



Rare section
India. Currency Dept.
Annual Report
1909/10 - 1913-14

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FROM

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HEAD COMMISSIONER OF PAPER CURRENCY,
CALCUTTA,

TO

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE DEPARTMENT,
SIMLA,

Dated Calcutta, the 30th June 1910.

SIR,

I have the honour to submit a report upon the operations of the Paper Currency Department during the year 1909-10.

2. The most interesting feature of the year has been the passing of the new Currency Act II of 1910, by which currency notes of the rupees ten and rupees fifty denominations have been made universal; the sub-circles of Cawnpore, Lahore, Karachi and Calicut have been abolished, and the first three of these constituted separate circles of issue, while at the same time the issue of twenty-rupee notes has been discontinued although those now in circulation will continue to be received and treated in the same way as universal notes. The Act became law only on the 18th February 1910 and the full effect of the universalisation of ten and fifty rupee notes cannot as yet be gauged, but it may be noted that with a view to minimise any tendency to make use of the new universal notes for remittance purposes, it was decided concurrently with the passing of the new Act to offer facilities to Bankers and Merchants to make trade remittances between the currency centres by means of telegraphic orders granted by Government at a reduced rate of premium. At the same time the receipt of notes of the higher denominations in circles other than the circle of issue, in payment of Government dues and in payments to Railways, Post and Telegraph offices, a system which had been found to be the subject of various abuses and the cause of inconvenience to Government interests, was stopped by executive orders. It is as yet too early to say whether the measures taken to facilitate remittances through Government will be sufficient to deter the public from largely utilising the universal notes for that purpose.

General remarks
on features of the
year.

3. The loss of the Government stock of gold which was noticed in last year's report was entirely recovered during the year under review, owing to a reversal of trade conditions and a return to a more normal condition of affairs. Thus the Currency Department held in India on the 1st April 1909 only a trifling sum of about £20,000, while at the close of the year the stock had risen to over £6 millions while the silver stock held against notes which at one time had risen as high as 37 crores of rupees had been reduced at the close of the year to 29 crores, although the actual circulation of notes was higher at the latter date than at the former.

4. Statement No. I in the Appendix gives a general view of the circulation of Currency notes. It shows what it has been usual to call the *gross*, the *net*, and the *active* circulation on the last day of each month of the last three years, and also the average of each year. By *gross* circulation is meant the value of all notes that have been issued and not yet paid off: the *net* circulation is this sum less the value of notes held by Government in its treasuries: and the

The gross, the net
and the active
circulation.

active circulation is the *net* reduced by the value of notes held by the Presidency Banks at their head offices, which is subject to large variations dependent upon the condition of trade.

5. It is satisfactory to note that the circulation of notes of low denominations which are used as money still continues to thrive. The five-rupee note in particular is growing in public favour. The net result is an increase in the average gross circulation from 44,52 lakhs to 49,66 lakhs and in the average active circulation from 33,10 lakhs to 37,21 lakhs.

6. The following statement shows the distribution among the various Circles in thousands of Rupees of the gross circulation :—

The gross circulation distributed among the Currency Circles.

LAST DAY OF	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Calicut.	Rangoon.	TOTAL.
April 1909	27,67,63	2,38,35	3,29,27	10,06,38	2,17,21	5,24,73	...	2,81,42	43,64,99
May "	21,33,40	2,06,43	3,02,56	10,62,21	1,94,67	5,26,69	...	2,50,66	46,77,22
June "	22,48,02	2,29,56	3,30,65	11,34,44	1,64,61	5,63,99	...	2,28,21	49,29,48
July "	22,14,63	2,38,68	3,28,71	15,72,81	1,69,02	5,66,93	...	2,78,61	51,53,46
August "	21,22,36	2,62,62	3,47,35	14,58,79	1,53,96	5,34,78	...	2,84,28	51,73,54
September "	18,98,42	2,86,94	3,51,54	15,41,38	1,82,27	5,17,57	...	3,02,51	50,82,20
October "	18,57,23	2,70,93	3,48,27	15,22,36	2,00,61	5,25,08	...	2,08,67	50,49,85
November "	18,56,41	2,42,22	3,37,27	11,99,56	1,77,21	5,38,08	...	3,00,71	46,53,03
December "	19,52,56	2,41,40	3,59,09	12,23,32	1,51,14	5,47,56	...	2,49,99	48,25,06
January 1910	18,95,43	2,46,79	3,73,18	16,66,96	1,39,45	5,64,54	...	2,98,12	51,84,47
February "	20,04,56	2,47,29	3,33,24	13,07,56	1,43,30	5,68,42	...	4,02,46	50,56,83
March "	23,11,40	2,24,75	3,84,79	14,01,38	1,54,20	6,05,69	...	3,58,63	54,49,84
Average for last twelve figures	20,22,68	2,44,72	3,48,93	12,33,65	1,62,08	5,62,56(2)	...	2,97,35	49,66,91
Average for 1908-09.	17,51,67	2,71,65	3,16,37	10,30,85	1,83,29	5,54,51	20,59	3,22,72	44,51,52
" for 1907-08	20,48,62	2,33,14	2,87,28	12,15,72	1,10,06	5,38,56	18,72	2,80,21	47,32,31

(a) Includes notes of Calicut Sub-circle which was a separate circle up to 18th February 1910.

Calcutta and Bombay have contributed most largely towards the increase in the circulation. With the exception of the Rs20 denomination, which shows a decrease in both the circles, the increase in all denominations is pronounced. This is no doubt due to the returning prosperity after a year of depression in trade.

Details of gross circulation according to denomination of notes for each Circle.

7. The details of the gross circulation as on 31st March 1910 for each denomination and in each Circle are as follows :—

	NUMBER OF NOTES FOR RUPEES.							TOTAL.		
	5	10	20	50	100	500	1,000	10,000	Pieces.	Value.
Calcutta	228,540	6,080,929	43,510	56,624	466,519	24,901	83,154	6,453	7,834,610	23,11,39,890
Cawnpore	67,464	211,250	21,583	22,550	68,497	7,596	5,293	252	404,496	2,24,74,740
Lahore	288,241	521,142	82,836	39,035	113,513	12,582	5,046	551	1,062,948	3,84,79,395
Bombay	1,142,425	2,076,811	185,395	169,976	206,934	10,765	37,625	3,775	3,833,706	14,01,37,835
Karachi	21,295	284,601	26,039	12,179	22,110	2,245	3,434	457	372,360	1,54,19,715
Madras	480,685	482,938	46,796	43,140	346,736	3,780	2,409	1,127	1,407,911	6,05,69,825
Rangoon	41,012	1,040,381	14,689	5,010	21,297	152	1,382	204	1,314,929	3,58,62,850
TOTAL	2,269,662	11,998,668	420,848	342,514	1,436,406	62,021	88,350	12,821	16,230,990	54,40,24,250
Percentage of Increase	+21'4	+18'1	-16'9	+22'0	+15'3	+2'9	+19'2	+3'59	...	...
Total for 31st March 1909	1,860,545	9,820,544	506,307	280,814	1,245,600	60,265	74,117	9,435	13,866,627	45,48,79,505
Percentage of Increase	+17'0	+7'4	+3'8	+4'1	+3	-5'0	+2'7	-20'1	...	...
Total for 31st March 1908	1,597,335	9,141,173	487,592	269,668	1,241,364	63,424	72,130	11,821	12,884,497	46,88,50,345

8. Dividing the gross circulation between notes of R 500 and upwards and notes below R 500, the values at the end of each of the last three years are shown below in thousands of rupees:—

	Notes of R100 and under.	Percentage of total.	Notes of R500 and upwards.	Percentage of total.	TOTAL.
	Value. R		Value. R		Value. R
1907-08	24,67,68	53	22,20,82	47	46,88,50
1908-09	25,62,80	56	19,85,99	44	45,48,79
1909-10	29,65,14	54	24,75,70	46	54,40,84

The increase in the percentage of notes of the lower denominations has not been maintained, owing not to any falling off in their circulation but to the operations of the Reserve Treasury, the balance of which is almost entirely held in notes of R10,000 denomination.

9. The varying proportions in which notes of each denomination have circulated in the various Circles during the last two years are shown below:—

Denomination of Notes.	CALCUTTA.		CANNOPUR.		LAHORE.		BOMBAY.		KARACHI.		MADRAS.		RANGOON.		TOTAL OF ALL CIRCLES.	
	1908-09.	1909-10.	1908-09.	1909-10.	1908-09.	1909-10.	1908-09.	1909-10.	1908-09.	1909-10.	1908-09.	1909-10.	1908-09.	1909-10.	1908-09.	1909-10.
	Rupees 5	279	298	1458	1668	2868	2712	3015	2980	216	572	2600	3416	2331	512	1348	1309
" 10	8926	8910	4871	5223	4233	4903	3289	5417	7511	7648	3593	3430	7437	7912	7022	7146
" 20	74	56	732	534	1178	779	660	424	1080	699	582	232	203	112	365	259
" 50	62	65	602	557	399	367	408	443	396	327	283	307	63	38	203	211
" 100	575	593	1927	1693	1103	1068	310	540	627	392	283	2463	2023	1623	398	385
" 500	32	32	253	188	135	118	34	23	36	60	34	27	62	62	24	38
" 1,000	45	42	130	131	60	28	79	98	21	98	22	77	17	10	53	54
" 10,000	07	08	07	06	04	05	05	10	09	13	03	08	02	02	07	08
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

10. The variations in the percentages of the two years are very small except

in the case of the five-rupee notes in Karachi and Madras and 10-rupee notes in Cawnpore, Lahore and Burma the use of which is growing rapidly. As usual each Circle shows the same preference for particular denominations of notes. It will be interesting to see what effect the extension of universalization to the ten and fifty-rupee notes has upon these figures next year. The average value during the last four years of the notes in circulation in each Circle on the last day of the year is given in the margin, notes of R10,000 being excluded as their high value and irregular use only tend to mislead.

Circle.	1909-10.		1908-09.		1907-08.		1906-07.	
	R	R	R	R	R	R	R	
Calcutta	21	21	21	22	22	22	22	
Cawnpore	49	37	72	58	58	58	58	
Lahore	31	33	42	45	45	45	45	
Bombay	26	25	25	28	28	28	28	
Karachi	29	31	28	31	31	31	31	
Madras	33	40	44	48	48	48	48	
Calcutt	...	11	12	13	13	13	13	
Rangoon	26	30	37	44	44	44	44	
All India	26	26	27	27	27	27	27	

Except in Bombay, where there has been a slight increase, and Calcutta, where the figure is the same as the previous year, there have been decreases in the average value of the notes in circulation in all other Circles. But there has been no change in the average value for all India.

The active circulation according to Circles.

11. The *active* circulation is shown in Statement No. I of the Appendix, but it is not possible to bring out by this method the active circulation of *each Circle* during the year because both Treasuries and Presidency Banks have hitherto held notes issued in circles other than their own. The Reserve Treasuries, however, held practically the whole of their balances in home-circle notes, and in the following table the *gross* circulation is accordingly reduced by the note balances of the Reserve Treasuries and is compared with the corresponding figures of the two previous years, in lakhs of rupees :—

LAST DAY OF	CALCUTTA.			BOMBAY.			MADRAS.			OTHER CIRCLES.			TOTAL.		
	1907-08.	1908-09.	1909-10.	1907-08.	1908-09.	1909-10.	1907-08.	1908-09.	1909-10.	1907-08.	1908-09.	1909-10.	1907-08.	1908-09.	1909-10.
April . . .	19,76	15,82	17,06	10,20	8,36	9,97	4,89	4,74	4,95	8,52	10,39	10,65	43,46	39,31	42,62
May . . .	19,58	14,95	16,37	9,91	7,95	10,32	4,67	4,45	5,07	8,22	10,64	9,54	42,38	37,99	43,30
June . . .	18,38	14,66	19,72	11,87	8,85	11,18	4,80	4,80	5,36	8,36	11,06	9,83	43,41	39,37	45,49
July . . .	19,27	15,12	20,59	11,70	8,59	13,47	5,02	4,62	5,18	9,16	12,38	9,99	45,15	40,71	49,33
August . . .	18,00	14,04	19,55	12,17	8,92	13,83	5,37	4,70	5,13	9,70	12,26	10,48	45,78	39,99	48,09
September . . .	16,92	14,86	19,98	12,99	10,26	15,17	5,26	4,92	5,04	10,08	11,51	11,24	44,35	41,55	48,45
October . . .	17,12	14,97	17,44	11,73	10,46	15,10	5,12	5,37	5,19	9,46	11,92	11,29	43,43	42,62	49,02
November . . .	17,84	15,22	17,58	11,15	10,08	11,57	4,85	5,38	5,23	9,22	11,65	10,60	43,06	42,33	44,98
December . . .	16,48	16,03	18,41	9,83	9,64	12,98	4,73	5,18	5,14	9,03	10,49	10,01	40,07	41,34	46,54
January . . .	15,64	15,99	17,82	9,14	9,72	15,35	4,62	4,87	5,42	9,35	10,08	10,58	38,75	40,66	40,17
February . . .	15,58	16,39	17,71	8,51	10,11	12,28	4,88	4,95	5,52	10,26	10,70	11,70	39,23	42,15	47,27
March . . .	16,84	16,09	18,64	8,92	9,66	13,77	4,92	4,71	5,47	10,20	10,97	11,22	40,95	41,13	49,10
AVERAGE . . .	17,67	15,35	18,28	10,61	9,38	12,92	4,93	4,88	5,22	9,29	11,15	10,60	42,50	40,76	47,02

There was a large increase in the three principal circles (Calcutta, Bombay and Madras) but other circles show a falling off.

Circulation of universal notes.

12. The table in paragraph 7 shows that there has again been an increase in the circulation of the universal five-rupee note. The circulation of these notes on 31st March 1910 was about 21 per cent. and about 41 per cent. more than what it was on 31st March 1909 and 31st March 1908, respectively. As these small-value notes are not held in any large quantities in the balance of treasuries or Presidency Banks, the increase represents practically an expansion of their *active* circulation among the public. The growing popularity of these universal five-rupee notes is also apparent from a comparison of the average *gross* circulation of five-rupee notes of the several circles excepting Rangoon during the past five years. The figures are given in the margin in lakhs of rupees. The universal five-rupee note was extended to Burma by Act II of 1909 and

Notes of Circles other than Rangoon.

1905-06	57.9
1906-07	68.3
1907-08	76.6
1908-09	83.6
1909-10	121.8

Rangoon Circles.

1906-07 . . . . .	.6
1907-08 . . . . .	.6
1908-09 . . . . .	.8
1909-10	1.4

figures of average gross circulation of notes of the Rangoon circle noted in the margin show that the circulation rose appreciably after the universalisation. The recorded issues of the universal five-rupee notes for remittance purposes in bundles of 2,000 and over amounted to 16 lakhs against only 1½ lakhs of rupees in 1908-09 and 9 lakhs of rupees in 1907-08; the notes were used for this purpose chiefly between Bombay and the Punjab, but if such remittances continue, they will no doubt henceforth be made in the higher value universal notes. The practice is, as noticed above, being discouraged by the offer of transfers at a low premium.

As remarked in para. 2 above, 10 and 50 rupee notes were made universal from the 18th February 1910, but, as the change came into effect late in the year, it is not possible yet to judge its effect on the circulation. Statistics of issues of these notes in bundles of the value of ₹10,000 and over at a time for purposes of remittance show that 10-rupee notes of the value of ₹7½ lakhs and 50-rupee notes of the value of ₹5 lakhs were taken for this purpose between the date of their universalisation and the close of the year. When the scheme of universalisation was undertaken, it was anticipated that there would be a tendency to use the universalised notes for remittance, and it was with the object of reducing their use for that purpose that Government decided to accompany the scheme by a reduction of the minimum limits for remittance of funds between currency centres by Government telegraphic transfers and of the rates of premium prescribed for them. The statistics for the short period for which they are available show that, in spite of these precautions, they are being used largely for remittance between Bombay and Surat, Calcutta and Cawnpore, and Lahore and Cawnpore. The question of the adoption of further measures for discouraging their use for remittance is under consideration.

13. The year 1909-10 opened with a stock of gold in the Currency Reserve and Treasuries in India valued at £86,004'5 and the closing balance was worth £6,425,095'0.*

The monthly transactions are shown below together with those relating to the Gold Standard Reserve :—

CURRENCY AND TREASURY.					GOLD STANDARD RESERVE.		
1	2	3	4	5	6	7	8
Month.	Net receipts (+) or issues (-).	Transfer to (-) or from (+) the Gold Standard Reserve.	Remittances to England.	Closing balances.	Transfer from + or to - Treasuries.	Remittances to England.	Closing balances.
	£	£	£	£	£	£	£
April 1909 .	-13,298'0	...	...	72,606'5	...	...	...
May " .	-5,384'5	...	...	67,222'0	...	...	...
June " .	+3,703'5	...	...	70,925'5	...	...	...
July " .	-5,892'5	...	...	65,033'0	...	...	...
August " .	-12,461'0	...	...	52,572'0	...	...	...
September " .	-8,877'0	...	...	43,695'0	...	...	...
October " .	-8,135'0	...	...	35,560'0	...	...	...
November " .	+2,762'5	...	...	38,322'5	...	...	...
December " .	+1,825,027'5	...	...	1,863,350'0	...	...	...
January 1910	+3,491,863'0	...	...	5,355,213'0	...	...	...
February " .	+467,712'5	-37,567'0	...	5,785,358'5	+37,567'0	...	37,567'0
March " .	+602,169'5	+37,567'0	...	6,425,095'0	-37,567'0	...	...

SUMMARY.	Balance on 1st April 1909.	Net transactions with the public, 1909-10.	Net transfer between Treasury and Gold Standard Reserve, 1909-10.	Remittances to England, 1909-10.	Balance on 31st March 1910.
	£	£	£	£	£
Currency and Treasury	86,004'5	+6,339,090'5	...	...	6,425,095'0
Gold Standard Reserve . . . . .	...	...	...	...	...
GRAND TOTAL	86,004'5	+6,339,090'5	...	...	6,425,095'0

* In addition to this, gold to the value of £2,500,000 was held in the Currency chest in England.

The net transactions in the year under report resulted in the aggregate in a receipt of nearly £6,339,000 against an issue of £2,600,000 in 1908-09 and £1,000,000 in 1907-08.

The receipts at the Currency Offices from imports amounted during the year to £7,139,000, but as they were received only in the closing months, there was practically no issue of gold till December and the issues from Treasuries and Currency Offices during the year amounted only to £799,900. The following statement compares the receipts from imported sovereigns month by month, with those received in 1907-08, there having been practically no imports during 1908-09 :—

(The figures are in hundreds of pounds sterling).

	1907-08.	1908-10.
	£	£
April	132,600	...
May	1,081,100	...
June	1,073,900	...
July	734,400	...
August	561,000	...
September	245,000	...
October	165,000	...
November	79,500	25,000
December	140,000	1,921,300
January	223,000	3,563,700
February	564,800	677,000
March	250,000	952,000
TOTAL	5,250,300	7,139,000

The bulk of the imports (£6,800,000) were received at Bombay to finance the cotton trade.

The figures in the margin show the net absorption of sovereigns from Treasuries and Currency Offices in each of the five years ending 1909-10 excluding gold received by import into the country. The absorption in the year under report would have been higher, had gold been available throughout the year.

The following statement compares the net absorption excluding net imports in each Province and Currency Circle during the years 1908-09 and 1909-10 :—

	Net absorption in round thousands of £	
	1908-09.	1909-10.
Calcutta Currency and Agencies and India Treasuries	557,000	266,000
Central Provinces and Berar Treasuries	36,000	8,000
Rangoon Currency and Agencies and Burma Treasuries	338,000	40,000
Eastern Bengal and Assam Treasuries	21,000	2,000
Bengal Treasuries	27,000	14,000
Cawnpore Currency and Agencies and United Provinces Treasuries	399,000	113,000
Lahore Currency and Agencies and Punjab and North-West Frontier Treasuries	665,000	146,000
Madras and Calicut Currency and Agencies and Treasuries	661,000	134,000
Bombay and Karachi Currency and Agencies and Treasuries	—260,000	52,000
Total	2,444,000	775,000

The issues were largest at Calcutta but the absence of any material stock for the major portion of the year diminishes the interest of these figures. The different centres have now again been well supplied with gold.

The details of the gold held in India on the last day of the year are as follows :—

	Currency ^a	Treasury and Mint.	Total.
Current weight sovereigns and half-sovereigns .	£ 5,707,058 ⁰	£ 138,760 ⁵	£ 5,845,818 ⁵
Light weight do. do.	494,637 ⁰	84,609 5	579,246 ⁵
Sovereigns and half-sovereigns more than 3 grs. below standard weight received at bullion value	21 ⁰	9 ⁰	30 ⁰
Total .	6,201,716⁰	223,379⁰	6,425,095⁰

14. The balance of the Gold Standard Reserve at the beginning of the year stood at £18,471,406 made up as follows :—

	£
Purchase value of sterling securities	7,414,510
Coined rupees held in India	10,586,734
Cash placed by the Secretary of State for India in Council at short notice	469,818
Outstanding debt from treasury balances	344
TOTAL .	18,471,406*

There was no new rupee coinage during the year, but arrear profits amounting to £25,190 were credited to the reserve in the year. A sum of £12,034 was also received as interest on a temporary loan of £2,000,000 granted from the reserve to the Government of India. This loan was taken from the reserve in December 1909 when the treasury balances proved insufficient to meet the drawings of the Secretary of State. It was fully repaid before the 31st March 1910 with interest at 3½% per annum. The total balance in India, was thus increased to £10,586,734 + 344 + 25,190 + 12,034 = £10,624,302. A heavy demand for Council Bills however at the beginning and towards the close of the year enabled the Secretary of State to treat £8,090,000 out of his total drawings of the year as on behalf of the Gold Standard Reserve, thus reducing the balance in India to £10,624,302 - 8,090,000 = £2,534,302 which was held entirely in coined rupees.

The income in England arising from dividends on investments, discounts obtained on Treasury Bills and interest on loans placed at short notice amounted to £255,417. British and Colonial Treasury Bills to the nominal value of £3,673,000 but purchased at a cost of £3,621,843 matured and were paid off during the year. The total amount available for investment was therefore £8,090,000 + 255,417 + 3,621,843 = £11,967,260. Of this amount, £9,396,090 was invested in sterling securities of the nominal value of £9,585,000 and a sum of £30,460 was deposited on the 21st March 1910 on allotment of 3% Exchequer Bonds of the nominal value of £1,523,000 to be delivered on the 5th April 1910 on payment of balance of the purchase price. The balance of £2,540,710 (£11,967,260 - 9,396,090 - 30,460) was placed by the Secretary of State as a deposit at short notice, the amount of which accordingly rose from £469,818 at the beginning of the year to £3,010,528 at its close. The purchase value of the sterling securities at the end of the year therefore stood at £7,114,510 (value at the beginning) + 9,426,550 (price of securities purchased

* Differs from the balance shown in the last year's report by £31,759 representing discount on Treasury Bills included in the balance. This discount, instead of being credited as an asset of the Reserve at the time of the purchase of the Bills will, for the future, be credited at the time of re-payment.

during the year including the deposit of £30,460)—3,621,843 (cost price of Treasury Bills paid off during the year) = £13,219,217.

The details of the investment are as follows :—

	Nominal Value.			Cost of Investment.		
	£	s.	d.	£	s.	d.
2½% Consolidated Stock	4,665,769	18	9	4,207,463	8	0
2½% National War Loan Stock	867,568	3	0	870,884	19	11
2½% Guaranteed Stock (Irish Land)	438,720	9	8	407,187	9	10
3 % Local Loans	200,000	0	0	195,105	13	11
3 % Transvaal Government Guaranteed Stock	1,092,022	12	0	1,076,523	15	6
3 % Exchequer Bonds (1912)	600,000	0	0	602,707	5	0
British Treasury Bills	4,351,000	0	0	4,287,327	8	2
Canada Treasury Bills	1,080,000	0	0	1,057,182	6	9
Natal Treasury Bills	500,000	0	0	484,375	0	0
Deposit on allotment of £1,523,000 3% Exchequer Bonds (1915) . . . . .	...			30,460	0	0
TOTAL	13,795,081	3	5	13,219,217	7	1

The balance of the Reserve in India and in England at the end of the year stood therefore at £18,764,047, made up as follows :—

Purchase value of sterling securities	£ 13,219,217
Cash placed by the Secretary of State in Council at short notice	3,010,528
Coined rupees held in India	2,534,302
	<u>18,764,047</u>

The Metallic Reserve.

15. The following table shows in lakhs of rupees the *gross* circulation and the composition of the Metallic Reserve of the Currency Department on the last day of each month of the year :—

Month.	Gross circulation.	COIN AND BULLION RESERVE.					
		Silver Coin.	Gold Coin and bullion.	Silver bullion under comago.	Gold Coin and bullion in England.	Gold Coin and bullion in transit between India and England.	Silver bullion in transit between India and England.
April 1909	43,65	20,29	3	8	2,25	...	..
May "	46,77	22,42	2	8	2,25	...	...
June "	49,20	24,95	1	8	2,25	...	...
July "	51,53	27,18	2	8	2,25	...	...
August "	51,74	27,38	3	8	2,25	...	...
September "	50,82	26,46	3	8	2,25	...	...
October "	50,50	26,15	2	8	2,25	...	...
November "	46,53	22,17	3	8	2,25	...	...
December "	48,25	21,25	2,67	8	2,25	...	...
January 1910	51,84	29,64	7,87	8	2,25	...	...
February "	50,37	27,82	8,42	8	2,25	...	...
March "	54,41	29,28	9,30	8	3,75	...	...

The chief feature of the year has been the restoration of the gold balance.

16. The distribution of the Reserve among the Circles on 31st March 1910 is given below :—

Circle.	Silver Coin.		Gold Coin and Bullion.	Silver Bullion under Coinage.	Gold Coin and Bullion in England.	Silver Bullion in transit between India and England.
	₹	a.	₹	₹	₹	₹
At Calcutta	11,86,19,271	6	36,21,435	7,86,970	3,75,00,000	...
" Cawnpore	5,74,22,000	0	40,05,030	...	...	...
" Lahore	1,56,37,488	0	38,72,250	...	...	...
" Bombay	1,44,07,206	0	7,24,06,604	...	...	...
" Karachi	26,80,155	0	3,83,625	...	...	...
" Madras	3,48,37,460	0	34,63,245	...	...	...
" Rangoon	4,97,43,015	0	52,73,550	...	...	...
	29,33,46,595	6	9,30,25,739	7,86,970	3,75,00,000	...

42,46,59,304 6 0

	₹	a.	p.
Investment in Government Securities held in India	42,46,59,304	6	0
Investment in Government Securities held in England	9,99,99,945	10	0
"	2,00,00,000	0	0
	54,46,59,250	0	0
Deduct amounts received at Bombay but not paid at Calcutta and Madras	5,75,000	0	0
	54,40,84,250	0	0

On the corresponding date in 1909 the silver coin balance amounted to ₹31,13,91,380, the silver bullion under coinage to ₹7,86,970 and the gold coin and bullion in India and England to ₹2,28,51,209. There has therefore been a decrease of 1,80 lakhs in the balance of silver coin and an increase of 10,77 lakhs in the balance of gold coin and bullion, the balance under the head "silver bullion under coinage" remaining unchanged.

17. The following statement shows the transactions of the Paper Currency Chest in England* in the year under report :—

	In thousands of rupees.
Opening Balance	2,25,00
Addition made during the year—	
March	1,50,00
Closing Balance	3,75,00

A sum of ₹1,000,000 was transferred by the Secretary of State to the Currency Chest in England during March 1910 in aid of Indian Treasury balances.

18. The total investment on 31st March 1910 stood as follows :—

In Rupee Securities—	Nominal value.		Cost price.		The Currency Investment.
	₹	a.	₹	p.	
3½ per cent. Loan of 1842-43	8,15,95,000		8,00,00,000	0	
3 per cent. Loan of 1896-97	2,04,86,500		1,99,99,945	10	
	10,20,81,500		9,99,99,945	10	

* The balances in the Paper Currency Chest, in England consisted entirely of gold.

In Sterling Securities—	£	s.	d.	£	s.	d.
2½ per cent. Consols	1,494,952	16	7	1,333,333	6	8

The interest realised and credited to Revenue during the year was as follows:—

India	R34,70,420
England	£37,374

Writing off of Old Notes.

19. The following statement shows the value of notes written off the circulation during the year under report under the first proviso to section 19 of the Indian Paper Currency Act II of 1910:—

	5	10	20	50	100	500	1,000	10,000	Total Pieces.	Total Value.
Calcutta	...	696	360	65	63	...	...	...	1,184	23,710
Cawnpore	...	39	11	6	8	...	...	...	64	1,710
Lahore	...	48	32	8	5	...	...	...	93	2,020
Bombay	...	350	108	28	61	...	...	...	547	13,160
Karachi	...	15	6	6	...	...	...	...	27	570
Madras	...	47	20	14	9	...	...	...	90	2,470
Calicut	...	5	2	4	3	...	...	...	15	610
TOTAL	...	1,200	540	131	149	...	...	...	2,020	44,250
TOTAL FOR 1908-09	...	1,380	486	159	129	...	...	...	2,154	44,370
" " 1907-08	...	1,389	488	223	186	...	...	...	2,286	53,400

Issue and Receipt of Notes.

20. The following have been the issues and receipts of notes during the year:—

ISSUES.		RECEIPTS.	
	₹		₹
Circulation* 1st April 1909	46,66,77,475	Over the Counter	1,60,84,39,905
Over the Counter	1,82,87,71,480	At Agencies	1,86,00,875
At Agencies	4,57,76,755	From other Currency Circles	18,61,94,205
<i>In Remittance Transactions—</i>		<i>In Remittance Transactions—</i>	
Between Head Offices and Agencies	33,53,91,175	Between Head Offices and Agencies	34,67,36,155
Between Circles	55,61,24,390	Between Circles	53,98,69,500
Refund of value of Notes written-off under section 19, proviso (1), of Act II of 1910	920	Notes written-off under section 19, proviso (1), of Act II of 1910	44,250
Against gold transferred from Treasury in London	1,50,00,000	Balance being Circulation* on the 31st March 1910	55,52,34,680
Ditto in India	73,77,375		
	2,78,84,42,095		
TOTAL	3,25,51,19,570	TOTAL	3,25,51,19,570

The total issues and receipts for the last three years are as follows:—

	Issues.	Receipts.
	₹	₹
1907-08	2,61,67,41,085	2,61,67,96,650
1908-09	2,46,76,57,090	2,48,51,82,500
1909-10	2,78,84,42,095	2,69,98,84,890

* Including notes which have been paid off in some other Circle than their own.

The issues have increased by about 32,08 lakhs, and 'the receipts' by 21,47 lakhs as compared with the previous year, the difference being made up as follows :—

	Issues. ₹	Receipts. ₹
Over the Counter	+19,23	+12,11
Remittance transactions	+12,48	+17,41
From other Currency Circles . . . . .	...	-5,37
Other heads	+37	-2,68
	<u>+32,08</u>	<u>+21,47</u>

21. The following table gives the circulation of the six larger circles, and the mean value of their receipts and issues during the year, with the percentage of the former to the latter during the last three years :—

NAME OF CIRCLE.	IN LAKHS OF RUPEES.		PERCENTAGE OF AMOUNT IN COLUMN 2 ON THAT IN COLUMN 3.		
	Average circulation on last day of month.	Mean value of Receipts and Issues.	1909-10.	1908-09.	1907-08.
Calcutta	20,23	1,02,11	19	19	18
Cawnpore	2,45	17,03	14	13	11
Lahore	3,49	22,62	15	15	15
Bombay	13,34	68,10	19	20	21
Madras	5,49	33,17	16	18	17
Rangoon	2,97	26,70	11	12	9

Calcutta, Bombay and Lahore show an increase in the average circulation from the preceding year, but all the other circles show some decrease. The mean value of receipts and issues shows an increase in all circles except Cawnpore and Rangoon, but it is most marked in Calcutta and Bombay:

22. The aggregate issues and receipts of the several denominations of notes both at Offices of Issue and at Agencies during the year were as follows :—

	NUMBER OF NOTES FOR RUPEES.								TOTAL.	
	5	10	20	50	100	500	1,000	10,000	Number.	Value.
Issues . . .	5,164,943	17,360,538	1,291,295	665,064	3,821,244	228,107	545,175	149,058	29,223,424	2,78,84,42,095
Receipts . . .	4,770,730	15,555,070	1,364,887	597,224	3,632,660	227,849	529,441	145,669	26,823,550	2,69,98,24,890
More Issues . . .	394,193	1,805,468	...	67,840	188,584	858	13,734	3,389	4,475,466	9,00,29,045
.. Receipts . . .	...	...	73,592	...	...	...	...	...	73,592	14,71,840

The average number of notes passed over the Counters at the more important Head Offices on each working day during the past three years, and the daily average of cancellations, are given in the following table:—

	NOTES CASHED.			NOTES ISSUED.			NOTES CANCELLED.		
	1907-08.	1908-09.	1909-10.	1907-08.	1908-09.	1909-10.	1907-08.	1908-09.	1909-10.
At Calcutta . . .	28,956	31,744	28,561	27,880	32,437	36,435	29,391	34,112	31,379
„ Bombay . . .	18,130	17,951	20,988	18,066	18,990	23,005	11,274	11,623	11,404
„ Madras . . .	10,985	12,587	14,411	11,224	12,755	14,773	10,636	11,746	10,936
„ Rangoon . . .	6,933	8,272	10,402	7,271	9,381	12,153	5,670	8,262	11,082

The numbers of the total issues and cancellations for the year, in thousands of pieces, are given below and compared with the previous year's figures.

	CIRCLES.								TOTAL.
	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Calicut.	Rangoon.	
1909-10.									
Issues . . .	10,602	770	2,446	6,697	673	4,240	222	3,573	29,223
Cancellations . . .	8,692	604	1,579	3,284	410	3,150	191	3,258	21,174
1908-09.									
Issues . . .	9,419	739	1,899	5,484	441	3,661	191	2,786	24,620
Cancellations . . .	9,552	622	1,427	3,336	362	3,371	165	2,454	21,289

In the year under report there was an increase in the issue in each Circle, but the cancellations decreased in Calcutta, Cawnpore, Bombay and Madras.

23. The following is the Foreign Note account of the Circles in aggregate:—

Encashment
of Foreign
Circle
Notes.

Balance held on 1st April 1909	1,17,97,970
Received over the Counter	17,06,57,195
From other Circles	33,13,360
Received at Agencies (net)	49,92,135
	<u>17,89,62,690</u>
TOTAL	19,07,60,660
Remitted to Circles concerned	17,96,10,230
Balance on 31st March 1910	1,11,50,430
TOTAL	19,07,60,660

The decrease in the balance was the net result of decreases at nearly all the Circles against a small excess at Calcutta and Lahore. These balances ought to almost entirely disappear as a consequence of the new legislation except in the case of universal notes and of sub-circle notes issued prior to the new Act which are still encashable at the old head circles.

24. The details by Circles of the values of Foreign Circle Notes received over the Counter, as shown above, are as follows :—

CIRCLE.	CASHED BY								TOTAL			
	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Calicut.	Rangoon.	1909-10.	1908-09.	1907-08.	1906-07.
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Calcutta	...	1,64,27,723	45,91,320	1,04,77,885	20,21,305	14,13,315	2,420	1,97,305	3,51,31,875	2,41,08,175	2,42,06,190	2,71,13,333
Cawnpore	2,73,25,025	...	15,36,835	41,40,305	4,85,680	1,08,490	160	22,480	3,37,28,975	8,04,90,260	5,47,85,900	3,06,32,895
Lahore	2,89,59,390	36,72,215	...	60,17,935	43,48,145	2,17,305	1,795	41,115	4,38,58,100	7,46,29,755	2,85,27,020	3,05,02,405
Bombay	1,22,96,260	19,43,390	21,06,350	...	37,03,485	31,98,660	1,04,385	74,280	2,35,16,810	1,19,85,890	1,13,19,725	1,26,03,265
Nagpur	...	...	...	...	...	...	...	...	...	10	...	100
Karachi	3,70,100	96,150	15,00,150	91,82,630	...	88,875	310	3,075	1,12,44,010	2,39,81,320	49,78,135	44,13,805
Madras	61,04,830	2,20,640	4,63,285	1,34,24,375	3,19,820	...	99,310	66,240	2,06,98,500	1,33,02,215	1,19,02,805	1,39,34,935
Calicut	39,070	4,015	4,145	...	2,190	11,81,655	...	925	12,22,000	12,84,795	11,23,990	11,65,145
Coconada	...	...	...	...	...	...	...	...	...	100	...	...
Rangoon	11,36,595	23,685	60,040	3,69,640	25,825	2,41,015	125	...	18,56,925	15,64,385	10,64,050	8,72,325
Total of 1909-10	7,62,21,270	2,23,87,820	1,02,82,325	4,35,12,790	1,09,06,650	65,39,715	2,08,305	4,08,320	17,06,57,195	...	...	...
" 1908-09	13,75,30,395	1,23,44,355	63,02,015	5,77,02,140	1,02,70,245	65,87,460	1,15,995	5,77,100	...	23,14,37,105	...	...
" 1907-08	7,32,85,540	14,72,190	1,31,17,195	3,24,96,775	1,31,26,410	36,85,090	2,24,670	5,09,945	...	...	13,79,17,815	...
" 1906-07	5,83,36,155	42,20,845	1,41,22,470	3,01,11,270	1,22,50,415	11,32,795	28,595	36,085	...	...	...	12,12,38,630

The total encashments of Foreign Circle Notes were less than those of the last year by about 6,08 lakhs, the decrease being the net result of decreases of 6,13 lakhs at Calcutta, 1,41 lakhs at Bombay and 2 lakhs at Rangoon against increases of 1,00 lakhs at Cawnpore, 40 lakhs at Lahore, 7 lakhs at Karachi and 1 lakh at Calicut.

The most important variations from the preceding years occurred in the Foreign encashment of Cawnpore, Lahore and Karachi Notes. During the year the encashment of Cawnpore and Lahore notes decreased at Calcutta by 4,26 and 2,93 lakhs, respectively, and that of Karachi notes at Bombay decreased by 1,35 lakhs. The encashment of these notes was abnormally high last year; it became normal in the year under report. Elsewhere the variations were not so marked. The numbers will, no doubt, greatly decrease in future years as sub-circle notes are no longer issued. The following statement shows, in lakhs of rupees, the net transfers by means of Foreign Circle Notes between each of the circles during the last two years. The plus figures indicate that transfers to the circle exceeded those from it, and the minus figures represent an opposite movement :—

	1908-09.	1909-10.	Difference.
Calcutta	+ 11,33	+ 4,11	- 7,22
Cawnpore	- 6,81	- 1,13	+ 5,68
Lahore	- 6,83	- 3,30	+ 3,53
Bombay	+ 4,57	+ 2,01	- 2,56
Karachi	- 1,37	- 2	+ 1,35
Madras	- 67	- 1,42	- 75
Calicut	- 12	- 10	+ 2
Rangoon	- 10	- 14	- 4

Transactions in
coin and bullion.

25 The transactions in coin and bullion have been as follows :—

Receipts.		Issues.	
₹ a. p.		Over the Counter.	
Balance, 1st April 1909	33,50,29,559 6 0	Gold	1,97,08,747 0 0
<i>Over the Counter.</i>		Silver	32,94,65,844 0 0
Gold	10,73,05,928 0 0	<i>At Agencies.</i>	
Silver	29,15,37,128 0 0	Gold	17,29,200 0 0
<i>At Agencies.</i>		Silver	11,64,35,485 0 0
Gold	11,81,520 0 0	<i>In Remittance Transactions.</i>	
Silver	11,50,85,144 0 0	Between	} Head
<i>In Remittance Transactions.</i>		Offices		} and
Head	} ₹ a. p.	Agencies	} Gold 1,54,07,460 0 0
Offices		Gold 1,36,81,050 0 0		Silver 28,81,97,876 0 0
and	Silver 26,44,43,542 0 0	Between	} Circles
Agencies	Gold 2,85,04,500 0 0	Circles		Silver 8,95,56,644 0 0
Between	Silver 8,95,56,644 0 0	Coin paid on uncurrent and light	} weight sovereigns
Circles	39,61,85,736 0 0	Coin paid for Home Notes written-		} off under section 19, proviso (1),
Rupees received from Mint for un-	73,79,310 0 0	of Act II of 1910	44,250 0 0
current and light weight sovereigns			
Gold transferred from Treasury to	1,50,00,000 0 0		
Currency Chest in England			
against notes issued in India	4,50,00,000 0 0		
Receipts on account of Gold Stan-	920 0 0		
dard Reserve			
Refund of Notes written-off			
	97,86,75,686 0 0	Balance on 31st March 1910	88,90,45,941 0 0
			42,46,59,304 6 0
TOTAL	1,31,37,05,245 6 0	TOTAL	1,31,37,05,245 6 0

The receipts and issues for the past three years are given below :—

	Receipts.		Issues.	
	₹	a. p.	₹	a. p.
1907-08	1,31,63,94,859	0 0	1,31,62,63,774	0 0
1908-09	86,21,46,957	0 0	87,09,17,797	0 0
1909-10	97,86,75,686	0 0	88,90,45,941	0 0

The net result was an increase in the coin and bullion reserve of 8,96 lakhs. This decrease after adding one lakh and fifty thousands paid at Lahore for an equivalent received at Calcutta in 1908-09, and deducting five lakhs and seventy-five thousands received at Bombay but not paid at Calcutta and Madras until after the 31st March 1910, exactly corresponds with the increase in the circulation as shown in paragraph 7, there having been no addition to the investment of the Reserve during the year. Both the receipts and issues were more than those of the previous year by 11,65 lakhs and 1,21 lakhs, respectively, the increases being made up as follows :—

	Lakhs of Rupees.	
	Receipts.	Issues.
Over the Counter	+ 5,97	— 6,87
Remittance transactions	— 2,60	+ 4,37
Other items	+ 8,28	+ 3,71
TOTAL	+ 11,65	+ 1,21

Withdrawal of
uncurrent coin.

26. The withdrawals of shroff-marked and uncurrent coin and of rupees

1	2	3	4	5
PROVINCE.	Shroff-marked coin.	Uncurrent coin.	Coin of 1835 mintage.	Coin of 1840 mintage.
India	—	14,65	128	14,15
Central Provinces and Berar	1	20	14	3,63
Burma	—	4,16	18	2,08
Eastern Bengal and Assam	—	88	56	5,53
Bengal	—	3,44	1,44	14,40
United Provinces of Agra and Oudh	1	19,93	3,14	40,22
Punjab and North-West Frontier Province	2	11,43	2,44	27,88
Madras	—	6,80	79	14,70
Bombay	—	3,02	40	10,55
TOTAL	6	65,50	10,37	1,33,83

bearing the dates 1835 and 1840 are shown in the margin in thousands of rupees. Column 3 includes defective and defaced coin besides light weight coin which is separately dealt with in the next table. The total amount of 1835 coins withdrawn to the end of the year is about 3,32 lakhs, and that of 1840 coins 27,07 lakhs.

27. The following statement shows the number of light-weight silver coins Cutting of light-weight cut and broken during the year under report in the several provinces :—

NAME OF PROVINCE.	RUPEES AND HALF RUPEES.						SMALL SILVER COIN			
	Reduced in weight over 2 per cent but not more than 6½ per cent.		Reduced in weight over 6½ per cent. but not more than 25 per cent.		Reduced in weight more than 25 per cent.		Reduced in weight over 12½ per cent. but not more than 25 per cent.		Reduced in weight more than 25 per cent.	
	₹	½ ₹	₹	½ ₹	₹	½ ₹	½ ₹	¼ ₹	¼ ₹	¼ ₹
India	926,733	189,730	9,393	7,862	18,355	5,014	195,357	318,994	827	821
Central Provinces and Berar	1,510	309	609	125	273	3	6,393	5,934	2	2
Burma	237,921	1,022	1,708	19	140	...	234	1,219	...	1
Eastern Bengal and Assam	26,147	125	210	12	101	3	12	315	5	7
Bengal	174,627	5,863	348	257	193	...	11,638	4,191	...	..
United Provinces of Agra and Oudh	1,104,193	66,068	14,369	6,755	4,820	99	195,054	182,045	391	387
Punjab and N-W. Frontier Province	699,953	14,447	4,792	4,125	1,279	147	1,914	2,916	61	62
Madras	196,641	100,853	1,607	1,001	1,141	102	185	547	160	299
Bombay	258,186	16,704	673	566	1,839	389	10,623	28,753	144	236
TOTAL	3,635,911	395,121	33,799	20,422	28,091	5,757	421,470	544,914	1,590	1,815

The total number of light-weight rupees and half-rupees, cut and broken in the course of the year, does not differ materially from that of the previous year. The statistics for small silver show considerable variations, a large increase being reported against India and material decreases in the Punjab and Madras. The former is due to an attempt to apply more strictly in the Calcutta Reserve Treasury the rules for cutting one-fourth and one-eighth rupees which are light-weight, the rules not having been properly followed in the preceding year. Their application however gives great trouble and it is doubtful whether the results are really reliable. Steps are now being independently taken to remove the older and more worn coins from circulation and the result will probably be a diminution of the numbers shown under this head in future years.

As usual the work done at the six larger Currency offices as regards the examination of coins presented was tested by fresh examination at the Mints. The coins sent to the Mints for re-examination were selected by the Currency officers at random from the ordinary receipts across the Counter. The result of the re-examination at the Mints is shown in the following table :—

Amount examined.	Calcutta.	Bombay.	Madras.	Cawnpore.	Lahore.	Rangoon.
	₹10,00,000.	₹9,05,044.	₹2,88,000.	₹2,00,000.	₹5,00,000.	₹3,00,000.
	Discovered by Mint.	Discovered by Mint.	Discovered by Mint.	Discovered by Mint.	Discovered by Mint.	Discovered by Mint.
Counterfeits	73	145	20	11	26	23
Lost between 2% and 6½%	11,276	4,278	1,635	2,985	2,594	2,613
" " 6½% " 12½%	115	87	20	52	36	40
" " 12½% " 18½%	2	6	1	..	2	5
" " 18½% " 25% . . . . .	..	..	..	..	..	..
TOTAL	11,465	4,512	1,676	3,048	2,588	2,681

The following statement compares for the last four years the total percentage of light-weights detected at the Mints in the remittances mentioned above:—

	Percentage detected at the Mints.			
	1906-07.	1907-08.	1908-09	1909-10.
Calcutta	1'134	'941	1'160	1'139
Bombay	'682	'335	'370	'482
Madras	'478	'378	'557	'375
Cawnpore	'112	1'654	1'688	1'518
Lahore	2'494	'689	'969	'512
Rangoon	'849	'972	'868	'886

The results compare well with past years, but there is room for improvement in the Calcutta and Cawnpore Currency offices.

PROVINCE.	₹	½₹	¼₹	1/8₹
India	27,738	1,124	801	891
Central Provinces and Berar	1,417	36	21	13
Burma	8,426	210	438	195
Eastern Bengal and Assam	4,430	37	40	16
Bengal	20,152	344	293	271
United Provinces of Agra and Oudh	19,077	317	471	530
Punjab and North-West Frontier Province	16,789	421	589	210
Madras	12,093	1,435	995	1,013
Bombay	8,656	389	436	448
TOTAL	1,08,788	4,313	4,084	3,587

also Coinage.

28. The tables in the margin give the numbers of counterfeit silver coins cut and broken in the different provinces during the calendar year 1909 and the usual comparative statistics for the past ten years. They show that the number of counterfeit rupees discovered in 1909 in the Treasuries, Currency offices and Railway Cash offices in the course of examination of coin received by them is higher by about ten thousand than the number similarly discovered in 1908. The increase has occurred chiefly in Bengal and Madras.

Out of the total number of 1,08,788, 43,045 were detected in Railway Cash offices, 10,782 being found on the North Western Railway alone.

The increase in recent years of the number of counterfeit small silver coins reported as cut is probably due to more careful examination, the new rules for dealing with light-weight small silver coins necessitating a more detailed observation of these coins. The number of counterfeit rupees received

Year.	₹	½₹	¼₹	1/8₹
1900	30,199	1,692	1,780	2,097
1901	43,193	2,154	2,345	1,928
1902	55,744	2,099	2,398	1,923
1903	52,736	2,221	2,148	1,812
1904	56,385	2,032	1,930	1,853
1905	65,713	2,230	2,283	1,747
1906	68,632	2,438	2,416	1,502
1907	73,686	2,436	2,231	1,593
1908	98,492	3,557	3,417	3,445
1909	1,08,788	4,313	4,084	3,587

at the Mints for examination during the year was 3,885, of which 999 were struck from dies and the rest were castings. Most of the former were well executed, but the majority of the latter consisted of palpable counterfeits made of base

metal. The Bombay Mint received from the Bombay, Baroda and Central India and the Rajputana-Malwa Railways 2,726 exceptionally well-executed coins, of which 954 were struck from dies and the rest were castings. A few very good counterfeits bearing the date 1907 and struck from dies were received. They are suspected to have been imported into India from the Far East, but the number so far detected is very small.

29. Statement II of the Appendix gives by calendar years the number of Annual coinage whole rupees coined in the Indian Mints from 1835 to 31st March 1910.

The rupee coinage of the year amounted to 208 lakhs, 110 lakhs at Calcutta and 98 lakhs at Bombay. No coinage was undertaken during the year from newly purchased silver, and the entire amount coined was from withdrawn and uncurrent coin.

30. The usual examination of the rupee circulation was made in May 1910 The Rupee census when 257 Government treasuries each sorted 10,000 rupees according to the dates borne by each. The result is given below with those of the previous fifteen years. Details by Provinces appear in Statement IX of the Appendix.

	1835.	1836.	1837.	1838.	1839.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.	1909.	1910.
William IV, 1835	1'45	1'0	'5	'5	'4	'4	'3	'3	'25	'2	'19	'19	'15	'15	'17	'12
1840, 1st issue	4'25	4'0	4'1	4'0	4'5	4'1	2'1	1'5	'95	'5	'78	'75	'5	'43	'45	'32
1840, 2nd "	11'2	11'7	11'9	13'0	13'1	12'5	11'8	8'9	4'3	2'8	2'13	1'6	1'2	1'04	'99	'73
1842	20'05	20'0	21'0	21'0	20'95	20'2	19'0	19'85	20'15	18'25	17'2	15'7	14'35	13'54	13'72	13'50
1874	85	7	8	8	85	9	76	75	78	75	75	65	55	56	50	53
1875	1'45	1'1	1'1	1'2	1'25	1'2	1'03	1'15	1'15	1'09	'99	'95	'85	'77	'84	'80
1877	1'5	1'4	1'4	1'4	1'5	1'5	1'36	1'4	1'4	1'3	1'25	1'1	1'0	'96	1'01	1'00
1878	4'4	4'4	4'4	4'8	4'7	4'5	4'2	4'4	4'3	4'09	3'85	3'5	3'2	2'95	3'09	3'05
1878	3'0	3'1	3'0	3'1	3'15	3'0	2'9	2'95	3'0	2'85	2'55	2'4	2'2	2'04	2'13	2'12
1879	2'7	2'6	2'7	2'9	2'8	2'8	2'5	2'55	2'6	2'5	2'24	2'0	1'95	1'80	1'87	1'82
1880	2'7	2'6	2'7	2'7	2'7	2'7	2'4	2'45	2'5	2'45	2'08	1'95	1'8	1'66	1'68	1'69
1881	4	4	4	4	4	3'7	4	3	3	3'5	2'8	2'5	2'5	2'3	2'4	2'4
1882	3'1	3'0	3'0	3'0	3'0	2'73	2'8	2'8	2'8	2'5	2'4	2'2	2'0	1'84	1'87	1'87
1883	1'1	1'2	1'0	1'06	1'1	1'1	1'0	1'0	1'0	'95	'9	8	7'5	'70	'72	'69
1884	2'25	2'2	2'1	2'1	2'2	2'2	1'92	2'0	1'98	1'85	1'75	1'6	1'45	1'33	1'38	1'38
1885	4'35	4'2	4'2	4'2	4'2	4'1	3'7	3'85	3'8	3'55	3'25	2'95	2'8	2'51	2'61	2'59
1886	1'6	2'4	2'6	2'4	2'45	2'35	2'15	2'15	2'2	2'01	1'88	1'75	1'6	1'46	1'51	1'50
1887	4'7	4'7	4'4	4'4	4'3	4'3	3'9	4'0	4'0	3'65	3'4	3'1	2'8	2'59	2'64	2'58
1888	3'85	3'6	3'7	3'2	3'25	3'2	2'9	3'0	2'95	2'7	2'5	2'35	2'1	1'98	2'03	1'98
1889	3'95	4'3	4'1	3'8	3'7	3'7	3'33	3'35	3'35	3'04	2'85	2'6	2'35	2'16	2'23	2'25
1890	5'95	7'3	7'4	6'5	6'3	6'4	5'6	5'7	5'65	5'04	4'8	4'3	3'85	3'53	3'66	3'70
1891	2'9	3'7	3'7	3'4	3'3	3'4	3'0	3'0	3'0	2'75	2'6	2'35	2'1	1'99	2'00	2'02
1892	6'2	6'0	6'0	5'4	5'55	5'6	4'9	5'0	5'0	4'5	4'2	3'8	3'35	3'13	3'21	3'23
1893	4'3	4'4	5'1	4'1	4'32	4'3	3'8	3'75	3'8	3'4	3'2	2'85	2'6	2'37	2'43	2'43
1897	...	...	...	'01	'01	1	'17	'15	'15	'18	'15	'17	'15	'18	'16	'17
1898	...	...	...	'03	'05	'35	4	4	4	5	4	44	35	38	42	34
1900	...	...	...	...	...	1'2	6'8	7'0	7'05	6'3	5'85	5'25	4'7	4'34	4'38	4'30
1901	...	...	...	...	...	3'05	6'4	9'78	9'4	8'78	8'4	7'35	6'84	6'80	6'74	6'74
Edward VII, 1903	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1904	...	...	...	...	...	...	...	...	...	3'6	8'4	8'0	6'8	6'48	6'03	5'82
1905	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1906	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1907	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1908	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1909	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1910	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

31. The receipts and issues of small silver at the Currency Offices during the year were as follow :—

	Receipts.		Issues.		Net Issues.	
	R	a.	R	a.	R	a.
Half Rupees	18,13,950	0	28,98,858	0	+ 10,84,908	0
Quarter Rupees	32,37,333	4	33,17,433	4	+ 80,100	0
One-eighth Rupees	21,24,093	6	23,35,137	2	+ 2,11,043	12
TOTAL	71,75,376	10	85,51,428	6	+ 13,76 05' 12	
TOTAL 1908-09	89,97,580	2	83,01,401	12	- 6,96,178	6

The increase in the net issues is attributable to the revival of trade from the depression caused by famine and other causes in the previous year.

Currency Agencies. 32. The Currency Agencies in all provinces, except those mentioned below are strictly Currency chests opened for resource purposes, whereas at the Agencies proper exchanges with the public take place. Similar exchanges are also allowed at an office opened for the purpose at Allahabad. The chests on the other hand merely permit of the transfer of Treasury funds from one place to another without actual movements of coin, and thus supply a very speedy means of withdrawing Treasury surpluses to head-quarters. On 31st March 1910 the number of Currency chests was 218, and they contained balances amounting to 14,30 lakhs or 2,06 lakhs less than on the corresponding date in the previous year. The balances held in the chests were very high at the close of the previous year owing to an accumulation of coin at the head-quarter offices in the absence of trade demands. With a return to favourable conditions, the chest balances showed a decrease.

The following table distributes the total balance in Agencies on 31st March 1910 in details of circles :—

	1907-08.		1908-09.		1909-10.	
	R	a. p.	R	a. p.	R	a. p.
Calcutta Circle	2,84,57,990	0 0	3,63,49,190	0 0	3,40,28,020	0 0
Cawnpore "	2,68,10,386	0 0	3,18,74,036	0 0	4,63,48,907	0 0
Lahore "	1,37,12,875	0 0	1,03,19,875	0 0	98,22,629	0 0
Bombay "	78,97,000	0 0	1,25,36,700	0 0	78,52,000	0 0
Madras "	1,83,95,000	0 0	2,66,79,000	0 0	2,23,54,000	0 0
Rangoon "	1,71,99,000	0 0	2,38,50,000	0 0	2,25,75,000	0 0
TOTAL	11,24,72,451	0 0	16,36,08,801	0 0	14,29,80,556	0 0

Currency Agencies under Art. 625, C. A. Code, at which exchanges with the public are allowed are maintained in the following places :—

Punjab—Rawal Pindi.

Simla.

Amballa.

Multan.

Sialkot.

Dera Ghazi Khan.

N.-W. F. Province—Peshawar.

Bannu.

Dera Ismail Khan.

Kohat.

Burma—Mandalay.

On the abolition of the Currency Office at Calicut, arrangements were made to continue exchange facilities to the public through the branch of the Bank of Madras which conducts the treasury business there, the balance of coin and notes required by the Bank being supplied when necessary from the local currency chest.

33. The following is a statement showing the number and value of half-notes ^{Claims on lost} and wholly destroyed or mutilated notes in respect of which claims have been ^{Notes,} admitted during the year under report :—

Nature of loss.	Number of notes for rupees.								TOTAL.	
	5	10	20	50	100	500	1,000	10,000	Number.	Value.
Whole notes destroyed . . . . .	...	1	...	2	35	7	...	...	45	7,110
Half-notes {	Lost by post	150	549	66	107	480	20	6	1,378	76,910
	Lost accidentally	20	392	45	75	525	26	14	1,097	88,170
Mutilated notes	10	518	13	6	45	...	...	...	592	10,290
TOTAL FOR 1909-10	180	1,460	124	190	1,085	53	20	...	3,112	1,82,480
TOTAL FOR 1908-09	91	1,303	93	167	1,069	78	63	...	2,864	2,32,595

The increase in numbers as compared with last year occurs entirely under notes lost by post. Payment of stopped notes, that is, whole notes lost cannot be refused, but if the presenter is not known, he is pointed out to the Police who enquire into the circumstances connected with his possession of the note. There were 1,125 stopped notes on the Calcutta list at the close of the year. During the year 335 such notes were presented and almost all the presenters were pointed out to the Police, one only was prosecuted but there was no conviction. Notes proved to have been wholly destroyed are paid after 20 years, when their value, which has been invested, is paid together with the accrued interest.

34. The forged notes presented during the year have been the following :— Forgeries.

Circle in which presented.	5	10	20	50	100	500	1,000	10,000	TOTAL.
Calcutta	1	102	...	...	...	...	...	...	103
Cawnpore . . . . .	...	6	...	...	...	...	...	...	6
Lahore	1	2	...	...	...	...	...	...	3
Bombay . . . . .	...	3	...	...	...	..	2	...	5
Karachi . . . . .	...	2	...	...	...	...	...	...	2
Madras . . . . .	...	...	...	...	...	...	...	...	...
Rangoon . . . . .	...	3	...	...	...	...	...	...	3
TOTAL	2	118	...	...	...	...	2	...	122

Thirteen new specimens of forged notes appeared during the year but three of these of the R10 denomination, viz., $\frac{V.A.}{21}$, $\frac{V.A.}{35}$ and $\frac{V.A.}{17}$ were merely variants of the $\frac{P.A.}{63}$ series alluded to in previous years. The others were of the $\frac{V.A.}{6}$, $\frac{V.A.}{20}$, $\frac{U.A.}{47}$, $\frac{U.A.}{50}$, $\frac{U.A.}{52}$, $\frac{U.A.}{79}$, $\frac{U.A.}{80}$, $\frac{U.A.}{83}$ and $\frac{U.A.}{84}$ series of ten-rupee notes and one of the R5 denomination bearing $\frac{R.A.}{86}$ series all of the Calcutta Circle, one of the Bombay Circle of the R1,000 denomination bearing $\frac{C.}{29}$ series and three of the Rangoon Circle of the $\frac{Q.B.}{44}$, $\frac{Q.B.}{57}$ and $\frac{Q.B.}{61}$ series.

In the opinion of the Surveyor General of India, to whom a specimen of the $\frac{V.A.}{17}$ series was sent for examination, "the notes have been printed from photo blocks. The evidence of this is not positive in the case of $\frac{V.A.}{17}$ but is quite clear in the case of $\frac{P.A.}{63}$. The notes have not been printed from the same block but have been photographed from the same original. The ink used is ordinary printing ink. The signature has been printed along with the note but the numbering has been done separately. There is no hand work on the note". All the rest of the notes mentioned above, except the $\frac{U.A.}{83}$ series and those of the Rangoon Circle are reported by the Police to be ordinary hand drawn forgeries, the forgery of the $\frac{U.A.}{83}$ series is still under enquiry. As regards the $\frac{R.A.}{86}$ series note for R5, it may be noted that $\frac{R.A.}{86}$ series belongs to the R10 denomination of the Calcutta Circle and is dated 20th November 1904. The paper used is of the ordinary French quality, the brown colouring is fainter than that of a genuine note, the note seems to have been lithographed or die stamped and the printing does not stand the touch of water. The signature "O. T. Barrow" is well imitated but the forgery on the whole is a clumsy one and not likely to deceive any but the most ignorant.

The Bombay note is an indifferent imitation, the number being written by hand, the Commissioner's signature lithographed, the water mark imitated clumsily and the figures indicating value and the rest of the body of the note printed.

Regarding the Rangoon notes of the $\frac{Q.B.}{44}$ and $\frac{Q.B.}{61}$ series the Surveyor General of India is of opinion that the forgery has been done by the old "anastatic" process. The colouring, figuring and lettering, though well executed, are comparatively faint and get smudged when rubbed. The word "ten" in green is scarcely perceptible. The paper is slightly thicker than the genuine note and bears an imitation of the water mark. The $\frac{Q.B.}{57}$ series note is a crude pen and ink sketch traced by hand on ordinary oiled paper from a genuine note bearing the same number. Two persons were convicted in connection with this note of using a forged note knowing it to be forged and were sentenced to 18 months' simple imprisonment each.

Fraudulent claims.

35. Cases of fraudulent claims of the usual kind in connection with half notes occurred at Calcutta, Lahore, Madras and Calicut and some Rangoon circle R10 notes altered by hand to R50 and R100 respectively found their way into the local Currency Office. Although some of the prosecutions in connection with the fraudulent claims failed, there were convictions in some cases in each circle except Calicut.

In the pending case in Calcutta and in those in Bombay at the close of the last year the accused were acquitted but in one of the Bombay cases an appeal has been made, the result of which is awaited.

36. The following are the usual details of the remittances of whole and half rupees made during the year :—

Through Circle Offices—

Calcutta to Lahore	2,00,00,000
Bombay to Karachi	21,00,000
Madras to Bombay	63,00,000

Through Agencies—

Ajmer to Delhi	47,00,000
„ Agra	15,00,000
Cawnpore and Agencies to Delhi	40,00,000
Bombay Agencies to Karachi	15,00,000
Karachi to Quetta	34,00,000
Madras Agencies to Bombay	37,00,000
Cawnpore Agencies to Bombay	1,00,00,000
„ „ „ Karachi	40,00,000

6,12,00,000

Withdrawn and Uncurrent Coin—

Cawnpore to Calcutta	2,01,704
Lahore and Agencies to Bombay	22,27,300
„ Rangoon to Calcutta	80,000
„ Bombay	4,38,280

Treasury Remittances—

	Current.	Withdrawn and uncurrent.
India Reserve	+ 7,73,000	+ 93,14,000
„ other Treasuries	+ 16,82,000	— 7,93,000
Central Provinces and Berar	+ 1,28,000	— 4,26,000
Burma	— 25,000	— 1,93,000
Eastern Bengal and Assam	+ 2,76,000	— 7,51,000
Bengal	— 11,87,000	— 19,06,000
United Provinces	— 68,000	— 62,16,000
Punjab . . . . .	...	— 22,13,000
Madras	— 9,58,000	— 22,68,000
Bombay	— 6,21,000	+ 54,52,000

The total volume of the year's remittances in current coin amounted to 6 crores against $5\frac{1}{2}$ in the year 1908-09 and $15\frac{1}{2}$ in 1907-08. The amount of remittances, however, does not, owing to the special circumstances of the year, convey a correct idea as to the trade demand for coin. In the first place, the dullness of trade in the previous year had resulted in an accumulation of coin which was distributed over the several Provinces, so that the demands during the year under report were met locally without a movement of coin to the same extent that would otherwise have been necessary. Thus the remittances which are sent in normal years to Rangoon for the rice trade, and to the United Provinces for opium payments were not required this year. In the second place, the rupees received in the previous year in payment of Demand Drafts sold on London were held in the Gold Standard Reserve at the Presidency towns of Calcutta and Bombay, and the restoration through Council Bill remittances of the Sterling branch of the reserve held in London permitted the release of an equivalent amount of silver coin in India; thus the rupees held in the Gold Standard Reserve at Bombay at the close of the year 1909-10 amounted to 2 crores only against over $8\frac{3}{4}$ crores at its beginning; the difference of $6\frac{1}{4}$ crores

was removed from the reserve against transfers made to it in England and was utilised in meeting the abnormally heavy demand for coin in Bombay for financing the cotton trade.

The usual detailed explanation of movements of coin from one circle to another is given below :—

The only important remittance in the first quarter was one of 2,35 lakhs to the Lahore Circle for issues in connection with the wheat trade, of which 2,00 lakhs were sent from Calcutta and the balance from Ajmer.

The usual feature of the second quarter is the demand at Calcutta in connection with the jute trade. The demand was not heavy and the local stock more than sufficed to meet it.

In the third quarter, 52 lakhs were sent to Delhi, 12 lakhs from Ajmer and the balance from the Cawnpore Circle, and 15 lakhs were sent to Agra from Ajmer, both the supplies being required to meet the demands of the Bank of Bengal. There was an unusually heavy demand for coin at Bombay during this quarter in connection with the cotton trade, but it was met from the transfers of coin from the Gold Standard Reserve.

The demand at Bombay for the cotton trade continued into the last quarter, and remittances aggregating 2 crores had to be sent there, 1 crore from the Madras Circle and an equal amount from the Cawnpore Circle. A remittance of 40 lakhs was also sent to Karachi from the latter circle to meet the requirements of the Spring harvest. The rice trade in Burma was financed from the local stock of coin and no remittance was sent to Rangoon.

Distribution and absorption of Silver.

37. The absorption of whole and half-rupees during the year as compared with the previous year is shown below :—

In Lakhs of Rupees.

	1908-09.					1909-10.				
	April to June.	July to Sept.	Oct. to Dec.	January to March.	Total April to March.	April to June.	July to Sept.	Oct. to Dec.	January to March.	Total April to March.
Opening Balance—										
Currency	25,18	27,09	28,56	27,56	25,18	31,12	34,05	36,46	31,26	31,12
Treasury	6,01	5,71	4,43	3,44	6,01	5,09	4,93	4,08	3,18	5,09
Gold Standard Reserve	6,00	11,79	18,08	17,98	6,00	15,88	11,68	11,68	7,18	15,88
TOTAL	37,19	44,59	51,07	48,98	37,19	52,09	51,56	52,22	41,62	52,09
Closing Balance—										
Currency	27,09	28,56	27,56	31,12	31,12	34,05	36,46	31,26	29,28	29,28
Treasury	5,71	4,43	3,44	5,09	5,09	4,93	4,08	3,18	5,87	5,87
Gold Standard Reserve	11,79	18,08	17,98	15,88	15,88	11,68	11,68	7,18	2,80	3,80
TOTAL	44,59	51,07	48,98	52,09	52,09	51,56	52,22	41,62	38,95	38,95
Net Difference + or -	-7,40	-6,48	+2,09	-3,11	-14,00	+53	-66	+10,60	+2,67	+13,14
<i>Add—New coins issued</i>	<i>+6</i>	<i>..</i>	<i>+1,78</i>	<i>+68</i>	<i>+2,52</i>	<i>+49</i>	<i>+70</i>	<i>+44</i>	<i>+54</i>	<i>+2,17</i>
<i>Deduct—Remittances to Mints for recoinage</i>	<i>-64</i>	<i>-70</i>	<i>-48</i>	<i>-68</i>	<i>-2,50</i>	<i>-55</i>	<i>-62</i>	<i>-29</i>	<i>-33</i>	<i>-2,09</i>
Net Absorption (+) or return from circulation (-)	-7,98	-7,18	+3,39	-3,11	-14,88	+47	-58	+10,65	+2,68	+12,22
<i>Net receipts into (+) or payments from (-) treasuries</i>	<i>-1,84</i>	<i>-5,32</i>	<i>+2,79</i>	<i>+6,02</i>	<i>-3,93</i>	<i>-1,29</i>	<i>-2,23</i>	<i>-1,67</i>	<i>+8,28</i>	<i>+3,09</i>
Net Currency Note circulation increase (+) decrease (-)	-1,03	+2,42	-28	-35	+38	+438	+3,18	-1,75	+1,77	+7,28

38. The following statement shows the distribution, by Circles and Provinces, of the absorption shown above:—

In Lakhs of Rupees.

CIRCLE OR PROVINCE.	1908-09.					1909-10.				
	April to June.	July to Sept.	Oct to Dec.	January to March.	TOTAL.	April to June.	July to Sept.	Oct. to Dec.	January to March.	TOTAL.
Calcutta	-3.38	+1.52	+1.09	-2.08	-2.85	-2.39	+3.19	-6	-96	-22
Cawnpore	-67	-2.87	+9	-68	-4.13	-12	-77	+31	+31	-27
Lahore	-1.56	-2.35	+62	-23	-3.52	+3.04	-1.08	+1.59	+43	+3.08
Bombay	-2.25	-2.39	+88	+2.30	-1.47	+33	-1.52	+8.67	+3.42	+10.90
Madras	+1.11	-23	+24	-2.55	-1.44	+55	-20	-29	-69	-62
Burma	-1.38	-1.51	-2	+1.80	-1.11	-55	-1.06	-20	+2.09	+28
Eastern Bengal and Assam	-21	+69	+20	-1.17	-49	-48	+66	+37	-1.16	-61
Central Provinces and Berar	+37	-4	+29	-49	+13	+8	+20	+25	-76	-22
TOTAL	-7.98	-7.18	+3.39	-3.11	-14.88	+47	-58	+10.65	+2.68	+13.22

The net absorption of rupees and half-rupees during the year amounted to 13½ crores of rupees. The figures of absorption or return from circulation during the preceding three years are noted in the margin. The chief feature of the year under report was the unprecedentedly heavy demand for coin in connection with the cotton trade in Bombay in the latter half of the year, which resulted in an absorption of coin to the extent of 11 crores in that Presidency against 3½ crores in 1906-07, the last normal year. The heaviest absorption in the Bombay Presidency in past years was 8 crores in the year 1903-04.

(+Absorption
-return)
1906-07. +18.00
1907-08. +3.92
1908-09. -14.88

The most important points regarding the absorption in each quarter of the year are noticed below:—

In the first quarter, the Punjab absorbed 3 crores in connection with the trade in wheat and seeds. Madras also absorbed half a crore in the trade in cereals. These issues were, however, largely counterbalanced by the receipts into treasuries in Burma and the two Bengals in payment of Government Revenue.

The issue of coin in Bengal and Eastern Bengal and Assam in the second quarter for the jute trade was not heavy in the year under report, amounting to 4 crores only; and the usual receipts of Revenue in Burma, Bombay and Northern India resulted in a net return of ½ a crore from circulation in this quarter.

The issues for jute did not continue into the third quarter except to a small extent in Eastern Bengal and Assam; but the issues in Bombay for financing the cotton trade amounted to 8½ crores.

In the last quarter, Bombay absorbed a further 3½ crores for cotton, while there was an issue of 2 crores in Rangoon for the rice trade.

39. The following statement compares, in lakhs of rupees, the distribution

of whole and half rupees in the Currency Reserve and Treasuries at the end of 1909-10 with that at the end of the two previous years :—

	1ST APRIL 1908.			1ST APRIL 1909.			1ST APRIL 1910.			PERCENTAGE.		
	Currency.	Treasury.	TOTAL.	Currency.	Treasury.	TOTAL.	Currency.	Treasury.	TOTAL.	1908.	1909.	1910.
India Treasuries . . .	49	26	75	55	37	92	45	29	74	2'41	2'54	2'11
Central Provinces and Berar . . .	1	97	98	20	80	1,00	9	1,12	1,21	3'14	2'76	3'44
Burma	3,46	51	3,97	5,63	41	6,04	4,98	68	5,66	12'73	16'68	16'11
Eastern Bengal and Assam	1,55	41	1,96	1,78	20	2,07	2,12	48	2,60	6'28	5'71	7'40
Bengal (including Reserve Treasury, Calcutta) . . .	6,17	78	6,95	5,08	41	5,49	9,27	53	9,80	22'28	15'16	27'88
United Provinces . . .	3,89	77	4,66	7,76	63	8,39	5,74	60	6,34	14'94	23'19	18'02
Punjab and N.-W. Frontier Province . . .	2,20	65	2,85	3,08	55	3,63	1,56	52	2,08	9'14	10'02	5'92
Madras	2,44	83	3,27	4,10	87	4,97	3,45	78	4,23	10'48	13'72	12'04
Bombay	4,97	83	5,80	2,93	77	3,70	1,62	87	2,40	18'60	10'22	7'08
TOTAL	25,18	6,01	31,19	31,11	5,10	36,21	20,28	5,87	26,15	100'00	100'00	100'00

The above statement shows that at the end of the year all the provinces except Bombay were well stocked with rupees and half rupees.

Treasury Statistics. 40. The transactions in notes, at the several Government Treasuries during the past three years, have been as follows :—

	1907-08.	1908-09.	1909-10.
	₹	₹	₹
Receipts from the Public in payment of Government dues	26,78,76,305	24,90,06,280	29,24,83,875
Receipts from the Public in exchange for silver	2,87,09,625	2,75,52,240	3,85,31,430
Receipts from the Public for other notes	61,60,430	86,27,045	1,01,52,975
TOTAL RECEIPTS	30,27,46,360	28,51,85,565	34,11,68,280
Issues to the Public in payment of Government dues	12,37,99,695	13,43,79,440	14,64,93,710
Issues to the Public in exchange for silver	5,96,25,045	7,26,37,150	6,55,07,174
Issues to the Public for other notes	61,60,430	86,27,045	1,01,52,975
TOTAL ISSUES	18,95,85,170	21,56,43,635	22,21,53,859

The receipts in payment of Government dues have increased largely in the year under report and the issues slightly. In the case of transactions in exchange for silver, receipts have somewhat risen while issues have declined. The receipts and issues in connection with other notes have been going up steadily.

41. The total Treasury transactions in notes during the three years are shown below in lakhs of rupees :—

	1907-08.	1908-09.	1909-10.
Government of India	3,02	2,90	4,63
Central Provinces and Berar	1,32	81	1,14
Burma	2,89	2,92	3,47
Eastern Bengal and Assam	3,31	3,09	3,30
Bengal	7,34	6,82	7,16
United Provinces of Agra and Oudh	5,44	7,89	8,14
Punjab and North-West Frontier Province	8,68	9,17	10,90
Madras	8,30	7,99	8,35
Bombay	8,93	8,49	9,24
TOTAL	49,23	50,08	56,33

42. The following statement gives information as to the ability of Treasuries to cash notes during the past three years :—

	1907-08.	1908-09.	1909-10.
	Number of Treasuries.		
Where encashment of notes was not refused on any day in the year	164	167	161
Where encashment was rarely refused	48	43	54
Where encashment was generally refused	20	22	16
TOTAL	232	232	231

Treasuries at branches of the Presidency Banks are excluded from this statement. It is not to be understood from the above figures that a majority of Treasuries could have cashed large values of notes, but merely that they did so in the case of small quantities presented by the ordinary non-trading public. Traders, knowing that it would be useless to ask for large sums in silver in exchange for notes, do not make the attempt.

43. Statement VIII in the Appendix shows the proportions of Treasury and Bank balances which, in each Province, were held in the form of Currency notes. Excluding Reserve Treasuries, the percentage of balances held in notes was :—

	1908 Balance in		1909 Balance in		Percentage of notes.	
	Notes.	Cash.	Notes.	Cash.	1908.	1909.
	In thousands of rupees.				Per cent.	
Calcutta Circle	38,82	1,20,91	36,03	1,14,15	24	24
Bombay „	27,45	74,33	33,24	74,51	26	31
Madras „	15,24	69,75	17,39	80,38	18	18

44. The figures of receipts and expenditure in Statement VI of the Appendix are only approximate, as the accounts of 1909-10 are not yet closed. The charges of the year were less than those of 1908-09 by Rs. 1,91,000. This decrease is the net result of smaller charges for note forms due to a reduced supply from England counterbalanced by an increase in the establishment and other charges including larger outlay for the repairs of the Currency Buildings at Calcutta.

I have the honour to be,

SIR,

Your most obedient Servant,

O. T. BARROW,

Head Commissioner.

No. I.

Statement of *Active* Note Circulation during 1909-10 and two previous years.

[In lakhs of rupees.]

LAST DAY OF MONTH.	Gross circulation in lakhs on last day of month.			Amounts held in Reserve Treasuries.			Amounts held in other Treasuries.			Total held in Treasuries.			Balance, being notes in circulation with the public			Notes held by Presidency Banks at Head Offices.			Active circulation among the people.		
	1907-08.	1908-09.	1909-10.	1907-08.	1908-09.	1909-10.	1907-08.	1908-09.	1909-10.	1907-08.	1908-09.	1909-10.	1907-08.	1908-09.	1909-10.	1907-08.	1908-09.	1909-10.	1907-08.	1908-09.	1909-10.
April	45.22	46.26	43.65	2.76	6.96	1.02	2.25	2.31	1.95	5.91	9.27	2.07	41.21	36.99	40.68	5.32	4.72	5.33	35.89	32.27	35.35
May	46.07	44.81	46.77	3.69	6.82	3.47	2.02	1.92	1.65	5.71	8.74	5.12	40.36	36.07	41.65	4.94	4.89	7.21	35.42	31.18	34.44
June	48.05	45.15	49.29	4.64	5.78	3.80	2.11	1.75	1.88	6.75	7.53	5.68	41.30	37.62	43.61	6.26	6.49	9.42	35.04	31.13	34.19
July	50.32	48.10	51.53	5.18	7.39	2.20	2.21	1.88	1.99	7.39	9.27	4.19	42.03	38.82	47.34	8.50	7.23	13.03	34.43	31.58	34.31
August	51.77	44.61	51.74	5.99	4.68	2.75	1.84	1.50	1.57	7.83	6.18	4.32	43.94	38.48	47.42	9.64	6.53	11.93	34.30	31.90	35.49
September	52.74	43.84	50.82	8.40	2.29	2.39	1.95	1.51	1.64	10.35	3.80	4.02	42.39	40.04	46.79	7.06	6.98	9.74	35.33	33.11	37.05
October	50.65	44.25	50.50	7.22	1.64	1.48	1.76	1.35	1.35	8.98	2.99	2.82	41.67	41.26	45.67	6.49	6.84	10.22	35.18	34.42	37.15
November	47.43	43.53	46.33	4.37	1.22	1.55	2.09	1.55	1.47	6.46	2.76	3.02	40.97	40.79	43.51	6.57	6.38	6.51	34.40	24.41	37.00
December	43.27	42.07	48.25	3.20	75	1.71	1.62	1.56	1.70	4.82	2.29	2.41	38.45	39.78	44.84	4.38	5.55	6.49	34.07	34.23	38.35
January	41.82	42.21	51.84	3.07	1.54	2.68	1.97	1.78	1.92	5.04	3.02	3.71	36.78	38.89	48.13	2.58	5.22	6.66	33.20	33.67	41.47
February	42.66	43.86	50.57	2.42	1.71	3.29	2.42	1.88	1.22	5.84	2.59	4.50	36.82	40.27	46.07	3.54	5.91	4.62	33.28	34.36	41.45
March	46.89	45.49	54.41	5.93	4.36	5.31	2.21	1.90	2.59	8.24	6.26	7.90	38.65	39.23	46.51	6.04	4.22	6.53	32.61	34.05	39.98
Average	47.32	44.52	49.66	4.82	3.76	2.64	2.05	1.74	1.67	6.87	5.50	4.31	40.45	39.02	45.33	6.02	5.92	8.14	34.43	33.10	37.21

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No. II.

Statement of whole Rupees coined and issued from the Indian Mints from 1835.

Calendar years.	Coined in Calcutta.	Coined in Madras.	Coined in Bombay.	Total Coined.
	₹	₹	₹	₹
William IV, 1835	10,90,88,070	11,78,000	5,37,12,502	16,39,78,572
Victoria, 1840, 1st issue	17,99,34,670	2,18,98,181	10,98,38,073	31,16,70,924
" 1840, 2nd	39,85,53,660	5,50,49,201	31,29,58,076	76,65,60,937
" 1862	26,94,27,222	2,94,81,923	49,80,03,034	70,69,12,179
" 1874	1,50,13,834	...	2,85,08,566	4,35,22,400
" 1875	1,16,31,951	...	1,93,59,597	3,09,91,548
" 1876	1,20,01,264	...	2,89,49,037	4,09,50,301
" 1877	3,92,51,692	...	9,55,54,320	13,48,06,012
" 1878	3,26,57,837	...	6,39,27,196	9,65,85,033
" 1879	1,59,28,325	...	7,27,99,904	8,87,28,229
" 1880	1,83,99,894	...	5,37,85,624	7,21,85,518
" 1881	24,35,719	...	31,61,858	55,97,577
" 1882	1,50,90,289	...	5,63,97,278	7,14,87,567
" 1883	51,23,372	...	1,80,22,789	2,31,46,161
" 1884	1,16,41,757	...	3,68,46,570	4,84,88,327
" 1885	3,41,52,203	...	6,48,78,000	9,90,30,203
" 1886	1,08,78,075	...	4,11,46,457	5,20,24,532
" 1887	4,02,00,148	...	4,84,00,000	8,86,00,148
" 1888	75,68,000	...	6,32,00,000	7,07,68,000
" 1889	93,68,310	...	6,53,00,000	7,46,68,310
" 1890	2,47,41,865	...	9,29,00,000	11,76,41,865
" 1891	1,46,69,903	...	4,95,00,000	6,41,69,903
" 1892	3,24,55,120	...	7,22,00,000	10,46,55,120
" 1893	91,40,310	...	6,95,90,000	(a) 7,87,30,310
" 1897	4,70,184	...	10,54,593	(b) 15,24,777
" 1898	12,50,976	...	62,68,437	(b) 75,19,413
" 1900	5,29,02,591	...	6,52,36,908	(d) 11,81,39,499
" 1901	3,37,22,243	...	7,54,13,718	(e) 10,91,35,961
" 1901 coined in 1902	3,82,94,644	...	5,48,44,740	(f) 9,31,39,384
Edward VII, 1903 ditto	25,000	...	...	25,000
" " 1903	4,93,78,355	...	5,29,69,151	(g) 10,23,47,506
" " 1904	5,83,38,617	...	10,19,40,291	(h) 16,02,78,908
" " 1905	5,12,57,883	...	7,62,02,223	(i) 12,74,60,106
" " 1906	10,47,97,164	...	15,89,53,269	(j) 26,37,50,433
" " 1907	8,13,38,000	...	17,09,11,816	(k) 25,22,49,816
" " 1908	2,02,17,728	...	1,07,14,770	3,09,32,498
" " 1909	1,27,58,580	...	95,36,746	(l) 2,22,97,326
" " 1910	21,00,000	...	29,99,621	(c) 50,99,621
TOTAL	1,82,62,05,455	10,76,07,305	2,71,59,87,164	4,64,97,99,924

(a) Includes ₹5,90,000 coined for the Bikaner State.

(b) On account of Kashmir and Bhopal re-coinage.

(c) Up to 31st March 1910.

(d) Includes ₹2,09,02,414 coined for Native States.

(e) " ₹1,90,43,904 coined for Native States.

(f) " ₹2,98,86,014 coined for Native States.

(g) " ₹11,66,451 coined for Native States.

(h) " ₹5,94,221 coined for Native States.

(i) " ₹3,28,000 coined for Native States.

(j) " ₹3,90,310 coined for Native States and ₹167 lakhs (Calcutta 32 lakhs and Bombay 135 lakhs) coined from Gold Standard Reserve Silver

(k) " ₹94,766 coined for Native States and ₹433 lakhs (Calcutta 168 lakhs and Bombay ₹265 lakhs) coined from Gold Standard Reserve Silver.

(l) " ₹1,01,459 coined for Native States.

Value of Currency Notes in circulation

	1863-64	1864-65	1865-66	1866-67	1867-68	1868-69	1869-70	1870-71	1871-72	1872-73	1873-74	1874-75	1875-76	1876-77	1877-78	1878-79	1879-80	1880-81	1881-82	1882-83	1883-84	1884-85	1885-86
April .	5,13	5,68	7,48	7,02	7,84	8,92	9,80	9,65	10,13	13,34	11,01	9,27	10,75	10,73	11,13	13,30	11,27	12,80	12,86	14,20	13,35	12,34	13,08
May .	5,01	6,04	7,46	7,37	8,19	10,04	10,38	8,68	10,49	13,49	11,21	9,95	11,06	10,70	11,55	13,09	11,17	13,10	13,01	14,67	13,09	13,24	13,53
June .	5,09	5,99	8,34	8,60	8,53	10,04	10,80	8,70	10,83	13,31	11,83	10,13	11,29	11,59	12,67	13,87	11,82	13,64	13,72	14,91	13,01	13,83	14,88
July .	5,11	6,31	8,58	8,67	8,72	10,06	10,53	9,18	10,72	13,47	11,95	10,73	11,18	11,54	12,85	14,07	12,24	13,91	14,04	15,29	13,54	14,56	14,1
August .	5,16	6,37	8,69	8,48	9,39	10,13	10,21	9,45	11,20	13,22	12,05	10,87	11,19	11,91	12,15	14,27	12,74	13,75	14,22	15,29	13,79	14,07	14,4
September .	5,26	6,48	8,87	9,28	9,53	10,41	10,18	10,07	11,32	13,35	12,09	10,60	11,77	11,75	12,39	14,06	13,33	13,47	13,55	15,28	14,40	15,01	15,6
October .	5,63	7,09	7,84	10,16	9,96	10,61	10,76	10,19	11,31	13,00	12,06	10,88	12,04	11,45	13,19	13,70	13,58	13,55	13,39	15,82	14,40	15,61	15,6
November .	5,16	7,13	7,83	10,10	10,21	10,41	11,53	10,27	11,09	13,30	11,73	11,02	11,69	11,63	14,74	13,16	13,75	14,50	13,07	16,25	14,47	15,76	15,6
December .	5,11	7,48	7,40	9,95	10,32	10,30	11,31	10,35	10,87	12,88	10,91	11,08	11,22	11,67	13,05	12,69	13,80	14,38	13,15	16,16	13,39	15,08	15,6
January .	5,15	7,39	6,91	8,68	10,11	10,20	11,42	10,76	13,08	12,16	9,98	11,10	11,77	12,44	13,64	12,15	14,23	14,12	13,39	15,37	12,11	14,97	15,6
February .	5,08	7,40	6,87	8,87	9,56	10,68	10,83	10,07	12,69	11,52	9,69	11,13	11,28	12,07	14,07	12,20	13,28	13,25	13,74	14,42	12,26	14,53	14,4
March .	5,35	7,43	6,90	8,09	9,07	9,96	10,47	10,44	13,17	11,14	9,25	11,24	11,00	11,62	13,57	11,42	12,36	13,40	13,91	14,51	12,76	14,58	14,4
Average	5,19	6,73	7,76	8,81	9,29	10,15	10,67	9,81	11,42	12,86	11,15	10,67	11,35	11,64	13,25	13,19	12,80	13,66	13,50	15,18	13,30	14,54	14,4
Reserve Treasury balances held in Notes Average .	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	71	144	235	136	149	
Metallic Reserve Average Gold .	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
„ Silver .	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	7,72	7,49	9,18	7,40	8,45	
Currency investment on 31st March .	2,49	3,37	3,98	3,25	3,25	3,91	3,60	3,23	5,91	5,69	5,69	5,69	5,69	6,00	5,69	6,00	6,00	6,00	6,00	6,00	6,00	6,00	6,00
Profits of Paper Currency Depart- ment .	...	18	8	7	10	7	14	22	11	21	19	20	20	21	20	19	25	23	22	21	21	22	

III.

on the last day of each month.

(In Lakhs of Rupees.)

	1886-87	1887-88	1888-89	1889-90	1890-91	1891-92	1892-93	1893-94	1894-95	1895-96	1896-97	1897-98	1898-99	1899-00	1900-01	1901-02	1902-03	1903-04	1904-05	1905-06	1906-07	1907-08	1908-09	1909-10
	13.78	14.02	16.54	15.82	17.42	25.71	23.96	24.22	30.64	30.76	25.92	23.91	24.28	28.02	27.90	28.59	31.28	33.94	36.11	39.78	43.76	46.22	46.26	43.65
	14.17	13.00	17.03	15.77	17.65	26.18	25.28	24.99	31.13	30.17	26.89	23.86	23.25	28.23	28.65	29.08	31.56	35.13	37.26	40.19	42.89	46.07	44.81	46.77
	13.78	14.08	17.69	16.24	17.94	26.81	26.77	26.49	31.40	30.86	27.78	23.39	24.92	29.14	30.41	31.32	33.59	36.57	40.65	41.36	45.56	48.05	45.15	49.29
	14.16	15.48	18.05	16.49	19.18	27.04	28.46	27.05	31.20	32.43	29.59	24.76	26.24	29.27	30.78	31.69	35.20	37.57	42.59	41.58	47.30	50.32	48.10	51.33
	14.44	15.66	17.69	16.15	20.50	26.93	29.07	28.30	31.57	31.54	28.23	24.60	26.32	28.76	28.44	30.89	35.58	37.70	41.33	43.79	48.70	51.77	44.61	51.74
	14.30	16.78	16.94	16.14	22.97	26.24	28.97	28.98	31.23	30.37	26.89	24.74	25.64	27.63	28.31	30.55	34.65	36.61	39.96	42.73	44.40	52.74	43.84	50.82
	14.53	17.78	16.74	16.63	25.66	25.09	28.94	28.59	31.81	29.98	25.08	24.59	25.84	27.67	28.30	31.86	34.36	37.00	39.45	41.58	45.22	50.65	44.25	50.50
	14.68	18.61	15.50	16.67	26.54	25.88	28.83	29.62	29.35	28.39	24.53	24.65	25.79	27.33	28.35	30.60	34.20	36.98	39.80	39.63	44.73	47.43	43.55	46.53
	14.41	17.69	15.15	15.47	27.04	24.85	26.05	30.13	31.45	27.22	25.26	23.79	25.20	26.20	28.06	28.07	33.74	34.43	38.79	39.77	45.61	43.27	42.07	48.25
	14.10	17.08	15.28	16.29	27.66	22.62	26.61	30.52	29.50	27.12	24.27	24.32	25.67	27.18	29.37	27.93	32.13	35.43	37.62	40.49	44.65	41.22	42.21	51.24
	14.07	16.45	14.83	16.37	26.42	22.90	25.86	30.20	30.35	25.99	22.58	24.53	26.24	27.27	28.10	27.68	32.85	37.29	37.73	42.63	45.49	42.66	43.86	50.57
	13.88	16.42	15.74	15.77	25.69	24.08	26.40	30.41	30.70	25.94	23.75	24.76	28.20	28.74	29.87	31.66	35.72	38.21	39.18	44.66	46.95	46.89	45.49	54.41
	14.20	16.16	16.43	16.15	22.89	25.44	27.10	28.29	31.11	29.28	25.98	24.24	25.63	27.96	28.88	30.03	33.74	36.41	39.20	41.52	45.14	47.32	44.52	49.68
	86	62	1.15	1.01	1.74	2.14	2.27	6.08	7.16	3.42	1.25	1.49	2.11	2.47	2.34	4.16	4.13	3.65	3.87	3.57	3.66	4.82	3.76	2.64
	"	"	"	"	"	"	"	"	"	"	"	"	70	6.54	12.19	7.62	10.24	15.11	16.67	16.31	12.69	13.40	4.00	4.75
	8.21	10.19	10.49	10.17	16.64	18.33	12.10	20.29	23.11	21.28	17.31	14.22	14.93	11.42	6.68	12.42	13.50	11.30	12.53	13.87	20.45	21.03	28.43	32.91
	5.11	5.20	5.68	6.00	7.02	8.00	8.00	8.00	8.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	12.00	13.00	12.00	12.00	12.00
	21	21	21	21	21	24	29	27	28	29	22	24	26	29	24	27	27	27	25	27	33	25	26	27

No. IV.

Statement of the value of Government Currency Notes in circulation throughout India during 1909-10 and previous years.

	CALCUTTA	CAWNPORE.	LAHORE.	BOMBAY.	KARACHI.	MADRAS.	CALICUT.	RANGOON.	TOTAL.
	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.
Average of 1862-63 to 1866-67	2,69,33,972	20,98,127(a)	20,77,591(a)	3,04,32,274	9,61,243(b)	60,14,446	3,45,821(a)	.....	6,64,68,113
" 1867-68 to 1871-72	3,77,08,263	35,03,005	20,29,804	4,73,69,682	21,04,702	81,01,217	8,40,354	.....	10,26,57,327
" 1872-73 to 1876-77	4,85,28,273	66,13,652	55,48,411	3,86,91,351	19,17,039	1,18,99,593	21,58,582	.....	11,53,47,901
" 1877-78 to 1881-82	6,36,26,928	58,39,749	68,53,483	3,75,04,227	28,35,309	1,43,99,405	17,54,136	... ..	13,28,13,237
" 1882-83 to 1886-87	6,32,94,733	73,46,597	78,90,464	4,44,29,612	37,85,266	1,44,73,493	12,42,570	23,45,849(c)	14,40,39,326
" 1887-88 to 1891-92	7,35,28,706	93,32,570	1,01,35,142	6,61,13,610	49,21,086	2,17,27,645	15,86,244	45,06,834	19,41,41,827
" 1892-93 to 1896-97	11,66,66,705	1,24,39,476	1,63,88,145	9,14,38,035	74,74,756	3,11,76,919	15,70,975	63,73,527	28,35,28,538
" 1897-98 to 1901-02	11,66,12,090	1,35,80,579	2,02,93,085	7,52,18,545	72,85,468	3,04,66,242	15,24,750	85,13,134	27,34,93,893
" 1902-03 to 1906-07	16,37,64,515	2,04,82,663	2,83,93,678	10,24,39,796	1,02,28,794	4,22,65,899	18,28,615	1,65,07,822	39,20,11,782
" 1907-08	20,48,62,234	2,33,13,520	2,87,27,935	12,15,72,298	1,10,05,933	5,38,36,329	18,72,110	2,80,21,317	47,32,21,711
" 1908-09	17,51,87,103	2,71,64,965	3,16,37,238	10,30,24,961	1,83,29,178	5,54,51,187	20,51,506	3,22,72,433	44,51,58,573
" 1909-10	20,22,68,056	2,44,71,903	3,48,98,685	13,33,64,552	1,69,08,518	5,49,50,126(A)	... ..	2,97,35,585	49,65,91,425
Increase (+) of decrease (—) in 1909-10 as compared with 1908-09	+ 2,71,00,953	—26,93,062	+ 32,55,447	+ 3,02,79,591	—14,20,660	—5,01,061	—20,51,506	—25,36,848	+ 5,14,32,852
Percentage on average circulation, 1908-09	+ 15.47%	—9.91%	+ 10.29%	+ 29.37%	—7.75%	—9.04%	.....	—7.61%	

(A) Includes Calicut Circle the average of which for 10 months was 13,68,246.
 (a) Average for 3 years
 (b) " " 2 " "
 (c) " " 4 " "

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Currency Notes in circulation in India. (In Lakhs and Thousands of Rupees.)

LAST DAY OF	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Calicut.	Rangoon.	TOTAL.
1904.									
January	14,80,68	1,72,70	2,49,07	9,73,78	86,23	4,04,72	13,31	1,66,36	35,46,85
February	14,97,69	1,66,93	2,41,48	11,00,24	86,62	4,30,82	13,54	1,91,37	37,28,69
March	16,42,22	1,51,77	2,63,02	10,53,96	97,78	4,42,55	14,70	1,55,16	38,21,16
April	14,88,81	1,52,35	2,84,54	9,86,21	1,06,38	4,30,98	15,88	1,45,91	36,11,06
May	15,13,06	2,09,97	2,79,75	10,56,47	1,10,59	4,02,84	17,51	1,35,54	37,25,73
June	16,28,43	3,02,90	2,73,57	12,07,14	92,05	3,85,82	20,22	1,55,35	40,65,48
July	17,11,36	2,99,88	3,25,19	12,48,23	81,09	4,03,05	22,42	1,60,39	42,51,61
August	16,48,99	2,50,15	3,45,15	12,28,15	79,83	4,06,26	24,98	1,51,93	41,35,44
September	16,64,03	1,94,38	3,28,89	11,58,95	84,28	3,83,59	29,23	1,52,33	39,95,68
October	16,55,46	1,71,39	2,97,38	11,81,64	87,99	3,81,61	22,76	1,46,65	39,44,88
November	16,45,91	1,64,76	2,74,15	12,52,44	77,82	4,02,83	20,79	1,41,22	39,79,92
December	16,26,70	1,62,87	2,71,29	11,60,28	76,93	4,22,14	14,56	1,43,84	38,78,61
11									
1905.									
January	16,32,26	1,50,20	2,58,47	10,64,93	92,00	3,94,01	13,48	1,57,11	37,62,35
February	16,64,23	1,40,48	2,49,28	9,81,25	80,28	4,43,93	12,71	2,01,05	37,73,21
March	17,01,67	1,65,83	2,67,12	10,71,42	86,77	4,36,04	14,60	1,74,15	39,17,60
April	17,06,66	1,54,39	2,82,06	11,20,11	97,89	4,21,97	16,29	1,79,11	39,78,48
May	17,70,42	1,91,35	2,72,97	11,09,23	1,02,93	3,92,19	17,72	1,62,10	40,18,91
June	18,00,50	2,57,72	2,79,32	11,22,68	1,04,81	3,72,83	20,26	1,77,57	41,35,69
July	17,23,54	2,76,75	3,41,81	11,36,11	87,85	3,86,27	19,05	1,86,82	41,58,20
August	17,77,26	2,72,89	3,64,70	12,43,95	92,99	4,22,64	20,71	1,83,80	43,78,94
September	16,35,07	2,62,39	3,53,83	12,58,14	1,11,15	4,48,36	23,05	1,81,28	42,73,27
October	16,67,48	2,35,89	3,18,30	11,75,47	1,18,18	4,44,99	22,29	1,75,68	41,58,28
November	17,22,01	2,12,25	2,71,04	9,99,90	1,10,54	4,67,80	19,17	1,60,41	39,63,12
December	16,40,42	2,12,30	2,80,02	11,06,35	1,10,98	4,54,34	14,90	1,57,34	39,76,69
1906.									
January	16,76,87	2,12,99	2,91,19	11,07,56	1,15,37	4,61,50	11,55	1,72,40	40,49,43
February	18,23,98	2,15,53	2,99,68	10,72,86	1,15,99	5,08,35	10,91	2,15,97	42,63,27
March	20,11,49	2,08,93	3,20,93	10,77,07	1,31,69	5,19,73	11,64	1,84,18	44,65,66
April	18,79,80	1,97,01	3,45,54	11,25,55	1,31,22	4,97,34	11,63	1,87,79	43,75,88
May	17,97,40	1,98,20	3,05,70	11,68,35	1,32,15	4,88,88	10,98	1,87,58	42,89,24
June	19,71,73	2,07,36	3,03,11	12,67,47	1,13,74	4,72,19	14,54	2,05,62	45,55,76
July	19,83,52	2,18,07	2,99,81	13,97,29	1,02,05	4,77,92	21,71	2,29,85	47,39,20
August	16,32,38	2,34,38	3,38,83	15,20,12	1,04,98	4,79,18	26,12	2,33,66	45,69,59
September	18,75,13	1,89,05	3,12,17	12,24,19	1,18,73	4,56,13	33,82	2,31,93	44,40,45
October	19,09,22	1,92,15	3,08,93	12,60,37	1,21,12	4,62,77	35,30	2,32,58	45,22,44
November	19,29,01	1,70,50	2,90,43	11,56,00	1,16,43	5,10,99	33,09	2,06,40	44,12,85
December	21,34,49	1,72,07	2,90,43	11,64,22	1,04,18	4,96,99	30,48	1,68,27	45,61,13

No. V—contd.

Currency Notes in circulation in India. (In Lakhs and Thousands of Rupees)—contd.

LAST DAY OF	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Calicut.	Rangoon.	TOTAL.
1907.									
January	20,71,30	1,73,73	3,02,79	10,37,81	96,94	5,30,69	19,26	2,32,71	44,65,23
February	20,63,46	1,81,36	3,02,54	10,53,93	1,00,58	5,44,52	12,13	2,90,02	45,48,54
March	21,88,82	1,63,94	3,13,75	10,84,27	1,04,09	5,56,89	12,09	2,71,34	46,95,19
April	21,04,70	1,58,41	3,08,66	11,25,83	98,46	5,39,65	11,64	2,74,33	46,21,68
May	21,85,93	1,60,57	2,78,79	11,04,84	98,03	4,93,73	15,23	2,69,49	46,06,61
June	21,53,80	1,65,04	2,81,87	13,12,31	1,02,06	5,03,74	14,80	2,71,64	48,05,26
July	21,55,96	2,00,47	3,07,47	14,38,08	98,13	5,21,85	18,43	2,91,80	50,32,19
August	21,84,26	2,37,93	2,93,42	14,74,49	94,50	5,48,23	21,79	3,22,21	51,76,83
September	20,90,51	2,22,78	2,73,77	16,44,60	95,11	5,32,18	23,52	3,31,87	52,74,34
October	21,37,75	2,59,62	2,70,81	14,47,26	95,34	5,34,71	23,50	2,96,23	50,65,22
November	20,83,19	2,75,66	2,76,49	12,40,15	1,03,63	4,98,52	22,63	2,42,66	47,42,93
December	18,85,08	2,81,54	2,63,51	10,21,87	1,15,50	5,17,15	21,92	2,20,41	43,26,98
1908.									
January	17,52,02	2,44,11	2,76,10	9,41,81	1,20,60	5,52,95	20,21	2,73,85	41,81,65
February	17,40,09	2,66,56	2,93,76	9,01,33	1,39,08	5,97,71	18,09	3,09,00	42,65,62
March	21,10,18	2,64,93	3,22,70	9,36,11	1,60,28	6,22,34	18,89	2,59,07	46,88,50
April	19,20,59	2,57,67	3,58,71	10,29,39	1,41,56	6,38,38	13,78	2,66,24	46,26,32
May	17,09,70	2,93,58	3,27,55	10,86,06	1,51,50	6,21,30	13,66	2,77,77	44,81,12
June	17,43,51	2,97,82	3,47,03	10,19,76	1,29,34	6,46,07	15,96	3,15,60	45,15,09
July	19,58,38	3,48,23	3,92,96	10,52,29	1,45,26	5,61,30	18,52	3,32,93	48,09,87
August	17,42,98	3,58,98	3,33,30	9,80,00	1,62,57	5,10,74	28,27	3,43,79	44,60,63
September	16,39,65	2,78,88	2,80,64	10,77,75	1,86,90	5,15,51	30,16	3,74,62	43,84,11
October	15,86,74	2,72,73	2,92,04	10,94,18	2,10,13	5,52,37	28,05	3,89,25	44,25,49
November	16,11,74	2,57,35	2,79,30	10,26,88	2,13,98	5,19,84	29,64	3,85,79	43,54,52
December	16,31,43	2,25,02	2,81,54	9,89,47	2,08,75	5,37,20	21,05	3,12,55	42,07,01
1909.									
January	16,96,55	2,17,44	2,88,69	9,85,18	2,11,82	5,30,86	20,09	2,69,94	42,20,57
February	17,72,18	2,28,48	3,08,27	10,26,23	2,10,16	5,18,15	13,67	3,08,37	43,85,51
March	20,06,60	2,23,62	3,06,44	10,03,01	2,27,53	4,72,42	13,33	2,95,84	45,48,79
April	17,67,63	2,38,35	3,29,27	10,06,38	2,17,21	5,24,73*	...	2,81,42	43,64,99
May	21,33,40	2,06,43	3,02,56	10,62,81	1,94,67	5,26,69*	...	2,50,66	46,77,22
June	22,48,02	2,29,56	3,30,65	11,34,44	1,64,61	5,63,99*	...	2,58,21	49,29,48
July	22,14,63	2,38,68	3,38,71	13,72,81	1,49,09	5,66,93*	...	2,72,61	51,53,46
August	21,32,36	2,62,62	3,47,35	14,58,79	1,53,36	5,34,78*	...	2,84,28	51,73,54
September	18,98,44	2,86,94	3,51,54	15,41,38	1,83,87	5,17,52*	...	3,02,51	50,82,20
October	18,57,33	2,70,93	3,48,87	15,28,36	2,00,61	5,35,08*	...	3,08,67	50,49,85
November	18,56,41	2,42,89	3,37,87	11,99,56	1,77,51	5,38,08*	...	3,00,71	46,53,03
December	19,52,56	2,41,40	3,59,09	13,23,32	1,51,14	5,47,56*	...	2,49,99	48,25,06
1910.									
January	18,95,43	2,46,79	3,73,18	16,66,96	1,39,45	5,64,54*	...	2,98,12	51,84,47
February	20,04,56	2,47,29	3,83,24	13,07,56	1,43,30	5,68,42*	...	4,02,46	50,56,83
March	23,11,40	2,24,75	3,84,79	14,01,38	1,54,20	6,05,69	...	3,58,63	54,40,84

* Includes Notes of Calicut which was a separate circle up to 18th February 1910.

Statement of Receipts and Expenditure of the Department of Issue of Paper Currency for the year 1909-10.

ABSTRACTS.

	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Calcut.	Rangoon.	TOTAL.
RECEIPTS.									
Average for 1862-63 to 1866-67	₹ 5,49,188	₹ (a) 48,033	₹ (a) 31,500	₹ (b) 6,91,620	₹ (a) 14,254	₹ (b) 1,53,409	₹ (a) 3,834	.....	₹ 10,95,254
" 1867-68 to 1871-72	5,67,815	50,334	41,322	6,60,444	30,030	1,22,733	11,221	.....	14,84,099
" 1872-73 to 1876-77	10,50,048	1,13,133	1,12,681	7,73,668	39,346	2,40,997	45,052	.....	23,74,025
" 1877-78 to 1881-82	12,66,241	94,668	1,32,494	6,89,270	31,892	2,67,753	29,639	.....	25,31,957
" 1882-83 to 1886-87	11,70,605	1,11,354	1,46,042	7,39,306	64,349	2,39,654	16,997	(c) 21,524	25,05,726
" 1887-88 to 1891-92	10,94,504	1,10,099	1,46,240	8,01,257	67,610	3,01,669	16,569	40,148	25,78,396
" 1892-93 to 1896-97	13,54,064	1,30,302	1,77,569	9,73,118	88,143	3,59,363	15,724	54,790	31,53,073
" 1897-98 to 1901-02	15,04,223	1,51,896	2,40,643	9,19,881	81,400	3,73,401	14,035	93,199	32,87,479
" 1902-03 to 1906-07	15,94,913	1,58,816	2,71,548	10,12,865	93,181	4,04,704	12,473	1,43,068	36,91,368
" 1907-08	18,56,137	1,70,603	2,75,309	9,39,329	98,411	4,18,592	12,705	2,29,188	41,00,334
" 1908-09	16,87,001	2,34,586	2,92,776	10,22,746	1,25,061	4,98,844	14,377	2,77,412	41,62,803
" 1909-10	17,45,931	2,04,553	2,94,347	9,74,900	1,24,956	4,81,571	13,640	2,41,720	49,91,618
TOTAL	1,54,40,670	15,78,577	21,71,761	1,01,99,404	8,98,434	33,62,060	2,06,266	11,01,049	3,51,57,332
DISBURSEMENTS.									
Average for 1862-63 to 1866-67	₹ 2,81,644	₹ (b) 17,214	₹ (b) 18,680	₹ 2,53,517	₹ (a) 9,114	₹ 6,197	₹ (b) 6,304	.....	₹ 6,26,042
" 1867-68 to 1871-72	1,98,956	15,396	17,286	1,15,814	8,140	36,009	4,745	.....	3,06,346
" 1872-73 to 1876-77	1,40,853	31,390	1,4,377	1,20,717	7,357	39,777	6,993	.....	3,61,664
" 1877-78 to 1881-82	1,66,558	16,275	16,040	1,33,400	7,302	38,101	6,445	.....	3,86,121
" 1882-83 to 1886-87	2,15,593	19,632	16,828	1,28,346	8,640	39,676	6,251	(c) 13,348	4,50,575
" 1887-88 to 1891-92	2,13,868	16,089	16,904	1,26,971	10,637	43,246	6,372	20,319	4,65,026
" 1892-93 to 1896-97	2,53,937	16,797	20,393	1,60,484	22,790	67,168	6,592	28,738	5,76,899
" 1897-98 to 1901-02	2,54,691	14,544	19,682	1,48,945	18,307	89,400	8,674	50,048	7,04,991
" 1902-03 to 1906-07	4,34,869	17,422	24,030	1,71,681	18,961	1,21,932	9,385	96,458	8,94,738
" 1907-08	9,02,837	28,752	28,197	2,20,628	45,183	2,32,485	12,830	1,61,165	16,46,077
" 1908-09	7,59,847	43,163	30,188	2,26,860	28,323	2,78,882	14,262	1,71,488	15,81,013
" 1909-10	6,21,671	40,810	33,398	2,94,766	27,165	1,24,830	6,435	2,41,391	13,90,666
TOTAL	45,45,254	2,73,684	2,56,203	21,24,129	2,21,939	11,94,023	95,288	7,88,955	94,79,458
PROFIT	1,08,95,416	13,04,893	19,15,558	80,65,275	6,76,495	21,68,037	1,10,978	3,12,094	2,56,77,874

(a) Average for 2 years.

No. VI.—contd.

Statement of Receipts and Expenditure of the Department of Issue of Paper Currency for the year 1909-10—continued.

	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Calcut.	Rangoon.	TOTAL.
	₹	₹	₹	₹	₹	₹	₹	₹	₹
RECEIPTS.									
1909-1910—Interest realized on Government Securities	17,06,343	1,09,997	9,98,104	9,71,398	1,34,628	4,72,680	12,830	2,41,350	40,31,030
SEVERAL CASH RECEIPTS,									
Miscellaneous	2,531	204	471	462	98	431	27	.....	4,734
Value of unclaimed Currency Notes	36,857	5,052	1,772	2,840	230	8,440	793	370	56,354
	17,45,931	2,04,553	2,04,347	9,74,900	1,34,956	4,81,551	13,640	2,41,720	40,91,618
DISBURSEMENTS.									
Salaries (including Exchange Compensation Allowance)	23,504	9,482	3,991	19,238	1,200	.....	3,100	.....	58,535
Establishment	1,43,849	15,320	22,657	86,765	11,206	33,512	3,152	39,790	3,76,260
Compensation for dearness of provision and other special allowances	4,230	.....	.....	3,669	393	2,222	106	.....	10,620
Temporary Establishment	13,652	6,443	.....	6,502	430	2,732	.....	12,459	42,331
Charges for Remittance . . . . .	.....	.....	.....	1,400	155	26	.....	.....	1,631
Stationery	6,221	55	.....	461	162	1,205	20	.....	8,443
Printing Charges	2,617	.....	481	4,609	.....	308	.....	.....	8,305
Service Postage and Telegram Charges	1,841	1,350	1,146	1,486	949	809	250	280	8,181
House, Lighting, Police and Water Rates	7,868	.....	83	1,232	50	.....	.....	.....	9,253
Cost of Note Forms, including freight	3,00,920	.....	.....	1,51,805	9,243	64,407	600	1,61,434	6,08,248
Pensions and Gratuities	10,438	874	1,659	9,742	1,454	3,225	468	.....	28,190
Cost of Repairs, etc., to Currency Buildings	85,550	.....	121	1,244	.....	7,660	.....	.....	94,260
Cost of Chests, Bags and Locks	14	1,356	348	1,268	.....	.....	465	1,256	5,306
Contingencies	8,036	4,083	2,812	3,293	633	3,026	162	4,656	28,510
Travelling Allowances	2,789	123	.....	666	93	408	53	550	4,413
Dead Stock, cost of Office Furniture	723	845	.....	986	647	3,248	1	374	6,844
TOTAL DISBURSEMENTS DURING 1909-10	6,21,671	40,810	33,598	2,94,766	27,165	1,24,830	6,435	2,41,301	13,90,166
PROFIT	11,24,260	1,63,743	2,60,749	6,80,134	1,07,791	3,56,741	2,205	329	27,00,952

Classification of Treasuries according to Encashment of Notes.

A			B			C			A.	B.	C.
Treasuries which were able throughout the year to cash notes at all times to the extent of the public demand on them.			Treasuries ordinarily able to cash notes, on presentation.			Treasuries at which this accommodation could not usually be given.					
India.											
Amer. Coorg.	Quetta.	Sambhar. Sehara.	Bushire	Nowgong (Bundelkhand).	...	Port Blair.	...	...	5	2	
Central Provinces and Berar.											
Bataghat. Betul.	Chanda. Chhindwara. Drug. Hoshangabad.	Narsingpur. Saugor.	Bhandara. Bilaspur. Buldana. Jabhalpur.	Mandla. Raipur. Wardha.	Yotmal.	Damoh.	...	Seoni.	9	8	2
Burma.											
Bamoun. Bhamo. Hensada. Kitha. Kndat. Kyauk-phyu. Kyauka. Magwe. Mandalay. Mawla. Mawmya.	Meiktila. Mergui. Monywa. Myingungya. Myingyay. Myitkina. Pakokku. Pegu. Prome.	Pyawon. Sadoway. Smeva. Taunggyi. Tharawaddy. Thaton. Tounghoo. Yamethin.	Lashio.	Mingbu. Mogok. Sagaing.	Tavoy. Thagayya.	...	...	...	28	6	0
Eastern Bengal and Assam.											
Backergunge. Bogra. Chittagong. Dinajpur. Furdapore.	Jalpaiguri. Khan Hills. Lushai Hills. Maldah. Manipur.	Noakhally. Nowgong. Rajshahya. Sylhet. Tipperah.	Cachar.	Golpara. Garo Hills. Kamrup. Mymensingh.	Naga Hills. Pabna. Rangpur.	Darrag. Lakhimpur.	...	Sibongar.	15	6	5
Bengal.											
Bankoora. Beerbhoom. Burdwan. Dushinaga.	Hazaribagh. Howrah. Kibla. Madinapora. Monghyr. Moorshedabad. Mozufferpore.	Nya Doochie. Salamow. Sambulpur. Sarun. Shahabad. Singhbhooni. 24-Parganahs.	Bhagalpur. Cuttack. Champaran. Gaya.	Hooghly. Jessore. Nodda. Manbhum.	Furka. Puri. Ranchi.	Balason. Dargoeing.	...	...	18	11	2
United Provinces of Agra and Oudh.											
Almora. Azamgarh. Bahraich. Ballia. Bagda. Basa-Banki. Bareilly. Basti. Bijnour. Budnan. Bulandshahr. Etah. Etawa.	Farukhabad. Fatehpur. Fyzabad. Ghazipur. Gonda. Gorakhpur. Hamirpur. Hardoi. Jalaun. Kheri.	Mainpuri. Mirzapur. Moradabad. Muttra. Muzaffargarh. Nauti Tal. Partabgarh. Pathan. Rae Bareilly. Saharanpur. Shahjampur. Sitapur. Unao.	Aligarh. Dhera-Dun.	Jaunpur. Jhansi.	Meerut. Roorkee. Sultanpur.	...	...	...	26	7	0
Punjab and N.-W. Frontier Province.											
Attock. Basani. Dera Ismail Khan. Dera Gazi Khan. Ferozepur. Gujranwala. Gurgaon.	Haryana. Hissar. Jhang. Jhelum. Kangra. Karnal. Kurram. Mianwali.	Mooltan. Muzaffargarh. Rawalpindi. Sahabpur. Sialkot. Umballa.	Amritsar. Gurdaspur. Gujrat. Hoshiarpur.	Jullunder. Ludhiana. Lyallpur.	Montgomery. Peshawar. Rohtak.	Kohat.	...	...	21	10	1
Madras.											
Anantapur. Bellary. Chingleput. Coimbatore.	Kurnool. Madura. Nellore. North Arcot.	Salem. South Arcot. Tanjore. Travancore. Trichopoly. Vizagapatam.	...	...	...	Bangalore. Coimbatore. Gajnam.	Osatur. Ksrna.	Tinnevely.	14	0	6
Bombay.											
Ahmednagar. Amravati. Aurangabad. Beauland. Jalgaon. Nashik. Solapur. Thane. Warananagar.	Kaira. Kanara. Kathiawar. Kolaba.	Larkana. Mirpur Khas. Nasik. Ratnagiri. Satara. Thana.	Baroda.	Khandesh West (Dhulia).	...	Cach.	...	...	15	2	0
TOTAL									161	54	10
TOTAL OF A. B. C.									225		

No. VIII.

Statistics of Treasury and other balances on 31st December 1909.

	DENOMINATIONS OF NOTES.									TOTAL.			PERCENTAGE OF NOTES IN TOTAL BALANCE.		
	Rs.	10.	20.	50.	100.	500.	1,000.	5,000.	Foreign Notes.	Notes.	Sovereigns.	Rupees.	TOTAL.	December 1909.	December 1908.
Treasuries and Branch Banks.															
Calcutta Circle	77,320	9,48,760	1,38,660	1,89,100	12,28,100	3,76,000	4,51,000	1,11,50,000	1,04,330	1,47,63,270	60,210	1,14,57,835	2,62,81,315	56	35
Cawnpore "	79,925	2,02,370	181,120	1,85,700	6,94,000	4,58,500	4,72,000	16,60,000	7,84,260	46,18,775	83,350	72,42,732	1,19,45,057	39	35
Lahore "	1,33,945	3,57,560	1,54,880	1,09,500	5,02,000	5,26,500	3,75,000	35,10,000	3,85,145	62,35,430	59,903	43,29,791	1,06,25,124	39	40
Bombay "	2,84,790	12,54,450	2,94,360	3,64,800	9,53,000	3,13,000	4,83,000	16,70,000	2,58,885	58,76,485	90,885	73,69,391	1,33,36,961	44	42
Nagpore "	38,350	66,610	63,240	1,61,100	6,80,500	2,07,500	2,01,000	...	4,52,235	18,70,535	17,182	63,61,351	82,49,268	23	16
Karachi "	21,225	2,65,260	69,400	77,350	1,35,700	1,01,000	4,42,000	1,30,000	1,97,610	14,40,545	2,700	8,71,280	23,14,525	62	63
Mairas "	1,12,370	2,00,050	52,440	79,750	8,02,200	77,000	75,000	33,80,000	3,41,860	51,29,680	8,182	80,29,940	1,31,67,802	29	33
Calcutt "	61,840	33,000	5,080	30,400	1,05,800	26,000	40,000	...	3,91,720	6,93,840	12,540	14,45,499	21,51,279	32	31
Burma "	32,145	2,95,890	46,100	95,900	7,00,600	15,000	1,36,000	29,60,000	25,305	43,26,940	4,898	46,81,167	90,13,005	48	55
TOTAL	8,41,910	36,33,660	9,05,480	13,83,600	58,93,700	21,00,500	26,95,000	2,44,70,000	30,31,350	4,49,55,500	3,40,050	5,17,89,386	9,70,84,936	46	39
Presidency Banks, Head Office.															
Bank of Bengal	30,368	4,56,630	46,100	78,350	7,67,200	8,38,500	40,16,000	1,67,10,000	33,58,300	2,63,21,445	15,79,155	15,34,400	2,94,35,000	89	92
" Bombay	72,245	2,58,960	68,640	1,06,000	4,32,100	1,49,500	2,534,000	2,99,50,000	2,04,830	3,38,66,275	1,83,915	1,79,594	3,42,29,784	99	97
" Madras	1,16,335	2,47,520	1,03,640	80,100	5,95,900	2,23,500	3,40,000	30,60,000	...	47,66,995	74,242	7,17,332	55,58,369	86	76
TOTAL	2,18,948	9,63,110	2,18,380	2,54,450	17,95,200	12,31,500	68,00,000	4,97,20,000	35,63,130	6,49,54,715	18,37,312	24,31,326	6,92,23,353	94	93

30

Statement IX.

Proportion of the several issues of Government Rupees found in actual circulation in each Province since the year 1895, In what year examined.

Table for INDIA showing proportions from 1895 to 1910. Includes sections for Victoria and Alwar & Bikaner, with a TOTAL row at the bottom.

CENTRAL PROVINCES AND BERAR.

Table for CENTRAL PROVINCES AND BERAR showing proportions from 1895 to 1910. Includes sections for Victoria and Alwar & Bikaner, with a TOTAL row at the bottom.

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GOVERNMENT OF INDIA.
FINANCE DEPARTMENT.

REPORT UPON THE OPERATIONS OF THE PAPER CURRENCY DEPARTMENT
DURING THE YEAR 1910-11.

No. B. R. C.—678, dated Calcutta, the 10th October 1911.

