M.R.O. 1—77,006—8-6-37.

(1) Number of pages 14

(2) Date of repair

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

financial DEPARTMENT.

G.O. No. 95	Press / Mis.
7-8	
Dated 6-3-	18 66.

8/9

7-8

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
6th March 1866.

No. 7. Read the following letter from the Secretary to the Commission appointed to inquire into the operation of Act XIX of 1861, Calcutta, to the Secretary to the Government of Fort Saint George; dated Calcutta, 16th February 1866.

A Commission having been constituted under the Orders of the Governor General in Council for the purpose of inquiring into the operation of Act No. XIX of 1861 "to provide for a Government Paper Currency," I am directed by His Excellency the President, in conformity with the wishes of the Commission, to beg you will be good enough, with the permission of the Governor of Madras in Council, to favor them with an expression of His Excellency's views on the subject.

2. On the occasion of its first meeting, under the presidency of Sir W. Mansfield, K. C. B., the Commission came to a Resolution that it was most expedient to obtain accurate information from every quarter in India in regard to the operation of the Currency under the existing law.

3. It was further deemed advisable, in order to save time, to address certain Officers direct—a course which the President trusts will meet the approval of His Excellency in Council.

4. I am directed to enclose copies of the Circular which has been issued, in the hope that the views of gentlemen not comprehended in the ordinary Official Circles may be obtained under the Orders of His Excellency in Council.

5. The replies of these gentlemen might also be forwarded to me direct.

CIRCULAR.

To

THE OFFICER IN CHARGE OF THE TREASURY OF

Sir,

It being very desirable to obtain accurate local information from various quarters regarding the working of Act No. XIX of 1861 "to provide for a Government Paper Currency," the Commission, assembled by Order of the Governor General in Council for the purpose of enquiring into and reporting on the operation of that Act, will be much obliged to you to answer the following Queries to the best of your ability, and to send your Replies direct to me. A copy of this communication has been sent to the Government under which you are serving, and as the Commission is now in Session, and the matter urgent, you are further requested to send your Answer as early as possible:—

1. Are Government Currency Notes readily received and paid away by the Native community at their full value in private monetary transactions?

2. If not, what is the reason for their depreciation, and what is the average rate at which they are discounted?

3. What facilities are afforded by Officers in charge of Government Treasuries for the exchange of Currency Notes for silver, and silver for Notes?

4. Are these facilities sufficient, if not what means can you suggest for increasing them?

5. Do you consider the present arrangement of Circles, with a separate Note for each Circle, well calculated to promote the reception of a Paper Currency by the Native population, and would you retain it?

6. If not, would you propose to increase the number of Circles (still retaining the plan of a separate Note for each Circle), and if so to what extent? Or, keeping the present number of main Circles, would you establish Offices of Sub-Issue at the chief local Treasuries within each Circle where the Note should be convertible on demand as at the Head Office of Issue of the Circle?

7. Or, would you prefer the plan of having one universal Note for all India, to be convertible only at the Presidency Towns and at certain specified Treasuries? Or, is there any other plan you would recommend?

N. B.—In replying to these last three Questions, please to state fully the grounds on which you give a preference to one plan rather than to the others, specially with reference to the important object of establishing a Paper Currency in the confidence and liking of the Natives.

8. Would you propose a Note of the value of five Rupees, and if so on what grounds?

9. Are you of opinion that the five-rupee Note would have a larger Currency than Notes of a greater value?

10. Are Notes used much by the Shroffs and Native Bankers for purposes of remittance?

11. Is it the practice of the Shroffs and Native Bankers to exact discount in all cases of cashing Notes?

12. Do the Shroffs and Native Bankers buy up the Notes at a discount for the purpose of sending them to the Head Quarters of Circles for encashment?

13. Do the Shroffs and Native Bankers prefer the Note to Hoondies for purpose of remittance?

14. If your Silver Reserve runs very low, owing to a large number of Currency Notes being presented for cash, what facilities by rail or road have you for reinforcing the Reserve, and to what Department or Treasury would you first apply?

15. Has your Treasury been unable to meet the public demand for Paper Currency in consequence of your indents for Notes not having been complied with?

16. If so, what reasons have been assigned for the refusal to comply with your indents?

17. What average value does the Government Gold Mohur bear in the bazaars in your neighbourhood?

18. What average value does the English Sovereign bear in the bazaars in your neighbourhood?

19. What average value does the Australian Sovereign bear in the bazaars in your neighbourhood?

20. Do you think that the coins above-mentioned generally bear a higher value in Mofussil bazaars than in the Presidency Towns?

21. If so, what is the cause?

22. Are the people fond of gold for the purposes of hoarding and circulation?

23. Would the Natives like a Gold Currency?

24. Are Gold Coins of 15, 10, and 5 Rupees likely to find more favor in their eyes than Notes of like value?

25. Would a Gold Currency help the establishment of a Paper Currency—Gold being held as a reserve by traders and others, and the Notes passing from hand to hand for circulation when people become accustomed to them?

