M.R.O. 1—77,006—8-6-37.

(1) Number of pages 18

(2) Date of repair 16-9-37

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Finance DEPARTMENT.

G.O. No. 97	Press / Mis.
11-12.	
Dated 7-3- 1866.	

10/11

11-12

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 7th March 1866.

No. 11. Read the following letter from the Acting Mint Master, to the Chief Secretary to Government, Fort Saint George; dated 6th February 1866, No. 275.

I have the honor to forward a letter* from the Assay Master, bringing to notice the cause of the subsidiary silver coins of this Mint having, by the reports of the Assayers of the Royal Mint, a tendency to fall below standard.

* No. 238, 30th January 1866.

2. The results of the assays made in England of the Pyx Coin shew that the excess of alloy per pound above the standard fineness is in the half Rupee pieces 10·02 grains, in the quarter Rupee pieces 8·327 grains, and in the one-eighth Rupee pieces 4·156 grains; and as the remedy for fineness below standard allowed by Mint rules is 24 grains to the pound the coinage is therefore within limit.

3. For many years at this Mint the smaller silver pieces have been made from Silver Ingots alligated to W ½, or half a dwt. below standard, because, during the process in annealing the straps and bleaching the blanks, the silver refines more with small coins than when making Rupees, and the consequence was that, when merchants required silver in bar or for jewellery, they always melted up the smaller coins, being better Silver. The Soucars encouraged this, as it made the small silver scarce, and a higher premium was taken when changing a Rupee.

4. Colonel Smith, Madras Engineers, in 1843, again in 1851, and in 1855, urged on the Madras Government to obtain the sanction of the Court of Directors to make all the smaller coins with a larger amount of alloy than Rupees or standard Silver (as tokens), in order to put a stop to their melting, which cost more in manufacturing in comparison with their intrinsic value than Rupees did; but although the Madras Government wrote to the Supreme Government in October 1855, nothing seems to have come of it.

5. In April 1865, Lieutenant Colonel Ballard, Master of the Mint at Bombay, also recommended to his Government the substitution of silver tokens, in place of the coins being of standard value.

From the Assay Master, to the Acting Mint Master dated Fort Saint George, 30th January 1866, No. 238.

With reference to the Report of the Master of the Royal Mint on the Pyx Coins of the Indian Mints for the year 1864, which has just reached me, I observe it is remarked, in paragraph 4, that "the subsidiary silver coins have a tendency to fall under standard at the Madras "Mint, where the Rupee is correct." It is evident that the practice which has long prevailed in this Mint of fabricating the small silver coins from ¼ a Rupee downwards, from Ingots alligated to W ½ is not known to the authorities in England. I think, therefore, it is desirable, to prevent misapprehension on this subject, that the notice of Government should be respectfully drawn to the fact and its origin.

2. In a letter addressed to the Mint Committee, dated 17th March 1843, No. 188, Colonel J. T. Smith, of the Engineers, who was then Mint Master, strongly advised that the subsidiary silver coins of this Presidency should be kept below the standard value, to prevent the loss sustained by their rapid disappearance from circulation, and the increased cost of their manufacture, when compared with the larger coins.

3. It is 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 the money dealers to consign them to the melting pot, and export them in large quantities.

4. For these reasons, Colonel Smith suggested that the fractional pieces, should, by diminishing their weight, be reduced in their intrinsic value below the nominial rate at which they are issued for circulation, and become in reality of the nature of "tokens," instead of containing their true proportional equivalents of silver.

5. It does not appear, however, that this proposition was approved of, but from that time it has been the practice in the Madras Mint to fabricate the subsidiary coins from bars of a lower

…per amount of alloy
than whole Rupees. This [illegible]

touch than those from which the integral coins are made, which accounts for the discrepancy between them, remarked upon by the Master of the Royal Mint.

6. I observe that the Mint Master at Bombay, Colonel Ballard, has recently called attention to this important subject, and I am glad of this opportunity of bringing it to the notice of Government, in the hope that the system pursued in the Madras Mint may be followed in the other Indian Mints, where the smaller coins are usually found to be above the standard.

No. 12. ORDER THEREON, 7th March 1866, No. 97.

In the Report of the Master of the Royal Mint on the Pyx Coins of the several Indian Mints for the year 1864, communicated to this Government with the Despatch of the Right Honorable the Secretary of State, dated 15th December last, No. 90, it was remarked that "the sub-"sidiary silver coins have a tendency to fall under standard at the Madras Mint, where the "Rupee is correct." With reference to this remark, the Acting Mint Master and the Assay Master explain that for many years it has 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 the money dealers to melt them down and export them in large quantities.

