M.R.O. 1—77,006—8-6-31.

(1) Number of pages 14.

(2) Date of repair 27-7-39

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 348 Press / Mis.

51-52.

Dated 26-5- 1863.

7/8

51-52

Not to be folded or roughly handled

27.7.39.

Proceedings of the Madras Government, Financial Department,
26th May 1863.

No. 51. Read the following letter from CHARLES W. READE, Esq., Collector and Special Agent; to the Honorable A. J. ARBUTHNOT, Chief Secretary to Government, Fort Saint George, dated Cuddalore, 15th April 1863, No. 83.

I think it right to submit to Government the accompanying copies of correspondence with the Governor of Pondicherry and other authorities on the subject of the new Rupee coinage.

2. I had heard for sometime previously that in the Native Bazars of the French Settlement the new Rupee was at a discount; but while the matter was not officially before me, and there was no difficulty in my own District, I did not think proper to interfere. But on receipt of the Pondicherry Postmaster's letter with enclosures,* I considered my interference was called for, and accordingly I wrote to the Governor† of Pondicherry which elicited His Excellency's answer,‡ translation of which accompanies this.

* Marked A in the Enclosures.

† Letters marked B and C.

‡ Marked D.

3. I do not know on what data or authority the Governor pronounces the new Rupee to be inferior in purity to the old Company's Rupee. I believe on this point he is wholly in error, and certainly no such impression has gained currency in this District; but as the question has thus early been raised and compensation may hereafter be demanded by the French Government when payment is made of the Treaty money, it would seem desirable that the matter be at once authoritatively set at rest, at all events I have felt it my duty to bring before Government the conditional stipulation under which His Excellency the Pondicherry Governor expresses himself prepared hereafter to accept the new Rupees in liquidation of our annual payments to his Government.

4. The depreciatory effect of the refusal by the Pondicherry Treasury to receive these new Rupees has been very marked. European Shopkeepers as well as Native Bazarmen have declined to take them; and so late as the 10th instant five or six Rupees amongst twenty which I had casualty given in payment of a bill were returned to me; the Shopkeeper positively refusing to accept them on the ground that they were not recognized as money by the French Treasury. I mentioned the fact to the Governor shortly after its occurrence, and on that very date a notice it seems had appeared in the Moniteur Official in consequence of my remonstrance placing the new Coin on a par with the old, and I have no doubt that the previous embarrassing state of things will now speedily cease.

5. It rests with the Government to determine whether any and what notice shall be taken of that part of Monsieur Bontemp's letter, where he calls in question the intrinsic value of the new Rupee, and simultaneously prefers a conditional claim to compensation in all future payments under the Treaty. I have merely informed him that his letter has been forwarded to my Government for such consideration and orders as it may appear to call for in reference to the important question which His Excellency has so unexpectedly raised.

A.

From Mr. THOMAS DEFRIES, Postmaster; to the Collector of South Arcot, Cuddalore, dated Pondicherry, 19th March 1863.

I have the honor to transmit herewith for your information copy of my letter to the French Treasury Officer and his reply, respecting the non-admission of the new Rupee as a legal tender at his Treasury.

As I have deemed it imperative on me to receive the new Coin at my office at par, although it does not circulate at the place but at a discount, and as this will be attended with inconvenience and loss, I beg you will be good enough to adopt such measure as will ensure the new Coin being admitted as a legal tender by the French Government.

From Mr. THOMAS DEFRIES, Postmaster; to J. VIOLLETTE, Esq., Tresorier Payeur, Pondicherry, dated Pondicherry, 16th March 1863.

The new Rupee bearing the effigy of Her Brittanic Majesty Queen Victoria, coined in 1862, being objected to by several of the Shroffs at Pondicherry, and not received unless at a discount, I have the honor to request you will be good enough to inform me whether the new Coin is not considered a legal tender at your Treasury.

(True Copy.)

(Signed) THOMAS DEFRIES,
Postmaster.

From J VIOLLETTE, Esq., Treasurer; to the Mr. T. DEFRIES, Postmaster, Pondicherry, dated Pondicherry, 19th March 1863.

In reply to your letter of the 16th instant, I have the honor to inform you that the issue of the new Rupee bearing the effigy of Her Majesty Queen Victoria, not having been officially announced, is therefore inadmissible into the Treasury.

B.

From C. W. READE, Esq., Collector and Special Agent; to His Excellency Commissary General BONTEMPS, Governor of the French Establishments in India, Pondicherry, dated Villapoorum, 21st March 1863.

I desire to bring to your Excellency's notice that the new Rupee coinage of 1862, bears a discount in the Bazars of Pondicherry; and I am informed that because no official announcement of this new coinage has appeared, the Treasury of your Excellency's Government has pronounced it to be inadmissible.

