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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 318-19 Press ~~Mis.~~

Dated 29th June 1860

B.M. 86-88 8/9

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 29th June 1860.

No. 86. From B. H. ELLIS, Esq., Secretary to Government, Bombay, to T. PYCROFT, Esq., Chief Secretary to Government of Madras, dated 12th June 1860, No. 449.

I am directed to forward the accompanying copy of a letter addressed to the Commissioner for the introduction of the Paper Currency, on the subject of the proposed formation of Currency Circles, and to request the attention of the Government of Madras to the observations made in paragraph 7 @ 13 thereof.

No. 447, dated 12th June 1860.

From B. H. ELLIS, Esq., Secretary to Government, Bombay, to R. TEMPLE, Esq., Commissioner for the introduction of the Paper Currency, Calcutta, dated Bombay Castle, 12th June 1860, No. 447.

Having laid before His Excellency the Governor in Council your letter, No. 4, of the 10th ultimo, and accompanying Memorandum on the proposed formation of Currency Circles, I am directed to communicate the following observations.

2. His Excellency in Council is of opinion that the primary consideration in fixing the limits of the Circles should be the course of trade, and that it is far more important to regard the direction of traffic, and the convenience of commerce, than to be bound by a scrupulous observance of the range of a particular language.

3. The difficulties arising from a variety of languages may be easily overcome by increasing the number of the languages used to express the value of each Note. You have proposed to use two vernacular languages; the addition of a third will remove, so far as this Presidency is concerned, all difficulty on the score of difference of language.

4. To insist on the restriction to two vernacular languages would, it is submitted, be productive of great inconvenience without any compensating advantage, and, as I have already had occasion to show, would render almost impracticable, in some Circles of this Presidency, the circulation of any Notes intended for use among all classes of the community.

Vide letter to address of Currency Commissioner, No. 373, dated 28th May 1860.

5. The difficulty referred to in my letter regarding the Bombay Presidency Circle would be experienced in other Circles, unless three vernacular languages be used. Thus in Sind the Hindoostanee and official Sindee character must be adopted, but, unless a third character be used, the great mass of the mercantile community, being Hindoos, would be unable to decipher the letters and figures on the Notes, and would view the new currency with disfavor.

6. His Excellency the Governor in Council trusts, therefore, that no objection will be taken to this modification; and I have been directed to offer further suggestions, on the understanding that three vernacular languages will be used to express the denominations of the new Notes.

7. The chief point in the proposed arrangements to which I am to request attention is the proposal to attach Belgaum and Dharwar to a Bellary Circle, under the Presidency of Madras. If language be the sole test, one half of the Sholapoor Collectorate should be transferred to the Bellary Circle, as Canarese is quite as generally spoken in the Southern districts of Sholapoor as in Belgaum. On the other hand, a large portion of the population of Belgaum and Dharwar understand Mahratta, while others can read and understand no language but Hindoostanee.

8. To an arrangement by which these districts would be placed under Bellary and Madras, His Excellency in Council very strongly objects, as being at variance with the first principle to be kept in view, for it would be a real grievance to the people of these districts to be compelled to resort to Bellary as an office of Issue, and to be deprived of the privilege of converting their Notes at Bombay.

9. It would be a direct reversal of the arrangement suggested by the existing and natural course of general trade, and it would cause great inconvenience to the commercial interests involved in the rapidly developing Cotton trade of the Southern Mahratta Country. Objection may possibly be taken to any other arrangement, but no objections can have equal weight with those which, in the opinion of His Excellency in Council, render it a matter of necessity that the proposed scheme, so far as it regards these districts, should be modified.

10. The use of the Canarese and Mahratta languages in addition to the Hindoostanee would enable you to form a Circle attached to the Bombay Presidency, so as to relieve the people of the Southern Mahratta Country from the inconvenience to which by any other arrangement they would be subjected.

