

## FOREWORD

The Reserve Bank of India regularly brings out the Report on Currency and Finance, which was traditionally considered as a comprehensive source and record of economic developments. The structure of this Report has been re-oriented since 1998-99 from just documenting the economic developments to a 'theme-based report'. The theme-based Report offers the professional economists working in the Bank, an opportunity to work on relevant topic every year and make incisive analysis of the theme both in the global and the Indian context and come out with an analytical Report offering possible policy solutions to the issues examined. The dissemination of these Reports to a wider section of the user-community is an important exercise. The Report pertaining to the period between 1935-36 and 1998-99 are available only in printed form. The Reports from 1999-2000 have been placed on the Reserve Bank's website. In these days of widespread use of information technology, it is felt useful to bring out the Reports in a single DVD. I hope this will be an invaluable collector's item among the policy makers and academia.

The digitization process of the Reports was undertaken by Shri Ashok Kapoor, Chief Archivist, Reserve Bank of India Archives and supported by the services of Smt. Sandhya Dhavale, Assistant Librarian, under the guidance of Shri K.U.B. Rao, Adviser, Department of Economic Analysis and Policy and Shri Sandip Ghose, Principal and Chief General Manager, College of Agricultural Banking, Pune. I place on record my deep appreciation of their efforts.

Mumbai  
April 1, 2009

(Rakesh Mohan)  
Deputy Governor  
Reserve Bank of India

# Reserve Bank of India

## REPORT

ON

## CURRENCY and FINANCE

FOR THE YEAR

1938-39

BOMBAY :  
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1939

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## I.—GENERAL FEATURES OF THE YEAR.

The Reserve Bank's Report on Currency and Finance for 1937-38 dealt with a period the latter half of which witnessed a general recession in world economic conditions. In the year under review there were signs of a recovery which would probably have been more pronounced but for the growing uncertainties of the international situation, which dominated the financial markets during the latter part of the year.

2. The five years of increasing economic activity beginning with 1932 were followed by a downward trend early in 1937-38. This downward movement which had its origin in the United States appears to have been arrested in that country about June 1938. Beginning from that month there was an improvement in stock and commodity prices and a rise in industrial activity in the United States followed later by an upward trend in international trade and signs of recovery in other countries. This improvement however was not maintained in August and the succeeding months owing to increasing international tension, which undermined both political and business confidence, and led to sharp declines in stock exchange prices, particularly of gilt-edged securities, violent fluctuations in exchange rates and flight of capital. During the September crisis the British 3½ per cent. War Loan fell from £99 to £90 in the course of a single day, while the London-New York cross rate fell to \$4·60 (the lowest since October 1933) on the 28th September as against an overnight closing rate of \$4·73.

3. After about a year of recession, June 1938 witnessed the first beginnings of a recovery in the United States. The Federal Reserve Board index number of industrial production (1923-25=100), after declining from 118 in May 1937 to 76 in May 1938, being the lowest since October 1934, improved to 104 in December 1938. This improvement was reflected in a rise of 4·5 per cent. during the year in the figures of employment. Indices (1929=100) of about 347 industrial shares improved from 44·1 in April to 59·7 in November 1938, though they again receded to 56·1 at the end of the year.

4. The decline in economic and industrial conditions in the United Kingdom was arrested about the end of May 1938 when the Economist's index number of business activity (1935=100) stood at 102, the lowest since January 1936. By March 1939 the index number had moved up to 105½. Improvement in industrial production was evidenced by a rise in the index number (1929=100) from 108·9 to 117·6 between the second and the third quarters of the year. Wholesale prices however showed a steady, though slow, decline. The Board of Trade index number of wholesale prices (1929=100) declined by 7·2 per cent. from 91·2 in March 1938 to 84·6 in March 1939. Cereals suffered the largest



single decline of 27·7 per cent. While the adverse balance of payments remained practically the same at £55 million in 1938 compared to £56 million in 1937, the adverse balance of trade in merchandise declined from £431 million to £388 million. Both exports and imports of merchandise fell by about 10 per cent. Exports of cotton yarn and manufacturers had a further fall in 1938 of 29 per cent. from £68·5 million to £49·7 million, making a total fall of 63 per cent. between 1929 and 1938.

