M.R.O. 1—77,006—8-6-37.

(1) Number of pages 18

(2) Date of repair 12-8-59

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MADRAS RECORD OFFICE.

Government of Madras.

Finance **DEPARTMENT.**

G.O. No. 159 Press / Mis.

44-45

Dated 24-4- 1866.

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44-45

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
24th April 1866.

No. 44. Read the following letter from the Acting Mint Master, to the Chief Secretary to Government, Fort Saint George; dated 14th March 1866, No. 312.

With reference to paragraph 3 of the Order of Government, No. 97, of the 7th instant, I have the honor to state that, prior to 1855, scissel, or the remains after cutting out Rupee pieces from ingots which were reported W½ dwt. by the Assay Master, was melted and used for manufacturing small silver coin; but as this method answered only for small quantities at a time, and the demand for this denomination of coin increasing, it was found expedient to adopt the practice now followed, to make special alligations at half a penny weight below the standard for ½, ¼, and ⅛ Rupee pieces, to enable the Mint to work more rapidly.

2. The circumstance inducing such practice was, as I have already stated, the refinement which took place during the process of annealing the straps and bleaching the blanks before stamping, which result is avoided by the precautionary measure of having the silver always under standard, yet not to that extent as to bring it beyond the remedy allowed for fineness which is one penny weight in the pound.

3. The Mint Master being solely responsible for the integrity of the coinage is allowed to work according to his discretion in adding or diminishing the quantity of additional alloy, either for unreported fractions, or for loss of copper on manipulation, just as he observes the assay turn out on the meltings; and the practice under notice being simply an allowance of copper to maintain the fractional silver coinage as near to standard as possible, and not to reduce their intrinsic value below the nominal rate at which they are issued for circulation, special authority was not applied for, and if Ingots which are reported W½ dwt. are considered fit for integral coin, the alligation of silver down to this fineness can in no way be objectionable for the lower denominations of pieces. It was on this ground, I believe, that no report was made, either at the time, or subsequently, to Government, of the circumstance.

4. I would observe that the small silver coin is fully within the remedy allowed for the fineness of the coinage. If the average of all the silver coin is taken, it is 915·626 or one quarter of a pennyweight (six grains in the pound) below the standard.

5. In the Pyx report from the Royal Mint for 1859, the coinage of Bombay is shown to be above standard; half Rupees, 918·825 or + 12·43 grains; quarter Rupees, 917·325 or + 3·79 grains; one-eighth Rupees, 918·375 or + 9·84 grains—a circumstance entirely owing to the small coins having a tendency to refine during the process of coining.

No. 45. ORDER THEREON, 24th April 1866, No. 159.

With Sir Charles Wood's Despatch of the 15th December last, No. 90, the Government were furnished with a copy of the Report of the Master of the Royal Mint on the Pyx coins of the several Indian Mints for the year 1864, in which the Master of the Royal Mint remarked that "the subsidiary silver coins have a tendency to fall under standard at the Madras Mint, where the Rupee is correct." With reference to this remark, which was communicated to the Mint Master, that Officer and the Assay Master explained* that for many years it had been the practice in the Madras Mint to fabricate the fractional pieces of ½, ¼, and ⅛ of a Rupee from bars of a lower touch than those from which the integral coins are made, because it was found that the small coins when made from standard Ingots are so much refined during the processes of coinage as to rise above the standard, which induces money dealers to melt them down and export them in large quantities.

* Proceedings of Government, 7th March 1866, No. 97.

Proceedings of the Madras Government, Financial Department,
24th April 1866.

2. In submitting this explanation, both the Assay Master and the Mint Master adverted to a proposal which had been made by a former Mint Master, Colonel J. T. Smith, first in 1843, and subsequently in 1855, for reducing the intrinsic value of the small silver coins, from ¼ Rupees inclusive, considerably below their nominal value, and placing them on the footing of tokens, like the Silver currency of England, and the Copper currency of India, with the view of checking the practices of exporting and of melting them down, which at that time prevailed to a considerable extent.

