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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 309 Press Engineer

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Read the following papers :—

No. 1. From the Secretary to the Government of India, to the Chief Secretary to Government, Fort Saint George ; dated Fort William, 4th April 1868, No. 1970.

Mint and Currency.

The replacement of the Madras Mint by a Bullion Depôt has been under the consideration of his Government since 1850, but it was deferred while the requirements of the Madras Presidency could not be met without increasing the power of the Calcutta Mint. That Mint has now been greatly enlarged by the creation of a new or Copper Mint, at an expense incommensurate with its present out-turn, which is so small as to be within the working powers of the old or Silver Mint. The coinage for the Madras and Bengal Presidencies combined would scarcely keep the two Mints in Calcutta in full work throughout the year.

2. The receipts and charges of the Madras Mint from 1861-62 are as follow :—

	1861-62.	1862-63.	1863-64.	1864-65.	1865-66.	(12 month), 1866-67.	1868-69.
Receipts.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Silver coinage.....	90,390	1,26,240	84,110	1,29,960	1,16,950	1,09,000	1,05,000
Copper do	5,66,460	5,44,060	10,02,420	7,86,380	5,54,530	.....	.....
Miscellaneous.....	25,046	21,940	30,430	31,000	12,150	21,600	22,000
Total...	6,81,896	6,92,240	11,16,960	9,47,340	6,83,630	1,62,890	1,27,000
Charges.							
Mint Master...	18,530	18,070	18 390	25,920	87,540	1,09,910	21,000
Mint Establishment, Fixed	43,210	41,370	52,620	49,550			12,570
Mint Establishment, Temporary	.....	1,07,090	1,06,330	88,240	.....	27,980	79,540
Miscellaneous charges, including Contingencies of the Assay Office...	2,29,840	76,760	68,970	1,33,630	93,310	56,710	25,500
Total...	2,91,580	2,43,290	2,46,310	2,97,340	1,80,850	1,94,600	1,38,610
Assay Office.							
Assay Master and Deputy...	21,730	18,640	19,180	20,300	33,960	19,470	25,280
Establishment.....	5,800	5,800	5,810	7,010			5,820
Total...	3,19,110	2,67,730	2,71,300	3,24,650	2,14,810	2,14,070	1,69,710

3. This statement shows that the Madras Mint has ceased to pay its expenses. It is no longer required for the coinage of Copper, the Calcutta Mint being fully equal to all the demands of the Madras Presidency, and it having very slack work, while the Madras Mint has not coined Copper for two years, and none is required for 1868-69.

4. Henceforth it will suffice to maintain an Assay Office in Madras for the receipt of bullion, a portion of which, if necessary, could be allowed to remain there as part of the currency reserve, while the remainder or the whole, as the case might be, should be sent up to Calcutta, in substitution of specie remittances ; thereby the cost of transit would be provided, for the most part, if

not wholly, from existing charge, without its forming a set off to the saving from the reduction of the Madras Mint.

5. In this way the seignorage on silver bullion tendered to the Mint would be still secured by the Assay Office, at Madras, while the whole of the existing charge for the Madras Mint would be saved.

6. The cost of the Assay Department also would be reduced, for the work would be limited to assaying the bullion tendered by merchants; the further assays of the meltings and of specimens of the out-turn of coin would cease. The Assay Master could be retained on the footing of a Commissioner of Currency, but his Deputy would not be required.

7. Accordingly, the provision for an Assistant Assay Master has been struck out from the Budget Estimate for 1868-69, and I am to request an early expression of the views of His Excellency the Governor in Council as to the immediate closing of the Madras Mint.

8. The establishment being for the most part temporary, the charge on its account can be readily discontinued, and on this consideration, and in view of the abolition of the Assistant Assay Mastership, a sum of Rupees 60,000 has been disallowed from the Budget provision for the Mint.

Referred to the Mint Master for such remarks as he may wish to offer.

2. The letter will also be referred to the Revenue Department, with a view to a reference being made to the Board of Revenue regarding the effect of this abolition on the Stamping Department.

FORT SAINT GEORGE,
24th April 1868.

(Signed) R. S. ELLIS,
Chief Secretary.

No. 2. From Colonel J. CARPENDALE, R. E., Mint Master, Madras, to the Chief Secretary to Government, Fort Saint George; dated Madras, 9th May 1868, No. 65.

I have the honor to return the letter from the Government of India in the Financial Department, No. 1970, of the 4th ultimo, on the subject of the abolition of this Mint, received with your docket of the 24th idem.

2. Before considering the circumstances which have led the Government of India to deem it expedient, as a measure of economy, to close the Madras Mint, it will not be out of place to briefly notice its abolition on a former occasion, viz., in 1835, followed shortly after by its re-opening for copper coinage only, and the creation of a Bullion Depôt, and again by the resumption of the gold and silver coinage so soon afterwards, as in obedience to a Despatch from the Honorable Court of Directors of the East India Company, dated the 10th May 1839; and, as a matter of convenience, I will quote chiefly from that Despatch, which gives a complete history of all the circumstances that led to the closing of the Mint in 1835, and its re-opening in 1840.

3. It appears that in 1831, the Calcutta Mint Committee recommended the abolition of the Madras Mint, on the ground that it was unnecessary, and that its abolition would be productive of a saving to a considerable amount, in reference to which the Honorable Court of Directors observed, that "although fully impressed with "the feeling that it is not desirable, unless very strong cause can be shown for it, to break up "establishments of long standing, especially one of the character of the Madras Mint;" yet the

Paragraph 3 above-named Despatch.

statements, which accompanied the report of the Calcutta Mint Committee, appeared to warrant the proceeding, and the Honorable Court desired that the Mint establishment at Madras should cease.

Despatch to Madras, No. 2, 29th Jan. 1834.
Do. to Calcutta, No. 7, 12th February 1834.

4. The Government of Madras deferred acting on this Despatch, pending a further reference to the Government of India, having before its receipt addressed a remonstrance to the Honorable Court, and advanced reasons for the continuance of the Madras Mint; and in a letter to the Government of India, dated 17th July 1835, brought to notice that the continuance of the Madras Mint was still under consideration by the Honorable Court, in reply to which reference the Government of India adhered to its decision, but fortunately modified the orders so far as to direct that the machinery and buildings should be reserved, pending further orders from the Honorable Court.

Paragraph 6, above-named Despatch.

5. The Mint establishment was accordingly dispensed with and soon afterwards the purchase of bullion was directed to cease.

Paragraph 7.

6. On the 16th August 1835, the Honorable Court addressed a Despatch to Madras, disapproving of the abolition of the Mint of Madras, and a copy was, at the same time, forwarded to the Government of India.

Paragraph 9.

7. Some time afterwards, viz., in 1837, after receiving reports from the Madras Government and the Chamber of Commerce of the injurious effect the closing of the Madras Mint had upon trade, the Government of India permitted certain repairs to the machinery to be effected, in order that copper coinage might be resumed, and established a Bullion Depôt, with an Assay Master.

Paragraph 13.

8. After reviewing the consequences of closing the Mint at Madras, the Honorable Court proceed in paragraph 18 to say, "We are "satisfied that the re-establishment of either "a Mint or a Depot was indispensable, we shall now proceed to inquire which of the two ought "to be established."

Paragraph 18.

"It is obvious that a Depot can have only one advantage over a Mint—that of being less "expensive—and unless in this respect the "advantage be considerable the establishment "of a Mint would be preferable to that of a Depot."

Paragraph 19.

9. The Honorable Court then enter most fully into a comparison of the relative expense of the two establishments, into all of which I need not now follow, as the change of circumstances require a change in the mode of calculation; but it is expedient to note the opinion of the Court on the subject of insuring bullion in transit by sea from Madras to Calcutta.

Paragraph 23.

The Court observe—"It would be altogether delusive to omit from the estimate the charge "for Insurance. It is true that the bullion and specie would not be insured, and consequently "that there would be no actual outlay on this account, but the sea risk, estimated by the Insurers "at $\frac{3}{4}$rds the risk of a voyage to London, must be encountered, and an allowance must, therefore, "be made proportionate to its true value." The result of the Honorable Court's estimate of comparative expense was a decision in favor of a Mint at Madras.

Paragraph 23.

10. After coming to the above conclusion, the Honorable Court observed—"Even if the "result of the comparison had been different, "we should not have been prepared to deny to

Paragraph 24.

"the Madras Presidency the advantage of a Mint. Experience has now shown that the territories "subject to that Presidency cannot be safely left dependant upon the Calcutta Mint for the "requisite supply of coin, &c.

"To the assertion that the Mint of Calcutta has power sufficient to coin for the Madras "territories, as well as for the territories of Bengal and the North-West Provinces, and that con- "sequently there is no necessity for a Mint at Madras, we attach no importance whatever.

"It has been shown that, as a matter of economy, it is better to revive the Madras Mint than "to continue the present system, and as that plan, which is the cheapest, is also the most condu- "cive to public policy and convenience, there can be no ground for rejecting it merely for the "purpose of keeping the expensive machinery of Calcutta in full work."

11. The Honorable Court then observe—"After the remarks we have felt called upon to "make it is scarcely necessary to add that we "entertain the most decided conviction that "the coinage of gold and silver should be renewed at Madras, and we desire that it be resumed "at the earliest possible period."

Paragraph 27.

12. The Honorable Court next comment on "a doubt that has been thrown on the capa- "city of the Madras Mint to execute coin with "a due degree of accuracy and beauty," which need not be further noticed, as the London Pyx reports for a long course of years show the Madras Rupee coinage to be quite on a par with that of Calcutta and Bombay, both in regard to weight and fineness.

Paragraph 28.

13. Towards the end of their Despatch the Court express a hope that, in carrying out their orders for the resumption of the coinage at the Madras Mint, all practicable economy may be observed. How faithfully their instructions have been observed will be apparent from the Comparative statement lower down of the rate of coinage in the Calcutta and Madras Mints, (see paragraph 24), and I would not fear the result of a similar comparison of Madras rates with those of Bombay.

Paragraph 30.

14. The Mint having re-opened continued to work, although it was not for some years a very profitable establishment, in consequence of the extensive re-coinage of uncurrent coin from which no seigniorage or duty was derived until 1850, when it was again proposed to close the Madras Mint. The correspondence on that occasion continued for a considerable time, and was brought to a close by the comprehensive reports of Major J. T. Smith, Mint Master, dated 16th December 1851, and 28th January 1854, which were published in a pamphlet, entitled "Report on the proposed abolition of the Madras Mint."

No. 109, dated 21st March 1854.

15. On the receipt of the last named report, the Government of Madras passed the following order:—

"1. With the foregoing letter the Mint Committee submit an elaborate report from the "Mint Master on certain points of inquiry connected with the Madras Mint noticed in the Des- "patch from the Government of India, dated 29th September 1853, No. 2743.

"2. In this report all topics, bearing directly or indirectly on the question of the ex- "pediency of continuing the Mint, are fully discussed, and the conclusions arrived at go far, in the "opinion of this Government, to establish the necessity and importance, not only of maintaining "the establishment, but of adding to its efficiency by the introduction of steam power.

"3. The Government entirely concur in the remarks of Major Smith, with reference to the "recent gratifying and remarkable development of the resources of the Madras Presidency, and "the disastrous effects that would result from any restriction or failure in the currency, as well "as to the apparent impossibility of the Calcutta Mint supplying the wants of Madras and its "extended and extending demands in that respect, and the present report would seem to confirm

"the correctness of the views of Government on the subject, submitted in their Despatch to the "Honorable Court under date the 4th May 1852, No. 8.

"4. By adapting steam to the present Laminating Department, the Mint Master states he "has little doubt of being able, at an expense of (4) four or (5000) five thousand Rupees, to double "the out-turn of the Mint and greatly increase its economy, and as the Committee recommend "the measure, they will call on Major Smith to submit an estimate of the cost of the steam "apparatus, and of the minor improvements referred to in paragraph 61 of his report.

"5. The report of the Mint Master will be printed and published, and copy of it, and of "the letter from the Committee above recorded, transmitted to the Government of India, "together with the Proceedings of this Government thereon."

16. With the above order, it was believed in Madras, until the present day, that all intention of abolishing the Madras Mint had been abandoned; and accordingly, while always bearing in mind the injunction to observe economy, each successive Mint Master has endeavoured to gradually bring it up to the high state of efficiency contemplated by the substitution of steam power for bullock and manual labor, and the result is its present excellent condition; all the machinery being worked by steam, much new and improved machinery having been added since 1851; indeed a very large portion of the expenditure on machinery has been incurred between 1861 and 1868, foremost among which stands 14 new vertical stamping presses erected in 1862 and 1866, new cutting tables for steam machinery put up in 1865, new edging machines obtained from England in 1863 and 1866, a new silver and copper cleaning room built in 1866, and a new coal-shed and coke-yard built in 1866-67 at the suggestion of the Government of India.

17. I now proceed to consider the circumstances which have called forth the present order of the Government of India, but will first observe that, being desirous of keeping this report as short as possible, I will not enter into any general investigation of the many questions involved in the continuance of, or abolition of the Mint. All that could be said on the subject has been so well said by Major J. T. Smith in his published reports, it would be superfluous, and I shall confine myself to comparing the relative expense under present circumstances of replacing the Mint by a Bullion Depôt, or of continuing it either on its present scale, or with a somewhat reduced number of permanent hands. From the Statement of receipts and charges in the Financial Secretary's letter, it would appear that this Mint was worked at a loss of Rupees 51,180 in the year 1866-67, and that there is an estimated loss of Rupees 42,710 in 1868-69; but these figures are incorrect, and I cannot recognize the source from which they have been compiled; in part they correspond with the annual accounts of the Mint, as exhibited in the Administration Reports, but not entirely, and the year 1867-68 is omitted altogether. Instead of a loss of Rupees 51,180 in 1866-67, the Administration Report of the Mint for that year shows a direct profit of Rupees 27,138, after paying all expenses, including those of the Assay Office; and with respect to the estimate of receipts and charges for 1868-69, there is an error also, the miscellaneous charges appearing 5000 Rupees more than in the Budget prepared in this office; the fixed Mint establishment is entered as 12,570 instead of 47,130, and the temporary Mint establishment as 79,540 in tead of 4500. I have also to observe that under the head of Miscellaneous Receipts Rupees 22,000 only was entered as the probable *cash receipts*, but there should *also* in addition be credited a sum of about 30,000 Rupees, being value of work done for other departments, which, as inter-departmental payments are prohibited, was not shown as a *receipt*.

The following is a corrected Statement of receipts and expenditure since 1861, and a corrected estimate for 1868-69 :—

	1861-62.	1862-63.	1863-64.	1864-65.	1865-66.	1866-67.	1867-68.	1868-69.
Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Silver coinage...	90,395	1,26,490	84,176	1,30,000	1,12,986	29,107	3,118	1,05,000
Copper do. ...	5,66,455	5,44,065	10,02,421	7,86,385	5,53,021	1,14,533	18,429	12,000
Miscellaneous ...	17,935	17,592	32,460	51,817	49,449	44,856	60,770	52,000
Total ..	6,74,785	6,88,147	11,19,057	9,68,202	7,15,456	1,88,496	82,317	1,69,000
Charges.								
Mint Master ...	18,682	18,078	18,571	21,000	12,600	13,712	21,000	21,000
Mint Establishment, fixed...	49,102	49,830	52,615	48,951	45,386	41,661	44,645	46,170
Do. do., temporary..... ...	58,289	69,786	73,688	75,291	65,792	47,236	24,396	45,000
Miscellaneous charges including Contingencies of the Assay Office.....	94,596	99,568	1,08,014	77,578	57,292	41,552	24,620	30,000
Total...	2,20,669	2,37,262	2,52,888	2,22,820	1,81,070	1,44,161	1,14,661	1,42,170
Assay Office.								
Assay Master and Deputy...	21,730	18,639	19,716	20,423	23,634	12,278	17,942	18,000
Establishment...	5,830	5,800	5,813	5,814	5,814	4,919	5,669	5,820
Total...	2,48,229	2,61,701	2,78,417	2,49,057	2,10,518	1,61,358	1,38,272	1,65,990
Profit...	4,26,556	4,26,446	8,40,640	7,19,145	5,04,938	27,138	.....	3,010
Loss.....	.....	.....	.....	.....	.....	.....	55,955	.....

