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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 275	Press / Mis.
38-39.	
Dated 22-6-	1869. / 18 78.

38. 39 4/5

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 22nd June 1869.

No. 38. Read the following letter from the Assistant Secretary to the Government of India, Financial Department, to the Chief Secretary to Government, Fort Saint George; dated Simla, 31st May 1869, No. 876.

In reply to your letter, No. 143, dated the 18th March 1869, soliciting the grant of permission to the Bank of Madras to make family remittances in its own bills on London, I am directed to state that, judging from the reluctance with which the existing relaxations of the rules respecting Foreign Bills of Exchange were conceded to the Presidency Banks by Her Majesty's Secretary of State for India in his Financial despatch to the Government of India, No. 289, dated 15th December 1866, (copy appended,) the Governor General in Council is unable to request the Home Government to allow the Presidency Banks to extend their Foreign Exchange business in any way.

Despatch from the Right Honourable the Secretary of State for India, to His Excellency the Right Honourable the Governor General of India in Council; dated India Office, London, 15th December 1866, No. 289, (Financial.)

I have considered in Council your Financial letter, dated the 6th October 1866, No. 220, forwarding a renewed application from the Bank of Bengal to be allowed to revert to the privilege which they formerly enjoyed, of maintaining drawing accounts with the Bank of England, and Messrs. Coutts and Co., in order to enable them to make remittances by their own bills or letters of credit to their constituents in England, in respect of securities deposited with them in the Agency Department.

2. Of the inexpediency, as a rule, of allowing a Bank which holds the Government balances to deal in Foreign Exchanges, you appear to be satisfied. But with the restriction which you propose as to the bills to be purchased by the Bank, you consider that the rigorous application of the rule may be safely relaxed.

3. The soundness of the general principle under which the Bank has been precluded from dealing in Foreign Exchanges can hardly be questioned. But as you have strongly urged that of the Bank be allowed to place the necessary funds in the custody of the Banks specified, in the manner proposed by you, the convenience of the holders of Indian Government Securities resident in Europe will be promoted without any undue risk being incurred by Government, I shall not object to accede to that arrangement subject to the conditions which you have suggested, and on the distinct understanding that no bills are to be drawn on this country by the Bank of Bengal, except for the remittance of interest and dividends on Government securities or bank shares in their custody, and that, in the event of its appearing hereafter that any risk or inconvenience, not at present foreseen, will be incurred, the concession will be withdrawn.

No. 39. ORDER THEREON, 22nd June 1869, No. 275.

Communicated to the Directors of the Bank of Madras, with reference to their Secretary's letter, dated the 27th February last, No. 52-7.

(True Extract).

Actg. Secy. to Govt.

To the Directors of the Bank of Madras.
,, Accountant General.

Exd. J. Wright.

Govt. of India 1869 Madras

FINANCIAL.

To

THE DIRECTORS OF THE

BANK OF MADRAS.

Dated June, 22nd.

Recd.

G. O., 22nd June 1869, No. 275.

JUNE.

Nos. 38-39.

Communicating letter from the Government of India, stating their inability to ask the Home Government to permit the Madras Bank to make family remittances in its own Bills, on London.

No 295 of 22d June 69

Communicated to the Directors of the Bank of Madras with reference to their Secretary's letter dated the 27th February last, No 52-7.

By Direction of the Board of Revenue
Accountant General

Fin. Dept. 18th March 1869.

Sir,

I have the honor to forward herewith, for communication to the Directors of the Bank of Madras, a copy of a letter from the Government of India, stating their inability to ask the Home Government to permit the Madras Bank to make family remittances in its own Bills, on London.

I have the honor to be,
Sir,
Your most obedient Servant,
(Signed) H. Stokes
Secretary to Government.

To
The Secretary to the Board of Revenue.

Dated 22nd March 1869.
Recd. 24th do.
No. 267.

Sir,

I am directed by the Directors of the Bank of Madras to request that you will be pleased to move the Government of India to permit the Bank to make family remittances in its own Bills, on London.

I have the honor to be,
Sir,
Your most obedient Servant,
(Signed) [illegible]
Secretary.

To
The Secretary to the Board of Revenue.

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Govt. of {1869} Madras.

Finl

To

The Directors of the Bank of Madras.

&c.

Dated June 22.

Recd. Encl.

G. O. 22 June 1869, No. 275.

Nos. 38. 39.

Commy. letter from the Govt. of India stating their inability to ask the Home Govt. to permit the Madras Bank to make family remittances in its own Bills, on London.