11. A Circle might be formed with the Office of Issue at Belgum, including the Collectorates of Belgaum and Dharwar, and the Raichor Doab. The Southern Konkan might be added, as its proximity to Bombay would obviate any inconvenience that might be felt from the Office of Issue being at Belgaum.

12. And it would be of great advantage to the trade of the Southern Cotton Districts of this Presidency if the Circle include North Canara, so as to take in the port of Coompta. The only objection that occurs in respect to this last mentioned suggestion is the official separation of this district from the Bombay Presidency: so far as commercial interests are effected, His Excellency in Council has no doubt of the propriety of including North Canara in this Circle, with head-quarters at Belgaum, subordinate to the Presidency of Bombay.

13. The adoption of this arrangement would leave Bellary,* Coorg, Mysore, and South Canara, for formation into a separate Circle under Madras, and might necessitate modification in the Circles proposed for that Presidency. This, however, would be a question solely for the consideration of the Madras Government, to whom a copy of these observations will be forwarded.

* *It might be thought desirable to include Bellary in the Belgaum Circle. This could be done if considered by the Madras Government to be advantageous for Bellary.*

14. The formation of an additional Circle would be involved in the arrangement now suggested. If this be objectionable, His Excellency in Council is prepared to adopt another plan, which he considers preferable to the former in many respects, but it has the disadvantage of deviating more widely from the scheme of Circles proposed in your Memorandum.

15. The object in view might be accomplished by a redistribution of the Bombay and Guzerat Circles, so as to form them in correspondence with the present divisions of the Revenue Commissioners.

16. The Circles would then be as follows :—

10. *Bombay Circle*

including

Bombay,
Northern Konkan,
Candeish,
Surat
Broach,
Kaira, and
Ahmedabad. } Guzerat.

An Office of Sub-Issue would be required at Ahmedabad. The languages to be inscribed on the Notes would be

Hindoostanee,
Guzeratee, and
Mahrattee.

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29th June 1860.

11. *Southern or Deccan Circle,*

with its head-quarters at Poona, an important city, and the largest Military Station in this Presidency. The Circle would include

Poona,
Ahmednuggur,
Sholapoor,
Sattara,
Southern Konkan,
Raichor, and Daraseo, } Assigned Districts.
Belgaum,
Dharwar, and
North Canara (if possible.)

An Office of Sub-issue at Belgaum would be indispensable for this Circle. The languages would be

Hindoostanee,
Marathee, and
Canarese.

17. In submitting this amendment, I am desired to express a hope that, whatever course be adopted, Belgaum and Dharwar will not be transferred to a Madras Circle.

18. Regarding the Sind Circle, I am directed to observe that if, as is inferred from the map, it be intended to include Deesa in it, His Excellency the Governor in Council would suggest that Deesa be transferred to the Guzerat Circle.

19. The head-quarters of the Sind Circle it is proposed to place at Hydrabad. This town is certainly centrical, but in no other single respect does it answer the requirements of an Office of issue. I am directed to suggest that Kurrachee be made the head-quarters of this Circle.

20. In regard to the limits of the Sind Circle, I am directed to represent the advantage of joining Mooltan with Kurrachee, so as to have the whole line of the Indus within the same Circle. The division proposed in your Memorandum allows of the conversion of Mooltan Notes in Calcutta only. If the natural course of trade be followed, and the convenience of the commercial community be consulted, this arrangement should be modified.

21. His Excellency the Governor in Council would suggest that Mooltan, with Leia, Dhera Ghazee Khan, and Dhera Ismael Khan, and Muzuffer gurh, be placed in the Sind Circle, with an Office of Sub-issue at Mooltan; the other districts proposed by you for the Mooltan Circle would be placed under Lahore, and the number of Circles might be thus reduced. The adoption of the three languages of

Hindoostanee,
Official Sindee,
Goormookhee,

would provide for the people inhabiting the districts included in this Circle. The Notes would be convertible at Bombay.

