

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 201-2 ^{Press}
~~Mis.~~

Dated 3-4. 1857

3-5

Not to be folded or roughly handled

No. 3. Read again letter from the Colonial Secretary at Colombo.

Forwards copy of correspondence, with the Oriental Bank Corporation at Ceylon, and requests the Treasurer at Madras may be instructed to receive and hold in one or several Deposits, on behalf of the Ceylon Government, Securities to the Extent of £50,000 from the Oriental Bank Corporation at Madras, also, that the interest on these Securities may be duly paid to the Bank

(Here enter 12th March 1857, No. 14.)

Read also the Report of the Accountant General on the foregoing letter.

From G. L. PRENDERGAST, Esq., Accountant General; to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated 27th March 1857, No. 426.

SIR,

1. I have the honor to acknowledge the receipt of the order of Government, dated the 24th Instant, No. 179, referring for my report a letter to Government from the Ceylon Government, in which it is requested that the Treasurer of this Presidency may be instructed to receive from the Agent of the Oriental Bank Corporation here, and hold in deposit on behalf of the Ceylon Government, Securities to the extent of Fifty-thousand Pounds in one or several deposits, and to pay the Interest accruing on the said Securities to the branch Corporation at Madras.

2. From the correspondence accompanying the above letter, it would appear that the deposit is required to be made as security for an advance of Fifty-thousand Pounds from the surplus funds in the Ceylon Treasury, to be made to the Branch Corporation in Ceylon, bearing Interest at $2\frac{1}{2}$ per cent, and subject to withdrawal on six months' notice, or any portion not exceeding £10,000 on thirty days' notice.

3. The instructions of the Colonial Secretary are to receive Securities to the extent of Fifty-thousand Pounds. The fixed rate of exchange on the transactions between this and the Ceylon Government, is two shillings the Company's Rupee, consequently, I conclude that the equivalent of £50,000 at that rate in this transaction, is Company's Rupees 5,00,000. The Agent of the Oriental Bank Corporation, in a letter to me of the 20th Instant, requested me to inform him, whether I was prepared to receive from him, Government Notes or Loan Acknowledgments of the open Loan, to the extent of Five lacs of Rupees, on account of the Ceylon Government. I assume that he means

* But he may mean other Govt. Paper, as his words are "Govt. Paper" and "Government Notes or Loan Acknowledgments of the open Loan". Government five* per cent paper amounting (not amounting in value,) to Five lacs of Rupees, in which case the Government Paper is not the equivalent of Fifty-thousand Pounds. The nominal market value at present of such paper is about

half per cent discount, but if five per cent paper to so large an amount as Five lacs of Rupees were now thrown in the market, I doubt whether the sale could be effected at a discount of even five per cent.

4. In repaying the loan to the Ceylon Government, the Corporation may prefer doing so, by means of the sale of the Government paper held as Security for the repayment, and it is impossible to say what may be the rate of such paper at that time. I think it would be well therefore to provide against contingencies of this kind in the acceptance of Security. I should say that Government five per cent paper to the amount of Five and a half lacs of Rupees would be a fair deposit on the above account.

5. I see no objection to the Government paper that may be tendered as Security, being endorsed over to the "Government of Ceylon". I would propose that the Government paper so endorsed be lodged in the General Treasury for safe custody, and that the Interest accruing thereon, from time to time, be drawn by this Office, and paid to the Oriental Bank Corporation, Madras. An order of Government will suffice for this purpose, passed on the instructions to them from the Ceylon Government.

6. In returning the Government Securities from deposit, it will be necessary to endorse them over to the Oriental Bank Corporation, Madras; or, in the event of their being required to

Fort Saint George, Financial Consultation, 7th April 1857.

be sold, endorsement will still be necessary on behalf of the Ceylon Government. In either case, the orders of Government will be sufficient for this Office to act, when duly passed upon the instructions that may be received from the Ceylon Government for the purpose.

(Signed) G. L. PRENDERGAST,
Accountant General.

No. 4. ORDER THEREON, No. 201; dated 3rd April 1857.

1. Under the instructions contained in the letter from the Ceylon Government, dated the 12th Instant, No. 14, the Right Honorable the Governor in Council directs that the Sub-Treasurer will receive from the Agent of the Oriental Bank Corporation at Madras, and hold in deposit on account of that Government, Securities to the extent of Fifty-thousand Pounds, in one or several Deposits, and that the Interest accruing thereon from time to time, be drawn by the Accountant General and paid to the Oriental Bank Corporation, as proposed in para: 5 of Mr. Prendergast's Report. At present Notes of the 5 per cent Loan of 1855, and Acknowledgments of the Loan now open to the amount of Five lacs of Rupees may be taken in deposit as equivalent to Fifty-thousand Pounds. It will be for the Ceylon Government, to whom copy of Mr. Prendergast's letter will be furnished, to state whether they require the deposit of any further amount of Securities for the purpose indicated in para: 4.

