M.R.O. 1—77,006—3-6-37.

(1) Number of pages 1-24

(2) Date of repair 4-8-25

(3) Initials of the Reference

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 1544 265 46-47		Press / Mis.
Dated 19-6-	1867.	

13/14

46-47

Not to be folded or roughly handled

FINANCIAL DEPARTMENT.

No. 265.

FROM

A. J. ARBUTHNOT, ESQ.,

Chief Secretary to the Government of Fort Saint George,

TO

THE SECRETARY TO THE GOVERNMENT OF INDIA,

FINANCIAL DEPARTMENT.

SIR,

I am directed to submit, for the consideration of His Excellency the Viceroy and Governor General in Council, the annexed copies of a letter, under date the 30th March last, from the Secretary and Treasurer to the Bank of Madras, and of a correspondence which has since passed with the Government of Ceylon, with reference to the proposal of the Directors of the Bank of Madras to establish a Branch at Colombo, and to issue Notes in the Colony of Ceylon.

Proceedings 8th April 1867, Nos. 11 & 12.

2. As it would appear that the Government of Ceylon entertain no objection to the proposal made by the Bank, I am to inquire whether, under the circumstances, the Government of India would be prepared to sanction such an addition to the present Charter of the Bank of Madras, as would enable it to issue Notes for circulation in Ceylon.

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

FORT SAINT GEORGE,
19*th June* 1867.

Chief Secretary.

Exd. J. H. Burns.

Proceedings of the Madras Government, Financial Department,
19th June 1867.

No. 46. Read the following letter from the Colonial Secretary, Colombo, to the Chief Secretary to Government, Fort Saint George; dated Colombo, 31st May 1867, No. 20.

I am directed to acknowledge the receipt of your letter, No. 157, of the 8th ultimo, annexing copy of one from the Secretary and Treasurer to the Bank of Madras, and inquiring whether there would be any objection on the part of the Ceylon Government to the issue of Notes by the Branch Bank which the Directors propose to establish in Ceylon.

2. In reply I am to transmit to you, for the information of the Madras Government, the annexed copy of a letter received from the Queen's Advocate, to whom a reference was made on the subject, together with copies of the Government Notifications therein referred to.

From the Queen's Advocate, Colombo, to the Honorable the Colonial Secretary, Colombo; dated Colombo, 7th May 1867, No. 172.

I have the honor to acknowledge the receipt of your letter, No. 209, of the 1st instant, referring to me the accompanying letter from the Chief Secretary to the Government, Fort Saint George, and requesting me to report what legal restrictions, if any, there are on the issue of Notes in Ceylon.

2. There is no Ordinance regulating the issuing of Notes in this Colony. But the Ordinance No. 2 of 1861, which enables Bankers to compound for the Stamp duty payable on Notes issued by them, provides that whenever any Banker shall be authorized "either by any Charter or Letters "Patent from the Crown, or by any Ordinance enacted in this Colony," to issue Notes, such Banker may issue unstamped Notes under the conditions prescribed by that Ordinance. The Bank of Madras was, I believe, established under the authority of the Indian Act No. 9 of 1843, and its powers have been, from time to time, enlarged under other Acts. I take it, therefore, that a special local Ordinance will be necessary to empower it to issue Notes in the same way that the Oriental and Mercantile Banks, both Chartered Institutions, issue Notes now.

3. But, whilst the privilege of issuing Notes may thus be allowed, the recognition and reception of those Notes at the Government Treasuries in payment of Government dues is (as you very properly point out in your letter) quite a different question: this is governed by Government Notifications on the subject. The notices issued by Sir Henry Ward, dated the 28th December 1855, and 4th January 1859, promised this privilege, (viz., that of receiving their Notes at the Government Cutcherries in payment of amounts due by the Government) to other Banks on their subjecting themselves to the same conditions as those imposed on the Oriental and Mercantile Banks by their Charters, or on their giving such other security for the convertibility of their Notes as Her Majesty's Government might consider the public interest to require. But the recent notice issued by the Government (dated 4th April 1867) reserved to the Government the right to exercise its discretion in receiving the Notes of such Chartered Banks only as shall have established themselves in public confidence, and shall have made some reasonable progress in the formation of a Reserve Fund.