3. As it appeared, on referring to the correspondence alluded to, that Colonel Smith's proposal was negatived by the late Court of Directors, in their Despatch of the 17th April 1857, the Governor in Council deemed it necessary to call for further explanation. From the Mint Master's letter of the 14th ultimo, it appears that the practice of the Madras Mint, as described in Dr. Shaw's letter of the 30th January last, does not by any means amount to such a depreciation of the small Silver coinage as that which was advocated by Colonel Smith, and that the allusion made to that Officer's proposal is in no way relevant to the question now under consideration. All that is done is to manufacture the small silver coins from Ingots alligated to W½, or half a dwt. below standard, the reason being that in the process of manufacturing small coins the silver refines more than it does in the process of manufacturing Rupees. The result is that the small silver coins turned out from the Madras Mint are fully within the remedy allowed for fineness of the coinage.

(True Extract).

Chief Secretary.

To the Mint Master.

Exd. J. H. Burns.

Fort St. George,
14th March 1866.

No. 312.

From

Lieut. Colo. C. V. Wilkieson R.E.
Acting Mint Master

To The Chief Secretary
to Government.

Sir,

Para 1. With reference to Para 3 of the Order of Government No. 97 of the 7th Instant, I have the honor to state that prior to 1855 Sikkel or the remains after cutting out Rupee pieces from ingots which were reported W½ dwt. by the Assay Master was melted and used for Manufacturing small Silver Coin, but as this method answered only for small quantities at a time and the demand for this denomination of Coin increasing, it was found expedient to adopt the practice now followed to make special alligations at half a penny weight below the standard for ½ ¼ & ⅛ Rupee pieces to enable the Mint to work more rapidly.

The

2. The circumstances inducing such practice was as I have already stated, the refinement which took place during the process of Annealing the straps and bleaching the blanks before stamping, which result is avoided by the precautionary measure of having the Silver always under standard, yet not to that extent as to bring it beyond the remedy allowed for fineness which is one penny weight in the pound.

3. The Mint Master being solely responsible for the integrity of the Coinage is allowed to work according to his discretion in adding or diminishing the quantity of additional alloy, either for unreported fractions or for loss of Copper on Manipulation, just as he observes the Assay turn out on the Meltings, and the practice under notice being simply an allowance of Copper to maintain the fractional Silver Coinage as near to standard as possible, and not to

reduced

reduce their intrinsic value below the nominal rate at which they are issued for Circulation Special authority was not applied for, and if Ingots which are reported W½ dwt are considered fit for integral Coin, the alligation of Silver down to this fineness can in no way be objectionable for the lower denominations of pieces, it was on this ground I believe that no report was made either at the time or subsequently to Government of the Circumstance.

4. I would observe that the small Silver Coin is fully within the remedy allowed for the fineness of the Coinage. If the average of all the Silver Coin is taken it is 9/5.626 or One quarter of a penny weight (six grains in the pound) below the standard.

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One eighth Rupees 918·375 or +9·84 grains, a circumstance entirely owing to the small Coins having a tendency to refine during the process of Coining.

I have the honor to be,
Sir,
Your most obedient Servt.,

W. Wilkieson Lieut.Colo.
Acting Mint Master

No. 1585

From E. H. LUSHINGTON, Esquire,

Secretary to the Government of India,

Financial Department;

To the Chief Secretary to the Government of Fort St. George.

Fort William, the 29 March 1866.

...ancial Department.

Sir,

I am directed to acknowledge the receipt of your letter, No. 61, dated the 6th February 1866, forwarding the Budget Estimates of the Revenues and Receipts and the Civil Expenditure of the Madras Presidency for the ensuing official year 1866-67, and in reply to communicate for the information of the Madras Government the following orders and observations.

2. The figures in the subjoined table shew the Estimate of Revenues and Receipts as adopted by this Department.

	Local.	Financial.
	Rs.	Rs.
Land Revenue	4,22,75,000	4,22,75,000
Tributes and Contributions from Native States	34,46,400	34,46,400
Forest	4,00,000	4,00,000
Abkaree	40,00,000	41,00,000
Income Tax	...	10,000
Customs	20,00,000	21,00,000
Salt	1,08,00,000	1,21,50,000
Stamps	29,00,000	29,00,000
Mint	9,16,500	9,16,500
Law and Justice	7,21,000	7,21,000
Police	3,45,000	3,45,000
Marine	32,000	32,000
Education	46,500	46,500
Interest	1,08,500	1,08,500
Miscellaneous	4,60,000	5,50,000

3. Under Abkaree and Customs the figures of the Regular Estimate for 1865-66 have been retained for 1866-67. Under Salt, thirteen and a half lakhs have been added for the additional duty of three annas a maund. Miscellaneous Revenue has been raised from Rs. 4,60,000 to Rs. 5,50,000 with reference to the Budget Estimate for 1865-66, which it is anticipated will be borne out by the Actuals of that year.

