

MADRAS RECORD OFFICE.

Government of Madras.

of
Financial DEPARTMENT.

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Not to be folded or roughly handled

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

No. 6. Read the following letter from Lieutenant Colonel J. H. BELL, Chief Engineer; to the Secretary to Government, Public Works Department, Fort Saint George, dated 18th January 1860, No. 9278.

I have the honor to submit herewith for the information of Government an abstract of the replies which have been received from the various District and Executive Engineers to my Circular of 29th June last, furnishing them with the Proceedings of Government as per margin "for report upon Colonel F. C. Cotton's views upon the means of increasing the circulation of small silver and of copper coins in the Provinces."

Enclosure 1.

No. 335 of 14th June 1859.

Ganjam.	Tanjore.
Vizagapatam.	Coimbatore.
Godavery.	Malabar.
Kistna.	Bangalore.
Kurnool.	Jackatalla.

Nellore.
Cuddapah.
South Arcot.
Madura.
Tinnevelly.
Salem.

2. It will be observed that the District and Executive Engineers, as per margin, state their concurrence with Colonel Cotton's views, and most of them suggest the means which they consider best adapted for preserving the existing circulation in their several Districts or for improving it where deficient.

4. The District Engineers, marginally noted, express no opinion in regard to Colonel Cotton's letter, but state that the supply of coins of small value in their Districts is sufficient for the demand, with the exception of Nellore, in the Nuttum range of which a larger supply of copper would be advantageous, and an additional quantity of both copper and small silver coins is much needed in the Goondavole taluq.

5. In Trichinopoly, the District Engineer says that small money is in little use for the payment of work and the District Engineer of Chingleput merely furnishes a scale shewing in what per centage he considers each coin should be drawn from the Treasuries in payment of drafts, in order to give effect to Colonel Cotton's measures.

6. The District Engineer of Bellary does not think that any thing, but the opening up of foreign Markets for the produce of the land, which will cause an increased demand, therefore making it more profitable for the ryot to pay his laborers in money than in kind will ever force small coins into more extensive circulation, and this cannot be accomplished until the state of the communications is improved. The District Engineer of North Arcot also states that until that change is effected, little can be done to stimulate an increased circulation of coin. The District Engineer of Canara has issued instructions to his Executive Officers to take as much small coin as possible for their monthly payments instead of making them as they generally do in even Rupees, in order to save labor both in carriage and payment.

7. Colonel Cotton's views are coincident with my own as regards the desirability of doing every thing to promote the most extensive circulation of small silver and of copper coins throughout the country. But as in several, more especially in the Southern Districts, the influential classes are averse to the practice of money payments to laborers, every endeavour upon the part of Government servants, both in the Public Works and Revenue Departments, will be requisite to bring about this important object.

8. The officers of the Public Works Department must make a point of paying their work people to a large extent in small change, but in order that no unnecessary labor may be imposed upon them in the carriage of it from place to place as they visit the several works under their charge, Collectors and other Revenue authorities must take care that while an abundance of that description of money is kept in the Huzur Treasuries, an ample supply is at the same time maintained in each of the taluq Treasuries, and that the officials in charge be instructed to give change to all who ask for it, without any exception.

Vide report from Tanjore,
Bangalore,
Vizagapatam,
Trichinopoly,

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9. I hoped to have the advantage of seeing the report of the Board of Revenue on this subject before making my own, but as I am informed by the Board that they have not received all the answers required to their circular, I do not delay submitting the answers of the District Engineers.

Precis of Replies from the District Engineers on the subject of the circulation of small Silver and of Copper Coins.

GANJAM.—Captain Harington considers it most desirable that large amounts of small coin should be available throughout the District, and states that every assistance has been given to the Public Works Department in Ganjam to enable its members to issue it to coolies to whom payment in that shape is very acceptable, by distributing to the various local Treasuries copper and small silver coins instead of keeping the stock exclusively in the Collector's Treasury. The supply however is often insufficient and then the Rupee is at a discount, sometimes to the extent of 4 Pice, but this loss is not allowed to fall upon the work people, as the District Engineer makes good to them what is demanded in this market for change.

On the other hand again, it is not convenient, on account of the bulk and weight, for officers to have on hand a large sum in that description of coin when travelling from work to work, to say nothing of the time and trouble it takes to count it at the daily balance. The remedy lies in always keeping at every local Treasury or Police Station large sums in copper and small silver coins to be exchanged for Rupees to all asking, without respect to their position.