18. From the above, it will be seen that the only loss yet sustained is in the official year just closed, and amounting to Rupees 55,955, of which, after giving the Assay Office credit for the whole of the seigniorage, Rupees 20,783-4-5 belongs to that department, and yet the silver imported during the year amounted only to the small sum of Rupees 1,48,120-3-8, and the copper coined was only in value Rupees 30,000, being a special small coinage of ½th Anna pieces.

19. This comparatively small loss was secured by the foundry, with its pattern makers, filers, and other shops having been fully engaged throughout the year in work for various Government Departments and others, as was also the die cutting and turners' room, chiefly in the manufacture of seals and badges for the Revenue and other Departments, and Army Accoutrement mountings for the Grand Arsenal, whereby these departments covered their whole expenses; the prices charged being at the same time considerably below those of the only other foundries in Madras, viz., the Railway and the Department Public Works foundries, and rom fifty to one hundred *per cent.* less than the market price for seals, badges, and other brass work. Hence the actual loss by keeping the Mint open was comparatively small, and in noticing which it should be remembered that there was a *profit* to the State by the Madras Mint in the preceding six years of no less than 29½ lakhs, or very nearly 5 lakhs a year on an average.

20. The loss, too, is a comparatively small one, considering the indirect value of the Mint to the Paper Currency and the Stamp Paper Departments. For the Paper Currency Department alone a larger expenditure would be required to provide a separate Commissioner, an office, treasury, guards, and sundry other charges, which are now provided by the Mint.

21. Government are aware, moreover, that all Judicial, Exchange, and other paper is stamped in the Mint, and thereby an effectual double check exercised in conjunction with the Stamp Office,

which is otherwise simply an office of sale. The important duty of stamping the paper is all done in the Mint at a small expense, but at considerable inconvenience to the Mint Master, who keeps under his own key the dies and types of the higher values. It will not, I presume, be deemed expedient to forego the double check that has worked so well, and the closing of the Mint will probably necessitate other arrangements for the Stamp Department, with the attendant expense of a highly salaried Officer and a distinct building.

22. The grounds on which the Government of India propose to abolish the Madras Mint are, that it has ceased to pay its expenses, and that the coinage in Calcutta, silver and copper together, is barely enough to occupy the old Calcutta Mint, leaving aside the new Copper Mint recently completed; and that by abolishing the office of Assistant Assay Master, and replacing the Mint establishment by a Bullion Depôt under the Assay Master, there will be a saving of the present cost of the Mint establishment. I don't think it has ever been contended that the work of the Assay Department was sufficient to occupy two Officers, and I believe an Assistant Assay Master has been maintained in Madras chiefly to prevent any inconvenience to merchants in being paid for their tenders, and to prevent any hindrance in the process of coinage by reason of the Assay Master's absence from sickness or other cause, and the first reason would continue to exist even if the coinage ceased.

It must be admitted, as shown above, that this Mint did not pay its expenses in the past official year, but under very exceptional circumstances—circumstances which there is no reason to expect a continuance of, and which must have had a proportionate bad effect on the other Mints—*Vide* the following table of exports of silver from Southampton to the East from a recent report of the money market in an English Overland newspaper :—

Years.	India.	China.	Straits.	Total.
	£	£	£	£
1859	11,163,384	3,374,250	290,887	14,828,521
1860	4,385,966	3,657,443	435,330	8,478,739
1861	5,682,645	1,052,240	89,922	6,824,807
1862	6,890,810	2,530,663	669,987	10,091,460
1863	5,971,632	1,995,909	295,470	8,263,011
1864	5,008,291	891,338	354,375	6,254,004
1865	2,738,762	560,026	299,270	3,598,058
1866	2,009,580	303,196	52,850	2,365,626
1867	370,231	265,766	6,915	642,912
1868	178,095	55,850	.....	233,945

The same state of things existed in 1847, 1848 and 1849, which I conclude induced the proposal to close the Mint in 1850, but it did not continue.

It should not be forgotten also that the contemplated arrangements would certainly necessitate a much larger cash balance being constantly maintained in the General Treasury than is requisite when a Mint is at hand for the speedy conversion of bullion into coin, whereby payments made for tenders of bullion are promptly replaced, and that any sudden influx of bullion, if it does not lead to serious embarrassment, may involve the Government in great expense in the remittance of specie from Calcutta or Bombay; nor are there signs now wanting of such an occurrence at an early date; the sudden and very great rise in the price of cotton in England is now being followed by large exportations from Madras, and there is good reason to expect large importations of bullion in payment.

In the two last years the importation of silver was very trifling, and in the four preceding years the out-turn of copper had been unusually large a portion of the great profits arising from which may fairly be set off against the loss at the present time when copper coinage is in abeyance. Moreover, the rate of exchange is rapidly approaching the point at which it is profitable to import silver bullion from Europe, and silver may accordingly be expected to again flow into

India, Madras, as well as other parts, though it may be partially superseded by gold, in consequence of the present high value of that metal, arising from the partiality of the Natives of India for it; and here I may mention that this appears to be one reason of the diminished importations of silver, the gold imported into Madras in the last six years having been as follows:—

Years.	Gold valued in Rupees.	Sovereigns valued in Rupees.	Total.
1861-62	23,47,437	36,35,974	59,83,411
1862-63	30,21,106	49,82,228	80,03,334
1863-64	54,49,891	43,98,855	98,48,746
1864-65	40,57,284	47,24,964	87,82,248
1865-66	17,27,072	49,02,163	66,29,235
1866-67	13,39,900	16,33,096	29,72,996

and it will thus be readily understood how gold is taking the place of silver.

The English Sovereign at its value in London at the rate of £3-17-6 an ounce, with freight to Madras, is then worth Rupees 10-4-0, and similarly the Australian Sovereign is worth Rupees 10-3-0, and yet the price of Sovereigns in Madras for a considerable time back has been Rupees 10-10-0 and Rupees 10-9-0.

23. This tends to show that the time is rapidly approaching when India must have a gold coinage, immediately upon which there will be increased necessity for the Madras Mint; and I need scarcely remark that keeping this in view what a sacrifice of valuable property it will be to break up the Mint after all the expense that has been incurred in the last nine years in bringing it to its present state of perfection, ready for silver coinage to the extent of nearly a lakh of Rupees a day; ready also for gold, the Gold Refinery having only been completed this month, and capable of turning out copper coins to the extent of 2,25,000 pieces daily. I may also here observe that it is little more than four years since I received instructions from the Finance Minister in Calcutta to be prepared to work the Mint night and day, and for some time the establishment was engaged in the coinage of silver from 4 A. M., to 8 P. M., and the Copper Department was, at the same time, worked to its full power, which fully accounts for so little copper having been coined last year, and only a trifling quantity being required this year.

24. If it had been assigned as a reason for abolishing this Mint that the coinage could be executed in Calcutta at a cheaper rate, I might have hesitated to urge anything in favor of the Mint under my charge, but this is not the case. I find by a statement furnished to me by the Master of the Calcutta Mint that his rates of coinage for the year 1866-67 were as follow—Vide Statement A. attached.

For Gold and Silver.

	Rs.	A.	P.	
Share of cost of Establishment, fixed and extra	0	3	8·0715	per 100 pieces.
Do. do. Contingencies and Stores	0	2	1·0880	do. do.
Do. of value of Silver and Gold used as alloy	0	0	4·7402	do. do.
Do. loss in coinage	0	4	2·8878	do. do.
Total loss and charges	0	10	4·7875	per do. do.

notwithstanding that the number of pieces coined in the year aggregated no less than 405,45,870.

Similarly for Copper on a coinage of 783,19,610 pieces—

	Rs.	A.	P.	
Share of Establishment, fixed and extra	0	3	8·0715	per 100 pieces.
Do. of Contingencies and Stores	0	2	1·0880	do. do.
Do. of loss in coinage	0	0	6·2920	do. do.
Total loss and charges	0	6	3·4515	do. do.

while the accounts of the Madras Mint, prepared in a similar form—*Vide* Statement B, attached—give

	1863.	1864-65.	1865-66.	
	No. of Pieces.	No. of Pieces.	No. of Pieces.	
Silver	160,06,926	93,72,918	55,05,318	
	Rs. A. P.	Rs. A. P.	Rs. A. P.	
Share of Establishment, fixed and extra	0 1 5·1840	0 1 8·9664	0 2 4·1472	Per 100 pieces.
Do. of Contingent and Stores	0 2 4·4160	0 1 10·3872	0 2 1·9008	do.
Do. of value of Silver and Gold used as alloy	0 0 10·7328	0 0 7·4304	0 1 1·4976	do.
Do. of loss in coinage	0 1 0·9792	0 1 0·6912	0 1 3·7824	do.
Total loss and charges	0 5 9·3120	0 5 3·4752	0 6 11·3280	do.
	1863-64.	1864-65.	1865-66.	
	No. of Pieces.	No. of Pieces.	No. of Pieces.	
Copper	953,21,280	796,80,000	541,01,760	
	Rs. A. P.	Rs. A. P.	Rs. A. P.	
Share of Establishment, fixed and extra	0 1 5·1840	0 1 8·9664	0 2 4·1472	Per 100 pieces.
Do. of Contingent and Stores	0 2 4·4160	0 1 10·3872	0 2 1·9008	do.
Do. of loss in coinage	0 0 3·0840	0 0 0·2304	0 0 0·4224	do.
Total loss and charges	0 4 0·6840	0 3 7·5840	0 4 6·4704	do.

being an average of 6 Annas per 100 pieces of silver, and 4 Annas per 100 pieces of copper, representing a saving in the cost of coinage of no less than 72 per cent. in favor of the Madras Mint on silver coinage, and 50 per cent. in favor of the Madras Mint on copper coinage; and unless there will be a considerable saving in other respects by abolishing this Mint, I think it must be admitted that there will be no economy eventually in a measure which provides for the silver imported into Madras from Europe being coined in Calcutta at an excess rate of 72 per cent. over of the cost of fabrication in Madras, and which provides for carrying copper past Madras to Calcutta to be there converted into coin at an expense to the State of 50 per cent. in excess of the Madras rates, and then to be carried back to Madras with the addition of the freight from Calcutta, and the insurance due to the enhanced value of the metal by reason of its new form.

25. But besides the higher cost of coinage in Calcutta, there are other serious expenses attendant on closing the Madras Mint to be considered—

1*st*.—A certain establishment must be maintained for the preservation of the premises and the machinery, also for the Bullion Depôt.

2*nd*.—When the Mint was closed on a former occasion the Government, in Minutes of Consultation, No. 245, 28th August 1835, were pleased to order—

"Under the authority conveyed in the 6th paragraph of the Court's Despatch of the 29th "January, No. 2 of 1834, the salaries of the Covenanted and Regular Officers must be continued "until they can be appointed to some other situations, and such small donations as the Mint Com- "mittee may recommend and may appear reasonable will be made to the Native and Uncovenanted "Servants who may be removed from employ."

On behalf of a large number of deserving servants, I trust that should it be decided to close the Mint, a similar liberal course will be pursued on the present occasion; but should it be

found impracticable to provide them with other situations within a reasonable time there will be some 24 to be pensioned and 88 permanent servants to receive gratuities.

3rd.—The packing charge of bullion for transmission to Calcutta must be provided, also freight, and insurance.

4th.—Considerable increase must be made to the Paper Currency Department, and, in reference to these expenses, I beg to offer a few remarks before submitting an estimate of what, in my opinion, will be the annual expense to the State, if the proposal to close the Madras Mint is carried out. The establishment that would be required to take care of the Mint and machinery is shown in paper attached, marked C, and the estimated amount of pensions is in the same paper.

26. The Government of India observe that the bullion may be held as part of the Paper Currency reserve, or if sent to Calcutta the attendant charges would be balanced by the present charges for specie remittances; but I must observe that if the bullion received forms part of the Currency reserve a corresponding amount of investments in Government Securities on account of the Paper Currency must be sold, and the income from interest be forfeited. Further, the remittances to Calcutta and Bombay in the last two years were—

			Rs.
1866-67. Calcutta—			
By Bills and transfers...		...	18,00,000
,, Specie...	...	...	62,00,000
		Total...	80,00,000
1867-68. Calcutta—			
By Bills and transfers...	65,00,000		
,, Specie...	63,00,000		
	128,00,000		
Bombay—			
By Bills...	6,00,000		
,, Specie...	19,00,000		
	25,00,000		
			153,00,000
		Total...	233,00,000

from which it will be seen that considerable progress is being made in the adjustment of remittances by bills presumably at a considerable saving on the cost of specie remittances, but if Madras is deprived of the means of converting its bullion into coin, it is evident that Government remittances to the extent of the bullion importations can only be effected by the actual carriage of the bullion to Calcutta at an expense to Government of—

For packing	$\frac{1}{16}$ per cent.
Freight...	$\frac{1}{2}$ do
Insurance.	$\frac{1}{4}$ do.

I am aware that it is not the practice of Government to insure, but any one who omits to insure precious goods while in transit by sea accepts the sea risk, and the premium cannot be omitted in a calculation of this nature—a principle fully admitted by the Honorable Court of Directors—*Vide* paragraph 9 above.

27. *Paper Currency Department.*—The Government of India propose that the Assay Master should be placed on the footing of a Commissioner of Currency. Knowing by experience how necessary the constant presence and strict personal supervision of the Commissioner in this Department is, I cannot think it will be found that the important duties of Commissioner of Paper Currency, and the supervision of the Stamp Paper Department, together with the Assay Department and Bullion Office duties, could be satisfactorily discharged by the Assay Master, even with the aid of an Assistant Assay Master. His own office is quite distinct from the premises occupied by the Paper Currency and the Stamp Paper Departments, while it is not possible for all these offices to be brought together, in order that the Assay Master might exercise an effectual

personal supervision of them all. I must acknowledge that the present Assay Master is quite willing to *undertake* the duty, but I don't believe he comprehends its extent, and he has formed his opinion from the corresponding office in Calcutta where the actual work of receiving and issuing notes in bulk, conducting an extensive correspondence regarding lost and stolen notes, and supervising the cancellation of all withdrawn from circulation, is performed by two Assistant Commissioners, one in the Issue and one in the Exchange Departments.

I shall, therefore, in framing a Comparative statement, assume that a Commissioner of Paper Currency must be maintained for the Paper Currency and Stamp Paper Departments in addition to the Assay Master.

28. The following table shows the coinage of the Madras Mint for the last ten years, and I will take as the basis of my calculations—*vide* Estimate of No. 3—50 lakhs of silver and the very small quantity of 3 lakhs worth of copper coin annually to be the requirement of the Madras Presidency at present, the average of the last ten years, omitting Government bullion, having been 53¼ lakhs of silver, and 9 lakhs of copper :—

Silver and copper coined in the Madras Mint from 1858-59 to 1867-68.

Years.	Silver.				Copper.			
	Tale.	Value.			Tale.	Value.		
		Rs.	A.	P.		Rs.	A.	P.
1858-59...	67,63,524	48,53,170	2	0	305,25,947	5,64,131	7	10
1859-60...	110,78,847	56,61,623	2	0	654,68,832	9,02,991	9	6
1860-61...	66,18,433	51,34,638	0	0	723,50,400	10,22,420	0	0
1861-62...	60,59,977	43,99,068	14	0	709,49,760	10,76,750	0	0
1862-63...	120,54,231	67,32,248	6	0	627,65,760	9,93,280	0	0
1863-64...	160,06,926	127,76,704	8	0	953,21,280	17,69,630	0	0
1864-65...	93,72,918	64,48,285	8	0	796,80,000	13,27,500	0	0
1865-66...	55,05,318	54,49,645	8	0	541,01,760	9,56,440	0	0
1866-67...	27,11,359	14,80,794	14	0	95,40,480	1,95,000	0	0
1867-68...	8,09,859	3,47,657	10	0	38,40,000	30,000	0	0

Estimate No. 1.

Estimate of the probable cost of coining 50 lakhs of silver bullion in the Calcutta Mint if sent from Madras, and if the Madras Mint be abolished and no copper coin required.

	Rs.	A.	P.
Cost of Assay Department, deducting the Assistant Assay Master.	24,820	0	0
Establishment to be maintained at Mint for care of premises and machinery, and for the Bullion Depôt, in addition to the Assay Establishment	7,578	0	0
Estimated amount of pensions	8,741	3	0
Packing charges on 50 lakhs of silver...	3,643	1	7
Freight to Calcutta, ½ per cent.	25,000	0	0
Insurance, ¼ per cent.	12,500	0	0
Coinage charges in Calcutta at 10 Annas 4 Pies per cent	32,291	10	8
Increased charges of Paper Currency Department.	24,600	0	0
	1,39,173	15	3
Deduct seigniorage on 50 lakhs of silver...	1,05,000	0	0
Loss by abolishing the Madras Mint, supposing Madras not to require any copper coinage at all.	34,173	15	3

Similar estimate keeping the Madras Mint open—

Estimated cost of receipts and charges of the Madras Mint, on the supposition of the coinage being 50 lakhs of silver per annum, and no copper coin.

