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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	779.	Press / Mis.
6-7		
Dated	5-11-	1862.

6-7 8/9

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 5th November 1862.

No. 6. Read the following Extract from the Proceedings of the Government of India, in the Financial Department, dated 23rd September 1862, No. 484A.

Read letter from the Officiating Deputy Auditor and Accountant General, Bengal, to the Secretary to the Government of India, in the Financial Department, No. 352, dated 12th August 1862.

Resource Department.

So many of the Bengal Collectors had applied to me to be relieved of a portion of their stock of copper, alleging that it was paid into the Treasury much faster than they could dispose of it, and that purchasers had ceased to apply to them because copper stood at par or even at a discount in the bazar, that, on receipt of Resolution, No. 1,577, in the Financial Department, I thought it right to call for the opinions of all local officers, before determining which Districts should sell at 66 pice and which at 68 per Rupee.

2. The results I have embodied in a Tabular Statement, which I have the honor to submit for your information, as Government may perhaps consider that, even now, there is a sufficient quantity of legal copper coin in many districts, and that, therefore, according to the conclusion of paragraph 7 of the Resolution, pice should not be sold below their nominal value.

3. The replies prove, I think, that there is no dearth of copper coin, (of some sort), throughout the districts in correspondence with this office. In column 3, the only exceptions are Pakour, the Sunderbuns, and Cachar. The former two are not very important, and border upon districts well supplied. The last is exceptional from the great demand for the pay of coolies on the plantations ; and I have already sent a fresh remittance thither.

4. Column 5 gives a similar result of 59 Officers, 20 show the bazar rate as par, and 10 as always or sometimes below that. In 12 more the price varies from par upwards, so that there are only 17 districts in which it always commands a premium. Now, unless copper is exceedingly abundant, or trade very large, the shroff will always require one pice as his commission on the transaction, whether he is giving silver for copper or copper for silver. This seems to be the highest rate at any of the sudder Stations where copper is exchanged for silver with all applicants. In the outlying parts of 12 districts it rises to 62, but to 61 only in Pakour and Cachar aforesaid.

5. And this tends to prove that the real cause of any deficiency of copper is the neglect of the former Resolution of 1854. The first clause was carried out, and has borne fruit, but column 4 demonstrates that the second has been almost entirely ignored. Akyab seems the only district where it is enforced with any effect, and there the Deputy Collector thinks it should be extended.

6. The deductions from column 6 are not so clear. Thus, while the Officers in the districts first mentioned propose a large discount in order to supply the deficiency as soon as possible, the Collectors of others, as Moorshedabad, Dinagepore, and Purneah, arrive at the same conclusion, on the ground that copper being already at a discount nothing less will induce any speculator to purchase.

7. Now I do not conceive that this would be in accordance with the wishes of Government. The objects of the Resolution are two—to place enough copper in circulation to serve as a medium of exchange in petty transactions, and to supplant spurious tokens by the legal currency. But if an additional stock be forced (by the temptation of a discount) upon any locality where copper stands at par and spurious coin is not current, I do not see how it can have any other result than to reduce the value of the pice from the sixty-fourth of a Rupee to a fraction more or less approaching to that at which it is to be obtained from the Treasury, which of course is not the intention of Government. For the case of the copper coinage, which is a general medium of exchange, differs in many important characteristics from that of stamps, which are only used in transactions with Government, only for a particular purpose, and for that purpose are the only tender. To place the former in a similar position, we must suppose it only used in payment say of Abkari Revenue, and silver not received on that account. Being, as it is, an

Proceedings of the Madras Government, Financial Department, 5th November 1862.

RESOLUTION.—His Excellency the Governor General in Council is of opinion that in this as in all cases where the subject upon which reports are called for from the Deputy Auditors and Accountants General, is of a general character and not purely a matter of departmental detail or routine, the reports of the Deputy Auditors and Accountants General should be submitted through their respective Local Governments and Administrations, so as to afford them an opportunity of recording any observations which may appear desirable. He directs therefore that the present report be referred to the Government of Bengal for consideration, prior to the issue of orders thereon in this department.