2. It has not been customary to my knowledge for the British Government to publish any special notification on the issue of new coinage where simply the appearance of the Coin is altered, a necessary consequence of the cessation of the old East India Company and the assumption of the direct Government of India by the Crown, was an alteration in the future coinage. That alteration has not been sudden but very gradual, though in a short time the old Rupees will of course find their way to the several Mints, and recoined in the new form, and before very long will they cease to be in circulation.

3. With the Natives of the country any thing novel, especially in the appearance of money, excites doubt, but except in one or two instances where the question has been asked, no doubt has been raised and no difficulty whatever has been experienced in the English territory in regard to the circulation of the new Rupee, and I cannot avoid the impression that if your Excellency were to direct the new coinage was to be received equally with the old at your Excellency's Treasuries in the French Settlements, that the evil brought to my notice will at once disappear, and any depreciation of the new currency in the Native Bazars, will as quickly be corrected.

4. I presume that it is the objection raised by the Pondicherry Treasury which has led to the new coinage bearing a discount, a state of things which I am sure your Excellency will agree is for immediate remedy.

5. The instalments due under Treaty with the French Government, will hereafter be paid from my Treasury into that of your Excellency's indiscriminately by the old and new Rupee, and probably by the end of the current year exclusively in the latter coinage, so that I trust your Excellency will at once give such instructions as shall prevent the continuance of what must prove a very serious evil and inconvenience to the public in general, and in particular to all engaged in trade transactions within the territories subject to your Excellency's sway, and I feel satisfied that when it is known that the French Government accept the new coinage on a par with the old, the depreciation now prevailing at Pondicherry will immediately cease, and your Excellency will, I think, concur with me, that in view of all interests affected this is most desirable.

Proceedings of the Madras Government, Financial Department,
26th May 1863.

C.

From C. W. READE, Esq., Collector and Special Agent; to His Excellency Commissary General BONTEMPS, Governor of the French Establishments in India, Pondicherry, dated Villapoorum, 26th March 1863.

In my letter of the 21st instant, No. 66, I stated to your Excellency that to my knowledge it is not customary to publish any Official Notification on the issue of new coinage, but I ought to have brought to your Excellency's notice, that in the present instance of the new Rupee currency the Government of India duly made known their intentions to provide a new Silver and a new Copper coinage, and a special Act on the subject was passed by the Legislature on the 23rd April 1862. Also, if your Excellency will refer to the Official Gazette (Fort Saint George Gazette) of the Madras Presidency, dated 11th November 1862, page 749, you will find a Resolution of the Government of India in the Financial Department there re-published, dated 28th of the month of October previous, which declares that the new Silver and Copper coinage as provided by Act XIII of 1862, above quoted, will come into circulation from the 1st proximo, *i.e.*, the 1st November then ensuing, and it was directed that the distinctive appellation of Company's Rupee should thenceforth cease in all transactions of the Indian Empire and the word "Rupee" only be employed to designate the Government Coin of that denomination.

2. I presume that both the documents to which I have referred will be found in the Public Offices of your Excellency's Government, but for easy reference I take the liberty to enclose a copy both of the Act XIII of 1862, and of the Resolution of the Government of India, and I beg that your Excellency may be pleased to return the former for record in my office when no longer required.

D.

From His Excellency M. BONTEMPS, Governor of the French Establishments in India; to the Collector and Special Agent, Cuddalore, dated Pondicherry, 6th April 1863.

I have the honor to acknowledge the receipt of your letter of the 21st March, No. 66, in which you explain that the Company's Rupee is substituted by a new Coin. As the new Rupee will hereafter have a legal currency throughout the English establishments, we cannot of course refuse to admit them without prejudice to our Commercial transactions. I will therefore at once have it published, so as to clear all doubt on the subject.

I perceive from the document you forwarded to me, that the new Coin should be of the same weight and fineness as the old Company's Rupee of 1835. If this rule were carried out, no difficulty whatever would exist in regard to the new currency. But on examination of the new Rupee, it was found to be inferior in quality to the old one, the difference of purity being $\frac{1}{8}$. Similarly, when the Company's Rupee was formerly substituted for the Sicca Rupee, the difference was compensated for when payment were made of the four lacs, stipulated in favor of the French Government by the Treaty of 31st July 1815. And we have therefore since drawn 4,26,000 *Company's Rupees* instead of 4,00,000 *Sicca Rupees*, I now deem it necessary to claim a similar compensation, in case the annuity is hereafter paid to our Government in the new Coin.

It is equally subject to the reservation as regards the rate at which the new Rupee may be admitted into the Treasury, in the event of the value of the new Coin now in circulation undergoing a depreciation in the market, owing to its inferior quality, as also in cases in which it may be objected to be received at the same rate in exchange for the Europe Coin.

(True Copies and Translations.)

