M.R.O. 1—77,006—8-6-37.

(1) Number of pages 111

(2) Date of repair 23.10.30

(3) Initials of the Referencer A

# MADRAS RECORD OFFICE.

## Government of Madras.

Financial DEPARTMENT.

G.O. No. 321 Press / Mis.

28-30.

Dated 29-7 - 1930.

8/9

28-30

***Not to be folded or roughly handled***

23.10.30

## *Proceedings of the Madras Government, Financial Department, 29th July* 1870.

Read the following papers :—

No. 28. Proceedings of the Government of India in the Financial Department, dated Simla, 23rd June 1870, No. 1360.

From the Secretary to the Government of the Punjab and its Dependencies, to the Officiating Secretary to the Government of India, Financial Department, dated Lahore, 21st May 1870, No. 458.

With reference to the correspondence forwarded under Financial Department's docket, No. 2020, of the 26th March last, with a request that the practicability of adopting measures for bringing pie-pieces into circulation should be taken into consideration by this Government,

No. 752, 19th April, from Acct.-Genl., Punjab.
No. 307, 28th April, from Secy. to the Finl. Commr.

I am desired by the Honourable the Lieutenant-Governor to forward copies of the letters marginally noted, and to recommend, with reference to the opinion expressed by the Financial Commissioner, in which His Honour entirely concurs, that the pie-pieces should be withdrawn from circulation.

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From the Accountant-General, Punjab, to the Secretary to the Financial Commissioner, Punjab, dated Lahore, 19th April 1870, No. 752.

In reply to your No. 2165, dated 12th instant, I regret to say that, although many officers have complained of not being able to make any use of their balance of pie-pieces, none have been able to account for the difficulty of bringing them into circulation, and no suggestions have been offered for removing it.

2. I believe myself that the real reason is that the natives are so much accustomed to count everything by *fours*, that they do not readily adopt any other system of calculation. The system of *gundas* is to them very much what the decimal system is to us.

3. If you ask a native how many pice go to the rupee, he will not tell you 64, but he will say 16 *gundas*; and if you ask him at what rate *cowries* are selling, he will not say (for instance) 48 for a-pice, but 12 *gundas* for a-pice. It may not be thought unworthy of notice, as indicative of the readiness of natives to calculate by fours, that in Hindee and other similar characters, there are separate symbols for fourths, sixteenths, sixty-fourths, and even two hundred and fifty-sixths of a rupee.

4. I believe myself pies could be sold readily at the rate of 16 for an anna, and I would suggest this being authorized, to enable us to get rid of our surplus stock.

This is the rate at which they generally pass current in the bazaar, and I do not think there would be any fear of their returning to the treasuries in large quantities; for I believe they are only legal tender in respect to such fractional parts of a rupee as cannot be represented by pice.

5. The effect of this order might possibly be a still further depreciation of these coins in regimental bazaars; but I don't think that it would cause any loss to the European Soldiers; for they could always make use of them at par in their own canteens, if they indeed use them at all at present, except for purposes of adjustment.

6. I think that, if pie-pieces were issued on these terms, the half-pice would find a demand at par.

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From the Secretary to the Financial Commissioner, Punjab, to the Secretary to the Government of the Punjab, dated Lahore, 28th April 1870, No. 307.

With reference to your No. 306 of 30th March, regarding the circulation of pie-pieces, I am directed to state that the Accountant-General was asked whether his office contained the results of any inquiries on the subject. He has replied in a letter, No. 752, of 19th April, submitted herewith. He recommends that pie-pieces be offered to money dealers at the rate of 16 to the anna.

2. The Financial Commissioner's views are as follow :—

3. The coinage of pie-pieces was created by Regulation III. of 1831 and Act XXI. of 1835. The copper coins, of which the weight and value are declared by those Acts, are—

| | *Grains.* |
|---|---|
| Double-pice, or half-anna = | 200 |
| Pice, or quarter-anna = | 100 |
| Pie, or 1-12th anna = | 33⅓ |

It does not appear why the pie-piece was coined; nor has the Financial Commissioner been able to discover how the anna came to be divided into twelfths.

4. There is also another copper coin, a half-pice = ½ of an anna; this was coined under Regulation III. of 1831.

5. Of the copper coins above mentioned, the following—

1, Double-pice
2, Pice
3, Half-pice

circulate freely, and are used. The pie-piece is not used by the people generally.