During the second half of the year the course of British economy was affected by the worsening of the European political situation which called for an intensified rearmament programme. Rearmament industries in consequence experienced a revival. The volume of production of pig iron and steel in the fourth quarter rose by 18 per cent. Industrial shares which had slumped particularly during the September crisis registered a certain recovery in the latter part of the year, their index number (1929=100) standing at 90·6 in March 1939 as compared with 86·3 in March 1938 and 84·2 in September 1938.

5. In Japan, national prices have followed a course of their own (*vide* Statement I). The two outstanding problems of Japan arising out of the exigencies of her conflict with China have been (1) the financing of the purchase of large quantities of armaments and (2) the control of money rates to facilitate the absorption of Government bonds the issue of which aggregated to Yen 4,330 million in 1938 as compared with Yen 1,530 million in 1937. Despite several war-time measures of control, prices have continued to mount up and their index number (1929=100) rose from 114 in March 1938 to 121 in March 1939. The business expansion in 1938 of Yen 3,976 million has been mostly due to the intensified activity in war and related industries. The note circulation during the two years ending March 1939 expanded by 52·5 per cent. from Yen 1,464 million to Yen 2,232 million, the increase having been almost equally distributed between 1937-38 and 1938-39. The Bank rate which was reduced from 3·65 per cent. to 3·29 per cent. on the 7th April 1936 has since remained unchanged.

6. As in most other primary producing countries, the recession appreciably affected India where, due to the slackening of foreign demand for raw materials, prices declined early. Thus between August 1937 and April 1938 prices in India (*vide* Statement I) fell 10·5 per cent., the corresponding decline during the same period being 7·4 per cent. in the United Kingdom and 10 per cent. in the United States. Next to be affected was the value of exports of merchandise which declined, mainly due to a fall in prices, by 25·6 per cent. between September 1937 and June 1938. The downward trends in prices and trade began to be arrested in April and June 1938 respectively. The table below gives the index numbers of wholesale prices in India (1929=100) for principal commodities for each of the half years beginning with April 1933 and shows

**Movements in commodity prices during the various stages of the recovery and the depression which followed.**

	1933-34.		1934-35.		1935-36.		1936-37.		1937-38.		1938-39.	
	1st half.	2nd half.	1st half.	2nd half.	1st half.	2nd half.	1st half.	2nd half.	1st half.	2nd half.	1st half.	2nd half.
(1) Cereals ..	53	53	57	60	58	62	63	64	62	57	58	62
(2) Sugar ..	81	78	78	77	79	79	75	69	82	69	82	92
(3) Tea ..	68	66	65	77	81	86	90	94	100	100	61	86
(4) Oil-seeds ..	48	49	62	66	68	68	65	68	75	74	60	67
(5) Jute, raw ..	47	42	39	46	53	57	51	55	61	64	51	62
(6) Jute, manu- factures ..	67	63	62	63	61	56	52	53	57	52	49	60
(7) Cotton, raw.	38	49	49	53	52	55	64	65	63	50	45	44
(8) Cotton, manu- factures.	71	71	72	74	73	72	68	72	74	69	65	64
(9) Hides and skins ..	54	55	42	45	50	64	59	70	72	65	56	54

According to the index number of wholesale prices in India as given in Statement I the trend would appear to be more or less steady since the commencement of 1938-39. This evenness of the price index during the greater part of the year does not however disclose the sharp fluctuations to which commodity prices, and especially those of the staple export commodities, were subjected as a result of the recession and the critical international political situation. During the year indices for raw cotton, cotton manufactures, oil seeds, tea and hides and skins receded respectively by 11·4 ; 8·9 ; 6·6 ; 11 ; and 11 per cent. On the other hand cereals, sugar, jute (raw) and jute manufactures appreciated by 21 ; 28 ; 51 ; and 31 per cent. respectively.