			Rs.	A.	P.
Silver coinage receipts, 50 lakhs.			1,05,000	0	0
Miscellaneous...			52,000	0	0
			1,57,000	0	0
Charges.					
Mint Master.			21,000	0	0
Establishment.			46,170	0	0
Temporary.			40,000	0	0
Miscellaneous, including the Contingencies of the Assay Office...			28,000	0	0
Assay Master	18,000	0 0			
Establishment.	5,820	0 0			
			23,820	0	0
			1,58,990	0	0
Possible loss...			1,990	0	0

Estimate No. 2.

Estimated cost of the receipts and charges of the Madras Mint, on the supposition of the coinage being 25 lakhs of silver per annum, and the copper coinage equal to 3 lakhs.

			Rs.	A.	P.
Silver coinage receipt 25 lakhs			52,500	0	0
Copper do. 3 do.			1,84,000	0	0
Miscellaneous...			30,000	0	0
			2,66,500	0	0
Charges.					
Mint Master			21,000	0	0
Establishment.			46,170	0	0
Temporary			35,000	0	0
Miscellaneous and Contingencies of the Assay Office			26,000	0	0
			1,28,170	0	0
Assay Master	18,000	0 0			
Establishment.	5,820	0 0			
			23,820	0	0
			1,51,990	0	0
Net profit...			1,14,510	0	0

Estimate No. 3.

Estimate of the probable cost of coining 50 lakhs of silver bullion in the Calcutta Mint sent from Madras, and of coining 3 lakhs of Rupees worth of copper coin, and transmitting it to Madras, if the Madras Mint is abolished.

			Rs.	A.	P.
Cost of Assay Department, deducting the Assistant Assay Master.			24,820	0	0
Establishment to be maintained at the Mint for care of premises and machinery, and for the Bullion Depôt, in addition to the Assay Establishment.			7,578	0	0
Estimated amount of pensions.			8,741	3	0
Packing charges on 50 lakhs of silver			3,643	1	7
Freight to Calcutta, ½ per cent			25,000	0	0
Insurance, ¼ per cent.			12,500	0	0
Coinage charges in Calcutta at 10 Annas 4 Pies per cent. on 50 lakhs of silver.			32,291	10	8
Increased charges of Paper Currency Department—*Vide* Statement D. attached...			24,600	0	0
Copper.					
Three lakhs of Rupees worth, say 235,20,000 pieces, Calcutta coinage charge at 6 Annas 3 Pies per 100 pieces			91,875	0	0
Packing at Rupees 1-5-0 per cent...			3,937	8	0
Freight to Madras at 55 Rupees per ton, 122 2/6 tons.			6,734	12	0
Insurance on the value of the copper coin, viz., on 122 2/6 tons of copper at 949 Rupees a ton, *plus* on cost of coining at 6 Annas 3 Pies per 100 pieces; total Rupees 2,08,080 at ½ per cent...			1,040	0	0
Total...			2,42,761	3	3
Deduct seignorage on silver			1,05,000	0	0
Balance, being a loss if we omit the gain on the copper coin ...			1,37,761	3	3
Similar balance if the same silver and copper is coined in Madras, and the gain on the copper coin similarly omitted—*Vide* next Statement			48,990	0	0
Difference, being the loss by closing the Madras Mint.			88,771	3	3

Similar estimate keeping the Madras Mint open—

Estimated cost of the receipts and charges of the Madras Mint, on the supposition of the coinage being 50 lakhs of silver per annum, and the copper coinage equal to 3 lakhs, omitting as in the above statement the gain on the copper coinage.

			Rs.	A.	P.
Silver coinage receipts 50 lakhs			1,05,000	0	0
Miscellaneous...			50,000	0	0
			1,55,000	0	0
Charges.					
Mint Master...			21,000	0	0
Establishment			46,170	0	0
Temporary...			48,000	0	0
Miscellaneous, including the Contingencies of the Assay Office, but omitting the Copper for coinage, as is done in the above statement			65,000	0	0
Assay Master...	18,000	0 0			
Establishment...	5,820	0 0			
			23,820	0	0
Total... ...			2,03,990	0	0
Balance... ...			48,990	0	0

The Assistant Assay Master's salary is omitted in both the above statements; if added to both the difference between the relative amounts would remain the same.

29. The foregoing statements show that far from there being any saving in closing the Madras Mint there is a great probability, almost a positive certainty, that there will be a more serious loss to the State even under that condition of circumstances which is most unfavorable for

the Madras Mint ; but while deprecating the closing of the Mint, I think some reduction might be made in the permanent establishment, having regard to the circumstance that it may not again be absolutely requisite to coin silver and copper simultaneously, and because there is nothing in the nature of copper coinage to necessitate a permanent establishment, and seeing at how much cheaper a rate copper coin can be turned out in Madras than in Calcutta, I would propose for consideration that the reduced establishment should be steadily employed in coining copper when not required for silver, and that the annual out-turn in excess of what may be wanted for the Madras Presidency should be availed of for Bengal and Bombay. I estimate the annual out-turn of copper coin at ordinary work, and without inconvenience, to be from 11 to 12 lakhs of Rupees in value ; such a course would prevent the loss of all the valuable machinery in this Mint, and the possible, indeed highly probable, inconvenience that might arise by the Mint being closed when there was an influx of bullion, while it will most effectually prevent any loss to the State by continuing the Madras Mint ; and, on the other hand, no loss will be incurred by carrying the copper coin to Calcutta, and I believe to Bombay also, seeing that the packing charges, freight, and insurance, will all be handsomely covered, and a considerable profit besides be secured by the saving in the cost of coining in Madras over that in Calcutta, as fully detailed in the following statement :—

Cost of coining Copper Coin 12 lakhs Rupees in value.

				Rs.
Half Anna pieces in value Rupees	3,00,000	in number of pieces to...		96,00,000
Quarter do. do. ,,	6,00,000	,, ,, ...		384,00,000
One-eighth do. do. ,,	1,80,000	,, ,, ...		230,40,000
Half do. do. ,,	1,20,000	,, ,, ...		230,40,000
Value... ...	12,00,000			940,80,000
940,80,000 pieces at 4 Annas per 100 pieces...				2,35,200
Packing and carting to Beach 12 lakhs worth of Copper Coin, at Rupees 1-5-0 per 100 Rupees in value, Madras Bank rates..				15,750
Freight, Madras to Calcutta, on 490 tons at 55 Rupees per ton... ...				26,950
Insurance, Madras to Calcutta, on 490 tons at 949 a ton, and on the sum of Rupees 2,35,200 in addition, being the value of labor expended on the coin...				3,501
Total cost of Copper Coin to the value of Rupees 12,00,000 fabricated in Madras and delivered in Calcutta, omitting the value of the Copper... ...				2,81,401
Estimated cost of coining 12 lakhs Rupees worth of Copper Coin in Calcutta according to the rates given by the Master of the Calcutta Mint—940,80,000 pieces in the same proportion as above at 6 Annas 3 Pies per 100 pieces comes to...				3,67,500
Difference, being a saving of 86,099 Rupees by keeping the Madras Mint open to be ready for Silver and Gold when required, and meanwhile coining Copper in preference to coining it in Calcutta...				86,099

30. Summing up the above remarks I respectfully submit I have clearly shown —

1*st.*—That with an average supply of silver bullion, 50 lakhs, this Mint can be kept open and worked at a very much smaller loss, if any, than by closing it and transmitting the Madras bullion to Calcutta even when no copper coinage is necessary.

2*nd.*—That when the importation of silver bullion is unusually small, say 25 lacs, and copper coined to the extent of only 3 lakhs of Rupees in value in the year, the Mint could be kept open without any loss to the State, and so be held available to meet at a day's notice any demand that may arise from an influx of silver, and very probably hereafter of gold bullion for coinage, thereby obviating the extreme course of sacrificing the valuable machinery and apparatus that have been got together at great expense and labor.

3*rd.*—That taking the most natural data, of Madras continuing to furnish the average annual quantity of 50 lakhs of silver bullion, and at the very moderate estimate of copper coin to the value of 3 lakhs of Rupees each year, being the requirement after the balance in hand has been worked off in the current year, there will be a saving of nearly a lakh of Rupees by keeping the Madras Mint open than by closing it and sending the silver to Calcutta for coinage, and furnishing the necessary copper coinage for the Madras territory from Calcutta.

4*th.*—That the most economical mode of dealing with the Madras Mint in the present case would be to continue its maintenance with a somewhat reduced number of permanent hands, primarily for the coinage of silver and of gold eventually, should circumstances so necessitate ; but while not so occupied to be employed in the coinage of copper at a great saving in expense, inclusive of all costs attendant on its remittance to Calcutta and Bombay, over the rates of the Calcutta Mint, and judging by the value of labor in the city of Bombay, most probably in an equal saving over the rates of coinage in the Bombay Mint.

B.

he amount coined in the Madras Mint, and of the whole expenses

Profits.									Charges and losses.											
Miscellaneous profits on gold, silver, and copper coinages.			Total profits.			Net profits.			oportion on le of total ntingencies, luding value stores used.			Rate per cent.			Value of silver and copper used as alloy in gold and silver alligations.			Rate per cent.			Losses in coinage.		
Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
.....	...	...	.....	...	...	.....	...	...	.....	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...
.....	...	...	.....	...	...	.....	...	...	.....	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...
.....	...	...	.....	...	...	.....	...	...	23,692	10	3	0 2 4·4160			8,948	8	4	0 0 10·7328			10,824	4	0
.....	...	...	.....	...	...	.....	...	...	.....	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...
.....	...	...	.....	...	...	.....	...	...	.....	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...
72,638	11	5	8,30,616	15	7	5,67,094	14	2	41,089	11	10	0 2 4·4160			...	...	...	.....			15,382	3	3
.....	...	...	.....	...	...	.....	...	...	64,782	6	1	0 2 4·4160			8,948	8	4	.....			26,206	7	3
.....	...	...	.....	...	...	.....	...	...															
.....	...	...	.....	...	...	.....	...	...															
.....	...	...	.....	...	...	.....	...	...															
.....	...	...	.....	...	...	.....	...	...															
.....	...	...	.....	...	...	.....	...	...															
½ 4,641	14	3	7,82,007	3	2½	4,74,228	12	10½															
½ 77,280	9	8	16,12,624	2	9½	10,41,323	11	0½															
									10,929	7	6	0 1 10·3872			3,629	0	3	0 0 7·4304			6,200	8	0
									.....	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...
									.....	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...
									.....	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...
									02,912	6	10	1 10·3872			...	...	...	.....			996	10	9
									03,841	13	7	0 1 10·3872			3,629	0	3	.....			7,197	2	9
									.....	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...
									.....	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...
									7,428	3	0	0 2 1·9008			3,875	5	9	0 1 1·4976			4,529	11	0
									.....	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...
									.....	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...
									.....	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...
									2,998	2	10	0 2 1·9008			...	...	...	.....			1,193	13	9
									0,426	5	10	0 2 1·9008			3,875	5	9	.....			5,723	8	9

1864-65.

1865-66.

(Signed) J. H. BALLARD,
Officiating Mint Master.

A.

No. 9 of 1866-67.

ABSTRACT Statement of the amount coined in the Calcutta Mint, and of the whole expenses and profits attendant thereon, for the year 1866-67.

Description of Coins.	Coinage. Tale.	Coinage. Value.	Charges and losses. Proportion on tale of fixed and extra establishment.	Rate per cent.	Proportion on tale of total contingencies, including value of stores used.	Rate per cent.	Value of silver and copper used as alloy in gold and silver alligations.	Rate per cent.	Losses in coinage.	Rate per cent.	Total losses and charges.	Rate per cent.	Profits. Duty, &c., on bullion and coins.	Profit on copper coinage.	Miscellaneous profits on gold, silver, and copper coinages.	Total profits.	Net profits.
		Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Single Gold Mohurs	18,478	2,77,170 0 0	.....	... ...	.....	... ...	...	... ...	.....	... ...	.....	... ...	.....	.....	.....	.....	.....
Single Rupees	330,02,516	330,02,516 0 0	.....	... ...	.....	... ...	...	... ...	.....	... ...	.....	... ...	.....	.....	.....	.....	.....
Half do.	10,83,569	5,41,784 8 0	.....	... ...	.....	... ...	...	... ...	.....	... ...	.....	... ...	.....	.....	.....	.....	.....
Quarter do.	28,96,147	7,24,036 12 0	.....	... ...	.....	... ...	...	... ...	.....	... ...	.....	... ...	.....	.....	.....	.....	.....
One-eighth Rupees	35,45,160	4,43,145 0 0	.....	... ...	.....	... ...	...	... ...	.....	... ...	.....	... ...	.....	.....	.....	.....	.....
Total of Gold and Silver	405,45,870	349,88,652 4 0	93,068 12 7	0 3 8·0715	52,979 15 1	0 2 1·0880	10,010 5 0	0 0 4·7402	1,07,463 0 9	0 4 2·8878	2,63,522 1 5	0 10 4·7875	7,57,978 4 2	.....	72,638 11 5	8,30,616 15 7	5,67,094 14 2
Double Pice	31,78,501	99,328 2 6	.....	... ...	.....	... ...	..	... ...	.....	... ...	.....	... ...	.....	.....	.....	.....	.....
Single do.	644,57,222	10,07,144 1 6	.....	... ...	.....	... ...	...	... ...	.....	... ...	.....	... ...	.....	.....	.....	.....	.....
Half do.	52,99,565	41,402 13 7½	.....	... ...	.....	... ...	...	... ...	.....	... ...	.....	... ...	.....	.....	.....	.....	.....
Pies	3,92,066	2,042 0 2	.....	... ...	.....	... ...	...	... ...	.....	... ...	.....	... ...	.....	.....	.....	.....	.....
Whole Cents	34,78,153	78,258 7 1	.....	... ...	.....	... ...	...	... ...	.....	... ...	.....	... ...	.....	.....	.....	.....	.....
Half Cents	7,06,103	7,943 10 6	.....	... ...	.....	... ...	...	... ...	.....	... ...	.....	... ...	.....	.....	.....	.....	.....
Quarter Cents	8,08,000	4,545 0 0	.....	... ...	.....	... ...	...	... ...	.....	... ...	.....	... ...	.....	.....	.....	.....	.....
Total Copper	783,19,610	12,40,664 3 4½	1,79,774 6 9	0 3 8·0715	1,02,337 10 3	0 2 1·0880	...	... ...	25,666 5 4	0 0 6·2920	3,07,778 6 4	0 6 3·4515	.....	7,77,365 4 11½	4,641 14 3	7,82,007 3 2½	4,74,228 12 10½
Grand Total	1188,65,480	362,29,316 7 4½	2,72,843 3 4	On tale 0 3 8·0715. On value 0 12 0·5953.	1,55,317 9 4	On tale 0 2 1·0880. On value 0 6 10·3117.	10,010 5 0	On tale 0 0 1·6169. On value 0 0 5·3050.	1,33,129 6 1	On tale 0 1 9·5040. On value 0 5 10·5529.	5,71,300 7 9	On tale 0 7 8·2804. On value 1 9 2·7649.	7,57,978 4 2	7,77,365 4 11½	77,280 9 8	16,12,624 2 9½	10,41,323 11 0½

CALCUTTA MINT,
1*st August* 1867.

(True Copy.)
(Signed) J. F. SHEKLETON,
Officiating Mint Master.

(True Copy.)
(Signed) J. CARPENDALE,
Mint Master.

(Signed) J. H. BALLARD,
Officiating Mint Master.

B.

ABSTRACT Statement of the amount coined in the Madras Mint, and of the whole expenses and profits attendant thereon, for the year 1863-64.