VIZAGAPATAM.—Lieutenant Vertue after agreeing *in toto* with Colonel Cotton's views, proceeds to state that the best way to promote the circulation of copper coins which should be the principal circulating medium on account of its being less likely to be hoarded up or converted into articles of use or ornament by Natives is by sending monthly to the principal Talluk Treasuries a certain supply, which those in charge thereof might be directed to offer in exchange for silver at a small discount. This would cause its rapid spread, even to the remotest villages, where its value would soon be appreciated, and the result would be increased industry and exertion, together with a consumption of articles foreign to the Districts in which those villages are situated, all of which are completely checked by the prevalent custom of grain payments, a remnant of the primitive system of barter.

GODAVERY.—Captain Rundall observes that his experience in the Rajahmundry District fully bears out Colonel Cotton's views, and although money payments are by no means universal as yet, they are gradually gaining ground, so much so that in some instances which have come under his own observation he knows that labor for agricultural purposes could not have been procured except by direct money payments. Were the disbursing officers of the Public Works Department to use copper and small silver coins when making payments, their circulation would be secured, but there is the objection to its use of the difficulty and expense of carriage for large quantities of it. This however, would be more than met by the saving effected in the matter of exchange, an immediate and rapid circulation of that description of money would spring from the adoption of Colonel Cotton's suggestion to sell copper coins at a discount, and Captain Rundall thinks that even were it offered at par at the public Treasuries after due advertisements to that effect, the scarcity of it would diminish rapidly.

KISTNAH.—Captain Chambers while he states his entire concurrence with Colonel Cotton as to the advantage and expediency of their increased circulation does not think that the scarcity of small coin, which Colonel Cotton speaks of as general, exists in the Northern Delta Collectorates, as during the construction of the Anicuts so much copper coin was introduced that the Rupee rose to a premium, as much as 17 Annas having been given for one, and for years after it was worth more than 16 Annas. At present there is no difficulty in getting change and Captain Chambers considers that it may be fairly assumed that the requirements of the people

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are partly well met by the quantity now in circulation added to the extra sums drawn monthly from the General Treasury by the Department Public Works. The amount of money circulated by this

Department is large and during the 3 busiest months in the present year Rupees 43,873 were drawn from the Talluk Treasuries of Masulipatam and Rupees 25,700 from those of Guntur, the portions disbursed in small silver and of copper coins are as per margin. This is exclusive of salaries, part of which is generally paid in small silver. Under the above circumstances, the District Engineer thinks it needless to attempt to force small coins into circulation in the Kistna Division, but he would continue the present custom, of drawing part of the monthly funds in change.

NELLORE.—Only in the Gondavole Talluk has there been any difficulty felt from the want of copper and small silver coin.

In the Northern range the latter is abundant, but a larger supply of the former is needed, in the Southern parts of the District coin of low value is plentiful, from Rupees 20,000 to Rupees 25,000 have for a long time been disbursed monthly in coin by the Department Public Works. The ryots usually pay in kind but valuing the grain at market rates their daily payments exceed those of this Department and when they need labor for their fields, they outbid the Public Works officers without hesitation. Payments in coin at the rates hitherto in force afford no inducement to coolies to work for this Department, while the influence possessed by the villagers over that class is so great as to prevent the latter from accepting unless with the consent of the former, any except permanent employment, and even at the Anaikatt where they are under the immediate Superintendence of a European officer and get daily pay 40 per cent higher than in the Talluks, the coolies desert immediately they are required in the fields.

CUDDAPAH.—Small silver and copper coins appear to be very plentiful throughout this District. The disbursing Officers go about the Talluks to the smallest and most remote villages where works are in progress and as they pay for work performed, upon the spot, they take small change with them. The merchants in the bazar at Cuddapah are always glad to get Rupees for small change. Captain Hemery however understands that the one Pie piece is not so common as would be desirable as it is frequently needed by the poorer classes and it is very useful in giving change since there is no two Pie piece.