As "Capital's" index number shows, industrial activity which has shown a steady progress since 1932-33 was fairly well maintained. The index number (1935=100) for the year under review stood at 111·3 compared with 111·8 in 1937-38 and 105·2 in 1936-37. Industrial production remained at a consistently higher level in the case of cotton manufactures and steel. The Working Agreement in the jute industry which came into effect from the 15th March, 1939 for a period of five years, and the Sugar Control Acts of the Governments of the United Provinces and Bihar, coupled with the institution of the Indian Sugar Syndicate in the interests of fair competition and regulated production and prices, have tended to improve the prospects of these two industries. Acts XVIII and XX of 1939, which embody the Government of India's decisions on the Tariff Board's Reports have fixed amended protective duties effective from the 1st April, 1939 at the rates of (1) Rs.6-12-0 per cwt. of sugar for two years, (2) annas 12 per cwt. of magnesium chloride for seven years and (3) Rs.30-0-0 per ton or 25 per cent. *ad valorem*, whichever is higher, in the case of wood-pulp and pies 9 per lb. for paper for three years. The Indo-British Trade Pact which replaces the Ottawa Agreement of

August 1932 became provisionally operative in respect of certain items on the 1st April, 1939 and took full effect from the 27th May, 1939. The Indian Income-tax Act of 1938 and the Indian Insurance Act of 1938 as further amended in 1939 came into force with effect from the 1st April, and the 1st July, 1939 respectively. Such figures as are available regarding internal trade, railway earnings, remittances of funds, cheque clearances, bank advances and currency circulation also point to a sustained business activity within the country.

7. Burma does not seem to have been so severely affected by the recession of 1937-38, possibly because of the comparative stability in demand for its produce, which consists mainly of food stuff. Thus the total foreign trade of Burma in 1938-39 declined only by 6·7 per cent. compared to a drop of 11·4 per cent. in the trade of India. The quantity of rice exported actually rose from 2,777,000 tons in 1937-38 to 2,926,000 tons in 1938-39. The price of rice however ruled at a consistently lower level than in 1937-38. The highest and lowest prices respectively of rice (Big Mills Specials) were Rs.225 (per 100 baskets=7,500 lbs.) and Rs.182-8-0 compared with Rs.260 and Rs.211-8-0 in 1937-38.

While Burma suffered less from the effects of the trade recession, the unseasonable rains of December 1937, coupled with the internal disturbances and industrial unrest affected, for a time, its internal trade and resulted in a reduction in imports and therefore in the Customs revenue.

## II.—FOREIGN TRADE.

8. *International trade in 1938-39.*—The following table shows changes by quarters in the (1) gold value and (2) quantum of international trade as well as in (3) prices in gold for the three years 1936-37 to 1938-39 on the base 1929=100.

Quarter.	1936-37.			1937-38.			1938-39.		
	Value (gold.)	Prices (gold.)	Quantum.	Value (gold.)	Prices (gold.)	Quantum.	Value (gold.)	Prices (gold.)	Quantum.
1st Quarter ..	35·9	43·0	83·5	47·6	48·5	98·1	39·3	46·0	85·4
2nd „ ..	37·1	44·0	84·3	46·7	48·5	96·3	38·5	44·0	87·5
3rd „ ..	41·0	45·0	91·1	48·2	48·5	99·4	41·1	44·0	93·4
4th „ ..	42·8	46·5	92·0	41·9	47·5	88·2	38·5	43·0	89·5
Annual average	39·2	44·6	87·9	46·1	46·2	95·5	39·4	44·3	89

World trade, as will be seen, moved steadily up till about the end of 1937 when, though value and prices still lagged behind the 1929 level by more than 50 per cent., the quantum almost reached the pre-depression level. With the last quarter of the year 1937-38, this upward trend was reversed and what improvement was noticeable during the third quarter of the year under review was not followed up during the closing months of the

year. It will also be seen that gold prices, like most of the national or domestic prices, have been steadily declining. The world (gold) price index of 40 basic commodities (1910-14=100)\* declined by 20·1 per cent. to 61·5 in October 1938 from 77 in June 1937, since when prices have been consistently falling. One noticeable feature of the recent trade set-back is that exports, except in the case of the United States, were more severely hit than imports which increased in certain cases, such as India, presumably because of the time lag between exports and imports. This has involved a strain on the balance of payments particularly of primary producing countries. Thus exports of merchandise from India and Burma during the twelve months of recession ended July 1938 declined by 16 per cent. while imports rose by 9 per cent.