(Signed) CHARLES W. READE,
Collector and Special Agent.

Proceedings of the Madras Government, Financial Department,
26th May 1863.

No. 52. ORDER THEREON, 26th May 1863, No. 348.

Resolved that the foregoing letter and the correspondence which accompanied it be referr to the Mint Master, and that he be requested to report upon that part of the letter from the Go ernor of the French Establishments, under date the 6th ultimo, to the address of the Collect and Special Agent at Cuddalore, in which it is stated that on examination of the new Rupee was found to be inferior in quality to the old Company's Rupee of 1835, the difference of puri being $\frac{1}{6}$.

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

Exd. T. McMootry.

No 83

5

From

Charles W Reade Esquire

Collector and Special Agent

To,

The Honorable A. J. Arbuthnot

Chief Secretary to Government

Fort St George

Sir.

I think it right to sub-
mit to Government the accompanying
Copies of Correspondence with the
Governor of Pondicherry and other
Authorities on the Subject of the
new Rupee Coinage.

2. I had heard for some time
previously that in the native
Bazars of the French Settlements
the new Rupee was at a discount
but while the matter was not
officially before me and there was
no disposition in my own District
I did not think it proper to interfere.
But on receipt of the Pondicherry Post-
Master's letter with the enclosure† I consi-
dered any interference was called for,
and accordingly I wrote to the Governor
of Pondicherry which elicited His
Excellency's

† Marked A in the Enclosures

† Letters Marked B and C

Excellency's Answer translation of which accompanies this.

3. I do not know on what data or authority the Governor pronounces the new rupee to be inferior in purity to the old Company's rupee. I believe on this point he is probably in error and certainly does not represent what has claimed Currency in this District, but as the question has thus early been raised and Compensation may hereafter be demanded by the French Government when payment is made of the Treaty money it would seem desirable that the matter be at once authoritatively set at rest. I still most strongly feel that the Conditional Stipulation under which His Excellency the Pondicherry Governor has prepared himself & prepared thereafter to accept the new rupees in liquidation of our Annual payments to his Government.

4 The depreciatory effect of the refusal by the Pondicherry Treasury

to receive these new rupees has been very marked. European Shipments of Rupees to Madras & Calcutta Bengal have declined to take them and so late as the 10th instant specie or Sicca rupees amounting to nearly 4 lakhs of Rupees had actually been in payment of Bills drawn on the Shipments not received as money by the French Treasury. I mentioned the fact to the Governor shortly after its occurrence and on the 12th date of Notice of same had appeared in the Moniteur Officiel in consequence of my Remonstrance stating the New Coin on a par with the old, and I have no doubt that the previous embarrassing state of things will soon & speedily cease

5 It rests with the Government to determine whether any and what action shall be taken & that part of Monsieur Bontemps's letter to which he calls in question the intrinsic value

of the Rent in pursuance and simultaneously
prefers a Conditional Claim to
Compensation in all future payments
under the Treaty - I have merely
informed him that his letter has
been forwarded to my Government
for such Consideration and orders
as it may be appear to call for
in reference to the important Question
which His Excellency has so
unexpectedly raised.

I have the honor to be
Sir
Your Obedt
Most Obedt Servt
Capt. Speke

Cuddalore
15th April 1863

I have the honor to be Sir
Your Most Obedt & Most Hble Servt
Charles Reade
Collector and Agent Capt

Financial Dept.

Proceedings of the Madras Government

Read letter from the
Collector & Special Agent
South Arcot.

(Dated 15th April 1863. No 83)

Order - 26th May 1863 No. 348.

Resolved that the fore-
-going letters & the corres-
-pondence which ac-
-companied it be referred
to the Mint Master, and
that he be requested to
report upon that part
of the ~~Board~~ Governor's
from the words of the Board
letter of the 5th ~~Instant~~ with Minutes.
(with date)
to

Fin. 15th June 62 - 57-57
Rev. 19th Oct 62 - 31-34

Rec'd 26th June.

Financial 1863 April
From
The Collector & Special Agent
South Arcot

No. 83

To Chief Secretary
to Government
Fort St George

Sir,

Pursuant to the Rules
I have the honor to
transmit herewith
No. 83 of 1863

Accounting for the
coinage of the
Arcot Rupee and
Copies of Correspondence
with the Mint Master
and the Auditor &
Accountant General
on the subject of the
New Rupee coinage.

I have &c

to the address of the Collector
& Special Agent at Bond.
-dolores, in which it is
stated that on examina-
-tion of the new Rupee
it was found to be in-
-ferior in quality to the
old Company's Rupee
of 1835, the difference of
purity being 1/8".

To Mint Master_ dated 26th Inst.

Encl 1863 Depart

№348

Proceedings of Govt

Dy 26 May 1863

dist 9 June.

51+52