

Saturday, 21st April, 1855

**PROCEEDINGS**

**OF THE**

**LEGISLATIVE COUNCIL**

**OF INDIA**

**Vol. I**

**(1854-1855)**

## MARINE PROJECTS OF LAW.

MR. PEACOCK moved that Mr. LeGeyt be added to the Select Committee on the projects of Law connected with the Marine Department.

Agreed to.

## PORTS AND PORT-DUES.

MR. PEACOCK moved that Mr. LeGeyt be added to the Select Committee on the Bill "for the Regulation of Ports and Port-dues."

Agreed to.

## MOFUSIL MUNICIPAL LAW.

MR. LEGEYT moved that a communication from the Government of Bombay to Mr. Malet's address, forwarding copy of a correspondence relative to the introduction of Act XXVI of 1850 into the City of Poona, be laid upon the table and referred to the Select Committee appointed to consider and report upon the question of Municipal Law for the conservancy of Towns in the Territories under the Government of the East India Company.

Agreed to.

## POLICE (BOMBAY).

MR. LEGEYT moved that a communication from the Government of Bombay to Mr. Malet's address, forwarding, with observations, the Draft of an Act to amend the Law relating to intoxicating liquors, drugs, and preparations, and to provide for licensing places of public entertainment within the local jurisdiction of the Supreme Court of Bombay, be laid upon the table, and referred to the Select Committee on the Projects of Law relating to the Police and Conservancy of Calcutta, Madras, and the Straits Settlements.

Agreed to.

## NOTICES OF MOTION.

M. LEGEYT gave notice that he would, on Saturday the 21st instant, move the first reading of a Bill to amend the Law relating to the execution of Decrees of Courts in the Bombay Zillahs.

Also of a Bill to amend Regulation XVIII of 1827 of the Bombay Code.

The Council adjourned.

*Saturday, April 21, 1855.*

## PRESENT :

Hon. J. A. Dorin, Senior Member of the Council of India, *Presiding*.

Hon. Major Genl. Low, D. Elliott, Esq.,  
Hon. J. P. Grant, P. W. LeGeyt, Esq.,  
Hon. B. Peacock, and  
Hon. Sir James Colville, C. Allen, Esq.

## MR. MILLS' RESIGNATION.

THE CLERK reported a letter from Mr. A. J. M. Mills, dated the 10th Instant, intimating his resignation of his seat in the Council.

## DISTRICT MOONSIFFS (FORT ST. GEORGE).

Also a petition from Vudlamunnaty Venkata Chellem, District Moonsiff of Ellore, forwarding the Draft of a Bill relating to the jurisdiction of District Moonsiffs in the Madras Presidency.

MR. ELIOTT moved that the above Petition and Draft Bill be referred to the Select Committee on the Bill "to amend the Law relating to District Moonsiffs in the Presidency of Fort St. George."

Agreed to

## REGULAR APPEALS (FORT ST. GEORGE).

THE CLERK reported that he had received a communication from the Secretary to the Government of Bombay, enclosing copy of a letter from the Sudder Court there, stating that they see no necessity for introducing the provisions of the Bill "for the amendment of procedure in cases of Regular Appeal to the Sudder Court in the Presidency of Fort St. George" into the Bombay Presidency.

## PARDONS, REPRIEVES, &amp;c.

Also that he had received from the Secretary to the Government of India, in the Home Department, a Despatch from the Honorable the Court of Directors containing the Draft of an Act, as sanctioned under the sign manual of Her Majesty, to remove doubts relating to the power to grant pardons and reprieves and remissions of punishments in India, together with the former papers on the subject.

### EMIGRATION TO ST. LUCIA AND GRENADA.

Also from the same, a copy of a Despatch from the Honorable the Court of Directors, and of its enclosure, regarding the proposed extension of Act XXI of 1844, so as to admit of the emigration of coolies from India to St. Lucia and Grenada.

### EXECUTION OF DECREES (BOMBAY).

MR. LEGEYTT begged to be allowed to postpone his motion for the first reading of the Bill to amend the Law relating to the execution of decrees of Courts in the Bombay Zillahs, stating that he had found it necessary to make a reference to the Bombay Government on the subject.

### STAMPS (BOMBAY).

MR. LEGEYTT then moved that a Bill "to provide for certain applications to Courts of Principal Sudder Ameens, Sudder Ameens, and Moonsiffs in the Presidency of Bombay being written on Stamped Paper" be now read a first time. The object of the Bill, he said, was to enable Courts presided over by Principal Sudder Ameens, Sudder Ameens, and Moonsiffs to receive certain applications in judicial proceedings pending before them on Stamp Paper. It had been found necessary to provide for this object, because a question had lately arisen in a Zillah Court at Bombay whether it was legal for these Officers to demand that certain applications made to their Courts should be written upon Stamp Paper. Regulation XVIII of 1827 of the Bombay Code defined what applications to Courts of Judicature within that Presidency must be written upon Stamp Paper; and an Appendix to the Regulation showed the value of the Stamps required. The 18th Section of the Regulation set out the different applications, and Appendix D divided them into two classes. In regard to the first class, it provided that the applications should be written on Stamp Paper bearing a proportional value to the sum sued for or appealed against: in regard to the second, it provided that the value of the Stamp should be according to the Courts in which the applications were presented. Three Courts were named in the Appendix—the Court of an Assistant Judge, the Court of a Zillah Judge, and the Court of Sudder Adawlut;