Description of Coins.	Coinage.		Charges and losses.												Profits.									
	Tale.	Value.	Proportion on tale of fixed and extra establishment.	Rate per cent.	Proportion on tale of total contingencies, including value of stores used.	Rate per cent.	Value of silver and copper used as alloy in gold and silver alligations.	Rate per cent.	Losses in coinage.	Rate per cent.	Total losses and charges.	Rate per cent.	Duty, &c., on bullion and coins.	Profit on copper coinage.	Miscellaneous profits on gold, silver, and copper coinages.	Total profits.	Net profits.
		RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
Single Rupees	120,17,228	120,17,211 14 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Quarter do.	20,86,114	5,21,522 12 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Double Annas	19,03,584	2,38,030 11 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Silver	160,06,926	127,76,765 5 0	14,337 6 8	0 1 5·1840	23,692 10 3	0 2 4·4160	8,948 8 4	0 0 10·7328	10,824 4 0	0 1 0·9792	57,802 13 3	0 5 9·3120	84,175 9 2	...	26,779 5 0	1,10,954 14 2	56,964 11 4
Half Annas	255,02,400	7,96,950 0 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Quarter do.	584,67,840	9,13,560 0 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Single Pies	113,51,040	59,120 0 0	...	...	...	...	...	...	15,382 3 3	0 0 3·0840	2,41,851 4 11	0 4 0·6840	...	10,02,421 3 10	4,262 4 4	10,06,683 8 2	7,87,536 8 10
Total Copper	953,21,280	17,69,630 0 0	85,379 5 10	0 1 5·1840	1,41,089 11 10	0 2 4·4160	...	...									
Grand Total	1113,28,206	145,46,395 5 0	99,716 12 6	0 1 5·1840	1,64,782 6 1	0 2 4·4160	8,948 8 4	...	26,206 7 3	...	2,99,654 2 2	...	84,175 9 2	10,02,421 3 10	31,041 9 4	11,17,638 6 4	8,44,501 4 2
1864-65.																	
Single Rupees	52,80,700	52,81,054 10 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Half do.	8,60,682	4,30,300 8 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Quarter do.	26,66,420	6,66,677 9 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Double Annas	5,65,116	70,694 11 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Silver	93,72,918	64,48,727 6 0	10,243 12 6	0 1 8·9664	10,929 7 6	0 1 10·3872	3,629 0 3	0 0 7·4304	6,200 8 0	0 1 0·6912	31,602 12 3	0 5 3·4752	1,30,000 1 8	...	16,030 4 6	1,46,030 6 2	1,17,908 15 7
Half Annas	174,45,120	5,45,160 0 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Quarter do.	439,87,200	6,87,300 0 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Single Pies	182,47,680	95,040 0 0	...	...	...	...	...	...	996 10 9	0 0 0·2304	1,80,992 5 8	0 3 7·5840	...	7,86,385 4 2	8,098 9 10	7,94,483 14 0	6,37,986 2 10
Total Copper	796,80,000	13,27,500 0 0	87,083 4 10	0 1 8·9664	92,912 6 1	0 1 10·3872	...	...									
Grand Total	890,52,918	77,76,227 6 0	97,327 1 4	0 1 8·9664	1,03,841 13 7	0 1 10·3872	3,629 0 3	...	7,197 2 9	...	2,11,995 1 11	...	1,30,000 1 8	7,86,385 4 2	24,128 14 4	9,40,514 4 2	7,55,895 2 5
1865-66.																	
Single Rupees	54,31,088	54,31,366 11 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Quarter do.	74,230	18,576 1 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Silver	55,05,318	54,49,942 12 0	8,072 3 6	0 2 4·1472	7,428 3 0	0 2 1·9008	3,875 5 9	0 1 1·4976	4,529 11 0	0 1 3·7824	23,365 7 3	0 6 11·3280	1,12,986 4 9	...	12,456 14 1	1,25,443 2 10	1,04,254 6 0
Half Annas	143,69,280	4,49,040 0 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Quarter do.	288,44,160	4,50,690 0 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Single Pies	108,88,320	56,710 0 0	...	...	...	...	...	...	1,193 13 9	0 0 0·4224	1,53,519 3 7	0 4 6·4704	...	5,53,021 0 6	957 10 8	5,53,978 11 2	4,27,156 8 3
Total Copper	541,01,760	9,56,440 0 0	79,327 3 0	0 2 4·1472	72,998 2 10	0 2 1·9008	...	...									
Grand Total	596,07,078	64,06,382 12 0	87,399 6 6	0 2 4·1472	80,426 5 10	0 2 1·9008	3,875 5 9	...	5,723 8 9	...	1,77,424 10 10	...	1,12,986 4 9	5,53,021 0 6	13,414 8 9	6,79,421 14 0	5,31,410 14 3

9th May 1868.

(Signed) J. CARPENDALE,
Mint Master.

A.

No. 9 of 1866-67.

the amount coined in the Calcutta Mint, and of the whole expenses and profits attendant thereon, for the year 1866-67.

per cent.	Value of silver and copper used as alloy in gold and silver alligations.			Charges and losses. Rate per cent.			Losses in coinage.			Rate per cent.			Total losses and charges.			Rate per cent.			Duty, &c., on bullion and coins.			Profit on copper coinage		
P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P	RS.	A.	P
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	..	...	...	...	...	...	...	...	...	...	...	...	..	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1·0880	10,010	5	0	0	0	4·7402	1,07,463	0	9	0	4	2·8878	2,63,522	1	5	0	10	4·7875	7,57,978	4	2	.....	...	...
...	..	...	...	...	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...	.....	...	...	.....	...	...
...	...	...	..	...	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...	.....	...	...	.....	...	...
...	...	...	...	...	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...	.....	...	...	.....	...	...
...	...	...	...	...	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...	.....	...	...	.....	...	...
...	...	...	...	...	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...	.....	...	...	.....	...	...
...	...	...	...	...	...	...	.....	...	...	...	...	...	.....	...	...	...	...	...	.....	...	...	.....	...	...
1·0880	...	...	...	...	...	...	25,666	5	4	0	0	6·2920	3,07,778	6	4	0	6	3·4515	.....	...	...	7,77,365	4	11
tale 1·0880. value 0·3117.	10,010	5	0	On tale 0 0 1·6169. On value 0 0 5·3050.			1,33,129	6	1	On tale 0 1 9·5040. On value 0 5 10·5529.			5,71,300	7	9	On tale 0 7 8·2804. On value 1 9 2·7649.			7,57,978	4	2	7,77,365	4	11

(True Copy.)

(Signed) J. F. SHEKLETON,

Officiating Mint Master.

(True Copy.)

(Signed) J. CARPENDALE,

Mint Master.

C.

Statement of Establishment to be maintained per mensem to take care of Records and Machinery, and for a Bullion Depot in the Mint.

		RS.	A.	P.	RS.	A.	P.
1	Accountant and Record-keeper	100	0	0			
1	Writer	30	0	0			
2	Peons at 7 Rupees each	14	0	0			
2	Lascars to looking after Records at 7 Rupees each	14	0	0			
1	Man in charge of Machinery	50	0	0			
6	Lascars for keeping the Machinery clean at 7 Rupees each	42	0	0			
					250	0	0
1	Superintendent of Mint gate	100	0	0			
8	Gollahs, 1 Sweeper, 1 Scavenger	89	0	0			
					189	0	0
	For Bullion Depot.						
1	Melter	14	0	0			
1	Assistant melter	10	8	0			
3	Furnace-men at 9 Rupees each	27	0	0			
1	Chickledar	8	0	0			
3	Coolies at 7 Rupees each	21	0	0			
4	Gollahs for Treasury and Melting-room at 8 Rupees each	32	0	0			
					112	8	0
	For Stamp Paper Department.						
1	Engine Turner	40	0	0			
1	Filer	40	0	0			
					80	0	0
	Total				631	8	0

Statement of estimated amount of Pensions per mensem.

		Period of service.			Amount of salary.			Average for five years.			Amount of pension.		
		YEARS.	M.	D.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
1	Mr. A. G. Peterson, Head Accountant	17	7	11	300	0	0	176	0	0	58	10	8
2	G. Culleyanasoondera Chetty, Accountant	26	0	0	40	0	0	40	0	0	20	0	0
3	G. Somasoondera Chetty, do.	21	3	27	30	0	0	30	0	0	10	0	0
4	T. Rungasawmy Chetty, fair Writer	17	9	0	35	0	0	32	0	0	10	14	2
5	Mr. A. Bowie, Superintendent of Machinery and Foreman	34	11	0	300	0	0	281	7	6	140	11	9
6	Mr. J. Duarte do. of Silver Melting-room	22	4	0	200	0	0	195	12	9	65	4	3
7	Visvanadum, Conicopillay	17	8	0	14	0	0	14	0	0	4	10	8
8	Hawnay, Head Melting Maistry	15	2	0	20	0	0	20	0	0	6	10	8
9	Moonesawmy Ponar Maistry	20	4	0	12	0	0	12	0	0	4	0	0
10	Mr. M. Christian, Superintendent of S. L. room	41	0	0	200	0	0	188	0	0	94	0	0
11	Theroomany, Weighing-man	15	4	0	12	0	0	12	0	0	4	0	0
12	Mr. J. C. D'Silva, Superintendent of Copper L. room	22	10	8	140	0	0	137	3	2	45	11	8
13	Mr. M. Cowan, Deputy do.	23	0	0	40	0	0	33	13	0	11	4	4
14	Mr. G. Schwenke, Superintendent of M. C. and S. room	26	9	0	140	0	0	140	0	0	70	0	0
15	C. Narrainsawmy Naidoo, Deputy do.	24	8	14	40	0	0	40	0	0	20	0	0
16	Teagaroyen, Conicopillay	15	9	0	14	0	0	14	0	0	4	10	8
17	Moonesawmy, Shroff	16	9	0	12	0	0	12	0	0	4	0	0
18	Mr. J. Schwenke, Superintendent of Artificer room	26	9	0	140	0	0	125	2	10	62	9	5
19	Mr. P. D'Casta, Deputy of Foundry	27	6	0	40	0	0	40	0	0	20	0	0
20	Yamacharry, Filer	26	0	0	60	0	0	52	[illegible]	[illegible]	26	4	8
21	Parevanayagum do.	26	0	0	30	0	0	30	0	0	15	0	0
22	Mr. T. Stevens, Spring plate maker	21	2	20	30	0	0	30	0	0	10	0	0
23	Andyapacharry, Blacksmith	26	0	0	20	0	0	20	0	0	10	0	0
24	Nynacharry, Filer	26	0	0	20	0	0	20	0	0	10	0	0
										Total	728	6	11

(Signed) J. CARPENDALE,

Mint Master.

9th May 1868.

D.

STATEMENT showing the present and proposed Establishment of the Paper Currency Department at the Madras Mint.

Department.	Nature of Charges.						Proposition.											
							Permanent.						Temporary.					
	Present Scale.				Proposed Scale.			Increase per month.			Decrease per month.			Increase per month.			Decrease per month.	
		RS.	A.	P.		RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
Treasury.	Commissioner of Issue...	250	0	0	Commissioner of Issue... ...	2,000	0	0	1,750	0	0	...	...	...	...	...	...	...	...	...
	1. Treasurer...	60	0	0	1. Treasurer...	200	0	0	140	0	0	The increase is now drawn in Mint.								
	2. Deputy Treasurer	60	0	0	2. Deputy Treasurer... ...	100	0	0	40	0	0	Do.			do.					
	3. Assistant do.	70	0	0	3. Assistant do. ...	70	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	4. Head Shroff...	35	0	0	4. Head Shroff...	35	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	5. Gollah...	10	0	0	5. Gollah...	10	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	6. Do.	10	0	0	6. Do.	10	0	0	...	...	...	...	...	...	...	...	...	...	...	...
Account Department.	7. Accountant...	200	0	0	7. Accountant...	200	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	8. Assistant do.	75	0	0	8. Assistant do.	75	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	9. Register Writer...	50	0	0	9. Register Writer... ...	50	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	10. Do.	40	0	0	10. Do.	40	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	....	...	..	..	11. Extra Clerk...	60	0	0	60	0	0	In lieu of aid now given by Mint establishment.								
	....	...	..	..	12. Do.	40	0	0	40	0	0									
	11. Copyist...	25	0	0	13. Copyist...	25	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	12. Moochie...	14	0	0	14. Moochie...	14	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	13. Peon...	7	0	0	15. Peon...	7	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	14. Do.	7	0	0	16. Do.	7	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	15. Sweeper...	4	0	0	17. Sweeper...	4	0	0	...	...	...	...	...	...	...	...	...	...	...	...
Exchange Department.	16. Cashier	75	0	0	18. Cashier...	75	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	17. Note Receiver	50	0	0	19. Note Receiver... ...	50	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	18. Coin do.	50	0	0	20. Coin do.	50	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	19. Shroff...	25	0	0	21. Shroff...	25	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	20. Do.	20	0	0	22. Do.	20	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	21. Register Writer	20	0	0	23. Register Writer..... ...	20	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	22. Do.	15	0	0	24. Do.	15	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	23. Gollah...	10	0	0	25. Gollah...	10	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	24. Do.	10	0	0	26. Do.	10	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	25. Do.	10	0	0	27. Do.	10	0	0	...	...	...	...	...	...	...	...	...	...	...	...
					28. Extra Gollah...	10	0	0	10	0	0	In lieu of aid now given by the Mint establishment.								
					29. Do.	10	0	0	10	0	0									
Note Sorting and Cancelling Dept.	26. Examiner...	30	0	0	30. Examiner...	30	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	27. Sorter...	20	0	0	31. Sorter...	20	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	28. Pressman...	12	0	0	32. Pressman...	12	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	29. Ballman...	10	0	0	33. Ballman...	10	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	30. Moochie...	10	0	0	34. Moochie	10	0	0	...	...	...	...	...	...	...	...	...	...	...	...
	Total...	1,284	0	0	Total...	3,334	0	0	2,050	0	0	...	...	...	...	...	...	...	...	...

9th May 1868.

(Signed) J. CARPENDALE,
Mint Master.

From Colonel J. CARPENDALE, R. E., Mint Master, Madras, to the Assay Master; dated Madras, 2nd May 1868, No. 52.

I have the honor to forward, for your information, the enclosed letter from the Government of India to the Government of Madras, on the subject of the replacement of the Madras Mint by a Bullion Depôt, and request you will have the goodness to return it at your earliest convenience, with any remarks which you may desire to offer, for the information of Government in reference to the proposal, so far as it relates to yourself and your department.

From Surgeon H. W. GRAHAM, Assay Master, to the Mint Master, Madras; dated Madras, 4th May 1868, No. 8.

In reply to your letter, No. 52, dated 2nd May 1868, enclosing a letter from the Government of India to the Madras Government, on the subject of the replacement of the Madras Mint by a Bullion Depôt, I have the honor to offer the following remarks, confining them to myself and my department.

2. It is, and has been always my desire (as it is distinctly my duty) cheerfully and unhesitatingly to meet the orders of Government in whatever direction they may point, and in this case I am quite ready to carry out their wishes to the best of my ability.

3. The proposal is to extend the work of the Assay Master beyond its immediate limits (within which the work will doubtless be somewhat curtailed) to the superintendence of a Bullion Office, (viz., to the receiving, melting, and safe custody of bullion,) and adding thereto the important duties of a Commissioner of Currency.

4. The only difficulty or objection that strikes me in the letter under review from the Government of India is, the abolition of the Assistant Assay Master's appointment, the only officer who could help the Assay Master in his decided increase of work in a time of need, that is, in case of an influx of bullion. I would ask, in the event of accident or sudden illness of the one single officer in charge of the above-named duties, who is there on the spot to take up the peculiar assay work, without which business must be at a stand still, and this, if occurring at a time of pressure, would cause serious embarrassment to the tenderers of bullion, and also (as a consequence) to Government.

5. It is hardly necessary for me to draw attention to the fact, that the proposed changes entirely preclude the Assay Master from ever availing himself of any privilege leave, even for a day—a boon accorded to all servants of Government—and often an absolute necessity to a European officer residing in such a climate as that of Madras.

(True Copy).

(Signed) J. CARPENDALE,
Mint Master.

No. 3. From the Chairman of the Chamber of Commerce, to the Chief Secretary to Government, Fort Saint George; dated Madras, 30th May 1868.

With reference to my letter of the 8th instant in which, on behalf of the Chamber of Commerce, I requested to be furnished with copies of any official papers relating to the proposal believed to have been submitted to the Government for the abolition of the Madras Mint, I have now the honor to acknowledge the receipt of Proceedings of Government, Financial Department, 22nd May 1868, with order thereon, to the effect that a copy of the communication from the Government of India, requiring the replacement of the Madras Mint by a Bullion Depôt, be furnished to the Chamber of Commerce, and that they be informed that His Excellency the Governor in Council will be happy to receive their views on the subject.

