Revenue Department

G.O. No 835

Dated 24th June 1857

Proceedings of the Madras Government, Revenue Department, from 18th to 24th June 1859.

No. 60. Read the following Proceedings of the Madras Government in the Financial Department; dated 14th June 1859, No. 335.

Requesting to report on Collector Cotton's views relative to the extensive issue and circulation of small Silver and Copper Coins in the Provinces. (Vide Financial Proceedings from 11th to 17th June 1859, Nos. 5-6.)

No. 61. ORDER THEREON, 24th June 1859, No. 835.

Ordered that the foregoing Proceedings be recorded.

(Signed) J. D. BOURDILLON,
Secretary to Government.

Extract from a letter from Lieut. Colonel F. C. COTTON, Engineers, dated Ootacamund, 1st February 1859.

6th. My experience has shewn me that while the payment for labour is in food only, the labourers will never be induced to exert their strength. It is supposed by those who have not looked into the subject that the Ryots get their work cheaply done because they pay very little for it; but such is not the case. The day's work done by their coolies is still smaller in proportion; and it is evident that any slight increase in the measure of grain given in payment has but little effect in stimulating their workmen's energy. The effect of a money payment is altogether different, and though it may take time for the coolies of some parts of the country to learn the value of money, its value when learnt makes it a stimulant sufficiently strong to rouse the energy of the most inert and unpromising.

7th. When the Ryots' coolies first take service in the Engineer Department they cannot endure a hard day's work; but as they find themselves in the possession of money, and see that every effort they make, adds to their store of it, they increase their exertions daily, and learn that they are able to do three or four times the amount of work they had supposed themselves capable of. The first day's work in the Engineer Department is greater than is exacted from them by the Ryots, and I do not think I overstate it if I say that when sufficient inducement is offered, the work done by the agricultural labourers will be four times what it is at present. And as the productive powers of the country must, after all that is done for it, mainly depend on the activity of the working population, I look to the rapid extension of money payments for the labour of the country, as a point of vital importance.

8th. The substitution of money for food in the payment of the coolies has already begun, and will extend as rapidly as the means are supplied. There has been for some time an outlay of money amongst the labouring classes in the neighbourhood of the Great Indigo and Sugar Works, and also on the works of Engineering carried on under European management. The Railway works are circulating coin amongst the same class; and now that Europeans have more immediate concern in the purchase of labour for the Tank repairs, money will be placed in the hands of multitudes who never before possessed it. Where this is the case, the Ryots will be obliged to offer money too, or they will not be able to compete with those who do. And such to a certain extent has been the change in the Godavery Delta and other similarly circumstanced localities.

9th. To bring about this desirable change as speedily as possible, the coinage of Small Silver and Copper Coins must be far greater than it has been, or than it can be, in the present condition of the Mint. The use of steam in the lamination of Silver will make a considerable increase in the out-turn of Coin; and if the importance of a great issue of Small Silver is admitted, and authority is given for its manufacture, the Madras Mint may shortly issue each day fifty thousand pieces; while fifty thousand Rupee pieces, and a hundred and fifty thousand Copper pieces are also delivered daily.

10th. Such an issue of Small Silver Coin will not be sufficient to supply the whole country immediately, but it will have a very important effect in furtherance of the substitution of money for grain in the payment of coolies. And if at the same time a hundred and fifty thousand pieces of Copper are issued daily and forced into circulation, some money will shortly find its way into the most remote villages.

11th. It will not be sufficient for the Mint to manufacture the Copper, and the Treasuries to receive it; it will still require some effort to get it into circulation. I have myself seen a total dearth of Copper Coin in the villages of a Collectorate, when it was said that there was more of it in the Collector's Treasury than he knew what to do with. In a recent inquiry, several Collectors considered that no more Copper Coin was wanted; and there have been cases where it was actually returned to Madras from the Collectors' Treasuries, while the country generally is notoriously deficient in money of all sorts.

12th. There are several reasons why the Copper Coin remains in the Collectors' Treasuries. First because it is not a convenient coin to issue, Secondly because the town in which the Treasury stands has soon an ample supply; and the want of it in the remote villages is not under observation. And thirdly because the most influential people of the District do not want it to be

abundant. Those who deal in money make a profit by its being scarce; and the Ryots are strongly opposed to any thing which leads to the use of money instead of grain in the payment of the coolies.

13th. Under these circumstances it will need an effort to force Coin into use; and the first step to be taken in some Districts must be to convince the Revenue Officers of the importance of such a currency. But it will be well to give them authority also to sell it at a discount. It is so sold, I believe, in Calcutta, and we should have a sale of it in all the coast Treasuries, if not in those inland also.

(True Extract.)

Chief Secretary.

Exd. A. P. W. Begbie.

FINANCIAL DEPARTMENT.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from the Secretary to the Mint Committee.

Forwards for submission original letter from Colonel Bell, dated 31st March last, No. 415, with its enclosures; suggesting certain alterations and increase of pay to the Mint Establishment.
Proposes to defer the consideration of the several points therein until the views of the Officer, who may be vested with the charge of the Mint, shall be ascertained.
Suggests that such portion of Colonel Cotton's letter as refers to the circulation of small Coins in the Provinces be Printed and transmitted to the Collectors, &c.

(Dated 27th May 1859, No. 94.)

ORDER THEREON, 14th June 1859, No. 335.

Resolved that Extract from Lieutenant Colonel Cotton's letter of 1st February last, paras. 6 to 13 be furnished to the Board of Revenue, and to the Chief Engineer, Department Public Works, who will report, after referring to those Officers in the Revenue and Public Works Departments respectively, whom they may wish to consult upon Colonel Cotton's views relative to the extensive issue and circulation of small Silver and Copper Coins in the Provinces.

2. Adverting to para. 2 of Mr. Balmain's letter, the Government would wish to have the opinion of the Committee on the various points mooted by Colonel Cotton at an early date.

(True Extract.)

Chief Secretary.

To the Revenue Board.
„ Revenue Department.
„ Chief Engineer, D. P. W.
„ Public Works Department.
„ Secretary Mint Committee.

Exd. A. P. W. Begbie.

Revenue 1859 Dept.
Pro: of Govt. 24th June.

No. 1116

Proceedings of the Master Gen.l in the Financial Department.

Dated 14th } June 1859
Rec.d 18th }

1 Encl.

Requesting to report on Col.l Cotton's views relative to the extensive issue and circulation of small Silver & Copper Coins in the Provinces.

No. 835

Recorded

24th June 1859.

No. 60 & 61

Revenue 1859 Dept.t
Pro: of Govt. 24th June.

No. 1116

Proceedings of the Master Gen.l in the Financial Department.

Dated 14th } June 1859
Rec.d 18th }

1 Encl.

Requesting to report on Col.l Cotton's views relative to the extensive issue and circulation of small Silver & Copper Coins in the Provinces.

No. 835

Recorded

24th June 1859.

No. 60 & 61

Abstract { Vide Financial Dep.t Proc.s 11th to 17th June pg.s etc. }

No. 61 Abstract, 21st June pg.s etc.

Ordered that the foregoing Proceedings be recorded

[illegible]