(True Copy.)

(Signed) JAMES SWAN,
Colonial Secretary.

NOTICE.

Gazette No. 3594, *April 27th*, 1867.

With reference to the 4th paragraph of the Notice of the 28th December 1855, and the 3rd paragraph of the Notice of the 4th January 1859, in which it is stated that the paper of any other Bank, subjecting itself to the same conditions that are imposed on the Oriental Banking Corporation and the Chartered Mercantile Bank of India, London, and China, or giving such other security for the convertibility of its Notes as Her Majesty's Government may require, will be admitted to the same privileges as are conceded to the aforementioned Banks; His Excellency the Governor is hereby pleased to give notice, that this Government is authorized by Her Majesty's

Government to reserve to itself the right to exercise its discretion in receiving only the Notes of such Chartered Banks as have established themselves in public confidence, and made some reasonable progress in the formation of a Reserve Fund.

(By His Excellency's Command).

COLONIAL SECRETARY'S OFFICE,
COLOMBO, 24*th April*, 1867.

(Signed) W. C. GIBSON,
Colonial Secretary.

NOTICE.

His Excellency the Governor is hereby pleased to notify, for the information of the Public in general—

1*st*.—That the whole of the Treasury Notes in circulation on the 1st of January will be withdrawn, as they come into the hands of the Government, and sent to England to be cancelled.

2*ndly*.—That in order to obviate any inconvenience that might arise from the withdrawal of the Treasury Notes, in commercial transactions, the Notes of the Oriental Bank, which, by its Charter of Incorporation, has given what appears to Her Majesty's Government to be a sufficient security for their convertibility, will be received at all the Government Cutcherries, in payment of amounts due to the Government, precisely as the Treasury Notes have been received hitherto.

3*rdly*.—That the Notes of the Oriental Bank thus received are to be paid at the Branch Banks of Kandy and Galle, as well as when presented at Colombo, in such manner as may be most convenient to the Government, without reference to the District for which they are issued, and without any charge whatsoever; the Manager also taking upon himself the responsibility, on receiving a Notice of 60 days, of remitting specie, once in six months, to Trincomalie and Jaffna, to be there exchanged for the Notes that may have accumulated in the Government Cutcherries.

4*thly*.—That it not being the intention of Her Majesty's Government to concede exclusive privileges to any Bank, or to encourage even the appearance of monopoly, the paper of the Mercantile, or any other Bank, subjecting itself to the same conditions that are imposed by its Charter on the Oriental Bank, or giving such other security for the convertibility of its Notes, as Her Majesty's Government may consider the public interest to require, will be admitted to the same privileges as are now conceded to the Oriental Bank.

5*thly*.—That due notice will be given in the Government Gazette, whenever the paper of any other Bank becomes available in the payment of Government duties.

6*thly*.—That an Ordinance, subjecting the paper of all Banks to a Stamp, or License Duty, not exceeding one per cent., whether their Notes be receivable in the Government Cutcherries or not, will be submitted to the Legislative Council in its next Session; and that nothing in the present notice will preclude the Legislature from making such changes in the Rules now laid down, as may tend to place the relations between the Government and the Banks upon a safe and satisfactory footing.

(By His Excellency's Command).

COLONIAL SECRETARY'S OFFICE,
COLOMBO, 28*th December* 1855.

(Signed) C. J. MACCARTHY,
Colonial Secretary.

NOTICE.