BELLARY.—Captain Fischer does not think that any thing will force copper and small silver coins into the market until the laborer can demand his wages in money and it is more profitable for the ryots to pay him in that than in produce. The means to bring this about is the opening of foreign markets for their grain by the construction of cheap serviceable roads and the completion of existing lines of communication. Until this end is gained, Captain Fischer believes that barter exists in all countries. He does not agree with Colonel Cotton in his 13th paragraph for he considers that the Collector's order even must fail in forcing the circulation of small coin.

KURNOOL.—Lieutenant Beckley while asserting that it is beyond doubt that the District would benefit by a stimulated circulation of small coins, does not perceive from the enquiries he had made that there was any very active demand for them. Forcing copper into circulation by selling it at a discount would by depreciating its value furnish Sahukars and merchants with a powerful argument to dissuade coolies from accepting it in remuneration for their labor. He considers that the Godavery division having its communications so perfect is the cause of money, and not grain, payments prevailing there, but in a District without roads the ryot has no market for his produce and consequently has little, if any, money with which to pay his coolies. All members of the Department in Kurnool have been directed to offer no objection to receive any portion or the whole of the sums they may draw from the Talluk Treasuries in small silver or 1-10th of the amount in copper.

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CHINGLEPUT.—With a view to increasing the circulation of small silver and of copper coins in the provinces, Captain Moberly suggests that in cashing drafts the sums should be drawn in the following proportions:

50 per cent in Rupees		
14	in $\frac{1}{2}$	in
15	in $\frac{1}{4}$	in
15	in $\frac{1}{8}$	in
6	in copper.	

NORTH ARCOT.—Captain Prendergast considers that little can be effected by the Department Public Works in the matter of a more extensive circulation of small coins. The plan of daily payments to work people which would force that class of money into circulation, would be very considerable as it would necessitate the employment of maistries or others as disbursing agents, in consequence of its being impracticable for the subordinates who make the payments to attend daily at each work for that purpose. The payment of several days' wages in small coin the District Engineer doubts its acceptability of by the coolies, who he considers would rather have a couple of large coins to take care of, than a number of small ones. There are two causes which lead to payment in kind, *viz.*, the people being in a reduced state from penury and famine or in a state of barbarity, and consequently ignorant of the value of money. In the former when the famine has ceased, they will take money only, in the latter civilization and the opening up of the country by established means of communication alone will bring about the free circulation of coin.

SOUTH ARCOT.—The Executive Agents appear to be supplied with a sufficient quantity of small coin for the ready payment of work people and no complaint regarding a deficiency thereof has been made for 2 years; the greater part of the earth work for roads, banks, &c., is done by contractors, who do not require payment in small coin. Coolies also from not being paid daily, receive only part of their wages in that way.

TANJORE.—Captain Oakes concurs with Colonel Cotton in the desirability of introducing payment for labor in hard cash, instead of grain and the advantages to be derived from the circulation of small silver and of copper coins throughout the country, but until the present system is done away with, the Department Public Works in Tanjore can do very little in that way, as the Meerassidars have an objection to receive small coin and will not pay their ryots in money. If the above description of coin were sold at the Public Treasuries at a discount, Captain Oakes thinks it probable that a small quantity would be forced into circulation.

TRICHINOPOLY.—Copper and small silver coins are scarcely ever used in this District when paying for work which is mostly done by contractors who are generally Merassidars. The influence of these men is enormous and until they are got rid of, nothing can be done towards forcing the circulation of more small change.

MADURA.—Small silver coins appear to be abundant enough in this District but have not been much used by the Department Public Works, except in one or two isolated cases of works carried on by coolies on daily hire paid direct at short intervals by the Overseer or Assistant Overseer.

TINNEVELLY.—As far as the requirements of the Department Public Works are concerned, this District seems amply supplied with small silver and copper coins. When the Executive Officers present drafts at the local Treasuries, a Memorandum is sent stating the various kinds of small change required and Lieutenant Payne has never heard of any instance in which it has not been furnished. Small silver coins on account of their greater portability

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are of more use than copper. A thousand Rupees in the former weigh about 26 lbs. while in the latter upwards of 920 lbs. or nearly a bandy load.

COIMBATORE.—Mr. Fraser entirely concurs with Colonel Cotton that labor should be paid for in money not in kind, and that coolies could be made to do at least four times the amount of work they at present perform, but he does not think that money payments alone will effect this last change, an entirely new system of working is needed and a different class of Executive Officers and Subordinates. Any increase in the supply of small coins would be of great advantage, as much difficulty is experienced in getting a sufficiency of them to pay the laborers, and in some cases it has had to be bought at a premium in the bazaar as the Tahsildars generally refuse to give more than 10 per cent of small silver when cashing a draft.