2. It appears that in 1843, and subsequently in 1851 and 1855, Colonel Smith, the then Mint Master, urged on this Government to obtain the sanction of the Court of Directors to make all the smaller coins with a larger amount of alloy than whole Rupees. This Government addressed the Government of India on the subject, strongly supporting Colonel Smith's proposal; but though no direct reply was received from the Government of India, the Court of Directors, in their Despatch of the 17th April 1857, paragraph 13, in writing to this Government, stated, "your suggestions on the subject of the "small silver currency have already been reported to us by the Government of India, and we "have informed that Government, in reply, that we agree with them in thinking that it would be "highly inexpedient to reduce the intrinsic value of this currency." This was communicated to the Mint Committee at the time, but it appears, notwithstanding, that the practice at the Madras Mint, since the date of Colonel Smith's reports, has been to reduce the fractional pieces in their intrinsic value below the nominal rate at which they are issued for circulation.

6th October 1855, No. 110.

Financial Consultation, 23rd June 1857, paragraph 6.

3. The Acting Mint Master is requested to report more explicitly when, and under what circumstances, the practice described by him and the Assay Master was introduced, and under whose authority, and whether any report of the circumstance was made to Government at the time, or subsequently.

(True Extract).

Chief Secretary.

To the Acting Mint Master.

Exd. J. H. Burns.

Memo

In the Report of the Master of the Royal Mint on the Pyx Coins of the several Indian Mints for the year 1864, it is remarked "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 the Act Mint Master explains that for many years it has been the practice in the Madras Mint to fabricate the fractional pieces of ½, ¼ & 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, & induces the money dealers to melt them down & export them in large quantities.

It appears that in 1843 & subsequently in 1851 & 1855, Col Smith, the then Mint Master, urged on this Government to obtain the sanction of the Court of Directors to make all the smaller coins with a larger amount of alloy than whole Rupees. This Govt

addressed the Govt. of India on the subject and strongly supporting Col Smiths proposal, but tho no direct reply appears to have been received from the Govt. of India, the Ld. Directors in their Desp: of the 17th April 1857 p 13, to this Govt. stated "Some suggestions on the subject "of the small Silver Currency have "already been reported on by "the Govt. of India & we have "informed that Govt. in reply that "we are quite with them in thinking "that it will be highly in- "expedient to reduce the intrinsic "value of this Currency". This

But it appears, notwithstanding, that the practice at the Madras Mint, since the date of Col Smiths report, has been to reduce the standard pieces in their intrinsic value below the nominal value at which they are issued for circulation -

Are any orders required on the present Report of the Acting Mint Master? or is it to be brought to the notice of the Secy of State?

No. 238.

Fort St. George,
H. M's Assay Office,
30th January 1866.

From,

G. J. Shaw Esqre. M.D.
Assay Master.

To,

Lieut. Colonel G. T. Wilkinson,
Acting Mint Master.

Sir,

Para. 1. With reference to the Report of the Masters of the Royal Mint on the Pyx Coins of the Indian Mints for the year 1864, which has just reached me, I observe it is remarked in para 4, that "The subsidiary Silver Coins have a tendency "to fall under Standard at the Madras "Mint, where the Rupee is correct." It is evident, that the practice which has long prevailed in this Mint of fabricating the small silver coins from ½ a rupee downwards, from Ingots alligated to W½, is not known to the Authorities in England. I think therefore, it is desirable, to prevent misapprehension on this subject, that the notice of Government should be respectfully drawn to the fact and its origin.

2. On a letter addressed to the Mint Committee

below

Committee dated 17th March 1843 No. 188, Colonel J. T. Smith of the Engineers who was then Mint Master, strongly advised that the Subsidiary Silver Coins of this Presidency should be kept below the Standard value, to prevent the loss sustained by their rapid disappearance from circulation and the increased cost of their manufacture, when compared with the larger coins.

3. It is 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 the money dealers to consign them to the Melting Pot and export them in large quantities.

4 For these reasons, Colonel Smith suggested that the fractional pieces, should by diminishing their weight, be reduced in their intrinsic value below the nominal rate at which they are issued for circulation, and become in reality of the nature of "Token", instead of containing their true proportional equivalents of Silver.

5. It does not appear however, that this proposition was approved of, but from that time it has been the practice in the Madras Mint, to fabricate the Subsidiary coins from bars of a lower touch, than those from which the integral coins are made, which accounts for the discrepancy between them,

them, remarked upon by the Master of the Royal Mint.

6. I observe, that the Mint Master at Bombay Colonel Ballard, has recently called attention to this important subject, and I am glad of this opportunity of bringing it to the notice of Government, in the hope, that the system pursued in the Madras Mint, may be followed in the other Indian Mints, where the smaller coins are usually found to be above the Standard.

I have the honor to be,

Sir,

Your Most Obedient Servant,

J. J. Rawlins

Assay Master.

below

Fort-St.e George,
No. 275 6th February 1866.

From
Lieut.t Colo.l C. V. Wilkieson R.A.
Acting Assist.t Master

To The Chief Secretary
to Government.

Sir,

Para 1. I have the honor to forward a letter from the Assay Master bringing to notice the cause of the Subsidiary Silver Coins of this Mint having by the reports of the Assayers of the Royal Mint a tendency to fall below standard.

