

MADRAS RECORD OFFICE.

Government of Madras.

Finance DEPARTMENT.

G.O. No. 113	Press Mis.
Dated 21. 3.	1860.

B.O. 1-3

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Not to be folded or roughly handled

*Proceedings of the Madras Government, Financial Department,
for the month of March 1860.*

Read the following papers:—

No. 1. From C. HUGH LUSHINGTON, Esq., Secretary to the Government of India, to the Chief Secretary to the Government of Fort Saint George, dated Fort William, 8th March 1860, No. 1634 A.

With reference to the remark contained in paragraph 13 of a letter from the Master of the Calcutta Mint, to the address of the Mint Committee, No. 126, dated 8th ultimo (*vide* Extract herewith sent), *viz.*, “that the estimated loss from peculation in this Mint has been given at Rupees 50,000 per annum,” I am directed to enquire whether any such loss is incurred in the Madras Mint, and if so, what is the extent of that loss.

2. An early answer is requested.

No. 2. From Major CHARLES A. ORR, Mint Master, to the Chief Secretary to Government, Fort Saint George, dated 17th March 1860, No. 431.

Paragraph 1st. In reply to your endorsement on a letter from the Secretary to the Government of India, No. 1634, of the 8th instant, inquiring, with reference to the 2 enclosures, statement of the Mint Master of Calcutta that “the estimated loss from peculation in that Mint has been given at Rupees 50,000 per annum,” whether any such loss is sustained in this Mint, I have the honor to state that the possibility of peculation in this Mint seems almost to be precluded by the minute checks placed upon the receipts and deliveries of Bullion and Coin in each of the operative departments. These are separately held responsible not only for the strictest performance of their duties but also for the correctness of the results of their operations, which could not deviate from those calculated upon without attracting attention. Moreover in each department are placed Gollahs (watchmen and searchers) who subject the persons of every one but the Superintendents, or their confidential assistants, to a thorough examination when entering or leaving any of the rooms.

2nd. This system, stringently enforced, has answered so well that for some years past no grounds have existed for believing that peculation has been carried on in any degree whatever, and I have only to point to the results of the operations of the Mint, as disclosed by the half yearly settlements, to prove that if any losses are incurred in this Mint by the dishonesty of its servants they are utterly inappreciable, as the average “excess” or operative gain nearly approaches what is anticipated from the turn of the scale in assay, and sometimes considerably exceeds it, as in the last settlement when it reached 210 Rupees per lac, which could scarcely have happened had any Bullion been abstracted during its manipulation.

Extract from a letter from the Mint Master, Calcutta, to the Officiating Secretary to the Mint Committee, No. 126 of 1860, dated 8th February.

Paragraph 13. It was always considered by my predecessors an unfortunate step in reference to the security of the Bullion in the operative Departments that the Sepoy guards formerly stationed in each room during working hours should have been abolished. The abolition was made on economical grounds under Lord William Bentinck’s administration, but it may now be doubted whether any real economy was secured by the step. It seems to be generally agreed that the instinct of Military discipline, the higher status of the Soldier, his complete isolation from the work people in consequence of the frequent reliefs and entire change of the guards, the superior pay and prospects of promotion in his profession, give guarantees for an efficient guardianship of the Mint Bullion far exceeding those that can be secured with a permanent Civil Guard. This being so, the argument from economy would be, I think, decidedly in favor of the Military Guard. Without vouching for the accuracy of the statement, I may mention that the estimated loss from peculation in this Mint has been given

* See Officiating Mint Master’s letter No. 50, at about Rupees 50,000* per annum, and admitting a possibility of error in this estimate, I dated 13th July 1858.

and that it is mainly effected through the agency of the unsearched subordinates of the Bullion

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keeper's establishment. A check on this source of loss, such as would result from substituting for the present Mint Guard a Native Military Guard relieved at short intervals, would, I believe, pay itself. I would willingly at any rate make the trial for a fixed period say of one year. The Bullion-keeper informs me that he cordially concurs in this proposal, so far as his interests are concerned and that both he and his predecessors have regarded a Military Guard as a far higher security for them than a Civil one. It would rest with him of course to make such distribution of the guards as would best secure protection to the Bullion and the duties required from the men are of such extreme simplicity that no training is requisite for them.

(A true Extract.)

(Signed) C. HUGH LUSHINGTON,
Secretary to the Government of India.

Referred to the Mint Master for immediate report.

(Signed) T. PYCROFT,
Chief Secretary.

15th March 1860.

No. 3. To the Secretary to the Government of India, dated Fort Saint George, 21st March 1860, No. 113.

I am directed to acknowledge the receipt of your letter of the 8th instant, No. 1634, enquiring, in reference to the estimated loss from peculation in the Calcutta Mint, whether any such loss is incurred in the Madras Mint; and to transmit a copy of a communication from the Mint Master affording the information required.

(Signed) T. PYCROFT,
Chief Secretary.

Financial Department

No 113.

The Secy to the Govt of India
Sir,

I am directed to acknowledge the receipt of your letter of the 8th Instant. No. 1634 enquiring in reference to the estimated loss from peculation in the Calcutta Mint, whether any such loss is incurred in the Madras Mint, and to transmit a copy of a communication from the Mint Master affording the information required.

Dated 17 March 1860. No. 481.

Recd H. J. J. J.
21st March 1860.

I have &c

J. J.

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2

The Secretary to the
Society of Friends

Sales 21 Nov 1860
R. H. S. T. A. S. I. S. P. A. R.
No 219 off 1860.

1867