9. *Changing character of international trade.*—Governmental attempts to balance production and consumption, with a view to raising the standard of living or increasing the resources devoted to rearmament, have tended to multiply in agricultural as well as in industrial countries and these have naturally affected both the volume and direction of international trade. Industrial production has therefore been growing at a faster pace than international trade since the war. Thus while the world industrial production improved by 44 per cent. in 1938 in comparison with 1913, the volume of world trade rose by only 13 per cent. Secondly, the direction of trade is also bound to be affected by the various barter agreements, extensions of export credits, and bilateral and other trade agreements which are the natural accompaniments of autarchic policies. These tendencies have materially affected the trade of India.

10. *Foreign trade of India and Burma.*—To facilitate comparison with years prior to 1937-38, combined figures for the foreign trade of India and Burma on a pre-separation basis are given in Statement II which also shows the foreign trade of the two countries separately. The value of the total foreign trade in merchandise of India and Burma declined by 12·3 per cent. from Rs.362·15 crores in 1937-38 to Rs.317·51 crores in 1938-39. The balance of trade in merchandise however remained practically unchanged at Rs.43 crores, thus showing a relatively larger decline in imports which dropped by 14 per cent. from Rs.159·45 crores to Rs.137·24 crores, while exports fell by only 11 per cent. from Rs.202·70 crores to Rs.180·27 crores. The visible balance of trade including gold earmarked on account of purchasers abroad increased by 12·8 per cent. from Rs.58·37 crores to Rs.65·82 crores. The total visible balance of accounts appreciated by 27·2 per cent. from Rs.24·69 crores to Rs.31·40 crores with the purchase of sterling by the Bank at Rs.34·06 crores in 1938-39 as compared with Rs.33·29 crores in 1937-38. The table below indicates the main movements in trade in merchandise during each of the five years ending 1938-39, compared with (1) 1928-29, (2) the five pre-depression years ending 1928-29 and (3) the five depression

\* General Motors and Cornell University World price index.

years ending 1933-34. It will be seen that the merchandise balance of trade during 1937-38 and 1938-39 is on a level with the average of the five depression years.

Combined trade in merchandise of India and Burma.

Year.	Balance of Trade in merchandise (1928-29 = 100.)			(4) as percentage of the average of the five	
	Exports.	Imports,	Balance.	Pre-depression years ending 1928-29 (Rs. 1,13 crores)	Depression years ending 1933-34 (Rs. 42 crores)
1	2	3	4	5	6
1928-29 .. ..	100 (Rs. 3,38 crores.)	100 (Rs. 2,52 crores.)	100 (Rs. 86 crores.)	58	200
1934-35 .. ..	46	52	27	21	55
1935-36 .. ..	40	53	35	27	72
1936-37 .. ..	61	50	90	69	181
1937-38 .. ..	60	63	50	38	100
1938-39 .. ..	53	55	50	38	100

11. *Balance of trade in merchandise of British India.*—The recovery beginning with June 1938 was reflected in an improvement in India's balance of trade in merchandise particularly in the second and the third quarters of the year under review when it rose to Rs. 17·63 crores compared with Rs. 9·40 crores during the corresponding half yearly period in 1937-38 or an adverse balance of Rs. 1·95 crores in the half year January to June 1938. The total trade during the year under review however declined by 11·44 per cent. while imports and exports receded by 12·40 per cent. and 10·57 per cent. respectively.

12. *Direction of India's foreign trade.*—The table at the end of the paragraph shows the distribution of India's foreign trade in 1938-39, as compared with 1937-38. Of the six countries mentioned, India had a favourable balance of trade with the United Kingdom, Ceylon, and the United States respectively of Rs. 8·20 crores, Rs. 3·91 crores and Rs. 4·09 crores, though compared with 1937-38 there was a decline of 23·98 per cent. in the case of the United States. The adverse balance in regard to the other three countries, viz., Burma, Japan and Germany, amounted respectively to Rs. 14·14 crores, Rs. 0·85 crore and Rs. 5·36 crores, the last of these showing a further deterioration of 9·61 per cent. while there was an improvement of Rs. 3·21 crores in the adverse balance with Japan. Total exports to countries in the British Empire declined by 8·5 per cent. and imports from them by 7·02 per cent. The United Kingdom accounted for 33·75 per cent. of India's total exports and 30·67 per cent.

of imports as against 33.33 per cent. of exports and 29.90 per cent. of imports in 1937-38.