2. Having submitted these papers to the Sub-Committee of the Chamber, and also to the Chamber generally at their monthly meeting held yesterday, I am requested to state that, with every disposition to regard with favor any suggestion having for its object the economizing of the revenues by the reduction of superfluous charges, the proposal of the Government of India to

abolish the Mint at this Presidency is nevertheless one against which they feel it incumbent upon them to enter their respectful but most earnest remonstrance.

3. I have used the word "proposal" advisedly, because, although the letter of the Government of India might be more accurately described as conveying the expression of a determination, fixed and irrevocable, and although the reference that has been made to the Madras Government would appear to be limited to the question of the *immediate* carrying out of that determination, the Chamber is yet loath to believe that it is the deliberate intention of the Supreme Executive authority in India, that neither the Government nor the community shall be allowed the opportunity of giving any effective expression to their views upon a subject so closely affecting the commercial interests of this Presidency.

4. It is observed that the main reasons which are assigned for the abolition of the Madras Mint are that it has ceased to pay its expenses; that it is no longer required for the coinage of copper; and that the Calcutta Mint has been enlarged to such an extent as that the coinage for the Madras and Bengal Presidencies combined will scarcely keep it in full work throughout the year.

5. It is not my purpose, neither would it be possible for me, without seeking for further information from official sources, to enter upon any detailed examination or criticism of the table of receipts and charges, as furnished in the communication from the Government of India; suffice it to observe that while a loss is exhibited in the year 1866-67, and a loss (it is presumed prospective or estimated, although not so stated) in the current year 1868-69, the aggregate result, or as it may be better described the average of the seven years is far from unfavorable.

6. This generation may perhaps not again witness an import of silver to the east on so large a scale as took place during the years 1862 to 1864, but there seems no reason for supposing that the extreme reaction which has occurred will be other than temporary in its duration, or that the suspension of the coinage of copper need be perpetuated.

7. I would, therefore, submit that the statement of the Madras Mint having ceased to pay its expenses, even if literally correct as respects the operations of one or perhaps two years, might well have been qualified by an allusion to the exceptional causes which have been in operation, viz., the sudden cessation of the civil war in America, and the collapse in the cotton trade which ensued thereupon.

8. The proposal of the Government of India is to abolish the Mint, and to maintain an Assay Office in Madras for the receipt of bullion, a portion of which, it is suggested, may be allowed to remain here as part of the Currency reserve, while the remainder or the whole, as the case may be, will be sent up to Calcutta in substitution of specie remittances, the cost of transit being thereby provided, for the most part if not wholly, from existing charge, without its forming a set off to the saving from the reduction of the Madras Mint.

9. It is undoubtedly true that the cost of transmitting bullion to Calcutta is the same as that of transmitting the current coin of the realm, but does not the argument of the Government of India pre-suppose both the existence and the perpetuation of some natural law, whereby the removal of our surplus revenues from this port to Calcutta must of necessity be accomplished by the primitive, and for so short a distance, expensive method of bullion shipments?

10. The Chamber would respectfully suggest that the adoption of such a theory is of itself calculated to affect injuriously the interests of commerce in this place, and it would urge that the wiser course will be to endeavour, by means of renewed and continuous exertion for the improvement of the latent resources of the country, to bring about such a condition of its affairs as will render the inter-presidential adjustments of its financial officers both practicable and economical.

11. The Chamber calls to mind the interest that was excited on the subject of the Madras Mint by the publication, fourteen years ago, of Major J. T. Smith's very able and exhaustive Report upon an occasion similar to the present, when a proposal had been made by the Government of India that the Madras Mint should be closed; many of the arguments that were then used by Major Smith in deprecation of that proposal continue to this day in unabated force, and his

anticipations, as to the probable expansion of the commerce of this portion of British India, have been largely justified.

12. The Chamber confidently submits that a retrospect of the fourteen years which have intervened, with a careful examination of the working of the three Presidency Mints, would satisfy the mind of any impartial inquirer that the opinions of those who advocated the closing of the Mint were based upon insufficient and delusive grounds, and that had those opinions been acted upon the inconveniences and positive losses, which formed the subject of so much complaint and dissatisfaction in 1863-64, especially in the Bombay Presidency, might have been very seriously aggravated.

13. Arguing from the experience of the past the Chamber submits that the time is yet far distant when the coinage for this Presidency may with advantage be transferred to Calcutta. It can by no means recognize in an Assay Office for the receipt of bullion an institution of equal value with a Mint. It feels convinced that in a time of pressure the system referred to when tried in the balance would be found wanting, and that while the importer of bullion would be subjected to all the injurious consequences of delay in the receipt of his Rupees, the State would in like manner suffer, from the necessity under which it would lie, of resorting to expensive if not positively dangerous expedients for the fulfilment, as far as practicable, both of its legal and of its moral obligations.

No. 4. Proceedings of the Board of Revenue, dated 10th June 1868, No. 4329.

Read Proceedings of the Madras Government, Revenue Department, dated 6th May 1868, No. 1248.

In the order above recorded, the Board are requested to state what arrangements they would suggest for the manufacture of stamped paper after the abolition of the Madras Mint contemplated by the Supreme Government.

2. The Board have given the subject their best consideration, and can come to no other conclusion than that the change contemplated is inexpedient, so far at least as the stamping of stamp paper is concerned.

3. The abolition of the Mint in this Presidency will render it necessary to maintain a separate establishment for the preparation of stamped paper. The cost of the establishment maintained for this purpose at the Mint amounted to Rupees 276 per mensem, exclusive of contingencies. Subsequently, in August 1867, an increase of Rupees 136 was sanctioned to the establishment in consequence of the introduction of the bi-color stamps.

In the event of the Mint being abolished it will be necessary to place an officer at the head of this establishment, and also to employ some skilled mechanics and die-cutters, as the employés of this class now supplied from the Mint will not then be available.

4. The necessity of retaining the double stamp, and the inexpediency of having the stamps required for this Presidency manufactured elsewhere, have been already fully established. The experience of the six years which have elapsed since these questions were finally discussed with the Government of India and the Home Government, has proved that the Madras system is thoroughly effective, and it would be most injudicious to depart from it in any way. The great increase in the sales of stamped paper since 1862 renders local manufacture, which was most advisable then, an absolute necessity now.

5. The Mint also has done and is doing great service in supplying the Salt Department with weighing machines, and in performing a variety of miscellaneous duties, which should also be taken into account.

6. The Board would urge that, in consideration of the great importance to the Presidency of having a Mint of its own, it is not advisable to carry out the suggestion of the Supreme Government, until experience has shown its safety and expediency. The Mint has already been broken up once, and restored at considerable expense. The statement of receipts and charges of the

Madras Mint, as furnished by the Mint Master, is given below, which differs much from the abstract appended to the letter from the Government of India.

	1861-62.	1862-63.	1863-64.	1864-65.	1865-66.	1866-67.	1867-68.	1868-69.
Receipts.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Silver coinage, Seignorage.....	90,395	1,26,490	84,176	1,30,000	1,12,986	29,107	3,118	1,05,000
Copper do., profit.	5,66,455	5,44,065	10,02,421	7,86,885	5,53,021	1,14,583	18,429	12,000
Miscellaneous Receipts.....	17,935	17,592	32,460	51,817	49,449	44,856	60,770	52,000
Total...	6,74,785	6,88,147	11,19,057	9,68,202	7,15,456	1,88,496	82,317	1,69,000
Charges.								
Mint Master.....	18,682	18,078	18,571	21,000	12,600	13,712	21,000	21,000
Mint Establishment, fixed.....	49,102	49,830	52,615	48,951	45,386	41,661	44,645	46,170
Do. do., temporary.....	58,289	69,786	73,088	75,291	65,792	47,236	24,396	45,000
Miscellaneous charges, including contingencies of the Assay Office.....	94,596	99,568	1,08,014	77,578	57,292	41,552	24,620	30,000
Total...	2,20,669	2,37,262	2,52,888	2,22,820	1,81,070	1,44,161	1,14,661	1,42,170
Assay Office.								
Assay Master and Deputy	21,730	18,639	19,716	20,423	23,634	12,278	17,942	18,000
Establishment.....	5,830	5,800	5,813	5,814	5,814	4,919	5,669	5,820
Total....	2,48,229	2,61,701	2,78,417	2,49,057	2,10,518	1,61,358	1,38,272	1,65,990
Profit...	4,26,556	4,26,446	8,40,640	7,19,145	5,04,938	27,138	.....	3,010
Loss....	.....	.....	.....	.....	.....	.....	55,955	.....

7. It will be seen from the above that in the six years (1861-62 to 1866-67) the Mint yielded a net profit of Rupees 29,44,863 ; and the mere fact that in the past year 1867-68 it showed a net loss of Rupees 55,955 is not sufficient ground for asserting that it has ceased to pay its expenses. The loss in 1868-69 is given by the Supreme Government at Rupees 42,700, but this is a mere estimate. In the Mint Master's statement, however, a net profit of Rupees 3010 is shown.

	RS.
Receipts.....	43,54,143
Charges.....	14,09,280
Total...	29,44,863

8. An establishment which has for a series of years yielded so large a revenue, which is of such importance to the mercantile interests of the port and Presidency, and which cannot be re-opened without large expenditure, ought not, the Board submit, to be summarily closed in consequence of a petty loss in a single year, especially when that loss is not ascribable to causes likely to be permanent.

9. It certainly is to be regretted that the Supreme Government should have been led to establish a Mint in Calcutta so enormously beyond the actual requirements that the coinage of the Bengal and Madras Presidencies combined will hardly keep it in full work ; but this is no valid reason for depriving Madras of its Mint.

10. The economy of the proposal is also more than doubtful, if the cost of freight, insurance, and the additional reserve of coin which the plan will necessitate, as well as the additional charge for stamped paper and other miscellaneous items be taken into account.

11. The Madras Mint is believed to work far more cheaply than that of Bengal, and the most judicious course would be to retain the Mint, reducing its working establishment as far as may be deemed practicable without impairing its efficiency or its ability to resume operations at brief notice, until the experience of several years has shown that it really is not required. The results of a single year, and that one so exceptional in every respect, do not, in the Board's judgment, afford the means of arriving at a safe or prudent decision.

(True Extract).

(Signed) A. MacGREGOR,
Acting Secretary.

Transferred to the Financial Department.

(Signed) W. HUDLESTON,
Secy. to Govt., R. D.

10*th June* 1868.

No. 5. To the Secretary to the Government of India, Financial Department, dated Fort Saint George, 2nd July 1868, No. 309.

I am directed to acknowledge the receipt of the letter from the Secretary to the Government of India, Financial Department, (Mint and Currency,) dated 4th April 1868, No. 1970, in which the expression of the views of this Government as to the immediate closing of the Madras Mint are requested.

2. The grounds on which it is proposed to close the Madras Mint are—

1*st.*—That it has ceased to pay its expenses.

2*nd.*—That the Calcutta Mint has been so greatly enlarged by the creation of a new or Copper Mint, that the coinage for the Madras and Bengal Presidencies combined would scarcely keep the two Mints in Calcutta in full work throughout the year.

3*rd.*—That it will be sufficient for the requirements of this Presidency to maintain an Assay Office for the receipt of bullion, a portion of which, if necessary, could be allowed to remain at Madras as part of the Currency reserve, while the remainder or whole, as the case may be, should be sent to Calcutta in substitution of specie remittances, thereby the cost of transit would be provided, for the most part if not wholly, from existing charge, without its forming a set off to the saving from the reduction of the Madras Mint.

3. It is further pointed out that by these means the seignorage on silver bullion tendered to the Mint would be secured by the Madras Assay Office, while the whole of the cost of the Madras Mint would be saved. At the same time the work at the Assay Office would be diminished by the cessation of assays on meltings and of specimens of out-turn of coin, so that a Deputy Assay Master would not be required, and the Assay Master could perform the duties of Commissioner of Currency.

4. I am to observe that, after giving the most careful consideration to the reasons adduced for the abolition of the Madras Mint, His Excellency the Governor in Council is most reluctantly compelled to differ from the Government of India, and to request a re-consideration of this question.

5. In respect of the Madras Mint having ceased to pay its expenses, I am to request the attention of the Government of India to paragraphs 17 to 22 of the enclosed letter from Colonel

Carpendale, the Mint Master, from which it would appear that there has been some error in the statement contained in the letter from the Financial Secretary to the Government of India under reply, which exhibits a loss in the working of the Madras Mint, for the year 1866-67, of Rupees 51,180, and an estimated loss of Rupees 42,710 for 1868-69.

6. Colonel Carpendale, while unable to trace the exact origin of the figures contained in this statement, explains that in 1866-67 there was a direct profit to the Madras Mint of Rupees 27,138 after paying all expenses, inclusive of the Assay Office.

7. Colonel Carpendale further shows that there has been an error in the statement of receipts and charges for 1868-69; the miscellaneous charges appearing 5000 Rupees in excess of the Budget prepared in his office. Again, the fixed Mint establishment is entered as 12,570 instead of 47,130, and the temporary Mint establishment as 79,540 instead of 4500.

8. Under the head of miscellaneous receipts also Rupees 22,000 only has been entered as the probable *cash receipts*, but there should also be credited a sum of about 30,000 Rupees value of work done for other departments, which, as inter-departmental payments are prohibited, was not shown as a *receipt*.

9. From the correct statement furnished by the Mint Master in his letter enclosed, the only loss as yet sustained by the working of the Madras Mint is in the official year just closed, amounting to Rupees 55,955, of which 20,783-4-5 is fairly chargeable to the Assay Department. The loss properly chargeable to the Mint is, therefore, reduced to 35,171-11-7, and this occurred in a year so exceptional in its character that the silver imported amounted to only 1,48,120, and the copper coined was only in value Rupees 30,000. As a set off against this small loss it should be remembered, when that loss is cited as a reason for the abolition of the local Mint, that there has been a profit to the State by the Madras Mint in the preceding six years of no less than 29 ½ lakhs, being an average gain of nearly 5 lakhs a year.

10. Colonel Carpendale shows, in the table contained in paragraph 22 of his letter, how exceptional has been the state of trade during the past official year, and he is supported by the Chamber of Commerce in his opinion that the extreme reaction which has recently occurred in the import of silver to the east will not be other than temporary.

11. His Excellency the Governor in Council is unable to admit that the temporary and very moderate loss occasioned in the working of the Madras Mint, during a brief period of commercial depression, is a sufficient reason for its sudden abolition.

12. The Governor in Council would find difficulty in concurring in the opinion that the fact of an enlargement of the Calcutta Mint, beyond what was necessary to meet the requirements of the Bengal Presidency, is an equitable reason for the absorption of the Madras Mint, unless it can be established that the operation of coinage can be more cheaply carried on at Calcutta than in Madras. That the reverse is the case is clearly shown by Colonel Carpendale, (vide paragraph 24 of his letter,) who bases his statement on information furnished by the Master of the Calcutta Mint. From this information there would appear to be a saving in the cost of coinage at Madras, as compared with the coinage at Calcutta, of 72 per cent. on the silver and 50 per cent. on the copper coinage.

13. In considering the proposal that, on the abolition of the Mint, the bullion may be held as part of the Paper Currency reserve, or if sent to Calcutta that the attendant charges would be balanced by the present charges for specie remittances, it seems worthy of attention that, as pointed out by Colonel Carpendale, if the bullion received forms part of the Currency reserve a corresponding amount of investments in Government Securities on account of the Paper Currency must be sold and the income from interest be forfeited.

14. Colonel Carpendale further notices the progress that has been made, and which will probably continue in the adjustment of remittances to Calcutta and Bombay by bills presumably

at a considerable saving in the cost of specie remittances, but that, if Madras is deprived of converting its bullion into coin, the Government remittances to the extent of the bullion importations can only be effected by the actual carriage of the bullion to Calcutta at an expense to Government of

Packing	...	...	...	$\frac{1}{16}$ per cent.
Freight	...	...	...	$\frac{1}{2}$ do.
Insurance	...	...	...	$\frac{1}{4}$ do.

15. On these points I am also to request the attention of the Government of India to the enclosed letter from the Chamber of Commerce, who most strongly deprecate the abolition of the local Mint, and who represent that the improvement of the resources of the country will render an inter-presidential financial adjustment both practicable and economical, and that the contemplated removal of the surplus revenues of this Presidency to Calcutta by the primitive and expensive method of bullion shipments will be unnecessary. Further, the Chamber of Commerce are not able, on behalf of the Mercantile community, to recognize in an Assay Office for the receipt of bullion an institution of equal value with a Mint, and they express their apprehension that at a time of financial pressure the importer of bullion may be subjected to injurious consequences by delay in the receipt of his Rupees, while the State might be driven at such a time to expensive, if not dangerous, expedients for the fulfilment of its obligations.