4. As regards the Estimate of Expenditure, the table at the end exhibits the grants sanctioned by this Department under the several major heads, from which it will be seen that, with the exception of the heads noted in the margin, the Estimates under all the other heads have been accepted in full with the slight variations caused by turning them into round sums.

"Land Revenue,"
"Administration and Public Departments,"
"Law and Justice,"
"Police,"
"Marine" and
"Stationery and Printing."

5. The Estimate of the Land Revenue charges amounts to Rs. 41,47,410, of which Rs. 5,62,500 is for Khusreh or Demarcation Survey against a provision of only Rs. 3,94,000 on the same account for the current year 1865-66. The large increase of Rs. 1,68,500 is chiefly on account of new Survey Parties in two districts, on which head there is an addition of Rs. 1,09,500. This item has been struck out as an unsanctioned charge, and with reference to the expectation expressed in Financial Resolution, No. 2752, dated 7th October

1865, paras. 5 and 9, that the alteration in the mode of survey would be attended with a large saving.

6. The remainder of the excess under "Survey" includes a provision for increases of salary for three Officers, which have been recommended to the Secretary of State, and an additional cost for Field Parties on account of enhanced rates of wages. With the altered mode of survey above alluded to, however, the enhancement of wages should be partly compensated by reduction of strength. Apart from this consideration, the Accountant General, Madras, has suggested that with reference to the Actuals of previous years, Rs. 20,000 may be retrenched, which has accordingly been done.

7. For Settlement charges the sum of Rs. 4,50,300 has been provided, which includes Rs. 22,200 for merely the salaries of the Inam Commissioner and his Assistant, besides a provision for Establishments and Contingencies, which is mixed up with the other Settlement charges. Past expectations that the expense for the Commission would soon cease have indeed been annually disappointed, but before formally sanctioning provision for yet another year, the Governor General in Council would be glad to receive a detail of the contemplated scale of charge, and for what period in 1866-67, with an explanation of the progress in the work during the past two years, and of the amount of work still remaining to be done. Pending this explanation Rs. 40,000 have been struck out, and any necessary expenditure in the next two months may proceed meanwhile against the general grant for Land Revenue.

8. The total retrenchments thus amount to Rs. 1,69,500, and the grant under the major head of "Land Revenue" to Rs. 39,77,910.

9. The Estimate for "Administration and Public Departments" has been reduced by Rs. 6,600, and the grant fixed at Rs. 13,01,610. The amount retrenched is from the provision for the Currency Department which includes Rs. 10,200 for the salaries of three Assistants to Deputy Commissioners of Paper Currency. For this item Rs. 1,200 for each of the three Assistants have been allowed or Rs. 3,600 against an estimated provision of Rs. 10,200.

10. The Estimate for "Law and Justice" includes a sum of Rs. 49,930 on account of the proportion of the charges for convicts in the Eastern Settlements. This sum has been transferred to the Estimates of the Government of India, as the entire charge for convicts from whatever Presidency or Province they may be sent, will hereafter be borne on those Estimates. The grant under the head of "Law and Justice" has accordingly been fixed at Rs. 41,17,970.

11. The Estimate for the Police Department as proposed by the Madras Government is Rs. 39,53,600, being Rs. 53,600 in excess of the Estimate for the current year. The excess is caused by the transfer of a charge for Police Huts from the Public Works Budget to the Civil Estimates. For a similar transfer to any other head than Police this explanation would have been sufficient, but with regard to Police the Governor General in Council is constrained to adhere to the limit of 39 lakhs for the charges of the Madras Police, providing as that grant does for some items which in the opinion of the Government of India are susceptible of retrenchment.