From—R. W. GILLAN, Esq., I. C. S., Comptroller General and Head Commissioner
of Paper Currency,

To—The Secretary to the Government of India, Finance Department.

SIR,

I have the honour to submit the report on the operations of the
Currency Department during the year 1910-11.

For reasons already explained to Government, I have combined this year
the two separate reports which formerly dealt (1) with the movement of funds
and the resource operations of Government and (2) with the operations of the
Currency Department and the supply of currency for trade purposes. In the
peculiar circumstances of India, the management of Government balances is
so closely connected with the trade conditions of the year and the supply of
currency to meet them, that an attempt to deal with them separately results in
overlapping in many important details and in a loss of continuity. It was decided
therefore to combine the two subjects in a single report, and the practical ex-
perience of dealing with them on this basis will suffice, I think, to demon-
strate the advantages of the decision.

Introductory.

2. Before examining in detail the history of the year it will be well to give Government E
in the briefest possible way a description of the balances from which currency serves and the
is supplied and their inter-connection inter-connection

There are first, the balances held by Government in the course of ordinary Treasury balances
business with the public. The money comes in at treasuries and sub-treasuries
all over the country, but no more of it is left there than is needed for ordinary
requirements and any surplus is withdrawn to reserve treasuries at head-
quarters which are the reservoirs from which trade demands in the shape of
Council Bills have to be supplied. Balances were easy throughout the year, the
minimum—reached in January 1911—being 13 crores against a minimum of
10 crores in the preceding year. The reserve treasuries were always fuller and
sometimes very much fuller. The portion held by Presidency Banks at head-
quarters was larger and more money was left throughout the year in district
treasuries.

Apart from these treasury balances, Government holds a balance accu- Gold Standard
mulated out of revenue, viz., profits on coinage, and separately funded. Reserve.
The great bulk of this Gold Standard Reserve is held in England, but a portion which
should ordinarily amount to six crores of rupees is held in India in rupees as a
reserve against sudden demands for increased coinage. The English and
Indian branches of this reserve may be utilised on occasion as a treasury
transfer; that is to say, the Secretary of State may pay in some portion of
the money received in payment of Council Bills into the Gold Standard
Reserve, and a corresponding sum is then released from the silver branch
of the reserve in India and made over to the Indian treasury for payment of
Council Bills.

Lastly, there is the Currency Reserve; the bulk of this of course is not Currency Reserve.
available for the general purposes of Government, being a deposit held against

the note circulation, but the connection between it and the treasury balances is very close. In the first place the funds in the reserve treasuries are not held in coin. The reserve treasury pays coin into currency and draws out notes and a very considerable portion of the coin shown at any time in the currency reserve is thus Government money. Secondly, the currency reserve is not held in one place. It is scattered all over the country in Currency chests, and transfers through currency are the recognised means of supplying the requirements both of Government itself and of trade. A merchant, for instance, in Calcutta requiring funds at Cawnpore pays the money into the currency reserve at Calcutta and draws it out from currency at Cawnpore. Thus in resource operations it is permissible to take into account the whole amount of coin actually held at any particular place whether in the treasury or in the currency reserve; and the distribution of the currency reserve operates to equalise matters and to obviate the necessity of frequent remittances of coin.

Importance of
Currency Reserve
and its composi-
tion.

It will be seen also that since as a rule the amounts held in district treasuries are not ordinarily more than sufficient for the wants and means of Government itself, and the reserve treasuries bank with the Currency Department, the only store of coin available for any development of the currency is in the currency reserve. Its position therefore is of importance. The gross circulation of notes during the year rose from 54,41 to 54,99 lakhs, and there was of course a corresponding increase in the reserve. A portion, however, is held at home in gold, and there may be transfers between the English and Indian portions and the treasury in exactly the same way as in the case of the Gold Standard Reserve. Thus in the year under review the Secretary of State did in fact pay into the currency chest at home gold to the value of 3,82 lakhs, which was paid out from currency to treasury in India, and the net result was that the Indian reserve diminished by 3½ crores during the year. In the Indian reserve the proportion of gold varies greatly from year to year. In 1908-09, for instance, the stock of gold was exhausted. It came in rapidly in the cold weather of 1909-10 and the year 1910-11 began with a gold balance of 9,30 lakhs. As usual this was gradually reduced during the slack season, the minimum reached being 3,04 lakhs in October. Then imports began again and by the end of the year the stock of gold had gone up to 9,28 lakhs. The stock of silver is determined at any time by the amount of the note circulation deducting the portion of the reserve invested in securities or held in silver bullion and the amount held in gold whether in England or India. It rose to a maximum of 35,26 in the slack season, and thereafter gradually diminished, the closing balance being 26,06 against an opening balance of 29,28.

Connection between
trade and Currency
operations.

3. This description of the machinery with which we have to deal will indicate in the next place the very close connection in this country between the operations of trade and of Government in the Currency Department and this connection holds good whether it is foreign or internal trade that is under consideration. In the first case a further link is to be found in the fact that the Secretary of State has to pay large obligations at home on behalf of India. These are set off against the net indebtedness of trade to India by his selling for money received in London, bills to be cashed by the treasury in India. In the alternative, there being no open mint in India, trade has to import sovereigns, but whether sovereigns are used or Council bills, Government has to supply the currency to the extent and in the form required to pay for produce exported. Within the country, again, the same sort of balance holds between Government and trade requirements. In settlement of Council bills, Government has to pay large sums to traders at the Presidency towns. Traders on the other hand have to pay for produce up country where the bulk of the Government revenue is collected. Practically the obligations cancel each other. Government in other words takes money from the trade at the Presidency towns with which it discharges the Secretary of State's bills and sells transfers up country; these it meets from its incoming revenue and in turn they settle the internal trade demand. In this way Government does not merely undertake the supply of currency and on wholesale lines the remittance of funds: the movements of funds on Government and on trade account are intimately connected at every point, and an explanation of trade conditions is essential to an understanding of the whole subject of this report.

Foreign trade and adjustment of balance of trade.

4. The recent history of the seasons as affecting the primary industry of India on which its trade so largely depends has been uneventful. The results we have to consider, it may be observed, depend on the seasons of 1909-10 as well as of 1910-11, but in both years agricultural conditions were generally favourable and the crops must have been well above the average. It appears however that the more striking features of the year under review were due not so much to the quantity of the produce which India had for disposal as to the high prices which the conditions in the world's markets enabled her to obtain for some of her goods. The most important articles of export are grain (wheat and rice) and raw materials (jute, cotton, and oil seeds); and goods classed as manufactured or partly manufactured represent only 18 per cent. of the total value of all exports. Wheat had an exceptionally favourable year and the outturn was 15 per cent. above the five years' average. The quantity exported was very largely above the average, but the price obtained—Rs. 102 a ton—was not more than normal. Rice which accounted for 60 per cent. of the total value of food grains exported was excellent both in 1909-10 and 1910-11 and there was a large surplus available for export. The trade between Burma and India went back very much to the level of 1905-06, the amount brought over in 1910-11 being little more than half the amount brought over in 1909-10, but foreign exports were higher than they have been since 1901-02 and their value went up to 23½ crores against an average of some 18½ crores in the preceding four years. The effect of world prices was strongly shown in the case of raw materials. The outturn of jute was larger than in the previous year, but below the outturn of 1906-07 or 1907-08, and the quantity exported was the smallest in the last five years. The Calcutta price per bale went up however from Rs. 31-8 at the beginning of the year to Rs. 51 at its close, and the value of the exports—15½ crores—was about the average. In the case of cotton, the maximum and minimum prices per pound in Bombay during the year were 7-63 and 5-86 annas as compared with 5-33 and 4-41 annas a couple of years ago. The quantity exported was somewhat below 1909-10, but the value, 35 crores, was easily a record. In oil seeds, not only was there a shortage in other countries, which raised prices in Europe beyond precedent, but India itself had large crops. Consequently 31,000 cwts. were exported to the value of 25 crores and both quantity and value are by far the largest on record; the average value indeed in the preceding four years was only 15 crores.

Foreign trade.
Exports.

The same causes however which benefited the export trade in raw materials operated against success in manufactures, the most important of which so far as other countries are concerned are cotton and jute. Cotton yarn production fell 19 million pounds (3 per cent.) below the production of the previous year and was very low; exports of yarn also decreased by 19-3 per cent. At the same time, the increase in cloth production which has been marked in recent years continued and its outturn is now 245 million pounds against 166 millions in 1906-07. In the same period the export of piece goods has risen from 1,65 lakhs in value to 2,20 lakhs, but the bulk of the increase in production seems to have been retained in the country. Jute manufactures were affected not only by high prices but by a weak American demand, but the exports were about the average. The tea industry may perhaps be mentioned in the same connection; the year was a prosperous one, a steady rate of expansion being continued and the value of the exports has increased by 2,56 lakhs since 1906-07. The total value of exports of articles manufactured and partly manufactured was 36,98 lakhs against 38,06 lakhs in 1909-10 and an average of 37,51 lakhs in the last five years.

5. As regards imports, the value of merchandise was 129½ crores compared with—

117 crores in	.	.	.	.	.	.	.	.	1909-10
121½ "	.	.	.	.	.	.	.	.	1908-09
130 "	.	.	.	.	.	.	.	.	1907-08

Imports.

The figures are peculiar but unless the imports in 1907-08 were exceptional it does not seem that the business of the year was marked by any unusual activity. The two principal features were an expansion under manufactured articles and a falling off in machinery. The first, which are also much the most important accounting for half the total of imports, were valued at 69 crores or much the same as in 1907-08, but 10 crores above 1906-07, 1908-09 and 1909-10. The bulk of the increase was in cotton goods, and it may be noticed that the increase was in the more expensive bleached and coloured goods while unbleached goods declined. The decrease in machinery reflects the adverse conditions affecting the cotton and jute industries, and textile machinery fell in value from 2,88 lakhs in 1908-09 and 2,15 lakhs in 1909-10 to 1,64 lakhs. In other classes there was some increase, but the total was still only 4,73 lakhs against 5,06 in the previous year.

In addition to private merchandise, Government imported stores to the value of 4,85 lakhs as against 5,59 in the previous year, and the total value of material for State and non-State Railways was 6,18 which was 2½ crores less than in 1909-10 and not much more than half the value of imports in 1908-09.

Balance of trade.
How paid for.

6. The figures given in the preceding paragraphs relate to the sea-borne foreign trade. In addition there is the frontier trade which cannot altogether be neglected, the grand total of exports and imports including treasure having been 16½ crores of rupees or 11 million pounds in the year under report. This trade is gradually expanding and is now some 2 million pounds in value greater than it was five years ago. According to the statistics, it usually results in a net import into India of articles to the value of 1½ crores, but there seems reason to doubt whether the balance is really in favour of or against India, and in either case, it may for the present purpose be neglected. For the sea-borne trade excluding treasure and Government stores the aggregates for the year were—

Exports	2,09,14 lakhs.
Imports	1,29,36 "
	79,78 "

The balance then in favour of India of these transactions was 79,78 lakhs which compares with the figures of previous years as follows :—

1909-10	70,67 lakhs.
1908-09	81,76 "
1907-08	47,46 "
1906-07	68,61 "
1905-06	58,63 "

The consideration of this balance would lead to some very interesting questions. To account for it in full we should require figures for

- (a) The import of treasure.
- (b) Private remittances.
- (c) Secretary of State's bills.
- (d) Transfer of securities.

It seems hopeless however to expect the account to balance. The amount of private remittances is uncertain. Even for transfer of securities,* our figures are incomplete since we know only the amounts passed through the Public Debt Office registers and a considerable sum is transferred which does not pass through the Public Debt Office at all. The balance again would be thrown

* It may however be noticed that as far as Public Debt Office figures go, the drift of Government Paper seems to be steadily towards India. In 1909-10 77 lakhs went back to London, but in eight out of the last ten years the transfer has been to India and the total brought to this country during that period has been 9½ crores. It would be interesting if this could be taken as an indication that in India, the tendency is at work, which showed itself in Italy, for a debtor country to buy up the securities on which it has borrowed from others and to reduce the amount that it has to provide abroad by an excess of exports for interest payments.

out by imports of capital* which would figure among the payments to India, but would not be represented in the exchanges of trade. Without attempting therefore a complete comparison which would involve so many elements of uncertainty, I may pass to the factors which for the purposes of this report are of practical importance—the import of treasure and council bills.

7. The statistics on this subject are of special importance as they lead up to the question of gold currency which has to be considered in a later part of the report, and it is well therefore to examine them for a series of years. To prevent misapprehension it is necessary to exclude Government transactions whether in the form of imports of silver for coinage or transfers of gold to England for the purchase of silver. These adjustments have been made in the following figures which bring out the main factors in the situation :—

Net imports.	IN LAKHS OF RUPEES.	
	Gold.	Silver.
Average of 20 years 1875-1895	2,14	8,50
Ditto of 5 years 1903-04—1907-08	15,28	7,12
1909-10	21,68	9,36
1910-11	23,98	8,60

The gold figures are striking, but it is perhaps equally remarkable that the increase in gold has not been at the expense of silver; the country in other words continues to take practically the same amount of silver, but it prefers that the addition to the imports of treasure which it has been able to claim should be in the form of gold.

8. It is then to be seen what proportion of the gold has been brought in in the form of bullion and sovereigns respectively. In the year under report the import of sovereigns has attracted special attention, but it was not on any exceptionally large scale. The value in rupees of sovereigns imported in 1910-11 was in fact 12,81 lakhs; in 1909-10 it was 13,86, and the figure of 1910-11 was exceeded also in 1903-04 and 1904-05. The proportion of sovereigns to bullion imported has been :—

Year.	Per cent.	Year.	Per cent.
1900-01	191	1906-07	78
1901-02	180	1907-08	90
1902-03	207	1908-09	23
1903-04	185	1909-10	127
1904-05	153	1910-11	87
1905-06	70		

The low percentages in 1905-06 and 1906-07 were due to the diversion to London of Australian gold intended for shipment to India, and would be raised, if allowance were made for the amounts diverted, to 134; the

* In an article written in March 1909, Professor Keynes contrasted over a series of years the net export of private trade with the drawings of Council Bills, the difference being taken as the net result of the capital loaned to India on the one hand and the various payments due from India on the other. Thus between 1904-04 and 1906-07 the value of Council Bills sold increased by 14½ crores, but of this increase only 2½ crores were due to a more favourable balance of trade and the remainder was ascribed to capital transactions gaining on remittances. Here again the comparison seems to include some very uncertain factors, but it may be noted that, while in 1895-06—1907-08 in contradistinction to earlier years Council Bills exceeded the value of net private exports by 1½ to 3 crores, the balance has since swung round again, Council Bills as compared with net private exports being :—

(Council Bills more + less —)	
in 1908-09	—6,18 lakhs.
in 1919-10	+85 "
in 1910-11	—7,17 "

conditions in 1907-08 and 1908-09 were of course exceptional. It appears then that the proportion of sovereigns to bullion in the imports of 1910-11, although no gold was diverted, was exceptionally low, and the real difference was in respect of exports. In the previous years in which imports were heavy, exports also were large, and the net addition of sovereigns during 1910-11 was much the largest on record. While these figures may serve however to correct a possible misapprehension concerning the volume of imports, the utility of the comparison between sovereigns and bullion may be doubted. The first are not imported necessarily for use as sovereigns at all; they come into the country only when they happen to be the cheapest medium of importing funds; the exact use to be made of them is indeterminate and the figures indicate nothing more than the general condition of the foreign exchanges. Gold as bullion on the other hand supplies a definite domestic need and the amount of bullion imported is determined presumably by the demand, allowing for the proportion which it is found can be supplied from the stock of sovereigns.

Council Bills

9. The total drawings of the Secretary of State in the year amounted to £26,780,000 (=40,02 lakhs), the drawings in the previous five years having been :—

	£
in 1905-06	31 millions.
„ 1906-07	33 „
„ 1907-08	16½ „
„ 1908-09	14 „
„ 1909-10	27 „

In the year under report, sums of £ 2,545,000 and £ 600,000 were treated as remittances of the Currency and the Gold Standard Reserves respectively, these amounts having been added to the reserves held in England and transferred *per contra* from the reserves to treasury in India.

The course of drawings during the year was normal, the highest amount offered for the weekly sales of the Secretary of State being 1,40 lakhs towards the close of January, and the lowest 35 lakhs in the middle of June. In March 1910, the drawings reached the record figure of 8½ crores and the demand continued heavy in April, the drawings of that month being the highest during the year under review. Subsequently the demand was more evenly distributed than in the preceding year, and in no month did the aggregate drawings exceed 5 crores of rupees.

Rate of Exchange.

10. The rate of exchange quoted in Calcutta for demand bills on London which was 1-4 $\frac{2}{3}$ pence per rupee at the beginning of the year fell gradually to 1-3 $\frac{2}{3}$ which was the lowest point reached and continued for a fortnight at the beginning of June. By the middle of July it had reached par again and with a brief set back in the first week of August it advanced to 1-4 $\frac{1}{2}$ towards the end of October. In November and nearly to the close of December it was 1-4 $\frac{2}{3}$. For the most of January it was a point higher and then receded to 1-4 $\frac{1}{3}$ again, which was the rate maintained, except for 10 days in March, till the close of the year. The average for the year was 1-4 $\frac{1}{3}$, which was the same as in 1905-06 and slightly less favourable than in 1906-07 but above the rate of the three years immediately preceding.

Internal trade, transfers of funds and Government remittances.

Internal Trade.

11. The statistics, however, which would assist better in any consideration of currency questions are those of internal trade. These, it will be observed, include the movement of produce and manufactures for export as well as the distribution of all articles imported; in this way they allow for the internal effects of foreign trade, and they add the purely domestic transactions in which the employment of currency may be necessary. At the same time it would of course in any case be impossible to give any complete estimate of the total volume of business and we must select some particular class of transactions to serve as a general indication of the whole. For this purpose it is natural to take railway traffics as showing the movement of goods within the country.

Here also however we are handicapped by the absence of any valuation of these goods, which alone would enable us to reduce the transactions to a common denominator, and gauge their effect on currency, and I put forward the figures that follow therefore merely as the best available.

12. In the first place, as a rough indication of the total trade we may take the aggregate railway goods traffic, and here as a check on the figures of 1909-10 and 1910-11, we may add 1906-07 as the last normal year preceding. The aggregates are then :—

(In millions of cwts.)

	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	Total.
1906-07	237	209	247	253	946
1909-10	268	209	255	275	1,007
1910-11	271	237	273	239	1,070

Thus the volume of trade falls to a minimum in the second quarter and reaches its highest point in the last three months of the year. The annual aggregate has increased since 1906-07 by 13 per cent.

13. Next, to show the movement of trade, the provincial figures may be arranged as follows :—

(In millions of cwts.)

	Exports.			Imports.			Net (Imports + Exports -).		
	1906-07.	1909-10.	1910-11.	1906-07.	1909-10.	1910-11.	1906-07.	1909-10.	1910-11.
Eastern Bengal & Assam	30	36	34	28	27	24	-2	-9	-10
Bengal*	178	184	209	36	39	36	-142	-145	-173
Calcutta*	40	46	42	175	166	185	+135	+120	+148
United Provinces	30	33	36	34	40	42	+4	+7	+6
Punjab	40	33	37	21	29	31	-19	-4	-6
Karachi	12	13	11	28	31	32	+16	+18	+21
Central Provinces and Berar	22	22	26	12	15	14	-10	-7	-12
Bombay	21	28	26	25	28	36	+4	...	+10
„ ports	22	23	27	42	52	54	+20	+29	+27
Madras	23	25	27	18	23	23	-5	-2	-4
„ ports	14	18	17	21	23	24	+7	+4	+7
Minor Provinces and Native States	41	42	43	33	31	34	-8	-11	-9
TOTAL	473	503	535	473	503	535	...	...	...

Considered in detail by quarters the figures should throw some light on the character of the trade during the year. The exports from the Punjab for instance and the imports into Karachi indicate that the wheat trade was later than usual. I have not been able to extract much information of this kind however from the detailed figures and I give only the yearly totals to show that

* The large figures of exports against Bengal and imports against Calcutta relate to the trade in coal.

there is a strongly marked similarity between the figures of the three years. This seems to indicate at any rate that the general movement and extent of trade were fairly normal and the conclusion is one which it is of some importance to reach in considering the effects on currency.

Connection with
Currency

14. These statistics have a bearing on two distinct problems with which the Currency Department is concerned, the first being the movement of funds within the country, and the second the total volume of currency required.

Internal transfer
of funds.

15. The question of transfer of funds in internal trade is very much the same as in the case of foreign trade; indeed inter-provincial trade is in some respects international in character, and in any case the same uncertain factors obtrude themselves when any comparison is attempted between trade demands and their settlement.* As far as the adjustment can be traced, however, it is clear, a certain transfer in the value of goods being assumed, that the balance between provinces might be equalised—

- by movement of treasure,
- by the net issues or receipts from treasuries, releasing or withdrawing a certain amount of money in the different circles,
- by transfer of currency notes, and
- by transfers of money effected through the treasuries and currency offices.

The figures, so far as available in the returns of railway traffics or Government transactions, are as follows :—

(In Lakhs of Rupees)

	Bengal.	Eastern Bengal and Assam.	Burma.	United Provinces	Panjab.	Madras.	Bombay.	Central Provinces.
(a) Net imports (+) or exports (-) on private account of—								
(i) Gold coin and bullion .	-2,40	+1,30	...	-65	-1,01	-12	+2,98	+5
(ii) Silver bullion	+79	-3	...	+97	+2,05	-14	-4,38	+74
(iii) Silver coin	-65	+4,38	..	+1,92	-99	+21	-3,58	-1,29
(b) Inter-Provincial transfers—								
(i) Net transfer of currency notes to (+) or from (-) each circle.	+2,88	...	-10	-88	-2,45	-18	+1,28	...
(ii) Remittances through Government.	-4,80	+2,68	+9,56	+1,67	+53	+2,51	-14,57	+1,93
(c) Additions to Currency—								
(i) By reduction of Treasury balances—								
(1) Council Bills	+17,68	...	...	...	...	+6,28	+15,63	...
(2) Other transactions . . .	-13,39	-3,94	-5,99	-71	+4,38	-7,65	-7,62	-7,51
(ii) By foreign imports of sovereigns.	+69	...	..	...	...	+13	+10,06	...
Net payment to (+) or by (-) [total of items (a) to (c)].	+75	+4,39	+3,47	+2,33	+2,51	+1,09	+19	-1,09
Net viable addition (+) or reduction (-) in currency [total of items (a) iii to (c)].	+2,36	+3,12	+3,47	+2,00	+1,47	+1,35	+1,74	-1,88

It is not of course suggested that these figures give any clue to the total of the transactions by which trade demands between provinces are settled. Before any approach to an estimate of that total could be made it would be necessary to form some idea of the payments made by cheques and drafts between provinces, though it may be suggested that in India the total of such payments must be comparatively small. The figures again are not exhaustive even as regards the movement of currency, and in detail, their meaning is often doubtful. Thus it is difficult to understand why there should be a return on private account of gold to Bombay. At the same time I think the table is distinctly useful as bringing together the various elements in the general problem, defining our knowledge of them and making the way clearer for a further investigation into the machinery of internal remittances.

Its components.
(1) Effects of
Government
transactions.

16. Item (b) in the foregoing statement is the net figure which results from taking into account the whole of the Government revenue and expenditure,

* As an illustration of the want of parallelism between the two sets of figures it may be noted that coal and other industries which are in the hands of English capitalists are financed at the seaport towns, that is the value of the products has not to be remitted up country. Thus the movement of goods does not necessarily involve a transfer of funds and this remark applies also to foreign trade.

receipts and payments on account of savings banks and all other kinds of deposits and payments of Council Bills, and it is unnecessary in this report to explain the components in detail. It may be mentioned however that the net result in recent years has been as follows :—

	+ Net receipts by Government.
	— Net issues
1906-07	— 2.18 lakhs of rupees.
1907-08	+ 3.00 "
1908-09	+ 5.82 "
1909-10	— 10.31 "
1910-11	— 2.76 "

17. The transfer of currency notes is dealt with in paragraphs 41 to 43. It is there shown that one effect of the universalisation of notes of small value has been to diminish very greatly the encashments of foreign circle notes at currency offices, and there seems to be no doubt that the figures now represent only a very small part of the business done in the transfer of currency in this form between different circles. ^{(2) Transfer of currency notes.}

18. The value of the transfers of funds between provinces effected by the public through Government amounted to 33½ crores against 2½ crores in the previous year. A part and probably a large part of the increase must be ascribed to the modification of rules which was necessitated by the introduction of the universal notes of Rs. 10 and Rs. 50. Thus the minimum for which transfers were granted up to 1909-10 was Rs. 50,000 except in the case of transfers on Rangoon, but in 1910-11 this was reduced to Rs. 25,000. The commission charged was reduced also between the Presidency towns and upcountry currency offices. At the same time there was a large increase in the remittances to Burma, which in all probability was due to the larger rice crop that had to be moved, and it is not to be supposed that the whole increase in transfers is to be attributed to the changes in the terms on which they can be effected. ^{(3) Inter-provincial transfers through Government.}

A statement (No. IV) is attached to the report showing the transfers between different centres in detail, but the main lines of movement are brought out more clearly by grouping the figures as follows :—

		(In Lakhs of Rupees).	
		To	From
Inter-Pres- dency.	Calcutta from Bombay	4.01	Calcutta to Bombay . . . 44
	Calcutta from Madras	1.04	Calcutta to Madras . . . 13
	Madras from Bombay	4.30	Madras to Bombay . . . 45
Northern India.	Punjab from Calcutta	. 42	Punjab to Calcutta . . . 71
	Punjab from Bombay	. 2.15	Punjab to Bombay . . . 1.86
	United Provinces from Calcutta	. 79	United Provinces to Calcutta . . . 33
	United Provinces from Bombay	. 1.33	United Provinces to Bombay . . . 11
Eastern Bengal and Assam.	Eastern Bengal and Assam from Calcutta	3.41	Eastern Bengal and Assam to Calcutta 72
Central Provinces.	Central Provinces from Calcutta	. 76	Central Provinces to Calcutta . . .
	Central Provinces from Bombay	. 1.16	Central Provinces to Bombay . . .
Burma	Rangoon from Calcutta	. 5.16	From Rangoon . . .
	Rangoon from Bombay	. 3.97	
	Rangoon from Madras	. 43	

It is to be remembered of course that these are only remittances through Government, and it cannot be assumed that the parallelism between them and the total movement of funds is exact. It may be interesting on a future occasion to enquire where and for what reason the parallelism is disturbed, but for the present it is proposed merely to analyse the Government figures.

The net result was that—

Bombay sent away	. . . . . 14½ crores.
Calcutta "	. . . . . 4½ "
while	
Madras received	. . . . . 2½ "
Punjab "	. . . . . ½ "
United Provinces received	. . . . . 1½ "
Eastern Bengal and Assam received	. . . . . 2½ "
Central Provinces received	. . . . . 2 "
Burma "	. . . . . 11½ "

Thus Bombay, as was to be expected, was the chief provider. Madras is in a little circle of its own, receiving $4\frac{1}{2}$ crores from Bombay and distributing it presumably within the Presidency. Calcutta got 4 crores from Bombay and a crore from Madras, and sent away double the amount in different directions. Eastern Bengal and Assam was supplied entirely from Calcutta. Northern India and the Central Provinces drew both on Calcutta and Bombay, thus—

	From Calcutta.	From Bombay.
United Provinces	79	1,33
Punjab	42	2,15
Central Provinces	78	1,18

Burma in previous years was supplied solely by Calcutta, but in the year under review transfers on Rangoon were allowed from other Presidency towns also and nearly 4 crores were taken from Bombay.

This very briefly was the distribution of funds inwards. As regards the return current, Burma and the Central Provinces, so far as Government transfers are concerned, sent nothing back. The return of Eastern Bengal and Assam—about $\frac{1}{2}$ of a crore—was to Calcutta. Lahore dealt chiefly with Bombay and it is curious that in this case the movement seems to be in both directions. By quarters the figures are:—

To Lahore	70	63	54	28
To Bombay	82	50	12	42

This unusual feature is due apparently to the fact that the Punjab, being from our point of view a deficit province, has to be financed by the sale of supply bills, the result being that remittances out of the Punjab come more largely under our observation than those from other provinces. The United Provinces, while they received mostly, as shown above from Bombay, sent mostly to Calcutta and did not draw on Bombay to any appreciable extent, but even to Calcutta the amount sent was small.

Course of transfers
during the year

19. Transfers were heaviest during the busy season of the year, the total of $33\frac{1}{2}$ crores being distributed over the four quarters as follows:—

1st quarter	5 $\frac{1}{2}$ crores.
2nd "	4 $\frac{1}{2}$ "
3rd "	8 $\frac{1}{2}$ "
4th "	15 "

In the first quarter the principal movement was from Bombay and Calcutta to Northern India to finance the spring crops of wheat and seeds; the total in 1910-11 came to 2,05 lakhs. A transfer of 63 lakhs from Bombay to the Central Provinces was no doubt for a similar purpose. Madras took 1,10 lakhs from Bombay and there was an exchange both ways of 25 lakhs between Eastern Bengal and Assam and Calcutta.

In the second quarter the wheat trade which was late continued in the Punjab and another 64 $\frac{1}{2}$ lakhs were sent up for it, nearly all from Bombay. At the same time there was the heavy return already mentioned of 50 lakhs to Bombay and another 55 lakhs were sent to Calcutta, so that there was a net transfer in this quarter away from the province of 21 lakhs. Transfers on the United Provinces practically ceased. Most of the jute trade was done in this quarter and 195 $\frac{1}{2}$ lakhs were sent from Calcutta to Eastern Bengal and Assam.

In the third quarter Calcutta drew nearly 2 crores from Bombay, while there was a transfer first of 75 lakhs from Bombay to Madras and again from Madras to Calcutta. Upcountry trade expanded in connection with the autumn crops, 65 lakhs going to the Punjab and 55 $\frac{1}{2}$ lakhs to the United Provinces, while the Central Provinces took 38 $\frac{1}{2}$ lakhs. The jute trade was still considerable, 91 lakhs being sent to Eastern Bengal and Assam and the rice trade in Burma began with remittances of 1,18 lakhs from Calcutta.

The last quarter again showed heavy drawings by Calcutta on Bombay, and Madras took 2 $\frac{1}{2}$ crores from the same source. Remittances to the United Provinces and Punjab continued but on a considerably smaller scale, particularly in the case of the Punjab, than in the previous quarter. The Central Provinces on the other hand took a larger sum, 78 lakhs, than in any other quarter. And 7 $\frac{1}{2}$ crores were sent to Burma from Calcutta and Bombay.

20. Statement V shows the share taken by Government in the movement of funds for the public between places in the same province. Transfers within Provinces.

The total value of these movements was 16½ crores of rupees, Madras and Bombay having contributed the largest amounts. Sales of supply bills to the public accounted for 10½ crores; transfers through the Presidency Banks for 5½ crores, chiefly in Madras and Bombay; and post-bills of the Bank of Bengal which are accepted in payment of land revenue in the Bengal districts and the value of which is realised from the head office of the Bank and credited to Government at Calcutta accounted for a little less than half a crore.

21. It will however be understood that it is not necessary for Government to move coin to the full extent indicated by the figures of remittances shown in paragraphs 17 to 19. In the first place there are to some extent movements in opposite directions which can be effected by an actual cash remittance of only a fraction of the amounts involved, and secondly owing to the magnitude of Government transactions and the large amounts of revenue it collects, it has often surplus collections in the mofussil which it conveniently offers to the trade against payments to Government at head-quarters and considerable amounts are supplied in this way without actual remittance of coin. At the same time Government has to undertake remittances of specie not only to finance trade, but also to meet its own disbursements, to discharge its obligation to encash currency notes at offices of issue, to distribute sovereigns so as to make them available to the public at treasuries and currency offices, and to withdraw uncurrent coin to the mints for recoinage. Government remittances of coin.

The total movement of coin on Government account between provinces or circles was 17 crores, the net receipts or transfers being as follows:—

	(In Lakhs of Rupees.)	
	Silver.	Gold.
India	- 3,00	+ 71
Central Provinces	+ 35	+ 9
Burma . . . . .	...	+ 60
Eastern Bengal and Assam	- 3	+ 6
Bengal	- 32	+ 12
United Provinces	- 3,03	+ 1,20
Punjab	+ 39	+ 3,84
Madras	- 64	+ 1,70
Bombay	+ 5,33	- 3,70

The bulk of the imports of sovereigns arrive at Bombay and the remittances of gold shown above were undertaken with the object of distributing them among the different Provinces. The greater part of these remittances went, as might be expected, to the Punjab and Madras.

As regards rupees the remittances during the year were chiefly to Bombay, Karachi and Lahore. In the first quarter, 1,25 lakhs were sent to Lahore from Calcutta, 20 lakhs from Ajmer to Delhi, and another 20 lakhs from Cawnpore to Karachi in connection with the wheat trade. In the same quarter, remittances aggregating 1,25 lakhs were sent to Bombay, one crore from Cawnpore and the balance from Madras, the coin balances there having been reduced by the heavy issues during the cotton season of 1909-10. In the third and fourth quarters, remittances aggregating 3 crores were sent to Bombay, chiefly from Calcutta, to meet the demands of the current cotton season. In addition to this, 36 lakhs were sent from Ajmer to Khandwa for supply to Messrs. Balli Brothers and 90 lakhs were sent to Karachi. No remittances to Calcutta or Rangoon were required in connection with the jute and rice trades as the coin required was available locally.

22. The additions made to the currency in circulation are calculated by comparing the total balances held in India—whether treasury, currency or gold standard reserve—at the beginning and end of the year, allowance being made for any accretions to those balances from outside, that is, by import of sovereigns or new coinage. According to this calculation, the absorption during the year was Volume of currency.

in gold	10,78 lakhs (or £7,187,000).
in silver (rupees and half-rupees)	3,34 „

In currency notes, on the other hand, despite a large increase in circulation throughout the year, there was some falling off. The notes outstanding, that is to say, on 31st March 1911 amounted to 54,99 lakhs against 54,41 lakhs on 31st March 1910, but there was an increase of 1,41 lakhs in the treasury note balances, and therefore a decrease of 83 lakhs in circulation.

The special features in the development of each kind of currency will be examined in the following paragraphs.

Gold circulation.

Gold Currency

23. The imports of sovereigns during the year were stated in paragraph 8 to be of the value of 12,81 lakhs. It is now necessary to describe how these imports find their way into circulation, the extent of the absorption of gold and the uses to which it is put.

It will be useful in the first place to compare the imports of sovereigns as shown in the Customs returns and in our Currency records. From the quantities tendered, it may be explained, Currency Officers are in a position to know whether a particular tender represents imported or local gold and they furnish monthly returns accordingly to the Comptroller General of tenders of imported gold. For the last eight years these have averaged $5\frac{1}{2}$ millions a year while the imports according to trade statistics have been $6\frac{1}{2}$ millions. The difference of roughly a million sterling represents no doubt the imports of shield sovereigns which being in special demand for ornaments can be sold for more than their monetary value and naturally, therefore, do not go through the currency office. Mr. Harrison it may be mentioned estimated some years ago that the import of shield sovereigns into Bombay was £400,000 a year and the figure of a million for the total imports of shield sovereigns is not unreasonable. At any rate it does not conflict with the evidence which I have obtained apart from statistics, and it may be taken as certain that the great bulk if not the whole of the sovereigns which have not a special value are passed through the currency offices. The Banks in fact deposit them there immediately on import and draw out notes. When the need for currency arises, they return the notes and the form in which the currency is drawn out depends on the requirements of the time. Gold in other words is imported to obtain currency, but the amounts imported and the amounts passed into circulation are determined by different considerations.

Absorption of gold.

24. To consider the effect of gold imports on the currency then, we have to examine the figures of absorption.

In the year under review, the total absorption as already stated was £7,187,000 (Statement VII). The Punjab was easily first with over £2 millions, Madras took nearly a million and a half, Bombay £1,192,000, and the United Provinces nearly a million. On the other hand, the amounts absorbed in Eastern Bengal and Assam and the Central Provinces were insignificant. In the two preceding years the stock of sovereigns ran out and issues were restricted with the result that in 1908-09 the absorption was low and in 1909-10 it fell to only three quarters of a million. In 1907-08 the absorption was £6,220,000, and there is therefore nothing very exceptional about the figure reached in 1910-11. At the same time, it has to be remembered that in spite of the restriction of supplies in 1908-10 the absorption in the last five years has reached a total of £20½ millions.

Popularity of the sovereign.

25. These figures in themselves indicate that the apprehension that the sovereign would not be popular was not well founded, and this conclusion is supported by all the evidence I have been able to collect on the subject. From the Punjab the Accountant General reports that the total issue of coin from the Currency office declared to be taken for the wheat trade, whether in exchange for notes or in payment of telegraphic transfers was

	(In Thousands of Rupees.)		
	Silver.	Gold.	Total.
In 1907	£,23,77	49,72	2,73,49
" 1910	68,46	1,15,61	1,87,07

This puts the proportion of gold in payments very much higher than banking opinion which is curiously unanimous to the effect that $\frac{1}{4}$ th to $\frac{1}{3}$ rd of the wheat crop is now financed in gold, but it is true in other provinces at least that gold is taken out for the purpose of remittance, being exchanged at destination for silver as required. This may explain part of the difference and at any rate there is no question that in the Punjab gold will be taken freely and in fact eagerly by the cultivator. The same holds good of the western part at any rate of the United Provinces, though the actual development of gold payments does not seem to have been as yet carried so far as in the Punjab. The information obtained by the Upper India Chamber of Commerce goes even further as they were informed by a local firm engaged extensively in the country produce trade that sovereigns were readily accepted even in the remotest parts of the provinces. In the eastern parts of the United Provinces and in the two Bengals, it does not seem that produce is at present paid for in gold, and I do not think that gold is used in payment of jute. About Burma I have very little information. In Madras the Presidency Bank says: "sowcars and bullion dealers frequently apply (for gold) but are generally referred to the currency office as any gold we obtain we require for certain of our branches." The currency office issues—amounting to about a million this year—are generally made to the servants of bullion dealers and sowcars and the bulk of them go upcountry to finance trade. The Bank's gold goes chiefly to Cochin and Alleppy and these places take £300,000 to £400,000 a year. In Bombay there seems to be no doubt that the use of gold for payment of the cotton crop is extending and is now on a large scale. As a few specific instances are more instructive than general observations, it may be mentioned that one firm used gold almost exclusively to effect its purchases of cotton in the Belgaum district and to a less extent in Dharwar. From Broach it was reported that merchants were bringing in sovereigns which were freely accepted in cotton transactions and from Surat that cultivators readily took gold in payment of their sales. In Khandesh also large payments were made in gold.

26. It appears then that the acceptance of sovereigns is not yet general. It may be that they are not everywhere offered, for it is true that the portability of the sovereign which might be regarded as one of its greatest advantages is a drawback in the sense that it makes theft easier and for this reason there are firms which discourage its use. However this may be, it seems clear that if there ever was any prejudice against the coin as something new and unfamiliar this prejudice is rapidly being removed by a recognition of its merits. It is a very different thing however to say that it has established itself as currency. No doubt so far as it pays for produce and so far again as it comes back in payment of revenue, it acts as currency. It is quite conceivable however that the acceptance by the cultivator of gold in payment of his crops is in the nature of barter; that is to say, he takes the gold not as coin merely but for some other purpose, and the return of gold in payment of revenue may be no more than the return of so much as he finds himself unable to retain. So far at any rate as these payments are concerned, the currency use of the sovereign is of a temporary nature, and the important point is to see whether it remains as in any sense a permanent element in the circulation. For this purpose it seems clear that the issues of gold by Government are much less important than its receipts, since these are payments by the people and must indicate the composition of the currency which they handle. I give therefore the receipts for a series of years in treasuries, post offices, and railways. I do not include currency offices, as the transactions are special and the receipts would indicate merely the extent to which gold is exchanged for other forms of currency.

27. For treasuries the figures are:—

	Treasuries.
	£
1906-07	2,838,000
1907-08	4,409,000
1908-09	2,748,000
1909-10	945,000
1910-11	3,177,000

These figures include payments into treasuries by post offices and railways, the amount of which cannot be definitely stated. The rest must in the main

represent the return in payments to Government of gold paid out in the financing of crops, and the figures of Bombay and the Punjab where the issues have been specially important may therefore be given separately :—

	Bombay. £	Punjab. £
1906-07	815,000	304,000
1907-08	1,204,000	802,000
1908-09	698,000	529,000
1909-10	679,000	67,000
1910-11	1,131,000	646,000

Here also however a word of caution is necessary. Some stress has been laid on the large amount of revenue paid in Bombay in gold, and in Khandesh it was reported that while between December 1910 and March 1911 sovereigns to the value of 7½ lakhs were taken out for payment, no less than 24½ lakhs were received back in the revenue months—January to March. The Collector of West Khandesh however offers an explanation. The Indian Specie Bank, he says, found that they had not obtained a sufficient number of supply bills and had to bring money from Bombay. To save cost of transport they brought in sovereigns which were passed out through the traders into the hands of cotton owners. They were accepted but not appreciated, and the cultivators took the earliest opportunity of getting rid of them.

Receipts of sovereigns in Post Offices and Railways

28. But probably the best indication of the extent to which sovereigns have established themselves as a regular part of the currency, is to be found in the figures of receipts at Post Offices and Railways and these may therefore be given separately :—

	Post Offices. £	Railways £
1906-07	*553,000	*463,000
1907-08	1,358,000	1,045,000
1908-09	1,001,000	710,000
1909-10	265,000	134,000
1910-11	688,000	597,000

The inference appears to be unfavourable. If sovereigns have established themselves in the currency the effect should be cumulative. Year after year a certain amount of gold has been passed out into circulation and if it stayed there we should expect a progression in the figures, but of such progression there is no trace.

Use to which sovereigns are put.

29. If then it is the case that it is not as a medium of exchange that sovereigns have proved their superiority or established themselves, the question is what becomes of them. The alternatives are melting and hoarding. As regards melting it is to be noted that for certain purposes the sovereign has at all times an advantage. Gold being sold in five and ten ounce bars, if a jeweller wants only a small quantity, a full weight sovereign meets his purpose very well, as he knows its exact weight, fineness, and value and has no trouble in obtaining it. And the sovereign is presumably cheaper than the same quantity of gold in out of the way parts. Thus the National Bank to whom I am indebted for the information supplied by them on the subject say that even at present with gold at about R24† a tola many sovereigns are used in the arts. It is significant probably in the same connection that a preference appears to be given to the more recent sovereigns as being nearer to full weight; thus it is reported by the Accountant-General, Madras, that all the returns to the Exchange Banks of sovereigns are of Victorian coins, and I have had evidence elsewhere that coins of King Edward are preferred by the public. At the same time it is quite possible that there is a similar preference for new as compared with old coin in the case of rupees also. But there are very distinct differences of taste in the matter of gold to be used for ornaments in different parts of the country. The sovereign is very popular for the purpose in Bengal and in Madras, while in the United Provinces and the Punjab the pure metal is preferred. Thus the National Bank report that quite a large amount of sovereigns is used for melting in Bengal, irrespective of the price at which bar gold can be bought, while in the Punjab the jeweller does not use the sovereign much, so long as he can buy bars under R24-3 a tola. If not melted the sovereign no doubt is hoarded and an opinion is very

* For the second half-year only.

† The par value of one tola of pure gold is Rs. 23-14-3.

widely held, which seems to have much to support it, that the absorption of sovereigns is to a very considerable extent accounted for by its displacing the rupee in hoards. It is no doubt to be remembered that hoarding is a rather ambiguous term. What is meant generally when the term is used is merely the reservation for the time being of whatever surplus happens to be in the hands of the people; such disappearance is in no sense permanent, and the hoards are no doubt brought out again when occasion demands. The question remains however whether on such occasions any gold that comes out of hoards would re-enter the currency, and on this point the experience of 1909-10 is instructive. It will be seen that in all the figures of receipts whether of treasury or post office and railways there was a sudden drop in that year. The Government stock of gold had run out, the sovereign had gone to a premium, and it would seem not only *prima facie* but from the example given that, whenever this condition is established the set of any gold available will be not into the currency but towards a more profitable employment as bullion.

Silver circulation.

30. The figures of absorption or return from circulation of rupees and half-rupees during the preceding seven years are noted in the margin. Against these has to be set the absorption of 1910-11 which as stated in paragraph 22 was only 3½ crores, and one of the most remarkable features of the year is at once apparent. There is nothing certainly in trade conditions to account for the very low figure. The demand for rupees arises chiefly in connection with the great export trades of the country; the value of exports of the four principal articles, wheat, jute, cotton and rice, amounted during the year to 87 crores against 78 during 1909-10. While therefore the demand for silver coin should have been at least as heavy as in the preceding year, it was actually less by 10 crores of rupees.

Absorption of silver.	
(+ Absorption - return.)	
1908-04	+ 10.97
1904-05	+ 7.43
1905-06	+ 14.50
1906-07	+ 18.00
1907-08	+ 3.82
1908-09	- 14.98
1909-10	+ 18.22

On the other hand, the detailed figures (*vide* Statement VIII) show that the difference occurred in Bombay and the Punjab. Thus the absorption was—

	(In Lakhs of Rupees.)		
	1908-10	1910-11	Decrease.
In Bombay	10,90	4,55	6,35
In the Punjab	8,98	—83	4,81

showing a total decrease of over 11 crores. This decrease occurred mainly during the cotton season in Bombay and the wheat season in the Punjab, and it seems quite certain that the extraordinary falling off in the absorption of silver was due to the substitution of gold in payment for these crops.

31. Statement IX gives the usual figures of coinage of whole rupees. There was no coinage from purchased silver during the year under report and the entire amount coined during 1910-11 represents recoinage of withdrawn and uncurrent coin.

32. The usual figures relating to the Rupee Census are given in Statement X. The practical use to which this table might be put on the present occasion is to show whether there has in fact been any return of old coin from circulation which might possibly support the view that gold is taking the place of silver in hoards and as a matter of fact a comparison of the percentages in 1908-09 and 1910-11 shows an increase in the older coinages which at first sight favours this view. It has been objected however that there is always a tendency for the people to substitute new for old coin in their holding, that is to say that they prefer to use old coin in payments and keep the new coin by them, and *prima facie* this seems not unlikely. To apply a statistical test I have taken four sets of years since 1883, in which, to prevent the percentages being disturbed, I have excluded new coinages and old coinages affected by withdrawals. The results which are given in Statement XI show pretty clearly that the tendency suggested has always existed, and that new coin is always being substituted for old. The conclusion is not without interest, but it seems to make it impossible to draw any inference from the figures regarding the substitution in hoards of gold for silver.

Note circulation.

Note circulation.
The legislation of
February 1910.

33. The statistics of the Paper Currency which have to be considered in this report are of special importance in view of the large changes which were introduced by the legislation of February 1910, or very shortly before the beginning of the year now under review. It may be explained, therefore, that till recently the note system was local in its character. There were sub-circles of Cawnpore, Lahore, Karachi and Calicut under Calcutta, Bombay and Madras, and the relations of the sub-circles to the main circles were governed by special rules; Cawnpore notes for instance could be cashed at Calcutta to any extent, but not *vice versa*. No notes of one circle could be cashed in another. In March 1903 the first step was taken towards an imperial system and the R5 note was made universal, that is to say, it might be cashed at any office of issue in India except Burma; in 1909 Burma was included. The changes introduced by the Currency Act of 1910, however, were much more far reaching. The R10 and R50 notes were made universal, and the issue of R20 notes was discontinued. Sub-circles were abolished, Calicut being absorbed in Madras, and Cawnpore, Lahore and Karachi made separate circles of issue, and with the sub-circles went the old rule under which sub-circle notes of all denominations were encashable at the office of issue of the circle to which it was subordinate. At the same time, the concession under which the receipt of notes had been permitted in circles other than the circle of issue in payment of Government dues and which had been abused was abolished, and in order to prevent the use of universal notes for remittance purposes, transfers were offered between currency centres at very low rates of premium. What stood in fact in the way for a long time of the universalisation of our currency notes was the fear that they might be used for remittances of such large sums as to embarrass the Government which would undertake the obligation of cashing them wherever presented, and it is a point of special interest to observe whether this apprehension has been justified by experience of the new system, the results of which are for the first time visible in the year now under review.

The gross circulation.

34. The average total or gross circulation of notes in 1910-11 was 54½ crores. This is 4,69 lakhs in advance of the previous year and easily a record.* At the end of April, the gross circulation was a little less than 53 crores. It rose to a maximum of 59 crores in July, then fell to a minimum of 49½ crores in December, and in March 1911 had risen again to 55 crores. These figures, however, require explanation.

The active circulation.

35. In the first place, as stated in paragraph 2, the surplus coin brought into head-quarters from district treasuries is deposited with the currency department, against an issue to the reserve treasuries of notes of ₹10,000, and a very considerable portion of the gross circulation—in the year under review about 8 crores—is accounted for by these deposit receipts which the treasury department holds as against the currency. The case of the Presidency Banks is similar. Whenever they have more coin than they require they deposit it in the currency department, and hold so much of their balance in notes till the time comes round again when cash is required. In this way they held on an average about 7½ crores in notes during 1910-11. These facts explain in the first place the seasonal fluctuation already noticed. It is during the slack season that both the Government and the bank balances are higher and the gross circulation therefore goes up. With notes in the hands of the public the case is quite different. It is to be presumed that banks, other than the Presidency Banks, similarly convert their balances from notes into coin on occasion and this factor should tend to lower the circulation in the busy season. The proportion of coin to notes in the total circulation must vary also according as the bulk of the transactions, at any time, take place in the Presidency towns and currency centres where notes are more freely used, or in districts in payments, which are chiefly in coin, for produce. But subject to any reservations necessary on these accounts the main point is that the aggregate of notes in the hands of the people varies with the general demand for currency and it is always highest in the cold weather. In the year under report this aggregate pursued a fairly normal course. It was at a minimum—about 36½ crores in June and July. It rose to 39½ crores in December which is the usual

* In 1901-02, ten years ago, the corresponding figure was no more than 30 crores.

month for the maximum, but it continued to increase after then till it reached nearly 41 crores in February. Quite generally it is clear that we should neglect the balance held by Government and the Presidency Banks; what we are really concerned with being the residuum after excluding these balances which is generally known as the active circulation, and this we can consider first as regards at any rate its total amount. Secondly there is the question of its composition though here the absence of figures compels us to be content with a compromise. Then incidentally we have to examine the encashment of foreign circle notes, which act as a means of remittance, and the possible effect on the note circulation of an increase of gold currency. There will then remain the important question of the use of notes as currency and for remittance purposes.

36. The active circulation in 1910-11, varying as noticed in the preceding paragraph between a maximum of nearly 41 crores and a minimum of 36½, averaged for the year 38½ crores, or 1½ crores more than in the preceding year. The advance was considerably less than the recent average, as the following figures which give in lakhs of Rupees the increase each year as compared with its predecessor will show:—

1902-03	.	.	.	+ 2.80	1907-08	+ 50
1903-04	.	.	.	+ 2.85	1908-09	+ 1.33
1904-05	.	.	.	+ 1.77	1909-10	+ 4.11
1905-06	.	.	.	+ 2.41	1910-11	+ 1.54
1906-07	.	.	.	+ 3.41		

The average advance up to 1906-07 was 2½ crores a year. Then came the disturbance of the 1907-08 famine, followed by an exceptional development in 1909-10. How far we might expect the falling off in the famine to be made good subsequently by a specially rapid expansion, it is of course impossible to say, but it may be noted that instead of the 10 crores by which the circulation might have been expected to increase in the last four years at the average of the years before the famine, the addition has been rather less than 5 crores, and in 1910-11 the increase is comparatively small.

For circles the figures of active circulation are not available and it is necessary to take what is called the net circulation, that is, the circulation excluding the holding of reserve treasuries, but not of the Presidency Banks. Judged by this standard the circles which show the largest increases in the year are Bombay and Madras; next to them but at a long interval come Calcutta, Rangoon and Cawnpore, while Lahore scarcely shared in the increase and in Karachi there was a considerable decline. The circulation in the last two circles, it might be suggested, has been affected by the abolition of the sub-circle system, but it is difficult to reconcile this hypothesis with the increase in Cawnpore. Calcutta and Bombay account between them for nearly ¾ of the total circulation, but they include the balances of the Presidency Banks. To go back ten years, it may be noticed that in 1901-02, the net circulation in that year was nearly 26 crores, and the aggregate increase since then has been 87 per cent. By circles Burma easily comes first, the proportionate increase in the same period being well over 200 per cent. In Madras the percentage of increase has been 110, in Bombay and Karachi 90, in Lahore and Calcutta 70, and in Cawnpore 59.

37. But the character of the note circulation at various times can be compared most easily by showing the percentage of each denomination to the total circulation on the 31st March. The calculation might be based either on the number of pieces or on value, but the second alternative is probably the more useful as indicating the volume of currency supplied by each denomination and it has been adopted in the following figures. I have excluded ₹10,000 notes the variations of which would merely confuse to some extent the present issue, and the percentages are calculated with reference to the aggregate circulation of all notes between ₹5 and ₹1,000:—

	₹	₹	₹	₹	₹	₹	₹
	5	10	20	50	100	500	1,000
1901-02	17	23.4	3.6	5.1	32.6	10.7	22.9
1909-10	2.7	27.9	2.0	4.1	34.5	7.5	21.3
1910-11	2.9	29.8	5	6.3	33.5	6.7	20.3

changes in 1910-11.

38. In the first place 1910-11 may be compared with 1909-10. Here a comparison of the last two lines shows clearly enough the effects of the legislation in 1910, but as the point is important, some figures of actual quantities may be given. Fifties have increased from 342,514 to 526,498 pieces, that is by 92 lakhs in value, and tens by the same amount in value. In part these increases may no doubt be set against the fall of 63 lakhs in twenties and 30 lakhs in the R100 note; in part some of the increase in fifties may be due to its substitution in remittances for notes of over R100 and something must be allowed for normal expansion.

By circles, Lahore, Cawnpore, and Calcutta may perhaps be grouped together, and these at any rate are the circles in which the increase in the fifty rupee note has been most pronounced. In Lahore there has been a very marked transfer from the higher to the lower denominations; not only the twenties but notes of R100 and over have declined and not only does the circulation of fifties show a great increase—the largest in any circle—but there has been a curious expansion in the circulation of fives. In this case it appears probable that the banks converted their holdings in high value notes in consequence of the abolition of the sub-circle system and the discontinuance of the encashment of Lahore circle notes at Calcutta, but the rise in the circulation of the R5 note has not been explained. The Calcutta figures show the same general features, but here with a marked increase in the use of fifties there was also a very large expansion in the circulation of tens. In Cawnpore on the other hand these features are not so distinct and there was actually a decrease in ten rupee notes. The other circles it is difficult to reduce to any sort of order. Bombay shows the largest decrease in twenties of any circle against which an increase was to be expected either in fifties or tens. The increase in the circulation of the 50 Rupee notes however was only moderate, perhaps because in this circle it was already, before it became universal, unusually popular, and there was a falling off under tens. In Rangoon there was a large decrease in hundreds and a very great increase in tens and Madras quite exceptionally showed an increase in 100 Rupee notes.

Changes in the last ten years.

39. Next, the course of development over a series of years may be traced very briefly. It will be seen that notes of the value of R100 and over still form 70 per cent. of the total circulation, and the bulk of such notes must be used in remittances or merely as a store of value. At the same time the comparison with 1901-02 shows that the proportion of low value notes in the circulation has been increasing and this is the most important point as it is an indication of the extended use of notes as currency.

It is perhaps worth mentioning also that possibly something of the same tendency is shown in the statistics of notes of higher value. Taking these separately the proportions have been :—

	R100	R500	R1,000
In 1901-02	49	16	35
In 1910-11	55	11	34

showing perhaps a drift towards lower values and at any rate a considerable displacement of the R500 by the R100 note. Now these high value notes, though chiefly employed no doubt for remittances, are used also to a certain extent in ordinary payments, and it may be that the figures indicate the growth of the second use relatively to the first. The same result however would have followed if for one reason or another the use of notes in large remittances had diminished, and the inference to be drawn is very uncertain.

The same by circles.

40. To understand the results for all India it is no doubt desirable to analyse the figures by circles. These show many anomalies; but the figures may be reduced to some sort of order by distinguishing notes according to the purpose to which they are put. The great bulk of the fives and tens at any rate, it may safely be assumed, are used as local currency. It seems a safe assumption also that the bulk of notes of the value of R100 and over are used in remittance or as a store of value. The R50 note has recently

occupied a special position as the universal note of highest value. It may be useful then to arrange the figures as follows:—

(Percentage of total circulation excluding notes of Rs. 10,000.)

	5's and 10's			50's in 1910-11.	100's and over.		
	1901-02.	1909-10.	1910-11.		1901-02.	1909-10.	1910-11.
(1) Calcutta	36	42	44	3	61	55	53
Rangoon	11	31	41	1	82	67	58
(2) Lahore	7	20	24	19	74	69	56
Bombay	24	26	27	9	68	62	63
Karachi	23	27	32	6	56	62	60
(3) Cawnpore	9	12	11	12	74	80	77
Madras	11	15	15	5	60	79	79

The last column—circulation of notes of the value of ₹100 and over—shows a somewhat remarkable uniformity except in the case of Cawnpore and Madras, but the result is affected by the figures of the fifty rupee note, the meaning of which is ambiguous and the emphasis is to be laid chiefly on the column of figures which shows the circulation of notes of small value. I have, therefore, to make the matter clear to the eye, classified the circles in three groups on the basis of figures given in that column.

The table however indicates a considerable development. Ten years ago there were only three circles with a well-developed circulation of small notes. Since then there has been some levelling up and two more circles, Lahore and Rangoon have been added to that class. In Rangoon the development has been surprising, and on the other hand the stagnation in Cawnpore and Madras is perhaps equally remarkable. It will be seen that in Calcutta and Rangoon, where the ₹10 note has attained an exceptional use, the circulation of the ₹50 note also is much below the average, and this would seem to indicate that in general, the main use of fifties must be for local payments. On the other hand the very high figures in this column against Lahore and Cawnpore would with little hesitation be explained as a substitution of the fifty rupee note for notes of higher value in consequence of the abolition of sub-circles, and as due therefore to the use of this denomination in remittances, but there has been very little increase in the circulation of this note in Karachi which ought to have been affected by the same change in system. In Bombay the ₹50 note was popular even before it was made universal. It is plain therefore that there is a good deal in the figures that calls for examination and they are offered mainly as defining the larger changes and the principal points that call for explanation.

41. The encashment at Currency Offices of notes of other circles has fallen greatly in consequence of the legislation of February 1910. There are various ways in which these foreign circle notes can be presented. In the first place all the notes of the sub-circles—Cawnpore and Lahore under Calcutta, Karachi under Bombay—were encashable at the head offices of circles. The Presidency Banks also were allowed to exchange foreign circle notes received on Government account. And generally Currency Officers had a discretion to cash foreign circle notes when there was a balance of silver coin available. The sub-circles have now disappeared and non-universal notes can be cashed only within their circles, but it will be found that the effects of recent legislation have been wider than those changes alone would indicate.

Encashment of
foreign circle notes.

42. The aggregate encashments in recent years have been:—

Decrease in 1910-11.

In 1907-08	13,79 lakhs.
In 1908-09	23,14 „
In 1909-10	17,06 „

while in the year under review they were 8,12 lakhs (Statement XVIII). The total for 1908-09 however was quite exceptional, an enormous number of Lahore

and Cawnpore notes having been presented at Calcutta, and even the 1909-10 figure is perhaps 2 crores above a normal. In any case, however, the decrease is striking.

To show exactly how it occurred it may be well to analyse the totals by grouping the movements of notes.

(In Lakhs of Rupees).		
	1909-10.	1910-11.
Sub-circle notes cashed at head offices	6,55	3,40
Per contra encashments at sub-circles	2,49	79
Transactions between Presidencies	4,69	1,72
Bombay and Upper India (Cawnpore and Lahore)	1,42	98
Cawnpore and Lahore	52	30
Lahore and Karachi	58	50
TOTAL	16,25	7,89

These figures leave 43 lakhs for 1910-11 unaccounted for on less important lines. Sub-circle notes in circulation continue of course to be payable at the head offices of their circles, and as these are withdrawn the transactions under this head will cease altogether. It will be seen, however, that in the year under review only a comparatively small portion of the total decrease is due to the abolition of sub-circles. Under other heads what has happened no doubt is this. Foreign circle notes arrive in remittances, they are brought in by travellers or they filter through from one circle to another in other ways. A certain proportion would in the ordinary course be tens and fifties, and these are included in the figures given above which show to what extent it was found necessary under old conditions to take notes to currency offices to be changed for other forms of currency. When the R10 and R50 note were made universal, then even if the proportion of each denomination to the aggregate of foreign notes coming into a circle remained the same, a decrease in the encashment at Currency Offices would no doubt have followed because the need for exchanging these smaller value notes had disappeared. In addition to this however there was no doubt a substitution of universal notes for notes of higher value in all transactions in which payment in a foreign circle was involved. The decrease in encashments of foreign notes appears in fact to be out of proportion to the increase in the circulation of universal notes. But it will be clear that so far as R10 and R50 notes entered in previous years into the transfers between circles the decrease in encashment would take place without any increase in the circulation of those notes. And the circulation of notes as described in paragraph 37 means the value of notes outstanding on a particular date while the transactions effected within a year by those notes are very much greater.

Foreign notes as a means of remittance

43. Encashments of foreign circle notes represent a movement of funds and it is interesting to consider the figures further from this point of view. In 1909-10 Cawnpore and Lahore each sent about 2½ crores to Calcutta by these means, and Karachi sent about a crore to Bombay. There was a certain amount of return by means of notes from Calcutta and Bombay to their sub-circles, but the figure of 2,49 lakhs which appears under this head includes an item of 1,64 lakhs sent from Calcutta to Cawnpore which was altogether exceptional. The aggregate movement between Presidency towns amounting to 4½ crores represents, it will be understood, the sum of all the transactions in any direction, and the results broadly speaking were that a crore of rupees passed in either direction between Bombay and Calcutta, while Madras sent 1

crore to Bombay and $\frac{1}{2}$ crore to Calcutta. The net exchange between other centres was not important.

In 1910-11, it is not to be supposed that the transfer of funds by means of notes was less extensive, but the matter has to a large extent passed out of observation as the transactions remain outside the currency offices. Thus the net transfers between Presidency towns sank to quite an insignificant figure and the only movements of any importance were—on balance—of some 1 $\frac{1}{2}$ crores from Lahore and $\frac{3}{4}$ of a crore from Cawnpore to Calcutta.

44. The question has been raised whether the increasing popularity of the sovereign has had any effect on the note circulation, and the matter is one of considerable importance. Statistics have been given in paragraphs 27 to 29 bearing on the use of the sovereign and if the conclusions there suggested are correct the question admits of only one answer; since if the sovereign is not used largely as currency or in remittances, it cannot have affected the circulation of notes. At the same time it seemed desirable to look at the matter from the other side and a statement (Statement XIX) has been prepared comparing the increase year by year of the circulation of the two denominations of notes likely to be affected by gold, *viz.*, R5 and R10, in the periods antecedent to and following the large expansion of gold issues and in circles where these issues have been most extensive and where they have been comparatively unimportant. This statement gives no indication that gold has taken the place of notes in the currency. In view of the large variations in the use of notes of particular denominations and of the great changes which have recently affected the note circulation, it may of course be said that probably any effect which issues of gold might have on the note circulation would not appear in the figures, and the conclusion is doubtless therefore no more than a negative one. It is supported however in the main by the evidence of bankers and traders. It is sometimes suggested, it is true, that while the circulation of notes has not been affected at currency centres it may have diminished in the districts, and there is this much to be said in favour of this view that except where it is freely convertible, the currency note is always liable to go to a discount, while the sovereign carries its value with it, and may fetch a premium but is never worth less than its face value. It is in districts therefore that the sovereign would have a distinct advantage as against the currency note. It may be doubted, however, whether notes have ever been used to any large extent in the payment of crops. The evidence is that notes are not generally acceptable for the purpose and the probability is therefore that gold, the bulk of it having been issued for crop payments, has displaced silver and not notes. The question however is one which will continue to require attention.

45. Perhaps the most interesting point in connection with the paper currency is the question to what extent notes are used purely for remittance and to what extent as ordinary currency. The advantages of substituting paper for coin in the currency need no explanation. If used merely for remittance, on the contrary, notes may be described as a means of moving funds at the expense of the tax-payer and the importance of the distinction is obvious.

The question may be considered by examining the statistics which indicate the different uses for which notes are employed. As regards remittances we keep a record in currency offices both of receipts and issues of universal notes in bundles of the value of R10,000 and over. The aggregate in 1910-11 of such issues was 1,53 lakhs. In considering this figure two things have to be borne in mind. In the first place the total includes considerable transactions on Government account, that is, the distribution of notes by Presidency Banks acting as the treasury at provincial head quarters to district treasuries. Secondly the figure indicates at best the extent only to which currency offices were employed as an intermediary in the business of remittance and gives no clue to the extent to which notes were collected and forwarded to foreign circles. From this point of view it seems that the figures of receipts of the same kind—showing the extent to which it was found necessary to resort to the currency offices to change into a convenient form of currency notes presumably received in remittance—are more important, and it is somewhat remarkable that the aggre-

gate in the year amounted only to 74 lakhs. The great difficulty I have said which was always anticipated in the universalisation of currency notes was the possibility of their being presented in such large amounts as to embarrass Government. It may be stated as a plain matter of fact that no difficulty of this kind has been experienced since the decision to make the 10 and 50 Rupee note universal took effect, and the result of actual experience is illustrated in a striking way by the insignificance of the figure representing the extent to which universal notes in collections of any magnitude have come in for payment. It may be that notes are largely used for remittance, but the conclusion seems to be that at destination they are distributed in payments, and are not to be distinguished in this regard from ordinary currency.

That the use of notes as currency is extending is suggested by the increase (para. 37) in the proportion of low value notes to the total circulation, and there are further statistics to support this conclusion. In the case of notes, we have not as in the case of gold special returns from the post offices and railways, but the following figures of treasury transactions are probably sufficient.

(In Thousands of Rupees.)

Year.	RECEIPTS FROM					ISSUES TO				
	PUBLIC IN PAYMENT OF GOVERNMENT DUES.		Public for Silver	Public in exchange of notes of other values.	TOTAL.	PUBLIC IN PAYMENT OF GOVERNMENT DUES.		Public for silver	Public in exchange of notes of other values.	TOTAL.
	Home Notes.	Foreign Notes				Home Notes.	Foreign Notes.			
1	2	3	4	5	6	7	8	9	10	11
1901-02 . . .	10,31.69	4,59.88	255.00	40.89	17,87.46	7,40.40	72.20	4,99.60	40.89	13,53.09
1902-03 . . .	11,13.58	3,19.41	2,21.40	44.24	18,28.93	8,21.92	71.76	5,21.95	44.24	14,59.87
1903-04 . . .	12,44.49	3,47.52	3,38.06	52.56	19,82.63	8,92.78	63.66	4,89.33	52.56	15,04.33
1904-05 . . .	13,26.52	3,64.69	3,18.48	44.55	20,44.54	9,37.88	90.00	4,79.08	44.55	16,01.41
1905-06 . . .	14,99.59	3,66.48	3,33.50	49.81	22,19.38	10,83.70	1,10.20	5,27.95	49.81	17,71.66
1906-07 . . .	16,03.30	4,15.02	3,30.61	55.71	24,04.64	11,75.70	1,12.45	5,16.05	55.71	18,59.91
1907-08 . . .	16,06.62	3,53.55	2,97.10	61.60	23,07.87	11,50.15	87.85	5,06.25	61.60	18,96.85
1908-09 . . .	14,98.39	2,70.46	2,75.52	86.27	21,30.64	12,62.11	81.68	7,26.37	86.27	21,56.43
1909-10 . . .	17,78.14	3,05.36	2,83.31	1,01.53	25,70.34	13,53.55	81.39	6,55.07	1,01.53	22,21.54
1910-11 . . .	20,14.28	1,60	3,92.35	1,19.01	25,42.44	14,88.26	4.29	5,58.10	1,19.01	21,69.66

The most important figures here are those in columns 2 and 7. It will be seen that both under receipts of notes by treasuries and issues of notes by treasuries in payment of Government dues the total in the last ten years has doubled, and while the receipts may be taken as an indication of the extent to which notes enter into the ordinary circulation, the issues in this respect are of equal importance as indicating the demand of the public for notes as currency.

Claims on lost notes.

46. The following figures furnish a comparison of the number of half notes and wholly destroyed or mutilated notes in respect of which claims have been admitted during the last two years:—

	1909-10.	1910-11.
Whole notes destroyed	45	23
Half notes { Lost by post	1,378	1,390
{ Lost otherwise	1,097	1,079
Mutilated notes	592	897

Prior to the year 1907-08, the losses of half-notes in the post averaged little more than 800 per annum, while in the two following years the average rose to nearly 1,200. The later figures given above show a further increase, which is to be regretted as they indicate the extent to which the transmission of notes through the post, uninsured or unregistered, acts as a temptation to poor postal employés, and results in the circulation of mismatched notes (formed out of the stolen halves of different notes) and consequent loss to innocent holders of such notes. The growth in the circulation of mismatched notes is evidenced by the fact that, in the Calcutta Currency Office alone, the claims received in 1910-11 (1026) were more than double those of the year 1905-06 (497), and while the Currency Department will be in a position to pay the bulk of these claims by combining the lost halves of the same notes received from different sources, there still remains a material balance of mismatched notes which are the result of theft, and as these are almost invariably put into circulation by the delinquents the ultimate sufferers are innocent holders who present them at Currency Offices.

47. The number of forged notes presented was 129 as against 122 in 1909-10. As in the latter year, only 2 each of the forgeries were of the Rs 5 and Rs 1,000 denominations, and the rest (with the exception of two forgeries of the hundred rupee note) were of the ten rupee denomination. The new forgeries reported were two of the hundred rupee note of the Rangoon Circle, and 17 of ten rupee notes of the Calcutta and Rangoon Circles (11 and 6 respectively). Those of the Rangoon Circle (16 in all) were produced by what is known as the anastatic process which gives a good, though somewhat faded, reproduction of the original note, the main defect being that the impression obtained by the use of chemicals is liable to smudge in handling or on the application of water to the surface of the note. The imitation water-marking differs in appearance from that of the original note, being obtained by applying great pressure to a surface of plain paper, while the genuine note paper is water-marked at the time of its manufacture in England. Of the 11 new forgeries of ten rupee notes of the Calcutta Circle, nine were hand drawn and two produced from blocks. With very few exceptions, the paper used bore no water-mark and was much inferior to that of the genuine note. Four of the notes bore different upper and lower numbers, and in general there was little to warrant any of these new forgeries being mistaken for genuine currency notes.

48. Fraudulent claims in connection with half-notes were few and only in one of the cases prosecuted was a conviction obtained. For some years past, attempts have been made to alter Rs 10 notes of the Rangoon Circle to notes of higher denominations. Four such notes were received in the Rangoon Currency Office during the year; a conviction was obtained in one case, the holder of the note being sentenced to a year's rigorous imprisonment.

State of coinage and counterfeiting.

49. The withdrawals of shroff-marked and uncurrent coin and of rupees State of coinage.

1	2	3	4	5
Province.	Shroff marked coin	Uncurrent coin.	Coin of 1835 mintage	Coin of 1840 mintage.
India	...	17,88	1,18	14 0
Central Provinces and Berar	...	39	11	9,87
Burma	...	2,52	16	1,88
Eastern Bengal and Assam	...	1,50	55	5,96
Bengal	...	7,71	1,37	11,96
United Provinces of Agra and Outh	...	27,89	2,28	37,51
Punjab and North-West Frontier Province	2	10 65	2,45	21 37
Madras	...	11,55	67	12 54
Bombay	...	9,37	1	7,89
TOTAL	2	89,96	9,66	1,19,20

bearing the dates 1835 and 1840 are shown in the margin in thousands of rupees. The withdrawals of 1835 and 1840 rupees which are yearly diminishing were Rs 71,000 and 14,63,000 less than in the previous year. To the end of the year they accounted for 3,42 lakhs of 1835 and 28 26 lakhs of 1840 rupees, against total coinages in those two years of 1' and 108 crores. The withdrawals of uncurrent coin were 24½ lakhs higher than in the previous year, but of this excess 20 lakhs are accounted for by the withdrawal under special

orders issued in May 1910 of worn small silver coin. Apart from defective and defaced coins the rest of the withdrawals in column 3 were of light-weight coin as follows:—

1	NUMBER OF COINS REDUCED IN WEIGHT.				
	Over 2 per cent. but not more than 6½ per cent.	Over 6½ per cent. but not more than 25 per cent.	Over 2 per cent. but not more than 12½ per cent.	Over 12½ per cent. but not more than 25 per cent.	Over 25 per cent.
	2	3	4	5	6
Rupees	4,429,787	30,170	..	..	21,325
Half-rupees . . . . .	..	..	396,911	7,010	5,132
Quarter rupees . . . . .	..	..	..	1,068,254	5,818
Eighth rupees . . . . .	..	..	..	981,868	4,514
TOTAL	4,429,787	30,170	396,911	2,057,132	36,789

6,950,789

During the year under report, a change was made in the rules for the receipt of light weight half-rupees. The limit of reasonable wear was formerly fixed at 6½ per cent. as in the case of whole rupees, coins which had lost between 2 and 6½ per cent. being received at nominal value but cut and withdrawn from circulation at Government cost, while coins which had lost more than 25 per cent. were cut and rejected and those which had lost between 6½ and 5 per cent. were to be cut and, at the tenderer's option, to be accepted at certain fixed rates less than the nominal value, varying with the degree of lightness. It was considered that in the case of a small coin like the half-rupee these rules were unnecessarily complicated. The Government of India, Finance Department, notification No. 3172-A., dated the 18th June 1910, accordingly fixed the limit of reasonable wear at 12½ per cent.; half-rupees which have been diminished in weight so as to be more than 2 per cent. but not more than 12½ per cent. below standard weight are now received at nominal value but cut and withdrawn from circulation, while coins which have lost more than 25 per cent. are cut and rejected, and those which have lost between 12½ and 25 per cent. are cut; and at the tenderer's option paid for at 6 annas each. The new rules came into force in the second quarter of the year, so that the half-rupees entered in the fourth and fifth columns of the statement above were dealt with partly under the old and partly under the new rules.

The figures for half-rupees do not show any large variation from the preceding year. Those for rupees show an increase of 8 lakhs, chiefly in the United Provinces and Bombay which is attributed partly to more careful shroffing and partly to an increase in transactions. In one treasury in the United Provinces, it was found that a large number of good coins were cut by a new shroff who was not acquainted with the rules on the subject. In the case of small silver, there is a large increase as compared with the preceding year; but this is due to most of the returns having erroneously included small silver coin, which, being worn but not light-weight, was withdrawn under the special orders already mentioned.

As usual the work done at the six larger currency offices in the examination of coins presented was tested at the Mints, the coins sent to the Mints for re-examination being selected by the Currency officers at random from the ordinary receipts across the counter. The following table shows the amounts

examined and the number of counterfeits and light-weight coins discovered by the mints.

Amount examined.	Calcutta.	Bombay.	Madras.	Cawnpore.	Lahore.	Rangoon.
	₹10,00,000	₹7,84,007	₹4,68,000	₹5,00,000	₹5,00,000	₹50,000
Counterfeits	59	61	56	49	63	5
Lost between 2% and 6½%	10,449	4,892	3,904	10,178	10,260	478
" " 6½% " 12½%	117	63	46	87	58	4
" " 12½% " 18½%	2	1	4	1	3	1
" " 18½% " 25% . . . . .	...	...	...	...	...	...
TOTAL	10,627	5,017	4,010	10,315	10,379	482

The following statement compares for the last four years the total percentage of light-weights detected at the Mints in the remittances mentioned above :—

	Percentage detected at the Mints.			
	1907-08.	1908-09.	1909-10.	1910-11.
Calcutta	·941	1·160	1·139	1·057
Bombay	·395	·370	·482	·632
Madras	·379	·557	·575	·848
Cawnpore	1·654	1·698	1·518	2·053
Lahore	·689	·969	·512	2·063
Rangoon	·972	·868	·886	·954

The figures do not compare well with past years. Cawnpore and Lahore have shown very bad results; Calcutta is better than last year, but there is still much room for improvement.

Province.	R	₹R	₹R	₹R
India	88,518	801	787	776
Central Provinces and Berar	2,288	45	27	22
Burma	7,744	195	537	284
Eastern Bengal and Assam	4,201	45	42	6
Bengal	10,491	369	271	168
United Provinces of Agra and Oudh	18,075	449	460	468
Punjab and North-West Frontier Province	10,909	324	558	313
Madras	14,156	1,764	1,192	1,011
Bombay	11,639	549	689	794
TOTAL	1,18,011	4,541	4,548	3,782

Year.	R	₹R	₹R	₹R
1901	43,198	2,154	2,345	1,928
1902	55,744	2,059	2,308	1,923
1903	52,786	2,221	2,143	1,812
1904	56,345	2,032	1,930	1,853
1905	65,713	2,230	2,283	1,747
1906	68,632	2,438	2,416	1,502
1907	73,086	3,496	3,231	1,593
1908	98,492	3,557	3,417	3,445
1909	1,08,788	4,313	4,084	3,587
1910	1,18,011	4,541	4,548	3,782

50. The tables in the margin give False coinage. the numbers of counterfeit silver coins out and broken in the different provinces during the calendar year 1910 and the usual comparative statistics for the past ten years. They show that in 1910 the number of counterfeit rupees discovered in the treasuries, currency offices and railway cash offices in the course of examination of coin received by them is higher by above four thousand than in 1909. The increases are reported in Calcutta, Madras and Bombay. In the last two cases, they are explained to be due to larger amounts of coin handled during the year under report. In Calcutta, the Bank of Bengal has reported a larger number of counterfeit coins as cut, but the causes for the increase cannot be definitely ascertained.

Out of the total number of 113,011, 42,617 were reported by Railways, 6,938 by the East Indian Railway alone and 5,515 by the North Western Railway.

The increase in recent years in the number of counterfeit small silver coins is, as mentioned in the last report, probably due to more careful examination, the new rules for dealing with light-weight small silver coins necessitating a more detailed observation of these coins.

The number of counterfeit rupees received at the Mints for examination during the year was 6,027, of which 790 were struck from dies and the rest were castings. Most of the former were well executed, but the majority of the latter consisted of palpable counterfeits made of base metal.

Small Coin.

Small silver, nickel and bronze.

51. Statement XXI annexed to the report shows the absorption of these coins in the different provinces during the twelve months under review and in the two preceding years. With the good trade conditions of the year, there was a fair demand for small coin in general. Excluding double pice which are being gradually withdrawn from circulation, the value of the total absorption amounted to Rs9,52,000 against Rs41,01,000 in 1909-10 and Rs79,10,000 in 1907-08. Quarter and eighth rupees were absorbed to the value of 14 lakhs each chiefly in Burma, Eastern Bengal and Assam and Bombay. The popularity of the nickel anna piece continues to increase, the net issues during the year having amounted to 20½ lakhs worth, or 4 lakhs more than the preceding year. They are popular in every province except Burma, but chiefly in Bombay and the Central Provinces, where the old double pice were largely in circulation and the public have found the nickel coin a convenient substitute. Single pice worth Rs9½ lakhs were absorbed during the year, the bulk of the issues having been in the Central and United Provinces, and Eastern Bengal and Assam. Half pice and pie pieces to the value of three quarters of a lakh each were issued, the former in Calcutta and the latter in the Madras and Bombay Presidencies.

It is noteworthy that, in spite of the good trade of the year, the demand for single pice has been less than in any year between 1903-04 and 1907-08. This is no doubt due to the competition of the nickel coin. A comparison with past figures shows that the latter has appreciably displaced the pice in Eastern Bengal and Assam, the Punjab, Madras and Bombay, and one-eighth rupees also to some extent in the first-named Province.

Miscellaneous.

Writing off of old notes.

52. The value of notes written off the circulation under the first proviso to Section 19 of the Indian Paper Currency Act II of 1910, amounted during the year under report to Rs43,080 against Rs44,250 and Rs44,370 in 1909-10 and 1908-09.

Proportion of transactions to circulation.

53. The following table gives the value of the circulation of the circles, and the mean of their receipts and issues over the counter during the year, with the percentage of the former to the latter during the last three years :—

	IN LAKHS OF RUPEES.		PERCENTAGE OF AMOUNT IN COL. 3 OF THAT IN COL. 2.		
	Average circulation on last day of month.	Mean value of receipts and issues over the counter.	1910-11.	1909-10.	1908-09.
Calcutta	22.54	66.52	34	31	29
Cawnpore	3.64	3.97	66	70	76
Lahore	3.58	7.89	45	46	50
Bombay	14.71	51.80	29	28	25
Kanaha	1.42	2.11	67	65	74
Madras	6.33	23.60	26	28	30
Rangoon	3.18	26.40	12	13	14

54. Statement XXII shows the receipts and expenditure on account of the Paper Currency Department during the year 1910-11. The receipts were about the same as in the preceding year, but the charges were higher by about R9,50,000, the increase being chiefly in the cost of note forms the supplies of which in the case of the lower denominations had been kept low in the preceding year pending the arrival of notes in the new universal form. Receipts and
Expenditure.

The charges shown in the statement do not include those incurred in remittances of coin and notes as no distinction is made in the accounts between remittances of the Currency Department and those on account of Treasuries. The total remittance charges amounted during the year 1910-11 to R3,75,000, and the greater part of this amount may be treated as relating to the Currency Department.

I have the honour to be,

SIR,

Your most obedient Servant,

R. W. GILLAN,

Comptroller-General and Head Commissioner of Paper Currency.

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Statement I.

Statement showing the Treasury balances on the first day of each month during 1909-10 and 1910-11 and their distribution.

[In Thousands of Rupees]

	April.	May.	June.	July.	August.	September.	October.	November.	December.	January.	February.	March.	March closing balances.
1910-11.													
Reserve Treasuries	5,22,88	4,21,66	5,66,35	8,40,25	9,42,60	8,50,66	7,12,27	4,62,12	3,68,51	2,21,60	3,28,56	4,51,65	6,58,15
Presidency Banks (Head Offices)	1,27,94	1,72,07	1,88,09	1,46,10	1,20,14	1,50,12	2,05,42	1,92,11	1,77,00	1,94,52	1,74,50	1,75,89	1,65,79
District Treasuries	11,28,99	9,23,00	9,79,99	10,28,55	10,14,08	9,62,65	9,43,98	9,56,42	8,99,74	8,41,73	9,86,91	10,89,19	12,12,25
TOTAL	18,44,21	15,77,73	17,54,43	20,14,90	21,42,82	19,63,43	18,65,72	16,12,66	14,65,25	13,17,85	14,99,99	17,16,73	20,36,19
1909-1910.													
Reserve Treasuries	4,29,83	1,01,65	3,47,73	3,21,09	2,21,59	2,75,24	2,40,43	1,42,26	1,56,62	1,73,74	2,44,94	2,99,79	5,32,38
Presidency Banks (Head Offices)	1,62,28	1,41,26	1,59,69	1,35,50	2,29,71	1,54,16	1,72,90	1,77,50	1,69,67	1,70,63	1,82,86	1,65,02	1,87,94
District Treasuries	9,38,26	8,98,51	7,99,59	8,89,95	8,49,56	7,77,77	7,69,79	6,66,48	6,78,54	6,71,47	9,40,04	10,97,52	11,28,99
TOTAL	15,85,88	11,96,42	13,07,06	14,06,54	13,60,86	12,07,17	11,83,12	9,82,24	10,04,83	10,15,84	13,67,74	15,62,33	18,44,31
Difference	+ 3,08,93	+ 4,41,31	+ 4,47,37	+ 6,08,36	+ 7,81,96	+ 7,56,26	+ 6,82,60	+ 6,30,42	+ 4,60,42	+ 3,02,01	+ 1,32,25	+ 1,54,40	+ 1,91,88

Statement II.

Details of the balance of the Gold Standard Reserve on the 31st March 1911.

In England—	
Purchase value of Sterling Securities (as per details below)	15,848,469
Cash placed by the Secretary of State in Council at short notice	1,477,358
In India—	
Coined rupees (at R15=£1)	1,934,302
	<hr/>
TOTAL	19,260,129

Details of investments :—

	Face value.
	£
British Government 2½ per cent. Consolidated Stock	4,665,770
Local Loans 3 per cent. Stock	200,000
Guaranteed 2½ per cent. Stock (Irish Land)	433,720
Transvaal Government 3 per cent. Guaranteed Stock	1,092,023
British Treasury Bills	4,500,000
Exchequer Bonds (3 per cent.)	4,350,600
Canada 3½ per cent. Bonds	489,000
Do. 4 per cent. Bonds	81,000
Cape of Good Hope 4 per cent. Bonds	107,500
Corporation of London 3½ per cent. Debentures	100,000
Do. do. 3½ do. do.	45,000
New South Wales, 4 per cent. Bonds	4,000
Do. 3½ do. Inscribed Stock	118,000
New Zealand 3½ per cent. Debentures	45,000
Do. 3½ do. do.	146,400
Queensland 4 do. Bonds	17,000
Do. 4 do. Inscribed Stock	10,000
	<hr/>
TOTAL	16,405,013

Statement III.
Distribution of Currency Reserve during the year 1910-11.
(In Lakhs of Rupees.)

MONTH.	Gross circulation.	COIN AND BULLION RESERVE.						SECURITIES.
		Silver coin in India.	Gold coin and bullion in India.	Silver bullion under coinage.	Gold coin and bullion in England.	Gold coin and bullion in transit between India and England.	Silver bullion in transit between India and England.	
April 1910	52,84	26,87	8,83	8	5,06		...	12,00
May "	54,30	28,25	7,72	8	6,25	...	...	12,00
June "	56,95	32,07	6,43	8	6,37	...	...	12,00
July "	59,16	35,26	5,45	8	6,37	...	...	12,00
August "	58,06	35,12	4,49	8	6,37	...	...	12,00
September "	56,10	33,33	3,32	8	6,37	...	...	12,00
October "	53,85	31,36	3,04	8	6,37	...	...	12,00
November "	52,10	29,70	2,95	8	6,37	...	...	12,00
December "	49,67	27,62	2,60	8	6,37	...	...	12,00
January 1911	51,12	26,49	2,18	8	6,37	...	...	12,00
February "	53,52	28,04	2,88	8	7,37	...	...	12,00
March "	54,99	28,06	2,38	8	7,37	...	...	12,00*

Distribution of metallic reserve on the 31st March 1911 by Circles.

Circle.	Silver coin.	Gold coin and bullion.	Silver bullion under coinage.	Gold coin and bullion in England.	Silver bullion in transit between India and England.
	₹ a.	₹	₹	₹	₹
At Calcutta	8,90,77,182 6	74,93,085	7,36,970	7,56,75,000	...
" Cawnpore	4,11,53,737 0	46,01,595	...	...	...
" Lahore	3,39,16,963 0	92,84,760	...	...	...
" Bombay	2,31,98,423 0	6,69,77,377	...	...	...
" Karachi	43,22,255 0	10,36,165	...	...	...
" Madras	3,73,56,165 0	10,05,795	...	...	...
" Rangoon	3,26,21,907 0	23,48,490	...	...	...
TOTAL	23,06,46,632 6	9,27,97,267	7,36,970	7,56,75,000	...

42,99,05,869 6 0

* Made up of:—

	Nominal Value.	Cost price.
	₹	₹ a. p.
In rupee securities—		
3½ per cent. loan of 1842-43	8,15,95,000	8,00,00,000 0 0
3 per cent. loan of 1896-97	2,04,86,500	1,99,99,945 10 0
	10,20,81,500	9,99,99,945 10 0
In sterling securities—	£ s. d.	£ s. d.
2½ per cent. Consols	1,494,952 16 7	1,333,333 6 8

STATEMENT IV.

Payments by Government on account of Transfers of Funds effected by the public between Provinces during the year 1910-11.

(In Thousands of Rupees)

PAID BY	1ST QUARTER ON ACCOUNT OF							2ND QUARTER ON ACCOUNT OF							3RD QUARTER ON ACCOUNT OF							4TH QUARTER ON ACCOUNT OF							TOTAL ON ACCOUNT OF							
	India and Ben- gal.	Eastern Bengal and Assam.	United Provinces	Punjab.	Madras.	Bombay.	TOTAL.	India and Ben- gal.	Eastern Bengal and Assam.	United Provinces	Punjab.	Madras.	Bombay.	TOTAL.	India and Ben- gal.	Eastern Bengal and Assam.	United Provinces	Punjab.	Madras.	Bombay.	TOTAL.	India and Ben- gal.	Eastern Bengal and Assam.	United Provinces	Punjab.	Madras.	Bombay.	TOTAL.	India and Ben- gal.	Eastern Bengal and Assam.	United Provinces	Punjab.	Madras.	Bombay.	GRAND TOTAL.	
	India and Bengal	..	25,25	3,74	5,97	4,80	22,80	68,08	..	14,06	12,38	35,38	14,00	34,45	1,10,24	..	15,38	6,44	10,58	75,30	1,06,20	8,02,88	..	15,94	10,55	19,39	10,49	1,40,37	2,06,73	..	71,67	83,09	71,21	1,04,29	4,01,82	6,61,67
Central Provinces	..	..	..	..	..	88,00	88,00	..	..	..	..	..	13,00	11,00	26,55	..	..	..	..	13,00	35,55	42,83	..	..	..	29,00	78,68	76,18	..	..	..	..	1,16,00	1,92,18	
Burma	..	4,00	..	..	2,00	..	6,00	..	..	..	10,00	..	10,00	1,15,00	..	..	..	..	29,26	14,00	1,61,26	3,98,60	..	..	..	2,00	3,83,00	7,78,80	5,15,80	..	..	..	48,25	3,97,00	8,56,05
Eastern Bengal and Assam.	24,25	24,25	1,85,59	1,95,69	81,01	3,40,87
United Provinces	52,50	..	..	..	..	82,47	1,14,97	1,00	..	..	..	..	..	1,00	9,00	..	..	..	..	..	46,50	55,50	16,66	1,29	4,67	24,25	46,87	79,16	1,29	..	4,67	..	1,33,23	2,18,34	
Punjab	19,78	..	..	..	..	70,00	99,78	1,57	..	..	..	..	88,00	64,50	11,65	..	..	..	..	..	88,65	65,30	9,11	5	7,96	39,55	45,67	44,01	5	7,96	..	..	2,18,29	2,65,23	
Madras	1,00	..	..	..	..	1,10,00	1,11,00	..	..	..	..	..	..	..	..	..	..	..	..	..	73,29	78,30	13,87	..	..	..	2,46,75	2,89,13	13,37	..	..	..	..	4,50,45	4,48,83
Bombay	8,00	..	32,20	3,00	..	43,20	83,20	..	..	49,98	19,50	..	..	77,68	10,98	..	..	11,94	22,75	..	..	..	..	..	..	..	68,71	44,01	3	10,60	1,36,10	45,25	..	2,35,98	
TOTAL	1,10,13	26,32	3,74	26,17	9,80	3,28,07	5,14,92	2,06,29	14,06	12,38	85,38	43,00	1,09,05	4,71,51	2,67,19	15,26	6,44	22,63	1,27,30	3,91,55	8,33,56	5,27,90	18,90	29,11	65,93	12,49	8,50,97	15,14,54	11,11,40	73,08	61,65	2,11,98	1,92,73	16,91,46	21,1,33	

STATEMENT V.

Movement of Funds within the Provinces during the year 1910-11.

(In Lakhs of Rupees.)

	India and Bengal.	Central Provinces.	Burma	Eastern Bengal and Assam.	United Provinces.	Punjab.	Madras.	Bombay.	TOTAL
Supplies of funds to Presidency Banks in Districts . . .	6	...	18	...	..	...	3,63	1,00	4,87
Receipts of funds from Presidency Banks in Districts . . .	5	...	...	...	...	...	...	86	91
Sale of supply bills and transfers to the public	1,09	10	3,02	7	54	16	1,94	3,44	10,38
Transfers to head-quarters by Bank post bills	42	...	...	2	...	...	...	...	44
TOTAL	1,62	10	3,20	9	54	16	5,57	5,30	16,58

STATEMENT VI.

(In thousands of £)
Gross imports of sovereigns during 1907-08, 1909-10 and 1910-11.

	1907-08.	1909-10	1910-11.
April	188	...	221
May	1,081	...	61
June	1,074	...	...
July	784	...	1
August	561	...	...
September	245	...	7
October	165	...	...
November	79	25	1,358
December	140	1,921	624
January	223	3,564	2,304
February	565	677	1,605
March	250	952	1,445
TOTAL	5,250	7,139	7,626

STATEMENT VII.

(In thousands of £)
Absorption of gold coin during 1910-11.

	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.
Opening balance—					
Currency	6,202	4,288	2,546	2,402	6,202
Treasuries	223	250	242	231	223
TOTAL	6,425	4,538	2,788	2,633	6,425
Closing balance—					
Currency	4,288	2,546	2,402	6,186	6,186
Treasuries	250	242	231	298	298
TOTAL	4,538	2,788	2,633	6,484	6,484
Difference (+net issue—net receipts)	1,887	1,750	155	—3,851	—59
Add—imports	282	8	1,982	5,354	7,626
Deduct—exports	315	52	3	10	380
ABSORPTION	1,854	1,706	2,134	1,493	7,187

STATEMENT VII—continued.

(In thousands of £.)

Absorption of gold coin in 1907-08 and 1910-11 by Provinces and quarters.

Name of Province.	1907-08.					1910-11.				
	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.
Bengal (including Calcutta) and India	663	108	127	276	1,164	265	229	68	197	754
Central Provinces	6	42	14	13	74	28	35	16	—4	75
Burma	187	172	149	260	768	171	146	112	149	578
Eastern Bengal and Assam	24	16	24	10	76	13	6	5	9	35
United Provinces	211	291	293	275	1,070	247	271	250	170	938
Punjab and North-West Frontier Province	406	310	404	303	1,423	539	532	720	387	2,178
Madras	219	197	265	237	918	432	290	333	322	1,437
Bombay (including Sindh)	309	78	247	73	707	159	195	635	203	1,192
TOTAL	2,014	1,216	1,543	1,447	6,220	1,854	1,706	2,134	1,493	7,187

STATEMENT VIII.

Absorption of rupees and half-rupees during 1909-10 and 1910-11.

(In Lakhs of Rupees)

	1910-11.					1909-10				
	April to June.	July to Sept.	Oct. to Dec.	January to March.	Total April to March.	April to June.	July to Sept.	Oct. to Dec.	January to March.	Total April to March.
Opening Balance—										
Currency	20,28	32,07	38,88	27,69	20,28	81,12	84,95	36,46	31,26	31,12
Treasury	5,87	5,73	4,87	3,90	5,87	5,09	4,93	4,08	3,18	5,09
Gold Standard Reserve	3,80	3,80	3,80	3,80	3,80	15,88	11,68	11,68	7,18	15,88
TOTAL	29,95	41,60	47,55	35,39	29,95	102,09	101,56	52,22	41,62	52,09
Closing Balance—										
Currency	32,07	33,33	27,62	26,06	26,06	31,95	36,46	31,26	29,28	29,28
Treasury	5,73	4,87	3,90	6,23	6,23	4,93	4,08	3,18	5,87	5,87
Gold Standard Reserve.	3,80	3,80	3,80	2,90	2,90	11,68	11,68	7,18	3,80	8,80
TOTAL	41,60	42,00	35,32	35,19	35,19	51,56	52,22	41,62	38,95	38,95
Net Difference + or -	-2,65	-90	+7,18	+18	+3,76	+58	-66	+10,60	+2,67	+13,14
Add—New coins issued	+35	+62	+44	+34	+1,75	+49	+70	+44	+54	+2,17
Deduct—Remittances to Mints for recoinage	-57	-72	-40	-48	-2,17	-55	-62	-39	-58	-2,09
Net Absorption (+) or return from circulation (-)	-2,87	-1,00	+7,22	-1	+3,84	+47	-58	+10,65	+2,68	+13,23
Net receipts into (+) or payments from (-) treasuries	+1,71	-1,49	-5,48	+7,18	+1,92	-1,29	-2,23	-1,67	+3,28	+3,09
Net Currency Note circulation increase (+) decrease (-)	+10	+55	-2,18	+70	-83	+4,38	+3,18	-1,95	+1,67	+7,28

Distribution of absorption by quarters and Provinces.

(In Lakhs of Rupees.)

CIRCLE OR PROVINCE.	1910-11.					1909-10.				
	April to June.	July to Sept.	Oct. to Dec.	January to March.	TOTAL.	April to June.	July to Sept.	Oct. to Dec.	January to March.	TOTAL.
Bengal and India	-1,73	+2,61	+1,14	-1,59	+46	-2,39	+3,19	-6	-96	-22
United Provinces	-63	-71	+5	-22	-1,51	-12	-77	+31	+31	-27
Punjab and N.-W. Fr.	+42	-1,30	+87	-32	-33	+3,04	-1,06	+1,39	+43	+3,98
Bombay	-67	-1,74	+3,21	+3,05	+4,55	+33	-1,52	+3,67	+3,42	+10,90
Madras	+69	-41	-4	-1,35	-1,11	+56	-30	-29	-69	-62
Burma	-55	-84	+53	+2,73	+1,86	-55	-1,06	-30	+2,09	+28
Eastern Bengal and Assam	-43	+1,47	+17	-1,49	-33	-48	+66	+37	-1,16	-61
Central Provinces and Berar	+8	-8	+59	-31	+28	+8	+20	+26	-76	-22
TOTAL	-2,87	-1,00	+7,22	-1	+3,84	+47	-58	+10,65	+2,68	+13,23

STATEMENT IX.

Statement of whole Rupees coined and issued from the Indian Mints from 1835.

Calendar years.	Coined in Calcutta.	Coined in Madras.	Coined in Bombay.	Total Coined.
	₹	₹	₹	₹
William IV, 1835	10,90,88,070	11,78,000	5,37,12,502	16,99,78,572
Victoria, 1840, 1st issue	17,99,34,670	2,18,98,181	10,98,38,073	31,16,70,924
" 1840, 2nd	39,85,53,660	5,50,49,201	31,29,58,076	76,65,60,937
" 1862	26,94,27,222	2,94,81,923	40,80,03,034	70,69,12,179
" 1874	1,50,18,884	...	2,85,08,566	4,35,22,400
" 1875	1,16,31,951	...	1,93,59,597	3,09,91,548
" 1876	1,20,01,264	...	2,89,49,037	4,09,50,301
" 1877	3,92,51,692	...	9,55,54,320	13,48,06,012
" 1878	3,26,57,837	...	6,99,27,196	9,65,85,033
" 1879	1,59,28,325	...	7,27,99,904	8,87,28,229
" 1880	1,83,99,894	...	5,37,85,624	7,21,85,518
" 1881	24,35,719	...	31,61,858	55,97,577
" 1882	1,50,90,289	...	5,63,97,273	7,14,87,567
" 1883	51,23,372	...	1,80,22,789	2,31,46,161
" 1884	1,16,41,757	...	3,68,46,570	4,84,88,327
" 1885	3,41,52,203	...	6,48,78,000	9,90,30,203
" 1886	1,08,78,075	...	4,11,46,457	5,20,24,532
" 1887	4,02,00,143	...	4,84,00,000	8,86,00,143
" 1888	75,68,000	...	6,32,00,000	7,07,68,000
" 1889	93,68,310	...	6,53,00,000	7,46,68,310
" 1890	2,47,41,865	...	9,29,00,000	11,76,41,865
" 1891	1,46,69,903	...	4,95,00,000	6,41,69,903
" 1892	3,24,55,120	...	7,22,00,000	10,46,55,120
" 1893	91,40,310	...	6,95,90,000	(a) 7,87,30,310
" 1897	4,70,184	...	10,54,593	(b) 15,24,777
" 1898	12,50,976	...	62,68,437	(b) 75,19,413
" 1900	5,29,02,591	...	6,52,86,908	(d) 11,81,89,499
" 1901	3,37,22,243	...	7,54,13,713	(e) 10,91,35,961
" 1901 coined in 1902	3,82,94,644	...	5,48,44,740	(f) 9,31,39,384
Edward VII, 1903 ditto	25,000	...	...	25,000
" " 1903	4,93,78,355	...	5,29,69,151	(g) 10,23,47,506
" " 1904	5,83,38,617	...	10,19,40,291	(h) 16,02,78,908
" " 1905	5,12,57,883	...	7,62,02,223	(i) 12,74,60,106
" " 1906	10,47,97,164	...	15,89,53,269	(j) 26,37,50,433
" " 1907	8,13,38,000	...	17,09,11,816	(k) 25,22,49,816
" " 1908	2,02,17,723	...	1,07,14,770	3,09,32,493
" " 1909	1,27,58,580	...	95,38,746	(l) 2,22,97,326
" " 1910	85,00,000	...	91,88,673	1,76,88,673
" " 1910 coined in 1911.	16,00,000	...	10,53,402	(c) 26,53,402
TOTAL	1,83,42,05,455	10,76,07,305	2,72,32,29,618	4,66,50,42,378

(a) Includes ₹5,90,000 coined for the Bikaner State.

(b) On account of Kashmir and Bhopal re-coinage.

(c) Up to 31st March 1911.

(d) Includes ₹3,09,02,414 coined for Native States.

(e) " ₹1,90,43,904 coined for Native States.

(f) " ₹2,98,86,014 coined for Native States.

(g) " ₹11,66,451 coined for Native States.

(h) " ₹5,91,231 coined for Native States.

(i) " ₹3,28,000 coined for Native States.

(j) " ₹3,40,310 coined for Native States and ₹167 lakhs (Calcutta 32 lakhs and Bombay

135 lakhs) coined from Gold Standard Reserve Silver

(k) " ₹94,766 coined for Native States and ₹433 lakhs (Calcutta 168 lakhs and Bombay

₹295 lakhs) coined from Gold Standard Reserve Silver.

(l) " ₹1,01,459 coined for Native States.

Statement X.

Rupee Census.

	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.	1909.	1910.	1911.
William IV, 1836	1-0	'5	'5	'6	'4	'8	'8	'25	'2	'19	'19	'15	'15	'17	'13	'11
1840, 1st issue	4-0	4-1	4-8	4-51	4-5	4-1	2-1	1-5	'95	'9	'75	'5	48	'45	'22	'39
1840, 2nd issue	11-7	11-7	13-0	13-1	13-6	11-8	8-2	4-8	2-8	2-13	1-6	1-2	1-04	'99	'78	'61
1862	20-0	20-0	21-0	20-95	20-2	19-0	19-85	20-15	18-5	17-2	15-7	14-36	13-54	13-72	13-50	13-53
1874	7	7	'8	'85	'9	'78	'75	'75	'75	'75	'65	'55	'56	'59	53	'54
1875	11	1-1	1-2	1-25	1-2	1-08	1-13	1-15	1-09	'99	'95	'85	'77	'64	'80	'79
1876	1-4	1-4	1-4	1-5	1-5	1-36	1-4	1-4	1-8	1-25	1-1	1-0	'96	1-01	1-00	'98
1877	4-4	4-4	4-9	4-7	4-5	4-2	4-4	4-5	4-09	3-85	3-5	3-2	2-95	3-09	3-05	3-09
1878	3-1	3-0	3-1	3-15	3-0	2-9	2-95	3-0	2-85	2-55	2-4	2-2	2-04	2-15	2-12	2-12
1879	2-6	2-7	2-9	2-8	2-8	2-5	2-55	2-6	2-5	2-24	2-0	1-95	1-80	1-87	1-82	1-82
1880	2-6	2-7	2-7	2-7	2-7	2-4	2-45	2-5	2-35	2-08	1-85	1-8	1-65	1-68	1-69	1-67
1881	'4	'4	'4	'37	'4	'3	'3	'3	'35	'28	'25	'25	'23	'24	'24	'20
1882	3-0	3-0	3-0	3-0	3-0	2-73	2-8	2-8	2-5	2-4	2-2	2-0	1-84	1-87	1-87	1-85
1883	1-2	1-0	1-06	1-1	1-1	1-0	1-0	1-0	'95	'9	'8	'75	'70	'72	'69	'67
1884	2-2	2-1	2-1	2-2	2-2	1-92	2-0	1-95	1-85	1-75	1-6	1-45	1-38	1-38	1-36	1-36
1885	4-2	4-2	4-2	4-2	4-1	3-7	3-85	3-8	3-55	3-25	2-95	2-8	2-51	2-61	2-59	2-60
1886	2-4	2-6	2-4	2-45	2-35	2-15	2-15	2-2	2-01	1-68	1-75	1-6	1-46	1-51	1-50	1-49
1887	4-7	4-4	4-4	4-3	4-3	3-9	4-0	4-0	3-65	3-4	3-1	2-8	2-59	2-64	2-68	2-60
1888	3-6	3-7	3-2	3-25	3-2	2-9	3-0	2-95	2-7	2-5	2-25	2-1	1-99	2-03	1-98	1-98
1889	4-3	4-1	3-8	3-7	3-7	3-38	3-35	3-35	3-04	2-85	2-6	2-35	2-16	2-23	2-25	2-23
1890	7-3	7-4	6-5	6-6	6-4	5-6	5-7	5-65	5-04	4-8	4-3	3-85	3-58	3-60	3-70	3-65
1891	3-7	3-7	3-4	3-3	3-4	3-0	3-0	3-0	2-75	2-6	2-35	2-1	1-99	2-00	2-02	2-00
1892	6-0	6-0	5-4	5-55	5-6	4-9	5-0	5-0	4-5	4-2	3-85	3-85	3-18	3-21	3-23	3-22
1893	4-4	5-1	4-1	4-32	4-3	3-8	3-75	3-8	3-4	3-2	2-85	2-6	2-37	2-43	2-42	2-37
1897 . . . . .	..	..	'01	'01	'1	'17	'15	'15	'18	'15	'17	'15	'18	'16	'17	'13
1898 . . . . .	..	..	'08	'05	'35	'4	'45	'4	'5	'4	'44	'35	'38	'42	'34	'34
1900 . . . . .	..	..	..	..	1-2	6-9	7-0	7-05	6-8	5-85	5-25	4-7	4-34	4-32	4-30	4-30
1901 . . . . .	..	..	..	..	..	3-05	3-4	3-75	3-4	3-03	2-1	1-85	1-84	1-89	1-74	1-68
1903 . . . . .	..	..	..	..	..	..	..	'75	6-6	5-88	4-8	4-2	3-94	3-84	3-58	3-59
1904 . . . . .	..	..	..	..	..	..	..	..	3-6	3-4	3-0	2-8	2-48	2-68	2-52	2-79
1905 . . . . .	..	..	..	..	..	..	..	..	..	2-3	1-8	1-6	1-00	1-74	1-41	1-32
1906 . . . . .	..	..	..	..	..	..	..	..	..	..	3-7	11-6	10-54	9-92	10-35	10-20
1907 . . . . .	..	..	..	..	..	..	..	..	..	..	..	2-5	3-92	3-22	3-56	3-66
1908 . . . . .	..	..	..	..	..	..	..	..	..	..	..	..	'64	1-30	1-48	1-55
1909 . . . . .	..	..	..	..	..	..	..	..	..	..	..	..	..	'25	'96	'90
1910 . . . . .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	'17	'75
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

VICTORIA.

EDWARD VII.

STATEMENT XI.

Comparison of Rupee Census figures for certain groups of years.

	1883.	1884.	1885.	1890.	1891.	1892.	1899.	1900.	1901.	1902.	1908.	1909.	1910.	1911.
William IV 1835	3.19	3.05	3.08	1.69	1.72	1.79	...	...	...	...	...	...	...	...
Victoria 1840 1st issue	8.16	7.82	7.90	5.02	4.84	5.31	...	...	...	...	...	...	...	...
" 1840 2nd "	20.30	20.80	21.61	12.85	13.45	13.68	...	...	...	...	...	...	...	...
" 1862	34.63	33.83	34.16	23.90	23.84	24.71	25.57	24.99	25.90	26.32	13.76	13.94	13.66	13.66
" 1874 to 1878	21.88	21.26	21.10	12.74	13.13	12.94	13.98	13.72	13.97	14.12	7.40	7.79	7.59	7.60
" 1879 to 1883	11.84	13.24	12.15	12.45	12.68	12.13	12.16	12.88	12.17	12.06	6.33	6.48	6.39	6.27
" 1884 to 1888 . . . . .	...	...	..	26.52	25.44	24.36	20.00	19.98	19.85	19.89	10.03	10.34	10.15	10.14
" 1889 to 1893 . . . . .	...	...	...	5.43	5.00	5.08	28.29	28.93	28.11	27.61	13.40	13.69	13.78	13.61
" 1897, 1898, 1900 and 1901 and Edward VII 1903 . . . . .	..	..	...	...	...	...	..	...	...	...	15.94	15.89	15.31	15.20
Edward VII 1904 to 1908 . . . . .	...	...	...	...	..	...	...	...	...	...	33.14	31.62	31.99	31.85
" 1909 and 1910 . . . . .	...	...	...	...	..	...	...	...	...	...	...	25	1.18	1.67
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	100	100

NOTE.—In the first group, the percentages of the ounces for 1883 to 1885 have been excluded.
 In the second " " " " " " " " 1890 to 1898
 In the third " " " " " " " " 1835, 1840, 1897, 1898, 1900 and 1901 have been excluded.
 In the fourth " " " " " " " " 1885 and 1890 have been excluded.

STATEMENT XII.

Statement of Active Note Circulation during 1910-11 and the two previous years.

[In lakhs of rupees.]

LAST DAY OF MONTH.	Gross circulation on last day of month.			Amounts held in Reserve Treasuries.			Amounts held in other Treasuries.			Total held in Treasuries.			Balance, being notes in circulation with the public.			Notes held by Presidency Banks at Head Offices.			Active circulation among the people.		
	1908-09.	1909-10.	1910-11.	1908-09.	1909-10.	1910-11.	1908-09.	1909-10.	1910-11.	1908-09.	1909-10.	1910-11.	1908-09.	1909-10.	1910-11.	1908-09.	1909-10.	1910-11.	1908-09.	1909-10.	1910-11.
	April	46.26	48.65		8.96	1.02	4.22	2.31	1.95	2.19	9.27	3.97	6.34	36.99	40.68	46.50	4.72	5.38	6.74	32.27	35.35	39.76
May	44.81	46.77	54.30	6.62	3.47	5.66	1.92	1.65	1.85	6.74	5.12	7.71	36.07	41.65	46.59	4.89	7.21	7.51	31.18	34.44	39.06
June	45.15	49.29	56.95	8.78	3.80	3.40	1.75	1.88	1.94	7.59	5.68	10.34	37.63	43.61	46.61	6.49	9.42	10.03	31.13	34.19	36.58
July	46.10	51.53	59.16	7.39	2.20	9.48	1.83	1.99	2.00	9.27	4.19	11.46	38.88	47.34	47.63	7.25	13.03	11.12	31.58	34.31	36.56
August	44.61	51.74	58.06	4.63	2.75	3.50	1.50	1.57	1.63	6.18	4.32	10.38	36.43	47.42	47.63	6.53	11.93	10.32	31.90	35.49	36.83
September	43.84	50.33	56.10	2.29	2.89	7.13	1.51	1.64	1.73	3.90	4.03	6.94	40.04	46.79	47.16	6.93	9.74	9.11	33.11	37.05	38.05
October	44.25	50.50	53.35	1.64	1.48	4.63	1.35	1.35	3.20	2.99	2.63	6.33	41.26	47.67	46.53	6.94	10.23	7.91	34.42	37.45	33.61
November	43.55	46.53	53.10	1.31	1.55	3.88	1.55	1.47	1.92	2.76	3.02	5.80	40.79	43.51	46.30	6.93	6.51	7.15	34.41	37.00	39.15
December	42.07	46.25	49.67	73	1.71	3.91	1.56	1.70	1.73	3.29	3.41	4.69	39.73	44.84	44.93	5.55	6.49	5.49	34.23	33.35	36.49
January	42.21	51.84	51.12	1.54	2.68	3.38	1.73	1.08	2.29	3.32	3.71	5.67	39.39	43.13	45.45	5.22	6.66	5.78	33.67	41.47	39.67
February	43.66	50.57	53.52	1.71	3.29	4.51	1.63	1.31	2.42	3.59	4.50	6.93	40.27	46.07	46.59	5.91	4.63	5.64	34.36	41.45	40.95
March	45.49	54.41	54.99	4.36	5.31	6.53	1.90	2.59	2.73	6.26	7.90	9.31	39.23	46.51	45.63	4.33	6.53	5.51	34.93	39.98	40.17
Average	44.52	49.66	54.35	3.76	3.04	5.30	1.74	1.67	2.07	5.50	4.31	7.67	39.02	45.35	46.48	5.92	8.14	7.73	33.10	37.21	38.75

STATEMENT XIII.

Value of Currency Notes in circulation

	1863-64.	1864-65.	1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	1870-71.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	1882-83.	1883-84.	1884-85.
April	5,18	5,68	7,48	7,02	7,84	8,92	9,80	9,65	10,18	12,34	11,01	9,27	10,78	10,75	11,19	13,80	11,37	13,89	12,88	14,30	13,35	12,84
May	5,01	6,04	7,48	7,37	8,19	10,04	10,88	8,68	10,40	13,49	11,31	9,96	11,06	10,70	11,35	13,09	11,17	13,10	12,01	14,67	13,09	13,24
June	5,09	5,99	8,34	8,80	8,58	10,04	10,80	8,70	10,83	13,51	11,83	10,15	11,28	11,59	12,67	13,87	11,82	13,64	13,72	14,91	13,01	12,63
July	5,11	6,31	8,58	8,97	8,72	10,06	10,58	9,18	10,72	13,47	11,95	10,73	11,18	11,54	12,85	14,07	12,24	13,91	14,04	15,29	13,54	14,56
August	5,16	6,37	8,69	8,48	9,59	10,13	10,21	9,45	11,39	13,22	12,05	10,87	11,19	11,91	12,15	14,27	12,74	13,75	14,22	15,99	13,79	14,97
September	5,26	6,45	8,87	8,28	9,53	10,41	10,18	10,07	11,32	13,35	12,09	10,60	11,77	11,75	13,39	14,06	13,38	13,47	13,55	15,28	14,40	15,01
October	5,63	7,09	7,84	10,16	9,98	10,61	10,78	10,19	11,31	13,00	12,06	10,89	12,04	11,45	13,19	13,70	13,68	13,55	13,39	15,82	14,49	15,61
November	5,16	7,13	7,88	10,10	10,21	10,41	11,38	10,27	11,09	13,30	11,73	11,02	11,69	11,93	14,74	13,46	13,75	14,50	13,07	16,25	14,47	15,76
December	5,11	7,48	7,40	9,96	10,32	10,30	11,31	10,35	10,87	12,53	10,91	11,08	11,22	11,97	15,05	13,69	13,80	14,38	13,15	16,16	13,39	15,08
January	5,15	7,38	6,91	8,68	10,11	10,20	11,42	10,76	12,08	12,16	9,98	11,10	11,77	12,44	15,64	12,15	14,23	14,12	13,39	15,37	12,11	14,97
February	5,08	7,40	6,87	8,87	9,56	10,68	10,88	10,07	12,69	11,52	9,69	11,13	11,28	12,07	14,07	12,20	13,28	12,25	13,74	14,42	12,26	14,53
March	5,35	7,48	6,90	8,09	9,07	9,96	10,47	10,44	13,17	11,14	9,25	11,24	11,00	11,63	13,57	11,42	12,36	13,40	13,91	14,51	13,76	14,68
Average	5,19	6,73	7,76	8,81	9,29	10,15	10,67	9,81	11,42	12,86	11,15	10,87	11,35	11,64	13,25	13,19	12,80	13,66	13,50	15,18	13,39	14,54
Reserve Treasury Balances held in Notes Average	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	71	1,44	2,35	1,96	1,49
Metallic Reserve Average Gold	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
„ Silver	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	7,72	7,49	9,18	7,40	8,45
Currency in Circulation on 31st March	2,49	3,07	3,98	3,25	3,25	3,91	3,60	3,28	5,91	5,69	5,69	5,69	5,69	6,00	5,69	6,00	6,00	6,00	6,00	6,00	6,00	6,00
Profits of Paper Currency Department	13	8	7	7	10	7	14	12	11	21	19	20	20	21	20	19	25	23	22	21	21	22

STATEMENT XIV.

Statement of the value of Currency Notes in circulation throughout India during 1910-11 and previous years.

	CALCUTTA.	CAWNPORN.	LAHORE.	BOMBAY.	KARACHI.	MADRAS.	CALICUT.	BANGOOW.	TOTAL.
Average of 1862-63 to 1890-91	2,69,33,972	20,98,127(a)	20,77,591(a)	3,04,52,274	6,61,242(b)	60,14,446	3,45,821(a)	...	6,64,98,118
" 1867-68 to 1871-72	3,77,03,268	25,93,005	30,29,804	4,78,69,662	21,04,702	81,01,317	8,40,554	.....	10,26,57,327
" 1872-73 to 1876-77	4,85,28,273	66,18,652	55,48,411	3,86,91,351	19,17,039	1,18,90,598	21,58,532	....	11,58,47,901
" 1877-78 to 1881-82	6,86,26,928	88,39,749	68,53,459	3,75,04,227	28,35,309	1,42,99,405	17,54,136	.....	13,28,13,237
" 1882-83 to 1886-87	6,22,94,733	78,46,597	78,90,464	4,44,29,612	37,35,266	1,41,73,405	12,42,570	23,45,840(c)	14,40,39,326
" 1887-88 to 1891-92	7,55,23,706	98,32,570	1,03,35,142	6,61,13,610	49,21,086	2,17,27,645	15,86,244	45,96,394	19,41,41,837
" 1892-93 to 1896-97	11,66,66,705	1,24,39,476	1,68,88,145	9,14,38,033	74,74,756	3,11,76,919	18,70,975	63,73,527	23,35,25,538
" 1897-98 to 1901-02	11,66,12,060	1,35,90,379	2,02,93,085	7,52,18,545	72,85,463	3,04,66,242	15,24,750	85,13,134	27,84,93,896
" 1902-03 to 1906-07	16,37,64,515	2,04,83,668	2,83,93,678	10,64,39,796	1,03,28,794	4,22,65,899	18,28,615	1,65,07,822	30,20,11,722
" 1907-08	20,48,62,234	2,33,13,520	2,87,27,955	12,15,72,293	1,10,05,953	5,38,56,329	18,72,110	2,90,21,317	47,32,31,711
" 1908-09	17,51,67,105	2,71,84,965	3,16,37,338	10,30,84,961	1,83,29,178	5,54,51,187	20,51,506	3,22,72,433	44,51,53,573
" 1909-10	20,22,68,056	44,71,903	3,48,92,685	12,33,64,552	1,69,08,513	5,49,50,126(A)	...	2,97,35,585	49,65,91,425
" 1910-11	22,54,02,897	2,64,28,615	3,52,60,254	14,70,73,981	1,42,31,188	6,32,54,283	...	3,18,06,085	54,34,62,308
Increase (+) or decrease (-) in 1910 11 as compared with 1909-10	+ 2,31,34,841	+ 19,56,712	+ 3,67,569	+ 1,37,14,429	- 26,77,330	+ 83,04,157	...	+ 20,70,500	+ 4,68,70,878
Percentage on average circulation 1909-10	+ 11.437	+ 7.995	+ 1.058	+ 10.238	- 15.884	+ 15.112	...	+ 6.962	..

(A) Includes Calicut Circle the average of which for 10 months was 23,68,246.
(a) Average for 3 years.
(b) " " " "
(c) " " " "

STATEMENT XV.

Currency Notes in circulation in India. (In Thousands of Rupees.)