### DIRECTION OF TRADE—1938-39.

COUNTRY.	IMPORTS.			EXPORTS.			Balance of Trade in favour of India (lakhs of Rs.)	
	Value in lakhs of Rs.	As percentage of total imports (Rs. 152,34 lakhs).	Percentage increase (+) or decrease (-) in (2) as compared with 1937-38.	Value in lakhs of Rs.	As percentage of total Exports (Rs. 162,77 lakhs).	Percentage increase (+) or decrease (-) in (5) as compared with 1937-38.	1938-39.	1937-38.
1	2	3	4	5	6	7	8	9
United Kingdom ..	46,73	30.67	-10.07	54,93	33.75	-8.91	+ 8,20	+ 8,34
Burma .. ..	24,17	15.87	- 6.93	10,03	6.16	- 3.28	- 14,14	- 15,60
Ceylon .. ..	1,18	0.77	-28.92	5,09	3.13	- 3.60	+ 3,91	+ 3,02
Total B r i t i s h Empire .. ..	88,54	58.12	- 7.02	84,72	52.05	- 8.50	- 3,82	- 2,63
Japan .. ..	15,43	10.13	-30.46	14,58	8.96	-19.58	- 85	- 4,06
U. S. A. .. ..	9,77	6.41	-24.15	13,86	8.52	-24.10	+ 4,09	+ 5,38
Germany .. ..	12,94	8.49	-15.48	7,58	4.66	-27.26	- 5,36	- 4,89

13. *Commodity trade. Exports.*—In the following table are shown changes in the commodity trade of India.

#### EXPORTS.

Commodity.	Quantity.		Value.	
	000's omitted.	% increase (+) or decrease (-) over 1937-38.	In lakhs of Rs.	% increase (+) or decrease (-) over 1937-38.
Cotton, raw (bales) .. ..	2,703	-1.05	23,86	-17.81
Cotton, manufactures .. ..	....	....	7,12	-23.41
Jute, raw (tons) .. ..	690	-7.62	13,35	-9.29
Jute, manufactures (tons) .. ..	955	-6.39	26,22	-9.83
Oil seeds (tons) .. ..	1,199	+26.05	15,09	+6.34
Hides and Skins, raw (tons) .. ..	39	-24.07	3,84	-23.74
Hides and Skins, tanned or dressed .. ..	....	....	5,28	-27.27
Tobacco (lbs.) .. ..	65,143	+25.08	2,76	+38.08
Tea (lbs.) .. ..	349,913	+4.69	23,40	-4.03

#### IMPORTS.

Commodity.	Quantity.		Value.	
	000's omitted.	% increase (+) or decrease (-) over 1937-38.	In lakhs of Rs.	% increase (+) or decrease (-) over 1937-38.
Machinery .. ..	....	....	19,72	+9.69
Cotton, raw (tons) .. ..	98	-28.32	8,51	-29.84
Cotton manufactures .. ..	....	....	14,15	-9.00
Iron and Steel (tons) .. ..	224	-18.56	5,83	-12.52
Oils, vegetable, mineral and animal .. ..	....	....	15,62	-16.45
Vehicles .. ..	....	....	6,68	-25.11
Chemicals .. ..	....	....	3,06	-8.10
Hardware .. ..	....	....	2,57	-22.33