26. Would a Gold Currency assist the outlying Treasuries in ensuring the convertibility of the Note?

27. What is the opinion of large Shroffs and Dealers on Currency? Do they prefer a Silver Currency alone, or Silver and Paper as it at present exists, or Silver, Gold, and Paper?

28. Does bar gold circulate in your neighbourhood, if so how is its purity ensured?

29. Are Native Gold Mohurs much used by Natives as means of Currency in your neighbourhood?

30. State the names of the Gold Mohurs?

31. Do they pass for intrinsic value?

32. Or, do they bear an artificial value according to their respective denominations, or as proceeding from certain Native States?

THE TREASURY;
CALCUTTA,
16*th February* 1866.

(Signed) D. R. ONSLOW,
Secretary to the Commission.

No. 8. ORDER THEREON, 6th March 1866, No. 95.

Resolved that copies of the Circular, received with the foregoing letter, be forwarded to the Accountant General, the Board of Revenue, the Chamber of Commerce, the Acting Commissioner of Issue of Paper Currency, and to the Officers named in the margin, with a request that they will furnish the Government, as early as practicable, with Replies to the Questions propounded by the Commission appointed at Calcutta to inquire into and report on the operation of the existing Currency Act No. XIX of 1861.

Mr. D. F. Carmichael.
„ P. Grant.
„ G. A. Ballard.
„ G. Banbury.
„ A. Wedderburn.
„ V. Rama Aiyangar.

(True Extract).

Chief Secretary.

To the Accountant General.
„ Board of Revenue.
„ Chamber of Commerce.
„ Commissioner of Issue of Paper Currency.
To D. F. Carmichael, Esq.
„ P. Grant, Esq.
„ G. A. Ballard, Esq.
„ G. Banbury, Esq.
„ A. Wedderburn, Esq.
„ V. Rama Aiyangar.

Exd. R. H. Lee.

CIRCULAR.

To

THE OFFICER IN CHARGE OF THE TREASURY OF

SIR,

It being very desirable to obtain accurate local information from various quarters regarding the working of the Act, No. XIX of 1861, "to provide for a Government Paper Currency," the Commission, assembled by order of the Governor General in Council for the purpose of enquiring into and reporting on the operation of that Act, will be much obliged to you to answer the following queries to the best of your ability, and to send your replies direct to me. A copy of this communication has been sent to the Government under which you are serving, and as the Commission is now in Session and the matter urgent, you are further requested to send your answer as early as possible:—

1. Are Government Currency Notes readily received and paid away by the Native community at their full value in private monetary transactions?

2. If not, what is the reason for their depreciation, and what is the average rate at which they are discounted?

3. What facilities are afforded by Officers in charge of Government Treasuries for the exchange of Currency Notes for silver, and silver for Notes?

4. Are these facilities sufficient, if not, what means can you suggest for increasing them?

5. Do you consider the present arrangement of Circles, with a separate Note for each circle, well calculated to promote the reception of a Paper Currency by the Native population, and would you retain it?

6. If not, would you propose to increase the number of Circles (still retaining the plan of a separate Note for each Circle), and, if so, to what extent? Or, keeping the present number of main Circles, would you establish Offices of Sub-Issue at the chief local Treasuries within each Circle, where the Note should be convertible on demand as at the Head Office of Issue of the Circle?

7. Or, would you prefer the plan of having one universal Note for all India, to be convertible only at the Presidency Towns, and at certain specified Treasuries? Or, is there any other plan you would recommend?

N. B.—In replying to these last three questions, please to state fully the grounds on which you give a preference to one plan rather than to the others, specially with reference to the important object of establishing a Paper Currency in the confidence and liking of the Natives.

8. Would you propose a Note of the value of five Rupees, and if so, on what grounds?

9. Are you of opinion that the five-rupee Note would have a larger currency than Notes of a greater value?

10. Are Notes used much by the Shroffs and Native Bankers for purposes of remittance?

11. Is it the practice of the Shroffs and Native Bankers to exact discount in all cases of cashing Notes?

12. Do the Shroffs and Native Bankers buy up the Notes at a discount for the purpose of sending them to the head quarters of Circles for encashment?

13. Do the Shroffs and Native Bankers prefer the Note to Hoondies for purpose of remittance?

14. If your silver reserve runs very low, owing to a large number of Currency Notes being presented for cash, what facilities by rail or road have you for reinforcing the reserve, and to what Department or Treasury would you first apply?

15. Has your Treasury been unable to meet the public demand for Paper Currency in consequence of your indents for Notes not having been complied with?