12. From the Marine Estimate the sums of Rs. 6,183, Rs. 50,000 and Rs. 21,000 (amounting to Rs. 77,183) have been deducted, and the grant fixed at Rs. 1,72,217. The first item of deduction is the increase in Miscellaneous Establishments for new boats for Coconada and new lanterns for certain Light-houses, the cost of which is chargeable to the Port Funds. Any other expenses similarly chargeable to Port Funds and included in the Estimate, should, in communication with the Accountant General, be also retrenched and reported to this Department. The next item of deduction is the excess provision for value of coal and Marine stores to be received from England over that for the current year. The Estimate of the Secretary of State gives only Rs. 16,740 as the value of stores to be provided from England. The last item is from the large provision for miscellaneous charges said to be necessary for incidental charges on account of the Steamers of the Bengal Marine. There is no vessel on the establishment of the Madras Presidency, and the working expenses of any Steamer of the Bengal Marine that may be partially employed at Madras are fully provided for in the Bengal Estimate, from which any necessary transfer of Budget provision can be made for meeting local payments.

13. The Estimate for Stationery and Printing is large compared with the grant for the current year. The sum of Rs. 14,000 has therefore been deducted from the provision for Stationery and Rs. 9,000 from that for Printing Establishments and charges, thus reducing the grant to Rs. 3,33,400.

14. The sanctioned grants will accordingly be as follows :—

No. of Grants.	Expenditure.	As sanctioned by the Government of India, Financial Department.
2	Interest on Service Funds &c. ..	9,13,660
3	Allowances, Refunds and Drawback ..	1,15,000
4	Land Revenue ..	39,77,910
5	Forest ..	3,08,500
6	Abkaree (Excise) ..	1,94,400
8	Customs ..	1,67,200
9	Salt ..	14,50,000
11	Stamps ..	1,19,000
12	Mint ..	2,21,370
15	Allowances to District and Village Officers ..	4,22,890
16	Administration and Public Departments ..	13,01,610
17	Law and Justice ..	41,17,970
18	Police ..	39,00,000
19	Marine ..	1,72,220
20	Education, Science and Art ..	9,00,000
21	Ecclesiastical ..	4,00,000
22	Medical Services ..	5,72,560
23	Stationery and Printing ..	3,33,400
24	Political Agencies and other Foreign Services ..	1,00,970
25	Allowances and Assignments &c. ..	30,67,150
26	Miscellaneous ..	6,86,930
27	Superannuation, Retired and Compassionate Allowances ..	23,44,500

15. The above grants are exclusive of Stores from England which have been provided for in a distinct heading of "Stores" to the extent of Rs. 3,02,670 or £ 30,267 as follows :—

		Stores.	Freight.	Total.
		£	£	£
Stamps		2,892	40	2,932
Stationery		21,683	400	22,083
Marine		1,673	1	1,674
Miscellaneous		1,296	10	1,306
Mint exclusive of copper				
Stores	58,199			
Freight	300	2,222	50	2,272
	58,499			
		29,766	501	30,267

I have the honor to be,

SIR,

Your most obedient servant,

Ed. H. Lushington

Secretary to the Government of India.

Copy to
The Comptroller General of Accounts,
,, Accountant General Madras.

[Exd. N. C. Coar.]
373. 28-3-66.

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read letter from the Mint Master, Madras. 7th March 1866 No 312

Order thereon. 26th April 1866 No 159.

With Sir Charles Wood's Despatch of the 15 Dec last No 90, the Govt were furnished with a copy of the Report of the Master of the Royal Mint on the Pyx Coins of the several Indian Mints for the year 1864, in which the Master of the Royal Mint remarked that "the subsidiary silver coins have a tendency to fall under standard at the Madras Mint, where the Rupee is correct." With reference to this remark

Rs. 5th Feb 66 — 3
11th March 65 124-125

Financial 1865 A
No 52

Financial Proceedings
Mint
Copy of Letter from
Madras Mint Master
No 312 of
7th March 1866
Forwarding Report
on Pyx Coins
for 1864

Despatch
Bengal
Bombay
Madras
2 Sheets

No 156

Communicating the
orders passed on the
Report of the Master
of the Royal Mint on
the Examination of the
Pyx Coins of the Mints
of the Empire for the
year 1864

Examined
Copied
Compared
Entered

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As

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To the Mint Master – Sept 20/68

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Financial 1866 Department.

No. 159.

PROCEEDINGS OF GOVERNMENT.

Dated 24 April 1866.

Press No. 2755, G. M.—14-11-65—500.

44-45.