LAST DAY OF	Calcutta	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Calcutt.	Rangoon.	TOTAL.
1905.									
January	16,32,26	1,50,10	2,58,47	10,64,93	92,00	8,94,01	13,48	1,57,11	37,62,36
February	16,64,23	1,40,48	2,49,28	9,81,35	80,28	4,43,93	12,71	2,01,05	37,73,21
March	17,01,67	1,65,83	2,87,12	10,71,42	86,77	4,36,04	14,60	1,74,15	39,17,60
April	17,08,66	1,54,39	2,82,06	11,20,11	97,89	4,21,97	16,29	1,79,11	39,78,48
May	17,70,42	1,91,35	2,72,97	11,09,23	1,02,98	3,92,19	17,72	1,62,10	40,18,91
June	18,00,50	2,57,72	2,79,32	11,22,68	1,04,81	3,72,83	20,23	1,77,57	41,35,69
July	17,23,54	2,76,75	3,41,81	11,36,11	87,85	3,86,27	19,05	1,86,82	41,68,20
August	17,77,26	2,72,89	3,64,70	12,43,95	92,99	4,22,64	20,71	1,83,80	43,78,94
September	16,35,07	2,62,39	3,53,83	12,58,14	1,11,15	4,48,36	28,05	1,81,28	42,74,27
October	16,87,48	2,35,89	3,18,30	11,75,47	1,18,18	4,44,99	22,29	1,75,68	41,58,28
November	17,22,01	2,12,25	2,71,04	9,99,90	1,10,54	4,67,80	19,17	1,60,41	39,62,12
December	16,40,42	2,12,30	2,80,02	11,06,35	1,10,98	4,54,34	14,90	1,57,84	39,76,65
1906.									
January	16,76,87	2,12,99	2,91,19	11,07,56	1,15,87	4,81,50	11,55	1,72,40	40,49,43
February	16,23,98	2,15,53	2,99,68	10,72,83	1,15,99	5,08,95	10,91	2,15,97	42,83,27
March	20,11,49	2,08,98	3,20,98	10,77,07	1,31,99	5,19,73	11,64	1,84,18	44,65,66
April	18,79,80	1,97,01	3,45,54	11,25,55	1,31,22	4,97,94	11,63	1,97,79	43,75,89
May	17,97,40	1,98,20	3,05,70	11,68,35	1,32,15	4,88,88	10,98	1,97,53	42,89,24
June	19,71,78	2,07,56	3,02,11	12,67,47	1,13,74	4,72,19	14,54	2,05,62	45,55,79
July	19,83,52	2,18,07	2,99,81	13,97,29	1,02,05	4,77,92	21,71	2,29,83	47,30,29
August	16,82,38	2,34,38	3,33,68	15,20,12	1,04,98	4,79,18	26,12	2,33,60	45,89,59
September	18,76,18	1,99,05	3,12,17	12,24,19	1,18,72	4,56,13	33,22	2,31,23	44,40,46
October	19,09,22	1,92,15	3,06,98	12,60,37	1,21,12	4,62,77	35,80	2,32,58	45,22,44
November	19,29,01	1,70,50	2,90,48	11,56,00	1,16,43	5,10,99	33,09	2,06,40	44,12,85
December	21,34,49	1,72,07	2,90,43	11,64,22	1,04,18	4,96,99	30,48	1,68,27	45,61,19
1907.									
January	20,71,30	1,73,73	3,02,79	10,37,81	96,94	5,30,69	19,26	2,32,71	44,65,23
February	20,63,46	1,81,36	3,02,54	10,53,93	1,00,68	5,44,52	12,13	2,30,02	45,48,54
March	21,88,82	1,63,94	3,13,75	10,84,27	1,04,09	5,56,89	12,09	2,71,34	46,95,19
April	21,04,70	1,58,41	3,08,66	11,25,83	98,46	5,39,65	11,64	2,74,33	46,21,68
May	21,85,93	1,60,57	2,78,79	11,04,84	98,08	4,93,73	15,23	2,69,49	46,06,61
June	21,53,80	1,65,04	2,81,97	10,12,31	1,02,06	5,03,74	14,80	2,71,64	48,05,26
July	21,55,96	2,00,47	3,07,47	14,38,08	98,13	5,21,85	18,43	2,91,80	50,32,19
August	21,84,26	2,37,93	2,93,42	14,74,49	94,50	5,48,23	21,79	3,22,21	51,78,83
September	20,90,51	2,32,78	2,73,77	16,44,60	95,11	5,32,18	23,52	3,31,87	52,74,34
October	21,37,75	2,69,62	2,70,81	14,47,26	91,34	5,34,71	22,50	2,96,23	50,65,23
November	20,83,19	2,75,66	2,76,19	12,40,15	1,03,63	4,98,62	22,63	2,42,66	47,42,58
December	18,55,93	2,81,54	2,63,51	10,21,87	1,15,50	5,17,15	21,92	2,20,41	43,28,98

STATEMENT XV—contd.

Currency Notes in circulation in India. (In Thousands of Rupees)—contd.

LAST DAY OF	Calcutta.	Cawnpore.	Lahore.	Bombay	Karachi	Madras	Calcut.	Rangoon	Total
1909.									
January	17,62,02	2,44,11	2,76,10	9,41,81	1,30,60	5,52,93	£0,21	2,78,85	41,81,65
February	17,40,09	2,66,56	2,93,76	9,61,83	1,39,03	5,97,71	18,09	3,09,00	42,65,62
March	21,10,18	2,64,93	3,23,70	9,36,11	1,60,28	6,32,84	12,89	2,59,07	46,83,50
April	19,20,69	2,57,67	3,58,71	10,29,39	1,41,56	6,38,38	13,78	2,66,24	46,26,32
May	17,09,70	2,93,58	3,27,55	10,84,06	1,51,50	6,21,30	13,66	2,77,77	44,81,13
June	17,43,51	2,97,82	3,47,09	10,19,76	1,29,34	6,46,07	15,96	3,15,00	45,16,09
July	19,58,38	3,48,23	3,92,96	10,52,39	1,45,28	5,61,80	18,53	3,33,93	48,00,87
August	17,42,98	3,58,98	3,33,30	9,80,00	1,62,57	5,10,74	28,27	3,43,79	44,60,63
September	16,39,65	2,78,88	2,80,84	10,77,75	1,86,90	5,15,51	80,16	3,74,62	43,84,11
October	16,86,74	2,72,73	2,92,04	10,94,18	2,10,13	5,52,37	28,05	3,49,25	44,25,49
November	16,11,74	2,57,35	2,79,30	10,26,88	2,18,08	5,49,84	29,64	3,85,79	43,54,53
December	16,31,43	2,25,02	2,81,54	9,89,47	2,08,75	5,37,20	21,05	3,12,55	42,07,01
1909.									
January	16,96,55	2,17,44	2,88,59	9,85,18	2,11,83	5,30,83	20,09	2,69,94	42,20,57
February	17,72,18	2,28,48	3,08,27	10,25,23	2,10,16	5,18,15	13,67	3,08,37	43,85,51
March	20,06,60	2,23,62	3,06,44	10,03,01	2,27,53	4,72,42	13,38	2,95,84	45,48,79
April	17,67,63	2,38,35	3,29,27	10,04,38	2,17,21	5,24,73*	...	2,81,43	43,64,99
May	21,33,40	2,06,43	3,02,56	10,62,81	1,94,67	5,26,69*	...	2,50,66	46,77,22
June	22,48,02	2,29,56	3,30,65	11,34,44	1,64,61	5,63,99*	...	2,58,21	49,29,43
July	22,14,63	2,38,68	3,38,71	13,72,81	1,49,09	5,66,93*	...	2,72,61	51,53,46
August	21,32,36	2,62,62	3,47,35	14,58,79	1,58,36	5,34,78*	...	2,84,28	51,73,54
September	16,98,44	2,86,94	3,51,54	15,41,38	1,83,87	5,17,52*	...	3,02,51	50,82,20
October	18,57,33	2,70,98	3,48,87	15,28,36	2,00,61	5,35,08*	...	3,08,67	50,49,85
November	18,54,41	2,42,93	3,37,87	11,99,56	1,77,51	5,38,03*	...	3,00,71	48,53,03
December	19,52,56	2,41,40	3,59,09	13,23,32	1,51,14	5,47,54*	...	2,49,99	48,25,66
1910.									
January	18,95,43	2,46,79	3,73,18	16,66,96	1,39,45	5,64,54*	...	2,98,12	51,54,47
February	20,04,56	2,47,29	3,33,24	13,07,55	1,43,80	5,68,42*	...	4,03,46	50,56,83
March	23,11,40	2,24,75	3,94,79	14,01,38	1,54,20	6,05,69	...	3,58,63	54,40,84
April	22,00,48	2,39,18	3,81,13	13,69,43	1,43,98	6,34,04	...	3,17,20	52,84,44
May	24,55,12	2,26,94	3,76,94	13,56,20	1,37,61	5,88,75	...	2,88,34	54,29,60
June	24,82,75	2,47,67	3,67,23	15,44,12	1,19,00	6,62,75	...	2,71,70	56,95,22
July	26,18,99	2,79,02	3,49,80	16,01,66	1,20,38	6,61,19	...	2,85,53	59,16,45
August	24,84,07	2,76,02	3,62,76	16,54,00	1,19,45	6,31,32	...	2,78,02	58,05,71
September	22,04,76	2,71,47	3,65,88	17,16,37	1,36,72	6,24,49	...	2,90,12	56,09,81
October	20,17,16	3,06,75	3,45,61	16,06,99	1,43,74	6,17,09	...	2,97,77	53,35,11
November	21,35,06	2,79,19	3,37,29	15,07,47	1,47,03	5,48,96	...	2,54,74	52,09,74
December	19,36,89	2,75,13	3,23,12	13,61,18	1,60,96	5,98,60	...	3,11,14	49,67,01
1911.									
January	19,63,60	2,63,33	3,29,91	13,59,83	1,63,08	6,50,06	...	3,82,90	51,11,91
February	21,85,69	2,65,37	3,37,41	12,77,82	1,53,25	7,06,09	...	4,37,99	53,51,92
March	23,63,58	2,51,60	3,55,36	12,94,51	1,63,56	6,67,18	...	4,01,23	54,99,06

* Includes notes of Calcut which was a separate circle up to 16th February 1910.

STATEMENT XVI.

Gross circulation of each denomination of note on the 31st March 1911.

	NUMBER OF NOTES FOR RUPEES								TOTAL.	
	5	10	20	50	100	500	1,000	10,000	Pieces.	Value.
Calcutta	248,748	7,568,625	18,940	100,086	452,506	23,916	84,290	6,819	8,388,471	23,68,58,200
Cawnpore	78,983	188,362	6,543	42,676	60,881	7,441	6,338	487	392,081	2,51,52,795
Lahore	355,072	545,060	18,804	114,643	84,195	9,422	3,701	587	1,181,404	8,55,35,390
Bombay	1,158,914	4,027,333	44,235	185,205	209,609	10,126	35,379	3,189	8,688,987	12,94,30,750
Karachi	16,859	267,308	5,398	11,050	19,519	1,448	9,415	785	324,772	1,68,56,185
Madras	518,517	582,397	10,174	53,300	868,463	3,861	3,386	1,254	1,555,461	6,67,18,235
Bangoon	58,380	1,419,062	3,687	8,978	196,851	98	1,045	458	1,687,207	4,08,27,360
TOTAL	3,425,778	12,528,019	106,781	520,468	1,406,619	56,305	85,464	12,976	17,148,868	54,99,05,815
Percentage of Increase .	+ 0.8	+ 8.0	- 74.6	+ 53.7	- 2.0	- 3.2	- 3.2	+ 1.2	...	...
Total for 31st March 1910	3,369,962	11,509,068	490,848	342,514	1,486,406	63,021	88,350	12,821	16,330,990	54,40,84,350
Percentage of Increase .	+ 21.4	+ 18.1	- 16.9	+ 22.0	+ 15.8	+ 2.9	+ 19.2	+ 35.9	...	...
Total for 31st March 1909	1,869,545	9,820,544	506,907	280,814	1,245,900	60,265	74,117	,485	12,866,627	45,46,76,505

STATEMENT XVII.

Net circulation.

(i. e., Gross circulation less the balances held in Reserve Treasuries in notes.)

(In Lakhs of Rupees.)

LAST DAY OF	CALCUTTA.			CAWNPORE.			LAHORE.			BOMBAY.			KARACHI.			MADRAS.			RANGOON.			TOTAL.		
	1906-06.	1906-10.	1910-11.	1906-06.	1906-10.	1910-11.	1906-06.	1906-10.	1910-11.	1906-06.	1906-10.	1910-11.	1906-06.	1906-10.	1910-11.	1906-06.	1906-10.	1910-11.	1906-06.	1906-10.	1910-11.	1906-06.	1910-11.	
April	15,92	17,06	18,72	2,58	2,88	2,99	2,58	2,29	2,90	2,92	2,97	13,26	1,42	2,17	1,44	4,28	4,05	5,85	2,66	2,81	2,17	39,31	42,63	48,68
May	14,95	18,27	19,08	2,94	2,06	2,27	2,27	2,02	2,77	7,95	10,52	12,25	1,51	1,95	1,87	4,69	5,07	5,74	2,78	2,51	2,88	37,99	42,30	46,44
June	14,66	19,12	19,56	2,98	2,29	2,47	2,47	2,31	2,67	2,85	11,18	12,29	1,29	1,65	1,19	4,96	5,26	5,65	2,16	2,58	2,72	39,37	45,49	48,55
July	15,12	20,69	20,28	2,48	2,39	2,79	2,98	2,99	2,50	2,59	12,47	12,50	1,45	1,49	1,20	4,81	5,18	5,50	2,28	2,72	2,26	40,71	46,22	49,68
August	14,04	19,55	19,27	2,59	2,68	2,76	2,53	2,48	2,63	2,92	12,88	14,22	1,22	1,58	1,19	4,98	5,12	5,70	2,44	2,24	2,78	39,92	45,99	49,55
September	14,36	16,98	17,01	2,79	2,27	2,71	2,21	2,51	2,65	10,26	15,17	15,45	1,27	1,54	1,27	5,22	5,04	5,22	2,74	2,02	2,20	41,55	42,42	46,21
October	14,97	17,44	16,84	2,78	2,71	2,07	2,22	2,49	2,45	10,42	15,10	15,11	2,10	2,00	1,44	5,55	5,19	5,22	2,89	2,09	2,28	42,69	42,22	46,72
November	15,22	17,58	18,12	2,57	2,43	2,79	2,79	2,38	2,27	10,09	11,27	14,62	2,14	1,72	1,47	5,27	5,22	5,22	2,28	2,01	2,55	42,22	44,92	48,21
December	16,68	18,41	17,39	2,25	2,41	2,75	2,21	2,59	2,22	9,64	12,98	12,06	2,09	1,51	1,61	5,29	5,14	5,61	2,12	2,50	2,11	41,34	42,54	46,76
January	15,99	17,62	17,69	2,17	2,47	2,68	2,28	2,72	2,20	9,72	12,25	12,20	2,12	1,40	1,62	5,07	5,42	5,27	2,70	2,22	2,22	40,66	42,17	47,24
February	16,29	17,71	18,22	2,29	2,47	2,55	2,08	2,22	2,22	10,11	12,22	12,42	2,10	1,42	1,52	5,09	5,52	5,22	2,09	2,02	2,22	42,15	47,27	49,00
March	16,09	18,64	19,21	2,24	2,25	2,62	2,06	2,25	2,55	9,62	12,77	11,62	2,22	1,54	1,22	4,24	5,47	5,21	2,26	2,52	2,02	42	42	46,41
AVERAGE	15,35	18,22	18,50	2,72	2,44	2,64	2,16	2,40	2,52	9,22	12,22	12,57	1,22	1,69	1,42	5,09	5,22	5,71	2,22	2,22	2,12	40,76	47,22	48,55

STATEMENT XVIII.

Encashment of Foreign Circle Notes.

CIRCLE.	CASHED BY								TOTAL.			
	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Cahent.	Bangoon.	1910-11.	1909-10.	1908-09.	1907-08.
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Calcutta . . .	—	49,68,888	22,49,998	49,87,065	7,53,195	10,22,875	—	8,08,265	1,42,88,580	8,51,81,875	2,41,86,175	2,42,06,199
Cawnpore . . .	1,24,81,225	—	12,38,300	28,62,880	2,81,590	1,82,895	—	30,980	1,69,77,910	2,37,23,975	8,04,90,230	5,47,95,900
Lahore . . .	1,89,62,465	18,23,970	—	47,49,185	42,05,070	2,46,240	—	43,695	3,00,45,875	4,82,53,100	7,46,29,755	2,55,27,020
Bombay . . .	340,820	12,23,720	9,95,235	—	7,10,485	25,71,220	—	91,065	89,92,615	2,35,16,810	1,19,85,900	1,18,19,725
Karachi . . .	2,40,735	43,055	8,24,750	24,95,200	—	60,635	—	5,965	24,78,740	1,12,44,010	2,30,81,330	49,78,135
Madras . . .	15,23,740	1,45,190	1,78,970	36,77,855	75,955	—	—	62,800	56,69,210	2,08,93,500	1,83,02,515	1,19,02,805
Cahent . . .	—	1,645	—	—	—	—	—	—	1,645	12,22,300	12,24,795	11,28,990
Bangoon . . .	9,07,280	16,270	49,725	2,24,480	14,805	3,28,555	—	—	15,41,345	16,53,925	15,64,535	10,64,050
Total of 1910-11 . . .	2,75,45,905	22,17,585	55,36,975	1,89,89,765	59,90,550	48,62,820	—	5,41,970	8,11,84,420	—	—	—
“ 1909-10 . . .	7,62,21,270	2,28,87,820	1,02,82,825	4,86,12,790	1,09,96,650	65,89,715	2,06,305	4,08,330	—	27,06,67,125	—	—
“ 1908-09 . . .	13,78,30,195	1,23,44,355	68,09,015	5,77,02,140	1,02,70,245	66,87,460	1,15,695	5,77,100	—	—	23,14,87,105	—
“ 1907-08 . . .	7,32,65,560	14,72,190	1,31,17,195	3,24,93,775	1,31,26,410	36,65,090	2,24,870	3,08,945	—	—	—	13,72,17,315

STATEMENT XIX.

[In thousands of pieces.]

Growth in circulation of 5 and 10 rupee notes in selected circles.

Circles	Average of gross circulation.										Percentage of increase as compared with preceding year.										Percentage of increase of		
	1901-02.	1902-03.	1903-04.	1904-05.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1902-03.	1903-04.	1904-05.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1905-06 over 1901-02.	1910-11 over 1905-06.		
Average of Rs.																							
Calcutta	73	78	88	1,02	1,19	1,37	1,58	1,75	2,41	2,56	68	128	159	166	151	159	107	87.7	62	63	115		
Lahore	42	55	62	88	93	1,04	1,43	2,01	2,84	3,17	309	127	419	56	118	87.5	40.6	41.2	11.6	121	241		
Madras	1,01	1,18	1,33	1,45	1,49	1,85	2,25	2,68	3,78	5,02	148	146	90	27	24.1	21.6	19.1	37.3	32.8	48	237		
Bombay	4,98	5,17	5,95	6,85	7,23	8,47	9,29	9,19	10,79	11,16	48	15.1	11.7	8.7	17.1	9.4	-1.0	17.4	3.4	46	54		
Average of Rs10.																							
Calcutta	88,53	87,16	89,75	48,26	51,68	66,23	65,08	68,68	65,48	70,51	108	69	89	193	23.2	-1.7	-9.8	11.5	7.7	54	37		
Lahore	1,27	1,53	1,77	2,05	2,36	2,58	2,74	3,04	4,37	5,67	196	164	158	151	93	63	109	43.7	29.7	86	140		
Madras	2,08	2,56	2,62	2,94	2,84	3,20	3,59	3,95	4,32	5,54	26.1	13.0	7	-3.4	12.7	12.2	10.0	8.3	28.2	40	95		
Bombay	11,81	11,79	12,20	13,10	13,89	14,94	15,63	15,65	18,38	20,14	42	11.9	-7	6.0	7.6	4.6	-1	17.3	9.6	23	46		

STATEMENT XX.

Statistics of Treasury and other Balances on 31st December 1910.

	DENOMINATIONS OF NOTES.									TOTAL.			TOTAL.	PERCENTAGE OF NOTES IN TOTAL BALANCE.		PERCENTAGE EXCLUDING RESERVE TREASURY BALANCE.	
	Rs	R10.	R20.	R50.	R100.	R500.	R1,000.	R10,000.	Foreign Notes.	Notes.	Sovereigns.	Rupees.		December 1910.	December 1909.	December 1910.	December 1909.
Treasuries and Branch Banks.																	
Calcutta Circle	64,975	15,80,000	84,420	5,16,350	18,31,900	3,37,500	7,58,000	1,80,90,000	5,51,800	9,87,85,085	5,45,062	1,45,84,586	3,88,64,688	61	56	25	24
Cawnpore "	1,76,505	4,79,220	22,840	5,30,250	6,85,700	4,14,000	7,82,000	27,90,000	1,22,900	59,68,415	5,27,145	90,88,199*	1,55,98,759	38	39	...	...
Lahore "	1,49,700	8,86,710	28,540	2,66,450	12,35,300	4,67,500	8,08,000	21,00,000	1,09,500	50,71,790	6,48,148	55,71,537	1,13,91,480	45	59	...	...
Bombay "	8,82,555	17,87,890	45,200	6,71,550	18,95,200	8,04,500	22,80,000	12,80,000	9	85,95,855	4,58,288	79,14,738	1,63,62,876	52	44	28	31
Central Provinces	38,820	96,200	7,080	8,51,280	7,28,200	1,92,500	1,28,000	—	7,500	15,44,550	4,26,480	84,42,784	1,04,13,764	15	23	...	...
Karachi Circle	29,525	2,89,492	10,200	1,14,650	1,92,200	1,55,500	9,48,000	9,80,000	8,200	26,26,695	1,26,785	13,41,846	39,95,246	66	62	...	...
Madras "	2,78,480	4,78,280	42,200	3,78,450	21,24,300	1,60,000	1,42,000	37,70,000	...	78,68,720	5,47,718	1,41,94,401	3,21,05,839	83	89	19	18
Bangoon "	31,075	2,56,280	26,400	1,64,100	16,92,800	4,500	1,19,000	41,90,000	25,955	(a) 65,53,710	5,59,670	45,09,167	1,16,22,547	56	48	...	...
Total	16,45,605	58,78,660	2,37,040	29,88,000	98,19,100	20,28,000	54,35,000	8,31,10,000	8,25,255	6,14,74,710	88,8,271	6,49,47,198	18,02,55,174	47	46		
Head Offices of Presidency Banks.																	
Bank of Bengal	89,025	6,85,790	700*	1,89,650	8,81,500	10,70,500	40,27,000	27,10,000	68,98,000	1,59,50,765	1,92,195	12,75,480	1,80,18,420	88	89	...	...
" Bombay	86,855	4,48,660	4,000	1,88,950	5,31,000	2,79,000	38,68,000	2,98,30,000	78,700	9,45,34,565	2,90,707	3,44,584	8,51,69,856	98	99	...	...
" Madras	1,88,890	4,82,130	880	1,06,450	7,17,600	1,38,500	2,27,000	25,70,000	...	44,06,450	7,49,115	8,80,000	55,35,565	80	86	...	...
TOTAL	2,74,870	15,66,480	5,580	3,85,050	21,30,100	15,88,000	78,22,000	3,49,00,000	64,74,700	5,48,91,780	12,32,017	26,00,044	5,87,35,841	83	84		

(a) Includes 24,275 in Bank of England Notes.

STATEMENT XXI.

Absorption of Small Coins.

[In Thousands of Rupees]

	India.	Central Provinces and Berar.	Burma.	Eastern Bengal and Assam.	Bengal.	U. P. of Agra and Oudh.	Punjab and N.-W. Frontier.	Madras	Bombay	TOTAL.
BURMAS—										
Opening Balance	15.63	1.46	1.99	2.32	-3.55	7.99	4.89	12.62	3.61	53.89
Receipts from + or Issues to — Mint or other Provinces.	1.14	-1.6	4.70	6.48	-1.40	-3.00	-54	-3.48	5.54	9.33
Closing Balance	14.46	81	2.77	3.78	3.26	5.90	3.67	10.49	5.35	40.04
Net Local Absorption in 1910-11	3.33	49	3.83	6.37	-1.11	-61	18	-1.10	3.90	14.18
Ditto ditto in 1909-10	1.05	74	3.38	5.74	-95	-27	1.77	-4.60	1.49	3.23
Ditto ditto in 1908-09	-5.41	44	2.29	4.68	-83	-3.90	-1.47	-1.34	-1.78	-9.50
BURMAS—										
Opening Balance	6.94	1.34	3.07	1.35	3.27	3.05	2.91	7.68	2.56	31.07
Receipts from + or Issues to — Mint or other Provinces.	6.19	-9	3.85	2.08	-57	-1.50	2.50	-1.09	4.70	16.03
Closing Balance	11.08	1.36	3.69	1.58	2.74	2.97	3.34	4.98	3.75	38.40
Net Local Absorption in 1910-11	1.45	-11	4.33	1.80	-4	-1.43	2.07	1.61	4.51	14.10
Ditto ditto in 1909-10	19	42	3.32	1.85	-90	-28	3.33	-3.05	2.45	7.39
Ditto ditto in 1908-09	-4.95	6	3.51	1.89	-46	-3.96	38	20	-44	-2.79
NORWAL ANNA PROVINCS—										
Opening Balance	61	1.04	1.14	60	84	1.90	1.25	1.91	1.07	9.28
Receipts from + or Issues to — Mint or other Provinces.	1.36	4.00	...	2.08	1.63	2.45	2.75	1.50	5.33	22.40
Closing Balance	77	1.58	99	98	44	1.43	1.44	1.65	1.68	11.30
Net Local Absorption in 1910-11	1.70	3.46	15	1.70	1.58	3.33	2.56	1.38	5.07	20.38
Ditto ditto in 1909-10	1.75	2.33	9	1.45	1.53	1.43	1.94	1.38	4.44	16.33
Ditto ditto in 1908-09	1.32	95	-37	89	2.00	-30	1.20	1.40	4.30	11.39
DEWARA PROVINCS—										
Opening Balance	4	12	2	1	7	4	2	66	33	1.31
Receipts from + or Issues to — Mint or other Provinces.	-37	-11	-1	-3	...	-10	-5	-1.03	-42	-2.13
Closing Balance	4	8	1	1	2	2	1	40	17	78
Net Local Absorption in 1910-11	-37	-7	...	-3	5	-3	-4	-77	-26	-1.57
Ditto ditto in 1909-10	-46	1	-3	-2	-2	-10	-4	-12	-53	-1.30
Ditto ditto in 1908-09	-36	8	...	-1	5	-24	-1	5	-63	-1.68
SINGAL PROVINCS—										
Opening Balance	4.11	4.14	1.28	1.47	1.83	12.25	1.91	3.63	3.37	33.33
Receipts from + or Issues to — Mint or other Provinces.	-6.03	4.25	1.30	3.39	1.05	-3.39	98	-40	-47	2.19
Closing Balance	3.68	4.41	1.39	1.61	1.31	7.39	1.70	3.21	3.14	26.64
Net Local Absorption in 1910-11	-4.60	3.98	1.37	3.75	1.53	2.47	1.20	2	-24	3.37
Ditto ditto in 1909-10	-26	4.67	1.01	3.43	3	-1.43	73	-19	-37	7.63
Ditto ditto in 1908-09	-7.55	-10	1.31	4.92	2.68	-7.97	-15	1.13	-1.45	-7.25
HALF PICE—										
Opening Balance	3	7	...	5	3	11	10	...	48	47
Receipts from + or Issues to — Mint or other Provinces.	50	...	...	9	1	...	3	...	3	71
Closing Balance	5	3	...	5	3	9	9	...	3	43
Net Local Absorption in 1910-11	48	4	...	9	1	2	...	...	3	76
Ditto ditto in 1909-10	57	1	1	10	...	1	5	...	6	81
Ditto ditto in 1908-09	33	3	-1	9	1	-3	7	...	1	50
PIA PROVINCS—										
Opening Balance	3	3	1	1	2	16	3	28	14	70
Receipts from + or Issues to — Mint or other Provinces.	6	...	2	1	1	...	3	34	15	63
Closing Balance	...	3	1	2	1	10	3	27	13	57
Net Local Absorption in 1910-11	3	1	2	...	2	6	4	25	17	75
Ditto ditto in 1909-10	11	1	...	1	2	2	3	28	13	63
Ditto ditto in 1908-09	26	...	1	-1	2	3	3	24	30	97

Statement of Receipts and Expenditure of the Department of Issue of Paper Currency for the year 1910-11.

	Calcutta.	Cawnpore	Lahore.	Bombay.	Karachi.	Madras.	Calcutt.	Bangoon.	TOTAL.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
RECEIPTS.									
Interest realized on Government Securities	16,65,747	1,94,913	2,77,988	10,98,948	1,02,941	4,72,116	...	2,19,078	40,81,030*
BOND BY CASE RECEIPTS.									
Miscellaneous	8,897	235	195	906	219	5,072	...	...	10,824
Value of unclaimed Currency Notes	32,910	2,460	2,699	4,747	—45	8,717	...	1,395	60,883
TOTAL RECEIPTS DURING 1910-11	17,09,354	1,97,607	2,81,782	11,04,601	1,03,615	4,85,905	...	2,20,473	41,02,327
TOTAL RECEIPTS DURING 1909-10	17,45,931	2,04,553	2,94,847	9,74,900	1,24,958	4,81,571	18,640	2,41,720	40,91,618
DISBURSEMENTS.									
Salaries (including Exchange Compensation Allowance)	27,666	15,388	4,409	15,607	1,200	942	...	...	64,806
Establishment	1,44,048	17,951	23,056	88,409	11,170	86,550	...	74,112	3,95,351
Compensation for deafness of provision and other special allowances	450	...	...	...	...	...	...	...	450
Temporary establishment	17,507	5,388	5,577	14,222	884	5,853	...	5,786	55,224
Charges for remittance . . . . .	...	...	...	4,989	184	98	...	...	5,271
Stationery	5,729	52	...	1,450	188	1,413	...	...	8,907
Printing charges	2,118	...	673	2,243	...	978	...	...	6,012
Service postage and telegram charges	2,067	1,000	1,045	1,647	701	969	...	877	7,806
House, lighting, police and water rates	6,839	...	77	1,743	150	...	...	...	9,859
Cost of Note forms, including freight	7,51,649	39,025	1,06,722	2,53,697	52,008	1,38,978	...	2,47,868	16,19,917
Pensions and gratuities	16,927	881	2,559	9,849	1,458	2,542	...	...	35,216
Cost of repairs, etc., to Currency buildings	60,258	...	242	3,847	...	699	...	...	64,649
Cost of chests, bags and locks	115	...	421	1,975	...	...	...	1,542	4,116
Contingencies	11,876	5,075	2,946	4,186	580	2,919	...	2,861	30,942
Travelling allowances	2,599	346	...	798	214	874	...	1,141	6,967
Dead stock, cost of office furniture	826	30	...	928	162	1,122	...	608	3,221
TOTAL DISBURSEMENTS DURING 1910-11	11,00,718	25,184	1,43,691	4,05,505	69,494	1,94,536	...	3,85,390	23,39,408
TOTAL DISBURSEMENTS DURING 1909-10	6,21,672	40,410	23,598	2,94,796	27,165	1,24,838	6,485	2,41,391	13,96,666
PROFIT DURING 1910-11	6,08,636	1,12,423	1,38,101	6,99,096	34,121	2,91,369	...	1,14,817	17,62,919

* Made up of — In India
In England (637,874=)

Rs. 24,70,420
" 5,60,619

STATEMENT XXIII.
Statistics of work in Currency Offices.

	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Rangoon.	Total, 1910-11.	Total, 1909-10.	Total, 1908-09.
Receipts of home notes over the counter (value in lakhs of rupees)	85,81	4,14	8,32	49,37	2,86	23,88	27,40	1,80,28	1,60,84	1,48,74
Issues do.	87,73	3,79	7,45	53,82	1,87	1,83	25,39	1,81,88	1,82,88	1,63,65
Receipts of coin over the counter (value in lakhs of rupees)—										
Gold	1,05	15	9	8,33	2	33	1	10,48	10,73	2,15
Silver	10,45	1,18	1,54	6,90	12	1,43	1,95	23,57	29,15	31,77
Issues of coin over the counter (value in lakhs of rupees)—										
Gold	1,44	64	2,36	3,29	22	2,18	72	10,85	1,97	4,42
Silver	11,39	1,86	70	9,88	1,02	1,57	3,31	22,78	32,95	37,37
Encashment of home notes over the counter (average number for each working day)	81,900	2,906	3,251	25,127	1,616	16,373	14,085	1,00,258	84,525	78,956
Issues do. do.	87,950	2,866	3,683	24,732	1,752	16,902	15,803	1,08,693	97,681	82,747
Cancellations do. do.	32,690	2,540	3,583	13,832	1,555	14,613	12,244	86,057	72,480	72,882
Issues of home notes (in thousands of pieces)	11,170	797	2,509	7,295	470	4,902	4,727	31,370	29,223	24,620
Cancellations do. do.	9,317	706	2,480	4,025	453	4,238	3,661	24,880	21,174	21,289
Consumption of note forms do.	10,804	966	2,254	4,033	412	4,238	4,854	27,416	24,443	21,186

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To

THE SECRETARY TO THE GOVERNMENT OF INDIA,

FINANCE DEPARTMENT.

SIR,

I have the honour to submit the report on the operations of the Currency Department and the movement of funds and resource operations of Government during the year 1911-12.

The attention of the general reader, who may not be interested in the whole of this mass of figures and inferences therefrom, is invited to the following paragraphs in which subjects of more general interest are discussed:—

Paras. 22 and 23 Total absorption of all forms of currency.

„ 29 Use of Gold as currency.

„ 31 Absorption of Silver.

„ 38 Effect of the universalisation of the 100-rupee notes.

2. The following table compares the leading figures of the balance of Foreign Trade how financed. Balance of Foreign Trade how financed. 1911-12 with the corresponding figures in each of the six years from 1905-06 to 1910-11:—

(Excluding Government transactions.)	In Lakhs of Rupees.						
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.
Gross Exports of Merchandise .	1,61,71	1,76,67	1,77,86	1,59,08	1,87,88	2,09,88	2,27,76
„ Imports „	1,08,08	1,08,31	1,29,90	1,21,27	1,17,06	1,29,35	1,38,57
Net Exports of Merchandise	58,63	68,26	47,46	31,76	70,82	80,53	89,18
<i>Imports of Funds and Treasures.</i>							
(1) Council Bills	47,70	50,47	23,46	8,02	41,73	89,43	40,17
(2) Gold (Sovereigns) (Net) .	+4,33	+7,43	+9,65	+1,30	+13,82	+12,24	+27,34
(3) Government Securities (Do.) .	+38	—5	+1,26	+80	—78	+2,43	+1,06
(4) Gold bullion (Do.) .	+5,12	+7,36	+7,70	+3,41	+7,86	+11,74	+10,42
(5) Silver bullion and coin (Do.) .	+5,02	+6,69	+10,08	+11,96	+9,37	+8,61	+5,29
	62,55	71,90	52,10	26,49	72,00	74,45	84,28

3. *Export of Merchandise.*—The exports show satisfactory progressive improvement. There was an increase in the total in 1911-12 of 17,87 lakhs over the previous year. The important variations comprising this difference were increases of 5,82 lakhs under rice, 7,06 lakhs under raw jute, 8,33 lakhs under seeds, pulse, millets and cereals, and a reduction of 7,85 lakhs under raw cotton and cotton manufactures. Exports and Imports of Merchandise.

For rice the year was exceptionally favourable. Supplies were larger and high prices were obtained consequent on shortage in China, Saigon, Japan, Java and Philippines, so that the total exports from India to foreign countries increased by 225,000 tons.

In jute the price realised in 1911-12 was 31.7 per cent. more than the average of the previous five years and the year's outturn left an exportable surplus of over 8 million cwts. in excess of the preceding year.

Under seeds contraction of shipments to Europe from Argentina and other countries led to larger exports from India. From a similar cause the exports of pulse, millets and cereals showed an unprecedented development.

Cotton suffered from a partial failure of the crop in Western India and a general decline in price due mainly to a good crop in America.

Import of Merchandise.—Here there was an advance of 9,22 lakhs over 1910-11. The major portion of the increase, 7,11 lakhs, occurred in articles manufactured and partly manufactured made up chiefly of 4,73 lakhs under cotton goods (1,96 under grey goods, 1,44 under white goods and 1,15 lakhs under coloured goods and yarn) and 2,33 lakhs under woollen goods, apparel and other items. There was also an increase of 2,19 lakhs under *raw materials* due mainly to increases of 1,89 lakhs in raw cotton and 30 lakhs under silk, precious stones and other articles.

The increase in the value of the net exports of the year was (17,87—9,22 or) 8,65 lakhs, and the whole of this excess was financed by an increase in the import of Sovereigns—the payments of Council Bills not showing any material difference from the actuals in the preceding year, while gold and silver bullion showed a considerable reduction.

Imports of gold and silver bullion.

4. The reduction in gold bullion amounted to 1,32 lakhs only, but the corresponding figure for 1910-11 was unusually high. This indicates a steady continuance in the demand for gold for use in the arts and manufactures due to the favourable material conditions of the year. Under silver bullion, however, there has been an appreciable reduction of 3,32 lakhs from a total of 8,61 lakhs in 1910-11. The figures for the several years as given in the table are as follows:—

1905-06	. . . . .	5,02 lakhs.
1906-07	. . . . .	6,69 "
1907-08	. . . . .	10,03 "
1908-09	. . . . .	11,96 "
1909-10	. . . . .	9,37 "
1910-11	. . . . .	8,61 "
1911-12	. . . . .	5,29 "

The net imports in 1911-12 compare fairly well with those in 1905-06 and 1906-07. In those years heavy purchases by the Government of India for rupee coinage sent up the price of silver. Whereas it fluctuated between 25¹/₈d. and 30³/₈d. in 1905, in 1906 the highest and lowest quotations were 33¹/₈d. and 29d. respectively. In 1907, owing chiefly to the financial crisis in the United States, there was a sharp fall in price to a minimum of 24³/₈d. in December of that year. In 1908 the price suffered a further decline and fell to a minimum of 22d. and the average of the year was 24³/₈d. In 1909 also the price remained low and the average was below 24d. In 1910 and 1911 prices did not materially rise in the London market, but in 1910 the Government of India raised the duty from 5 per cent. *ad valorem* to 2d. per ounce and this considerably raised the price of the metal in India. From April 1909 to February 1910 the price in India ranged between Rs. 61-2 and Rs. 65-15 per hundred tolas of Bar Silver. In March 1910, on the imposition of the additional duty, the price went up to Rs. 67 to Rs. 69-8. During the year 1910-11 the price was on the average well above Rs. 72 and reached Rs. 76-1 in October 1910. In 1911-12 the average has also been well above Rs. 72, the maximum of Rs. 76-15 having been reached in September 1911. The fall in the imports in the last three years can thus be fully explained by the rise in price due not only to increase in the Import duty but also to the action of speculators in maintaining a higher level of prices in anticipation of purchases by the Government of India.

Import of Sovereigns.

5. The imports of Sovereigns in 1911-12 have been the highest on record, the value being 27,34 lakhs against the average of 13,03 lakhs in the two previous prosperous years. This may be due partly to a rise in the rate of exchange and partly to the greater convenience of direct imports of gold to India as compared with remittances through the Secretary of State. The Accountant-General, Bombay, suggests that the principal cause is a reduction in the rate of charge for Telegraphic Transfers issued upon Madras

and Calcutta against tenders of imported gold coin in the Bombay Currency. Prior to January 1911 the rate of charge for Telegraphic Transfers through the Currency Department between the Presidency Towns was $\frac{1}{10}$ th per cent. irrespective of the particular form of currency in which the tender of funds was made at the office of Issue, but as the cost of remittance of gold coin by rail is very much less than that for silver remittances of the same value, it was decided, on a representation from the Exchange Banks, to reduce the rate to $\frac{1}{2}$ per cent. in the case of imported gold presented at Bombay. That the larger imports were to some extent due to this reduction in rate is sought to be justified by the fact that of about 20 crores of imported sovereigns paid into the Bombay Currency in the year, about 8,26 lakhs were paid by Telegraphic Transfers on Calcutta and Madras. It is not clear that this difference of $\frac{1}{2}$ per cent. in the charge for bringing funds to Calcutta could have such an important effect on the gold imports from outside India. The increase in the imports appears to have been due mainly to the Secretary of State abstaining from taking special steps, as in previous years, to attract gold from Australia to London by granting Telegraphic Transfers on India at rates lower than those obtainable for Council Bills, against shipment of gold consigned to him, so that the Exchange Banks found it more convenient to import gold direct from Australia, both on account of the saving in time and the comparatively cheaper cost.

6. The total drawings of the Secretary of State in the year amounted to £27,058,000 (=40,38 lakhs) against £26,780,000 (=40,02 lakhs) in the year 1910-11. Of the total of £27,058,000 a sum of £1,333,333 represented remittance of the Currency Reserve for investment into Sterling Securities and £655,000 was on account of a deposit in the Currency Chest in England against an opposite payment from the Currency to the Treasury in India. Council Bill
drawings.

The year opened with regular sales in April of 1,00 lakhs each week of which the major portion was taken by Bombay in connection with the cotton trade. The rate was reduced to 80 lakhs in the third week of May and it then fell in rapid succession to 60 lakhs in the first sale of June and 50 lakhs in the second sale of the month. The rate of 50 lakhs continued with small additional special sales up to the middle of September when it was put up to 60. Calcutta appropriated the greater part of the funds from July to October in connection with Jute demands and a considerable development in these demands prevented the rate of weekly sale going below 50 lakhs in the slack season. By the end of October the Jute demands were satisfied and the rate of sale was again reduced to 50 lakhs in the last week of that month. From October to the end of December is the interval between the purchases of jute and those of rice and cotton and the rate of sale was reduced to 40 lakhs in the third week of November, which was the minimum reached during the year. The Burma rice demands generally begin in Christmas week and in that week the Secretary of State was obliged to raise his rate of sale to 50 lakhs. The demands were very keen after Christmas and in January the regular sales were 60 lakhs first Wednesday, 80 lakhs second Wednesday, 1,00 lakhs the third, 1,20 lakhs the fourth, and 1,40 lakhs the last sale day of the month. Including special sales of considerable amounts the total sales in the month of January aggregated the large sum of 7,13 lakhs. The sale at the rate of 1,40 lakhs for two weeks eased the market and a steady rate of 1,00 lakhs a week for five weeks up to 13th March was found sufficient. In the last two weeks of March allotment was made at the rate of 80 lakhs and the new year opened with 60 lakhs a week against 1,00 lakhs required at the beginning of the year under review. The highest amount drawn in any month was 7,13 lakhs in January and the lowest 1,87 lakhs in December.

7. The rate of Exchange remained steady throughout the year well above the fixed standard and the total sales of the year were effected at an average of about $16\frac{1}{8}$ d. per rupee. The lowest price obtained was in June 1911 when a sale of about 11 lakhs was made at the rate of $15\frac{1}{4}$ d. and a further total amount of about $56\frac{1}{2}$ lakhs were also taken at the same time at $15\frac{1}{2}$ d. There were no other sales at rates below 1s. 4d. during the year. The year opened with the minimum Bill rate at $16\frac{1}{8}$ d. which gradually went down with a slack- Rate of Exchange.

ness in the demand to $15\frac{1}{2}$ d. for one week in June. The rate then oscillated between 16d. and $16\frac{1}{2}$ d. up to the third week of September when $16\frac{1}{4}$ d. was reached. There was a set-back to $16\frac{1}{3}$ d. in the first week of November but the position was regained by the end of the month and from the last week of December to the middle of March the minimum accepted rate was $16\frac{2}{3}$ d., but in the closing week of the year there was a relapse to $16\frac{1}{3}$ d.

Treasury balances.

8. Statement I furnishes the usual details of the cash balances in the Government Treasuries on the first of each month. The balances were fairly easy throughout the year. Ordinarily a balance of between 18 and 19 crores on 1st April is sufficient to meet the usual requirements till the rupee loan of the year is raised in July when the balance generally reaches its highest level. From July onwards until December the revenue collections are comparatively small and the balances steadily go down till they reach their minimum level in November or December. After December the surplus revenue receipts far exceed the demands for expenditure and Treasury balances are allowed to accumulate gradually to meet the demands for Home remittances in the export season of the year.

The year 1911-12 opened with a balance of 20,35 lakhs, of which 8,24 lakhs were in the Reserve Treasuries and the head offices of the Presidency Banks. Demands for Council Bills were fairly active in April and May and by the end of May the balance went down to 18,97 lakhs with 8,42 lakhs at headquarters in the three Presidency Towns. June and July are months of heavy revenue collection in Northern India when over $3\frac{1}{2}$ crores are received in payment of Land Revenue in the United Provinces and the Punjab. There was also a public loan of 2 crores in July 1911. As a result of these operations the balance at the end of July 1911 reached the high figure of 22,66 lakhs. Then began the downward move. The balance went down at an average of over $1\frac{1}{2}$ crores a month till it reached 14,61 lakhs at the end of December—the lowest touched during the year at the end of any month. Out of this total it was possible to retain at headquarters 4,80 lakhs which was sufficient to meet a drawing of 60 or 80 lakhs a week by the Secretary of State. In the period of low balances, in November or December a balance of 9 or 10 crores in the district treasuries is found sufficient for working purposes, but when, as in January to March, the monthly Land Revenue collections amounting to about 6 crores are scattered over a large number of outlying collecting depôts the maintenance of the treasury balances at 10 to 11 crores means a severe pressure on our resources. The revenue collections in January 1912 were heavy as usual, but, as already stated, the Council Bills sale of the month reached the abnormal figure of 7,13 lakhs and after meeting all the demands the balance at the end of the month stood at 15,18 lakhs, of which 4,75 lakhs only were held at the three Presidency Towns. The Secretary of State at that time was drawing at the rate of about 1,75 lakhs a week, mostly in telegraphic transfers, and on the 6th February 1912 the balance in the Reserve Treasuries was reduced to 1,18 lakhs. In view of possible further reduction a transfer through Currency of £655,000 (=98 lakhs) was obtained from the Secretary of State on the 8th February. The gradual diminution in the trade demands for Council Bills relieved the pressure and the year closed with a balance of 18,44 lakhs which approximates closely to what is considered to be the normal balance at the opening of a new year.

Council Bills—Payments.

9. The total payments of Council Bills in India during the year amounted to 40,17 lakhs, of which 2,98 lakhs were met out of currency funds, the remainder 37,19 lakhs being paid out of Treasury balances at the three Presidency Towns as follows:—

Calcutta	. . . . .	16,24 lakhs.
Bombay	. . . . .	15,30 "
Madras	. . . . .	5,65 "
	TOTAL	37,19 lakhs.

These Home remittances are to meet payments for stores obtained from England, for leave allowances and pensions of officers serving in India, for interest on Railway and ordinary debt raised in England and for payments connected with European regiments employed in India. Every Province in India must necessarily bear a share of these charges, but the payments are made

in India at Presidency Towns only. It is accordingly the duty of the Comptroller General to collect the available surplus from all the Provinces to the Presidency Towns to meet the payments. In meeting the total payments of 37,19 lakhs it was necessary to draw upon the cash balances to the extent of 1,91 lakhs, the year having closed with a balance of 18,44 lakhs against 20,35 lakhs the opening balance. The balance of 35,28 lakhs paid on account of Council Bills out of the year's net receipts in India was met as follows :

SURPLUS RECEIPTS.		
Bengal		14,49 lakhs.
Bombay		8,80 "
Madras		8,56 "
Burma		6,06 "
Eastern Bengal and Assam		2,66 "
Central Provinces		1,35 "
United Provinces		59 "
		42,51
<i>Deduct Deficits—</i>		
India	3,90	
Punjab	3,83	
		7,73
		35,28

10. The figures of surpluses and deficits above given should not be taken as the real surplus contributed by the Provinces towards the expenditure of the Central Government or of the Home Treasury. They are merely the net results of Treasury transactions in each Province. It is not possible to prepare a statement of the contributions of each Province towards the expenditure of Imperial Departments on the basis of the Treasury transactions chiefly for the following reasons :—

- (1) In India the accounts of the Treasuries do not correspond to the Exchequer Accounts in England inasmuch as the figures of Revenue, debt, deposits and expenditure are combined to make up the Treasury balance.
- (2) Revenue heads like Opium do not represent revenue belonging to any Province as it is not contributed to any extent by the people of India.
- (3) Salt and Customs revenue though collected chiefly at the Sea Port Towns or near the Salt Lakes belong to other Provinces also.
- (4) Cash transactions of the Imperial Departments like Army, Railways, Post-Office, etc., are most unequally distributed among the Provinces and do not represent any measure of the assets or liabilities of the Provinces where the receipts or disbursements take place.

Separating the Debt and Deposit transactions and other items mentioned above from the total of the surplus balance the net local revenue receipts in each Province are brought out in the following statement :—

	IN LAKHS OF RUPEES.									Total.
	India	Central Provinces	Burma	Eastern Bengal	Bengal	United Provinces	Punjab	Madras	Bombay	
Net Local Revenue receipt	-2,79	78	1,52	2,45	2,46	5,22	2,96	6,07	1,81	19,48
Opium Revenue . . . . .	..	..	..	..	7,49	..	..	..	1,04	8,53
Salt and Customs	99	..	1,85	..	3,94	..	..	1,66	5,31	18,78
New Rupee Loan	38	..	..	..	..	..	..	..	1,67	2,00
Total	-1,47	78	3,37	2,45	13,89	5,22	2,96	7,73	9,73	48,77
Opium Expenditure . . . . .	..	..	..	..	..	-1,08	..	..	..	-1,08
Capital Interest and Imperial Department transactions	-3,48	5	2,81	2,05	-1,70	-3,88	-7,14	67	3,71	-7,06
Miscellaneous Debt Deposit transactions	1,05	52	8	-95	2,30	28	15	16	-4 64	-35
Total net funds available	-3,90	1,35	6,06	2,66	14,49	59	-3,33	6,66	8,80	35,28
Amounts actually transferred by Comptroller General	18 65	-1,74	-6,07	-2,77	-14,32	-56	8,17	-2,65	6,39	..
Council Bills paid	-16,31	..	..	..	..	..	..	-5,05	-15,30	-37,19
Cash balances increase (+) . . . . .	..	..	..	..	..	..	..	..	..	..
Reduction (-)	-1,49	-39	-1	-11	+17	+3	-16	+26	-21	-1,91

Supplies from Provinces to meet Council Bill Payments.

The statement shows that although Bengal places the largest amount at the disposal of the Comptroller General for remittance to the Secretary of State the local Revenue collections are highest in Madras and the United Provinces where the Land Revenue collections are the largest.

11. **Currency Reserve.** Statement III gives the distribution of the Currency Reserve of coin among the twelve months of the year. The year opened with a rupee balance of over 26 crores and with a gold balance of over 9½ crores in India. The silver balance was distributed among the several circles according to the probable immediate requirements while most of the gold (6,70 lakhs) was held in Bombay.

In April trade demands continue in Southern India for cotton, groundnut, etc., and in Northern India there are heavy demands for the spring crops of wheat and seed, for opium payments and public works expenditure; but Rangoon and Calcutta obtain rupees from circulation in payment of Revenue. Cawnpore and Lahore lost about 2 crores in the month while Madras and Bombay between them gave away over 1½ crores. Against this drain of about 3½ crores Calcutta and Rangoon received about 75 lakhs making the net reduction of rupees in the month about 2½ crores.

No actual silver coin remittance was undertaken in the month, but the high stock of sovereigns in Bombay was reduced by remittance of 60 lakhs to Madras and 45 lakhs to Rangoon.

In May trade demands in Northern and Southern India continue but simultaneously heavy Land Revenue collections fall due in the United Provinces the net result was an increase of 62 lakhs in the reserve of rupees made up of about 2½ crores received in Calcutta, Rangoon and the United Provinces, 1,15 lakhs issued in Madras and Bombay, and 50 lakhs paid away in the Punjab.

The only important silver remittance in the month was one of 25 lakhs from Ajmer to Cawnpore. The dispersion of the gold stock continued, 60 lakhs each having been sent to Calcutta, Cawnpore and Lahore in the month.

June and July are the slack months of the year and heavy collections of Land Revenue are made in the United Provinces and the Punjab and the increase in the rupee coin reserve in these two months amounted to 5,40 lakhs. To this increase the United Provinces contributed about 2½ crores, Madras and Bombay together 1½ crores, Calcutta ¾ths of a crore even after payment of about ½ a crore for jute and Punjab and Rangoon about ½ a crore each.

No important interprovincial remittances of rupees were required in the month but gold remittances continued as before, Bombay having sent 75 lakhs to Madras, 60 lakhs to Lahore and 15 lakhs to Karachi.

August to October are the months of heavy jute demands in Bengal and Calcutta lost over 8½ crores of rupees in these months in financing a bumper jute crop. The other circles however all increased their store of rupees; Bombay and Lahore collected about a crore each and Madras and Rangoon about ¾ crore each, the net result being a reduction in the total stock of rupees for all India of 5.39 crores in the three months. The Calcutta demand was fully anticipated in the resource arrangements and it was necessary to move one crore only from Cawnpore to Calcutta in October in rupees by actual remittances.

The gold stock in the Reserve began steadily to increase on account of heavy imports from October to the end of the year and in the three months under review 75 lakhs each were sent to Cawnpore, Lahore and Madras.

With November the jute demands practically cease and the cotton demands in Bombay begin. Bombay paid out a little over half a crore in the month, but Rangoon and Cawnpore collected about ¾ths of a crore and the net result was an increase in the rupee reserve of 26 lakhs in the month.

A rupee remittance of 50 lakhs was made in the month from Madras to Calcutta to replenish the stock in the latter and 75 lakhs in gold were sent from Calcutta to Rangoon in anticipation of the rice demands.

December opens with a demand for cotton in Southern India and towards the close of the month the movement of coin for the Burma rice begins. Added to this is some demand for financing the autumn crops in Northern India. The total loss of rupees in the month amounted to 2,31 lakhs, of which about 1,90

lakhs were required to feed Southern India, over 80 lakhs taken by Burma, and 25 lakhs by the Punjab, there being net receipts in Bengal and the United Provinces of about 60 lakhs.

In December Calcutta remitted to Rangoon 50 lakhs and Cawnpore gave Bombay 25 lakhs in rupees. Bombay sent 24 lakhs gold to Karachi.

The last three months of the financial year January to March are months of heavy Revenue collections, the average collection of Land Revenue being about 6 crores each month, but the trade demands are heavier still and there is very great pressure on our resources if trade demands have to be met by collecting the Revenue.

The month of January opened with 21.96 crores of rupees—a balance considerably less than has ordinarily been worked with at this season of the year, and in spite of the heavy Revenue collections of the month, five crores of rupees, net, were issued, of which three crores were taken in Burma and $2\frac{1}{2}$ crores in Bombay, the sole net receipt being $\frac{1}{2}$ a crore in the United Provinces.

To meet the demands Bombay required coin remittances of $1\frac{1}{2}$ crores from Lahore, 50 lakhs from Madras, 40 lakhs from Ajmer and 25 lakhs from Cawnpore; Rangoon obtained 50 lakhs from Madras, Calcutta received from Lahore 50 lakhs in replenishment of a transfer given to Bombay through the Gold Standard Reserve and another remittance of 22 lakhs from Cawnpore.

The gold remittances of the month were 66 and 45 lakhs, respectively, from Calcutta and Bombay to Lahore and 45 lakhs each from Bombay to Cawnpore and Madras.

In February there was a further reduction in rupee reserve of 2.57 lakhs made up of $1\frac{1}{2}$ crores taken by Burma and over $\frac{1}{4}$ th crore issued in Northern and Southern India.

The important silver coin remittance was one of 40 lakhs from Calcutta to Rangoon and the gold remittances $1\frac{1}{2}$ crores worth from Bombay to Madras, 15 lakhs to Karachi and 9 lakhs from Calcutta to Lahore.

In March Revenue collections generally overtake the trade issues and there was an increase in the rupee balance of just a crore of rupees. This was the result of a surplus of one crore in Calcutta, one crore in Bombay and half a crore in Rangoon, counterbalanced by issues of one crore in Northern India and half a crore in Madras.

During the month a remittance in rupees of 55 lakhs was made from Lahore to Calcutta and 20 lakhs from Ajmer to Karachi. Rangoon received 90 lakhs from Calcutta in gold.

The year closed with a stock in the Currency reserve in India of 15.40 crores in silver and 23.33 in gold, being a reduction during the year of 10.66 crores in rupees and an increase under gold of 14.05 crores.

12. The question of the particular form of currency in which transactions ^{Internal Trade.} take place is of importance mainly in connection with the internal trade of the country and it would be interesting to find out, if possible, how the total increase in the volume of currency for the whole of India is distributed among the provinces. But there is considerable difficulty in obtaining the information with any approach to accuracy. In the first place there are complete records as regards transactions of the public with the Government treasuries and Currency offices, but supplies of funds made in one circle or province may frequently pass to other provinces or circles through private agency, and no record of them can be obtained unless the amounts are booked through the railways. For instance, rupees issued at the Bombay Currency office in the cotton season are conveyed to the Central Provinces and Berar in large quantities, and to some extent they find their way to Madras and Rajputana. In the same way, the heavy issues at Calcutta for the jute trade are chiefly for districts in Eastern Bengal and Assam, and there is evidence to show that large quantities of rupees are imported into Northern India through private agency. It is not possible to get reliable information about these transfers through private agencies, and the provincial distribution is based entirely on figures of treasury and currency transactions.

Even as regards the figures of the internal trade of the country, the balance of which would ordinarily be financed by the import or export of currency, reliance has to be placed entirely on the Railway traffic returns, but unfortunately these do not always show the valuation of the goods moved.

13. The aggregate railway goods traffics in 1911-12 and the two previous years are given below :—

(In millions of cwts.)

	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.
1909-10	268	209	255	275	1,007
1910-11	271	237	273	289	1,070
1911-12	319	264	296	321	1,200

There is a steady increase in the figures of each quarter as compared with the actuals in each of the two preceding years. The annual aggregate in 1911-12 exceeds that of 1910-11 by over 12 per cent. The volume of trade generally reaches its highest point in the last quarter of the year, but in the year under review, the figures of the first quarter reached a record and very nearly approached the high volume in the last quarter. This was due chiefly to a remarkable development in the trade in gram and pulse between Bengal and Calcutta.

14. The following is the Provincial distribution by exports and imports of the total traffic stated in the preceding paragraph :—

(In millions of cwts.)

	EXPORTS.			IMPORTS.			NET (IMPORTS + EXPORTS—)		
	1909-10.	1910-11.	1911-12.	1909-10.	1910-11.	1911-12.	1909-10.	1910-11.	1911-12.
Eastern Bengal and Assam	36	34	40	27	24	27	—9	—10	—13
Bengal	184	209	238	39	36	36	—145	—173	—203
Calcutta	46	43	42	166	185	212	+120	+143	+170
United Provinces	33	36	49	40	42	48	+7	+6	+6
Punjab	33	37	43	29	31	41	+4	+6	+8
Karachi	13	11	11	31	32	42	+18	+21	+31
Central Provinces and Berar	22	26	29	15	14	15	—7	—12	—14
Bombay	28	26	25	28	36	42	...	+10	+17
Do. ports	23	27	26	52	54	54	+29	+27	+28
Madras	25	27	30	23	23	25	—2	—4	—6
Do. ports	18	17	19	23	24	27	+4	+7	+9
Minor Provinces and Native States	42	43	48	31	34	36	—11	—9	—12
TOTAL	503	535	600	503	535	600	...	...	...

The large figures of export against Bengal and import against Calcutta are due partly to the trade in coal but mainly to a remarkable development in the trade in gram and pulse. The wheat and seed exports from the United Provinces and the Punjab showed satisfactory improvement in the year and the same was the case with cotton from Berar and groundnut from Madras. Corresponding to these larger exports there should be larger imports of currency and treasure into the Provinces and it remains to be seen how the movements of funds and increase in the volume of currency fit in with the movements of trade.

15. The following table gives the Provincial figures of movements of currency and treasure as well as the visible addition to, or reduction in, currency as far as they are available in the returns of Railway traffic or of Treasury and Currency transactions:—

(In lakhs of rupees.)

	Bengal.	Eastern Bengal and Assam.	Burma.	United Provinces.	Punjab.	Madras.	Bombay.	Central Provinces.
(a) Net imports (+) or exports (-) of—								
(i) Gold coin and bullion . . .	-7	+1,11	...	+2,58	+92	-78	-4,32	+54
(ii) Silver bullion . . .	-11	...	...	+1,60	+8,25	+13	-5,47	+60
(iii) Silver coin on private account . . .	-4,77	+4,39	...	+35	+1,02	+56	-5,95	+4,40
(b) Inter-provincial transfers—								
(i) Net transfer of currency notes to (+) or from (-) each circle . . .	+1,74	...	-36	-1,29	-3,34	-95	+4,20	...
(ii) Remittances through Government . . .	-3,42	+3,26	+10,32	+1,68	+88	+7,68	-22,49	+1,59
(c) Additions to Currency—								
(i) By reduction of Treasury balances—								
(1) Council Bills . . .	+19,22	...	...	...	...	+5,65	+15,30	...
(2) Other transactions . . .	-9,67	-4,37	-6,07	-36	+4,83	-8,39	-10,01	-1,34
(ii) By foreign imports of sovereigns . . .	+5,16	...	+27	...	...	+3	+19,96	...
Net payment to (+) or by (-) [total of items (a) to (c)]	+8,18	+4,39	+4,66	+4,56	+7,55	+3,95	+8,78	+5,79
Net visible addition (+) or reduction (-) in currency [total of items (a) (iii) to (c)]	+8,36	+3,28	+4,66	+38	+3,39	+4,58	+1,01	+4,65

The figures shown under (a) (iii) above have been obtained by deducting from the figures for all imports or exports of silver coin shown in the Railway Traffic returns, the corresponding figures for imports or exports of silver coin on Government account shown in paragraph 21 below.

The first two lines of figures above are also taken from the Railway Traffic returns, but it is doubtful whether these returns are complete for this purpose. In the case of private remittances of coin and bullion, considerable amounts are no doubt taken as personal luggage and escape registration, but even as regards Government remittances the figures do not appear to have all been taken into account.

16. The visible additions to the currency in each Province worked out in the above statement is due to demands for trade purposes and is compared below with the actual additions as shown in Statements VII, VIII and XVI:—

	Table in para. 15.	Statements VII, VIII and XVI.
Bengal	8,36	11,64
Eastern Bengal and Assam	3,28	
Burma	4,66	4,76
United Provinces	38	1,09
Punjab	3,39	2,40
Madras	4,58	4,06
Bombay	1,01	7,27
Central Provinces	4,65	
TOTAL	30,31	30,50

Allowing for the fact that the currency circles do not exactly correspond to the Provincial areas in all cases the agreement is very close and the absorption in each Province fits in fairly with the movements of trade.

It seems to be impossible to trace any close connection between the figures in the two tables shown in paras. 14 and 15. In the first place the former is by weight, the latter by value. In the second place the value of crops or goods moved from one province is sometimes not remitted to that province. Thus tea, gold and manganese exported from India are often paid for in England.

Transfer of Currency notes.

17. The transfer of funds by means of currency notes is dealt with in paragraph 41. The figures quoted therein, however, do not represent the value of notes actually remitted but the value of notes, mostly universal notes, cashed in one circle but issued from offices in other circles. There is no doubt that the universalisation of 100 rupee notes has increased considerably remittances of funds for trade purposes by means of universal notes. The figures, however, represent only a very small part of the business done in the form of currency note remittances.

Inter-provincial transfers through Government.

18. The value of transfers of funds between provinces effected by the public through Government amounted to 43½ crores against 33½ crores in the previous year. More than a quarter of the total transfers was on account of remittances to Burma to finance the rice trade there, that trade last year having been particularly brisk owing to extraordinary high prices caused by shortage in China, Japan, Java and the Philippines.

Statement (No. IV) shows the transfers between the different centres in detail, but the main lines of movement are brought out more clearly by grouping the figures as follows:—

		In Lakhs of rupees.	
		To	From
Inter-presi- dency.	{ Calcutta from Bombay	9,94	Calcutta to Bombay 89
	{ Calcutta from Madras	50	Calcutta to Madras 90
	{ Madras from Bombay	7,51	Madras to Bombay 14
Northern In- dia.	{ Punjab from Calcutta	59	Punjab to Calcutta 55
	{ Punjab from Bombay	2,01	Punjab to Bombay 1,17
	{ United Provinces from Calcutta	1,15	United Provinces to Calcutta 82
	{ United Provinces from Bombay	98	United Provinces to Bombay 16
E. B. and A.	{ E. B. and Assam from Calcutta	3,88	E. B. and Assam to Calcutta 60
C. P.	{ Central Provinces from Calcutta	49	Central Provinces to Calcutta 8
	{ Central Provinces from Bombay	1,12	Central Provinces to Bombay
Burma	{ Rangoon from Calcutta	6,85	Rangoon to Calcutta
	{ Rangoon from Bombay	3,87	Rangoon to Bombay
	{ Rangoon from Madras	14	Rangoon to Madras 5

The above represents movements of funds for trade through Government. Besides these there must have been considerable remittances through private agencies. The net results as shown by the figures in the table in paragraph 15 are that—

Bombay sent away	22½ crores.
Calcutta "	8½ "
While	
Madras received	7½ "
Punjab received	½ "
United Province received	1½ "
Eastern Bengal and Assam received	3½ "
Central Province received	1½ "
Burma received	10½ "

Thus Bombay, as usual, has been the chief centre at which funds have been taken for trade purposes. Madras got 7½ crores from Bombay, and distributed nearly the whole within the Province. Calcutta received 9½ crores from Bombay and ½ a crore each, from Eastern Bengal and Assam, Punjab and Madras and returned nearly 14½ crores, 6½ crores of which went to Burma. Eastern Bengal and Assam was supplied entirely from Calcutta. Northern India and Central Provinces drew both on Calcutta and Bombay, thus—

	From Calcutta.	From Bombay.
United Provinces	1,15	98
Punjab	59	2,01
Central Provinces	49	1,12

Burma was supplied by Calcutta (6½ crores) and Bombay (3½ crores); the return current was very small, 5 lakhs only being sent to Madras. Eastern Bengal and Assam sent back 60 lakhs to Calcutta. Lahore drew chiefly on Bombay (2,01) and only ½ a crore on Calcutta and returned the ½ crore to Calcutta and 1,17 to Bombay. The United Provinces drew nearly a crore each from Calcutta and Bombay, and sent back only 32 to Calcutta and 15 to Bombay.

19. Transfers were heaviest during the busy season of the year, the total of Course of Transfers during the year. 43½ crores being distributed over the four quarters as follows :—

	1911-12.	1910-11.
1st quarter	6½ crores.	5½ crores.
2nd "	7½ "	4½ "
3rd "	8 "	8½ "
4th "	20½ "	15 "

The figures of 1910-11 are given for purposes of comparison.

In the first quarter the principal movement was from Calcutta and Bombay to finance the wheat crops in Northern India, the total amounting to 2,26 lakhs against 2,05 in 1910-11. Central Provinces also took 5 lakhs from Calcutta and 58 lakhs from Bombay for the same purpose. Madras drew 2,03 lakhs on Bombay and 34 on Calcutta.

In the second quarter Calcutta sent 2,09 lakhs to finance the jute trade in Eastern Bengal and Assam and drew 3½ crores on Bombay.

In the third quarter Eastern Bengal and Assam drew 80 lakhs on Calcutta in connection with the jute trade and Burma drew 1,62 lakhs from the same source and 47 lakhs from Bombay, the rice season having commenced during this quarter. Bombay sent also 2,10 lakhs to Calcutta and 1,09 lakhs to Madras.

During the last quarter, Calcutta sent 5,19 lakhs and Bombay 3,32 to Burma in connection with the rice trade. Remittances of 42 and 1,51 were sent to the United Provinces and the Punjab, the up-country trade having expanded during this quarter due to the autumn crops. Heavy drawings of 3,26 and 4,22 on Bombay were made by Calcutta and Madras, respectively, during this quarter.

20. Statement V shows the share taken by Government in the move- Transfers within Provinces. ment of funds for the public between places in the same province.

The total value of these transfers amounted to over 18 crores, transactions having occurred almost entirely in Madras, Bombay and Burma. Sales of supply bills to the public amounted to more than 10½ crores against 10½ in the previous year; transfers through the Presidency Banks accounted for 5½ crores and post bills of the Bank of Bengal for 1½ crores against 44 lakhs in the previous year.

21. Government had to undertake inter-provincial specie remittances to the Government remittances of coin between Provinces. extent of about 20 crores of rupees, the net receipts or issues of coin in the several provinces being as follows :—

(In lakhs of Rupees).

	Silver.	Gold.
India and Bengal	+1,02	-2,22
Central Provinces	- 20	+ 10
Burma	+1,43	+2,13
Eastern Bengal and Assam	+ 9	+ 6
United Provinces	-1,60	+1,79
Punjab	-2,31	+3,15
Madras	-1,03	+4,05
Bombay	+2,65	-9,05

The important movements have already been described in paragraph 11. As there stated, the bulk of the imports of sovereigns arrived at Bombay and the remittances of gold shown above were undertaken with the object of distributing them among the different provinces. The greater part of these remittances went to the Punjab and Madras.

The remittances of rupees during the year were chiefly to Bombay, Rangoon and Calcutta. In the first quarter 25 lakhs were sent from Ajmer to Cawnpore and 15 lakhs from Bombay to Karachi in connection with the wheat trade. In the second quarter Karachi received 30 lakhs from Bombay and Bombay received 50 lakhs from Calcutta. In the beginning of the third quarter Allahabad and Cawnpore sent 50 lakhs each to Calcutta, in connection with the jute trade and Madras sent 50 lakhs in the middle of the quarter in the same connection. Bombay received 25 lakhs from Cawnpore and in its turn remitted the amount to Lahore. During the same quarter 53 lakhs were sent from Calcutta to Rangoon to finance the rice trade. In the last quarter Calcutta received nearly 1,49 lakhs, of which 1,05 lakhs were remitted by Lahore, and remittances amounting to 2,16 lakhs were sent to Bombay for the Cotton trade, 40 from Ajmer, 25 from Cawnpore and 1,51 from Lahore. Karachi received 36 lakhs for the same purpose, 16 from Bombay and 20 from Ajmer. Remittances amounting to 90 lakhs were also sent to Rangoon during this quarter, 50 lakhs from Madras and 40 lakhs from Calcutta in connection with the rice trade.

Total absorption of
currency

22. In concluding this general portion of the report it is desirable to consider the increase in the circulation as a whole which has been necessary in order to finance the foreign trade of India during the year under report and the two preceding years. In the seven years from 1905-06 to 1911-12 for which trade statistics have been given in the table in paragraph 2 the total addition to the currency in India may be taken at 114.05 crores made up as follows:—

New Rupee coined	48,78	
<i>Deduct</i> —Amount obtained from silver held in Currency Reserve on 31st March 1905	1,63	47,15
Net imports of sovereigns tendered at the Currency office		53,57
Increase in Currency Investment		4,00
Withdrawal from the silver branch of the Gold Standard Reserve		3,10
Deposit into the Currency chest in England against equivalent issues in India		8,55
		<u>116,37</u>
<i>Deduct</i> —Increase in treasury balance		2,32
		<u>114,05</u>

The distribution of the above total among the seven years together with a comparison of the currency requirements of each year with the Trade balance is given below:—

	Balance of Trade.	Increase in Currency circulation.
1905-06	58,63	22,38
1906-07	68,26	27,05
1907-08	47,46	9,27
1908-09	31,76	—9,81
1909-10	70,82	21,16
1910-11	80,53	23,69
1911-12	89,18	30,31
	<u>446,64</u>	<u>114,05</u>

The further distribution of the total circulation under the different denominations of Currency is shown in the following table :—

(In lakhs of Rupees.)

	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	TOTAL.	
(1) Silver—									
New rupee coinage (excluding coinage for the G. S. R.).	16,57	16,88	15,33	...	...	...	...	48,78	Currency.
Increase (—) or decrease (+) in the Currency reserve of rupees and bullion.	-2,22	-12	-11,48	-5,94	+1,84	+3,22	+10,66	-4,04	
Transfer from or to the G. S. R.	...	...	...	-9,88	+12,08	+90	...	+3,10	
TOTAL SILVER	95	+16,76	+8,85	-15,82	+13,92	+4,12	+10,66	+47,84	
(2) Gold—									
Net imports of sovereigns (through Currency).	-6,27	+5,58	+7,84	-55	+10,67	+10,68	+25,42	+53,57	Do.
Increase (—) or decrease (+) in Currency reserve of sovereigns in India.	+10,37	+24	+1,43	+4,03	-9,28	+2	-14,05	-7,22	
TOTAL GOLD	+4,10	+5,82	+9,27	+3,48	+1,41	+10,90	+11,37	+46,35	
(3) Increase in the circulation of Currency notes.	+5,48	+2,29	-7	-1,39	+8,92	+58	+6,37	+22,18	Do.
(4) Increase (—) decrease (+) in Treasury balance.	-1,55	+2,18	-3,78	+3,92	-3,09	-1,91	+1,91	-2,32	Treasury.
GRAND TOTAL CURRENCY DEMANDS.	+22,38	+27,05	+9,27	-9,81	+21,16	+13,69	+30,91	114,05	

According to the above table the increase in circulation is made up of 47.84 crores in rupees 46.35 in sovereigns and 22.18 in currency notes apart from increase or decrease caused by variations in Treasury balances. There is no doubt that a considerable share of the sovereigns taken was used for the arts and manufactures instead of being used as currency, and some silver must cross the land frontiers to pay for goods brought into India, and occasionally there are net exports of rupees from India for use in British colonies; but even making some allowance for these factors the annual increase in the volume of currency in the country in the seven years appears to have been on an average over 12 or 13 crores of which fully 10 crores were in rupees and notes. In the three years from 1909-10 to 1911-12 the increase has been about 22 crores a year including about 8 crores on account of gold.

In order to ascertain the actual figures of absorption under each denomination of currency it is necessary to split up the treasury balance shown under (4) between gold, silver, and currency notes. This having been done the resultant figures for 1910-11 and 1911-12 are shown below :—

	1910-11.	1911-12.
	Lakhs.	Lakhs.
Gold	10,78	11,40
Silver (rupees and half rupees)	3,34	11,54
Currency notes	-83	7,56
TOTAL	13,29	30,50

The differences of these totals from the corresponding totals in the table in paragraph 22 represent variations in the treasury balances with Presidency Banks for which no details by denominations of Currency are available.

23. Broadly speaking the absorption of all denominations of currency combined in the country may be considered a measure of the prosperity of the country during the year. Viewed from this standpoint the year under

report has been the most prosperous year India has known for many years past. There has been no figure of absorption anything like as large as this figure of 30 crores for 1911-12 since 27 crores were absorbed in 1906-07. The absorption in that year was mainly due to the record jute crop of that year. This year the gain has been distributed more evenly over India. The rice crop of Burma, the jute crop of Bengal, and the seeds, pulse, millets and cereals have all contributed.

One further point for consideration in this connection is the absorption as compared with the total volume of each denomination of currency. The latest estimate of the number of rupees in circulation is 180 crores and the figures for gold and currency notes respectively may be taken to be 60 crores each. If all forms of currency were absorbed equally the absorption of silver would have been three times that of gold and notes. The statement given above, however, indicates that the absorption of silver in the year under report was practically equal to that of gold and about $1\frac{1}{2}$ times that of currency notes. These figures indicate that in the year 1911-12 at any rate the growth of the circulation of silver has not kept pace with the growth of circulation of gold and currency notes.

Gold Circulation.

Imports of gold.

24. The imports of sovereigns (Statement VI) during the year passed all previous records having amounted to 27.51 crores against 12.81 crores in the previous year. Of this total import 25.58 lakhs passed through Currency offices and the difference of 1.93 lakhs (£1,289,000) between the figures as obtained from trade statistics and those supplied by Currency offices probably represents the imports of shield sovereigns which command a higher value in the market, this variety being in favour with the people for use as ornaments. The Bank of Bengal quote Rs. 15-4 annas as the price of this variety throughout the year.

Absorption of gold.

25. The total value of Sovereigns absorbed in the year was £3,839,000 (Statement VII). Punjab, as usual, took the lead with over £2 millions. Bombay and Madras absorbed a million and a half each while the United Provinces took more than a million and Burma just over half a million. On the other hand the amounts taken by Central Provinces and Eastern Bengal and Assam were very small.

Popularity of the sovereign.

26. The larger absorption of gold in Northern India and Bombay necessitated special enquiries as to the exact use made of the gold and the result of the enquiries is given below.

The Accountant General, Punjab, reports that the large issues of gold made from the local Currency office were chiefly in connection with the financing of the wheat crop. The Accountant General took special steps to find out the actual use to which sovereigns were put in his Province, and the following extracts from his report state the result:—

“With a view to obtaining as much detailed information as possible at first hand, in regard to the actual circulation of gold, a circular was addressed to all Treasury Officers after the close of the year enquiring as to the exact nature of the receipts and payments at their Treasuries of which gold formed a part, and soliciting any other details locally available. Separate letters were addressed to the Deputy Commissioners of eight districts where the gold transactions in connection with the wheat trade were specially large and another circular was sent to the leading banks, the chief export firms and the Chambers of Commerce at Delhi and Karachi. Their replies constitute a large mass of evidence which is almost unanimous in declaring that the popularity of the sovereign as currency is greatly on the increase and that there is practically no part of the Punjab or Frontier Province where it is not eagerly sought after and accepted.”

“To take the export firms first, since they certainly handle the largest quantities of sovereigns, whether received direct from the Currency office or through their Bankers, the European ones are unanimous in saying that their only reason for preferring silver is that gold is more risky to transport by rail, and that they are well aware that they could, if they chose, make practically all their purchases in gold and save themselves a portion of the expenses now incurred in the remittance of silver by rail. The Indian firms on the other hand prefer the gold on account of its portability and are apparently willing to take the risk; they are unanimous in stating that the actual payment is made to the agriculturists in gold and that there is no sort of hesitation on their part in accepting it. Indeed the Indian firm, which took the

greater part of the gold, states that better rates and terms can be obtained when gold is tendered in payment of produce than when silver is offered, gold thus being practically at a premium. So far then as the amount of gold actually used in connection with the wheat crop is concerned, it would appear that this is limited, not by the unwillingness of the agriculturist to accept more but by the fact that he does not have a chance to get more. At the same time the extent to which the trade is financed without Government help also largely determines the actual amount of gold issued from the Currency office for this purpose; for though, no doubt, the agriculturist generally requires cash and is suspicious of notes, hundis, bills or other instruments of credit, the coin required to make the large payments required to move the crop, must, as in the year under report, largely come from the cash balances held by Bankers, Merchants and middlemen. No doubt some considerable portion of the two millions odd absorbed in the previous year was made use of to make these payments. The actual issues of coin whether gold or silver, from the Currency office during the wheat season constitute less than one quarter of the value of the wheat crop (7½ crores), said to have been exported from the Province."

"As regards the actual final destination of the gold paid out in connection with the wheat trade, whether obtained direct from the Currency office or otherwise, the following particulars will be of interest. The districts chiefly affected are the following and the figures are those of the treasuries:—

	Issues to the public during 1911-12.	Receipts from the public.	Net receipts.	Net issues.
	£	£	£	£
Lyalpur	90,267	374,422	284,155	...
Jhang	7,948	48,566	40,618	...
Gujranwala	21,820	44,389	22,569	...
Ambala	109,494	23,210	...	86,284
Ferozepore	101,495	118,494	16,999	...
Multan	71,635	43,604	...	28,031
Gurdaspur	9,886	10,159	273	...
Shahpur	30,126	39,881	2,755	...
			374,369	114,515
			Net receipts.	
			£260,054	

The figures for the two previous years are given below for comparison:—

	1909-10.		1910-11.		Net	Net
	Issues.	Receipts.	Issues.	Receipts.	Issues.	Receipts.
	£	£	£	£	£	£
Lyalpur	8,535	5,757	59,997	199,587	...	136,812
Jhang	1,958	1,049	5,419	26,961	...	20,633
Gujranwala	3,321	2,203	23,014	46,270	...	16,638
Ambala	11,626	669	146,959	10,124	147,792	...
Ferozepore	5,310	3,894	59,926	33,286	23,056	...
Multan	4,664	488	49,081	27,021	23,236	...
Gurdaspur	2,177	1,849	5,567	4,259	1,636	...
Shahpur	3,985	2,733	13,477	19,059	...	4,330
					203,720	178,413
					Net issues.	
					£25,307	

"The general increase in the receipts from the public during 1911-12 over the previous two years is most marked

"The Deputy Commissioners of these districts were specially addressed on the subject, and I quote the following from their replies:—

Lyalpur :—"Gold is in free circulation among the peasant classes. During the harvest season most of the local banks import sovereigns from Lahore and other stations and tender

them to grain dealers in exchange for hundis and silver. The dealers in turn pay the peasants in gold which is appreciated owing to its portability, as compared with silver. The European firms prefer to transact their business in silver, but among the agricultural classes sovereigns are popular and in constant circulation. There has been a great demand for money recently in this district, owing to a general purchase of proprietary rights in agricultural lands..... and I think almost every available sovereign has been out in circulation." The receipts and issues have been classified as follows:—

<i>Receipts.</i>		£
Land Revenue		206,667
Purchase of proprietary rights in Chenab Colony		134,000
Post Office		14,000
In exchange for silver		8,000
Excise, Salt, Stamps, Municipal and Miscellaneous		11,755
	TOTAL .	374,422
<i>Issues.</i>		£
Public Works Department cheques to contractors and others		41,266
In exchange for silver and notes		36,801
District Board Cheques		6,000
Military Cheques		1,200
Salary bills of officers and establishment		4,000
Miscellaneous deposits, refunds, etc.		1,000
	TOTAL .	90,267

"The tendency to use gold has increased during the past two years. On the 20th February 1912, out of 8 lakhs of revenue credited in the treasury, 3 lakhs were paid in gold."

Jhang.—"Gold is actually paid to the cultivator in exchange for his produce. Messrs Ralli Brothers do not accept gold; other European and Indian firms prefer gold. When the cultivator sells his wheat to the village bannia or sends the same through him to the market, the bannia takes payment in gold and ultimately transfers it to the cultivator." If a cultivator receives payment of his crop in gold, he either pays it back to the treasury in payment of land revenue, etc., or keeps it by him to meet his daily requirements. The greater part of the sovereigns issued comes back to the treasury in payment of Land revenue, etc. Almost all the remaining ones remain in actual circulation as currency. The people prefer gold because it is less troublesome than silver money. During the past two or three years there has been greater demand for gold and still it is on the increase. The people have become more alive to the currency of gold coin and the advantages of its currency. Out of £48,566 received £45,227 were in payment of land revenue and purchase of proprietary rights, £1,933 from the Post Office, £266 in exchange for silver or notes and the balance on account of Stamp, Excise and Miscellaneous receipts. Of the issues £3,414 were in payment of salaries, £2,621 in exchange for notes or silver, £1,653 in payment of Public Works and Local Fund cheques, £100 to the Post Office and the balance in miscellaneous petty items."

Gujranwala.—"There has been very marked increase in the use of sovereigns by the people in this district during 1911-12. The principal source from which receipts in gold came in was land revenue and from the purchase of proprietary rights. In one sub-treasury over £28,000 were received in this way. All the grain agents pay the zamindars principally in gold, and the zamindar naturally pays his revenue in the coin he has received. The zamindar prefers to have his price for the grain in gold as he can easily carry it, and easily exchange it and, if necessary, easily put it away. He shies at currency notes of any value, as they cannot be easily exchanged and to receive payment in silver means cost of carriage and a greater risk of being robbed. Contractors of the Canal Department are very glad to receive payment of their cheques in gold: some have remarked that sovereigns can be exchanged even in the village most remote from civilisation, but notes, even of the value of Rs. 5 are looked upon with distrust by the village yokel and even by the village sahukar. With a sovereign there is no trouble, no awkward questions are asked and no discount taken. It is also used by the middle and upper classes in their social and religious festivities. Sovereigns are not received to any great extent by the Post Office, but large business firms remit them insured to Bombay, Calcutta and elsewhere for commercial purposes. The number of sovereigns received at the principal railway stations in the district during the year was £,7258."

Ambala.—"Gold is now very largely in demand not only by banks, firms and contractors, but also by the public in general. Indian firms in this district make very large demands for gold in payment of bills, cheques, etc., and also in exchange for notes, and from enquiries I have made, it appears that their demands are to supply the wants of the general public and not for any particular purpose. The use of gold among all classes may now be considered general. The Agent of the Agricultural Bank takes large quantities of gold for the use of the agricultural community. Land Revenue payments include very fair amount of sovereigns; the Post Office payments into the treasury include a large number of sovereigns."

Multan.—The receipts and issues of gold are classified as follows:—

<i>Receipts.</i>	£
Revenue collection	22,850
In exchange for silver	7,353
Octroi receipts	429
Post Office	1,269
Other miscellaneous receipts	12,208
TOTAL	48,604

<i>Issues.</i>	£
In exchange for silver	25,436
Military Department	11,055
Public Works Department	1,750
Other cheques	19,881
Salary bills of officers and establishment	9,866
Deposits	2,498
Post Office	1,129
TOTAL	71,635

"The gold issued in exchange for silver was largely issued to traders who paid for crops in gold. Gold circulates as currency among the people and an increase has been observed during the last few years. Both in cities and villages, sovereigns are replacing notes more than rupees. A considerable portion of the gold is in circulation and daily transactions in big villages and towns are carried out in gold to some extent. For his current requirements a cultivator uses silver first and then gold, taking out a sovereign from time to time as he requires to defray his expenses."

Gurdaspur.—"Land Revenue, Excise and Opium payments are made to some extent in gold. Gold is issued in payment of salaries and, when available, also in payment of deposits and refunds and claims of all sorts against Government. The zamindars had originally some prejudice against gold, but that seems to have worn off in course of time; they receive them now freely and pay them out when the occasion arises and to meet their necessities in general. Sovereigns are unquestionably in great demand everywhere. There is a general impression that the intrinsic value of the sovereign is higher than its face value; this is especially so in the case of Victoria sovereigns which are generally kept back from circulation by money-lenders and large traders on that ground, but the general public make no such distinction. The facility of transit is the reason why corn merchants prefer sovereigns to silver and the gold is actually paid to the cultivator, whether middlemen and brokers are employed or not. As to the circulation of sovereigns as currency there is no doubt that it is considerably larger than it was in the past. This is as true of the village bazar as of the urban market. The zamindars actually pay any sovereigns they might possess while shopping; they pay them into treasuries as land revenue and before the registration officer when acquiring any interest in land."

Shahpur.—"About three-fifths of the gold issued from the treasury is actually in circulation as currency. The receipts come in chiefly with the land revenue both at tahsil and Sadar treasuries and also with payments for the purchase of proprietary rights. Excise and Opium contractors make payments in gold and Stamp, Municipal and Post Office receipts contain gold to some extent; generally speaking gold forms part of all the payments that are made at the treasury. Gold is demanded by the people in payments of every sort and is issued freely from the Treasury if in stock. Gold is issued in exchange for notes and rupees, but there are very few instances in which gold has been received and silver or notes issued in exchange. Crops are paid for partly in gold; out of the gold thus paid a portion of it is tendered in the bazaars when some domestic necessities arise and the balance (if any) after payments of Government dues, is hoarded."

These extracts might be almost indefinitely increased, but I forbear to go into further detail. I will only add a few salient facts reported from various districts. In Rawalpindi gold is reported not to be largely received with the land revenue "as the circulation of gold has not yet reached so widely as to influence rural portions of the district." But one-tenth of the railway earnings paid into the treasury are said to consist of gold; sovereigns are issued to a very considerable extent to troops and officers proceeding to England. Since sovereigns were freely supplied, no remittances of silver have been necessary to this district as was formerly the case, on the contrary rupees have been sent away to other districts. In Hazara sovereigns are largely issued in payment of regimental cheques, but these soon find their way to the regimental bunnias from whom the brokers and traders take them when going down country for purchasing goods; there is little or no return of sovereigns to the treasury. From Dera Ghazi Khan it is reported that owing to the prevalence of counterfeit sovereigns in the bazaar some years ago, the Baluchis who bring horses for sale to the fairs are disinclined to accept sovereigns, but that otherwise gold is in free circulation. From Kohat it is reported that gold was first introduced in August 1900 when £1,000 were received

and absorbed in four months; a similar amount was absorbed in 1904. Between April 1905 and August 1908 £33,605 were received and absorbed. Owing to the scarcity of gold none was received till January 1910 when a remittance of £3,000 was received. A rumour had however arisen that the intrinsic value of the new coin was less than that of the old and there was little demand for it, this suspicion is now however wearing off and £9,000 were absorbed during 1911-12. The receipts in gold now amount to approximately £5,700 a year chiefly on account of land revenue and salt, while issues to the extent of £13,000 or so are made to officers in payment of their bills and in encashment of Military and Public Works cheques. During 1911-12 sovereigns to the extent of £2,818 and twenty half-sovereigns were received from the public at the Kohat Post Office and its sub-offices while 2,196 sovereigns and 15 half-sovereigns were issued. In the Bannu district the demand for gold is said to be very large, the issues during 1911-12 amounting to £16,018 and the receipts to £2,110 against £8,534 and £192 respectively in the previous year. Traders and merchants who pass through the district on their way down country prefer to take gold with them if they can manage to do so; this is also the case with those who go on pilgrimage to Hardwar or Mecca. Gold is slowly but steadily replacing currency notes. In the Kangra district the receipts of gold in the treasury during the past three years have been £1,069, £3,957 and £2,895 respectively, while the issues for the same years were £2,324, £12,530 and £17,479. Gold is now said to have reached the rural population. In Karnal the receipts of gold from the public rose from £4,900 in 1910-11 to £3,495 in 1911-12, while the issues similarly increased from £9,200 to £15,155. A large part of the gold thus absorbed is said to have been deposited in banks or remitted to other districts, e.g., Delhi in payment of purchases. Attock reports an absorption of £2,948 during the year, while in Muzaffargarh there was a return of £3,940. From the Kurram Agency receipts to the extent of £2,688 are reported while issues amounted to only £938; almost all the sovereigns received are said to be brought by Ghilzai and other Afghan traders on their return from India in the spring, who then exchange them with the local money dealers and shopkeepers for Kabul rupees, the latter purchasing supply bills at the treasury with the gold so received. From Gurgaon it is reported that zamindars of low position are afraid to accept gold in payment of their crops lest they should be required to pay discount when they wish to exchange them for silver, but the better class zamindars are said to have no such fears. The sub-treasuries of the Jhelum district are reported to receive gold from Co-operative Credit Societies and a good deal is said to be remitted by insured parcel post. From Peshawar a considerable absorption of gold in connection with the trans-border trade is reported; this trade is said to have amounted during 1911-12 to the value of Rs. 30 lakhs. Gold so taken seldom or never returns. The Amir's subsidy is also largely paid in gold. From one-fourth to one-half of the payments made in connection with the sale of agricultural produce are said to be made in gold. Hoshiarpur reports that gold is used for crop payments with a small proportion of silver, and that gold is generally tendered in the bazaars when making large payments; and "even in the case of purchasing anything for some annas or for a rupee the petty shopkeepers give back gladly the balance of a sovereign." People give preference to gold over silver. In Rohtak the receipts and issues of gold during the past three years have been:—

	Receipts.	Issues.
	£	£
1909-10	2,792	3,103
1910-11	10,465	9,514
1911-12	28,838	27,560

showing a net return of £1,918 during the period. A corresponding decrease in the use of currency notes has been observed during 1911-12, nearly one-fourth of the land revenue was paid in sovereigns; in the current year up to date the proportion has been nearly one-half. 3,794 sovereigns were received by the Post office and 4,197 by the Railway station. From Ludhiana similar figures are reported, the receipts and issues having been as follows during the past three years—

	Receipts.	Issues.
	£	£
1909-10	2,971	8,705
1910-11	34,112	34,811
1911-12	82,788	26,701

showing a net absorption of £336. The issues of notes have correspondingly decreased. "Even the illiterate cultivator accepts it readily in exchange for his produce without any grudge."

The Delhi Treasury figures are also interesting with special reference to the Coronation Durbar. The total absorption of gold during the year 1911-12 was £172,845 of which £108,050 were absorbed during the period November to January, the net issues to the public being £39,191 in November, £37,755 in December and £31,104 in January. This is considerably less than was anticipated, the Comptroller General's estimate of probable requirements being placed at £500,000. A large proportion of the issues were in payment of the cheques of various Government Departments. Private persons no doubt obtained their requirements chiefly from their own banks, who must all have been well supplied with gold.

"From the Banks comes a similarly unanimous chorus of testimony in favour of the popularity of gold among all classes. The Manager of the National Bank writes: 'I have no hesitation in affirming that sovereigns are rapidly taking the place of rupees as a medium of exchange throughout the Punjab. The facts of currency notes having always been unpopular throughout the Punjab and, excepting in Lahore, being cashed only at a considerable discount has, no doubt conducted to the popularity of the sovereign. A portable medium commanding its full face value, was urgently required and the sovereign has for the present met the want.' The Chartered Bank reports from its Amritsar Agency: 'In our estimation the sovereign is now firmly established in popularity for currency purposes. During 1911-12 £64,328 were received by us over the counter in our daily cash transactions and £72,457 paid away, .. almost entirely paid to and received from natives.' From the Punjab National Bank comes the statement that so far as our transactions with the public are concerned, gold is invariably given preference over silver of late. The case was quite different a couple of years back.' The Punjab and Sind Bank, Limited, writes from Amritsar: 'The use of the sovereign is very popular in daily transactions. They come in and go out very freely and are much preferred to silver as a medium of exchange.' In the opinion of the Marwari Bank, Limited, 'there is no doubt that the circulation of gold is increasing as currency among the people during the last two years.' The Amritsar Branch of the Allahabad Bank, Limited, make the same statement. The Bank of Bengal at Lahore reports daily issues to the extent of about £2,000 in payment of Government cheques and those of their own constituents and customers against daily receipts, chiefly from the railway, of about £1,300. The difference is obtained from the currency office in exchange for notes. The Delhi Agent of the same Bank reports that the demand for sovereigns is steadily increasing and the daily transactions are growing wider. The Managing Director of the Punjab Banking Company, Limited, writes, "In my opinion there is no doubt that sovereigns are already most popular in the Punjab, especially among the zamindars.....Gold as currency is certainly increasing year by year among the people of this province." The Bank of Peshawar, Limited, reports as follows from their head office at Multan: "Indeed the sovereigns have become very popular among the public in India, and people prefer very much gold, being handy and comfortable, than any other coin, whenever they have to receive any large payments, etc. This can well be ascertained by the fact that sometimes bankers and shopkeepers are ready to pay us (Banks) premium on gold varying from 0-1-0 to 0-1-6 per cent. (or per sovereign?). In the opinion of the Lahore Bank, "the popularity of the gold coin is now beyond question,.....there is no doubt that the educated classes as a rule prefer to have gold in their pockets than the bulky silver..... and the people, more particularly the illiterate, have a great fancy for sovereigns, inasmuch as even small sums of money are accepted by them more in gold than in silver or paper."

"From the replies of the Chambers of Commerce I quote the following:—The Karachi Chamber writes: so far as Sind and the Punjab are concerned the experience of members of this Chamber shows clearly that sovereigns are now more popular and more widely used as currency than ever before, moreover there is every indication that the peoples of Sind and the Punjab are appreciating the advantages of gold coins and that the popularity of and demand for sovereigns is likely largely to increase."

From the Secretary to the Punjab Chamber of Commerce, Delhi, comes the following:—

"My Committee are able to state authoritatively that sovereigns are becoming popular and that their circulation is increasing. They are accepted as legal tender in the bazaars and this may be attributed to the intelligence of the people and to the fact that all over the East where the Punjab sepoy serve in the Army and the Police the sovereign is popular. These men remit their earnings in gold, and as there is hardly a village in the Punjab that has not sent a man to this service, it is not surprising that the value of the sovereign is understood.

To complete this part of the subject, *i.e.*, as evidence in favour of the actual circulation of gold as currency among the people, I quote the following figures supplied by the Examiner of Accounts, North Western Railway.

During the year 1911-12 £248,880 were received in sovereigns and half-sovereigns at the stations of the North Western Railway, out of which £4,735 were re-issued by Station Masters to the public. Out of the balance remitted to the cash office, £11,930 were retained for payment purposes and the rest (£232,165) remitted to the Bank of Bengal, Lahore, as part of the Railway revenue.

The Post offices in the Punjab received £356,608 from the Public during 1911-12, and issued £280,374. The corresponding figures for 1910-11 were £189,399 and £146,789; and for 1909-10 £54,343 and £38,180."

The report from Bombay is as follows:—

"An examination of the monthly gold returns rendered by treasury and currency Officers shows that the circulation of sovereigns is steadily increasing. The coin is becoming more familiar to the people and is being used for the purchase of crops at up country places to a larger extent than before. Thus in the year under review the Bombay Currency Office issued 1,55 lakhs in whole rupees and 88 lakhs in sovereigns, for remittances to cotton districts in this Presidency against 2,96 lakhs and 1,04 lakhs in 1910-11. There was thus a drop of about 46 per cent. in the issues of whole rupees while the decrease in the issues of sovereigns was only about 15 per cent. Similarly the issues of whole rupees and sovereigns for remittances to the Central Provinces and Berar increased from 2,66 lakhs and 19 lakhs in 1910-11 to 4,34 lakhs and 58 lakhs in 1911-12, the percentage of the increase being 63 in the case of whole

rupees and 185 in the case of sovereigns. Apparently therefore gold is replacing whole rupees in connection with trade remittances.

" A fair idea of the circulation of gold coin in the two chief Ports (Bombay and Karachi) of the Presidency can be obtained from the following figures relating to the receipts and issues of sovereigns at the two Currency Offices :—

	1910-11.		1911-12.	
	Receipts.	Issues.	Receipts.	Issues.
	£	£	£	£
1st Quarter	11,500	117,800	97,600	387,600
2nd Quarter	87,200	166,100	219,500	153,300
3rd Quarter	46,100	653,900	147,200	508,600
4th Quarter	109,000	515,200	156,100	917,600
TOTAL	203,800	1,452,500	620,400	1,967,100
Deduct amount taken for remittances to other places for purchase of cotton, pearls, etc. and for export.	..	870,000	...	1,146,000
TOTAL	203,800	582,500	620,400	821,100

" These figures show an increase during the year under report both under receipts and issues but the increase in receipts is more marked than that in the issues, thus showing that sovereigns are now being more freely employed in exchange transactions at the two principal ports in the Presidency. The decrease in the issues in the 3rd quarter of 1911-12 was due to the failure of the Cotton crop in Gujarat and Kathiawar.

" A more correct idea of the popularity of gold coin with the general public can, however, be obtained from an examination of the figures relating to district treasuries. The receipts and payments of gold coin at district treasuries during the last two years are as given below :—

	1910-11.		1911-12.	
	Receipts.	Issues.	Receipts.	Issues.
	£	£	£	£
1st Quarter	58,600	89,800	302,800	298,800
2nd Quarter	80,700	159,300	218,900	233,500
3rd Quarter	172,800	204,200	281,400	362,800
4th Quarter	468,400	248,700	534,100	462,100
TOTAL	778,500	702,000	1,337,200	1,856,700 "

" The striking increase in the receipts and issues in 1911-12 leaves no doubt as to the growing popularity of the coin. As one of the reasons for the increase in receipts at the Presidency Bank the Secretary and Treasurer reports the larger receipts of sovereigns from the Bombay, Borada and Central India and the Great Indian Peninsula Railways during the year which again confirms the view that gold was more freely employed by the public in their daily transactions.

" All the treasury officers in the Presidency report that gold is not being hoarded or melted now to the same extent as before. Of course hoarding to a certain extent must continue so long as the country is not saturated with gold coin and all that can be done at present is to watch carefully the issues and receipts from the public with a view to ascertaining whether the tendency to hoard is becoming less and less every year. The figures before us show that

while the total issues from the treasuries and currency offices rose from £2,154,500 in 1910-11 to £3,823,800 in 1911-12 or by about 54·3 per cent. the total receipts increased from £982,300 to £1,957,600 or by about 99·3 per cent. which indicates that hoarding in the year under report has been on a much smaller scale than that in the previous year."

In Madras the amount of sovereigns issued from the Currency Office to the Native sowcars and bullion dealers rose to £861,000 from £805,000 in 1910-11. The amount issued to the Bank of Madras increased from 51 lakhs in 1910-11 to 92 lakhs in 1911-12, the whole of which is reported by the Bank to have been issued to their branches at Allepy and Cochin. The Agent of the Bank of Madras reported that gold had passed freely into circulation in Travancore and that its volume was increasing.

Enquiries made from treasuries in the United Provinces go to show that sovereigns are now received freely by the general public and are demanded largely by Railway contractors. There was a considerable increase in the gross receipts and issues of sovereigns in the Province during the year and much of the gold coin issued came back into the treasuries with Railway earnings and in some districts sovereigns were received with Revenue collections proving the use of gold as Currency by the agricultural population.

Enquiries were made in Burma from the Banks and rice firms as to the possibility of gold being used for financing the rice trade. The replies showed that there was no prospect of gold being taken in appreciable quantity in the immediate future but with a steady supply the prospects of a growth in the demand were considered hopeful. But gold appears to have been used to some extent in financing the rice trade in Rangoon, Bassein, Akyab and Henzada, and the absorption in the rice season January to March 1912 exceeded the corresponding figure for 1911 by £72,512. There is no doubt however that a good deal of the gold issued in the districts is melted down and converted into ornaments and jewellery.

27. The figures of receipts of sovereigns in Treasuries, Post Offices and Railways are of special importance as indicating the extent to which this form of currency is entering into the daily transactions of the public. These figures are to be found in Statement VII A.

Receipts of
Sovereigns in Treasuries, Post Offices
and Railways.

The increase in Bombay, Punjab, United Provinces, Madras and on Railways and in Post Offices has been remarkable, varying from nearly 130 per cent. in the Punjab to nearly 50 per cent. in Madras. In all cases except Madras these figures are the highest on record.

28. Two subsidiary points remain for consideration, *viz.*, to what extent sovereigns are (a) hoarded or (b) melted and turned into ornaments.

Uses of sovereigns
otherwise than
as currency.

No real information can be obtained from statistics as to hoarding until the country is "saturated" with gold, using the word in its technical sense. The subject, therefore, is not yet ripe for consideration.

It is reported that the practice of melting sovereigns for making ornaments, does not obtain in the Punjab to anything like the extent it did previously. No doubt it depends to some extent on the price of gold bullion which is usually preferred by the Punjab goldsmiths for making ornaments. When the price of pure gold exceeds Rs. 25 per tola in the local bazar it is said to be profitable to melt and purify sovereigns. But this practice is almost confined to sovereigns of the Victorian mintage which are popularly supposed to consist of purer gold. The price of gold bars (99·74 fine) at Amritsar, the chief market in the Punjab, averaged Rs. 23-15-5 during the year as compared with Rs. 23-3-10 in 1910-11. The sovereigns being 123·274 grains in weight and 916 666 fine the value of the pure gold therein at Rs. 15 per sovereign comes to Rs. 23-14-3 per standard tola. Taking the cost of melting and purifying into account it does not appear that melting sovereigns could have been a more profitable business than buying gold bars. It has been reported that in Bombay also gold is not melted now to the same extent as before. The practice principally obtains in Bengal, Burma and Madras.

29. In conclusion the facts of the year under report seem to substantiate the view that in Northern India, Bombay and part of Madras the use of the sovereign as currency is steadily increasing. In other parts of India its main use is still for conversion into ornaments or jewellery. If the sovereign could be used in the jute and rice trades as it is already used for wheat and cotton its

General Conclusion.

circulation would be increased enormously. Its use in the rice trade in Burma would displace notes mainly, but silver is still the form of currency used in the jute trade. As a good jute crop always leads to a large absorption of rupees, it is evident that the cultivators are wealthy, so that the sovereign ought to be a suitable coin for them. But their intense conservatism still bars the way and it is probable that gold can be introduced in Burma for the rice trade before there is any hope of success in Bengal.

Silver Circulation.

Absorption of silver.

30. The net absorption of rupees and half-rupees during the year amounted to 11½ crores. The figures of absorption or return from circulation during the preceding 8 years are given below :—

	In lakhs of rupees (Absorption +, Return —),
1903-04	+ 10,97
1904-05	+ 7,43
1905-06	+ 13,50
1906-07	+ 18,00
1907-08	+ 8,92
1908-09	— 14,83
1909-10	+ 13,22
1910-11	+ 3,34

Increase in absorption how distributed.

31. The figures are very variable, and it is not easy to state accurately the causes of the variations. Statement VIII gives the usual details. The special features of the year were :—

The favourable groundnut and cotton trade in Madras led to an increase in the silver coin issues of about 1½ crores. In Bengal and Eastern Bengal there was an increase in the net issues of about 5½ crores mainly due to the improved-jute crop, of which the exports in 1911-12 exceeded those of 1910-11 by 7,06 lakhs. Burma showed an increase of about one crore, while Bombay took less by about that amount. The United Provinces showed a reduction of about one crore in the usual receipts of coin. These differences, aggregating about 8 crores, explain the increase over the corresponding total of 1910-11.

The exports of cotton in 1911-12 were less than those of 1910-11 by 6,62 lakhs, but the corresponding issues of rupees in the cotton season were only 1½ crores less. The reason for this appears to be that the end of the financial year falls in the middle of the active season for exports of purchases made in the course of the year and consequently the figures of exports are not susceptible of comparison with the issues of funds during any one financial year.

The same remark applies to some extent to the Burma rice trade.

In drawing conclusions from the figures of absorption of any one form of currency it is becoming increasingly important to take into consideration the figures of absorption of the alternative forms of currency in the same area. Thus it is probable that gold has replaced silver to some extent in parts of Upper India and Bombay, and notes silver in Burma for the rice trade. In Bengal and a large portion of Madras, however, silver has not yet been replaced, and hence in those provinces favourable trade conditions have led to large absorptions of silver. It is noteworthy that a good jute crop invariably leads to a large absorption of silver, while in Bombay, Burma and Northern India larger issues of coin are followed closely by larger receipts, either through treasuries or the Banks. It appears, therefore, that the standard of comfort of the jute cultivator has not increased with his prosperity.

Rupee Coinage.

32. Statement IX gives the usual particulars of the coinage of whole rupees. There was no coinage from purchased silver during the year under report and the entire amount coined during 1911-12 represents recoinage of withdrawn and uncurrent coin.

Rupee Census.

33. The usual figures relating to the Rupee census are given in Statement X. In Statement XI a comparison is given as last year of the figures for certain groups of years to prove the tendency to substitute new for old coin in their holdings by the people. The examination of the circulation in the other parts of this report goes to show that the demands for additional currency are now being met by the use of gold in place of silver and the absorption of gold has been large in the year under review. If the gold

had replaced silver in hoards to any large extent there must be a substantial increase in the percentages of older coins in circulation.

The Statistics, however, show that since 1909 the percentages of rupees of 1903 and prior date have been 1909—68.03, 1910—66.88, 1911—66.48, 1912—65.65, which shows a steady though slight decline.

Note Circulation.

34. The legislation introduced by the Currency Act (Act II) of 1910 made the 10 and 50 rupee notes universal throughout British India. A further step in the same direction was taken in 1911-12 and the 100 rupee notes were made universal by notification from 1st April 1911. Another important change affecting currency issues was also made in the beginning of the year: investment was made of 2 crores of rupees belonging to currency in consols in England, the total amount of investment on account of the Currency Department in England and India being raised to 14 crores of rupees. Changes affecting Currency issues.

Statements XII to XX contain the usual statistics regarding Currency Note circulation.

35. The average gross circulation of notes (Statement XIII) in 1911-12 amounted to 57½ crores against 54½ crores in the previous year. At the end of April the gross circulation was a little more than 54½ crores; it rose to nearly 60½ crores at the end of July, then gradually fell to the minimum of 54½ crores at the end of January and subsequently attained the maximum of 61½ crores at the end of March. The gross circulation.

36. The average amount of notes held in Reserve and other treasuries during the year under report was more than 7½ crores and the Presidency Banks also held on an average nearly 7½ crores. Deducting these from the average gross circulation, the average active circulation during the year was nearly 42 crores. At the end of April it was nearly 40½ crores, it then began to decrease and attained its minimum (38½ crores nearly) at the end of June. Afterwards it continued to increase and with a brief set-back in January attained its maximum at 44½ crores at the end of March. As usual, the aggregate amount of notes in the hands of the public was greater during the winter months than at other times of the year. The high figure of 60½ crores of gross circulation at the end of July is due chiefly to the fact that during the slack season the Government balances held in the form of currency notes in the Reserve Treasuries are generally higher, and the Banks also hold the major portion of their holdings in the form of currency notes. The active circulation.

37. The growth of the average active circulation in lakhs of rupees is given below:— Its development.

1902-03	+ 2,30
1903-04	+ 2,35
1904-05	+ 1,77
1905-06	+ 2,41
1906-07	+ 3,41
1907-08	+ 50
1908-09	- 1,33
1909-10	+ 4,11
1910-11	+ 1,54
1911-12	+ 3,14

The figures for 1907-08 and 1908-09 are abnormal, as these years were affected by adverse agricultural conditions and by the universal financial crisis. The figures for 1909-10 show a recovery from the effects of the previous two years. But the growth in 1910-11 was comparatively small. The figures for 1911-12 indicates a return to the ordinary rate of development prior to the set-back, and the gross circulation now is almost double what it was 11 years ago.

The figures of active circulation by circles are not available and it is usual to consider the net circulation, i.e., the circulation excluding the notes held in Reserve treasuries but not those held by Presidency Banks. Calcutta and Rangoon (Statement XVII) show the largest increases, and next to them comes Madras, the increases in other circles being comparatively small. The increases in the different circles have been—Calcutta 8.7%, Cawnpore 2.7%, Lahore 5.1%, Bombay 7%, Karachi 1.4%, Madras 6.8% and Rangoon

29%. The increase in the circulation of currency notes at Rangoon is remarkable, and is mainly due to the increased use of notes in connection with the rice trade.

Character of circulation.

38. The character of the circulation can be ascertained by a determination of the percentage of each denomination to the total circulation. Two statements are given below from which notes of Rs. 10,000 are excluded on account of their high value and their rare use outside reserve treasuries. In each statement the calculations are based on the figures on the 31st of March; in the second statement the variations have been traced into the different circles and the notes have been grouped, notes for Rs. 20 being omitted as they are unimportant and are no longer being printed. Fives and tens have been grouped together, as these are the notes which are chiefly used as local currency. On the other hand, 500's and 1,000's have been put together as the bulk of these notes is either used in remittance or as a store of value. The 50's and 100's are shown separately as these notes acquired special importance as universal notes of highest value during the years 1910-11 and 1911-12, respectively.

	Rs. 5.	Rs. 10.	Rs. 20.	Rs. 50.	Rs. 100.	Rs. 500.	Rs. 1,000.
1901-02	1.7	23.4	3.6	5.1	32.6	10.7	22.9
1909-10	2.7	27.9	2.0	4.1	34.5	7.5	21.3
1910-11	2.9	29.8	5	6.3	33.5	6.7	20.3
1911-12	2.8	32.1	3	4.0	35.1	5.9	19.8

	5's and 10's.				50's.		100's.		500's and 1,000's.			
	1901-02	1909-10.	1910-11.	1911-12.	1910-11.	1911-12.	1910-11.	1911-12.	1901-02.	1909-10.	1910-11.	1911-12.
Calcutta	86	42	44	46	3	2	26	26	34	27	27	26
Cawnpore	9	12	11	13	12	6	29	37	41	46	46	44
Lahore	7	20	24	26	19	12	28	37	42	35	28	25
Bombay	24	26	27	26	9	8	21	22	42	42	42	44
Karachi	28	27	32	37	6	8	28	15	34	42	37	40
Madras	11	15	15	14	5	4	71	74	11	9	8	8
Rangoon	11	31	41	45	1	1	35	51	16	4	8	8
All circles	26	31	33	35	6	4	34	35	35	29	27	26

Effect of the universalisation of the 100 rupee note.

The most important point for consideration is the effect of the universalisation of the 100 rupee note. The figures show conclusively that this has led to a large increase in its circulation at the expense of the other notes of high denominations, *viz.*, Rs. 50 and above, due partly to its increased use for remittances but mainly to the greater negotiability which universalisation has bestowed upon it.

The percentage of Rs. 50 notes which had risen in 1911 owing to its universalisation from 4 to 6 has now again dropped to 4, while the percentages of the high value notes for Rs. 500 and 1,000 have dropped steadily during the last three years and are considerably below the percentages ten years ago.

At the same time the circulation of small notes has increased even more rapidly than that of the 100 rupee note. This is a valuable indication of the growth of the popularity of currency notes, for these notes are used almost entirely in small every-day transactions. Statement XVI shows that the gross circulation on the 31st March 1912 increased by about 6½ crores over that on the 31st March 1911. Of this increase roughly 1½ crores is due to 10,000 rupee notes, 2½ crores to notes of 50 rupees and over and 2½ crores to notes under 50 rupees, the percentage of increases in the last two classes being 10.8 and 18 respectively. This large increase in the circulation of small notes, indicates a real growth in the popularity of these notes for exchange purposes, as the increase in their use for remittance purposes cannot be large. It is a reasonable inference that the 100 rupee note is also becoming more popular for other than remittance purposes.

It is shown in paragraph 43 below that the increase in value of notes of other circles tendered at Currency Offices in bundles worth Rs. 10,000 and over

has been 1,31 lakhs. Of this increase probably 100 lakhs is on account of 100 rupee notes, and this may be taken as a rough measure of the increased use of such notes for remittance purposes.

But Statement XVI shows that the increase in the gross circulation of 100 rupee notes has been from 14 to 16½ crores, i. e. 2½ crores.

The general conclusion, therefore, is that there has been a real increase in the popularity of notes for exchange purposes as is indicated by the large increase in small notes. The figures would appear to indicate that the increase in the circulation of the 100 rupee note subsequent to its universalisation is due more to an increased use for general than for remittance purposes. The increased use for remittances does not appear to have been as large as was feared by some people.

39. The 5 rupee notes have continued to grow in popularity in all circles, By denominations the most noticeable increases being under Madras, Bombay and Calcutta.

There has been a large increase in the circulation of 10 rupees notes in Calcutta and Rangoon, and a slighter increase in Madras, Karachi, and Lahore.

There has been a decrease in the circulation of 50 rupee notes in all circles, except Karachi and Rangoon, where the increase has been slight.

As regards the 100 rupee note Madras shows the largest expansion, and next to it come Calcutta, Rangoon and Lahore.

40. The main variations in the circles are as follows :—

By Circles.

Calcutta.—The circulation of the 5 and 10 rupee notes has increased 2 per cent. at the expense of 50 rupee notes and notes of high denominations.

Cawnpore and Lahore.—The most striking feature in the circulation of the notes in these circles has been the marked increases under the five and hundred rupee denominations. The increase under 5 rupees has been attributed to the rise in the wages of the labouring classes and the increasing development among those classes of confidence in the Paper Currency. The very large increase under 100 rupees is entirely at the expense of 50 rupee notes and notes of high denominations and in the case of these circles is probably mainly due to increased use for remittance purposes.

Bombay.—There has been a slight decline in the rate of expansion of the circulation of the 5 and 10 rupee notes, which is reported to be due to the universalisation of the 100 rupee notes, one result of which has been to curtail the demand for notes of the lower values for remittance purposes.

Madras.—The increase in the fives and tens are not so marked as in the previous year, while the large increase in the circulation of the hundreds and the fall in that of the fifties are obviously due to the universalisation of the former.

Rangoon.—The use of the 10 rupee note is steadily increasing and though the percentage circulation of the 100 rupee note appears to have diminished during the year, still it formed 50% of the total circulation on 31st March 1912, and the apparent diminution is attributed to the fact that these notes are largely received in District treasuries in payment of land revenue, and in March 1912 they were more promptly transferred to the currency chests for opposite payments elsewhere within the circle.

41. By the Currency legislation of February 1910 non-universal notes are only encashable within the circle of issue, except the old sub-circle notes which are encashable also at the head offices of circles, e.g., Cawnpore and Lahore notes at Calcutta, and Karachi notes at Bombay. Encashment of Foreign Circle notes now represent mainly transfers of funds from one circle to another in universal notes.

The aggregate encashments of Foreign Circle notes during the year 1911-12 have been 14,47 lakhs (Statement XVIII). Figures for previous years are shown below :—

1907-08	.	.	.	.	.	.	.	13,79 lakhs.
1908-09	.	.	.	.	.	.	.	23,14 "
1909-10	.	.	.	.	.	.	.	17,06 "
1910-11	.	.	.	.	.	.	.	8,12 "

The figure for 1908-09 was quite exceptional, as an enormous number of Lahore and Cawnpore notes were presented for encashment at Calcutta. The decrease in these figures in 1910-11 was unusual, the encashment of foreign notes having been out of proportion to the increase in circulation of universal notes. The increase in last year's figures is no doubt due to some extent to the use of the 100 rupee notes for trade remittance.

The increase may be traced by analysing the movements of notes as follows :—

In lakhs of rupees.			
	1909-10.	1910-11.	1911-12.
Sub-circle notes cashed at head offices	6,55	8,40	3,27
Per contra encashment at sub-circles	2,49	79	1,17
Transactions between Presidencies	4,69	1,72	4,57
Bombay and Upper India (Cawnpore and Lahore)	1,42	98	2,88
Cawnpore and Lahore	52	30	41
Lahore and Karachi	58	50	1,02
Calcutta and Karachi	24	10	24
Rangoon and other Circles	23	21	48
TOTAL	16,72	8,00	14,04

43 lakhs are left unaccounted for on less important lines. Under Sub-circle notes cashed at head offices are included the old sub-circle notes of the Cawnpore and Lahore circles which are encashable at Calcutta and of the Karachi Circle which are encashable at Bombay. But in this is also included the universal notes of the above circles which were transferred to Calcutta or Bombay.

In 1910-11 Cawnpore and Lahore sent $1\frac{1}{2}$ crores and $1\frac{1}{2}$ crores to Calcutta by these means, while Karachi sent $\frac{1}{4}$ th of a crore to Bombay. The amount of return from Calcutta and Bombay to these Circles was only about $\frac{3}{4}$ th of a crore. The aggregate movement between Presidency Towns was about $1\frac{1}{2}$ crores, as compared with $4\frac{1}{2}$ crores in the previous year. The transactions between the other centres were comparatively small.

In 1911-12 Cawnpore and Lahore sent $1\frac{1}{2}$ crores and $1\frac{1}{2}$ crores to Calcutta and Karachi sent $\frac{1}{4}$ th of a crore to Bombay, while the return current amounted to about $1\frac{1}{2}$ crores. Transactions between Presidencies amounted to $4\frac{1}{2}$ crores, the net result being that Calcutta sent $\frac{1}{2}$ a crore to Bombay and Madras sent $\frac{1}{4}$ th of a crore to Calcutta and nearly a crore to Bombay. The net transactions in other directions were that Lahore sent $1\frac{1}{2}$ crores to Bombay and $\frac{3}{4}$ th of a crore to Karachi and Cawnpore sent $\frac{1}{2}$ a crore to Bombay.

Effect of sovereigns
on Note circulation.

42. To consider the effect of the increased use of sovereigns on the circulation of currency notes attention is invited to Statements XIX and VII. These show that the circulation of the 5 and 10 rupee notes which are undoubtedly used as currency has developed in all the circles in which the absorption of sovereigns is considerable except under the 10 rupee denomination in Bombay. This has been attributed to the universalisation of the 100 rupee notes, but it may be doubted whether this argument is correct for the circulation of R100 notes has increased much more in Madras, Lahore and Cawnpore, and has been accompanied in these circles by an increase in the circulation of the 10 rupee note. In the Punjab it is reported that large payments for agricultural produce are never made in notes and that gold is replacing notes to some extent even in ordinary payments among merchants and traders. It is therefore affirmed that the increase in the circulation of low value notes is due to their popularity and had it not been for the extended use of sovereigns, a considerable rise in their circulation would have taken place during the past two years in the Punjab. Looking at the figures for 1911-12 in the two statements it is noteworthy that in the Punjab where the absorption of gold is heaviest the percentage increase of 10 rupee notes has been 3·3 only. In Bombay where the increase in the absorption of gold has been greatest, the use of 10 rupee notes has diminished, while in Bengal where gold is used least the increase in

the use of the 10 rupee note is largest. It is a possible inference from these facts that in the year under review the increased use of sovereigns has resulted in less use being made of 10 rupee notes than would otherwise have been made. It must be admitted, however, that the figures in previous years, have not justified a similar inference and it is not possible at present to come to a final conclusion on the matter.

43. From the record maintained in Currency offices of the receipts and issues of notes in bundles of the value of R10,000 and over, a fair estimate of the value of notes which have been used for remittance purposes can be prepared. During the year under review the total values of the 50 and 100 rupee notes issued from the currency offices in bundles of R10,000 and over have been 19 lakhs and 2,26 lakhs respectively against the aggregate value of 1,53 in the previous year. The value of notes of other circles tendered in currency offices increased to 2,05 lakhs from 74 lakhs in the previous year. Of the total value of notes so tendered 100 rupee notes amounted to 1,75 lakhs. The figures of receipts show the extent to which it was found necessary to resort to the currency offices to change, into a convenient form of currency, notes presumably received in remittances. From the above it seems clear that the use of 100 rupee notes for remittance purposes, has appreciably increased but the extent to which they have been so used is not considerable when the value of the 100 rupee notes in circulation on 31st March 1912, which amounted to nearly 16½ crores, is taken into consideration.

44. The statistics of treasury transactions given below also show that the magnitude of the transactions in notes in treasuries both under receipts and issues has increased.

(In Thousands of Rupees.)

