

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.

204

Press
Mis.

Dated

11th May. 1860

B no. 1-2

13/14

Not to be folded or roughly handled

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

No. 1. Read the following letter from R. TEMPLE, Esq., Commissioner for Introduction of Paper Currency, to the Chief Secretary to the Government of Madras, dated Calcutta, 4th May 1860.

I beg herewith to transmit copy of a Memorandum, which I have drawn up under the directions of the Financial Member of the Supreme Government, regarding the proposed formation of Currency Circles for the several Presidencies and Provinces of India. I am now directed to request that you will be good enough to lay this Memorandum before the Honorable the Governor in Council, and to obtain the opinion of the Madras Government as to the appropriateness or otherwise of the various details of the plan. The Memo. itself will explain the points to which attention is solicited.

2. It will be observed that in apportioning the Districts into Circles, primary regard has been had to the written vernacular languages used in those Districts, in as much as the denomination of each Note is to be expressed in English and in two of the Vernacular languages used in the Circle. And in considering the division of Districts into Circles, it is necessary that the applicability or otherwise of a particular language to all those Districts, should be borne in mind.

3. When your reply to this reference shall be furnished, I shall be obliged if at the same time you will be good enough to furnish copies of the numerals and letters of each language which is to be used in the expression of the denominations of the Notes. The form in which this information should be supplied, is hereto appended. As these characters would be used as models in the printing of the Notes, the importance of the perfect accuracy and intelligibility of the characters will be evident. It would be desirable that if possible they be printed in the form with the best type available.

4. There is only one point on which any remark, beyond those given in the Memorandum, would appear needful. It will be seen that the Belgaum and Dharwar Districts have been incorporated in the Bellary Circle, (although they belong to the Bombay Presidency) because it is understood that Canarese is the language generally used in these two Districts. If this be the case, it would be desirable that they should be included in the Circle of which the Notes bear the Canarese character. On the other hand, the Notes of these two Districts would in this case be convertible into cash either at Bellary or at Madras. Now there would be no practical difficulty in this, if the trade of that part of the country took the direction of Madras. But it appears that the trade does in reality take the direction of the Western Coast and of Bombay. In this point of view therefore it might be thought desirable that these two Districts be included in the Bombay Circle. But again, if the two Districts were included in the Bombay Circle, then the Notes would bear not the Canarese character, but the Mahrattah and Hindoostanee characters. And it seems doubtful whether the Mahrattah character would be generally understood in these two Districts, though it seems probable that from their proximity, to the Mahrattah country, the Mahrattah language must be more or less understood in them. The expression of opinion on these points is solicited.

5. An early reply to this reference, will facilitate arrangements for introducing the Paper Currency.

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

Form in which the Letters and Numerals of each Vernacular language are to be filled in.

ENGLISH.		TAMIL.		TELOOGOO.		CANARESE.		MALAYALIM.	
Numerals.	Lettering.	Numerals.	Lettering.	Numerals.	Lettering.	Numerals.	Lettering.	Numerals.	Lettering.
5	Five Rupees.								
10	Ten Rupees.								
50	Fifty Rupees.								
100	One hundred Rupees.								
500	Five hundred Rupees.								
1,000	One thousand Rupees.								

(Signed) R. TEMPLE,

Commissioner

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

No. 2.

ORDER THEREON, 11th May 1860, No. 204.

Ordered that the foregoing letter and the Memorandum which accompanied it be referred to the Accountant General and the Board of Revenue jointly, and that they be requested to give their early and best attention to the subject, to confer freely together, and submit their opinion on the details of the proposed plan for the introduction of Paper Currency in the Madras Presidency.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

MEMORANDUM

ON THE

PROPOSED FORMATION OF CIRCLES

FOR

PAPER CURRENCY IN INDIA.

With the view of giving effect to the system of a Paper Currency for India, it is necessary to consider the currency circles into which the various Presidencies and Provinces should be divided, and the places which should be the head quarters of the several circles respectively.

2. Circles of districts will be formed for the purposes of the Paper Currency. For each circle a separate series of Notes will be issued: the denomination of these Notes will be expressed in English, and in at least two of the written languages in use within the circle.