The extent of the recession in commodity prices is shown by a larger relative decline in value than in quantity in the case of most of the commodities. The price recession seems to have affected raw cotton more, while the Sino-Japanese war further affected the trade. Compared with the average for the three years ending 1936-37 exports of raw cotton from India (excluding Burma), which had receded by 24·4 per cent. in quantity from 645,268 tons to 487,764 tons and by 20·8 per cent. in value from Rs. 36·69 crores to Rs. 29·03 crores in 1937-38, failed to register any improvement in quantity in 1938-39 while the value further deteriorated by 17·8 per cent. to Rs. 23·86 crores. A decline of about 42 per cent. in quantity and of 40 per cent. in value in 1937-38 in Japan's offtake of Indian raw cotton was followed by a further fall of 10·9 per cent. in quantity from 242,695 tons to 216,301 tons and of 23·8 per cent. in value from Rs. 14·79 crores to Rs. 11·27 crores in 1938-39. Exports of raw cotton to Germany and the United Kingdom showed an improvement respectively of 13·6 per cent. and 4 per cent. in quantity. The United Kingdom took also 24·4 per cent. more raw jute in quantity while exports to the United States, Germany and Italy declined by 68·6 per cent., 27·9 per cent. and 36·9 per cent. respectively. The fall in value of 9·8 per cent. from Rs. 29·08 crores to Rs. 26·22 crores in the exports of jute manufactures was mainly due to a decline in demand from the United States of the magnitude of Rs. 1·68 crores. The exports of tea to the United Kingdom, which continued to be the most important of India's export markets and which took about 86 per cent. of the total exports of tea both in 1937-38 and 1938-39, went up by 5·5 per cent. from 287,689,000 lbs. to 303,512,000 lbs.

14. *Imports.*—Machinery is the one item which showed an increase of 9·69 per cent. from Rs.17·98 crores to Rs. 19·72 crores. The consistent rise in imports of machinery 60 per cent. of which came from the United Kingdom is an indication of the industrial development of the country. Of the cotton yarns and manufactures valued at Rs.14·15 crores against Rs.15·55 crores in 1937-38, goods worth Rs.5·46 crores compared with Rs.7·55 crores in 1937-38 were imported from the United Kingdom as against Rs.7·07 crores in 1938-39 and Rs.6·62 crores in 1937-38 from Japan.

15. *Indo-British Trade Agreement.*—In view of the termination on the 31st March 1939 of the Ottawa Agreement of the 20th August 1932, a new trade pact was signed between the Governments of the United Kingdom and India on the 20th March, and became effective on the 27th May 1939. The provisions of the new Agreement, which is to remain in force until the 31st March 1942 and may continue to be so after that date subject to termination at six months' notice, have been embodied in the Indian Tariff (Third Amendment) Act of 1939. Schedules I and IV to the Agreement (*vide* articles 2, 3 and 9) respectively specify the items and the rates of preference accorded to Indian goods in the

British market and *vice versa*. Of the total United Kingdom trade of Rs.18 crores on the basis of 1937-38 which enjoyed protection under the Ottawa Pact, preferences on trade valued at £7,500,000 or Rs.10 crores have been abandoned while British goods worth £6,700,000 or Rs.9 crores including a few additional items such as motor-cycles, etc., will receive preferential treatment in the Indian market. As regards India, 82 per cent. of whose exports to the United Kingdom would receive protection in that market, almost all the preferences operative under the Ottawa Pact have been retained with the exception of wheat, the preference on which was surrendered, and husked rice where it was reduced from 1*d.* to  $\frac{3}{4}$ *d.* per pound.

Article 10 with its 10 clauses provides for additional preferences for British cotton manufactures and for a revision of the basic rates according to deficiencies in or excess over the specified quantity of Indian raw cotton to be taken by the United Kingdom in a cotton year ending the 31st December. Thus the duty on (1) printed and (2) other British cotton piece-goods will be reduced respectively from 25 per cent. to 17 $\frac{1}{2}$  per cent. and from 20 per cent. to 15 per cent. *ad valorem*. On the other hand it is stipulated that the United Kingdom's offtake of Indian cotton will amount to 500,000 bales in 1939, 550,000 bales in 1940, and 600,000 bales for every subsequent year. Penalties are provided for deficiency in the United Kingdom's purchases of the specified amounts of Indian raw cotton. Article 13 envisages a trade agreement between India and Ceylon pending which their trade relations will be governed by the terms of the Indo-British Trade Agreement as contained in Schedule III to that Agreement. As regards the rest of the Colonial Empire most of the provisions of the Ottawa Pact have been retained in the new Agreement (*vide* Schedules V & VI and Articles 8, 11 and 12).