Year.	RECEIPTS FROM					ISSUES TO				
	PUBLIC IN PAYMENT OF GOVERNMENT DUES.		Public for Silver	Public in exchange of notes of other values.	TOTAL.	PUBLIC IN PAYMENT OF GOVERNMENT DUES.		Public for silver.	Public in exchange of notes of other values.	TOTAL.
	Home Notes	Foreign Notes				Home Notes	Foreign Notes			
1	2	3	4	5	6	7	8	9	10	11
1901-02	10,81,69	4,59,88	2,55,00	40,89	17,87,46	7,40,40	72,20	4,99,60	40,89	18,58,09
1902-03	11,13,88	3,89,41	3,81,40	44,24	18,28,93	8,21,92	71,76	5,21,95	44,24	14,59,87
1903-04	12,44,49	3,47,53	3,38,6	52,56	19,82,63	8,92,78	69,68	4,89,33	52,56	15,94,33
1904-05	13,26,82	3,54,69	3,18,48	44,55	20,44,54	9,37,68	90,00	4,79,08	44,55	16,01,41
1905-06	14,69,59	3,66,48	3,38,50	49,81	22,19,38	10,68,70	1,10,29	5,27,95	49,81	17,71,66
1906-07	16,08,30	4,15,02	3,30,61	55,71	24,04,64	11,75,70	1,13,45	5,16,05	55,71	18,59,91
1907-08	16,06,62	3,52,55	2,87,10	61,60	23,07,87	11,50,15	87,85	5,96,25	61,60	19,95,85
1908-09	14,98,39	2,70,46	2,75,58	86,27	21,30,64	12,62,11	81,68	7,26,37	86,27	21,56,43
1909-10	17,78,14	3,05,36	3,65,31	1,01,53	25,70,34	13,63,55	81,39	6,55,07	1,01,53	22,31,54
1910-11	20,14,23	16,80	3,92,35	1,19,01	25,42,44	14,68,56	4,29	5,58,10	1,19,01	21,69,66
1911-12	32,87,68	52	4,00,01	1,21,76	27,89,98	16,34,07	...	5,98,67	1,21,76	23,45,51

Non-universal notes of other circles are no longer receivable in treasuries either in payment of Government dues or as part of the Railway and Postal revenue credited into treasuries. This explains the insignificant figure for 1911-12 under Foreign notes in the above table.

45. The inference is irresistible, especially from the large increase in the circulation of the notes of smaller value, that the use of notes as currency is steadily increasing. It is interesting to note the report from Cawnpore that the rise in wages of labour is one cause of the increased circulation of the 5 rupee note. This increased circulation seems to indicate an increase of prosperity among the higher grades of the working classes. It is possible that this increase of prosperity is common to all classes, but this cannot be proved by the facts and figures in this report.

claims on lost notes.

46. The following figures furnish a comparison of the number of half notes and wholly destroyed or mutilated notes in respect of which claims have been admitted during the last two years :—

	1910-11. 1911-12.	
Whole notes destroyed	23	27
Half notes	1,390	898
Mutilated notes	1,079	1,163
	897	516

The figures against the head "half notes, lost by post," given above indicate the extent to which the transmission of notes through the post, un-insured or unregistered, act as a temptation to poor postal employes and results in the circulation of mismatched notes, formed out of the stolen halves of different notes, and consequent loss to innocent holders of such notes. During the year under report, insurance of notes sent by post was made compulsory by the Postal Department and the decline in the number of losses in the post in 1911-12, as compared with the previous year, is apparently attributable to the introduction of this rule.

forgeries.

47. The number of forged notes presented for encashment or received in the currency offices for examination as to their genuineness aggregated 146 in 1911-12 against 129 in 1910-11 and consisted of 6 of Rs. 5, 109 of Rs. 10, 29 of Rs. 100, and 2 of Rs. 1,000 denominations. The new forgeries which came out during the year are shown below :—

Denomination.	Series.	Where appeared.
Rs. 5	$\frac{E B}{38}$ (of the Lahore Circle)	Lahore.
Rs. 10	$\frac{X A}{78}$ (of the Calcutta Circle)	Bombay.
	$\frac{X A}{62}$ (of the Calcutta Circle)	Cawnpore.
	$\frac{Y A}{47}$ (of the Calcutta Circle)	Madras and Rangoon.
	$\frac{R}{85}$ (of the Calcutta Circle)	Lahore.
	$\frac{V A 50 \text{ (Upper)}}{46}$, $\frac{V A 37}{37}$, $\frac{X A 48}{48}$, $\frac{X A 49}{49}$, $\frac{X A 51}{51}$, $\frac{X A 47}{47}$, $\frac{V A 25 \text{ (Lower)}}{69}$, $\frac{V A 14}{14}$, $\frac{X A 88}{88}$ of the Calcutta Circle, $\frac{H B}{28}$ of the Lahore Circle and $\frac{Q B}{60}$ and $\frac{Q B}{86}$ of the Rangoon Circle	Calcutta.
	$\frac{G A}{40}$ of the Karachi Circle, $\frac{T B}{35}$ of the Madras Circle and $\frac{Q C}{15}$, $\frac{Q C}{36}$, $\frac{Q B}{77}$, $\frac{Q C}{47}$, $\frac{Q B}{72}$, $\frac{Q B}{74}$, $\frac{Q B}{78}$, $\frac{Q B}{79}$, and $\frac{Q B}{75}$, of the Rangoon Circle	Rangoon.
Rs. 100	$\frac{Q B}{54}$, $\frac{Q B}{49}$, $\frac{Q B}{52}$, $\frac{Q B}{96}$, $\frac{Q B}{69}$, $\frac{Q B}{60}$ and $\frac{Q B}{48}$ of the Rangoon Circle	Rangoon.

The forgery of the $\frac{E B}{38}$ series of the Rs. 5 denomination is a handmade, very clumsy imitation, apparently prepared by some process like the cyclostyle. Of the forgeries of the Rs. 10 denomination, that discovered in Bombay is new with regard to the series, but it is supposed to be a variant of the $\frac{P A}{33}$ forgery, the difference being the omission of the watermark; the $\frac{X A}{62}$ forgery found in Cawnpore is a handmade specimen of moderately good workmanship, but

bears no watermark other than that of the manufacturers "W. T. & Co.", $\frac{1}{4}$ forgery was produced by anastatic process on ordinary paper with spurious watermark, and R/85, detected in Lahore, was also reported to be a "process made" forgery. Of the large number of forgeries of this denomination appearing in Calcutta those of the $\frac{9}{10}$ and $\frac{9}{10}$ series were produced on paper with imitation water marks by what is known as the anastatic process, and the rest were clumsy specimens, either handdrawn or struck from wood blocks. The great majority of forgeries of the Rs. 10 denomination found in Rangoon were produced by anastatic process, but those of the $\frac{6}{10}$, $\frac{7}{10}$, $\frac{8}{10}$, $\frac{9}{10}$ and $\frac{10}{10}$ series of the new Universal notes were executed by the photolithographic process, the serial letters and numbers and the signatures of the Head Commissioner being printed independently of the rest of the notes. The printing was well done, but the types were slightly thicker. The execution was, however, good enough to deceive any person. Of the 29 forged notes of the Rs. 100 denomination, as many as 28 belonged to new forgeries of the Rangoon Circle. The $\frac{9}{10}$ series was very fairly printed on good paper with a very good spurious watermark, while the rest were produced by anastatic process. There was only one prosecution in Calcutta, but it resulted in a failure. In connection with the $\frac{9}{10}$ forgery, a Chinaman named Po Chan was tried by the Chief Court, Lower Burma, and sentenced to rigorous imprisonment for seven years. The two Rs. 1,000 notes belong to old forgeries of $\frac{1}{10}$ and $\frac{2}{10}$ series respectively.

In addition to the forgeries described above, further new forgeries in respect of $\frac{1}{10}$ and $\frac{2}{10}$ series of the Calcutta Circle and $\frac{1}{10}$ series of the Lahore Circle of Rs. 10 denomination and $\frac{1}{10}$ and $\frac{2}{10}$ series of the Universal Rs. 5 and Rs. 50 denomination respectively of the Lahore Circle were discovered by the Police in the Criminal Intelligence Department, all of which have been reported to be handdrawn imitations.

The most important feature of the year in this connection is the excellence of the Rangoon forgeries which are superior to any previously imposed on the public.

48. Fraudulent claims in connection with half and mis-matched notes **Fraudulent claims.** were but few. Prosecutions were undertaken in most cases, and convictions were secured in all except one in Calcutta, one in Cawnpore, one in Bombay and two in Madras. For some years past, attempts have been made to alter Rs. 10 notes of the Rangoon Circle to notes of higher denominations. Five such notes were presented for encashment, and 11 notes were received from Government officers in the Rangoon Currency Office during the year under report. All these notes were impounded and their value credited to Government. A conviction was obtained in one case in which one Nga Tin and his associates, Mi Giji and Mo Hla, were sentenced to rigorous imprisonment for four years each.

49. The statement below shows the withdrawal of uncurrent and other **State of coinage.** coins during the year under report:—

In thousands of rupees.					
Province.	Shroff marked.	Uncurrent.	Coin of 1835 mintage.	Coin of 1840 mintage.	George V.
1	2	3	4	5	6
India . . . . .	...	25,69	1,84	35,66	8,53
Central Provinces	1	19	7	2,24	1,33
Burma . . . . .	...	3,18	12	1,33	51
Eastern Bengal and Assam . . . . .	...	3,04	52	4,28	1,64
Bengal . . . . .	...	6,40	1,08	10,68	1,76
United Provinces . . . . .	...	26,02	2,57	30,81	1,78
Punjab and North-West Frontier Province.	1	18,38	1,95	21,41	1,28
Madras . . . . .	...	10,35	51	9,28	2,93
Bombay . . . . .	..	9,55	22	5,94	11,43
TOTAL	2	1,02,80	8,88	1,21,63	26,19

The total value of withdrawn coins amounted to 2,60 lakhs of rupees as compared with 2,19 lakhs in 1910-11. In the total of 2,60 lakhs are included 19½ lakhs on account of the withdrawal of worn small silver under the special order of May 1910 and 26 lakhs of the New George V rupees bearing the date 1911 due to certain defects in the die for the obverse from which rupees with the effigy of His Majesty King George V were struck. Column 3 in the above statement includes defective and defaced coin besides light weight coin which is separately dealt with in the next table.

1	NUMBER OF COINS REDUCED IN WEIGHT.				
	Over 2 per cent. but not more than 6½ per cent.	Over 6½ per cent but not more than 25 per cent.	Over 2 per cent but not more than 12½ per cent.	Over 12½ per cent. but not more than 25 per cent.	Over 25 per cent.
	2	3	4	5	6
Rupees	5,938,867	37,801	...	...	23,020
Half rupees	...	...	440,391	2,049	3,124
Quarter rupees	...	...	...	260,031	1,715
Eighth rupees	...	...	...	261,402	1,366
TOTAL	5,938,867	37,801	440,391	523,482	29,225
	6,969,766				

An increase of about 15 lakhs is noticed under whole rupees, chiefly in India, Eastern Bengal and Assam and the Punjab. A slight increase in the number of light weight half rupees (between 2% and 12½%) is no doubt due to the fact that the rules regarding the receipt of half rupees came into effect in the second quarter of the year 1910-11, before which the limit of reasonable wear was the same as in the case of whole rupees (6½%). As regards small silver, an improvement is observable owing to the withdrawal of the large number of light weight and worn coins during the previous year under the special order referred to above.

Special Examination of work at the Mints. 50. The table below shows the result of the special examination at the Mints of the remittances sent from the six Currency offices:—

	Calcutta.	Bombay.	Madras.	Cawnpore.	Lahore.	Rangoon.
Amount examined.	₹10,00,000	₹6,40,000	₹3,36,000	₹5,00,000	₹5,00,000	₹3,00,000
Counterfeits	62	109	18	74	41	14
Lost between 2% and 6½%	2,940	5,843	892	6,932	3,611	1,915
" " 6½% " 12½%	42	58	17	68	48	27
" " 12½% " 18½%	...	2	...	2	...	...
" " 18½% " 25%	..	...	...	...	...	...
TOTAL	2,944	6,012	927	7,076	3,700	1,956

The following statement compares for the last four years the total percentage of light-weights detected at the Mints in the remittances mentioned above:—

	Percentage detected at the Mints.			
	1908-09.	1909-10.	1910-11.	1911-12.
Calcutta	1.180	1.139	1.057	.288
Bombay . . . . .	.370	.482	.632	.922
Madras . . . . .	.557	.575	.845	.402
Cawnpore	1.688	1.518	2.058	1.400
Lahore . . . . .	.969	.512	2.063	.732
Rangoon . . . . .	.868	.886	.954	.847

Calcutta and Lahore have shown considerable improvement while there has been deterioration in Bombay. But Cawnpore currency office should take steps to improve the quality of the shroffing work, as the percentage of light-weight is still very high.

51. The tabular statement shows the number of counterfeit silver coins out False coinage.

PROVINCE.	R	½R	¼R	¼R
India	81,421	991	1,016	958
Central Provinces and Berar	2,229	51	41	21
Burma	8,189	204	561	265
Eastern Bengal and Assam	4,235	88	89	21
Bengal	9,943	560	877	181
United Provinces of Agra and Outh	19,566	513	2,072	2,091
Punjab and North-West Frontier Province	15,842	662	536	813
Madras	14,896	1,475	1,243	1,295
Bombay	14,621	603	689	932
TOTAL	121,092	5,047	6,321	6,072
YEAR.				
1901	48,198	2,154	2,345	1,928
1902	55,744	2,099	2,598	1,923
1903	52,726	2,221	2,148	1,812
1904	56,985	2,032	1,910	1,853
1905	65,713	2,220	2,283	1,747
1906	68,632	2,428	2,416	1,603
1907	73,686	2,436	2,231	1,593
1908	98,492	3,557	3,417	3,446
1909	108,789	4,313	4,094	3,557
1910	113,011	4,541	4,543	3,782
1911	121,092	5,047	6,321	6,072

Out of the total number of 121,092, 48,327 were detected in Railway cash offices, the most important figures being 10,316 from the North-Western Railway, 6,251 from the Rajputana-Malwa Railway and 6,099 from the East Indian Railway.

Small Coin.

52. Statement XXI shows the absorption of these coins in each province Small silver, nickel and bronze. during the year 1911-12 as well as in the two previous years. Double pice are being withdrawn from circulation and the value of these coins withdrawn during the year amounted to R1,96,000 against R1,57,000 in 1910-11. Excluding these coins, the value of the total absorption in 1911-12 was R66,90,000 as compared with R59,52,000 in 1910-11 and R41,01,000 in 1909-10. The absorption of quarter and eighth rupees did not materially differ from the figure for the preceding year. The demand for nickels, however, showed a substantial advance and the amount absorbed reached 24½ lakhs.

Under single pice the absorption exceeded the previous year's figure by just about 1½ lakhs and amounted to about 11½ lakhs. The reduced absorption of the small coin in Bombay has been attributed to the unfavourable agricultural conditions and the consequent reduction in the demand for small coin for trade purposes. The circulation of single pice in that province is reported to have been affected by the increased circulation of nickels. Similar replacement of bronze coins by nickels is reported to have taken place in the Punjab, but these coins are not so popular in Burma. In the United Provinces the nickel coin is very popular and the growing popularity of this coin accounts for the smaller demand for eighth rupees and single pice. In the Central Provinces also there has been a steady increase in the circulation of nickels and the circulation of eighth rupees is said to have been affected by these coins. In Madras the absorption of every kind of small coin was greater as a result of the good trade conditions of the year.

Miscellaneous.

53. The value of notes written off to Government under section 19 of Act II of 1910 amounted during the year 1911-12 to Rs43,700 as compared with Rs43,080 in 1910-11 and Rs44,250 in 1909-10.

54. The following table gives the value of the circulation of the circles, and the mean of their receipts and issues over the counter during the year, with the percentage of the former to the latter during the last three years:—

Name of Circle.	IN LAKHS OF RUPEES.		PERCENTAGE OF AMOUNT IN COLUMN 2 ON THAT IN COLUMN 3.		
	Average circulation on last day of month.	Mean value of receipts and issues.	1911-12.	1910-11.	1909-10.
Calcutta	28.36	78.61	80	84	81
Cawnpore	2.71	3.88	70	66	70
Lahore	3.71	8.13	46	45	46
Bombay	15.09	55.62	27	29	26
Karachi	1.44	2.67	54	67	65
Madras	6.94	24.06	29	28	28
Rangoon	4.10	28.45	14	12	13

55. Statement XXII gives the details of the receipts and expenditure of the Currency Department for the year under report. There has been an increase of Rs4,70,150 under receipts due chiefly to the accrual of interest on the two additional crores of rupees invested in consols in England on account of the Currency Department in the beginning of the year under review. The charges remain practically the same as in the previous year, increased expenditure under "Establishment" and "Cost of note forms" being more than counter-balanced by reduction under other heads.

56. Statement II gives the details of the Gold Standard Reserve on 31st March 1912. The total balance amounted to £19,756,097 of which Rs2,90,14,532 (£1,934,302) were held in India in rupees in the Silver Branch of the Reserve, £1,073,710 held by the Secretary of State in gold in the form of cash placed at short notice and the balance was spent in investment in sterling securities of the face value of £17,332,513.

I have the honour to be,

SIR,

Your most obedient Servant,

M. F. GAUNTLETT,

Comptroller General and Head Commissioner
of Paper Currency

Writing off of
old notes.

Proportion of
transactions to
circulation.

Receipts and
Expenditure of
the Currency
Department.

Gold Standard
Reserve.

STATEMENTS.

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STATEMENT I.

Statement showing the Treasury balances on the first day of each month during 1910-11 and 1911-12 and their distribution.

[In Thousands of Rupees.]													
	April.	May.	June.	July.	August.	September.	October.	November.	December.	January.	February.	March.	March closing balances
1911-1912.													
Reserve Treasuries	6,58,15	6,26,55	6,83,22	8,18,14	9,61,99	7,84,46	5,68,78	3,91,55	3,49,53	3,21,49	3,10,81	2,86,73	5,19,90
Presidency Banks (Head Offices).	1,65,79	1,84,81	1,58,44	1,69,76	1,63,42	1,65,12	1,62,22	1,66,47	1,74,27	1,58,49	1,64,66	1,44,81	2,00,85
District Treasuries	12,11,10	11,03,59	10,55,76	11,35,23	11,40,23	10,80,27	10,41,88	10,44,17	10,82,21	9,81,12	10,42,49	11,47,26	11,33,25
TOTAL	20,35,04	19,15,95	18,97,42	21,23,13	22,65,64	20,30,55	17,73,88	16,22,19	15,56,40	14,61,10	15,17,96	15,78,79	18,44,01
1910-11.													
Reserve Treasuries	5,32,38	4,21,66	5,86,35	8,40,25	9,48,60	8,50,66	7,18,57	4,68,13	3,88,51	3,81,60	3,38,58	4,51,65	6,83,15
Presidency Banks (Head Offices).	1,87,94	1,73,07	1,88,09	1,46,10	1,50,14	1,50,13	2,03,43	1,93,11	1,77,00	1,94,52	1,74,50	1,75,89	1,65,79
District Treasuries	11,23,99	9,83,00	9,79,99	10,28,55	10,14,08	9,62,65	9,48,98	9,56,42	8,99,74	8,41,73	9,66,91	10,89,19	12,11,10
TOTAL	18,44,31	15,77,73	17,54,43	20,14,90	21,12,82	19,63,43	18,65,98	16,12,66	14,65,25	15,17,85	14,99,99	17,16,73	20,35,04
Difference	+ 1,90,73	+ 3,38,22	+ 1,42,99	+ 1,08,23	+ 1,22,82	+ 67,12	- 96,45	+ 9,53	+ 91,15	+ 1,49,25	+ 17,97	- 1,37,94	- 1,91,03

STATEMENT II.

Details of the balance of the Gold Standard Reserve on the 31st March 1912.

	£
In England—	
Purchase value of Sterling Securities (as per details below)	16,748,085
Cash placed by the Secretary of State in Council at short notice	1,073,710
In India—	
Coined rupees (at R.15 = £1)	1,984,302
	<hr/>
TOTAL	19,756,097
	<hr/>

Details of investments :—

	Face value.
	£
British Government 2½ per cent. Consolidated Stock	4,865,770
Local Loans 3 per cent. Stock	200,000
Guaranteed 2½ per cent. Stock (Irish Land)	488,720
Transvaal Government 3 per cent. Guaranteed Stock	1,092,023
British Treasury Bills	4,500,000
Exchequer Bonds (3 per cent.)	4,735,600
Canada 3½ per cent. Bonds	539,000
Do. 4 per cent. Bonds	81,000
Corporation of London 3½ per cent. Debentures	100,000
Do. do. 3½ do. do.	45,000
New South Wales, 4 per cent. Bonds	4,000
Do. 3½ do. Inscribed Stock	113,000
New Zealand 3½ per cent. Debentures	45,000
Do. 3½ do. do.	146,400
Queensland 4 do. Bonds	17,000
Do. 4 do. Inscribed Stock	10,000
Southern Nigeria 4 per cent. Bonds	100,000
Union of South Africa Bills	500,000
	<hr/>
TOTAL	17,832,513
	<hr/>

STATEMENT III.

Distribution of Currency Reserve during the year 1911-12.

(In Lakhs of Rupees.)

MONTHS.	Gross circulation.	COIN AND BULLION RESERVE.						SECURITIES.
		Silver coin in India.	Gold coin and bullion in India.	Silver bullion under coinage.	Gold coin and bullion in England.	Gold coin and bullion in transit between India and England.	Silver bullion in transit between India and England.	
April 1911	54,69	28,88	9,66	8	7,57	...	...	14,00
May "	55,10	24,00	9,45	8	7,57	...	...	14,00
June "	58,22	27,27	9,80	8	7,57	...	...	14,00
July "	60,29	29,40	9,24	8	7,57	...	...	14,00
August "	59,69	28,78	9,26	8	7,57	...	...	14,00
September "	56,82	25,85	9,82	8	7,57	...	...	14,00
October "	56,61	24,01	10,95	8	7,57	...	...	14,00
November "	58,05	24,27	12,12	8	7,57	...	...	14,00
December "	56,18	21,96	12,57	8	7,57	...	...	14,00
January 1912	54,70	16,98	16,09	8	7,57	...	...	14,00
February "	57,19	14,89	20,17	8	8,55	...	...	14,00
March "	61,86	15,40	25,88	8	8,55	...	...	14,00*

Distribution of metallic reserve on the 31st March 1912 by Circles.

Circle.	Silver coin.	Gold coin and bullion.	Silver bullion under coinage.	Gold coin and bullion in England.	Silver bullion in transit between India and England.
At Calcutta	₹ a. 4,26,77,005 6	₹ 2,85,27,785	₹ 7,86,970	₹ 8,55,00,000	...
" Cawnpore	2,94,48,298 0	59,40,060	...	...	...
" Lahore	1,71,00,198 0	88,97,180	...	...	...
" Bombay	3,09,24,748 0	15,48,41,867	...	...	...
" Karachi	21,88,400 0	14,44,665	...	...	...
" Madras	1,09,40,680 0	1,77,45,735	...	...	...
" Rangoon	2,07,42,698 0	1,79,19,030	...	...	...
TOTAL	15,40,21,917 6	23,83,16,263	7,86,970	8,55,00,000	...

47,86,25,149 6 0

* Made up of:—

	Nominal Value.	Cost price.
	₹	₹ a. p.
In rupee securities—		
3½ per cent. loan of 1842-43	8,15,95,000	8,00,00,000 0 0
3 per cent. loan of 1896-97	2,04,86,500	1,99,99,945 10 0
	10,20,81,500	9,99,99,945 10 0
In sterling securities—	£ s. d.	£ s. d.
2½ per cent. Consols	3,128,438 1 6	2,666,666 13 4

Payments by Government on account of Transfers of Funds

PAID BY	1ST QUARTER									2ND QUARTER									3RD QUARTER		
	ON ACCOUNT OF									ON ACCOUNT OF									ON		
	India and Bengal.	Central Provins.	Burma.	Eastern Bengal and Assam.	United Provinces.	Punjab.	Madras.	Bombay.	Total.	India and Bengal.	Central Provins.	Burma.	Eastern Bengal and Assam.	United Provinces.	Punjab.	Madras.	Bombay.	Total.	India and Bengal.	Central Provins.	Burma.
India and Bengal	..	..	..	17,38	4,04	5,34	5,63	17,35	49,78	..	..	..	12,63	13,19	27,48	19,12	3,90,33	4,53,53	..	3,00	..
Central Provinces	5,00	..	..	..	..	..	..	68,00	68,00	1	..	..	..	..	..	..	9,75	..	11,00	..	..
Burma	4,00	..	..	..	..	..	..	6,00	10,00	..	..	..	..	..	..	..	3,25	3,25	1,63,00	..	..
Eastern Bengal and Assam.	25,03	..	..	..	..	..	..	..	25,03	3,08,74	..	..	..	..	..	..	..	3,08,74	60,48	..	..
United Provinces	27,19	..	..	28	..	3,25	..	58,35	1,48,97	67	..	..	39	..	39	..	..	1,35	5,78	..	..
Punjab	20,20	..	..	1	48	..	..	56,40	77,09	7,44	..	..	1	58	..	..	7,26	15,24	36	..	..
Madras	34,10	..	4,25	..	..	..	..	3,03,94	3,41,30	..	..	75	..	..	..	..	17,05	17,80	1,00	..	..
Bombay	24,58	..	..	..	44	30,48	..	..	55,49	7,10	..	..	1	66	45,61	9,00	..	9,28	25,75	..	..
Total	3,00,07	..	4,25	17,63	4,98	36,06	5,63	3,95,84	6,70,61	3,25,98	..	75	13,64	14,38	78,47	28,13	4,16,53	7,60,26	2,66,25	3,00	..

REPORT

ON THE

Operations of the Currency Department,

THE

Movement of Funds

AND ON THE

Resource Operations of the Government
of India

For the year 1912-13

BY

M. F. GAUNTLETT, I.C.S.

*Comptroller and Auditor General and Head Commissioner
of Paper Currency*



CALCUTTA
SUPERINTENDENT GOVERNMENT PRINTING, INDIA
1913

Price 4 Annas or 6 pence

24-11-13

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effected by the public between Provinces during the year 1911-12.

(In Thousands of Rupees.)

QUARTER ACCOUNT OF						6TH QUARTER OF ACCOUNT OF						TOTAL OF ACCOUNT OF											
Eastern Bengal and Assam.	United Provinces.	Punjab.	Madras.	Bombay.	TOTAL.	India and Ben- gal.	Central Provin- ces.	Burma.	Eastern Bengal and Assam.	United Provinces.	Punjab.	Madras.	Bombay.	TOTAL.	India and Ben- gal.	Central Provin- ces.	Burma.	Eastern Bengal and Assam.	United Provinces.	Punjab.	Madras.	Bombay.	
14,61	11,70	10,83	10,91	3,10,80	3,78,74				15,88	2,97	3,84	5,21	3,25,80	3,82,70		8,00		60,24	31,90	54,98	60,06	9,88,67	11,
...	...	...	...	11,05	23,05	83,50	...	...	...	...	...	...	88,70	7,20	49,51	...	...	...	...	...	...	1,12,50	1,
...	...	...	3,00	67,00	3,11,00	5,19,49	...	...	...	...	12,00	3,33,00	3,65,49	6,85,49	...	...	...	...	...	...	4,00	3,67,38	10,
...	...	...	...	...	80,46	74,11	...	...	...	...	...	...	...	74,11	3,88,85	...	...	...	...	...	...	...	3,
87	...	86	...	30,05	37,03	31,53	...	...	84	...	9	89	19,50	43,01	1,15,10	...	...	1,29	...	14,67	80	97,80	2,
15	47	...	...	19,05	30,93	31,01	...	...	28	3,07	...	...	1,17,80	1,50,00	59,01	...	...	80	3,55	...	...	2,00,91	2,
...	...	...	...	1,00,00	1,10,00	54,08	...	...	...	...	...	...	4,21,67	4,76,66	30,08	...	5,00	...	...	...	...	7,30,66	3,4,
1	15,47	33,43	1,05	...	60,31	31,33	...	...	...	23	13,13	3,00	...	46,03	98,63	...	...	3	15,10	1,16,69	13,65	...	3,
15,04	35,54	45,60	3,36	4,17,35	6,19,54	7,65,99	...	...	16,44	5,37	15,11	30,71	12,49,97	20,73,02	14,76,17	3,00	5,00	61,91	40,65	1,76,23	78,41	34,33,09	43,

STATEMENT V.

Movement of Funds within the Provinces during the year 1911-12.

(In Lakhs of Rupees)

	India and Bengal.	Central Provinces.	Burma.	Eastern Bengal and Assam.	United Provinces.	Punjab.	Madras.	Bombay.	TOTAL.
Supplies of funds to Presidency Banks in Districts . . .	2	...	38	...	...	...	2,75	1,05	4,20
Receipts of funds from Presidency Banks in Districts . . .	6	...	...	...	...	...	26	1,26	1,58
Sale of supply bills and transfers to the public . . .	1,09	...	3,98	10	47	77	2,46	1,74	10,61
Transfers to head-quarters by Bank post bills . . .	40	...	...	1	...	...	...	1,34	1,75
TOTAL . . .	1,57	...	4,36	11	47	77	5,47	5,39	18,14

STATEMENT VI.

(In thousands of £.)

Gross imports of sovereigns during 1909-10, 1910-11 and 1911-12.

	1909-10.		1910-11.		1911-12.	
	Tendered to Government.	Not so tendered.	Tendered to Government.	Not so tendered.	Tendered to Government.	Not so tendered.
April . . . . .	...	109	221	—40	995	16
May . . . . .	...	88	61	99	845	179
June . . . . .	...	142	...	85	210	—84
July . . . . .	...	219	1	68	351	100
August . . . . .	...	68	...	51	325	71
September . . . . .	...	178	7	27	390	57
October . . . . .	...	206	..	109	1,551	109
November	25	308	1,858	86	1,425	144
December	1,921	739	624	181	1,405	279
January	3,564	—320	2,304	119	3,059	—127
February	677	44	1,605	47	3,822	456
March	952	841	1,445	137	2,675	89
TOTAL	7,189	2,102	7,626	914	17,053	1,289
	9,241		8,540		18,342	

STATEMENT VII.

(In thousands of £.)

Absorption of gold coin during 1911-12.

	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.
Opening balance—					
Currency	6,186	6,202	6,210	8,382	6,186
Treasuries	298	354	321	328	298
TOTAL	6,484	6,556	6,531	8,710	6,484
Closing balance—					
Currency	6,202	6,210	8,382	15,554	15,554
Treasuries	354	321	328	274	274
TOTAL	6,556	6,531	8,710	15,828	15,828
Difference (+ net issues—net receipts)	—72	25	—2,179	—7,118	—9,344
<i>Add—imports</i>	2,050	1,066	4,011	9,926	17,053
<i>Deduct—exports</i>	22	82	2	3	109
Absorption after passing through Government Treasuries or Currency offices	1,956	1,009	1,830	2,805	7,600
<i>Add—Imports not tendered to Government but absorbed direct</i>	161	228	532	368	1,289
TOTAL ABSORPTION	2,117	1,237	2,362	3,173	8,889

STATEMENT VII—continued.

(In thousands of £.)

Absorption of gold coin through Government Treasuries or Currency Offices in 1910-11 and 1911-12 by Provinces and quarters.

Name of Province.	1911-12. —					1910-11.				
	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.
Bengal (including Calcutta) and India	186	186	138	179	689	265	229	68	197	764
Central Provinces	18	44	16	—24	54	28	85	16	—4	75
Burma	168	104	84	221	578	171	146	112	149	578
Eastern Bengal and Assam	7	13	8	13	38	13	8	5	9	35
United Provinces	244	232	298	309	1,083	247	271	250	170	938
Punjab and North-West Frontier Province	575	36	563	891	2,115	539	532	720	387	2,178
Madras	479	820	333	464	1,596	432	290	333	382	1,437
Bombay (including Sindh)	284	28	400	753	1,465	159	195	635	208	1,197
TOTAL	1,956	1,009	1,830	2,905	7,600	1,854	1,706	2,134	1,493	7,187

STATEMENT VII-A.

Receipts of sovereigns from the public at Treasuries, Post Offices and Railway Stations.

(In thousands of £)

	India and Bengal.	Central Provinces.	Burma.	Eastern Bengal and Assam.	United Provinces.	Punjab and N.-W. F. Province.	Madras.	Bombay.	(Treasuries) Total.	Post Offices.	Railways.
1906-07	287	101	153	20	624	304	533	816	2,838	553*	468*
1907-08	293	130	135	26	674	802	1,145	1,204	4,409	1,358	1,045
1908-09	168	39	31	12	502	529	771	696	2,748	1,001	710
1909-10	31	8	2	1	102	67	55	679	945	265	134
1910-11	171	63	33	6	437	646	636	1,130	3,177	638	597
1911-12	248	162	41	10	946	1,472	902	1,345	5,626	1,363	1,222

* For the second half year only.

STATEMENT VIII.

Absorption of rupees and half-rupees during 1910-11 and 1911-12.

(In Lakhs of Rupees.)

	1911-12.					1910-11.				
	April to June.	July to Sept.	Oct. to Dec.	January to March.	Total April to March.	April to June.	July to Sept.	Oct. to Dec.	January to March.	Total April to March.
Opening Balance—										
Currency	26,06	27,27	25,26	21,95	26,06	29,28	29,07	23,28	27,62	29,28
Treasury	6,23	6,16	5,29	4,30	6,23	5,87	5,78	4,87	3,90	5,87
Gold Standard Reserve	2,90	2,90	2,90	2,90	2,90	2,80	2,80	2,80	2,80	2,80
TOTAL	35,19	36,33	33,45	29,15	35,19	38,95	41,60	30,95	34,32	38,95
Closing Balance—										
Currency	27,27	25,26	21,96	15,40	15,40	22,07	22,28	27,62	26,06	26,06
Treasury	6,16	5,29	4,80	5,28	5,28	5,73	4,87	3,90	6,23	6,23
Gold Standard Reserve.	2,90	2,90	2,90	2,90	2,90	2,80	2,80	2,80	2,90	2,90
TOTAL	36,33	33,45	29,16	23,58	23,58	30,60	29,95	34,32	35,19	35,19
Net Difference + or -	-1,14	+2,78	+4,39	+5,58	+11,61	-2,65	-90	+7,18	+18	+3,76
Add—New coins issued	+35	+2	+95	+1,26	+2,58	+35	+62	+44	+34	+1,75
Deduct—Remittances to Mints for recoinage	-51	-60	-35	-1,19	-2,65	-57	-72	-40	-48	-3,17
Net Absorption (+) or return from circulation (-)	-1,30	+2,20	+4,99	+5,65	+11,54	-2,87	-1,00	+7,32	-1	+3,34
Net receipts into (+) or payments from (-) treasuries	+68	-8,51	-3,11	+3,88	-1,91	+1,71	-1,49	-5,48	+7,18	+1,92
Net Currency Note circulation increase (+) decrease (-)	+2,09	+28	+2,19	+2,35	+7,56	+10	+55	-2,18	+70	-23

Distribution of absorption by quarters and Provinces.

(In Lakhs of Rupees.)

CIRCLES OR PROVINCES.	1911-12.					1910-11.				
	April to June.	July to Sept.	Oct. to Dec.	January to March.	TOTAL.	April to June.	July to Sept.	Oct. to Dec.	January to March.	TOTAL.
Bengal and India	-2,56	+5,61	+1,96	-1,15	+3,86	-1,73	+2,61	+1,14	-1,59	+43
United Provinces	-24	-53	-31	+72	-36	-68	-71	+5	-23	-1,51
Punjab and N.-W. Frontier	+41	-1,42	+26	+8	-67	+43	-1,20	+87	-82	-82
Bombay	+61	-1,60	+2,64	+1,95	+3,60	-67	-1,74	+3,91	+3,05	+4,55
Madras	+1,63	-55	-13	-28	+67	+69	-41	-6	-1,25	-1,11
Burma	-77	-88	+26	+4,31	+3,92	-55	-84	+53	+2,72	+1,86
Eastern Bengal and Assam	-23	+1,63	-10	+58	+1,78	-48	+1,47	+17	-1,49	-28
Central Provinces and Berar	+14	-5	+41	-41	+9	+8	-8	+59	-21	+28
TOTAL	-1,30	+2,20	+4,99	+5,65	+11,54	-2,87	-1,00	+7,32	-1	+3,34

STATEMENT IX.

Statement of whole Rupees coined and issued from the Indian Mints from 1835.

Calendar years.	Coined in Calcutta.	Coined in Madras.	Coined in Bombay.	Total Coined.
	₹	₹	₹	₹
William IV, 1835	10,90,88,070	11,78,000	5,37,12,502	16,89,78,572
Victoria, 1840, 1st issue	17,99,34,670	2,18,98,181	10,98,88,078	31,16,70,924
" 1840, 2nd	89,85,53,660	5,50,49,201	31,29,58,076	76,65,60,937
" 1842	26,94,27,222	2,94,81,923	40,80,03,034	70,69,12,179
" 1874	1,50,13,834	...	2,85,08,566	4,35,22,400
" 1875	1,16,31,951	...	1,94,59,597	3,09,91,548
" 1876	1,20,01,264	...	2,89,49,037	4,09,50,301
" 1877	3,92,51,692	...	9,55,54,320	13,48,06,012
" 1878	3,28,57,837	...	6,39,27,196	9,65,85,033
" 1879	1,69,23,325	...	7,27,99,904	8,97,23,229
" 1880	1,83,99,894	...	5,37,85,624	7,21,85,518
" 1881	24,85,719	...	81,61,858	55,97,577
" 1882	1,50,90,289	...	5,63,97,273	7,14,87,567
" 1883	51,23,372	...	1,80,22,789	2,31,46,161
" 1884	1,16,41,757	...	3,63,46,570	4,84,88,327
" 1885	3,41,52,203	...	6,46,78,000	9,90,30,203
" 1886	1,08,78,075	...	4,11,46,457	5,20,24,532
" 1887	4,02,00,148	...	4,84,00,000	8,86,00,148
" 1888	75,68,000	...	6,32,00,000	7,07,68,000
" 1889	98,68,310	...	6,53,00,000	7,46,68,310
" 1890	2,47,41,865	...	9,29,00,000	11,76,41,865
" 1891	1,46,69,903	...	4,95,00,000	6,41,69,903
" 1892	3,24,55,120	...	7,22,00,000	10,46,55,120
" 1893	91,40,310	...	6,95,90,000	(a) 7,87,30,310
" 1897	4,70,184	...	10,54,593	(b) 15,24,777
" 1898	12,50,976	...	62,68,437	(b) 75,19,413
" 1900	5,29,02,591	...	6,52,36,908	(d) 11,81,39,499
" 1901	3,37,22,243	...	7,54,13,718	(e) 10,91,35,961
" 1901 coined in 1902	3,32,94,644	...	5,43,44,740	(f) 9,31,39,384
Edward VII, 1903 ditto	25,000	...	...	25,000
" " 1903	4,93,73,855	...	5,29,69,151	(g) 10,23,47,506
" " 1904	5,33,38,617	...	10,19,40,291	(h) 16,02,78,908
" " 1905	5,12,57,888	...	7,62,02,223	(i) 12,74,60,106
" " 1906	10,47,97,164	...	15,89,53,269	(j) 26,37,50,433
" " 1907	8,18,38,000	...	17,09,11,816	(k) 25,22,49,816
" " 1908	2,02,17,728	...	1,07,14,770	3,09,32,498
" " 1909	1,27,58,580	...	95,38,746	(l) 2,22,97,326
" " 1910	85,00,000	...	91,88,873	1,76,88,873
" " 1910 coined in 1911.	41,27,013	...	16,96,273	58,23,286
George V 1911	42,99,924	...	51,43,125	94,43,049
" " 1912	60,00,000	...	58,95,691	(c) 1,18,95,691
TOTAL	1,84,70,32,392	10,76,07,305	2,73,49,11,305	4,68,95,51,002

(a) Includes ₹6,90,000 coined for the Bikaner State.

(b) On account of Kashmir and Bhopal re-coining.

(c) Up to 31st March 1912.

(d) Includes ₹2,09,02,414 coined for Native States.

(e) " ₹1,90,43,904 coined for Native States.

(f) " ₹2,98,86,014 coined for Native States.

(g) " ₹11,66,451 coined for Native States.

(h) " ₹5,94,221 coined for Native States.

(i) " ₹3,28,000 coined for Native States.

(j) " ₹3,40,310 coined for Native States and ₹167 lakhs (Calcutta 32 lakhs and Bombay

135 lakhs) coined from Gold Standard Reserve Silver.

(k) " ₹94,766 coined for Native States and ₹433 lakhs (Calcutta 168 lakhs and Bombay

₹266 lakhs) coined from Gold Standard Reserve Silver.

(l) " ₹1,01,469 coined for Native States.

STATEMENT XII.

Statement of Active Note Circulation during 1911-12 and the two previous years.

[In lakhs of rupees.]

LAST DAY OF MONTH.	Gross circulation on last day of month.			Amounts held in Reserve Treasuries.			Amounts held in other Treasuries.			Total held in Treasuries.			Balance, being notes in circulation with the public			Notes held by Presidency Banks at Head Offices.			Active circulation among the people.		
	1909-10	1910-11	1911-12	1909-10	1910-11	1911-12	1909-10	1910-11	1911-12	1909-10	1910-11	1911-12	1909-10	1910-11	1911-12	1909-10	1910-11	1911-12	1909-10	1910-11	1911-12
	April	48,65	52,84	54,69	1,02	4,22	6,26	1,95	2,12	2,27	2,97	6,34	8,68	40,68	46,50	46,06	5,88	6,74	5,74	35,85	39,76	40,33
May	46,77	54,80	55,10	3,47	5,98	6,88	1,65	1,85	2,08	5,12	7,71	8,91	41,65	46,59	46,19	7,21	7,51	6,74	34,44	39,08	39,45
June	46,29	56,95	58,22	8,20	8,40	8,18	1,88	1,94	2,27	5,68	10,34	10,45	48,61	46,61	47,77	9,42	10,05	9,33	34,19	36,58	38,44
July	51,53	59,16	60,29	2,20	9,48	9,62	1,99	2,00	2,40	4,19	11,48	12,02	47,24	47,68	48,27	15,08	11,12	9,12	34,31	36,56	38,15
August	51,74	59,06	59,69	2,75	8,50	7,84	1,57	1,88	2,20	4,82	10,88	10,04	47,42	47,68	49,65	11,93	10,82	8,66	35,49	38,88	40,99
September	50,82	58,10	55,32	2,29	7,18	5,88	1,64	1,79	1,94	4,03	8,24	7,82	46,79	47,18	48,70	9,74	9,11	7,84	37,05	38,05	41,06
October	50,50	53,35	56,61	1,48	4,68	3,91	1,35	2,20	2,23	2,88	6,58	6,14	47,67	46,52	50,47	10,22	7,91	8,28	37,45	38,61	42,24
November	46,58	52,70	53,05	1,35	3,88	3,49	1,47	1,22	2,30	3,02	5,20	5,79	45,51	46,20	52,26	6,51	7,15	9,18	37,00	39,15	43,08
December	48,25	49,67	56,18	1,71	2,91	3,36	1,70	1,78	1,98	3,41	4,09	5,29	44,84	44,98	50,89	6,49	5,49	6,27	38,35	39,49	44,82
January	51,24	51,12	54,70	2,68	3,38	3,11	1,08	2,29	2,61	3,71	5,67	5,72	48,13	45,45	48,06	6,66	5,78	4,84	41,47	39,67	44,14
February	50,67	53,52	57,19	3,29	4,51	2,86	1,21	2,42	2,96	4,50	6,96	5,62	46,07	46,59	51,27	4,62	5,64	6,79	41,45	40,95	44,58
March	54,41	54,99	61,86	5,21	6,58	5,19	2,59	2,72	2,93	7,90	9,21	8,12	46,51	45,68	52,24	6,53	5,51	5,68	39,98	40,17	44,61
Average	49,68	54,85	57,27	2,64	5,20	5,53	1,67	2,07	2,25	4,21	7,27	7,28	45,55	46,46	49,49	8,14	7,75	7,00	37,21	38,75	41,89

STATEMENT XIII.

STATE

Value of Currency Notes in circulation

	1863-64	1864-65	1865-66	1866-67	1867-68	1868-69	1869-70	1870-71	1871-72	1872-73	1873-74	1874-75	1875-76	1876-77	1877-78	1878-79	1879-80	1880-81	1881-82	1882-83	1883-84	1884-85	Total
April	5.13	5.0	7.48	7.02	7.84	8.92	9.80	9.65	10.13	13.34	11.01	9.27	10.75	10.75	11.13	13.30	11.27	12.89	12.86	14.20	13.35	12.34	12.34
May	5.01	6.04	7.46	7.87	8.19	10.04	10.98	8.68	10.49	13.49	11.21	9.66	11.06	10.70	11.55	13.09	11.17	13.10	13.01	14.07	13.09	13.24	13.5
June	5.09	5.99	8.34	8.50	8.53	10.04	10.80	8.70	10.83	13.51	11.83	10.15	11.29	11.59	12.67	13.87	11.82	13.64	13.72	14.91	13.01	13.83	13.5
July	5.11	6.51	8.58	8.67	8.72	10.06	10.53	9.12	10.72	13.47	11.95	10.73	11.18	11.54	12.85	14.07	12.24	13.91	14.04	15.29	13.54	14.56	14.7
August	5.10	6.3	8.69	8.48	9.39	10.13	10.21	9.45	11.29	13.22	12.05	10.87	11.19	11.91	12.15	14.27	12.74	13.75	14.22	15.29	13.79	14.97	14.7
September	5.28	6.4	8.87	9.28	9.53	10.41	10.18	10.07	11.32	13.35	12.09	10.60	11.77	11.75	12.39	14.06	13.33	13.47	13.35	15.28	14.40	15.01	15.3
October	5.68	7.0	7.84	10.16	9.96	10.61	10.76	10.19	11.31	13.00	12.06	10.68	12.04	11.45	13.19	13.70	13.58	13.55	13.39	15.82	14.49	15.61	15.71
November	5.16	7.1	7.89	10.10	10.21	10.41	11.33	10.27	11.09	13.30	11.73	11.02	11.69	11.93	14.74	13.46	13.75	14.50	13.07	16.25	14.47	13.76	13.76
December	5.11	7.4	7.40	9.93	10.32	10.30	11.31	10.35	10.87	12.88	10.91	11.06	11.22	11.97	15.05	12.69	13.80	14.38	13.15	16.16	13.39	15.08	15.26
January	5.15	7.3	6.91	8.68	10.11	10.20	11.42	10.76	13.08	12.16	9.98	11.10	11.77	12.44	15.64	12.15	14.59	14.12	13.39	15.37	12.11	14.97	14.97
February	5.08	7.4	6.87	8.87	9.56	10.68	10.88	10.07	12.69	11.52	9.69	11.13	11.28	13.07	14.07	12.20	13.28	13.25	13.74	14.42	13.26	14.53	14.53
March	5.35	7.4	6.80	8.09	9.07	9.96	10.47	10.44	13.17	11.14	9.25	11.24	11.60	11.62	13.37	11.42	12.36	13.40	13.91	14.51	12.76	14.58	14.58
Average	5.19	6.77	7.76	8.81	9.29	10.15	10.67	9.81	11.42	12.86	11.15	10.67	11.35	11.64	13.25	13.19	12.80	13.66	13.50	15.18	13.39	14.54	14.54
Reserve treasury balances held in Notes Average	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	71	1.44	2.35	1.36	1.49	1.49
Metallic Reserve Average Gold	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
„ Silver	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	7.72	7.49	9.18	7.40	8.45	8.72
Currency investment on 31st March	2.49	3.5	3.96	3.25	3.25	3.91	3.60	3.23	5.01	5.69	5.60	5.39	5.69	6.00	5.69	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Profits of Paper Currency Depart- ment	13	8	7	10	7	14	13	11	21	19	20	20	21	20	19	25	23	22	21	21	21	21	21

MENT XIII.

on the last day of each month.

(In lakhs of Rupees.)

1880-81.	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.	1899-00.	1900-01.	1901-02.	1902-03.	1903-04.	1904-05.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.		
12.78	14.02	16.54	18.63	17.42	25.71	23.96	24.22	30.64	30.76	25.92	22.01	24.28	28.02	27.90	25.59	31.25	33.94	36.11	39.78	41.78	46.22	46.26	43.65	52.84	54.00								
14.12	15.50	17.03	15.77	17.65	20.18	25.28	24.99	31.13	30.17	26.89	22.86	23.25	28.25	28.65	29.08	31.56	35.13	37.26	40.19	43.99	46.07	44.81	46.77	54.30	55.10								
13.78	14.08	17.60	16.24	17.94	26.31	26.77	26.49	31.40	30.86	27.78	23.89	24.92	29.14	30.41	31.82	33.59	36.57	40.65	41.96	46.66	48.05	45.15	49.29	56.95	58.22								
14.26	15.48	18.05	16.49	19.18	27.04	23.46	27.05	31.20	32.43	29.59	24.76	26.24	29.27	30.78	31.69	35.20	37.57	42.52	41.58	47.80	50.32	48.10	51.53	59.16	60.29								
14.44	15.66	17.60	16.15	20.50	26.93	29.07	28.30	31.57	31.54	28.23	24.60	26.32	28.76	28.44	30.89	35.53	37.70	41.35	43.79	47.0	51.77	44.61	51.74	58.06	59.69								
14.30	16.78	16.94	16.14	22.97	26.24	28.97	28.98	31.23	30.37	26.89	24.74	25.64	27.63	28.31	30.55	34.65	36.61	39.96	42.73	44.0	52.74	43.34	50.82	56.10	56.32								
14.53	17.78	16.74	16.63	25.66	25.99	28.94	28.50	31.81	29.98	25.08	24.59	25.84	27.07	28.30	31.86	34.36	37.00	39.45	41.83	43.2	51.65	44.25	50.50	53.35	56.61								
14.69	18.02	18.02	17.37	26.54	25.83	28.83	29.62	32.35	28.39	24.53	24.66	25.79	27.33	28.35	30.60	34.26	36.98	39.80	39.63	41.9	47.43	43.55	46.53	52.10	58.05								
14.41	17.69	15.15	15.47	27.04	24.85	26.05	30.13	31.45	27.82	25.26	23.79	25.20	26.26	28.06	28.07	33.74	34.43	38.79	39.77	43.1	43.27	42.07	48.25	49.97	56.18								
14.10	17.08	15.28	16.29	27.66	23.69	26.61	30.52	29.50	27.12	24.27	24.32	25.67	27.18	29.37	27.93	32.13	35.47	37.62	40.49	44.5	41.82	42.21	51.84	51.12	54.70								
14.07	16.45	14.83	16.37	26.42	22.90	25.86	30.20	30.35	25.99	23.58	24.53	26.24	27.27	28.10	27.68	32.55	37.29	37.73	43.63	43.0	42.66	48.86	50.57	53.52	57.19								
13.88	16.42	15.74	15.77	25.69	24.03	26.40	30.41	30.70	25.94	23.75	24.76	28.20	28.74	29.37	31.66	35.72	38.21	39.18	44.66	46.5	43.89	45.49	54.41	54.99	61.33								
14.20	16.16	16.43	16.73	24.89	25.44	27.10	28.29	31.11	29.28	25.98	24.24	25.63	27.96	28.88	30.03	33.74	36.41	39.20	41.52	45.1	47.32	44.52	49.66	54.35	57.37								
36	62	1.15	1.01	1.74	2.14	2.27	6.98	7.16	3.42	1.85	1.49	2.11	2.47	2.34	4.16	4.13	3.65	3.87	3.57	3.6	4.2	3.76	2.64	5.80	5.58								
...
2.21	10.19	10.48	10.17	16.64	18.33	19.10	20.29	23.11	21.28	17.31	14.22	14.93	11.42	6.68	12.42	13.50	11.30	12.53	13.87	20.5	21.9	28.43	32.91	30.01	23.01								
5.99	5.99	5.98	6.00	7.00	8.00	8.00	8.00	8.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	12.00	12.00	13.00	13.00	12.00	12.00	14.00								
21	21	21	21	21	24	29	27	28	29	22	24	23	29	29	24	27	27	25	27	24	15	26	27	16	22								

STATEMENT XIV

Statement of the value of Government Currency Notes in circulation throughout India during 1911-12 and previous years.

	CALCUTTA.	CANNORE.	LACORE.	BOMBAY.	KARACHI.	MADRAS.	CALICUT.	BANGGORE.	TOTAL.
	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.
Average of 1862-66 to 1866-67	2,69,88,972	20,98,127(a)	20,77,521(a)	3,04,59,274	9,61,248(b)	60,14,446	3,45,821(c)		6,64,98,118
" 1867-68 to 1871-72	3,77,08,268	35,08,005	30,29,804	4,78,69,682	21,04,702	81,01,817	8,40,554		10,26,57,827
" 1872-73 to 1876-77	4,85,28,278	66,14,652	55,48,411	3,86,91,351	19,17,089	1,18,90,593	21,58,562		11,53,47,901
" 1877-78 to 1881-82	6,36,26,928	58,89,749	68,53,468	3,75,94,227	22,35,309	1,48,99,405	17,54,195		13,28,13,237
" 1882-83 to 1886-87	6,32,94,788	78,46,597	78,90,464	4,44,29,612	37,85,266	1,41,78,405	12,42,870	23,45,849(c)	14,40,89,326
" 1887-88 to 1891-92	7,55,28,706	98,92,570	1,03,55,142	6,61,18,610	49,21,066	2,17,27,645	15,86,244	48,96,524	19,41,41,887
" 1892-93 to 1896-97	11,66,66,705	1,24,89,476	1,68,88,145	9,14,88,035	74,74,756	3,11,76,919	15,70,974	63,73,527	26,38,28,538
" 1897-98 to 1901-02	11,66,12,060	1,35,90,579	2,02,93,085	7,52,18,545	72,85,468	3,04,66,242	15,94,750	85,13,134	27,24,98,893
" 1902-03 to 1906-07	16,37,64,515	2,04,82,663	2,98,98,878	10,84,39,796	1,08,28,794	4,23,65,890	15,28,615	1,65,07,822	30,20,11,782
" 1907-08	20,48,62,234	2,88,18,520	2,87,27,955	12,15,72,298	1,10,05,953	5,38,56,829	18,72,110	2,80,21,317	47,92,31,711
" 1908-09	17,51,67,105	2,71,64,965	2,16,37,388	10,30,84,961	1,28,29,178	5,54,51,187	20,51,508	3,22,72,488	44,51,56,573
" 1909-10	20,23,68,056	2,44,71,906	3,48,92,635	13,83,64,552	1,69,08,518	5,49,50,126(A)		2,97,35,585	49,65,91,425
" 1910-11	22,54,02,897	2,64,23,615	3,52,50,254	14,70,78,981	1,42,31,188	6,82,54,283		3,18,06,065	54,34,63,306
" 1911-12	23,36,80,812	2,71,18,916	3,70,94,680	15,08,62,792	1,44,33,777	6,94,44,448		4,10,82,541	57,36,49,326
Increase (+) or decrease (-) in 1911-12 as compared with 1910-11	+82,27,415	+6,90,301	+18,34,878	+28,08,721	+2,07,589	+61,90,165		+92,23,456	+3,01,57,023
Percentage on average circulation 1910-11	+3.650	+2.611	+5.202	+3.586	+1.458	+9.788		+29.080	

(A) Includes Calicut Circle the average of which for 10 months was 25,65,246.
 (a) Average for 8 years.
 (b) " " 2 " "
 (c) " " 4 " "

STATEMENT XV.

Currency Notes in circulation in India. (In Thousands of Rupees.)

LAST DAY OF	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Calcutta.	Bangalore.	TOTAL.
1906.									
January	16,76,87	2,12,99	2,91,19	11,07,56	1,15,87	4,61,50	11,55	1,72,40	40,49,43
February	18,28,98	2,15,53	2,99,68	10,72,86	1,16,99	5,08,35	10,91	2,15,97	42,63,27
March	20,11,49	2,08,93	3,20,98	10,77,07	1,81,69	5,19,73	11,64	1,84,19	44,65,66
April	18,79,80	1,97,01	3,45,54	11,25,55	1,81,29	4,97,84	11,63	1,87,79	43,75,88
May	17,97,49	1,98,20	3,05,70	11,68,36	1,82,15	4,88,88	10,98	1,87,68	42,89,24
June	19,71,73	2,07,36	3,03,11	12,67,47	1,13,74	4,72,19	14,54	2,05,62	45,55,76
July	19,83,52	2,18,07	2,99,81	12,97,29	1,03,05	4,77,92	21,71	2,29,83	47,80,20
August	16,32,38	2,34,38	3,38,83	15,20,12	1,04,98	4,79,18	26,13	2,33,66	45,89,59
September	18,75,18	1,89,05	3,12,17	12,24,19	1,18,73	4,54,18	33,82	2,31,23	44,40,45
October	19,09,22	1,92,15	3,08,93	12,80,37	1,21,12	4,62,77	35,30	2,32,55	45,22,44
November	19,29,01	1,70,50	2,90,43	11,56,00	1,18,43	5,10,99	38,09	2,06,49	44,12,85
December	21,34,49	1,72,07	2,90,43	11,64,23	1,04,18	4,96,99	30,48	1,68,27	45,61,13
1907.									
January	20,71,30	1,73,73	3,02,79	10,37,81	96,94	5,30,89	19,26	2,82,71	44,65,23
February	20,69,46	1,81,36	3,02,54	10,53,93	1,00,58	5,44,52	12,13	2,90,08	45,49,54
March	21,83,82	1,63,94	3,13,75	10,84,27	1,04,09	5,56,89	12,09	2,71,84	46,95,19
April	21,04,70	1,58,41	3,08,66	11,25,83	98,46	5,39,95	11,64	2,74,39	46,21,68
May	21,85,93	1,60,57	2,78,79	11,04,34	98,08	4,93,73	15,23	2,69,49	46,06,61
June	21,53,80	1,65,04	2,81,87	13,12,31	1,02,06	5,03,74	14,80	2,71,64	48,05,26
July	21,55,96	2,00,47	3,07,47	14,38,08	93,13	5,21,85	18,43	2,91,80	50,32,19
August	21,84,26	2,37,93	2,93,43	14,74,49	94,50	5,48,33	21,79	3,22,21	51,76,83
September	20,90,51	2,82,78	2,73,77	16,44,60	95,11	5,32,13	28,52	3,31,87	52,74,34
October	21,37,75	2,59,62	2,70,81	14,47,26	95,34	5,34,71	25,50	3,06,23	50,65,22
November	20,83,19	2,75,66	2,76,49	12,40,15	1,03,63	4,98,62	22,63	2,43,66	47,42,93
December	18,35,08	2,81,54	2,63,51	10,21,37	1,15,50	5,17,15	21,92	2,20,41	43,26,98
1908.									
January	17,52,02	2,44,11	2,76,10	9,41,81	1,20,60	5,52,95	20,21	2,73,85	41,81,85
February	17,40,09	2,66,56	2,93,76	9,01,33	1,39,08	5,97,71	18,03	3,09,09	42,65,62
March	21,10,16	2,64,93	3,32,70	9,36,11	1,60,28	6,22,34	12,89	2,59,07	46,88,50
April	19,20,59	2,57,67	3,58,71	10,39,39	1,41,56	6,38,33	13,78	2,66,24	46,26,32
May	17,09,70	2,93,58	3,27,55	10,86,06	1,51,50	6,21,30	13,66	2,77,77	44,81,12
June	17,43,51	2,97,82	3,47,08	10,19,76	1,39,34	6,46,07	15,96	3,15,80	45,15,09
July	19,54,88	3,48,23	3,92,96	10,52,29	1,45,26	5,61,30	18,52	3,32,93	48,09,67
August	17,42,98	3,58,98	3,33,30	9,80,00	1,62,57	5,10,74	28,27	3,43,79	44,60,63
September	16,39,65	2,78,88	2,80,64	10,77,75	1,86,90	5,15,51	30,16	3,74,62	43,34,11
October	15,66,74	2,72,73	2,92,04	10,94,18	2,10,13	5,52,37	28,05	3,59,26	44,25,49
November	16,11,74	2,57,35	2,79,30	10,26,85	2,13,98	5,49,24	29,64	3,55,79	43,54,53
December	16,31,43	2,25,02	2,81,54	9,89,47	2,36,75	5,87,20	21,05	3,12,55	42,07,01

STATEMENT XV—contd.

Currency Notes in circulation in India. (In Thousands of Rupees)—contd.

LAST DAY OF	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Calicut.	Rangoon.
1909.								
January	16,96,55	2,17,44	2,38,69	9,85,19	2,11,82	5,30,86	20,09	2,69,94
February	17,73,18	2,28,48	3,08,27	10,26,23	2,10,16	5,18,15	13,67	3,08,37
March	20,06,60	2,33,63	3,06,44	10,03,01	2,27,53	4,72,42	12,33	2,95,81
April	17,67,68	2,33,35	3,29,27	10,06,38	2,17,21	5,24,73*	...	2,81,42
May	21,33,40	2,06,43	3,02,56	10,62,81	1,94,67	5,26,69*	...	2,50,66
June	22,48,02	2,29,56	3,30,65	11,34,44	1,64,61	5,53,99*	...	2,58,21
July	22,14,63	2,36,68	3,39,71	13,72,61	1,49,09	5,66,99*	...	2,72,81
August	21,32,36	2,62,62	3,47,35	14,58,79	1,63,36	5,34,78*	...	2,84,28
September	16,38,44	2,86,94	2,51,54	15,41,38	1,93,67	5,17,52*	...	3,02,51
October	18,57,33	2,70,93	3,48,87	15,28,36	2,00,61	5,35,08*	...	3,08,67
November	18,56,41	2,42,99	3,37,87	11,99,56	1,77,51	5,38,08*	...	3,00,71
December	19,52,55	2,41,40	3,69,06	13,23,32	1,51,14	5,47,59*	...	2,49,09
1910.								
January	18,95,43	2,46,79	3,73,18	16,66,96	1,39,45	5,64,54*	...	2,98,12
February	20,04,56	2,47,29	3,83,24	13,07,56	1,43,80	5,68,42*	...	4,02,16
March	23,11,40	2,24,75	3,94,79	14,01,38	1,54,20	6,05,69	...	3,58,63
April	22,00,48	2,39,18	3,90,13	13,69,43	1,43,98	6,34,04	...	3,17,20
May	24,55,12	2,26,84	3,76,94	13,56,20	1,37,61	5,88,75	...	2,88,34
June	24,82,75	2,47,67	3,67,23	15,44,12	1,19,00	6,62,75	...	2,71,70
July	26,18,99	2,79,02	3,49,80	16,01,68	1,30,36	6,61,19	...	2,85,53
August	24,84,07	2,76,09	3,62,76	16,54,00	1,19,45	6,31,32	...	2,78,03
September	22,04,76	2,71,47	3,65,68	17,16,37	1,36,72	6,24,49	...	2,90,12
October	20,17,18	3,06,75	3,45,61	16,06,99	1,43,74	6,17,09	...	2,97,77
November	21,35,06	2,79,19	3,37,29	15,07,47	1,47,08	6,48,96	...	2,54,74
December	19,36,39	2,75,13	3,33,12	13,61,18	1,60,96	5,98,60	...	3,11,14
1911.								
January	19,63,80	2,63,33	3,29,91	13,59,83	1,62,08	6,50,06	...	3,82,90
February	21,85,69	2,65,37	3,37,41	12,77,82	1,53,25	7,06,09	...	4,35,90
March	23,63,58	2,51,60	3,55,35	12,94,51	1,63,56	6,67,18	...	4,03,28
April	23,00,60	2,30,41	3,75,13	13,50,90	1,69,83	6,71,02	...	3,70,64
May	24,10,26	2,31,38	3,46,05	13,79,73	1,69,32	6,25,08	...	3,57,81
June	24,61,47	2,43,69	2,76,05	15,72,97	1,38,37	6,94,59	...	3,31,51
July	25,16,59	2,69,42	3,95,79	16,83,32	1,30,67	6,84,64	...	3,48,98
August	22,89,56	2,77,76	3,99,64	18,13,16	1,43,56	6,80,44	...	3,65,10
September	20,93,73	3,09,80	3,71,30	16,75,29	1,55,59	6,74,33	...	3,52,87
October	20,77,30	3,21,38	3,72,88	16,72,88	1,55,85	7,11,97	...	3,48,39
November	23,82,28	3,00,63	4,00,94	15,65,48	1,56,07	6,77,73	...	3,26,45
December	22,99,68	2,87,02	3,82,65	13,59,24	1,46,39	6,81,41	...	4,61,27
1912.								
January	22,07,74	2,77,97	3,40,06	12,47,00	1,36,98	6,94,03	...	5,76,19
February	23,40,17	2,62,77	3,47,01	13,27,63	1,22,31	7,45,18	...	5,73,10
March	26,56,27	2,43,25	3,43,80	14,58,38	1,27,70	7,97,74	...	5,09,11

* Includes notes of Calicut which was a separate circle up to 18th February 1910

STATEMENT XVI.

Gross circulation of each denomination of note on the 31st March 1912.

	NUMBER OF NOTES FOR RUPEES								TOTAL	
	5	10	20	50	100	500	1,000	10,000	Pieces.	Value.
Calcutta	291,768	9,253,864	14,655	68,888	519,549	25,900	39,807	6,972	10,219,153	26,56,27,890
Cawnpore	95,458	187,508	4,658	21,584	65,886	5,847	5,098	620	395,044	2,43,24,830
Lahore	358,954	878,811	11,004	67,280	109,895	7,501	3,556	503	1,131,953	8,43,50,460
Bombay	1,197,692	3,011,912	25,185	154,701	230,310	11,120	38,401	4,581	3,668,772	14,58,38,380
Karachi	21,942	196,375	2,811	12,628	12,646	1,288	2,408	451	350,714	1,37,69,930
Madras	566,437	694,248	6,053	46,983	478,287	3,859	2,753	1,541	1,739,813	7,97,78,575
Rangoon	67,626	2,133,022	1,867	3,846	246,286	112	1,238	282	2,439,969	5,09,10,590
TOTAL	2,599,877	16,060,740	65,633	379,255	1,652,209	56,102	92,971	14,320	19,951,107	61,36,25,036
Percentage of Increase	+ 7.2	+ 20.4	- 88.5	- 27.9	+ 17.4	- 3	+ 8.7	+ 10.3	...	...
Total for 31st March 1911	2,425,778	12,828,018	106,791	526,488	1,406,618	56,305	85,464	12,976	17,148,368	54,99,05,815
Percentage of Increase	+ 6.3	+ 8.0	- 74.6	+ 52.7	- 2.0	- 9.2	- 3.2	+ 1.2	...	...
Total for 31st March 1910	2,269,962	11,568,048	420,846	342,514	1,436,406	62,021	88,350	12,821	16,230,990	54,40,84,250

STATEMENT XVII.

Net circulation.

(i. e., Gross circulation less the balances held in Reserve Treasuries in notes.)

(In Lakhs of Rupees.)

LAST DAY OF	CALCUTTA.			CAWNPORE.			LAHORE.			BOMBAY.			KARACHI.			MADRAS.			BANGOOK.			TOTAL.		
	1909-10.	1910-11.	1911-12.	1909-10.	1910-11.	1911-12.	1909-10.	1910-11.	1911-12.	1909-10.	1910-11.	1911-12.	1909-10.	1910-11.	1911-12.	1909-10.	1910-11.	1911-12.	1909-10.	1910-11.	1911-12.	1909-10.	1910-11.	1911-12.
April	17,06	16,72	19,25	2,38	2,39	2,30	2,29	2,80	2,75	9,27	12,26	11,82	2,17	1,44	1,70	4,95	5,55	5,29	2,21	2,17	2,71	42,68	42,68	42,42
May	18,27	19,06	19,11	2,06	2,27	2,31	3,02	2,77	2,46	10,22	12,25	12,78	1,95	1,27	1,59	5,07	5,74	5,44	2,51	2,26	2,52	42,90	42,44	42,27
June	19,12	19,56	19,28	2,22	2,47	2,44	2,81	2,67	2,72	11,12	12,29	12,20	1,25	1,19	1,22	5,22	5,25	5,04	2,52	2,72	2,24	45,49	42,55	50,04
July	20,62	20,26	19,64	2,32	2,72	2,69	2,22	2,50	2,96	12,47	12,50	14,07	1,42	1,20	1,21	5,12	5,20	5,22	2,72	2,26	2,42	42,52	42,62	50,62
August	55	19,27	12,75	2,62	2,72	2,72	2,42	2,62	4,00	12,22	14,22	15,62	1,52	1,12	1,42	5,12	5,70	5,52	2,24	2,72	2,62	42,22	42,52	51,22
September	16,22	17,01	12,24	2,27	2,71	2,02	2,51	2,62	2,71	15,17	15,42	14,70	1,24	1,27	1,52	5,04	5,22	5,71	2,02	2,20	2,22	42,42	42,21	50,22
October	17,44	16,24	19,25	2,71	2,07	2,21	2,42	2,42	2,72	15,10	15,11	15,12	2,00	1,44	1,22	5,12	5,22	2,20	2,02	2,22	2,42	42,22	42,72	52,22
November	17,52	12,12	21,42	2,42	2,72	2,01	2,22	2,27	4,01	11,57	14,22	14,24	1,72	1,47	1,22	5,22	5,22	2,42	2,01	2,52	2,22	42,22	42,21	54,52
December	12,41	17,22	20,40	2,41	2,72	2,27	2,52	2,22	2,22	12,22	12,02	12,22	1,21	1,21	1,42	5,14	5,21	2,27	2,50	2,11	4,21	42,54	42,72	52,22
January	17,22	17,22	20,71	2,47	2,22	2,72	2,72	2,20	2,40	15,22	12,20	11,54	1,40	1,22	1,27	5,42	5,27	2,12	2,22	2,22	2,72	42,17	47,74	51,22
February	17,71	12,22	21,54	2,47	2,42	2,22	2,22	2,22	2,47	12,22	12,42	12,22	1,42	1,22	1,22	5,22	5,22	2,74	4,22	4,22	5,72	47,27	49,00	54,22
March	12,64	19,21	22,21	2,22	2,52	2,42	2,22	2,52	2,44	12,77	11,22	12,20	1,54	1,22	1,22	5,47	5,21	7,12	2,52	4,22	5,00	42,10	42,41	52,17
AVERAGE	12,22	12,50	20,11	2,44	2,24	2,71	2,42	2,52	2,71	12,22	12,57	12,62	1,22	1,42	1,44	5,22	5,71	2,12	2,27	2,12	4,10	47,22	42,52	51,22

STATEMENT XVIII.

Encashment of Foreign Circle Notes.

CIRCLE.	CASHED BY.								TOTAL.			
	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Calcut.	Bangoon.	1911-12.	1910-11.	1909-10.	1908-09.
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Calcutta . . . . .	..	56,39,360	42,71,575	1,26,40,540	16,44,515	22,62,860	...	6,89,925	2,72,98,275	1,42,63,580	3,51,31,875	2,41,98,175
Cawnpore	1,39,78,895	...	13,50,960	78,84,865	4,97,780	8,59,755	...	85,275	2,26,07,180	1,69,77,910	3,87,28,975	8,04,98,260
Lahore	1,66,59,585	27,07,395	...	1,61,10,755	86,03,370	8,31,480	...	1,13,850	4,50,16,085	3,00,45,375	4,32,58,100	7,46,29,755
Bombay	72,19,520	17,21,470	85,92,840	...	18,11,195	53,19,585	...	1,72,175	1,98,36,785	89,92,615	2,35,16,810	1,19,85,900
Karachi	5,35,875	1,28,985	16,18,640	20,30,580	...	77,345	...	12,870	44,49,895	38,73,740	1,12,44,010	2,39,31,320
Madras	41,03,315	8,87,800	6,88,805	1,41,84,500	2,89,120	...	...	1,76,520	1,97,84,360	56,63,210	2,06,98,500	1,33,02,315
Calcut . . . . .	...	1,045	...	...	...	...	...	...	1,045	1,645	12,22,000	12,84,795
Bangoon	22,26,390	84,470	1,90,510	8,24,000	75,435	13,71,250	...	...	47,72,065	15,41,845	18,56,925	15,64,585
Total of 1911-12	4,47,38,530	1,06,70,325	1,16,57,530	5,21,75,240	1,81,21,865	1,02,11,725	...	11,50,215	14,47,14,885	..	..	..
" 1910-11	3,75,45,805	88,17,535	55,36,975	1,89,89,765	59,80,550	43,62,320	...	5,41,970	...	8,11,24,420	..	..
" 1909-10	7,63,21,270	2,28,87,820	1,02,82,825	4,36,12,790	1,09,99,650	65,39,715	2,08,305	4,08,920	..	..	17,06,57,195	..
" 1908-09	19,75,30,795	1,23,44,355	68,09,015	5,77,02,140	1,02,70,245	65,87,460	1,15,995	5,77,100	..	..	..	23,14,87,105

STATEMENT XIX.

[In thousands of pieces.]

Growth in circulation of 5 and 10 rupee notes in selected circles.

	Average of gross circulation.										Percentage of increase as compared with preceding year.										Percentage of increase of	
	1902-03.	1903-04.	1904-05.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1908-04.	1904-05.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1908-07 over 1902-03.	1911-12 over 1906-07.	
Average of Rs.																						
Calcutta	78	88	102	119	127	158	175	241	266	275	12.9	15.9	16.6	15.1	15.2	10.7	37.7	6.2	7.4	75	78	
Lahore	55	62	88	98	104	143	201	284	317	388	12.7	41.9	5.6	11.8	27.5	40.5	41.2	11.6	22.4	69	70	
Madras	116	123	145	149	185	225	268	378	502	544	14.6	9.0	2.7	24.1	21.6	19.1	37.3	32.8	8.8	60	25	
Bombay	517	595	665	723	847	929	919	1,079	1,116	1,158	15.1	11.7	8.7	17.1	9.6	1.0	17.4	3.4	3.7	64	26	
Average of Rs10.																						
Calcutta	3,716	3,075	4,326	5,163	6,523	6,508	5,858	6,584	7,051	8,064	6.9	8.9	19.3	28.2	-1.7	-9.8	11.5	7.7	14.4	100	21	
Lahore	152	177	205	238	258	274	301	437	567	588	16.4	15.8	15.1	9.3	6.2	10.9	43.7	29.7	3.3	273	127	
Madras	256	292	204	284	320	359	395	432	554	605	14.0	7	-3.4	12.7	12.2	10.0	9.3	28.2	9.4	194	90	
Bombay	1,179	1,520	1,310	1,389	1,494	1,563	1,565	1,836	2,014	1,989	11.9	-1	6.0	7.5	4.6	1	17.3	9.6	-1.2	57	55	

STATEMENT XX.

Statistics of Treasury and other Balances on 31st December 1911.

	DENOMINATIONS OF NOTES.									TOTAL.			TOTAL.	PERCENTAGE OF NOTES IN TOTAL BALANCE.		PERCENTAGE EXCLUDING RESERVE TREASURY BALANCE.	
	Rs.	Rs. 10.	Rs. 20.	Rs. 50.	Rs. 100.	Rs. 500.	Rs. 1,000.	Rs. 10,000.	Foreign Notes.	Notes.	Sovereigns.	Rupees.		December 1911.	December 1910.	December 1911.	December 1910.
Treasuries and Branch Banks.																	
Calcutta Circle	1,44,050	10,73,090	15,600	4,07,550	28,48,000	5,17,500	11,73,000	2,42,80,000	97,000	3,14,53,790	5,88,000	1,55,09,908	4,75,51,698	66	61	80	28
Cawnpore "	2,00,875	6,35,730	10,500	3,30,000	12,06,100	6,88,000	7,08,000	35,40,000	...	78,83,665	10,01,048	74,99,550	1,58,88,988	46	38	...	...
Lahore "	2,21,725	7,51,840	6,400	5,94,900	18,88,800	7,75,000	6,39,000	20,40,000	...	64,17,665	8,84,367	95,14,270	1,67,66,302	38	45	..	...
Bombay "	4,88,160	18,14,340	14,180	6,58,400	18,48,500	4,02,000	6,66,000	12,50,000	...	66,36,580	8,64,020	73,15,661	1,43,16,161	47	53	83	38
Central Provinces	71,325	1,37,720	1,440	1,57,600	7,99,300	1,45,500	2,78,000	...	...	15,77,785	3,85,126	89,09,597	1,07,73,508	15	15	..	...
Karachi Circle	82,980	3,38,220	5,080	1,51,400	3,13,800	92,000	6,03,000	3,70,000	...	24,94,410	1,51,950	10,80,667	37,07,027	67	66	..	...
Madras "	8,24,675	5,38,400	15,500	8,61,900	31,48,200	2,44,000	3,93,000	49,50,000	...	98,30,075	7,99,366	1,16,60,714	2,17,80,156	43	33	28	19
Rangoon "	30,615	5,16,370	5,380	21,250	10,66,300	4,000	2,31,000	97,00,000	40,775	1,16,65,590	3,16,425	41,79,584	1,61,61,549	73	56	..	...
TOTAL	15,23,255	62,38,010	74,120	27,37,400	1,36,10,000	28,78,000	46,45,000	4,61,80,000	1,37,775	7,69,48,560	44,40,803	6,54,49,301	14,68,38,663	52	47	...	...
Head Offices of Presidency Banks.																	
Bank of Bengal	50,940	7,52,980	120	1,34,450	8,18,100	7,36,000	30,78,000	87,80,000	61,25,500	3,04,90,790	59,42,970	11,21,109	2,75,54,669	74	88	...	..
" Bombay	91,050	5,01,880	3,520	3,59,450	4,59,700	4,38,000	46,19,000	8,07,70,000	...	3,72,37,200	3,19,975	5,22,213	3,79,79,387	98	98	..	...
" Madras	46,100	95,940	120	90,100	3,95,800	1,65,000	3,88,000	39,10,000	...	49,91,060	7,84,455	6,51,000	64,26,515	78	80	...	..
TOTAL	1,88,090	13,50,800	2,760	5,84,000	16,91,700	13,39,000	79,85,000	4,34,60,000	61,25,500	6,27,18,850	69,47,400	22,94,823	7,19,60,571	87	98	...	...

STATEMENT XXI.

Absorption of Small Coins.

[In Thousands of Rupees]

	India.	Central Provinces and Berar.	Burma.	Eastern Bengal and Assam.	Bengal.	U. P. of Agra and Oudh.	Punjab and N.-W. Frontier.	Madras.	Bombay.	TOTAL.
4 RUPEES—										
Opening Balance	14,46	81	2,77	2,78	3,26	5,60	3,67	10,40	5,28	49,04
Receipts from + or Issues to — Mint or other Provinces.	-15,15	75	4,37	7,71	-1,39	-1,85	1,77	-2,85	1,81	-4,83
Closing Balance	1,13	87	3,69	3,16	2,34	3,91	4,36	4,40	5,13	38,98
Net Local Absorption in 1911-12	-1,92	69	3,35	7,28	-87	-16	1,09	3,24	1,98	15,23
Ditto ditto in 1910-11	2,38	49	3,38	6,37	-1,11	-61	18	-1,10	3,90	14,13
Ditto ditto in 1909-10	1,05	74	3,28	5,74	-95	-27	1,77	-4,60	1,49	8,23
1/2 RUPEES—										
Opening Balance	11,08	1,36	2,69	1,58	2,74	2,97	3,34	4,98	2,75	33,40
Receipts from + or Issues to — Mint or other Provinces.	-8,13	..	3,80	2,75	-1,30	..	1,35	4,65	3,07	6,19
Closing Balance	4,90	1,37	2,69	1,77	1,96	3,70	2,93	4,48	3,24	25,68
Net Local Absorption in 1911-12	-1,35	9	2,40	2,56	-42	-73	1,77	5,15	2,58	14,05
Ditto ditto in 1910-11	1,45	-11	4,23	1,80	-4	-1,42	2,07	1,61	4,51	14,10
Ditto ditto in 1909-10	19	42	3,92	1,85	-90	-28	3,98	-3,05	2,45	7,59
NICKEL ANNA PIECES—										
Opening Balance	77	1,58	99	98	44	1,42	1,44	1,85	1,88	11,30
Receipts from + or Issues to — Mint or other Provinces.	2,80	6,10	..	2,37	2,00	3,30	1,93	2,30	6,12	26,42
Closing Balance	1,46	2,19	85	1,03	66	1,76	1,18	1,49	2,39	12,96
Net Local Absorption in 1911-12	1,61	5,49	14	2,32	1,78	2,96	2,24	2,86	5,56	24,73
Ditto ditto in 1910-11	1,70	3,48	15	1,70	1,53	2,33	2,56	1,86	5,07	20,28
Ditto ditto in 1909-10	1,75	2,33	9	1,45	1,52	1,43	1,24	1,86	4,44	16,33
DOUBLE PICE—										
Opening Balance	4	8	1	1	2	2	1	40	17	76
Receipts from + or Issues to — Mint or other Provinces.	-50	-2	..	..	..	-8	-3	-1,21	-27	-81
Closing Balance	7	7	1	1	2	9	2	24	14	61
Net Local Absorption in 1911-12	-53	-1	..	..	..	-9	-4	-1,05	-24	-1,96
Ditto ditto in 1910-11	-37	-7	..	-3	5	-3	-4	-77	-25	-1,57
Ditto ditto in 1909-10	-46	1	-3	-3	-2	10	-4	-12	-63	-1,30
SINGLE PICE—										
Opening Balance	2,68	4,41	1,39	1,61	1,21	7,39	1,70	3,21	3,14	26,64
Receipts from + or Issues to — Mint or other Provinces.	-6,24	4,96	1,71	4,64	1,22	86	1,08	46	-1,28	6,13
Closing Balance	1,41	5,03	1,38	1,78	74	6,44	1,39	2,45	2,56	33,5
Net Local Absorption in 1911-12	-4,97	4,35	1,68	4,33	3,39	1,81	79	1,24	-70	11,11
Ditto ditto in 1910-11	-4,69	3,23	1,27	3,75	1,22	2,47	1,30	3	-24	9,27
Ditto ditto in 1909-10	-26	4,67	1,01	3,46	3	-1,42	73	-19	-27	7,61
HALF PICE—										
Opening Balance	5	3	..	3	8	9	9	..	3	42
Receipts from + or Issues to — Mint or other Provinces.	71	..	..	12	2	..	8	..	5	98
Closing Balance	6	3	..	7	9	10	8	..	4	46
Net Local Absorption in 1911-12	70	1	..	10	1	-1	9	..	4	94
Ditto ditto in 1910-11	48	4	..	9	1	2	9	..	3	76
Ditto ditto in 1909-10	57	1	1	10	..	1	5	..	6	81
1/2 PIA PIECES—										
Opening Balance	..	2	1	2	1	10	2	27	12	57
Receipts from + or Issues to — Mint or other Provinces.	22	..	1	1	1	5	9	30	19	61
Closing Balance	2	2	1	1	2	11	2	18	17	67
Net Local Absorption in 1911-12	19	..	1	2	..	4	2	29	14	61
Ditto ditto in 1910-11	3	1	2	..	2	6	4	25	17	75
Ditto ditto in 1909-10	11	1	..	1	2	2	2	23	15	66

STATEMENT XXII.

Statement of Receipts and Expenditure of the Department of Issue of Paper Currency for the year 1911-12.

	Calcutta.	Cawnpore	Lahore.	Bombay.	Karachi.	Madras.	Bangoon.		TOTAL.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.
RECEIPTS.									
Interest realized on Government Securities	18,77,388	2,08,237	3,07,333	11,26,992	1,10,538	5,64,930	2,95,032		44,90,450*
SUMMARY CASE RECEIPTS.									
Miscellaneous	2,296	318	198	1,135	194	1,229	...		5,370
Value of undaimed Currency Notes	12,723	2,987	7,022	3,235	—70	5,310	590		31,837
Value of old Currency Notes no longer in circulation	24,340	2,950	3,740	9,610	380	3,240	...		44,710
TOTAL RECEIPTS DURING 1911-12	19,17,247	3,14,492	3,18,293	11,41,032	1,10,992	5,74,709	2,95,622		45,72,337
TOTAL RECEIPTS DURING 1910-11	17,09,334	1,97,907	2,81,782	11,04,601	1,02,515	4,85,905	2,20,473		41,02,237
DISBURSEMENTS.									
Salaries (including Exchange Compensation Allowance)	35,092	4,513	3,359	16,388	1,300	...	...		60,992
Establishment	1,47,215	19,987	22,726	88,492	12,742	34,532	79,637		4,15,337
Compensation for dearness of provision and other special allowances . . . . .	...	...	...	9,725	45	2,584	...		12,354
Temporary establishment	20,696	4,970	...	7,051	964	9,355	20,637		63,698
Charges for remittance . . . . .	...	...	...	3,038	269	91	...		3,398
Stationery	5,873	40	...	673	242	1,040	...		7,368
Printing charges	3,056	...	668	3,525	...	837	...		3,086
Service postage and telegram charges	2,028	1,400	1,321	2,361	875	1,334	581		2,700
House, lighting, police and water rates	7,860	...	42	1,901	...	...	...		9,803
Cost of Note forms, including freight	4,76,028	13,217	4,21,643	2,63,535	35,368	3,42,503	3,70,484		14,27,693
Pensions and gratuities	17,398	1,097	2,509	10,131	1,150	4,744	...		37,029
Cost of repairs, etc., to Currency buildings	13,792	...	744	3,559	...	77	...		23,874
Cost of chests, bags and locks	22	...	561	3,170	...	...	1,080		4,733
Contingencies	10,941	4,8	3,085	3,275	711	3,318	4,707		30,720
Travelling Allowances	3,889	342	...	900	459	2,108	1,039		8,637
Dead stock, cost of office furniture	414	396	...	920	303	416	1,127		3,58
Refund of value of old Currency Notes	920	...	...	80	...	10	...		1,010
TOTAL DISBURSEMENTS DURING 1911-12	7,44,514	50,850	1,66,158	4,29,719	54,069	4,03,546	4,79,352		22,22,108
TOTAL DISBURSEMENTS DURING 1910-11	11,00,718	85,184	1,43,931	4,05,505	69,494	1,04,536	3,35,220		23,39,408
PROFIT DURING 1911-12	11,72,733	1,63,642	1,52,135	7,11,313	56,923	1,71,163	-1,83,680		22,44,229

* Made up of—In India 2,34,70,429

Statistics of Work in Currency Offices.

	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Rangoon.	Total, 1911-12.	Total, 1910-11.	Total, 1909-10.
Receipts of home notes over the counter (value in lakhs of rupees)	76,63	4,09	7,81	49,94	2,46	25,45	29,08	1,95,46	1,80,28	1,60,84
Issues do.	80,60	3,67	8,45	61,80	2,87	22,67	27,82	2,07,38	1,81,88	1,82,83
Receipts of coin over the counter (value in lakhs of rupees)—										
Gold	5,85	31	25	12,89	1	23	29	19,83	10,48	10,73
Silver	11,84	1,17	2,28	7,02	19	1,19	2,41	25,60	23,57	29,15
Issues of coin over the counter (value in lakhs of rupees)—										
Gold	1,20	1,22	2,81	3,85	31	2,42	64	11,96	10,85	1,97
Silver	15,98	1,74	74	10,01	79	2,79	3,43	35,48	29,73	32,95
Encashment of home notes over the counter (average number for each working day)	89,110	2,798	9,365	26,907	1,946	17,747	17,372	115,251	100,258	84,525
Issues do. do.	45,282	2,750	9,309	26,862	2,047	18,402	21,656	126,308	108,698	97,681
Cancellations do. do.	39,480	2,649	8,312	16,656	1,604	15,163	19,495	103,353	86,057	72,460
Issues of home notes (in thousands of pieces)	12,961	781	2,681	7,131	589	5,263	5,890	35,296	31,870	29,223
Cancellations do. do.	10,897	752	2,394	4,312	462	4,337	5,303	28,457	24,880	21,174
Consumption of note forms do.	12,111	735	2,654	4,228	491	4,498	5,614	30,331	27,416	24,443

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To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE DEPARTMENT.

SIR,

I HAVE the honour to submit my report on the operations of the Currency Department, the movement of funds and on the resource operations of Government during the year 1912-13.

The main features of general interest of the report are the following:— Main features of general interest.

the large increase in the cash balances in the Government treasuries during the year was not produced by withdrawing funds from circulation in India (paragraph 13);

the demands for rupees in financing the jute trade were very heavy, and Government were obliged to undertake new coinage of rupees by purchasing silver worth £7,000,000 (paragraphs 6 and 18);

the absorption of currency of all kinds in the year amounted to 24½ crores against an average of 21½ crores in the preceding three years (paragraph 21);

the absorption of gold increased in every province save Madras, the total for all India being 15½ crores, out of a total absorption of all forms of currency of 24½ crores (paragraphs 25 and 37);

the analysis of this absorption by circles, trade seasons and denominations of currency, and the inferences drawn therefrom, in paragraph 26 contain several matters of interest;

the use of gold as currency is extending, specially in Northern India and Bombay (paragraph 41), and in those parts at least gold has to some extent replaced in the circulation rupees (paragraph 44) and small notes (paragraph 59). The part which gold plays in the circulation is discussed in some detail in paragraph 41;

the rate of development in active note circulation was well maintained in 1912-13 (paragraph 51) and there was a steady increase in the circulation of small value notes used for everyday transactions (paragraph 53). But the growth of the circulation of small notes seems to have received a check owing to the more extended use of gold as currency (paragraph 59). The use of notes for remittance purposes is increasing (paragraphs 56 and 57).

I would invite special attention to the statements and remarks in paragraph 26, which, I venture to think, indicate more clearly than has hitherto been attempted, the correlation of the various forms of currency in the internal financial operations of the country.

I.—BALANCE OF FOREIGN TRADE AND THE FINANCING THEREOF.

2. The following table shows the balance of foreign trade and the manner in which that balance was financed in the year under report and in each of the previous seven years:— Balance of Foreign Trade how financed.

(Excluding Government transactions)	In Lakhs of Rupees.							
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.
Gross Exports of Merchandise	1,61,71	1,76,57	1,77,36	1,58,03	1,87,88	2,09,88	2,27,84	2,45,90
„ Imports	1,08,08	1,08,31	1,29,90	1,21,27	1,17,06	1,39,36	1,98,57	1,61,02
Net Exports of Merchandise	58,53	68,26	47,46	31,76	70,82	60,53	69,27	84,88
<i>Imports of Funds and Treasuries.</i>								
(1) Council Bills	47,70	54,47	23,46	8,02	41,73	39,43	40,17	38,83
(2) Gold (Sovereigns) (Net)	+4,38	+7,43	+9,65	+1,90	+13,89	+12,24	+27,34	+26,43
(3) Government Securities (Do)	+38	—5	+1,26	+80	—78	+3,43	+1,06	+63
(4) Gold bullion (Do)	+5,12	+7,36	+7,70	+3,41	+7,86	+11,74	+10,42	+11,16
(5) Silver bullion and coin (Do)	+5,02	+6,69	+10,08	+11,96	+9,87	+8,01	+5,29	+6,57
	62,55	71,90	52,10	25,49	72,00	74,45	84,28	69,51

Monthly details of the above transactions and also of the balances of the Presidency Banks in Calcutta and Bombay during the year under report are given in the following statement.

(In lakhs of rupees)

(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)	(10)
						PROGRESSIVE TOTALS OF				
						Exports Column 2.	Imports Column 6.			
	Net Exports of merchandise.	Council Bills paid.	Net Imports of gold.	Net Imports of silver.	Total (8) to (5).			Bengal Bank balances.	Bombay Bank balances.	Total (8) + (9).
April	7,36	2,82	2,99	88	6,20	7,36	6,20	6,68	4,67	11,35
May	9,51	2,61	2,68	92	7,06	16,87	13,26	6,86	3,96	10,80
June	10,13	1,99	4,31	85	6,65	27,00	19,91	3,89	5,15	18,78
July	9,20	2,13	1,78	57	4,46	36,26	24,37	11,24	5,07	16,31
August	5,57	2,00	3,35	1,30	6,65	41,77	31,02	9,44	5,02	14,46
September	3,80	2,52	2,44	22	4,74	46,57	35,76	7,56	5,08	12,64
October	5,80	3,07	2,02	22	5,31	51,87	41,07	6,98	4,45	11,43
November	4,47	3,39	1,60	70	5,19	55,94	46,28	5,37	3,94	9,31
December	5,21	5,80	3,77	43	10,00	61,06	56,26	6,79	3,35	10,14
January	5,73	5,02	6,04	64	11,70	66,78	67,96	5,96	3,17	9,13
February	10,60	5,50	3,07	44	9,01	77,38	76,97	6,21	3,04	9,25
March	7,50	2,47	2,70	84	6,01	84,88	82,98	6,11	3,56	9,67
TOTAL	84,88	36,83	37,58	6,57	82,68	...	...	...	...	...

(a) Opening Balances at commencement of year.

Although there are considerable variations in the monthly details, the progressive totals for the year show that, while the bank balances remained high, the value of the exports was allowed to exceed the imports, but that, as soon as the busy season lowered those balances, the progressive value of the imports rapidly caught up that of the exports. The reduction of the balance of the Bank of Bombay by 1½ crores during the year was mainly due to a temporary lock up of funds in cotton at the close.

Exports of Mer-
chandise. 3. Exports are steadily increasing. In 1912-13 there was a total increase of 18,06 lakhs over 1911-12 to which the following important variations mainly contributed:—

Increases.		Lakhs.
Gunny bags and gunny cloth		6,80
Jute, raw		4,49
Wheat and wheat flour		4,63
Rice		3,51
Barley		3,31
Cotton, twist and yarn		2,33
Raw hides and skins		2,32
Tea		1,24
Ground nuts		86
		29,49
Decreases.		Lakhs.
Linseed		4,94
Gram and pulse		1,90
Opium		1,87
Raw cotton		1,66
Sugar		1,52
		11,89
	Net important increase	17,60

Under jute and jute manufactures the year proved the most prosperous on record. In spite of the fact that the production of jute in the year was considerably in excess of the average of recent years, the demands for both the raw article and the manufactured goods were so great that a much higher level of price was maintained and the value of the exports beat all past records.

The increase under wheat and wheat flour occurred mainly in the United Provinces and the Punjab and partly in the Central Provinces. The exports from India appear to have been stimulated to some extent by a contraction of shipments from Russia due to the Balkan War.

Of the increase of 3,51 lakhs under rice, Burma contributed 2,53 lakhs and Bengal 69. Prices were unusually high in Burma in the early months of the year owing to shortage of crops in the Further East and the total exports from all India amounted to 2,763,000 tons against 2,624,000 tons in 1911-12 and 2,328,000 tons, the average of the previous three years.

The improvement in the exports of cotton twist and yarn was almost entirely in Bombay and raw hides and skins showed an increase chiefly in Bengal.

The increase in the groundnut trade took place in Madras.

The trade in linseed was abnormal in 1911-12 and in 1912-13 it returned to its usual level. The exports of pulse, millets and cereals were also unprecedentedly high in 1911-12. The exports of raw cotton from Bombay suffered a decline, owing to the failure of the monsoon of 1911 in the Guzarat districts coupled with the existence of large supplies of American cotton. The shortage at Bombay amounted to 4,03 lakhs in value, but this was partly counterbalanced by an improvement of 1,83 in the exports from Karachi.

4. Here the total increase amounted to 22,45 lakhs. The important increases occurred under the following heads:—

	Lakhs.
Cotton yarn and piece-goods	11,39
Sugar	2,87
Railway plant and rolling stock	1,97
Metals and manufactures of metal	1,42
Silk goods	1,07
Machinery	1,30
Building and Engineering Materials, Dyeing and Tanning Substances, Glass and Glassware, Instruments and Liquors	1,12
Coal, coke and fuel	65
Cutlery and hardware, etc.	60
Provisions	41
	22,30 lakhs

The large expansion in the imports of cotton yarn and piece-goods, railway plant and rolling stock, silk goods, machinery and provisions indicates the growth in the material prosperity of the country and in its industrial activity.

Although the increase in the value of the total exports of the year amounted to 18'06 crores the improvement in imports was still higher, 22'45 crores, and in the result the net exports were less by (22'45—18'06 or) 4'39 crores. This is the first time in four years that there has not been a progressive improvement in the net exports, and the deterioration is due solely to the transactions of the month of March when the net exports fell by 5'44 crores as compared with March 1912. Corresponding to the reduction in net exports, the imports of funds in India to finance the foreign trade were somewhat smaller both under Council bills and sovereigns.

5. The figures given in the first table in paragraph 2 show an increase, in 1912-13, in the imports of gold bullion of 73 lakhs and of silver bullion of 1,28 lakhs over the corresponding figures of 1911-12. It should be noted that these figures take into account, in the case of gold, coined gold other than sovereigns and also the exports of metallic gold from the Mysore mines. In the case of silver the figures comprise not only the imports of bar silver from the United Kingdom and other countries for the arts and industries, but also the imports and exports of Government of India rupees and the exports of British dollars coined at the Bombay Mint for circulation in Hongkong.

The production of the Mysore mines varies little from year to year, but in 1912-13 the net imports of coined gold other than sovereigns amounted to 23 lakhs against 35 lakhs in 1911-12, and the net import of gold bullion in 1912-13 was, therefore (73+35-23), 85 lakhs more than in 1911-12. The difference is not very large, but, as the first table in paragraph 2 shows, the figures for the three years 1910-11 to 1912-13 are unusually high, and, as the gold bullion is used mainly for the arts and manufactures, they indicate a steady continuance of the favourable material conditions of the country.

Price and consumption of Silver Bullion.

6. In the case of silver, the ruling prices affect the demand to some extent, and during 1912-13 the price was at a higher level owing to heavy purchases on Government account for currency purposes and to the anticipation of such purchases. The price of bar silver in London, at the beginning of April 1912, stood in the neighbourhood of 27*d.*, the opening quotation being 26½*d.* On the 26th April the price was quoted at 28*d.* This level was practically maintained till the middle of August when, on the 16th of the month, the quotation was 29*d.* The highest reached in August was 29½*d.* and at the end of the month the quotation was at 29¼*d.* September recorded a slight rise, the closing rate of the month being 29½*d.* The highest reached in October was 29½*d.* on the 8th, but thereafter it declined till 29*d.* was reached at the close of the month. Towards the end of November the price reached 29½*d.* and in December it fluctuated between 29½*d.* and 28½*d.* January closed with 28½*d.* and February saw a rise to 28½*d.* only with a tendency to decline in the price towards the end of the month to about 27*d.* The lowest reached in March was 26½*d.*, the closing rate for the month being 26½*d.* against 26½*d.* quoted on 1st April 1912. The highest rate reached in the year was thus 29½*d.* and the lowest 26½*d.* in March 1913. The range of variation within a little over 3*d.* compares fairly well with the similar variations in 1905-06 and 1906-07, the last period during which heavy purchases of silver were made on Government account for coinage into rupees. In 1905-06 the highest rate quoted was 30½*d.* and lowest 25½*d.*, while in 1906-07 the highest was 33½*d.* and the lowest 29½*d.*

In spite of the higher level of prices during the greater portion of the year, purchase of £7,000,000 worth silver was made on Government account during the year at an average price of 28½*d.* This result was due to special precautions taken to enter into contracts for purchases over two months before actual delivery and also to postponement of shipments to India as far as possible. The first instalment purchased in England was on the 5th March 1912 for delivery in May and June, and the first shipment to India took place on the 9th August 1912. The value of imports of silver retained in the country for other than coinage purposes is worked out as follows for the two years :—

	1911-12.	1912-13.
	Lakhs.	Lakhs.
Gross imports on private account	11.93	9.91
Deduct—Amount used for dollar coinage 5.00		1.45
Government rupees imported on private account 5.34	5.34	63
Net	6.59	7.83
Gross exports on private account	6.64	8.33
Deduct—Dollars exported 5.00		1.45
Government rupees exported on private account 1.52	6.52	1.86
	12	2
Retained in the country	6.47	7.81

The above shows that in 1912-13 the amount of silver retained for home consumption exceeded the corresponding actuals of 1911-12 by about 1.34 lakhs. The figure for 1911-12 was unusually low, and the increase in 1912-13 would probably have been much higher but for the higher level of the price of silver maintained during the year.

Import of Sovereigns.

7. The imports of sovereigns in 1912-13 maintained the same high level as in the preceding year. One special feature of the year was the steady growth

of imports of sovereigns into India from Egypt. Including bullion and coin the total net imports of gold to India have been as follows for the last three years :—

(In lakhs of rupees.)

	United Kingdom.	Egypt.	Australia.	Other places.	TOTAL.
1910-11	12,79	6,65	2,85	1,69	23,98
1911-12	14,08	8,18	12,52	2,98	37,76
1912-13	11,58	11,95	10,77	3,33	37,58

The figures of gold bullion included in the above amounts do not show any important variations in the three years, and practically the whole of the differences appears under sovereigns. It will be seen that the supplies from Egypt show a steady increase year by year. No doubt, as in the case of gold shipments from Australia, it is found cheaper and more convenient to bring the gold direct to India instead of first shipping it to London and then obtaining bills or transfers on India at about 1½d. the rupee.

Another noticeable feature in the imports of the three years is the increase in the net imports of sovereigns from the Straits Settlements to India. In the year 1910-11 the Straits received from India over 42 lakhs. In 1911-12 there was a net export of about 40 lakhs from the Straits to India, and in 1912-13 the exports rose to 1,23 lakhs. The trade in merchandise between India and the Straits Settlements has been as follows in the three years :—

	1910-11 Lakhs	1911-12 Lakhs	1912-13 Lakhs
Exports from India	7,61	8,60	9,01
Imports to India	3,10	2,98	3,09
Net export	4,51	5,62	5,92

8. The figures of imports of gold dealt with in the preceding paragraph relate to imports on private account. During the year 1912-13 remittances on Government account from India to England of gold of the value of £2,382,613 were made as follows :—

	£
In October 1912 from Bombay	1,875,700½
In November 1912 from Calcutta	53,887½
In March 1913 from Bombay	453,025½
	<u>2,382,613½</u>

These remittances were not directly connected with the immediate requirements of the Secretary of State for Home expenditure. They consisted of light weight sovereigns which could not be reissued to the public in India and the remittances were made because the face value of such sovereigns could be realised only in England.

Under the Coinage Law in England sovereigns and half sovereigns remain current so long as they are not of less weight than that, for the time being, prescribed as the least current weight, viz., 122.5 grains for sovereigns and 61.25 grains for half sovereigns. But, following the practice in England, sovereigns and half sovereigns, even though below the prescribed least current weights, are received at Government treasuries at their face value when they have not been reduced more than 3 grains below standard weight, i.e., are not less in weight than grains 120.27447 and 58.63723 respectively. The remittances in question consisted of light weight coins of this class and were sent to England for recovery of their nominal value from the Bank of England. The sovereigns used in India as currency have not been sufficiently long in circulation to justify a loss by wear and tear of so much as 3 grains in one coin, and the light weight coins sent to England were not withdrawn from circulation in India but were found in the consignments imported from abroad by the Exchange Banks and presented at the currency offices. When such sovereigns are so tendered they are carefully shroffed at the mints and current weight sovereigns only are issued from the currency offices—

the light weight coins being set apart at the mints for remittance to England at a convenient opportunity.

Withdrawal of
light weight
Sovereigns.

9. The face value of the sovereigns so set apart in each of the last three years has been as follows :—

	Calcutta. ₹	Bombay. ₹	Total ₹
1910-11	3,958	343,942	347,900
1911-12	41,790	512,964	554,754
1912-13	23,203	964,838	988,041
	<u>68,951</u>	<u>1,821,744</u>	<u>1,890,695</u>

By far the largest proportion of the sovereigns is received in Bombay, and the following were the percentages of the light weight coins to the total receipts in each year (in thousands of £) :—

	Total Sovereigns tendered.	Total light weight.	Percentage.
1910-11	6,972	344	4.9
1911-12	13,347	513	3.8
1912-13	15,891	965	6.1

The increase in the percentage of light weight sovereigns in 1912-13 is believed to be due to larger imports from Egypt where a gold currency has been in existence longer than in any other Eastern country and where, it is believed, sovereigns are sweated so as to reduce them within the limit at which the Bank of England will give face value in exchange. The percentages of the light weight sovereigns have been calculated since 1st April 1910 for each tender by every Exchange Bank at Bombay and they vary within very wide limits. For instance, in the case of one important bank, whose averages on the total year's tenders closely agree with those worked out above for the whole of the Government receipts, the averages on individual tenders varied as follows :—

	Minimum.	Maximum.
1910-11	Nil	12.98
1911-12	Nil	15.43
1912-13	Nil	22.70

The examination at the Bank of England of the light-weight sovereigns sent from India has shown that our automatic machines work unduly severely in rejecting light-weight coins. This is being rectified but it does not explain the steady growth in the percentage from year to year.

As shown above, £1,890,695 sovereigns were set apart for remittance to England in the three years ending 1912-13 and this, with about £579,000 in stock on 1st April 1910, made the total available for remittance about £2,469,600 up to March 1913. The actual amount remitted was £2,382,613. The net amount actually realised in England was £2,380,525, of which £1,600,000 were placed in the Currency Reserve and the balance £780,525 taken in aid of the Home Treasury balances.

Council Bill draw-
ings.

10. The total drawings of the Secretary of State in the year amounted to £25,759,700 (=38.50 lakhs) against £27,058,500 (=40.38 lakhs) in the year 1911-12, the reduction in the demands accompanying a similar reduction in the balance of India's export trade in the year.

The following figures compare the monthly variations in the two years :—

	(In lakhs of rupees.)	
	1911-12.	1912-13
April	4.13	2.72
May	4.48	2.83
June	2.44	2.09
July	2.13	2.82
August	2.51	2.01
September	2.28	2.22
October	2.39	3.53
November	2.33	3.20
December	1.88	4.31
January	7.13	5.37
February	5.02	4.41
March	3.66	2.49
	<u>40.38</u>	<u>38.50</u>

The above comparison shows that the demands were low in the last three months of 1912-13, as compared with the corresponding figures of 1911-12. This was not due to any falling off in the gross export trade, nor to larger imports of treasure, but to an unprecedented development in the import trade during that period as indicated in paragraph 12 below.

The year opened with regular sales in April of 60 lakhs each week, of which less than half was allotted to Bombay, less than a third to Calcutta and less than a quarter to Madras. The 60 lakhs rate continued with occasional special sales till the third week of May, when the rate was reduced to 50 lakhs in the fourth sale of May. The 50 lakhs rate continued steady for eighteen weeks up to the last week of September—considerably more than half the total sales being appropriated by Calcutta to meet the requirements of the jute trade. The jute demands were abnormal and the rate of sale never went down below 50 lakhs a week in the year. On 25th September, the allotment was raised to 60 lakhs and, under the pressure for jute, 80 lakhs had to be allotted on 30th October. This high rate of regular sales continued up to the beginning of December, and on the second Wednesday of that month the sale had to be increased to 1,00 lakhs to finance the cotton and rice trades. As usual, the demands were very brisk about Christmas, and the regular sales were for 1,20 lakhs on the third Wednesday of December and 1,30 lakhs on the 4th Wednesday. The rate of 1,30 lakhs with intermediate special sales proved too high and in the first two sales of January 1,20 lakhs were allotted each day. After this 1,00 lakhs were fixed for the regular sales which rate continued up to the last week of February, for which 80 lakhs were announced, but in the sale of 5th March the full amount of 80 lakhs could not be allotted, as the rate of exchange offered by the Banks was unexpectedly low and only 61.40 lakhs were allotted at the minimum rate fixed by the Secretary of State. Simultaneously the allotment for the 12th March was reduced to 60 lakhs, but again there was a failure to sell more than 51½ lakhs at the minimum rate. Consequently the regular sales for the last two weeks for March were at 50 lakhs each, an unusually low rate for the closing month of the year. The highest amount drawn in any month was 5,37 lakhs in January and the lowest, 2,01 lakhs in August.

11. The total sales of Council Bills for the year were effected at an average of about 16 $\frac{1}{8}$ d. per rupee. The special feature of the year was that the rate of exchange did not go down below 16d. at any time during the slack season of the year. In 1909-10 a rate below 16d. continued for the first six months of the year. In 1910-11 it lasted from the middle of May to the middle of August. In 1911-12 the fall appeared only for two weeks in June, while in 1912-13 it never fell below 16d. during the first nine months of the year. But contrary to past experience the rate went down in the busy season about the middle of March, and, as already stated, there was a failure to sell the full amount of the regular allotment of Council Bills on two Wednesdays in March 1913, and the Secretary of State was obliged to fix 15 $\frac{3}{4}$ d. as the minimum for the sales of the last two weeks of March. At this time the rates of discount of the Banks of Bengal and Bombay were 7 and 8 per cent. respectively and the combination of so low a rate of exchange with 7 and 8 per cent. Bank rate is considered very abnormal.

12. The fall in the demands for Council Bills and in the rate of exchange in March is no doubt unusual and the main explanation must be sought in the conditions of trade at the time. To some extent, no doubt, the Exchange Banks were obliged to restrict transfers of their home balances to India at a time when the bank rate in England was specially high as the result of the Balkan War, but, as regards the combination of a high bank rate in India with a low demand for remittances from England, it may be mentioned that the Presidency Banks in India are not allowed to deal in foreign exchanges as they have no direct access to the London market, and, broadly speaking, the main function of the Presidency Banks is to finance the internal trade of the country, while the Exchange Banks finance the foreign trade at the seaport towns. A slackness in the demand for foreign funds is not therefore wholly inconsistent with active employment of local capital in India. In considering this subject the

following figures of the Indian foreign trade in merchandise in the last three months of the year may be interesting :—

		(In lakhs of rupees.)		
		Imports.	Exports.	Net exports.
1910-11.				
January	.	11,89	20,56	8,67
February	.	10,27	19,24	8,97
March	.	12,73	21,73	9,00
Total		34,89	61,53	26,64
1911-12.				
January	.	14,39	19,24	4,85
February	.	10,72	23,15	12,43
March	.	11,02	23,96	12,94
Total		36,13	66,35	30,22
1912-13.				
January	.	16,80	22,53	5,73
February	.	13,01	23,61	10,60
March	.	14,06	21,56	7,50
Total		43,87	67,70	23,83

The above table shows that while in each of the three months the value of the imports has shown steady improvement over previous corresponding actuals, in the case of the exports there was a substantial improvement in January, but in February the value of the trade was about the same as in February 1912, while in March there was a heavy decline of about 2½ crores. Comparing the totals for 1912-13 with those for 1911-12 the exports increased by 1.35 crores only while the increase of imports amounted to no less than 7.74 crores. Thus the net exports were 6.39 crores less, and of this diminution 5.44 crores occurred in March. In that month there was an increase in the import trade of about 3 crores under yarns and textile fabrics and other articles classed as "wholly or mainly manufactured," while under exports rice, flour and opium were less by about ½ a crore each and barley, gram and other grains and pulse taken together by over a crore. This combination of a falling off in exports and increase in imports at the same time is no doubt the chief explanation of the unusual feature of the sterling exchange in March 1913. The high bank rate in India at that period was partly due to the lock-up of funds in cotton in Bombay referred to in paragraph 2 above.

II—TREASURY BALANCES AND PAYMENT OF COUNCIL BILLS.

Treasury Balances.

13. Statement I gives the usual details of the cash balances in the Government treasuries on the first of each month. The year opened with a balance on 1st April of 18,42 lakhs, which is the balance just sufficient to meet the normal requirements of the Indian treasuries, till the rupee loan of the year is raised in July. The balances increased considerably from month to month, and the closing balance on 31st March 1913 exceeded the normal opening balance on 1st April 1912 by the large amount of 10½ crores. This increase in the Treasury balances in India has been the subject of much adverse criticism, and the Government has been accused of increasing the stringency in the money market in India by taking off the market, and thereby swelling the Reserve Treasury balances, funds which were not required for immediate expenditure. It is necessary to explain, in the first place, that the large increase in the cash balances in India in the year 1912-13 is explained entirely by a transfer from the Home Treasury balances of Government in England to the Reserve Treasury balances in India, through the operations for purchase and adjustment of silver for new coinage. The increase of 10½ crores in the Indian balances corresponds exactly to the price paid for silver (£7,000,000) purchased in England for coinage in the Indian mints. The price of the silver purchased for coinage was paid in England from the Home Treasury balances, and consequently the proceeds of the coinage in India should be credited in the treasury accounts to the extent of the price

paid. The exact procedure followed was this. On receipt of intimation from the Secretary of State of the shipment of any consignment of silver or in some cases, on the delivery of the silver in the mints in India, the price of the silver was paid in India from the currency reserve to the reserve treasury and the silver treated as part of the currency reserve. On the coinage of the silver into rupees, the amount already paid from the currency reserve was replaced and the difference representing the profits on coinage made over to the Gold Standard Reserve.

Under the procedure described above, the result of the purchase of silver in England out of funds supplied from the Home Treasury balances, was to reduce those balances by a corresponding increase in the Indian balances, and the increase was obtained by a transfer from the currency reserve to the reserve treasury and not by the withdrawal of funds from circulation in India. The following amounts were transferred from the currency reserve to the reserve treasury in this way in the several months of the year :—

(In thousands of rupees.)		
	In the month.	Up to end of month.
August	2,17,50	2,17,50
September	1,87,66	4,05,16
October	1,81,49	5,86,65
November	2,39,98	8,26,63
December	82,49	9,09,12
January	1,50,00	10,59,12

If the above special credits in the cash balances in India are deducted from the figures of differences in the balances for the two years as given in Statement I, they would stand as follows :—

(Increase + Decrease—)	
End of April	—2,20,01
„ May	—42,15
„ June	+77,83
„ July	+1,91,97
„ August	+3,19,73
„ September	+4,36,05
„ October	+42,08
„ November	+31,12
„ December	—1,70,82
„ January	—1,03,23
„ February	—37,52
„ March	—6,63

14. The above indicates that in the busy trade season from December to March, there was no withdrawal of currency from circulation in India to swell the reserve treasury balances. Nor was the increase in the reserve treasury balances accompanied by any decrease in the Government balances

with the Presidency Banks, which compare as follows month by month with the balances in 1911-12.

1911-12.

(In lakhs of rupees)

	April.	May.	June.	July.	August.	September.	October.	November.	December.	January.	February.	March.
Head Offices	1,85	1,58	1,70	1,68	1,65	1,62	1,86	1,74	1,58	1,65	1,45	2,01
Branches	2,27	2,50	2,32	2,45	2,58	2,56	2,47	2,75	2,82	2,15	2,24	2,28
TOTAL	4,12	4,08	4,02	4,09	4,16	4,18	4,32	4,49	4,40	3,80	3,69	4,29

1912-13.

Head Offices	1,80	1,77	2,18	2,18	2,08	2,00	1,95	1,88	1,80	1,95	2,08	2,38
Branches	2,20	2,33	2,20	2,38	2,24	2,22	2,16	2,36	2,46	2,72	2,90	3,27
TOTAL	4,00	4,10	4,38	4,56	4,32	4,11	4,29	4,26	4,27	4,67	4,98	5,65
Increase in 1912-13	-12	+1	+31	+1,37	+9	+4	-22	-26	-14	+87	+1,24	+1,36

Thus, during the busy season of the year 1912-13 there were substantial increases in the balances with the Presidency Banks.

Surplus Balances
in India not lent
out to Trade.

15. This does not answer the question why the surplus balances in the reserve treasuries in India could not have been lent out in India, as they would have been lent out in England had they remained there. The answer to this question is that there were no applications for such loans, probably because the existing rules as regards such loans do not encourage applications.

Council Bill
Payments.

16. Paragraph 10 of this report deals with the drawings of the Secretary of State in London, but the figures entered in the tables in paragraph 2 represent amounts paid in India. The drawings in London and the payments in India in any month do not agree, as the bills issued in London cannot be presented for payment in India till more than a fortnight after their issue, and, therefore, some bills remain unpaid at the end of the month in which they are drawn, and the amount thus outstanding varies from month to month. The sum of 38,83 lakhs paid on account of Council Bills in the year was met wholly from treasury balances against 37,19 lakhs so met in the preceding year, and the payments were distributed as follows among the three Presidency towns:

	1911-12.	1912-13.
Calcutta	16,24	20,07
Bombay	15,30	12,82
Madras	5,65	5,94
TOTAL	37,19	38,83

Supplies from
Provinces to meet
Council Bill
payments.

17. Council Bills are paid at the three Presidency towns only. But the funds required for the payments are supplied from all the provinces in India, and it is the duty of the Comptroller General to bring to the Presidency towns all available surplus funds. The following table shows the local receipts in each province from various sources, the net total funds available in the

year and the amounts actually transferred by the Comptroller General from province to province in conducting his resource operations—

	IN LAKHS OF RUPEES.										
	India.	Central Provinces	Burma.	Assam.	Bengal.	Bihar and Orissa.	United Provinces.	Punjab and North-West Frontier.	Madras	Bombay.	TOTAL.
Net local Revenue receipt.	-2,82	89	2,87	36	2,18	1,50	5,42	3,38	3,85	1,91	20,92
Opium Revenue	"	"	"	"	4,98	"	"	"	"	2,21	7,19
Salt and Customs	1,08	"	2,06	"	4,22	"	"	"	1,70	5,76	14,82
New Rupee Loan	"	"	"	"	"	"	"	"	"	3,00	3,00
Transfer from Home Treasury on account of purchase of silver	3,80	"	"	"	"	"	"	"	"	6,79	10,59
Total	1,96	89	4,43	36	11,98	1,50	5,42	3,38	7,55	19,67	56,34
Opium Expenditure	"	"	"	"	"	"	-89	"	"	"	-89
Capital, Interest and Imperial Department transactions.	-3,16	10	2,75	58	95	-78	-8,86	-6,44	61	4,15	-5,15
Miscellaneous Debt Deposit transactions	2,53	68	18	-8	1,80	69	62	60	-14	-8,38	-1,18
Total Net funds available.	2,88	1,62	7,86	81	13,63	1,41	1,19	-2,43	6,02	15,46	48,35
Amounts actually transferred by Comptroller General.	28,06	-1,04	-6,69	-1,17	-14,16	-77	-1,28	2,66	8	21	"
Council Bills paid	-20,07	"	"	"	"	"	"	"	-5,94	-12,82	-38,83
Cash balance increase	4,32	58	77	-36	-58	64	-9	18	2,16	2,85	10,63

III.—CURRENCY RESERVES AND THE FINANCING OF INTERNAL TRADE.

18. Statement II shows the distribution of the Currency Reserve of coin month by month throughout the year. The opening balance of gold for the year stood at the high figure of 23.33 crores, but the rupee balance was 15.40 crores only. This balance was unduly low in view of the various trade requirements and the high volume of the note circulation, and frequent and costly movements of rupees were required. As a result, the resource work was done under considerable pressure throughout the year.

The net issues of rupees during the busy season in each circle are shown in the statement in paragraph 26 below. Those net issues amounted to 32.42 crores and were exclusive of the amounts met from local revenue collections. While heavy demands for trade occur in some provinces surplus revenue accumulates in others and to economise the coin balances, and to reduce to a minimum the coinage of new rupees, the surplus is withdrawn to trade centres as quickly as possible. To meet the 32½ crores issued from the currency offices at different seasons the surpluses available were as follows:—

		Lakhs.
April to June	Calcutta	3,65
April to November	Rangoon	2,20
June to September	Cawnpore	1,75
July to September	Lahore	1,50
May to October	Bombay and Karachi	4,60
June to November	Madras	1,25
November to March	Calcutta	4,25
December to February	Cawnpore	1,00
February to March	Lahore	1,00

21,80

Thus against about 32½ crores to be supplied from the currency reserves about 21½ crores were available by surplus collections in India leaving a deficiency of about 11½ crores. This deficiency had to be met by coinage of new rupees and the net amount added to the Currency Reserve during the year by such coinage was just about 12½ crores. The balance remained in the Currency Reserve where the balances increased during the year from 15,40 to 16,45 lakhs.

Main currency coin remittances.

19. *Hot weather : April to June*.—In the three months April to June 1912 about 5 crores in silver were required for the spring crops in Northern India and about 1½ crores for cotton and groundnut in Madras, and coin remittances in aid were required from other circles to the extent of 1½ crores in Cawnpore, 1½ crores in Lahore and 1,60 lakhs in Madras. Gold is used largely for financing the trade in Northern India, and a remittance of over 4 crores was also sent in sovereigns from Bombay for this purpose, made up of 3,33 lakhs to the Lahore Circle and 75 lakhs to Cawnpore.

On the whole, the withdrawals from circulation in Calcutta, Bombay and Rangoon proved just sufficient to meet the demands, and the balance of rupees in the Reserve on 30th June was 15,41 lakhs against 15,40 on 1st April.

The issue of gold in the quarter exceeded 5 crores, but the imports far exceeded the issues and there was an increase in the stock in the three months from 23,33 to 26,08 lakhs.

Rains : July to October.—With an opening balance in rupees of 15,41 lakhs on 1st July the abnormal demand for the Bengal jute crop of 12,70 lakhs had to be met from July to October and every available rupee was withdrawn to Calcutta at considerable expense. The remittances brought to Calcutta during this season were—

Rangoon, Akyab and Moulmein	2,15	lakhs.
Cawnpore and its Agencies	1,02	„
Lahore and its Agencies	1,56	„
Bombay and its Agencies in the Central Provinces	4,75	„
Madras	20	„

Even these heavy remittances did not supply the demands in full and Government were obliged to undertake new coinage in September. The amount received by new coinage in the two months September and October was 2½ crores. Even with this, it was necessary to draw upon the opening balance to the extent of over 3 crores and the rupee balance in the Currency Reserve on 31st October came down from 15,41 to 12,37 lakhs—a very low balance for this season of the year.

Gold is not taken for financing the internal trade in jute and the accession of gold in the Currency Reserve by import during the jute season was about 6½ crores. Against this 2,81 lakhs were sent to England in October and about two crores issued to the public in Northern India and Bombay, so that the stock of gold increased from 26,08 to 27,46 lakhs. During this period a remittance in gold of 75 lakhs was made from Bombay to Cawnpore.