3. Within the circle the Notes will be absolutely legal tender. Every one may make payments on them; none can refuse to receive them, and no discount can be charged on them. The Government will receive its own revenue, and make its payments in them. But beyond the limits of the circle, they will be dealt with in transactions between man and man in the same manner as notes and coins not belonging to the districts. Again the notes are immediately convertible into silver at the head quarters of the circle, where there will be located an Officer to be called a Deputy Commissioner of Issue. He will have an Office to be called the Office of Issue of the circle, and a Treasury containing the reserves of silver and the Government securities, which are to ensure the instant convertibility of the Notes. Any holder of a Note may get it cashed at the Office of Issue in the circle to

which the Note belongs, and also at the Office of Issue at the Presidency to which the circle belongs; but at no other Office of Issue.

4. If any circle should be more than ordinarily extensive, then at some convenient place within it, an Office of Sub-issue might be established in addition to the regular Office of Issue. The Office of Sub-issue would answer all the purposes of an Office of Issue. But the Notes would all belong to the series of the circle. By these means, while the public convenience would be consulted, the multiplication of series of Notes would be avoided.

5. In each circle the Notes of all the other circles which adjoin or abut thereon, will be received in payment of revenue. Such Notes however will not be re-issued from the Treasuries of such circle, but will be exchanged for the proper Notes of the circle at the Offices of Issue as often as suits the convenience of such Treasuries, and a periodical exchange of Notes and adjustment of amounts will take place between the Issue Departments of all such circles.

6. Now for the carrying out of the above objects, the districts comprising a circle should be enclosed by one ringfence, as it were, and situated in a compact geographical position, so that parties requiring cash instead of Notes may not have to go too far for it. They should form a tract in which the same language is used, so that there may be no doubt regarding the denomination of the Notes. They should be united together by associations of trade, so that the transaction of ordinary current business may be facilitated by circulation of Notes.

7. The head quarter of a currency circle should be at a place where there is a Civil Establishment, where Civil Officers of rank are stationed, and where an European force is cantoned. Also it should be at a place where a large mart exists, where the produce of surrounding districts is collected, and where the chief commercial affairs of the districts in the circle are more or less

centered, so that the convenience of the public may be consulted, and the safety of the Currency Reserves may be ensured as much as possible.

8. The above conditions then should be observed as much as possible in the defining of the circles, and in the selecting the head quarters of each circle. On the one hand it is desirable to have *as many* circles as may be needed for the public convenience. If the circles were too few, then their great size might lead to inconvenience. On the other hand the circles should be *as few* as may consist with the above object. If there were too many, then although their compact size might be convenient in some respects, still another kind of inconvenience would be produced, inasmuch as the circles being numerous, there would be too many different kinds of Notes.

9. In the Bengal Presidency, the Department of the Chief Commissioner of Paper Currency at Calcutta would manufacture the Notes, and transmit them in sufficient quantities, to the Department of Issue in each circle. He would take care that the Deputy Commissioner of Issue in each circle was supplied with the requisite quantity of silver and of Government securities to ensure the convertibility of the Notes. For the Madras and Bombay Presidencies, the Chief Commissioner at Calcutta would also have the Notes made, and would transmit them to the Commissioners for Madras and Bombay respectively, who would again cause each Deputy Commissioner of Issue in their respective circles to be supplied with the proper number of Notes. The Chief Commissioner at Calcutta and the Commissioners at Madras and Bombay would see that each Deputy Commissioner of Issue in the circles of those Presidencies was duly furnished with reserves of silver and Government securities.

10. In the Bengal Presidency there are three Lieutenant Governorships, *viz.* Bengal, North Western Provinces, and the Punjab; also the Provinces of Oude, Nagpore, and Pegu, immediately under the Government of India. It will be desirable to consider

the circles in each part of the Presidency separately, although it does not follow necessarily that the limits of the circles should exactly coincide with those of the several Lieutenant Governorships.