but no mention whatever was made of Courts of Principal Sudder Ameens, Sudder Ameens, and Moonsiffs. It was very true that the Regulation to which he referred had been in force for a number of years; and it was equally true that several Officers of the class last named had, from the year 1827 to this time, demanded that all applications of the kind contemplated by Appendix D of the Regulation should be written upon Stamp Paper, and that this demand had been complied with. Inquiry had recently been made as to what sort of Stamp Paper had been used; and some Officers had been found to have used Stamps bearing a proportional value to the amount sued for, and others to have adopted the scale laid down for an Assistant Judge's Court. The Sudder Court had declared this proceeding on the part of those Officers to be illegal; and although the question had not arisen exactly on a matter relating to Act VII of 1851, which imposes the duty of enforcing all decrees on the Courts in which the original trial has been held, still the Sudder Court had remarked, and very correctly, that that Act had rendered it particularly necessary that a Bill like the present should be passed. Since that Act had come into operation, the number of miscellaneous applications to the Native Courts had increased immensely—not a day passed but what numbers of them came in. He might mention that he understood that, in the Presidencies of Bengal and Madras, miscellaneous applications to Courts of Sudder Ameens and Moonsiffs were not required to be written on Stamp Paper. Whether the omission in Regulation XVIII of 1827 of the Bombay Code, now sought to be supplied, was intentional or not, he was unable to say; but the omission was there. When the Bill, of which he now moved the first reading, should be referred to a Select Committee, it would be for them to see whether the much increased and higher jurisdiction which the Native Courts in Bombay had, did not justify the difference in this respect between them and the Native Courts in Bengal and Madras. In Bombay, the jurisdiction of a Principal Sudder Ameen was unlimited as to amount; the jurisdiction of a Sudder Ameen extended to Rupees 10,000; and the jurisdiction of a Moonsiff to Rupees 5,000. In Bengal and Madras, the jurisdictions of these Officers were, he believed, much more limited.

The Honorable Member concluded by moving the first reading of the Bill. Bill read a first time accordingly.

## COPPER CURRENCY (STRAITS).

MR. GRANT moved that the Council resolve itself into a Committee upon the Bill "to improve the Law relating to the Copper Currency in the Straits," and that the Committee be instructed to consider the Bill in the form in which it was recommended by the Select Committee to be passed. He did not anticipate any objection to the amendments which had been introduced into the Bill by the Select Committee; but to the principle of the Bill, he was not so sure that objections would not be made. No objections were made to the principle when the Bill came before the Council for a second reading; though, on that occasion, some valuable suggestions respecting matters of detail were made by the Honorable Member to his right (Mr. Allen,) which, with certain modifications, had been adopted by the Select Committee, with great advantage, he thought, to the Bill. But since the Bill had been published for general information, the merchants of the Straits Settlements had objected strongly to the measure, and had represented that they were altogether opposed to it. These objections had been now for some time in the hands of the Members of the Council, and he had no doubt that every Member had given his best attention to them. For his own part, he had given to them all the attention that he was capable of commanding. He had, moreover, conversed on the question with the Honorable Colonel Butterworth, the Ex-Governor of the Straits Settlements, who had always taken the liveliest interest in all questions relating to those Settlements, and in this one in particular; and he had further made it his business to read what had been published on the subject in the newspapers of Penang and Singapore, in which he had seen several very intelligent articles and letters objecting to the measure. If any Honorable Member had been influenced by these objections, it would be for him now to oppose the motion for going into Committee, and so to throw out the Bill at once.

The main objection that had been taken—the objection which was at the bottom of all others—was, that the Government of India desired to get rid altogether of the dollar currency in the Straits, and to make the rupee, at a fixed rate, and to an unlimited amount, legal tender in satisfaction of all contracts made in dollars. He would read from the first Resolution passed at a general Meeting at Singapore held on the 13th of October

1854, what would explain in their own words the sentiments of the Merchants on this subject:—"The Meeting," said that Resolution, "deprecates the introduction of the Company's Rupee as an unlimited legal tender at a fixed rate, as injurious to the trade of the Settlement, and as inexpedient and impolitic under any circumstances." Now the inhabitants of the Straits Settlements have imagined that this Bill is but the first step towards such a measure as that here objected to; the effect of which would be to make a rupee a fixed simple fraction of a dollar. They had taken other objections, and had made the most of them; but the objection which they really felt in their hearts, was this.

He thought it would be quite a sufficient answer to this objection, to say that this Bill had been framed without any such design as had been imputed; and that, as framed, it had, and could have, no such effect as had been apprehended. The Bill relates only to the Copper Currency in the Straits, and leaves the question of the silver currency entirely untouched. The rupee is, and has for years been a legal tender in the Straits in satisfaction of all engagements. And practically the Government now makes all its contracts there only in rupees: the salaries of the local Civil and Military Establishments, from the highest to the lowest, are paid in rupees, and in nothing else. It was impossible that this state of things should go on without some legal small change for rupees being provided. This Bill would provide such legal small change. But if any man in the Straits should have to pay or to receive so much as one dollar, this Bill would not bear upon him in the slightest degree; and if any man in the Straits should have to pay or to receive so much as one rupee, this Bill would not bear upon him in the slightest degree. He (Mr. Grant) could not imagine how the Bill could have any effect one way or the other upon the Silver Currency of the Straits, when it would not affect so much as one dollar or one rupee.

This, in his opinion, was a sufficient answer to the fundamental objection that had been felt to this Bill; and upon this point he might stop here. But he felt the great importance of the general question of the Straits Currency; he knew that the Merchants in the Straits entertained very strong feelings upon it, and he, therefore, wished to go a little further.

He had framed this Bill. Now, speaking for himself, he could deliberately say that

if any person were to propose to pass such a measure respecting dollars as the Merchants in the Straits deprecated, no one would oppose such a proposition more earnestly than himself. He entirely agreed with the inhabitants of the Straits in thinking that such a measure would be extremely injurious.

The trade of the Island of Singapore alone, was enormous. In the last year it had exceeded nine millions sterling. The whole of that trade was foreign trade; and the great bulk of it was transacted with people who had no other circulating medium than the dollar. If a merchant in the Straits wished to sell any commodity in China or in the Eastern Archipelago, or in the Malayan Peninsula, or to any trader belonging to any of those parts, he could obtain no coin in payment for it but dollars; and if he refused to take dollars, the people of those parts would not deal with him. In the same way, if he wished to buy any commodity from any of those people, he must pay for it in dollars; and if he refused to give dollars, they would not sell to him. Therefore, he considered that the dollar was a necessity in the Straits; and as the value of the dollar in relation to the rupee was constantly and considerably varying, it would, in his judgment, be extremely injurious to make obligations contracted in dollars, to an unlimited amount, payable in rupees at any fixed rate whatsoever. Such a measure would introduce an element of uncertainty into all commercial dealings, which would be very disastrous. If, for example, a person should sell goods for so many dollars, and should receive a bill for the purchase money at a month's date, he might, under such a system, be paid either in dollars or in rupees when the bill became due. If, in the mean time, the value of the dollar should have fallen in relation to the rupee, he would, no doubt, be paid in dollars; but if it should have risen in relation to the rupee, he would certainly be paid in rupees. This would be a system of gambling rather than of legitimate commerce. He was convinced that the objection to any such measure taken by the merchants in the Straits was founded on fact, and was in principle unanswerable.