The accounts of shopkeepers and merchants at Lahore are kept in rupees, annas, and *adhelas*. The *adhela* is equal to one-eighth of an anna, and it thus corresponds to the half-pice above mentioned.

The pie does not make a good fraction with either *adhela* or pice, and hence the reluctance to use it.

The pie is used in the accounts of hoondee merchants, and is a paper unit of calculation merely. The first coinage of pie-pieces is stated in *Prinsep's Useful Tables*, page 62, to have been struck by contract at Pulta in 1782; and the coin weighed 52 grains.

In 1792, another coinage made the pie 40 grains, and in 1831, by Regulation III., the weight was made 33⅓ grains. It will be seen how closely the first pie assimilated to the *adhela*, or half-pice. In *Prinsep's Useful Tables*, page 4, it is distinctly stated that the pie (one-twelfths of an anna) was an imaginary coin up to 1831.

6. In the Nagpore Division of the Central Provinces, there was a similar difficulty, in 1857, in putting pie-pieces into circulation.

Coolies in the Public Works Department were paid in pie-pieces, in order that copper coin might be put into circulation, and the *cowree* circulation displaced; but the men disliked the pie-pieces and refused to take them, as they could not pass them except at the rate of 16, instead of 12, for an anna.

7. The preamble of the Regulation III. of 1831* shows that the pie-piece was coined because it was expected to be useful; no such coin had existed before, and the pie was confessedly until then a nominal value. It does not appear to have met with favour anywhere as a coin, and it might, in the Financial Commissioner's opinion, be withdrawn from circulation.

* "Whereas great public convenience is expected from the circulation of copper coins of various denominations, in addition to the copper currency now in use, it is hereby enacted."

There is no use in forcing it upon the public by selling it to the native money-dealers at the discount proposed by the Accountant-General. The coins would either remain stagnant after being first forced out, or they would be returned to Government in some ingenious way by a native speculator.

8. The value of the copper is out of all proportion above the market-price of slab copper. Taking the price of the latter to be Rupees 40 per maund at Lahore, it is found that the weight of Rupees 40 of pie-pieces is only 17¾ seers. There is no danger, therefore, of the coins being melted up for the copper they contain.



9. The Financial Commissioner is, therefore, of opinion that it would be a mistake to force this coin, which is one coined on theory, upon the people. It is, after all, a mere token of value, as its intrinsic worth is far below the value it is supposed to represent. Such a token must meet the wants of the people, or it will not circulate. That it does not meet the wants of the people is shown by the absence of demand for it, and by the fact that the ordinary accounts of shopkeepers at Lahore, and probably elsewhere in the Punjab, are not kept in pies at all. The Financial Commissioner would not, therefore, offer the pies at 16 for an anna.

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Ordered that the foregoing correspondence be forwarded for remarks to the several Local Governments and Administrations, and to the Comptroller-General of Accounts and the Accountants-General and Deputy Accountants-General in independent charge.

(Signed) R. H. HOLLINGBERY,
*Assist. Secy. to the Govt. of India.*

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Referred to the Accountant-General for report.

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

OOTACAMUND,
*6th July* 1870.

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No. 29. From the Accountant-General, to the Chief Secretary to Government, Ootacamund, dated Fort Saint George, 19th July 1870, No. 119.

Resource Department.]

Adverting to the Financial Resolution of the Government of India, No. 1360, dated 23rd ultimo, forwarding. for the remarks of the Local Government, copies of a correspondence suggesting the withdrawal of one-pie pieces from circulation referred to me under your docket, dated 6th instant, I have the honour to observe that, in this Presidency, one-pie pieces appear to be in greater demand than any other copper coin, that whereas the receipts of one-anna, half-anna, and quarter-anna pieces into the several Treasuries and Banks are all largely in excess of the issues, it will be seen, from the marginal statement, the issue of one-pie pieces exceeds the receipts. Doubtless a copper coin representing the sixteenth or an eighth part of an anna would, in many respects, be more convenient for the purposes of account and calculation, but I have never heard any complaints urged against the one-pie piece in this respect, and the people are accustomed to them. I am of opinion, therefore, that, so far as the wants of this Presidency are concerned, the withdrawal of the pie-piece from circulation and the substitution of another coin is neither necessary nor desirable.

| | Opening Balance. | Closing Balance. | Excess Issue. |
|---|---|---|---|
| 1867-68... | 1,08,901 | 80,682 | 28,219 |
| 1868-69... | 80,682 | 59,593 | 21,089 |
| 1869-70... | 59,593 | 46,980 | 12,613 |
| Total... | | | 61,921 |

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No. 30. To the Secretary to the Government of India, Financial Department, dated Ootacamund, 29th July 1870, No. 321.

