

REPORT
OF THE
Controller of the Currency

for the year 1926-27

BY
J. B. TAYLOR, I.C.S.,
Offg. Controller of the Currency



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To

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

SIR,

I have the honour to submit my report on the operations of the Currency Department for the financial year which ended on the 31st March 1927.

Introductory.

2. *General features of the year.*—*World economic conditions.*—Economic progress during the year was uneven, and there were several set-backs. In Europe the optimism which followed upon the Dawes Reparation scheme and the Locarno Treaty was damped by a serious depreciation in the exchanges of the Latin countries which culminated in July. At the beginning of the year the French franc stood at 141, the Belgian at 128 50 and the Italian lira at 120 85. In July they had fallen to 207, 203 and 149. The Belgian efforts to reconstruct their currency were finally successful in October with the institution of the *belga* with a value of five Belgian francs. The French exchange reached a rough practical stabilisation at a rate of 122-123 to the pound sterling towards the close of the calendar year and the lira appreciated to 102. The endemic disorder in China drew to a head during the year, further debilitating trade in the Far East and adding an unsound element of speculation to an already disturbed silver market. In Japan, the dislocation of the Chinese trade contributed to a set-back which, aggravated by a series of earthquakes, culminated in the collapse of an important firm and a banking crisis just after the close of the year under review. In Great Britain a general strike broke out at the beginning of May. It collapsed almost immediately, but its initial cause, the coal strike, dragged on until the close of the calendar year with serious effects on trade, including that of India. Freights had to be increased in October on account of the shortage of coal, another blow to the Indian export trade. In the United States of America prosperity continued, the output of industry being

larger in 1926 than in any previous year. The cotton crop yield of more than 18,000,000 bales was the largest in record. As there was a considerable carry over from the previous year, prices fell with serious effects on India's export of the raw material.

3. *India*.—In India, the year was generally good for internal trade and business. The effects of a stable exchange were reflected in more stable prices. Whereas the general index number for wholesale prices in Calcutta, as quoted in the Indian Trade Journal (1914 basis 100), fluctuated between 176 and 162 in 1924-25, and 164 and 151 in 1925-26, variations of 14 and 13 points respectively, during the year under review there was a variation of 5 points only, between 149 and 144. On the other hand the drop in the foreign demand for Indian export staples reacted on internal conditions, the fall in the price of cotton especially affecting the cotton industry in Bombay. Exports and re-exports fell by approximately 75 crores. There was an increase of about 6 crores in imports, but this was counterbalanced by a drop in the imports of bullion of 13 crores. The visible balance of trade was thus under 40 crores as against more than 1,09 crores in the previous year. As a result, Government remittance through the market amounted to only 2,82 lakhs, and against this 1,93 lakhs were sold to maintain exchange. The remainder of the amount required by the Secretary of State was sent through currency from the surplus balances of previous years. The general improvement in the finances of Government continued. They were able to float a loan for the repayment of short term bonds and to provide for fresh capital expenditure on exceptionally favourable terms. The revised estimates for 1926-27 showed a surplus of 2,82 lakhs, against 5 lakhs anticipated in the budget, and the budget for 1927-28 provided for a further permanent reduction of 3,50 lakhs in provincial contributions in addition to several important reliefs in taxation.

I. The Royal Commission on Indian Currency and Finance.

4. *Recommendations*.—The report of the Royal Commission on Indian Currency and Finance was published on the 4th August 1926. The main features of the Report were:—

- (1) The stabilisation of the rupee in relation to gold. The ratio recommended was 1s. 6d. or a rate of 8.47512 grains of fine gold per rupee.

- (2) The removal of the control of Indian currency from Government to a new central banking institution to be called the Reserve Bank of India, which would be entrusted with the control not only of exchange and currency policy, but also of internal credit in India.

5 *Action taken on the Report.*—In accordance with the recommendations of the Commission, the Government of India proposed to introduce temporary legislation in the summer session of the Legislature to give effect to the recommendations for the maintenance of exchange and the stabilisation of the rupee in relation to gold pending the creation of the Reserve Bank. As, however, it was considered that the Legislature had not been given sufficient time to consider the question it was decided to defer a decision until the spring session. In the meantime Government undertook to take such steps as were necessary to keep exchange between 1s. 6 $\frac{3}{16}$ d. and 1s. 5 $\frac{1}{2}$ d. The Indian Currency Bill of 1927 was presented to the Legislature in the spring session and passed into law in March 1927. It established the ratio of 1s. 6d. by enacting that Government would purchase gold at a price of Rs. 21-3-10 per tola of fine gold in the form of bars containing not less than 40 tolas and would sell gold or, at the option of Government, sterling for immediate delivery in London at the same price after allowing for the normal cost of transport from Bombay to London. A rate of 1s. 5 $\frac{4}{8}$ d. was notified as Government's selling rate for sterling to meet these obligations.

In the interval between the publication of the report and the passing of the Currency Act, public interest was largely concentrated on the question of the ratio to the comparative neglect of the recommendations regarding banking. At the same time, bills were drafted in substantial conformity with these recommendations for the creation of a Reserve Bank of India and for the remodelling of the Imperial Bank of India Act. At the end of the year under review they were under reference to a Joint Committee of both Houses of the Legislature.

II. India's International Account.

6. *Visible balance of accounts.*—The following statement compares India's visible balance of accounts during the year with that of the two preceding years and with the average of the three preceding quinquennial periods. The detailed

figures work up to a *plus* or *minus* balance (*plus* representing net export and *minus* representing net import) for each of the three main heads of classification, namely (1) private imports and exports of merchandise, (2) private imports and exports of treasure, and (3) remittances through Government, leading up to a *plus* or *minus* total for the transactions as a whole.

(In lakhs of rupees)

	Average of 5 pre-war years ending 1913-14.	Average of 5 war years ending 1918-19.	Average of 5 years ending 1923-24.	1924-25.	1925-26.	1926-27.
Exports of Indian merchandise (private).	+2,19,50	+2,15,98	+2,85,68	+3,84,66	+3,74,84	+3,01,45
Re-exports of Foreign merchandise (private).	+4,62	+8,16	+15,62	+13,51	+10,49	+8,01
Imports of Foreign merchandise (private) (b).	-1,45,85	-1,47,80	-2,48,81	(b) -2,43,16	(b) -2,24,20	(b) -2,30,17
Balance of trade in merchandise (private).	+78,27	+76,34	+52,49	+1,55,01	+1,61,13	+79,29
Gold (private) (a)	-28,86	-7,81	-13,93	-73,93	-34,85	-19,40
Silver (private) (a)	-7,21	-2,99	-11,79	-20,06	-17,15	-19,79
Currency notes (private) (a)	...	...	-40	-28	+12	-14
Balance of Transactions in treasure (private) (a).	-36,07	-10,80	-26,12	-94,27	-51,88	-39,33
Total visible balance of trade	+42,20	+65,54	+26,37	+60,74	+1,09,25	+39,96
Council bills and telegraphic transfers paid in India, purchases of sterling from banks and firms in India and payments for sterling taken over in London from local bodies.	-41,35	-34,96	-15,45	-56,35	-61,24	-2,82
Sterling transfers on London sold in India.	+5	+5,50	+9,42	...	...	+1,93
Transfers of Government securities.	-87	-38	-5	-38	-1,27	+3
Interest drafts on India in respect of Government of India securities	-45	-30	-31	-41	-36	-34
Balance of remittances of funds.	-42,62	-30,14	-6,39	-57,14	-62,87	-1,20
Total visible balance of accounts	-42	+35,40	+19,98	+3,60	+46,38	+38,76

(a) Excludes transactions which do not enter into the balance of trade.

(b) Exclusive of the value of Railway materials imported direct by State Railways working under company management

The more important Government remittances are included in the statement, but the following items also have a bearing on the balance, namely:—

	Lakhs of rupees.
Net payment in India of money and postal orders	2,74
Telegraphic transfers on India from Iraq	1,85
TOTAL	4,59

These transactions reduce the visible balance in favour of India to 34,17 lakhs as against a favourable balance of 41,52 lakhs in the previous year.

7. *Invisible items*.—There are innumerable items entering into the balance of accounts, remittance for foreign investment, insurance, domestic expenditure of the non-domiciled community and the education of Indian students abroad on the one side of the account, and for investment in India and tourist expenditure on the other, to mention only the more important. These obviously cannot be calculated with any approach to accuracy, but it is sufficient for purposes of this report to confine the statement to those factors such as Government remittance and trade and treasure transactions which are capable of more or less accurate appraisal, and to leave the balance to show the net effect of the other items. These annual balances are subject to violent fluctuation, as the following figures show:—

1923-24	1924-25.	1925-26.	1926-27.
+ 53,24	—79	+ 41,52	+ 34,17

One reason for this is that a large part of the transactions which are shewn in the account are not paid for in the same year. The forward market in Indian exchange is highly organised, and, as last year's report shows (paragraph 6) an exceptional import of bullion may take more than a year to percolate to the ultimate holder. For this reason, the average of the three preceding years, showing a favourable balance of 31,32 lakhs, affords a better basis for comparison.

III. Foreign Trade.

8 *Exports of merchandise*.—Private exports of Indian merchandise were valued at 3,01 crores, a decrease of about 73 crores in comparison with the previous year, and re-exports of foreign merchandise at 8 crores, a decrease of about 2½ crores.

This continued the movement of the previous year, and private exports and re-exports were nearly 89 crores less than they were in 1924-25. The fall was largely due to the drop in the world prices of the main export staples of India, cotton, jute, grains, and seeds. The exports of cotton during the year amounted to 3,187,895 bales as against 3,326,410 in 1924-25, but they only realised a price of 58,60 lakhs as against 91,23 lakhs in that year. The drop in the value of the raw cotton exported as compared with 1925-26 was 36,39 lakhs. The heavy fall in the price of jute also led to a decrease in the value, in spite of an increase in the quantity, of the exports. 707,782 tons were exported during the year as compared with 647,154 tons in the previous year, the price realised being 26,78 lakhs as against 37,95 lakhs, and there was a drop of 16,83 lakhs in the value realised for raw and manufactured jute together as compared with 1925-26. There was a drop of 8,79 lakhs in all grains, pulses and flours, but this was principally due to the drop in the exports of rice from 2,584,602 tons in 1925-26 to 2,057,396 tons in the year under report, with a drop in value of 6,78 lakhs. Wheat showed a further drop on last year's low export figure, only 175,949 tons being exported as against 211,637 in 1925-26. The value realised for wheat exports was only 2,71 lakhs as against 3,60 lakhs in 1925-26 and 17,19 lakhs in 1924-25. Seeds showed a heavy drop from 1,249,538 tons in 1925-26 with a value of 29,64 lakhs to 837,590 during the current year with a value of 19,09 lakhs. Minor drops were also visible in the exports of hides and skins, and lac, but tea showed a small increase.

9. *Imports of merchandise.*—Imports of private merchandise increased in value from 2,24 crores to 2,30 crores. Variations from the previous year's figures were comparatively slight. Piece-goods were 87 lakhs up. Yarns and textile fabrics increased by 2 crores from 76,85 lakhs to 78,85 lakhs. This was principally due to an increase in the imports of artificial silk from 2,19 lakhs to 4,22 lakhs. Silk, raw and manufactured, also went up by 85 lakhs from 3,75 lakhs to 4,60 lakhs. Sugar rose by 3,33 lakhs over last year but was still $1\frac{3}{4}$ crore lower than in 1924-25. Provisions and liquors were up by roughly 1 crore. There were minor increases in dyes, instruments, tobacco, motor cars, and salt, and drops in machinery, metals, oils, and railway material.

IV. Bullion.

10. *Gold.*—Statements I, II and III give details of the imports and exports of gold and silver in the current and past

years. The net imports of gold declined during the current year to 19,40 lakhs as compared with 34,85 lakhs in 1925-26. Of the imports 5,58 lakhs were in sovereigns. At the beginning of the year there was considerable speculation in Bombay owing to the weakness of exchange, and the estimated stocks in Bombay rose to 12 lakhs of tolas. The price rose to Rs. 21-11-6 per tola ready. The announcement by Government at the beginning of April that they were prepared to sell sterling in support of exchange broke the bull movement and prices declined to a reasonable parity with exchange. The general strike in England in May led to a further temporary squeeze when prices rose to Rs. 21-10-9 in the belief that there might be delay in bullion shipments, but when this was dispelled prices fell again and throughout the year there was little speculative interest in this market. In last year's report it was suggested that India's requirements for gold had to a considerable extent been anticipated in 1923-24 and 1924-25, and that in the future imports would probably be on a much lower scale. With the growth in the popularity of fiduciary currency and the investment habit, as evinced by the return of rupees from circulation and the increase in the price of gilt-edged securities, it seems possible that the figures of gold imports for non-monetary purposes will not return to the heights of the last three years.

Of the total gross imports shown in the trade returns 11,77 lakhs came from Natal as against 2,79 lakhs from the United Kingdom and 2,31 lakhs from Australia and New Zealand. Imports from the United States of America have dwindled almost to nothing. From 20,35 lakhs in 1924-25 they fell to 2,32 lakhs in 1925-26 and to 8,68,000 rupees in the year under review. Imports from Egypt rose to 1,06 lakhs as against 5 lakhs in 1924-25 and 13½ lakhs in 1925-26. With the return to a stable exchange it seems possible that India's gold supplies will be met to an increasing extent from Australia, South Africa and Egypt, as it often pays these countries to adjust their exchange differences with London through India, thus saving the freight to London and back and the incidental charges in England.

11. *Silver*.—The most important factors in the silver market throughout the year were the report of the Royal Commission on Indian Currency and Finance and the disturbances in China. Throughout the previous year prices had dwindled from an average of Rs. 71 to Rs. 68 per 100 tolas. The first four months of the year were marked by considerable speculation owing to the unhealthy position in China and by attempts to engineer a corner in anticipation of difficulties of shipment

due to the strike in Great Britain. As the Currency Commission's report approached completion, an increasing uneasiness began to be observed and prices fluctuated downwards to Rs. 66-8, China being a heavy seller. The report of the Currency Commission, with its proposal for a gradual reduction in the rupees to be held in the Currency Reserve, led to a rapid and steady decline in prices. The fall reached its lowest point in October when the French Government effected considerable sales of silver in London, the price dropping in London to 24½*d.* and in Bombay to Rs. 54-8. At this stage it became apparent that the Indian seasonal demand was likely to follow its usual course, unperturbed by world fluctuations in prices. Bull operators in Bombay, assisted by the improving off-take for up-country consumption, arrested the decline and raised stocks in Bombay from less than 3,000 bars at the end of September to 8,000 bars at the end of November. In December the Honourable Finance Member in a speech in Calcutta announced that no silver had so far been sold by Government, and that in view of the prevailing conditions of the market sales in the near future were unlikely. This steadied the market, but it still remained subject to violent fluctuations, largely caused by speculative silver operations in the Far East due to internal troubles in China.

12 *Silver Prices.*—The following statement gives details of the price of silver in Bombay, London, and New York respectively, showing these fluctuations:—

		Price in Bombay per 100 tolas (country bar).		Price in London per standard oz.		Price in New York per fine oz.	
		Highest.	Lowest.	Highest	Lowest.	Highest	Lowest.
		Rs A.	Rs A.	<i>d.</i>	<i>d.</i>	Cents.	Cents.
April	1926	69 12	66 8	30 $\frac{1}{8}$	29 $\frac{1}{8}$	65 $\frac{3}{8}$	63
May	"	71 9	67 12	30 $\frac{3}{8}$	29 $\frac{1}{8}$	66 $\frac{1}{8}$	64 $\frac{1}{8}$
June	"	67 14	67 2	30 $\frac{1}{8}$	30 $\frac{1}{8}$	66 $\frac{1}{2}$	65 $\frac{1}{2}$
July	"	67 11	65 7	30 $\frac{5}{8}$	29 $\frac{3}{8}$	65 $\frac{3}{8}$	63 $\frac{3}{8}$
August	"	64 13	63 2	29 $\frac{3}{8}$	28 $\frac{1}{2}$	63 $\frac{3}{8}$	61 $\frac{3}{8}$
September	"	63 10	59 5	28 $\frac{1}{8}$	26 $\frac{1}{2}$	62 $\frac{1}{2}$	56 $\frac{3}{8}$
October	"	60 12	54 8	26 $\frac{3}{8}$	24 $\frac{1}{2}$	58 $\frac{3}{8}$	51 $\frac{3}{8}$
November	"	59 2	55 12	26	24 $\frac{3}{8}$	55 $\frac{3}{8}$	53
December	"	57 4	55 2	25 $\frac{1}{8}$	24 $\frac{3}{8}$	54 $\frac{3}{8}$	52 $\frac{3}{8}$
January	1927	62 12	55 14	27 $\frac{1}{8}$	24 $\frac{1}{2}$	59 $\frac{3}{8}$	53 $\frac{3}{8}$
February	"	63 8	60 0	28	26 $\frac{1}{2}$	60	56 $\frac{1}{2}$
March	"	59 10	56 6	26 $\frac{1}{2}$	25 $\frac{1}{8}$	56 $\frac{1}{2}$	54 $\frac{1}{2}$

13 *Imports and Exports*—In spite of these disturbances the off-take of silver in India remained extraordinarily steady.