11. For the Lieutenant Governorship of Bengal there will be an Issue Department, and a Deputy Commissioner of Currency at Calcutta. In the Calcutta Circle there must be included the districts of Central and Lower Bengal as follows:

24-Pergunnahs	Moorshedabad
Howrah	Bancora
Hooghly	Pachete <i>There is no du</i>
Midnapore	Pubna <i>There is no du</i>
Sunderbunds	Bogra <i>There is no du</i>
Jessore	Rungpore <i>There is no du</i>
Baraset	Dinagepore <i>There is no du</i>
Nuddea	Malda <i>There is no du</i>
Burdwan	Rajshye <i>There is no du</i>
Beerbhoom	Purnea <i>There is no du</i>

In all these districts the Bengalee language is used, and but a few of the districts are at any great distance from Calcutta. The Oordoo and Bengalee characters will appear on the notes.

12. In Bengal then there would remain the districts of Eastern Bengal and Assam; and the Eastern Coast of the Bay of Bengal, namely:

Furcedpore	Mymensing
Dacca	Sylhet
Backergunge	North Cachar
Tippera	South Cachar
Chittagong	Jyntea
or Noacolly	

These might either be formed into a separate circle of which Dacca would from its commercial situation form the appropriate head quater; or else they might be included in the Calcutta Circle with an Office of Sub-issue at Dacca. But owing to the distance of some of these districts from Calcutta, and the vicinity of important centres of river traffic, such as Serajgunge and

Naraingunge on the Berhampooter and its feeders, an Office of Sub-issue will at least be necessary. In all these districts the Bengalee language is spoken. It will be seen presently that three more circles will be required for Bengal. And if on this account it be thought desirable to diminish the number of circles, then one circle might be saved by having a Sub-issue only at Dacca, and retaining only one large circle for all the rich, populous, and fertile districts in which the Bengalee language is spoken.

13. To the North-East is the somewhat wild, though rising Province of Assam, containing the following districts, namely:

Gowalpara	Luckimpore
Gowhatty	Sudya
Nowgong	Durung
Sebsaugor	

In these districts the Assamese language with a written character is used, and Bengalee is not understood or very little understood. In this point of view there ought perhaps to be a separate Assam Circle with head quarters at Gowhatty. But although these districts have a growing trade owing to the water traffic of the Berhampooter, still their population and revenue are small as compared with more civilized divisions. Commercially there would be no difficulty in their being included in the same circle as Dacca. Their trade passes down the river to the Emporium there. If they be not erected into a separate circle, they should belong to the same circle as Dacca.

14. South of Bengal is the Province of Oorissa comprising the Districts of

Cuttack	Balasore
Pooree	

In these the Oorya written language is used, and the Bengalee is not understood. In this point of view then, there should be a separate circle for Oorissa, with head quarters at Cuttack. But here again the population and revenue is small as compared with other circles. On the other hand it has not much trade with

Calcutta, except in Salt. If it be not made into a circle of itself, it will be included in the Calcutta Circle. In that case however an Office of Sub-issue might be required.

15. In the Bengal Lieutenant Governorship there remain the Provinces of Behar and Chota Nagpore or South West Frontier. In these are included the districts of

Bhaugulpore	Behar
Monghyr	Palamow
Tirhoot	Chota Nagpore
Patna	Ramgurrh
Sarun	Sumbulpore
Shahabad	

some of which are among the most populous and fertile in the Presidency. In these districts the Oordoo or Hindee, and Bengalee languages are understood. The trade centres in the rich marts of Behar on the banks of the Ganges. And the Head Quarters of the circle might be at Patna, where there is a large Military Station.

