M.R.O. 1—77,006—8-6-37.

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(2) Date of repair 3.6.8.39.

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Financial **DEPARTMENT.**

G.O. No.	Press Mis.
11-12	
Dated	18

11-12- 6/6

Not to be folded or roughly handled

No. 157.

To

THE HONORABLE THE COLONIAL SECRETARY AT COLOMBO.

SIR,

With reference to the annexed copy of a letter from the Secretary and Treasurer to the Bank of Madras, I am directed to inquire whether there would be any objection on the part of the Government of Ceylon to the issue of Notes by the Branch Bank which the Directors propose to establish in Ceylon, in the event of the Government of India sanctioning such an addition to the present Charter of the Bank of Madras as would be necessary for the purpose.

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

FORT SAINT GEORGE,
8th April 1867.

Chief Secretary.

From the Secretary and Treasurer of the Bank of Madras, to the Chief Secretary to Government, Fort Saint George ; dated Madras, 20th March 1867, No. 48-634.

I am desired by the Directors of the Bank of Madras to inform you that, in the course of the inquiries they have been making, with reference to the contemplated establishment of a Branch in Ceylon, they have learnt that, in that Island, the privilege of issuing Notes is accorded by the Government to such Bank as may be approved of, there being no issue of Government Notes, as in India, and no exclusive privilege granted to any particular institution. The Branches of the Oriental Bank Corporation, and of the Chartered Mercantile Bank, both issue Notes which have a large circulation in the Island, and are received at the Public Treasuries in payment of Government dues. The conditions on which the power of issuing Notes is granted are, that the issuing Banks pay to the Government a Commission of 1 per cent. on the amount in circulation, and that they hold a reserve in coin equal to one-third of the issue, which reserve is open to the inspection of the Government Treasurer.

2. The Directors of this Bank are, therefore, desirous that the Branch they propose to open in Ceylon should have the privilege of issuing Notes for circulation in that Island, and I am directed to request that you will have the goodness to communicate with the Government of India, in order to ascertain whether an addition to the present Charter, which would contain the necessary provision for this purpose, would be sanctioned.

3. The establishment of a Branch in Colombo has received the sanction of this Government, but it would be at a great disadvantage, as compared with the other Banks doing business there, if it has not the power of issuing Notes ; and the Directors believe that this power may be accorded without any danger of risk, and with every prospect of benefit to the Bank.

Exd. J. H. Burns.

No 45/634.

Bank of Madras
Madras 20th March 1863

The Hon. A. J. Arbuthnot
Chief Secretary to Government
Fort St George.

Sir,

I am desired by the Directors of the Bank of Madras to inform you, that in the course of the enquiries they have been making, with reference to the contemplated establishment of a Branch in Ceylon, they have learnt that in that Island, the privilege of issuing Notes, is accorded by the Government to such Bank as may be approved of, there being no issue of Government notes as in India, and no exclusive privilege granted to any particular institution. The Branches of the Oriental Bank Corporation, and of the Chartered Mercantile Bank both issue notes which have a large circulation in the Island, and are received at the Public Treasuries in payment of Government dues. — The conditions on which the power of issuing Notes

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I have the honor to be
Sir
Your most obed. Servant
J. W. Ibbetson
Secretary & Treasurer

No. 157 Financial Department

To

The Honorable the
Colonial Secretary
at Colombo

Sir,

With reference to the annexed copy of a letter from the Secretary and Treasurer of the Bank of Madras, I am directed to enquire whether there would be any objection on the part of the Govt. of Ceylon to the issue of Notes by the Branch Bank which the Directors propose to establish in Ceylon in the event of the Government of India sanctioning such an addition to the present Charter of the Bank of Madras as would be necessary for the purpose.

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

Fort St. George
8th April 1864

Rec. 23 April by Mail

Financial Dept. Letter
Rec. 8th April
Copy & Enclosure from the
Secretary & Treasurer Bank
Madras 6th April 1864

12th: 157

Rec'd 20th
Ans'd 21st April 64

Rec'd 25th
Request to communicate
with the Govt. of Ceylon
and draw for the Home
Bank Bill establishing
Mint, the Principles of
remuneration

Financial 1867 Departt

No 157.

To
The Honorable
The Colonial Secy. at
Colombo

Dated 8th April 1867.

Rec'd 9/4

Comm'r
Pahang

11.12.