Ordered, that a copy of the above Resolution be sent for information and guidance to the several Local Governments and Administrations, and the Deputy Auditors and Accountants General specified below:—

The Government of Bengal.
" Madras.
" Bombay.
" North-Western Provinces.
" Punjab.
" Eastern Settlements.
The Chief Commissioner of Central Provinces.
The Resident of Hyderabad.
The Chief Commissioner of British Burmah.
" " Oude.
The Deputy Auditor and Accountant General, Bengal.
" " Madras.
" " Bombay.
" " North-Western Provinces.
" " Punjab.
" " Central Provinces.
" " Hyderabad.

(A true Extract.)

(Signed) E. DRUMMOND,
Secretary to the Government of India.

No. 7.

ORDER THEREON, 5th November 1862, No. 779.
To be recorded.

(Signed) A. J. ARBUTHNOT,
Chief Secretary.

Exd. T. McMootry.

No. 484 A

EXTRACT from the Proceedings of the Government of India, in the Financial Department, d. 23rd September 1862.

READ the following letter from the Officiating Deputy Auditor and Accountant General to the Government of Bengal, No. 352, dated the 12th August 1862:—

From the Officiating Deputy Auditor and Accountant General, Bengal, to the Secretary to the Government of India, in the Financial Department, No. 352, d. 12th August 1862.

Resource Department. So many of the Bengal Collectors had applied to me to be relieved of a portion of their stock of copper, alleging that it was paid into the Treasury much faster than they could dispose of it, and that purchasers had ceased to apply to them because copper stood at par or even at a discount in the bazar, that, on receipt of Resolution, No. 1577, in the Financial Department, I thought it right to call for the opinions of all local officers, before determining which Districts should sell at 66 pice and which at 68 per Rupee.

2. The results I have embodied in a Tabular Statement, which I have the honor to submit for your information, as Government may perhaps consider that, even now, there is a sufficient quantity of legal copper coin in many districts, and that, therefore, according to the conclusion of paragraph 7 of the Resolution, pice should not be sold below their nominal value.

3. The replies prove, I think, that there is no dearth of copper coin, (of some sort), throughout the districts in correspondence with this office. In column 3, the only exceptions are Pakour, the Sunderbuns, and Cachar. The former two are not very important, and border upon districts well supplied. The last is exceptional from the great demand for the pay of coolies on the plantations; and I have already sent a fresh remittance thither.

4. Column 5 gives a similar result of 59 officers, 20 shew the bazar rate as par, and 10 as always or sometimes below that. In 12 more the price varies from par upwards, so that there are only 17 districts in which it always commands a premium. Now, unless copper is exceedingly abundant, or trade very large, the shroff will always require one pice as his commission on the transaction, whether he is giving silver for copper or copper for silver. This seems to be the highest rate at any of the sudder Stations where copper is exchanged for silver with all applicants. In the outlying parts of 12 districts it rises to 62, but to 61 only in Pakour and Cachar aforesaid.

5. And this tends to prove that the real cause of any deficiency of copper is the neglect of the former Resolution of 1854. The first clause was carried out, and has borne fruit, but column 4 demonstrates that the second has been almost entirely ignored. Akyab seems the only district where it is enforced with any effect, and there the Deputy Collector thinks it should be extended.

6. The deductions from column 6 are not so clear. Thus, while the Officers in the districts first mentioned propose a large discount in order to supply the deficiency as soon as possible, the Collectors of others, as Moorshedabad, Dinagepore, and Purneah, arrive at the same conclusion, on the ground that copper being already at a discount nothing less will induce any speculator to purchase.

probably be adopted with advantage at the Cachar fair and other places along the borders. The Deputy Commissioner of Prome writes that pice are now much used in the towns of Burmah Proper, and are gradually coming more and more into circulation there.

14. In British Burmah the Chief Commissioner considers that there is no scarcity, and that the circulation may be left to ordinary means without holding out inducement to purchasers to apply at the Treasury. The Prome officer agrees with him, but not the Commissioner of Pegu and other of his subordinates. I think on the whole that there is room for a larger stock in the Province. The Deputy Commissioner of Akyab recommends the extension of the rate of supplying pice for sale at par to some of the higher Kyooks or Thoogyees who are collectors of Revenue. No doubt, this would be equally practicable in the other districts, and I think would be sufficient for the purpose.

15. It is only in Burmah that the half pice is said not to be acceptable to the people; but the Commissioner considers this arises from their not yet being sufficiently known to be appreciated.