The net imports increased from 17,15 lakhs in 1925-26 to 19,77 lakhs. It thus seems apparent that the demand for silver has not the elasticity of that for gold. In the record year for gold of 1924-25 the imports of silver only rose to 20,06 lakhs. The explanation would appear to be that the use of silver bullion for hoarding is confined to the poorer classes. Of the total gross imports of 22 crores, 12 crores came from the United Kingdom as against 6,38 lakhs in 1925-26. As in the case of gold, imports from America dwindled materially from 9,47 lakhs to 4,90 lakhs. On balance, China was an exporter, the net imports from China being 43 lakhs as against a net export of 1,78 lakhs in the previous year. As usual the great proportion of this trade was handled in Bombay, but it is interesting to note the steady increase in the importance of the Calcutta bullion market. Its imports rose from 1,80 lakhs in 1924-25 to 3,50 in 1925-26, and 5,85 in the year under review.

V. Exchange.

14. *Exchange fluctuations.*—The highest and lowest quotations for telegraphic transfers on London in each month of the year are given below:—

		Highest.	Lowest.
		s. d.	s. d.
April	1926	1 5 $\frac{1}{2}$	1 5 $\frac{1}{2}$
May	"	1 6	1 5 $\frac{1}{2}$
June	"	1 5 $\frac{1}{2}$	1 5 $\frac{1}{2}$
July	"	1 5 $\frac{1}{2}$	1 5 $\frac{1}{2}$
August	"	1 6	1 5 $\frac{1}{2}$
September	"	1 5 $\frac{1}{2}$	1 5 $\frac{1}{2}$
October	"	1 5 $\frac{1}{2}$	1 5 $\frac{1}{2}$
November	"	1 5 $\frac{1}{2}$	1 5 $\frac{1}{2}$
December	"	1 6 $\frac{1}{2}$	1 5 $\frac{1}{2}$
January	1927	1 6 $\frac{1}{2}$	1 5 $\frac{1}{2}$
February	"	1 5 $\frac{1}{2}$	1 5 $\frac{1}{2}$
March	"	1 5 $\frac{1}{2}$	1 5 $\frac{1}{2}$

At the end of March 1926 exchange was gradually weakening owing to demands for sterling on bullion account, and slackness in the export trade, and closed at 1s. 5 $\frac{1}{8}$ d. The beginning of the year showed a further drop owing to a speculative demand on bullion account based on rumours as to the rate to be fixed by the Royal Commission on Indian Currency and Finance and the anticipation that the report would be issued at an early date. The high price of gilt edged securities in India also led to a considerable flow of remittance for the purpose of investment in sterling securities, a tendency which was increased by the speculative chance of capital appreciation in the event of a fall in exchange. To prevent these speculative movements causing a break in exchange, the Government of India informed the market on the 8th April that it was prepared to sell sterling at 1s. 5 $\frac{3}{4}$ d. The effect was immediate. The rate rose at once to 1s. 5 $\frac{2}{3}$ d. without Government having to come out as an actual seller at all. This removed the speculative element and exchange continued fairly steady until the end of June, when easy money and the fall in exports brought rates down again to a minimum of 1s. 5 $\frac{2}{3}$ d. in July. The rate moved up again sentimentally on the report of the Currency Commission and was strengthened by the announcement of Government that it was prepared to maintain exchange between the upper and the lower gold points of 1s. 6 $\frac{3}{16}$ d. and 1s. 5 $\frac{3}{4}$ d. until a decision was reached by the Legislature on the ratio recommended by the Commission. The lateness of the monsoon and a heavy drop in the world prices of the main agricultural staples of India prevented any revival in activity; and exchange moved gradually to a point at which Government had to sell sterling in support of exchange. £1,425,000 was sold in this way between the 1st and 9th December. In January conditions changed with the arrival of the busy season in cotton, and rates moved up until Government was in a position to buy. Rates, however, again fell away with a slight revival in March due to the passing of the Currency Act and to money stringency. This enabled Government to purchase a certain amount but rates again fell away as stringency relaxed towards the end of the month.

15. *Sterling operations of Government.*—In such circumstances it was clear that Government would not be in a position to remit to any large extent through the market. The method of remittance as last year was entirely by purchases in India, no councils being offered. The following statements show the

monthly purchases and sales of sterling with the average rates obtained :—

Purchase of sterling.

(In thousands of £ and rupees)

		Sterling purchased in India.		Average rate.
		£	Rs.	s. d.
April	1926	...	...	...
May	"	...	...	...
June	"	...	...	...
July	"	...	...	...
August	"	...	...	...
September	"	...	...	...
October	"	...	...	...
November	"	...	...	...
December	"	...	...	...
January	1927	1,195	1,59,03	1-6 08
February	"	...	...	...
March	"	920	1,22,67	1-6
TOTAL		2,115	2,81,70	1-6 02

Sale of sterling.

(In thousands of £ and rupees)

		Amount of sterling sold.	Amount of rupees realised.	Average rate.
		£	Rs.	s. d.
April	1926	...	...	...
May	"	...	...	...
June	"	...	...	...
July	"	...	...	...
August	"	...	...	...
September	"	...	...	...
October	"	...	...	...
November	"	...	...	...
December	"	1,425	1,92,68	1-5 75
January	1927	...	...	...
February	"	...	...	...
March	"	...	...	...
TOTAL		1,425	1,92,68	1-5 75

16. *Transfers through the Paper Currency Reserve.*—

During the year Government kept itself in funds by the transfer to the treasury balance of the Secretary of State of the surplus remittances of previous years which were held in the Paper Currency Reserve. As the sterling in the Paper Currency Reserve was nominally valued at 10 Rs. to £1, remittance at this rate would have unduly weakened the reserve, so that rupee

treasury bills held in the reserve in India were also cancelled to readjust the balance. This was made possible and desirable, as will be shown later, by the redundancy of currency created by the fall in exports and the return of rupee coin from circulation. The following statement shows the dates and the amounts of transfers through the Paper Currency Reserve and of cancellations of rupee securities :—

		(In lakhs of rupees)	
Transfers through Paper Currency Reserve.		Cancellation of Indian Treasury Bills.	
6th April	3,00		
14th April	1,00		
22nd April	1,00		
30th April	3,00	15th October	4,99
10th September	3,00	28th November	1,33
17th September	4,00	2nd December	17
26th November	4,00	8th December	8
2nd December	50	9th December	1
8th December	25	11th December	23
9th December	3	17th December	1,01
11th December	65		
17th December	3,00	TOTAL	7,82
TOTAL	23,43	(nominal value)	8,18

* In connection with the sale of sterling.

A gross contraction was effected of 31,25 lakhs, but as in February the Imperial Bank of India borrowed 2 crores under the emergency currency provisions of the Indian Paper Currency Act, and as there was a return of rupees from circulation which raised the holding of rupee coin and silver bullion in the Paper Currency Reserve by 19,56 lakhs, the net contraction during the year amounted to approximately 9½ crores. }

VI. The Government Balances and Reserves.

17. The following statement shows the amounts and distribution of the Treasury Balances and the Reserves at the opening and close of the year :—

(In lakhs of rupees.)

	1ST APRIL 1926.			31ST MARCH 1927.			
	In India.	In England.	Total.	In India.	In England.	Total.	
Treasury Balances .	25,16	15,06	40,22	27,88	3,26	31,14	
Paper Currency Reserve.	Silver .	84,91	...	84,91	1,04,47	...	1,04,47
	Gold .	22,32	...	22,32	22,32	...	22,32
	Securities .	57,11	29,00	86,11	49,77	5,57	55,34
Gold Standard Reserve.	Gold .	...	...	...	1,73	1,73	
	Securities .	...	40,00	40,00	...	33,27	33,27

Note.—The Gold and Sterling Securities shown in the above statement have been valued at Rs. 10 to £1.

18. *Treasury balances in India.*—The following statement shows the Government balances at the Imperial Bank of India and at Government treasuries, including sub-treasuries, in India :—

(In lakhs of rupees.)

Balance at Government treasuries.			Last day of month.	Balance at the Imperial Bank of India.		
1924-25.	1925-26.	1926-27.		1924-25.	1925-26.	1926-27.
3,16	3,03	2,53	April	19,82	27,09	13,06
2,91	2,63	2,45	May	20,56	28,43	14,83
3,03	2,62	2,52	June	22,01	22,26	32,30
2,81	2,43	2,38	July	32,18	24,54	36,29
2,71	2,25	2,29	August	32,06	19,62	35,45
2,75	2,35	2,32	September	25,27	9,96	20,23
2,69	2,56	2,33	October	11,30	7,40	14,03
2,59	2,63	2,30	November	10,34	6,74	9,16
2,69	2,42	2,43	December	7,43	5,26	6,33
2,92	2,67	2,42	January	17,94	9,90	13,44
2,89	2,68	2,64	February	24,04	13,86	20,16
4,29	3,69	3,16	March	27,45	21,46	24,62
2,95	2,67	2,43	Average	20,87	16,33	19,99

The statement shows a further small decrease in the amount of Government funds locked up in treasuries. This was due to the continuance of the policy described in previous reports of economising balances by the provision of currency chests at sub-treasuries, by the extension of the power to selected sub-treasury officers to withdraw funds without previous sanction and by encouraging treasury officers generally to keep down their balances by making as much use as possible of the facilities of remittance provided by these chests.

19. The average balance at the Imperial Bank of India was more than 3½ crores higher than last year. There were the same wide variations as in previous years. In fact, the variations were on a larger scale as the flotation of the Government loan on a partly cash basis in June left a large amount of Government money with the Bank until it was expended in redeeming 1926 Bonds in September. In addition, the lack of opportunities of remittance through the market resulted in Government merely transferring from time to time through currency what was required for the immediate disbursements of the Secretary of State. As his requirements were thus not anticipated during the slack season in the summer months, the demand fell the more heavily at the close of the year. Unless treasury bills are sold to level out inequalities in Government revenues and disbursements throughout the year it does not seem possible to avoid these large fluctuations.

20. The statement below summarizes the ways and means transactions in India. The figures are approximate as the accounts for the year have not yet been closed :—

Disbursements—

(In crores of rupees.)

(a) Army, Military Engineer Services and Marine Issues	39 99
(b) Drawings by the Iraq Government	1 85
(c) Capital outlay on Delhi, Security Printing, etc.	92
(d) Remittances from India to London	26 24
(e) Cancellation of Indian Treasury Bills in the Paper Currency Reserve	7 82
TOTAL	<u>76 82</u>

These transactions were financed as follows :—

	(In crores of rupees.)
(1) Excess of Civil Revenue over Civil Expenditure	40.97
(2) Excess of Railway receipts over issues	20.36
(3) Post and Telegraphs receipts (net) . . . . .	.32
(4) Cash Certificates (net receipts)	5.71
(5) Permanent Debt incurred	2.76
(6) Net addition to balance of Provincial Governments	3.72
(7) Sale of Sterling	1.93
(8) Other items	1.00
Decrease in Treasury balance (including investments) . . . . .	.05
TOTAL	76.82

21. *Treasury balances in London.*—The year opened with a balance of £15,045,481 in London and closed with a balance of £3,258,733. The average for the year was £9,042,593 as against £13,925,944 in the year 1925-26, the minimum being £3,258,733 in March and the maximum £17,212,772 in April. A summary of the transactions is given below :—

Disbursements.

	(In Millions of £.)
Excess of Expenditure over revenue of the Central Government in London	23.3
Expenditure on behalf of Provincial Governments	2.7
Capital Expenditure on Delhi, Vizagapatam Harbour, Security Printing, Posts and Telegraphs and Railways	10.6
Discharge of Permanent Debt	3.0
Sale of Sterling	1.4
	<u>41.0</u>

Receipts.

Recoveries on account of drawings by Iraq Government	1.4
Sterling purchased in India	2.1
Transfer from the Paper Currency Reserve to Home Treasury	23.4
Miscellaneous Receipts	2.3
Decrease in closing balance	11.8
	<u>41.0</u>

22. *The Paper Currency Reserve.*—Details of the composition of the Paper Currency Reserve on the last day of each month of the year will be found in Statement IV. The fluctuations in the fiduciary portion of the Reserve have been explained

in paragraph 16. Apart from these fluctuations the most notable feature of the year was the large return of rupees from circulation. The stock of silver coin and bullion in the Reserve rose from 84,91 lakhs to 1,04,47. The detailed features of this return will be examined in part IX of this Report, in the paragraphs dealing with the absorption of notes and coin.

Though the Indian Currency Act was passed during the year under review, it did not come into effect till the 1st of April 1927, so that the closing figures for the year are based on the old statutory ratio of ten rupees to the sovereign.

23. *The Gold Standard Reserve.*—Details of the holdings of the Gold Standard Reserve will be found in Statement VII. There was no addition during the year from profits on coinage and the interest that accrued on the investments during the year, amounting to £1,947,864, was taken to revenue. Small purchases of gold, amounting to £1,730,134, were made in London from time to time during the year, in accordance with the recommendation of the Currency Commission in paragraph 78 of its Report that the gold holding in the Reserve should be fortified as opportunity offered.

VII. Money conditions in India.

24. *Cash balances of the Imperial Bank of India.*—The following statement compares the cash balances of the Imperial Bank of India in the last week of each month of the year with the corresponding figures for the two previous years:—

(In lakhs of rupees.)

Cash balances of the Imperial Bank of India in the last week of	1924-25.	1925-26.	1926-27.
April	15,20	20,16	25,31
May	18,22	21,64	32 85
June	21,54	33,98	41,44
July	29,41	46,86	56,57
August	30,29	42,73	59,05
September	28,30	31,98	50,39
October	21,55	24,96	43,40
November	23,06	21,60	37,39
December	17,82	16,82	20,92
January	18,32	17,67	17,00
February	17,38	17,99	16,22
March	19,34	25,23	18,80

25. *General features*—The year opened with every indication of even easier money than in the previous year which itself had been easier than any year since the war. The bank rate stood at 6 per cent, and though the Government of India con-

tracted 8 crores of rupees the contractions had no noticeable effect on the situation. Government securities rose rapidly, $3\frac{1}{2}$ per cent. paper rising from Rs. 74-6 at the beginning of April to Rs. 78-8 at the end of May, at which level it remained with minor fluctuations for the rest of the year. The Imperial Bank of India rate might have been lowered earlier but for the general strike in England which helped to postpone the reduction to 5 per cent. till the 20th of May. By this time call money was down to $3\frac{1}{2}$ per cent. The Government of India announced their loan on the 25th May, considerably earlier than is usually found possible. The unprecedented success of this loan, which was opened for subscription on the 7th June, will be described elsewhere. Here it is only necessary to notice that its effect was to postpone a further easing in the money market until the middle of June. After that, the bank rate went to 4 per cent. and call money fell to 2 per cent.; and remained at almost nominal rates until practically the close of the calendar year. In the absence of any outside activity, the cash portion of the new loan found its way into the cash balance of the Bank, and this, combined with a return of 15 crores of rupee coin between April and August, with its consequent inflation of the gross circulation of notes, raised the Imperial Bank's figure for cash to the unprecedented amount of 59 crores. After that, the redemption of the outstanding 1926 Bonds on the 15th September and contractions of the currency against the cancellation of sterling and rupee securities led to a gradual fall in cash. The jute crop, though large, was low in price and its financing offered no problems. The cotton crop was late, so that it was not until the end of the calendar year that its effects became noticeable. After that, the bank rate rose rapidly from 5 per cent. on the 3rd January to 6 per cent. on the 13th and 7 per cent. on the 9th February. At this rate the Bank borrowed two crores of emergency currency under the emergency currency provisions of the Paper Currency Act. The rate for this loan was fixed by Government at 7 per cent. instead of at the minimum rate of 6 per cent. permissible under the Act. The 7 per cent. rate remained in force and effective to the close of the year under review, with the emergency loan still outstanding.

26. *Money rates.*—The following statement gives statistics of money rates on the 1st of each month of the year. The *bank rate* is the rate at which the Imperial Bank will ordinarily advance money against Government securities, while the Imperial Bank *hundi rate* is the rate at which the Imperial Bank will discount or rediscount first class three months' bills. The *bazar rates* are those at which the bills of small traders are dis-

counted by shroffs. The rates for bills of large traders and shroffs are not given separately as they follow very closely the Imperial Bank *hundī* rate.

1st of	Bank rate.	Call money rate.		Imperial Bank Hundi rate.	Bazar bill rate.	
		Calcutta.	Bombay.		Calcutta.	Bombay.
		Per cent.	Per cent.		Per cent.	Per cent.
April 1926	6	4½	5½	6	10-10½	9½
May "	6	4	4½-5	6	10-10½	9½
June "	5	2	4	4	10-10½	7½
July "	4	2½	2½	4	10	7½
August "	3	1	1	3	10	6½
September "	3	1	1	3	10	6½
October "	4	½	½-1	3	10	6½
November "	4	½	½	3	10	6½
December "	4	½	½-¾	3	10	6½
January 1927	5	4	4½	4½	10	8½
February "	6	4½	5-5½	6	11	9½
March "	7	6	6½-6½	7	11	10½

27. *Clearing House figures.*—The details of clearances of cheques through the Clearing Houses during the last ten years are given in the following statement :—

Clearing House Statistics.