16. In the North-West Provinces, Allahabad, being now the seat of Government, and being very centrally situated, suggests itself as a proper place for the head quarters of a circle. Though not itself a place of great trade, it stands on one of the most important points on the whole line of the Grand Trunk Road, and is close to several great marts, such as Mirzapore, and Benares. Again it is contiguous to the central and Southern part of the Province of Oude and to the Bundelcund District. In the Allahabad Circle might be included the following districts:

N. W. Provinces	...	Allahabad
		Benares
		Mirzapore
		Ghazee-pore
		Azimgurrh
		Goruckpore
		Jounpore
		Cawnpore
		Futtehpore

Oude	...	Sultanpore
		Faizabad
		Salone
		Lucknow
		Duriabad
		Oonao
Bundelkund	...	Baraich
		Mullapore
		Gonda
		Banda
		Humeerpore

The circle thus formed would be a very large and important one, but the districts are compactly situated. If needed a Sub-issue office might be established at Lucknow; but probably this would not be found to be essential. In all these districts the Oordoo, and Hindi languages are used.

17. Proceeding in the North-West Direction, Furruckabad appears to have a very central situation: and is an important centre of trade. It is also a Military Station with an European force. In this circle might be included the central part of the Doab between the Ganges and Jumna, the Provinces of Rohilcund and Kumaon, and the Western Districts of Oude. The districts of this circle then would stand thus—

Doab	...	Furruckabad
		Mynporee
		Etawah
		Agra
		Muttra
Rohilkund	...	Allygurrh
		Budaon
		Bareilly
		Shajehanpore
		Bijnore
Oude	...	Mooradabad
		Mullaon
		Muhumda
		Seetapore

Kumaon Gurhwal

In these districts also the Oordoo, and Hindi languages are used.

18. Turning towards the districts bordering on the Jumna, and those lying between the Jumna and the Sutlej, the station of Delhi offers itself as the most suitable place for the centre of a circle. Its situation is unrivalled in Northern India, politically, topographically, and commercially, and it is held by European Troops.

In the Delhi circle then the following districts might be included:

N. W. Provinces	...	Meerut
		Bolundshuhur
		Mozuffernugger
		Seharunpore
Delhi Territory	...	Dehra Dhoon
		Delhi
		Paniput
		Gorgaon
Hurriana	...	Rohtuk
		Jhujjur.
		Sirsa
		Hissar
Cis-Sutlej States	...	Jhujjur.
		Umballa
		Thanesur
		Loodiana
		Simla.

In all these districts the Oordoo and Hindi languages are used: although Punjabee is spoken in the Cis-Sutlej States. But as Umballa is a large station situated at some distance from Delhi, an Office of Sub-issue might be established there.

19. In the Punjab, Lahore, as being the capital, as being very close to the great mart Umritsur, and as being a remarkably central situation, is obviously fitted for the head quarters of a circle. In this circle it will be desirable to include all the districts up to the North-Western Frontier at Peshawur. The traffic of

Peshawur is great and increasing, but; an office of Sub-issue should suffice. In the Lahore Circle then the following districts would be included:

Lahore	Kangra
Umritsur	Goojerat
Goojeranwalla	Shahpore
Sealkote	Jhelum
Goordaspore	Rawal Pindee
Ferozepore	Hazara
Jullundur	Peshawur
Hoshiarpore	Kohat

In these districts the Hindoostanee or Oordoo language is now understood: the addition of Hindi would not be of much use. The Goormokhee, character in which the Punjabee language is written, might be added. The Oordoo and Goormookhee characters then might be used in the Notes.

20. In the Southern Punjab, Mooltan is commercially and politically the central place. Its situation both for Steamers and Railways is wonderfully good, and its commerce is rising fast. It is held by an European force—It might be the Head Quarters of a Circle.

In the Mooltan Circle the following districts might be included:

Mooltan	Dera Ghazee Khan
Gogaira	Leia
Jhung	Mozuffergurh.
Dera Ismail Khan	

In these districts the Oordoo language is understood, and the Goormookhee might be added. The Oordoo and Goormookhee characters might be used on the Notes.

21. In Central India there are the Saugor and Nerbudda Territories, and Ajmeer. These might be made into a circle with its head quarters at Saugor, where there is an European force

and a Civil Station, and a considerable trade. In this circle would be the following districts :

Saugor	Nursingpore
Dumoh	Jaloun
Jubbulpore	Jhansi
Seonee	Chundeyree
Mundla	Jaood Neemuch
Hoshungabad	Nimar
Baitool	Ajmere

In these districts the Oordoo and Hindee language are understood and the character, of both might be used in the Notes.