16. *Foreign trade of Burma*.—With a decline of 3·81 per cent. in exports from Rs.50·42 crores in 1937-38 to Rs.48·50 crores in 1938-39 and of 12·73 per cent. in imports from Rs.23·81 crores to Rs.20·78 crores, the value of the total trade of Burma dropped by 6·67 per cent. from Rs.74·23 crores to Rs.69·28 crores, though the balance of trade in merchandise improved by 4·17 per cent. from Rs.26·61 crores to Rs.27·72 crores. While exports showed a decline for the first time since 1931-32, internal disturbances and the international situation seem to have impaired the import trade of the country. The following table shows the variations in quantity and value of important commodities entering into the foreign trade of Burma :



**EXPORTS.**

Items.	Quantity.		Value.	
			(In crores of Rs.)	
	1937-38.	1938-39.	1937-38.	1938-39.
Rice (thousand tons) .. .. .	2,777	2,026	20.5	20.7
Teak (thousand cubic tons) .. .. .	225.0	203.6	3.5	3.0
Mineral oils (million gallons) .. .. .	207	196	11.0	10.4
Metal ores (thousand tons) .. .. .	194.5	174.0	6.4	5.8
Paraffin wax (thousand tons) .. .. .	49.8	39.6	2.0	1.7
Raw cotton (thousand tons) .. .. .	18.6	10.7	.88	.76

**IMPORTS.**

Items.	Quantity.		Value.	
			(In crores of Rs.)	
	1937-38.	1938-39.	1937-38.	1938-39.
Cotton piece-goods (million yards) .. .. .	170	137	3.89	2.91
Cotton twist and yarn (million lbs.) .. .. .	11.5	17.0	.68	1.01
Metals (thousand tons) .. .. .	72.1	56.0	1.93	1.54
Mineral oils (million gallons) .. .. .	27.7	24.8	.72	.48
Jute gunny bags (thousand bags) .. .. .	52,431	59,205	1.20	1.33
Coal and Coke (thousand tons) .. .. .	357	423	.59	.73

17. *Indo-Burma Trade.*—The following table shows the trade of Burma with India relatively to that with other foreign countries :

**DISTRIBUTION OF FOREIGN TRADE AS BETWEEN INDIA  
AND OTHER FOREIGN COUNTRIES.**

	1938-39.	1937-38.	Percentage of Total Foreign Trade.	
	(Rs. lakhs)	(Rs. lakhs)	(1938-39)	(1937-38)
Exports to India .. .. .	26,35.5	25,69.0	38	35
Exports to other Foreign Countries .. .. .	22,14.7	24,73.4	32	33
Imports from India .. .. .	11,18.4	11,70.6	16	16
Imports from other Foreign Countries .. .. .	9,59.8	12,10.8	14	16
Total Foreign Trade .. .. .	69,28.0	74,23.8	100	100

India is by far the largest single customer and export market of Burma and her share in the foreign trade of Burma in 1938-39 rose to 54·18 per cent. compared with 50·37 per cent. in 1937-38. Burma's exports to and imports from India stood respectively at Rs.26·36 crores and Rs.11·18 crores. The percentages both of exports at 54·34 to total exports and imports at 53·82 to total imports showed an improvement over the corresponding percentages of 50·95 and 49·16 in 1937-38 though, unlike exports, the value of imports from India showed a decline. Burma's favourable balance of trade in merchandise with India thus further improved to Rs.15·17 crores from Rs.13·98 crores in 1937-38. This improvement was mainly the result of larger exports of Burmese rice amounting to 1,475,000 tons valued at Rs.10·50 crores compared with 1,267,000 tons valued at Rs.9·50 crores in 1937-38. India's share in the total imports of cotton piece-goods into Burma however rose to 64·6 per cent. as compared with 55·8 per cent. in 1937-38, while that of the United Kingdom declined from 26 per cent. in 1937-38 to 17·9 per cent. in 1938-39.

18. *Kathiawar and Travancore Ports.*—The following table on the visible balance of trade (private) of these ports shows the value of their transactions in merchandise and treasure during the two years 1937-38 and 1938-39.