(In lakhs of rupees)

Year.	Calcutta	Bombay	Madras.	Karachi.	Rangoon.	Cawn- pore.	Lahore.	TOTAL.
1917-18	5,24,90	3,83,53	23,01	22,17	52,86	...	...	10,06,47
1918-19	7,41,13	5,69,46	25,45	22,30	73,85	...	...	14,32,19
1919-20	10,55,76	8,83,02	33,95	23,13	94,74	...	...	20,90,60
1920-21	14,39,93	13,15,93	75,79	33,42	1,04,84	6,63	...	29,76,54
1921-22	9,05,01	9,06,73	39,54	36,73	1,22,02	9,01	5,86	20,24,90
1922-23	9,80,26	8,58,73	45,13	33,53	1,25,96	7,93	8,49	20,60,08
1923-24	8,53,05	7,07,98	55,41	41,52	1,32,82	6,38	5,85	18,03,01
1924-25	9,54,11	6,21,66	55,96	46,13	1,17,21	5,72	5,57	18,06,36
1925-26	10,12,19	4,45,05	56,80	36,14	1,25,33	6,16	6,86	16,88,53
1926-27	9,61,01	4,22,68	54,53	31,07	1,24,42	8,16	7,70	16,09,57

These figures show a general drop in the older money centres, due to the easiness of money and the lowering of the price of export staples. The steady increases in the clearings in Cawn-pore and Lahore show that the use of cheques in the mufassil is continually extending.

These clearing house figures cannot, however, be pressed too far. The Imperial Bank of India conducts the clearing houses in all these centres. At the same time, it is the bank with which

the other banks in India deposit their cash. Cheques drawn on the Imperial Bank of India by other banks are not universally passed through the clearing houses and as the amounts paid in adjustment of inter-bank business are very large, the totals are obviously materially affected. The procedure varies from place to place. In Bombay the practice of the Imperial Bank is to deal with such cheques direct, so that the figures of Bombay are to a certain extent lower in proportion to the total amount of transactions than they are elsewhere. The figures, however, are sufficient to establish a rough criterion as to the amount of business in a particular place from year to year and the extent to which the habit of using cheques is extending.

28. *Remittance through the Imperial Bank.*—Though the general easiness is reflected in a diminished amount of remittance through the Bank, the statement below, giving the amount of demand drafts purchased and drafts and telegraphic transfers paid in each circle of the Imperial Bank, shows that progress is being well maintained; and from reports in Northern India and Burma it appears that these facilities are being increasingly appreciated in quarters which formerly used to rely on cash, though the increase due to this is overshadowed by the large decrease caused by the heavy drop in the finance for the main export staples.

(In lakhs of rupees.)

	1921		1922		1923		1924		1925		1926	
	2nd Half-Year	1st Half-Year	2nd Half-Year	1st Half-Year	2nd Half-Year	1st Half-Year	2nd Half-Year	1st Half-Year	2nd Half-Year	1st Half-Year	2nd Half-Year	
Demand drafts purchased.												
Bengal Circle .	17,36	9,65	18,98	16,13	27,07	23,66	33,54	29,93	38,70	23,57	23,95	
Bombay " .	9,72	9,50	11,00	18,92	16,91	28,66	17,84	34,54	20,55	27,38	15,98	
Madras " .	10,95	13,29	11,75	16,30	10,50	18,30	12,55	19,59	13,71	18,37	12,29	
TOTAL	38,03	32,44	41,73	51,35	55,48	70,62	63,93	84,06	72,96	65,32	57,22	
Drafts and Telegraphic transfers paid.												
Bengal Circle .	17,42	22,64	24,54	22,34	22,80	26,99	34,31	38,57	45,53	50,71	41,48	
Bombay " .	17,15	21,80	30,02	26,38	25,03	30,94	27,19	35,74	30,93	29,85	27,31	
Madras " .	8,82	10,16	7,47	9,39	9,30	12,43	9,96	11,62	11,55	11,80	10,33	
TOTAL	43,39	54,60	62,03	58,11	57,13	70,36	71,37	85,93	88,01	92,36	79,12	

29. *Branches of the Imperial Bank.*—The following statement shows the number of branches of the Imperial Bank of India in existence before January 1921 and those opened since under the terms of its agreement with Government. Practically no changes were effected during the year, so that it has not been thought necessary to reproduce the map published in previous reports.

Province.	No. of branches in existence before January 1921.	No. of branches opened since January 1921.	Total.
Bengal	6	9	15
Bihar and Orissa	1	8	9
Assam . . . . .	...	2	2
United Provinces	5	18	23
Punjab	2	17	19
North-West Frontier . . . . .	...	3	3
Burma	3	3	6
Bombay	14	9	23
Madras	18	15	33
Central Provinces	3	7	10
Minor Provinces	1	2	3
Indian States	5	8	13
Ceylon	1	...	1
TOTAL	59	101	160

VIII. The Public Debt.

30. *India's debt.*—The following table shows the total debt of the Government of India, including Indian Treasury Bills issued to the Paper Currency Reserve, at the end of each of the last three years. The figures for 1926-27 are approximate as the accounts for that year have not yet been closed.

Total debt of the Government of India and its distribution.

(In lakhs of rupees.)

	31st March 1925.	31st March 1926.	31st March 1927.
In India.			
Funded debt.			
Rupce Loans	3,70,38	3,68,29	3,74,50
Treasury Bills in the Paper Currency Reserve	49,65	49,65	41,47
Total	4,20,03	4,17,94	4,15,97
Unfunded Debt.			
Post Office Savings Bank	25,64	27,23	29,49
Post Office Cash Certificates	13,12	20,97	26,68
Balances of Provident and allied funds	42,41	46,89	50,94
Total	81,17	94,59	1,07,11
Total India.	5,01,20	5,12,53	5,23,08
In England at 1s. 6d. to the Re.			
Funded Debt.			
Sterling Loans	3,51,20	3,55,13	3,53,44
Unpaid balance of India's war contribution	25,07	24,43	23,75
Capital value of liabilities undergoing redemption by way of terminable annuities	78,45	76,71	74,91
Total	4,54,72	4,56,27	4,52,10
Unfunded Debt.			
Balances of Provident and allied funds	22	28	34
Total England	4,54,94	4,56,55	4,52,44
TOTAL DEBT	9,56,14	9,69,08	9,75,52

(In lakhs of rupees.)

	31st March 1925	31st March 1926.	31st March 1927.
Distribution.			
Productive Debt--			
Railways	5,78,05	6,06,46	6,35,89
Posts and Telegraphs	17,82	12,87	13,26
Irrigation	3,44	3,44	3,43
Vizagapatam Harbour		65	95
Total Productive Debt	5,99,31	6,23,42	6,53,52
Unproductive Debt of Central Government .	2,50,40	2,31,06	2,02,59
Incurred on account of the Provincial Loans Fund.	1,06,43	1,14,60	1,19,41
TOTAL	9,56,14	9,69,08	9,75,52

31. Several alterations have been made, as compared with last year's table. When the table was first introduced in the Currency Report for 1923-24, India's sterling debt was quoted in rupees at the rate of fifteen to the pound, though the statutory rate was ten, as it was considered that in view of the market rate of exchange at the time, the former afforded a more practical basis of comparison. For the sake of uniformity the same rate was followed in subsequent reports. Now that the statutory rate is 1s. 6d. to the rupee, and as this was the market rate throughout the period, the table has been altered to it even though it was not adopted in the accounts during the year under review. The capital value of the railway liabilities undergoing redemption by way of terminable annuities, and the portion of the unfunded debt held in England have also been separately shown.

32. The total productive debt of the Government of India increased during the year 1926-27 by 301 crores, due almost entirely to capital expenditure on railway development, while the unproductive debt decreased by 2847 crores. The internal debt, excluding the Provincial Governments' debts to the Government of India, increased from 39793 crores on the 31st March 1926 to 4,0367 crores on the 31st March 1927. There was an increase of about 12½ crores in the unfunded debt, due mainly to large sales of Post Office Cash Certificates and an increase in the balances of provident and allied funds, while there was a decrease of about 2 crores in the funded debt in India, due to

the cancellation of treasury bills in the Paper Currency Reserve (8 18 crores) counterbalanced by an increase in the Public Debt (6 21 crores). The external debt decreased from 4,56 55 crores on the 31st March 1926 to 4,52 44 crores on the 31st March 1927. There was thus a reduction in the external debt during the year amounting to £3 millions or 4.11 crores.

33. *Provision for the reduction of debt.*—In paragraph 24 of the report for 1924-25 details were given of the scheme for the reduction of debt from revenue. In accordance with this scheme the amount of revenue applied to the reduction of debt during the year 1926-27 was 4,84 lakhs, and in the budget for 1927-28 provision for a further 4,96 lakhs has been made.

34. *Four per cent. Loan 1960-70.*—The year's loan took the form of a 4 per cent. tax bearing issue repayable at par on the 15th September 1970, or, at the option of Government, on or after the 15th September 1960 at three months' notice. The issue price was Rs. 88 per cent. giving a yield of nearly $4\frac{3}{4}$ per cent. inclusive of premium on redemption, assuming repayment in 1960. Subscriptions to the loan were payable in cash, in 6 per cent. Bonds 1926, 6 per cent. Bonds 1927, or $5\frac{1}{2}$ per cent. War Bonds 1928. These Bonds were accepted at Rs. 101, Rs. 102.4 and Rs. 106.8 respectively per Rs. 100 nominal as the equivalent of cash in subscription to the loan. The loan was announced on the 25th May to open on the 7th June. It was to be closed without notice to subscriptions to cash and in 1926 Bonds as soon as the total subscriptions in these two forms amounted to approximately 25 crores, but was to remain open for subscriptions in the form of 1927 and 1928 Bonds without limit up to the 26th June 1926. Applications were received at all branches of the Imperial Bank of India, at the London office of that bank, and at all treasuries. Facilities for conversion were also afforded to investors who had deposited their holdings with the Accountant General, Posts and Telegraphs. The following statement summarises the result of the operations.

Subscription.	Nominal value of loan issued.
	Rs.
In Cash	16,76,71,900
In the form of 1926 Bonds	8,72,85,900
" 1927 "	2,77,94,000
" 1928 "	1,22,18,800
TOTAL	29,49,70,600

35. *Prices of rupee securities.*—Conditions were extremely favourable for the flotation of the loan. The remarkable rise in the price of Government securities described in last year's report was continued during the year under review, as will be seen from the following statement which gives the highest and lowest prices of the more important long term rupee loans for the last six years and for the years 1914-15 and 1917-18.

	3½ per cent. (subject to Income Tax).		5 per cent. 1929-47 (subject to Income Tax).		5 per cent. 1945-55 (Income Tax free)	
	Highest.	Lowest.	Highest	Lowest	Highest.	Lowest.
1914-15	96 $\frac{1}{8}$	91 $\frac{1}{2}$	...	...	...	...
1917-18	70	67	...	...	...	...
1920-21	60	52	90	77	96	78 $\frac{1}{2}$
1921-22	62	55 $\frac{1}{2}$	87	78	89	80
1922-23	61	55 $\frac{1}{2}$	88 $\frac{1}{2}$	81 $\frac{1}{2}$	93 $\frac{1}{2}$	87
1923-24	67 $\frac{3}{8}$	61	93 $\frac{3}{8}$	87 $\frac{1}{2}$	98 $\frac{1}{2}$	93 $\frac{1}{2}$
1924-25	68 $\frac{3}{8}$	63 $\frac{1}{2}$	94 $\frac{1}{2}$	92 $\frac{1}{2}$	99 $\frac{1}{2}$	97
1925-26	74 $\frac{1}{2}$	67 $\frac{3}{8}$	99 $\frac{1}{2}$	94 $\frac{1}{2}$ ^{5/8}	104 $\frac{1}{2}$	98 $\frac{1}{2}$ ^{3/8}
1926-27	79 $\frac{1}{8}$	74 $\frac{3}{8}$	102 $\frac{3}{8}$	99 $\frac{3}{8}$	110 $\frac{1}{2}$	104 $\frac{1}{8}$

The reasons for the rise were approximately the same as last year, the expectation that Government borrowings would be small, the mistrust of joint stock companies, and the exceptional ease of money. The institution of a system of monthly settlements on the Bombay Stock Exchange at the end of the previous year also introduced a strong speculative element into the Government securities market. This speculation reached its height just about the time at which the loan notification was issued. Three or four days after the issue of the notification the new loan was quoted freely at a premium of Rs. 3 as a result of heavy forward buying, but before the loan actually opened for subscription it was clear that speculators in Bombay were beginning to find difficulties in financing their large holdings of securities, and on the 7th June the premium had fallen to ten annas. In these circumstances, the offer met with a response unique in the history of Government loans in India. Exceptional arrangements had to be made both in Bombay and Calcutta by the Imperial Bank of India for dealing with the expected rush of subscribers. The arrangements worked smoothly and the loan was closed to subscriptions in cash and in the form of 1926 Bonds within about 2½ hours of the time of opening.

After the loan had been closed to subscriptions in cash and in 1926 Bonds it soon became apparent that the speculators in Bombay were overloaded and the loan went to a discount, which at one time was as large as Re. 1-8 and was not below four annas at any time before the 26th June, the date up to which subscriptions in the form of 1927 and 1928 Bonds were

received. For this reason the amount of conversions of these bonds was small. After the closing of the loan prices of Government securities remained remarkably steady up to the end of the financial year owing to the prevailing ease in money conditions. In fact, $3\frac{1}{2}$ per cent. paper reached its maximum for the year in Bombay on the 15th December. The new loan too after recovering from its discount went to a steady premium of Re. 1-8 to Rs. 2 and remained at that level throughout the year.

36. *Financial results of the loan.*—The total amount of premium paid on the loan was Rs. 19,55,000 but of this Rs. 5,05,000 would have had to be paid in any case in 1928 on the maturity of the 1928 Bonds, so that the effective premium paid amounted to Rs. 14,50,000. The annual saving on interest is more difficult to calculate, but the fairest method of comparison is to compare the new rate with the rate which Government was actually paying on the debt which it converted. The annual saving on interest in the present conversion would then amount to approximately Rs. 14½ lakhs, and, in addition, interest on the new loan for Rs. 12,73 lakhs became liable to an income tax of about Rs. 4¼ lakhs. The general effect of the loan operations of the last four years has been to reduce the interest on India's total debt by roughly 5½ crores since the 1923-24 Budget, as will be seen from the speech of the Honourable Finance Member in introducing the Budget for 1927-28. In addition, there has been no sterling loan since May 1923, and since the end of the financial year 1923-24, the last year in which a sterling loan was issued, up to the 31st March 1927, 262 million pounds have been spent for purposes of capital outlay and 99 million pounds on the reduction of sterling debt, a total of 361 million pounds.

37. *Post Office Cash Certificates.*—The following table shows the transactions on account of Post Office Cash Certificates from 1917-18 when they were first introduced:—

(In lakhs of rupees)				
	Receipts.	Repayments.	Net receipts.	Outstanding at the end of the year.
1917-18	10,00	1,12	8,88	8,88
1918-19 and 1919-20	4,03	7,16	—3,13	5,75
1920-21 and 1921-22	1,00	2,41	—1,41	4,34
1922-23 and 1923-24	7,61	3,53	4,08	8,42
1924-25	6,10	1,40	4,70	13,12
1925-26	9,55	1,70	7,85	20,97
1926-27	7,53	1,81	5,71	26,68

Owing to the reduction in the yield from 6 per cent to approximately $5\frac{1}{4}$ per cent. free of tax, which was brought into force on the 1st April 1926, the amount purchased has some-

what diminished, but the steady increase in the total shows that this is an increasingly popular form of investment.

38. *Depreciation funds for rupee loans.*—In pursuance of the undertaking given by Government when the 5 per cent. 1929-47 and 1945-55 loans were issued, a sum equal to 1½ per cent. of the amount of each of these loans outstanding is set apart every year in order to form a fund for the purchase and cancellation of securities of the loans whenever the market price falls below the price at which the last issue of these loans was floated. The sums set apart for this purpose in 1926-27 totalled Rs. 1,36,04,000. This amount, together with the balance brought forward from the previous year, amounted with interest to Rs. 2,40,78,000. As the market price of these loans remained well above the price at which purchases for the depreciation funds are to be made, no purchases were effected, and the total amount available in the fund was invested for future use.

IX. Demand for the various forms of currency.

39. *Absorption of currency.*—The statement below shows the average annual absorption of the various forms of currency for the five years preceding the war, for the five war years 1914-15 to 1918-19, and the absorption during the eight subsequent years with the average for this period:—

(In lakhs of rupees)

	Rupees.	Notes.	Total.	Sovereigns and half sovereigns	Grand Total.
Average for 5 years 1909-10 to 1913-14	8,77	3,01	11,78	10,91	22,69
Average for 5 years 1914-15 to 1918-19	22,08	16,72	38,80	6,40	45,20
1919-20	20,09	20,20	40,29	-3,32	36,97
1920-21	-25,68	-5,90	-31,58	-4,38	-35,96
1921-22	-10,46	9,35	-1,11	2,78	1,67
1922-23	-9,56	3,87	-5,69	9,43	3,74
1923-24	7,62	7,96	15,58	6,74	22,32
1924-25	3,65	-2,51	1,14	14,53	15,67
1925-26	-8,17	1,16	-7,01	11,07	4,06
1926-27	-19,76	-3,40	-23,16	6,24	-16,92
Total for 8 years 1919-20 to 1926-27	-42,27	30,78	-11,54	43,09	31,55
Average for 8 years, 1919-20 to 1926-27	-5,28	3,84	-1,44	5,39	3,95

These figures show the net absorption or return of coin and notes as between the public and Currency Offices and Government treasuries, including those managed by the Imperial

Bank,—*plus* figures representing a net outgo to the public and *minus* a net return. There is also a column showing sovereigns, since they were legal tender up to the end of the year under review. This now only shows the sovereigns privately imported, as sovereigns have not functioned as currency for many years and have not been issued from Government treasuries. They do not function as currency any more than other forms of bullion, but their exclusion would vitiate the comparison with pre-war years. Caution must therefore be exercised in drawing any conclusions from these figures as to the effective currency in circulation in the country. The statement only purports to show the relative popularity of the various forms of currency.