22. Had it been proposed by you to include Mooltan in the Lahore Circle, His Excellency in Council would have hesitated to suggest an arrangement which might have been objected to as interfering with the community of interests between the two places. But the formation of a separate Circle for Mooltan in a scheme drawn up by an Officer of extensive local experience has removed all doubt that might otherwise have been entertained on this point. It may now be safely assumed that Mooltan can without inconvenience be separated from Lahore; and this being the case, it is at once far more advantageous for the people, more in accordance with the routes of commerce, and more economical for Government, to add Mooltan to the Sind Circle, than to create a separate Circle of issue.

23. His Excellency the Governor in Council fully concurs in the proposition to place Nagpore among the Bombay Circles, on the principle above laid down. Its commercial connexion with Bombay is closer than with the other Presidencies, and the early completion of the Railway will afford an additional argument for the adoption of this arrangement.

24. I am, in conclusion, desired to state that the Canarese letters and numerals will be forwarded hereafter, and the Commissioner in Sind has been requested to forward specimens of Sindee, which I shall have the honor to send you when received from the Commissioner. Goormookhee letters and numerals will, it is presumed, be sent from the Punjaub. The Hindoostanee, Mahrattee, and Goozerattee characters were forwarded with my letter of the 28th ultimo.

No. 87. To the Secretary to the Government of Bombay, dated Fort Saint George, 29th June 1860, No. 318.

I am directed by the Honorable the Governor in Council to acknowledge the receipt of your letter, under date the 12th instant, forwarding a copy of a communication, No. 194. addressed to the Commissioner for the introduction of the Paper Currency, on the proposed formation of Currency Circles, and requesting the attention of this Government to the observations made in paragraphs 7 to 13 of that letter.

2. These paragraphs have reference to the Commissioner's proposal, that the Belgaum and Dharwar Collectorates be attached to a Bellary Circle under this Presidency. His Excellency the Governor in Council of Bombay objects to this arrangement, but suggests that a Circle might be formed, with the Office of Issue at Belgaum, including the Districts of Belgaum, Dharwar and the Raichor Doab, and that this Circle should include North Canara, so as to take in the part of Coompta.

3. In reply I am desired to transmit, for the information of the Bombay Government, the enclosed copy of a letter which has been addressed by this Government to that of India, on the Paper Currency question, with the accompanying Minutes of the Members of Government, and letter from the Board of Revenue, reporting the result of their conference with the Accountant General on the Currency Circles proposed for the Madras Presidency.

4. It will be remarked that the Revenue Board consider that Belgaum and Dharwar should be excluded from the Madras Circles with the Districts of which they have little intercourse or trade. In this view I am instructed to state, this Government concur.

5. The Board further think that Malabar, Travancore and Cochin, should be united with the Bellary Circle, *i. e.* with the Districts of Bellary, North and South Canara, Coorg and Mysore. Cannanore, where there is a European Regiment, or Calicut, the principal Civil Station, being made the Chief Offices of Issue, and Sub-Offices established at Bellary and (if the Note can be made legal tender in Mysore) at Bangalore. The Government think that this Circle would be much too large, or at least that there should be more Sub-Offices of Issue. There should be one such Sub-Office of Issue for North and South Canara, perhaps at Mangalore. This Government are not in favor of attaching North Canara to Dharwar, from which it is divided by a wild and rugged tract of country. They however agree with the Board that considering how much of the trade of the Malabar and Canara Districts is with Bombay, the Notes current in those Collectorates should be exchangeable for Bombay Notes at Bombay and vice versa.

6. The above observations, I am to point out will apply, supposing the scheme of Paper Currency to be carried out at once all over India. It will, however, be remarked from the Minutes and letter to the Government of India, that this Government cannot but much doubt the policy of its immediate introduction generally, and would wish to see it tried first within a smaller range, and, if found to answer there, extended thence to other parts of India.

(Signed) T. PYCROFT,
Chief Secretary.