Cold weather : November to March.—With the close of the jute season in October begins the season for cotton, seeds and wheat in Northern and Southern India, which is followed by the end of December by the rice trade in Burma. The last five months of the year from November to March is thus a period of active trade over a large area and the demands for accommodation are very heavy. In November and December the revenue collections are comparatively small and consequently there is a heavy drain on the currency reserve of rupees. But from January to March the drain is accompanied by large revenue receipts so that the net reduction of the currency reserve of rupees is not great.

Every circle of currency had been denuded of its available rupees to meet the demands of the jute trade, and it was therefore necessary to make considerable

remittances to the trade centres from the proceeds of new coinage which continued to the end of March. The requirements at Bombay were supplied wholly from the coinage at the Bombay mint and the following remittances were made in the last five months of the year from Calcutta and Bombay mainly out of the new silver coinage :—

From Calcutta to Rangoon	3,70 lakhs
„ „ to Cawnpore	1,00 „
„ Bombay to Rangoon	1,50 „
„ „ to Lahore	1,25 „
„ „ to Cawnpore	25 „

The amount received by new coinage was about $4\frac{1}{2}$ crores in November and December and $5\frac{1}{2}$ crores from January to March. In spite of the addition of $4\frac{1}{2}$ crores by new coinage the balance of rupees in the Currency Reserve went down from 12,37 lakhs at the end of October to 11,80 at the end of December. In the second period from January to March the large revenue collections caused a surplus, and there was a net addition to the Reserve of (16,45—11,80) 4,65 lakhs in the last three months.

The issues of gold in November and December were heavy, and in spite of the usual imports the stock decreased, but in January the imports were unusually heavy, and in the last three months the imports exceeded the issues; thus in spite of a remittance from Bombay to England of 68 lakhs the stock was raised by over $2\frac{1}{2}$ crores. In the five months from November to March the receipts by import were $11\frac{1}{2}$ crores, the issues to the public about 8 crores and the remittance to England 76 lakhs—the increase in stock being just a little below two crores.

The important remittances in gold during the period were 1,65 lakhs from Bombay to Cawnpore, 1,80 lakhs from Bombay to Lahore, 1,50 lakhs from Bombay to Madras and 45 lakhs from Bombay to Karachi.

The year closed with a stock in the currency reserve in India of 16.45 crores in silver, 29.38 crores in gold, being increases during the year of 1.05 crores in rupees and 6.05 crores in gold.

20. In the foregoing paragraphs it has been shown that to finance the foreign trade of the country in 1912-13 funds were imported by means of Council Bills to the extent of 38.83 crores and sovereigns to the value of 26.43 crores. Council Bills are paid directly from treasury balances at the three Presidency towns, and the treasury balances were sufficiently high in the year to admit of all the payments being met without any special assistance from the Currency or the Gold Standard Reserve. But it is necessary to concentrate the surplus treasury balances at Presidency towns to meet the payment, and the extent of the inter-provincial movements of funds necessary to secure this object has been exhibited in the table in paragraph 17. Council Bills are paid in the first place either by means of book credit or in currency notes, and thus pass immediately into the banks' stores of value. In the same way, imported sovereigns mostly find their way into the currency offices and currency notes issued in exchange are lodged with the banks as store of value. The stores of value at the Presidency towns are remitted to the districts in payment for articles of export, and silver or gold, according to requirements, is taken in exchange for the notes. The payments made for articles of exports partly come back into banking centres in payments for foreign imports and partly into Government treasuries on account of revenue. The effect of these various exchanges of currency on the currency reserve of gold and silver is reviewed above in paragraph 18, and the review shows that the demand for rupees exceeded the receipts by about $11\frac{1}{2}$ crores, and it was necessary to supply this excess by resorting to new coinage. As regards gold the demands were heavy, but the imports from abroad were heavier still, and out of about $21\frac{1}{2}$ crores received into the currency offices about $15\frac{1}{2}$ crores were absorbed leaving about 6 crores as an increase in the stock in India.

General summary
of the financing of
foreign trade.

IV.—TOTAL ABSORPTION OF CURRENCY,

21. It is now necessary to examine the total increase in the circulation as a whole as the result of the trade of the year. In the three years from 1909-10 to 1911-12 the average annual addition to the currency was 21.72 crores. For 1912-13 the total came to 24.52 crores made up as follows:—

		(In lakhs of rupees)
New rupees coined and paid to Currency Reserve		12.27
<i>Deduct</i> —Amount obtained from silver held in Currency Reserve on 31st March 1912	8	
Payment of gold from Treasury to Gold Standard Reserve	1.80	1.88
		10.39
Net imports of sovereigns received at the Currency Office	21.57	
Deposit into the Currency Chest in England against equivalent issues in India	2.40	23.97
		84.86
<i>Deduct</i> —Increase in treasury balance in India		9.84
		24.52

The comparison of the total increase in the circulation with the trade balance is as follows for the last four years:—

	Balance of trade.	Increase in currency circulation.
1909-10	70.82	21.16
1910-11	80.53	18.69
1911-12	89.27	30.81
1912-13	84.88	24.52

New rupees coined.

22. As already stated, £7,000,000 worth of silver was purchased in the year for coinage into rupees. The average price paid was 28½d. per ounce British standard 4/16th fine. The outturn at the Indian mints in tolas Indian standard 1/16th fine was 15.85 crores of which 4.90 crores were paid to the Gold Standard Reserve and the remainder 10.95 crores to the treasury and currency. Of the 4.90 crores paid to the Gold Standard Reserve 1.80 crores were transferred to the currency reserve, in exchange for gold thus making the total addition to rupees on account of new coinage 10.95 + 1.80 = 12.75 crores. The withdrawal of uncurrent rupees in the mints amounted to 3.40 crores, of which only 2.92 crores were re-coined into rupees and the net addition to the rupee currency was therefore (12.75 + 2.92 - 3.40) 12.27 crores.

The sum of 3.40 crores on account of uncurrent rupees withdrawn from circulation during the year included ₹1,05.12 lakhs tendered by a Native State at the Calcutta mint. This tender of uncurrent rupees came out of hoards, and the State instead of taking the whole outturn in rupees took only 25 lakhs in rupees and the remainder as follows:—

	Lakhs.
Sovereigns	50
Rupees 10,000 notes	7
" 1,000	13.74
" 500	9.82
Universal notes	66
	80.12

Thus, about 80 lakhs in hoards were replaced partly by gold and partly by currency notes on account of the Native State.

Tender of imported sovereigns at the Currency Office.

23. According to the table in paragraph 2 the net imports of sovereigns on private account in the year under report amounted to 26.43 crores. Of this amount about 25.15 crores were tendered into the currency offices in exchange for notes or transfers, and about 1.28 crores absorbed direct without

passing through the Government treasuries or currency offices. From 25.15 crores received by Government about 3.58 crores were remitted to England as already explained in paragraph 8, and of the amount so remitted, 2.40 crores were again taken into the currency chest in the Bank of England. Thus (21.57+2.40) 23.97 crores were taken as an effective addition to the currency circulation in India.

24. Gold of the value of about 1.28 lakhs not tendered to Government is believed to be either shield sovereigns or yellow sovereigns marked on the reverse with a large AUSTRALIA for which a premium is offered in the bazar. Doubts have been expressed whether such large amounts of shield sovereigns are really procurable. The subject is not of much practical importance, because even if the major portion of the imports not tendered to Government does not represent shield sovereigns specially used for jewellery there is nothing improbable in the assumption that a portion of the imports in current weight sovereigns were directly passed from the Banks for use either as currency or as ornaments. The subject of the proportion of shield sovereigns in light weight coins has, however, been specially examined. There is no doubt that the large imports by the Exchange Banks contain a few shield sovereigns, for many such have found their way into the mints. In February 1912 a lakh of light weight sovereigns packed for remittance to England were specially shroffed in the Bombay mint and 839 shield and 112 yellow coloured Australian sovereigns were found in the consignment. Between March and June 1912, 20,851 shield sovereigns found in a stock of light weight sovereigns of about £1,600,000 were actually separated at the Bombay mint. These two examinations show a percentage of nearly 1.3. The shields are in such request in the bazar that the Exchange Banks are prepared to pay Government par value for light weight coin and also the expenses of shroffing. I am also informed by a well-known bullion merchant in Bombay that Bombay imported £80,000 in shield sovereigns in the year 1912-13. This, I understand, was a special consignment apart from amounts found in large remittances for tender at the currency offices. On the whole, it is not unlikely that shield sovereigns formed a substantial proportion of those not tendered to Government.

25. The net addition to currency being worked out as above at 24.52 crores, it now remains to distribute this total circulation under the different denominations of currency. This is done in the following table:—

(In lakhs of rupees.)

	1909-10.	1910-11.	1911-12.	1912-13.	Total.
(1) Silver—					
New rupee coinage (excluding coinage for the G. S. R.)	...	...	...	12.27	12.27
Increase (—) or decrease (+) in the Currency Reserve of rupees and bullion.	+1.84	+3.22	+10.66	—1.05	+14.67
Transfer from or to the G. S. R.	+12.08	+90	...	...	+12.98
TOTAL SILVER	+13.92	+4.12	+10.66	+11.22	+39.92
(2) Gold—					
Net imports of sovereigns (through Currency).	+10.67	+10.88	+25.42	+21.57	+68.54
Increase (—) or decrease (+) in Currency Reserve of sovereigns in India.	—9.26	+2	—14.05	—6.04	—29.33
TOTAL GOLD	+1.41	+10.90	+11.37	+15.53	+39.21
(3) Increase in the circulation of currency notes.	+8.92	+58	+6.37	+7.61	+23.48
(4) Increase (—) or decrease (+) in Treasury balance.	—3.09	—1.91	+1.91	—9.84	—12.93
GRAND TOTAL CURRENCY DEMANDS	+21.16	+13.69	+30.31	+24.52	+69.68

Distributing the increase or decrease in treasury balances among the different denominations of currency the total absorption of each denomination is worked out as follows:—

	(In lakhs of rupees).			
	1909-10.	1910-11	1911-12.	1912-13.
Gold	1,16	10,78	11,40	15,37
Silver (rupees and half-rupees)	13,22	8,34	11,54	10,49
Currency notes	7,28	-83	7,56	6
Bank and other balances	-60	40	-19	-1,40
	21,16	13,69	30,31	24,52

These figures show that there was a steady increase in the absorption of gold in the country. The issues of rupees were less than those of 1911-12 in spite of the abnormal demands for jute.

Absorption of each class of currency by seasons in each circle.

26. A clear indication of the part played by each form of currency in the monetary transactions of the country is afforded by the following statements which show first the absorption of each during the busy seasons in each circle, and secondly the absorption or return of each during successive busy and slack seasons.

I-A.—BUSY SEASONS.

(In lakhs of rupees.)

		Rupees.	Sovereigns.	Currency Notes.
<i>Spring crops—Northern India.</i>				
Cawnpore Circle	April and May	3,40	45	-23
Lahore "	April to June	2,50	2,67	-65
<i>Cotton—groundnut, etc., Madras.</i>				
Madras Circle	April and May	1,30	40	-66
" "	December to March	20	72	47
<i>Jute trade—Bengal.</i>				
Calcutta Circle	July to October	12,70	49	-85
<i>Cotton, wheat and seeds in Bombay and Karachi.</i>				
Bombay and Karachi Circles.	November to March	4,50	2,25	-1,67
<i>Rice trade, Rangoon.</i>				
Rangoon Circle	December to March	4,40	50	1,81
<i>Winter crops in Northern India.</i>				
Cawnpore Circle	October and November	82	1,00	-28
" "	March	70	20	-8
Lahore Circle	October to December	1,90	2,40	-22
		32,42	11,08	-2,31

I-B.—SLACK SEASONS.

April to June	Calcutta	-3,65	49	39
April to November	Rangoon	-2,20	66	-74
June to September	Cawnpore	-1,75	40	66
July to September	Lahore	-1,50	-10	19
May to October	Bombay and Karachi	-4,60	40	8
June to November	Madras	-1,25	1,15	60
November to March	Calcutta	-4,25	1,00	1,41
December to February	Cawnpore	-1,00	45	-32
February to March	Lahore	-1,00	...	17
		-21,20	4,45	2,44
	Net	11,22	15,53	13

II.—SUCCESSIVE SEASONS.

Circles.	Seasons.		Rupees.	Notes.	Sovereigns.	Total.	Monthly average issue of sovereigns.
Calcutta	Slack	April to June . . .	—3,65	39	49	—2,77	16
	Busy	July to October . . .	12,70	—85	49	12,34	12
	Slack	November to March . . .	—4,25	1,41	1,00	—1,84	20
	TOTAL		4,80	95	1,98	7,73	
Bombay and Karachi.	Slack	April to October . . .	—4,60	8	40	—4,12	6
	Busy	November to March . . .	4,50	—1,67	2,25	5,08	45
	TOTAL		—10	—1,59	2,65	96	...
Madras	Busy	April and May . . .	1,30	—66	40	1,04	20
	Slack	June to November . . .	—1,25	60	1,15	50	19
	Busy	December to March . . .	20	47	72	1,39	18
	TOTAL		25	41	2,27	2,93	...
Rangoon	Slack	April to November . . .	—2,20	—74	66	—2,28	8
	Busy	December to March . . .	4,40	1,81	50	6,71	12
	TOTAL		2,20	1,07	1,16	4,43	...
Lahore	Busy	April to June . . .	2,50	—65	2,67	4,52	89
	Slack	July to September . . .	—1,50	19	—10	—1,41	—3
	Busy	October to December . . .	1,90	—22	2,40	4,08	80
	Slack	January to March . . .	—1,00	17	...	—83	...
	TOTAL		1,90	—51	4,97	6,36	...
Cawnpore	Busy	April and May . . .	3,40	—23	45	3,62	22
	Slack	June to September . . .	—1,75	66	40	—69	10
	Busy	October and November . . .	82	—23	1,00	1,54	50
	Slack	December to February . . .	—1,00	—32	45	—87	15
	Busy	March . . .	70	—3	20	87	20
	TOTAL		2,17	—20	2,50	4,47	...
GRAND TOTAL			11,22	13	15,53	26,83*	...

* The difference between this figure and (24,52 + 1,40) 25,92 in the preceding paragraph is due to this figure representing currency, while the latter includes also treasury transactions.

The important features of the above statements, and the inferences to be drawn therefrom are:—

(1) The regular ebb and flow of the rupee circulation: absorption in the busy season and return in the slack. This indicates the absolutely free circulation of the rupee throughout India for every purpose.

(2) The regular ebb and flow (save in the Rangoon circle and in one season in each of the Madras and Cawnpore circles) of the note circulation conversely to that of the rupee circulation. The cause of this is explained in detail in paragraph 48 below. Briefly it is that rupees, when wanted for circulation, are obtained from currency offices by the presentation of notes, and, when returned from circulation, are paid back to currency for notes in

which form bank balances are kept. The converse movement in the Rangoon circle, however, indicates a real use of notes in substitution for coin in the financing of the rice trade, and it may be inferred that in other circles notes are not used largely in the purchase of crops.

(3) The regular issue of gold in small quantities in busy and slack seasons alike in most circles.

This seems to represent the normal flow of gold when it is used for the domestic needs of the well-to-do and enlightened portion of the community and not in the financing of any important crop.

(4) The very considerable variations, from this regular outflow of gold, in the Punjab and, to a smaller extent, in the Bombay and Cawnpore circles. In these circles there were issues in the busy season considerably in excess of, and, in the slack season, an issue in Bombay and Cawnpore much below, what may be called the "normal issue for domestic needs," or even, in the Punjab, an actual return. These variations from this "normal issue for domestic needs" undoubtedly indicate the use of gold in the purchase of important crops, and the return to the treasury of a portion of the gold so used.

(5) The total column indicates roughly the prosperity of the various circles, coupled with the habit of withdrawing coin or notes from circulation. Thus the considerable absorption in the Calcutta and Lahore circles was undoubtedly due to the excellence of the crops in those areas, and to a lack of desire, probably greater in the Calcutta than in the Lahore circle, to use to the full the money obtained therefor. The large absorption in the Rangoon and Cawnpore circles followed on good crops in those areas, while the smaller absorption in Bombay was undoubtedly due to the season having been less prosperous there than in other parts of India, coupled probably with a more general use of money for the purchase of household commodities—a higher standard of comfort—or for investment.

Other details worthy of remark are :—

- (i) The overwhelming importance of the jute season as regards the net issue and absorption of rupees—over 40 per cent. of each were in connection with jute.
- (ii) The net issues of gold in busy seasons exceeded those of silver in the Punjab, in the Bombay circle they were nearly a half, and in the Cawnpore circle nearly a third.
- (iii) The total absorption of gold was 40 per cent. in excess of that of silver.

V.—RESOURCE OPERATIONS AND MOVEMENT OF FUNDS.

movement of currency to finance the internal trade.

27. In the foregoing paragraphs I have reviewed the total addition to currency circulation in India in the year 1912-13 and the distribution of the total among the several denominations of currency over the various trade seasons in each currency circle. It is necessary here to explain the processes and agencies by which this distribution is effected. As previously explained (paragraph 21), the total increase in circulation was made up originally of 23·97 crores of gold and 55 lakhs out of the new coinage of 10·39 crores of rupees which passed into circulation, the remainder having gone to swell treasury balances. Government paid at the Presidency towns 38·83 crores on account of Council Bills out of collections of surplus revenue and other funds in the several Provinces. Thus the Government supplied the trade originally at the Presidency towns with the large amount of 63·98 crores made up of 38·83 Council Bills and 25·15, the value of notes issued in exchange for the gold presented. To assist the trade in transferring funds from the Presidency towns to the interior, Government grant telegraphic transfers to the banks at a nominal charge between head offices of Currency Circles. Universal notes also furnish a means of remitting funds from one circle to another. Supply bills and telegraphic transfers are also granted between treasuries according to Government requirements. Telegraphic transfers are used largely, and as they and supply bills and universal notes

are payable in coin at the option of the payee, almost the whole burden of coin remittances for trade purposes ultimately falls on Government. Coin remittances through private agencies are made largely to centres where there are no currency offices, but in the case of inter-provincial remittances Government practically undertake the whole burden of the movements of coin to currency centres. For instance, in the case of the Bengal jute trade, the remittances to the jute centres at Dacca, Narainganj, Sirajganj and other places in Eastern Bengal are made through private agency, Government supplying the coin at the currency office in Calcutta. In the same way the coin requirements for the North India trades are mostly supplied by Government at Cawnpore and Lahore, it being left to the trade to make its own arrangements to move funds from the currency centres to the interior. These arrangements, however, very frequently take the form of transfers through Government on district treasuries.

The processes and agencies for distribution of funds among trade centres are therefore considered under the following heads :—

1. Transfers of universal currency notes.
2. Inter-provincial transfers through Government.
3. Transfers through Government within Provinces.
4. Government remittances of coin between Provinces.
5. Remittances of coin on private account.

28. The transfer of universal notes from one circle of currency to another through private agency cannot be ascertained even approximately, but the encashment of these notes in a foreign circle gives some idea of the value of notes used for remittance purposes. The magnitude of the encashment in 1912-13 is dealt with in paragraph 56 below. The total encashments in 1912-13 amounted to 17.93 crores against 14.47 crores in 1911-12 and there is no doubt that currency notes are being used to a larger extent for trade remittances. It cannot be the case that all or even most of the notes remitted to a foreign circle are presented for encashment and the figures here given must represent a part only of the business done in the form of currency note remittances. The remittances as represented by encashments in foreign circles were as follows in 1912-13 :—

	Cashed	Remitted.	(In lakhs of rupees.)	
			Net receipt of currency.	Net receipt in 1911-12.
Calcutta	4,23	5,08	—85	1,74
Cawnpore	2,24	2,12	12	—1,29
Lahore	3,98	2,33	1,65	—3,34
Bombay	3,69	4,31	—1,22	3,34
Karachi	68	1,77	—1,09	86
Madras	2,42	1,59	83	—95
Rangoon	69	13	56	—36
	17,93	17,93	..	...

It is worthy of note that according to the above figures the net movement in 1911-12 has been reversed in every case in the year under report. If the former year Calcutta and Bombay obtained funds withdrawn from Northern India, Madras and Rangoon. In 1912-13 Northern India, Madras and Rangoon obtained remittances apparently from Calcutta and Bombay.

29. Statement (No. III) gives the details of the transfers between different centres, the total value of the transfers in 1912-13 having been 47½ crores

Inter-provincial transfers through Government.

against $43\frac{1}{2}$ crores in 1911-12. The net results of the movements according to the statement are :—

Bombay sent away	24 $\frac{1}{2}$	crores against	22 $\frac{1}{2}$	crores in 1911-12,
Bengal and India sent away	1 $\frac{1}{2}$	„ „	$\frac{1}{2}$	crore „
while				
Burma received	11 $\frac{1}{2}$	„ „	10 $\frac{1}{2}$	crores „
Madras „	5 $\frac{1}{2}$	„ „	7 $\frac{1}{2}$	„ „
United Provinces received	4	„ „	1 $\frac{1}{2}$	„ „
Punjab „	$\frac{1}{2}$	„ „	1	crore „
Central Provinces „	1	crore „	1 $\frac{1}{2}$	crores „

Thus larger remittances had to be made both in notes (see preceding paragraph) and by transfers to Northern India and Burma, and the supplies came naturally from Bombay where the gold imports and Council Bills were received in large amounts. The gross figures of the remittances are noticed below.

Bombay.—Bombay received for remittance to other provinces $27\frac{1}{2}$ crores while it paid $2\frac{1}{2}$ crores on account of bills and transfers drawn by other provinces. The payments included 1 crore supply bills drawn by the Punjab ($\frac{2}{3}$) and Baluchistan treasuries ($\frac{1}{3}$), 1 crore telegraphic transfers drawn by Calcutta in redistribution of the Exchange Bank balances among Presidency towns, $\frac{1}{2}$ crore transfers drawn on Karachi by Calcutta, and $\frac{1}{2}$ crore drawn by Madras and the United Provinces in the shape of bank transfers and supply bills. As regards the amounts received for remittance, the following are the details :—

Telegraphic transfers granted on Calcutta against imported gold	7 $\frac{1}{2}$	crores.
„ „ „ Madras „ „	2 $\frac{1}{2}$	„
Other telegraphic transfers from Bombay on Calcutta	2 $\frac{1}{2}$	„
„ „ „ Cawnpore	2 $\frac{1}{2}$	„
„ „ „ Lahore	2 $\frac{1}{2}$	„
„ „ „ Madras	2 $\frac{1}{2}$	„
„ „ „ Rangoon	4 $\frac{1}{2}$	„
„ „ „ Central Provinces	1	crore.
Transfers from Karachi on Lahore	1 $\frac{1}{2}$	crores.

Calcutta and Bengal.—Received for remittance 15 crores and paid $13\frac{1}{2}$ crores, making the net amount sent away $1\frac{1}{2}$ crores. As explained in the note under Bombay, there was a net payment on account of Bombay of ($7\frac{1}{2} + 2\frac{1}{2} - \frac{1}{2} - 1 - \frac{1}{2}$) $7\frac{1}{2}$ crores so that the net remittance to other provinces from Bengal was about 9 crores made up as follows :—

To Rangoon for the rice trade	7 $\frac{1}{2}$	crores.
„ Cawnpore „ wheat „	1 $\frac{1}{2}$	„
„ Lahore „ „ „	1 $\frac{1}{2}$	„
„ Madras in the cotton and groundnut season	1	crore.
	<hr/>	
	11 $\frac{1}{2}$	crores.
<i>Deduct—</i>		
Returned by Madras in jute season	1	crore.
„ „ „ Burma „	$\frac{1}{2}$	„
Transferred from Cawnpore	$\frac{1}{2}$	„
„ „ „ Lahore	$\frac{1}{2}$	„
	<hr/>	
	2 $\frac{1}{2}$	crores.

Burma.—The rice trade required a remittance of $12\frac{1}{2}$ crores made up of $7\frac{1}{2}$ crores from Calcutta, $4\frac{1}{2}$ crores from Bombay and about $\frac{1}{2}$ crore from Madras. Rangoon returned in its slack season about a crore only, of which more than three-fourths went to Calcutta and less than a quarter to Madras.

Madras.—The net payment of $5\frac{1}{2}$ crores in Madras was made up of 7 crores paid and $1\frac{1}{2}$ crores received. As has been already explained, the 7 crores paid were made up of $5\frac{1}{2}$ crores from Bombay, 1 crore from Calcutta and about $\frac{1}{2}$ crore from Rangoon. The receipts for remittance were for Calcutta 1 crore and Rangoon $\frac{1}{2}$ crore.

United Provinces.—Here the net payment was 4 crores made up of remittances from Bombay $2\frac{1}{2}$ crores and Calcutta $1\frac{1}{2}$ crores and of a transfer to Calcutta $\frac{2}{3}$ crore.

Punjab.—Here also the supplies made to trade through Government amounted to 4 crores, of which $2\frac{3}{4}$ crores came from Bombay and $1\frac{1}{2}$ crores from Calcutta.

Central Provinces.—The 1 crore paid in these Provinces represented mainly bank transfers of treasury surplus in the Akola and Amraoti districts.

The following arrangements of the figures of remittances indicate the main lines of the movements of the years, the figures for 1911-12 being given for comparison:—

(In lakhs of rupees.)

To		1911-12.	1912-13.	From		1911-12.	1912-13.
Inter-presi- dency.	Calcutta from Bombay . . .	9,84	9,67	Calcutta to Bombay . . .	89	1,63	
	Calcutta from Madras . . .	50	1,04	Calcutta to Madras . . .	90	1,06	
	Madras from Bombay . . .	7,51	5,59	Madras to Bombay . . .	14	8	
Northern India.	Punjab from Calcutta . . .	59	1,28	Punjab to Calcutta . . .	55	40	
	Punjab from Bombay . . .	2,01	4,18	Punjab to Bombay . . .	1,17	90	
	United Provinces from Calcutta . . .	1,15	1,84	United Provinces to Calcutta . . .	32	42	
Bihar and Orissa.	United Provinces from Bombay . . .	98	2,59	United Provinces to Bombay . . .	15	9	
	Bihar and Orissa from Calcutta . . .	...	20	Bihar and Orissa to Calcutta . . .	...	54	
Assam . . .	Assam from Calcutta . . .	*388	68	Assam to Calcutta . . .	60	51	
C P . . .	Central Provinces from Calcutta . . .	49	10	Central Provinces to Calcutta . . .	3	2	
	Central Provinces from Bombay . . .	1,12	94	Central Provinces to Bombay . . .	...	1	
Burma	Rangoon from Calcutta . . .	6,85	7,61	Rangoon to Calcutta . . .	...	82	
	Rangoon from Bombay . . .	3,87	4,53	Rangoon to Bombay . . .	...	9	
	Rangoon from Madras . . .	14	39	Rangoon to Madras . . .	5	22	

* This figure represents remittances to Eastern Bengal and Assam in 1911-12 mainly for the jute trade in Eastern Bengal which remittances are shown this year in Statement IV under India and Bengal.

The outstanding feature in the above comparison is the considerable increase in the amounts drawn to Northern India to finance the wheat trade and the larger requirement for the rice trade in Burma.

30. Statement (IV) shows the internal movements of funds through Government agency. The magnitude of the transactions was greatest in Bombay, Madras and Burma, and for these provinces the aggregate figures compare as follows with 1911-12:—

(In lakhs of rupees)

	1911-12.	1912-13.
Bombay	5,39	7,09
Madras	5,47	4,79
Burma	4,36	4,07

In Bombay the differences occurred chiefly under currency transfers between Bombay and Karachi and under transfer through the Presidency Banks in districts. The increase in the currency transfers was due to growth of business at Karachi. As regards Presidency Bank transfers, the Bombay Bank had larger surpluses to spare at its branches in the first quarter of 1912-13 and in the last quarter of 1911-12, and simultaneously there was an increased demand for funds at Government treasuries for loans and advances to cultivators in connection with the failure of rains in 1911. Accordingly transfers were arranged by opposite payment to the Bank at Bombay.

In Madras the falling-off occurs chiefly in the requirements of the cotton trade. The demands for bills and telegraphic transfers on Bellary were about 40 lakhs less than in 1911-12, and the requirements of the Bank of Madras in the Circars (Guntur, Godavari and Kistna) and at Tuticorin dropped by 42 lakhs and 23 lakhs respectively.

The diminution in the transfers in Burma is attributed to stocks of paddy having been held up for better prices.

31. The specie remittances between provinces and circles undertaken by Government in the year amounted to the large sum of 24.40 crores in silver

Government remittances of coin between provinces.

and 10.69 crores in gold, being a total of about 35 crores against about 20 crores in the preceding year. The following are the details :—

(In lakhs of rupees)

	SILVER.		Gold net [received (+) or sent (-)].
	Received.	Sent.	
India and Bengal	10,31	8,54	+ 12
Assam	3	...	+ 2
Central Provinces	1	25	+ 16
Burma	5,21	2,24	...
Bihar and Orissa	...	3	+ 3
United Provinces	2,80	1,57	+ 3,14
Punjab	3,44	1,65	+ 5,10
Madras	1,60	.31	+ 1,50
Bombay	1,00	9,81	- 10,69
			+ 62 }
TOTAL	24,40	24,40	..

The important movements take place as currency remittances, and have already been described in paragraph 19. The main reason of the large increase in the magnitude of the remittances was the low balance of rupees with which the treasuries and currency offices were worked during the year, the result being considerable remittances in opposite directions at different seasons of the year.

Remittances of gold are made almost invariably from Bombay, which receives the bulk of the imports, and require no special remark except that United Provinces and the Punjab took about 8½ crores worth against about 5 crores in 1911-12 and Rangoon had no remittances from India, the demands being supplied partly from balances and partly from direct imports of sovereigns from the Straits Settlements.

Remittances of
silver coin on
private account.

32. To ascertain these remittances, we depend entirely on the returns of railway goods traffic, but experience shows that the figures are not suitable for our purposes. After deducting from the total remittances of silver coin as given in these returns the Government remittances likely to have been included in them, the remittances on private account are obtained as follows :—

(In lakhs of rupees.)

Bengal	+ 50
Assam	+ 15
Bihar and Orissa	+ 8
United Provinces	- 84
Punjab	- 82
Madras	- 1,23
Bombay	+ 1,23
Central Provinces	+ 98

Movements of
coin for the jute
trade.

33. The most important movement of rupees through private agency takes place in connection with the jute trade in Bengal. Most of the funds required are drawn from the Calcutta currency office in exchange for notes and they are then sent to the trade centres in Eastern Bengal. Hitherto the year 1906-07 has been considered a record year for jute demands, but the year 1912-13 has broken all past records. The following are the figures of net issues of rupees from the Calcutta currency office in the jute season :—

(In lakhs of rupees.)

Year.	July.	August.	September.	October.	November.	Total.
1906-07	69	3,61	5,06	1,66	1,34	12,36
1907-08	37	2,07	2,95	1,33	21	6,93
1908-09	...	70	1,90	89	22	3,71
1909-10	...	1,20	2,49	66	...	4,35
1910-11	...	79	2,34	1,37	25	4,75
1911-12	54	1,67	3,87	1,93	32	8,33
1912-13	62	4,38	4,09	2,92	92	12,93

In addition to the 12.93 crores supplied from the Calcutta currency office in 1912-13 a sum of about 1½ crores was obtained by means of bills and telegraphic transfers on the district treasuries. The approximate value of the outturn of jute during the year has been calculated at about 53 crores, and of this over 25 per cent. had to be financed by means of funds obtained through Government.

34. We are now in a position to calculate the visible addition to currency in the several provinces by trade remittances through Government and private parties. The following table shows the compiled result :—

Visible addition to currency through trade remittances.

(In lakhs of rupees.)

	India and Bengal.	Assam.	Bihar and Orissa.	Burma.	United Provinces.	Punjab.	Madras.	Bombay.	Central Provinces.
1. Foreign imports of sovereigns.	+1,12	...	..	+88	...	...	..	+22,47	...
2. Council Bills .	+20,07	...	...	..	...	...	+5,94	+12,82	...
3. Inter-provincial Transfers—									
(a) Net transfer of Currency Notes to (+) or from (-) each circle	-85	..	...	+56	+12	+1,65	+83	-2,31	...
(b) Remittances through Government.	-97	+16	-35	+11,40	+2,94	+4,13	+5,39	-24,71	+1,01
4. Silver coin remittances on private account.	+50	+15	+8	...	-84	-82	-1,28	+1,23	+98
5. Increase in treasury cash balances (—).	-10,42	-1,47	-1,59	-7,36	-1,14	+3,27	-8,02	-8,54	-1,61
Net visible addition to currency.	+9,45	-1,16	-1,96	+4,98	+2,08	+8,23	+2,86	+96	+38

35. The additions to currency according to the balances in the Government treasuries and the currency and Gold Standard Reserves and the currency note circulation account are as follows :—

Additions to currency according to Government balances.

	India and Bengal.	Assam.	Bihar and Orissa.	Burma.	United Provinces.	Punjab.	Madras.	Bombay.	Central Provinces.
Currency note Circulation Statement XVI.	+4,96	...	...	+1,07	-20	-51	+2,46	-17	...
Gold Issues Statement VI.	+1,63	+2	+8	+1,22	+2,42	+5,06	+2,36	+2,49	+14
Rupee Issues Statement VII.	+6,59	-4	-83	+1,97	+1,08	+1,80	+9	+42	-39
Increase (—) of currency notes in treasury balances	-4,04	+11	+5	-16	+15	...	-2,16	-1,45	-5
TOTAL	+9,14	+9	-75	+4,10	+3,45	+6,15	+2,75	+1,29	-80

Allowing for variations due to want of exact correspondence between currency circles and provincial areas and also for necessary differences in the remittances of foreign circle notes, the agreement between the compilations by the two methods is fairly close and the absorption of currency in each province fits in fairly with the movements of trade.

VI.—Gold Circulation.

36. The year 1911-12 was a record year as regards the gross import of sovereigns which amounted to 27.51 crores. In 1912-13 the imports were nearly as high, having been 26.69 crores (Statement V). Of this total import 25.41 crores passed through currency offices and the difference of 1.28 between the figures as obtained from trade statistics and those supplied by currency

Imports of gold.

offices is believed to represent shield sovereigns or other sovereigns of earlier coinage in special favour with the people for use as ornaments. Paragraph 24 gives further particulars regarding the import of such sovereigns.

Absorption of gold.

37. Statement VI gives the figures of absorption of sovereigns in the year distributed among the provinces. The total absorption in 1912-13 (£10,245,000) was more than a third in excess of that in 1911-12 (£7,600,000) there having been an increase in every province. In the Punjab the increase was about 60 per cent., in the United Provinces about 50 per cent., in Bengal and Burma it was also about 50 per cent., while in Bombay it was only about 14 per cent., and in Madras the figures were practically the same in the two years. Of the total of £10,245,000, Punjab took by far the largest amount, namely, £3,372,000, next in order comes Bombay, United Provinces and Madras with £1,658,000, £1,616,000 and £1,571,000, respectively. The absorption in India and Bengal figure, *viz.*, £1,090,000, was large, but deducting from it the special issue to a Native State of 50 lakhs mentioned in paragraph 22 the balance was £756,700 against £677,000 in 1911-12. Burma absorbed £814,000 in 1912-13 against £573,000 in 1911-12.

Popularity of the sovereign.

38. In view of the importance of the subject special enquiries as to the exact use of sovereigns issued at Government treasuries and currency offices have been continued in all the provinces and the subject is receiving close attention from the Account and Currency officers concerned. Extracts from, or summaries of, the reports by these officers are reproduced below and acknowledgments are due to Mr. Brigstocke, whose report from Bombay, following on his equally thorough report from Lahore last year, indicates his great interest in this branch of economic enquiry.

India and Bengal.—A comparison of the issues over the counter of the Calcutta currency office of £100 or over with those of the previous year gives the following result:—

Purpose for which taken.	In hundreds of £	
	1911-12.	1912-13.
Payments	187,1	626,8
Banking	78,4	53,8
Rice	1,1	2,7
Seeds	2,8	6,0
Shellac	6	10,9
Jute	1,5	9,8
Nut	1	...
Wheat	1	...
Coal	...	1
Hides	...	8
Sugar	...	4
Cotton	...	10,4
TOTAL	266,5	421,7

The whole of the treasuries in Bengal absorbed less than £59,000. It is stated that what gold is absorbed is used chiefly for melting and to a certain extent for hoarding purposes. Some is taken out of the country by pilgrims going to Mecca.

The absorption in Assam, Bihar and Orissa and the Central Provinces is still very small.

Central Provinces.—The large increase in the net total issues during the year under report was ascribed by all district officers to the rapidly increasing popularity of the sovereign throughout the province. In several districts it had the effect of partly reducing the demand for currency notes, the reason ascribed in one district (Akola) being that foreign merchants, who arrive during the harvest season, find it more convenient to return with their cash in sovereigns in preference to currency notes, for the encashment of which discount has sometimes to be paid. Gold was not used for financing crops in these Provinces, practically all payments being made in silver. The majority of the district officers expressed the opinion that sovereigns are not used for ornaments, nor hoarded to any appreciable extent.

Assam.—Two-thirds of the increase of absorption in the year under report was in Shillong.

Bihar and Orissa.—While the issues remained almost stationary as compared with the previous year, the receipts nearly doubled. One use of gold, which is brought to notice, is for making presents on marriage or other similar occasions as, e.g., when sending "Tilak," i.e., advance payment to bridegrooms.

In the other provinces the absorption was much larger and merits more detailed consideration. The remarks in the local currency reports are quoted, therefore, practically in full.

Burma.

Absorption of gold.—The following figures show the absorption of gold in Rangoon and in the districts separately for each quarter of 1912-13:—

	Rangoon.	Districts.
	£	£
First quarter	163,226	61,837
Second "	86,970	62,606
Third "	75,997	60,990½
Fourth "	202,821	109,952½

The absorption of the year under report shows an increase of £241,840 or 42 per cent. over the previous year's absorption, and was at its highest during the last quarter of the year, i.e., during the rice season, which may possibly be due to gold having been used to a small extent for the purchase of paddy.

Gold as currency.—The issues of gold at the Rangoon currency office during the first three quarters of the year were mostly to Chetties, and more than half the issues of gold from the currency office were in sums of £50 and under.

It is reported that the greater portion of the gold issued in the districts is melted down and converted into ornaments and jewellery, and is not likely to return to circulation, but against this opinion may be set the fact that a sum of £18,536½ in gold was received by the district treasuries outside Rangoon during the year. It is true that this is only 7·04 per cent. of the issues at these treasuries, but it seems to show that gold is to a small extent finding its way into circulation.

United Provinces.

Popularity of the sovereign.—With a view to obtain as much first hand detailed information as possible in regard to the actual circulation of gold, a circular was addressed to all treasury officers enquiring as to the exact nature of the receipts and payments of which gold formed a part. Their replies constitute a large mass of evidence which is almost unanimous in declaring that the popularity of the sovereign as currency is on the increase. The Treasury Officer, Bulandshahr, reports that the extraordinary increase in his district is mainly due to the fact that owing to the discount on the *Mahajani Hundi* being high in Calcutta and Bombay last year, the traders generally took payment of their dues in sovereigns instead of in *Hundi* and the coins so received were subsequently handed over mostly to the agricultural class in purchasing cotton, grain, etc., who in their turn paid them into the treasury in payment of Government dues.

The Agent, Bank of Bengal, Cawnpore, ascribes the large issues and receipts of gold to greater prosperity of the people and the consequent freer currency of gold and says that it is questionable whether this free currency will remain in evidence during seasons of bad harvests. The Treasury Officer, Etah, says that the people in general like to keep the money in gold instead of in notes, and that on account of its portability, the export merchants made payment in gold which was in turn paid to Government.

Gold as currency.—Much of the gold coin issued necessarily comes back to the treasuries and the fact that over 15 lakhs worth sovereigns were received back and remitted by the sub-treasuries against 3½ lakhs of the previous year tends to show that the circulation of the sovereign is spreading from head-quarters to tahsils, and that the agricultural population also are gradually coming to look upon the use of sovereign as currency with favour, since the receipts in the sub-treasuries are payments by the people and indicate the composition of the currency they handle.

The circulation of gold does not appear to have penetrated yet to any appreciable extent to the villages, as payment for crops are still for the most part demanded in silver. This is proved by the fact that Messrs. Balli Brothers and other European firms, who practically have the monopoly of the export trade, prefer silver to gold and make all their purchases in silver.* The general conclusion to be drawn appears to be that gold is passing more and more into circulation in these provinces, though not to the same extent as in the Punjab.

Use to which Sovereigns are put.—The popularity of the sovereign is ascribed to be due to its portability and the readiness with which it can be exchanged. In the bazaar discount is generally charged for every note that is cashed, but not for a sovereign on account of its intrinsic value. This is not unlikely so far as notes of denominations higher than ten are concerned but the large increase in the circulation of Rs. 5 and Rs. 10 notes at the same time show that such replacement, if it has taken place as regards small value notes also, is not on a considerable scale. Traders now prefer to keep their reserve in gold. It seems probable that gold is replacing both silver and notes for purposes of hoarding. There is no evidence that a large quantity of sovereigns goes into the melting pot in these provinces.

The Punjab.†

Lahore.—The issues of sovereigns to the public may be analysed as follows:—

	(In thousands of £.)
On account of wheat trade	974
On account of cotton trade	504
For other trade purposes	65
	<i>Issues to Banks.</i>
Punjab National Bank	396
Bank of Bengal, Lahore	310
People's Bank	170
Punjab Banking Company	21
Other Banks	299
National Bank of India	11
Private persons and firms	681
TOTAL	1,688
	1,543
	3,481

The *net* issues in gold from the Currency and the Treasury during the year amounted to £3,019,000 and £432,000 respectively giving a total of £3,451,000. Out of this £3,451,000, £1,217,000 were issued in payment of currency telegraphic transfers including £95,000 paid from the Delhi Currency Chest.

The replies received by me to references made to the leading firms, banks, etc., in the Province and to the Chambers of Commerce at Delhi and Karachi confirm the view that the circulation of gold is daily increasing, especially in the Punjab.

The Punjab Chambers of Commerce stated that the Committee had no doubt that the use of gold was daily becoming more popular with the natives of India and circulated freely in the bazaar.

* It is possible that cause and effect have been mixed up here, for in the Punjab and in Bombay the experience has been that large buyers of crops can pay in gold, but that the European firms usually prefer to handle silver.

† This province is much the most important in respect of gold circulation, but this report is comparatively brief because the corresponding report last year was very elaborate.

The Karachi Chamber of Commerce replied that in the experience of the Committee of this Chamber, the circulation of sovereigns was still increasing and the coins were becoming more popular, especially in the Punjab.

The principal European export firms in the Province do not use gold for the reasons stated in last year's report, *viz.*, the risk incurred in the transport of gold by rail whereas the Indian firms prefer gold.

Madras.

Gold coins were issued during 1911-12 and 1912-13 from the Currency Office to the extent of £268,034 and £225,359 respectively. The issues in amounts of £100 and over fell from £861,000 to £794,260, while those in smaller amounts rose from £107,034 to £131,094. The falling off in the former is more than accounted for by a falling off in the requirements of the Bank of Madras for its branches on the West Coast. The requirements of these branches to meet trade demands during the busy season, are met almost wholly by remittances of sovereigns from Madras, indicating that the demand for gold in these parts is still active, and the decrease in the remittances from Madras as compared with the previous year is believed not to have resulted from any decrease in the demand for sovereigns but from a decrease in the total trade requirements of the year. At the end of the busy season a considerable quantity of the sovereigns comes back to the branches of the Bank, showing that gold is circulating in these parts to a considerable extent as currency though the large amounts remitted year after year may undoubtedly be taken as evidence of the fact that large quantities are either being hoarded as coin or are being melted or otherwise used for the manufacture of ornaments. The most important reason for a large circulation of gold as currency in these parts, is undoubtedly the fact that currency notes do not circulate here to any appreciable extent and sovereigns are circulating in place of currency notes. An important reason for hoarding is probably the special law of inheritance in force in these parts, under which all immovable property and investments in Government promissory notes and other securities devolve on the sisters' children while investments in gold can be bequeathed to one's own children.*

The total amount of gold coins issued by the Bank in the year was as follows:—

	£
Remittances to West Coast branches for trade purposes	305,000
Remittances to Bangalore for the use of the Mysore Government	20,000
Issued to the public at Madras	138,970
Total	463,970

As regards other parts of the Presidency, it appears to be clear that considerable quantities are imported into the interior to finance trade, and these pass from hand to hand for the time being until they reach the substantial cultivator, landholder, or other citizen who hoards or melts them and thus they never come back into circulation.

Bombay.

The issues of gold during 1912-13 from the currency offices at Bombay and Karachi in issues to the public, what may be called the wholesale transactions in gold were £2,757,000 against £1,967,000 in 1911-12 and £1,453,000 in 1910-11. This steady increase in the "Issues to the public" shows that gold coins are growing in popularity and are being used for remittance and other purposes more freely. Here again we have an increase of 91 per cent. over the figures of 1910-11 and of over 40 per cent. on the figures for 1911-12. Taken by itself this increase does not necessarily imply that sovereigns are being more freely used as currency. To ascertain how far these coins go to form the ordinary circulating medium of the country we shall have to examine the receipts from the public both at the currency offices and at district treasuries. Of the £3,110,400 issued from the currency office in 1912-13 (including £353,100 issued for export by sea) £2,759,500 were issued at Bombay and only £350,900 at Karachi. The total issues to the public from the Karachi currency office in 1911-12 had amounted to £153,600 and compare as follows with those in 1912-13:—

	1911-12.	1912-13.
	£	£
For trade remittances (including remittances to the Punjab for the purchase of wheat)	76,600	238,100
For pearls	8,200	12,300
For banking	1,000	6,000
For private use . . . . .	...	3,600
In small sums	67,900	95,900
	153,600	350,900

* A curious instance of the tendency to evade the operation of a customary law which has become unsuited to modern conditions.

Of the £2,759,500 issued from the Bombay office in 1912-13, £1,925,900 were issued in sums of £1,000 and over. Details of these issues are recorded in the currency office books and are given below in thousands of pounds :—

For remittance to Agra for the purchase of wheat	15
For remittance to cotton-growing districts	815
For the purchase of cotton	626
For export to Hongkong and Shanghai	6
For export to the Persian Gulf for the purchase of pearls	338
For melting	66
For payment to staff (especially Great Indian Peninsula Railway)	419
For banking and exchange business	141
Total	1,926

The balance of £333,600 issued at Bombay was issued in small sums—for remittance purposes (£671,000), for melting (£11,400) and for local use, etc. (£151,200).

The total amount issued for remittance purposes from the Bombay currency office was £1,971,000 as shown below, against £1,243,000 and £1,152,000 issued in 1911-12 and 1910-11 :—

	In thousands of pounds.		
	1910-11.	1911-12.	1912-13.
For remittance to the Central Provinces and Berar	123	351	313
For remittance to Khandesh and Gujarat	681	499	801
For remittance to the Southern Mahratta Country	13	89	62
For remittance to other places within and outside India	395	304	795
TOTAL	1,162	1,243	1,971

It will be seen that the issues for remittances to the Central Provinces and Berar, and the Southern Mahratta Country were larger in 1911-12 than in 1912-13, while the issues in 1911-12 for remittances to Khandesh and Gujarat were considerably smaller than those in 1910-11 or 1912-13. The variation in the case of the Central Provinces and Berar was due to the bumper cotton crop of that province in 1911-12. The large falling off in the issues to Gujarat was the result of the unfavourable monsoon of 1911, which reduced the outturn of the Gujarat crop to a very large extent. The variation in the case of the Southern Mahratta Country was due to the lateness of the cotton season of 1913 and to a reduction of the cotton crop of 1912 owing to excessive rainfall in some places in 1911. The cotton season in the Southern Mahratta Country begins in February or March and continues till July. Hence the unfavourable season of 1911-12 affected the issues in 1912-13.

Popularity among cultivators.

Apart from that afforded by statistics there is, however, also a considerable volume of direct evidence on record in favour of the view that, as in the Punjab and North-West Frontier Provinces, so also in the Bombay Presidency and Sind and in the adjacent parts of Berar there is a marked and growing inclination among the cultivating class to receive payment in gold. The number of firms in Bombay who finance the cotton trade is large, but several of them were written to with the object of ascertaining what was actually done with the gold taken from the Bombay currency office. I quote the following from some of the replies received :—
 "For our own purchases of cotton up-country we always pay cash in silver currency, we however receive consignments of cotton from up-country for sale here on commission and are often asked by the up-country merchants to remit in gold." "In the majority of our purchases of cotton the gold is paid to the cultivators and also to middlemen that buy direct from the farmers; so ultimately gold goes to farmers . . . Demand from farmers and bankers of farmers who are the middlemen grows rapidly in preference to silver . . . The farmers are more inclined to sell to payers of gold." "The cultivators readily accept and prefer gold coins as the cost of cotton."

Retail transactions.

To obtain a clearer idea of the extent to which gold coin circulates as money in this Presidency it is necessary to examine what may be called the retail transactions with the public at treasuries. Statement of receipts and issues of sovereigns at the treasuries in this Presidency during the last three years, show a net receipt from the public of £76,589 in 1910-11, a net issue to the public of £19,647 in 1911-12 and a net receipt of £36,386½ in 1912-13. The gross receipts increased from £773,538 in 1910-11 to £1,337,163½ in 1911-12, and £1,890,501 in 1912-13, while the issues also increased from £701,947 in 1910-11 to £1,356,810 in 1911-12 and to £1,854,114½ in 1912-13. The total turnover increased from £1,480 millions in 1910-11 to £2,694 in 1911-12 and to £3,744 millions in 1912-13. In 1911-12 there was an increase of 71·8 per cent. in the receipts from the public and of 93·3 per cent. in the issues to the public. The percentages of increase in 1912-13 were 41·4 and 36·6 respectively.

It will be useful also to examine the figures of the more important treasuries. The following table compares the transactions in 1912-13 at some of the treasuries in this Presidency with those in 1910-11 and 1911-12. The figures are given in thousands of pounds, and I have selected those treasuries only at which the receipts or issues have exceeded £20,000 in 1912-13—

	1910-11.			1911-12.			1912-13.		
	Receipts.	Issue.	Net Issue.	Receipts.	Issue.	Net Issue.	Receipts.	Issue.	Net Issue.
Ahmedabad	7	10	+3	15	21	+6	25	46	+21
Ahmednagar	10	12	+2	14	32	+18	10	45	+35
Belgaum	15	12	-3	44	38	-6	42	84	-8
Bombay	859	298	-61	751	599	-152	1,001	707	-294
Broach	2	3	+1	5	5	...	40	181	+91
Dharwar	5	11	+6	32	38	+1	34	38	+4
Hyderabad, Sind	3	31	+28	14	46	+32	37	65	+28
Karachi	23	32	+9	25	25	...	88	46	-42
North Khandesh	124	21	-103	128	118	-10	153	130	-23
West Khandesh	65	12	-53	94	59	+35	72	60	-12
Larkhana	2	6	+4	17	13	-4	56	30	-26
Nasik	35	32	-3	39	43	+4	37	49	+12
Poona	16	43	+27	43	62	+19	45	78	+33
Sukkur	13	62	+49	17	98	+79	26	157	+131
Surat	8	4	-4	15	14	-1	23	21	-2
Kathiawar (Rajkot)	4	7	+3	6	13	+6	19	39	+20
TOTAL	691	596	-95	1,188	1,216	+18	1,713	1,676	-37

The general increase in the figures for 1911-12, as compared with those for 1910-11, is most marked, while there has also been a considerable increase in the figures for 1912-13. The increase in the total turnover is also noticeable, it having risen from under £1·3 millions in 1910-11 to nearly £3·4 millions in 1912-13, or by over 180 per cent. Omitting the figures for the Bank of Bombay the increase has been from £630,000 to £1,681,000, or by nearly 170 per cent. On the whole there has been a progressive increase, both in receipts and issues, in the case of nearly all the treasuries.

The most noticeable point in connection with the circulation of gold in the districts is the very large increase in the issues of gold at the Broach Treasury in 1912-13 compared with the issues of the previous years. This was due to an endeavour made by banks and traders to pay the cotton-growers in gold coin to avoid the heavy expense of taking silver coin from the Presidency town.

Through the courtesy of the Comptroller, Central Provinces, I have been furnished with some instructive figures regarding receipts in gold at the Berar treasuries in payment of Government dues. A certain amount of gold has found its way there from Bombay in connection with the cotton crop, and it is interesting to see whether there is any tendency to an increase in the receipts at the treasuries. The figures are as follows for the first five months of the three calendar years:—

1911	7,753
1912	23,237
1913	73,510

These statistics relating to four treasuries only in Berar, are sufficiently eloquent testimony to the fact that all the gold issued from the Government currency offices does not disappear for ever into hoards.

A reference was made to the district and treasury officers in March last with a view to obtaining first-hand information of the circulation of sovereigns in their districts. The following extracts have been taken from their replies and serve to give a general idea of the growing popularity of sovereigns and of their increased circulation in the districts:—

Bombay.—The Secretary and Treasurer, Bank of Bombay, Bombay observes as follows:—

“A very large proportion of the receipts and issues of sovereigns at this office are connected with transactions on Government account with the Bank.

The following are the figures relating to such transactions for the year 1912-13 :—

Receipts.		£
Great Indian Peninsula Railway		487,016
Bombay, Baroda and Central India Railway		111,897
Customs and Stamp Office		118,489½
Sundry		7,388
	Total	898,689½
Issues.		£
Great Indian Peninsula Railway		211,868
Bombay, Baroda & Central India Railway		2,690
Customs		3,428
Naval and Military		84,909
Sundry		89,022
	TOTAL	348,411

"In addition, the Bank received on its own account £300,945 and issued £363,259½, so that the total receipts were 1,000,613½ and the total issues £706,670½. Practically, the whole of the issues on Bank account were made to firms who forwarded the sovereigns up-country for the purpose of buying produce, principally cotton. The sovereigns so issued were partly given in payment of cheques, etc., drawn on the Bank and partly in exchange for currency notes.

"The receipts were spread over a very large number of our constituents and the sovereigns were almost entirely tendered to us in the ordinary course of business, etc., for credit of accounts or in payment of bills, etc. Sovereigns are very rarely tendered to us to be exchanged for currency notes or rupees, and when they are so tendered it is only for trifling amounts.

"The increase in the issue of sovereigns has undoubtedly resulted in a material reduction in the issues of whole rupees, but we can find no indication that the issues of currency notes have been similarly affected."

The Collector of Bombay observes :—

"Sovereigns are paid in ordinary treasury transactions by all classes of persons having to make payments into the treasury. They are now so common that in Bombay at any rate the amount hoarded or used for ornaments is a very small proportion of the number in circulation. They are specially popular among persons having to make a long journey."

Karachi.—The Agent of the Branch Bank at Karachi observes as follows :—

"These coins are becoming increasingly popular and are now circulating more freely among nearly all classes of the community * * * * * The classes of persons from whom gold is received are chiefly merchants and the general public, so far as Karachi is concerned, and in the districts, I believe, the Zemindars pay a good proportion of their land revenue in gold and that Government officials of all ranks ask for gold in payment of their bills. The circulation is to a certain extent confined to educated people, but not wholly.

"It is not the general practice of the public to bring to the bank sovereigns for the express purpose of exchanging them for notes unless for some special reason. Sovereigns appear to occupy a place by themselves in the circulation of the country quite equal in importance to notes. Sovereigns are generally received in ordinary business and treasury transactions.

"The use made of the coins is general. They are, in our opinion, mainly used not as ornaments or for the purpose of hoarding but as a circulating medium. A large sale of bar gold in this district by the banks tends to displace sovereigns in the manufacture of ornaments, while the spread of education tends to diminish hoarding; the extension of banking facilities also works in the same direction * * * * * The increased demand (in 1912-13) in our opinion is due to the readiness of the public to accept sovereigns when they are freely issued by Government as a circulating medium. I am unable to say whether sovereigns have displaced R5 and R10 notes in the circulation to any extent, but it is very probable that they have."

The Currency Officer, Karachi, observes as follows :—

"Since the public began taking gold in large quantities there has been a falling off in the issues of silver coin as may be seen from the statement below :—

Year.	ISSUES TO THE PUBLIC.		
	Gold.		Silver.
	£	Value in Rupees.	₹
1910-11	79,150	11,87,280	1,01,63,046
1911-12	153,637	23,04,555	79,03,845
1912-13	360,881	52,63,215	95,16,590

"As the export trade of Karachi has increased each year, I think I might safely say that the issues of rupees would have been considerably greater each year but for the fact that the public generally found gold more suitable for their requirements than silver. During 1912-13 Messrs. Ralli Brothers were practically the only people who asked for silver coin in large sums, their reason for preferring silver to gold being the greater risk attending the transport and storage of the latter in isolated places in the mofussil."

Ahmedabad.—"Gold coins are generally received into the treasury in payment of Government dues from persons such as land-holders, mill agents, excise and opium farmers and salt traders, and they are generally issued in payment of salaries to officials and for payment of money orders and savings bank transactions to post offices and to a small extent in exchange for silver or currency notes to the public.

"The use of gold coin in preparing ornaments is rare, that is only when the quality of gold required is hard. The general use of the coin is its circulation as money or for remittance or as ready cash on journeys.

"The excess (of receipts and issues) during the year 1912-13 is due to the fact that wider circulation of the coin is beginning in preference to silver and currency notes, generally of higher denominations."

Ahmednagar.—"Gold coins are generally received into the treasury from the post office, village officers in their remittances, opium and liquor shop-keepers, toll contractors, etc. They are generally issued to the public works department in ordinary treasury transactions to other Government officials in payment of their pay, to cash allowance holders* in payment of their emoluments and allowances. They are also issued to the public who find it convenient to take these coins with them to distant places, when going on pilgrimages or for making purchases. They are not received in exchange for silver or currency notes, but sometimes issued to the public in exchange for silver.

"They are not hoarded or used as ornaments. They mainly circulate as money or are used for remittance purposes. It is generally assumed that a gold coin when broken does not fetch exactly its face value of Rs. 15. It is therefore not a profitable transaction to hoard these coins or to use them as ornaments instead of pure gold, the value of which does not suffer by its being so used.

"It is probable that gold coins are to a small extent taking the place of whole rupees and notes of small values."

Belgaum.—"The European managers of the Gokak and Saundatti mills in this district, who purchased cotton in large quantities, paid the value thereof mostly in gold, so that even a day labourer who was paid his wages in cotton got the price of it in gold.

"Gold is scarcely hoarded. It is the currency notes that are very often used for hoarding money. Gold is mostly used for circulation as money or for remittance purposes as stated above.

"There is no special reason for the increase of the figures of the year under report over those of the preceding two years, except that as years advance people more and more get to the use of gold coins."

Broach.—"The gold coins are received into the sub-treasuries from the village officers, who receive them from Khatedars such as Patidars, Bohras, etc. These Khatedars receive coins from the cotton-buying merchants to whom they sell their cotton. Sovereigns are also received from excise licensees, etc, in payment of Government dues. At the Bank they are issued to cotton merchants and others connected with the cotton trade and at sub-divisional sub-treasuries to merchants and pleaders, who receive them in exchange for silver as they are light to carry. All classes of people seem willing enough to receive the coin. Sovereigns are not generally received in exchange for silver or currency notes.

"Sovereigns are not hoarded or used as ornaments, but they circulate as money and are used for remittance purposes"

The reason for the large increase in the year 1912-13 is that sovereigns have never before been available in such quantities for free issue. During the present cotton season sovereigns worth Rs. 85,000 have been brought here by Government and by the Bank of Bombay at Broach for issue to the public.

"Sovereigns have this year displaced silver. As regards the currency notes of the denominations of Rs. 5 and Rs. 10, the sub-divisional authorities report that sovereigns are displacing them, as they are easily portable and have their attraction as metal. The Agent to the Bank of Bombay states that these notes have never been much used in this district as a means of financing the movement of the cotton crops."

Hyderabad (Sind).—"Sovereigns are generally received from Zamindars in payment of Government dues and paid to contractors and Government servants.

* Receivers of annual cash compensations from Government for resumed lands, etc.

“ Sovereigns are very seldom received and issued in exchange for silver and currency notes Sovereigns mainly circulate as money. They are to a small extent used for hoarding and ornament purposes, but they are very seldom used for remittance purposes.

“ The Agent of the branch Bank reports that ‘ the bulk of the sovereigns received at this Branch, except those remitted from Karachi for Government purpose, comes from various public offices such as Post Office, Railway and Treasury Office. Large amounts have also been received from sub-treasuries, particularly so within the last two years, when land revenue collections were due, which would tend to show that the circulation of the coin in the district is on the increase.’

“ The uses to which the coins are put are varied. Zamindars take a large number of them for hoarding purposes or to displace rupees which they may have already hoarded.

“ Among the well-to-do class a small percentage of the coins are melted down and turned into ornaments.

“ The circulation of sovereigns has had very little effect on the issues of notes of ₹5 and ₹10 denominations, but it certainly has reduced the issue of whole rupees to a fair extent.”

Dharwar.—“ Sovereigns are ordinarily received at the treasury in postal and sub-treasury remittances and at sub-treasuries generally from villagers in payment of Government dues. In Hubli they are also received from mill-owners and merchants in exchange for silver and notes.

“ The coin is, of late, coming more and more into free circulation. There is a decided increase (in 1912-13) both under receipts and issues, in the treasury as well as in the sub-divisional sub-treasuries, except at Hubli and Gadag. The fall at Hubli and Gadag during the year 1912-13 is due to the lateness of the current cotton season and the shortness of the crop last year.”

East Khandesh.—The Agent of the Branch Bank at Jalgaon reports as follows :—

“ Sovereigns circulate very freely in this district as money and are readily accepted by all classes. They are also used by cotton dealers for remittance purposes to outlying centres where they are accepted freely. I do not think that gold coins are extensively used in this district for either hoarding or the making of ornaments.

“ I estimate that in an ordinary good cotton season about ₹7 lakhs is now imported into this district in sovereigns for the purpose of financing the crop. Sovereigns have largely displaced the whole rupee, and this applies not only in regard to receipts but also to payments. Messrs. Ralli Brothers is the only firm in this district who do not use sovereigns for remittance purposes.”

West Khandesh.—“ Gold coins are generally received from the cultivators who have to pay the land revenue, etc., and they are issued to anyone who has to receive payment from Government. Sovereigns are hoarded in very rare cases for the present in this district or used as ornaments. In the year 1912-13 the receipts and issues of gold are more than that of the two previous years. The cause can be assigned to the free circulation.

“ The circulation of the gold coin has resulted in a material reduction in the net issue of the whole rupees, which is not considered now by the public as a very favourable medium owing to the bulk and weight.”

Larkana.—“ Gold coins are generally received in payment of Government dues on instalment days. Zamindars deal in grain with merchants and are generally paid by them in sovereigns, which merchants obtain from the big firms and Karachi and other places.

“ Sovereigns are now-a-days hoarded to some extent in place of or in addition to notes and silver, and they are freely circulated as money and used for remittance purposes. They are also mixed with market gold in making ornaments but to a smaller extent than before. The public preference for gold is becoming more decided.”

Nasik.—Almost the whole quantity of gold coin received in the treasury ultimately comes from the landholders in payment of land revenue. The Mamlatdars all report that gold is rarely hoarded. Sovereigns are never used as ornaments owing to their impure gold except in very rare cases.”

Poona.—The Agent of the Branch Bank states as follows :—

“ The class of people from whom gold coin is generally received at the bank are merchants. It is issued principally to pensioners, contractors, and private individuals. There are no indications that the circulation of gold has affected the rupee circulation, and the circulation of small notes has increased largely along with the increasing circulation of gold.”

Suktur.—“ Sovereigns are not hoarded and rarely used as ornaments. They circulate freely in the market and are used by merchants for remitting purposes while making purchases of wheat, etc. The large increase in the receipts and issues of sovereigns in 1912-13 as compared with the two previous years is entirely due to the increasing popularity of the coin.”

Surat.—“ During the cotton season the issue of sovereigns by the bank is chiefly to dealers in cotton, and also in the market they are sometimes imported to finance the cotton crop. There

is a belief that sovereigns are often melted down to make gold ornaments but there is no strong reason to urge that they are hoarded up Gold coins mostly circulate as money and are not used for remittance purposes generally."

Rajkot.—"Gold coins at this treasury are mostly paid to and received from, those connected with Native States; to a less extent they are issued to contractors and a still smaller proportion are used in payment of salaries of Government officials and office staff generally. We have no definite information of either hoarding of gold coin or its conversion into ornaments in this district. It appears to be coming into favour very gradually as a medium of circulation among merchants and others and its bulk as compared with silver is making it increasingly popular for remittance purposes. This has been specially noticeable in the last two months."

At other treasuries the receipts and issues of gold are less important, but the testimony of the officers consulted is much to the same effect. Thus Bijapur states that "gold coins are neither hoarded generally nor used as ornaments, but they circulate as money to a small extent and are used mainly for remittance purposes." Kaira reports that "the tendency of the people now is to the circulation of gold coins as they can be easily taken from one place to another." From Kanara comes the statement that "the major part of issues of sovereigns is slowly and gradually absorbed in preparing ornaments though it cannot be said that they are not at all in circulation. In Haliyal sovereigns are somewhat freely circulated, the fact is due to the existence of large forest contracts and extensive dealings in forest produce." On the other hand, Kolaba reports that "sovereigns are not generally hoarded, they are not even used as ornaments. They generally circulate as money or are used for remittance purposes. . . The large increase in the receipts and payments in the current year is due principally to the fact that traders of corn bring in sovereigns for payment of the price of corn and people use them as a medium of ordinary currency." Mirpurkhas states that "the coins are undoubtedly gaining in popularity. The circulation of gold has resulted in a material reduction in the net issue of whole rupees and currency notes of the denomination of Rs. 5 and Rs. 10." Ratnagiri reports that sovereigns "are mainly in circulation as money. Their use as ornaments is very rare. People in this district are dead against using sovereigns for preparing gold ornaments, their reason being that sovereigns are not made of pure gold but of gold and copper alloy Gold sovereigns are not at all hoarded in this district." From Satara comes the unusual statement that "sovereigns are never accepted by agriculturists and other low class people," but it is added that "the use of sovereigns is increasing day by day for the convenience of the trade." The Agent of the Branch Bank at Sholapur observes that "sovereigns do not appear to be either hoarded or made into ornaments to any considerable extent but to be used as money for ordinary payments and for remittance purposes. People here invest their money in mills, railways and other securities and place deposits with banks, but there is no evidence that money is hoarded, indeed, the keenness of the people here to obtain interest on their money precludes the idea of hoarding. Sovereigns circulate freely in Sholapur city and they pass freely even in the villages in the district." Thana does not think "that over 5 per cent. are used as ornaments or over 15 per cent. for hoarding. The others or about 80 per cent. of the issues circulate as money." The Baroda Treasury reports "that during the past 11 years the receipts and issues have greatly increased. The reason for this increase is due to the free circulation of these coins among the public who have learnt to take more advantage of them day by day."

The above extracts are sufficient to prove the growing popularity of the sovereign and its increasing circulation as currency even in places far removed from the Presidency town. Further evidence to the same effect is available in the railway and post office figures which are given below. The figures for the Bombay, Baroda and Central India Railway are for stations within the Presidency only; the others are for the whole railway.

Receipts from the public at stations on the —	1910-11.	1911-12.	1912-13.
	£	£	£
Bombay, Baroda and Central India Railway	32,383½	69,301½	90,961½
Great Indian Peninsula Railway	162,066	862,081	476,346
Madras and Southern Mahratta Railway	16,779½	82,429½	42,543½
North-Western Railway	134,094	248,690	454,609
TOTAL	345,273	702,692	1,024,460

The progressive increase in these figures is most marked and clearly shows that the public continue to make a greater use of sovereigns in their ordinary transactions.

The following table compares the receipts and issues of sovereigns at the several post offices in the Bombay Presidency (including Sind) during the last three years :—

Names of Offices.	RECEIPTS.			ISSUES.		
	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.
	£	£	£	£	£	£
Bombay General Post Office and its Town Sub-Offices.	37,663	81,070½	106,438	22,370½	45,741	63,127½
Karachi Post Office and its Town Sub-Offices.	3,241	8,326	15,328½	2,137½	4,714	7,602
All other offices in the Presidency	84,595½	169,795	215,444½	47,872½	93,071½	160,590½
TOTAL	125,499½	249,491½	337,211	72,380½	143,526½	231,329

These figures, which especially on the receipt side give some idea of the nature of the money in circulation and in the hands of the people, indicate a steady and continuous growth, the increase in the issues no doubt indicating larger payments of money orders in gold.

Receipts of
sovereigns in
Treasuries, Post
Offices and Railways.

39. Statement No. VI A gives the usual details of receipts of sovereigns in Treasuries, Post Offices and Railways. These figures indicate the extent to which the sovereign is entering into the daily transactions of the public as currency. The transactions in 1912-13 were very much larger than those in 1911-12. The total Treasury receipts increased by £2,376,000 or 42 per cent., the Post Office receipts by £598,000 or 44 per cent. and the Railway receipts by £588,000 or 48 per cent. Of the increase of £2,376,000 under Treasuries United Provinces records the largest £1,018,000, Punjab comes next with £646,000 and Bombay third £301,000. Except in the case of Madras the figures for 1912-13 are the highest on record.

Uses of sovereigns
other than as
currency.

40. Sovereigns are no doubt used to some extent for hoarding or to be melted and turned into ornaments. It is not possible to obtain any definite information as to the extent of these practices except that in 1912-13, there was a substitution of 50 lakhs worth of gold for silver in the store of value held by a Native State (paragraph 22). All the information available on the subject is already given in the extracts from local reports quoted in paragraph 38. From Bombay the Accountant-General reports as follows :—

"There is little that is new to be said on the evergreen subject of hoarding. Statistics are necessarily of comparatively small use here. It is obvious that some of the gold absorbed goes into new hoards, as the wealth of the people increases, and some of it displaces silver in old hoards. That this gold will never re-appear is, however, a quite mistaken conclusion to arrive at. Silver has always come out of hoards when necessity has driven it, and there seems no *prima facie* reason to think that its action will be different in the case of gold. At the same time it is certain that, especially on this side of India, where the rise and growth of *Swadeshi* Banks, financing corporations and industrial concerns has been phenomenal of recent years, there is much less tendency to hoard and a greater inclination to invest money productively than used to be the case. The extension of the co-operative movement must have the same effect in agricultural tracts. The only danger is lest the failure of some of these mushroom companies should cause a set back and incline people to tighten their purse strings."

"As regards melting, it may be observed that the price of English bar gold in Bombay generally fluctuates between Rs. 24 and Rs. 24-1-0 *per tola*, and the value of the pure gold contained in sovereigns comes to Rs. 23-14-3 *per tola*. If, however, we take into account the cost of melting and purifying the gold contained in sovereigns it is doubtful if the use of sovereigns in the manufacture of ornaments could be more economical than that of pure gold. Nevertheless, it is a fact that sovereigns are to some extent melted by the people for making ornaments, etc. Direct evidence in this connection is available in the Currency office records. It appears that during the last eleven years sovereigns to the extent of £1,298,500 were taken ostensibly for melting. A great deal of this was taken by one man, and there is some reason to doubt whether some of it was not really exported and not melted. A portion of the amount which was taken for local use no doubt also found its way into the melting pot. In the case of outlying places far removed from trading centres it is possible that the gold required by the people for ornaments, etc., is obtained by melting sovereigns. At such places it may be more profitable to use sovereigns (which can be readily obtained at the local treasury) than bar gold which has to be brought from Bombay. The Treasury Officer, Kanara, for instance, reports that most of the sovereigns issued to the public are evidently melted for preparing ornaments. In Bombay the

Hindus and Mahomedans generally prefer to have their ornaments made of pure gold or of gold of 97 touch, while the majority of Christians and the Parsis use sovereigns in the manufacture of their ornaments. Ornaments made of sovereign gold are said to retain their polish for a longer time and do not lose weight to the same extent as those that are made of fine gold. It is probably because of this that sovereign gold is preferred by the majority of Christians and Parsis. I am also informed that gold stated to be $\frac{3}{4}$ th fine is prepared locally and sold in the market at prices varying from Rs 23 to Rs. 23-8-0 *per tola* according to the quality of the metal and that sovereigns are some times used in the manufacture of this gold. It is difficult to verify this, but as some of the gold which though stated to be $\frac{3}{4}$ th fine is really of an inferior quality, the use of sovereigns in the manufacture of the metal very possibly brings some small profit to the manufacturer."

41. It is now possible to indicate generally the use which is made of the sovereign in India at the present moment, and the task is made more easy by the fact that all the evidence is in accord with the conclusions to be arrived at by theoretical reasoning. In the first place there is a large mass of population who never enter into any transaction involving a receipt or expenditure of Rs. 15. To that class the sovereign will never penetrate. As regards the other classes, the use made of the sovereign varies considerably in various provinces as has been already indicated. But the following general conclusions seem to be permissible. Take the trading community. They are well aware of the intrinsic value of the sovereign, and, even though they might not be able to get rid of one readily in local trade transactions, they would probably accept a sovereign if offered in the course of business. One can now say more than this. In every town of importance in India, except in a few outlying districts, the sovereign can be used in retail transactions. General conclusion

Then there are the comparatively well-to-do people. The sovereign is entering more and more into their ceremonial life as, *e.g.*, for presents at marriage ceremonies. They are finding that the sovereign is a very convenient and portable form of value, hence its use on journeys and pilgrimages and for remittance purposes, is increasing. Its use in retail transactions has already been discussed. These people know that Government accepts the sovereign readily, so small payments to Government are often made in this medium. There can be no doubt that sovereigns pass into hoards to some extent. Local custom as regards their use for ornaments seems to vary considerably in various parts of India. As was to be expected Government servants, pensioners and other payees have taken the lead in the acceptance of sovereigns.

Finally, we come to the most important portion of the Indian population—the agricultural community. The variations from province to province of the absorption of gold are due very largely to the use of the sovereign by this community. Every large expansion of such absorption has been due to an increased use of gold in the purchase of crops, and has thus been the direct outcome of the initiative of the wholesale purchaser. It is to the latter, more than to any other, class that the extended use of gold is due. And so far experience has shown that an attempt to use gold in such purchases, if persevered with, has always succeeded. There is even a strong volume of evidence that in parts of the Punjab the sovereign is preferred to the rupee, and a purchaser offering gold has an advantage over one offering silver. The use of gold in the purchase of crops is now pre-eminent in the wheat trade in the Punjab, it is large and increasing in the cotton trade of Bombay and the cotton and spring crops in Northern India, and it has obtained a footing in the west of the Madras Presidency. It has at last touched the rice trade in Burma.

In view of the statements in paragraph 26 it is clear that gold has fairly free circulation in parts of the Punjab and, to a smaller extent, in parts of Bombay and the United Provinces. I mean by this that there are many sovereigns which pass through a fair number of hands and are used as a medium of exchange in many transactions before they return to treasuries or pass into hoards. Giving "circulation" the wider meaning, which neglects to take into account the number of exchange transactions performed by each coin during circulation, Statement VI-A indicates a considerable and increasing volume of gold circulation except in Bengal (outside Calcutta), Assam, Bihar and Orissa and Burma.

It must not be thought that every sovereign which is absorbed is hoarded or melted down. A very large sum of money is in actual use in India. Banks have

cash reserves, traders have till money, private persons have their petty cash. There can be no doubt that sovereigns now form some, and an increasing, portion of this daily balance of cash in hand; and sovereigns so in use certainly must not be regarded as hoarded. Again a certain amount of gold must leave India in the pockets of travellers.

It is not for me to discuss whether a gold currency is necessary for the maintenance of exchange. But the conclusion must be drawn from these figures and accumulated opinions that the sovereign really has entered into the economic life of India. The withdrawal of the sovereign would now be viewed with disfavour by many, to whom currency-controversies are unknown, who yet realise that this coin is superior to any other.

VII.—Silver Circulation.

Absorption of silver.

42. Statement VII gives the usual details of the net absorption of rupees and half rupees during the year. The total absorption in 1912-13 for all India compares as follows with the actuals since 1906-07 :—

	In lakhs of rupees (Absorption +, Return—)
1906-07	+ 18,00
1907-08	+ 3,92
1908-09	- 14,88
1909-10	+ 13,22
1910-11	+ 3,34
1911-12	+ 11,54
1912-13	+ 10,49

The absorption amounted to 10½ crores in 1912-13 against 11½ crores in 1911-12. This reduction of a crore is surprising in view of the increased issue for jute in Bengal. It was made up of a smaller absorption of 3½ crores in Bombay, of about a crore in Burma, ½ a crore in the Central Provinces and ¼ crore in Madras counterbalanced by increases of 2½ crores in the Punjab and 1½ crores in the United Provinces. For Bengal including Eastern Bengal, Assam and Bihar and Orissa the net absorption of the two years was practically the same.

Explanation of Provincial variations.

43. The heavy reduction in Bombay of about 3½ crores was due chiefly to the failure in some parts of the monsoon of 1911, the result of which was a net withdrawal of rupees in the first half year of 1912-13 of over 3½ crores against about a crore in the corresponding period of 1911-12. The smaller demand in Burma occurred wholly in the rice season and it is explained that currency notes have been used to an increasing extent in the rice trade and it is also suggested that the use of gold has increased. The large increases in Northern India were wholly due to the exceptionally active trade both in the spring and winter. The increase would have been still higher but for the fact that in the last quarter of the year there were heavy withdrawals, in payment of revenue, of some of the amounts issued early in the year. It has been stated above that for Bengal as a whole the net absorption in 1912-13 was practically the same as in 1911-12. This statement requires some qualification: it has been explained in paragraph 22 that about 80 lakhs were exchanged for note and gold at Calcutta on account of uncurrent coin tendered by a Native State—the uncurrent coin has been treated for purposes of Statement VII as withdrawn from India and Bengal and thus the real absorption in Bengal has been understated by about 80 lakhs. But even assuming that the absorption in Bengal in 1912-13 was more by about a crore than that in 1911-12 the result must be considered rather unusual, as the following figures show :—

	In lakhs of Rupees.				
	1906-07.	1909-10.	1910-11.	1911-12.	1912-13.
Net issues in jute season (para. 33)	12,36	4,95	4,75	8,33	12,93
Total absorption of rupees in India	18,00	13,22	8,34	11,54	11,29
Net absorption in Bengal	10,78	-83	10	5,59	6,52

While in 1906-07 and 1911-12 the absorption in Bengal was less by between 2 or 3 crores than the total jute issues, in 1912-13 the difference amounted to about 6½ crores. Bengal being a permanently settled province not liable to important fluctuations in revenue receipts, the explanation of this return in 1912-13 of such a large proportion of the issues must be sought in the large increase in the import trade in the last quarter of the year already explained in paragraph 12. Apparently the prosperity of the jute trader induced him to spare more from his savings for imported produce.

44. The question remains whether rupees have been replaced to any appreciable extent by other forms of currency. From the figures in paragraph 26 it seems clear that to some extent currency notes have taken the place of rupees in the rice trade in Burma, and, to a still greater extent, gold of rupees in the Punjab. Replacement of rupees by other form of currency.

The inference has been drawn in that paragraph that gold is now used to some extent in the purchase of crops in Bombay and the United Provinces. To this extent gold must have replaced rupees in those provinces also. It is not yet evident, however, as has been suggested, that gold has replaced rupees in Burma to any extent.

45. The subject of coinage of rupees both from purchased silver and by re-coinage of withdrawn coins has already been dealt with in paragraph 22. Statement VIII gives the usual details of the coinage. Rupee coinage.

46. Statement IX furnishes the usual figures relating to the rupee census. In Statement X a further comparison is given of the figures for certain groups of years to prove the substitution of rupees of new coinage for the older ones. This comparison clearly shows a steady decline in the percentages of older rupees in circulation and, so far as can be judged from these statistics, there is no evidence of replacement of silver in hoards to any large extent by gold in British India. Rupee census.

VIII.—Note Circulation.

47. Statements XI to XX contain the usual statistics regarding currency note circulation. These statistics comprise :— Statistics of Note Circulation.

Statement No. XI.—Gross circulation of currency notes for the whole of India at the end of each month of the year from 1863-64 to 1912-13.

Statement No. XII.—Average gross circulation for each year for the whole of India distributed among the various circles of currency.

Statement No. XIII.—Gross circulation at the end of each month of the year for each circle of currency.

Statement No. XIV.—Gross circulation less balances held in Reserve Treasuries for each month of the year in each circle.

Statement No. XV.—Statement of active circulation for the whole of India for each month of the year after deducting amounts held in Government Treasuries and Head Offices of Presidency Banks.

Statement No. XVI.—Gross circulation of each denomination of note on 31st March 1913 for each circle.

Statement No. XVII.—Growth in circulation of 5 and 10-rupee notes in selected circles.

Statement No. XVIII.—Encashment of Foreign Circle notes in each circle.

Statement No. XIX.—Statistics of Treasury and Bank balances on 31st December 1912.

Statement No. XX.—Classification of Treasuries according to encashment of currency notes.

The gross circulation.

48. The gross circulation at the end of each month of 1912-13 compares as follows with the corresponding figures in 1911-12 :—

	(In lakhs of rupees.)		
	1912-13.	1911-12.	Increase in 1912-13.
April	58,34	54,69	3,65
May	58,89	56,10	3,79
June	64,12	58,22	5,90
July	66,59	60,29	6,30
August	68,18	59,69	8,47
September	68,33	56,32	12,01
October	65,79	56,61	9,18
November	67,27	58,05	9,22
December	65,70	56,18	9,52
January	67,75	54,70	13,05
February	67,54	57,19	10,35
March	68,98	61,84	7,62

Ordinarily the end of the busy season in April and May is the time when the gross note circulation for the whole of India is at its lowest level. At this time the balances with Presidency Banks are brought down in anticipation of the collections in the slack season and funds begin to return from the public to the Government treasury or to the banks. The banks for convenience hold their reserves in the form of notes obtained by tendering coin in exchange. Thus the Currency Reserve of rupees and the note circulation alike increase. In the busy season there is a tendency for the operation to be reversed. Coin is obtained by the tender of notes so that the Reserve and the circulation decrease. This tendency, however, is counterbalanced by two factors, namely, a busy trade season in one Province in India overlaps a slack season in another, and, secondly, the exchange for currency notes of the sovereigns imported in large quantities in the busy season increases the note circulation. In 1912-13 there was yet another disturbing factor in the shape of transfers of Home Treasury balances to India, on account of silver purchased in England and China. These transfers are explained in paragraph 13, and, deducting the amounts of transfers from the large monthly increases of gross circulation, the comparison with 1911-12 stands as follows :—

	(In lakhs of rupees.)		
	Gross increase.	Deduct transfers from Home Treasury.	Net increase.
April	3,65	...	3,65
May	3,79	...	3,79
June	5,90	...	5,90
July	6,30	...	6,30
August	8,47	2,18	6,29
September	12,01	4,05	7,96
October	9,18	5,87	3,31
November	9,22	3,27	5,95
December	9,52	9,09	43
January	13,05	10,59	2,46
February	10,35	10,59	-24
March	7,62	10,59	-2,97

The above shows that, but for the large transfer of funds from England, the gross circulation towards the end of the year 1912-13 would have shown a reduction instead of an increase, chiefly for the reason that the balances of the Presidency Banks were considerably reduced at that time (being nearly 1½ crores less on the 31st March 1913 than on the 31st March 1912, see second table in paragraph 2), in spite of substantial increases in Government deposits with the banks (*vide* table in paragraph 14).

Gross circulation less Reserve Treasury balances.

49. Owing to the large variations in the gross circulation and the large increases in the Reserve Treasury balances, the figures of gross circulation less Reserve Treasury balances given in statement XIV supply a fairer comparison of the gross circulation of notes. This comparison shows that during the

year 1912-13 there was an average increase in the gross circulation so reduced of currency notes for the whole of India of 3.09 crores made up as follows:—

	(In lakhs of Rupees.) Increase + Decrease --	Percentage Increase or Decrease.
Calcutta Circle	+ 3,16	+ 15.7
Cawnpore „	— 31	— 11.4
Lahore „	— 78	— 21.2
Bombay „	— 70	— 5.1
Karachi „	— 26	— 18.0
Madras „	+ 81	+ 13.2
Rangoon „	+ 1,18	+ 28.8
	<u>+ 3,09</u>	

The major portion of the increase in the Calcutta Circle occurred in the circulation of 10-rupee and 100-rupee notes. There was some increase in higher value notes, mainly due to the issues to a Native State noticed in paragraph 22. The reduction in circulation in the Cawnpore Circle was almost entirely under high value notes. In the Lahore Circle every denomination of notes except the 5-rupee value seems to have been adversely affected. In Bombay and Karachi the falling off appeared under high value notes while in Madras and Rangoon the increases were chiefly in the circulation of universal notes. The remarkable increase in the circulation in Rangoon was due mainly to the increased use of notes in connection with the rice trade. The reduction in the circulation of high value notes in Cawnpore, Lahore, Bombay and Karachi appears to have been due entirely to a corresponding reduction in the notes held as stores of value by the Presidency Banks. The highly prosperous trade in Northern India necessarily reduced these stores very low and in Bombay and Karachi the Bank of Bombay had to work with unusually low cash balances during the year. The table in paragraph 28 shows that, in the year 1912-13, Cawnpore and Lahore were supplied with large amounts of universal notes from other circles and these to some extent appear to have replaced home notes. Although the increase in the average gross circulation exceeded 3 crores, the increase between 1st April and 31st March 1912-13 amounted to 13 lakhs only due to a reduction of the Banks' balances as already explained.

50. The average amount of notes held in Reserve and other treasuries during the year under report was about $13\frac{1}{2}$ crores and the Presidency Banks also held, on an average, nearly 7 crores. Deducting these from the average gross circulation, the average active circulation during the year was nearly $45\frac{1}{2}$ crores. At the end of April it was nearly $43\frac{1}{2}$ crores; it then began to decrease slightly and the minimum of $42\frac{1}{2}$ crores was reached at the end of May. Afterwards it increased steadily till it attained its maximum of $48\frac{1}{2}$ crores at the end of February. In March there was a slight set-back and the circulation stood at $47\frac{1}{2}$ crores. As usual the aggregate amount of notes in the hands of the public was greater during the winter months than at other times of the year.

51. The growth of the average active circulation in lakhs of rupees is given below:—

1902-03	+ 2,30
1903-04	+ 2,85
1904-05	+ 1,77
1905-06	+ 2,41
1906-07	+ 3,41
1907-08	+ 50
1908-09	— 1,33
1909-10	+ 4,11
1910-11	+ 1,54
1911-12	+ 3,14
1912-13	+ 3,50

The figures for 1907-08 and 1908-09 are abnormal, as these years were affected by adverse agricultural conditions and by the universal financial crisis. The figures for 1909-10 show a recovery from the effects of the previous two years. But the growth in 1910-11 was comparatively small. The figures for 1911-12 indicate a return to the ordinary rate of development prior to the set-back, and the rate of development has been well maintained in 1912-13.

Character of circulation.

52. The character of the circulation can be ascertained by a determination of the percentage of each denomination to the total circulation. Two statements are given below from which notes of R10,000 are excluded on account of their high value and their rare use outside Reserve treasuries. In each statement the calculations are based on the figures on the 31st of March; in the second statement the variations have been traced into the different circles and the notes have been grouped, notes for R20 being omitted as they are unimportant and are no longer being printed. Fives and tens have been grouped together, as these are the notes which are chiefly used as local currency. On the other hand 500's and 1,000's have been put together as the bulk of these notes is used either in remittance or as a store of value. The 50's and 100's are shown separately as these notes acquired special importance as universal notes of highest value during the years 1910-11 and 1911-12, respectively.

	R5.	R10.	R20.	R50.	R100.	R500.	R1,000.
1901-02	1.7	28.4	8.6	5.1	22.8	10.7	22.9
1909-10	2.7	27.9	2.0	4.1	24.5	7.5	21.8
1910-11	2.9	29.8	3	6.8	23.5	6.7	20.2
1911-12	2.8	22.1	3	4.0	25.1	5.9	19.8
1912-13	2.9	25.2	2	3.4	25.0	5.2	17.8

	5's and 10's.					50's.			100's.			500's and 1,000's.				
	1901-02.	1909-10.	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.	1901-02.	1909-10.	1910-11.	1911-12.	1912-13.
Calcutta	86	42	44	46	49	8	2	1	26	26	26	24	27	27	25	24
Cawnpore	9	13	11	18	14	12	6	5	29	27	26	41	46	48	44	45
Lahore	7	20	24	26	27	19	12	10	28	27	28	42	35	28	25	25
Bombay	24	26	27	26	29	9	8	8	21	22	23	42	42	42	44	40
Karachi	23	27	32	37	42	6	8	8	23	15	19	24	42	27	40	31
Madras	11	15	15	14	15	5	4	8	71	74	75	11	9	8	8	7
Bangoon	11	31	41	45	52	1	1	1	55	51	45	16	4	3	2	2
All Circles	26	31	33	35	38	6	4	4	24	25	25	25	29	27	26	23

General feature of character of circulation.

53. The main features of the above table are the steady increase in the proportion of 5 and 10-rupee notes and the corresponding steady reduction in the proportion of 500 and 1,000-rupee notes in circulation and the almost stationary character of the proportion of the 100-rupee notes.

The large actual increase in the circulation of small notes, and the steady increase of the proportion of such notes to the total circulation, are valuable indications of the growth of the popularity of currency notes, for these notes are used almost entirely in every-day transactions.

As shown by the figures given in paragraph 68, the average duration of circulation is larger for small notes than for the 100-rupee note, for these latter are used to some extent for remittance purposes, and notes so used naturally return from circulation as soon as the purpose is attained. So that the issues of R100 would probably compare more favourably with the issues of small notes than the above figures indicate.

The falling off in the proportion of 500's and 1,000's is not only a falling-off in the percentage but also in the absolute value in circulation. Though the special conditions of trade in 1912-13 caused some temporary reductions in the stores of value with the Presidency Banks, a steady

decrease in these stores represented by high value notes can only be accounted for by the substitution of universal notes for local notes in the moveable portion of the stores. For example, the Bank of Bengal has its balances scattered over all the currency circles in India; in the trade season for any one circle all the local notes of that circle are brought there for financing the trade, but in the slack season funds are collected at the circle for remittance to the head office or to other circles and these remittances can be made in high value local notes only to the extent to which they can be held as part of the minimum working balance at other circles. Under the old system the whole remittance could be made in high value notes as there was no difficulty in passing such notes of foreign circles in payment of Government revenue, but now with the introduction of the universal notes, the remittances to other circles, if actually required for issue there, must be in notes of the lower denominations. The falling off in the proportion of 500's and 1,000's may thus be explained by the partial substitution of smaller notes in the moveable portion of the Banks' balances. This substitution being intended for exchange purposes, the general conclusion that the large increase in the circulation of small notes really represents an increase in the popularity of notes is fully warranted.

54. The 5-rupee notes have continued to grow in popularity in all circles, ^{By denominations.} the most noticeable increases being under Bombay, Madras and Calcutta.

There has been a large increase in the circulation of 10-rupee notes in Calcutta, Madras and Rangoon, and a slight increase in Bombay, Karachi and Cawnpore; but there has been a falling-off in Lahore.

There has been a decrease in the circulation of 50-rupee notes in all circles, except Karachi, where the increase has been slight.

As regards the 100-rupee note, Calcutta shows the largest expansion, and next to it come Madras and Rangoon.

55. *Calcutta.*—The proportion to the total of the circulation of the 5 and 10-rupee notes has increased 3 per cent. at the expense of 50-rupee notes and notes of high denominations. ^{By circles.}

Cawnpore.—Here there has been a similar increase of 1 per cent. under 5 and 10-rupees by reductions under the higher value notes. The reduction is believed to be due partly to the free flow of universal notes, a large increase in the circulation of foreign notes in use reducing the demand for home notes.

Lahore.—The most striking feature in the circulation of notes in this circle was a substantial reduction in the use of 10, 20 and 50-rupee notes without any corresponding increase under 100 rupees. The 10-rupee circulation has practically gone back to that of 1910-11, and it is surmised that the figures of 1911-12 may have been swollen by the abnormal circumstances of the Delhi Durbar. It seems probable that there has been some replacement of currency notes of the denominations of R10 and R50 by gold.

Bombay.—The circulation of 5-rupee notes showed a steady and continuous increase, whereas that of R10 showed only a small increase. The 100-rupee circulation showed an upward tendency. Thus the popularity of the 5-rupee note has been well maintained and the absence of any large growth in the circulation of 10's may probably be not unconnected with the more extended use of sovereigns. The increase in the 100-rupee issues is believed to have been due to larger remittances to trade centres like Cawnpore.

Madras.—Here there was an increase under every denomination except 50's. The largest increases were in the 5 and 10-rupee notes, the circulation whereof during 1912-13 exceeded that during 1911-12 by over 16 per cent. The 100's came next with an increase of 8 per cent. over 1911-12. Thus universal notes have grown steadily in public favour.

Rangoon.—The total value of circulation of notes at the end 1912-13 showed an increase of 21 per cent. over that of 1911-12. The growth took place mainly under the 10-rupee and 100-rupee notes, the value of the increases being 87 lakhs and 14 lakhs, respectively. The results indicate the increasing appreciation of the advantages of a paper currency which is now used to a large extent in the financing of the rice trade.

56. By the currency legislation of February 1910 non-universal notes ^{Encashment of} are encashable only within the circle of issue, except the old sub-circle notes ^{foreign circle notes.} which are encashable also at the head offices of circles, e.g., Cawnpore and Lahore notes at Calcutta, and Karachi notes at Bombay. Encashment of

foreign circle notes now represent mainly transfers of funds from one circle to another in universal notes.

The aggregate encashments of foreign circle notes during the year 1912-13 have been 17,93 lakhs (Statement XVIII). The comparison of this figure with the corresponding figures for previous years is shown below :—

	Lakhs.
1907-08	13,79
1908-09	23,14
1909-10	17,06
1910-11	8,12
1911-12	14,47
1912-13	17,93

The figure for 1908-09 was quite exceptional, as an enormous number of Lahore and Cawnpore notes were presented for encashment at Calcutta. The decrease in these figures in 1910-11 was unusual, the encashment of foreign notes having been out of proportion to the increase in circulation of universal notes. The increasing use of the 100-rupee notes for trade remittances seems to be indicated by the comparison of the figures for 1912-13 and for 1911-12.

These remittances along the main routes are analysed below :—

In Lakhs of Rupees.				
	1909-10.	1910-11.	1911-12.	1912-13.
Sub-circle notes cashed at head offices	8,55	3,40	3,27	2,39
Per contra encashment at sub-circles	2,49	79	1,17	3,10
Transactions between Presidencies	4,69	-1,72	4,57	5,94
Bombay and Upper India (Cawnpore and Lahore)	1,42	98	2,88	2,97
Cawnpore and Lahore	52	80	41	38
Lahore and Karachi	58	50	1,02	1,41
Calcutta and Karachi	24	10	24	39
Rangoon and other Circles	23	21	48	88
TOTAL	16,72	8,00	14,04	17,41

Fifty-two lakhs are left unaccounted for on less important lines such as Madras and Karachi, Cawnpore, etc. Under "sub-circle notes cashed at head offices" are included the old sub-circle notes of the Cawnpore and Lahore Circles which are encashable at Calcutta and of the Karachi Circle which are encashable at Bombay. But under this head is also shown the value of universal notes of the above circles cashed at Calcutta or Bombay.

In 1912-13 the remittances from Cawnpore and Lahore to Calcutta were a little over 2 crores; the remittance from Karachi to Bombay was a little over $\frac{1}{4}$ th of a crore. But the remittances in the opposite direction were over 3 crores to Calcutta and Bombay against less than $1\frac{1}{2}$ crores in 1911-12. Transactions between Presidencies also exceeded those of 1911-12 by about $1\frac{1}{2}$ crores. The net results have already been reviewed in paragraph 28.

Notes avowedly taken for remittance.

57. From the record maintained in currency offices of the receipts and issues of notes in bundles of the value of ₹10,000 and over, an estimate of the value of notes which have been used for remittance purposes is prepared. When notes are issued, the applicants are asked as to the purpose for which they are required, and, if it be stated that they are required for remittances, this is recorded. It may be inferred, however, from the figures that correct information is not given by the public in all cases. During the year under review the total value of the 50 and 100-rupee notes, said to have been required for remittance purposes and issued in bundles of ₹10,000 and over, have been 2,48 lakhs against an aggregate value of 2,45 lakhs in the previous year. The value of notes of other circles tendered in such bundles in currency offices was, however, 4,64 lakhs against 2,05 lakhs in the previous year, and practically the whole of the receipts were in 100-rupee notes. It is probable that a large portion of the foreign circle notes cashed, as mentioned in the preceding paragraph, was in 100-rupee notes and used for remittance purposes. The inference to be drawn from these various facts is that considerably more than 5 crores of the 100-

rupee notes cancelled during the year had been used for inter-circle remittances. The total cancellations of such notes during the year amounted to over 50 crores, so that over 10 per cent. of the 100-rupee notes cancelled had been used for inter-circle remittances.

58. The following statistics show that the transactions in notes in treasuries both under receipts and issues have increased :—

Treasury transactions in notes.

In Thousands of Rupees.

YEAR.	RECEIPTS FROM					ISSUES TO				
	PUBLIC IN PAYMENT OF GOVERNMENT DUES.		Public for silver.	Public in exchange of notes of other values.	TOTAL.	PUBLIC IN PAYMENT OF GOVERNMENT DUES.		Public for silver.	Public in exchange of notes of other values.	TOTAL.
	Home notes.	Foreign notes.				Home notes.	Foreign notes.			
1	2	3	4	5	6	7	8	9	10	11
1901-02	10,31,69	4,59,88	2,55,00	40,89	17,87,46	7,40,40	72,20	4,99,60	40,59	13,53,02
1902-03	11,13,88	3,89,41	2,81,40	44,24	18,28,93	8,21,92	71,76	5,21,95	44,84	14,59,87
1903-04	12,44,40	3,47,53	2,38,06	52,56	19,82,55	8,92,78	69,66	4,89,33	52,56	15,04,33
1904-05	18,25,82	3,54,69	2,18,48	44,55	20,44,54	9,87,88	90,00	4,79,08	44,55	16,07,41
1905-06	14,69,59	3,66,45	2,38,50	49,81	22,19,35	10,83,70	1,10,30	5,27,95	49,81	17,71,66
1906-07	16,03,30	4,15,02	3,30,61	55,71	24,04,64	11,75,70	1,12,45	5,16,05	55,71	18,59,91
1907-08	16,08,62	3,52,55	2,87,10	61,60	23,07,87	11,50,15	87,85	5,96,25	61,60	18,65,85
1908-09	14,98,39	2,70,46	2,75,52	86,27	21,30,64	12,62,11	81,68	7,26,37	86,27	21,56,43
1909-10	17,73,14	3,05,36	3,85,31	1,01,58	25,70,84	18,38,55	81,89	6,55,07	1,01,58	22,21,54
1910-11	20,14,38	16,80	3,92,35	1,19,01	25,42,44	14,88,26	4,29	5,58,10	1,19,01	21,69,66
1911-12	22,67,68	52	4,00,02	1,21,76	27,89,98	16,24,06	...	5,99,67	1,21,76	23,45,51
1912-13	25,99,32	6	4,34,16	1,67,57	32,01,11	17,41,00	...	5,93,32	1,67,57	25,04,90

Non-universal notes of other circles are no longer receivable in treasuries either in payment of Government dues or as part of the Railway and Postal revenue credited into treasuries. This explains the insignificant figure for 1911-12 and 1912-13 under Foreign notes in the above table.

It would appear from the above table that the issue of notes to the public for silver has not increased to the same extent as the other transactions. This is said to be due partly to the popularity of gold. The use of universal notes for remittance purposes has also affected to some extent the tender of surplus notes at Government deficit treasuries such as Quetta for the purchase of supply Bills.

Statement XX gives the usual information regarding encashment of currency notes at treasuries in the several Provinces.

59. In paragraph 44 the conclusion has been drawn that gold has replaced rupees to a large extent in the Punjab, and to a smaller extent in Bombay and the United Provinces also. The question now arises whether the increased use of gold has affected the note circulation at all. In the Punjab it is certain that the circulation of 5 and 10-rupee notes has been affected. The gross circulation of the 5-rupee note after nearly doubling in the 3 years 1908-09 to 1911-12 increased by 5 per cent. only in 1912-13. The gross circulation of the 10-rupee note in 1910-11 was more than double what it was 3 years before. In the last 2 years it has increased by 1 per cent. only. These figures considered in conjunction with the large increase in the use of sovereigns in the last 2 years are irresistible.

In Bombay the gross circulation of the 10-rupee note after increasing by nearly 30 per cent. in the 2 years 1908-09 to 1910-11 has increased by 6 per cent. only in the last 2 years.

On the whole, it may now be definitely stated that, but for the use of gold as currency, the circulation of the smaller currency notes would have expanded much more rapidly in the Punjab, Bombay, and the United Provinces.

General conclusion.

60. In paragraph 53 I have already arrived at the general conclusion that the large increase in the circulation of small notes represents an increased popularity for use in every-day transactions. It is probable that the increase in the volume of note circulation would have been greater but for the use of gold as currency, but there will always be a place in the currency for both notes and gold.

IX.—MISCELLANEOUS MATTERS CONNECTED WITH CURRENCY NOTES.

Claims on lost notes.

61. The following figures compare the number of half notes and wholly destroyed or mutilated notes in respect of which claims have been admitted during the last two years :—

	1911-12.	1912-13.
Whole notes destroyed	27	71
Half notes		
{ Lost by post	898	532
{ Lost otherwise	1,168	858
Mutilated notes	516	875

The figures against the head "half notes, lost by post," given above indicate the extent to which the transmission of notes through the post, uninsured or unregistered, acts as a temptation to poor postal employes. Half notes so stolen are often converted into mismatched notes which entail loss on their innocent but ignorant holders. The introduction of compulsory insurance of notes sent by post, in 1911-12, apparently accounts for the decline in the number of losses in the post.

A suggested precaution in remitting half notes.

62. A recent case of a claim for payment of half notes presents certain features which may be of interest to the banking community. A European firm in Calcutta wanted to remit halves of currency notes of 5, 10 and 100-rupee denominations of the aggregate value of Rs. 13,500 by post, registered and insured, and, with this object in view, the half notes were placed in several covers addressed to various collieries and made over to a peon of the firm on 23rd April 1913 to take to the Post Office for despatch. Some of the half notes so despatched at the same time were right halves and some left. The peon, instead of posting the letters, decamped with the half notes. A claim on the other halves of the notes was preferred by the firm at the Calcutta Currency Office, and, after the necessary preliminary investigation, the value of the notes was paid to the firm on the usual bond with sureties. Since then seven mismatched 10-rupee notes have been presented at the Currency Office for encashment, these mismatched notes having been prepared by joining together seven right and seven left halves of notes found in the remittance. A note formed by joining two right halves or two left halves of currency notes would not easily escape detection; and it is clear that these notes were successfully passed into circulation among the ignorant public, only because the consignment of half notes lost included the right halves of some notes and the left halves of others. It would, therefore, be a great help to the public if banks and firms making remittances by half notes made it a working rule not to send right and left halves of currency notes of the same denomination to the Post Office by the same peon at the same time.

Abolition of the "stopped" note lists.

63. To afford facilities to the public in the tracing of lost notes, a system was in force in currency offices of registering the numbers of notes reported as lost or stolen. The working of the system necessitated a record of all transactions in connection with notes presented for exchange, and the maintenance of a list of lost notes, in each office, with which the notes presented were checked. The entire system has been under examination during recent years, and it was found that the procedure was of little use either as a preventive of crime or as a means of detection. It is doubtful whether would-be thieves were thereby deterred from stealing notes, as there were ample facilities for passing notes elsewhere, and a guilty person was rarely, if ever, discovered in a currency office. The value of the "stopped" note system, as a means of enabling the police to trace back possession of a note to a guilty person, thus depended almost entirely on the practice of the public of registering the particulars of the notes passing

through their hands. It was evident, however, that this practice was being steadily abandoned by the public and consequently a charge could rarely be brought home to a guilty person. The Government of India, therefore, came to the conclusion that the benefits secured by the "stopped" note list were not commensurate with the expense and trouble to which the Currency Department was put, and the delay and inconvenience caused to innocent persons in the exchange of notes, and, accordingly, directed the discontinuance of the maintenance of the list in the Finance Department Resolution No. 523-F., dated the 12th November 1912. This order of Government has been given effect to in all the currency offices since the issue of the Resolution.

64. The number of forged notes presented for encashment or received ^{Forgeries.} in the currency offices for examination as to their genuineness or for safe custody aggregated 395 in the year under report against 146 in 1911-12 and 129 in 1910-11, and consisted of 3 of Rs. 5, 338 of Rs. 10, 1 of Rs. 20, 48 of Rs. 100, and 5 of Rs. 1,000 denominations. The new forgeries which came to light during the year are shown below :—

Denomination.	Series.	Where appeared.
Rs. 5	TB 19 (purporting to be of the Madras Circle)	Madras.
Rs. 10	YA 71 (of the Calcutta Circle)	} Calcutta.
	UA 91 (" " ")	
	SA 99 (" Bombay " )		Bombay.
	QC 91 (" Rangoon ")	Rangoon.
Rs. 100	QB, QC, QC, QC 11, 68, 69, 71 (of the Rangoon Circle)	Rangoon.
	DA 71 (of the Calcutta Circle)	Calcutta.
Rs. 1,000	QC 4 (" Rangoon ")	Rangoon.

The number of forged notes of the Rs. 10 denomination, received during the year under report, was more than three times as large as the aggregate number of such notes received during the preceding year. The excellent forgeries of the GA/40, TB/35, QC/15, QC/36, YA/47 series, noticed in the last Currency Administration Report, passed into circulation in almost all the currency circles and they were very successful in imposing on the public. The culprits could not be traced in British India, but it is satisfactory to note from the report of the Commissioner of Paper Currency, Rangoon, that the forgers have been arrested at Batavia, where they are being dealt with by the Dutch Police.

Of the new forgeries detected during the year, the TB/19 series of the Rs. 5 denomination is a very poor specimen of a hand-made forgery. The YA/71 series of the Rs. 10 denomination is also a clumsy imitation, apparently lithographed on ordinary paper; while the SA/99 series of this denomination, found in Bombay, has also been produced by lithography. The QC/91 series of the Rs. 10 denomination, discovered in Burma, was produced by photo-lithographic process on a somewhat stouter paper with no water marks. The forgery of the UA/91 series is a hand-drawn one with bad colouring. Of the 48 forgeries of the Rs. 100 denomination, as many as 44 appeared in Rangoon Circle, of which 39 belonged to the forgery of the QB/96 series, which was noticed in the last report, and the rest were covered by 4 new forgeries which were discovered in that Circle. The most important of these forgeries is the QC/71 series, which has been produced by photo-lithography, or photo-helio-zinc-

ography, and has been declared to be the work of an expert in photo-mechanical process. The forgery of the QB/11 series has been produced by photography on matt bromide paper, the green colouring being done by hand; while the other two forgeries, although produced by photography, were very crude imitations. The only forgery of this denomination, found in Calcutta, was a note of the DA/71 series, the right-half of which was genuine and bore Mr. Barrow's signature, while the left-half was struck from wood-blocks. All the 5 forgeries of the Rs. 1,000 denomination were discovered in Rangoon and appertained to the QC/4 series. This forgery was produced by photo-zincography or a similar process, i.e., a process of flat surface printing. The paper used was good, but slightly thicker than the proper paper. During the year under review there were 5 prosecutions in Burma, but conviction was secured in 3 cases only. One prosecution was undertaken in Calcutta, in which the offender was sentenced to rigorous imprisonment for 4 years.

Fraudulent claims

65. There were seven prosecutions in Calcutta, one in Cawnpore, one in Lahore, three in Bombay, two in Madras, and one in Rangoon in connection with fraudulent claims on half and mismatched notes, and convictions were secured in all except two in Calcutta and two in Bombay. The accused in the Rangoon case was still under trial at the close of the year. During the year under report, six altered notes—one of Rs. 10 altered in material parts and 5 mismatched notes for Rs. 10, each having the number in one half altered so as to correspond with that on the other half—were presented for encashment in Rangoon, but they were impounded and their value credited to Government. A case was tried in Burma in connection with the fraudulent alteration of a note of Rs. 10 to Rs. 50 in which the accused were convicted and sentenced to 5 years' rigorous imprisonment each.

Writing-off of old notes.

66. The value of notes written off to Government under Section 19 of Act II of 1910 amounted, during the year 1912-13, to Rs. 49,830 as compared with Rs. 43,700, Rs. 43,080, and Rs. 44,250 in the preceding three years.

Proportion of transactions to circulation.

67. The following table gives the value of the circulation of the circles and the means of their receipts and issues over the counter during the year with the percentage of the former to the latter during the last three years:—

NAME OF CIRCLE.	IN LAKHS OF RUPEES.		PERCENTAGE OF AMOUNT IN COLUMN 2 OF THAT IN COLUMN 2.		
	Average circulation on last day of month.	Mean value of receipts and issues.	1912-13.	1911-12.	1910-11.
Calcutta	28.43	88.94	32	30	34
Cawnpore	2.41	3.74	64	70	66
Lahore	2.92	8.18	36	46	45
Bombay	17.06	68.12	27	27	29
Karachi	1.18	3.72	32	54	67
Madras	8.34	26.81	31	29	28
Rangoon	5.28	29.78	18	14	12

This statement indicates the comparative duration of circulation of a note in each circle. Much the most rapid circulation is in Rangoon, then Bombay, Calcutta, Karachi and Madras are about equal, and Cawnpore is much the slowest. The only notable variation in the 3 years is the increased rapidity of circulation in Karachi.

Cancellations of notes compared with circulation.

68. The following statement compares the cancellation of the various denominations of currency notes during the year 1912-13 with the gross circulation

of notes at the commencement of the year, and thus indicates the comparative duration of circulation of each denomination of note throughout India :—

	Rs. 5.	Rs. 10.	Rs. 20.	Rs. 50.	Rs. 100.	Rs. 500.	Rs. 1,000.	Rs. 10,000.	Total.
1. Total cancelled	4,497,579	19,049,308	16,659	793,305	5,041,951	201,334	622,369	82,493	30,304,998
2. Gross circulation on 31st March 1912.	2,599,877	15,090,740	65,633	379,255	1,652,209	56,102	92,971	14,320	19,951,107
Percentage of 1 on 2.	173	123	25	209	305	359	669	576	

Neglecting the Rs. 20 note it may be said that the Rs. 10-note circulates longer than the Rs. 5 note, but that thereafter the duration of circulation varies inversely with the value of the note.

69. Statement XXII gives the details of the receipts and expenditure of the Currency Department for the year under report. The receipts showed an increase of Rs. 1,56,106 over 1911-12 chiefly under interest on securities, interest for a whole year on the additional investment of two crores in 1911-12 having been realised in 1912-13 for the first time. The charges increased by Rs. 1,59,882 owing mainly to a payment in Madras of Rs. 2,27,000 for the cost of the building acquired for the Currency Office. On the other hand, the payments for note forms in 1912-13 were about a lakh lower than in the preceding year. The temporary establishment and telegraph and postage charges were higher owing to the progressive growth of work of the Department.

X.—State of the Coinage.

70. The statement below shows the withdrawal of uncurrent and other coins during the year under report :—

PROVINCE.	IN THOUSANDS OF RUPEES.				
	1835.	1840.	George V 1911.	Shroff marked.	Other uncurrent.
1	2	3	4	5	6
India	1,92	9,68	2,17	...	30,01
Central Provinces	9	2,33	1,62	3	43
Burma	10	96	54	...	3,90
Assam	17	1,05	14	...	4,82
Bengal	37	3,42	1,25	...	12,00
United Provinces	2,17	25,34	63	...	60,76
Punjab and North-West Frontier Province	1,34	15,44	22	1	15,74
Madras	43	7,89	33	...	12,70
Bombay	26	6,42	2,79	...	9,44
Bihar and Orissa	65	7,00	33	...	6,09
TOTAL	7,50	79,53	10,57	4	1,55,39

The total value of withdrawn coins amounted to 2,53½ lakhs of rupees as compared with 2,60 lakhs in 1911-12. These figures do not include the remittance of 1,05 lakhs from a Native State mentioned in paragraph 22. The remittance consisted of 15.46 lakhs of the 1835 coinage, and of 89.37 lakhs of the 1840 coinage. In the total of 2,53½ lakhs are included 18 lakhs, the value of worn small silver withdrawn under the special order of May 1910 and

10½ lakhs of the new George V rupees bearing the date 1911 withdrawn owing to certain defects in the die for the obverse from which these rupees were struck. Column 6 in the above statement includes defective and defaced coin besides the light weight coin, which is separately dealt with in the next table.

1	NUMBER OF COINS REDUCED IN WEIGHT.				
	Over 2 per cent. but not more than 6½ per cent.	Over 6½ per cent. but not more than 25 per cent.	Over 2 per cent. but not more than 12½ per cent.	Over 12½ per cent. but not more than 25 per cent.	Over 25 per cent.
2	3	4	5	6	
Rupees	10,626,425	42,413	...	...	15,402
Half rupees	...	...	500,606	7,957	1,517
Quarter rupees	...	...	...	688,158	976
Eighth rupees	...	...	...	587,289	1,204
Total	10,626,425	42,413	500,606	1,277,404	19,099
				12,465,947	

The total receipts of uncurrent coin shown in column 6 of the first table amounted to 1,56 lakhs against 1,03 lakhs in 1911-12. Corresponding to these larger receipts increases are noticed in the number of coins reduced in weight under the various headings in the second table except heading 6. Portions of the increases are also attributed to more careful shroffing.

Receipt of called-in coins at Government treasuries.

71. Under the Indian Coinage Act of 1870 silver coins called in by proclamation though not legal tender were receivable by weight at Re. 1 a tola. Such coins were those called in by Financial Notification No. 2466, dated the 7th December 1877 (*Gazette of India*, dated the 8th December 1877), the most important being the coins known as "Farrukhabad" and "Murshidabad" rupees. The rate of rupee 1 per tola prescribed in 1870 really represented the bullion value of the rupee, but, on the closure of the Mints to free coinage in June 1893, the intrinsic value of the rupee was dissociated from the exchange value and it was no longer necessary to offer the old rate of rupee 1 per tola. Although, therefore, in the Coinage Act of 1906 now in force no provision exists authorising the receipt of called-in coins at the Government treasury, occasional tenders of such coins were still being received at the rate prescribed by law in 1870. This practice was changed in 1912-13, and in February 1913 orders were issued that in future the coins in question should be received—

- (a) at 8 annas a tola for any one tender or 500 coins or less ;
 (b) at bullion value calculated at the market rate of silver of the day for any larger number.

Receipts in British India of called-in coins are rare, but after the issue of the orders a Native State presented 31 lakhs of Murshidabad coins at the Calcutta Mint and they were received as a special case at the rate of Re. 1 a tola.

Social examination of work at the Mints.

72. The table below shows the result of the special examination at the Mints of remittances from the six Currency Offices :—

AMOUNT EXAMINED.	Calcutta.	Bombay.	Madras.	Cawnpore.	Lahore.	Bangoon.
	Rs.10,00,000	Rs.7,96,000	Rs.52,000	Rs.5,00,000	Rs.5,00,000	Rs.2,00,000
Counterfeits	46	64	24	35	56	8
Lost between 2 % and 6½ %	4,181	5,580	3,142	1,812	3,528	2,967
" 6½ % " 12½ %	49	72	41	49	30	32
" 12½ % " 18½ %	1	...	8	7	4	...
" 18½ % " 25 %	...	...	...	...	...	...
TOTAL	4,277	5,716	3,210	1,903	3,658	3,007

The following statement compares for the last four years the total percentage of light-weights detected at the Mints in the remittances mentioned above:—

	Percentage detected at the Mint.			
	1909-10.	1910-11.	1911-12.	1912-13.
Calcutta	1.139	1.057	.288	.433
Bombay . . . . .	.482	.632	.922	.710
Madras . . . . .	.575	.845	.402	.905
Cawnpore	1.518	2.053	1.400	.873
Lahore . . . . .	.512	2.063	.732	.723
Rangoon . . . . .	.886	.954	.647	.999

Cawnpore and Bombay have shown considerable improvement. In Lahore the result was practically the same as in the previous year, while Calcutta, Madras, and Rangoon record a deterioration. The results, in Rangoon and Madras, were unfavourable, and the subject, specially in these offices, should receive more attention.

73. The following tabular statement shows the number of counterfeit silver coins cut and broken in the different provinces during the calendar year 1912:—

PROVINCE.	Rs.	† Rs.	‡ Rs.	§ Rs.
India	85,169	1,297	1,515	1,173
Central Provinces and Berar	3,339	66	89	29
Burma	11,739	174	638	232
Assam	2,219	73	91	17
Bengal	10,394	747	478	262
United Provinces of Agra and Oudh	15,400	460	495	535
Punjab and North-West Frontier Province	13,912	612	557	232
Madras	13,679	945	1,043	1,145
Bombay	23,110	545	578	752
Bihar and Orissa	1,090	13	1	4
TOTAL	130,051	4,932	5,435	4,381
YEAR.				
1901	43,193	2,154	2,345	1,928
1902	55,744	2,099	2,598	1,923
1903	52,736	2,221	2,148	1,812
1904	56,385	2,032	1,930	1,853
1905	65,713	2,230	2,283	1,747
1906	68,632	2,438	2,416	1,502
1907	73,686	2,436	2,231	1,593
1908	93,492	3,557	3,417	3,445
1909	108,788	4,313	4,084	3,587
1910	113,011	4,541	4,543	3,732
1911	121,092	5,047	6,621	6,072
1912	130,051	4,932	5,435	4,381

Out of the total number of 130,051, 50,695 were detected in Railway Cash Offices, the most important figures being 8,418 from the North-Western Railway, 7,722 from the Rajputana-Malwa Railway, and 5,375 from the East Indian Railway.

XI.—Small Coin.

Small Silver, Nickel
and Bronze.

73. Statement XXI shows the absorption of these coins in each province during the year 1912-13 as well as in the two previous years. In the total for all India for all denominations of coin except double pice the absorption amounted to Rs. 87,60,000 against Rs. 66,90,000 in 1911-12. Of this increase of Rs. 20,70,000, Rs. 15,97,000 occurred under small silver and Rs. 5,73,000 under bronze coins, while there was a reduction of Rs. 1,00,000 under Nickel. The large increase in the issue of small silver was due to heavy demands at Calcutta. One reason for this growth in the circulation of small silver appears to be the issue of new coin and the withdrawal of worn out coins under the special order of May 1910 adverted to in paragraph 70.

The falling off in the absorption of nickel is made up of a reduction of over 2 lakhs in Bombay, an increase of 2 lakhs in the United Provinces and the Punjab and small reductions in the Central Provinces and Madras. In Bombay the supplies were heavy in 1911-12 for districts affected by famine, and in the United Provinces the replacement of small silver by nickel continues as before.

As regards bronze coins the absorption of half pice remained stationary, but in pie pieces, which circulate chiefly in Madras and Bombay, there has been a substantial improvement in 1912-13. Bombay apparently replaced Rs. 1,25,000 of single pice by nickel coin, and there were some small reductions in the Punjab and Madras and Central Provinces due to the same cause; otherwise there have been satisfactory increases in other Provinces, specially in the United Provinces and Calcutta. The issue of new coin is mentioned as the leading cause of these increases, but the active trade seasons in Bengal and Northern India has also no doubt contributed.

XII.—Gold Standard Reserve.

Gold Standard
Reserve.

75. Statement XXIII gives the details of the Gold Standard Reserve on 31st March 1913. The profit on the new silver coinage of the year amounted to £3,301,025, raising the total held in the Reserve to £22,606,660 after allowing for depreciation in the price of the securities. Taking the market price of the securities on 31st March instead of the cost price as heretofore the total balance amounted to £22,606,660, of which Rs. 6,00,00,000 (£4,000,000) were held in rupees in the Indian Branch of the Reserve, £1,005,664 held by the Secretary of State in gold in the form of cash placed at short notice, £1,620,000 was set aside in the Bank of England in gold, and the balance £15,945,669 represented the market price of investment in sterling securities of the face value of £17,501,513. There was also an amount of £35,327 held as a book credit in India awaiting payment to the Reserve.

I have the honour to be,

SIR,

Your most obedient Servant,

M. F. GAUNTLETT,

*Comptroller-General and Head Commissioner
of Paper Currency.*

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STATEMENT I.

Statement showing the Treasury balances on the first day of each month during 1911-12 and 1912-13 and their distribution.

[In Thousands of Rupees.]