40. *Rupees*.—The details of the net return from circulation of 19,76 lakhs during the year under review are shown below, first monthly for the whole of India, and second by circles:—

Monthly absorption of rupees.

Month.	(In lakhs of rupees)	
	Absorption + or return from circulation — in	
	1925-26.	1926-27.
April	+ 2,68	+ 32
May	+ 37	- 2,03
June	- 5,11	- 4,27
July	- 6,06	- 5,90
August	- 3,95	- 3,19
September	- 1,25	- 2,90
October	- 21	- 1,95
November	+ 3,01	- 85
December	+ 3,81	+ 2,09
January	+ 71	+ 77
February	- 69	- 40
March	- 1,48	- 1,45
TOTAL	- 8,17	- 19,76

Absorption of rupees by circles.

Circle.	(In lakhs of rupees)	
	Absorption + or return from circulation — of rupees in	
	1925-26.	1926-27.
Calcutta	+ 6,63	- 1,40
Cawnpore	- 5,37	- 7,66
Lahore	- 4,67	- 5,16
Bombay	- 5,53	- 5,53
Karachi	- 5	- 22
Madras	- 41	- 23
Rangoon	+ 1,23	+ 44
TOTAL	- 8,17	- 19,76

41. *Causes of return of rupees from circulation.*—The return of rupees from circulation continued the movement of the previous years, though on an increased scale. If the figures of the circulation of the one rupee note, the issue of which was definitely discontinued from the 1st January 1926, are added to those of rupee coin the tendency becomes still more marked, as the following figures show:—

Absorption + or return from circulation — of one rupee notes and coin.

(In lakhs of rupees)

—	Notes	Coin.	Total.
1924-25	-7,24	+3,65	-3,59
1925-26	-3,43	-8,17	-11,60
1926-27	-28	-19,76	-20,04

A local enquiry was instituted towards the close of the year under review to ascertain from Deputy Controllers of the Currency and district officers throughout India the reasons for the large return of rupees, which was unprecedented except in 1920-21.

In the Appendix the demand for coin and notes in financing the two main export crops of India, jute and cotton, is examined in detail. As regards the cotton areas, the main result which emerges is that in the commercially advanced parts of the country where this staple is grown there has been no very material change in the habits of the people in respect of currency. The proportion of notes and coin to the total value of the crop remains approximately the same and the drop in the demand for rupees can be mainly attributed to the fall in price. The drop in the price of jute must also be held to be largely responsible for the fall in the coin consumption of the Calcutta circle, which accounts for eight crores out of the total of eleven and a half; but here it is clear that there were other factors in operation. The figures in paragraph 11 of the Appendix show that the proportion of coin to notes has dropped considerably below last year's figure, and is the same as that of 1924-25 when the one rupee note was still in circulation to a very considerable extent. Reports from other parts of the country concur in emphasizing a growing trust in fiduciary currency combined with an increasing acquaintance with modern monetary methods. This is particularly noticeable in the

reports from district officers in Burma. One of the notable features of the year was the marked decrease in the seasonal demand of coin to finance the rice crop in Burma. One Commissioner in that Province states :—

“ Money circulates more freely and less disappears into buried hoards. Motor cycles, electric torches and cinemas absorb and keep in circulation lakhs of rupees that until two or three years ago were locked away. The enormous increase of motors and motor buses has not merely kept a lot of money in circulation, but they have made new channels for trade, and luxuries are being sold in remote villages where formerly hoarding was the rule.”

In Sind too there has been a remarkable decrease in the use of silver rupees, and from enquiries made of district-officers at Hyderabad and Sukkur it appears that the decrease is almost entirely due to the increase in the popularity of notes, to the fact that banking facilities are becoming more widely spread round Karachi and in Sind generally and that bearer cheques are being accepted more freely than formerly. In Northern India, there was a falling off in the demand for whole rupees from banks and the Currency Office in the Cawnpore Circle. This was partly due to the fall in prices, but not wholly. The practice of privately railing rupees is now almost non-existent. Rupees issued in quantities of ten thousand or over at the counter of the Lahore Currency Office amounted to 1,39,000 against 6,45,000 during the previous year, the figures of the Cawnpore Currency Office being 52,36,000 against 1,46,00,000. “ Notes,” says the Deputy Controller of the currency for Northern India, “ are becoming increasingly popular, especially in towns, though the progress of the substitution of paper currency for metallic is bound to be slow ”. The increase of more than one crore of rupees in the figures of the Cawnpore and Lahore clearing houses in spite of general decreases elsewhere shows the gradual education of the public in the use of cheques and the extension of the banking habit.

Another important factor, which was undoubtedly also in operation during the year under report, is the substitution of bullion for rupees in hoards, by the term hoard being implied coin which is kept as a store of value and which is not in circulation. The exceptionally large demand for gold in the years 1923-24 and 1924-25 was mainly due, as was explained in the Report for 1924-25, to the rapid drop in its price in India below its pre-war level. The inducement to people who had hitherto maintained their store of value in coin to convert it into gold was therefore strong. The effects of this release of hoarded

coin in increasing the velocity of the circulation of the currency and thereby also augmenting its redundancy have already been shown in the portion of the Report dealing with the money conditions of the year.

42. *Absorption of small coin.*—In Statement XV will be found details of the absorption of small coin in each province during the last three years. A summary of these figures is given below, with similar figures for previous years, shewing a further large decrease during the year under review, due presumably to the same causes as in the case of whole rupees.

(In thousands of rupees)

Year.	Four anna pieces	Two anna pieces.	One anna pieces	Single piece	TOTAL.
Average for the 5 pre-war years	15,75	13,59	21,02	10,51	60,87
Average for the 5 war years 1914-15 to 1918-19	37,24	29,54	27,86	5,63	1,00,27
1919-20	88,15	60,33	44,05	21,18	2,13,71
1920-21	— 9,31	— 23,24	— 12,82	— 2,22	— 47,59
1921-22	— 7,09	— 2,40	3,28	52	— 5,69
1922-23	3,67	1,70	12,99	2,89	21,25
1923-24	6,20	3,99	19,88	2,42	32,49
1924-25	15,87	4,90	21,86	5,31	47,94
1925-26	3,34	5,49	11,22	2,23	22,28
1926-27	51	— 6,10	11,62	4,05	10,08

N.B.—A minus sign indicates a return from circulation.

X. The note circulation and miscellaneous matters connected with Currency Notes and Coinage.

43. *Statistics of the note circulation.*—Statistics of the note circulation are given in Statements XI to XIV. In these statistics “gross circulation” means the total amount of notes issued,

and "active circulation" the amount of notes issued less those held in Government treasuries and local head offices of the Imperial Bank of India.

The table below compares the gross and active circulations on the 31st March, and also the average for the year, with the corresponding figures for previous years:—

(In lakhs of rupees)

Year.	CIRCULATION ON 31ST MARCH.		AVERAGE CIRCULATION.		Increase in average active circulation.
	Gross.	Active.	Gross.	Active.	
1904-05	39,18	28,46	39,20	28,11	..
1909-10	54,41	39,99	49,66	37,21	+9,10
1913-14	66,12	49,97	65,55	46,63	+9,42
1914-15	61,63	43,96	64,04	45,43	-1,20
1915-16	67,73	53,19	64,10	48,08	+2,65
1916-17	86,37	67,08	76,14	59,36	+11,28
1917-18	99,79	84,30	1,01,77	71,67	+12,51
1918-19	1,53,46	1,33,58	1,33,20	1,13,84	+41,97
1919-20	1,74,52	1,53,78	1,71,68	1,51,10	+37,26
1920-21	1,66,16	1,47,88	1,63,51	1,38,88	-12,22
1921-22	1,74,76	1,57,23	1,73,80	1,52,22	+13,34
1922-23	1,74,70	1,61,10	1,76,33	1,53,27	+1,05
1923-24	1,85,85	1,69,06	1,79,01	1,56,93	+3,66
1924-25	1,84,19	1,66,55	1,79,27	1,60,91	+3,98
1925-26	1,93,34	1,67,71	1,86,88	1,63,16	+2,25
1926-27	1,84,13	1,64,31	1,89,13	1,66,36	-6,80

The progress of the gross circulation has been described in paragraph 16. The principal reason for the decrease in active circulation is the same as in the case of other money, namely the fall in the price of India's main export staples. It was, as usual, lowest at the end of July with 143 F-trores and was highest at the end of February with 168 53.

44. *Character of the note circulation.*—The details in Statement XIII indicate the relative popularity of the different denominations of notes. For the purpose of this statement Rs. 10,000 notes, which do not enter into active circulation, are excluded. One rupee and 2½ rupee notes have been discontinued for some years, and notes of these denominations are being cancelled on receipt at treasuries and currency offices. The number outstanding is now negligible, 44,20,634 one rupee notes, and 61,754 two and a half rupee, a large proportion of which must in reality have been destroyed, in which case the value will be ultimately credited to Government. The ten rupee note still retains the most important position, representing 43 7 per cent. of the total. With the introduction of the new pattern note, the five rupee note has regained a certain amount of the popularity which it was losing owing to forgeries of the old notes, and again represents roughly ten per cent. of the total.

45 *Printing of Currency Notes*—During the year the new pattern Rs. 100 note was put into circulation, being first issued from the Rangoon Currency Office in February 1927. It has been decided not to proceed with the re-design of the Rs. 50 note as the existing stock is sufficient for all probable requirements for some time to come. The present intention is that the contract with the Bank of England should be terminated by giving six months' notice on the 1st January 1928 for the printing of notes of denominations up to Rs. 100.

The buildings for the Security Printing Press are practically ready, and it is expected that new notes will be ready for delivery from the Nasik Press by the 1st July 1928.

46. *Life of currency notes.*—The following table gives a rough measure of the life of each denomination of notes. The life of a note is reckoned to be the period from the time of its issue to the time of its cancellation, the calculation being based on the ratio of the number of notes outstanding in a year to the number of notes cancelled in that year:—

	Rs. 5	Rs. 10	Rs. 50	Rs. 100	Rs. 500	Rs. 1,000	Rs. 10,000
	Months	Months	Months	Months	Months	Months	Months
1926-27	12½	12	11½	11	10	2½	3½
1925-26	12½	12½	11½	10½	8	2	2½
1924-25	13	13½	11½	11	7	2	3

In the above calculations notes in currency chests are reckoned as in circulation, if these notes are excluded from the circulation figures, the life of the various denominations works out as follows for 1926-27:—

Rs. 5	Rs. 10	Rs. 50	Rs. 100	Rs. 500	Rs. 1,000	Rs. 10,000
Months	Months	Months	Months	Months	Months	Months
6	7½	5½	5½	4	1½	3

The actual period for which the several denominations of notes ordinarily remain in circulation appears to lie between these two periods.

47. *Note Forgeries*—The total number of forged notes received in the various currency offices during the year was 9,641 against 11,445 and 14,160 in 1925-26 and 1924-25 respectively. The Rangoon circle accounted for 4,892 while Calcutta shewed 1,985, Bombay 993 and Madras 845. Of the total 578 were of the Re. 1, 3,328 of the Rs. 5, 4,711 of the Rs. 10, 18 of the Rs. 50, 1,005 of the Rs. 100 and 1 of the Rs. 1,000 denominations.

Forgeries of Re. 1 denomination were mostly old and almost entirely restricted to the Rangoon, Madras and Calcutta circles. The bulk of the forgeries were of the N/89, Y/99 and J/53 series.

No forgeries of the Rs. 2½ note appeared during the year under report.

The most important forgeries of the Rs. 5 denomination were of the SD/84, GC/95, PF/19, GD/77 and CD/78 series. They were predominant in Calcutta, Cawnpore, Bombay, Madras and Rangoon. A gang of the forgers of the RC/61 and SD/84 series was arrested by the police at Howrah with their implements. The culprits have been convicted. Some forgers of the GC/95 series were also arrested in Gujrat and convicted. No forgery of the new pattern Rs. 5 note has yet appeared.

Three-fourths of the forgeries of the Rs. 10 note appeared in Rangoon. Forgeries of the new pattern detected during the year were of the C/57, D/12, D/15, D/64, D/78, D/90 and D/98 series. All these specimens were well executed. Forgeries of the CD/73, CD/37, P/23, JD/73 and B/16 series of the old pattern were received in large numbers.

Forgeries of the Rs. 50 denomination were few and mainly confined to the Bombay and Karachi circles. They were hand-made and crude.

By far the largest number of forgeries of the Rs. 100 denomination appeared in the Rangoon circle as in the previous year. A few forgeries of the DV/88, ND/85, ND/60 and QE/77 noticed in the last year's report were received in this year also. 308 pieces of the new forgeries of the series of QE/37 appeared in Rangoon during the year under report. This series is a very fair imitation of the genuine note and is likely to deceive persons who are not accustomed to scrutinise notes properly.

The forgery of Rs. 1,000 note was of the SD/72 series. It was hand-made and crude.

227 prosecutions were undertaken during the year in connection with forged notes, of which 128 resulted in the conviction of the accused.

48. *Claims on lost and half notes, etc*—The following table shows the number of wholly destroyed, half and mutilated notes in respect of which claims were admitted during the year 1926-27 and the three preceding years:—

	1923-24.	1924-25.	1925-26.	1926-27.
Whole notes destroyed	26	7	6	34
Half notes { lost in the post	1,579	774	1,709	1,314
{ lost otherwise	1,958	1,808	2,082	1,173
Mutilated notes	484	448	625	710

49. *False claims.*—Sixty-nine cases of false claims on defective currency notes were taken up at the currency offices for investigation during 1926-27. Prosecutions were launched in 18 cases of which six ended in convictions. In the year under report, convictions were also secured in 7 cases out of those in which prosecutions had been instituted at the end of the previous year.

50. *Writing off old notes*—The value of notes written off to Government during the year under Section 19 of Act X of 1923 amounted to Rs. 32,850 as compared with Rs. 26,800, Rs. 34,050 and Rs. 35,850 in the three years 1923-24, 1924-25 and 1925-26.

51. *Withdrawal of silver coin.*—The total value of silver coins withdrawn from circulation amounted to 1,62 lakhs as against 1,49 lakhs in 1925-26 and 1,06½ lakhs in 1924-25. The details are shown in the statement below:—

(In thousands of rupees)

Province.	1935.	1940.	1911.	Shroff marked.	Other uncurrent.
India	24	1,96	4	1	32,22
North-West Frontier Province	1	21	...	...	5
Madras	12	1,82	1	...	15,72
Bombay	7	1,71	...	34	18,60
Bengal	31	1,90	...	3	8,46
United Provinces	73	7,52	1	2	21,75
Punjab	76	7,50	...	...	81,09
Burma	1	10	...	...	2,77
Bihar and Orissa	31	2,61	1	...	6,77
Central Provinces	3	65	...	...	38
Assam	5	21	...	...	16
TOTAL	2,64	26,19	7	40	1,32,97*

* Includes small silver worth 20 lakhs.

The following table shows the number of light weight silver coins withdrawn and remitted to the Mints during the year :—

Denomination.	NUMBER OF COINS REDUCED IN WEIGHT.					TOTAL.
	WHOLE RUPEES.		SMALL SILVER COINS		ALL SILVER COINS.	
	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.	
1	2	3	4	5	6	7
Rupees	8,667,326	37,813	..	..	15,238	8,720,377
Half Rupees . . . . .	...	..	795,404	5,561	1,031	801,996
Quarter Rupees . . . . .	...	...	...	151,530	1,259	152,789
Eighth Rupees . . . . .	...	...	..	37,028	1,578	38,606
TOTAL	8,667,326	37,813	795,404	194,119	19,106	9,713,768

Grand Total	1926-27	. . . . .	9,713,768
Do.	1925-26	. . . . .	7,840,727
Do.	1924-25	. . . . .	5,213,209
Do.	1923-24	. . . . .	6,145,150
Do.	1922-23	. . . . .	5,901,118
Do.	1921-22	. . . . .	5,128,066
Do.	1920-21	. . . . .	3,417,879
Do.	1919-20	. . . . .	1,476,059
Do.	1918-19	. . . . .	1,929,888
Do.	1917-18	. . . . .	4,624,449

Silver two anna pieces are still legal tender but their re-issue has been stopped since 1925-26. The total amount withdrawn and remitted to the mints for melting during the year was Rs. 18 31 lakhs against Rs. 21 81 lakhs in 1925-26.

52. *Withdrawal of nickel and copper coin.*—Eight anna nickel coins were called in under Section 15-A of the Indian Coinage Act, 1906, with effect from the 1st October 1924. They are now received at currency offices only. The total amount withdrawn and sent to the mints during the year was Rs. 28,894. Double pice, though still legal tender, are being withdrawn from circulation at treasuries and currency offices, the total amount so withdrawn during the year being Rs. 37,200. The

amounts of badly worn and defaced nickel and copper coin withdrawn from circulation were four anna pieces Rs. 352, two anna pieces Rs. 438, one anna pieces Rs. 88,201 and copper Rs. 1,62,493.