He had another objection to any such measure, which had not been mentioned in the Straits, and in which he was not aware that the Merchants there would agree; but it was an objection which, in his judgment, went to the root of the question. He objected to any such measure, because he felt

convinced that the dollar in the Straits was not money in point of fact, and ought not therefore to be treated as money, by being made a legal tender in satisfaction of *all* obligations, at any fixed rate of exchange whatever. One of the characteristics of coined money is, that it always bears, within very narrow limits of variation, a certain relative value to the precious metal. Therefore its value can only vary as that of the precious metal itself varies, which is an affair of centuries. That was the case with the sovereign, with the five-franc piece, with the dollar itself in the Southern States of America, and with the rupee in India. And why? Because if the value of the coin—the rupee, for instance—should have a tendency to fall—if there were more rupees at a place than people wanted, any one having rupees, would have nothing more to do than to put them into the crucible, and convert them into so much mere bullion. Thus the rupee could never fall below the value of so much silver of equal fineness. If, on the other hand, the value of the rupee should rise—if there were anywhere not enough rupees for the wants of the place, a person having bullion would have nothing more to do than to send it to the Mint and have it coined into rupees; and there would thus be introduced so many more rupees into the market, and by the ordinary principles of supply and demand, the value of the rupee would thus be kept down to its proper level. It was quite true that the dollar could never be less in value than the same weight of silver of the same fineness; but it was very far from true that the dollar in Eastern China could not rise beyond that value: because if a person there having silver, wishes to send it to a Mint to be coined into dollars, he must send it for that purpose very nearly to the Antipodes. The supply of dollars is limited exactly as the supply of Opium is limited; and therefore their value rises and falls in the market exactly as the value of Opium rises and falls. This had been illustrated by the present disturbances in China, in consequence of which the value of the dollar (which is easily concealed and secured) had risen immensely.

In late London papers, he had seen it reported that dollars had been, on this account, at a premium in China of 25 per cent.; and in one late paper, he had observed it stated that in one port in China—he thought it was Shanghai—the premium had risen to the almost incredible extent of 48 per cent. He held in his hand a

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Memorandum taken from the printed circular of one of the principal bill brokers of this town, in which was given the rate of exchange between the Rupee in Calcutta and the Dollar in China during every month in the year, for the last twelve years. The variations in the rate of Exchange shown in this Memorandum, would surprise Members. The average rate of Exchange for the whole twelve years was 216—that is to say, 216 rupees in Calcutta for 100 dollars in China. The highest known rate of Exchange within the 12 years was Rs. 255 per 100 Dollars, or Rs. 39 beyond the average: for a month together, the average had been so high as Rs 249½, being Rs. 33½ beyond the general average; and for a month together, it had been so low as Rs. 188, being Rs. 28 below the average. The difference, therefore, throwing out the single instance in which the exchange had risen to the immense premium of 39, was Rs. 61 between the highest and lowest months during the last 12 years. This could not possibly be the effect of the ordinary fluctuations of the mere commercial rate of Exchange. The commercial rate of Exchange could never, for any long time together, greatly exceed the cost of a bullion remittance from one place to another. But here was a difference of nearly 30 per cent. which, of course, was infinitely in excess of the cost of a bullion remittance from Calcutta to Canton, or from Canton to Calcutta. The only way to account for the fact was, by concluding that the value of the dollar itself rises and falls in the Eastern parts of Asia—in fact, as it should do by theory—exactly as the value of any other commodity whatever. That being so, how could the Government of India, which has no command over dollars, whether in respect to quality or quantity, impose them upon any part of the British Indian territories as a legal currency? It is a coin which rises and falls in value from month to month, and even from day to day, to an extent without limit; and therefore, if the Legislature were to do any thing that would have the effect of making this coin a legal tender in satisfaction of all demands in any part of British India, it would, in his opinion, make a very great mistake, and do much injury.

Having answered the main objection taken to the principle of this Bill by the Merchants in the Straits, he would offer a few remarks upon the other objections which they had urged. These might be all reduced to the one objection, that the intro-

duction of two copper currencies would complicate accounts in small transactions. That there would be some complication, was undoubted; but there would be none which was not involved in the fact of the Straits having two silver currencies. It was not his fault that the Straits had two silver currencies; and so long as they should have them, it appeared to him that there ought to be legal small change provided for both. As the Bill had been originally drawn, he admitted there would have been a certain degree of complication in the copper currency. In its original form, the Bill provided that pice or cents should equally be legal tender for fractional parts of a rupee or a dollar. Acting on the advice of his Honorable friend to the right (Mr. Allen), the Select Committee had altered that provision, and the Bill now provided that pice should be legal tender for fractional parts of a rupee or dollar, and that cents should be legal tender for fractional parts of a dollar only. Therefore, every one in the Straits would know that seven pice were always, and for all purposes, of exactly the same value as a five-cent piece. The poorest and most illiterate Malay could have no difficulty in making that calculation. No one could maintain that if five-cent pieces were coined for the Straits, the copper currency would be thereby complicated. He (Mr. Grant) could, therefore, see no probability of any complication from the arrangement now proposed. He observed that the petitioners who urged this objection of complication, were people who would not suffer by any real complication, in the copper currency. For who were they? Were they petty dealers who sold small articles to the poorer classes, or were they the poorer classes who bought small articles from petty dealers? No: they were Merchants whose transactions were in thousands of dollars, and who probably never saw a dozen copper coins from one month's end to the other. As to the poorer classes, he believed that they understand these things much better than the wealthier classes were apt to give them credit for doing. They are thinking day and night of small coins, and fractional parts of small coins, and so they acquire what to others often appears a wonderful facility in making such small calculations. This truth has often struck those who have travelled in countries where the coinage is really complicated, on seeing the poorest and most illiterate persons make calculations off-hand which would sorely puzzle the traveller.