22. To the circles of the Bengal Presidency there may be added one for Burmah with head quarters at Pegu. The circle would include all the districts of British Burmah, and perhaps also those of the Tenasserim Province, with an office of Sub-issue at Moulmein. It does not seem necessary to make a separate circle for Tenasserim. The Notes will bear the Burmese character, as that language is used in all the districts.

23. The proposed circles of the Bengal Presidency, are now complete. To these several circles the Notes would be supplied from Calcutta, and they would be payable either at the head quarters of their proper circle, or at Calcutta.

24. In the Madras Presidency the first circle will be that of Madras itself. In and about Madras the Tamil and Teloogoo languages are used. The Teloogoo language prevails in the districts along the East Coast, known as the Northern Circars—also in most of the districts formerly ceded from the Nizams's Territory. The trade of these districts, and especially that of the Coast districts for the most part finds its way to Madras. The districts of the Northern Circars near the mouth of the Godavery are rapidly advancing in prosperity. In the Madras Circle then the following districts might be included :

Madras, Chingleput
North Arcot
Nellore

Ceded Districts	...	Cuddapah
		Kurnool
		Guntoor
Northern Circars	...	Masulipatam
		Rajahmundry
		Vizagapatam
		Ganjam

In the Notes the Tamil and Teloogoo character might be used in consideration of the distance of the Northern Circar districts from Madras a Sub-issue Office at Vizagapatam might be allowed.

25. A circle will then be needed in the Southern tongue of the Peninsula. The Tamil language is used in the districts on the Coromandel side. But the districts on the Malabar side, such as Travancore, Cochin, and Malabar, use the Malayalim language, and understand no other. For this provision must be made; as the head quarters of this circle Trichinopoly naturally suggests itself as being a Civil station with an European force centrally situated, and near to the rich district of Tanjore, called the garden of South India.

In the Trichinopoly circle then the following districts might be included :

Trichinopoly	Salem
Tanjore	Travancore +
Madura	Cochin +
Tinnevelly	Malabar
South Arcot	Coimbatore

The notes might bear the Tamil and Malayalim characters.

26. The East and South portions of the Presidency having thus been arranged for, there remain the West and North portions. Along the West Coast (Canara), and on the table lands of Mysore, and Hyderabad Territory, and in the Southern extremity of the Bombay Presidency, above the Ghaut Mountains the Canarese

language prevails. In Lower Canara also the Malayalim language prevails.

The following districts might be included in the circle :

Coorg	North Canara
Mysore	South Canara
Bellary	Dharwar { within Bombay
	Belgaum { Presidency.

and the Raichore Doab, one of the recently assigned Hyderabad districts. The only difficulty in this circle is the selection of a place for head quarters. There are in this part of the country three stations of European troops, namely, Bellary, Bangalore, and Belgaum. Then Bangalore is divided by mountains from the coast where the trade exists, and has no considerable trade of its own. Belgaum (within limits of Bombay Presidency), again is just on the Northern extremity of the circle, and its situation is the reverse of central to the circle. It has however a trade and lies on the high road from the Coast to the Deccan.

The third place is Bellary, this is more central than Belgaum, and has a trade with the coast with which indeed its communication is likely to improve. On the whole it appears the fitted place for the head quarters of this circle.

In the Notes of this circle the Canarese and Malayalim languages would be used.

27. Such are the proposed circles for the Madras Presidency. The notes would be convertible either at the head quarters of their proper circle : or at Madras.

28. In the Bombay Presidency the first circle will be that of Bombay itself. Within that circle would come the Districts of

South Concan.	Sholapore.
Sattara	Daraseo (Hydrabad assigned
Ahmed Nuggur	districts)
Poona	Joneer
Candeish	Tanna

The trade of these districts of course is centred at the capital of the Presidency. The language used is chiefly Mahratta. The Notes would bear that character and also the Hindoostanee character.