His Excellency the Governor is hereby pleased to give public notice—

1. That from and after the date of the publication of this notice, the Notes of the Chartered Mercantile Bank of India, London, and China, (which by its Charter of Incorporation has given Her Majesty's Government a sufficient security for the convertibility of such Notes), will be received in payment of revenue and all other sums due to the Government of Ceylon at the General Treasury and at all the Cutcherries in this Island where there is a Branch of the said Bank empowered to cash the said Notes without any discount, precisely as the Notes of the Oriental Bank Corporation have been hitherto received in the same behalf.

2. That the Notes of the said Chartered Mercantile Bank of India, London, and China, thus received, are to be paid at the Branch Banks aforesaid, as well as when presented at Colombo, in such manner as may be most convenient to the Government, without reference to the District for which they are issued, and without any charge whatsoever; the Manager also taking upon himself the responsibility, on receiving a notice of 60 days, of remitting specie, once in six months, to Trincomalie and Jaffna, to be there exchanged for the Notes that may have accumulated in the Government Cutcherries.

3. The paper of any other Bank, subjecting itself to the same conditions that are imposed by Charter on the Oriental Banking Corporation, and the Chartered Mercantile Bank of India, London, and China, or giving such other security for the convertibility of its Notes as Her Majesty's Government may require, will be admitted to the same privileges as are conceded to the aforementioned Banks.

(By His Excellency's Command).

COLONIAL SECRETARY'S OFFICE,
COLOMBO, 4*th January* 1859.

(Signed) C. J. MACCARTHY,
Colonial Secretary.

Exd. J. Tulloch.

Gazette 27:3594
April 27: 1867.

538)

NOTICE.

WITH reference to the 4th paragraph of the Notice of the 28th December 1855, and the 3rd paragraph of the Notice of the 4th January, 1859, in which it is stated that the paper of any other Bank, subjecting itself to the same conditions that are imposed on the Oriental Banking Corporation and the Chartered Mercantile Bank of India, London and China, or giving such other security for the convertibility of its Notes as Her Majesty's Government may require, will be admitted to the same privileges as are conceded to the aforementioned Banks; HIS EXCELLENCY THE GOVERNOR is hereby pleased to give Notice, that this Government is authorized by Her Majesty's Government to reserve to itself the right to exercise its discretion in receiving only the Notes of such Chartered Banks as have established themselves in public confidence, and made some reasonable progress in the formation of a Reserve Fund.

By His Excellency's Command,
WILLIAM CHAS. GIBSON,
Colonial Secretary's Office, Colonial Secretary.
Colombo, 24th April, 1867.

NOTICE.

HIS EXCELLENCY THE GOVERNOR is hereby pleased to notify for the information of the Public in general.

1st,—That the whole of the Treasury Notes in circulation on the 1st of January will be withdrawn, as they come into the hands of the Government, and sent to England to be cancelled.

2ndly,—That in order to obviate any inconvenience, that might arise from the withdrawal of the Treasury Notes, in commercial transactions, the Notes of the Oriental Bank, which, by its Charter of Incorporation, has given what appears to Her Majesty's Government to be a sufficient security for their convertibility, will be received at all the Government Cutcherries, in payment of amounts due to the Government, precisely as the Treasury Notes have been received hitherto.

3rdly,—That the Notes of the Oriental Bank thus received are to be paid at the Branch Banks of Kandy and Galle, as well as when presented at Colombo, in such manner as may be most convenient to the Government, without reference to the District, for which they are issued, and without any charge whatsoever; the Manager also taking upon himself the responsibility, on receiving a Notice of 60 days, of remitting Specie, once in six months, to Trincomalie and Jaffna, to be there exchanged for the Notes that may have accumulated in the Government Cutcherries.

4thly,—That it not being the intention of Her Majesty's Government to concede exclusive privileges to any Bank, or to encourage even the appearance of monopoly, the Paper of the Mercantile, or any other Bank, subjecting itself to the same conditions that are imposed by its Charter on the Oriental Bank, or giving such other security for the convertibility of its Notes, as Her Majesty's Government may consider the public interest to require, will be admitted to the same privileges, as are now conceded to the Oriental Bank.