	April.	May.	June.	July.	August.	September.	October.	November.	December.	January.	February.	March.	March closing balance.
1912-13.													
Reserve Treasuries	5,19,90	4,56,89	6,63,78	9,46,88	10,95,90	13,85,70	14,48,64	11,66,89	12,89,21	10,61,80	10,89,88	9,90,26	12,68,88
Presidency Banks (Head Offices).	2,00,88	1,80,90	1,77,14	2,12,89	3,17,51	2,08,88	2,00,48	1,94,53	1,88,28	1,80,28	1,95,16	2,08,45	2,38,82
District Treasuries	11,21,19	10,66,75	10,14,85	10,41,81	10,44,20	9,78,70	9,64,42	8,89,50	9,42,66	9,57,38	11,94,81	14,06,63	13,87,79
TOTAL	18,41,95	16,98,94	18,55,27	22,00,96	24,57,61	25,67,78	26,13,54	22,50,92	24,14,15	21,98,40	24,75,55	26,00,89	28,94,44
1911-1912.													
Reserve Treasuries	6,58,15	6,26,15	6,82,23	6,18,14	9,61,99	7,84,46	5,68,78	8,91,55	8,49,52	8,21,49	8,10,81	2,86,72	5,19,90
Presidency Banks (Head Offices).	1,65,79	1,84,81	1,58,44	1,69,76	1,68,42	1,65,12	1,62,32	1,86,47	1,74,27	1,58,49	1,64,66	1,44,81	2,00,88
District Treasuries	12,11,10	11,02,59	10,55,76	11,86,23	11,40,23	10,20,97	10,41,38	10,44,17	10,52,61	9,81,12	10,42,49	11,47,26	11,21,19
TOTAL	20,35,04	19,13,95	18,97,43	21,23,13	22,65,64	20,80,55	17,72,88	16,22,19	15,56,40	14,61,10	15,17,96	15,78,79	18,41,95
Difference	-1,93,09	-2,20,01	-42,15	+77,89	+1,91,97	+5,37,23	+8,41,21	+6,28,73	+8,57,75	+7,38,30	+9,55,89	+10,21,00	+10,53,49

STATEMENT II.

Distribution of Currency Reserve during the year 1912-13.

(In Lakhs of Rupees.)

MONTH.	Gross circulation.	COIN AND BULLION RESERVE.						EQUA- LISING.
		Silver coin in India	Gold coin and bullion in India.	Silver bullion under coinage.	Gold coin and bullion in England.	Gold coin and bullion in transit between India and England.	Silver bullion in transit between India and England.	
April 1912	58,34	12,16	23,55	8	8,55	...	...	14,00
May "	58,89	12,56	23,70	8	8,55	...	...	14,00
June "	64,12	15,41	26,08	8	8,55	...	...	14,00
July "	66,59	16,74	27,22	8	8,55	...	...	14,00
August "	68,16	14,59	28,77	38	8,55	...	1,87	14,00
September "	68,83	12,78	29,67	1,18	8,55	...	2,25	14,00
October "	65,79	12,37	27,46	2,29	8,55	...	1,18	14,00
November "	67,37	13,69	26,36	2,27	10,95	...	...	14,00
December "	65,70	11,80	26,89	1,51	10,95	...	75	14,00
January 1913	67,75	12,09	28,88	38	10,95	...	1,50	14,00
February "	67,54	12,63	29,09	87	10,95	...	...	14,00
March "	68,98	16,45	29,38	...	9,15	...	...	14,00*

Distribution of Metallic Reserve on the 31st March 1913 by Circles.

CIRCLE.	Silver coin.	Gold coin and bullion.	Silver bullion under coinage.	Gold coin and bullion in England.	Silver bullion in transit between India and England.
	₹ a.	₹	₹	₹	₹
At Calcutta	5,41,86,442 6	2,34,92,753	...	9,15,00,000	..
„ Cawnpore	2,15,53,537 0	1,31,94,495	...	...	...
„ Lahore	1,51,82,963 0	80,23,390	...	...	...
„ Bombay	2,11,25,168 0	22,75,69,140	...	...	...
„ Karachi	23,45,685 0	30,26,635	...	...	...
„ Madras	2,12,25,375 0	90,57,525	...	...	...
„ Rangoon	2,89,08,308 0	93,86,820	...	...	...
TOTAL	16,45,27,496 6	29,37,50,798	...	9,15,00,000	...

54,97,78,294 6 0

* Made up of :—

	Nominal Value.		Cost price.	
	₹	a. p.	₹	a. p.
In rupee securities—				
3½ per cent. loan of 1842-43	8,15,95,000		8,00,00,000	0 0
3 per cent. loan of 1896-97	2,04,86,500		1,99,99,945	10 0
	10,20,81,500		9,99,99,945	10 0
In sterling securities -				
2½ per cent. Consols	3,128,433	1 6	2,666,666	13 4

Statement III.

Payments by Government on account of Transfers of F

PAID BY	1ST QUARTER, ON ACCOUNT OF									3RD QUARTER, ON ACCOUNT OF									India and Ben- gal.	Central Provin- ces			
	India and Ben- gal.	Central Provin- ces	Burma.	Assam.	Bihar and Orissa.	United Provinces.	Punjab.	Madras.	Bombay.	TOTAL.	India and Ben- gal.	Central Provin- ces	Burma.	Assam.	Bihar and Orissa.	United Provinces.	Punjab.	Madras.			Bombay.	TOTAL.	
India and Bengal	...	...	1,00	14,65	35	2,99	5,58	4,85	1,86,00	1,65,37	...	3,00	18,90	11,16	18,99	13,34	16,48	57,40	8,28,00	4,68,99	..	..
Central Provinces	9,80	..	..	..	..	..	..	..	41,50	51,00	..	..	..	..	..	..	..	..	13,00	12,00	..	..
Burma	68,25	..	..	..	..	..	..	10,00	18,50	1,17,75	..	..	..	..	..	..	..	..	37,80	37,50	20,50	..	
Assam	18,05	..	..	..	..	..	..	..	..	18,05	20,41	..	..	..	..	..	..	..	..	..	20,41	17,09	4 1/2
Bihar and Orissa	8,53	..	..	..	..	..	..	..	..	8,53	8,53	..	..	..	..	..	..	..	..	..	8,53	2,64	..
United Provinces	1,11,90	..	..	2	11	..	8,04	..	1,85,13	3,00,19	3,88	..	..	1	39	..	11	..	65	4,04	60,34	..	..
Punjab	89,37	..	..	..	..	47	..	..	3,57,00	3,08,74	23	..	..	..	..	67	..	..	..	37,01	37,90	88,80	..
Madras	57,11	..	14,80	..	..	..	..	..	3,01,55	3,72,74	..	..	60	..	..	..	..	3,50	..	20,71	33,71	8,00	..
Bombay	53,37	..	..	..	..	49	17,68	..	..	70,44	10,34	4,60	..	..	1,73	34,68	1,50	..	..	68,84	37,69	1,00	..
TOTAL	3,76,88	15,80	14,07	45	3,05	25,23	14,85	8,30,95	12,94,61	43,38	3,00	18,90	11,15	19,39	15,85	55,91	64,90	4,36,77	6,66,92	1,07,66	1,00	..	..

PART III.

Accounted by the Public between Provinces during the year 1912-13.

(In Thousands of Rupees.)

MONTH, FIRST OF	4TH QUARTER, ON ACCOUNT OF										TOTAL, ON ACCOUNT OF																
	Bihar and Orissa	United Provinces	Punjab	Madras	Bombay	TOTAL	India and Bur- ma	Central Pro- vinces	Burma	Assam	Bihar and Orissa	United Provinces	Punjab	Madras	Bombay	TOTAL	India and Bur- ma	Central Pro- vinces	Burma	Assam	Bihar and Orissa	United Provinces	Punjab	Madras	Bombay	TOTAL	
1912	16,10	31,25	8,88	37,41	8,26,87	4,84,81	..	10	..	12,12	16,01	4,11	12,19	4,51	1,75,65	2,38,40	..	2,10	22,15	50,88	54,85	41,69	89,80	1,04,17	9,67,03	16,42,7	
	..	..	..	..	12,00	12,00	1,00	..	..	..	..	..	..	..	28,00	28,00	10,50	..	..	..	..	..	..	..	95,50	1,04,0
	20,78	1,87,50	2,11,75	6,51,25	5,00	2,20,00	8,86,35	7,61,00	28,75	4,62,50	12,62,2
	..	..	..	..	..	17,00	12,01	..	..	..	..	..	..	..	..	..	12,01	..	..	..	..	..	..	..	..	66,4
	..	16	..	..	..	4,00	4,71	..	..	..	..	..	..	..	..	..	4,71	..	..	..	..	16	..	..	..	20,87
	88	..	1	..	64,10	1,24,68	9,01	..	..	15	..	7	..	..	9,33	16,66	1,94,08	..	..	8	98	..	3,25	..	2,60,20	4,47,4
1	..	87	1,03,00	1,55,68	35,17	13	21,00	66,30	1,27,06	1	..	1,94	4,16,01	5,47,3
	71,65	88,45	43,75	2,54,03	2,99,29	1,06,86	22,10	2,50	..	5,53,72	6,80,1
1	..	86	0,84	..	..	48,27	72,54	..	..	..	6,65	27,16	..	..	..	1,06,35	1,02,74	1,00	8,68	1	..	2,44	89,88	7,20	..	2,78,8
1913	10,43	22,00	13,51	61,16	7,44,83	11,37,43	8,30,36	10	..	12,12	16,08	10,89	29,43	6,51	..	28,41	16,50,68	14,22,00	4,10	1,12,20	20,02	55,28	53,13	1,25,09	1,50,48	27,49,95	47,49,6

STATEMENT IV.

Movement of Funds within the Provinces during the year 1912-13.

(In Lakhs of Rupees.)

	India and Bengal.	Central Provinces.	Burma.	Assam.	Bihar and Orissa.	United Provinces.	Punjab.	Madras.	Bombay	TOTAL
Supplies of funds to Presidency Banks in Districts.	...	...	27	...	...	3	...	2,26	1,14	3,70
Receipts of funds from Presidency Banks in Districts.	...	...	...	...	...	...	...	42	1,56	1,98
Sale of supply bills and transfers to the public.	2,25	9	3,80	7	1	56	36	2,02	4,39	13,55
Transfers to head-quarters by Bank post-bills.	47	...	...	...	1	...	...	...	...	48
TOTAL	2,72	9	4,07	7	2	59	36	4,70	7,09	19,71

STATEMENT V.

Gross imports of sovereigns during 1910-11, 1911-12 and 1912-13.

(In thousands of £.)

	1910-11.		1911-12.		1912-13.	
	Tendered to Government.	Not so tendered.	Tendered to Government.	Not so tendered.	Tendered to Government.	Not so tendered.
April	221	—40	995	16	1,393	—186
May	61	99	845	179	1,450	67
June . . . . .	...	85	210	—34	2,416	105
July	1	68	351	100	795	108
August . . . . .	...	51	325	71	1,255	571
September	7	27	390	57	1,110	—116
October . . . . .	..	109	1,551	109	995	—217
November	1,358	86	1,425	144	535	8
December	624	131	1,405	279	1,889	215
January	2,304	119	3,059	—127	3,264	163
February	1,605	47	3,822	—456	1,139	21
March	1,445	137	2,675	39	698	117
TOTAL	7,626	914	17,053	1,289	16,939	856
	8,540		18,342		17,795	

STATEMENT VI.

Absorption of gold coin during 1912-13.

(In thousands of £.)

	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.
Opening balance—					
Currency	15,554	17,385	19,782	17,796	15,554
Treasuries	274	417	291	402	274
TOTAL	15,828	17,802	20,073	18,198	15,828
Closing balance—					
Currency	17,385	19,782	17,796	19,583	19,583
Treasuries	417	291	402	380	380
TOTAL	17,802	20,073	18,198	19,963	19,963
Differences (+ net issues—net receipts)	—1,974	—2,271	1,875	—1,765	—4,135
Add—imports	5,259	3,160	3,419	5,101	16,939
Deduct—exports	27	78	1,987	467	2,559
Absorption after passing through Government Treasuries	3,258	3,111	3,307	2,869	10,245
Add—Imports not tendered to Government but absorbed direct	—14	563	6	301	856
TOTAL ABSORPTION	3,244	1,374	3,313	3,170	11,101

STATEMENT VI—concluded.

Absorption of gold coin in 1911-12 and 1912-13 by Provinces and quarters.

(In thousands of £.)

Name of Province.	1912-13.					1911-12.				
	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.
India and Bengal	250	101	132	607	1,090	181	187	180	179	677
Central Provinces	6	73	39	—27	91	16	44	16	—24	54
Burma	215	149	137	313	814	168	104	84	221	578
Assam	2	2	4	4	12	2	2	1	4	9
Bihar and Orissa	4	6	5	5	20	10	10	5	8	33
United Provinces	414	146	777	279	1,616	244	232	298	309	1,083
Punjab and North-West Frontier Province	1,722	—21	1,374	397	3,872	575	56	563	691	2,115
Madras	416	397	364	494	1,571	479	320	333	464	1,596
Bombay	229	—43	675	797	1,658	284	23	400	753	1,460
TOTAL	3,258	811	3,307	3,869	10,245	1,956	1,009	1,830	2,805	7,600

STATEMENT VI-A.

Receipts of sovereigns from the public at Treasuries, Post Offices and Railway Stations.

(In thousands of £.)

	India and Bengal.	Central Provinces.	Burma.	Assam.	Bihar and Orissa.	United Provinces.	Punjab and N.-W. F. Provinces.	Madras.	Bombay.	(Treasuries) Total.	Post Offices.	Railways.
1906-07 . . .	237	101	153	20	...	624	304	533	816	2,838	553*	468*
1907-08 . . .	293	130	135	26	...	674	802	1,145	1,204	4,409	1,358	1,045
1908-09 . . .	168	39	31	12	...	502	529	771	696	2,748	1,001	710
1909-10 . . .	31	8	2	1	...	102	67	55	679	945	265	134
1910-11 . . .	171	63	38	6	..	437	646	636	1,130	3,177	638	597
1911-12 . . .	248	162	41	10	...	946	1,472	902	1,845	5,626	1,363	1,222
1912-13 . . .	437	298	41	7	33	1,964	2,118	958	2,146	8,002	1,961	1,810

* For the second half year only.

STATEMENT VII.

Absorption of rupees and half-rupees during 1911-12 and 1912-13.

(In Lakhs of Rupees.)

	1912-13.					1911-12.				
	April to June.	July to Sept.	Oct. to Dec.	January to March.	Total April to March.	April to June.	July to Sept.	Oct. to Dec.	January to March.	Total April to March.
Opening Balance—										
Currency	15,40	15,42	12,72	11,80	15,40	26,06	27,27	25,86	21,96	26,06
Treasury	5,38	5,19	4,42	4,35	5,38	6,28	6,16	5,39	4,90	6,28
Gold Standard Reserve	2,90	2,90	3,15	5,62	3,90	2,90	2,90	2,90	2,90	2,90
TOTAL	23,58	23,51	20,29	21,77	24,68	35,19	36,53	34,55	29,16	35,19
Closing Balance—										
Currency	15,42	12,72	11,90	16,45	16,45	27,27	25,86	21,96	15,40	15,40
Treasury	5,19	4,42	4,35	6,01	6,01	6,16	5,39	4,90	5,28	5,28
Gold Standard Reserve	2,90	3,15	5,62	6,00	6,00	2,90	2,90	2,90	2,90	2,90
TOTAL	23,51	20,29	21,77	28,46	28,46	36,33	34,55	29,16	23,58	23,58
Net difference + or —	+7	+3,22	-1,48	-6,69	-4,88	-1,14	+2,78	+4,39	+5,36	+11,61
Add—new coins issued	+33	+1,42	+9,42	+7,60	+18,77	+35	+2	+95	+1,26	+2,58
Deduct—Remittances to Mints for recoinage	-68	-66	-41	-1,65	-3,40	-51	-60	-35	-1,19	-2,65
Net Absorption (+) or return from circulation (-)	-28	+3,98	+7,53	-74	+10,49	-1,30	+2,20	+4,99	+5,65	+11,54
Net receipts into (+) or payments from (-) treasuries	+2,69	+4,12	-4,14	+6,95	+10,52	+88	-3,51	-3,11	+3,83	-1,91
Net Currency Note circulation increase (+) decrease (-)	-91	-70	+1,27	+41	+7	+2,06	+23	+2,19	+2,35	+7,56

Distribution of absorption by quarters and Provinces.

(In Lakhs of Rupees.)

CIRCLE OR PROVINCE.	1912-13.					1911-12.				
	April to June.	July to Sept.	Oct. to Dec.	January to March.	TOTAL	April to June.	July to Sept.	Oct. to Dec.	January to March.	TOTAL
Bengal and India	-2,84	+2,12	+3,17	-2,96	+6,59	-2,56	+5,61	+1,96	-1,15	+8,56
United Provinces	+1,71	-58	+27	-37	+1,06	-24	-58	-31	+72	-86
Punjab and N.-W. Frontier	+2,06	-1,34	+1,53	-65	+1,60	+41	-1,42	+26	+8	-67
Bombay	-1,63	-2,02	+2,20	+1,86	+42	+61	-1,60	+2,64	+1,95	+8,60
Madras	+1,32	-46	-27	-50	+9	+1,43	-55	-18	-28	+37
Burma	-43	-1,13	+40	+3,16	+1,97	-77	-88	+26	+4,31	+2,92
Assam	-15	+17	+11	-17	-4	-32	+1,62	-10	+58	+1,73
Bihar and Orissa	-81	+6	-6	-52	-83	..	..	..	..	..
Central Provinces and Berar	-2	+11	+12	-86	-89	+14	-5	+41	-41	+9
TOTAL	-28	+3,98	+7,53	-74	+10,49	-1,30	+2,20	+4,99	+5,65	+11,54

STATEMENT VIII.

Statement of whole rupees coined and issued from the Indian Mints from 1835.

Calendar years.	Coined in Calcutta.	Coined in Madras.	Coined in Bombay.	Total Coined.
	₹	₹	₹	₹
William IV, 1835	10,90,88,070	11,78,000	5,87,12,502	16,89,78,572
Victoria, 1840, 1st issue	17,99,34,670	2,18,98,181	10,98,88,078	81,16,70,924
" 1840, 2nd	39,85,53,660	5,50,49,201	31,29,58,076	76,65,60,937
" 1862	26,94,27,222	2,94,81,928	40,80,03,034	70,69,12,179
" 1874	1,50,18,834	..	2,85,08,568	4,35,27,400
" 1875	1,16,31,951	..	1,93,59,597	3,09,91,548
" 1876	1,20,01,264	..	2,89,49,037	4,09,50,301
" 1877	8,92,51,692	..	9,55,54,320	18,48,06,012
" 1878	3,26,57,837	..	6,39,27,196	9,65,85,033
" 1879	1,59,28,825	..	7,27,99,904	8,87,28,229
" 1880	1,83,99,894	..	5,87,85,624	7,21,85,518
" 1881	24,35,719	..	31,61,858	55,97,577
" 1882	1,50,90,289	..	5,68,97,273	7,14,87,567
" 1883	51,23,372	..	1,80,22,789	2,31,46,161
" 1884	1,16,41,757	..	3,68,46,570	4,84,88,327
" 1885	3,41,52,203	..	6,48,78,000	9,90,30,203
" 1886	1,08,78,075	..	4,11,46,457	5,20,24,532
" 1887	4,02,00,148	..	4,84,00,000	8,86,00,148
" 1888	75,68,000	..	6,32,00,000	7,07,68,000
" 1889	93,68,310	..	6,53,00,000	7,46,68,310
" 1890	2,47,41,865	..	9,29,00,000	11,76,41,865
" 1891	1,46,69,903	..	4,95,00,000	6,41,69,903
" 1892	3,24,55,120	..	7,22,00,000	10,46,55,120
" 1893	91,40,310	..	6,95,90,000	(a) 7,87,30,310
" 1897	4,70,184	..	10,54,593	(b) 15,24,777
" 1898	12,50,976	..	62,68,437	(b) 75,19,413
" 1900	5,29,02,591	..	6,52,36,908	(d) 11,81,39,499
" 1901	3,37,22,243	..	7,54,13,718	(e) 10,91,35,961
" 1901 coined in 1902	3,82,94,644	..	5,48,44,740	(f) 9,31,39,384
Edward VII, 1903 ditto	25,000	..	..	25,000
" " 1903	4,93,78,355	..	5,29,69,151	(g) 10,23,47,506
" " 1904	5,83,38,617	..	10,19,40,291	(h) 16,02,78,908
" " 1905	5,12,57,888	..	7,62,02,223	(i) 12,74,60,106
" " 1906	10,47,97,164	..	15,89,53,269	(j) 26,37,50,433
" " 1907	8,13,38,000	..	17,09,11,816	(k) 25,22,49,816
" " 1908	2,02,17,728	..	1,07,14,770	3,09,32,498
" " 1909	1,27,58,580	..	95,88,746	(l) 2,22,97,326
" " 1910	85,00,000	..	91,88,673	1,76,88,673
" " 1910 coined in 1911	41,27,013	..	16,96,273	58,23,286
George V 1911	42,99,924	..	51,43,125	94,43,049
" " 1912	4,51,22,132	..	7,90,67,074	(m) 12,41,89,206
" " 1913	3,88,00,000	..	3,62,85,623	(c) 7,50,85,623
TOTAL	1,92,49,54,524	10,76,07,305	2,34,43,68,311	4,87,69,30,140

(a) Includes ₹5,90,000 coined for the Bikaner State.

(b) On account of Kashmir and Bhopal re-coinage.

(c) Up to 31st March 1913.

(d) Includes ₹2,09,02,414 coined for Native States.

(e) " ₹1,90,43,904 coined for Native States.

(f) " ₹2,98,36,014 coined for Native States.

(g) " ₹11,66,461 coined for Native States.

(h) " ₹5,94,221 coined for Native States.

(i) " ₹3,28,000 coined for Native States.

(j) " ₹3,90,310 coined for Native States and ₹167 lakhs (Calcutta 82 lakhs and Bombay 135 lakhs) coined from Gold Standard Reserve Silver.

(k) " ₹94,766 coined for Native States and ₹433 lakhs (Calcutta 168 lakhs and Bombay ₹265 lakhs) coined from Gold Standard Reserve Silver.

(l) " ₹1,01,459 coined for Native States.

(m) " ₹16,56,260 coined for Native States.

STATEMENT X.

Comparison of Rupee Census figures for certain groups of years.

	1883.	1884.	1885.	1890.	1891.	1892.	1898.	1900.	1901.	1902.	1908.	1909.	1910.	1911.	1912.	1913.
William IV, 1835	3-19	3-05	3-08	1-69	1-72	1-79	...	...	...	...	...	...	...	...	...	...
Victoria, 1840, 1st issue	8-16	7-82	7-80	5-02	4-84	5-31	...	...	...	...	...	...	...	...	...	...
" 1840, 2nd "	20-30	20-80	21-61	12-85	13-45	13-68	...	...	...	...	...	...	...	...	...	...
" 1862	34-63	33-83	34-18	23-30	23-84	24-71	25-57	24-99	25-90	26-32	13-76	13-94	13-66	13-66	13-20	12-21
" 1874 to 1878.	21-68	21-26	21-10	12-74	13-13	12-94	13-98	13-72	13-97	14-12	7-40	7-79	7-59	7-60	7-57	6-88
" 1879 to 1883.	11-84	13-24	12-15	12-45	12-58	12-13	12-18	12-88	12-17	12-06	6-38	6-48	6-39	6-27	6-22	5-84
" 1884 to 1888.	...	...	...	26-52	25-44	24-36	20-00	19-98	19-85	19-89	10-03	10-34	10-15	10-14	10-07	9-20
" 1889 to 1893.	...	...	...	5-43	5-00	5-08	28-29	28-93	28-11	27-61	13-40	13-69	13-78	13-61	13-46	12-47
" 1897, 1898, 1900 and 1901 and Edward VII, 1902	...	...	...	...	...	...	...	...	...	...	15-94	15-89	15-31	15-20	15-13	14-00
Edward VII, 1904 to 1908	...	...	...	...	...	...	...	...	...	...	33-14	31-62	31-99	31-85	31-91	30-47
" 1909 and 1910 and 1911 and George V., 1911, 1912 and 1913	...	...	...	...	...	...	...	...	...	...	...	25	1-13	1-67	2-44	3-98
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

NOTE.—In the first group, the percentages of the coinages for 1883 to 1885 have been excluded
 In the second " " " " " " " " 1890 to 1893
 In the third " " " " " " " " 1885, 1840, 1897, 1898, 1900 and 1901 have been excluded.
 In the fourth " " " " " " " " 1885 and 1840 have been excluded.

Value of Currency Notes in Circulation

	1865-66	1866-67	1867-68	1868-69	1869-70	1870-71	1871-72	1872-73	1873-74	1874-75	1875-76	1876-77	1877-78	1878-79	1879-80	1880-81	1881-82	1882-83	1883-84	1884-85	1885-86		
April	5,13	5,88	7,46	7,02	7,84	8,92	9,80	9,65	10,18	13,34	11,01	9,27	10,75	10,75	11,13	13,80	11,37	12,59	12,86	14,30	13,35	12,84	13,02
May	5,01	6,04	7,46	7,87	8,19	10,04	10,38	8,68	10,49	13,43	11,81	9,96	11,06	10,70	11,55	13,09	11,17	12,10	13,01	14,37	13,09	12,34	12,54
June	5,02	5,89	8,34	8,60	8,88	10,04	10,80	8,70	10,33	13,51	11,88	10,15	11,29	11,59	12,67	13,87	11,82	12,64	13,73	14,91	13,01	12,83	14,6
July	5,11	6,31	8,38	8,67	8,72	10,06	10,63	8,12	10,73	13,47	11,95	10,78	11,18	11,54	12,85	14,07	12,24	13,91	14,04	15,39	13,54	14,53	14,53
August	5,16	6,37	8,60	8,48	9,89	10,13	10,31	9,45	11,29	13,23	12,05	10,87	11,19	11,91	13,15	14,27	12,74	13,75	14,23	15,39	13,79	14,97	14,3
September	5,26	6,48	8,37	9,28	9,68	10,41	10,18	10,07	11,32	13,35	12,09	10,80	11,77	11,75	12,89	14,08	13,38	13,47	13,55	15,28	14,40	15,01	15,5
October	5,63	7,09	7,84	10,16	9,96	10,81	10,76	10,19	11,31	13,00	12,06	10,88	12,04	11,45	13,19	13,70	13,68	13,55	13,89	15,83	14,49	15,61	15,7
November	5,16	7,18	7,83	10,10	10,21	10,41	11,88	10,27	11,09	13,30	11,73	11,02	11,69	11,98	14,74	13,48	12,75	14,50	13,07	16,25	14,47	15,78	15,64
December	5,11	7,48	7,40	9,96	10,32	10,30	11,31	10,35	10,87	12,58	10,91	11,06	11,23	11,07	15,05	12,68	13,80	14,38	15,15	16,16	13,39	15,08	15,30
January	5,15	7,39	6,91	8,68	10,11	10,80	11,42	10,76	13,08	12,16	9,98	11,10	11,77	12,44	15,64	12,15	14,33	14,13	13,89	15,37	13,11	14,97	15,41
February	5,08	7,40	6,87	6,87	9,66	10,68	10,88	10,07	12,69	11,52	9,69	11,13	11,26	13,07	14,07	13,20	13,38	12,25	13,74	14,42	13,26	14,53	14,56
March	5,35	7,43	6,90	8,09	9,07	9,96	10,47	10,44	13,17	11,14	9,25	11,34	11,00	11,62	13,57	11,42	12,36	13,40	13,91	14,51	12,76	14,58	14,17
Average	5,19	6,73	7,76	8,31	9,39	10,15	10,67	9,81	11,43	12,86	11,15	10,37	11,35	11,64	12,25	13,19	12,90	13,68	13,50	15,18	13,39	14,54	14,71
Reserve Treasury balances held in Notes Average	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	71	1,44	2,35	1,98	1,49	79		
Metallic Reserve Average Gold	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
„ Silver	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	7,72	7,49	9,18	7,40	8,45	8,72		
Currency investment on 31st March	2,49	3,27	3,98	3,23	3,23	3,91	3,60	3,23	5,91	5,69	5,69	5,69	5,69	6,00	5,69	6,09	6,00	6,00	6,00	6,00	6,00	6,00	5,99
Profits of Paper Currency Department	...	13	8	7	10	7	14	13	11	21	19	20	20	21	20	19	25	23	22	21	21	22	20

MENT XI.

on the last day of each month.

(In Lakhs of Rupees)

1867-68.	1868-69	1869-70	1870-71	1871-72	1872-73.	1873-74	1874-75	1875-76	1876-77.	1877-78.	1878-79.	1879-80	1880-81	1881-82.	1882-83.	1883-84	1884-85	1885-86.	1886-87.	1887-88.	1888-89.	1889-90	1890-91	1901-02.	1902-03.	1903-04.	1904-05.	1905-06	1906-07	1907-08	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.		
14.02	16.54	15.82	17.42	25.71	23.90	24.22	30.64	30.76	25.92	23.91	24.22	23.02	27.90	23.59	31.25	33.94	36.11	39.78	43.76	46.22	46.26	43.65	52.84	54.69	58.34												
13.90	17.05	15.77	17.65	26.18	25.28	24.99	31.18	30.17	26.89	22.86	23.25	28.25	28.65	29.08	31.56	35.13	37.26	40.19	42.89	46.07	44.61	46.77	54.30	55.10	58.86												
14.08	17.69	16.24	17.94	26.61	26.77	26.49	31.40	30.86	27.78	23.89	24.92	29.14	30.41	31.82	33.59	36.87	40.65	41.36	45.56	48.05	45.15	49.39	56.95	58.28	64.12												
15.48	18.05	16.49	19.18	27.04	28.46	27.05	31.20	32.43	29.59	24.76	26.34	29.27	30.78	31.69	35.20	37.37	42.52	41.68	47.30	50.32	48.10	51.53	59.16	60.28	66.59												
15.66	17.69	16.15	20.50	28.93	29.07	28.80	31.67	31.54	28.23	24.60	26.32	23.76	28.44	30.69	35.68	37.7	41.35	43.79	45.70	51.77	44.61	51.74	58.06	59.69	68.16												
16.78	18.94	16.14	22.97	26.24	28.97	28.93	31.28	30.87	26.69	24.74	25.64	27.63	28.31	30.55	34.66	36.61	39.96	42.78	44.40	52.74	43.84	50.82	56.10	59.32	69.83												
17.78	18.74	16.03	25.66	25.99	2.94	23.59	31.81	29.98	25.08	24.69	25.94	27.67	28.80	31.66	34.36	37.00	39.45	41.58	45.22	50.65	44.25	50.50	58.35	59.61	65.79												
18.61	15.50	16.67	26.54	25.68	23.83	29.62	32.85	28.36	24.53	24.65	25.79	27.33	23.35	30.60	34.26	36.98	39.80	39.61	44.13	47.43	43.55	46.53	52.10	53.05	67.27												
17.69	15.15	15.47	27.04	24.85	26.05	30.13	31.54	27.62	25.26	23.79	25.20	26.26	28.06	28.07	33.74	34.43	38.79	39.77	45.61	48.27	42.07	48.23	49.97	56.18	65.70												
17.08	15.29	16.29	27.66	22.62	26.61	30.52	29.50	27.12	24.27	24.32	25.67	27.18	29.27	27.93	32.13	35.47	37.62	40.49	44.65	41.32	42.21	51.84	51.12	54.70	67.75												
16.43	14.88	16.37	26.42	22.90	25.66	30.20	30.35	25.99	23.58	24.53	26.24	27.27	28.10	27.68	32.85	37.29	37.78	42.63	45.49	42.66	43.86	50.57	52.52	57.19	67.54												
16.42	15.74	15.77	25.69	24.08	26.40	30.41	30.70	25.94	23.75	24.76	28.20	23.74	29.37	31.66	35.73	36.21	39.18	44.66	46.95	46.69	45.46	54.41	54.99	61.36	68.93												
16.16	16.43	16.15	22.89	25.44	27.10	32.29	31.11	29.28	25.86	24.24	25.63	27.96	23.63	30.06	33.74	36.41	39.20	41.53	45.14	47.32	44.53	49.66	54.35	57.37	65.62												
62	1.15	1.01	1.74	2.14	2.27	6.08	7.16	3.42	1.85	1.49	2.11	2.47	2.34	4.16	4.13	8.65	8.8	8.57	3.66	4.32	3.76	3.34	5.60	5.53	10.71												
...											
10.19	10.40	10.17	16.04	13.83	19.10	20.23	23.11	21.28	17.31	14.22	14.93	11.42	6.63	12.42	13.50	11.30	12.33	13.87	20.45	21.98	22.43	23.94	20.01	22.01	14.99												
5.99	5.93	6.00	7.00	8.00	8.00	8.00	8.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	12.00	13.00	13.00	13.00	12.00	14.00	14.00												
21	21	21	21	21	29	27	23	29	22	24	23	23	23	24	27	27	27	27	27	23	25	26	27	22	22												

STATEMENT XII.

Statement of the value of Government Currency Notes in circulation throughout India during 1912-13 and previous years.

	CALCUTTA.	CANNING.	LARORE.	BOHRA.	KABACHT.	MADRAS.	CALICUT.	BANCOON.	TOTAL.
	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.
Average of 1862-63 to 1896-97	2,69,38,972	20,98,127(a)	20,77,591(a)	8,04,52,374	9,61,243(b)	60,14,446	8,45,821(a)	.....	6,64,98,118
" 1897-98 to 1871-72	3,77,08,268	35,08,005	30,29,304	4,78,69,682	21,04,702	81,01,317	8,40,554	.....	10,26,57,327
" 1872-73 to 1876-77	4,85,26,278	66,13,652	55,48,411	3,86,91,351	19,17,089	1,18,90,693	21,58,582	.....	11,58,47,901
" 1877-78 to 1881-82	6,86,26,928	58,99,749	68,53,488	6,75,04,227	28,35,309	1,48,99,405	17,54,136	.....	13,28,13,237
" 1882-83 to 1886-87	6,32,94,733	78,46,597	78,90,464	4,44,20,612	37,85,266	1,41,73,405	19,43,570	28,46,849(c)	14,40,99,326
" 1887-88 to 1891-92	7,55,28,706	98,82,670	1,03,85,142	6,61,18,610	49,31,086	2,17,37,645	15,86,244	45,96,834	19,41,41,837
" 1892-93 to 1896-97	11,66,66,705	1,94,89,476	1,68,68,145	9,14,98,085	74,74,756	3,11,76,919	15,70,975	83,78,527	22,85,26,538
" 1897-98 to 1901-02	11,66,12,090	1,85,80,573	2,02,98,085	7,52,18,545	72,85,466	3,04,66,342	15,24,750	85,13,184	27,24,93,893
" 1902-03 to 1906-07	16,37,64,515	2,04,83,663	2,88,98,678	10,94,82,796	1,08,28,794	4,22,65,399	18,28,615	1,85,07,322	30,20,11,762
" 1907-08	20,48,62,234	2,38,18,520	2,87,27,955	12,15,72,388	1,10,05,953	5,88,56,329	18,72,110	2,30,21,317	47,32,31,711
" 1908-09	17,51,67,105	2,71,64,965	3,18,97,288	10,80,84,961	1,83,29,178	5,54,51,187	20,51,506	3,32,73,423	44,51,58,573
" 1909-10	20,22,68,056	2,44,71,908	3,48,92,685	13,33,64,552	1,69,08,518	5,49,50,126(A)	.....	2,97,85,585	49,65,91,425
" 1910-11	22,54,02,397	2,64,28,615	3,52,60,254	14,70,78,981	1,42,31,188	6,82,54,288	.....	3,18,06,085	54,34,62,303
" 1911-12	28,88,80,312	2,71,18,916	3,70,94,680	15,08,82,702	1,44,38,777	6,94,44,448	.....	4,10,89,541	57,38,49,326
" 1912-13	28,42,62,019	2,40,87,345	2,91,66,891	17,06,56,935	1,18,48,344	8,34,41,987	.....	5,27,79,991	65,62,06,012
Increase (+) or decrease (-) in 1912-13 as compared with 1911-12	+ 5,06,81,707	- 30,61,571	- 79,28,239	+ 1,97,74,233	- 25,95,433	+ 1,39,97,539	.....	+ 1,17,40,450	+ 8,25,58,686
Percentage on average circulation 1911-12	+ 21.671	- 11.289	- 21.373	+ 18.105	- 17.975	+ 20.156	.....	+ 28.807	.. .

(A) Includes Calcutt Circle the average of which for 10 months was 23,66,246.
 (a) Average for 3 years.
 (b) " " 2 "
 (c) " " 4 "

STATEMENT XIII.

Currency Notes in circulation in India. (In Thousands of Rupees.)

LAST DAY OF	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Calicut.	Bangoon.	TOTAL.
1907.									
January	20,71,30	1,78,73	3,02,79	10,37,81	98,94	5,30,89	19,26	2,32,71	44,65,23
February	20,63,46	1,81,36	3,02,54	10,53,93	1,60,58	5,44,52	12,13	2,90,02	45,48,54
March	21,88,82	1,83,94	3,13,75	10,84,27	1,04,09	5,56,89	12,09	2,71,34	46,95,19
April	21,04,70	1,58,41	3,08,66	11,25,83	98,46	5,39,65	11,64	2,74,38	46,21,68
May	21,85,93	1,60,57	2,78,79	11,04,84	99,08	4,98,73	15,23	2,69,49	46,06,61
June	21,53,80	1,65,04	2,81,87	13,12,31	1,02,06	5,03,74	14,80	2,71,64	48,05,28
July	21,55,96	2,00,47	3,07,47	14,38,08	98,13	5,21,85	18,48	2,91,80	50,32,19
August	21,84,26	2,37,93	2,93,42	14,74,49	94,50	5,48,33	21,79	3,32,21	51,76,33
September	20,90,51	2,82,78	2,78,77	16,44,60	95,11	5,32,18	23,52	3,31,87	52,74,34
October	21,37,75	2,59,82	2,70,81	14,47,26	95,34	5,34,71	23,50	2,96,23	50,65,23
November	20,83,19	2,75,66	2,76,49	12,40,15	1,03,63	4,98,62	22,63	2,42,66	47,42,93
December	18,95,08	2,81,54	2,68,51	10,21,87	1,15,50	5,17,15	21,92	2,20,41	43,26,96
1908.									
January	17,52,02	2,44,11	2,76,10	9,41,81	1,20,80	5,52,95	20,21	2,75,85	41,81,65
February	17,40,09	2,66,56	2,93,76	9,01,33	1,39,08	5,97,71	18,09	3,09,00	42,65,63
March	21,10,18	2,64,93	3,22,70	9,36,11	1,60,28	6,22,34	12,39	2,59,07	46,88,50
April	19,20,59	2,57,87	3,58,71	10,29,39	1,41,56	6,38,88	13,78	2,66,24	46,26,32
May	17,09,70	2,93,58	3,27,55	10,86,06	1,51,50	6,21,30	13,66	2,77,77	44,81,12
June	17,43,51	2,97,82	3,47,08	10,19,76	1,29,34	6,46,07	15,96	3,15,50	45,15,09
July	19,53,38	3,48,23	3,92,98	10,52,29	1,45,26	5,61,30	18,52	3,32,93	48,09,87
August	17,42,98	3,58,98	3,33,30	9,80,00	1,62,57	5,10,74	28,27	3,43,79	44,60,63
September	16,39,65	2,78,88	2,80,64	10,77,75	1,86,90	5,15,51	30,16	3,74,63	43,84,11
October	15,86,74	2,72,73	2,92,04	10,94,18	2,10,13	5,52,37	28,05	3,39,25	44,25,49
November	18,11,74	2,67,35	2,79,30	10,26,88	2,13,98	5,49,84	29,64	3,65,79	43,54,52
December	18,31,43	2,25,02	2,81,54	9,89,47	2,03,75	5,37,20	21,05	3,12,55	42,07,01
1909.									
January	16,96,55	2,17,44	2,88,69	9,85,18	2,11,82	5,30,86	20,09	2,69,94	42,20,57
February	17,72,18	2,28,43	3,08,27	10,26,28	2,10,16	5,18,15	13,87	3,08,37	43,85,51
March	20,06,80	2,33,63	3,06,44	10,03,01	2,27,53	4,72,42	13,33	2,95,34	45,48,79
April	17,37,68	2,38,35	3,29,27	10,04,38	2,17,21	5,24,73*	...	2,81,43	43,64,90
May	31,33,40	2,06,43	3,02,58	10,62,81	1,94,67	5,28,89*	...	2,50,66	46,77,22
June	32,48,02	2,29,56	3,30,65	11,34,44	1,64,61	5,63,99*	...	2,58,21	49,29,48
July	32,14,63	2,38,66	3,38,71	12,72,61	1,49,09	5,66,98*	...	2,72,61	51,53,46
August	21,32,36	2,32,32	3,47,35	14,56,79	1,53,36	5,34,78*	...	2,84,28	51,73,54
September	16,98,44	2,38,94	3,51,54	15,41,38	1,83,37	5,17,52*	...	3,02,51	50,82,20
October	18,67,33	2,70,98	3,48,87	15,28,36	2,00,61	5,35,08*	...	3,08,67	50,49,85
November	18,56,41	2,42,89	3,37,37	11,99,66	1,77,51	5,38,06*	...	3,00,71	46,53,03
December	19,52,56	2,41,40	3,59,09	12,23,32	1,51,14	5,47,56*	...	2,49,99	48,25,06

*Include notes of Calicut circle which was a separate circle up to 18th February 1910.

STATEMENT XIII.—concl'd.
Currency Notes in circulation in India. (In Thousands of Rupees)—concl'd.

LAST DAY OF	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karschi.	Madras.	Calicut.	Rangoon.	TOTAL.
1910.									
January	18,95,48	2,46,79	3,73,18	16,66,96	1,39,45	5,64,54*	...	2,98,12	51,84,42
February	20,04,56	2,47,29	3,83,24	13,07,56	1,43,80	5,68,42*	...	4,03,46	60,56,83
March	23,11,40	2,24,75	3,94,79	14,01,38	1,54,20	6,05,69	...	3,58,63	54,40,84
April	22,00,48	2,39,18	3,60,13	13,69,43	1,43,98	6,34,04	...	3,17,20	62,84,44
May	24,55,12	2,26,64	3,76,94	13,56,20	1,37,61	5,88,78	...	2,83,34	54,29,69
June	24,82,75	2,47,67	3,67,33	15,44,12	1,19,00	6,62,75	...	2,71,70	56,95,22
July	26,18,99	2,79,02	3,49,80	16,01,56	1,20,86	6,61,19	...	2,86,53	59,16,46
August	24,04,07	2,76,03	3,62,76	16,54,00	1,19,45	6,71,32	...	2,78,02	68,05,55
September	22,04,76	2,71,47	3,65,58	17,16,37	1,36,72	6,24,49	...	2,90,12	58,09,04
October	20,17,16	3,06,75	3,45,61	16,06,99	1,43,74	6,17,09	...	2,97,77	58,35,51
November	21,35,06	2,79,19	3,37,29	15,07,47	1,47,03	5,48,96	...	2,54,74	52,09,54
December	19,36,89	2,76,13	3,23,12	12,61,18	1,60,96	5,98,60	...	3,11,14	49,67,31
1911.									
January	19,63,80	2,63,33	3,29,91	13,59,83	1,62,08	6,50,09	...	3,82,90	51,11,94
February	21,85,69	2,55,37	3,37,41	12,77,82	1,53,25	7,06,09	...	4,36,99	52,51,93
March	23,63,58	2,51,60	3,55,35	12,94,51	1,63,56	6,67,18	...	4,03,28	54,99,96
April	23,00,60	2,30,41	3,75,18	13,50,90	1,69,83	6,71,02	...	3,70,64	54,68,58
May	24,10,25	2,31,38	3,46,05	13,73,73	1,59,32	6,25,09	...	3,57,31	55,09,14
June	24,61,47	2,43,69	3,76,05	15,72,97	1,38,37	6,94,58	...	3,31,54	58,21,71
July	25,16,59	2,69,42	3,95,79	16,83,32	1,30,67	6,84,54	...	3,48,98	60,29,11
August	22,89,56	2,77,76	3,69,64	13,13,16	1,43,56	6,80,44	...	3,65,10	59,69,21
September	20,93,73	3,08,60	3,71,30	13,75,29	1,55,69	6,74,33	...	3,52,87	58,31,71
October	20,77,30	3,21,38	3,72,88	16,72,88	1,55,85	7,11,97	...	3,43,39	56,60,22
November	23,82,28	3,00,63	4,00,94	15,75,48	1,56,07	6,72,73	...	3,26,46	58,04,21
December	22,99,68	2,87,02	3,62,65	13,59,24	1,46,39	6,81,41	...	4,61,27	56,17,91
1912.									
January	22,07,74	2,77,97	3,40,06	12,47,00	1,36,98	6,94,02	...	5,76,19	54,69,99
February	23,40,17	2,62,77	3,47,01	13,27,63	1,22,31	7,45,43	...	5,73,39	57,18,53
March	26,56,27	2,43,25	3,13,90	14,53,38	1,27,70	7,97,74	...	5,09,11	61,36,33
April	25,52,70	2,27,96	3,09,63	13,84,37	1,25,43	7,59,85	...	4,73,57	58,83,33
May	26,62,69	2,07,86	2,74,17	13,75,27	1,09,18	7,78,58	...	4,91,26	58,89,99
June	29,20,56	2,20,31	2,82,47	15,58,97	1,17,02	8,13,95	...	4,98,99	64,12,52
July	30,83,70	2,37,42	2,82,09	16,67,25	1,01,34	7,67,43	...	5,01,14	66,59,52
August	28,08,59	2,72,92	3,15,03	20,16,38	1,28,70	7,49,90	...	5,24,46	68,15,52
September	25,99,77	2,85,95	2,97,61	22,47,44	1,20,56	7,59,37	...	5,21,57	68,32,33
October	26,51,64	2,78,33	2,91,40	20,04,79	1,14,00	7,38,92	...	4,49,84	65,78,69
November	26,88,18	2,57,96	2,70,77	19,94,05	1,04,00	7,31,52	...	4,30,05	67,26,31
December	29,00,18	2,24,79	2,76,75	16,66,56	1,12,22	8,62,91	...	5,25,75	65,70,21
1913.									
January	29,81,73	2,24,02	2,84,62	16,35,82	1,24,35	9,03,24	...	6,20,77	67,73,31
February	29,10,21	2,26,05	3,22,50	14,85,66	1,33,38	9,92,65	...	6,30,18	67,53,11
March	31,52,49	2,23,23	3,23,97	14,33,29	1,29,55	10,44,17	...	6,16,03	68,97,11

Includes notes of Calicut which was a separate circle up to 18th February 1910.

STATEMENT XIV.

Net Circulation.

(i. e., gross circulation less the balances held in Reserve Treasuries in notes.)

(In Lakhs of Rupees.)

LAST DAY OF	CALCUTTA.			CAWNPOR.			LAHORE.			BOMBAY.			KARACHI.			MADRAS.			BANGOON.			TOTAL.		
	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.
	April	18,72	19,25	22,46	2,39	2,30	2,28	2,80	2,75	2,10	12,26	11,62	12,09	1,44	1,70	1,25	5,85	5,89	6,85	2,17	2,71	4,74	46,68	46,42	52,77
May	19,06	19,11	22,16	2,27	2,21	2,08	2,77	2,46	2,74	12,85	12,78	12,61	1,37	1,59	1,09	5,74	5,44	6,46	2,88	2,58	4,91	48,44	46,27	52,25
June	19,56	19,28	22,61	2,47	2,44	2,20	2,67	2,76	2,82	12,29	12,90	14,09	1,19	1,38	1,17	5,65	5,94	6,78	2,72	2,24	4,99	43,55	50,04	54,66
July	20,33	19,64	23,70	2,70	2,69	2,36	2,50	2,96	2,62	12,50	14,07	12,88	1,20	1,21	1,01	5,50	5,52	6,24	2,96	2,40	5,01	49,68	50,68	55,64
August	19,27	12,75	21,43	2,76	2,73	2,72	2,63	4,00	2,15	14,22	15,66	14,00	1,19	1,42	1,29	5,70	5,58	6,47	2,78	2,65	5,24	49,55	51,85	54,21
September	17,01	12,34	20,24	2,71	2,09	2,66	2,65	2,71	2,96	12,45	14,70	14,84	1,27	1,55	1,20	5,92	5,71	6,50	2,90	2,53	5,22	48,91	50,68	53,84
October	16,84	19,25	22,22	2,07	2,21	2,78	2,45	2,73	2,91	15,11	15,16	12,25	1,44	1,56	1,14	5,88	6,20	6,72	2,98	2,42	4,50	42,72	52,69	54,12
November	12,12	21,43	22,68	2,79	2,01	2,52	2,37	4,01	2,71	14,62	14,84	12,11	1,47	1,56	1,04	5,22	6,42	7,06	2,55	2,26	4,20	42,21	54,56	54,42
December	17,39	20,40	24,67	2,75	2,27	2,25	2,22	2,22	2,77	12,06	12,22	11,22	1,61	1,46	1,12	5,61	6,27	7,12	2,11	4,61	5,26	46,72	52,22	55,09
January	17,69	20,71	25,20	2,62	2,72	2,24	2,20	2,40	2,64	12,20	11,54	12,02	1,62	1,27	1,25	5,27	6,12	7,14	2,22	2,72	6,21	47,74	51,69	50,91
February	12,22	21,54	25,67	2,65	2,62	2,26	2,22	2,47	2,22	12,42	12,99	10,97	1,52	1,22	1,22	5,92	6,74	7,22	4,26	5,72	6,20	49,00	54,22	57,64
March	19,21	22,61	24,56	2,52	2,42	2,22	2,55	2,44	2,22	11,66	12,20	11,52	1,62	1,22	1,20	5,21	7,12	7,52	4,02	5,02	6,16	42,41	56,17	56,20
AVERAGE	18,50	20,11	22,27	2,64	2,71	2,40	2,52	2,71	2,92	12,27	12,66	12,96	1,42	1,44	1,12	5,71	6,10	6,91	2,12	4,10	5,22	42,55	51,22	54,92

STATEMENT XV.

Statement of Active Note Circulation during 1912-13 and the two previous years.

[In Lakhs of Rupees.]

LAST DAY OF MONTH.	Gross circulation on last day of month.			Amounts held in Reserve Treasuries.			Amounts held in other Treasuries.			Total held in Treasuries.			Balance, being notes in circulation with the public			Notes held by Presidency Banks at Head Offices.			Active circulation among the people.		
	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.
April	52,64	54,69	56,34	4,22	6,26	4,57	2,12	2,37	2,61	6,34	8,63	7,18	46,50	46,06	51,16	6,74	5,74	7,63	39,76	40,22	48,53
May	54,30	55,10	58,39	5,96	6,53	6,94	1,85	2,08	2,40	7,71	8,91	9,04	46,59	46,19	49,85	7,51	6,74	7,37	39,08	39,45	42,56
June	56,95	58,22	64,12	6,49	6,18	9,46	1,94	2,27	2,38	10,34	10,45	11,79	46,61	47,77	52,33	10,03	9,33	9,64	36,58	38,44	42,09
July	59,16	60,29	66,59	9,48	9,62	10,96	2,00	2,40	2,07	11,48	12,02	13,08	47,68	48,27	58,56	11,12	9,12	10,79	36,56	38,15	42,77
August	52,06	39,69	62,16	8,50	7,84	13,35	1,63	2,20	2,21	10,88	10,04	16,06	47,63	49,65	52,10	10,52	8,66	7,58	36,86	40,99	44,27
September	56,10	56,32	63,88	7,18	5,68	14,48	1,76	1,94	2,22	8,94	7,62	16,70	47,18	48,70	51,63	9,11	7,64	6,35	38,05	41,06	45,23
October	53,35	56,61	65,79	4,63	3,91	11,07	2,20	2,38	2,00	6,39	6,14	13,67	46,52	50,47	53,12	7,91	8,23	6,59	38,61	42,24	45,33
November	52,10	52,05	67,27	3,88	3,49	12,79	1,92	2,30	2,45	5,90	5,79	15,24	46,30	52,26	52,08	7,15	9,18	5,40	39,15	43,08	46,63
December	49,67	56,18	65,70	2,91	3,36	10,61	1,78	1,93	2,19	4,69	5,29	12,90	44,93	50,89	52,90	5,49	6,27	5,52	39,49	44,62	47,38
January	51,12	54,70	67,75	3,88	3,11	10,84	2,29	2,61	2,98	5,67	5,72	13,32	45,45	48,98	53,38	5,78	4,84	5,62	39,67	44,14	49,31
February	53,59	57,19	67,54	4,51	3,86	9,90	2,42	2,96	3,71	6,93	5,62	13,61	46,59	51,37	53,93	5,64	6,79	5,45	40,95	44,58	46,48
March	54,99	61,36	68,98	6,53	5,19	12,68	2,73	2,93	2,90	9,31	9,12	15,67	45,63	53,24	53,31	5,51	5,63	5,99	40,17	44,61	47,32
Average	54,35	57,27	65,62	5,96	5,53	10,71	2,07	2,35	2,51	7,37	7,38	13,21	46,48	49,49	52,40	7,73	7,69	7,01	38,75	41,39	46,39

STATEMENT XVI.

Gross circulation of each denomination of note on the 31st March 1913.

	NUMBER OF NOTES FOR RUPEES							TOTAL.		
	5	10	20	50	100	500	1,000	10,000	Pieces.	Value.
Calcutta . . .	347,694	10,870,084	11,388	80,500	577,478	26,517	40,102	8,945	12,042,658	81,52,49,870
Cawnpore . . .	101,795	202,597	3,517	18,292	68,187	5,506	5,749	346	406,009	2,28,27,535
Lahore	408,936	561,813	8,699	54,248	109,546	7,331	3,588	54	1,154,213	2,99,97,420
Bombay	1,806,828	2,134,720	17,256	151,546	227,372	9,634	84,824	4,578	3,888,255	14,89,39,460
Kerachi	81,935	333,124	1,976	13,393	16,148	873	3,098	463	399,510	1,39,55,185
Madras	653,447	737,941	4,694	38,368	517,214	4,338	2,665	3,518	1,967,178	10,44,16,725
Bangoon	99,853	3,001,730	1,539	8,492	280,291	91	1,366	819	3,378,681	6,16,03,545
TOTAL	2,954,978	17,641,869	49,066	344,387	1,776,201	54,347	80,392	18,220	28,229,499	68,97,78,340
Percentage of Increase	+13.6	+18.8	-25.2	-9.2	+7.5	-8.1	-2.7	+27.2	...	...
Total for 31st March 1912	2,599,877	14,060,740	65,688	379,255	1,652,909	56,102	62,971	14,320	19,951,107	61,86,35,095
Percentage of Increase	+7.2	+20.4	-38.5	-27.9	+17.4	-2	+8.7	+10.3	...	...
Total for 31st March 1911	2,425,778	12,228,018	168,731	526,488	1,406,618	58,305	85,464	12,976	17,148,863	54,69,15,616

STATEMENT XVII.

Growth in circulation of 5 and 10-rupee notes in selected circles.

[In Thousands of Pieces.]

	Average of gross circulation.											Percentage of increase as compared with preceding year.								Percentage of increase of		
	1903-04.	1904-05.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1904-05.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1907-08 over 1903-04.	1912-13 over 1907-08.	
Average of Rs.																						
Calcutta	88	102	119	137	158	175	241	256	275	390	15.9	16.6	15.1	15.3	10.7	37.7	6.2	7.4	20.0	79	109	
Lahore	62	88	93	104	143	201	284	317	388	390	41.9	5.6	11.8	37.5	40.5	41.2	11.6	22.4	5	130	172	
Madras	183	145	149	185	225	268	373	502	544	628	9.0	2.7	24.1	21.6	19.1	41.0	32.8	8.3	15.4	69	179	
Bombay	595	665	723	847	929	919	1,079	1,116	1,158	1,238	11.7	8.7	17.1	9.6	-1.0	17.4	3.4	3.7	6.9	56	33	
Average of Rs10.																						
Calcutta	3,975	4,326	5,169	6,623	6,508	5,868	6,534	7,051	8,064	9,371	8.9	19.3	28.2	-1.7	-9.8	11.3	7.9	14.4	22.4	64	51	
Lahore	177	305	236	268	274	304	437	567	588	574	15.8	15.1	9.3	6.2	10.9	43.7	29.7	3.3	-2.0	55	109	
Madras	392	294	284	320	359	395	432	554	603	708	7	-3.4	12.7	13.2	10.0	9.3	38.2	9.4	16.5	23	96	
Bombay	1,520	1,310	1,369	1,494	1,563	1,565	1,836	2,014	1,989	2,028	-7	6.0	7.5	4.6	1	17.3	9.6	-1.2	1.8	18	29	

STATEMENT XVIII.

Encashment of Foreign Circle Notes.

CIRCLE.	CASHED BY								TOTAL.			
	Calcutta.	Cawnpore.	Lahore.	Bombay.	Kaschnl.	Madras.	Bangoon.	Calicut.	1912-13.	1911-12.	1910-11.	1909-10.
	R	R	R	R	R	R	R	R	R	R	R	R
Calcutta . . .	...	1,89,20,370	1,52,76,415	1,13,22,090	10,84,015	61,18,525	30,70,545	...	5,07,86,960	2,72,98,275	1,42,88,580	8,51,81,875
Cawnpore . . .	1,15,64,200	...	22,50,090	63,65,285	2,38,275	6,78,980	1,83,155	365	2,12,25,190	2,88,07,180	1,69,77,910	3,87,28,975
Lahore . . .	94,28,985	15,30,265	...	78,51,385	85,04,795	11,72,220	2,82,455	...	2,32,70,835	4,50,16,085	3,00,45,375	4,32,58,160
Bombay . . .	1,47,08,660	37,69,000	1,01,90,125	...	18,07,590	1,55,27,200	11,12,210	...	4,91,07,725	1,98,26,785	89,92,615	2,85,16,810
Kaschnl . . .	22,52,595	7,54,580	1,05,48,585	29,50,365	...	5,08,005	1,12,130	...	1,77,21,260	44,49,095	86,78,740	1,12,44,010
Madras . . .	29,83,805	4,85,780	14,09,475	87,09,985	1,41,525	...	21,86,420	...	1,58,66,940	1,97,34,860	56,63,310	2,06,98,500
Calicut . . .	...	...	...	...	...	...	...	...	...	1,045	1,645	12,22,000
Bangoon . . .	7,90,815	31,085	94,685	2,08,285	22,835	2,15,145	...	...	13,58,650	47,74,055	15,41,845	18,56,925
Total of 1912-13 .	4,23,22,540	2,24,40,080	3,97,66,815	3,69,07,595	67,98,475	2,42,05,025	68,96,915	365	17,93,87,260	...	...	...
.. 1911-12 .	4,47,28,530	1,06,70,225	1,16,57,590	5,51,75,340	1,31,21,865	1,02,11,725	11,50,215	...	...	14,47,14,880	...	...
.. 1910-11 .	3,75,45,805	62,17,535	55,36,975	1,89,89,765	59,90,550	48,62,320	5,41,970	...	...	...	3,11,84,420	...
.. 1909-10 .	7,62,21,270	2,28,87,820	1,02,82,325	4,36,12,790	1,09,96,650	65,89,715	4,08,320	2,08,305	...	...	...	17,06,57,195

STATEMENT XIX.

Statistics of Treasury and other Balances on 31st December 1912.

	DENOMINATIONS OF NOTES.									TOTAL.				PERCENTAGE OF NOTES IN TOTAL BALANCE.		PERCENTAGE EXCLUDING RESERVE TREASURY BALANCE.	
	R5.	R10.	R20.	R50.	R100.	R500.	R1,000.	R10,000.	Foreign Notes.	Notes.	Sovereigns.	Rupias.	TOTAL.	December 1912.	December 1911.	December 1912.	December 1911.
	Treasuries and Branch Banks.																
Calcutta Circle	1,79,545	20,80,480	5,020	8,77,500	31,07,100	4,14,500	8,58,000	4,29,00,000	...	4,99,22,125	6,56,372	1,48,54,480	6,54,33,127	78	66	29	30
Cawnpore "	1,68,825	6,20,780	8,240	2,76,050	15,05,800	4,41,000	10,98,000	80,30,000	85,500	60,71,175	17,82,718	89,25,166	1,76,59,059	89	48	...	...
Lahore "	2,58,810	8,42,820	6,560	4,97,850	12,23,400	8,71,500	4,83,000	7,20,000	71,225	48,58,665	16,72,109	55,33,434	1,15,64,208	87	88	...	...
Bombay "	14,28,410	59,58,850	5,880	7,41,800	17,72,400	2,68,500	80,71,000	3,89,20,000	...	5,16,61,540	8,28,282	98,68,257	6,26,59,079	88	47	23	22
Central Provinces Circle	85,345	76,480	420	1,08,800	8,01,600	66,000	1,18,000	...	...	12,06,645	6,02,580	67,87,870	85,47,185	14	15	...	...
Karachi Circle	54,425	2,79,740	2,620	90,800	1,78,200	70,000	5,40,000	11,60,000	...	28,75,285	3,48,245	11,44,555	33,66,625	61	67	...	...
Madras "	3,41,180	5,60,370	10,440	3,41,800	26,92,200	1,39,500	1,78,000	1,44,80,000	...	1,85,89,480	8,08,725	77,79,450	3,71,70,665	68	48	22	28
Rangoon "	44,830	6,76,460	7,540	28,700	18,93,100	6,000	3,09,000	75,60,000	3,000	1,00,27,680	3,51,185	45,09,982	1,43,88,787	67	72	...	...
TOTAL	24,00,870	1,04,95,640	41,720	24,02,300	1,24,78,200	12,72,000	65,97,000	10,87,20,000	1,08,725	14,51,11,555	70,24,026	5,98,53,224	21,14,83,805	69	53	...	...
Head Offices of Presidency Banks.																	
Bank of Bengal	24,820	9,78,510	100	1,16,850	7,24,800	7,67,500	89,34,000	1,98,30,000	1,79,500	2,66,18,080	8,34,500	31,77,035	3,01,29,615	88	74	...	...
" Bombay	79,715	8,25,890	920	2,17,700	8,57,900	2,53,000	40,38,000	1,47,60,000	82,500	2,05,61,625	3,07,481	1,86,608	3,10,55,665	96	96	...	...
" Madras	65,480	1,74,310	120	72,650	9,79,500	2,41,000	4,30,000	60,50,000	...	80,13,040	29,653	5,42,500	85,85,195	93	78	...	...
TOTAL	1,79,995	14,78,710	1,140	4,09,200	25,62,200	12,61,500	88,97,000	4,06,90,000	2,13,000	5,51,92,745	6,71,634	37,06,143	5,08,70,473	92	76	...	...

STATEMENT XX.

Classification of Treasuries according to Encashment of Notes.

A			B		C			A	B	C	
Treasuries which were able throughout the year to cash notes at all times to the extent of the public demand on them.			Treasuries ordinarily able to cash notes on presentation.		Treasuries at which this accommodation could not usually be given.						
			India.								
Jmer.	Sambhar.	Sehore.	Newgong. (Bundelkhand).	Quetta.	Bushire.	Delhi. Hyderabad.	Muskat. Nepal. Fort Blair.	8	2	8	
			Central Provinces.			Indore.					
Amraoti.	Chanda.	Nimar.	Akola.	Drug.	Mandla.	Jubbulpore.	Raipur.	17	8	2	
Delaghat.	Chhindwara.	Saugor.									
Retul.	Damoh.	Seoni.									
Mandara.	Hoshangabad.	Wardha.									
Ulasapur.	Narsingpur.	Yeotmal.									
Suldana.	Nagpur.										
			Burma.								
Bassein.	Maymyo.	Prome.	Mogok.	Shwebo.	.....			88	2	0
Bhamo.	Maubin.	Pyapon.									
Benzada.	Meiktila.	Sagaing.									
Bosein.	Mergui.	Sandoway.									
Katha.	Mimbu.	Taunggyi.									
Kindat.	Monywa.	Tavoy.									
Kyauk-phyu.	Myaungmya.	Tbarrawaddy.									
Kyaukse.	Myingyan.	Tbaton.									
Lashio.	Myitkina.	Thayetmyo.									
Mogywe.	Pakokko.	Toungthoo.									
Mandalay.	Pegu.	Yamethin.									
			Assam.								
Garro Hills.	Naga Hills.	Imphal (Manipur).	Cachar.	Khasi Hills.		Darrang.	Jorhat (Sibsagar).	5	4	4	
Lushai Hills.	Nowgong.		Goalpara.	Sylhet.		Lakhimpur.	Kamrup.				
			Bengal.								
Bankura.	Hoozly.	Mooredabad.	Bakarganj.	Jessore.	Rangpur.	Darjeeling.		14	10	1	
Beerbhun.	Howrah.	Noakhali.	Bogra.	Mymensingh.	Tipperah.						
Burdwan.	Khulna.	Rajshahi.	Dinajpur.	Nuddea.							
Chittagong.	Maida.	24-Pargunnahs.	Jalpaiguri.	Pabna.							
Fardpur.	Midnapore.										
			Bihar and Orissa.								
Behsore.	Monghyr.	Ranchi.	Manbhoom.					19	1	0	
Bhagalpore.	Mozufferpore.	Sambalpur.									
Chumaran.	Nya Doonka.	Saran.									
Cuttack.	Palamow.	Shahabad.									
Darbhanga.	Patna.	Singhbhoom.									
Gua.	Pooree.										
Hazaribagh.	Purneah.										
			United Provinces.								
Agra.	Etawah.	Mirzapur.	Aligarh.	Meerut.				38	8	0	
Almora.	Farukhabad.	Moradabad.	Benares.	Muzaffarnagar.							
Aurangah.	Fatehpur.	Muttra.	Cawnpore.	Sultanpur.							
Balrassoh.	Fyzabad.	Nasiri Tal.	Dehra Dun.								
Balla.	Guzpur.	Partabgarh.	Jaunpur.								
Banda.	Gonda.	Pilibhit.									
Bardhamki.	Gorakhpur.	Rae Bareilly.									
Bardilly.	Hamirpur.	Roorkee.									
Basti.	Hardoi.	Sahasganj.									
Bijnour.	Jalaun.	Shahjahanpur.									
Budson.	Jhansi.	Sitapur.									
Bulandshahr.	Kheri.	Unao.									
Bunau.	Matepuri.										
								Carried over	129	30	16

STATEMENT XX—concl'd.

Classification of Treasuries according to Encashment of Notes—cont'd.

A	B	C	A	B
Treasuries which were able throughout the year to cash notes at all times to the extent of the public demand on them.	Treasuries ordinarily able to cash notes on presentation,	Treasuries at which this accommodation could not usually be given,		
Attock. Jhang. Rawalpindi. Bannu. Jhelum. Sialkot. Dera Ghazi Jhullunder. Umballa. Khan. Dera Ismail Kangra. Kohat. Ferozepur. Karnal. Gujranwalah. Kuram. Jh. Gujrat. Mianwali. Gurgaon. Mooltan. Hissar. Montgomery. Hazara. Muzaffargarh.	Punjab and N. W. F. Province. Amritsar. Kohat. Peshawar. Gurdaspur. Ludhiana. Rohtak. Hoshiarpur. Lyallpur. Shahpur.	Brought forward	129	80
Annotapur. Kurnool. South Arcot. Bellary. Madura. Tanjore. Chingleput. Malabar. Tinnevely. Chittoor. Nellore. Travancore. Cuddapah. North Arcot. Trichinopoly. Rannad. Vizagapatam. Salem.	Madras.	Ganjam. Guntur. Canara. Godavari. Coimbatore Bangalore. Kistna. Nilgiris.	18	...
Aden. Kaira. Nasik. Ahmednagar. Kanara. Ratnagiri. Baroda. Kolaba. Satara. Belgaum. Larkana. Thana. Bysapur. Marpurkhas. Dharwar. Dhulia.	Bombay.	Catch (Bhuj)	18	...
		TOTAL	188	89
				249

STATEMENT XXI.

Absorption of Small Coins.

[In Thousands of Rupees]

	India.	Central Provinces and Berar.	Burma.	Assam.	Bengal.	Bihar and Orissa.	U. P. of Agra and Oudh.	Punjab and N.-W. Frontier.	Madras.	Bombay.	TOTAL.
1 RUPEES—											
Opening Balance	1,13	87	3,69	1,40	2,44	1,66	3,91	4,35	4,40	5,13	28,98
Receipts from + or Issues to — Mint or other Provinces.	+11,24	+47	+2,04	+2,45	+4,16	-1,26	-1,50	-53	+84	+19	+16,10
Closing Balance	2,37	78	1,44	1,56	1,45	1,62	2,74	2,59	3,88	2,99	21,36
Net Local Absorption in 1912-13	10,00	61	4,29	2,29	5,15	-1,22	-58	1,24	1,36	2,33	25,73
Ditto ditto in 1911-12	-1,92	69	3,85		6,91		-16	1,09	3,24	1,93	15,23
Ditto ditto in 1910-11	2,38	49	3,83		5,16		-61	18	-1,10	3,90	14,18
½ RUPEES—											
Opening Balance	4,80	1,27	2,09	91	1,81	1,41	3,70	3,92	4,48	3,24	26,63
Receipts from + or Issues to — Mint or other Provinces.	+4,76	-2	+4,39	+1,03	+2,07	-40	-1,57	+1,16	+3,61	+2,24	+17,47
Closing Balance	3,25	1,12	1,78	1,05	1,08	1,85	2,71	2,31	5,59	3,88	23,57
Net Local Absorption in 1912-13	5,81	13	4,75	89	2,30	-84	-58	1,77	2,70	2,60	19,58
Ditto ditto in 1911-12	-1,35	9	4,40		3,14		-73	1,77	5,15	2,58	14,05
Ditto ditto in 1910-11	1,45	-11	4,28		1,76		-1,42	2,07	1,61	4,51	14,10
NICKEL ANNA PICE—											
Opening Balance	1,46	2,19	85	70	52	47	1,76	1,13	1,49	2,39	12,96
Receipts from + or Issues to — Mint or other Provinces.	+1,12	+4,95	+3	+1,42	+2,04	+85	+5,55	+2,68	+2,32	+2,25	+24,27
Closing Balance	90	2,29	72	74	58	88	2,62	1,50	2,12	1,72	18,47
Net Local Absorption in 1912-13	1,69	4,85	16	1,38	2,03	1,09	4,69	2,46	1,89	3,52	28,79
Ditto ditto in 1911-12	1,61	5,49	14		4,10		2,96	2,24	2,66	5,56	24,76
Ditto ditto in 1910-11	1,70	3,46	15		3,23		2,33	2,56	1,86	5,07	20,26
DOUBLE PICE—											
Opening Balance	7	7	1	1	...	2	8	2	24	14	61
Receipts from + or Issues to — Mint or other Provinces.	-84	-15	...	-1	...	-3	-12	-11	-50	-45	-1,71
Closing Balance	6	2	1	...	1	1	8	...	19	14	47
Net Local Absorption in 1912-13	-38	-10	...	...	-1	-2	-12	-9	-43	-45	-1,57
Ditto ditto in 1911-12	-53	-1	...	...	...	...	-9	-4	-1,05	-24	-1,96
Ditto ditto in 1910-11	-37	-7	...	...	2	...	-8	-4	-77	-26	-1,57
SINGLE PICE—											
Opening Balance	1,41	5,02	1,33	1,21	85	61	6,44	1,99	2,45	2,56	23,06
Receipts from + or Issues to — Mint or other Provinces.	-99	+5,51	+2,15	+1,38	+3,80	+3,05	+1,04	-12	+1,25	-50	+16,52
Closing Balance	2,80	6,44	1,87	1,00	90	56	3,44	1,19	2,66	3,31	23,87
Net Local Absorption in 1912-13	-2,38	4,09	2,10	1,54	3,55	3,10	4,04	68	1,04	-1,25	16,51
Ditto ditto in 1911-12	-4,97	4,35	1,68		6,91		1,81	79	1,24	-70	11,11
Ditto ditto in 1910-11	-4,60	3,93	1,27		5,27		2,47	1,20	2	-24	9,27
HALF PICE—											
Opening Balance	6	2	...	1	7	8	10	8	...	4	46
Receipts from + or Issues to — Mint or other Provinces.	64	+1	...	+2	+9	-7	...	+8	...	+8	+85
Closing Balance	6	1	...	2	6	3	9	5	...	6	38
Net Local Absorption in 1912-13	64	2	...	1	10	-2	1	11	...	6	93
Ditto ditto in 1911-12	70	1	...	...	11	...	-1	9	...	4	94
Ditto ditto in 1910-11	48	4	...	...	10	...	2	9	...	3	76
1/16 PICES—											
Opening Balance	8	2	1	1	1	1	11	2	18	17	67
Receipts from + or Issues to — Mint or other Provinces.	+28	...	+1	+1	...	+8	+3	+4	+47	+31	+1,20
Closing Balance	7	1	1	1	1	8	10	2	23	13	62
Net Local Absorption in 1912-13	24	1	1	1	...	1	6	4	42	35	115
Ditto ditto in 1911-12	19	...	1	...	2	...	4	2	39	14	61
Ditto ditto in 1910-11	8	1	2	...	2	...	6	4	33	17	75

STATEMENT XXII.

Statement of Receipts and Expenditure of the Department of Issue of Paper Currency for the year 1912-13.

	Calcutta.	Cawnpore	Lahore.	Bombay.	Karachi.	Madras.	Bangoon.	TOTAL.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
RECEIPTS.								
Interest realised on Government Securities	20,84,059	1,09,699	2,21,059	11,22,784	82,052	6,12,231	3,51,101	46,49,585
BOUNDARY CASH RECEIPTS.								
Miscellaneous	1,503	586	365	601	188	6,129	...	11,320
Value of unclaimed Currency Notes	14,948	2,015	2,057	660	685	708	790	23,758
Value of old Currency Notes no longer in circulation	69,710	2,430	5,080	8,470	460	3,730	...	49,880
TOTAL RECEIPTS DURING 1912-13	21,80,120	1,75,680	2,29,511	11,32,515	83,985	6,24,769	3,51,891	47,26,466
TOTAL RECEIPTS DURING 1911-12	19,17,247	2,14,492	2,12,228	11,41,032	1,10,992	5,74,709	2,95,022	45,72,937
DISBURSEMENTS.								
Salaries (including Exchange Compensation Allowance)	88,606	6,600	3,316	15,925	4,028	...	...	69,472
Establishment	1,45,489	19,592	29,105	95,001	12,592	83,698	78,312	4,14,489
Compensation for decrease of provision and other special allowances	336	...	...	1,012	177	2,055	110	4,687
Temporary establishment	27,845	5,572	...	7,466	844	12,718	26,054	71,100
Charges for remittance . . . . .	...	...	...	1,354	222	54	...	1,640
Stationery	6,004	29	...	1,014	160	1,127	...	8,244
Printing charges	2,912	...	608	2,919	...	728	...	2,162
Service postage and telegram charges	2,415	1,900	1,627	2,988	1,410	1,903	766	12,209
House, lighting, police and water rates	8,213	...	58	1,916	1,375	541	...	12,102
Cost of Note forms, including freight	6,05,087	32,954	79,106	1,52,569	21,392	1,91,220	8,92,687	15,25,025
Pensions and gratuities	19,297	1,301	2,846	15,987	558	7,223	...	47,267
Cost of repairs, etc., to Currency buildings	16,512	...	500	3,086	...	2,27,142	...	2,47,502
Cost of chests, bags and locks	53	...	420	5,512	...	...	1,687	7,678
Contingencies	12,690	4,505	2,256	5,980	2,968	4,025	5,263	40,682
Travelling allowances	4,734	827	...	4,292	1,073	569	2,208	12,697
Dead stock, cost of office furniture	753	220	...	704	704	1,168	490	4,052
Refund of value of old Currency Notes	220	...	...	150	...	...	...	330
TOTAL DISBURSEMENTS DURING 1912-13	8,52,667	1,28,601	1,21,127	8,12,246	47,466	4,25,470	5,08,773	24,27,990
TOTAL DISBURSEMENTS DURING 1911-12	7,44,514	59,850	1,66,156	4,29,712	54,029	4,03,546	4,79,252	22,28,108
PROFIT DURING 1912-13	12,47,453	52,079	1,08,374	3,13,669	36,487	1,99,293	-1,56,882	22,40,506

STATEMENT XXIII.

Details of the balance of the Gold Standard Reserve on the 31st March 1913.

	£
In England—	
Market price on 31st March 1913 of Sterling Securities of the Nominal value of £17,501,513 (as per details below)	15,945,669
Cash placed by the Secretary of State in Council at short notice	1,005,664
Deposit of Gold at the Bank of England	1,620,000
In India—	
Coined rupees (at R15=£1)	4,000,000
Held as a book credit awaiting payment	85,927
TOTAL	22,608,660

Details of investments :—

	Face value.
	£
British Government 2½ per cent. Consolidated Stock	4,665,770
Local Loans 3 per cent. Stock	200,000
Guaranteed 2½ per cent. Stock (Irish Land)	438,720
Transvaal Government 3 per cent. Guaranteed Stock	1,092,023
British Treasury Bills	2,400,000
Exchequer Bonds (2½ per cent.)	50,000
Exchequer Bonds (3 per cent.)	6,885,600
Canada 3½ per cent. Bonds	161,000
Corporation of London 3½ per cent. Debentures	100,000
Do. do. 3½ do. do.	45,000
New South Wales, 4 per cent. Bonds	4,000
Do. 3½ do. Inscribed Stock	118,000
Do. Bills	250,000
New Zealand 3½ per cent. Debentures	246,400
Queensland 4 do. Bonds	95,000
Do. 4 do. Inscribed Stock	55,000
Southern Nigeria 4 per cent. Bonds	100,000
Union of South Africa Bills	600,000
TOTAL	17,501,513

STATEMENT XXIV.

Statistics of Work in Currency Offices.

	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Rangoon.	Total, 1912-13.	Total, 1911-12.	Total, 1910-11.
Receipts of home notes over the counter (value in lakhs of rupees)	90,27	4,32	8,23	61,11	3,27	27,97	29,67	2,24,84	1,95,46	1,80,28
Issues do.	87,62	3,16	8,18	65,18	4,16	25,64	29,89	2,28,73	2,07,38	1,81,88
Receipts of coin over the counter (value in lakhs of rupees) —										
Gold	1,74	47	62	4,51	30	9	32	8,12	19,33	10,43
Silver	18,45	67	1,60	11,51	37	1,35	2,34	31,79	25,60	23,57
Issues of coin over the counter (value in lakhs of rupees) —										
Gold	2,00	2,37	3,32	6,73	60	2,16	88	18,06	11,95	10,85
Silver	20,92	2,07	1,33	10,15	95	3,20	2,23	40,90	35,48	29,73
Encashment of home notes over the counter (average number for each working day)	45,028	2,658	8,785	31,322	2,329	19,678	21,447	131,243	115,251	100,253
Issues do. do.	51,635	2,741	8,859	32,193	2,492	20,465	27,224	145,609	126,308	108,693
Cancellations do. do.	40,157	2,439	7,518	18,110	2,095	16,979	21,545	108,848	103,353	86,057
Issues of home notes (in thousands of pieces)	14,794	778	2,507	8,598	665	5,394	7,364	40,600	35,296	31,870
Cancellations do. do.	11,445	693	2,128	4,763	559	4,890	5,828	30,306	28,457	24,880
	12,015	705	2,128	5,561	603	5,135	6,804	34,151	30,331	27,416

RECEIPTS AND ISSUES OF HOME NOTES AND COIN OVER THE COUNTER IN CURRENCY OFFICES

GOVERNMENT OF INDIA.
FINANCE DEPARTMENT.

REPORT UPON THE OPERATIONS OF THE CURRENCY DEPARTMENT
DURING THE YEAR 1913-14.

From—H. F. HOWARD, Controller of Currency,
To—The Secretary to the Government of India, Finance Department.

5

SIR,

I HAVE the honour to submit my report on the operations of the Currency Department, the movement of funds and on the resource operations of Government during the year 1913-14.

The subjects falling within the scope of this report were formerly dealt with by the Comptroller and Auditor General. They have with effect from the 1st January 1914 been allotted to the Controller of Currency as a result of the subdivision of the duties of the Comptroller and Auditor General to which reference was made by the Hon'ble the Finance Member in introducing the Financial Statement for 1914-15 (paragraph 90 of statement):

1.—General.

2. The year under review marks a definite stage in the history of the Indian Currency system. The present arrangements, which have been evolved since the closing of the Mints in 1893; are based mainly on the recommendations made by the Currency Committee of 1898, best known as the 'Fowler' Committee. The general policy laid down by that Committee was accepted in its entirety by the Government of India. Many of the recommendations then made were, however, necessarily to some extent tentative in character, and practical experience of the working of the new system naturally resulted in some elaboration of the machinery by which the system is worked. It has in fact been said that 'the measures taken to maintain the exchange value of the rupee have been less in pursuance of the recommendations of the Committee of 1898 than supplementary to them.' In view of the importance of the subject, and of the public interest which it consequently attracted, a Royal Commission was appointed during the year under review to enquire into the whole question. The report, which the Commission presented towards the close of the year, entirely endorses the policy adopted during the last 20 years and the general measures taken during that period to ensure the stability of the rupee. It follows that the substantive recommendations for the future are mainly concerned with practical details of the financial and currency administration. In view of the facts that, while some of these details are of a technical nature, others intimately affect the commercial life of the country, and that the Commission did not visit India and were only able to examine a limited number of witnesses therefrom, the Government of India have considered it desirable to afford to the Local Governments and the principal commercial bodies in the country an opportunity of expressing their opinion on the subjects dealt with in the report before a final decision with regard to them is arrived at.

Royal Commission on Indian Finance and Currency.

Since the close of the year 1913-14 the Indian currency system has been subjected to a practical test by the disturbance to the finance and trade of the world, which has accompanied the outbreak of the war in Europe. It is fortunate that owing to the inherent soundness of the general financial and currency arrangements, and to the strong reserves which have been built up in recent years, India is in an exceptionally strong position for meeting any strain that can conceivably be placed on her resources.

3 The demands for currency in its various forms are necessarily dependent on the agricultural and trade conditions of the year, and there is consequently a close connection between the operations of Government in the Currency department and the movements of trade. This connection is well known and the machinery was clearly explained in Mr. Gillan's report

Connection between the operations of the Currency department and the movements of trade.

for 1910-11. Briefly the position is that, in addition to the Treasury, Currency Reserve, and Gold Standard Reserve Balances at Head-quarters, Government hold large amounts of money distributed over India in District treasuries and in Currency chests, nearly every treasury having such a chest. Money comes in to the Government treasuries and sub-treasuries all over the country in payment of revenue, from which it is necessary to provide funds for expenditure at Head-quarters or in order to meet outgoings in England. Conversely, the trading firms have large remittances to make to the interior in payment for produce. Firms requiring money for this purpose constantly apply to Government for remittance orders from one place to another within the country, and Government meet their requirements, so far as they can do so, by the issue at a small charge of supply bills and telegraphic transfers through treasury or currency. The amount of remittances annually effected in this way is very large. The arrangement is economical for all parties concerned as enabling these transactions to be largely effected without any actual movement of coin.

There is similarly an intimate relation between the operations of Government and the adjustment of the transactions of India's external trade. The annual exports from India are generally in excess of her imports, and an adjustment of the value of the net exports is effected partly by remittances through Government, partly by actual shipment of coin and bullion and partly in other ways. The remittances through Government are effected by means of the Council bills and telegraphic transfers sold by the Secretary of State, which are promises by Government to pay on demand, at the treasuries in Calcutta, Madras and Bombay, the amounts specified in the bills. The bills thus serve the double purpose of placing the Secretary of State in funds to meet his outgoings in London, and of enabling trade to make a remittance of funds in the opposite direction from London to India. I discuss below certain questions which arise out of this relationship, between the transactions of Government and those of trade. It will, however, be convenient before doing so to refer briefly to the conditions of the year within India which have a bearing on the operations of the department.

Agricultural
conditions of the
year.

4. In the year under review unusual rainfall occurred in the hot weather and the monsoon opened favourably. After the middle of July, however, the distribution was irregular, and at the beginning of September there was a material weakening of the current so far as the United Provinces, North-West Frontier and Central India were concerned, while excessive rain and consequent floods adversely affected crops in parts of Bengal, Bihar and Orissa and later of Madras. Winter rain was much wanted in the United Provinces and elsewhere, and its failure resulted in the establishment of famine conditions in certain areas. As a result the outturn of wheat and spring oil-seeds was somewhat in defect and rice crops also suffered either from drought or from floods. The jute crop suffered from excessive rains and water-logging. This was especially the case in the districts growing *deshi* jute where much damage was done to the crop.

Banking and
Commercial Crisis.

5. Some reference also is necessary to the serious banking and commercial crisis experienced in northern and western India during the course of the year. The main facts of this crisis are well-known. The rapid growth of mushroom banking institutions of dubious stability during the last few years has been a matter of serious concern to thoughtful observers, and the question of restraining by legislation the activity of their promoters has been under discussion. The fears entertained with regard to these institutions were during the course of the year justified in full. The crisis commenced with the downfall of the People's Bank of Lahore on the 20th September 1913. This was followed within a few days by the closing of the Amritsar Bank, Lahore, and the Hindustan Bank, Mooltan. The People's Bank with a nominal capital of Rs. 35 lakhs and a paid-up capital of Rs. 12½ lakhs had about 70 branches and a crore-and-a-half of deposits. Against these it held liquid resources of a most inadequate description, and the same was the case with the two other banks mentioned. Moreover the Auditor's report disclosed that, apart from the fact that half the assets of the People's Bank and two-thirds of those of the Amritsar Bank were tied up in various companies in which the

Directors were personally interested, it was a common practice for one of the banks to advance money to a second on the security of the shares of a third, while the third concern would similarly advance money to the first on the security of the shares of the second.

The failure of the People's Bank immediately affected the Bombay Presidency* through its branches in Sind, and the feeling of distrust, which the above and other serious disclosures created, rapidly spread to Bombay, where a run occurred on various banks in the Presidency. On the 3rd October the Credit Bank of India suspended payment, followed four days later by the Bombay Banking Company. The liabilities of the former stood at about Rs. 63 lakhs, including only Rs. 10 lakhs paid-up capital out of an authorised capital of one crore and a subscribed capital of Rs. 50 lakhs, there being thus Rs. 40 lakhs still due on the shares subscribed. The latter was a relatively small concern with a liability of Rs. 17½ lakhs and paid-up capital of Rs. 1½ lakhs. As a result of the general feeling of insecurity engendered by these failures, several other banks had difficulties in meeting their depositors, and it was estimated that something like a crore of deposits was withdrawn from the Swadeshi Banks during this period. Money was generally scarce, the bank rate standing at a figure of 6 per cent., which was unusually high for this time of the year. An early and large cotton crop increased the difficulties of the situation, and there also existed, in Bombay, owing to over-trading and over-speculation, other conditions conducing to the occurrence of a monetary crisis. Several trading firms failed owing to their inability to obtain credit, including three piece goods merchants in Karachi. The Exchange Banks were, however, able to place themselves in funds through Council Bills and as much as Rs. 4½ crores in councils and telegraphic transfers were paid in Bombay during October and November. Moreover, as was explained in paragraphs 86 and 87 of the Financial Statement presented in March last, arrangements were made, as soon as the crisis developed, to increase considerably the ordinary interest-free balances which Government keep with the Presidency Banks, so as to enable them to render such assistance as they might deem necessary to institutions, which, though quite solvent if given sufficient breathing space, were in temporary difficulties owing to a panic among their depositors. Great uneasiness, however, continued to be felt in the Bombay share market, owing to heavy speculation in mill shares at inflated prices. The position was accentuated by the failure of a prominent share-broker on the 21st October with liabilities amounting to Rs. 15 to 20 lakhs, and by the insolvency of two important firms of pearl merchants as a result of heavy speculation in pearls and a fall in the price of these in the European market. During the early days of November the Kathiawar and Ahmedabad Banking Corporation suspended payment, and the Karachi Merchants Bank failed in Bombay, followed by the Lahore Bank in the Punjab. The general monetary situation in Bombay was by this time easier, and it was hoped that the worst was over, but at the end of that month the crisis was renewed by the collapse of the Indian Specie Bank, accompanied by the dramatic death of its Manager, Mr. Chunilal Saraya, to whose daring speculations the failure of the Bank was largely attributable. This event caused further grave anxiety in the Bombay market, business being practically suspended for some days. On the other side of India, however, the effects of these latter events had been largely discounted beforehand, and from this time onwards the position improved.

Partly as a result of the assistance given by Government, the Bank of Bombay were able to reduce their rate to 5 per cent. on the 31st October. Their cash balances which had risen from Rs. 343 lakhs on the 4th October to Rs. 490 lakhs on the 25th of that month, reached Rs. 566 lakhs on the 6th December; they still stood at Rs. 478 lakhs at the close of the calendar year, and it was not necessary again to raise the bank rate above 5 per cent., until the 15th January 1914. Failures of various other small banks have taken place, at different places, but these were not of sufficient importance to affect the improvement in the general situation.

* A full account of the crisis in Bombay will be found in the report of Mr. A. M. Brigstocke, Accountant General, Bombay, on the operations of the Currency department in Bombay in 1913-14. I am indebted to him for much of the information contained in this paragraph.

I do not propose to discuss the various questions which arise in connection with the bank failures referred to above. The question of banking legislation is under the consideration of Government and the affairs of particular institutions are still in many cases under enquiry. The crisis of 1913-14 has since been overshadowed by the disturbance of credit which has followed the outbreak of hostilities in Europe. While there are no grounds for believing that the damage to credit caused by these bank failures is likely to be more than temporary, or that it will permanently affect what appears to be a growing tendency on the part of the people to invest money instead of hoarding it, there can be little doubt that the want of confidence engendered by the earlier crisis tended to aggravate the effects of the later disturbance, which have been far more-marked in the Bombay Presidency than elsewhere in India. On the other hand the banking crisis had the salutary effect of purging the country of unsound institutions whose collapse at a later stage would have greatly aggravated the situation. At the time, it necessarily interfered to a considerable extent with the ordinary operations of trade, especially where these are financed by smaller institutions or firms.

II.—The balance of foreign trade and its adjustment.

Foreign trade.

6. Though the external commerce of India, as is the case with other countries, necessarily forms a small proportion of her trade as a whole, a large amount of internal business is a preliminary to exports or a sequel to imports, and these connected operations of internal trade are mainly responsible for the larger movements of currency within India. Further the balance of external trade also determines to a great extent the amount of import of the precious metals. The following table shows in lakhs of rupees the balance of India's foreign trade and indicates roughly the manner in which it was adjusted during each of the financial years from 1899-1900 onwards:—

(In lakhs of rupees.)

Year.	Gross exports of merchandise.	Gross imports of merchandise.	Net export of merchandise.	IMPORTS OF FUNDS AND TREASURY.						Balance Net exports + imports—
				Council Bills.	Gold (Sovereigns) (Net.)	Government Securities (Net.)	Gold bullion (Net)	Silver bullion and coin (Net.)	Totals 4 to 8.	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1899-1900	1,08,98	70,71	38,27	27,98	+7,97	+65	+1,47	+8,57	41,59	-3,32
1900-01	1,07,87	78,28	31,09	19,28	+5,78	-1,87	+1,79	+1,42	26,88	+4,21
1901-02	1,24,46	81,62	42,84	27,88	+4,79	+1,61	+1,4	+2,25	40,82	+3,12
1902-03	1,28,88	78,79	50,03	28,08	+8,13	+1,78	+1,85	+6,98	46,26	+3,77
1903-04	1,52,98	84,82	68,14	35,71	+12,70	+1,49	+8,68	+7,47	61,00	+7,14
1904-05	1,67,60	98,87	68,63	36,12	+12,81	+32	+5,80	+6,94	61,49	-86
1905-06	1,61,71	1,08,08	53,63	47,70	+4,88	+88	+5,12	+5,02	62,55	-3,92
1906-07	1,76,67	1,08,31	68,28	50,47	+7,48	-5	+7,36	+6,69	71,90	-3,64
1907-08	1,77,36	1,29,90	47,46	28,46	+9,65	+1,26	+7,70	+10,02	52,10	-4,64
1908-09	1,68,08	1,21,87	31,76	8,02	+1,80	+80	+3,41	+11,98	25,49	+6,27
TOTAL FOR 10 YEARS	14,48,76	9,51,35	4,97,41	3,04,58	74,88	+7,02	+37,27	+66,33	4,20,08	+7,38
1909-10	1,67,88	1,17,06	70,82	41,78	+13,82	-78	+7,86	+9,37	72,00	-1,18
1910-11	2,09,88	1,29,35	80,53	58,43	+12,24	+2,43	+11,74	+8,61	74,45	+6,08
1911-12	2,27,84	1,58,57	89,37	40,17	+27,24	+1,06	+10,42	+5,29	84,28	+4,90
1912-13	2,45,09	1,61,00	85,09	38,88	+25,43	+58	+11,15	+6,57	83,51	+1,68
1913-14	2,48,31	1,63,25	85,06	46,60	+11,84	+1,12	+11,98	+6,24	77,28	-11,68
TOTAL FOR 5 YEARS	11,20,80	7,29,23	3,91,37	2,06,76	+91,17	+4,36	+53,15	+38,08	3,91,52	-15

Qualifications attaching to figures for the balance of trade.

7. It is necessary to emphasise the fact that the above statistics are not intended to do more than furnish a very rough general idea of what I may call India's international account. The transactions between India and other countries settled by Council bills, or remittances of sovereigns and gold and silver bullion, include not only the exports and imports of merchandise but also the adjustment of a large number of private credits and debits, the extent of which it would be impossible to determine with any accuracy. The import and export of capital and the payments of interest thereon have

also to be taken into account, and these transactions are very frequently represented by the movement of merchandise, as in the case of the railway material imported. Again, the trade returns, which represent the declared wholesale value of goods at the time or place of exportation or importation from or into India, do not necessarily represent the actual prices receivable by or paid by India for the goods imported or exported. A difference of 1 per cent. in the values of exports in one direction and of imports in the other would make a difference of more than Rs. 4 crores in the total of the figures for net exports in 1913-14. Further, it can never be the case that a period of twelve months is self-contained for the present purpose, as a large number of liabilities on account of transactions which have taken place during the year must necessarily be outstanding at its close. There are also other factors to be taken into account, and in view of the misapprehensions which occasionally arise on the subject I give in Appendices Nos. I and II to this report a more detailed explanation (a) of the relationship between the movements of external trade and the Government transactions, and (b) of the basis on which the trade figures themselves are actually prepared.

8. While, however, the above figures must be used with reserve, they are interesting as bringing out an unusual feature in the transactions of the year. Special features of foreign trade in 1913-14.

There is usually a small balance in favour of India, but this is not always the case, and in 1907-08 a substantial adverse balance resulted from a combination of unfavourable conditions, including famine in India and a great credit crisis in the United States. During 1913-14 exports, after a rapid and continuous growth for some years, were almost stationary, while there was on the other hand a large increase in the imports of merchandise. Councils were sold to the extent of about Rs. 8 crores in excess of the figures of the preceding year, but these were more than set off by a large decrease of about Rs. 15 crores in the imports of sovereigns. It may incidentally be noticed that the net excess of imports in 1907-1908 followed on similar excesses in the years preceding, and that it was probably largely the cumulative effect of these adverse balances, combined with special outside conditions, that produced the slump in exchange experienced at that time. In 1913-1914 though the actual excess of net imports was considerably larger, this followed on years of excess net exports, and exchange was not materially affected during the year, though some weakness was manifested in the following months, *vide* paragraph 11 below.

As a result of the factors mentioned above the statement in paragraph 6 discloses a balance against India during the year of Rs. 11.62 crores. In the following paragraphs I refer briefly to the special causes to which this departure from normal may be attributed.

9. The following table shows the more important fluctuations in the case of the exports:— Exports of merchandise.

Exports.

ARTICLES	QUANTITY (000's OMITTED).		VALUE (IN LAKHS OF Rs.)		DIFFERENCE IN VALUE.	
	1912-13.	1913-14.	1912-13.	1913-14.	Increase in 1913-14, compared with 1912-13.	Decrease in 1913-14, compared with 1912-13.
Rice cwt	55,263	49,040	32.56	26.64	...	5.92
Wheat and wheat flour "	34,574	26,632	18.77	14.34	...	4.43
Barley "	42,304	3,808	5.56	1.57	...	3.99
Cotton seed "	2,611	5,687	1.08	2.18	1.10	...
Groundnut "	4,887	5,558	4.04	4.88	.84	...
Linseed "	7,080	8,277	7.98	6.69	...	1.29
Tea lbs.	278,518	289,474	13.29	14.98	1.69	...
Raw cotton cwt	7,378	10,628	28.34	41.04	12.70	...
Raw jute ton.	878	768	27.05	30.83	3.78	...
Gunny bacs no.	811,708	368,759	9.67	12.53	2.86	...
Gunny cloth yds.	1,021,817	1,061,152	13.06	15.59	2.53	...
Opium chests	31	12	11.22	8.43	...	2.79
					25.60	23.39
					Net Increase 2.11	

close of the year would be followed by a period of weakness of exchange and a reduced demand for councils. That this is what has actually occurred is confirmed by a comparison of the trade figures and the payment of council bills for the first three months of 1914-15 with those of the corresponding period of 1913-14 :—

	(In lakhs of rupees.)	
	1913-14.	1914-15.
Gross exports of merchandise	59,02	63,78
Gross imports of merchandise	41,57	40,76
Net exports of merchandise	17,45	23,02
Imports of Treasure	10,02	9,63
Exports of Treasure	1,87	1,45
Net imports of Treasure	8,15	8,18
Net exports	9,30	14,84
Council Bills paid	8,18	8,93
Balance	1,12	10,91
Difference		9,79 lakhs.

Imports of gold and silver bullion.

12. The figures given in paragraph 6 above show an increase of 83 lakhs in the imports of gold bullion in 1913-14, and a decrease of 33 lakhs in the imports of silver bullion, as compared with the corresponding figures of 1912-13. It should be explained that in the case of gold these figures take into account coined gold other than sovereigns and also the exports of gold bullion from the Mysore mines. In the case of silver, the figures comprise not only the imports of bar silver from the United Kingdom and other countries for arts and industries, but also the imports and exports of Government of India rupees and the export of British dollars coined at the Bombay Mint for circulation in Hongkong. The production of the Mysore mines varies little from year to year, and there is not usually a large fluctuation in the net imports of coined gold other than sovereigns, the figures for 1913-14 amounting to 20 lakhs against 23 lakhs in 1912-13 and 35 lakhs in 1911-12. The actual figures for the gross and net imports of gold bullion alone have been as follows during the last four years :—

	(In lakhs of rupees.)	
	Gross imports.	Net imports.
1910-11	14,78	11,42
1911-12	13,45	10,07
1912-13	14,32	10,92
1913-14	15,23	11,78

As the gold bullion is used mainly for arts and manufactures, these figures indicate a steady demand and a continuance of the favourable material conditions of the country.

Price and consumption of silver bullion.

13. In the case of silver, the ruling prices affect the demand to some extent, but it may be noted that since 1908-09 there has been a substantial fall in the imports and that during the last 3 years these have been on a lower level than in the years from 1907-08 to 1910-11. For some years after 1907 during which new silver coinage by the Government of India was found to be unnecessary, the price of silver was relatively low, actually falling in 1908 below 23*d.* During 1909 it was generally in the neighbourhood of 23*d.* and 24*d.* and in 1910 of 24*d.* and 25*d.* Subsequently, as coinage by the Government of India in the near future became probable, prices rose, and in 1912-13 when large purchases by Government again proved to be necessary they ranged between 26½*d.* and 29½*d.*, the lower figure being touched in March 1913. At the beginning of April 1913 the price of bar silver in London stood at 26½*d.* per ounce, which, however, rose to 27½*d.* on the 7th and 28½*d.* on the 28th of the same month. The fluctuations appear to have been mainly due to conflicting rumours

as to the prospects of the China loan and to sales and purchases on China account in the London market. Subsequently, the price fell, touching 27*d.* on the 18th June and it remained approximately at this figure until the middle of July, the fall being due to the existence of large stocks and a tight money market in London. Prices varied between 27*d.* and 27½*d.* from the 16th July to the end of August, but with the entry of the Government of India into the market for the purchase of silver for their coinage operations prices rose, reaching 28½*d.* on the 18th September and 28⅞*d.* at the end of that month. From the beginning of October the price began to fall and the closing rate for the month was 27¾*d.* In November the price fell further and a temporary collapse followed the failure of the Specie Bank and the death of Chuni Lal Saraiya on the 29th of that month, the lowest quotation being 25½*d.* on the 1st December. The position of the silver market appeared to be very serious, as it was believed that the holding of the Specie Bank in London amounted to approximately £5 millions and that the forced sale of this large amount must necessarily tend further to depress prices. A powerful syndicate was, however, formed to take over the holdings of the Specie Bank in London, and was able to dispose of them without causing any perceptible disturbance in the market. On the formation of the syndicate the price showed an immediate recovery, touching 27½*d.* on the 6th December. It ranged during January and February between 26⅞*d.* and 26¾*d.*, and in March between 26½*d.* and 27*d.*, the year closing with a quotation of 26¾*d.* The highest rate reached during the year was 28½*d.* on the 22nd September and the lowest 25½*d.* on the 1st December. There was thus a variation of less than 3*d.* during the year, and this may be regarded as normal for a year of large Government purchases. The total value of the silver bought by Government was £4½ millions at an average price of 28½*d.* The first instalment of silver purchased was shipped to India on the 23rd September 1913 and the last on the 22nd November 1913.

The value of imported silver retained in the country in the past two years for other than coinage purposes is worked out below :—

	Figures in lakhs.			
	1912-13.		1913-14.	
Gross imports on private account		9,91		8,39
<i>Deduct</i> —Amount used for dollar coinage	1,45		21	
Government rupees imported on private account	63	2,08	80	1,01
Net		7,83		7,38
Gross exports on private account		3,33		2,15
<i>Deduct</i> —Dollars exported	1,45		21	
Government rupees exported on private account	1,86	3,31	1,93	2,14
Net		2		1
Retained in the country		7,81		7,37

14. The figures for the net imports of sovereigns in 1913-14 showed a very ^{Import of sov-}substantial decline from the high level of the two previous years. As I explain ^{erigns.} more fully in a subsequent paragraph, this decline in the net imports of sovereigns does not represent any decrease in the absorption of sovereigns within India. The large stocks held in the Government balances made it possible for this absorption to show a substantial advance. The net imports of sovereigns are dependent firstly on the extent to which an import of funds generally into India is required in order to settle India's international account, and secondly on the question whether it is more economical and expedient to import the necessary funds in this form or by the purchase of Council Bills or

Telegraphic Transfers. Including bullion and coin the total net imports of gold into India have been as follows during the last 3 years :—

(In lakhs of rupees.)

	GROSS IMPORTS.					Gross exports.	Net imports.
	United Kingdom.	Egypt.	Australia.	Other places.	TOTAL.		
1911-12	17.46	8.18	12.52	3.38	41.40	3.73	37.76
1912-13	14.98	11.95	10.76	3.65	41.29	3.71	37.58
1913-14	16.68	6.68	1.69	3.22	28.27	4.90	23.37

The net imports of gold bullion included in the above amounts increased by 73 and 83 lakhs respectively in the last two years, and the main fluctuations which the above figures indicate are therefore in respect of imports and exports of sovereigns. The differences are most marked in the case of Australia. The position is that the volume of the export of sovereigns from that country is dependent on the state of her balance of trade at the time. When there is a heavy balance of trade against Australia, as was the case in 1911-12, she has to part with large quantities of sovereigns or bullion in settlement of her liabilities, and most of these usually find their way to India, in a sort of triangular settlement of Australia's indebtedness to Europe. In the year under discussion a very limited number of sovereigns was forthcoming from this source. During the course of the year also Rs. 434 lakhs under shipment from Egypt or in transit from Australia were diverted to England by the Secretary of State by the sale of special telegraphic transfers on India. A noticeable feature of the year is that the export of gold to the Straits amounted to about 89 lakhs against about 2 lakhs in 1912-13, and about $\frac{1}{2}$ lakh in 1911-12. This export occurred mainly during a period of weak exchange in June and July. Taking the year as a whole, there was a net export of gold from the Straits to India of about Rs. 16 lakhs as compared with Rs. 123 lakhs and 40 lakhs in 1912-13 and 1911-12 respectively. In the case of general merchandise there is a large net export from India to the Straits as the following figures show :—

	(In lakhs of rupees.)		
	1911-13	1912-13.	1913-14.
Exports from India	8.79	9.19	6.79
Imports to India	2.98	3.08	3.42
Net export	5.81	6.11	3.37

Export of gold on Government account. Light weight sovereigns.

15. There was no remittance of gold from India to England on Government account during the year. As was explained in paragraph 8 of last year's report, remittances to the value of £2,382,613½ in that year represented light-weight coins, i.e., sovereigns or half-sovereigns of less weight than the least current weight, (viz., 122.5 grains for sovereigns and 61.125 grains for half-sovereigns), but not reduced more than 3 grains below standard weight, (i.e., not of less weight than grains 120.27447 and 58.63723 respectively). A considerable number of such light-weight coins, however, continued to be imported by the Exchange Banks, as is shown by the following figures for such sovereigns detected in the tenders of sovereigns to Government on import:—

	Calcutta.	Bombay.	Total.
	£	£	£
1911-12	41,790	512,964	554,754
1912-13	23,203	964,838	988,041
1913-14	26,860	381,937	408,797

The percentage of light-weight coins found in the imports at Bombay for the above 3 years is as shown below :—

	Total Sovereigns tendered (£ Thousands)	Total Light-weight (£ Thousands)	Percentage
1911-12	13,847	513	3.8
1912-13	15,891	965	6.1
1913-14	6,016	382	6.3

16. The total drawings of the Secretary of State in the year amounted to £31,200,800 (=Rs. 46,60 lakhs) against £25,759,700 (=Rs. 38,50 lakhs) in the preceding year. The figures for 1913-14 include a sum of £2,150,000 drawn against the Gold Standard Reserve. The following figures compare the monthly variations in the two years :—

	(In lakhs of rupees.)	
	1913-14.	1913-14.
April	2,72	3,92
May	2,83	83
June	2,09	1,50
July	2,32	1,31
August	2,01	1,70
September	2,22	4,09
October	3,53	6,12
November	3,20	4,11
December	4,31	5,90
January	5,37	6,30
February	4,41	4,91
March	2,42	3,41
	<u>38,50</u>	<u>46,60</u>

The year opened with a sale of Rs. 50 lakhs in the first week of April, at par for bills and a point higher for telegraphic transfers. The amount offered was, however, raised to Rs. 60 lakhs in the following week and was maintained at this figure, supplemented by occasional special sales, until the second week in June. With a falling off in the demand and a consequent weakening in exchange the offerings were then reduced to Rs. 50 lakhs and at the two following sales to Rs. 40 lakhs and Rs. 20 lakhs, respectively, the rate having fallen below par. The last mentioned amount continued to be offered until the second sale in August. As already mentioned, the sale of bills below the par rate during this period was accompanied by a steady export of gold from India to the Straits

Exchange revived at the beginning of August with the demand for funds for the finance of the jute crop, and the amount offered was raised to Rs. 40 lakhs in the second week and Rs. 50 lakhs in the last week of that month, and, further, to 60 lakhs in the first week of September. As a result mainly of the record prices realised for jute the demand for funds was abnormal and, in spite of large special sales, the weekly offering of Rs. 60 lakhs soon proved to be insufficient. The amount was increased to Rs. 70 lakhs in the third week of September and to Rs. 100 lakhs and 120 lakhs in the two following weeks, Calcutta taking about three-quarters of the total amounts sold. Sales at 120 lakhs continued during the whole of October, dropping to 100 lakhs in the first week of November. At this period of the year large amounts were taken by Bombay where, as I have already stated, the Exchange banks doubtless considered it desirable to strengthen their balances in view of the banking crisis. The weekly allotments were reduced to 80 lakhs in December, but in addition to these the Secretary of State renewed his offer for the purchase of gold in transit from Egypt and Australia in order to replenish his balances. The Secretary of State continued to issue Telegraphic Transfers on this account at the rate of about half a crore a week in addition to regular sales of Rs. 80 lakhs, and from the middle of January, of Rs. 100 lakhs. The sales of telegraphic transfers against gold were discontinued from the middle of February, the amount sold up to that time being 43½ lakhs. The amount of the regular sales was, however, enhanced to 120 lakhs on the second and third Wednesdays in February. In the following weeks the amount was successively reduced to Rs. 100, 80 and 60 lakhs, this latter amount being sold weekly during the last three weeks of March in addition to some special sales. The highest amount drawn in any month was Rs. 680 lakhs in January 1914 and the lowest Rs. 131 lakhs in July 1913.

17. The total sales of Council bills for the year were effected at an average of 16'07d. or a little above 16½d. per rupee. At the beginning of the year

the sales were effected at par or at a slight premium, but the rate sagged towards the middle of June. The weakness of exchange which the sales during this period reflect lasted for eight weeks to the end of July. This relative weakness is in fact a normal feature of the months of June and July. With the demands of the jute trade exchange rose to par in August and gradually reached 16½*d.* in the middle of September. Subsequently, though there were some fluctuations, the rate did not again drop below 16*d.* in the latter half of the year. The lowest rate touched was 15½*d.* and the highest 16½*d.*

III.—Treasury balances and payment of Council Bills. Balances of the Presidency Banks.

Treasury balances.

18. Statement I gives the usual details of the cash balances in the Government treasuries in India on the first day of each month. The year opened with an unusually high balance of nearly 29 crores and this rose further to over 32 crores in August. The figure was subsequently reduced and the balance stood at about Rs. 23½ crores at the end of the year. Much interest has recently been taken in questions relating to the magnitude and management of the balances of the Government of India, and the whole subject has been examined by the Royal Commission. While, however, the management of the balances within India forms an important part of the operations of the Currency department, the fluctuations in these cannot be adequately explained without some reference to the total balances of Government, *i.e.*, inclusive of that portion of them held by the Secretary of State in England. The amount of the total balances and their distribution as between England and India depend on several important factors, a discussion of which would be beyond the scope of this report. Statement II, however, exhibits in an abstract form the actual cash transactions of the Secretary of State under the more important heads in the years from 1899-1900 onwards and shows the manner in which the closing balance has been worked up to in each year. The following figures show the amount of the balances held both in London and in India on the 31st March of the last four years, excluding the figures for the Gold Standard Reserve, a small portion of which is held by the Secretary of State in his treasury balance and usually placed at short notice:—

	In London.	In India.	Aggregate.
	£	£	£
31st March 1911	16,896,990	13,566,922	30,263,912
" 1912	18,390,013	12,279,689	30,669,702
" 1913	8,783,970	19,293,131	28,077,101
" 1914	8,132,517	15,610,933	23,743,450

As the above figures show, a substantial reduction has taken place in the aggregate balance since March 1912. This has been entirely effected in the Home portion of it, as though the Indian balance fell from £19 millions on the 31st March 1913 to £15½ millions on the 31st March 1914 this figure is still more than £3 millions in excess of that for March 1912. The policy underlying these reductions was explained by the Hon'ble the Finance Member in paragraphs 78 and 79 of his Financial Statement in March last, and to this aspect of the question it is not necessary for me to refer in detail. Owing to various causes which were mentioned by the Hon'ble Member in that connection, the balances both in England and in India still stand at a higher figure than that at which Government normally aim, this being approximately £4 millions for the Home treasury and £12½ millions or Rs. 18½ crores in the Indian balances. Briefly speaking, the main causes which operated during 1913-14 to prevent a reduction to the normal figures consisted of unanticipated improvements in certain branches of revenue as well as large under-spending in certain cases. The Local Governments, for example, drew on the large balances standing to their credit (which include unspent grants for education) to the extent of over £2 millions less than they budgeted to do. The Secretary of State's balance was also augmented by receipts not taken into account in the budget for 1913-14, owing to the fact that he anticipated a portion of his borrowing programme for 1914-15 by floating a loan of £2 millions through the Bengal Nagpur Railway Company in January, more than £1½ millions of which was paid up before the close of 1913-14.

19. With regard to the distribution of the balances it may be mentioned again that the Secretary of State sold Council bills and telegraphic transfers to the extent of £31,200,000 against £21,650,000 taken in the budget. These figures, however, include £2,150,000 drawn against the Gold Standard Reserve, representing the profits on coinage in India. The drawings also include a sum of £4½ millions on account of the Secretary of State's silver purchases, the payments for which were made from his treasury balance in the first instance, the result being a temporary transfer of his balance to that extent to the balances in India which the additional drawings just referred to eventually counter-balanced. The way in which this occurs was explained in last year's report. On receipt of intimation from the Secretary of State of the shipment of any consignment of silver, or, in some cases on the delivery of silver in the Mints in India, a transfer was made of the silver to the Paper Currency Reserve, a transfer of funds representing its price being simultaneously made from the Paper Currency Reserve to the treasury. When the silver was coined up into rupees a portion of these, equivalent to the price paid for the silver, was retained in the Paper Currency Reserve, the balance representing the profits being made over to the Gold Standard Reserve.

Effect on Indian balances of adjustments on account of silver purchased.

These remarks indicate that in the busy trade season there was no withdrawal of currency from circulation to swell the Reserve Treasury balances. On the contrary, so far from this being the case, these balances would have been exhausted had they not been supplemented by the above-mentioned adjustments made in connection with the purchase of silver. Apart from this, however, Government took special measures in connection with the banking crisis, as I have mentioned in paragraph 5 of the report; the balances held by Government with the Presidency Banks were largely increased and Government also published terms on which they were prepared to advance further sums to the Presidency Banks if required. Taking the year as a whole, also, there was a substantial increase in the amount of money left by Government with the Presidency Banks both at their headquarters and at their branches. The measures adopted really involve a new departure in the policy of Government in the direction of easing the money market by placing a portion of their balances, not immediately required, at the disposal of trade through the Presidency Banks:—

(In lakhs of rupees).

Months.	1911-12.			1912-13.			1913-14.		
	Head-quarters	Branches	Total.	Head-quarters	Branches	Total.	Head-quarters	Branches	Total
April	185	227	412	180	220	400	198	302	500
May	159	250	409	177	233	410	215	271	486
June	170	232	402	213	220	433	211	289	500
July	163	246	409	318	228	546	314	297	611
August	165	253	418	203	224	427	208	327	535
September	162	256	418	200	222	422	215	345	560
October	186	247	433	195	216	411	252	367	619
November	174	275	449	188	235	423	259	347	606
December	158	282	440	180	246	426	260	321	581
January	165	215	380	195	372	467	244	310	554
February	145	224	369	203	290	493	264	312	566
March	201	228	429	238	327	565	233	365	598
Average	169	244	413	207	245	452	238	321	559

Council bill payments.

20. Paragraph 16 of this report deals with the drawings of the Secretary of State in London, but the figures entered in the tables in paragraph 6 represent amounts paid in India. The drawings in London and the payments in India in any month do not agree, as the bills issued in London cannot be presented for payment in India till more than a fortnight after their issue. Some bills therefore remain unpaid at the end of the month in which they are drawn, and the amount thus outstanding varies from month to month. Of the sum of Rs. 46,60 lakhs paid on account of Councils during the year about Rs. 3,23 lakhs were met by a transfer from the profits on coinage in India to the treasury balances, the remaining amount being provided directly from the treasury balances. The payments were distributed as follows between the three Presidency towns:—

	(In lakhs of rupees.)		
	1911-12.	1912-13.	1913-14.
Calcutta	19,22	20,07	19,77
Bombay	15,80	12,82	19,35
Madras	5,65	5,94	7,48
Total	40,17	38,83	46,60

The figures for 1911-12 included Rs. 2,98 lakhs transferred through the Currency reserve.

Supplies from Provinces to Council bill payments.

21. Council Bill payments are made at the three Presidency towns only, but the funds required for the payments are supplied from all the Provinces in India, and it is necessary to bring to the Presidency towns sufficient funds to enable these payments to be made. The following table shows the local receipts in each province from various sources, the net total funds available in the year and the amount actually transferred by the Comptroller General, or, since the appointment of the Controller of Currency, by the latter officer, from province to province in conducting his resource operations:—

	IN LAKHS OF RUPEES.										
	India.	Central Provinces.	Burma.	Assam.	Bengal	Bihar and Orissa.	United Provinces.	Punjab and North-West Frontier	Madras.	Bombay.	TOTAL.
Net local Revenue receipt.	-3,16	67	2,37	2	1,67	88	4,13	3,07	3,72	2,74	18,06
Opium Revenue . . . . .	..	..	..	..	1,98	..	..	..	..	..	1,98
Salt and Customs	1,05	..	2,03	..	4,63	..	..	..	1,84	..	15,52
New Rupee Loan	3,00	..	..	..	..	..	..	..	..	..	3,00
Transfer from Home Treasury on account of purchase of silver	3,00	..	..	..	..	..	..	..	..	3,75	6,75
Total	3,89	67	4,39	2	8,28	88	4,13	3,07	7,56	12,45	45,33
Opium Expenditure . . . . .	..	..	..	..	..	..	-1,50	..	..	..	-1,50
Capital, Interest and Imperial Department transactions.	-3,94	10	3,48	67	1,37	-97	-3,27	-5,43	63	1,70	-5,76
Miscellaneous Debt Deposit transactions.	-24	46	-12	33	1,43	1,21	25	60	-16	-3,37	-22
Total net funds available	-29	1,23	7,75	91	10,98	1,12	-40	-1,76	8,03	10,28	37,85
Amounts actually transferred by Comptroller General.	16,88	-1,21	-7,89	-93	-10,75	-1,07	53	1,88	-1,98	4,58	
Council bills paid	-19,77	..	..	..	..	..	..	..	-7,48	-16,13	43,37
Cash balance decrease	3,18	-2	14	2	-33	-5	-13	-12	1,41	1,31	5,52

22. The year opened with a bank rate of 7 in Calcutta and of 8 in Bombay and Madras. In the following months the rates in Calcutta and Bombay were steadily reduced till they stood at 3 per cent in July, but this low rate continued for a few weeks only and the Madras rate did not fall below 5 per cent. In fact the tendency in recent years has been the prolongation of the busy season at the expense of the slack season, and the period of low rates was substantially shorter in 1913-14 than in the two preceding years. On the other hand, in spite of the crisis in Bombay and of the unusually large demands in Bengal for the finance of the jute crop, the bank rate did not in the busy months in the latter portion of the year rise above 6 per cent in the case of Bombay, or above 7 in the case of Calcutta and Madras. The Banks held very substantial cash balances throughout the year, the cash balances of the Bank of Bengal reaching the high figure of 10 crores of rupees at the end of June 1913 against $7\frac{1}{2}$ and $7\frac{1}{2}$ crores at the corresponding periods in 1911-12 and 1912-13.

Balances of the
Presidency Banks
and the bank rate.

IV.—Employment of the Currency Reserves in the Finance of the Internal Trade.

23. The previous Section deals with the treasury operations. The currency reserves also, as has been previously explained, form an integral part of the machinery by which the resource operations as a whole are carried on. This Section of the Report details the actual movements of currency through the agency of the Currency Reserve. In practice, however, it is not possible to obtain an accurate idea of the resource operations of Government as a whole by dealing independently with the movements of funds through treasury and the movements through currency. The total additions to the currency of the country through both currency and treasury are therefore dealt with in Section V and the resource operations as a whole in Section VI of the Report.

Currency Reserves.

Statement III shows the distribution of the Currency Reserve of coin month by month throughout the year. The opening balance of gold for the year stood at the high figure of 29.38 crores and the rupee balance at 16.45 crores. There was a considerable return of rupees from circulation during June and July; the balance standing at the end of that period at 21.23 crores. An unprecedented demand for rupees in connection with the jute crop, however, caused the balance to fall to Rs. 13.64 crores at the end of September and new coinage became necessary. Silver to the value of £4½ millions was purchased and coined, the outturn in rupees amounting to 10.19 crores. Supplemented by this coinage the rupee balance rose to Rs. 18.44 crores at the end of January; in the following two months the demand for currency fell off and the rupee balance in the Currency Reserve at the end of the year stood at 20.53 crores.

The net issues of rupees during the busy season in each circle are shown in the statement in paragraph 29 below. These net issues, which exclude the amounts met from local revenue collections before transfer to Currency chests, amounted to Rs. 32.20 crores. While heavy demands for trade occur in some provinces surplus revenue accumulates in others, and to economise the coin balances, and to reduce to a minimum the coinage of new rupees, the surplus is transferred to trade centres as quickly as possible. To meet about Rs. 32½ crores issued from the currency offices at different seasons the surpluses available were as follows:—

			Rs. Lakhs.
April to June	Calcutta		4.50
April to November	Rangoon		3.00
June to September	Cawnpore		3.70
July to September	Lahore		1.95
June to October	Bombay and Karachi		2.70
July to November	Madras		1.75
November to March	Calcutta		4.45
November to February	Cawnpore		2.95
February and March	Lahore		.75
Ditto ditto	Madras		.40
			26.15

Thus during the year as a whole, against about Rs. 32½ crores to be supplied from the Currency Reserves, about 26·15 crores became available as a result of surplus collections, the net deficiency being about Rs 6 crores. The position, however, was that some portion of the surplus collections did not accrue till the latter portion of the year, whereas the greatest demand for coin occurred during the months of July to October. The net demand for the jute crop alone amounted to no less than Rs. 16 crores in these months. It is not at this period of the year possible to forecast the actual demand for coin during the later months of the year, and the actual coinage found necessary at the time was therefore in excess of the net issues of currency for the whole twelve months.

Main currency coin remittances.