29. To the North of Bombay there are the rich cotton growing districts where the Goozerattee language is spoken : and the trade of which converges to Surat. It will be necessary to have a circle here, and consisting of the following districts, namely :

Surat	Ahmedabad
Broach	Khaira

The Notes would bear the Goozerattee and also the Hindostanee characters. The head quarters would be at Ahmedabad, where there is an European Force and a considerable trade, specially in opium.

30. There remains the Province of Sindh, of which the growing trade will soon give a large employment for the Note currency, where there is an European force. The head quarters would be at Hyderabad the old capital, and the circle would comprise the following districts :

Hydrabad	Shikarpore
Kurrachee	Sindh Frontier Division

The Notes would bear the Sindhie and Hindostanee characters.

31. It is proposed to include the Nagpore Province in the circles pertaining to the Bombay Presidency. This Province is peculiarly situated in the very heart of India. It is a great producing country, and sends its produce to distant marts, to Mirzapore in the North, Coringa, to the mouth of Godavery on the East, to Bombay on the West. It has indeed three distant outlets for its traffic. Now it would be very difficult to combine Nagpore with the Northern Circars of Madras, or with the North-West Provinces of Bengal. If combined with the Saugor and Nerbudah Territories, which would be geographically possible, then it would fall within the North-West Provinces. On the whole it seems best to make Nagpore a separate circle, and place it

together with the Bombay circles: so that a Nagpore Note may be convertible either at Nagpore or at Bombay, with which latter capital Nagpore has more connexion than any other. The Nagpore Notes might bear the Mahrattah and Hindestanee characters

32. Such are the proposed circles for the Bombay Presidency. The Notes would be convertible either at the head quarters of their proper circles or at Bombay.

33. The several districts throughout India have now been briefly considered. According to this scheme there will be 16 circles in all; distributed as follows among the three Presidencies—

Bengal	...	10
Madras	...	3
Bombay	...	4
		—
Total ...		17
		—

The number will probably not appear excessive when the vast extent of territory, the numerous districts consisting of no less than 180 or thereabouts—the variety of languages and characters, of which no less than 15 will appear on the Notes—are all considered. Every care has been taken to reduce the circles as much as possible consistently with the important objects in view.

32. A tabular statement shewing the area, population, and revenue of each circle prepared by the Assistant Commissioner Mr. Halsey, is appended.

(Signed) R. TEMPLE,
Commissioner.

Trind. L. to Eng. 31st
May 22. 11 of 1860.

To Secy

Sub 2213 of 1860
Sept 12 May 6

760. 8.

in No 217.

Memo.

Perhaps this had better go to R Accountant General for his opinion in the first instance —

It seems to me that the circulation is much too large or at least that there should be many more offices of issue —

The receipt of these notes is to be made compulsory — How can a man at Remond be forced to take a note which he can only get cashed at Montreal?

9-5-60 It should I think, be a joint reference to the Accountant General and the Board of Revenue who should be directed to give their early and best attention to the subject, and to confer freely on the matter.

Mr

Proceedings of the Madras Government.

Financial Dept. 8

Read the following
letter from the Com-
missioner for introduction of
Paper Currency. Calcutta.
(Dated. 4th May, 1860.)

Order thereon. 11th May 1860. No 204.

Ordered that the fore-
going letter and the Me-
morandum which accom-
panied it be referred to
the Accountant General
and the Board of Re-
venue jointly, and that
they be requested to give
their early and best at-
tention to the subject, &
to confer freely together,
and submit their opinion
on the details of the pro-
posed plan for the in-
troduction of Paper
Currency

Currency in India
to Indian Rupee
- duty
JP

To the Board of Revenue
with America
in Asst. General.

Dispt-10*

15

Copies Letter and
+ order
M.

Wm. H. May
June 18th 1850
No 11 1850

16/5/51

Pro of Bond 20th May
Financials 6 1850 (Departure)

No 2971

Proceedings of Court

21 May 1850

attention to the sub:
ject:—

Referring to the
case of the Bank and the
Board of Revenue
jointly the letter from
the Commissioners for
the introduction of
Paper Currency and
the Memo which are
comprised it and
request them to give
their early and best
attention

1852