(Signed) T. PYCROFT,
Chief Secretary.

No. 5. Ordered that the following letter be despatched.

From T. PYCROFT, Esq., Chief Secretary to Government; to the Colonial Secretary at Colombo, dated 3rd April 1857, No. 202.

SIR,

I am directed by the Right Honorable the Governor in Council, to acknowledge the receipt of your letter of the 12th Instant, No. 14, and to state that, as therein requested, the Sub Treasurer of this Presidency has been instructed to receive from the Agent of the Oriental Bank Corporation here, and hold in deposit on behalf of the Ceylon Government, Securities to the extent of Fifty-thousand Pounds, in one or several deposits; and that the Interest accruing thereon from time to time will be drawn by the Accountant General and paid to the Oriental Bank Corporation.

2. I am desired to forward at the same time for the consideration of the Ceylon Government, and, for any further instructions they may desire to give, copy of a letter from the Accountant General on the subject of your communication under acknowledgment, which was referred for his report, as also copy of the Orders which the Government have passed on the Accountant General's letter.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. J. A. Wilson.

Financial Department.

No. 201

Extract from the Minutes of Consultation
Under date

Read again letter from
the Colonial Secretary at
Colombo, dated 12th & re-
corded in Consultation of
the 24th March 1857.

Read also the report
of the Accountant Gene-
ral on the foregoing let-
ter.

(Dated 27th March 1857, No. 20)

1. Under the instruc-
tions contained in the
letter from the Ceylon
Govd dated the 12th In-
stant No 14, the R. H.
the Governor in Council
directs that the Sub Treas-
urer will receive from
the Agent of the Oriental
Bank Corporation at Mad-
ras and hold in deposit
on

on account of that Gen
 Securities to the extent
 of Fifty thousand Pounds
 in one or several de-
 posits and that the In-
 terest accruing thereon
 from time to time be
 drawn by the Asses-
 sment General and paid
 to the Oriental Bank
 Corporation, as proposed
 in para 5 of Mr. Pender-
 gasts report. At present

2. A copy of the As-
 sessment General's letter
 should be recorded with the
 forwarded to the Govt
 of Ceylon for their consid-
 -eration and for any fur-
 -ther instructions they
 may desire to com-
 -municate on the subject

Ordered that the fol-
 -lowing letter be despatch-
 -ed.

To
 The Colonial Secretary,
 Colombo

Fort St. George,
 3 April, 1857.

I have written at
 once as it may be
 sent to the Commissioner
 if it matters. When
 delayed by the
 Government of Ceylon

notes of the 5 per Cent Loan of 1855
 and a check on the account of the Loan
 now open to the account of the Loan
 the sum may be taken in deposit as
 equivalent to Fifty thousand Pounds -
 It will be for the Ceylon Govt to whom copy
 of Mr. Pendergast's letter will be for-
 -warded to state whether they require
 the deposit of any further amount of
 securities for the purpose indicated
 in P 4 -

Copy to
 To Asst. General
 Copy to Sub. Treasurer
 with copy of the Ceylon
 Colonial Reg's letter.

Disptd

It seems to me that we
 have nothing to do with
 the consideration of the
 fact that in that part of
 is for the Ceylon Govt
 work - All that we have
 to do is to receive the
 - it as near as we can
 as much as we can
 but so much

Dispd. 7th

G. C. S.

Financial Department.

No 202

To The Colonial Secretary
at Colombo

Sir,

I am directed by the
R. A. the Governor in
Council to acknowledge
the receipt of your letter
of the 12th Instant No 14 and
to state that, as therein
requested, the Sub Treas-
urer of this Presidency
has been instructed to
receive from the Agent
of the Oriental Bank Cor-
poration here and hold
in deposit on behalf of
the Ceylon Govt Securities
to the extent of Fifty thou-
sand Pounds in one or
several deposits; and
that the Interest accruing
thereon from time to time
will be drawn by the
Accountant

At
Test
J. C. S.
By

Forwarded with the Ceylon
Govt Order No 24 of 1857

Jan 13.

To the Secy to Govt of Ceylon
Financial Dept

No 201

Abstract of Minutes of Council

of 30th March 1857

No 285 of 1858

Accountant General and
paid to the Oriental Bank
Corporation.

2. I am desired to
forward at the same time
for the consideration of
the Ceylon Govt and for
any further instructions
they may desire to give
copy of a letter from the
Accountant General on
the subject of your com-
munication under ac-
knowledgment, which
was referred for his
report - an also copy

of the order which
he has passed
on H. A. G.'s letter.

Fort St George }
3^d April, 1857 }

I have the honor
to acknowledge the
receipt of your letter

and to forward the same
separately

Dec 17th & Jan: 17th 1857
Ammanial 1857 & 1858

No 202

Forwards & collect for C. & G. Long
1st December 1857

Jan: 12.

To
The Victoria & Grey at
Victoria

213rd April 1857.

3-5

21 Apr
23