16. If so, what reasons have been assigned for the refusal to comply with your indents?

17. What average value does the Government Gold Mohur bear in the bazars in your neighbourhood?

18. What average value does the English Sovereign bear in the bazars in your neighbourhood?

19. What average value does the Australian Sovereign bear in the bazars in your neighbourhood?

20. Do you think that the coins above-mentioned generally bear a higher value in Mofussil bazars than in the Presidency Towns?

21. If so, what is the cause?

22. Are the people fond of Gold for the purposes of hoarding and circulation?

23. Would the Natives like a Gold Currency?

24. Are Gold Coins of 15, 10, and 5 Rupees likely to find more favor in their eyes than Notes of like value?

25. Would a Gold Currency help the establishment of a Paper Currency, Gold being held as a reserve by traders and others, and the Notes passing from hand to hand for circulation when people become accustomed to them?

26. Would a Gold Currency assist the outlying Treasuries in ensuring the convertibility of the Note?

27. What is the opinion of large Shroffs and Dealers on Currency? Do they prefer a Silver Currency alone, or Silver and Paper as it at present exists, or Silver, Gold, and Paper?

28. Does bar Gold circulate in your neighbourhood, if so, how is its purity ensured?

29. Are Native Gold Mohurs much used by Natives as means of Currency in your neighbourhood?

30. State the names of the Gold Mohurs?

31. Do they pass for intrinsic value?

32. Or do they bear an artificial value according to their respective denominations, or as proceeding from certain Native States?

I have the honor to be,

SIR,

Your most obedient Servant,

(Signed) DENZIL R. ONSLOW,

Secretary to the Commission.

THE TREASURY;
CALCUTTA,
February, 16. 1866.

Military Orphan Press.—No. 219 F. D.—16-2-66.—540.

To

The Secretary to the Govt of
Fort St. George

Sir,

A Commission having been constituted under the orders of the Governor General in Council for the purpose of enquiring into the operation of the Act, No. XIX of 1861, "to provide for a Government Paper Currency," I am directed by His Excellency the President, in conformity with the wishes of the Commission, to beg you will be good enough with the permission of the Governor of Madras in Council to favor them with an expression of His Excellency's views on the subject.

On the occasion of its first meeting under the Presidency of Sir W. Mansfield, K. C. B., the Commission came to a resolution that it was most expedient to obtain accurate information from every quarter in India in regard to the operation of the Currency under the existing Law.

It was further deemed advisable, in order to save time, to address certain Officers direct, a course which the President trusts will meet the approval of His Excellency in Council

I am directed to enclose copies of the Circular which has been issued in the hope that the views of gentlemen not comprehended in the ordinary Official Circles may be obtained under the orders of His Excellency in Council.

The replies of these gentlemen might also be forwarded to me direct.

I have the honor to be,
Sir,
Your most obedient Servant,

Denzil R. Ouchterlony
Secretary to the Commission.

The Treasury;
Calcutta,
February 16 1866.

Financial Department. 7

Today

11-

PROCEEDINGS of the MADRAS GOVERNMENT.

Read letter from the Secretary to the Commissioner appointed to enquire into the operation of Act XIX of 1861

(Dated 16 February 1864)

Order - 6 March 1864 No 95

Resolved that copies of the Circular received with the foregoing letter be forwarded to the Accountant General, the Board of Revenue, the Chamber of Commerce, the Agt. Commissioner of Salt

Issued

No 95

Financial Dept
Dated 16th Feby 1864
Rec'd 27th Feby 1864.

Letter from the Secretary to the Commissioner appointed to enquire into the operation of Act XIX of 1861.

Requests to be furnished with copies of the Circular and papers noted in the margin.

Referred to the Chamber of Commerce, Board of Revenue, Accountant General & Agt. Commissioner of Salt

F. Nos 96-107-
147 - 193

F-11 128

193

Financial 1864 Feby
8

Issue of Paper Currency

To the Officers named
in the margin, with
a request that they
will furnish the Go-
-vernment, as early as
practicable, with replies
to the questions propound-
-ed by the Commission
appointed at Calcutta
to enquire into & report
on the operation of the
existing Currency Act
No XIX of 1861.

D.F. Carmichael
P. Grant.
Lt. R. Ballard.
Lt. Bambury
R. Wedderburn.
V. Rama Aiyangar

To Secretary General.
Board of Revenue.
Chamber of Commerce
Comrs of Issue of C. P.
D.F. Carmichael Esqre
P. Grant Esqre
Lt. R. Ballard Esqre
Lt. Bambury Esqre
R. Wedderburn Esqre
V. Rama Aiyangar

Financial 1866 Department.

No. 95

PROCEEDINGS OF GOVERNMENT.

Dated 6th March 1866.

F/P/96-107-128.
116-119-147-120-164-193
195

Press No. 2755, G. M.—14-11-65—500.

7-8.

CP396/RH/84