× No. 238 30 January 1866.

2. The results of the assays made in England of the Pyx Coin shew that the excess of alloy per Pound above the standard fineness is in the half Rupee pieces 10.02 grains, in the quarter Rupee pieces 8.327 grains and in the One eighth Rupee pieces 4.156 grains and as the remedy for fineness below

1866 Dec.r

From
The Assay Master
To
The Agent Mint Master

Dated 30th January 1866.
Recd

No. 238 —

States with reference to the remark on the Pyx Coins of the Indian Mints for 1864 that the Coins of the Madras Mint are found to be deficient in fineness to the extent of 4.156 grains per pound and requests to be informed whether the Madras Mint is to be considered as coming under the remarks of the Assayers of the Royal Mint.

Replied that the Madras Mint is not considered as coming under the remarks of the Assayers of the Royal Mint as the Madras Coins are issued at a fineness above the standard.

No. 53/02

below standard allowed by Mint rules is twenty four grains to the Pound the Coinage is therefore within limit.

3. For Many Years at this Mint the smaller silver pieces have been made from silver Ingots alligated to W$\frac{1}{2}$ or half a dwt. below standard because during the process in annealing the straps and bleaching the blanks the silver refines more with small Coins than when making Rupees and the consequence was that when Merchants required silver in bar or for jewellery they always melted up the smaller Coins being better silver. The Soucars encouraged this as it made the small silver scarce and a higher premium was taken when changing a Rupee.

4 Colonel Smith Madras Engineers in 1843, again in 1851 and

and in 1855 urged on the Madras Government to obtain the sanction of the Court of Directors to make all the smaller Coins with a larger amount of alloy than Rupees or standard silver (as Tokens) in order to put a stop to their Melting which cost more in Manufacturing in comparison with their intrinsic value than Rupees did but altho the Madras Government wrote to the Supreme Government in October 1855 nothing seems to have come of it.

5. In April 1865 Lieut. Coll. Ballard Master of the Mint at Bombay also recommended to his Government the substitution of silver Tokens in place of the Coins being of standard value.

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

Lieut. Coll.
Acting Mint Master

M.P.

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following
letter from the Acting
Mint Master.

Rec'd enter 8th Feby 1866 No 275.

Order thereon 27 March 1866 No 97.

In the report of the
Master of the Royal
Mint on the 1871 Coins of
the several Indian Mints
for the year 1865, commu-
nicated to this Government
with the Despatch of the
Right Honorable the Secretary
of State dated 15th Dec.
last No 90, it was re-
marked that "the Sub-
"sidiary Silver coins have
"a tendency to fall under
"standard at the Madras
"mint, where the Rupee
"is

Financial
1866 Department

From

The Acting Mint Master

No 97 dated 27 Feby 1866

To The Secretary
to Government
Fort St George

Dated 6th

Rec'd 8 February 1866.

No 275

With an Account

Forwards a Letter from the
Deputy Master Bringing to
the notice of Govt the cause
of the Subsidiary Silver Coins
of the Madras Mint having
a tendency to fall below
standard.

Rs. 12 January 28/29

"is correct" With reference
to this, ~~remark~~ the Acting
Mint Master and the
Assay Master explain
that for many years
it has 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 the money dealers
to melt them down and
export them in large
quantities.

2. It appears that
in 1843 and subsequently
in

6 Oct/55 N° 110

in 1851 and 1855. Colonel
Smith, the then Mint
master, urged on this
Government to obtain
the sanction of the
Court of Directors to
make all the smaller
coins with a larger
amount of alloy than
whole Rupees. This
Government addressed the
Government of India on
the subject, strongly
supporting Colonel Smith's
proposal; but though
no direct reply was re-
-ceived from the Govt. of
India, the Court of
Directors in their Despatch
of the 17th April 1857 para
13, in writing to this
Government, stated:-
"Your suggestions on the
"subject of the small
"Silver Currency have
"already

"already been reported to
"us by the Government
"of India, and we have
"informed that Govt.
"in reply, that we agree
"with them in thinking
"that it would be highly
"inexpedient to reduce the
"intrinsic value of this
"Currency". This was com-
municated to the Mint
Committee at the time,
but it appears, notwith-
standing, that the prac-
tice at the Madras
Mint since the date of
Colonel Smith's reports
has been to reduce the
fractional pieces in their
intrinsic value below
the nominal rate at
which they are issued
for circulation.

3. The Acting
Mint Master is
requested

Fin'l Consult. 23d June/57
Para 6

requested to report more
explicitly when and
under what circumstances
the practice described
by him and the Assay
Master was introduced,
and under whose au-
thority, and whether
any report of the circum-
stance was made to
Government at the time
or subsequently.

To the Ag Mint Master dated 22/5 15 Cotes

Financial 1866. Department.

No. 97.

PROCEEDINGS OF GOVERNMENT.

Dated 7 March 1866.

Press No. 2755, G. M.—14-11-65—500.