5thly,—That due notice will be given, in the Government Gazette, whenever the Paper of any other Bank becomes available in the payment of Government duties.

6thly,—That an Ordinance subjecting the Paper of all Banks to a Stamp, or License Duty, not exceeding one per cent., whether their Notes be receivable in the Government Cutcherries or not, will be submitted to the Legislative Council in its next Session; and that nothing in the present notice will preclude the Legislature from making such changes in the Rules now laid down, as may tend to place the relations between the Government and the Banks upon a safe and satisfactory footing.

By His Excellency's Command,

C. J. MACCARTHY,
Col. Secy.

Colonial Secretary's Office,
Colombo, 28th December, 1855.

No 1122/59

IND 6

NOTICE.

HIS EXCELLENCY THE GOVERNOR is hereby pleased to give public notice:

1. THAT from and after the date of the publication of this notice, the Notes of the Chartered Mercantile Bank of India, London and China, (which by its Charter of Incorporation has given Her Majesty's Government a sufficient security for the convertibility of such Notes), will be received in payment of revenue and all other sums due to the Government of Ceylon, at the General Treasury and at all the Cutcherries in this Island where there is a Branch of the said Bank empowered to cash the said Notes without any discount, precisely as the Notes of the Oriental Bank Corporation have been hitherto received in the same behalf.

2. THAT the Notes of the said Chartered Mercantile Bank of India, London and China, thus received, are to be paid at the Branch Banks aforesaid, as well as when presented at Colombo, in such manner as may be most convenient to the Government, without reference to the District for which they are issued and without any charge whatsoever; the Manager also taking upon himself the responsibility, on receiving a notice of 60 days, of remitting specie once in six months to Trincomalie and Jaffna, to be there exchanged for the Notes that may have accumulated in the Government Cutcherries.

3. THE paper of any other Bank subjecting itself to the same conditions that are imposed by Charter on the Oriental Banking Corporation, and the Chartered Mercantile Bank of India, London and China, or giving such other security for the convertibility of its Notes as Her Majesty's Government may require, will be admitted to the same privileges as are conceded to the aforementioned Banks.

By His Excellency's Command,

C. J. MACCARTHY,
Colonial Secretary.

Colonial Secretary's Office,
Colombo, 4th January, 1859.

Law

Queen's Advocate's Office

Colombo May 7. 1867

No. 172

Sir,

I have the honor to acknowledge the receipt of your letter No. 209 of the 1st instant referring to me the accompanying letter from the Chief Secretary to the Government Fort St. George, and requesting me to report what legal restrictions, if any, there are on the issue of Notes in Ceylon.

2 There is no Ordinance regulating the issuing of Notes in this Colony. 3 But the Ordinance No. 2 of 1851 which enables Bankers to

The Honble
The Colonial Secretary

to compound for the Stamp duty payable on Notes issued by them provides that whenever any Banker shall be authorised "either by any Charter "or Letters Patent from the Crown, "or by any Ordinance enacted in "their Colony," to issue Notes, such Banker may issue unstamped Notes under the Conditions prescribed by that Ordinance - The Bank of Madras was I believe established under the authority of the Indian Act No 9 of 1843 and its powers have been, from time to time, enlarged under other acts. I take it, therefore, that a special local Ordinance will be necessary to empower it to issue Notes in the same way that the Oriental and Mercantile

Banks

Banks, - both Chartered Institutions - issue Notes now.

3. But, whilst the privilege of issuing Notes may thus be allowed, the recognition and reception of those Notes at the Government Treasuries in payment of Government dues is (as you very properly point out in your letter) quite a different question: this is governed by Government notifications on the subject. The Notices issued by Sir Henry Ward dated the 28th December 1858 and 4th January 1859 promised this privilege (viz: that of receiving their Notes at the Government Cutcherries in payment of Amounts due by the Government) to other Banks on their subjecting themselves to the same conditions as those imposed on the

Oriental

Oriental and Mercantile Banks by their Charters, or on their giving such other Security for the convertibility of their Notes as Her Majesty's Government might consider the public interest to require. But the recent Notice issued by the Government (dated 4 April 1867) reserved to the Government the right to exercise its discretion in receiving the Notes of such Chartered Banks only as shall have established themselves in public confidence, and shall have made some reasonable progress in the formation of a Reserve Fund.