He would conclude with but one other remark. The Hon'ble Colonel Butterworth had suggested—and this suggestion bore upon the question of the complication caused by a double currency—that a Law should be passed making the rupee, and its fractional parts, a legal tender at a fixed rate of Exchange between the two coins, in satisfaction of an obligation to pay any number of dollars not exceeding one hundred. The object of this proposition was to introduce in the internal transactions of the Straits the Rupee currency only, leaving for external transactions the dollar, which he (Mr. Grant,) speaking for himself, maintained was, in regard to foreign commerce, a necessity in these Settlements. He would give no formal opinion upon this proposition now. It was not at present necessary to form an opinion upon it; for the proposition had nothing whatever to do with the object of the Bill before the Council, which relates to the copper currency alone, and does not affect the silver currency in the least degree. But if the amount specified (100 dollars) was small enough to save from the operation of the proposed law all foreign dealings, he was aware, in the present state of his information, of no objection to such a law as had been suggested.

Having thus explained his reasons for adhering to the measure, he moved that the Council resolve itself into a Committee upon the Bill.

The question being proposed—

SIR JAMES COLVILLE said, if the honorable Member had not thought fit to enter into a discussion on the principle of the Bill, he (Sir James Colville) should have taken this as the most convenient opportunity for making the few observations which he had to offer; for he had certainly come prepared to put it to his honorable friend whether it was desirable, considering the representations that had come up from the Straits Settlements, to press a measure which, as far as he could judge from those papers, was opposed to the convictions of the Officers of Government, and to the feelings of the Mercantile Community in the Straits—which was alleged, upon grounds that to his mind seemed plausible, to be calculated to introduce confusion into the pecuniary transactions of the poorer classes there; and which, lastly, was really but a partial measure of legislation, touching only the fringes of a graver and larger question which the Legislature of India would, sooner or later, have to decide. In fact, the greater part of the observations made by the honorable Member,

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had been directed to that graver and larger question. It was a question which seemed to have been excluded, or sought to be excluded, from the consideration of the Council by the Report of the Select Committee, who wished the Council to consider the Bill upon its own merits, and solely with reference to the copper currency in the Straits. It was impossible, in his opinion, so to confine the question; and he thought the course which had been taken by the honorable Member, and the observations which he had made with reference to the silver currency in the Straits, showed the impossibility so to confine it. If it were permitted to a profane hand to raise the curtain which had been dropped, perhaps discreetly, over the present financial position of the Government in the Straits, he should say it was impossible not to see that the financial position which it had taken up there, was one in which it could not continue; and that, sooner or later, the questions of the Silver Currency of those Settlements, and the payment of public servants there in rupees, would have to be considered. At the time the representations from the Straits against this Bill were written, the Government had put itself in a position in which, in a majority of its transactions involving 100 dollars, it must lose 18 rupees on every 100 dollars; for it had directed that no payments should be received in the Treasury, except in rupees at an exchange of Rs. 220 per 100 dollars, while the market rate was Rs. 238 per 100 dollars. It must either continue to receive rupees in payment of certain demands at that rate, or it must depart from that position. If it should continue to receive at that rate, the question would arise whether it could pay at that rate. Payment at that rate would expose servants of the Government to considerable hardship, and might involve a sort of breach of faith towards the public creditor, and towards suitors and parties interested in monies invested in the local and other loans by order of Court. Therefore, he inferred that the larger question of the Silver Currency must, sooner or later, come under the consideration of Government—that the Government must ultimately determine whether it would continue to have that double Silver Currency which was unquestionably an evil in itself; or whether it would adopt one of the only three alternatives which appeared to present themselves.

The first of these alternatives was, to introduce the rupee as the sole Silver Currency

in the Straits, as in the rest of its dominions. In that attempt, it would be met by the insuperable objection which the honorable Member had already pointed out, and which no one could point out more forcibly—namely, that it would introduce the rupee against the wishes and feelings of the whole mercantile class, and cause great discouragement in all the transactions of one of the most flourishing commercial communities in the East. That was a result which, it was admitted, was not to be thought of.

The next alternative was, to fix a certain value on the rupee in relation to the dollar. He did not pretend to have fully considered this question; but certainly, it appeared to him that the honorable Member had shown that there existed grave objections to the adoption of such a measure.

The third alternative was, to say that there should be in the Straits a dollar and a cent currency, and that currency alone. In favor of this measure, he should have thought that much might be said. The honorable Member had produced very elaborate calculations, and had urged reasons which he (Sir James Colville) was not prepared to say were insufficient, to show that the value of the dollar was necessarily subject to greater fluctuation than that of any other silver coin; and thence drew an argument against its exclusive use. Nevertheless, it did seem to be the fact that, in spite of the introduction of the rupee, and the attempt made by Government to encourage the use of it, the dollar continues practically to represent throughout the Straits Settlements almost all private transactions, whether external or internal. But however that might be, one reason which the honorable Member had assigned for the extreme variations in the value of the dollar—its place of coinage—might be obviated if the Government of India were to coin dollars for the Straits. The inhabitants of Singapore seemed to think that this would be of great advantage to the Straits Settlements, and would, at the same time, prove highly profitable to the Government. If the Government, should coin dollars for the Straits, he—speaking, however, with great diffidence on such a subject—was unable at present to see why the value of the dollar need be much more variable than that of any other form of silver coinage.

Then, there remained the suggestion by Colonel Butterworth, that, within given limits, the rupee should have a certain value in the Straits—that it should be a

legal tender for all demands up to 100 dollars. That, certainly, would secure the circulation of a certain number of rupees in the Straits, without disturbing the larger operations of commerce; and the rupee, under such a system, might fill much the same place in the currency of the Settlements that it did in Ceylon, where, although all transactions were nominally in pounds sterling, shillings, and pence, a very large quantity of rupees were in circulation at a fixed value of 2s.