SALEM.—Captain Gahagan has never observed in any part of his District the want of or difficulty in procuring small coins. The exclusive use of these by the Department Public Works in payment of daily labor would materially further their circulation, but this the District Engineer would be sorry to see introduced, as it would impose upon the disbursing Agents a great amount of extra trouble. The Neeranicum establishments are still paid partly in grain which not only works badly but is quite unnecessary under existing circumstances, and both ryots and coolies would for the most part willingly agree to money payments. The advisability of doing away with grain payments has been more than once pointed out to the Collector by Captain Gahagan.

CANARA.—Lieutenant Hunter has given instructions to Executive Officers invariably to take as much small coin as possible for their monthly payments. This practice was not in favor, on account of the labor in carriage and disbursement and as payments are monthly and generally in even Rupees.

MALABAR.—Captain Bean's attention was called to the subject of small coins by the expense incurred in changing Rupees for the payment of coolies. The scarcity of small coins has been felt mostly in the Centre division when in 6 months Rupees 68-5 were paid for changing money and of that sum Rupees 38-6-11 was on one single road. In answer to the District Engineer's enquiry, he was told that the Tahsildars have assisted to the utmost in their power but they have no large amount of small coin in their Treasuries and the District Engineer recommends that measures be taken to prevent the accumulation of them in the Huzúr Treasury. Coolies will work much better on money than on grain payments as they soon find out its value and importance, as well as the advantages of giving extra work for extra pay; were they paid in money they could lay in stores of food when average prices prevail instead of having to pay famine prices when scarcity induce the merchants to run up their rates.

BANGALORE.—Captain Mayne quite agrees with Colonel Cotton that money payments to laborers are of the greatest importance, they are sure of the full value of their day's work. The substitution of money for grain payments should be encouraged as much as possible, and in large works with the assistance of the Collector, bazaars should be established. When in North Arcot, Captain Mayne arranged with the Collector that the Tahsildars in issuing money to the disbursing Agents should give a certain per centage of small silver and of copper coins, thus it was not left optional with the Subordinates to take change or not, which forced a certain amount into circulation. To attain an extensive circulation is of so great importance that every means should be adopted for doing so, as Sáhúkers and Ryots will strenuously oppose it.

JACKATALLA.—Captain Farewell being perfectly aware of the great advantages derived from the circulation of small coin and the very great convenience and comfort its use is to the laborers on these works, makes as many payments as possible in that way, indenting for what he requires upon the Collector. On the Hills small coin is scarce and in great demand,

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consequently whoever are anxious to get as much of their pay as they can in that shape, one Anna is sometimes charged for changing a Rupee. The Executive Engineer's June Indent for a large proportion of small coins was not passed, the Collector not having a sufficient amount to admit of his sending the quantity applied for.

CENTRAL OFFICE OF P. W.,
SEPAKKAM,
18th January 1860.

(Signed) J. H. BELL, Lieut. Col.,
Chief Engineer.

No. 7.

ORDER THEREON, 23rd January 1860, No. 29.

Ordered to lie over until the report of the Board of Revenue is received. The Board will be requested to expedite it.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

Limit

Order thereon 23rd January 1860. No 29. *no*
Ordered to lie over until the
report of the Board of Revenue
is received - The Board will be
requested to expedite it

Board of Revenue - *Slip 31st*

JP

Pro of Govt 31 Jan 1860

The Chief Engineer

The Secretary to Govt

Slip 31st

JP

Submitting for info:

*motion in abstract of the
affairs from the various
Govt. Dept. on the subject of
the circulation of currency
also of the various
the various.*

With an order

Pro of Govt 31 Jan 1860

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Walter and other persons are

much the case that while an abundance

of both description of money is kept

in the State, the business is suffering

as at the time the government was

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any restriction.

I expect to have the advantage

of doing the work of the Board

of Revenue in the highest degree

making my own law as I am in

formed by the Board that they

have not received all the answers

required to this Circular. I do not

delay publishing the answers of

the British Engineers.

John George
Applington
18 Long St
New York

To Mr. Secretary
of the Treasury
Washington
D.C.