24. *Hot weather : April to June.*—In the three months April to June 1913 about 3½ crores in silver and 2 crores in gold were required for the spring crops in Northern India and about 110 lakhs in silver and 70 lakhs in gold for cotton and groundnuts in Madras, and remittances of rupees were necessary to the extent of 245 lakhs in Cawnpore and 130 lakhs in Lahore and 110 lakhs in Madras. Gold is used largely for financing the trade in Northern India, and a remittance of Rs. 210 lakhs was sent in sovereigns from Bombay to Lahore for this purpose; Rs. 150 lakhs were also sent from Bombay to Madras.

On the whole, the withdrawals from circulation in Calcutta, Bombay and Rangoon during this period were substantially greater than the actual demands, the balance of rupees in the Reserve on the 30th June being 19·47 crores against 16·45 crores on the 31st March.

The issues of gold during the quarter amounted to 5½ crores, but though these were to some extent set off by the imports, the stocks during the three months fell from 29·38 crores to 25·86 crores.

Rains : July to October.—The demand for currency to finance the jute crop during this period was even larger than in the corresponding months in the preceding year, the rupees required amounting to 16·10 crores against 12·70 crores in 1912-13. To meet this demand it was necessary to make large transfers from the other provinces, and the remittances brought to Calcutta during this season were :—

Rangoon	185 lakhs.
Cawnpore	200 "
Lahore	185 "
Bombay	200 "
Madras	50 "

The supply of rupees in the Calcutta circle was also supplemented by the transfer of Rs. 150 lakhs from the Calcutta branch of the Gold Standard Reserve against a transfer of sovereigns to the Gold Standard Reserve, while 300 lakhs in the Bombay branch and 100 lakhs in the Rangoon branch of the Gold Standard Reserve were also despatched to Calcutta as an available further reserve. In spite of these transfers the coin reserve had fallen to 13·31 crores by the end of October, and the coinage of new rupees had become necessary. Gold is not taken to finance the internal trade in jute, but though the stocks were supplemented by imports the reserve of sovereigns also fell during the period from 25·86 crores to 23·23 crores; the greater part of this absorption took place in Madras, but remittances of gold to the value of Rs. 90 lakhs from Calcutta to Rangoon and Rs. 150 lakhs from Bombay to Cawnpore were made in anticipation of future requirements.

Cold weather : November to March.—With the close of the jute season in October begins the season for cotton, seeds and wheat in Northern and Southern India and this is followed at the end of December by the rice trade in Burma. The last five months of the year from November to March thus constitute a period of active trade over a large area, and the demands for accommodation are usually very heavy. In November and December the revenue collections are comparatively small, and there is, consequently, a heavy drain on the Currency Reserve of rupees. The position is that while Council Bills are usually drawn against treasury balances, the surplus balances are mainly held in the Reserve Treasuries in notes of high value, whereas the purchasers of the Bills mainly require rupees. The ultimate effect of the payment of Council Bills is therefore a reduction in the amount of the notes held in the Reserve

Treasuries, against an issue of rupees from the Currency Reserve to the public. From January to March the drain is accompanied by large revenue receipts, so that the net reduction of the Currency Reserve rupees is not great.

In the year under review, however, there was a substantial falling off in the demands in Northern India, mainly owing to famine conditions in parts of the United Provinces, and the actual remittances required to supplement the Currency Reserve stocks at Cawnpore and Lahore were considerably less than in the preceding year. For Burma, on the other hand, large remittances were necessary, and 175 lakhs in rupees were despatched from Bombay and 64 lakhs from Calcutta. To meet the requirements in Bombay in connection with the cotton crop 125 lakhs were transferred from Calcutta to Bombay through the Gold Standard Reserve to supplement the proceeds of the new coinage in Bombay. As a result of the revenue collections during this period, there was a return to the Reserve of 345 lakhs during the last three months. The issues of gold during the last five months of the year were heavy amounting to about 9 crores. These issues were however largely set off by tenders of imported gold, and the gold in the Reserve at the end of March was less than a crore lower than at the end of October. During the period 150 lakhs of gold were despatched from Bombay to Madras, 30 lakhs from Bombay to Rangoon and 75 lakhs from Bombay to Lahore.

The year closed with a stock in the currency reserve in India of 20.53 crores in silver, 22.44 crores in gold, representing an increase during the year in the former case of about 4 crores and a decrease in the latter of 7 crores.

V.—Total Absorption of Currency.

25. It is now necessary to examine the total increase in the circulation as a whole as the result of the trade of the year. In the three years from 1909-10 to 1911-12 the average annual addition to the currency was Rs. 21.72 crores. In 1912-13 the total was Rs. 24.52 crores, and in 1913-14 Rs. 23.84 crores, this figure being arrived at as follows :—

	In lakhs of rupees.
New rupees coined and paid to Currency Reserve	9,51
<i>Deduct</i> —Payment of gold from Treasury to the Gold Standard Reserve	3,22
	6,29
Net imports of sovereigns received at the Currency office	9,49
Investment on account of the Gold Standard Reserve in England against equivalent issues in India	3,22
	19,00
<i>Add</i> —Decrease in treasury balance in India	4,84
	23,84

The total increase in the circulation compares as follows with the trade balance for the last four years :—

Year.	Balance of trade.	Increase in currency circulation.
1910-11	80,53	13,69
1911-12	89,27	30,31
1912-13	85,09	24,52
1913-14	65,66	23,84

26. As I have previously stated, about £4½ millions worth of silver were purchased in the year for coinage into rupees. The average price paid was 28½d. per ounce British Standard 3/16th fine. The outturn at the Indian Mints in tolas Indian Standard 1/16th fine was 10.19 crores. The withdrawal of uncurrent rupees in the mints amounted to 2.79 crores of which 2.11 crores were recouped into rupees and the net addition to the rupee currency was therefore (10.10 + 2.11 - 2.79) = 9.51 crores.

Tender of imported
sovereigns at the
Currency Offices.

27. The gross imports of sovereigns on private account in the year under report amounted to 8½ millions. Of this amount about £7¼ millions were tendered at the Currency Offices in exchange for notes or transfers, and about £1¼ millions were absorbed direct without passing through the Government treasuries or Currency Offices. It has always been assumed that the difference between the Customs figures and the currency figures represents the import of shield sovereigns. These are in special favour for use of ornaments and command a small premium. In view, however, of the fact that these coins are no longer minted, the number of them in existence and consequently the number imported must be steadily decreasing, and it is probable that an increasing number of ordinary sovereigns are now on import passed direct into circulation.

Absorption of
different forms
of currency.

28. The following table distributes, under the different denominations of currency, the total addition to the circulation of 23½ crores arrived at above.

(In lakhs of rupees.)

	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.	Total.
(1) Silver—						
New rupee coinage (excluding coinage for the G. S. R.).	...	...	...	12,27	9,51	21,78
Increase (—) or decrease (+) in the Currency Reserve of rupees and bullion.	+1,84	+3,22	+10,66	-1,05	-4,08	+10,59
Transfer from or to the G. S. R.	+12,08	+90	...	...	..	+12,98
TOTAL SILVER	+13,92	+4,12	+10,66	+11,22	+5,43	+45,35
(2) Gold—						
Net imports of sovereigns (through Currency).	+10,67	+10,88	+25,42	+21,57	+9,49	+78,03
Increase (—) or decrease (+) in Currency Reserve of sovereigns in India.	-9,26	+2	-14,05	-6,04	+6,94	-22,39
TOTAL GOLD	+1,41	+10,90	+11,37	+15,53	+16,43	+55,64
(3) Increase in the circulation of currency notes.	+8,92	+58	+6,37	+7,61	-2,86	+20,62
(4) Increase (—) or decrease (+) in Treasury balance.	-3,09	-1,91	+1,91	-9,84	+4,84	-8,09
GRAND TOTAL CURRENCY DEMAND	+21,16	+13,69	+30,31	+24,52	+23,84	+1,13,52

When the increase or decrease in treasury balances is distributed among the different denominations of currency the following figures are obtained for the total absorption of each denomination:—

(In lakhs of rupees.)

	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.
Gold	1,16	10,78	11,40	15,37	16,26
Silver (rupees and half-rupees)	13,22	3,34	11,54	10,49	5,32
Currency notes	7,28	-83	7,56	6	2,87
Bank and other balances	-50	40	-19	-1,40	-61
	21,16	13,69	30,31	24,52	23,84

These figures show that there was a steady increase in the absorption of gold in the country, but as I have explained in paragraph 27 these figures are not complete, as they deal only with the gold which is tendered on import to Government and exclude the gold which is passed direct into circulation. The net issues of rupees were substantially smaller than in the preceding year in spite of the abnormal demands for jute.

It must be explained with regard to the figures for note circulation that in the first of the above statements the figure of 286 lakhs represents a decrease in the *gross* circulation, *i.e.*, taking into account the notes held in our Reserve Treasuries, the balance of which fell from 12,68 lakhs to 7,40 lakhs during the year. The increase of 242 lakhs shown in the following paragraph has reference to the figures for net circulation.

29. The following statements, which are prepared on the lines adopted by Mr. Gauntlett in his report last year, bring out the part played by each form of currency in the monetary transactions of the country. They show firstly the absorption of each during the busy seasons in each circle, and secondly the absorption or return of each during successive busy and slack seasons :—

Absorption of each class of currency by seasons in each circle.

		I-A.—BUSY SEASONS.		
		(In lakhs of rupees)		
		Rupces.	Sovereigns.	Currency Notes.
<i>Spring crops—Northern India.</i>				
Cawnpore Circle	April and May	2,45	85	—80
Lahore "	April to June	1,80	1,68	15
<i>Cotton—groundnut, etc., Madras.</i>				
Madras Circle	April to June	1,10	71	—43
" "	December to January	50	30	63
<i>Jute trade—Bengal.</i>				
Calcutta Circle	July to October	16,10	24	—1,71
<i>Cotton, wheat and seeds—Bombay and Karachi.</i>				
Bombay and Karachi Circles.	April to May	65	1,95	—16
	November to February	5,35	4,25	30
<i>Rice trade, Rangoon.</i>				
Rangoon Circle	December to March	2,75	46	2,37
<i>Winter crops—Northern India.</i>				
Cawnpore Circle	October	1,15	40	26
" "	March	25	27	...
Lahore Circle	October to January	60	1,30	—56
		32,20	11,91	55

		I-B.—SLACK SEASONS.		
April to June	Calcutta	—4,50	56	1
April to November	Rangoon	—3,00	77	—2,17
June to September	Cawnpore	—3,70	18	53
July to September	Lahore	—1,95	—60	1,12
June to October	Bombay and Karachi	—2,70	35	64
July to November	Madras	—1,75	1,30	—75
November to March	Calcutta	—4,45	30	1,76
November to February.	Cawnpore	—2,95	60	36
February and March	Lahore	—75	45	—6
	Madras	—40	70	43
		—26,15	4,61	1,57
Net		6,05	16,52	2,42

II.—SUCCESSIVE SEASONS, 1913-14.

Circles.	Seasons.		Rupess.	Notes.	Sover-igns.	Total.	Monthly average issue of sover-igns.
Calcutta	Slack	April to June . . .	-4,50	1	56	-3,93	19
	Busy	July to October . . .	16,10	-1,71	24	14,68	6
	Slack	November *to March . . .	-4,45	1,76	30	-2,39	6
	TOTAL			7,15	6	1,10	8,31
Bombay and Karachi.	Busy	April and May . . .	65	-16	1,95	2,44	97
	Slack	June to October . . .	-2,70	64	35	-1,71	7
	Busy	November to March . . .	5,35	30	4,25	9,90	85
	TOTAL			3,30	78	6,55	10,68
Madras	Busy	April to June . . .	1,10	-43	71	1,38	24
	Slack	July to November . . .	-1,75	-75	1,30	-1,20	26
	Busy	December and January . . .	50	63	30	1,43	15
	Slack	February and March . . .	-40	43	70	73	35
TOTAL			-55	-12	3,01	2,34	...
Rangoon	Slack	April to November . . .	-3,00	-2,17	77	-4,40	10
	Busy	December to March . . .	2,75	2,37	48	5,58	12
	TOTAL			-25	20	1,23	1,18
Lahore	Busy	April to June . . .	1,30	15	1,64	3,13	56
	Slack	July to September . . .	-1,95	1,12	-60	-1,43	-20
	Busy	October to January . . .	60	-56	1,30	1,34	32
	Slack	February and March . . .	-75	-6	45	-36	22
TOTAL			-80	65	2,83	2,68	...
Cawnpore	Busy	April and May . . .	2,45	-30	35	2,50	17
	Slack	June to September . . .	-3,70	53	18	-2,99	4
	Busy	October . . .	1,15	26	40	1,81	40
	Slack	November to February . . .	-2,95	36	60	-1,99	15
	Busy	March . . .	25	...	27	52	27
TOTAL			-2,80	85	1,80	-15	...
GRAND TOTAL			6,05	2,42	16,52	24,99†	...

*November is usually regarded as a portion of the busy season in Calcutta, but it is included in the slack season on the present occasion, as there was an actual return of rupees from circulation during the month; jute came forward very early in 1913-14 no doubt owing to the high prices realised for the crop.

†The difference between this figure and (23,84+61) 24,45 in the preceding paragraph is due to the fact that 24,99 represents currency transactions, whereas 24,45 takes into account treasury transactions also.

Main features of the demand for the different forms of currency.

30. The inferences drawn by Mr. Gauntlett from the transactions shown in the corresponding statements for 1912-13 can be applied with very little qualification to the figures for 1913-14. The main features of the above statements are :—

(1) The regular ebb and flow of the rupee circulation—absorption in the busy season and return in the slack. This indicates the absolutely free circulation of the rupee throughout India for every purpose.

(2) An ebb and flow (though this is somewhat less general and less marked) of the note circulation conversely to that of the rupee circulation.

The cause is explained in paragraph 51 below. Briefly it is that rupees, when wanted for circulation, are obtained from currency offices by the presentation of notes, and, when returned from circulation, are paid back to currency for notes in which form bank balances are kept. There is, however, a large and increasing movement in the opposite direction in the Rangoon circle, where there is a real use of notes in substitution for coin in the financing of the rice trade. The net issues of notes which have occurred during busy seasons in other circles are relatively small and it may be inferred that except in Burma notes are not as yet used largely in the purchase of crops.

(3) The regular issue of gold in small quantities in busy and slack seasons alike in most circles.

This represents the normal flow of gold whether for use as currency or for hoarding or other purposes as distinguished from the issues for the purpose of financing a particular crop.

(4) The very considerable variations, in this regular outflow of gold, in Bombay and the Punjab and, to a smaller extent, in the Cawnpore circle. In these circles the striking increase in the absorption of sovereigns in the busy season illustrates the extent to which gold is there used in the purchase of important crops.

(5) The 'total' column indicates roughly the relative prosperity, during the year, of the various circles, as evidenced by the extent to which coin or notes are withdrawn from circulation. Thus the large absorption in the Calcutta and Bombay circles was mainly due to the excellence of the jute and cotton crops in those areas. There was a substantial decline in the absorption in the Punjab, while the famine conditions prevailing in a portion of the United Provinces were accompanied by an actual return from circulation in the Cawnpore circle. In Rangoon there was a large return from circulation after the heavy issues of the preceding busy season, with the result that, in spite of an excellent rice crop, the net absorption during the twelve months was considerably less than in the previous year.

(6) Certain other features in the transactions of the year may be referred to:—

- (i) The jute crop had a preponderating importance in determining the demand for rupees; in fact the absorption of rupees in the Calcutta circle alone was greater than the net absorption for India as a whole.
- (ii) There was a further large increase in the demand for gold in the Bombay circle in connection with the cotton crop, the value of the total issues of gold being twice as great as that of the rupees issued.
- (iii) In all the other circles an absorption of gold was accompanied by a return of rupees from circulation.

VI.—Resource operations and movement of Funds.

31. The preceding paragraphs show approximately the total addition made to the currency in circulation in India during the year 1913-14 and the distribution of the total, both among the several denominations of currency, and over the various trade seasons in each currency circle. It is now necessary to explain in somewhat greater detail the processes and agencies by which this distribution is effected. The import of funds, or their release from Government reserves into active commercial employment, is effected in the first instance in the form of sovereigns, or by means of Council Bills, which are paid by Government at the Presidency towns. Government also provide the machinery by which large transfers of funds are made. Thus, in addition to the means for remittance afforded between circles by universal notes, they grant to banks and firms at a nominal charge telegraphic transfers between one circle and another, and also (subject to their own requirements) supply bills between different treasuries. All these forms of remittance are payable in coin at the option of the payee, and a large portion of the burden of coin remittances for trade purposes thus

Movement of currency to finance the internal trade.

ultimately falls on Government. This is especially the case in regard to inter-provincial remittances. In the case of centres where there are no Currency Office coin remittances are necessarily to a large extent made by private agencies. For instance, in the case of the Bengal jute trade, the remittances to the jute centres in Eastern Bengal are made through private agency, Government supplying the coin at the Currency Office in Calcutta. In the same way while the coin requirements for the North India trades are mostly supplied by Government at Cawnpore and Lahore, it is left to the trade to make its own arrangements to move funds from the currency centres to the interior. These arrangements, however, very frequently take the form of transfers through Government on district treasuries.

The processes and agencies for distribution of funds among trade centres are therefore considered under the following heads:—

1. Transfers of universal currency notes.
2. Inter-provincial transfers through Government.
3. Transfers through Government within Provinces.
4. Government remittances of coin between Provinces.
5. Remittances of coin on private account.

Transfer of
currency notes.

32. The transfer of universal notes from one circle of currency to another through private agency cannot be ascertained even approximately, but the encashment of these notes in a foreign circle gives some idea of the value of notes used for remittance purposes. I refer to this subject somewhat more fully in paragraph 58 below, but it may be mentioned here that the total encashments in 1913-14 amounted to Rs. 21.63 crores against Rs. 17.93 crores in 1912-13, and there can be no doubt that currency notes are being used for trade remittances to an increasing extent. It cannot be the case that all or even most of the notes remitted to a foreign circle are presented for encashment, and the figures here given must represent a part only of the business done in the form of currency note remittances. The remittances as represented by encashments in foreign circles were as follows in 1913-14:—

Circle	Cashed.	Remitted.	(In lakhs of rupees.)	
			Net receipt of currency.	Net receipt in 1912-13.
Calcutta	6.04	4.75	1.29	85
Cawnpore	1.11	3.92	-2.81	-12
Lahore	2.36	5.16	-2.80	-1.65
Bombay	7.70	2.98	4.72	1.22
Karachi	2.42	86	1.56	1.09
Madras	1.88	8.03	-1.20	-53
Rangoon	17	93	-76	-56
	21.63	21.63	...	...

It appears that as in the previous year Bombay and Calcutta obtained funds withdrawn from Northern India, Madras and Rangoon. The larger amounts withdrawn from Northern India in the year under review are doubtless attributable to some extent to the relatively unfavourable conditions in that part of India.

Inter-provincial
transfers through
Government.

33. Statement No. IV gives the details of the transfers between different centres, the total value of the transfers in 1913-14 having been Rs. 41½ crores against Rs. 47½ crores in 1912-13. The net results of the movements according to the statement are:—

Bombay sent away	14½	crores	against	24½	crores	in 1912-13.
Bengal and India sent away	4	"	"	1½	"	"
while						
Burma received	10	"	"	11½	"	"
Madras "	3½	"	"	5½	"	"
United Provinces received	1½	"	"	4	"	"
Punjab "	2	"	"	4	"	"
Central Provinces "	1½	"	"	1	ore	"

The above figures (as is also the case with the figures for note remittances, *vide* preceding paragraph) indicate a falling off in the demand for funds in Northern India.

There was also a falling off in the transfers to Madras and Burma. There was a consequent reduction in the supplies from Bombay, where the gold imports and Council Bills are received in large amounts, so that it is the centre from which the bulk of the supplies is naturally distributed. The gross figures of the remittances are noticed below :—

Bombay.—Bombay received for remittance to other provinces $20\frac{1}{2}$ crores while it paid $5\frac{1}{2}$ crores on account of bills and transfers drawn by other provinces. The payments included 1 crore supply bills and transfers drawn by the Punjab ($\frac{3}{4}$) and Burma ($\frac{1}{4}$), 3 crores telegraphic transfers drawn by Calcutta in redistribution of the Exchange Bank balances among Presidency towns, $\frac{1}{2}$ crore transfers drawn on Karachi by Calcutta, and $\frac{3}{4}$ crore drawn by Madras and $\frac{1}{4}$ crore by the United Provinces in the shape of bank transfers and supply bills. As regards the amounts received for remittance, the following are the details :—

Telegraphic transfers granted on Calcutta against imported gold	1 crore.
" " " Madras	1 "
Other telegraphic transfers from Bombay on Calcutta	$5\frac{1}{2}$ crores.
" " " Cawnpore	$1\frac{1}{2}$ "
" " " Lahore	$1\frac{1}{4}$ "
" " " Madras	$3\frac{3}{4}$ "
" " " Rangoon	$4\frac{1}{2}$ "
" " " Central Provinces	1 crore.
Transfers from Karachi on Lahore	1 "
" " " Calcutta	$\frac{3}{4}$ "

Calcutta and Bengal.—Received for remittance 16 crores and paid 12 crores, making the net amount sent away 4 crores. As explained in the note under Bombay, there was a net payment on account of Bombay of $(1 + 5\frac{1}{4} + \frac{3}{4} - \frac{1}{2} - 3) 3\frac{3}{4}$ crores so that the net remittance to other provinces from Bengal was about $7\frac{1}{2}$ crores made up as follows :—

To Rangoon for the rice trade	6 $\frac{1}{2}$ crores.
" Cawnpore " wheat "	1 crore.
" Lahore " " "	$\frac{3}{4}$ "
" Madras in the cotton and groundnut season	1 "
" Central Provinces	$\frac{3}{4}$ "
10 crores.	
<i>Deduct—</i>	
Returned by Madras in jute season	1 $\frac{1}{4}$ crores.
" " Burma "	$\frac{1}{4}$ crore.
Transferred from Cawnpore	$\frac{1}{4}$ "
" " Lahore	$\frac{3}{8}$ "
2 $\frac{1}{8}$ crores	

Burma.—The rice trade required a remittance of $10\frac{3}{4}$ crores and this was made up of $6\frac{1}{2}$ crores from Calcutta, and $4\frac{1}{2}$ crores from Bombay. Rangoon returned in its slack season about $\frac{3}{4}$ of a crore only, of which $\frac{1}{4}$ crore each went to Calcutta, Bombay and Madras.

Madras.—The net payment of $3\frac{1}{2}$ crores in Madras was made up of $5\frac{3}{4}$ crores paid and $2\frac{1}{4}$ crores received. As has been already explained, the $5\frac{3}{4}$ crores paid were made up of $4\frac{1}{2}$ crores from Bombay, 1 crore from Calcutta and about $\frac{1}{4}$ crore from Rangoon. The receipts for remittance were for Calcutta $1\frac{1}{2}$ crores Bombay $\frac{3}{4}$ crore and Rangoon $\frac{1}{4}$ crore.

United Provinces.—Here the net payment was $1\frac{1}{2}$ crores made up of remittances from Bombay $1\frac{1}{2}$ crores and Calcutta 1 crore and of a transfer to Calcutta $\frac{3}{4}$ crore and Bombay $\frac{1}{4}$ crore.

Punjab.—Here the supplies made to trade through Government amounted to 2 crores, of which $1\frac{1}{2}$ crores came from Bombay and $\frac{1}{2}$ crore from Calcutta.

Central Provinces.—The $1\frac{3}{4}$ crore paid in these Provinces represented mainly bank transfers of treasury surpluses in the Akola and Amraoti districts,

The figures are grouped below in order to show main lines of the movements of the year, the figures for 1912-13 being given for comparison :—

(In lakhs of rupees)

	To		From			
	1912-13.	1913-14.	1912-13.	1913-14.		
Inter-presi- dency.	Calcutta from Bombay	9,87	6,96	Calcutta to Bombay	1,68	8,48
	Calcutta from Madras	1,04	1,33	Calcutta to Madras	1,06	1,09
	Madras from Bombay	5,59	4,84	Madras to Bombay	8	71
Northern India.	Punjab from Calcutta	1,28	84	Punjab to Calcutta	40	38
	Punjab from Bombay	4,18	2,40	Punjab to Bombay	90	87
	United Provinces from Calcutta	1,84	1,08	United Provinces to Calcutta	42	63
Bihar and Orissa.	United Provinces from Bombay	2,59	1,42	United Provinces to Bombay	9	22
	Bihar and Orissa from Calcutta	20	27	Bihar and Orissa to Calcutta	54	89
Assam	Assam from Calcutta	66	69	Assam to Calcutta	51	73
O. P.	Central Provinces from Calcutta	10	68	Central Provinces to Calcutta	2	...
	Central Provinces from Bombay	94	1,03	Central Provinces to Bombay	1	...
Burma	Rangoon from Calcutta	7,81	6,44	Rangoon to Calcutta	82	26
	Rangoon from Bombay	4,53	4,14	Rangoon to Bombay	9	24
	Rangoon from Madras	39	11	Rangoon to Madras	23	21

The outstanding features in the above comparison are the substantial decrease in the amounts drawn to Northern India to finance the wheat trade and the large requirement for the rice trade in Burma.

Transfers within provinces.

34. Statement No. V shows the internal movements of funds within provinces through Government agency. These transactions were largest in Bombay, Madras and Burma; the aggregate figures for these provinces compare as follows with those for the two previous years :—

(In lakhs of rupees.)

	1911-12.	1912-13.	1913-14.
Bombay	5,39	7,09	7,06
Madras	5,47	4,70	5,59
Burma	4,36	4,07	4,50

In Bombay though the total figure corresponds closely with that for 1912-13, there is an important variation in the manner in which it is made up, there being a considerable increase in the amounts remitted by the Bank of Bombay to its branches and a decrease in the remittances in the reverse direction. In the earlier year owing to slackness of trade the bank had large surpluses at its branches, whereas Government had to meet increased demands for loans and advances to cultivators in connection with the failure of the rains in 1911. With more favourable conditions during 1913-14 money was in demand for trade purposes and the district treasuries were able to spare a substantially larger amount for transfer to the Presidency Bank.

The increases in the case of Madras and Burma are also due to the supply of larger amounts to the branches of the Presidency Banks in the districts.

Government remittances of coin between provinces.

35. The remittances of specie made by Government between provinces and circles during the year amounted to 16.58 crores in silver and 8.94 crores in gold, being a total of about 25 crores against about 35 crores in the preceding year. The following are the details :—

(In lakhs of rupees.)

	SILVER.		Gold net [received (+) or sent (-)].
	Received.	Sent.	
India and Bengal	8,71	4,06	-47
Assam	3	...	+2
Central Provinces . . . . .	...	...	+19
Burma	2,40	2,41	+1,20
Bihar and Orissa . . . . .	...	1	+4
United Provinces	1,71	2,58	+1,46
Punjab	1,05	1,90	+3,03
Madras	25	63	+3,00
Bombay	2,43	4,99	-8,47
TOTAL	16,58	16,58	...

The above figures exclude a transfer of Rs. 150 lakhs in whole rupees from the Gold Standard Reserve to Currency Reserve in Calcutta against an opposite transfer of gold in Bombay.

The important movements take place as currency remittances, and have already been described in paragraph 24. The main reason of the decrease in the magnitude of the remittances was that larger balances of rupees were held in the treasuries and currency offices during the year, and that the necessity for remittances in opposite directions at different seasons of the year was therefore reduced.

Remittances of gold are made almost entirely from Bombay, which receives the bulk of the imports, and require no special remark except that United Provinces and the Punjab took about $4\frac{1}{2}$ crores worth against about $8\frac{1}{2}$ crores in 1912-13, while Madras took 3 crores and Rangoon 90 lakhs.

36. To ascertain the extent of the remittances of silver coin on private amount we depend entirely on the returns of railway goods traffic, but experience shows that the figures are not suitable for our purposes. After deducting from the total remittances of silver coin as given in these returns the Government remittances likely to have been included in them, the following figures are arrived at for remittances on private account:—

(In lakhs of rupees.)

Bengal	+ 40
Assam	+ 36
Bihar and Orissa	- 1,30
United Provinces	- 23
Punjab	- 33
Madras	+ 49
Bombay	- 99
Central Provinces	+ 1,60

37. The most important movement of rupees through private agency takes place in connection with the jute trade in Bengal. Most of the funds required are drawn from the Calcutta currency office in exchange for notes and they are then sent to the trade centres in Eastern Bengal. Until last year the figures for 1906-07 constituted a record year for jute demands, but they were exceeded in 1912-13, and 1913-14, again broke all past records. The following are the figures of net issues of rupees from the Calcutta currency office in the jute season for the last eight years:—

(In lakhs of rupees.)

Year.	July.	August.	September.	October.	November.	Total.
1906-07	69	3,61	5,06	1,66	1,34	12,36
1907-08	37	2,07	2,95	1,33	21	6,93
1908-09 . . . . .	...	70	1,30	89	22	3,71
1909-10 . . . . .	...	1,20	2,40	66	...	4,35
1910-11 . . . . .	...	79	2,34	1,37	25	4,75
1911-12	54	1,67	3,87	1,93	32	8,33
1912-13	62	4,38	4,09	2,92	92	12,93
1913-14	118	5,25	6,34	2,80	24	15,81

ble addition to
ncy through
remittances.

38. We are now in a position to calculate the visible addition to currency in the several provinces by trade remittances through Government and private parties. The following table shows the compiled result :—

(In lakhs of rupees.)

	India and Bengal.	Assam.	Bihar and Orissa.	Burma.	United Provinces.	Punjab.	Madras.	Bombay.	Central Provinces.
1. Foreign imports of sovereigns.	+82	...	...	+12	...	...	-15	+8,70	...
2. Council Bills .	+19,77	...	...	...	...	...	+7,48	+19,85	...
3. Inter-provincial Transfers—									
(a) Net transfer of Currency Notes to (+) or from (-) each circle.	+1,29	...	...	-76	-3,81	-2,80	-1,20	+6,28	...
(b) Remittances through Government.	-3,30	-3	-62	+9,98	+1,51	+3,07	+3,49	-14,81	+1,71
4. Silver coin remittances on private account.	+40	+86	-1,80	...	-23	-38	+49	-99	+1,60
5. Increase in treasury cash balances (-).	-3,61	-1,60	-1,39	-7,75	+43	+2,44	-8,08	-10,86	-1,28
Net visible addition to currency.	+15,37	-1,27	-3,31	+1,59	-1,10	+1,38	+2,08	+7,68	+2,03

*The heading "India" includes a small number of treasuries such as Ajmer, Quetta, Coorg, etc., which are not included in the larger Provinces or Administrations.

tions to cur-
y according
government
nces.

39. The additions to currency according to the balances in the Government treasuries and the currency and Gold Standard Reserves and the currency note circulation account are as follows :—

	India and Bengal.	Assam.	Bihar and Orissa.	Burma.	United Provinces.	Punjab.	Madras.	Bombay.	Central Provinces.
Currency note Circulation Statement XVI.	-3,32	...	...	+20	+89	+63	-1,60	+34	...
Gold Issues Statement VII.	+1,01	+2	+4	+1,39	+1,79	+3,64	+3,04	+6,15	+18
Rupee Issues Statement VIII.	+7,72	-22	+9	-28	-3,68	-1,35	-90	+4,01	-13
Increase (-) of currency notes in treasury balances.	+3,44	+8	-2	+4	+17	-5	+1,60	+40	+7
TOTAL	+8,85	-12	+11	+1,35	-78	+1,87	+2,14	+10,90	+18

There are considerable variations between the two statements due mainly to the incompleteness in the figures for the remittances of foreign circle notes and to the impossibility of obtaining any really exact figures for the private movements either of specie or notes. At the same time there is a rough correspondence between the compilations by the two methods, and the statements afford a general indication of the manner in which the absorption of currency in each province is dependent on the movements of trade.

VII.—Gold Circulation.

orption of
foreigns.

40. Detailed figures showing the gross import of sovereigns during the last three years and the amounts passed through Currency Offices are given in statement VI. Of this total import about £7½ millions passed through currency offices. As I have already explained in paragraph 27, though the difference of about £1½ millions between the figures as obtained from the trade returns and the figures supplied by Currency Offices may to some extent represent shield sovereigns, there are grounds for believing that a substantial number of ordinary sovereigns also passed direct into circulation.

While there was actually a large falling off in the net imports of sovereigns as compared with the high figures of the two preceding years, this

fact does not imply any decline in the rate of absorption of this form of currency. The position is that the favourable trade balances of the preceding years caused large quantities of sovereigns to flow into India, in excess of the amount which could immediately be absorbed. The balance accumulated in the paper currency reserve in India with the result that the gold holding in this reserve had risen on the 31st March 1913 to over £19½ millions. Though, therefore, the imports fell off in 1913-14, there was, as the following statement shows, an increase in the net absorption from £11,101,000 in 1912-13 to £12,074,000 during the year :—

Year.	Net imports.	NET ABSORPTION.			Balance in Paper Currency Reserve in India on 31st March.
		After passing through Government Reserves and Treasuries.	Direct.	TOTAL.	
	£	£	£	£	£
1910-11	8,162,000	7,189,000	914,000	8,103,000	6,186,000
1911-12	18,228,000	7,595,000	1,289,000	8,884,000	15,554,000
1912-13	15,236,000	10,245,000	856,000	11,101,000	19,583,000
1913-14	7,560,000	10,843,000	1,231,000	12,074,000	14,957,000

The rate at which sovereigns were absorbed thus amounted for the first time to an average of over £1,000,000 a month.

41. Statement VII shows how the absorption was distributed among the various provinces. The most striking feature of the year has been the large increase in the absorption of sovereigns in the Bombay Presidency, namely from £1,658,000 to £4,100,000. As is explained by Mr. Brigstocke, Accountant General, Bombay, this was due to the great demand for sovereigns in connection with the cotton crop. There was also a substantial increase in the case of Madras from £1,571,000 to £2,025,000. In the Punjab where the heaviest absorption of sovereigns has occurred during the last few years, there was a large decline from £3,372,000 to £1,758,000. There was a marked contraction in the demand for silver also in the case of this province, and the Accountant General is inclined to think that this slackening in the demand for currency may be partially due to the finance of the wheat and cotton crops being arranged through Government to a smaller extent than usual. The main cause of the reduction in the demand for currency doubtless lies in the relatively unfavourable conditions of the year. It is probable also that the operations of trade were hampered to some extent by the banking crisis which occurred during the course of the year. It may also be the case that, as a result of the heavy issues of sovereigns in the Punjab in the last few years, the province is approaching saturation point in this respect.

In the United Provinces a fall, from £1,616,000 to £1,195,000, is doubtless attributable to the existence of famine conditions in portions of the province. The decline from £1,090,000 to £677,000 shown under India and Bengal is more apparent than real, as the figures for 1912-13 included a special issue to a Native State of £333,000 as explained in paragraph 37 of the report for that year. If this amount be excluded the figure of £677,000 represents a decrease in absorption of about £80,000 only. In Burma, the increase referred to in last year's report continued, the figures being £927,000 against £814,000 in 1912-13 and £573,000 in 1911-12.

42. In view of the importance of the subject special enquiries as to the exact use of sovereigns issued at Government treasuries and currency offices were continued, and the question is receiving attention from the Account and Currency Officers concerned. Extracts or summaries of the reports submitted by these officers are given in Appendix III to this Report. Mr. Brigstocke has again submitted a very detailed and interesting report, and in view of the great increase in the absorption of sovereigns in Bombay I have thought it desirable to quote his remarks at some length.

Receipts of
sovereigns by
Treasuries, Post
Offices and Railways.

43. Statement No. VIIA gives the usual details of receipts of sovereigns by Treasuries, Post Offices and Railways. The transactions in 1912-13 which were very much larger than those in 1911-12 were again largely exceeded in 1913-14 as the following statement shows:—

(In Thousands of Rupees.)

	1910-11.	1911-12.	1912-13.	1913-14.
Treasuries	3,177	5,626	8,002	10,223
Post Offices	638	1,363	1,961	2,737
Railways	597	1,222	1,810	1,987

In the case of the treasuries the largest figures were those for Bombay, viz., £2,939,000 followed by the Punjab and North-West Frontier Province with £2,443,000 and the United Provinces with £2,019,000. The figures are in all cases the highest on record. The more important Banks in India have kindly furnished me with details of the gold transactions over their counters. Their receipts from the public in sovereigns during the year amounted to £9,249,000 and their issues to £9,404,000, showing a remarkable increase on the corresponding figures for the previous year which were £6,785,000 and £6,621,000 respectively.

the use of
sovereigns.

44. The above figures, I think, leave little doubt that in certain parts of India at any rate sovereigns are used to an increasing extent in real currency transactions. During the course of the year under review the sovereign has been more largely employed in Bombay in connection with the finance of the cotton crop, and it has secured a firmer footing in that Presidency than it had previously obtained in the Punjab. It is also extensively used in the United Provinces, and its popularity both in Madras and Burma is growing. At the same time, sovereigns are probably largely melted down for ornaments, and Mr. Brigstocke has shown (*vide* Appendix III) that when full weight sovereigns are so dealt with it is possible to make a small profit on the transaction. They are also doubtless hoarded, though the use of this term, as has been explained on previous occasions, is liable to cause misapprehension. It is the natural instinct of a large proportion of the inhabitants of this country to secrete their savings against a rainy day instead of placing them in a bank or investing their money. In recent years there have been signs of a nascent tendency towards the more economical practice of investment, and this was exploited by the promoters of the Swadeshi banks of whom mention has already been made. At the present time, with the outbreak of war in Europe, there has probably been some reversion to the old hoarding tendency, which, it may be hoped, will soon pass away. While however no clear line can be drawn between money which is merely put away for use when required and money which is more permanently hoarded, there is an obvious distinction between the two practices. The former merely involves a lower degree of rapidity in the circulation of coin than would be the case if it were passed continuously from hand to hand; but such differences in the rapidity of circulation of currency necessarily occur even in the most advanced countries. There can be no doubt, for instance, that the circulation of money will usually be found to be more rapid in towns than in the country.

It has not so far been possible in India to collect any reliable statistics to show even approximately how the large volume of sovereigns absorbed is finally disposed of, i.e., what proportion of the sovereigns taken by the public is melted down or is retained by them either temporarily or as quasi-permanent hoards, and what proportion may be said to remain in more or less active use as currency. The figures which I have given above, however, seem to indicate that in large portions of India the sovereign is now entering largely into ordinary transactions in cases in which these are of sufficient size to make its use possible. It has certainly displaced silver to some extent in Bombay, the Punjab and the United Provinces, and probably, in a lesser degree, in Madras and Burma also. It is also extensively used in the Native States of Cochin and Travancore. On the other hand, in Eastern Bengal, in the finance of the jute crop, it has so far had no attraction for the cultivator. He will take

rupees only and does not care for either gold or notes. As I shall show in a later paragraph, there are also indications that the sovereign is competing to some extent with notes, mainly in Bombay, the Punjab and United Provinces. Its use in preference to notes as a store of value by such classes as the cultivators and the small artisans, etc., is readily intelligible. As Sir James Meston stated before the Royal Commission, "living as they do, the large mass of these people, in poor homes, with constant risk of floods, fires and destructive insects, it is impossible that they will take the risk of keeping their little stocks in notes". It will be interesting to observe whether the stoppage of the use of gold, which Government found necessary to adopt on the outbreak of the war in August 1914, will have the effect of causing the appetite for the sovereign to disappear, now that it has once been roused, or whether it will be found, when a supply of sovereigns is again available for issue, that the demand for them will still exist in its present volume.

VIII.—Silver Circulation.

45. Statement VIII gives the usual details of the net absorption of rupees and half rupees during the year. The total absorption in 1913-14 for all India compares as follows with the actuals since 1906-07:—

	(In lakhs of rupees) (Absorption +, Return —.)
1906-07	+ 18,00
1907-08	+ 3,92
1908-09	— 14,88
1909-10	+ 13,22
1910-11	+ 3,84
1911-12	+ 11,54
1912-13	+ 10,49
1913-14	+ 5,82

In the second portion of Statement No. VIII details of the net absorption of rupees are worked out by provinces. The figures in these statements do not exactly correspond to those appearing in paragraph 29 of the report for the reason that, in the first place, the figures in paragraph 29 relate to currency circles, whereas those in statement VIII relate to administrative provinces, and that in the second place the former represent currency transactions, while the latter take into account treasury transactions also.

46. As I have already noted in paragraph 30, the marked feature of the year was the preponderating importance of the jute crop in determining the demand for rupees; but for this factor there would actually have been a net return from circulation in India as a whole. Outside Bengal the only important absorption occurred in Bombay amounting to 401 lakhs against only 42 lakhs in 1912-13. The very low figure of the earlier year was due chiefly to the failure of the monsoon of 1911 in some parts of the Presidency. Though there was again a substantial demand for rupees during the year under review, the total amounted, as I have previously stated, to only about half the gold taken.

In the United Provinces, mainly owing to the existence of famine conditions, an absorption of 108 lakhs was replaced by a return from circulation of 363 lakhs. Similarly, in the Punjab there was a decrease in the demand for rupees as well as for gold, (*vide* paragraph 41), an absorption of 160 lakhs being converted into a return from circulation of 135 lakhs. There was also a return from circulation in both Madras and Burma. In the latter case, this result was doubtless due to the increasing extent to which currency notes were used for the finance of the rice crop (*vide* paragraph 30).

In the case of Bengal the issues during the jute season amounted to the abnormal figure of Rs. 16 crores. Details of these issues have already been

given in paragraph 37 above. The following further figures are somewhat interesting in this connection :—

(In lakhs of rupees.)

	1906-07.	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.
Net issues in jute season . . .	12,36	4,35	4,75	8,33	12,93	15,81
Total absorption of rupees in						
India	18,00	13,22	3,34	11,54	11,39 (b)	5,63 (a)
Net absorption in Bengal . . .	10,78	—83	10	5,59	6,52	7,90

(a) The difference between this figure and that shown in Statement No. VIII is due to the fact that Murshidabad and Farukhabad coins to the value of Rs 81 lakhs were received at the Calcutta Mint. These uncurrent coins have been treated for the purpose of Statement No. VIII as withdrawn from India and Bengal and thus the real absorption of silver has been understated by that amount.

(b) For explanation of the excess of Rs. 80 lakhs over the figure in para. 45 *seq* para. 43 of last year's report.

It is interesting that the net absorption for Bengal did not increase to an extent corresponding to the increase in the issues for jute. In 1906-07 and 1911-12 when there were also large issues in payment for the jute crop, the amount actually absorbed was only 2 or 3 crores less than the issues. In 1912-13 the difference amounted to about 6½ crores and in 1913-14 to nearly 8 crores. Bengal being a permanently settled province is not liable to large fluctuations in revenue receipts, and it would seem to be probable that the explanation of the return in the last two years of such a large proportion of the issues is connected with the substantial increase in the import trade of the year, and that the large receipts of the cultivators for their jute enabled them to spare a greater amount from their savings for the purchase of imported articles.

Replacement of rupees by other forms of currency.

47. The question naturally arises whether rupees have been replaced to any appreciable extent by other forms of currency. It is a curious fact already mentioned that in Bengal the cultivators will only take rupees in payment for their jute and will have nothing to say either to gold or to currency notes. In Bombay, on the other hand, gold seems largely to have taken the place of rupees in payment for the cotton crop, and rupees seem similarly to have been ousted by gold to some extent in the Punjab, while in Burma currency notes are to an increasing extent taking the place of rupees in payments made on account of the rice crop.

Rupee coinage.

48. The subject of coinage of rupees both from purchased silver and by recoinage of withdrawn coins have already been dealt with in paragraph 26. Statement No. IX gives the details of the coinage.

Rupee census.

49. Statement No. X furnishes the usual figures relating to the rupee census.

IX.—Circulation of Currency notes.

Growth of the note circulation in recent years.

50. Statements XI to XX contain the usual statistics regarding currency note circulation. These statistics have a special interest at the present time in view of the recommendations made by the Royal Commission on the subject of the Indian Currency note system. The Commission, while holding the view that it is important that Government should continue to act on the principle of giving the people the form of currency for which they ask, express the opinion that it is eminently desirable that the use of notes in India should be encouraged by all legitimate means. With this object in view they recommend that Government should increase, whenever and wherever possible, the number of places at which notes are encashable as of right as well as the extra-legal facilities for encashment. They consider that it is desirable to universalise at once the notes of Rs. 500, and that with the experience so gained it will be found possible to carry universalisation still higher. I refer to these questions in more detail below. It may, however, be stated here that the policy of Government has been steadily directed towards increasing the facilities for the encashment of currency notes. Within the last few years the notes of the Rs. 5, Rs. 10, Rs. 50 and Rs. 100 denominations, which could formerly be cashed only at the head office of the circle of issue, have been made encashable as of right at the head offices of each of the circles. Extra-legal facilities are also given at most of the Government treasuries. The circulation of notes has also been increasing very rapidly in recent years. This appears from the following statement for

the circulation on the last day of each of the last 15 years. The figures show (a) the gross circulation, (b) the net circulation (which excludes the value of the notes held in the Reserve Treasuries); and (c) the active circulation (which further excludes the value of notes held in all other Government treasuries and also those held at the head-quarters' offices of the Presidency Banks):—

Year.	(In lakhs of rupees.)		
	Gross circulation on 31st	Net circulation on 31st	Active circulation on 31st
	March.	March.	March.
1899-00	23,74	27,04	22,10
1900-01	29,87	26,02	21,92
1901-02	31,66	26,41	22,22
1902-03	35,72	31,18	24,81
1903-04	33,21	33,75	23,09
1904-05	39,18	36,30	23,46
1905-06	44,66	40,62	32,63
1906-07	46,95	43,64	36,45
1907-08	46,89	40,96	32,61
1908-09	45,49	41,13	34,95
1909-10	54,41	49,10	39,98
1910-11	54,99	48,41	40,17
1911-12	61,36	56,17	44,61
1912-13	68,98	56,30	47,32
1913-14	66,12	53,72	49,97

51. It may be observed that the gross figures do not afford a very trustworthy basis for comparing the extent of the real circulation of notes at different periods, as they include the notes held in our Reserve Treasuries. It is the practice to issue notes of high value to these Treasuries, on account of the balances held by them, against a transfer of rupees or sovereigns to the Currency Reserve. These balances fluctuate very largely in amount, both as a result of variations in the total Government balances held in India and also in the portion of those balances held at head-quarters in the Reserve Treasuries. The falling off in the gross circulation indicated by the above figures is due to the fact mentioned in paragraphs 19 and 28 above that the Reserve Treasury balances were substantially lower during the latter half of 1913-14 than in the corresponding period of 1912-13.

For present purposes also there are advantages in taking average figures as a basis of comparison. It is normally the case, as was explained in last year's report, that the circulation is lowest at the end of the busy season in April and May. The Presidency Banks ordinarily hold their reserves in the form of notes obtained by the tender of coin in exchange. Their balances so held are usually lowest at the close of the busy season. Subsequently, as funds begin to return from the public to the Government Treasury or to the Banks, the Currency Reserve rupees and the note circulation alike tend to increase. Conversely, at a later period when the busy season sets in, there is a tendency for the operation to be reversed. Coin is obtained by the tender of notes so that the Reserve and the circulation decrease. This tendency is counterbalanced by two factors, viz., a busy trade season in one Province in India overlaps a slack season in another, and, secondly, the exchange for currency notes of the sovereigns imported in large quantities in the busy season increases the note circulation.

The net circulation.

52. In the following statement, therefore, I show the figures for the average net circulation, the figures being the average for the last day in each of the 12 months in the year, and excluding the notes held in the Reserve Treasuries. Monthly figures for each circle for the last 3 years will be found in the Statement No. XIV, the figures below being the yearly averages for India as a whole:—

	(In lakhs of rupees.)
	Average net circulation.
1899-00	25.48
1900-01	26.54
1901-02	25.87
1902-03	29.61
1903-04	32.76
1904-05	35.33
1905-06	37.95
1906-07	41.48
1907-08	42.50
1908-09	40.76
1909-10	47.02
1910-11	48.55
1911-12	51.83
1912-13	54.92
1913-14	55.62

The increase in the last year was made up as follows:—

	(In lakhs of Rupees)	Percentage
	Increase + Decrease -	Increase or Decrease.
Calcutta Circle	— 5	— .2
Cawnpore "	+ 24	+ 10.0
Lahore "	+ 70	+ 24.0
Bombay "	— 26	— 2.0
Karachi "	+ 34	+ 28.3
Madras "	— 18	— 2.6
Rangoon "	— 9	— 1.7

The increases where they occurred are mainly in respect of 100-rupee notes and of notes of the higher denominations. That in Lahore is partly attributable to the fact that larger balances were held during a portion of the year with the branch of the Bank of Bengal at that place.

The active circulation.

53. A still better criterion of the extent to which currency notes are in circulation among the public will probably be found in the figures for average active circulation. The average amount of notes held in Reserve and other treasuries during the year under report was about Rs. 12½ crores and the Presidency Banks also held at their head offices, on an average, about Rs. 6½ crores. When these amounts are deducted from the average gross circulation, it appears that the average active circulation during the year was over Rs. 46½ crores. It stood at about Rs. 47½ crores at the commencement of the year; it then declined until August, falling just below Rs. 43 crores at the end of that month. It increased steadily during the next three months attaining its maximum of Rs. 50½ crores at the end of December. The aggregate amount of notes in the hands of the public was as usual greater during the winter months than at other times of the year, and after unimportant fluctuations March closed with an active circulation of

about Rs. 50 crores. The growth of the active circulation in each year from 1902-03 onwards in lakhs of rupees has been :—

1902-03	+ 2,30
1903-04	+ 2,85
1904-05	+ 1,77
1905-06	+ 2,41
1906-07	+ 3,41
1907-08	+ 50
1908-09	- 1,33
1909-10	+ 4,11
1910-11	+ 1,54
1911-12	+ 3,14
1912-13	+ 3,50
1913-14	+ 1,24

The figures for 1907-08 and 1908-09 were abnormal, as these years were affected by adverse agricultural conditions and by the financial crisis in the United States. The figures for 1909-10 show a recovery from the effects of the previous two years but in the following year 1910-11 the growth was relatively small. The figures for 1911-12 and 1912-13 indicate a return to the ordinary rate of development, but the rate of increase again fell off in 1913-14. It is difficult to trace the exact causes to which this falling off should be assigned. It may be the case that the larger increases in the two previous years were due to the impetus given to the note circulation by the universalisation of the notes of the lower values, and that the effect of this impetus has been exhausted. It would seem however more probable that the causes should be looked for in the temporary set-back in the export trade and also possibly, in some circles, to the competition of the sovereign. It has already been noticed that in the Lahore circle there was a substantial falling off in the total demand for currency, and experience has shown that such demands are largest in years of bumper crops, of which a large margin is available for export. The temporary curtailment of credit in connection with the banking crisis may also have operated to restrict to some extent the demand for currency during the year.

54. It will be convenient here to give some description of the character of the circulation, and to show the percentage borne by each denomination of note to the total circulation. The calculations in the following statement are based on the figures on the 31st March in each year, and they leave out of account notes of Rs. 10,000 which are rarely used except as a store of value by the Banks and Reserve Treasuries :—

	Rs. 5	Rs. 10.	Rs. 20.	Rs. 50.	Rs. 100.	Rs. 500.	Rs. 1,000.
1901-03	1.7	33.4	3.6	5.1	32.6	10.7	22.9
1909-10	2.7	27.9	2.0	4.1	34.5	7.5	21.3
1910-11	2.9	29.3	5	3.3	33.5	6.7	20.3
1911-12	2.8	32.1	5	4.0	35.1	5.9	19.3
1912-13	2.9	35.3	2	3.4	35.0	5.4	17.3
1913-14	3.2	34.9	2	3.5	35.0	5.2	18.0

Taking the last few years together, there has been a steady increase in the proportion of 5 and 10-rupee notes in circulation, and this fact indicates the growth of the popularity of this form of currency, for these notes are used almost entirely in every-day transactions.

Coupled with this general tendency there is a very remarkable divergence in the relative popularity of the notes of various denominations in the different circles, which is illustrated in the statement below :—

[N.B.—The figures for circulation are given in Lakhs of rupees.]

Circle.	Details	Gross Circulation on 31st March.	Circulation of 10,000 Rupee Notes.	Gross Circulation excluding 10,000 Rupee Notes.	Circulation per 10,000 population						
					Rs. 5	Rs. 10	Rs. 20	Rs. 50	Rs. 100	Rs. 500	Rs. 1,000
Calcutta—	Circulation, 1912-13	31,52	8,95	22,57	17	10,97	9	30	5,77	1,33	4,61
	Percentage to total Circulation	..	..	..	7	48.6	1	13	26.5	6.0	17.4
	Circulation, 1913-14	28,20	6,64	21,56	17	10,36	2	26	5,67	1,28	3,3
Cawnpore—	Percentage to total Circulation	..	..	..	8	48.0	1	12	26.3	5.7	17.2
	Circulation, 1912-13	2,28	85	1,88	5	20	1	9	68	28	51
	Percentage to total Circulation	..	..	..	27	10.6	5	4	36.2	14.9	30.4
Lahore—	Circulation, 1913-14	3,12	51	2,61	7	22	1	14	1,24	31	61
	Percentage to total Circulation	..	..	..	27	8.4	4	5.4	47.5	11.9	23.1
	Circulation, 1912-13	2,98	5	2,88	20	56	2	27	1,10	37	36
Bombay—	Percentage to total Circulation	..	..	..	6.9	19.4	7	9.4	38.2	12.9	19.4
	Circulation, 1913-14	3,57	36	3,21	3.4	60	1	29	1,18	39	66
	Percentage to total Circulation	..	..	..	7.5	18.7	3	9.0	36.8	12.1	15.4
Karachi—	Circulation, 1912-13	14,40	4,57	9,83	66	2,14	3	76	2,27	48	3.4
	Percentage to total Circulation	..	..	..	67	21.5	3	7.8	23.1	4.8	35.6
	Circulation, 1913-14	14,27	4,15	10,12	68	2,25	3	75	2,39	48	3.5
Madras—	Percentage to total Circulation	..	..	..	67	22.2	3	7.6	23.6	4.7	35.1
	Circulation, 1912-13	1,80	46	84	2	33	1	7	16	4	21
	Percentage to total Circulation	..	..	..	2.4	39.3	1.2	8.3	19.0	4.8	25.4
Rangoon—	Circulation, 1913-14	1,76	80	96	2	32	0	8	20	5	26
	Percentage to total Circulation	..	..	..	2.1	33.3	..	8.3	20.9	5.2	30.1
	Circulation, 1912-13	10,44	3,52	6,92	33	75	1	19	6,19	92	24
All Circles—	Percentage to total Circulation	..	..	..	4.7	10.7	1	2.8	74.7	9.2	9.4
	Circulation, 1913-14	8,84	2,20	6,64	36	77	1	21	4,88	18	24
	Percentage to total Circulation	..	..	..	5.4	11.6	1	2.1	73.5	2.7	3.4
All Circles—	Circulation, 1912-13	6,16	32	5,84	5	3,00	4	2,41	..	..	1
	Percentage to total Circulation	..	..	..	5	51.4	..	7	44.7	..	2.1
	Circulation, 1913-14	6,36	63	5,73	7	3,21	..	4	2,25	1	1
All Circles—	Percentage to total Circulation	..	..	..	1.2	56.1	..	7	39.3	..	2.1
	Circulation, 1912-13	68,98	18,22	50,76	1,48	17,94	10	1,72	17,78	2,72	9.0
	Percentage to total Circulation	..	..	..	2.9	35.3	2	3.4	36.0	5.4	17.1
All Circles—	Circulation, 1913-14	66,12	15,30	50,82	1,61	17,73	8	1,78	17,81	2,64	9.1
	Percentage to total Circulation	..	..	..	3.2	34.9	2	3.5	36.0	5.2	18.1

The circulation of the different denominations of notes according to the population of each circle is also of some interest. The following statement shows the number of notes of each denomination per 10,000 of population :—

Circle.	Rs. 5	Rs. 10	Rs. 50	Rs. 100	Rs. 500	Rs. 1,000
Calcutta	32	1,119	5	61	2.5	4
Cawnpore	18	33	4	22	1.3	1
Lahore	137	151	15.5	32.5	2.2	1.5
Bombay	172	290	19.8	31	1.4	5.7
Karachi	66	691	38	28	2	7
Madras	124	133	7	73.5	6	4
Rangoon	91	1,450	4.5	139	..	1

Calcutta.—If the 10,000-rupee notes be excluded, the 10-rupee notes followed by the 100-rupee notes form the bulk of the circulation. The circulation of 5 and 50-rupee notes are relatively small. In fact, as compared with the other denominations of notes the 5-rupee note is far less popular in the Calcutta circle than in any other, and there are only 32 Rs. 5-notes per 10,000 of population as compared with 1,119 Rs. 10-notes and 61 Rs. 100-notes.

Bombay.—Here the 1,000-rupee notes account for more than a third of the circulation, followed by the 100's and 10's. The actual value of the circulation of 5-rupee notes is, however, relatively large being about four times as great as in the Calcutta circle, though the circulation of the Rs. 10-note is more than four times greater in Calcutta than in Bombay. On the population basis the circulation of the 10's and 100's is much lower than in either the Calcutta or Rangoon circles.

Madras.—The 100-rupee notes are by far the most popular, accounting for about three quarters of the circulation. The circulation of 5-rupee notes is about half of that of the 10's.

Burma.—The 10-rupee notes, which are very largely used for rice payments, and the 100-rupee notes practically share the circulation between them. It is somewhat remarkable that the circulation of these notes per 10,000 is substantially higher than in any other circle, being 1,450 for the 10's and 139 for the 100's. The use of the 500-rupee note on the other hand is insignificant. As in the Calcutta circle the 5-rupee notes are unpopular.

Lahore.—The features of the circulation correspond closely with those of the Bombay circle. The 5-rupee note is relatively very popular as compared with 10's, while 50's and 100's are also fairly extensively used.

Cawnpore.—The favourite denomination is the 100-rupee note. It is possible that this is mainly used as a store of value or for remittances, as the *per capita* circulation of the other denominations is very low. Neither 5's or 10's are very popular, but the proportion of 5's to 10's is relatively high as in the case of Bombay, Madras and Lahore.

Karachi.—Here the 10-rupee note is the most widely used; the 50-rupee note is also in much greater vogue than in other circles.

55. Two points may be noticed in connection with the above figures. Firstly, that in the circles in which gold has made the most headway, *viz.*, Bombay, Lahore and Cawnpore, the circulation of notes as a whole is much lower, as compared with that in the other circles, than might have been anticipated; and, secondly, that in these circles the ratio of the circulation of the 5's to that of the 10's is also relatively high. In the case of Madras too, where the sovereign has also taken on, the circulation of the 10's is comparatively small. The figures seem to suggest that it may be the case that when the sovereign finds an entry it tends to compete with notes, and especially with 10-rupee notes, and that the circulation has been restricted to some extent by this competition. If these figures stood by themselves, it would no doubt be unsafe to base any very definite conclusion of the kind on them, as there are necessarily other factors which operate to cause some divergence between the various circles. And it may be mentioned that in Burma the Rs. 10-note has attained great popularity in spite of the growing competition of the sovereign, while the Rs. 5-note is comparatively little used. At the same time, in view of the large absorption of sovereigns in India in recent years, it is difficult to avoid the conclusion, that in certain parts of the country these must have been used as currency in many cases in which notes would otherwise have been employed.

56. As I have pointed out in paragraph 44 there are certain purposes for which sovereigns will necessarily be taken in India in preference to notes, and it cannot be doubted that there will always be a place in the circulation for both these forms of currency. At the same time it may reasonably be expected that any increase in the facilities which it is possible to grant for the encashment of notes will tend to enhance their usefulness and consequently their popularity, and to be reflected in an increase in the volume of notes in active circulation. If a man finds that he is at will able to obtain readily sovereigns or rupees in exchange for notes, he will naturally regard them with more favour

Sovereigns and note circulation.

Possibilities of development of the note system.

than if it is only possible to encash them with difficulty or at a discount I have already referred in paragraph 50 to the recommendations of the Royal Commission in this respect. It is probable that the number of places to which the encashment of notes as of right can be extended safely is very limited and that there is a greater prospect of effecting some advance by improving the extra-legal facilities for encashment.

Encashment of notes at District treasuries.

57. It may be explained in this connection that the present position with regard to the encashment of notes at District treasuries is that, although no person has a legal claim to obtain cash for notes presented at a Government Treasury, Government desire that this accommodation should be given when convenient, and notes are normally cashed freely at the District Treasuries as Statement XX shows. This statement does not, however, include places at which the treasury is managed by the branch of a Presidency bank and in any case it is necessary to consider whether steps cannot be taken to make such facilities more real. Measures for this purpose, including the revision of the rules governing the issue and encashment of notes at District treasuries, are now under examination. The most favourable opportunities for development of the note system will no doubt occur at the larger trade centres, including those at which the Presidency banks have branches. The question of enlisting the co-operation of the Presidency banks at such places has been taken up, and arrangements have already been made with the Bank of Madras for taking over the treasury work at certain treasuries and simultaneously arranging for the issue and free encashment of notes from their branches in these cases. A similar arrangement has been made with the Bank of Bengal in the case of Delhi for the free interchange by the public of the various forms of currency, though this facility is, in its experimental stage, subject to a limit of Rs. 1,500 for each transaction. The possibility of extending these arrangements to other centres as opportunity arises will be steadily kept in view.

Statement XX gives the usual information regarding encashment of currency notes at treasuries in the several Provinces. The following statistics show that there has been an increase in the transactions in notes at treasuries both under receipts and issues

In Thousands of Rupees.

Year.	RECEIPTS FROM					ISSUES TO				
	PUBLIC PAYMENT OF GOVERNMENT DUES.		Public for silver.	Public in exchange of notes of other values.	TOTAL.	PUBLIC PAYMENT OF GOVERNMENT DUES.		Public for silver.	Public in exchange of notes of other values.	TOTAL.
	Home notes.	Foreign notes.				Home notes.	Foreign notes.			
2	3	4	5	6	7	8	9	10	11	
1901-02	10,81,69	4,59,38	2,55,00	40,89	17,87,46	7,40,40	72,20	4,99,60	40,80	13,88,06
1902-03	11,13,88	3,69,41	2,37,40	44,34	18,33,33	8,31,92	71,76	5,21,96	44,34	14,50,87
1903-04	12,44,49	3,47,52	3,38,06	52,56	19,83,63	8,92,78	69,66	4,89,33	52,56	15,04,38
1904-05	13,26,82	3,54,09	3,18,43	44,55	20,44,54	9,87,88	90,00	4,79,03	44,55	16,01,41
1905-06	14,69,59	3,66,43	3,33,50	49,31	22,19,38	10,63,70	1,10,20	5,27,95	49,31	17,71,66
1906-07	16,03,30	4,15,92	3,30,61	55,71	24,04,64	11,75,70	1,12,45	5,16,05	55,71	18,59,91
1907-08	16,06,83	3,32,55	2,87,10	61,60	23,07,87	11,50,15	87,85	5,96,35	61,60	18,85,83
1908-09	14,98,89	2,70,46	2,75,52	34,27	21,30,64	12,62,11	81,68	7,26,37	34,27	21,56,43
1909-10	17,78,14	3,05,36	3,25,31	1,01,58	25,70,34	13,33,55	81,39	6,55,07	1,01,58	22,21,54
1910-11	20,14,28	16,80	3,92,35	1,19,01	25,42,44	14,88,28	4,29	5,53,10	1,19,01	21,69,66
1911-12	22,67,68	32	4,00,02	1,31,76	27,89,98	16,24,08	..	5,99,67	1,21,76	23,45,51
1912-13	25,99,83	6	4,34,18	1,67,57	32,01,11	17,41,00	..	5,96,38	1,67,57	25,04,60
1913-14	27,13,67	3	4,02,05	1,54,99	32,72,73	19,68,02	..	6,61,12	1,54,99	27,24,13

The insignificant figures for the last four years under Foreign notes in the above table, is due to the fact that non-universal notes of other circles are no

longer receivable in treasuries either in payment of Government dues or as part of the Railway and Postal revenue credited into treasuries.

The fact that the issue of notes to the public for silver has not increased to the same extent as the other transactions, is probably attributable in part to the popularity of gold. The use of universal notes for remittance purposes has also affected to some extent the tender of surplus notes at Government deficit treasuries, such as Quetta, for the purchase of supply bills.

58. In connection with the improvement of facilities of the kind, and also with the recommendation of the Royal Commission for the universalisation of notes of the higher values, the extent to which notes are used for the purpose of remittance assumes a material importance.

By the currency legislation of February 1910 non-universal notes are encashable only within the circle of issue, except the old sub-circle notes which are encashable also at the head offices of circles, e.g., Cawnpore and Lahore notes at Calcutta, and Karachi notes at Bombay. Remittances of notes between circles are therefore mainly effected by means of universal notes, and the encashment of the so-called foreign circle notes is practically confined to universal notes issued in another circle and represents for the most part transfers of funds from one circle to another in these notes.

The aggregate encashments of foreign circle notes during the year 1913-14 were 21.63 lakhs (Statement XVIII). A comparison of this figure with the corresponding figures for previous years is made below:—

	Lakhs.
1907-08	13.79
1908-09	28.14
1909-10	17.06
1910-11	8.12
1911-12	14.47
1912-13	17.93
1913-14	21.63

The figure for 1908-09 was quite exceptional, as an enormous number of Lahore and Cawnpore notes were presented for encashment at Calcutta. The decrease in the figures in 1910-11 was also unusual, the encashment of foreign notes not having been proportionate to the increase in circulation of universal notes. The increasing use of the 100-rupee notes for trade remittances is clearly indicated by the figures for the last 3 years.

These remittances along the main routes are analysed below:—

	In Lakhs of Rupees.				
	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.
Sub-circle notes cashed at head offices	6.55	8.40	3.27	3.10	3.97
Per contra encashment at sub-circles	2.49	79	1.17	2.39	1.84
Transactions between Presidencies	4.69	1.72	4.57	5.94	7.39
Bombay and Upper India (Cawnpore and Lahore)	1.42	98	2.88	2.97	3.69
Cawnpore and Lahore	52	30	41	38	54
Lahore and Karachi	58	50	1.02	1.41	1.59
Calcutta and Karachi	24	10	24	39	57
Rangoon and other Circles	23	21	48	83	1.11
Total	16.72	8.00	14.04	17.41	21.00

Sixty-three lakhs are left unaccounted for on less important lines such as Madras and Karachi, Cawnpore, etc. Under "sub-circle notes cashed at head offices" are included the old sub-circle notes of the Cawnpore and Lahore Circles which are encashable at Calcutta and of the Karachi Circle which are encashable at Bombay. But this head also includes the value of universal notes of the above circles cashed at Calcutta or Bombay.

In 1913-14 the remittances from Cawnpore and Lahore to Calcutta were 3½ crores against about 3 crores in 1912-13; the remittance from Karachi to Bombay was a little over ¼th of a crore. But the remittances in the opposite

direction to Calcutta and Bombay fell to 1½ crore from 2½ crores in 1912-13. Transactions between Presidencies exceeded those of 1912-13 by about 1½ crore. The net results have already been reviewed in paragraph 32.

From the record maintained in currency offices of the receipts and issues of notes in bundles of the value of ₹10,000 and over, an estimate of the value of notes which have been used for remittance purposes is prepared. When notes are issued, enquiry is made as to the purpose for which they are taken, and, if it be stated that they are required for remittances, this is recorded. It may be inferred, however, from the figures that correct information is not given by the public in all cases. During the year under review the total value of the 50 and 100-rupee notes, said to have been required for remittance purposes and issued in bundles of ₹10,000 and over, was Rs. 5.41 lakhs against an aggregate value of Rs. 2.48 lakhs in the previous year. The value of notes of other circles tendered in such bundles in currency offices was, however, Rs. 6.92 lakhs against Rs. 4.64 lakhs in the previous year, and practically the whole of the receipts were in 100-rupee notes.

Enquiries which I have made on the subject point to the conclusion that 100-rupee notes, which are for obvious reasons the favourite medium for remittances, are, if anything, even more widely used for this purpose than the figures which I have previously mentioned indicate. Thus, an estimate made in the Bombay Currency office puts the percentage of 'cut' 100-rupee notes issued by other circles and cashed by that office, and the cut Bombay circle notes invoiced to that office from other currency offices, at no less than 95 per cent. of the Rs. 100 notes received in these ways. The percentage of cut Bombay circle 100 rupee notes presented for encashment is also high, though not so high as that of foreign circle and invoiced notes of this denomination, it being estimated at about 60 per cent. of the notes so presented. While it is thus clear that the 100-rupee note is very largely used for remittance purposes, it must be remembered that it is possible that a large proportion of these notes in the course of their life may enter into a number of other transactions as well as that of remittance. The above figures cannot therefore be regarded as any guide to the percentage of remittance transactions for which these notes are generally used as compared with the whole number of transactions.

The use for remittance purposes of notes of lower value than Rs. 100 doubtless occurs mainly in the case of remittances to places where a large number of 100-rupee notes would not find ready encashment, *i.e.*, for remittance to places within their own circle of issue.

With regard to the circumstances in which notes, rather than telegraphic transfers, are used for remittance purposes it is, I believe, the case that the larger firms almost invariably employ the latter method, owing to the loss of interest entailed by the remittance of notes. Thus, in the case of a remittance from Bombay to Lahore, notes would probably be sent in two instalments of half notes, and the receipt for the first consignment awaited before the second is despatched. This would probably entail the loss of interest for 5 days or thereabouts. There may of course be occasions when even an important bank or firm has money lying idle, but, generally speaking, this question of loss of interest is more likely to be a determining factor in such a case than in that of a firm with limited transactions.

It may be mentioned that in the past some strong advocates of the policy of popularising currency notes as a form of currency generally have not been in favour of measures which might facilitate the use of notes as a means of remittance, on the ground that their use for this purpose is not a legitimate one and does not in itself tend to encourage the circulation of notes as a form of currency. This view would in any case appear to require some qualification, since the fact that a note is taken out for the purpose of remittance does not necessarily imply that it will be tendered immediately to a currency office for encashment at the other end. I do not propose to enter into any discussion of this question of principle as it would obviously at the present stage be impossible in practice to question the legitimacy of the use of notes for remittance purposes, even if it were considered on theoretical grounds to be advisable to

restrict such use. I may say, however, that so far Government have not experienced any special inconvenience as a result of the use of currency notes for remittance purposes. It is improbable that the small trouble and expense saved to the remitter by the use of notes of higher value would be sufficient to induce him to use notes when he would otherwise have recourse to a telegraphic transfer, and in view of the large extent to which notes are at present employed in this way, there is no reason to apprehend that any material difficulties would result from an extension of universalisation in the direction recommended by the Commission.

X. Miscellaneous matters connected with currency Notes.

59. The following statement compares the total number of cancellations during 1913-14 with the average gross circulation during the year for notes of the various denominations (excluding the 20's which are no longer issued). The figures are in thousands of pieces in each case :—

	Rs. 5	Rs. 10.	Rs. 50.	Rs. 100.	Rs. 500.	Rs. 1,000.	Rs. 10,000.
Total cancellations	5,284	23,486	788	5,585	213	689	83
Gross circulation	3,089	17,834	360	1,779	54	91	17
Percentage of circulation to cancellations.	58	76	44	32	25	13	20
Average percentage of circulation to cancellations for 5 previous years.	65	81	44	36	28	16	20

The percentages indicate roughly the average life of each denomination of note, and it will be observed that there is in some cases a reduction in the life of notes during the last year as compared with the average for the preceding 5 years. Thus, the life of the Rs. 5-note has dropped from over 8 months to 7 months, and that of the Rs. 10 note from about 10 months to 9 months.

Under the existing rules Currency Offices are not supposed to re-issue (a) worn and soiled notes, (b) 'cut' notes and (c) notes of foreign circles. The manner in which the orders with regard to worn and soiled notes are given effect to must necessarily be dependent to some extent on the personal equation, not only of the officer in charge, but also of the individual clerks at the counters. The figures above, however, indicate that the orders have been interpreted with increasing strictness during the last few years. It is obvious, in the interest of the popularity of the note issue, that clean notes only should be put into circulation. This procedure has the further advantage of making it more difficult for forgeries to escape detection, as these are usually intentionally soiled or smudged in order to conceal their defects, and therefore of promoting confidence among illiterate holders of notes who might otherwise be imposed upon by crude forgeries.

60. For these reasons Government have under consideration the question of introducing the practice in force at the Bank of England of never issuing any note which has once been paid in. Other possibilities of improvement under examination are the forms of the notes and the procedure for dealing with cut-notes.

Possible improvements in procedure, etc.

Apart from the growth in the circulation which has taken place in recent years, the more rapid return of notes from circulation just referred to has involved a great increase in the work in Currency Offices. The whole question of the provision of adequate establishments for dealing both with the existing work and its future expansion is now before Government, together with proposals for ensuring the prompt issue and encashment of notes by simplifying the procedure for transactions between the Currency Offices and the public.

61. It is satisfactory that no new forgeries of special importance came to light during the year, and that there was a falling off in the number of forged notes presented for encashment, or received in the Currency Offices for exami-

Forgeries.

nation as to their genuineness or for safe custody. Of a total of 359, against 395 in the previous year, 37 were of the Rs. 100, two of the Rs. 5 and the rest of the Rs. 10 denomination. Of the Rs. 10 denomination the following new forgeries came to notice :—

Series.	Denomination.	Where appeared.
A.B/37	Rs. 10	Calcutta and Bombay.
W.A/40	Rs. 10	Bombay.
Y.A/71	Rs. 10	Lahore.
D.A/92	Rs. 10	Cawnpore.

None of these were very successful either in cleverness of execution or in wideness of circulation. The notes of the A.B/37 series were hand-drawn and altogether crude specimens, while those of the W.A/40 series were mere pen-and-ink sketches on common paper. The notes of the other two series also were badly executed, the black portions being thick and dull though the imitation of the signature was fairly good.

The bulk of the Rs. 10 notes presented during the year were old forgeries of the series G.A/40, T.A/35, Y.A/47, Q.C/15 and Q.C/36. These are all alike in being made by the photo-lithographic process, the serial letters and numbers and the signature of the Head Commissioner being printed independently of the rest of the note. As was stated in last year's report, most of the gang implicated in these forgeries were apprehended in Batavia, where it is believed that they were dealt with by the Dutch police. Another man suspected to be a member of the gang was sent up for trial at Mandalay during the course of the year, but the case resulted in acquittal.

Of the Rs. 100 denomination new forgeries purporting to be of the Rangoon Circle, of the series Q.C/61, Q.C/62, Q.C/64 and Q.C/66, appeared in Rangoon. Though differing in their serial numbers, they all apparently belonged to the same class as the old forgery of the Q.C/69 series. With these exceptions the forgeries of Rs. 100 notes were old forgeries of either the Q.C/69 or the Q.B/96 series. The forgeries of both these series were cleverly executed, the former being well-known as the 'Siya' series, from the name of the forger who was sent up for trial in this connection and sentenced to 10 years' rigorous imprisonment.

In all 8 prosecutions were instituted under 489B or 489, Criminal Procedure Code (all in Burma); of these 5 resulted in convictions, including four cases relating to the Rs. 100 notes of the Q.C/61, Q.C/62, Q.C/64 and Q.C/66 series.

62. The figures below show the number of wholly destroyed, half and mutilated notes, claims in respect of which were admitted during 1913-14 and the preceding two years :—

	1911-12.	1912-13.	1913-14.
Whole notes destroyed	27	71	23
Half-notes	Lost by post	398	532
	Lost otherwise	1,163	856
Mutilated notes	516	675	794

There was a slight increase in the number of half-notes lost in the post, though the figures are still much below those of 1911-12, the decline since that year being attributable to the introduction of compulsory insurance of notes sent by post. It may be mentioned, however, that the claims made show that the rules regarding compulsory insurance are not always observed.

As an illustration of the extreme carelessness with which notes are occasionally handled by the public, it may be mentioned that it happens more frequently than would be supposed that notes composed of two-right or two-left halves of different notes are tendered at a Currency office for payment; and it has been necessary to decide that payment will not ordinarily be made on notes constituted in this way until the missing halves are forthcoming. It has also proved necessary to make some modification in the rules prescribed in 1911

for dealing with oiled notes. There were at that time grounds for believing that there was a practice of deliberately soaking notes in oil or chemicals to facilitate reproduction. While it was recognised that such notes must ultimately be paid, treasuries were directed to forward them to Currency offices, where a form of interrogatory was issued to the presenter with the object of ascertaining how and why the notes had been oiled. It was found, however, that this procedure did not have the intended effect, and that it led to the refusal of railway booking offices to accept notes only slightly oiled. Revised orders were therefore issued during the year under report, confining the scope of the previous instructions to oiled notes believed to be counterfeit or disfigured in such a manner as to render their identification doubtful, and directing that such notes only should be refused at treasuries.

As usual a few fraudulent claims were made on half and mutilated notes. Of 10 new prosecutions on this account 7 were instituted in Calcutta, of which 5 resulted in conviction and one in acquittal; the accused in the remaining case was still under trial at the close of the year. Of the remainder Lahore reports one and Bombay two successful prosecutions. A case of suspected fraud in Madras was still under investigation at the close of the year, while the accused in the Rangoon case mentioned in last year's report as still pending has since been convicted under sections 420-511, Indian Penal Code. During 1913-14 two altered notes were impounded and their value credited to Government. One of them, a mismatched note of Rs. 10 with the top numbers in both halves altered, was presented for encashment in Rangoon; while the other, a ten-rupee note altered to resemble a hundred-rupee note, was received by the Commissioner of Rangoon from the Deputy Inspector-General of Police, Burma.

63. The value of notes written off to Government under section 19 of Act II of 1910 amounted during the year 1913-14 to Rs 51,300, as compared with Rs. 49,830, Rs. 43,700 and Rs. 43,080 in the preceding three years.

64. Statement XXII gives the details of the receipts and expenditure of the Currency Department for the year under report. There was a slight increase in the receipts on account of the value of unclaimed notes. The charges increased by Rs. 2,38,000, mainly on account of a larger payment for note forms to the extent of Rs. 3,71,000; this was set off by a large reduction under cost of repairs, etc., to buildings, owing to the inclusion in the charges of the previous year of Rs. 2,27,000 on account of the cost of a site for a new Currency Office in Madras. Increases also occurred in the cost of both the permanent and temporary establishments and in telegraph and postage charges as a result of progressive growth in the work of the department.

XI.—State of the Coinage.

65. The statement below shows the withdrawal of uncurrent and other coins during the year under report:—

PROVINCE.	IN THOUSANDS OF RUPEES.				
	1885.	1890.	George V 1911.	Shroff marked.	Other uncurrent.
1	2	3	4	5	6
India	1,09	12,35	91	...	43,34
Central Provinces	8	2,03	9	2	59
Burma	7	68	12	...	3,04
Assam	13	81	4	...	3,84
Bengal	40	3,24	27	...	19,80
Bihar and Orissa	71	6,55	8	...	11,87
United Provinces	2,81	25,61	13	...	51,25
Punjab and North-West Frontier Province	1,24	14,11	3	...	19,36
Madras	44	7,72	23	...	14,30
Bombay	19	5,15	31	...	8,10
TOTAL	6,66	78,25	2,26	2	1,75,49

The total value of withdrawn coins amounted to 2,62½ lakhs of rupees as compared with 3,58½ lakhs in 1912-13. The figures for the earlier year, however, also included a special remittance of 1,05 lakhs from a Native State consisting of about 15½ lakhs of the 1835 coinage and 89½ lakhs of the 1840 coinage. In the total of 2,62½ lakhs are included 17 lakhs, the value of worn small silver withdrawn under the special order of May 1910, and also 2½ lakhs of the George V rupees bearing the date 1911. These last were withdrawn owing to certain defects in the die for the obverse from which they were struck. Column 6 in the above statement includes defective and defaced coin in addition to the light-weight coin, the figures for which are separately shown in the following table:--

1	NUMBER OF COINS REDUCED IN WEIGHT.				
	Over 2 per cent. but not more than 6¼ per cent.	Over 6¼ per cent. but not more than 25 per cent.	Over 2 per cent. but not more than 12¼ per cent.	Over 12¼ per cent. but not more than 25 per cent.	Over 25 per cent.
2	3	4	5	6	
Rupees	12,113,608	38,257	...	...	16,018
Half-rupees . . . . .	...	...	596,508	3,137	1,167
Quarter-rupees . . . . .	...	...	...	468,524	866
Eighth-rupees . . . . .	...	...	...	466,372	631
TOTAL	12,113,608	38,257	596,508	938,033	18,682
	13,705,088				

The total receipts of uncurrent coin shown in column 6 of the first table amounted to 1,75½ lakhs against 1,56 lakhs in 1912-13. These larger receipts are mainly due to the withdrawal of coin reduced in weight by 2 per cent., but not more than 6¼ per cent. The value of coins so withdrawn by Government has increased very rapidly within recent years—

YEAR.	(In thousands of rupees.) Other uncurrent coins.
1902-03	5,91
1903-04	9,07
1904-05	12,31
1905-06	19,61
1906-07	35,38
1907-08	40,10
1908-09	58,15
1909-10	65,50
1910-11	89,96
1911-12	1,02,80
1912-13	1,55,89
1913-14	1,75,49

Special examination of remittance by the Mints.

66. Special orders were passed in 1906 to ensure more careful shroffing, and the above figures indicate that a considerable improvement has been effected. A special examination is now made yearly at the Mints of a remittance from

each of the six Currency Offices as a check on this branch of the work. The figures below give the result of this examination for 1913-14 :—

AMOUNT EXAMINED.	Calcutta.	Cawnpore.	Lahore.	Bombay.	Madras.	Rangoon.
	₹10,00,000	₹5,00,000	₹4,98,000	₹3,94,000	₹3,08,000	₹3,00,000
Counterfeits	33	51	43	23	22	10
Lost between 2 % and 6½ %	4,510	5,959	10,707	2,209	2,775	3,646
" 6½ % " 12½ %	46	58	48	28	27	20
" 12½ % " 18¾ %	2	5	...	1	...	5
" 18¾ % " 25 % . . . . .	...	...	...	...	...	...
TOTAL	4,591	6,073	10,798	2,266	2,824	3,681
Percentage of light-weights	·456	1·204	2·159	·568	·910	1·223
Ditto in 1913	·423	·373	·726	·710	·905	·999

There is room for further improvement in some offices, and the attention of the officers concerned has been drawn to the matter. It may, however, be stated that in the case of the light-weight coins detected in the Mints the average loss in weight only very slightly exceeds 2 per cent. The excess was not greater than 0·4 per cent in the case of any office, and in one office was as low as 0·2 per cent.

67. Details of the counterfeit silver coins which have come to light during the year will be found in my review of the reports of the working of the Mints in Bombay and Calcutta. False coinage.

Among the heavy imports of sovereigns examined at the Mints and Currency offices during the last three years, three counterfeits only were detected and instances in which such sovereigns have come to notice in the interior are no less rare. Three were presented in the Madras Presidency and two in the Central Provinces, and it may be said that the counterfeiting of sovereigns is for all practical purposes non-existent in India.

The instances in which badly sweated sovereigns have come to light are also rare. Four cases have recently occurred in Madras, relating to 48, 28, 11 and 6 such coins, respectively. All four cases are apparently attributed to the same gang, and prosecutions, which are still pending before the Courts, have been instituted with regard to two of them.

There is some counterfeiting of the nickel one-anna pieces, most of the counterfeits met with being in the railway receipts. Recent enquiries made on the subject however indicate that such counterfeiting must be on a relatively small scale and that it is not appreciably increasing.

XII.—Small Coin.

68. Statement XXI shows the absorption of these coins in each province during the year 1913-14 as well as in the two previous years. Small Silver, Nickel and Bronze.

The fluctuations in absorption of small coin from year to year are often very considerable, and the following statement showing the figures for the last twelve years may be of interest :—

(in thousands of rupees)

Year.	Four-anna pieces.	Two-anna pieces.	One-anna pieces.	Single pice.	Pie pieces.	Total.
1902-03	8.40	12.29	...	8.20	36	29.25
1903-04	18.48	19.32	..	16.34	65	54.79
1904-05	17.49	17.37	...	16.31	89	52.06
1905-06	19.55	19.09	...	23.77	75	63.16
1906-07	29.82	28.20	...	25.95	71	84.66
1907-08	15.40	20.29	(a)15.29	26.73	82	78.53
1908-09	—9.50	—2.79	11.29	—7.25	97	—7.28
1909-10	8.25	7.39	16.28	7.62	66	40.20
1910-11	14.18	14.10	20.36	9.37	75	58.76
1911-12	25.23	14.05	24.76	11.11	81	65.96
1912-13	25.72	19.53	23.76	16.51	1.15	86.67
1913-14	15.67	13.23	19.91	7.85	79	57.45

(a) August to March.

The general conclusions which this statement suggests are that the normal annual absorption of small coin, up to and including 4-anna pieces, amounts to about Rs. 60 lakhs, but that in famine years there is usually an enhanced demand for small coin though the large issues in such years return to some extent from circulation when normal conditions are again established. There was also a specially large absorption in the years 1906-07 and 1912-13 as the result of issues of new coin which tended to obscure the effect of the famine demands in the two following years *viz*, 1907-08 and 1913-14. The one-anna nickel coin sprang into immediate popularity on its introduction in 1907-08, and this popularity has continued, apparently mainly at the expense of the single pice.

XIII.—Gold Standard Reserve.

Gold Standard Reserve.

69. Statement XXIII gives the details of the Gold Standard Reserve on 31st March 1914. The important questions of principle involved in the location and constitution of this reserve have attracted much attention in recent years. The main recommendations of the Royal Commission in this connection are still under consideration, but it may be mentioned that the tendency has been gradually to replace the investments in permanent securities by securities maturing at early dates, and that in 1912 it was decided to hold a sum of £5 millions in liquid gold in London. Since the close of the year under review the sum of Rs. 6 crores held in the Indian Branch of the Reserve has been replaced by gold from the Paper currency reserve against an opposite transfer of rupees to that reserve. It is further the case that there have been substantial accretions to the Reserve during the last two years, mainly as the result of the profit on the new silver coinage. This amounted during the year 1913-14 to £2,136,872, and there were also an addition of £575,061 on account of interest, and an improvement of about £214,000 in the market value of the securities

held. As a result of these causes the total of the Reserve rose to £25,532,230 at the close of the year. This figure includes sterling securities of the face value of £18,239,634 as the portion of the Reserve held in London (the market value being £17,165,069), £4,320,000 in gold ear-marked at the Bank of England and £24,962 held by the Secretary of State in the form of cash placed at short notice; there was a reduction in the last mentioned item owing to the investment of the greater portion of the amount formerly held in this form. The profits on coinage and the interest, etc., realised have enabled the Secretary of State to ear-mark a substantial quantity of gold in pursuance of the decision to hold a sum of £5 millions in gold in London. It may be added that the gain on account of interest, etc., up to the close of 1913-14 amounted to £3,996,955, as compared with a loss on account of depreciation of securities of £907,316 at that date. As at the close of the preceding year, a sum of Rs. 6 crores or £4 millions was held in rupees in the Indian Branch of the Reserve on the 31st March 1914, but as above mentioned this has since been exchanged for gold. A small amount of £22,199 was also held as a book credit in India pending its payment into the fund.

I have the honour to be,

SIR,

Your most obedient Servant,

H. F. HOWARD,

Controller of Currency.

APPENDIX I.

The trade balance of India in recent years and certain connected questions.

The term trade balance is frequently used in a general way to denote the relation between the value of a country's imports and exports as recorded in the trade returns. In the past the existence of what is known as a 'favourable' trade balance, or an excess of exports over imports, was regarded as highly important, the theory commonly known as 'Mercantilism' or the 'mercantile system' being that a country which imports goods of greater value than the goods exported will have to make good the difference by payments in the shape of precious metals, and that it will eventually be ruined by the drawing off of its whole stock of gold and silver. In more recent times great changes have taken place in the theory of international trade. It has been properly realised that an excess of imports is not necessarily disadvantageous, that it will not necessarily lead to a country exporting the precious metals, and that there are other important factors in the problem. In fact, the real question for examination is not the balance of a country's exports and imports, but the balance of its international credits and its debits. } ^{Meaning of the term 'trade balance'}

2. The nature of these international claims or debts is generally understood. It may, however, be useful to bring together here the various items which must be taken into consideration in making up India's balance of accounts. Any special features which attach to them will then be investigated in greater detail. ^{Nature of India's international credits and debts.}

- (1) The first place must still be given to the imports and exports. A country must clearly be debited with the payments made by it for its imports, and credited with the payments received for its exports. These amounts, however, do not necessarily correspond with the declared values of the imports and exports and it is necessary to scrutinise very carefully the basis on which the returns are prepared. This question is one of material importance, as any conclusions deduced from the trade statistics as they stand without reference to their limitations, are liable to be erroneous. I have therefore added a note (*vide* Appendix No. II) to indicate the qualifications which must necessarily attach to these statistics.
 - (2) As is well known a country possessing a large mercantile fleet is a creditor for the services rendered by her ships to the countries whose goods she carries. India has to make large payments on this account, but in her case, as I explain in Appendix No. II, these are for the most part included in the declared figures for imports, and it is to that extent unnecessary to make any further allowance for them.
 - (3) Further important adjustments are necessary as a result of investments of foreign capital in a country or of capital by a country abroad. Such transactions have two aspects. At the time when a loan is made the capital must be remitted to the borrowing country. Generally speaking it is received by that country in the form of commodities. As such imports are not paid for by the borrower at the time, the transaction has no effect on the balance of trade of the year in which they come in. In other words, in striking a balance, the debit on account of the cost of the imports must be diminished by the amount of the loans contracted abroad during the period. To put the same thing in yet another way the investment of foreign capital in a country makes it a creditor, while the investment of the capital is being carried on. The same result is arrived at if instead of making the above adjustment in the trade figures, a credit of the actual amount is made on the opposite side of the account. The repayment of a loan of course acts in exactly the opposite way.
- In the second place, when interest comes to be remitted, a debit to this extent is raised against the borrowing country, and it is necessary for her to export goods to a sufficient extent to balance it. It will of course be readily understood that this is not necessarily a burden on a country taking loans, as if these are judiciously incurred for profitable enterprises the country is automatically enabled to increase her exports.
- (4) Other debits against India include various miscellaneous charges for the use of English capital or credit, by way of commission, premiums of insurance, etc., remittances to England on private account, *e.g.*, on behalf of Indians residing in England, or by Europeans, etc., residing in India, whether for the purpose of investment out of India or for the support of their families or otherwise.
 - (5) On the other side there will be a corresponding credit to India on account of remittances of income accrued in England for their personal expenses to persons residing in India, whether as temporary travellers or more permanently as *e.g.* officers in the Army having private means or in receipt of allowances.
 - (6) The private remittances of securities must be carefully distinguished from remittances of money as their effect is entirely different. If somebody in India sells an Indian security to somebody in England, the transaction counts in the international trade for the time being as an export from India

and therefore as a means of discharging an international liability. On the other hand private remittances of securities to India must be regarded as imports. These remarks apply to Indian Government paper encased in India for payment of interest in England and *vice versa*; they are, however, subject to the qualification that if an Englishman in India saves money and invests it in such paper, and on return to England has the paper encased and takes it with him, the transaction does not affect the international account of the year one way or the other. Subsequently of course when interest comes to be remitted a debit arises against India in respect of such interest in the manner explained in (3) above.

- (7) *Private imports and exports of the precious metals.*—In wasting up the balance of accounts these should be dealt with in exactly the same way as imports and exports of other commodities on private account.
- (8) The transactions of the Indian Government whether in the form of loans, remittances of interest, imports and exports of the precious metals or of other commodities will have exactly the same effect on India's balance of credits and debits, taken as a whole, as similar transactions on private account. The remittances which the Indian Government have to make to England to meet their liabilities in the United Kingdom on account of interest and other charges, are usually effected by the sale by the Secretary of State of bills and telegraphic transfers on India. These bills, etc., represent two transactions, *vis.*, a remittance to England by the Government of India, and a corresponding remittance to India by the purchaser of bills. The relationship between these remittances and the other private transactions can be represented in the form of a simple equation :

$$c = d + S,$$

where *c* represents the private credits on account of exports etc., *d* the debits including imports etc., and *S* the Secretary of State's drawings by which payment is made for the balance of credits not set off by the imports of merchandise, specie, etc. In a similar equation to show the Government transactions, *S*, representing an export of funds from their point of view would appear on the other side of the account and we should have

$$C + S = D,$$

where *C* represents the credits and *D* the debits on account of Government. The two equations above can obviously be combined into one, thus—

$$C + c + S = D + d + S$$

or, eliminating *S*,

$$C + c = D + d.$$

That is to say, the Government and private transactions can be represented in a single equation, and the Secretary of State's drawings, which when this is done represent merely a book transaction, can be eliminated from the joint account.

Government transactions between England and India.

3. The qualifications to be applied in interpreting our statistics for the private credits and debits can be more readily explained if the nature of the Government transactions between India and England is first briefly stated: The relevant statistics on the subject are those for—

- (1) the imports and exports of stores and treasure into and from India on behalf of Government; and
- (2) the receipts and expenditure of the Secretary of State in England both on capital and revenue account.

These two heads overlap to some extent, and the accounts, in the form in which they are usually exhibited, include various complicated adjustments and do not show very clearly for the present purpose the effect of the various transactions.

I have therefore brought together, in an abstract form, the actual net cash transactions of the Secretary of State under the more important heads, distinguishing those on account of the Gold Standard and Paper Currency Reserves, *vide* Statement No. II appended to the report. This statement includes information as to the net capital deposited with the Secretary of State, and the net outlay of the various railway companies whose transactions are incorporated in the Government accounts. It is now necessary to see how far the Government transactions appearing in the trade returns are covered by the accounts figures:—

Imports of Stores.—These include (a) stores purchased from revenue, the cost of which is shown under the Civil and Military and Marine heads, and (b) stores purchased on capital account for railways and irrigation works. In the case of the railway stores the trade figures until recently showed large excesses, amounting on an average to over £1½ millions a year, over the accounts figures for capital expenditure on State Railways proper. This was due to the fact that under orders in force up to 1905 importations of stores by certain railways which are the lessees of Government lines were recorded in the trade figures as Government stores. For the reasons which I shall explain below the present practice of including these imports under private merchandise may also lead to misconception in another direction.

Exports of Stores.—These figures do not usually refer to transactions of a commercial character. When, however, they relate to shipments in vessels chartered by Government they do not appear in the trade accounts as the vessels do not clear at the Customs. In this way during the South African War and the China Expedition great quantities of material escaped record; much of this, having been sold to the British Government represented a true commercial transaction affecting the balance of trade. The payments made on this

account are included in Statement II as a credit in England under the head "Miscellaneous deposits and remittances."

Imports of Treasure.—These consist almost entirely of silver for coinage purposes and the figures are practically identical with the cost as shown in the finance accounts.

Exports of Treasure.—These correspond to the remittances of gold to England on account of Treasury or the Paper Currency and Gold Standard Reserves shown in Statement II.

I refer again below to the question of the railway figures, but it appears that generally speaking the Government transactions represented in the trade returns are also adequately represented in Statement II showing the cash transactions in the United Kingdom. A few of the other entries in that statement require a brief explanation:—

Net charges against revenue.—The items grouped under this head (which include certain civil and military stores) need no special elucidation. They are an obvious and well known debit against India.

Miscellaneous deposits and remittances.—These include various adjustments with the Home and Colonial Governments as in the case of the supply of stores, etc. from India referred to above, or on account of the postal department, e.g., for money order remittances sent to India from South Africa and elsewhere, which are honoured by the Indian Government in India, that Government being paid in London.

Capital outlay.—This is of course similarly a debit against India, and the same remark applies to purchase of silver.

Net debt incurred.—As has been previously explained the figures for net debt incurred in England must be regarded as a credit for present purposes.

Deposit and outlay of capital by Railway Companies.—I have shown the actual outlay of the companies in England in order to bring out the real commercial aspect of the transactions involved. In the Finance and Revenue accounts this is somewhat obscured, as in these accounts all payments made in England to Railway Companies working purchased lines, for the purchase of stores and other capital purposes, as well as all money raised by them and paid into the Home treasury, are brought to account under the appropriate heads in India and are treated in the Home accounts and estimates as remittances to and from India respectively.

The net additional capital raised by railway companies whose transactions are included in the accounts of Government can also suitably be treated as part of the Government credits, the interest payable in respect of such capital being passed through the accounts of Government. This last statement requires some qualification. The remittances on account of surplus profits accruing in the case of companies' railways are not effected through Government, and the Railway Companies make their own arrangements for these remittances to England.

4. As I have already stated, however, a large quantity of material imported into India as a result of this capital outlay is shown among the imports of private merchandise and it is necessary to explain clearly the actual position with regard to these imports and the manner in which they are financed. This can most easily be done by bringing together the figures for the relevant transactions. These are shown in thousands of pounds in the following table:—

Year.	NET CAPITAL RAISED IN ENGLAND.			CAPITAL OUTLAY IN ENGLAND			IMPORTS OF RAILWAY PLANT AND ROLLING STOCK INTO INDIA.		
	Net debt incurred by Government.	Net capital deposited with the Secretary of State by Railway companies.	Total.	Government outlay.	Companies' outlay.	Total.	On Government account.	As private merchandise.	Total.
1	2	3	4	5	6	7	8	9	10
1899-1900 1908-09	to 28,011	21,362	44,373	16,777	33,178	49,955	24,985	20,519	45,504
1909-10	8,890	2,405	11,295	2,027	3,591	5,688	1,966	3,627	5,593
1910-11	1,157	2,294	3,451	1,861	3,267	5,128	1,294	2,830	4,124
1911-12	79	—40	39	2,141	2,824	4,965	1,680	2,958	4,638
1912-13	—3,478	495	—2,983	2,440	4,426	6,866	1,695	4,269	5,964
1913-14	—1,781	4,553	2,772	2,968	6,744	9,742	2,684	6,690	9,374
Total	27,878	31,069	58,947	28,314	54,030	82,344	34,304	40,693	74,997

Column 9 These figures include some imports for B. and N. W. R. The capital outlay of this company stood at Rs. 903 lakhs in 1912 against Rs. 510 lakhs in 1899, the increase during the period thus amounting to Rs. 403 lakhs or 48 millions.

The point which is clearly brought out by the above figures is that the imports into India of railway plant and rolling stock are not paid by any private remittances from India. Of the total sum of £75 millions expended during the last 15 years about £59 millions were paid for by capital raised in England either by Government or by Companies, and the balance by Government remittances from India. This balance represents the extent to which funds were provided out of (a) revenue, (b) post office savings bank deposits, or (c) capital raised in India by the Indian Government; part of this capital is of course actually expended in India. A small sum was on one occasion provided from the profits on coinage, but this was an isolated transaction and has not been repeated. The revenue contributions include, apart from the proceeds of ordinary surpluses, the funds made available from the famine insurance grant, and special windfalls from opium in a few years. The import figures also further include some imports the capital expenditure on which has not passed through the accounts of Government. The most important of these imports will be those of the Bengal and North-Western Railway; I have no details of the actual amounts but, as the capital outlay on the railway increased from Rs. 516 lakhs in 1899 to Rs. 969 lakhs in 1912, this figure must be somewhere in the neighbourhood of £3 millions. Thus it is obviously misleading in making up India's international account to debit her, as is often done, with the imports of railway material without entering as corresponding credits (a) the net capital raised in the United Kingdom to purchase the material, and (b) the export of funds from India in the form of Government remittances to the extent to which these are applied to capital outlay.

Real effect of Government remittances as between England and India.

5. Another aspect of these remittances of Government must also be emphasised. Such remittances whether made in gold or by means of the Secretary of State's drawings have *per se* no more material effect on the financial position of the Government of India than the transfer of funds from one treasury in India to another. What is material is the extent to which they have been actually employed in meeting debits raised against the Government of India in England, and how far any portion of them is still in hand, or in other words to strike a balance sheet showing the net result of the transactions during such period as may be under examination:—

(£ millions)

	10 years 1899-1900 to 1908- 09.	1909-10.	1910-11.	1911-12.	1912-13.	1913-14 provi- sional.
CREDITS.						
1. Net debt incurred	29.0	9.9	1.1	...	-3.5	-1.8
2. Net capital deposited by Railway companies	21.3	2.4	2.3	...	5	4.5
3. Other Miscellaneous receipts	1.5	.2	.5	.5	.5	.6
4. Council Bills	213.2	27.1	26.8	27.1	25.8	81.3
5. Gold remittances	25.1	...	...	...	1.9	.5
6. Other miscellaneous remittances net	7.8	-3	.6	.5	-3	1.1
7. Opening balance*	3.1	18.7	32.9	40.4	44.6	36.1
TOTAL	298.0	57.0	64.2	68.5	69.5	72.2
DEBITS.						
8. Net charges against revenue	176.0	18.4	18.6	18.9	19.3	19.5
9. Capital outlay	17.1	2.1	1.9	2.2	2.6	3.1
10. " " Companies	33.2	3.6	3.5	2.8	4.4	6.7
11. Sterling bills on London paid	6	...	...	...	..	..
12. Purchase of silver	40	...	...	...	7.1	4.5
13. Closing balance* on 31st March	18.7	32.9	40.4	44.6	36.1	38.4
TOTAL	298.0	57.0	64.2	68.5	69.5	72.2

*NOTE.—These figures for opening and closing balances cover not only the Treasury balances, but the portions of the Paper Currency and Gold Standard Reserves held in England, including the investments on account of these Reserves. The details are shown in Statement I.

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This statement, it will be seen, takes into account the expenditure incurred on capital account in respect of railway material with the exception of a relatively small amount of imports such as those of the Bengal and North-Western Railway in which Government have no direct financial concern. In balancing the *private* account therefore we must leave these imports out of consideration. We must carry forward to that account.—

(£ millions)

	1899-1900 to 1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.
1. Council Bills	219.2	27.1	26.8	27.1	25.8	31.2
2. Other miscellaneous remittances net.	7.8	— .8	.6	.5	— .3	1.1
less—						
3. Sterling drafts on London	8.0	...	...	...	...	...
	219.0	26.8	27.4	27.6	25.5	32.3

'Other miscellaneous remittances net' include the adjustment through Government of various private and quasi-private transactions such as remittances by money-orders, and though they include other transactions also may be taken as approximately correct for present purposes.

6. Paragraph 6 of the report gives certain provisional figures for the balance of trade on private account. I give below an abstract of these after making the adjustments indicated above :—

(£ millions.)

	1899-1900 to 1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.	TOTAL FOR 5 YEARS.
CREDITS.							
Gross exports of private merchandise	965.8	125.3	139.9	151.9	164.1	165.9	747.1
Gross imports of private merchandise (less railway plant and rolling stock)	613.9	74.4	83.4	89.4	103.0	115.5	465.7
Net exports of private merchandise	351.9	50.9	56.5	62.5	61.1	50.4	281.4
DEBITS.							
Council Bills, etc.	219.0	26.8	27.4	27.6	25.5	32.3	139.6
Gold (sovereigns) (net)	49.9	9.2	8.2	18.2	17.6	7.6	60.8
Government securities (net)	4.7	— .5	1.6	.7	.4	.7	2.9
Gold bullion	24.9	5.2	7.8	6.9	7.4	8.0	35.8
Silver bullion	44.2	6.3	5.7	8.5	4.4	4.2	24.1
Total	338.7	47.0	50.7	56.9	53.3	53.8	262.7
Balance at credit	15.2	3.9	5.8	5.6	5.8	— 2.3	18.7
Yearly Average	1.5	...	...	...	...	...	3.7

Even now, however, the statement is not complete. In the first place it does not take into account the capital raised in England on private account and imported into India in some form or other. I have not been able to obtain any complete figures for this. Some idea, however, of the extent to which the import of capital is going on, may be obtained

from the tables published by the Indian Commercial Intelligence Department from 1905-06 to 1909-10 to show the capital of sterling companies working exclusively in India. Excluding the railway figures the capital loaned to British India increased during this period from £26 to over £40 millions, of which about £15½ millions were invested in tea, £4 millions in navigation and £3 millions in jute. This increase is at the rate of over £3 millions a year. About £4 millions have also been raised by the large Port Trusts and similar bodies in recent years, viz., about £1 million in 1908-09, £2,099,600 in 1909-10 and £833,000 in 1910-11. Some allowance must also be made for the additional capital employed in India by the banks and large firms trading there. Thus, it may be mentioned that during the ten years 1899-1900 to 1908-09 the capital and reserves of the Exchange banks doing business with India rose from £12 to £30 millions. Some allowance on the other side is to be made for the interest payable on this capital and on the profits of banks, Insurance companies, firms, etc., remitted to England; also for freight of vessels employed in the coasting trade and on the earnings of the important steamship companies in connection with their passenger traffic. Quite a substantial sum has also doubtless to be remitted to Europe every year by European residents in India for the support of their families or other purposes; also by Indians to meet the expenditure of their sons undergoing their education in Europe. Further many Englishmen when they retire from India retain investments made by them in Indian securities the interest on which has consequently to be remitted to England. We have little certain information with regard to most of these items, and some of them, such as the capital imported into India or exported from India during the course of a year, are probably liable to relatively substantial fluctuations. For the purpose of illustration, however, a rough balance sheet may be struck as follows:—

(£ millions.)

	1899-1900 to 1908-09.	1909-10	1910-11.	1911-12.	1912-13.	1913-14.	TOTAL FOR 5 YEARS.
CREDITS.							
(1) Balance at credit carried forward from above statement	15.2	3.9	5.8	5.6	5.8	—2.2	18.7
(2) Credits on account of Port Trust, etc., borrowings . . . . .	...	1.0	2.1	.8	...	..	3.9
(3) Other capital loaned to India	20.0	2.0	2.0	2.0	2.0	2.0	10.0
TOTAL	35.2	6.9	10.1	8.4	7.6	—0.2	32.6
DEBITS.							
(4) Charges for freight, etc.	5.0	.5	.5	.6	.6	.6	2.9
(5) Net private remittances to England	10.0	1.4	1.5	1.6	1.7	1.8	8.0
(6) Interest payable on encased rupee paper	4.2	.4	.4	.8	.8	.2	1.6
(7) Railway remittances	3.0	.4	.4	.5	.6	.7	2.6
(8) Interest payable on sterling capital of companies, etc.	12.6	2.0	2.1	2.3	2.4	2.5	11.3
TOTAL	34.7	4.7	4.9	5.3	5.6	5.3	26.3
Unexplained balance . . . . .	.5	2.2	5.2	3.1	2.0	—0.0	6.3

Most of the figures in this statement are necessarily hypothetical.* A brief explanation is, however, required to indicate the manner in which some of them are arrived at. Items (1) and (2) have already been referred to and item (4) is explained in Appendix II. As there stated the figures for freights do not of course represent the total charges for freight on India's foreign trade, but simply certain net out of pocket expenditure in connection with the coasting trade and the passenger traffic.

* To avoid any misunderstanding with regard to this statement it must be clearly understood that it makes no pretence to accuracy. It is merely intended, as I have already stated, to illustrate the position, though I hope that it may also be useful to those interested in the subject, as indicating the directions in which it may be possible to pursue the enquiry. It would, for instance, probably be possible to collect some approximately correct information of the new capital raised by sterling companies and loaned to India in each year, as well as of the interest paid yearly on capital already so loaned.

Item (3)—It has been assumed that the new capital raised and loaned to India, exclusive of that raised through Government for railway and irrigation expenditure and that raised for the companies' railways whose accounts are included in the Government accounts, averaged 2 millions a year throughout the period. As a whole these figures are probably distinctly on the conservative side, though for individual years the amounts taken may be in excess of actuals.

Item (5) Private remittances.—This term as it stands is not quite clear without some further explanation. The item is intended to cover the *net* private transactions referred to in paragraphs 2 (4) and 2 (5) above, i.e. the net private debits against India other than those on account of real commercial transactions. Remittances on account of such transactions would be effected through the banks, and one of the Exchange banks estimates that their net amount is roughly £125,000 to £150,000 per mensem. I have assumed a smaller amount at the commencement gradually increasing up to the higher of these figures.

Item (6) Interest payable on rupee paper encased for payment of interest in London.—This interest is not passed through the Government of India Home accounts, but is paid by the Bank of England in the form of a draft on India, and the holder makes his own arrangements for the realisation of the draft.

Item (7) Railway remittances.—The Exchange Banks estimate these at about a crore of rupees a year. They probably consist largely of the earnings of the Bengal and North-Western Railway, which are of course not passed through the Government account. The net income of this railway increased from about Rs. 32 lakhs in 1901 to Rs. 77 lakhs in 1912. The figures also include some remittances by railways keeping their accounts with Government on account of the companies' share of surplus profits, leave allowances, provident funds, etc.; such remittances may amount to half a million sterling in the course of a year.

Item (8).—During the first 10 years the foreign capital at charge (other than railway capital) is taken at an average of £25 millions with an average rate of interest of 5 per cent, a sum of £40 millions is assumed for 1909-10 gradually increasing in the following years. With regard to the rate of interest taken it may be mentioned that particulars available for 69 of the tea-companies registered in the United Kingdom in 1909 with a sterling capital of £10 2 millions showed that the total dividends declared by 66 companies with a capital of £3 millions amounted to 7.6 per cent., or 6.2 per cent. on the aforesaid capital of £10 2 millions. This indicates, I think, that 5 per cent. may reasonably be taken as a rough average of the interest payable on the foreign capital as a whole after allowing for concerns in which no dividend is earned.

After the above hypotheses have been made an unexplained balance still remains over. This is no doubt partially attributable to the very rough basis on which these hypotheses are framed, and possibly also to some uncertainty, to which I have already alluded, in the trade figures themselves. The abnormal figures for the year 1913-14 are in any case probably due to a considerable extent to the causes indicated in paragraph 11 of the report, *viz.*, firstly, that owing to the accumulations in China of the stocks of opium exported by Indian merchants, the price of this opium was not realised in full by them at the time and this credit to India has only been gradually met, and secondly, that much larger sums than usual were due by India at the close of the year on account of the heavy imports of cotton piece-goods, the settlement for which has been prolonged over an unusually extended period. Other factors also were responsible to some extent. Thus there are grounds for believing that the Exchange banks strengthened their balances held in India during the year. It is probable also that the imports of capital into India for mill extensions, etc., were larger than usual, or else (and this would have the same effect) that some portion of the profits of existing companies were retained in India for the purpose. This supposition is borne out by the fact that the imports of machinery and millwork were £5.2 millions in 1913-14 against £3.6 millions in 1912-13 and £3.8 for the average of the 3 years ending in 1911-12. The whole subject is however very elusive and it is from the nature of the case hardly possible, in a short note of this kind, to do more than to give a general indication of the underlying causes.

7 Nor is there any cause for apprehension that the abnormal conditions of 1913-14 will be more than a temporary phase of India's trade balance. It is generally recognised that there is a sort of automatism in the balance of accounts of nations which tends to restore the equilibrium of international exchange when it is disturbed. Apart from the more remote and more complicated causes which operate in this direction, the volume of the trade of every country as expressed by its value is of a very elastic character. The volumes of imports and exports are automatically adjusted by the necessities of the case within very short periods, and no country can have an adverse balance of trade except for a short time and as a result of some cause which temporarily diminishes its power to make payment for the services rendered to it. This is not the only method of adjustment, but it is that which most easily and naturally takes place. Thus in India in years of crop failure when exports of her raw produce are curtailed, the purchasing power of the people simultaneously contracts; and a falling off in the value of the exports results, after a very brief interval, in a decreased demand for imports and in a corresponding diminution in the country's international debits. During such periods of temporary set backs when the demand for the Secretary of State's bills falls off, the Government must meet its obligations in England by falling back on its gold reserves, or ultimately by borrowing.

8. As is well known, India's balance of accounts is, except in abnormal years, such as Balance of trade and the stability of exchange.

there should be no difficulty in her continuing to do so. In the past, however, in years of falling exchange, the decreasing gold value of silver and consequently of the rupee made it necessary to export a larger volume of goods as expressed by their rupee value in order to liquidate her debits with gold using countries. The necessity for an increase in the quantity of exports may have been to some extent counteracted by a rise in the rupee value of the commodities exported. But in any case the fluctuations of exchange and the uncertainty to which these gave rise were a very serious embarrassment to trade. With the divorce of the value of the rupee from that of its silver content, the fluctuation in exchange directly resulting from fluctuation in the value of silver was removed. There remained however the danger that in particular years when India's debits exceed her credits a depreciation in the value of the rupee would still occur unless measures were taken to prevent this. For, if she owes more abroad than foreign nations owe to her it is clear that her claims on foreign debtors in the shape of foreign bills of exchange will be relatively scarce; thus those wishing to remit money to London would have to pay a larger number of rupees for bills on London for a specified number of sovereigns. In other words exchange would fall to the point at which it would be more profitable to send gold to England than to remit by means of bills. In practice no gold might be available for export at such a time, and in such a contingency the rupee might, in the absence of proper safeguards, fall till it was worth no more than its bullion value at the rate of the day.

It was in order to obviate any such possibility that the Gold Standard Reserve was constituted. As has been stated elsewhere certain questions relating to this reserve are under examination. It is sufficient to mention in the present connection that it has already been built up to a very substantial figure, and that the Government of India have expressed their determination to support exchange up to the limit of their resources. When exchange shows signs of falling below 1s. 8 $\frac{3}{4}$ d. they intervene by selling sterling bills on London at this rate. They took action in this way in 1908 and 1909 and again when exchange dropped as a result of the financial disturbance which accompanied the outbreak of the recent hostilities in Europe. On the latter occasion, telegraphic transfers on London were also offered by Government as an alternative to bills. This action had the necessary result of the maintenance of exchange in the neighbourhood of gold export point from India, and a striking testimony to the efficacy of the Indian arrangements is afforded by the fact that during August 1914 this value was maintained, though the exchange value of the United States dollar is reported to have fallen at one time during this critical period to the low figure of 3s. 6d. against its normal value of about 4s. 2d.

APPENDIX II.

Basis of Indian Export and Import Statistics.

basis of values shown
in the trade returns.

Though it is recognised that a country's exports and imports are no longer the only items to be considered in making up its international accounts they are still the most important. It is therefore essential, before use is made of particular statistics, to examine with great care the basis on which they are prepared. The system adopted varies considerably in different countries. In the principal commercial countries of Continental Europe a schedule of values is prepared with the assistance of a commission composed of official experts and representatives of the principal industries, who determine the average unit values of the past year. The total value for a certain class of articles is arrived at by multiplying the total quantity by the unit value laid down by the Commission. The schedule is subjected to revision after the close of each year. This system prevails in Austria-Hungary, Belgium, France, Italy, Spain and (for imports) Germany and Switzerland. On the other hand in India, as in the United Kingdom and United States, the returns are based on declarations made by importers and exporters. Switzerland also adopts this system in the case of her exports, and, since April 1909, only about one-third of the exports from Germany have been returned at official values, the values of the remainder being declared.

Even where the latter system is in force the basis of valuation is not the same in all cases. Thus in the United Kingdom the value of imports is taken to represent the cost in the country where purchased, plus insurance and freight, or when goods are consigned for sale, the latest sale value of the goods; in the case of exports the basis is the 'free on board' value. The United States generally speaking exclude in both cases the charges for placing the goods on board the ship and for freight. European fiscal authorities, as a rule, include the freight and other incidental charges on the goods to the point where they cross the national frontier. The system now in force in India, is based on 'declared' values, for the whole-sale cash price (less trade discount and duty) for which goods of the like-kind are sold or are capable of being sold at the time or place of importation or exportation as the case may be, or, where such price is not ascertainable, on the cost at which goods of the like-kind or quality could be delivered at such place. The values thus include the cost of freight and insurance in the case of imports, but exclude these items and such expenses as shipping charges in the case of exports. The system thus differs in some respects both from that followed in the United Kingdom, and from that in force in the United States, resembling the former more closely as regards imports, and the latter in the case of exports.

Statistics of import and export values would only be correct for the purpose of arriving at the true figures for the balance of trade were it possible in each case to ascertain the prices paid by the country for its imports or to the country for its exports. These are not,

however, the values actually taken in India,* and it is obvious that if substantial fluctuations occur in the price of commodities of which large quantities are bought or sold forward, the apparent balance of trade as disclosed by the returns will not be in accordance with the real facts. Thus a Calcutta merchant may have bought Rs. 80,000 worth of sugar from Java, and when this comes along it may be worth Rs. 1,00,000. He would show in his return Rs. 1,00,000 which is the value of the sugar on its arrival in Calcutta, but he has to pay Rs. 80,000 only to the Java shipper for the goods. Again a Calcutta firm may have sold jute for Rs. 1,00,000 early in the season for November shipment to Dundee. When the jute is shipped its value is Rs. 1,20,000, and this figure will be shown in the trade returns, though the actual sum which the Dundee buyer has to remit is Rs. 1,00,000 only.

Apart from cases of the kind, it would be impossible to give the prices actually paid by India for a substantial volume of her imports, as for instance consignment or monopoly goods. The same applies to the export values. To take for example the case of opium. This is a large speculative trade, and it would be impossible to ascertain the amount realised by the exporters for the sale of their opium. Again 'garden' teas are frequently the property of a sterling company in the United Kingdom and are exported by that company without any sale transaction in India.

2. Another important point is that goods are frequently bought and sold forward and individual years can not therefore be treated as water tight compartments in casting up a country's balance of accounts. Transactions often carried forward from one year to another.

3. A further question that is often discussed is the treatment of the charges for freights. It has long been recognised that countries possessing a large mercantile marine have an important 'invisible export' in the shape of services rendered to other countries by their ships. As the imports are by many countries valued at the place of arrival, they include in each case the cost of conveyance; the exports being valued at the place of shipment do not include that cost. The general result is that if the trade of all the countries of the world be added together a large excess of imports is obtained. Charges for freight insurance, etc.

An illustration of the way in which this may occur can be given from the Indian coasting trade statistics. The following figures show in crores of rupees, the value of the Indian merchandise moved in the inter-provincial coasting trade of British India during the five years from 1904-05 onwards.

	Imports.	Exports.
1904-05	28 65	22 65
1905-06	26-06	25-47
1906-07	33-54	30-05
1907-08	37-51	35-02
1908-09	37-97	36-77
Total	158-63	150-16

An exact correspondence in each year could not of course be expected, as a certain amount of cargo is of course in transit at the close of each period. Subject to this proviso the items covered by the two columns are identical. The figures for imports represent values on arrival, and these necessarily include freight, insurance and other incidental charges which do not appear in the export values. It is thus obvious how the divergence arises.

So far as her external trade and the bulk of her coasting trade is concerned India is for all practical purposes neither a ship owning nor a carrying country, and it is therefore necessary for her to pay for the services rendered to her in this connection. In the case of her foreign imports the amount paid for freight, etc., will be included in the value declared for imported goods. In the case of exports the payment will in the result be made by the country taking the goods. When these are not carried in vessels under the flag of the purchasing country the payment will be made by that country to the carrier. These remarks are subject to certain qualifications, as India must be credited with that portion of the expenditure in connection with freight which is incurred in India. This will include such charges as port and pilotage dues, cost of coal and stores purchased in India, wages of the crew spent in India, the wages of the Indian lascars, etc., and moreover, in the case of exports, shipping charges. The last mentioned item is not included in the declared value of goods, but it is a service for which India must be paid. Against these credits to India in respect of freight on goods in the foreign trade must be set (a) certain debits in respect of freight in the coasting trade and (b) the cost of passages of residents of India travelling from the country or between coast ports, e.g., from Calcutta to Rangoon. In the coasting trade as has been seen the amount of the freight, etc., was about Rs. 8.5 crores in 5 years, thus being about Rs. 1.2 crores a year, or 5 1/4 per cent. on the net value of the goods carried. There are practically no Indian-owned steamships and, as the figures exclude trade which does not go beyond the limits of the individual provinces, it may be taken that a debit is raised against India in respect of all these transactions. Here again some deduction must be made on account of the expenditure incurred in India. Though it is not possible to estimate the net result of all these adjustments the debit against India is probably not less than half a million a year over and above the amount for freight actually included in the values recorded for imports.

4. It must further be noted that figures for private sea-borne trade are necessarily not exhaustive. They leave out of account the frontier trade, and also the trade partly unregis-

* It may be noted however, that the method by which the Indian trade statistics are prepared makes them a more accurate basis than those of certain other countries, such as the United Kingdom, if it is desired to utilize them for ascertaining the current wholesale prices.

tered, carried on by the French and Portuguese Settlements and by the ports in the Native States on the West Coast of India, the not inconsiderable value of stones and pearls re-exported through the parcel post, and cash and articles of jewellery, etc., brought into and taken out of the country by travellers.

Other qualifications attaching to the trade figures ordinarily employed.

In the frontier trade there is an excess of imports over exports amounting to nearly a million a year. This could possibly be to some extent accounted for on the supposition that dealers bringing goods into India over the frontier may be expected to spend a certain portion of the sale proceeds within India, that they therefore take out either cash or goods of a value lower than that of the imports, and that the excess of imports is a real debit against India counterbalanced by a corresponding credit in the form of money spent in the country. This is however mere surmise and the matter cannot very profitably be pursued as the statistics for the external land trade of India are admittedly very imperfect.