Referring to the Resolution in the Financial Department of the Government of India, dated the 23rd June last, No. 1360, regarding the withdrawal of pie-pieces from circulation, I am directed to state that the Madras Government concur in the opinion expressed by the Accountant-General, Madras, in his letter, dated the 19th instant, No. 119, copy enclosed, viz., that, so far as this Presidency is concerned, the withdrawal of the pie-pieces from circulation and the substitution of another coin is neither necessary nor desirable.

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

Exd. J. Wright.

1870.

FINANCIAL DEPARTMENT

From

The Chief Secretary to Government,

Fort Saint George,

To

The Secretary to the Govt. of India,

Financial Department

Dated 20th July 1870.

Recd.

No. 321.

Enclosure.

JULY.
Nos. 28—30.

Intimating that the Madras Government concur in the opinion of the Accountant-General, that the withdrawal of the pie-pieces from circulation and the substitution of another coin is both unnecessary and undesirable.

No. 610—10-12-69—1000.

5

Revenue Department.

No. 119

Fort Saint George,
Accountant General's Office.
19 July 1870

From The Accountant General,

to the Government of Madras.

To The Chief Secretary to Government
Octacamund

Sir,

Adverting to the Financial Resolution of the Government of India No. 1360 dated 23d Ultimo forwarding for the remarks of the Local Government Copies of a correspondence suggesting the withdrawal of one pie-pieces from the circulation referred to me under your docket* dated 6th Instant I have the honor to observe that in this Presidency one pie-pieces appear to be in greater demand than any other copper Coin. that whereas the receipts of one anna, half anna, and quarter anna pieces into the several Treasuries and Banks are all largely in excess of the issues; it will be seen from the marginal Statement the issue of one pie-pieces exceeds the receipts Doubtless a copper Coin representing the sixteenth or an eighth part of anna would in many respects be more convenient, for the purposes of account and calculation but I have never heard any complaint urged against the one pie

* herewith returned

| | Opening balance | Closing balance | Excess Issues |
|---|---|---|---|
| 1867/68 | 108901 | 80682 | 28219 |
| 1868/69 | 80682 | 59593 | 21089 |
| 1869/70 | 59593 | 46980 | 12613 |
| | | | 61921. |

pie-piece in this respect and the people are accustomed to them. I am of opinion therefore that so far as the wants of this Presidency are concerned, the withdrawal of the pie-piece from circulation and the substitution of another coin is neither necessary nor desirable.

I have the honour to be
Sir
Your obedient servant
F. Cruickshank
Accountant General

Copd. Authenticated
Cooke R.F.

Fin. & Dept. Proceedings
From the Accountant Genl
Fort St. George
To the Secretary to the Govt
of India
Fin. Dept.
Dated 29th July 1870
Read 23rd Aug 1870
No 119
Subject.
Coin that the
withdrawal from
circulation of the
Annas and the
substitution
therefor of
Rupees

Financial Department.

No. 321.

To

The Secretary to the Government
of India.

Financial Department.

Sir,

Referring to the Resolution in the Financial Department of the Government of India dated the 23rd June last No. 1360 regarding the withdrawal of pie-pieces from circulation, I am directed to state that the Madras Government concur in the opinion expressed by the Accountant General Madras in his letter dated the 19th instant No. 119, copy enclosed, viz, that so far as this Presidency is concerned the withdrawal of the pie-pieces from circulation and the substitution of another coin is neither necessary nor desirable-

Recommend
29th July 1870.

3 Att. Yellow — 16
2 Ad. Ms. — 26

18 . *Department.*

*No.*

To

The Secretary to the

Government of

Department

Dated 187 .

1870.

Financial DEPARTMENT

From

The Chief Secretary to Government,
Fort Saint George,

To

The Secretary to the Govt. of India,
Financial Department.

Dated 29 July. 1870.

Recd.

No. 321.
Enclosure.

Nos. 28-30.

Transmitting letter from the Accountant Genl. Madras, stating that the withdrawal of the pie piece from circulation and the substitution of another coin is neither necessary nor desirable, in which opinion Govt. concurs.

C27/7 · R29/7