16. The utility of the Mint in connection with the stamps in this Presidency should not, I am to observe, be forgotten. The whole of the stamp paper receives the value stamp at the Mint, and thereby a most effective double check is secured. It will be seen from the enclosed letter from the Board of Revenue how unwilling they are that any change should be made in the present system, which has been fully discussed both with the Government of India and the Home Government, and the efficiency of which has been confirmed by the experience of the last six years.

17. The Stamping establishment attached to the Mint costs nearly 5000 Rupees per annum, and the Board point out that, should the Mint be abolished, it will be necessary to place an officer at the head of this establishment, and also to employ some skilled mechanics and die-cutters, as the employés of this class now supplied from the Mint will not be available.

18. The Board of Revenue also notice the services rendered by the Madras Mint in supplying the Salt Department throughout the Presidency with weighing machines, and in the performance of various miscellaneous work for the Revenue and other Departments of the Government.

19. I am to invite particular attention to the comparative statement prepared by Colonel Carpendale and given at the end of his letter, and from which it is conclusively shown that the closing of the Madras Mint, apart from other and weighty considerations which militate against the proposal, cannot be recommended on the ground of economy.

20. While strongly impressed with the importance of maintaining the local Mint, the Governor in Council concurs with the Mint Master in his suggestion that the most economical mode of dealing with the Madras Mint, at present, would be to continue its maintenance with a somewhat reduced number of permanent hands, primarily for the coinage of silver and eventually of gold, if necessary, and that while not occupied in these coinages it should be employed in the coinage of copper, which can be effected at a great and certain saving of expense, inclusive of all costs of remittance to Calcutta and Bombay, over the rates of the Calcutta Mint, and probably at an equal saving over the rates of coinage at the Bombay Mint.

(Signed) R. S. ELLIS,
Chief Secretary.

Exd. J. Tulloch.

No. 1970.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

Mint and Currency.

To

THE CHIEF SECRETARY TO THE GOVERNMENT OF MADRAS.

FORT WILLIAM, *the 4th April* 1868.

SIR,

The replacement of the Madras Mint by a Bullion Depôt has been under the consideration of this Government since 1850, but it was deferred while the requirements of the Madras Presidency could not be met without increasing the power of the Calcutta Mint. That Mint has now been greatly enlarged by the creation of a new or Copper Mint, at an expense incommensurate with its present out-turn, which is so small as to be within the working powers of the old or Silver Mint. The coinage for the Madras and Bengal Presidencies combined would scarcely keep the two Mints in Calcutta in full work throughout the year.

2. The receipts and charges of the Madras Mint from 1861-62 are as follow:—

	1861-62.	1862-63.	1863-64.	1864-65.	1865-66	(9 Months). 1866-67.	1868-69.
RECEIPTS.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Silver coinage	90,390	1,26,240	84,110	1,29,960	1,16,950	1,09,000	1,05,000
Copper ditto	5,66,460	5,44,060	10,02,420	7,86,380	5,54,530		
Miscellaneous	25,040	21,940	30,430	31,000	12,150	21,600	22,000
TOTAL ...	6,81,890	6,92,240	11,16,960	9,47,340	6,83,630	1,62,890	1,27,000
CHARGES.							
Mint Master	18,5 0	18,070	18,390	25,920	87,540	1,09,910	21,000
Mint Establishment, Fixed ...	43,210	41,370	52,620	49,550			12,570
Mint Establishment, Temporary.	.....	1,07,090	1,06,330	88,240	... ..	27,980	79,540
Miscellaneous Charges, including Contingencies of the Assay Office	2,29,840	76,760	68,970	1,33,630	93,310	56,710	25,500
TOTAL ...	2,91,580	2,43,290	2,46,310	2,97,340	1,80,850	1,94,600	1,38,610
ASSAY OFFICE.							
Assay Master and Deputy ...	21,730	18,640	19,180	20,300	33,960	19,470	25,280
Establishment	5,800	5,800	5,810	7,010			5,820
TOTAL ...	3,19,110	2,67,730	2,71,300	3,24,650	2,14,810	2,14,070	1,69,710

5. This Statement shows that the Madras Mint has ceased to pay its expenses. It is no longer required for the coinage of Copper, the Calcutta Mint being fully equal to all the demands of the Madras Presidency, and it having very slack work, while the Madras Mint has not coined Copper for two years, and none is required for 1868-69.

4. Henceforth it will suffice to maintain an Assay Office in Madras for the receipt of bullion, a portion of which, if necessary, could be allowed to remain there as part of the currency reserve, while the remainder or the whole, as the case might be, should be sent up to Calcutta, in substitution of specie remittances; thereby the cost of transit would be provided, for the most part, if not wholly, from existing charge, without its forming a set off to the saving from the reduction of the Madras Mint.

5. In this way the seignorage on silver bullion tendered to the Mint would be still secured by the Assay Office at Madras, while the whole of the existing charge for the Madras Mint would be saved.

6. The cost of the Assay Department also would be reduced, for the work would be limited to assaying the bullion tendered by merchants;—the further assays of the meltings and of specimens of the out-turn of coin would cease. The Assay Master could be retained on the footing of a Commissioner of Currency, but his Deputy would not be required.

7. Accordingly, the provision for an Assistant Assay Master has been struck out from the Budget Estimate for 1868-69, and I am to request an early expression of the views of His Excellency the Governor in Council as to the immediate closing of the Madras Mint.

8. The Establishment being for the most part temporary, the charge on its account can be readily discontinued, and on this consideration, and in view of the abolition of the Assistant Assay Mastership, a sum of Rs. 69,000 has been disallowed from the Budget provision for the Mint.

I have the honor to be,

SIR,

Your most obedient Servant,

Secretary to the Government of India.

Chamber of Commerce,
Madras, 30th May, 1868.

To,

The Chief Secretary
to Government
Fort St George.

Sir,

With reference to my letter of the 8th Instant in which on behalf of the Chamber of Commerce I requested to be furnished with Copies of any official papers relating to the proposal believed to have been submitted to the Government for the abolition of the Madras Mint, I have now the honor to acknowledge the receipt of Proceedings of Government, Financial Department 22nd May 1868, with Order thereon, to the effect that a Copy of the Communication from the Government of India requiring the replacement of the Madras Mint by a Bullion Depot be furnished to the Chamber of Commerce, and that they be informed that His Excellency the Governor in Council will be happy to receive their views on the subject.

Having submitted those papers to the Sub Committee of the Chamber, and also to the Chamber generally at their

monthly

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

Mint and Currency.

To

THE CHIEF SECY. TO THE GOVT. OF MADRAS.

No. 1970.

Dated, Fort William, the 4th April 1868.

Received ——— 1868.

No. 202.

Transcribed & Compared
Dec 2nd July 1868

monthly Meeting held yesterday, I am requested to state, that with every disposition to regard with favor any suggestion having for its object the economizing of the Revenue by the reduction of superfluous charges, the proposal of the Government of India to abolish the Mint at this Presidency is nevertheless one against which they feel it incumbent upon them to enter their respectful but most earnest remonstrance.

I have read the word 'proposal' advisedly, because altho' the letter of the Government of India might be more accurately described as conveying the expression of a determination, fixed and irrevocable, and altho' the reference that has been made to the Madras Government would appear to be limited to the question of the immediate carrying out of that determination, the Chamber is yet loth to believe that it is the deliberate intention of the Supreme executive authority in India, that neither the Government nor the Community shall be allowed the opportunity of giving any effective expression to their views upon a subject so closely affecting the Commercial interests of this Presidency.

It is observed that the main reasons which are assigned for the abolition of the Madras Mint are that it has ceased to

1) to pay its expences, that it is no longer
2) required for the coinage of Copper, and
that the Calcutta Mint has been en-
larged to such an extent, as that the
Coinage for the Madras and Bengal
3) Presidencies combined will scarcely
keep it in full work throughout the
year.

It is not my purpose, neither would it be possible for me without seeking for further information from official sources, to enter upon any detailed examination or criticism of the table of Receipts and Charges as furnished in the communication from the Government of India. I will but observe that while a loss is exhibited in year 1866/67, and a loss (it is presumed prospective or estimated, altho' not so stated) in the current year 1868/69, the aggregate result, or as it may be better described the average of the seven years is far from unfavorable.

This generation may perhaps not again witness an import of Silver to the East on so large a scale as took place during the years 1862/66, but there seems no reason for supposing that the extreme reaction which has occurred will be other than temporary in its duration, or that the suspension

of

of the Coinage of Copper need be perpetuated.

I would therefore submit that the Statement of the Madras Mint having ceased to pay its expenses, even if literally correct as respects the operations of one or perhaps two years, might well have been qualified by an allowance to the exceptional causes which have been in operation, viz the sudden cessation of the Civil War in America, and the collapse in the Cotton Trade which ensued thereupon.

The proposal of the Government of India is to abolish the Mint, and to maintain an Assay Office in Madras for the receipt of Bullion, a portion of which, it is suggested may be allowed to remain here as part of the Currency reserve, while the remainder or the whole, as the case may be, will be sent up to Calcutta in substitution of Specie remittances, the cost of transit being thereby provided, for the most part, if not wholly, from existing charge, without its forming a set off to the saving from the Reduction of the Madras Mint.

It is undoubtedly true that the cost of transmitting Bullion to Calcutta is the same as that of transmitting the current Coin of the realm, but does not the

the argument of the Government of India pre-suppose both the existence and the perpetuation of some natural law, whereby the removal of our surplus revenues from this Port to Calcutta must of necessity be accomplished by the primitive, and for so short a distance expensive method of bullion shipments?

The Chamber would respectfully suggest that the adoption of such a theory is of itself calculated to affect injuriously the interests of Commerce in this place, and it would urge that the wiser course will be to endeavour by means of persevered and continuous exertion for the improvement of the latent resources of the Country to bring about such a condition of its affairs as will render the inter-presidential adjustments of its financial affairs both practicable and economical.

The Chamber calls to mind the interest that was excited on the subject of the Madras Mint by the publication 10 years ago of Major J. T. Smith's very able and exhaustive Report, upon an occasion similar to the present, when a proposal had been made by the Government of India that the Madras Mint should be closed-

many

many of the arguments that were then used by Major Pringle in deprecation of that perpetual continue to this day in unabated force, and his anticipations as to the probable expansion of the Commerce of this portion of British India have been largely justified.

The Chamber confidently submits that a retrospect of the fourteen years which have intervened, with a careful examination of the working of the three Presidency Mints would satisfy the mind of any impartial enquirer that the opinions of those who advocated the closing of the Mint were based upon insufficient and delusive grounds, and that had those opinions been acted upon the inconveniences and positive losses which formed the subject of so much complaint and dissatisfaction in 1863/64, especially in the Bombay Presidency, might have been very seriously aggravated.

Arguing from the experience of the past the Chamber submits that the time is yet far distant when the coinage for this Presidency may with advantage be transferred to Calcutta. It can by no means recognize in an assay office for the receipt of Bullion an Institution of equal value with a

Mint

Mint. It feels convinced that in a time of pressure the system referred to when tried in the balance would be found wanting, and that while the importer of bullion would be subjected to all the injurious consequences of delay in the receipt of his Rupees, the State would in little manner suffer, from the necessity under which it would lie, of resorting to expensive & not positively dangerous expedients, for the fulfilment, as far as practicable by it of its legal and of its moral obligations.

I have the honor to be,

Sir,

Your most obedt Servant,

W. N. Sebastian

Chairman.

Revenue Department

857

№ 4829

Proceedings of the Board of Revenue.

dated 10th June 1868.

Read Proceedings of the Madras Government, Revenue Department, dated 6th May 1868, №1248.

In the order above recorded the Board are requested to state what arrangements they would suggest for the Manufacture of Stamped papers after the abolition of the Madras Mint contemplated by the Supreme Government.

2 The Board have given the subject their best consideration and can come to no other conclusion than that the change contemplated is inexpedient, so far at least as the Stamping of Stamp papers is concerned.

3. The abolition of the Mint in this Presidency will render it necessary to maintain a separate establishment for the preparation of Stamped paper. The cost of the establishment maintained for this purpose at the Mint amounts to Rs 270-- per Mensem exclusive of contingencies

c23/Imm
R36.
№3

Deputy Secretary to Govt
Abolition of the Madras
Mint

contingencies - Subsequently in August 1867 an increase of Rs 136 was sanctioned to the establishment, in consequence of the introduction of the Bi-color Stamps - In the event of the Mint being abolished it will be necessary to place an Officer at the head of this establishment and also to employ some skilled Mechanics and die Cutters, as the employees of this class now supplied from the Mint Mill not then be available -

4. The necessity of retaining the double stamps and the inexpediency of having the stamps required for this Presidency Manufactured elsewhere have been already fully established - The experience of the six years which have elapsed since these questions were finally discussed with the Government of India and the Home Government has proved that the Madras System is thoroughly effective, and it would be most injudicious to depart from it in any way -

The

The great increase in the sales of Stamped paper since 1862 renders local manufacture which was most advisable then, an absolute necessity now.

5. The Mint also has done and is doing great service in supplying the Salt Department with weighing Machines and in performing a variety of Miscellaneous duties which should also be taken in account.

6. The Board would urge that in consideration of the great importance to the Presidency of having a Mint of its own, it is not advisable to carry out the suggestion of the Supreme Government, until experience has shown its safety and expediency - The Mint has already been broken up once and restored at considerable expence - The Statements of receipts and Charges of the Madras Mint as furnished by the Mint Master is given below, which differs much from the Abstract appended to the letter from the Government

of

of India-

	1861/62	1862/63	1863/64	1864/65	1865/66	1866/67	1867/68	1868/69
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Receipts								
Silver Coinage-Seignorage	903951	264904	841767	300000	112986	29107	3118	1950
Copper Do — Profit	566455	594065	1002421	786385	562021	114633	18429	12000
Miscellaneous Receipts	17935	17592	32468	31817	49447	44850	60770	62000
Total	674785	688147	1117057	968202	724569	188490	82317	76000
Charges								
Mint Master	18682	18978	18571	21000	12600	13712	21000	21000
Mint Establishment Fixed	49102	49820	52615	48957	45286	41669	44645	46170
Do — Do — Temporary	58289	69786	73688	75291	65792	47230	24296	45000
Miscellaneous charges including Contingencies of the Assay office	94596	99568	108014	77578	57292	41582	24620	30000
Total	220669	237262	252888	222820	181070	144161	114661	142170
Assay Office-								
Assay Master & Deputy	21730	18639	19716	20423	23634	12278	17942	18000
Establishment	5830	5800	5813	5814	5814	4919	5669	5820
Total	248229	261701	278417	249057	210518	161358	138272	165990
Profit	426556	426446	840640	719145	504938	27138	"	3010
Loss	"	"	"	"	"	"	55955	"

If

Receipt - 4354143.
Charges - 1409280.
29,44,863.

7 It will be seen from the above that in the six years (1861/62 to 1866/67) the mint yielded a net profit of Rs. 29,44,863; and the mere fact that in the last year 1867-68, it showed a net loss of Rupees 55,955 is not sufficient ground for asserting that it has ceased to pay its expenses - The loss in 1868/69 is given by the Supreme Government at Rs. 42,700, but this is a mere estimate. In the Mint Master's statement however a net profit of Rs. 3010 is shewn -

8- An establishment which has for a series of years yielded so large a revenue, which is of such importance to the mercantile interest of the Port and Presidency, and which cannot be reopened without large expenditure, ought not, the Board submit, to be summarily closed in consequence of a petty loss in a single year, especially when that loss is not ascribable to causes likely to be permanent.

9. It certainly is to be regretted that the Supreme Government should have

heers

been lock to establish a Mint in Calcutta so enormously beyond the actual requirements that the Coinage of the Bengal and Madras Presidencies combined will hardly keep it in full work; but this is no valid reason for depriving Madras of its Mint -

10. The economy of the proposal is also more than doubtful, if the cost of freight, insurance and the additional reserve of Coin which the plan will necessitate, as well as the additional charge for Stamped paper and other Miscellaneous items be taken into account -

11. The Madras Mint is believed to work for more chiefly than that of Bengal, and the most judicious course would be, to retain the Mint, reducing its working establishment as far as may be deemed practicable without impairing its efficiency or its ability to resume operations at brief notice, until the experience of several years has shown that it really is not required. The results of a single year and that one so exceptional in every respect do not in the

Board's

Board's judgment, afford the means of arriving at a safe or prudent decision -

(True Extract)

A. Chamier
Asst. Secretary.

To,

The Secretary to Government.
Revenue Department.