In the case of the sea-borne trade of non-British India there is on the other hand an excess of exports. The extent of the trade may be roughly estimated from the following figures for 1909-10 :—

	Imports.	Exports.
	₹	₹
French Settlements	137	1,135
Portuguese Settlements	26	5
Travancore	76	54
Kathiawar	116	34
	355	1,228

The only item of any importance is that of the exports from Pondicherry. These consist chiefly of groundnuts, which are I believe to some extent a 'transit' commodity, being exported through Pondicherry from British India. The figures for this commodity are substantial, fluctuating over a period of 5 years from Rs. 70 lakhs to Rs. 140 lakhs.

5. Though some of the above figures are not very large when compared with those for the sea-borne trade of British India, they should obviously not be left out of account if an exact calculation of India's trade balance was desired. At the same time there is great difficulty in determining the exact allowance to be made for them, and it has always been found necessary to fall back on the recorded figures for imports and exports by sea. Though the result of this examination of the figures is somewhat inconclusive, I have thought it desirable to make it, in order to show clearly that the figures on which we have to rely must be accepted with considerable reservation and not as possessing the absolute accuracy of figures in a carefully verified account.

APPENDIX III

Popularity of the sovereign in different Provinces.

India and Bengal.—A comparison of the issues over the counter of the Calcutta Currency Office in amounts of £100 or over with those of the two preceding years gives the following result :—

Purposes for which taken.	(In hundreds of £.)		
	1911-12.	1912-13.	1913-14.
Payments	187,1	326,5	319,4
Banking	73,4	53,8	57,4
Rice	1,1	2,7	2,0
Seeds	2,6	6,0	4
Shellac	6	10,9	1,6
Jute	1,5	9,8	5,0
Hides . . . . .	...	8	1,2
Cotton . . . . .	...	10,4	1
Miscellaneous	2	5	1,4
TOTAL	266,5	421,7	688,5

In the case of the 'India' treasuries, excluding the Bank of Bengal, Calcutta, and the Reserve Treasury, the largest net issues occurred at Delhi (£146,000), Hyderabad (Deccan) (£33,000) and Quetta (£47,000), while at Ajmer a net sum of £70,000 was received, mainly as railway earnings.

In Bengal gold is not much used in ordinary transactions, except in Calcutta and the neighbouring districts of Howrah and the 24-Parganas and in Darjeeling. An attempt was made by one important firm to introduce sovereigns in payment for the jute crop, but this was unsuccessful. The total issues from the Bengal treasuries, though they showed an increase, still amounted to no more than £83,000.

Bihar and Orissa, the Central Provinces and Assam.—The absorption in Assam, Bihar and Orissa and the Central Provinces is still very small, but, whereas in the Central Provinces the sovereign appears to be popular and its use is growing, in the case of Assam and Bihar and Orissa it has made very little progress. In the latter province there was, it is true, a small advance, but the general opinion expressed by the District Officers consulted is that a unit of Rs. 15 is of too high a value to enter into the daily transactions of the bulk of the people in the province. At the same time the Accountant-General suggests that sovereigns are circulated to a limited extent among the more well-to-do classes, and that, though there is some tendency to hoard or melt them, the greater portion of the issues perform the function of currency.

For the remaining provinces, where the transactions were of greater importance, I quote the remarks of the Accountants-General concerned :—

Burma.

Absorption of gold.—The total absorption of gold during the year 1913-14 was £917,867½ against £814,390 in the year 1912-13, *vide* statement annexed showing the absorption for each quarter during the years 1912-13 and 1913-14 :—

	Rangoon.	Districts.
	£	£
First quarter	201,459½	99,828
Second "	94,328	83,872
Third "	87,186½	70,747
Fourth "	178,699½	102,077
Total	561,673½	356,524

The absorption of the year under report shows an increase of £103,477½ over that of the previous year. The absorption was at its highest during the months of April, May and June, *s. c.*, towards the close of the rice season.

Popularity of gold.—The increase in the absorption noticed in the foregoing paragraph and in previous reports shows that the demand for gold in Burma is steadily increasing. The amount of sovereigns paid out during the year from the Bassein Currency Chest in part payment of telegraphic transfers issued thereon was £8,200 during the rice season, which suggests that gold is to a small extent in demand for payments to cultivators.

Gold as currency.—The issues of gold at the Rangoon currency office during the first three quarters of the year were mostly made to Chetties, and more than half the issues of gold from the currency office were in sums of £50 and under.

The greater portion of the gold issued in the districts is said to be melted down and converted into ornaments and jewellery, and is not likely to return to circulation. This is particularly noticeable in the Bassein district, which next to Rangoon holds the highest record under issues to the public, *viz.*, £29,818, against which the amount paid into the treasury by the public during the year was only £8. The other districts in which the demand for gold was strong were :

	Receipts from the public.	Issues to the public.
	£	£
Moulmein	330	28,654
Maymyo	3,586	22,020
Akyab	372	21,669
Taunggyi	987	20,982

United Provinces.

The total receipts from and issues to the public including the amount on account of telegraphic transfers amounted to £2,563,609 and £3,753,270 respectively during the year under review against £2,281,743 and £3,899,340 in the previous year. The net issues aggregated £1,194,661 against £1,617,397 of the previous year. The cause of this decrease of £423,236 it is impossible to say. The failure of the rains and consequent slackness of trade may to a certain extent have influenced the figures already given.

Gold as currency.—The results of a special enquiry made from the Treasury officers show that approximately gold worth £666,000 was received as revenue in the treasuries and sub-treasuries in these provinces during the year. This shows that a certain number of the sovereigns and half sovereigns issued by Government are returned again to Government and so have the appearance of circulating coins. It is however very questionable whether this circulation is more than of a very limited kind. Wealthy landowners will take payment for their crops in gold: ryots whose holdings are small require payments to be made to them in silver. The figures however are a welcome indication that even if it be only amongst the wealthy fringe of the population gold is showing signs of being used as currency: and this without appreciably affecting the circulation of notes. It is not possible to say how much gold during the year was hoarded or melted and converted into jewellery. It is however not an uncommon practice for some classes of people to accumulate their savings in the form of jewellery, or necklaces of sovereigns and half-sovereigns for the female members of their family. This jewellery is a compact and portable form of personal property with the added advantage that, in the event of financial disaster occurring in the family, such jewellery is, it is understood, immune from attachment by a Civil Court.

Punjab.

The opening balance of gold, inclusive of treasuries but exclusive of branches of the Bank of Bengal, was 91 lakhs, and the corresponding closing balance was 105 lakhs. If the figures of the Branch Banks be included, the balances rise to 95 and 107 lakhs respectively. The net imports amounted to Rs. 281 lakhs against Rs. 501 lakhs in 1912-13. The net absorption amounted to Rs. 267 lakhs. The absorption taking into account Bank figures amounted to £1,768,000, as compared with £3,352,000 in the previous year.

The following table supplies an analysis of the issues of gold and silver from the Currency Office (whether by way of exchange for notes, or in payment of telegraphic transfers) for all issues of £100 or over in the case of gold or Rs. 10,000 or over in the case of silver. For comparison similar figures for the preceding year are included—

	(Gold in £ thousands, Silver in Rs. thousands)			
	1912-13.		1913-14.	
	Gold.	Silver.	Gold.	Silver.
On account of wheat trade	974	21,725	584	9,851
On account of cotton trade	504	3,126	404	3,016
For other trade purposes	65	—	56	2,400
Issued to Banks	1,207	5,932	869	3,958
Issued to private persons and firms	273	100	114	108
	<u>3,023</u>	<u>30,883</u>	<u>2,027</u>	<u>18,333</u>

It is difficult in view of the export figures to account for the comparatively low figure in connection with the wheat trade. A partial explanation may be found in the fact that during the year under report one of the largest firms, Messrs. Ralli Bros, financed themselves through the Bank of Bengal instead of through the Currency Office to a larger extent than in the preceding year. This explanation is supported by the fact that the drop in issues of silver is much heavier proportionally than that in issues of gold, and it was only later on in the year under report that the firm referred to adopted gold (and then only to a limited extent) as a medium for carrying on its transactions. It is also known that the cultivators owing to their prosperity consequent on the good harvest of 1912-13 were in a position to and actually did hold up their crop for better prices and it is probable that a larger proportion of the trade passed into the hands of smaller operators whose transactions would not affect the Currency figures.

The decrease in the part played by the Currency office in financing the cotton trade is probably explicable on similar lines. In particular it may be noted that owing to the withdrawal of deposits from other banks, the Bank of Bengal was in a financial position to give large assistance to the cotton trade and it must further be remembered that the operations of the bigger firms were to some extent hampered by the difficulty of obtaining ginned cotton, the ginning mills failing to get the assistance from the Banks, which was in the past forthcoming to enable them to carry on independent operations.

As to the effect of the wheat and cotton seasons on the flow of gold and silver from the Currency and Treasuries it may be noted that in the first quarter of the year the net issues of gold are at their heaviest, the second largest net issue occurring in the third quarter. In the second quarter alone was gold received in excess of issues. The course of silver follows much the same lines. The first quarter of the year is marked by heavy issues on account of wheat in the months of May and June, while the principal feature of the second quarter is the realisation of the *rabi* kist of the land revenue. The third quarter is marked by no large receipts while payments on account of the cotton crop are heavy in December. The fourth quarter combines heavy issues with heavy receipts, the bulk of the payments on account of the cotton crop occurs in January and the major portion of the *khari* kist of the land revenue being realised in January and February.

Madras.

The total amounts issued during the last two years to the public and the Exchange and Presidency Banks in sums of £100 and over are given below:—

Year.	Public.	Exchange Banks.	Presidency Bank.
1912-13	£ 704,260	£ 75,600	£ 440,874
1913-14	873,640	85,630	843,954

Increases in the issues this year are noticeable under all the heads, the increase in the issues to the Bank of Madras being very marked. The Bank attributes this abnormal increase of £400,000 to the heavier demands from Cochin and Alleppey this year and to a remittance of £75,000 to their Bank at Colombo in replacement of a similar amount received from that branch in February 1912 on the understanding that the gold would be returned when required.

The following are the most important figures for gold transactions at treasuries (in thousands of £):—

Treasury.	Receipts.		Issues.	
	1912-13.	1913-14.	1912-13.	1913-14.
Bangalore	14	...	23	44
Godavari	13	20	29	45
Kistna	8	15	13	23
Guntur	22	25	21	24
Bellary	1	4	8	18
Trichinopoly	43	37	60	41
Tanjore	5	6	46	59
Tinnevely	21	20	31	29
Malabar	659	1,000	684	1,004
South Canara	6	8	25	31

The receipt of £14,000 at Bangalore in 1912-13 formed part of the subsidy paid by the Mysore Darbar at the end of January 1913. The figures against Godavari, Kistna, Guntur and Tinnevely indicate that sovereigns circulate to a fairly large extent in these districts and return from circulation into the treasuries to an appreciable extent. The receipts at Trichinopoly are mostly from the South Indian Railway collections and are fairly large, but they are issued to the public almost as quickly. The circumstances of the Malabar district are very peculiar. Although the receipts and issues are exceptionally large, the net absorption is almost negligible owing to the fact that the receipts and issues are nearly equal to each other. As already stated, gold takes the place of currency notes to a very large extent in the Native States of Travancore and Cochin both of which adjoin Malabar. In the district of Malabar also gold seems to circulate as freely as silver. It is significant that, in order to meet this large demand for gold on the West Coast, the private banks and firms make the bulk of the remittances and the part taken by Government is not important. For instance in the years 1912 and 1913 the Bank of Madras alone remitted £230,000 and £315,000 respectively to its Alleppey branch and £160,000 and £250,000 respectively to its Cochin branch, whereas the Government remittance from Madras to Calicut in the two years 1912-13 and 1913-14 was only £4,000 and £9,000 respectively. The figures generally indicate that as a medium of circulation sovereigns are becoming more and more popular year after year.

Bombay.

The issues to the public from the Currency Offices at Bombay and Karachi amounted to £5,763 millions in 1913-14—more than double the figure of the previous year. Including sovereigns taken ostensibly for export, the issues in 1913-14 amounted to £6,070 millions against £3,110 millions in 1912-13. Of these £6 millions odd, £5½ millions were issued from the Bombay Currency Office, the balance being issued from Karachi. Further details of the issues at Karachi and Bombay are given below, the figures being compared with those of 1912-13:—

	Karachi.	
	1913-14.	1912-13
	£	£
Issues for trade remittances (including remittances to the Punjab for the purchase of wheat)	353,400	283,100
Issues for pearls	30,700	12,300
Issues for banking	5,100	6,000
Issues for private use . . . . .	...	3,600
Issues in sums of less than £1,000	169,500	96,900
Total	558,700	350,900

<i>Bombay</i>		
Remittances.		
Large issues made direct for cotton	3,250,600	941,000
For remittance to cotton growing districts	740,800	
For remittance for seeds and grain	15,000	15,000
For export to Hongkong, Shanghai, Singapore and to Persian Gulf for pearls	307,000	344,000
Total remittances	4,313,400	1,300,000
For melting	297,000	66,000
For payment to staff (chiefly G. I. P.)	542,000	418,900
For banking and exchange business	246,000	141,000
In small sums for local use	113,000	(a) 833,600
Total	5,511,400	2,759,500

(a) This figure includes issues of under £1,000 for cotton, melting and export which in the year under report have been distributed over the proper heads.

The figures show increases under almost all heads. In spite of the general falling off in the demand for money in connection with the Punjab wheat crop, there was an increase of £ 120,800 in the gold issued from Karachi for the purpose, showing an advance of over 50 per cent. on the previous year. For the pearl trade too gold was more freely used and the issues in small sums increased 75 per cent. In Bombay the outstanding feature is the enormous increase by over £ 8 millions in the issues for the cotton trade. A very large sum was taken ostensibly for melting and increased use was made of gold for the payment of establishments and by banking and exchange firms in their ordinary business.

The following table will give some idea of the extent to which gold has replaced silver in financing the cotton and other crops. For facility of comparison the transactions in silver are also shown in thousands of pounds :—

	Silver.			Gold.		
	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.
1. For remittances to the Central Provinces and Berar.	2,894	2,300	2,500	351	313	390
2. For remittances to Khândesh and Gujât.	727	644	718	499	801	2,531
3. For remittances to the Southern Marâtha Country and the Karnâtak.	324	68	113	89	62	104
4. For remittances to other places.	798	809	601	304	795	1,198
Total	4,743	3,721	4,020	1,243	1,971	4,313

Taking the total of the silver and gold issues in each of the three years, it will be observed that the gold issues amounted to 21, 34 and 51 per cent. respectively of the total, showing a steady and progressive increase in the popularity of gold.

In considering these figures it must be remembered that, as in the analogous case of the imports of gold, it is impossible to base merely on these statistics any reliable conclusions as to the actual demand for gold, without simultaneously recording other evidence on the point. So far as the acceptance of gold by the cultivator in payment of his crops is concerned, the evidence is practically unanimous that he will take as much as he can get. The actual amount that he gets and the proportion it bears to silver depend almost entirely on what is offered to him, and that depends on the action of the export firms. From *Broach* it is indeed reported that some difficulty was experienced in persuading cotton growers to accept silver and the figures sufficiently indicate the greatly increased popularity of gold in that district. The leading European firm still maintain their preference for silver (though they have made use of gold to a slight extent) on the ground of the greater risk of theft involved in storing large sums in gold, but it is quite certain that if they followed the example of the Indian firms and used gold, our silver requirements would be very greatly reduced.

Under the heading of gold taken for melting, there has been a noticeable increase from £66,000 to £297,000. I have made special enquiries into the question of melting during the year, and am inclined to think that this figure gives a rather exaggerated idea of the extent to which gold is taken from the Currency Office directly for the purpose of being melted and sold as bullion. There can of course be no doubt at all, as pointed out in paragraph 49 of my report of last year, that in out-of-the-way places it is frequently more convenient for the local goldsmith to obtain his requirements by melting sovereigns than to import bar gold from Bombay. To what extent this is done it is difficult to say, but considering the steady increase in the amount of gold bullion imported year by year, it seems improbable that this practice is much on the increase. Short of prohibiting it by legislation, there is probably no means of stopping it. But in addition to this, there is undoubtedly a certain amount of business done in Bombay in melting sovereigns and selling the bullion at a small profit. The amount of pure gold in a full-weight sovereign works out to Rs. 23-14-3½ per tola at Rs. 15 to the sovereign. The full-weight of a sovereign is 123-2744 grains while the least current weight is 122-5 grains. The average price of English bar gold (100 touch) in Bombay during the year was Rs. 24-0-2½, the highest and lowest price being Rs. 24-1-9 and Rs. 23-14-6 respectively. Excluding the question of the local supply and demand for the metal, the two main factors which determine the rise and fall in the price of gold bullion in Bombay are the rate of exchange and the demand for gold in the London Market. At the exchange rate of 1s 4d. per rupee, the price per tola of gold (100 touch), which is equivalent to the Bank of England rate of 77s 9d. per ounce of standard gold (¾ths fine), is Rs. 23-13-8½. This then may be taken to be the ordinary Indian equivalent of the London price of gold bullion, but in addition freight, insurance and interest charges have to be met and these are said to work out to about 2½ annas per tola. If this is added to the London gold bullion price, the equivalent price in India comes to Rs. 24-0-2½, which corresponds very closely with the average price for the year. The fluctuations above and below this figure are chiefly due to alterations in the rate of exchange and to some extent to variations in the price of gold bullion in the London Market. The latter of course does not ordinarily vary by more than a fraction of a penny.

per ounce, but when there is a special demand for gold bullion in excess of the available supply, it may rise, as has been the case lately, to nearly 77s 10d. If the rate of exchange falls by $\frac{1}{2}$ and the equivalent rise in the price of gold bullion in India is about 9 pies per tola, and if this happens to coincide with a keen demand for gold in London, it is clear that the price in Bombay may rise to a point which will give the melter an appreciable profit on his operation. The melting costs, losses, interest charges, etc., have been worked out to amount to about 1½ anna for every tola of pure gold obtained by melting new sovereigns. If this is added to the value, Rs. 23-14-3½ per tola, mentioned above, the net value per tola of gold bullion obtained by melting full-weight sovereigns comes to Rs. 23-15-9½, which is almost the lowest price of gold bullion in the Indian Market; with gold at Rs. 24-1-9 per tola, the highest price of the year, it provides a profit of nearly 2 annas per tola. At the least current weight of 122.5 grains, however, the price including this 1½ anna for melting comes to Rs. 24-2-2, which is in excess of the highest price of the year. It is clear therefore that in order to make an appreciable profit out of the melting of sovereigns, it is necessary that the sovereigns should be as near as possible full-weight. This indeed is admitted by the two firms who chiefly take sovereigns from the Currency Office for this purpose, and who estimate their profits at about Rs. 3 for every 100 full-weight sovereigns melted or about 9 pies per tola. It seems certain therefore that a considerable proportion of the sovereigns, which are said to be taken for melting, are not actually melted, since it would not be profitable to do so. Only the full-weight ones are picked out and melted and the others are otherwise disposed of. It is probably impossible to make an estimate of what proportion of the £297,000 taken have actually been melted, but in any case the figure shows a considerable advance on that of the previous year. This is doubtless to some extent due to the rather high price of gold bullion in London. It would thus appear that in Bombay, where bullion dealers are in touch with the London Market and are able to take advantage of small fluctuations in the rate of exchange and in the price of gold, there may undoubtedly be a profit to be made of one-half to one anna per sovereign melted, when the rate of exchange is low and the price of gold bullion in London high and if only full-weight sovereigns are melted; and if this is done on a large scale and the capital employed is turned over many times in the year, it may provide a reasonable income to the melter. Gold bullion is only imported into India on specific orders and there is probably a natural tendency not to allow the supply to exceed the demand. When, therefore, in a favourable marriage season there is an unusually keen demand, the price may be forced up, and the melter of sovereigns may reap the benefit.

An examination of what may be called the "retail" transactions of the public at Retail transactions treasuries is of considerable value in ascertaining how far sovereigns form part of the ordinary circulating medium of the country. There was a net issue to the public of £32,131½ in 1913-14 against a net receipt of £36,386½ in 1912-13 and a net issue of £19,647 in 1911-12. A more significant fact, however, is that the total turnover in 1913-14 was over £7 millions against about £3.7 millions in 1912-13 and £2.7 millions in 1911-12. The gross receipts increased from £1,337,163½ in 1911-12 to £1,890,501 in 1912-13 and £3,513,791½ in 1913-14. The issues also increased from £1,356,310½ in 1911-12 to £1,854,114½ in 1912-13 and £3,545,923 in 1913-14.

Thus both receipts and issues have almost doubled, showing that the use of sovereigns is not only in one direction and indicating in an unmistakable manner that an increase in the use of gold for financing the crops does tend to increase the receipts of sovereigns at treasuries. This fact is, no doubt, taken by some people to indicate that the cultivator does not want gold and that when it is forced on him he takes the earliest opportunity of getting rid of it by paying it back to Government. On the other hand, if he does not do so, the opposite school holds that he "hoards" it. In either case it is said not to remain in circulation. The fact that some £3½ millions were paid into Government treasuries and £1½ million into the Currency Offices in 1913-14 against nearly £6 millions issued from the Bombay and Karachi Currency Offices and £3½ millions issued from treasuries, seems fairly conclusive evidence that a considerable proportion is used as actual currency, the payment of Government dues being after all to the cultivator the chief item of expenditure. Whether he receives gold or silver for his crops, he must pay a good portion of it into the treasury, so that in either case such coin cannot remain long in circulation. But the balance he keeps or "hoards" and uses as required.

The following table compares the receipts of gold coin at stations on the B., B. & Railway and Post C I, G. I. P., Madras and S. M. and N.-W. Railways during the last four years:— Office figures.

Receipts from the public at stations on the	1910-11.	1911-12.	1912-13.	1913-14.
B. B. & C. I Railway	£ 32,333½	£ 69,301½	£ 90,961½	£ 198,047
G. I. P. Railway	162,068	352,081	476,346	535,654
M. & S. M. Railway	16,779½	32,429½	42,543½	56,324
N.-W. Railway	134,094	248,860	464,609	469,784
Total	345,273	702,692	1,064,460	1,259,709

The steady increase in the case of all these railways is most noticeable and indicates the increasing use of gold by the general public in their daily transactions. Further evidence to the same effect is afforded by the Post Office figures which are given below —

Names of offices.	Receipts.				Issues.			
	1910-11.	1911-12.	1912-13.	1913-14.	1910-11.	1911-12.	1912-13.	1913-14.
Bombay General Post Office and its Town Sub-offices.	37,663	81,070½	106,433	144,053½	22,370½	45,741	63,127½	81,368½
Karachi Post Office and its Town Sub-offices.	3,241	8,626	15,628½	23,198½	2,137½	4,714	7,602	11,062½
All other offices in the Presidency.	84,595½	159,795	215,444½	384,070	47,372½	93,071½	160,599½	325,554½
	125,496½	249,491½	337,501	554,323	72,380½	143,526½	231,329	417,995½

A rise from under £200,000 to nearly £1 million in four years cannot but indicate that sovereigns are increasingly popular, and that while they continue to form a larger proportion of the actual money in circulation, they are readily paid away when required to Post Offices and railways.

Hoarding.

Special local enquiries were made during the year with regard to the actual use made of the gold in the various districts to which the largest amounts are exported from the Bombay Currency Office and where there have also been considerable issues from the local treasury. From the two *Khandesh* districts, where nearly £700,000 were absorbed in connection with the cotton crop, it is reported that there is absolutely no question that the cultivators always prefer to receive gold in payment for their produce rather than silver or notes. Gold is constantly used by all classes for petty purchases and is a universally accepted currency. "Even the most illiterate and credulous Bhil prefers gold to silver when he can get it." In a backward taluka of the *West Khandesh* district it is reported that as much as 75 per cent. of the Government dues were paid in gold. At the same time the standard of living in these districts is undoubtedly rising, and more is spent in every way on weddings, funerals, caste-dinners and in enjoying the amenities of life in a manner unknown to their fathers and grandfathers, so that although the cultivators obtain a good price for their crops, they do not after the money-lender has been paid, appear to have much surplus left for hoarding. It is reported that practically all savings among the better class agriculturists, which are held in sovereigns in the first instance, are used to buy land, often at absurdly inflated prices, and a good deal of money-lending is also done. There is said to be a distinct distaste in these districts for the silver token currency, which even the most ignorant cultivator knows to be worth much less than its face value. The use of sovereigns is also said to make for economy, inasmuch as a villager hesitates before changing a sovereign to make some petty purchase and frequently goes without it. Sovereigns are seldom if ever made into ornaments. The reports of the Collectors indicate that even small cultivators may possess 20 or 30 sovereigns awaiting investment in land, while from *East Khandesh* it is reported that two Shroffs in that district were lately found to possess Rs. 3 and 4 lakhs of sovereigns respectively. When robberies and dacoities are reported, the property stolen frequently consists largely of sovereigns.

In the adjoining *Berar* districts the popularity and use of gold seems to be somewhat less. The Deputy Commissioner, *Akola*, states that "there is not much reluctance" on the part of cultivators to receive payment in gold, but that when received it is generally converted into silver. The cultivators as a class are poor and when they have paid their revenue, their debts and set aside what is required for their maintenance, there is little or no surplus. From *Yeotmal* a good deal of hoarding of sovereigns is reported, *Telangis* in the south of district being notorious misers. "Even the small cultivator has a tiny stock of sovereigns which he likes to hug to the last." This money is produced only for marriages or law-suits, but in the more "advanced" portion of the district it is also spent by the half-educated village youth on "drink and debauchery." Much the same is reported from *Amrāots*. Here there is said to be a great and genuine demand for gold, which has gained much popularity among the rich and poor alike and is used both in large and petty transactions. "It is quite common to find the aboriginal *Korkus* in possession of sovereigns." The Deputy Commissioner, *Buldāna*, states that the amount of gold paid for cotton is vastly increasing year by year, but that it is still unknown to the poorer cultivators in small villages in the interior. It is not hoarded or melted, the surplus if any (—and generally it is very small—) with the agriculturist being kept in silver. The large firms in the cotton or money-lending business receive large amounts of gold from their debtors and remit them to their Head Offices in Bombay, frequently by insured parcel-post. From *Wardha*—a more advanced district—it is reported that hoarding is dying out and that people invest their money in banks, with money-lenders or in trade. Sovereigns are said to be readily accepted in all villages and a very large amount of revenue is paid into sub-treasuries in gold. On the other hand, the *Nagpur* district, which one would almost have expected to take the lead in this matter, reports that the ordinary cultivator decidedly pre-

fers to be paid in silver for his crops, and that gold is seldom seen in agricultural villages. The Deputy Commissioner expresses a doubt whether this is due to the fact that the cultivators so seldom have the chance of seeing gold and are therefore not familiar with it. This is probably the case, and may be ascribed to the action of the large firms doing business in that district. That the gold paid to the cultivators in Berar does not altogether disappear is proved by the fact that during the first five months of the calendar year 1914 £78,707 were received in the treasuries of those districts in payment of Government dues, as against £73,310 in the corresponding period of the previous year.

The *Broach* district of the Bombay Presidency is one where there has been the greatest advance during the year in the use of gold and the Collector reports that it is beyond question that gold now circulates in that district side by side with silver as freely as it does in England. The use of gold in paying fines in criminal cases is specially mentioned and even Bhils are said to produce gold for this purpose. A man unexpectedly fined a sum of Rs. 5 produced a sovereign with the remarks "if you can give me change for this, I can pay at once." It is moreover stated that *Sarkars* will give change freely for a sovereign in rupees, without making any deduction such as is customary in changing a rupee or a currency note, and it is suggested that people now-a-days are too up-to-date to be willing to pay a commission on so simple an operation, except in the case of exchanges in which they have been for years accustomed to pay it. Here too a notable increase in the standard of living is reported and the consequent advance in the proportion of expenditure on articles of luxury, which were previously out of the reach of the ordinary cultivator. At the same time the cost of cultivation has increased very largely simultaneously with the extension of the cotton area and higher prices of cotton, so that a good deal of the extra money which has come to the district during the last two years has gone to the labourer and improved his lot. It is reported that a labourer cutting grass can earn as much as annas 8 by half a day's work. Of hoarding there is very little, the people not being given to saving and putting what spare money they have into trade or cotton speculation, but such money as is hoarded in gold. Much the same state of affairs is reported from *Surat*, where however the failure of *Swadeshi* banks in the autumn of last year is said to have shaken the confidence of people as regards the depositing of their money in banks and they have been led thereby to purchase houses and land with their surplus. Hoarding is said to be very much on the decrease. On the other hand, the Collector of *Ahmedabad* reports that the cultivators do not yet like gold coins and that as soon as a cultivator gets hold of a sovereign, his first idea is to get rid of it as soon as possible. This is ascribed partly to a fear of counterfeits, partly to difficulty in changing sovereigns and partly to the fact that the possession of sovereigns is looked upon as a sign of wealth, so that the cultivator is then prevented from pleading poverty to his creditors or to the village accountant. From the *Deccan* districts and *Southern Mahratta Country* there comes a general consensus of opinion that sovereigns are not used to any great extent either for melting or for hoarding, and that most of the gold which has found its way into those districts is actually in circulation.

In the backward *Satdra* district it is reported that some smaller cultivators are undoubtedly withholding sovereigns from circulation by hoarding them and that they are not very largely used for making petty purchases. The *Sholapur* district has suffered for several years continuously from scarcity, and it is to be expected that the use of sovereigns is almost confined to the trading and industrial communities of the town of *Sholapur*, where people are said to accept and use them quite freely. From *Dhadrwar* too it is reported that there is practically no hoarding of gold and that in the larger villages sovereigns are freely used for making petty purchases, but are not melted for making ornaments, bar gold being chiefly used for this purpose, though occasionally a few sovereigns of Queen Victoria mintage are mixed with it for making bangles. In *Sind*, the chief gold-using districts are *Hyderabad* and *Sukkur*; in the former sovereigns are freely used in large transactions and are frequently paid into the treasury as Land Revenue, etc., they are also freely tendered in the bazars for petty purchases and are taken gladly, no commission being charged. At the same time there is said to be a considerable use of gold among Hindus for the purpose of making ornaments and in one town, where £2,500 were paid into the sub-treasury on account of Land Revenue, £1,000 sovereigns are estimated to have been converted in ornaments during the year. From *Sukkur* it is reported that a good deal of the gold ultimately finds its way to the Punjab cultivator, who prefers to keep his surplus wealth in sovereigns rather than in rupees.

On the whole it may perhaps be fairly concluded from this evidence that the popularity of the sovereign as a medium of ordinary currency depends largely upon the extent to which it is made available to the cultivator by the various firms and middlemen who buy up his produce, and that where it is so available in large quantities, it is gladly accepted and used in every-day transactions. In the more advanced districts the standard of living is undoubtedly rising and the cultivating classes are better off and spend more money on the amenities of life, so that the balance available for investment or hoarding is necessarily small. There is no doubt that some gold is hoarded, or in other words put aside to meet exceptional and unforeseen expenditure, but this is only natural.

STATEMENT I.

Statement showing the Treasury balances in India on the first day of each month during 1912-13 and 1913-14 and their distribution.

[In Thousands of Rupees.]

	April.	May.	June.	July.	August.	September.	October.	November.	December.	January.	February.	March.	March closing balances.
1913-1914.													
Reserve Treasuries	12,68,88	11,86,05	12,20,17	18,31,51	15,97,89	15,53,34	11,78,27	7,60,95	7,71,86	5,26,12	4,88,87	5,48,73	7,39,90
Presidency Banks (Head Offices).	2,58,96	1,98,31	2,14,71	2,11,19	3,14,47	2,07,72	2,15,44	2,52,13	2,59,06	2,60,27	2,44,40	2,54,49	2,38,11
District Treasuries	18,87,82	12,07,98	11,06,70	12,39,83	13,08,30	12,89,98	12,77,59	11,77,95	11,27,89	10,21,48	13,52,48	13,72,89	13,68,25
TOTAL	28,98,97	25,92,29	25,41,58	27,82,08	32,20,70	30,60,89	26,71,30	21,90,48	21,58,48	18,17,87	20,85,19	21,71,11	28,41,56
1912-13.													
Reserve Treasuries	5,19,90	4,56,89	6,83,78	9,46,33	10,95,90	13,85,20	14,48,64	11,66,89	12,88,21	10,61,80	10,88,88	9,90,26	12,68,88
Presidency Banks (Head Offices).	2,00,88	1,80,80	1,77,14	2,12,89	3,12,51	2,08,38	2,00,48	1,94,53	1,88,28	1,80,28	1,95,16	2,03,45	2,38,32
District Treasuries	11,21,19	10,66,76	10,14,65	10,41,81	10,44,30	9,73,70	9,64,42	8,89,50	9,42,66	9,57,82	11,94,81	14,06,88	13,87,32
TOTAL	18,41,95	16,98,94	18,55,27	22,00,96	24,57,61	25,67,78	26,13,54	22,50,92	24,14,15	21,99,40	24,78,85	26,00,59	28,93,97
Difference	+10,63,20	+8,96,35	+6,86,31	+5,81,07	+7,63,09	+4,93,11	+57,76	-60,49	-2,55,72	-3,81,58	-3,88,66	-4,39,38	-5,52,71

STATEMENT II

Abstract Statement showing the cash transactions of the Secretary of State under the more important heads in the years from 1899-1900 onwards, and the cash balances held by him at the close of each year.

	1899-1900.	1900-01.	1901-02.	1902-03.	1903-04.	1904-05.	1905-06.	1906-07.	1907-08.	1908-09.	TOTAL FOR 10 YEARS.
1. Net Debt Incurred	-1,300	3,500,000	1,009,299	-868,960	-600,000	-2,300	749,427	1,250,100	7,998,209	9,476,256	23,010,987
2. Gold Standard Reserve—Net receipts of interest . . . . .	..	..	18,407	93,081	106,614	200,629	245,401	363,461	862,907	193,027	1,508,620
3. Remittances—											
(i) Consols	19,067,023	18,800,277	18,589,071	18,499,947	23,859,308	24,425,558	32,166,973	33,157,196	16,332,061	13,915,426	313,163,834
(ii) Gold: (a) Treasury . . . . .	..	3,997,362	1,001,995	497,207	3,997,122	4,090,888	400,809	..	..	339,950	14,194,389
(b) Paper Currency . . . . .	..	..	..	..	..	..	6,000,000	..	..	..	6,000,000
(c) G. S. Reserve . . . . .	..	..	1,496,746	..	269,575	1,099,087	..	..	..	..	2,855,408
4. Net Capital deposited by Railway Companies—											
(i) Companies working purchased railways	1,007,917	2,015,265	763,121	1,303,261	..	938,686	1,427,995	..	1,697,112	4,278,547	13,715,954
(ii) Other Companies	598,305	1,195,787	2,259,698	1,267,635	-90,000	1,440,035	-87,074	-303,707	349,581	1,011,286	7,646,446
5. Miscellaneous deposits and remittances	1,655,859	1,136,473	1,766,180	397,946	3,169,592	503,045	198,984	-125,003	680,256	123,870	7,900,540
- 6. Opening balances on 1st April—											
(i) Treasury	8,145,768	8,330,948	4,001,926	6,636,137	5,767,787	7,294,782	10,262,581	8,436,519	5,606,912	4,607,266	3,145,768
(ii) Paper Currency Reserve											
{ Securities . . . . .	..	..	..	..	..	..	..	1,333,333	1,333,333	1,333,333	..
{ Gold . . . . .	..	1,500,000	..	..	..	..	..	6,945,000	7,025,000	3,705,000	..
(iii) Gold Standard Reserve											
{ Securities . . . . .	..	..	..	3,454,246	3,310,330	3,376,632	3,376,632	13,165,033	12,518,514	13,186,521	..
{ Gold . . . . .	..	..	..	..	..	..	..	..	..	1,131,223	..
TOTAL	24,873,570	29,946,056	30,945,443	31,807,763	39,260,289	46,390,460	59,601,108	66,212,952	53,937,795	53,145,272	298,035,896
1. Net charges against revenue	16,128,303	16,982,981	16,877,447	17,667,016	17,399,750	18,827,064	17,666,833	18,333,943	17,768,690	18,323,480	175,976,257
2. Capital Outlay	615,814	654,879	860,513	1,586,023	1,305,596	1,502,363	2,681,254	2,631,639	2,561,431	3,382,458	17,078,866
3. of Companies—											
(i) Working purchased Railways	1,284,908	1,423,064	1,547,398	1,365,720	1,559,000	1,824,266	1,828,245	2,129,870	3,153,877	3,454,413	19,590,331
(ii) Other Companies	1,607,607	1,143,368	1,509,816	1,355,397	1,369,367	1,056,627	1,127,448	1,263,992	3,084,199	1,219,428	13,587,645
4. Purchase of silver	403,000	5,649,924	2,985	285,000	4,055,327	4,540,378	3,218,043	12,870,929	4,516,255	..	40,043,741
5. Payment of sterling bills on London . . . . .	..	..	..	..	..	..	..	..	..	8,058,000	8,058,000
6. Closing balance—31st March—											
(i) Treasury	3,330,948	4,001,926	6,636,137	5,767,787	7,294,782	10,262,581	8,436,519	5,606,912	4,607,266	7,983,897	7,983,897
(ii) Paper Currency Reserve											
{ Securities . . . . .	..	..	..	..	..	..	..	1,333,333	1,333,333	1,333,333	1,333,333
{ Gold . . . . .	..	1,500,000	..	..	..	..	..	6,945,000	7,025,000	3,705,000	1,500,000
(iii) Gold Standard Reserve											
{ Securities . . . . .	..	..	3,454,246	3,310,330	3,376,632	3,376,632	13,165,033	12,518,514	13,186,521	7,414,510	7,414,510
{ Gold . . . . .	..	..	..	..	..	..	..	..	..	1,131,223	..
TOTAL . . . . .	..	..	..	..	..	..	..	..	..	..	..

STATEMENT II—continued

	1909-10.	1910-11.	1911-12	1912-13	1913-14.					
1. Net Debt incurred	8,890,172	1,156,920	78,909	-3,477,600	-1,731,200					
2. Gold Standard Reserve—*Net receipt of interest	255,416	499,399	498,681	517,725	575,061					
3. Remittances—										
(i) Councils	27,096,588	26,783,303	27,058,550	25,799,706	31,200,627					
(ii) Gold . (a) Treasury . . . . .	..	..	..	327,501	453,024					
(b) Paper Currency . . . . .	..	..	..	1,600,000	..					
(c) G S Reserve . . . . .	..	..	..	..	..
4. Net Capital deposited by Railway Companies—										
(i) Companies working purchased Railways	2,459,426	2,294,278	..	..	..		
(ii) Other Companies	-54,532	..	-40,000	495,000	4,552,788					
5. Miscellaneous deposits and remittances	-350,527	603,538	495,666	-314,721	1,126,462					
6. Opening balances on 1st April—										
(i) Treasury	7,988,897	12,799,690	16,686,990	18,390,018	8,738,970					
(ii) Paper Currency Reserve { Securities	1,385,333	1,335,333	1,335,333	2,666,666	2,666,666					
Gold	1,500,000	2,500,000	5,045,000	5,700,000	6,100,000					
(iii) Gold Standard Reserve { Securities	7,414,510	13,219,217	15,851,785	16,748,085	15,945,669					
Gold	469,818	3,010,538	1,477,359	1,073,710	2,625,664					
TOTAL	56,995,049	64,199,605	68,496,467	69,486,085	72,248,931					
1. Net charges against revenue	18,411,709	16,605,706	18,865,246	19,802,322	19,455,972					
2. Capital Outlay	2,133,514	1,922,180	2,228,255	2,577,434	3,111,940					
3. " " of Companies—										
(i) Working purchased Railways	2,222,838	2,147,218	2,152,576	3,449,179	4,956,669					
(ii) Other Companies	1,367,320	1,120,094	671,916	976,592	1,787,480					
4. Purchase of Silver . . . . .	..	..	..	7,058,619	4,528,055					
5. Payment of sterling bills on London . . . . .	..	..	..	..	..
6. Closing balances—31st March—										
(i) Treasury	12,799,090	16,686,990	18,390,018	8,738,970	8,132,517					
(ii) Paper Currency Reserve { Securities	1,385,333	1,335,333	2,666,666	2,666,666	2,666,666					
Gold	2,500,000	5,045,000	5,700,000	6,100,000	6,100,000					
(iii) Gold standard Reserve { Securities	13,219,217	15,851,785	16,748,085	15,945,669	17,165,070					
Gold	3,010,538	1,477,359	1,073,710	2,625,664	4,344,962					
TOTAL	56,998,049	64,199,605	68,496,467	69,486,085	72,248,931					

(1) The figures for net debt incurred include the amounts raised to pay off certain Railway obligations and applied to that purpose.
 (2) The receipt of £1,000,000 and £250,000 in London in 1905-06 and 1906-07 respectively against opposite payments of gold in India is shown in the accounts as under remittances of gold from India. The transactions were really more in the nature of telegraphic transfers and are therefore included under 'Councils' in the above statement. * s. s. excluding loss on sale of investments.

STATEMENT III.

Distribution of Currency Reserve during the year 1913-14.

(In Lakhs of Rupees.)

MONTH.	Gross circulation.	COIN AND BULLION RESERVE.						SHOW- INGS.
		Silver coin in India.	Gold coin and bullion in India.	Silver bullion under coinage.	Gold coin and bullion in England.	Gold coin and bullion in transit between India and England.	Silver bullion in transit between India and England.	
April, 1913	66,44	15,54	27,75	...	9,15	...	...	14,00
May "	66,25	16,44	26,66	...	9,15	...	...	14,00
June "	66,48	19,47	25,66	...	9,15	...	...	14,00
July "	69,90	21,28	25,52	...	9,15	...	...	14,00
August "	67,23	18,52	25,56	...	9,15	...	...	14,00
September "	61,80	13,64	25,01	...	9,15	...	...	14,00
October "	61,90	13,31	23,23	2,21	9,15	...	...	14,00
November "	64,79	16,08	22,44	3,12	9,15	...	...	14,00
December "	64,57	17,08	22,76	1,58	9,15	...	...	14,00
January 1914	63,94	18,44	22,35	.	9,15	...	...	14,00
February "	65,12	18,90	23,18	...	9,15	...	...	14,00
March "	66,12	20,53	22,44	...	9,15	...	...	14,00*

Distribution of Metallic Reserve on the 31st March 1914 by Circles.

CIRCLE.	Silver coin.	Gold coin and bullion.	Silver bullion under coinage.	Gold coin and bullion in England.	Silver bullion in transit between India and England.
	₹ a.	₹	₹	₹	₹
At Calcutta	7,89,91,714 6	1,35,72,368	...	9,15,00,000	...
" Cawnpore	3,91,80,181 0	97,19,910	...	...	...
" Lahore	1,72,27,808 0	95,52,215	...	...	...
" Bombay	1,32,46,292 0	17,29,88,700	...	...	...
" Karachi	10,63,460 0	30,34,920	...	...	...
" Madras	2,41,59,770 0	69,45,585	...	...	...
" Rangoon	3,14,63,751 0	85,08,375	...	...	...
TOTAL	20,53,22,916 6	22,43,53,073	...	9,15,00,000	...

52,11,75,989 8 0

* Made up of:—

	Nominal Value.		Cost price.	
	₹	₹ a. p.	₹	a. p.
In rupee securities—				
3½ per cent. loan of 1842-43	3,15,95,000		3,00,00,000	0 0
3 per cent. loan of 1896-97	2,04,86,500		1,99,99,945	10 0
	<u>10,20,81,500</u>		<u>9,99,99,945</u>	<u>10 0</u>
In sterling securities—		£ s. d.		£ s. d.
2½ per cent. Consols	3,128,438	1 6	2,661,666	13 4

STATEMENT IV.

ST

Payments by Government on account of Transfers of Fu

PAID BY	1ST QUARTER, OF ACCOUNT OF										2ND QUARTER, OF ACCOUNT OF										India and Ben- gal. Central Provin- ces	Assam
	India and Ben- gal. Central Provin- ces	Burma	Assam	Bihar and Orissa	United Provinces	Punjab	Madras	Bombay	Total	India and Ben- gal. Central Provin- ces	Burma	Assam	Bihar and Orissa	United Provinces	Punjab	Madras	Bombay	Total				
India and Bengal	...	...	20,70	10,20	6,55	13,04	4,16	78,80	92,13	...	25,42	15,94	87,11	81,48	14,70	88,08	5,09,30	7,32,85	..	..
Central Provinces	15,00	..	..	..	..	..	..	45,00	80,00	..	..	..	..	..	..	..	13,00	12,00	30,10	..
Burma	40,50	..	..	..	..	..	..	17,30	57,80	..	..	..	..	..	..	5,00	2,00	7,00	28,00	..
Assam	11,97	..	..	..	..	..	..	..	11,97	19,44	..	..	..	..	..	..	..	16,44	16,60	..
Bihar and Orissa	1,94	..	..	..	..	..	..	..	1,94	11,97	..	..	..	..	..	..	..	11,97	10,38	..
United Provinces	65,90	..	..	..	..	..	..	56,67	1,22,88	8,03	..	..	11	..	..	..	12,83	15,76	30,25	..
Punjab	54,28	..	..	..	3,00	..	..	1,07,80	1,68,53	9,40	..	..	..	1,04	..	..	17,75	27,10	18,67	..
Madras	80,28	..	5,00	..	..	..	..	1,44,28	2,00,40	..	11,50	..	..	..	..	..	46,40	57,90	3,00	..
Bombay	1,72,20	..	10,00	..	68	26,37	2,00	2,12,26	26,68	12,06	..	..	7,41	28,09	..	22,20	..	1,15,38	47,30	..
TOTAL	4,13,03	..	15,00	20,70	19,45	9,23	20,31	7,16	4,00,00	9,23,97	79,46	..	48,96	15,94	87,22	89,88	40,97	1,27,13	5,09,99	9,20,30	1,28,40	..

MENT IV.

effected by the Public between Provinces during the year 1912-13.

(In Thousands of Rupees.)

1ST QUARTER, OF ACCOUNT OF										4TH QUARTER, OF ACCOUNT OF										TOTAL, OF ACCOUNT OF									
Assam	Bihar and Orissa	United Provinces	Punjab	Madras	Bombay	Total	India and Ben- gal.	Central Provin- ces	Burma	Assam	Bihar and Orissa	United Provinces	Punjab	Madras	Bombay	Total	India and Ben- gal.	Central Provin- ces	Burma	Assam	Bihar and Orissa	United Provinces	Punjab	Madras	Bombay	Total			
16,05	15,42	10,41	4,86	34,24	97,68	1,70,21				19,06	16,05	14,41	5,74	5,76	60,60	1,23,23	...	...	26,00	71,74	88,67	62,80	38,83	1,33,09	6,06,78	11,16,	
...	...	...	...	...	14,55	60,66	17,30	...	...	...	...	...	...	...	31,24	48,54	66,40	...	...	...	...	...	...	...	1,05,79	1,71,
...	...	...	...	5,60	1,08,76	1,37,35	3,75,00	...	...	...	...	...	...	...	2,61,00	6,06,00	6,43,50	...	...	...	...	...	...	10,60	4,14,05	10,68,
...	...	...	...	...	...	19,86	17,48	...	...	...	...	...	...	...	...	17,48	83,78	...	...	...	...	...	...	...	...	48,
...	...	...	...	...	...	10,88	3,04	...	...	...	...	...	...	...	...	3,04	27,33	...	...	...	...	...	...	...	...	27,
30	...	...	...	...	71,54	1,08,00	3,81	...	...	...	...	...	...	...	1,80	5,11	1,08,01	...	...	...	48	...	9	1,49,24	2,45,	
...	...	4,00	...	...	66,06	78,63	3,48	...	...	...	...	3,80	...	...	59,70	63,48	63,68	...	...	...	...	9,34	...	...	3,30,80	3,23,
...	...	...	...	...	30,30	33,30	64,10	...	...	...	...	40	...	...	3,18,00	3,72,50	1,00,20	...	20,50	...	...	...	40	...	4,35,98	5,64,
...	1,80	16,90	35,08	...	1,05,30	66,53	...	...	1	...	12,63	17,71	...	...	...	1,16,77	3,42,71	...	24,20	1	...	32,67	67,07	71,33	...	5,47,
15,62	16,27	21,76	74,87	3,73,72	7,15,83	7,61,74	4,00	19,07	18,06	20,33	20,84	5,76	6,55,84	15,16,23	1,44,67	70,80	71,76	99,18	94,61	1,26,98	2,14,98	20,28,54	41,64,						

STATEMENT V.

Movement of Funds within the Provinces during the year 1913-14.

(in Lakhs of Rupees.)

	India and Bengal.	Central Provinces.	Burma.	Assam.	Bihar and Orissa.	United Provinces.	Punjab.	Madras.	Bombay.	TOTAL.
Supplies of funds to Presidency Banks in Districts.	...	...	63	...	...	...	...	2,95	1,89	5,47
Receipts of funds from Presidency Banks in Districts.	...	...	...	...	..	...	...	32	84	1,16
Sale of supply bills and transfers to the public.	3,82	1	3,87	6	1	45	52	2,32	4,38	15,89
Transfers to head-quarters by Bank post-bills.	48	...	..	...	1	...	...	..	...	49
Total.	4,80	1	4,50	6	2	45	52	5,59	7,08	22,51

STATEMENT VI.

Gross imports of sovereigns during 1911-12, 1912-13 and 1913-14.

(In thousands of £.)

	1911-12.		1912-13.		1913-14.	
	Tendered to Government.	Not so tendered.	Tendered to Government.	Not so tendered.	Tendered to Government.	Not so tendered.
April	995	16	1,393	—186	540	92
May	845	179	1,450	67	812	136
June	210	—34	2,416	105	709	44
July	351	100	795	108	10	80
August	325	71	1,255	571	170	41
September	390	57	1,110	—116	71	49
October	1,551	109	995	—217	697	254
November	1,425	144	535	2	1,035	18
December	1,405	279	1,889	215	906	110
January	3,059	—127	3,264	163	69	142
February	3,822	456	1,139	21	1,127	163
March	2,675	39	698	117	1,125	102
TOTAL	17,053	1,239	16,939	856	7,271	1,231
	18,342		17,795		8,502	

STATEMENT VII.

Absorption of gold coin during 1913-14.

(In thousands of £.)

	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.
Opening balance—					
Currency	19,583	17,243	16,676	15,172	19,583
Treasuries	380	532	355	395	380
Gold Standard Reserve . . . . .	..	..	..	1,475	..
TOTAL	19,963	17,775	17,031	17,042	19,963
Closing balance—					
Currency	17,243	16,676	15,172	14,957	14,957
Treasuries	532	355	395	492	492
Gold Standard Reserve . . . . .	..	..	1,475	..	..
TOTAL	17,775	17,031	17,042	15,449	15,449
Difference (+ net issues—net receipts)	2,188	744	—11	1,593	4,514
<i>Add—imports</i>	2,061	251	2,638	2,321	7,271
<i>Deduct—exports</i>	356	532	17	7	942
Absorption after passing through Government Treasuries	3,803	433	2,610	3,907	10,843
<i>Add—Imports not tendered to Government but absorbed direct</i>	272	170	382	407	1,231
TOTAL ABSORPTION	4,165	603	2,992	4,314	12,074

STATEMENT VII—concluded.

Absorption of gold coin in 1912-13 and 1913-14 by Provinces and quarters.

(In thousands of £.)

Name of Province.	1912-13.					1913-14.				
	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.
India and Bengal	250	101	132	607	1,090	304	179	—28	228	677
Central Provinces	6	73	39	—27	91	45	77	32	—32	122
Burma	215	149	137	818	814	811	178	158	280	927
Assam	2	8	4	4	18	4	3	8	4	14
Bihar and Orissa	4	6	5	5	20	5	11	6	9	25
United Provinces	414	146	777	279	1,616	144	188	427	436	1,195
Punjab and North-West Frontier Province	1,722	—21	1,274	397	3,372	1,004	—344	600	498	1,758
Madras	416	397	264	494	1,571	870	384	459	513	2,025
Bombay	229	—43	676	797	1,658	1,406	—237	953	1,078	4,100
TOTAL	3,258	811	3,307	2,869	10,245	3,893	438	2,610	3,907	10,843

2228 SUPPLEMENT TO THE GAZETTE OF INDIA, DECEMBER 12, 1914.

STATEMENT VII-A.

Receipts of sovereigns from the public at Treasuries, Post Offices and Railway Stations.

(In thousands of £.)

	India and Bengal.	Central Provinces.	Burma.	Assam	Bihar and Orissa.	United Provinces.	Punjab and N.-W. F. Province.	Madras.	Bombay.	(Treasuries) Total.	Post Offices.	Railways.
1906-07 . . .	287	101	153	20	...	624	304	533	816	2,838	553*	468*
1907-08 . . .	298	130	135	26	...	674	802	1,145	1,204	4,409	1,368	1,045
1908-10 . . .	168	39	31	12	...	502	529	771	696	2,748	1,001	710
1909-09 . . .	31	8	2	1	...	102	67	55	679	945	265	134
1910-11 . . .	171	63	38	6	...	487	646	636	1,130	3,177	638	597
1911-12 . . .	248	162	41	10	...	946	1,472	902	1,845	5,626	1,363	1,222
1912-13 . . .	437	298	41	7	33	1,964	2,118	958	2,146	8,002	1,961	1,810
1913-14 . . .	1,011	329	41	8	35	2,019	2,443	1,398	2,939	10,223	2,737	1,987

* For the second half-year only.

SUPPLEMENT TO THE GAZETTE OF INDIA, DECEMBER 12, 1914. 2249

STATEMENT VIII.

Absorption of rupees and half-rupees during 1912-13 and 1913-14.

(In Lakhs of Rupees.)

	1912-13.					1913-14.				
	April to June.	July to Sept.	Oct. to Dec.	January to March.	Total April to March.	April to June.	July to Sept.	Oct. to Dec.	January to March.	Total April to March.
Opening Balance—										
Currency	15,40	15,42	12,73	11,80	15,40	16,45	19,47	13,64	17,02	16,45
Treasury	5,38	5,19	4,42	4,85	5,28	6,01	5,91	5,76	4,99	6,01
Gold Standard Reserve.	2,90	2,90	3,15	5,62	3,90	6,00	6,00	6,00	5,01	6,00
TOTAL	23,68	28,51	20,30	21,77	28,58	28,46	31,38	25,40	26,98	28,46
Closing Balance—										
Currency	15,42	12,73	11,30	16,45	16,45	19,47	13,64	17,02	20,53	20,53
Treasury	5,19	4,42	4,85	6,01	6,01	5,91	5,76	4,99	6,17	6,17
Gold Standard Reserve.	2,90	3,15	5,62	6,00	6,00	6,00	6,00	5,01	6,00	6,00
TOTAL	28,51	20,30	21,77	28,46	28,46	31,38	25,40	26,98	32,70	32,70
Net difference + or —	+7	+3,32	-1,46	-6,69	-4,88	-2,92	+5,98	-1,06	-3,22	-4,24
Add—new coins issued	+33	+1,42	+9,42	+7,80	+18,77	+85	+42	+7,87	+3,41	+12,35
Deduct—Remittances to Mints for recoinage	-68	-68	-41	-1,65	-3,40	-1,01	-84	-52	-52	-2,79
Net Absorption (+) or return from circulation (-)	-28	+3,98	+7,53	-74	+10,49	-3,08	+5,76	+6,07	-3,48	+5,32
Net receipts into (+) or payments from (-) treasuries	+3,58	+4,13	-4,14	+6,95	+10,52	-1,12	-1,11	-8,58	+5,24	-5,52
Net Currency Note circulation increase (+) decrease (-)	-91	-70	+1,27	+41	+7	-81	-3,43	+10,21	-1,10	+2,87

Distribution of absorption by quarters and Provinces.

(In Lakhs of Rupees.)

CIRCLE OR PROVINCE.	1912-13.					1913-14.				
	April to June.	July to Sept.	Oct. to Dec.	January to March.	TOTAL.	April to June.	July to Sept.	Oct. to Dec.	January to March.	TOTAL.
Bengal and India	-2,84	+3,12	+3,17	-2,96	+6,59	-3,04	+12,02	+2,47	-3,48	+7,72
United Provinces	+1,71	-58	+27	-37	+1,08	-48	-1,28	+5	-1,97	-3,68
Punjab and N.-W. Frontier	+2,06	-1,34	+1,58	-65	+1,60	+84	-2,05	+46	-99	-1,35
Bombay	-1,62	-2,02	+2,30	+1,36	+49	+40	-1,07	+3,48	+1,52	+4,01
Madras	+1,32	-46	-27	-50	+9	+1,09	-88	-62	-54	-90
Burma	-43	-1,12	+40	+3,12	+1,97	-59	-1,45	-48	+2,24	-28
Assam	-15	+17	+11	-17	-4	-30	+20	+7	-29	-23
Bihar and Orissa	-31	+6	-6	-52	-83	-19	+44	+16	-32	+9
Central Provinces and Berar	-2	+11	+18	-66	-39	-6	-22	+50	-34	-12
TOTAL	-28	+3,98	+7,53	-74	+10,49	-3,08	+5,76	+6,07	-3,43	+5,32

STATEMENT IX.

Whole rupees coined and issued from the Indian Mints from 1835.

Calendar years.	Coined in Calcutta.	Coined in Madras.	Coined in Bombay.	Total Coined.
	₹	₹	₹	₹
William IV, 1835	10,90,88,070	11,78,000	5,37,12,502	18,89,78,572
Victoria, 1840, 1st issue	17,99,34,670	2,18,98,181	10,98,38,078	31,16,70,924
" 1840, 2nd "	39,85,53,660	5,50,49,201	31,29,58,076	76,65,60,937
" 1862	26,94,27,222	2,94,81,923	40,80,03,034	70,69,12,179
" 1874	1,50,13,834	..	2,85,08,566	4,35,22,400
" 1875	1,16,81,951	..	1,93,59,597	3,09,91,548
" 1876	1,20,01,264	..	2,89,49,037	4,09,50,301
" 1877	3,92,51,692	..	9,55,54,320	13,48,06,012
" 1878	3,26,57,837	..	6,39,27,196	9,65,85,033
" 1879	1,59,28,325	..	7,27,99,904	8,87,23,229
" 1880	1,83,99,894	..	5,37,85,624	7,21,85,518
" 1881	24,35,719	..	31,61,858	55,97,577
" 1882	1,50,90,289	..	5,63,97,273	7,14,87,567
" 1883	51,23,872	..	1,80,22,789	2,31,46,161
" 1884	1,16,41,757	..	3,68,46,570	4,84,88,327
" 1885	3,41,52,203	..	6,48,78,000	9,90,30,203
" 1886	1,08,78,075	..	4,11,46,457	5,20,24,532
" 1887	4,02,00,148	..	4,84,00,000	8,86,00,148
" 1888	75,68,000	..	6,32,00,000	7,07,68,000
" 1889	93,68,310	..	6,53,00,000	7,46,68,310
" 1890	2,47,41,865	..	9,29,00,000	11,76,41,865
" 1891	1,46,69,903	..	4,95,00,000	6,41,69,903
" 1892	3,24,65,120	..	7,22,00,000	10,46,65,120
" 1893	91,40,310	..	6,95,90,000	(a) 7,87,30,310
" 1897	4,70,184	..	10,54,598	(b) 15,24,777
" 1898	12,50,976	..	62,68,437	(b) 75,19,413
" 1900	5,29,02,591	..	6,52,36,908	(d) 11,81,39,499
" 1901	3,37,22,243	..	7,54,13,718	(e) 10,91,35,961
" 1901 coined in 1902	3,82,94,644	..	5,48,44,740	(f) 9,31,39,384
Edward VII, 1903 ditto	25,000	..	..	25,000
" 1903	4,99,78,355	..	5,29,69,151	(g) 10,29,47,506
" 1904	6,83,38,617	..	10,19,40,291	(h) 16,02,78,908
" 1905	5,12,57,883	..	7,82,02,223	(i) 12,74,60,106
" 1906	10,47,97,164	..	16,89,53,269	(j) 26,37,50,433
" 1907	8,13,38,000	..	17,09,11,816	(k) 25,22,49,816
" 1908	2,02,17,723	..	1,07,14,770	3,09,32,493
" 1909	1,27,55,580	..	95,33,746	(l) 2,22,97,326
" 1910	85,00,000	..	91,88,673	1,76,88,673
" 1910 coined in 1911.	41,27,013	..	16,96,273	58,23,286
George V, 1911	42,99,924	..	51,43,125	94,43,049
" 1912	4,51,22,132	..	7,90,67,074	(m) 12,41,89,206
" 1913	7,53,00,163	..	3,74,65,788	(n) 16,32,65,951
" 1914	2,31,00,000	..	1,08,70,214	(o) 3,34,70,214
TOTAL	1,98,50,54,687	10,76,07,305	2,90,59,18,690	4,99,85,80,682

(a) Includes ₹5,90,000 coined for the Bikaner State.
 (b) On account of Kashmir and Bhopal re-coinage.
 (c) Up to 31st March 1914.
 (d) Includes ₹3,99,02,414 coined for Native States.
 (e) " ₹1,90,43,804 coined for Native States.
 (f) " ₹2,98,86,014 coined for Native States.
 (g) " ₹11,66,461 coined for Native States.
 (h) " ₹5,94,331 coined for Native States.
 (i) " ₹3,28,000 coined for Native States.
 (j) " ₹3,90,310 coined for Native States and ₹167 lakhs (Calcutta ₹32 lakhs and Bombay ₹135 lakhs) coined from Gold Standard Reserve Silver.
 (k) " ₹94,766 coined for Native States and ₹433 lakhs (Calcutta ₹168 lakhs and Bombay ₹265 lakhs) coined from Gold Standard Reserve Silver.
 (l) " ₹1,01,459 coined for Native States.
 (m) " ₹16,56,260 coined for Native States.
 (n) " ₹12,73,441 coined for Native States.

STATEMENT X.

Rupee Census.

	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.	1909.	1910.	1911.	1912.	1913.	1914.
William IV. 1835 . . .	1.0	.5	.5	.4	.4	.3	.3	.25	.2	.19	.19	.15	.15	.17	.19	.11	.08	.07	.08
1840, 1st issue . . .	4.0	4.1	4.6	4.5	4.5	4.1	3.1	1.5	.95	.8	.75	.5	.43	.45	.32	.32	.26	.19	.19
1840, 2nd ,, . . .	11.7	11.7	13.0	13.1	12.6	11.8	8.2	4.3	2.3	2.13	1.6	1.2	1.04	.99	.73	.61	.50	.39	.39
1862	20.0	20.0	21.0	20.95	20.2	19.0	19.85	20.15	18.85	17.2	15.7	14.35	13.54	13.73	13.50	13.59	13.08	12.18	12.4
1874 . . . . .	.7	.7	.8	.85	.9	.76	.75	.75	.75	.75	.65	.55	.56	.59	.53	.54	.61	.52	.52
1875	1.1	1.1	1.2	1.25	1.2	1.03	1.15	1.15	1.09	.99	.95	.85	.77	.84	.80	.79	.79	.79	.74
1876	1.4	1.4	1.4	1.5	1.5	1.36	1.4	1.4	1.3	1.25	1.1	1.0	.96	1.01	1.00	.98	.96	.89	.89
1877	4.4	4.4	4.8	4.7	4.5	4.2	4.4	4.5	4.09	3.86	3.5	3.2	3.05	3.09	3.05	3.09	3.04	2.78	2.7
1878	3.1	3.0	3.1	3.15	3.0	2.9	2.95	3.0	2.85	2.65	2.4	2.2	2.04	2.13	2.12	2.12	2.11	1.91	1.9
1879	2.6	2.7	2.9	2.8	2.8	2.5	2.55	2.6	2.5	2.24	2.0	1.95	1.80	1.87	1.82	1.82	1.82	1.68	1.6
1880	2.6	2.7	2.7	2.7	2.7	2.4	2.45	2.5	2.25	2.08	1.85	1.8	1.66	1.68	1.69	1.67	1.68	1.55	1.5
1881 . . . . .	.4	.4	.4	.37	.4	.3	.3	.35	.38	.35	.25	.25	.28	.24	.24	.20	.22	.22	.22
1882	3.0	3.0	3.0	3.0	3.0	2.73	2.8	2.8	2.5	2.4	2.2	2.0	1.84	1.87	1.85	1.85	1.78	1.67	1.64
1883	1.2	1.0	1.06	1.1	1.1	1.0	1.0	1.0	.95	.9	.8	.75	.70	.72	.69	.67	.67	.68	.6
1884	2.2	2.1	2.1	2.2	2.2	1.92	2.0	1.95	1.85	1.75	1.6	1.45	1.38	1.38	1.38	1.36	1.34	1.25	1.2
1885	4.2	4.2	4.2	4.2	4.1	3.7	3.85	3.8	3.55	3.25	2.95	2.8	2.51	2.61	2.59	2.60	2.60	2.36	2.3
1886	2.4	2.6	2.4	2.45	2.35	2.15	2.15	2.2	2.01	1.88	1.75	1.6	1.46	1.51	1.50	1.49	1.52	1.35	1.3
1887	4.7	4.4	4.4	4.8	4.3	3.9	4.0	4.0	3.65	3.4	3.1	2.8	2.59	2.64	2.58	2.60	2.56	2.34	2.3
1888	3.6	3.7	3.2	3.25	3.2	2.9	3.0	3.05	2.7	2.5	2.35	2.1	1.98	2.08	1.98	1.98	1.97	1.84	1.8
1889	4.3	4.1	3.8	3.7	3.7	3.38	3.35	3.35	3.04	2.85	2.6	2.35	2.16	2.28	2.25	2.23	2.18	2.02	2.0
1890	7.3	7.4	6.5	6.3	6.4	5.6	5.7	5.65	5.04	4.8	4.3	3.85	3.53	3.60	3.70	3.65	3.60	3.34	3.3
1891	3.7	3.7	3.4	3.3	3.4	3.0	3.0	3.0	2.75	2.6	2.35	2.1	1.99	2.00	2.02	2.00	2.00	1.87	1.7
1892	6.0	6.0	5.4	5.55	5.6	4.9	5.0	5.0	4.5	4.2	3.85	3.55	3.13	3.21	3.23	3.23	3.20	2.92	2.8
1893	4.4	5.1	4.1	4.32	4.3	3.8	3.75	3.8	3.4	3.2	2.85	2.6	2.37	2.48	2.42	2.37	2.37	2.24	2.1
1897 . . . . .	...	...	.01	.01	.1	.17	.15	.15	.18	.15	.17	.15	.18	.16	.17	.18	.16	.14	.12
1898 . . . . .	...	...	.08	.05	.35	.4	.45	.4	.5	.4	.44	.35	.38	.42	.34	.34	.45	.40	.3
1900 . . . . .	...	...	...	...	1.2	6.8	7.0	7.05	3.8	5.85	5.25	4.7	4.34	4.32	4.39	4.30	4.21	3.84	3.6
1901 . . . . .	...	...	...	...	...	3.05	6.4	9.75	9.4	9.03	8.1	7.85	6.84	6.89	6.74	6.68	6.57	6.07	5.9
1903 . . . . .	...	...	...	...	...	...	...	.75	6.6	5.83	4.8	4.2	3.94	3.84	3.58	3.59	3.60	3.46	3.2
1904 . . . . .	...	...	...	...	...	...	...	...	3.0	3.4	3.0	2.8	2.48	2.03	1.82	1.79	1.58	1.21	1.0
1905 . . . . .	...	...	...	...	...	...	...	...	...	2.3	2.8	2.6	2.00	1.74	1.51	1.52	1.14	1.74	1.2
1906 . . . . .	...	...	...	...	...	...	...	...	...	...	...	3.7	11.6	10.56	9.92	10.20	10.02	9.40	8.7
1907 . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	2.5	3.22	3.22	3.56	3.86	3.38	3.1
1908 . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	.64	1.20	1.48	1.53	1.73	1.6
1909 . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...	.25	.95	.90	.95	.9
1910 . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...	.17	.75	1.09	.94	.9
1911 . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	.08	.13	.1
1911 . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	.13	...	.1
1912 . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	.21	4.83	4.4
1913 . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	2.23	5.3
1914 . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

VICTORIA.

EDWARD VII.

GEORGE V.

STATEMENT XI.

STA

Value of Currency Notes in circulation

	1863-64.	1864-65.	1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	1870-71.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.
April	5,13	5,68	7,48	7,02	7,84	8,22	9,80	9,65	10,18	13,34	11,01	9,27	10,75	10,75	11,13	13,30	11,37	12,69	13,86	14,20	13,35	13,34	13,02
May	5,01	6,04	7,46	7,87	8,19	10,04	10,38	8,68	10,48	13,49	11,31	9,96	11,06	10,70	11,55	13,09	11,17	13,10	13,01	14,67	13,09	13,24	13,54
June	5,09	5,99	8,34	8,60	8,58	10,04	10,80	8,70	10,68	13,51	11,83	10,15	11,29	11,59	12,67	13,87	11,82	13,64	13,72	14,01	13,01	13,88	14,86
July	5,11	6,31	8,58	8,67	8,72	10,06	10,58	9,12	10,72	13,47	11,95	10,73	11,18	11,54	12,85	14,07	12,24	13,91	14,04	15,29	13,54	14,56	14,50
August	5,16	6,37	8,63	8,48	9,39	10,13	10,21	9,45	11,23	13,22	12,05	10,87	11,19	11,91	12,15	14,27	12,74	13,75	14,23	15,29	13,79	14,97	14,36
September	5,28	6,48	8,87	9,28	9,53	10,41	10,18	10,07	11,32	13,35	12,09	10,60	11,77	11,75	12,39	14,06	13,88	13,47	13,55	15,23	14,40	15,01	15,55
October	5,63	7,09	7,84	10,16	9,96	10,61	10,78	10,19	11,31	13,00	12,06	10,88	12,04	11,45	13,19	13,70	13,58	13,55	13,39	15,63	14,40	15,61	15,71
November	5,16	7,13	7,88	10,10	10,21	10,41	11,33	10,27	11,09	13,30	11,73	11,02	11,69	11,93	14,74	13,46	13,75	14,50	13,07	16,25	14,47	15,76	15,64
December	5,11	7,48	7,40	9,96	10,32	10,30	11,51	10,35	10,87	12,53	10,91	11,08	11,22	11,97	15,06	12,69	13,80	14,38	13,15	15,16	13,89	15,08	15,20
January	5,15	7,39	6,91	8,68	10,11	10,20	11,42	10,76	13,02	13,16	9,98	11,10	11,77	12,44	15,64	12,15	14,23	14,12	13,39	15,37	12,11	14,97	15,41
February	5,08	7,40	6,87	8,97	9,56	10,68	10,33	10,07	12,69	11,52	9,69	11,13	11,23	12,07	14,07	12,30	13,23	12,25	13,74	14,42	13,26	14,58	14,56
March	5,35	7,43	6,90	8,09	9,07	9,96	10,47	10,44	13,17	11,14	9,25	11,24	11,00	11,62	13,57	11,42	12,36	13,40	13,91	14,51	12,76	14,56	14,17
Average	5,19	6,73	7,76	8,31	9,29	10,15	10,67	9,81	11,42	12,56	11,15	10,67	11,35	11,64	13,25	13,19	12,80	12,66	13,50	15,13	13,39	14,54	14,71
Reserve Treasury balances held in Notes	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Average	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	71	1,44	2,25	1,36	1,49	79
Metallic Reserve Average Gold	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
“ Silver	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	7,72	7,49	9,13	7,40	8,45	8,72
Currency investment on 31st March	2,49	3,87	3,98	3,25	3,25	3,91	3,90	3,23	5,91	5,69	5,69	5,69	5,69	6,00	5,69	6,00	6,00	6,00	6,00	6,00	6,00	6,00	5,99
Profits of Paper Currency Department	...	18	8	7	10	7	14	12	11	21	19	20	20	21	20	19	25	23	21	21	21	22	20

PART XI.

to the last day of each month.

(In Lakhs of Rupees.)

	1888-89	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.	1899-00.	1900-01.	1901-02.	1902-03.	1903-04.	1904-05.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.
11-02	16.54	15.82	17.42	25.71	23.96	24.32	30.64	30.76	25.92	23.91	24.28	28.02	27.90	28.59	31.25	33.04	36.11	39.78	43.76	46.22	40.26	43.65	52.84	54.69	56.94	60.44
11-90	17.08	15.77	17.65	26.18	25.29	24.99	31.19	30.17	26.89	23.36	23.25	28.25	28.65	29.08	31.56	35.13	37.26	40.19	42.69	46.07	44.81	46.77	54.30	55.10	58.89	66.25
11-05	17.89	16.34	17.94	26.81	26.77	26.40	31.40	30.86	27.78	23.39	24.92	29.14	30.41	31.82	33.59	36.57	40.65	41.96	45.56	48.05	45.15	49.29	56.95	58.22	64.12	68.48
11-45	18.00	16.49	10.18	27.04	26.46	27.05	31.20	32.40	29.59	24.76	26.24	29.27	30.78	31.69	35.20	37.57	42.52	41.58	47.80	50.33	48.10	51.58	59.16	60.29	66.59	69.90
11-66	17.69	10.18	20.50	26.99	29.07	28.20	31.57	31.54	28.28	24.00	26.32	28.76	28.44	30.89	35.58	37.70	41.85	48.79	45.70	51.77	44.61	51.74	58.06	59.69	66.16	67.28
10-78	16.84	16.14	22.97	26.24	28.97	28.98	31.29	30.97	28.68	24.74	25.64	27.69	28.31	30.55	34.65	36.61	39.96	42.78	44.40	53.74	48.84	50.62	56.19	63.89	68.33	61.80
17-28	16.74	16.63	25.66	25.99	23.94	28.59	31.81	29.98	25.06	24.59	25.64	27.67	28.30	31.86	34.36	37.00	39.45	41.58	45.22	50.65	44.26	50.50	58.36	56.61	65.79	61.00
18-61	15.50	16.87	26.54	25.88	28.69	29.62	32.35	28.86	24.58	24.65	25.79	27.89	28.35	30.60	34.20	36.98	39.80	39.68	44.18	47.43	48.55	46.53	52.10	58.06	67.27	64.79
17-60	15.15	15.47	27.04	24.86	26.05	30.13	31.45	27.82	25.26	23.79	25.20	26.26	28.06	28.07	33.74	34.43	38.79	39.77	45.61	48.27	42.07	48.25	49.67	56.18	65.70	64.57
7-0	15.28	16.20	27.06	22.62	26.61	30.52	29.50	27.12	24.27	24.32	25.67	27.18	29.37	27.96	32.18	35.47	37.62	40.49	44.65	41.63	42.21	51.64	51.19	54.70	67.75	63.04
11-88	16.87	26.42	22.90	25.86	30.20	30.35	35.99	25.58	24.53	26.24	27.27	28.10	27.68	32.85	37.29	37.73	42.68	45.40	42.66	48.86	50.57	53.53	57.19	67.54	65.18	
15-74	15.77	25.60	24.08	26.40	30.41	30.70	25.94	23.75	24.76	28.20	28.74	29.87	31.66	35.73	38.21	39.18	44.66	46.95	46.69	45.49	54.41	54.90	61.96	63.98	66.13	
10-43	16.15	22.60	25.44	27.10	28.20	31.11	29.28	25.98	24.24	25.63	27.96	28.86	30.03	33.74	36.41	39.20	41.52	45.14	47.32	44.52	49.66	54.35	57.37	65.62	65.65	
11-15	1.01	1.74	2.14	2.27	6.08	7.16	8.42	1.85	1.49	3.11	2.47	3.94	4.16	4.18	5.65	8.87	8.57	3.66	4.33	3.76	3.64	5.20	5.53	10.71	9.93	
										70	6.54	12.19	7.62	10.24	15.11	16.87	16.31	12.89	13.40	4.09	4.75	13.34	20.36	38.68	33.54	
10-40	10.17	16.64	18.38	19.10	20.29	23.11	21.28	17.31	14.22	14.99	11.42	6.66	12.41	13.70	11.50	12.58	13.87	20.45	21.98	23.48	32.91	30.01	23.01	14.99	18.01	
	7.00	8.00	8.00	8.00	8.00	8.00	6.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	12.00	12.00	12.00	12.00	12.00	12.00	14.00	14.00	14.00	
	21	24	27	28	29	22	24	26	29	19	24	27	25	27	33	25	26	27	18	22	12	28				

STATEMENT XII.

Statement of the value of Government Currency Notes in circulation throughout India during 1913-14 and previous years.

	CALCUTTA.	CANNORE.	LARORE.	BOMBAY.	KARACHI.	MADRAS.	CALCUT.	RANGOON.	TOTAL.
	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.
Average of 1882-88 to 1886-87	2,69,38,972	20,98,127(a)	20,77,591(a)	2,04,52,274	9,61,248(b)	60,14,446	8,45,821(a)	...	6,64,98,118
1887-88 to 1871-72	3,77,08,263	35,08,005	30,29,804	4,73,69,682	21,04,702	61,01,817	8,40,554	.....	10,26,57,927
1872-78 to 1876-77	4,85,28,278	66,18,652	55,48,411	3,86,91,351	19,17,089	1,18,90,593	21,58,582	...	11,58,47,901
1877-78 to 1881-82	6,86,26,928	88,89,749	68,88,468	3,75,04,227	28,85,809	1,48,99,405	17,54,186	.....	19,28,18,287
1882-88 to 1886-87	6,32,94,738	78,46,597	78,90,464	4,44,29,612	37,85,266	1,41,73,405	13,42,370	28,46,849(c)	14,40,39,326
1887-88 to 1891-92	7,55,28,706	98,32,870	1,08,85,192	6,61,18,610	49,21,093	2,17,27,845	15,86,244	45,98,834	19,41,61,687
1892-98 to 1896-97	11,88,66,705	1,24,39,476	1,68,82,145	9,14,88,035	74,74,756	3,11,76,919	15,70,975	63,73,527	28,95,28,138
1897-98 to 1901-02	11,66,19,090	1,35,80,879	2,02,98,065	7,53,18,545	72,85,468	3,04,66,242	15,24,750	85,13,184	27,34,98,899
1902-06 to 1906-07	16,37,64,515	2,04,82,663	2,83,98,878	10,84,39,795	1,08,38,794	4,22,65,999	13,23,615	1,65,07,822	39,20,11,762
1907-08 to 1911-12	20,82,66,121	2,56,99,584	3,35,22,552	13,11,96,698	1,40,82,723	5,93,91,275	19,61,808(b)	3,26,74,999	50,64,18,668
1912-13	28,42,62,019	2,40,57,845	2,91,86,891	17,06,56,935	1,18,43,344	8,94,41,987	...	5,27,79,991	65,62,08,012
1913-14	28,37,07,370	2,68,78,121	3,62,26,090	15,76,38,493	1,51,41,920	8,45,97,578	.....	5,18,82,638	65,55,07,240
Increase (+) or decrease (-) in 1913-14 as compared with 1912-13	-5,54,649	+23,15,776	+70,59,699	-1,30,18,442	+32,08,606	+10,95,591	.....	-8,97,258	-7,00,772
Percentage on average circulation 1912-13	-1.95	+9.626	+24.205	-7.638	+7.652	+1.618	...	-1.700	...

(A) Includes Calicut Circle the average of which for 10 months was 25,68,246
 (a) Average for 3 years.
 (b) " " 2 " "
 (c) " " 4 " "

STATEMENT XIII.

Currency Notes in circulation in India. (In Thousands of Rupees.)

LAST DAY OF	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karnool.	Madras.	Calicut.	Rangoon.	TOTAL.
1908.									
	17,52,02	2,44,11	2,78,10	9,41,81	1,20,80	5,52,95	1,0,21	2,73,85	41,11,65
	17,40,09	2,66,56	2,93,76	9,01,83	1,39,02	5,97,71	18,09	3,09,00	42,65,62
	21,10,18	2,64,93	3,22,70	9,36,11	1,80,28	6,22,34	12,89	2,59,07	46,88,50
	19,20,59	2,57,07	3,58,71	10,29,39	1,41,56	6,38,38	13,78	2,66,24	46,26,32
	17,09,70	2,98,58	3,27,55	10,86,06	1,51,50	6,21,30	13,66	2,77,77	44,81,13
	17,43,51	2,97,82	3,47,08	10,19,76	1,29,34	6,44,07	15,96	3,15,60	46,15,08
	19,58,38	3,48,23	3,92,98	10,52,29	1,45,26	5,61,30	18,52	3,32,93	48,09,87
	17,42,98	3,58,98	3,33,30	9,80,00	1,62,57	5,10,74	28,27	3,42,79	44,10,68
	18,39,65	2,78,88	2,80,64	10,77,75	1,86,90	5,15,51	30,16	3,74,62	43,84,11
	15,86,74	2,72,73	2,92,04	10,94,18	2,10,13	5,52,37	28,05	3,89,25	44,25,49
	16,11,74	2,57,35	2,79,30	10,26,85	2,13,98	5,49,84	29,64	3,85,79	43,54,52
	16,31,43	2,25,02	2,81,54	9,89,47	2,08,75	5,37,20	21,05	3,12,55	42,07,01
1909.									
	18,96,55	2,17,44	2,88,69	9,85,18	2,11,82	5,30,86	20,09	2,89,94	42,20,57
	17,72,18	2,28,46	3,08,27	10,26,23	2,10,16	5,18,15	13,67	3,08,37	43,85,51
	20,06,80	2,23,62	3,06,44	10,03,01	2,27,53	4,72,42	12,33	2,95,84	45,48,79
	17,67,63	2,88,35	3,29,27	10,06,38	2,17,21	5,24,73*	...	2,81,42	43,64,90
	21,33,40	2,06,43	3,02,56	10,62,81	1,94,87	5,26,69*	...	2,50,66	46,77,22
	22,48,02	2,29,56	3,80,65	11,94,44	1,64,61	5,63,99*	...	2,58,21	49,29,48
	22,14,68	2,98,69	3,39,71	13,72,81	1,49,09	5,66,93*	...	2,72,61	51,53,46
	21,32,36	2,62,62	3,47,35	14,58,79	1,53,36	5,31,78*	...	2,34,28	51,73,54
	15,98,44	2,66,94	3,51,54	15,41,38	1,83,87	5,17,52*	...	3,02,51	50,82,20
	18,57,38	2,70,93	3,48,87	15,28,36	2,00,61	5,35,08*	...	3,08,67	50,49,35
	18,56,41	2,42,89	3,37,87	11,99,56	1,77,51	5,38,08*	...	3,00,71	46,53,03
	19,52,56	2,41,40	3,59,09	13,23,32	1,51,14	5,47,56*	...	2,49,99	48,25,06
1910									
	18,95,43	2,46,79	3,73,15	16,66,96	1,39,45	5,04,54*	...	2,98,12	51,81,47
	20,04,56	2,47,29	3,83,24	13,07,56	1,43,30	5,68,42*	...	4,02,46	50,56,83
	21,11,40	2,21,75	3,94,79	14,01,38	1,54,20	6,05,69	...	3,18,63	54,40,84
	22,00,48	2,39,18	3,80,13	13,69,43	1,43,98	6,31,04	...	3,17,20	52,84,14
	21,55,12	2,26,64	3,76,94	13,56,20	1,37,61	5,88,75	...	2,88,31	51,39,60
	21,82,75	2,17,67	3,77,23	15,44,12	1,10,00	6,62,75	...	2,71,70	50,95,2
	26,18,99	2,79,02	3,49,80	16,01,56	1,20,36	6,61,19	...	2,85,53	59,16,45
	21,84,07	2,76,09	3,62,76	16,64,00	1,19,45	6,41,32	...	2,73,02	58,05,71
	22,01,76	2,71,47	3,65,68	17,16,37	1,86,72	6,24,49	...	2,90,12	56,06,61
	20,17,16	3,06,75	3,45,61	16,08,99	1,43,74	6,17,09	...	2,97,77	53,35,11
	21,35,06	2,70,20	3,97,29	15,07,47	1,47,03	5,48,96	...	2,54,74	52,09,74
								3,11,14	49,67,01

STATEMENT XIII.—contd.
Currency Notes in circulation in India. (In Thousands of Rupees)—contd.

LAST DAY OF	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Calcutt.	Baugoon.
1911.								
January	19,03,80	2,63,33	3,20,91	13,50,83	1,62,08	6,50,06	...	3,82,90
February	21,85,69	2,55,87	3,37,41	12,77,82	1,53,25	7,06,09	...	4,35,99
March	23,63,58	2,51,60	3,55,85	12,94,61	1,63,56	6,67,18	...	4,03,23
April	23,00,60	2,30,41	3,75,18	13,50,90	1,69,83	6,71,02	...	3,70,64
May	24,10,25	2,31,38	3,46,05	13,79,73	1,59,32	6,25,08	...	3,57,61
June	24,61,47	2,43,69	3,76,05	15,72,97	1,38,37	6,94,58	...	3,34,54
July	25,16,59	2,69,42	3,95,79	16,83,32	1,30,67	6,84,54	...	3,46,08
August	22,89,56	2,77,78	3,99,64	13,13,16	1,43,56	6,30,44	..	3,65,10
September	20,93,73	3,08,80	3,71,30	16,75,29	1,55,59	6,74,38	...	3,52,87
October	20,77,30	3,31,38	3,72,88	16,72,83	1,55,85	7,11,97	...	3,43,39
November	23,82,28	3,00,63	4,00,94	15,65,48	1,56,07	6,72,73	...	3,26,45
December	22,99,88	2,37,02	3,82,65	13,59,24	1,46,39	6,81,41	...	4,61,27
1912.								
January	22,07,74	2,77,97	3,40,06	12,47,00	1,26,98	6,94,02	...	5,76,19
February	23,40,17	2,62,77	3,47,01	13,27,63	1,22,31	7,45,43	.	5,73,39
March	26,56,27	2,43,25	3,43,80	14,53,38	1,27,70	7,97,74	...	5,08,11
April	25,52,70	2,27,96	3,09,63	13,84,37	1,25,49	7,59,85	...	4,73,57
May	26,62,69	2,07,86	2,74,17	13,75,27	1,09,18	7,68,58	...	4,91,26
June	29,20,56	2,20,31	2,83,47	15,58,97	1,17,02	8,13,95	...	4,93,09
July	30,82,70	2,37,42	2,82,03	16,67,25	1,01,24	7,87,48	...	5,01,14
August	28,08,59	2,72,92	3,15,03	20,16,38	1,28,70	7,49,90	...	5,24,46
September	25,99,77	2,85,95	2,97,61	22,47,44	1,20,56	7,59,87	...	5,21,57
October	26,51,64	2,78,38	2,91,40	20,04,79	1,14,00	7,88,92	...	4,49,84
November	26,86,16	2,57,96	2,70,77	19,94,05	1,04,00	7,81,52	...	4,35,05
December	29,00,18	2,24,79	2,76,75	16,66,56	1,13,22	8,62,91	...	5,25,75
1913.								
January	29,81,73	2,24,02	2,84,62	16,35,82	1,24,85	9,03,24	...	6,20,77
February	29,10,21	2,26,05	3,22,50	14,86,66	1,33,68	9,92,65	...	6,80,16
March	31,52,49	2,28,28	2,92,97	14,39,29	1,29,55	10,44,17	...	6,16,08
April	30,98,36	3,14,64	3,07,90	12,98,57	1,40,88	10,35,31	...	5,58,25
May	31,91,06	1,99,07	2,83,65	13,57,49	1,30,34	9,30,17	...	5,28,07
June	32,06,72	2,33,59	3,07,35	15,54,47	1,38,21	9,06,02	...	5,01,35
July	31,06,47	2,35,87	4,30,41	17,56,40	1,28,10	8,72,19	...	4,60,40
August	28,09,00	2,88,91	4,53,12	17,16,26	1,37,18	8,55,72	..	4,68,29
September	25,01,26	3,47,57	4,18,60	16,29,98	1,32,71	8,11,46	...	4,38,37
October	24,82,18	2,58,85	3,81,91	17,32,87	1,60,24	7,52,98	...	4,21,45
November	28,04,16	2,62,51	3,41,90	17,68,55	1,77,03	7,25,15	...	4,00,01
December	27,26,70	2,78,19	3,35,01	17,24,92	1,77,27	7,48,88	..	4,65,81
1914.								
January	26,71,20	3,27,70	3,74,93	14,67,03	1,59,71	7,76,77	..	6,29,07
February	26,32,48	3,11,06	3,54,02	14,88,26	1,59,73	8,44,86	..	7,27, 8
March	28,20,30	3,11,78	3,58,46	14,26,81	1,75,84	8,84,11	...	6,3, 17

STATEMENT XIV.

Net Circulation.

(i. e., gross circulation less the balances held in Reserve Treasuries in notes.)

(In Lakhs of Rupees.)

LAST DAY OF	CALCUTTA.			CANNPORE			LAHORE			BOMBAY			KARACHI.			MADRAS			BANGGON.			TOTAL.		
	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.
April	19,25	22,46	24,06	2,30	2,28	3,15	3,75	3,10	3,08	11,82	13,09	10,92	1,70	1,35	1,41	5,89	6,35	7,88	3,71	4,74	5,58	48,42	53,77	54,58
May	19,11	22,16	23,79	2,31	3,08	1,99	3,46	2,74	2,89	12,78	12,81	11,64	1,59	1,09	1,80	5,44	6,46	7,16	3,58	4,91	5,28	48,27	52,25	54,05
June	19,28	22,61	24,01	2,44	2,20	2,34	3,76	2,82	3,07	13,90	14,09	12,77	1,38	1,17	1,38	5,94	6,78	6,60	3,94	4,99	5,01	50,04	54,66	55,18
July	19,64	23,70	22,37	2,69	2,36	2,36	3,86	2,82	4,30	14,07	13,88	12,87	1,31	1,01	1,23	5,52	6,34	6,15	3,49	5,01	4,60	50,68	55,34	53,98
August	18,75	21,43	20,08	2,78	2,73	2,84	4,00	3,15	4,53	15,66	14,00	11,99	1,43	1,29	1,87	5,58	6,47	6,23	3,65	5,24	4,68	51,85	54,31	51,71
September	18,84	20,34	20,69	3,09	2,86	2,48	3,71	2,98	4,19	14,70	14,84	10,75	1,55	1,20	1,33	5,71	6,50	6,21	5,59	5,22	4,32	50,63	53,34	50,03
October	19,25	22,82	21,31	3,21	2,78	2,59	3,78	2,91	3,32	15,16	13,25	14,05	1,56	1,14	1,60	6,30	6,72	6,28	3,46	4,50	4,21	52,69	54,12	54,34
November	21,46	23,68	23,78	3,01	2,53	2,63	4,01	2,71	3,43	14,34	13,11	15,19	1,56	1,04	1,77	6,42	7,06	6,34	3,26	4,30	4,00	54,36	54,48	57,13
December	20,40	24,67	24,71	2,87	2,25	2,78	3,83	2,77	3,35	13,28	11,83	15,45	1,46	1,13	1,77	6,37	7,13	6,60	4,61	5,26	4,66	52,32	55,09	59,32
January	20,71	25,20	24,52	2,78	2,24	2,38	3,40	2,84	3,72	11,54	12,03	12,33	1,27	1,35	1,60	6,13	7,14	7,03	5,76	6,21	6,20	51,59	56,91	53,73
February	21,54	25,67	24,24	2,63	2,26	2,11	3,47	3,33	3,54	12,99	10,97	12,62	1,22	1,33	1,60	6,74	7,33	7,37	5,73	6,39	7,27	54,32	57,64	59,75
March	23,61	24,56	24,63	2,43	2,23	2,12	3,44	2,33	3,50	13,20	11,39	11,87	1,23	1,30	1,76	7,12	7,59	7,42	5,09	6,16	6,26	56,17	56,30	52,72
AVERAGE	20,11	23,27	23,23	2,71	2,40	2,64	3,73	2,82	3,62	13,66	12,96	12,70	1,44	1,13	1,52	6,10	6,91	6,73	4,10	5,23	5,19	51,83	54,92	55,62

STATEMENT XV.

Statement of Active Note Circulation during 1913-14 and the two previous years.

[In Lakhs of Rupees.]

LAST DAY OF MONTH.	Gross circulation on last day of month.			Amounts held in Reserve Treasuries.			Amounts held in other Treasuries.			Total held in Treasuries.			Balance, being notes in circulation with the public.			Notes held by Presidency Banks at Head Offices.			Active circulation among the people.		
	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.	1911-12.	1912-13.	1913-14.
April	54,69	58,84	66,44	6,96	4,57	11,86	2,37	2,61	2,89	8,68	7,18	14,75	46,06	51,16	51,89	5,74	7,68	5,94	40,32	48,58	45,75
May	55,10	59,89	66,25	6,88	6,64	12,90	2,08	2,40	2,31	8,91	9,04	14,51	46,19	49,85	51,74	6,74	7,97	7,08	39,45	49,58	44,66
June	58,28	64,12	68,46	8,18	9,45	13,31	2,27	2,38	2,67	10,45	11,79	15,98	47,77	52,38	52,50	9,38	9,64	8,38	38,44	42,69	44,17
July	60,28	66,59	69,90	9,69	10,96	15,97	2,40	2,07	2,24	12,02	13,08	19,21	48,37	53,56	50,69	9,12	10,79	6,48	39,15	42,77	44,26
August	59,69	68,16	67,28	7,84	10,85	15,58	2,20	2,21	2,25	10,04	16,06	18,78	49,65	52,10	48,45	8,86	7,88	5,62	40,99	44,27	42,83
September	56,82	68,88	61,80	5,68	14,48	11,77	1,94	2,22	2,66	7,82	16,70	14,78	48,70	51,68	47,07	7,64	6,85	3,79	41,06	45,28	43,28
October	56,61	65,79	61,90	8,91	11,67	7,56	2,38	2,00	2,38	6,14	13,67	9,94	50,47	52,12	51,96	8,28	6,59	5,14	42,24	45,68	46,82
November	58,05	67,27	64,79	3,49	12,79	7,87	2,80	2,45	2,30	5,79	15,24	9,97	52,26	52,08	54,82	9,18	5,40	6,74	42,08	46,68	48,08
December	56,18	65,70	64,57	3,86	10,61	5,28	1,98	2,19	2,04	5,29	12,90	7,29	50,89	52,90	57,28	6,27	5,52	6,60	44,62	47,88	50,68
January	54,70	67,75	68,94	3,11	10,24	5,21	2,61	2,98	2,95	5,72	13,82	8,16	48,98	53,98	55,78	4,94	5,62	6,22	44,14	48,31	48,96
February	57,19	67,54	65,12	2,86	9,90	5,43	2,96	3,71	3,01	5,82	13,61	8,44	51,37	53,96	56,74	6,79	5,45	6,64	44,58	48,42	50,10
March	61,36	68,98	66,12	5,19	12,68	7,40	2,83	2,99	2,54	8,12	15,67	9,94	53,24	63,31	56,13	8,88	5,99	6,21	44,61	47,32	49,97
Average	57,37	65,62	65,55	5,58	10,71	9,98	2,85	2,51	2,71	7,88	13,22	12,64	49,49	52,40	52,91	7,80	7,01	6,28	41,89	45,89	46,63

2260 SUPPLEMENT TO THE GAZETTE OF INDIA, DECEMBER 12, 1914.

STATEMENT XVI.

Gross circulation of each denomination of note on the 31st March 1914.

	NUMBER OF NOTES FOR RUPEES								TOTAL.	
	5	10	20	50	100	500	1,000	10,000	Pieces.	Value.
Calcutta . . .	352,021	10,867,478	9,612	51,493	567,419	24,888	22,597	6,688	11,407,786	28,20,29,875
Cawnpore . . .	144,159	225,219	2,837	27,857	123,898	6,180	6,947	509	586,521	3,11,78,075
Lahore	476,097	601,302	6,292	58,018	117,573	7,864	4,945	859	1,272,459	3,15,41,545
Bombay	1,365,574	2,046,140	12,955	152,559	238,922	9,555	35,286	4,155	4,066,944	14,26,81,020
Karachi	34,568	920,786	1,588	16,979	19,865	948	2,342	802	999,882	1,75,84,310
Madras	710,374	767,020	3,978	42,409	468,742	3,556	2,309	2,208	2,020,489	8,84,16,850
Rangoon . . .	140,818	3,206,478	1,258	8,256	225,009	183	1,546	633	3,538,625	6,36,47,490
TOTAL	3,222,891	17,726,423	38,415	357,059	1,761,370	52,774	91,712	15,394	23,229,988	68,11,75,925
Percentage of Increase . . .	+ 9.1	- 1.2	- 21.7	+ 3.7	+ 2	- 2.9	+ 1.5	- 16.1	..	.
Total for 31st March 1912	2,954,972	17,941,968	49,066	344,337	1,776,201	54,347	90,392	13,220	23,229,499	68,97,75,240
Percentage of Increase . . .	+ 13.6	+ 18.8	- 25.3	- 9.2	+ 7.5	- 3.1	- 2.7	+ 27.2	..	.
Total for 31st March 1912	2,599,877	16,000,740	65,838	379,255	1,652,208	56,102	93,971	14,320	19,951,107	61,36,25,095

STATEMENT XVII.

Growth in circulation of 5 and 10-rupee notes in selected circles.

[In Thousands of Pieces.]

	Average of gross circulation.										Percentage of increase as compared with preceding year.									Percentage of increase of	
	1904-05.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.	1908-09 over 1904-05.	1913-14 over 1908-09.
Average of Rs.																					
Calcutta	102	119	137	158	175	241	256	275	330	337	16.6	15.1	15.3	10.7	37.7	6.2	7.4	20.0	2.1	72	93
Lahore	88	93	104	143	201	234	317	388	390	453	5.7	11.8	37.5	40.5	41.2	11.6	22.4	5	16.2	128	125
Madras	145	149	185	225	268	378	502	544	628	667	2.7	24.1	21.6	19.1	41.0	32.8	8.3	15.4	9.4	65	166
Bombay	665	723	847	929	919	1,079	1,116	1,158	1,238	1,332	8.7	17.1	9.7	-1.1	17.4	3.4	3.7	6.9	7.6	38	45
Average of Rs10.																					
Calcutta	4,826	5,163	6,623	6,508	5,858	6,534	7,051	8,064	9,871	10,245	19.3	23.2	-1.7	-9.8	11.3	7.9	14.4	22.4	3.3	36	75
Lahore	205	236	268	274	304	437	567	588	574	583	15.1	9.3	6.2	10.9	43.7	29.7	3.3	-2.0	1.6	48	92
Madras	294	334	320	359	395	432	554	606	706	754	-3.4	12.7	12.2	10.0	9.4	28.2	9.4	16.5	6.3	34	91
Bombay	1,310	1,369	1,494	1,564	1,565	1,836	2,014	1,989	2,026	2,208	6.0	7.5	4.6	.1	17.3	9.7	-1.2	1.8	9.0	19	41

STATEMENT XVIII.

Encashment of Foreign Circle Notes.

CIRCLE.	CASHED BY								TOTAL.			
	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Bangoon.	Calcutt.	1913-14.	1912-13.	1911-12.	1910-11.
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Calcutta . . .	..	60,82,185	97,07,870	2,19,43,430	45,88,735	41,84,260	10,87,610	...	4,75,28,560	4,28,22,540	2,72,98,275	1,42,88,180
Cawnpore . . .	2,02,28,965	...	82,26,215	1,28,94,580	17,75,625	6,07,400	68,345	..	8,91,88,080	2,34,40,080	2,36,07,180	1,69,77,910
Lahore . . .	1,80,94,640	21,28,880	...	1,66,62,425	1,45,58,028	20,88,525	77,170	..	5,15,84,725	8,97,66,315	4,50,16,085	3,00,45,375
Bombay . . .	1,12,65,565	28,02,900	52,88,480	...	25,84,755	80,18,145	2,00,160	...	2,97,59,985	8,69,07,695	1,98,36,735	89,92,615
Karachi . . .	11,68,075	1,22,185	48,25,720	27,48,680	...	2,79,890	16,680	...	86,51,180	87,98,475	44,49,065	26,78,740
Madras . . .	69,17,580	2,98,865	7,18,195	2,15,21,610	4,88,070	...	3,24,815	...	8,02,69,235	2,42,05,025	1,97,84,860	56,68,210
Calcutt . . .	...	105	...	...	..	..	...	...	105	865	1,045	1,645
Bangoon . . .	40,08,180	1,39,290	8,60,580	14,76,215	1,85,555	81,99,695	...	...	98,39,715	68,96,915	97,72,055	15,41,345
Total of 1913-14 .	6,98,74,955	1,10,89,880	2,86,26,540	7,70,82,100	2,41,85,765	1,68,88,115	17,10,780	...	21,63,11,585	...	...	...
.. 1912-13 .	5,07,86,960	2,12,25,190	2,32,70,835	4,91,07,725	1,77,21,260	1,58,66,940	18,58,850	...	...	17,98,37,280	...	...
.. 1911-12 .	4,47,28,580	1,08,70,225	1,16,57,580	5,31,75,240	1,81,21,865	1,02,11,725	11,50,215	...	...	...	14,47,14,880	...
.. 1910-11 .	3,75,45,305	82,17,535	55,86,975	1,89,89,765	59,90,550	48,82,320	5,41,970	...	...	...	...	8,11,84,420

STATEMENT XIX.

Statistics of Treasury and other Balances on 31st December 1913.

	DENOMINATIONS OF NOTES.									TOTAL.			TOTAL.	PERCENTAGE OF NOTES IN TOTAL BALANCE.		PERCENTAGE EXCLUDING RESERVE TREASURY BALANCES.	
	Rs.	R10.	R20.	R50.	R100.	R500.	R1,000.	R10,000.	Foreign Notes.	Notes.	Sovereigns.	Rupces.		December 1913.	December 1912.	December 1913.	December 1912.
	Treasuries and Branch Banks.																
Jaloutta Circle	1,19,270	28,02,780	5,300	2,82,800	33,56,800	4,88,000	10,87,000	2,48,90,000	52,000	8,25,93,460	8,86,642	1,47,00,420 ^(a)	4,81,89,512	68	76	31	29
Cawnpore „	2,29,505	5,97,420	5,160	2,44,650	7,98,800	6,96,000	6,18,000	20,20,000	29,000	52,48,585	12,58,388	1,00,50,789	1,65,52,712	32	39	...	...
Lahore „	2,17,080	7,24,840	7,180	2,75,250	9,41,700	4,16,000	4,89,000	18,10,000	46,500*	50,24,420	12,94,790	53,51,844	1,17,81,124	43	37	...	...
Bombay „	7,49,210	28,24,150	4,280	10,43,450	41,18,300	5,94,500	22,81,000	1,02,90,000	...	2,22,64,270	11,07,428	1,07,15,951	2,50,83,249	66	56	31	23
Central Provinces Circle	87,940	84,060	300	94,750	5,48,900	58,500	1,22,000	...	...	9,40,850	6,61,695	1,22,86,706	1,38,89,251	7	14	...	...
Karachi Circle	88,425	3,19,190	3,400	1,18,100	3,44,900	47,000	5,29,000	40,10,000	...	54,19,215	3,24,322	14,82,063	72,25,670	75	61	...	...
Madras „	2,29,955	6,29,810	9,560	2,32,050	20,23,900	1,19,000	1,68,000	89,10,000	...	1,23,16,275	8,33,417	86,70,469	2,18,20,161	56	48	26	32
Rangoon „	84,465	3,87,620	7,760	46,900	10,83,700	9,000	1,91,000	70,50,000	...	98,59,645	4,19,648	56,89,707	1,56,69,000	60	67	...	...
Total	17,15,790	84,40,070	48,920	24,37,950	1,31,05,200	28,57,000	64,79,000	5,94,70,000	1,24,500	9,41,72,430	68,86,830	6,91,58,919	17,02,15,679	55	68	...	...
Head Offices of Presidency Banks																	
Bank of Bengal	51,005	13,29,800	220	1,16,600	8,61,900	7,98,500	50,18,000	1,88,20,000	16,30,500	2,86,18,425	3,38,025	31,47,130	3,21,08,580	59	88	...	...
„ Bombay	69,320	3,53,630	1,380	4,08,400	7,52,000	4,78,000	65,86,000	2,19,70,000	...	3,06,18,620	6,06,377	4,29,768	3,16,54,635	97	96	...	...
„ Madras	79,435	1,77,690	20	66,950	9,28,500	2,66,500	4,72,000	47,50,000	...	67,38,065	6,50,250	9,44,900	83,38,245	81	93	...	...
Total	1,99,660	18,61,110	1,520	5,92,950	25,37,400	15,38,000	1,20,71,000	4,55,40,000	16,30,500	6,59,75,140	15,94,552	45,21,818	7,30,91,510	92	92	...	...

STATEMENT XX.

Classification of Treasuries according to Encashment of Notes.

A			B			C			A	B	C
Treasuries which were able throughout the year to cash notes at all times to the extent of the public demand on them.			Treasuries ordinarily able to cash notes on presentation.			Treasuries at which this accommodation could not usually be given.					
			India.								
Ajmer.	Quetta.	Sohore.	Sambhar			Bushire.	Nesat. 4 pal.		4	1	6
Newgong. (Bundelkhand).						Coorg (Meroara).	Port Blair.				
			Central Provinces.								
Amraoti.	Chhindwara.	Narsingpur.	Akola.	Buldana.	Raipur.	Jubbulpore.			18	8	1
Bolaghat.	Damoh.	Numar.									
Betal.	Droog.	Saugor.									
Bhandara.	Hoshangabad.	Seoni.									
Delaspur.	Mandla.	Wardah.									
Chanda.	Nagpur.	Yeotmal.									
			Burma.								
Bassein.	Maubin.	Prome.	Mogok.	Shwebo.					38	2	0
Bhamo.	Maymyo.	Pyawon.									
Heuzada.	Meiktila.	Sagaing.									
Insan.	Mergui.	Sandoway.									
Katha.	Mimbu.	Taunggyi.									
Kandah.	Monywa.	Tavoy.									
Kauk-phyu.	Myaungmya.	Tharrawaddy.									
Kaukse.	Myingyan.	Thaton.									
Lashio.	Myitkna.	Thayetmyo.									
Magwe.	Pakokko.	Toungchoo.									
Mandalay.	Pegu.	Yamethin.									
			Assam.								
Garro Hills.	Naga Hills.	Imphal.	Cachar.	Khasi Hills.		Darrang.	Jorhat (Sibsagar).		5	4	4
Lushai Hills.	Nowgong.	(Manipur.)	Goalpara.	Sylhet.		Lakhimpur.	Kamrup.				
			Bengal.								
Bakura.	Faridpur.	Midnapore.	Bakerganj.	Jessore.	Rangpur.	Darjeeling.			15	9	1
Bochhan.	Hooghly.	Moorshidabad.	Dinaipur.	Mymensingh.	Tipperah.						
Bogra.	Howrah.	Noakhali.	Jalpaiguri.	Nuddea.	Pubna.						
Buagan.	Khulna.	Rajahahi.									
Chittagong.	Malda.	24-Pargunnahs.									
			Bihar and Orissa.								
Bahero.	Manbhoom.	Purneah.							20	0	0
Bhagalpore.	Monghyr.	Banchi.									
Champaran.	Mozufferpore.	Sambalpur.									
Chak.	Nya Doorka.	Saran.									
Dumraon.	Palsamau.	Shahabad.									
Patna.	Patna.	Singbhoom.									
Rohtas.	Pooree.										
			United Provinces.								
Aligarh.	Fyzabad.	Muttra.	Aligarh.	Banda.	Rai Bareilly.	Aligarh.	Benares.	Lucknow.	86	5	6
Allahabad.	Gazipur.	Muzaffarnagar.	Allahabad.	Jhansi.		Almora.	Dehra-Dun.	Roorkee.			
	Gonda.	Naini-Tal.									
	Gorakhpur.	Partabgarh.									
	Hamirpur.	Pilibhit.									
	Hardoi.	Sabaranpur.									
	Jalaun.	Shahjahanpur.									
	Junpur.	Sitapur.									
	Kanpur.	Sultanpur.									
	Kheri.	Unao.									
	Meerut.										
	Mirzapur.										
	Meerabad.										

STATEMENT XX—concl'd.

Classification of Treasuries according to Encashment of Notes—cont'd.

A	B	C	
Treasuries which were able throughout the year to cash notes at all times to the extent of the public demand on them.	Treasuries ordinarily able to cash notes on presentation.	Treasuries at which this accommodation could not usually be given.	A
<p>Attuck. Jhang. Rawalpindi. Banna. Jhelum. Sialkot. Dera Ghazi Khan. Umballa. Dera Ismail Khan. Kangra. Ferozepur. Karnal. Gujranwala. Kurram. Gurgaon. Mianwali. Hisar. Muzaffargarh. Hazara.</p>	<p>Punjab and N.-W. F. Province. Amritsar. Kohat. Mooltan. Gujrat. Ludhiana. Peshawar. Gurdaspur. Lyallpur. Rohak. Hoshiarpur. Montgomery. Shahpur. Jhullunder.</p>	<p>Brought forward</p>	<p>131 19</p>
<p>Anantapur. Kurnool. South Arcot. Bellary. Madura. Tanjore. Chingleput. Malabar. Tinnevely. Chittoor. Nellore. Travancore. Cuddapah. North Arcot. Trichinopoly. Ramanad. Vizagapatam. Salem.</p>	<p>Madras.</p>	<p>Ganjam. Gunur. South Canara. Godavari. Combatore. Bangalore. Kistna. Nilgiris.</p>	<p>18</p>
<p>Aden. Kaira. Nasik. Ahmednagar. Kanara. Palanpur. Baroda. Kolaba. Ratnagiri. Belgaum. Larkana. Setara. Bijapur. Mirpurkhas. Thana. Dharwar. Dhulia.</p>	<p>Bombay. Sadra (Mahi Kantha).</p>	<p>Outch (Bhuj)</p>	<p>17</p>
		<p>TOTAL</p>	<p>145</p>

STATEMENT XXI.

Absorption of Small Coins.

[In Thousands of Rupees.]

	India.	Central Provinces and Berar.	Burma.	Assam.	Bengal.	Bihar and Orissa.	U. P. of Agra and Oudh.	Punjab and N.-W. Frontier.	Madras.	Bombay.	TOTAL.
1 RUPEES—											
Opening Balance	2,37	78	1,44	1,56	1,45	1,62	2,74	2,58	3,88	2,99	21,36
Receipts from + or Issues to — Mint or other Provinces.	+14,97	+44	+2,45	+2,98	+6,85	-1,51	-26	-29	+49	+15,19	+41,21
Closing Balance	10,56	67	1,85	1,90	2,81	1,91	5,64	2,18	5,89	13,54	46,90
Net Local Absorption in 1913-14	6,78	50	2,04	2,54	5,49	-1,20	-3,16	+16	-1,52	+4,64	15,67
Ditto ditto in 1912-13	10,00	61	4,29	2,29	5,15	-1,22	-33	1,24	1,36	2,98	25,72
Ditto ditto in 1911-12	-1,82	69	2,35		6,91		-16	1,09	2,24	1,96	15,23
2 RUPEES—											
Opening Balance	3,25	1,12	1,78	1,05	1,08	1,85	2,71	2,81	5,59	2,88	23,57
Receipts from + or Issues to — Mint or other Provinces.	+7,29	-8	+4,07	+99	+2,61	-1,10	-1,10	+1,19	+1,14	+6,35	+21,41
Closing Balance	6,43	1,09	1,89	1,14	1,56	1,90	5,03	2,31	4,79	4,61	31,75
Net Local Absorption in 1913-14	4,11	...	3,01	90	2,13	-1,15	-3,42	1,19	94	4,62	12,23
Ditto ditto in 1912-13	5,81	18	4,75	89	2,20	-34	-58	1,77	2,70	2,60	19,58
Ditto ditto in 1911-12	-1,85	9	4,40		2,14		-73	1,77	5,15	2,58	14,05
NICKEL ANNA PIECES—											
Opening Balance	90	2,29	72	74	58	38	2,62	1,50	2,12	1,72	13,47
Receipts from + or Issues to — Mint or other Provinces.	+48	+6,00	+8	+1,72	+2,61	+1,32	+4,78	+2,54	+1,10	+3,46	+23,94
Closing Balance	1,15	3,35	68	97	72	48	5,06	1,94	1,56	1,90	17,50
Net Local Absorption in 1913-14	23	4,94	7	1,49	2,42	1,07	2,85	2,10	1,66	3,58	19,91
Ditto ditto in 1912-13	1,69	4,85	16	1,33	2,03	1,09	4,69	2,46	1,69	3,52	28,76
Ditto ditto in 1911-12	1,61	5,49	14		4,10		2,96	2,24	2,66	5,56	24,76
DOUBLE PICE—											
Opening Balance	6	2	1	..	1	1	3	...	19	14	47
Receipts from + or Issues to — Mint or other Provinces.	-26	-16	-1	-1	...	-2	-10	-3	-73	-40	-1,72
Closing Balance	8	5	...	...	1	1	3	...	22	14	49
Net Local Absorption in 1913-14	-23	-19	...	-1	...	-2	-10	-3	-76	-40	-1,74
Ditto ditto in 1912-13	-33	-10	...	...	-1	-2	-12	-9	-45	-45	-1,57
Ditto ditto in 1911-12	-53	-1	...	...	...	...	-9	-4	-1,05	-24	-1,96
SINGLE PICE—											
Opening Balance	2,80	6,44	1,37	1,00	90	38	3,44	1,19	2,63	2,31	23,67
Receipts from + or Issues to — Mint or other Provinces.	+2,81	+3,35	+1,22	+1,74	+3,27	+2,40	+3,60	+1,69	+79	-1,23	+15,19
Closing Balance	2,91	7,56	1,27	99	69	68	3,98	2,22	2,67	3,09	31,01
Net Local Absorption in 1913-14	-2,32	2,23	1,02	2,75	4,08	3,28	-1,89	68	75	-1,01	7,85
Ditto ditto in 1912-13	-2,38	4,09	2,10	1,54	3,55	3,10	4,04	68	1,04	-1,25	16,51
Ditto ditto in 1911-12	-4,97	4,35	1,68		6,91		1,81	79	1,24	-70	11,11
HALF PICE—											
Opening Balance	6	1	...	2	6	3	9	5	...	6	39
Receipts from + or Issues to — Mint or other Provinces.	+48	+2	...	+1	+15	+1	...	+20	...	...	+87
Closing Balance	12	1	...	3	7	5	10	14	...	1	53
Net Local Absorption in 1913-14	42	2	...	1	14	-1	-1	11	...	5	73
Ditto ditto in 1912-13	64	2	...	1	10	-3	1	11	...	6	69
Ditto ditto in 1911-12	70	1	...		11		-1	9	...	4	94
PIE PIECES—											
Opening Balance	7	1	1	1	1	3	10	2	23	13	63
Receipts from + or Issues to — Mint or other Provinces.	+8	+1	+1	+1	...	+2	...	+8	+63	...	+79
Closing Balance	5	2	1	1	1	1	5	5	34	9	63
Net Local Absorption in 1913-14	10	...	1	1	...	4	5	2	53	4	79
Ditto ditto in 1912-13	24	1	1	1	...	1	6	4	12	25	71
Ditto ditto in 1911-12	19	...	1		2		4	2	39	14	81

STATEMENT XXII.

Statement of Receipts and Expenditure of the Department of Issue of Paper Currency for the year 1913-14.

	Calcutta.	Cawnpore	Lahore.	Bombay.	Karachi.	Madras.	Rangoon.	TOTAL.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
RECEIPTS.								
Interest realised on Government Securities	20,69,321	1,67,535	2,42,969	10,68,862	1,07,825	6,10,376	3,86,703	46,49,585
SUNDAY CASH RECEIPTS.								
Miscellaneous	1,410	283	314	1,682	94	11,241	..	15,024
Value of unclaimed Currency Notes	16,127	2,515	5,015	3,157	70	6,757	532	24,168
Value of old Currency Notes no longer in circulation	32,005	1,935	2,510	9,490	750	3,610	..	51,300
TOTAL RECEIPTS DURING 1913-14	21,38,868	1,72,298	2,51,802	11,03,161	1,08,739	6,31,984	3,37,235	47,44,102
TOTAL RECEIPTS DURING 1912-13	21,30,120	1,75,690	2,29,511	11,23,515	82,983	6,24,798	3,51,391	47,28,498
DISBURSEMENTS.								
Salaries (including Exchange Compensation Allowance)	52,925	7,897	8,505	18,191	5,985	..	..	88,498
Establishment	2,20,851	20,110	29,504	99,659	13,113	84,355	78,523	4,95,914
Compensation for dearness of provision and other special allowances	1,383	24	..	503	9	2,734	..	4,655
Temporary establishment	23,187	6,395	..	7,125	921	12,271	32,999	67,958
Charges for remittance	..	..	..	6,556	394	53	..	7,023
Stationery	3,265	21	..	980	227	1,005	..	5,448
Printing charges	6,365	1,774	547	90	586	829	..	10,191
Service postage and telegram charges	3,053	1,701	2,009	3,245	1,100	1,330	699	13,831
House, lighting, police and water rates	9,536	..	57	1,384	1,534	590	..	13,741
Cost of Note forms, including freight	7,74,473	3,118	1,60,565	4,04,964	9,394	1,57,002	3,66,847	18,66,358
Pensions and gratuities	14,426	1,391	2,919	16,387	511	6,798	..	42,432
Cost of repairs, etc. to Currency buildings	1,285	..	1,205	1,440	..	-9,644	..	-5,714
Cost of chests, bags and locks	11	763	493	2,069	..	..	1,514	4,840
Contingencies	10,755	5,186	3,852	5,801	4,257	3,312	7,069	39,762
Travelling allowances	6,452	842	..	5,620	987	1,268	1,520	16,689
Deadstock, cost of office furniture	1,023	177	..	578	316	832	1,195	4,123
Refund of value of old Currency Notes	539	210	..	365	..	..	..	1,105
TOTAL DISBURSEMENTS DURING 1913-14.	11,34,610	49,604	3,03,655	5,75,420	39,175	2,13,735	5,10,590	27,26,849
TOTAL DISBURSEMENTS DURING 1912-13	8,83,687	1,29,601	1,21,137	3,18,846	47,496	4,35,470	5,06,773	24,57,990
PROFIT DURING 1913-14	10,04,258	1,22,694	48,147	5,27,691	69,564	4,18,249	-1,72,355	20,17,253

STATEMENT XXIII.

Details of the balance of the Gold Standard Reserve on the 31st March 1914.

		£
In England—		
Market price on 31st March 1914 of Sterling Securities of the Nominal value of £18,239,634 (as per details below)	17,165,069	
Cash placed by the Secretary of State in Council at short notice	24,062	
Deposit of Gold at the Bank of England	4,320,000	
In India—		
Coined rupees (at R15=£1)	4,000,000	
Held as a book credit awaiting payment	22,199	
	TOTAL	25,532,230
Details of investments :—		
		Face value.
		£
British Government 2½ per cent. Consolidated Stock		3,566,391
Local Loans 3 per cent. Stock		200,000
Guaranteed 2½ per cent. Stock (Irish Land)		488,720
Transvaal Government 3 per cent. Guaranteed Stock		1,092,023
British Treasury Bills		2,400,000
Exchequer Bonds (2½ per cent.)		82,500
Exchequer Bonds (3 per cent.)		6,885,800
Canada 3½ per cent. Bonds		161,000
Canada Treasury Bills		25,000
Corporation of London 3½ per cent. Debentures		50,000
Do. do. 3½ do. do.		45,000
New South Wales, 4 per cent. Bonds		34,000
Do. 3½ do. Stock		113,000
Do. Treasury Bills		900,000
New Zealand 3½ per cent. Debentures		511,400
Queensland 4 do. Bonds		155,000
Do. do. Stock		55,000
Southern Nigeria 4 per cent. Bonds		350,000
Union of South Africa Bills		650,000
Metropolitan Water Board Bills		500,000
South Australia Bills		75,000
	TOTAL	18,239,634

Statistics of Work in Currency Offices.

	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Rangoon.	Total, 1913-14.	Total, 1912-13.	Total, 1911-12.
Receipts of home notes over the counter (value in lakhs of rupees)	91,57	4,18	7,34	67,29	3,36	27,59	31,59	2,38,42	2,24,84	1,95,46
Issues do.	87,02	5,62	9,62	68,73	5,29	26,11	32,13	2,34,52	2,23,73	2,07,38
Receipts of coin over the counter (value in lakhs of rupees)—										
Gold	1,93	73	84	5,87*	39	10	51	10,42	8,12	19,33
Silver	13,39	2,26	2,00	7,93	46	1,51	2,87	30,22	31,79	25,60
Issues of coin over the counter (value in lakhs of rupees)—										
Gold	2,59	1,43	2,09	10,35	63	2,87	1,25	21,46	18,06	11,95
Silver	23,32	1,28	84	9,72	95	2,06	1,57	39,74	40,90	35,48
Encashment of Home notes over the counter (average number for each working day)	48,921	3,446	9,986	32,753	2,780	21,359	25,458	144,703	131,243	115,251
Issues do. do.	47,316	3,983	10,418	33,303	2,780	21,559	29,499	149,358	145,609	126,308
Cancellations do. do.	45,912	3,401	9,291	23,661	2,780	16,385	27,339	123,819	108,843	103,353
Issues of Home notes (in thousands of pieces)	13,398	1,155	2,732	9,096	740	6,274	8,112	42,057	40,600	35,296
Cancellations do. do.	13,360	986	2,481	6,270	740	4,768	7,532	36,137	30,306	28,457
Consumption of note forms do.	12,915	1,083	2,327	5,987	739	4,316	7,958	35,325	34,151	30,331

SUPPLEMENT TO THE GAZETTE OF INDIA, DECEMBER 12, 1914.