53. *Counterfeit coin.*—The counterfeit silver coins detected at treasuries, railway stations and mints were as follows:—

	Rs	½ Rs.	¼ Rs.	⅛ Rs.
1926-27	102,798	5,316	5,918	2,543
1925-26	87,353	4,393	6,182	2,113
1924-25	84,066	4,123	6,067	2,102

The large increase in counterfeit whole rupees occurred chiefly in Bombay, Bengal and Bihar and Orissa. The total number of counterfeit nickel coins cut at railway stations and treasuries was 1,551 of the eight anna, 15,056 of the four anna, 17,385 of the two anna and 9,883 of the one anna denomination.

54. *Special examination of rupees at the mints.*—The table below shows the results of the special examination at the mints of rupees shroffed at each of the seven currency offices to test the adequacy of the shroffing work.

AMOUNT EXAMINED.	Calcutta	Bombay.	Madras.	Cawn- pore.	Lahore	Rangoon	Karachi.
	Rs 10,00,000	Rs. 5,00,000	Rs 3,00,000	Rs 5,00,000	Rs 5,00,000	Rs. 3,00,000	Rs. 1,00,000
Counterfeits	48	55	12	51	31	11	14
Loss between 2% and 6¼%	1,043	4,180	1,329	10,066	4,270	1,435	811
" 6¼% " 12½%	5	25	14	25	18	3	5
" 12½% " 18¾% . . . . .	...	...	...	1	...	...	...
" 18¾% " 25% . . . . .	...	...	...	...	...	...	...
Fraudulently defaced	34	17	11	31	5	28	1
TOTAL	1,130	4,277	1,366	10,114	4,324	1,477	831
Percentage of light-weight rupees.	.11	.84	.45	2 01	86	.48	.82
Average rate of loss per light-weight rupee.	.023	.023	.023	.023	.023	.022	.023
Percentage of light-weight rupees in 1925-26.	.15	1 23	.47	.92	.803	.49	38
Average rate of loss per light-weight rupee in 1925-26.	.023	.023	.022	.023	.023	.023	.023

The result is not as satisfactory as in last year at Cawnpore. Bombay shows a little improvement and Karachi some deterioration. The average loss in weight is the same as in previous years.

55. *Receipts and expenditure of the Currency Department.*—Statement XVI gives the usual details of receipts and expenditure of the Currency Department during the year.

56. *Working of the mints.*—The coinage for the Government of India during the year consisted of Rs. 30½ lakhs of silver half rupees, Rs. 20 lakhs of silver quarter rupees, Rs. 15½ lakhs of nickel 2 anna pieces, Rs. 13½ lakhs of nickel one anna pieces, Rs. 4,80,000 of single pice, Rs. 62,000 of half pice and Rs. 1,02,000 of pie pieces. In addition, 5 million cent pieces were coined for the Government of the Straits Settlements. The mints have also been engaged in the manufacture of medals and other miscellaneous work, details of which will be found in the annual reports of the Mint Masters.

I have the honour to be,

SIR,

Your most obedient servant,

J. B. TAYLOR,

Offg. Controller of the Currency.

CALCUTTA,

The 18th June 1927.

APPENDIX.

Note on the financing of the cotton and jute crops.

1. *Cotton*.—The classification of areas in which the Oomra cotton crop is grown is the same as that adopted in the previous reports. What is described below as Area I is that which supplies cotton classified by the East India Cotton Association as Berar, Khandesh and the Central Provinces while Area II represents cotton classified as Central India and Barsi Nagar. A considerable portion of the Barsi Nagar crop is raised in Hyderabad and is financed by the currency of that State. It has been excluded therefore from this survey as it has not been possible to collect sufficient information about it.

2. The approximate outturn and value of the cotton in the two areas in the last cotton season were:—

	No of Bales.	Value in lakhs of rupees.
Area No I	12,84,000	17,49
Area No II	7,77,000	11,07
TOTAL	20,61,000	28,56

These compare as below with the figures for the previous two years:—

	1924-25.		1925-26.	
	No of bales.	Value in lakhs of rupees.	No of bales.	Value in lakhs of rupees.
Area No I	12,11,000	27,55	11,64,000	19,98
Area No. II	8,13,000	18,19	8,90,000	14,91
TOTAL	20,24,000	45,74	20,54,000	34,89

3. The following figures indicate the part played by the Imperial Bank and Government Treasuries in providing the money required for payments to the cultivators for the crop:—

(In thousands of rupees)

	Area No. I.	Area No. II	TOTAL.
1. Value of drafts purchased at branches of the Imperial Bank of India	6,67,58	2,49,22	9,16,80
2. Telegraphic transfers paid from branches of the Imperial Bank of India	50,17	22,54	72,71
3. Telegraphic transfers and Supply Bills issued in Bombay and paid at Government treasuries and sub-treasuries	1,57,68	6,52	1,64,20
4. Whole rupees taken from Bombay Currency Office and railed to cotton areas	42	44,98	45,40
5. Notes privately imported	81,78	35,89	1,17,67
TOTAL	9,57,63	3,59,15	13,16,78

The total value of drafts or currency obtained from the Currency Office, Government Treasuries and the Imperial Bank of India for financing the crop thus amounted to Rs 13 17 crores or about 37 6 per cent of the ascertained value of the crop—the corresponding percentage for 1925-26 being 34 8.

4. The figures given in the preceding paragraph do not show the amount of actual currency absorbed in the cotton area. This can only be calculated from the amount of notes and coin absorbed from currency chests in the area and the amounts which local Treasury Officers and Agents of the Imperial Bank estimate to have been privately railed up-country from Bombay. The season 1926-27 was a late one owing to abnormal weather conditions throughout the area under report. The absorption of currency therefore commenced in November and reached its maximum by the end of January 1927. Further the low price offered for cotton at the beginning of the season was an inducement to the cultivator to hold on to his crop as long as he could; the absorption therefore continued, though on a reduced scale, to the middle of March 1927. The statement below shows the total absorption of currency during this period calculated on the principles mentioned above:—

(In thousands of rupees)

	AREA NO I.		AREA NO II	
	Notes.	Rupees.	Notes.	Rupees.
Absorption of currency from currency chests .	4,33,20	2,41,78	1,08,00	1,16,24
Whole rupees taken from Currency Office .	...	42	...	44,98
Notes imported by private bodies	81,78	...	35,89	...
TOTAL .	5,14,98	2,42,20	1,43,89	1,61,22
	7,57,18		3,05,11	
	10,62,29			

5. The absorption of currency thus amounted to roughly 37 per cent. of the total value of the crop. This low percentage is possibly due to the fact that the heavy drop in the price of cotton left an even smaller margin of profit than last year to the cultivator. Receipts were used immediately for payment of land revenue or repayment of advances made by Adtyas,

the velocity of circulation in the districts was thus increased and a smaller import of new currency required. This theory is borne out by the fact that in certain places in the Berars, Government had to suspend partially, land revenue collections to enable the cultivators to cover their agricultural expenses.

6. Though the percentage of coin to notes is roughly the same as in last year, reports from local officers show that the popularity of notes especially in town areas is still increasing. Though notes of small denomination were readily available and could be freely exchanged in the markets in the major portion of Area I, discount on currency notes still prevailed at varying rates, *i.e.*, from $\frac{1}{2}$ anna per cent. to 4 annas per cent. Government currency notes are not freely accepted by the public in Area II and the average rate of discount charged for encashment of currency notes ranged from anna 1 to annas 4 per cent. according to the conditions prevailing in the local markets. The proportion of silver absorbed in the Barsi Nagar and Central India area was as usual high owing to the lack of facilities for the encashment of notes. Most of the area lies within the territory of Indian States where Government Treasuries are few. These figures cannot be pressed too far as it is impossible to form anything like an accurate estimate of the amount of notes and coin privately railed to the cotton areas. The return of silver during the year under report continued at much the same rate as last year but the return of currency notes shows a marked increase from 58 lakhs in 1925-26 to 480 lakhs in 1926-27. This result reflects the contraction of redundant currency throughout the country and cannot be wholly accounted for by particular trade conditions in the Bombay circle.

7. *Jute.*—The area under jute cultivation in Bengal, Bihar and Orissa, and Assam combined was placed at 3,605,000 acres in the preliminary forecast issued by Government at the end of June. The estimated area under cultivation was larger than generally anticipated. With the publication of the forecast, prices became somewhat easier. According to the final forecast the area under cultivation was 3,629,994 acres. This figure was higher than the revised returns of last year by over 500,000 acres. The increase in area was chiefly due to the high price of the fibre obtained last year.

8. The outturn was on the whole fair but its quality was not very good. The total yield of the 1926 crop was estimated at over $52\frac{1}{2}$ million maunds. This year's production was unusually large and was the highest on record during the last twenty years. As a consequence there was a large drop in the price of raw jute. The average price excluding amounts paid to middlemen, commission, etc., during the season was Rs. 10-1-0 only against last year's figure of Rs. 18-11-0 and of Rs. 13-1-0 in the previous year. The cultivators were not over-anxious to sell at the low prices ruling and they hung back as long as they could. Purchases both on account of mill consumption and foreign shipments were held over in expectation of a fall in prices. The result was that the marketing of the crop took a much longer time than usual. The demand for telegraphic transfers which usually falls off in November continued up to January this year. Generally, the up-country stocks are brought down to Calcutta by the end of December, but this year nearly a third of the crop remained up-country at the end of December 1926. The stock there was only reduced to the normal level by about the end of March 1927.

9. The following figures give the value of the crop in 1926-27 and the two preceding years:—

(Figures in units.)

		1924-25	1925-26.	1926-27.
		Mds.	Mds.	Mds.
Ontturn in maunds.	Bengal	36,199,325	34,917,000	46,504,400
	Bihar and Orissa	2,052,795	2,702,700	3,538,000
	Assam	1,574,500	1,225,900	2,587,300
TOTAL		39,826,620	38,845,600	52,629,700
Rate per Maund		Rs. 13-1-0	Rs. 13-11-0	Rs. 10-1-0
Total value		Rs. 52,02,35,224	Rs. 72,59,27,150	Rs. 52,95,86,356

10. The amount of finance provided through the agency of Government and the Imperial Bank of India is given in the statement below:—

(In thousands of rupees)

	1924-25.	1925-26.	1926-27.
	Rs.	Rs.	Rs.
Value of drafts purchased at branches of the Imperial Bank of India	13,58,36	20,73,95	14,52,89
Telegraphic transfers paid by branches of the Imperial Bank of India	2,37,01	3,13,77	1,52,41
Telegraphic transfers and supply bills issued in Calcutta and paid at Government treasuries and sub-treasuries	3,64,84	5,54,51	4,06,95
TOTAL	19,60,21	29,42,23	20,12,24
Percentage of estimated value of the crop	57.6	40.5	38.0

It has not been possible to collect reliable information regarding the finance arranged through private agency.

11. The following statement shows the figures of absorption of Currency from Currency Chests in the jute districts during the season :—

(In thousands of rupees.)

Year.	Notes.	Rupees.	Total.
1924-25	13,22,35	2,85,20	16,07,55
1925-26	18,59,81	5,49,16	24,08,77
1926-27	12,08,60	2,83,34	14,91,94

STATEMENTS.

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STATEMENT I.

Monthly Imports and Exports of gold and silver coin and bullion during the year 1926-27.

GOLD.

Month.	IMPORTS.			EXPORTS.		
	Bullion.	Sovereigns and other British gold coin.	TOTAL.	Bullion.	Sovereigns and other British gold coin.	TOTAL.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
April 1926	1,50,99,420	39,82,175	1,90,81,595	24,670	64,721	89,391
May "	2,71,01,152	71,85,882	3,42,87,034	...	73,126	73,126
June "	1,56,90,493	36,04,176	2,02,94,669	1,41,475	36,455	1,80,930
July "	50,55,961	63,54,280	1,14,10,241	17,539	72,336	89,875
August "	66,87,480	57,76,852	1,24,64,332	64,080	88,072	1,52,152
September "	99,73,722	34,95,715	1,34,69,437	4,800	24,526	29,326
October "	72,04,323	39,75,074	1,11,79,397	8,982	46,253	56,235
November "	65,11,164	31,48,365	96,59,529	1,990	30,803	32,708
December "	72,43,774	28,02,423	1,00,46,197	2,19,639	23,506	2,43,145
January 1927	39,19,431	30,83,484	70,02,915	...	9,579	9,579
February "	1,17,10,266	64,84,189	1,81,94,455	217	18,013	18,230
March "	2,14,48,959	64,73,242	2,79,22,201	4,490	27,367	31,857
TOTAL	13,86,46,145	5,63,65,857	19,50,12,002	4,91,792	5,14,762	10,06,554

SILVER.

Month.	Import.	Export.
	Rs.	Rs.
April 1926	1,94,35,107	6,46,818
May "	1,57,87,124	13,01,167
June "	1,82,93,383	10,26,818
July "	1,54,69,280	14,22,265
August "	99,98,883	13,31,126
September "	83,13,499	29,42,431
October "	1,92,79,551	4,07,949
November "	2,54,30,013	15,95,753
December "	2,23,16,446	2,49,729
January 1927	2,06,08,341	3,16,849
February "	2,74,53,169	67,75,366
March "	1,52,49,364	4,37,554
TOTAL	21,76,34,180	1,89,53,825

STATEMENT II.

Total value of imports and exports of gold coin and bullion in each official year from 1900-01 to 1926-27.

Year.	IMPORTS OF GOLD.			EXPORTS OF GOLD.		
	Bullion.	Sovereigns and other British gold coin.	Total.	Bullion.	Sovereigns and other British gold coin.	Total.
	Rs.	Rs	Rs.	Rs.	Rs	Rs
1900-1901	5,16,34,476	6,73,45,721	11,89,80,197	10,06,02,139	99,56,707	11,05,58,846
1901-1902	3,03,15,375	5,27,59,971	8,30,75,346	3,72,74,700	2,64,24,240	6,36,98,940
1902-1903	4,47,36,163	8,71,87,514	13,19,23,677	3,28,90,488	1,14,87,530	4,43,78,018
1903-1904	7,16,36,211	12,98,43,483	20,14,78,694	3,67,95,858	6,53,66,239	10,21,62,097
1904-1905	8,77,70,365	13,03,49,416	21,81,19,781	3,52,95,929	8,57,64,993	12,10,60,922
1905-1906	8,76,72,452	5,99,17,270	14,75,89,722	3,63,17,742	10,65,92,094	14,29,09,836
1906-1907	10,49,20,065	8,04,13,754	18,53,33,819	3,06,23,179	61,50,245	3,67,73,424
1907-1908	11,08,38,907	9,66,87,500	20,75,26,407	3,36,70,880	1,78,247	3,38,49,127
1908-1909	6,78,55,075	1,61,87,235	8,40,42,310	3,36,74,937	68,12,716	4,04,87,653
1909-1910	11,16,95,761	13,86,14,457	25,03,10,218	3,30,98,212	4,18,898	3,35,17,110
1910-1911	15,08,20,375	12,81,04,770	27,89,25,145	3,34,67,880	56,70,720	3,91,38,600
1911-1912	13,98,02,070	27,51,33,990	41,49,36,060	3,56,30,100	17,08,240	3,73,38,300
1912-1913	14,59,79,775	26,69,28,075	41,29,07,850	3,45,06,225	3,83,89,500	7,28,95,725
1913-1914	15,47,44,470	12,75,19,605	28,22,64,075	3,49,00,305	1,41,25,770	4,90,26,075
1914-1915	8,35,27,695	2,35,10,535	10,70,38,230	1,54,41,405	1,51,22,670	3,05,64,075
1915-1916	4,59,88,965	68,27,850	5,28,16,815	3,05,69,130	3,33,38,880	6,39,08,010
1916-1917	11,53,80,885	1,79,97,810	13,33,78,695	3,21,330	7,03,875	10,25,205
1917-1918	17,25,98,069	11,83,51,231	29,09,49,300	3,73,77,165	17,86,230	3,91,63,395
1918-1919	2,04,423	2,25,53,737	2,27,63,160	7,83,99,840		7,83,99,840
1919-1920	41,31,53,834	6,93,61,737	48,25,15,571	9,93,13,771	2,98,99,440	12,92,13,211
1920-1921	19,54,21,649	4,03,16,485	23,57,38,134	19,69,63,819	1,76,91,904	21,46,55,723
1921-1922	10,31,64,864	3,50,39,557	13,82,04,421	15,12,86,448	1,55,62,400	16,68,48,848
1922-1923	30,93,71,011	10,38,68,167	41,32,39,178	9,62,099	3,65,533	13,30,632
1923-1924	22,13,41,759	7,11,89,773	29,25,31,532	1,44,524	5,22,993	6,67,517
1924-1925	59,79,10,739	14,49,87,248	74,28,97,987	4,04,267	32,27,854	36,32,121
1925-1926	25,26,78,970	9,96,20,393	35,22,99,363	23,26,183	14,27,381	37,53,564
1926-1927	13,86,46,145	5,63,65,857	19,50,12,002	4,91,792	5,14,762	10,06,554

NOTE.—In all years prior to 1920-21, imports and exports of sovereigns whether on private or Government account and gold bullion imported or exported on Government account have been valued at the rate of Rs 15 per £1 or 7-53344 grains of fine gold per rupee, while private imports and exports of bullion have been entered at the market rate. In the years 1920-21 to 1926-27 the values have in all cases been taken at the market rate.