Esqr. Lockett
Capt. Cameron Crouze

No. 65. 9th May 1868.

From

Colonel J. Carpendale R.E.

Mint Master

To The Chief Secretary

to Government.

Sir,

Para 1. I have the honor to return the letter from the Government of India in the Financial Department No. 1970 of the 4th. Ultimo on the subject of the abolition of this Mint received with your docket of the 24th. idem.

2. Before considering the circumstances which have led the Government of India to deem it expedient as a Measure of economy to close the Madras Mint, it will not be out of place to briefly notice its abolition on a former occasion, Viz: in 1835 followed shortly after by its re-opening for Copper Coinage only and the creation of a bullion Depôt, and again by the

resumption

Recd. 10th June 1868.

Recd. 10 June 1868.

Transferred to Financial Department.

Transferred to Financial Department.

Transferred to Financial Department

resumption of the Gold and Silver Coinage so soon afterwards as in obedience to a despatch from the Honorable Court of Directors of the East India Company dated the 10th. May 1839; and as a matter of convenience I will quote chiefly from that despatch which gives a complete history of all the circumstances that led to the closing of the Mint in 1835 and it's re-opening in 1840.

3. It appears that in 1831 the Calcutta Mint Committee recommend- ed the abolition of the Madras Mint on the ground that it was unnecessary, and that it's abolition would be productive of a saving to a considerable Amount, in reference to which the Honorable Court of Directors observed that "although "fully impressed with the feeling that it "is not desirable unless very strong cause "can be shewn for it to break up Establish- "ments of long standing especially one of "the character of the Madras Mint" yet

Para 3 above named Despatch

yet the Statements which accompanied the report of the Calcutta Mint Committee appeared to warrant the proceeding, and the Honorable Court desired that the Mint Establishment at Madras should cease.

Despatch to Madras No 2, 29th Jan.y 1834. do. to Calcutta No 7. 12th Feb.y 1834.

4. The Government of Madras deferred acting on this despatch pending a further reference to the Government of India, having before it's receipt addressed a remonstance to the Honorable Court and advanced reasons for the continuance of the Madras Mint, and in a letter to the Government of India dated 17th. July 1835 brought to notice that the continuance of the Madras Mint was still under consideration by the Honorable Court; in reply to which reference the Govern- ment of India adhered to it's decision, but fortunately modified the orders so far as to direct that the Machinery and Buildings should be reserved pending further orders from the Honorable Court.

Para 6 above named despatch.

The

5. The Mint Establishment was accordingly dispensed with and soon afterwards the purchase of bullion was directed to cease. Para 7.

6. On the 16th August 1835 the Honorable Court addressed a despatch to Madras disapproving of the abolition of the Mint of Madras and a copy was at the same time forwarded to the Government of India. Para 9

7. Sometime afterwards viz in 1837 after receiving reports from the Madras Government and the Chamber of Commerce of the injurious effect the closing of the Madras Mint had upon trade, the Government of India permitted certain repairs to the Machinery to be effected in order that Copper Coinage might be resumed, and established a bullion Depôt with an Assay Master. Para 13.

8. After reviewing the consequences of closing the Mint at Madras the Honorable Court proceed in Para 18 to say "we are satisfied Para 18.

"satisfied that the re-establishment of either a "Mint or a Depôt was indispensable, we shall "now proceed to enquire which of the two "ought to be established."

Para 19. "It is obvious that a Depôt can have "only one advantage over a Mint, that of "being less expensive, and unless in this respect "the advantage be considerable the establish- "ment of a Mint would be preferable to "that of a Depôt.

9. The Honorable Court then enter most fully into a comparison of the relative expense of the two Establishments, into all of which I need not now follow as the change of circumstances require a change in the mode of calculation, but it is expedient to note the opinion of the Court on the subject of insuring bullion in transit by sea from Madras to Calcutta. Para 23.

The Court observe "It would be altogether "delusive to omit from the Estimate the "charge for Insurance. It is true that "the bullion and specie would not be insured,

and

"and consequently that there would be no
"actual outlay on this account but the Sea
"risk estimated by the Insurers at ⅔ the
"risk of a voyage to London must be en-
"countered, and an allowance must therefore
"be made proportionate to its true value."
The result of the Honorable Court's
estimate of comparative expense was a
decision in favor of a Mint at Madras Para 23.

10. After coming to the above Para 24.
conclusion the Honorable Court observed
"Even if the result of the comparison had
"been different we should not have been
"prepared to deny to the Madras Presidency
"the advantage of a Mint.
"Experience has now shewn that the
"territories subject to that Presidency
"cannot be safely left dependent upon the
"Calcutta Mint for the requisite supply
"of Coin &c.

"To the assertion that the Mint of
"Calcutta has power sufficient to Coin for
the

"the Madras Territories as well as for the
"territories of Bengal and the North
"West Provinces and that consequently
"there is no necessity for a Mint at Madras
"we attach no importance what-ever".

"It has been shewn that as a matter of
"economy it is better to revive the Madras
"Mint than to continue the present system
"and as that plan which is the cheapest is
"also the most conducive to public policy
"and convenience there can be no ground
"for rejecting it merely for the purpose of keeping
"the expensive Machinery of Calcutta in full
"work".

Para 27. 11. The Honorable Court then
"observe after the remarks we have felt called
"upon to make it is scarcely necessary to add
"that we entertain the most decided conviction
"that the Coinage of Gold and Silver should
"be renewed at Madras, and we desire that
"it be resumed at the earliest possible period".

Para 28. 12. The Honorable Court next
comment on a doubt that has been thrown

on

"on the capacity of the Madras Mint to
"execute coin with a due degree of accuracy
"and beauty" which need not be further
noticed as the London Pyx reports for
a long course of years shew the Madras
Rupee Coinage to be quite on a par with
that of Calcutta and Bombay both
in regard to weight and fineness.

13. Towards the end of their despatch
the Court express a hope that in carrying
out their orders for the resumption of the
Coinage at the Madras Mint all practi-
cable economy may be observed. How
faithfully their instructions have been
observed will be apparent from the com-
parative statement lower down of the
rate of Coinage in the Calcutta and
Madras Mints, (see para 24) and I would
not fear the result of a similar comparison
of Madras rates with those of Bombay.

Para 30.

14. The Mint having re-opened
continued to work although it was not
for some years a very profitable establishment
in

in consequence of the extensive recoinage of
Uncurrent Coin from which no seignorage or
duty was derived until 1850 when it was again
proposed to close the Madras Mint. The
correspondence on that occasion continued for
a considerable time and was brought to a close
by the Comprehensive reports of Major
S. F. Smith Mint Master dated 16th
December 1851 and 28th January 1852 which
were published in a pamphlet entitled.
"Report on the proposed abolition of the
Madras Mint".

15. On the receipt of the last named
report the Government of Madras passed
the following order.

No. 109 dated 21st March 1854.

1. "With the foregoing letter the Mint
"Committee submit an elaborate report from
"the Mint Master on certain points of enquiry
"connected with the Madras Mint noticed
"in the despatch from the Government of
"India dated 29th September 1853 No. 2743."

2. "In this report all topics bearing directly
"or indirectly on the question of the expediency

of

"of continuing the Mint, are fully discussed,
"and the conclusions arrived at go far, in the
"opinion of this Government, to establish the
"necessity and importance, not only of main-
"taining the Establishment, but of adding
"to its efficiency by the introduction of
"steam power."

3. "The Government entirely concur in
"the remarks of Major Smith with reference
"to the recent gratifying and remarkable
"development of the resources of the Madras
"Presidency and the disastrous effects that
"would result from any restriction or failure
"in the Currency, as well as to the apparent
"impossibility of the Calcutta Mint supply-
"ing the wants of Madras and its extended
"and extending demands in that respect,
"and the present report would seem to confirm
"the correctness of the views of Government
"on the subject submitted in their despatch
"to the Honorable Court under date the
"4th May 1852 No. 8."

4 "By adapting steam to the present
Laminating
"Laminating Department, the Mint Master
"states he has little doubt of being able at
"an expense of (4) four or (5000) Five
"thousand Rupees to double the out-turn of
"the Mint and greatly increase its economy,
"and as the Committee recommend the
"Measure, they will call on Major Smith
"to submit an Estimate of the cost of
"the Steam Apparatus and of the Minor
"improvements referred to in para 6 of his report.

5. "The Report of the Mint Master
"will be printed and published, and copy of
"it and of the letter from the Committee
"above recorded, transmitted to the Govern-
"ment of India, together with the proceed-
"ings of this Government thereon."

6. With the above order it was believed in Madras until the present day that all intention of abolishing the Madras Mint had been abandoned - and accordingly, while always bearing in Mind the injunction to observe economy, each successive Mint Master has endeavoured to gradually bring it up to

the

the high state of efficiency contemplated by the substitution of Steam Power for Bullock and Manual labor, and the result is its present excellent condition all the Machinery being worked by Steam, much new and improved Machinery having been added since 1851, indeed a very large portion of the expenditure on Machinery has been incurred between 1861 and 1868. foremost among which stands 14 New vertical Stamping Presses erected in 1862 and 1866, New Cutting tables for Steam Machinery put up in 1865, New edging Machines obtained from England in 1863 and 1866, a New Silver and Copper Cleaning Room built in 1866, and a New Coal Shed and Coke Yard built in 1866-67 at the suggestion of the Government of India.

17. I now proceed to consider the circumstances which have called forth the present order of the Government of India, but will first observe that being desirous of keeping this report as short as possible I will not enter into any general investigation of the many questions involved in the continuance of or abolition of the Mint - all that could be said on the subject has been so well said by Major J. G. Smith in his published reports it would be superfluous, and I shall confine myself to comparing the relative expense under present circumstances of replacing the Mint by a Bullion Depot or of continuing it either on its present scale or with a some what reduced number of permanent hands. From the Statement of receipts and charges in the Financial Secretary's letter it would appear that this Mint was worked at a loss of Rupees 57,180 in the Year 1866-67 and that there is an estimated loss of Rs. 42,710 in 1868-69 but these figures are incorrect, and I cannot recognise the source from which they have been compiled, in part they correspond with the Annual accounts of the Mint as exhibited in the Administration reports but not entirely, and the Year 1867-68 is omitted altogether - Instead of

of a loss of Rs 57,180 in 1866 by the Administration Report of the Mint for that year shews a direct profit of Rs 27,138 after paying all expenses including those of the Assay Office, and with respect to the Estimate of receipts and charges for 1868-69 there is an error also. the Miscellaneous Charges appearing 5,000 Rs more than in the Budget prepared in this Office. the Fixed Mint Establishment is entered as 12570 instead of 47,130 and the temporary Mint Establishment as 79,540 instead of 45000. I have also to observe that under the head of Miscellaneous Receipts Rs 2,2000 only was entered as the probable Cash receipts but there should also in addition be credited a sum of about 30,000 Rs being value of work done for other Departments, which as inter-departmental payments are prohibited was not shewn as a receipt.

The following is a corrected statement of receipts and expenditure since

1801 and a corrected Estimate for 1868-69.

	1861-62	1862-63	1863-64	1864-65	1865-66	1866-67	1867-68	1868-69
Receipts								
Silver Coinage	90395	126490	84176	130000	112986	29107	3118	105000
Coppers do	566455	544065	1002421	786385	553021	114523	18429	12000
Miscellaneous	17935	17592	32460	51817	49449	41856	60770	52000
Total	674785	688147	1119057	968202	715456	188496	82317	169000
Charges								
Mint Master	18682	18078	18571	21000	12600	13712	21000	21000
Mint Establishment Fixed	49102	49830	52615	48951	45386	41661	44645	46170
do do Temporary	58289	69786	73688	75291	65792	47236	24396	45000
Miscellaneous Charges including Contingencies of the Assay Office	94596	99568	108014	77578	57292	41552	24620	30000
Total	220669	237262	252888	222820	181070	144161	114661	142170
Assay Office								
Assay Master & Deputy	21730	18639	19716	20423	23634	12278	17942	18000
Establishment	5830	5800	5813	5814	5814	4919	5869	5820
Total	248229	261701	278417	249057	210518	161358	138272	165990
Profit	426556	426446	840640	719145	504938	27138	"	3010
Loss	"	"	"	"	"	"	55955	"

18. From the above it will be seen that the only loss yet sustained is in the Official year just closed, and Amounting to Rs 55,955 of which, after giving the Assay Office credit for the whole of the Seignorage, Rs 20,783-4-5 belongs to that Department, and yet the Silver imported during the year amounted only to

to the small sum of Rs 1,18,120-3-8 and the Copper Coined was only in value Rs 30,000 being a special small Coinage of 8 Anna pieces.

19 This comparatively small loss was secured by the Foundry, with its pattern Makers, Filers, and other shops having been fully engaged throughout the year in work for various Government Departments and others, as was also the Die Cutting and Turners Room, chiefly in the Manufacture of Seals and Badges for the Revenue and other Departments, and Army Accoutrement Mountings for the Grand Arsenal, whereby these Departments covered their whole expenses, the prices charged being at the same time considerably below those of the only other Foundries in Madras Viz the Railway and the S. P. W. Foundries; and from fifty to One hundred per Cent less than the Market price for Seals Badges and other brass work - Hence the actual loss by keeping the Mint open was comparatively small, and in Noticing which it should be remembered that there was a profit to the State by the Madras Mint in the preceding Six Years of no less than 29½ Lacs or very nearly 5 Lacs a Year or an average.

20. The loss too is a comparatively small one considering the indirect value of the Mint to the Paper Currency and the Stamp Paper Departments. For the Paper Currency Department alone a larger expenditure would be required to provide a separate Commissioner, an Office, Treasury, Guards, and sundry other Charges which are now provided by the Mint.

21. Government are aware moreover that all Judicial, Exchange, and other paper is stamped in the Mint and thereby an effectual double check exercised in conjunction with the Stamp Office which is otherwise simply an Office of sale - The important duty of stamping the paper is all done in the Mint at a small expense, but at considerable

inconvenience

inconvenience to the Mint Master who keeps under his own Key the Dies and types of the higher values. It will not I presume be deemed expedient to forego the double check that has worked so well, and the closing of the Mint will probably necessitate other arrangements for the Stamp Department with the attendant expense of a highly salaried Officer and a distinct building.

22. The grounds on which the Government of India propose to abolish the Madras Mint are that it has ceased to pay its expenses, and that the Coinage in Calcutta Silver and Copper together is barely enough to occupy the old Calcutta Mint leaving aside the New Copper Mint recently completed; and that by abolishing the Office of Assistant Assay Master, and replacing the Mint Establishment by a Bullion Depot under the Assay Master there will be a saving of the present cost of the Mint

Mint Establishment. I don't think it has ever been contended that the work of the Assay Department was sufficient to occupy two Officers, and I believe an Assistant Assay Master has been maintained in Madras chiefly to prevent any inconvenience to Merchants in being paid for their tenders, and to prevent any hindrance in the process of Coinage by reason of the Assay Masters absence from sickness or other cause, and the first reason would continue to exist even if the Coinage ceased.

It must be admitted as shewn above that this Mint did not pay its expenses in the last Official Year but under very exceptional circumstances, circumstances which there is no reason to expect a continuance of and which must have had a proportionate bad effect on the other Mints vide the following table of exports of Silver from Southampton to the East from a recent report of the

Money

Money Market in an English Overland Newspaper.

Years.	India.	China.	Straits	Total
	£	£	£	£
1859	11,163,384	3,374,250	290,887	14,828,521
1860	4,385,966	3,657,443	435,330	8,478,739
1861	5,682,645	1,052,240	89,922	6,824,807
1862	6890810	2530,663	669,987	10,091,460
1863	5,971,632	1,995,909	295,470	8,263,011
1864	5,008,291	891,338	354,375	6,254,004
1865	2,738,762	560,026	299,270	3,598,058
1866	2,009,580	303,196	52,850	2,365,626
1867	370,231	265,766	6,915	642,912
1868	178,095	55,850	—	233,945

The same state of things existed in 1847-48-&49 which I conclude induced the proposal to close the Mint in 1850 but it did not continue.

