dec.r 26th

Read

Ansd

S.D. 542

Forwarding Memorial to Bleue for self from the Shareholders of the Oriental Bank, praying for the discontinuance of the Royal Bank Agency in Bombay.

With an order.

91-92A

No 542 – 27 Nov.

Ordered that this h
with this letter be transmi
India for submission to t
State, and that a copy
Govt. of India with a copy
his forwarding direct th
Messrs Arbuthnot & Co.

Govt. of {1868} Madras.

Financial

to

Messrs Arbuthnot &c.

Dated Nov. 27.

Recd. Encl.

G. O., 27 Nov. 1868, No. 542

Nos. 91-92 A.

Directing that the
Memorial from the
Shareholders in the
New Bank of Bombay
be transmitted to the
Govt. of India, for
submission to the Secy
of State, & that a
copy of the Letter to the