STATEMENT III.

Total value of imports and exports of silver coin and bullion in each official year from 1900-1901 to 1926-1927.

Year.	IMPORTS OF SILVER.			EXPORTS OF SILVER.		
	Government of India Rs.	Other coin and bullion	TOTAL.	Government of India Rs.	Other coin and bullion.	TOTAL.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1900-1901	52,43,615	12,15,43,806	12,67,87,421	1,40,20,285	1,76,94,815	3,17,15,100
1901-1902	87,98,295	11,41,39,711	12,29,38,006	1,23,05,578	3,87,04,085	5,10,09,663
1902-1903	50,64,362	11,68,00,512	12,18,64,874	1,15,75,228	4,07,23,124	5,22,98,352
1903-1904	83,09,392	17,54,72,986	18,37,82,378	1,42,02,089	3,40,74,625	4,82,76,714
1904-1905	62,18,732	17,07,43,237	17,69,61,969	1,22,83,145	3,09,44,100	4,32,27,245
1905-1906	32,58,093	16,57,62,318	16,90,20,411	1,10,81,420	7,08,798	1,17,90,218
1906-1907	72,14,271	25,32,50,024	26,04,64,295	1,99,92,165	4,16,937	2,04,09,102
1907-1908	1,20,83,930	20,32,34,640	21,53,18,570	1,62,35,680	44,00,194	2,06,35,874
1908-1909	88,51,093	13,45,48,274	14,33,99,367	1,17,50,767	1,09,64,045	2,27,14,812
1909-1910	44,45,256	12,04,79,260	12,49,24,516	1,83,85,706	1,20,89,587	3,04,75,293
1910-1911	42,43,665	11,41,89,840	11,84,33,505	2,14,90,965	1,06,39,680	3,21,30,645
1911-1912	39,12,885	11,58,59,535	11,97,72,420	1,52,62,890	5,11,37,965	6,64,00,755
1912-1913	66,42,675	19,37,66,995	20,54,09,670	1,86,56,940	1,47,64,980	3,34,21,920
1913-1914	85,71,810	14,35,60,605	15,21,32,415	1,91,67,930	26,34,840	2,18,02,770
1914-1915	78,80,535	10,31,64,465	11,10,45,000	2,19,17,655	4,12,635	2,23,30,290
1915-1916	34,87,805	6,31,57,965	6,66,45,570	1,79,45,970	4,03,830	1,83,49,800
1916-1917	58,67,190	24,52,81,110	25,11,48,300	4,47,36,000	1,84,10,865	6,31,46,865
1917-1918	87,00,810	21,79,93,050	22,66,93,860	2,53,24,995	1,09,50,795	3,62,75,790
1918-1919	14,35,335	68,94,56,580	69,08,91,915	72,49,005	44,53,230	1,17,02,235
1919-1920	13,16,324	29,85,56,659	29,98,72,983	44,91,400	30,93,108	75,84,508
1920-1921	1,22,27,575	9,89,54,230	11,11,81,805	2,86,38,767	1,24,13,150	4,70,56,917
1921-1922	3,42,34,306	14,05,51,799	17,47,86,105	66,97,096	1,71,27,260	2,38,24,296
1922-1923	1,09,73,724	19,84,59,145	20,94,32,869	1,57,00,800	1,01,85,413	2,58,86,213
1923-1924	(Details not available).		22,10,27,280	(Details not available).		3,40,47,198
1924-1925	"		24,28,07,337	"		4,20,66,671
1925-1926	"		19,89,70,504	"		2,77,29,354
1926-1927	"		21,76,34,160	"		1,89,53,325

STATEMENT IV.

Composition of the Currency Reserve held against the note circulation at the end of each month.

(In lakhs of rupees)

MONTH.		COIN AND BULLION RESERVE.											
		Gross circulation of notes.	Silver coin in India.	Gold coin and bullion in India.	Silver bullion under coinage	Gold coin and bullion in England.	Silver bullion in England.	Gold coin and bullion in His Majesty's Dominions	Gold coin and bullion in transit between India and England and His Majesty's Dominions	Silver bullion in transit between India and England and His Majesty's Dominions	Sterling securities in England. *	Rupee securities in India. *	Internal Bills of Exchange. †
April	1926 . .	1,85,13	77,04	22,34	7,66	..	...	...	...	...	21,00	57,11	..
May	.. . .	1,87,08	78,85	22,32	7,75	...	...	...	...	...	21,00	57,16	...
June	.. . .	1,91,44	83,05	22,32	7,87	...	...	...	...	...	21,00	57,20	...
July	.. . .	1,97,48	88,91	22,32	7,94	...	...	...	...	...	21,00	57,31	...
August	.. . .	2,00,53	91,96	22,32	7,87	...	...	..	...	...	21,00	57,38	...
September	.. . .	1,96,45	94,86	22,32	7,87	...	..	...	...	...	14,00	57,40	...
October	.. . .	1,93,79	96,83	22,32	8,04	..	..	...	...	..	14,00	52,60	...
November	.. . .	1,89,15	97,52	22,32	8,04	...	...	...	...	...	10,00	51,27	...
December	.. . .	1,81,18	95,32	22,32	8,20	..	...	..	..	...	5,57	49,77	...
January	1927 . .	1,80,47	94,47	22,32	8,34	...	..	..	...	...	5,57	49,77	..
February	.. . .	1,82,74	94,64	22,32	8,44	...	...	..	...	..	5,57	49,77	2,00
March	.. . .	1,84,13	95,94	22,32	8,53	..	...	...	...	..	5,57	49,77	2,00

For details of securities, see next page

† Section 20 of the Indian Paper Currency Act, 1923.

STATEMENT IV—(concluded).

Distribution of the Metallic Reserve on the 31st March 1927 by Circles.

CIRCLE.	Silver coin in India.	Gold coin and bullion in India.	Silver bullion under coinage.
	₹	₹	₹
Calcutta	13,25,65,962	3,39,75,930	4,84,55,376
Cawnpore	27,09,40,956	1,04,03,850	...
Lahore	14,54,93,028	1,33,37,115	...
Bombay	25,90,32,596	13,52,14,026	3,68,50,000
Karachi	2,79,77,816	14,69,215	...
Madras	8,72,35,396	2,48,62,500	...
Rangoon	3,61,89,256	39,43,360	...
TOTAL	95,94,35,010	22,32,05,996	8,53,05,376

* Made up of:—

	Nominal Value. ₹	Cost price. ₹	a.	p.
Rupee securities—				
Government of India securities maturing within twelve months	41,47,00,000	39,76,59,000	0	0
Other Government of India securities	10,20,81,500	9,99,99,945	10	0
	51,67,81,500	49,76,58,945	10	0
	£	₹	s.	d.
Sterling securities—				
British Treasury Bills	5,625,000	5,571,638	12	3

STATEMENT V.

Movement of Funds within the Provinces during the year 1926-27.

(In lakhs of rupees.)

	Bengal (including Port Blair and Nepal).	Madras and Coorg.	Bombay.	United Provinces.	Punjab.	Burma	Behar and Orissa.	Central Provinces.	Assam.	TOTAL.
Sale of supply bills and transfers to the public.	3.86	19	1.93	35	20	3.55	3	11	1	10.23
Transfers to head-quarters by Bank Post-bills.	61	...	...	...	...	...	5	...	...	66
TOTAL	4.47	19	1.93	35	20	3.55	8	11	1	10.89

STATEMENT VI.

Payment by Government, on account of Transfer of Funds effected by the Public between Provinces during the year 1926-27.

(In thousands of rupees.)

Paid by	1ST QUARTER										2ND QUARTER										3RD QUARTER			
	ON ACCOUNT OF										ON ACCOUNT OF										ON ACCOUNT OF			
	India and Bengal	Madras.	Bombay.	United Provinces	Punjab.	Burma.	Bihar and Orissa.	Central Provinces	Assam.	TOTAL.	India and Bengal.	Madras.	Bombay.	United Provinces	Punjab.	Burma.	Bihar and Orissa.	Central Provinces.	Assam.	TOTAL.	India and Bengal.	Madras.	Bombay.	United Provinces.
India and Bengal	...	...	12	101	2,55	2	5,00	3	5,00	13,82	...	...	45	2,54	30	3	2,71	30	4,63	10,96	...	...	15	1,65
Madras	9	...	40,04	...	...	...	...	...	40,13	16	...	13,19	...	...	3	...	...	...	13,37	6	...	31,35	...	
Bombay	12,76	1,18	...	57	34,51	...	18	2,66	1	51,81	28,44	4,61	...	3,55	16,47	..	1,65	10,04	..	64,76	19,41	2,55	...	3,01
United Provinces	2,54	..	7	...	2	..	..	..	2,63	31	..	..	3	..	20	14	..	..	68	60	..	..	..	..
Punjab	1,85	...	5	3	..	...	..	..	1,73	1,29	..	..	..	..	..	..	..	..	1,41	1,92	..	5,80	..	
Burma	22	...	..	..	...	..	..	..	22	31	..	..	..	..	..	..	..	..	31	23	..	..	..	..
Bihar and Orissa	7,58	...	...	..	...	...	...	..	7,58	18,84	...	...	...	..	..	...	..	..	18,84	24,74	..	...	..	15
Central Provinces	20	...	5,35	..	...	...	..	..	5,55	...	...	54	10	..	..	..	..	..	64	1,80	...	50,69	...	
Assam	30,95	..	..	..	..	..	..	..	30,95	47,23	..	..	..	..	..	..	..	..	47,23	41,18	..	..	..	..
TOTAL	55,98	1,13	46,83	1,61	37,08	2	5,27	2,69	5,01	1,54,42	96,58	4,61	14,30	6,19	16,90	5	4,56	10,48	4,63	1,58,20	89,94	2,55	96,99	4,81

STATEMENT VI—(concluded).

Payment by Government on account of Transfer of Funds effected by the Public between Provinces during the year 1926-27—(concluded).

(In thousands of rupees.)

Paid by	3RD QUARTER						4TH QUARTER						TOTAL													
	ON ACCOUNT OF						ON ACCOUNT OF						ON ACCOUNT OF													
	Funjab.	Burma.	Bihar and Orissa.	Central Provinces.	Assam	TOTAL.	India and Bengal.	Madras.	Bombay.	United Provinces.	Punjab.	Burma.	Bihar and Orissa.	Central Provinces.	Assam.	TOTAL.	India and Bengal.	Madras.	Bombay.	United Provinces.	Punjab.	Burma.	Bihar and Orissa.	Central Provinces.	Assam.	TOTAL.
India and Bengal.	80	14	3,13	11	6,71	12,19	..	..	10	46	1,62	2	3,30	10	0,83	15,32	..	..	82	5,66	4,67	21	14,23	54	26,16	52,29
Madras	..	3	..	..	..	31,43	14	..	42,92	3	..	..	..	..	..	43,09	45	..	1,27,50	8	..	4	..	..	..	1,28,02
Bombay	13,70	1	..	5,00	1	43,69	14,15	2,69	..	72	23,85	..	2	3,97	2	45,42	74,75	10,98	..	7,85	88,53	1	1,85	21,67	4	2,05,68
United Provinces	..	10	..	..	..	70	1,30	..	65	..	..	..	..	..	1,85	4,65	..	72	..	5	10	20	14	..	..	5,86
Punjab	..	..	..	2	..	7,74	2,20	..	7,27	..	..	..	..	..	..	9,47	7,06	..	13,24	3	..	..	..	2	..	20,35
Burma	..	..	..	..	..	23	22	..	..	..	..	..	..	..	..	22	98	..	..	..	..	..	..	..	..	98
Bihar and Orissa	..	..	..	..	..	24,69	9,49	..	11	3	..	..	..	..	..	9,63	60,65	..	11	18	..	..	..	..	..	60,94
Central Provinces	..	..	..	..	2	61,51	1,91	..	97,66	10	..	..	..	4	99,71	3,91	..	1,63,24	20	..	..	..	..	..	6	1,67,41
Assam	..	..	..	..	..	41,18	52,86	..	..	..	..	..	..	..	..	52,86	1,72,22	..	..	..	..	..	..	..	..	1,72,22
TOTAL	14,00	27	3,13	5,13	6,74	2,23,56	82,17	2,69	1,48,71	1,34	25,37	2	3,32	4,07	0,86	2,77,67	3,24,67	10,98	3,05,68	13,95	93,25	36	16,28	22,37	26,26	8,13,75

STATEMENT VII.

Details of the balance of the Gold Standard Reserve on the 31st March 1927.

	£
In England—	
Estimated value on the 31st March 1927 of the sterling securities of the nominal value of £37,630,352 (as per details below)	38,269,683
Gold	1,730,134
Cash at the Bank of England	183
	<hr/>
TOTAL	40,000,000
	<hr/>

Details of investments:—

	Face value. £
British Treasury Bills	5,835,000
3½ per cent. National War Loan Stock 1925-28	1,050,000
Treasury 4½ per cent. Bonds, 1927-34	3,275,000
National 5 per cent. War Bonds, April 1928	3,410,000
National 5 per cent. War Bonds, September 1928	4,355,000
Treasury 5½ per cent. Bonds, April 1929	150,000
Treasury 4½ per cent. Bonds, 1929-34	1,875,000
Treasury 5½ per cent. Bonds, 1930	7,500,000
Treasury 4½ per cent. Bonds, 1930-32	3,765,000
Treasury 4 per cent. Bonds, 1931-33	5,474,000
National 5 per cent. War Loan 1929-47 Stock	941,352
	<hr/>
TOTAL	37,630,352
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STATEMENT VIII.

Absorption of rupees and half-rupees during 1925-26 and 1926-27.

(In lakhs of rupees)

	1925-26.					1926-27.				
	April to June.	July to Sept.	Oct. to Dec.	January to March.	April to March.	April to June.	July to Sept.	Oct. to Dec.	January to March.	April to March.
Opening Balance—										
Currency . . .	70,02	71,86	83,04	76,06	70,02	77,26	83,05	94,86	95,32	77,26
Treasury . . .	1,00	1,03	96	80	1,00	99	1,01	98	84	99
TOTAL	71,02	72,89	84,00	76,86	71,02	78,25	84,06	95,84	96,16	78,25
Closing Balance—										
Currency . . .	71,86	83,04	76,06	77,26	77,26	83,05	94,86	95,32	95,94	95,94
Treasury . . .	1,03	96	80	99	99	1,01	98	84	1,01	1,01
TOTAL	72,89	84,00	76,86	78,25	78,25	84,06	95,84	96,16	96,95	96,95
Net difference + or --	-1,87	-11,11	+7,14	-1,39	-7,23	-5,81	-11,78	-32	-79	-18,70
Add—New coins issued	...	+10	...	+11	+21	+10	+10	+10	...	+30
Deduct—Remittances to Mints for recoinage .	-28	-28	-41	-18	-1,15	-31	-31	-42	-32	-1,36
Do. Exports from India .	...	...	...	...	...	...	...	...	...	...
Net absorption (+) or return from circula- tion (-)	-2,15	-11,29	+6,73	-1,46	-8,17	-6,02	-11,99	-64	-1,11	-19,76

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	16,39,78,572
Victoria, 1840, 1st issue	17,99,34,670	2,18,98,181	10,98,38,073	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	2,94,81,923	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	..	1,93,59,597	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	7,21,85,513
" 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	(c) 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

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

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

(c) Ditto ditto.

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

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

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

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

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

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

STATEMENT IX—(concluded).

Whole rupees coined and issued from the Indian Mints from 1835.

Calendar years.	Coined in Calcutta.	Coined in Madras.	Coined in Bombay.	Total Coined.
	₹	₹	₹	₹
Edward VII, 1906 .	10,47,97,164	...	15,89,53,269	(i) 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	3,09,32,498
" " 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.	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 .	7,58,00,163	...	8,74,65,788	(n) 16,32,65,951
" " 1914 .	3,31,00,150	...	1,52,70,000	4,83,70,150
" " 1915 .	99,00,139	...	53,71,979	1,52,72,118
" " 1916 .	11,50,00,210	...	9,79,00,000	21,29,00,210
" " 1917 .	11,32,00,217	...	15,15,82,659	26,47,82,876
" " 1917 coined in 1918.	17,74,025	...	...	17,74,025
" " 1918 .	20,13,26,240	...	21,05,50,363	41,18,76,603
" " 1918 coined in 1919.	40,94,006	...	...	40,94,006
" " 1919 .	19,68,06,224	...	22,67,06,054	42,35,12,278
" " 1919 coined in 1920.	1,44,00,031	...	...	1,44,00,031
" " 1920 .	3,86,00,085	...	5,59,36,544	9,45,36,629
" " 1920 coined in 1921	64,00,064	...	...	64,00,064
" " 1920 coined in 1922	5,64,000	...	...	5,64,000
" " 1920 coined in 1923.	49,36,050	...	...	49,36,050
" " 1921 .	...	...	51,15,121	51,15,121
" " 1922 .	...	...	20,51,150	20,51,150
TOTAL .	2,70,20,56,128	10,76,07,305	3,66,60,32,346	6,47,56,95,779

(i) Includes ₹3,90,310 coined for Indian States and ₹167 lakhs (Calcutta ₹32 lakhs and Bombay ₹135 lakhs) coined from Gold Standard Reserve Silver.