16. Next, in most of the Zillahs of Bengal and Cuttack spurious coin seems almost unknown, but in some, especially near Calcutta, it is more common. The Collectors of Dinagepore, Dacca, and Burdwan write indefinitely of large amounts, and Mr. MacNeile of Jessore, who has furnished a very thoughtful report on the subject, explains their nature. He says they consist principally of "gote" pice, which are the remains of a former coinage with native characters. These pass at exactly the same rate as the modern pice, which, as he observes, have supplemented but not supplanted them. I doubt whether they have ever been called in, and being perfectly genuine of their kind, they ought not to be called *spurious* at all. Besides these there are "ghusha" or worn coins, which are now thin and have no distinguishable stamp. These are probably the same as those of Alum Shah, which Mr. Lockwood, (now in Beerbhoom) describes as current to a great extent in Baraset, and of which he says there would be no difficulty in punching any number. In Jessore and other places they are refused altogether. In Moorshedabad old pice, (perhaps the same) pass at a discount, and in Calcutta, I am informed, they are taken at par along with the good coinage. From the case of a remittance, which lately came before me, I imagine that these as well as the "gote" pice are accepted at some Treasuries.

17. On the whole I do not consider that they are so common in the Mofussil as to require special measures, while of the metal in general there is certainly no dearth. Mr. MacNeile says he has seen instalments of rent of from one to ten Rupees paid by ryots to their zemindars' agents entirely in pice. In many districts the rate is below par, and payments from the Salt Chowkies for Abkaree, and the Municipal and Cattle Fine Funds are made in copper faster than the Treasuries can get rid of it. Nothing seems to be required here, but to stock some few outlying quarters by sending supplies at Government expense to the sub-divisions.

18. Lastly, I come to Behar, comprising the six districts of the Patna Commissionership and Hazareebagh. This is the only office from which I have received no return; but the Deputy Commissioner of the neighbouring district of Lohardugga mentions that Gorucknore pice abound there which it will take much trouble to supplant.

19. In this Province the Government coins are almost unknown beyond the limits of the sudder stations. Their place is taken in the North, (Chumparun and Tirhoot), by the Lohya or Nepalese lumps of iron, and throughout by the Gorucknore pice. The value of these varies from 96 to 112, and from 60 to 88 per Rupee respectively, and

STATEMENT.

Name of Treasury.	Proportion of spurious Copper Coin.	State of Government Copper Currency.	Offices besides the Sudder Treasury at which copper is held for distribution.	Bazar rate of exchange per Rupee.	Rate which is considered necessary to induce purchasers to apply at the Treasury.	Remarks.
Behar	Gorucknore.	Excessively limited	5 Divisions but not *bonâ fide* carried out.	64	63	
Chumparun	Lohya Nepalese to a great extent and Gorucknore.		None.		63	
Patna	Gorucknore to large extent.		None.	63 to 62		
Sarun	General.		3 Sub-divisions.		66	
Shahabad	Gorucknore universal.		None.	64	66	
Tirhoot	Large quantity of Lohya and small quantity of Gorucknore.	Scarcely any.	Not properly carried out.	64	66	
Hazareebagh	None.	Great demand at times.	Insufficient.	63 to 66	64	
Lohardugga	Very little.		None.	64 to 62	66	
Manbhoom	None.	Scarce.	None.	63	66	
Singbhoom	None.		None.	64	66	
Sumbulpore	1/15		None.	64 to 63	66	
Bhaugulpore				64 to 63	66	
Monghyr	Very slowly circulated.	Surplus.	None.	66	67	Half pice somewhat used.
Purneah		Little need.			64	
Deoghur	None.	Small demand.		64 to 63	66	
Nya Doomka	None.	Scarce	None.	63 to 61	67	
Pakour	None.	No want.	None.	66 to 63	64	
Rajmehal	None.	No want.	None.	65 to 63	66	
Sahebgunge	None.	No want.	None.	64 to 63	66	
Hooghly	None.	No great demand.	None.	64 to 63½	66	
Beerbhoom	None.		None.		64	
Bancoorah	None.		None.	64 to 63½	66	
Burdwan	Doubtless a vast amount.		None.		66	
Midnapore	None.		Hijili.	64	66	
Cuttack, C. D.	Extremely uncommon.		None.	63	65	
Cuttack, N. D.	Very little.		None.	63	66 to 68	
Cuttack, S. D.	Not large.	No scarcity.	None.	65 to 63½	66	