Here, then, and in this doubtful state, was the grave question which the Government of India must ultimately solve; and nothing that the honorable Member had said in support of his motion, had shown him the necessity of passing the partial measure proposed in the present Bill in the mean time. Looking at the various Acts referred to in this Bill or in the Report of the Select Committee, he thought that the evils and anomalies with which the Legislature had now to deal, had principally arisen because the former Legislature had never, except in the Act providing the coinage of cents, considered the Straits Settlements with reference to the currency by themselves. Whenever the rupee, pice, and pie had been introduced into them, they had been introduced only by implication. Nothing had been shown that the dollar, as a medium of circulation, had been insufficient for the wants of the Straits; and he could not find that pice, or the other denominations of Indian currency, had ever been in general use in the Straits.

The Honorable Member had said that the Government paid its Sepoys in the Straits in rupees, and that therefore the Sepoys should have the means of receiving fractional parts of a rupee. But surely, when the Government settled what value the rupee should have in relation to the dollar, it must also declare that it would be equal to so many cents. The actual payments made, were, not in pice, but in rupees; and the Government would not get rid of the difficulty by merely saying that the fractional parts of a rupee should be equivalent to so many fractional parts of a dollar.

For these reasons, seeing that the Council would go but the smallest fraction of a step towards solving the real difficulty involved in the currency of the Straits, he thought it should pause until it could take up that question as a whole, and decide upon it on the soundest principles at which it could arrive.



By passing the present Bill, it appeared to him it would only increase the existing difficulty, since it would thereby introduce a double copper currency where there now was only a single one.

Mr. ALLEN said, as a Member of the Select Committee upon the Bill, he desired to say a few words upon what had fallen from the Honorable Member who spoke last. The Honorable Member had, in his argument, joined the two questions of introducing the rupee into general circulation and that of fixing the value of the dollar in rupees, though he had named them separately in his speech and had said that the Government would have to choose between three alternatives,—namely, first, whether it would introduce the currency of the rupee into the Straits; or, secondly, whether it would fix a certain value on the rupee in relation to the dollar; or, thirdly, whether it should declare the dollar to be the sole currency. To introduce and encourage the currency of the rupee, and to fix a certain value upon it in relation to the dollar, were two very different things. The first, he advocated; but not the last; for not only did the value of the dollar vary from month to month, and even from day to day, but it varied in the different ports of China at the same time. The very last reports showed that the dollar at Shanghai, at the date of the mail leaving, was 29 per cent. more than it was at Canton, showing clearly that it was not a currency but a commodity, the value of which varied according to the supply and demand, like any ordinary article of merchandize; and, therefore, to fix its value in rupees would, to his mind, be as unadvisable and as objectionable as to fix the value of Opium in rupees.

But it was a very different thing to encourage the circulation of the rupee, which is the currency of this country, and properly of the Straits, and in that way to discourage the use of the dollar, which was not the legal currency of the Straits nor of China, and which was not known in the interior of the Chinese Empire, the dollar having only been introduced into certain ports by foreign merchants. The only national currency of China was the small coin called "cash"; and for all large amounts, trade was carried on by the exchange of a certain number of ounces of silver, which were weighed out and given in exchange for Opium, dollars, or any other commodity.

The value of the rupee was fixed and known, and when the rate of exchange

between it and the dollar rose and fell (which it did to a great extent, being now rupees 217 per 100 dollars and now at rupees 230 per 100 dollars) it was not the value of the rupee that fluctuated, but the value of the dollar, and this was proved by the Exchanges on London, for the dollar has in China been taken in exchange at 7 shillings and even 7s. 6d., although its real value was under 4 shillings and six pence.

During the last twenty years, we had introduced the Company's rupee over the greater part of India. Twenty years ago, the rupee of Calcutta was a very different coin from the rupee of Furruckabad or the rupee of Madras, or the rupee of the present day. Not only had we been able, by the great power of our Mints, to coin the Company's rupee in sufficient numbers to supply the wants of the old British territories in India, but we had introduced it into the Punjaub, where it was unknown ten years ago; and we were fast introducing it into general circulation in other places; there were many more now at Arracan than before; it had become current in Rangoon; and its circulation was extending farther and farther eastward. Then, why should we not try by legislation to encourage (he did not wish to force) its introduction as a currency in the Straits? It was alleged that the measure would make calculations difficult, and that it would be inconvenient. This might be so at first; for all reforms are disliked and deemed inconvenient at the moment of introduction, but let the change be complete, and it will be found that we have conferred a great benefit upon the people of the Straits, and one which will last for ever. The rupee had now been introduced into Ceylon; it had introduced itself into the Mauritius; and this Bill would provide a means for its introduction into the Straits, without interfering with the value of the dollar.

Any legislation which should declare how many rupees should go to the dollar, and for all payments of all debts below even 100 dollars, might undoubtedly be objected to; for it would be an attempt to fix the value of the dollar, which could not be fixed. When the representations from Singapore were sent up, the value of 100 dollars was there between Rs. 230 and Rs. 240. It had now fallen to from Rs. 218 to 220, and in consequence of this fall in value, the Government Officers in the Straits had lately made no complaint, and urged no objection

*Sir James Colville*

to being paid in rupees instead of dollars. They only objected when the value of the dollar rose above par.

MR. PEACOCK said, he had but a very few observations to make.