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

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

(m) " ₹16,56,250 coined for Indian States.

(n) " ₹12,78,441 coined for Indian States.

STATEMENT X.

Rupee Census.

Calendar years.	1903.	1904.	1905.	1906.	1907.	1908.	1909.	1910.	1911.	1912.	1913.	1914.	1915.	1916.	1917.	1918.	1919.	1920.	1921.	1922.	1923.	1924.	1925.	1926.	1927.
William IV, 1835 . . .	'25	'2	'19	'19	'15	'15	'17	'12	'11	'08	'07	'07	'07	'06	'06	'05	'06	'06	'04	'04	'05	'04	'04	'03	'04
1840, 1st issue	1 5	'95	'8	'75	'5	'43	'45	'38	'32	'28	'19	'19	'18	'18	'13	'13	'12	'14	'07	'10	'13	'13	'12	'09	'10
1840, 2nd issue	4 3	2 5	2 13	1 6	1 2	1 04	'09	'73	'61	'50	'39	'37	'30	'27	'27	'31	'23	'24	'19	'16	'16	'22	'16	'14	'12
1862 . . .	20 15	18 35	17 2	15 7	14 35	13 54	13 72	13 50	13 52	13 09	12 13	11 42	11 17	11 10	9 64	9 22	7 95	7 71	7 49	7 47	7 98	7 53	7 77	7 60	7 74
1874 . . .	'75	'75	'75	'65	'55	'50	'59	'53	'54	61	'58	'48	'51	50	'43	'52	47	'38	'46	'45	'43	'46	'49	'41	39
1875 . . .	1 15	1 00	99	'95	'85	'77	'84	'80	'79	'79	'74	'73	73	75	'68	'62	60	'53	'56	'55	'52	'60	'53	53	'55
1876 . . .	1 4	1 3	1 25	1 1	1 0	'06	1 01	1 00	'98	'96	'89	'90	88	'91	80	'81	'86	'83	'68	'68	'67	'74	7	'68	'86
1877 . . .	4 5	4 09	3 85	3 5	3 2	2 05	2 09	2 05	2 09	2 04	2 78	2 70	2 68	2 67	2 98	2 20	1 79	1 75	1 69	1 78	1 95	1 82	1 69	1 56	1 69
1878 . . .	3 0	2 85	2 55	2 4	2 2	2 04	2 13	2 12	2 12	2 11	1 91	1 80	1 84	1 86	1 58	1 48	1 23	1 21	1 23	1 30	1 34	1 36	1 34	1 28	1 25
1879 . . .	2 6	2 5	2 24	2 0	1 95	1 80	1 87	1 82	1 82	1 68	1 60	1 62	1 61	1 34	1 25	1 09	1 08	1 05	1 08	1 15	1 20	1 14	1 12	1 06	1 13
1880 . . .	2 5	2 25	2 08	1 95	1 8	1 68	1 68	1 60	1 67	1 68	1 55	1 50	1 52	1 51	1 29	1 03	1 04	1 02	1 04	1 12	1 14	1 12	1 12	1 06	1 13
1881 . . .	3	'35	'23	'25	25	23	'24	24	'20	'22	'22	'22	23	'23	'22	'26	21	'21	'24	'24	21	28	29	'22	'21
1882 . . .	2 8	2 5	2 4	2 2	2 0	1 84	1 87	1 87	1 85	1 79	1 67	1 60	1 68	1 65	1 49	1 35	1 13	1 07	1 09	1 12	1 16	1 18	1 17	1 15	1 16
1883 . . .	1 0	95	'0	'8	'75	'70	'72	'60	'67	'67	62	63	60	'65	58	'61	'48	'47	50	'48	40	'54	52	40	51
1884 . . .	1 95	1 85	1 75	1 6	1 45	1 38	1 38	1 38	1 36	1 34	1 25	1 20	1 23	1 24	1 05	1 08	'98	'83	87	'85	90	93	93	94	82
1885 . . .	3 8	3 55	3 25	2 98	2 8	2 51	2 61	2 59	2 60	2 69	2 36	2 30	2 28	2 25	1 96	1 80	1 44	1 41	1 48	1 54	1 53	1 58	1 67	1 53	1 57
1886 . . .	2 2	2 01	1 86	1 75	1 6	1 48	1 51	1 50	1 40	1 52	1 35	1 33	1 34	1 36	1 15	1 13	95	88	'94	'96	99	1 03	1 02	96	'99
1887 . . .	4 0	3 65	3 4	3 1	2 8	2 59	2 64	2 58	2 60	2 56	2 34	2 24	2 28	2 23	2 05	1 96	1 58	1 40	1 52	1 57	1 58	1 64	1 68	1 62	1 66
1888 . . .	2 98	2 7	2 5	2 35	2 1	1 98	2 03	1 98	1 98	1 97	1 84	1 80	1 79	1 80	1 68	1 58	1 30	1 28	1 32	1 30	1 34	1 32	1 36	1 35	1 37
1889 . . .	3 35	3 04	2 85	2 6	2 35	2 16	2 23	2 25	2 23	2 18	2 02	2 00	1 99	2 03	1 73	1 67	1 40	1 37	1 39	1 41	1 42	1 44	1 51	1 44	1 49
1890 . . .	5 05	5 04	4 8	4 3	3 85	3 53	3 60	3 70	3 65	3 60	3 34	3 28	3 28	3 20	2 80	2 64	2 14	2 09	2 14	2 22	2 22	2 30	2 33	2 80	2 33
1891 . . .	3 0	2 75	2 6	2 35	2 1	1 90	2 00	2 02	2 00	2 00	1 87	1 70	1 70	1 84	1 62	'52	1 25	1 27	1 29	1 34	1 30	1 37	1 37	1 30	1 32
1891 . . .	5 0	4 5	4 2	3 85	3 35	3 13	3 21	3 23	3 22	3 20	2 92	2 87	2 82	2 80	2 50	2 30	1 94	1 88	1 89	1 93	1 96	2 03	1 99	2 00	2 04

VICTORIA.

EDWARD VII.

GEORGE V.

1893	38	34	32	365	26	237	243	242	237	237	224	219	219	217	190	165	148	148	150	151	152	155	156	157	159	
1897	15	18	15	17	15	18	16	17	18	16	14	15	14	15	18	17	19	15	19	21	18	21	16	17	15	
1900	4	5	4	44	35	38	42	34	34	46	40	38	35	33	27	33	38	32	31	36	32	36	32	29	28	
1900	7 05	6 3	5 85	5 25	4 7	4 34	4 32	4 30	4 30	4 21	3 84	3 67	3 75	3 73	3 27	3 04	2 45	2 37	2 56	2 51	2 61	2 65	2 70	3 66	2 83	
1901	9 75	9 4	9 03	8 1	7 35	6 84	6 80	6 74	6 68	6 57	6 07	5 90	5 90	5 90	4 98	4 55	3 64	3 68	3 80	3 90	3 84	4 00	3 99	3 92	4 04	
1903	75	66	5 83	4 8	4 2	3 04	3 84	3 86	3 59	3 60	3 46	3 38	3 19	3 23	2 79	2 78	2 27	2 21	2 34	2 35	2 34	2 35	2 35	2 35	2 36	
1904		3 6	8 4	8 0	6 8	6 48	6 03	5 82	5 79	5 58	5 21	4 90	4 92	4 92	4 28	3 89	3 13	3 03	3 17	3 25	3 39	3 26	3 28	3 28	3 38	
1905			2 3	7 8	6 6	6 00	5 74	5 41	5 32	5 14	4 74	4 40	4 40	4 39	3 87	3 60	2 89	2 82	2 82	2 99	2 97	2 96	2 96	3 20	2 96	
1906				3 7	11 6	10 58	9 92	10 35	10 20	10 02	9 40	8 70	8 86	8 66	7 86	7 36	5 99	5 67	5 68	5 73	5 86	5 75	5 68	5 86	5 91	
1907					2 5	8 92	8 22	8 56	8 66	9 38	9 17	8 52	8 54	8 40	7 37	6 67	5 29	5 10	5 28	5 25	5 32	5 36	5 38	5 39	5 38	
1908						64	1 20	1 48	1 56	1 52	1 75	2 57	1 52	1 46	1 23	1 26	1 01	1 09	1 10	1 10	1 07	1 07	1 04	94	89	
1909						...	25	95	96	96	95	81	85	88	75	61	67	62	73	70	71	71	70	84	69	
1910						...	17	75	1 09	94	86	86	86	82	85	89	89	76	87	79	74	72	89	62		
1911										03	13															
1911										18		18	14	13	10	20	86	11	13	12	12	41	52	68	14	
1912										21	4 03	4 40	4 89	4 62	4 24	3 74	2 88	3 16	3 22	3 05	3 13	3 08	2 98	3 03	2 97	
1913											2 22	5 80	5 79	5 51	5 56	4 79	3 80	3 56	4 09	3 81	3 86	3 82	3 72	3 89	3 66	
1914												44	1 05	1 17	1 44	1 32	1 26	1 18	1 34	1 27	1 26	1 23	1 21	1 20	1 18	
1915													01	34	74	97	72	67	86	85	79	76	71	85	60	
1916															07	7 41	6 68	5 14	4 80	4 99	4 99	5 13	5 07	4 94	5 10	5 16
1917																3 71	7 66	6 11	5 59	5 96	5 98	5 74	5 62	5 90	5 93	5 77
1918																	2 07	14 05	9 20	9 54	9 85	9 27	9 05	8 89	9 45	9 42
1919																		5 67	11 72	8 65	7 94	7 60	7 39	7 69	8 09	8 04
1920																										
1921																										
1922																										
1923																										
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	

NOTE.—This statement shows the result of the examination undertaken once a year of a portion of the rupees held at the different treasuries in India, to determine the composition of the rupee circulation according to the dates borne by each coin.

STATEMENT XI.

Value of Currency Notes in circulation on the last day of each month.

(In lakhs of rupees)

Last day of	1869-70.	1879-80.	1889-90.	1899-1900.	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.
April 1926 .	9,80	11,27	15,82	28,02	43,65	52,84	54,69	58,84	66,44	65,46	60,24	65,47	82,72	1,05,96	1,53,72	1,70,74	1,67,82	1,71,76	1,73,37	1,81,33	1,79,61	1,85,13
May .	10,38	11,17	15,77	23,25	46,77	54,30	55,10	58,89	66,25	66,77	61,99	66,81	83,81	1,11,53	1,55,18	1,66,92	1,67,81	1,72,39	1,71,23	1,74,51	1,73,23	1,87,08
June .	10,80	11,82	16,24	29,44	49,29	56,95	58,22	64,12	68,48	70,26	66,48	71,39	93,29	1,14,79	1,62,76	1,64,34	1,71,76	1,76,01	1,73,61	1,72,49	1,78,25	1,91,44
July .	10,53	12,24	16,49	30,27	51,53	59,16	60,29	66,59	69,90	73,45	68,06	75,48	99,81	1,21,41	1,67,11	1,63,87	1,75,56	1,80,41	1,75,72	1,76,24	1,84,30	1,97,48
August .	10,21	12,74	16,15	28,76	51,74	58,06	59,69	68,16	67,23	65,79	66,41	74,01	1,05,15	1,31,41	1,68,92	1,63,27	1,76,02	1,82,26	1,76,30	1,78,13	1,88,21	2,00,53
September .	1,08	13,33	16,14	27,63	50,82	56,10	56,32	68,33	61,80	60,52	63,81	71,55	1,08,43	1,34,38	1,71,86	1,57,63	1,78,37	1,80,76	1,79,29	1,79,26	1,89,51	1,96,45
October .	10,76	13,58	16,63	27,67	50,50	53,35	56,61	65,79	61,90	60,78	63,59	73,32	1,14,77	1,36,43	1,75,29	1,59,58	1,79,72	1,79,63	1,80,82	1,80,98	1,91,77	1,93,79
November .	11,33	13,75	16,67	27,33	46,53	52,10	58,05	67,27	64,79	61,19	62,06	76,50	1,12,93	1,40,76	1,79,67	1,60,21	1,73,48	1,77,30	1,78,30	1,80,06	1,89,68	1,89,15

December .	11,31	13,80	15,47	26,26	48,25	49,67	56,18	65,70	64,57	60,83	62,34	82,17	1,08,31	1,47,09	1,82,91	1,61,40	1,72,53	1,74,18	1,83,41	1,79,21	1,91,76	1,81,18
January 1927	11,12	14,23	16,29	27,18	51,84	51,12	54,70	67,75	63,94	60,26	62,42	84,36	1,04,82	1,49,74	1,85,15	1,63,41	1,74,40	1,72,65	1,84,02	1,81,12	1,91,13	1,80,47
February "	10,83	13,23	16,37	27,27	50,57	53,52	57,19	67,54	65,18	59,55	64,01	86,78	1,03,46	1,51,48	1,83,03	1,64,60	1,73,87	1,73,89	1,86,19	1,83,72	1,91,76	1,82,74
March "	10,47	12,36	15,77	28,74	54,41	54,99	61,36	68,98	66,12	61,63	67,73	86,37	99,79	1,53,46	1,74,52	1,66,16	1,74,76	1,74,70	1,85,85	1,84,19	1,93,34	1,84,13
Average .	10,67	12,80	16,15	27,96	49,66	54,35	57,37	65,62	65,55	64,04	64,10	76,14	1,01,77	1,33,20	1,71,68	1,63,51	1,73,80	1,76,33	1,79,01	1,79,27	1,86,88	1,89,13
Reserve Treas- ury balanc- es held in Notes— Average .	...	...	1,01	2,47	2,64	5,80	5,53	10,71	9,93	4,76	3,70	3,78	3,74	1,64	1,07	1,34	...	...	...	...	...	...
Metallic Reserve— Average Gold .	...	...	...	6,54	4,75	12,34	20,36	36,63	33,54	19,22	16,49	23,22	20,86	20,27	29,20	36,29	24,33	24,32	23,49	22,32	22,32	22,32
„ Silver .	...	...	10,17	11,42	32,91	30,06	23,01	14,99	18,01	30,82	32,61	21,85	20,67	26,33	44,64	55,26	74,65	86,26	88,23	74,25	83,52	98,83
Currency investment on 31st March .	3,66	6,00	6,00	10,00	12,00	12,00	14,00	14,00	14,00	14,00	20,00	48,49	61,48	98,85	86,86	76,42	70,92	63,33	71,53	77,12	86,11	55,34
Profits of Paper Cur- rency De- partment .	14	25	21	29	27	18	22	22	20	27	24	71	1,53	2,40	3,49	1,30	3,28	2,46	2,11	2,96	3,78	3,47

STATEMENT

Statement of Active Note Circulation during

LAST DAY OF	Gross circulation on last day of month.			Amounts held in treasuries		
	1924-25.	1925-26.	1926-27.	1924-25.	1925-26	1926-27
April	1,81,33	1,79,61	1,85,13	1,72	1,61	1,26
May	1,74,51	1,73,23	1,87,08	1,50	1,25	1,10
June	1,72,49	1,78,25	1,91,44	1,53	1,17	1,15
July	1,76,24	1,84,30	1,97,48	1,40	1,04	96
August	1,78,13	1,88,21	2,00,53	1,35	1,01	96
September	1,79,26	1,69,51	1,96,45	1,33	1,04	97
October	1,80,98	1,91,77	1,93,79	1,34	1,17	1,01
November	1,80,06	1,89,68	1,89,15	1,30	1,34	1,07
December	1,79,21	1,91,76	1,81,18	1,41	1,24	1,17
January	1,81,12	1,91,18	1,80,47	1,57	1,40	1,20
February	1,83,72	1,91,76	1,82,74	1,55	1,39	1,33
March	1,84,19	1,93,34	1,84,13	2,48	1,87	1,63
Average	1,79,27	1,86,88	1,89,13	1,54	1,29	1,15

XII.

1926-27 and the preceding two years.

[In lakhs of rupees.]

Balance, being notes in circulation with the public.			Notes held by Imperial Bank at Head Offices.			Active circulation among the people.		
1924-25	1925-26.	1926-27.	1924-25.	1925-26.	1926-27.	1924-25.	1925-26.	1926-27.
1,79,61	1,78,00	1,83,87	12,54	15,14	21,97	1,67,07	1,62,86	1,61,90
1,73,01	1,71,98	1,85,98	12,37	17,43	30,75	1,60,64	1,54,55	1,55,23
1,70,96	1,77,08	1,90,29	15,36	28,03	38,39	1,55,60	1,49,05	1,51,90
1,74,84	1,83,26	1,96,52	27,46	42,51	58,42	1,47,38	1,40,75	1,43,10
1,76,78	1,87,20	1,99,57	26,30	38,76	55,09	1,50,48	1,48,44	1,44,48
1,77,93	1,88,47	1,95,48	24,00	27,74	47,71	1,53,93	1,60,73	1,47,77
1,79,64	1,90,60	1,92,78	15,52	20,69	39,76	1,64,12	1,69,91	1,53,02
1,78,76	1,88,34	1,88,08	18,54	16,61	33,95	1,60,22	1,71,73	1,54,13
1,77,80	1,90,52	1,80,01	7,74	10,64	14,41	1,70,06	1,79,88	1,65,60
1,79,55	1,89,78	1,79,27	13,40	13,59	12,87	1,66,15	1,76,19	1,66,40
1,82,17	1,90,37	1,81,41	13,42	14,29	12,88	1,68,75	1,76,08	1,63,53
1,81,71	1,91,47	1,82,50	15,16	23,76	18,19	1,66,55	1,67,71	1,64,31
1,77,73	1,85,59	1,87,98	16,83	22,43	31,62	1,60,91	1,63,16	1,56,36

STATEMENT XIII.