Name of Treasury.	Proportion of spurious Copper Coin.	State of Government Copper Currency.	Offices besides the Sudder Treasury at which copper is held for distribution.	Bazar rate of exchange per Rupee.	Rate which is considered necessary to induce purchasers to apply at the Treasury.	Remarks.
Sunderbuns	None.	Seems to be a dearth.	None.	63 to 62	68	
Jessore	1/5	No dearth.	None.	64 to 62	66	
Nuddea	Goruckpore and Trisuli not to any great extent.		None.	64½ to 63	66	
24-Pergunnahs	Not to any observable extent.	No dearth.	None.	63	66	
Bograh	Not generally current.		None.	64	66	
Dinagepore	1/2			67 to 66	68	
Maldah	None.	No dearth.	None.	64		
Moorshedabad	Old pice general at a discount.		None.	65 to 63	66 to 68	
Pubnah	Very rare.		None.	64	66 to 68	
Rajshahye	None.		None.	63½	66 to 68	Recommends ¼ pice.
Rungpore	None.	Not scarce.	None.	63½ to 62	66	
Darjeeling	Nepalese.		None.	63 to 62	66	
Cossiah Hills	None.		None.	63 to 62	66	
Durrung	None.		Sub-division and Thannahs.	64	65½	
Gowalparah	None.		None.	64	66	
Jorehaut	None.	Large supply.	None.	64	64	
Kamroop	Infinitesimal.	Not very great demand.	None.	64 to 62	64	
Luckimpore	None.	Sufficient.	None.	64	66	
Nowgong	None.	Large amount.	None.	64		
Backergunge	None.		None.	64 to 63	66	
Cachar	Not common.	Great dearth.	None.	63 to 61	66 to 68	
Dacca	General.	No lack.	None.	64	2 per cent.	
Fureedpore			None.	64	66	
Mymensing	No great extent.	Not scarce.	None.	64	66	
Sylhet	None.		None.	63 to 62	66	
Bhullooah	Not to any extent.	No scarcity.	None.	64	65	
Chittagong	None.		None.	63 to 62	66 to 68	
Tipperah	None.		None.	64	66	
Akyab	None.	Plentiful.	Some circles.	63 to 62	66	Half pice much liked by the Mughs.
Ramree	None.	Well supplied.	None.	63	65	
Sandoway	None.		None.	65 to 63	66	
Burmah	None.	Not scarce.			64	
Pegu	None.	No serious want.	None.	64 to 62	66	
Tavoy	None.	Large demand.	None.	64 to 63	65	
Bessein	None.	No want.	None.	63½ to 63	66	
Rangoon	None.		None.	63	66	
Prome		Well supplied.			64	

W. WATERFIELD,
Deputy Auditor and Accountant General, Bengal.

RESOLUTION.—His Excellency the Governor General in Council is of opinion that in this as in all cases where the subject upon which reports are called for from the Deputy Auditors and Accountants General, is of a general character and not purely a matter of departmental detail or routine, the reports of the Deputy Auditors and Accountants General should be submitted through their respective Local Governments and Administrations, so as to afford them an opportunity of recording any observations which may appear desirable. He directs therefore that the present report be referred to the Government of Bengal for consideration, prior to the issue of orders thereon in this Department.

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" " Eastern Settlements.

(A true Extract)

Secretary to the Government of India.

7

No 4 dated 7th Aug 62 - 25-2
" 18th July 62 - 60-62
" 5th April 62 - 16-17

Finl 1862 Dpth

(3)

From

The Secy to the
Govt of India -
Finl Dpth 4th Nov

D/ 23d Octr
R/ 29th Octr } 1862

2 Sps & Copies,
No 849.

Copy Letter from the Offg Dy Audr Genl & Accountant Genl to the Govt of Bengal on the subject of returning to the collectors a portion of their Establishment allowances that Juncollectors had caused to apply to them as they stood at four or two annas a rupee discount and requesting that the Report of the Dy Audr & Accts Genl should be submitted thro the local Govts so as to afford them an opportunity of recording any observations which may appear desirable

No 479 dd 5th Nov 62

Recorded

647

C 15 Nov
R 4 "