There were two principles involved in this Bill—one was contained in the first Section, and the other in the second. The first Section made certain copper coins a legal tender in the Straits for fractional parts of a rupee. The second Section made them a legal tender for fractional parts of a dollar. By Act XVII of 1835, the rupee was current in the Straits, as well as in every other part of India. The Government entered into contracts in rupees, and paid its Sepoys and other servants in the Straits in rupees. Up to the year 1844, pice, double pice, and pies were a legal tender for fractional parts of a rupee in the Straits, as well as in other parts of India; but by Act VI of 1847, it was enacted that cents, half cents, and quarter cents only, should be received at, or issued from, any Government Treasury in the Straits, or be a legal tender for fractional parts of a dollar. He could not agree with the Hon'ble Member opposite (Mr. Grant) in thinking that it would be injurious to make a rupee bear a fixed relative value to a dollar in the Straits. The dollar, in point of fact, was not a coin of the realm. It was not a coin of the Government of India. It was the coin of a foreign country, allowed to pass as a current coin in the Straits. It was a mere token, having no fixed value in reference to the current Silver Coins of the East India Company. In former years, Sicca Rupees were current in India. But by Act XIII of 1836, they had ceased to be a legal tender. The value of dollars was constantly varying, like the value of any other article, and the Government had no control over the value; but with regard to their own coin, they could always prevent the value from fluctuating in the same way, by keeping the market supplied with a quantity equal to the wants of the people. His Hon'ble friend opposite (Mr. Allen) had said that it would be as wrong to fix the value of dollars in rupees as to fix the value of Opium in rupees. He could not agree with the Hon'ble Member in that opinion. He thought that so long as contracts were made in the Straits payable in the coin of a foreign country, it was incumbent upon the Government to see that its own coin should bear a certain relative value to the coin to which the contracts were made payable.

It would not be right for the Government

to enter into contracts for the payment of their troops and servants in the coin of a foreign country, the value of which was constantly fluctuating, and which the Government might not be able to obtain in sufficient quantities to discharge their liabilities except at an exorbitant price. He thought that the Government was right in making their contracts and payments in rupees, so that they might always calculate what their expenditure would be. But if the Government made their contracts and payments in rupees, and their Sepoys and Servants were obliged to make their daily contracts in dollars and fractional parts of dollars, they could not know what they really had to live upon unless the value of dollars were fixed relatively to rupees. A servant of Government receiving rupees 100 per month as a salary, could not know how far his salary would go in discharge of liabilities incurred in dollars, so long as the relative value of rupees and dollars was constantly varying. At one time, 220 rupees might be sufficient to discharge a debt of 100 dollars, and at another time it might require 245 rupees to discharge a debt of 100 dollars. If a contract were entered into in dollars in China, and an action were brought upon it in Singapore, he (Mr. Peacock) would not say that the party sued ought to be at liberty to tender rupees in payment, because the party would have entered into the contract in a foreign country. But whether there should be a fixed relative value between dollars and rupees, or not, was not the question now before the Council. The question that was before it related to the copper currency merely. The Company's rupee was the silver coin of the Government in the Straits, but there was no copper coin which could be legally tendered there for fractional parts of a rupee. The cent had been made a legal tender for the fractional parts of a dollar, which, as he had before observed, was the coin of a foreign country; and it seemed clear to him that so long as the rupee was current in the Straits, this Government ought also to allow pice, double pice, and pies, which represented fractional parts of a rupee in all other parts of India, to be a legal tender in the Straits for such fractional parts of a rupee. As the Law now stood, no person could, if he were desirous of so doing, enter into a contract there for a fractional part of a rupee, because there was no coin current in the Settlement in which he could discharge his liability. The cent,  $\frac{1}{2}$  cent, and  $\frac{1}{4}$  cent,

which were the only local copper currency at present, bore a legal proportion to a dollar but no legal proportion to a rupee. Persons, therefore, in the Straits, though receiving their salaries in rupees, were obliged, if they wanted to purchase any article of less value than a rupee, to enter into contracts in cents, or other fractional parts of a dollar.

Now, it appeared to him that so long as the Indian Government made its contracts in the Straits in rupees, it ought to provide some coin by which the fractional parts of a rupee could be paid.

He would go even further than this. He would insist that, if a person in the Straits entered into a contract for 5 cents, he should be allowed to pay the debt with 7 pice. He (Mr. Peacock) could see no objection to this. Both cents and pice were the coins of this Government and bore the same proportion precisely in point of weight. A cent according to the Act, weighed 140 grains Troy : a pice, according to the Act, weighed 100 grains Troy ; and, therefore 7 pice were equal to 5 cents. A double pice weighed 200 grains Troy ; and, therefore, 7 double pice weighed equal to 10 cents. A pie weighed  $33\frac{1}{3}$  grains Troy, and therefore 21 pie were equal to 5 cents. It had been objected that the measure would have the effect of puzzling the Malays. He did not think that the Malays were so easily puzzled. But it was to be observed that the Government had to protect not only the Malays, but its own Sepoys and other servants in the Straits. Besides, there appeared to him to be no very great difficulty in understanding that 7 pice would for all purposes be equal to 5 cents, and 7 double pice equal to 10 cents, and 21 pie to 5 cents. For these reasons, he saw no objection to the principle of the Bill. He had certain verbal alterations to propose in it, but he should wait to do that until the Council should go into Committee upon the Bill.

MR. GRANT said, he had a few words to offer in reply. His Hon'ble and learned friend to the right (Sir James Colville) had taken the Select Committee rather to task for having confined themselves to the business in hand. Had it been his (Mr. Grant's) good fortune to have been arguing this question before his Hon'ble friend in another place, it would not, he thought, have been the Select Committee who would have been taken to task for not travelling out of the record, but rather himself for having done so ; for certainly, he had travelled a little out of the record,

*Mr. Peacock*

when he had proceeded to remark upon anything but the copper currency of the Straits, to which subject alone the Bill related. He did not, however, regret that he had entered upon the general question of the Straits currency, because, although there were differences of opinion amongst hon'ble Members, this discussion would show the Merchants in the Straits that their feelings upon that question were not unrepresented in this Council. His hon'ble and learned friend had said that the present practice of the Government of India in respect to the currency in which payments were made and received in the Straits, could not be persevered in ; and he had remarked that Government seemed to him to be losing eighteen rupees out of every hundred dollars due to it. That calculation was no doubt made with reference to a rate of exchange which existed two or three months ago. But he (Mr. Grant) really did not think that the Government could be fairly considered to have lost a single farthing by that mode of receiving payment. For what was it that the Government had to receive ? A certain number of ounces of silver. And what was it that the Government had expressed their willingness to accept ? The same number of ounces of silver, represented in their own coin. As it paid, so it received.