(In lakhs of rupees.)

Details of comparative circulation of notes on the 31st March in 1927 and the thirteen preceding years.

Period.	CIRCULATION IN LAKHS OF RUPEES OF NOTES FOR									PERCENTAGE TO GROSS CIRCULATION (EXCLUDING Rs. 10,000 NOTES) OF THE CIRCULATION OF NOTES FOR									
	Rs. 1	Rs. 2-8	Rs. 5	Rs. 10	Rs. 20	Rs. 50	Rs. 100	Rs. 500	Rs. 1,000	Rs. 1	Rs. 2-8	Rs. 5	Rs. 10	Rs. 20	Rs. 50	Rs. 100	Rs. 500	Rs. 1,000	TOTAL.
1913-14			1.61	17.73	8	1.78	17.81	2.64	9.17			3.2	34.9	.2	3.5	35.0	5.2	18.0	100
1914-15			1.56	14.99	6	1.75	16.05	2.36	9.20			3.4	32.6	.1	3.8	35.0	5.1	20.0	100
1915-16			2.25	18.80	5	2.24	20.39	2.33	8.99			4.0	34.2	.1	4.2	37.0	4.2	16.3	100
1916-17			3.31	22.60	5	2.52	25.32	2.45	11.24			4.9	33.5	.1	3.7	37.5	3.6	16.7	100
1917-18	33	18	5.45	27.33	4	3.46	32.53	2.50	13.80	.4	.2	6.4	31.9	..	4.1	38.0	2.9	16.1	100
1918-19	10.51	1.84	9.20	46.90	3	4.90	43.81	2.48	15.12	7.8	1.4	6.8	34.8	...	3.6	32.5	1.9	11.2	100
1919-20	13.49	1.08	11.45	54.73	3	4.90	50.38	2.63	16.20	8.7	7	7.4	35.3	...	3.2	32.5	1.7	10.5	100
1920-21	9.52	51	14.03	52.67	3	3.84	47.22	2.53	17.81	6.4	.4	9.5	35.5	..	2.6	31.9	1.7	12.0	100
1921-22	9.93	27	15.84	57.51	3	4.05	54.28	2.05	14.68	6.2	.2	10.0	36.3	...	2.5	34.2	1.3	9.3	100
1922-23	10.88	13	16.27	56.71	2	3.76	59.43	1.74	14.41	6.7	1	10.0	34.7	...	2.3	36.4	1.0	8.8	100
1923-24	11.39	7	15.90	57.18	2	3.12	69.41	1.62	12.87	6.6	...	9.3	33.4	...	1.8	40.5	.9	7.5	100
1924-25	4.15	4	15.83	68.57	2	2.61	63.87	1.32	13.11	2.5	...	9.3	40.5	...	1.5	37.7	.8	7.7	100
1925-26	72	2	15.66	76.88	2	2.23	60.22	1.19	13.20	4	...	9.2	45.2	...	1.3	35.4	.7	7.8	100
1926-27	44	2	16.49	72.86	2	2.15	60.09	1.10	13.42	3	...	9.9	43.7	..	1.3	36.1	.7	8.0	100

STATEMENT XIV.

Encashment of Foreign Circle Notes.

CIRCLE.	CASHED BY							TOTAL.			
	Calcutta	Cawnpore	Lahore	Bombay.	Karachi	Madras.	Rangoon.	1926-27.	1925-26.	1924-25.	1923-24.
	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>
Calcutta . . . . .	...	45,96,870	56,52,200	3,16,23,090	86,62,950	38,90,800	1,07,28,400	6,01,54,310	5,34,95,020	5,97,16,550	6,87,38,500
Cawnpore	2,89,87,680	...	30,25,150	2,14,74,090	18,34,850	4,97,450	1,27,450	5,59,46,670	4,46,26,060	4,93,25,420	8,17,96,120
Lahore	1,54,94,780	27,71,750	...	3,11,94,800	1,84,65,150	8,35,000	1,48,600	6,89,00,080	7,25,82,430	9,12,12,910	11,79,48,240
Bombay	1,18,38,620	22,69,350	41,37,870	...	46,49,050	1,86,22,270	3,16,970	4,18,34,130	4,40,06,560	4,93,61,350	5,20,24,650
Karachi	51,34,600	3,71,200	22,33,550	99,21,750	...	33,68,350	30,950	2,10,60,400	1,08,62,270	1,62,38,470	4,81,04,700
Madras	79,88,420	8,77,050	11,13,150	4,65,46,400	10,02,100	..	4,77,800	5,80,04,920	6,03,07,140	6,67,96,100	1,92,26,830
Rangoon	37,16,550	3,41,650	4,36,150	33,86,950	3,13,350	34,93,150	...	1,16,87,800	1,22,91,820	1,33,81,100	1,19,55,600
Total for 1926-27	7,31,60,650	1,12,27,870	1,65,98,070	14,41,47,080	2,99,17,450	8,07,07,020	1,18,30,170	31,75,88,310	.	...	...
„ 1925-26	6,89,28,510	1,44,88,270	1,69,34,030	14,13,38,280	2,87,19,590	2,54,42,600	23,20,020	...	29,81,71,300	...	...
„ 1924-25	8,23,24,810	1,77,58,860	1,80,76,150	16,97,69,870	1,69,72,920	1,79,39,290	1,26,90,000	...	...	34,60,31,900	...
„ 1923-24	11,18,98,450	1,08,02,190	2,14,88,420	17,81,78,750	1,97,40,070	1,12,99,560	63,92,200	...	...	...	39,97,94,640

STATEMENT XV.

Absorption of Small Coin.

[In thousands of rupees.]

	India Treasuries	Madras and Coorg.	Bombay.	Bengal.	U. P. of Agra and Oudh.	Punjab and N.-W. Frontier	Burma.	Bihar and Orissa	Central Prov- inces and Berar	Assam.	TOTAL.
₹ RUPEES (Silver)—											
Opening Balance	2,80	8,15	8,65	3,57	9,50	5,60	2,22	1,57	1,33	3,18	46,57
Receipts from + or Issues to Mint — or other Provinces	-3,62	-65	+3,54	+7,10	+2,52	-1,36	+4,19	-1,40	+19	+4,06	+14,67
Closing Balance	1,31	6,34	12,53	11,10	15,02	5,06	2,14	1,73	1,28	3,72	60,23
Net Local Absorption in 1926-27	-2,13	1,28	-34	-43	-3,00	-62	4,27	-1,56	24	3,52	1,01
Ditto ditto in 1925-26	-2,54	-77	9	4,37	-3,53	-1,68	4,73	-1,48	16	2,59	1,94
Ditto ditto in 1924-25	6,30	-64	75	4,15	-92	51	4,49	-1,88	14	4,81	17,71
₹ RUPEES (Silver)—											
Opening Balance	2										3
Receipts from + or Issues to Mint — or other Provinces	-1,54	-5,19	-3,58	-54	-1,26	-2,22	-37	-36	-20	-5	-18,31
Closing Balance											
Net Local Absorption in 1926-27	-1,52	-5,19	-3,58	-54	-1,26	-2,22	-37	-36	-20	-5	-18,29
Ditto ditto in 1925-26	81	-5,55	-3,73	-40	-1,34	-1,62	-53	-28	5	6	-11,63
Ditto ditto in 1924-25	-1,75	-6,00	-2,29	-44	-1,59	-30	-21	-54	-10		-13,22
₹ ANNA NICKEL—											
Opening Balance	90	1,94	4,60	1,74	4,73	1,63	12	2,00	1,29	95	19,89
Receipts from + or Issues to Mint — or other Provinces	-3	+13	-2,14	+4,77	-3,16	+4		-49	-4	+1,38	+46
Closing Balance	90	2,46	3,27	3,14	4,14	2,04	7	1,53	1,32	1,68	20,85
Net Local Absorption in 1926-27	-3	-39	-81	3,37	-2,57	-38	5	-32	-7	65	-50
Ditto ditto in 1925-26	-60	-61	-14	4,09	-2,60	-50	16	92	-31	99	1,40
Ditto ditto in 1924-25	2,38	-1,25	-90	62	-1,96	-5	11	-82	-23	31	-1,84

ANNA NICKEL—

Opening Balance	1,25	4,34	5,91	2,37	5,12	3,12	2,36	1,51	2,73	1,62	30,33
Receipts from + or Issues to — Mint or other Provinces	-73	+4,41	+2,36	+2,56	-45	+22	+8,25	+23	+20	+1,88	+13,93
Closing Balance	81	4,64	7,49	2,87	6,39	2,53	1,76	1,54	1,92	2,18	32,07
Net Local Absorption in 1926-27	-29	4,11	84	2,06	-1,72	81	3,85	20	1,01	1,32	12,19
Ditto ditto in 1925-26	-54	2,47	2,15	5,78	-1,73	62	5,42	+1,86	38	1,81	17,12
Ditto ditto in 1924-25	2,86	1,82	2,92	3,96	3	1,10	2,37	-19	92	2,33	18,12

NICKEL ANNA PIECES—

Opening Balance	1,85	4,63	4,65	2,79	6,95	3,39	1,60	1,54	10,20	1,39	38,99
Receipts from + or Issues to — Mint or other Provinces	-1,88	+4,20	-5,05	-15	-48	-4	+2,50	+1,68	+5,17	+1,67	+7,62
Closing Balance	1,05	5,53	3,33	1,89	7,21	2,86	1,60	1,58	8,22	1,72	+34,99
Net Local Absorption in 1926-27	-1,08	3,30	-3,73	73	-74	49	2,50	1,64	7,15	1,34	11,69
Ditto ditto in 1925-26	-1,19	2,10	-1,91	3,21	-1,64	14	2,58	2,02	5,04	1,27	11,22
Ditto ditto in 1924-25	-87	2,44	-89	3,19	1,93	1,73	2,03	55	9,70	2,05	21,86

SINGLE PICE—

Opening Balance	80	2,08	51	1,09	5,02	1,28	83	57	1,86	41	14,45
Receipts from + or Issues to — Mint or other Provinces	-1,29	+58	+77	+81	-1,97	+55	+1,27	+1,35	+16	+1,05	+3,28
Closing Balance	79	1,66	73	2,13	3,60	1,10	74	67	1,54	72	13,66
Net Local Absorption in 1926-27	-1,28	1,00	55	-23	-55	73	1,36	1,25	48	74	4,05
Ditto ditto in 1925-26	-1,30	55	61	39	-1,95	57	1,01	1,88	18	79	2,23
Ditto ditto in 1924-25	-2,10	57	81	80	18	1,13	68	1,20	1,08	96	5,31

HALF PICE—

Opening Balance	1	7	6	9	4	5	2	36			
Receipts from + or Issues to — Mint or other Provinces	-1	...	-1	+49	+1	4	...	-6	+1	+2	48
Closing Balance	1	6	10	4	...	3	1	39			
Net Local Absorption in 1926-27	-1	...	44	...	4	-4	2	45			
Ditto ditto in 1925-26	1	...	41	-2	4	-1	2	45			
Ditto ditto in 1924-25	50	2	8	1	4	...	-3	65			

PIE PIECES—

Opening Balance	2	18	2	6	4	1	2	57
Receipts from + or Issues to — Mint or other Provinces	-1	69	17	+2	+5	+1	+1	99
Closing Balance	1	31	17	2	9	3	1	70
Net Local Absorption in 1926-27	...	61	15	2	2	2	2	56
Ditto ditto in 1925-26	1	50	9	4	3	1	3	72
Ditto ditto in 1924-25	2	47	11	..	5	1	...	72

STATEMENT

Receipts and Expenditure of the Currency

No.	Head of Account.	CALCUTTA.		NORTHERN
		Controller of the Currency.	Calcutta Circle.	Deputy Controller of the Currency.
	RECEIPTS.	Rs.	Rs.	Rs.
1	Interest realised on Government Securities . . . . .	...	..	...
2	Interest on loans to Imperial Bank against Internal Bills of Exchange . . . . .	...	...	...
3	Premium on Bills . . . . .	...	51,617	...
4	Value of unclaimed currency notes . . . . .	...	44,528	...
5	Value of old currency notes no longer in circulation . . . . .	...	14,500	...
6	Miscellaneous . . . . .	...	2,882	...
7	Exchange . . . . .	...	...	...
8	<i>Deduct</i> —Refunds . . . . .	...	-31,855	...
	TOTAL RECEIPTS DURING 1926-27 . . . . .	...	81,670	...
	TOTAL RECEIPTS DURING 1925-26 . . . . .	..	...	.
	DISBURSEMENTS.			
1	Salaries (including Exchange Compensation, House-rent and Local allowance)	73,603	42,010	27,320
2	Establishment (including Local allowances)	1,13,579	4,54,109	30,390
3	Compensation for dearness of provision and other special allowances	400	...	...
4	Temporary establishment . . . . .	..	64,016	...
5	Stationery*	429	1,685	587
6	Service postage and telegram charges	13,347	2,869	2,001
7	Cost of repairs, etc., to Currency buildings . . . . .	...	29,122	.
8	Contingencies	22,766	40,219	1,404
9	Travelling allowances	4,760	10,423	121
10	Cost of note forms including freight, etc. . . . .	...	...	...
11	Charges for remittance of treasure . . . . .	...	2,81,813	...
12	Loss on note and specie remittances . . . . .	...	10	...
13	Exchange . . . . .	...	...	...
	TOTAL DISBURSEMENTS DURING 1926-27	2,29,384	9,26,276	61,823
	TOTAL DISBURSEMENTS DURING 1925-26 . . . . .	...	.	..
	PROFIT DURING 1926-27 . . . . .	...	...	...

* The figures are approximate as the

XVI.

Department for the year 1926-27.*

INDIA.		BOMBAY AND KARACHI.			MADRAS.	RANGOON.	TOTAL.	No.
Cawn- pore Circle.	Lahore Circle.	Deputy Controller of the Currency.	Bombay Circle.	Karachi Circle.	Madras Circle.	Rangoon Circle.		
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
...	...	...	...	...	...	...	3,78,59,855	1
...	...	...	...	...	...	...	...	2
4,148	838	...	40,045	351	2,293	28,573	1,27,865	3
3,515	11,896	...	11,430	1,090	12,464	1,624	86,545	4
1,850	3,198	...	5,600	...	4,950	3,655	33,740	5
3,241	41	...	135	11	1,780	4,072	12,162	6
...	...	...	...	...	...	...	26,16,755	7
-3,644	-11,297	...	-6,582	-1,028	-10,342	-740	-65,488	8
9,110	4,663	...	50,625	424	11,145	37,184	4,06,71,434	
...	...	...	...	...	...	...	4,29,95,964	
22,007	16,273	40,413	30,233	9,800	30,061	18,288	3,10,008	1
68,833	88,835	37,899	2,50,391	33,723	1,27,787	1,48,885	13,54,431	2
9,600	15,663	57	21,929	...	15,743	4,337	1,21,945	3
...	497	...	...	...	440	390	4,028	4
...	2,000	3,673	3,917	1,645	2,544	3,799	36,295	5
6,022	2,515	...	2,654	2,847	756	10,919	54,835	6
15,255	13,179	2,057	16,721	6,368	8,584	16,305	1,42,858	7
4,312	2,058	1,457	3,969	750	5,914	2,605	36,359	8
1,49,481	46,540	...	1,60,456	360	92,865	88,856	22,98,640	9
...	...	...	...	...	...	...	8,22,371	10
...	...	...	...	...	...	...	10	11
...	...	...	...	...	...	...	7,89,844	12
...	...	...	...	...	...	...	...	13
2,75,510	1,89,560	85,558	4,80,360	55,493	2,84,694	2,94,884	59,72,024	
...	...	...	...	...	...	...	57,18,104	
...	...	...	...	...	...	...	3,46,99,410	

accounts for the year have not been closed.

STATEMENT XVII.

Statistics of Work in Currency Offices.

	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Bangoon.	TOTAL.		
								1926-27.	1925-26.	1924-25.
Issue of notes in lakhs—										
No. of pieces	5,80	74	2,88	4,15	58	3,37	2,77	19,79	22,02	25,87
Value in rupees	1,48,09	16,61	46,75	1,61,89	14,61	65,74	68,76	5,22,45	5,85,48	6,01,69
Cancellation of notes (in lakhs)—										
No. of pieces	6,42	1,06	2,40	4,19	51	3,89	1,95	20,42	24,12	33,69
Value in rupees	1,50,90	16,77	39,49	1,25,33	9,32	68,61	49,99	4,60,41	4,66,02	4,30,87
Receipts of coin—										
Value in lakhs of rupees	8,16	2,55	3,83	8,43	67	1,40	85	25,89	23,68	19,97
Issues of coin—										
Value in lakhs of rupees	6,84	1,29	78	3,58	45	80	1,67	15,41	25,28	25,68
Transactions over the counters—										
Value in lakhs of rupees	1,72,48	8,35	22,94	1,39,47	12,20	48,41	54,08	4,57,93	4,84,04	4,83,69
No. of claims on defective and lost or wholly destroyed notes registered	10,996	191	724	2,455	121	763	60	15,310	19,288	19,318

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