No. 88. To the Secretary to the Government of India, Financial Department, dated Fort Saint George, 29th June 1860, No. 319.

Referring to my letter, under date 30th May last, No. 244, I am desired to forward, for submission to the Supreme Government, the accompanying copy of a letter from the Government of Bombay and of the answer of this Government.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

Encl 5

Financial Department.

No. 318—

To,

The Secretary to the Government
of Bombay.—

Sir,

I am directed by the Honorable the Governor in Council to acknowledge the receipt of your letter under date the 12th inst. forwarding a copy of a communication addressed to the Commissioner for the introduction of the Paper Currency on the proposed formation of Currency circles, and requesting the attention of this Government to the observations made in paras: 7 to 13 of that letter.

No. 1149.

2.— These paras: have reference to the Commissioner's proposal, that the Belgaum and Dharwar Collectorates be attached to

to

to a Bellary circle under this Presidency. His Excellency the Governor in Council of Bombay objects to this arrangement, but suggests that a circle might be formed, with the office of Issue at Belgaum, including the Districts of Belgaum, Dharwar and the Raichor Doab, and that this circle should include North Canara, so as to take in the port of Coompta.—

3.— In reply I am desired to transmit, for the information of the Bombay Government, the enclosed copy of a letter which has been addressed by this Government to that of India, on the Paper Currency Question, with the accompanying Minutes of the Members of Government, and letter from

from the Board of Revenue reporting the result of their conference with the Accountant General on the Currency Circles proposed for the Madras Presidency.—

4.— It will be remarked that the Revenue Board consider that Belgaum and Dharwar should be excluded from the Madras Circles with the Districts of which they have little intercourse or trade. In this view I am instructed to state, this Government concur.

5.— The Board further think that Malabar, Travancore and Cochin should be united with the Bellary Circle — i.e. with the Districts of Bellary, North and South Canara, Coorg and Mysore — Cannanore, where there is a European Regiment, or Calicut, the principal

principal civil Station, being made the Chief offices of Issue, and Sub offices established at Bellary and (if the note can be made legal tender in Mysore) at Bangalore. The Government think that this would be much too large, or at least that there should be more sub offices of issue - There should be one such sub office of issue for North and South Canara perhaps at Mangalore. His Government are not in favor of attaching North Canara to Dharwar, from which it is divided by a wild and rugged tract of country. They however agree with the Board that considering how much of the trade of the Malabar and Canara Districts is with Bombay, the notes current in those Collectorates

Collectorates should be exchangeable for Bombay notes at Bombay and vice versa.—

6.- The above observations, I am to point out will apply, supposing the scheme of paper currency to be carried out at once all over India - It will however be remarked from the Minutes and letter to the Government of India, that this Government cannot but much doubt the policy of its immediate introduction generally and would wish to see it tried first within a smaller range, and, if found to answer there, extended thence to other parts of India.—

I have &c:

J P

2 Copies

Fort Saint George
20th June 1860.

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Triplicate

(7)

Financial Department.

No. 314.

To, The Secretary to the Government of India -
Financial Departt.

Sir, Referring to my letter under date 30th May last No. 2444, I am desired to forward for submission to the Supreme Government the accompanying copy of a letter from the Government of Bombay and of the answer of this Government -

I have &c.

Fort St. George
29th June 1860.

12 Copies. Letter from Govt of Bombay & Answer, to follow.

C 25 June
R 29 "

Financial Dept.
No. 314
Fort St. George
29th June 1860.

To
The Secy. to the Govt
of India
Bombay

Sir,

Referring to this letter of the 12th ult. I have to forward to you one application for the communication of the introduction of the Paper Currency on the subject of the Protest of Currency Notes and Banking Circles and Banking on certain remarks on the Provincial that

80 Rs 84

Financial 1860 Dept
Rec'd from Govt for Lieut
No 319.

Rec'd Copy: to the Govt of
Indies
6/29 June 1860

86 @ 88

C 35 Salmon
12.29.