His Honorable and learned friend had said that the Government might coin dollars for the Straits. It might coin dollars : though it could not coin Spanish dollars, or the dollars of any particular South American State. What it could coin, would be a dollar equal to the average value of the dollars now current in the Straits, which might be called the Company's dollar. If such a coin were introduced, he had no doubt that it would be extremely popular in the Eastern Archipelago ; but for that very reason, do what the Government could, it would not be able to keep the Straits Settlements adequately supplied with the new coin when dollars might be scarce, because, in those circumstances, that coin would be always flowing out of our own settlements into the Eastern Archipelago. There would thus, notwithstanding the supply furnished by Government, always be occasionally the same want of dollars as there had been lately. This was not a merely theoretical opinion. That which had occurred in the Settlements in regard to cents, was a proof that this view was practically true. This Government coined cents for the Straits, and it had sent that coin to the Settlements in

very large quantities. He gathered from a reference which had been made to the Executive Council a few weeks ago, that this Government had been sending to the Straits 12,000 dollars' worth of cents, half cents, and quarter cents, annually. The people in the Straits had represented that, notwithstanding this great supply, there was now at Singapore a great scarcity of cents, so that no one there could get more than 95 or 96 cents in exchange for a dollar, and they had asked that 24,000 dollars worth of cents and smaller coins should be sent to them annually in future. The reason assigned for the cents having become so scarce notwithstanding the large supplies, was, that they were a very popular coin in all that quarter of the world, and were therefore always flowing out of the Straits into the Eastern Archipelago. So would it be with the Company's dollar. Great as was the power of the present Mint, it could not fill the Eastern Archipelago and China with dollars and cents. He had made a rough calculation, by which he found that to coin the 24,000 dollars worth of copper asked for annually, would occupy the Mint several weeks. The Mint was certainly one of very great power; but it had also an enormous territory to supply, including the new Provinces of the Punjab, Nagpore, Burnah, Pegu, and various other outlying Provinces. With all these demands upon its power, the Mint could not possibly devote many weeks in every year merely to keeping the Eastern Archipelago supplied with copper coins. No objection could be made to coining copper for that purpose, and so putting the machinery to profitable use, when it had no other employment; but when our own fellow-subjects were urgently wanting rupees and pice for the supply of our own Territories, it could not be right to employ all our machinery in coining dollars and cents for the inhabitants of the Eastern Archipelago.

With regard to what had fallen from the Honorable and learned Member opposite (Mr. Peacock) as to the dollar being a mere token, his (Mr. Grant's) argument was that the dollar always had an intrinsic value, in the same way that green tea or long cloth had an intrinsic value; but that that value rose and fell in the same way that the value of green tea or long cloth rose and fell. The learned Member opposite had said, as he understood him, that means should be taken in the way of legislation, the practical effect of which would be to prevent people in our Settlements from making contracts in dollars. He

(Mr. Grant) must confess that he could see no reason for that. He could see no reason why persons at Singapore, if they wished to sell tea for dollars, should be prevented from doing so, any more than he could see why a merchant in Calcutta should be prevented from bartering dollars for bales of long cloth, if he chose to do so. In both places, if the contract were not fulfilled, the party failing to deliver the dollars should be assessed in damages in rupees; but the amount would, of course, depend on the market value of the dollar at the time and place when and where the dollars should have been paid.

In answer to a remark from Sir James Colville, Mr. Grant said he believed that the Recorder's Court assessed damages in dollars; but as the law stands, that seemed to him an erroneous practice, and one that for the future ought to be corrected.

With these observations, he begged to intimate his intention of pressing the motion for going into Committee upon the Bill.

THE PRESIDENT said, he feared he was not altogether in order in wishing to speak so late in the debate; but, with the permission of the Council, he would say a few words only on the important subject before it.

As a Member of the Select Committee on the Bill, he had concurred in its provisions, because he thought them useful so far as they went; but he certainly could not regard the measure by itself as either sufficient or final to correct the inconveniences of the Straits currency. He agreed in opinion with the learned Judge who had preceded him in the debate, and considered that much more extensive means must be taken to apply a fitting remedy to the evils complained of in the circulation of the Straits Settlements than were contemplated by the present Bill, and that those means must not be confined to the comparatively narrow limit of the copper currency. He looked upon the double silver currency of the Straits as an unmixed evil. And essentially, it was a double currency, and of a very inconvenient character; for though the rupee was alone a legal tender, and the dollar was but a token, and not legally recognized as a part of the currency, still, in this instance, custom had outweighed the Law, and the rupee was accepted with hesitation, whilst the dollar was preferably used in every description of transaction that entered into the ordinary avocations of life and of business. He spoke under correction, but he believed that an exactly similar process took place in China.

In Hong-Kong, as he understood, the legal currency was English money, the sovereign and the shilling; but in every ordinary transaction of business, dollars alone were made use of in practice, so far as he had occasion to observe on a short visit to that colony; so that he could not altogether assent to the view that had been taken by his Honorable Colleague on the right, (Mr. Grant,) who had defined the dollar to be a commodity, and nothing more than a commodity. It was essentially the currency of the whole of the Eastern Archipelago, and of Eastern Asia, and appeared to him to approach much more nearly to the quality and purposes of a coin than of a commodity, although, no doubt, it performed the functions of a coin but imperfectly. It had performed the purposes of a coin imperfectly in the Straits; but still, it was in general use there, and, as yet, held its ground against the rupee. This, as he had before observed, was, to his mind, a great inconvenience; and he should be prepared to advocate any measure that would have the effect of getting rid of the double silver, and consequently double copper currency. If the dollar was preferred so greatly to the rupee as to render it inexpedient to enforce a rupee currency, then he saw no reason why the dollar should not be improved in its character of a coin, and deprived of its tendency to become a commodity, by being legalized and coined by the Government of India for the purposes of the Eastern Settlements. And this, he believed, might be done without any insuperable difficulty, by means of the three Mints of Bengal, Madras, and Bombay. On the other hand, if it was decided to maintain the rupee as the sole legal currency in the Straits—and he, for one, did not concur in many of the arguments that had been raised against this use of the rupee—most undoubtedly, he should advocate a much more extensive measure than was contemplated by the present Bill for the support and preservation of the rupee currency; and though he had the misfortune, he believed, to differ from his Honorable colleagues on this point, he would, as a means of primary importance, fix a legal rate of exchange between the Company's rupee and the dollar, which should have effect in all transactions and contracts undertaken in the Straits Settlements. It seemed to him immaterial whether the dollar or the rupee was selected as the single legal silver currency for purposes of use and of trade in the Eastern Settlements; but whichever of the two was chosen, he

certainly would uphold it by much more extensive measures than were proposed in the Bill now under consideration.