It should not be forgotten also that the contemplated arrangements would certainly necessitate a much larger Cash balance being constantly maintained in the General Treasury than is requisite when a Mint is at hand for the speedy conversion of bullion into Coin whereby payments made for tenders of bullion are promptly replaced, and that any sudden influx of bullion, if it does not lead to serious embarrassment, may involve the Government in great expense in the remittance of specie from Calcutta or Bombay; nor are there signs now wanting of such an occurrence at an early date, the sudden and very great rise in the price of Cotton in England is now being followed by large exportations from Madras and there is good reason to expect large importations of bullion in payment.

In the two last years the importation of Silver was very trifling and in the four preceding years the out-turn of Copper had been unusually large. A portion of the great profits arising from which may fairly be set off against the loss at the present time when copper Coinage is in abeyance. Moreover the rate exchange is rapidly approaching the point at which it is profitable to import Silver bullion from Europe, and Silver may accordingly be expected to again flow into India, Madras as well as other parts, though it

may

may be partially superseded by Gold in consequence of the present high value of that Metal arising from the partiality of the Natives of India for it, and here I may mention that this appears to be one reason of the diminished importations of Silver, the Gold imported into Madras in the last six years having been as follows :-

Years.	Gold valued in Rupees.	Sovereigns Valued in Rupees	Total
1861-62	23,47,437	36,35,974	59,83,411
1862-63	30,21,106	49,82,228	80,03,334
1863-64	54,49,891	43,98,855	98,48,746
1864-65	40,57,284	47,24,964	87,82,248
1865-66	17,27,072	49,02,163	66,29,235
1866-67	13,89,900	16,33,096	29,72,996

and it will thus be readily understood how Gold is taking the place of Silver.

The English Sovereign at its value in London at the rate of £3. 17.6 an ounce with freight to Madras, is there worth Rs. 10-4 as and similarly the

the Australian Sovereign is worth Rs. 10-3 as and yet the price of Sovereigns in Madras for a considerable time back has been Rs. 10-10 as and Rs. 10-9 as

23. This tends to shew that the time is rapidly approaching when India must have a Gold Coinage, immediately upon which there will be increased necessity for the Madras Mint, and I need scarcely remark that keeping this in view what a sacrifice of valuable property it will be to break up the Mint after all the expence that has been incurred in the last Nine years in bringing it to its present state of perfection, ready for Silver Coinage to the extent of nearly a lac of Rupees a day. Ready also for Gold, the Gold Refinery having only been completed this Month and capable of turning out Copper Coins to the extent of 2,25,000 pieces daily. I may also here observe that it is little more than four years since I received instructions

instructions from the Finance Minister in Calcutta to be prepared to work the Mint night and day, and for sometime the Establishment was engaged in the Coinage of Silver from 4 A.M to 8 P.M, and the Copper Department was at the same time worked to its full power which fully accounts for so little copper having been coined last Year and only a trifling quantity being required this Year.

24 If it had been assigned as a reason for abolishing this Mint that the Coinage could be executed in Calcutta at a cheaper rate I might have hesitated to urge any thing in favor of the Mint under my charge, but this is not the case; I find by a Statement furnished to me by the Master of the Calcutta Mint that his rates of Coinage for the Year 1866-67 were as follows. Vide Statement A attached

For Gold & Silver

Share of cost of Establishment fixed and extra	0-3-8-0715	per 100 pieces
do do Contingencies & Stores	0-2-1-0880	do do
do of Value of Silver & Gold used as alloy	0-0-4-7402	do do
do loss in Coinage	0-4-2-8878	do do
Total loss and Charges	0-10-4-7875	per 100 pieces

Notwithstanding

not-withstanding that the number of pieces Coined in the Year aggregated no less than 405,45,870

Similarly for Copper was Coinage of 78,19,610 Pieces.

Share of Establishment fixed and extra	0-3-8-0715	per 100 pieces
do of Contingencies & Stores	0-2-1-0880	do do
do of loss in Coinage	0-0-6-2920	do do
Total loss and Charges	0-6-3-4515	per 100 pieces

While the Accounts of the Madras Mint prepared in a similar form vide Statement B attached give.

	1863	1864-65	1865-66
	No of Pieces	No of Pieces	No of Pieces
Silver	1,00,6926	93,72,918	55,05,318
Share of Establishment fixed and extra	0-1-5-1840 (as a)	0-1-8-9664 (as a)	0-2-4-1472 per 100 Pieces
do of Contingent and Stores	0-2-4-4160	0-1-10-3872	0-2-1-9008 do
do of Value of Silver & Gold used as alloy	0-0-10-7328	0-0-7-4304	0-1-1-4976 do
do of loss in Coinage	0-1-0-7920	0-1-0-6912	0-1-3-7824 do
Total loss and Charges	0-5-0-3120	0-5-3-4752	0-6-1-3280 do

	1863-64	1864-65	1865-66
	No of Pieces	No of Pieces	No of Pieces
Copper	95,21,280	79,68,000	54,01,760
Share of Establishment fixed and extra	0-1-5-1840 (as a)	0-1-8-9664 (as a)	0-2-4-1472 per 100 Pieces
do of Contingent and Stores	0-2-4-4160	0-1-10-3872	0-2-1-9008 do
do of loss in Coinage	0-0-3-0840	0-0-0-2304	0-0-0-4224 do
Total loss and Charges	0-4-0-6840	0-3-7-5840	0-4-6-1704 do

being an average of 6 Annas per 100 pieces of Silver, and 4 Annas per 100 pieces of Copper

Representing

representing a saving in the cost of Coinage of no less than 7½ per Cent in favor of the Madras Mint on Silver Coinage, and 50 per Cent in favor of the Madras Mint on Copper Coinage, and unless there will be a considerable saving in other respects by abolishing this Mint, I think it must be admitted that there will be no economy eventually in a measure which provides for the Silver imported into Madras from Europe being Coined in Calcutta at an excess rate of 7½ per Cent over of the cost of fabrication in Madras; and which provides for carrying Copper past Madras to Calcutta to be there converted into Coin at an expense to the state of fifty per Cent in excess of the Madras rates, and then to be carried back to Madras with the addition of the freight from Calcutta, and the insurance due to the enhanced value of the Metal by reason of its new form.

25. But besides the higher cost of Coinage

Coinage in Calcutta there are other serious expenses attendant on closing the Madras Mint to be considered:—

1st. A certain Establishment must be maintained for the preservation of the Premises and the Machinery, also for the Bullion Depôt.

2nd. When the Mint was closed on a former occasion the Government in Minutes of Consultation No. 245 28th. August 1835 were pleased to order:—

"Under the authority conveyed in the "6th. paragraph of the Courts despatch "of the 29th. January No. 2 of 1834 "the Salaries of the Covenanted and "Regular Officers must be continued "until they can be appointed to some other "situations, and such small donations as "the Mint Committee may recommend "and may appear reasonable will be made "to the Native and Uncovenanted Servants "who may be removed from employ."

On behalf of a large number of

deserving

deserving servants I trust that should it be decided to close the Mint that a similar liberal course will be pursued on the present occasion. but should it be found impracticable to provide them with other situations within a reasonable time there will be some 24 to be Pensioned and 88 permanent servants to receive Gratuities.

3rd The Packing charge of Bullion for transmission to Calcutta must be provided, also freight, and insurance.

4th Considerable increase must be made to the Paper Currency Department and in reference to these expenses I beg to offer a few remarks before submitting an estimate of what in my opinion will be the Annual expense to the State if the proposal to close the Madras Mint is carried out. The Establishment that would be required to take care of the Mint and Machinery is shewn in paper attached Marked C and the estimated amount of Pensions is in the same paper

The

26. The Government of India observe that the Bullion may be held as part of the Paper Currency Reserve or if sent to Calcutta the attendant charges would be balanced by the present charges for specie remittances, but I must observe that if the bullion received forms part of the Currency Reserve a corresponding Amount of investments in Government securities on account of the Paper Currency must be sold, and the income from interest be forfeited. Further. The remittances to Calcutta and Bombay in the last two years were

1866.67. Calcutta

By bills and transfers	1800000.
" Specie	6200000.
Total	8000000

1867.68. Calcutta

By bills and transfers	650000	
" Specie	6300000	
	12800000	
Bombay.		
By bills	600000	
" Specie	1900000	2500000
		15300000.
Total		23300000.

From which it will be seen that considerable

progress

progress is being made in the Adjustment of remittances by bills presumably at a considerable saving on the cost of specie remittances, but if Madras is deprived of the means of converting its bullion into Coin it is evident that Government remittances to the extent of the bullion importations can only be effected by the actual carriage of the bullion to Calcutta at an expense to Government of.

For packing ½ per Cent.
Freight — ½ — do. —
Insurance — ¼ — do. —

I am aware that it is not the practice of Government to insure, but any one who omits to insure precious goods while in transit by sea accepts the sea risk, and the premium cannot be omitted in a calculation of this Nature. A principle fully admitted by the Honorable Court of Directors vide para: 9 above.

27. Paper Currency Department. The Government of India propose that the Assay Master should be placed on the footing of a Commissioner of Currency. Knowing by experience how necessary the constant presence and strict personal Supervision of the Commissioner in this Department is I cannot think it will be found that the important duties of Commissioner of Paper Currency, and the Supervision of the Stamp Paper Department, together with the Assay Department and Bullion Office duties, could be satisfactorily discharged by the Assay Master even with the aid of an Assistant Assay Master. His own Office is quite distinct from the Premises occupied by the Paper Currency and the Stamp Paper Departments, while it is not possible for all these Offices to be brought together in order that the Assay Master might exercise an effectual personal Supervision of them all. I must acknowledge that the present Assay Master is quite willing to undertake the duty, but I don't believe he comprehends its extent, and he has formed his opinion from the corresponding Office in

Calcutta where the actual work of receiving and issuing Notes in bulk, conducting an extensive correspondence regarding lost and stolen Notes, and supervising the cancellation of all withdrawn from Circulation, is performed by two Assistant Commissioners, one in the Issue and one in the Exchange Departments.

I shall therefore in framing a comparative Statement assume that a Commissioner of Paper Currency must be maintained for the Paper Currency and Stamp Paper Departments in addition to the Assay Master.

28 The following table shews the Coinage of the Madras Mint for the last 10 years, and I will take as the basis of my Calculations, vide Estimate of No 3, 50 lacs of Silver and the very small quantity of 3 lacs worth of Copper Coin annually to be the requirement of the Madras Presidency at present, the average of the last 10 years, omitting

Government

Government bullion, having been
53¼ lacs of Silver
9 — do — of Copper
Silver and Copper Coined in the Madras Mint from 1858.59 to 1867.68.

Years.	Silver Sale	Silver Value Rs	as	p	Copper Sale	Copper Value Rs	as	p
1858.59	6763524	4853170	2	"	30525947	564431	7	10
1859.60	11078847	5661623	2	"	65468832	902991	9	6
1860.61	6618433	5134638	"	"	72350400	1022420	"	"
1861.62	6059977	4399068	14	"	70949760	1076750	"	"
1862.63	12054231	6732248	6	"	62765760	993280	"	"
1863.64	16006926	12776704	8	"	95321280	1769630	"	"
1864.65	9372918	6448285	8	"	79680000	1327500	"	"
1865.66	5505318	5449645	8	"	54101760	956440	"	"
1866.67	2711359	1480794	14	"	9540480	195000	"	"
1867.68	809859	347657	10	"	3840000	30000	"	"

No 1. Estimate.

Estimate of the probable cost of Coining 50 lacs of Silver Bullion in the Calcutta Mint if sent from Madras and if the Madras Mint be

be abolished and no Copper Coin required.

	Rs	as	p
Cost of Assay Department deducting the Assistant Assay Master	2820	"	"
Establishment to be maintained at Mint for Care of Premises and Machinery & for the Bullion Depot in addition to the Assay Establishment	7578	"	"
Estimated Amount of Pensions	8741	3	"
Packing Charges on 50 lacs of Silver	3643	1	7
Freight to Calcutta ½ per Cent	25000	"	"
Insurance ¼ per Cent	12500	"	"
Coinage Charges in Calcutta at 10/4 per cents	32291	10	8
Increase Charges of Paper Currency Department	24600	"	"
	139173	15	3
Deduct Seignorage on 50 lacs of Silver	105000	"	"
Loss by abolishing the Madras Mint supposing Madras not to require any Copper Coinage at all	34173	15	3

Similar Estimate Keeping the Madras Mint open.

Estimated cost of receipts and Charges of the Madras Mint on the supposition of the Coinage being 50 lacs of Silver per Annum and no Copper Coin

Silver Coinage receipts 50 lacs		105.000 " "
Miscellaneous Charges		52000 " "
		157.000 " "
Mint Master		21600 " "
Establishment		46.170 " "
Temporary		40000 " "
Miscellaneous including the Contingencies of the Assay Office		28000 " "
Assay Master	18000 " "	
Establishment	5820 " "	23820 " "
		158990 " "
Possible Loss		1990 " "

Estimate

2 [illegible] 17

Estimate No. 2

Estimated cost of the receipts and Charges of the Madras Mint on the supposition of the Coinage being 25 lacs of Silver per Annum and the Copper Coinage equal to 3 lacs.

	Rs	as	p
Silver coinage Receipt 25 lacs	52500	"	"
Copper — do — 3 do	184.000	"	"
Miscellaneous	30000	"	"
	266500	"	"
Charges.			
Mint Master	21000	"	"
Establishment	46170	"	"
Temporary	35000	"	"
Miscellaneous and Contingencies of the Assay Office	26000	"	"
	128170	"	"
Assay Master	18000 " "		
Establishment	5820 " "	23820	" "
	151990	"	"
Net Profit	114510	"	"

Estimate No. 3

Estimate of the probable cost of Coining 50 lacs of Silver Bullion in the Calcutta Mint sent from Madras, and of Coining 3 lacs of Rupees worth of Copper Coin and transmitting

transmitting it to Madras. If the Madras Mint is abolished.

	Rs	as	P
Cost of Assay Department deducting the Assistant Assay Master	24,820	"	"
Establishment to be maintained at the Mint for care of Premises and Machinery and for the Bullion Depôt in addition to the Assay Establishment	7,578	"	"
Estimated Amount of Pensions	8,741	3	"
Packing Charges on 50 lacs Silver	3,643	1	7
Freight to Calcutta ½ per Cent	25,000	"	"
Insurance ¼ per Cent	12,500	"	"
Coinage Charges in Calcutta at 10-4 per Cent on 50 lacs of Silver	32,291	10	8
Increased Charges of Paper Currency Depôts (Copy Extract D attached)	24,600	"	"
Copper.			
3 lacs of Rs worth say 235.20000 pieces Calcutta Coinage Charge at 6-3 per hundred Pieces	9,875	"	"
Packing at Rs 1-5 per Cent	3,937	8	"
Freight to Madras at 55 Rs per Ton 122 9/20 Tons	6,734	12	"
Insurance on the value of the Copper Coin Viz on 122 9/20 Tons of Copper at 949 Rs a ton plus on cost of Coining at 6-3 per 100 pieces total Rs 208080 at ½ per Cent	1040	"	"
Total	242,764	3	3
Deduct Seignorage on Silver	105,000	"	"
Balance being a loss if we omit the Gain on the Copper Coin	137,764	3	3
Similar Balance if the same Silver and Copper is Coined in Madras and the Gain on the Copper Coin similarly omitted vide next Statement	48,990	"	"
Difference being the loss by closing the Madras Mint	88,771	3	3

Similar

Similar Estimate keeping the Madras Mint open.

Estimated cost of the receipts and Charges of the Madras Mint on the supposition of the Coinage being 50 lacs of Silver per Annum and the Copper Coinage equal to 3 lacs omitting as in the above Statement the Gain on the Copper Coinage.

	Rs	as	P
Silver Coinage receipts 50 lacs	105,000	"	"
Miscellaneous	50,000	"	"
	155,000	"	"
Charges.			
Mint Master	21,000	"	"
Establishment	46,170	"	"
Temporary	48,000	"	"
Miscellaneous including the Contingencies of the Assay Office but omitting the Copper for Coinage as is done in the 2nd Statement	65,000	"	"
Assay Master	18,000	"	"
Establishment	5820	"	"
	23,820	"	"
Total	203,990	"	"
Balance	48,990	"	"

The Assistant Assay Master's salary is omitted in both the above Statements. If added to both the difference between the relative amounts would remain the same.

29. The foregoing Statements shew that far from there being any saving in

closing