I have &c
signed/ R J Morgan
True Copy/
James Swan

17D

No. 20.

Colonial Secretary's Office
Colombo May 31. 1867

Sir,

I am directed to acknowledge the receipt of your letter No. 157 of the 8th ultimo, annexing copy of one from the Secretary and Treasurer to the Bank of Madras, and inquiring whether there would be any objection on the part of the Ceylon Government to the issue of Notes by the Branch Bank which the Directors propose to establish in Ceylon.

In reply I am to transmit to you, for the information of the Madras Government, the annexed copy of a letter received from the Queen's Advocate to whom a reference was made

The Chief Secretary to Government.
Fort St. George.

made on the subject, together with copies
of the Government Notifications therein
referred to.

I have the honor to be,
Sir
Your most obed.t Serv.t
James Swan

Financial Department.

No. 265

To

The Secretary to the Government
of India,
Financial Department.

Sir,

I am directed to submit for the consideration of His Excellency the Viceroy and Governor General in Council, the annexed copies of a letter under date the 30th March last from the Secretary and Treasurer to the Bank of Madras and of a correspondence which has since passed with the Govt. of Ceylon with reference to the proposal of the Directors of the Bank of Madras to establish a Branch at Colombo and to issue notes in the Colony of Ceylon. In it will appear that the Govt. of Ceylon [illegible] I am to enquire whether under the circumstances the Government of India would be prepared to sanction such an addition to the present Charter of the Bank of Madras as would enable it to

Bom. & Ajt 1867 No. 242

Spl. for the purpose of obtaining an opinion on refer. only to the but without assent to the Charter. I cannot find for Section 35 of the Calls Act can there sanction the establishment of Branch Banks

N.

+ contain or Negotiation
& the proposal made by the Bank

° and allowing
^ provisions of Act XXIV of 1861

× arrangement

Financial Department.

No. 265

From

The Secretary to the Government of India,
Financial Department.

To

The Secretary to the Government of Ceylon,
Financial Secretary's Office.

Sir,

I am directed to forward for the consideration of the Governor General in Council, the accompanying copy of a letter from the Secretary and Treasurer to the Bank of Madras, dated the 30th March last, and of the correspondence which has since passed with the Government of Ceylon, on the subject of the desire of the Directors of the Bank of Madras to establish a Branch at Colombo and to issue notes in the Colony of Ceylon.

2. I am to request that you will submit the papers for the consideration of the Governor of Ceylon in Council, and to state whether, under the circumstances, the Government of Ceylon would be prepared to sanction such an addition to the present Charter of the Bank of Madras as would enable it to issue Bank Notes in Ceylon.

I have &c.

Bom. & Ajt 1867 No. 242

From
Financial Secretary to Govt.
Ceylon
No. 265
dated 24th March 1867

Rec'd 31st May
Ans'd June

No. 242

Forwards for consideration of the Govt. of India the letter from the Secretary & Treasurer of the Bank of Madras dated 30th March last, requesting to be informed whether the Government would be prepared to sanction the issue of Bank Notes in Ceylon.

F. N. 367

8. Aug. 1867 - 11-12

10

c/13 June
A. H. Mss &c

to issue notes for Circula-
-tion in Ceylon. —

Lt & Lt Geny
19 June 185

16 —

(22)

Journal 1815 Appendix

No 2115

Copy Letter Capt Lyttle Esqr
Fort Carlton

Fur 364

Dated 9 June 1815

Council
Minutes
Journey

Rec'd 13 June
R 14 Do