The Motion that the Council should resolve itself into a Committee upon the Bill, was then put, and carried.

The Council having resolved itself into a Committee—

Section I of the Bill was agreed to, after a verbal alteration.

On Section II being proposed—

MR. PEACOCK said, he had a substantial objection to its wording. The Section said that within the Settlements, a pice coined according to Act XXII of 1844, shall be legal tender for one 140th part of a dollar; and a double pice so coined, shall be legal tender for one 70th part of a dollar; and a pie so coined, shall be legal tender for one 420th part of a dollar, &c. He could not understand how this could be carried into effect; because no contract would ever be entered into for one 140th part, or for any number of one 140th parts, of a dollar. The contract would be either in cents, half cents, or quarter cents. He, therefore, thought that the words from "Settlements" to the end of the Section should be omitted, in order to substitute the following for them:—"for all purposes of tender, 7 double pice shall be deemed equal to 10 cents; 7 pice to 5 cents; 21 pie to 5 cents; 2 pice to a double pice; and 2 half pice to a pice."

Every one would then know that if he had to pay 10 cents, he might pay 14 single pice, or 7 double pice, or 42 pie; and thus those copper coins would be made payable for cents. In no case could a tender be made in these coins for any sum less than 5 cents.

MR. GRANT said that he was very loath to object to any amendment in the wording of the Bill which the learned Member opposite (Mr. Peacock) thought an improvement; but he really believed that the wording was decidedly better as it stood. It was true that no contract for the one one-hundred-and-fortieth part of a dollar had ever yet been entered into; but it did not follow that hereafter, when pice became plentiful, no such contract ever would be entered into. The present wording would certainly have the full effect of the proposed wording; because if one pice is equal to one one-hundred-and-fortieth part of a dollar, two pice must be equal to two such parts, seven pice to five one one-hundredth parts, and so forth. But he would give up the point if it could be shown to him how,

with the proposed wording, the simple problem of dividing one dollar equally amongst three persons could be performed by means of pice and pie. It could be easily done with the wording as it stands in the Bill. To adopt any wording having reference to cents, would be, he thought, to take the disadvantage of a decimal currency with none of its advantages. He, therefore, much preferred the present wording, which had been framed in strict analogy to that of the existing Laws.

The amendment was then put, and negatived.

The Section was then agreed to, after an alteration in the date from which the Act is to come into operation.

The Preamble (after some verbal alterations), and the Title, were agreed to.

The Council having resumed, the Bill was reported to it with amendments.

#### POLICE CHOWKEYDARS (BENGAL).

MR. PEACOCK moved that the Honorable Major General Low be added to the Select Committee on the Bill "to amend the Law relating to the appointment and maintenance of police chowkeydars in cities, towns, stations, suburbs, and bazars in the Presidency of Fort William in Bengal."

Agreed to.

#### POLICE (CALCUTTA).

MR. ELIOTT moved that a communication which he had received from the Chief Magistrate of Calcutta, relating to the amendment of the Calcutta Police Act, be laid upon the table and referred to the Select Committee on the Projects of Law relating to the Police and Conservancy of Calcutta, Madras, and the Straits Settlements.

Agreed to.

#### CONSERVANCY (BOMBAY).

MR. LEGEYNT moved that a communication which he had received from the Bombay Government forwarding copies of papers together with the Draft of an Act for the regulation of slaughter houses and markets, and for the prevention of frauds by false weights and measures within the islands of Bombay and Colaba, be laid upon the table and referred to the Select Committee on the Projects of Law relating to the Police and Conservancy of Calcutta, Madras, and the Straits Settlements.

Agreed to.

#### NOTICES OF MOTION.

MR. LEGEYNT gave notice that he would move the second reading of the Bill "to provide for certain applications to Courts of Principal Sudder Ameens, Sudder Ameens, and Moonsiffs in the Presidency of Bombay being written on stamped paper," this day fortnight.

MR. GRANT gave notice that he would move, at the next meeting of the Council, that the Bill "to improve the Law relating to the Copper Currency in the Straits" be read a third time and passed.

MR. PEACOCK gave notice that, at the next meeting of the Council, he would move that the Bill "to remove doubts relating to the power to grant pardons and reprieves and remissions of punishments in India" be read a first time, and that the necessary Standing Orders be suspended in regard to it, so that it might be carried through the several stages at once. It appeared to him unnecessary that the Act, which was only declaratory, should be published three months in the *Gazette* before it became Law, because it had received the sanction of Her Majesty, and it would be very inconvenient to introduce alterations into it, since any alteration would make it necessary to send the Act back to England, in order that the sanction of Her Majesty might again be obtained.

Also that he would, this day fortnight, move that the Council resolve itself into a Committee on the Bill "for the more easy recovery of small debts and demands in the Territories subject to the Government of the East India Company."

The Council adjourned.

Saturday, April 28, 1855.

#### PRESENT :

Hon. J. A. Dorin, Senior Member of the Council of India, *Presiding*.

Hon. Major Genl. Low, D. Elliott, Esq.,

Hon. J. P. Grant, C. Allen, Esq.,

Hon. B. Peacock, and  
Hon. Sir James Colville, P. W. Legeyt, Esq.,

THE CLERK reported that he had received from the Secretary to the Government of India in the Home Department, copy of a communication from the Straits Government proposing an amendment in Section XXXVI of Act XIV of 1851.