#### BALANCE OF TRADE—KATHIAWAR AND TRAVANCORE PORTS.

		(In lakhs of Rs.)	
		1937-38.	1938-39.
Exports of Indian merchandise	.. .. .	+ 4,44	+ 5,40
Re-exports of foreign merchandise	.. .. .	+ 9	..
Imports of foreign merchandise	.. .. .	— 4,56	— 4,62
Balance of trade in merchandise	.. .. .	— 3	+ 58
Gold	.. .. .	..	..
Silver	.. .. .	— 1	— 1
Currency Notes	.. .. .	..	..
Balance of transactions in treasure	.. .. .	— 1	— 1
Total visible balance of trade	.. .. .	— 4	+ 57

### III.—BULLION.

19. *Production of Gold.*—The estimated production of gold in India amounted to 322,000 fine ounces valued at Rs.3·05 crores in 1938. Burma produced 1,220 ounces during the year. The output of gold in India and Burma during the 10 years ending 1938 was 3,331,000 ounces out of a world total of 272,679,000 ounces. During the 7 years 1932 to 1938 world production rose by 52 per cent. from 24,254,000 to

36,854,000 fine ounces chiefly owing to increases in Russia, the United States and Australia. While Governments in various countries have taken steps to subsidise and stimulate the production of gold, the fact that its price rose from £4-12-6 in 1931 to £7-2-6 per fine ounce in 1938 has been the prime factor in raising production during these years.

20. *Transactions in gold.*—Statement III gives details of transactions in gold month by month during 1938-39 and Statement IV summarises the data on an annual basis from 1900-01 onwards. It will be noticed that up to 1930-31, with the exception of 1915-16, 1918-19 and 1921-22, India was a net importer of gold. During the 31 years 1900-01 to 1930-31 the net imports of gold amounted to 89·2 million ounces valued at about Rs.548 crores. In the following eight years there was a net outflow of 39·6 million ounces worth Rs.338 crores. The net exports of gold in 1938-39 amounted to 1,357,000 ounces of the value of Rs.13·07 crores, compared with 1,767,000 ounces worth Rs.16·33 crores in 1937-38. In addition 1,030,420 ounces of gold worth Rs.10·19 crores were earmarked by the Bank on account of its correspondents abroad, making a total of Rs.23·26 crores.

21. *Price of gold.*—The table below gives the highest and lowest prices of gold during the five years ended 1938-39:

Year.	Prices of gold in London per fine ounce.		Prices of gold in Bombay per tola.	
	Highest.	Lowest.	Highest.	Lowest.
	£ s. d.	£ s. d.	Rs. a. p.	Rs. a. p.
1934-35 .. ..	7 9 4 (March)	6 14 4 (April)	36 12 0 (March)	33 3 3 (April)
1935-36 .. ..	7 5 8½ (April)	6 19 9½ (August)	36 12 0 (April)	31 3 6 (October)
1936-37 .. ..	7 2 11½ (October)	6 17 2½ (September)	35 8 0 (September)	33 15 3 (September)
1937-38 .. ..	7 2 1½ (April)	6 19 3½ (August)	35 2 9 (April)	34 3 6 (March)
1938-39 .. ..	7 10 5 (January)	6 19 3½ (April)	37 10 6 (November)	34 12 3 (April)

During 1938-39 prices witnessed the largest rise since 1934-35. The increasing strength of the dollar (*vide* Statement V) was the main factor in this upward movement. The cross rate declined from an average of \$4·9685 in the first quarter of 1938-39 to \$4·7175 in the third quarter and further fell to \$4·6980 in the last quarter of the year. The average price in March 1939 at £7-8-4·6 showed a rise of 6·1 per cent. as compared with £6-19-10·9 in March 1938. Prices in India, following the London market, showed a steady rise during the year and stood at Rs.37-10-6 per tola on the 28th November, being the highest on record, as against Rs.34-12-3 on the 20th April and Rs.37-0-6 at the close of the year.

22. *Assaying and refining of Gold.*—Receipts of gold from the public for melting and assaying rose to 6,478,129 tolas at the Bombay Mint and to 826,707 tolas at the Calcutta Mint in 1938-39 in comparison with 4,477,998 tolas and 676,889 tolas in 1937-38. In addition, raw gold weighing 954,157 tolas was received from the public for refining at the Bombay Mint against 1,054,707 tolas in 1937-38.

23. *Production of silver.*—The following table gives the production of silver in India and Burma during the three years ended 1938.

QUANTITY AND VALUE OF SILVER PRODUCED IN INDIA AND BURMA DURING THE YEARS 1936 TO 1938.

	1936			1937			1938
	Quantity	Value (£1=Rs. 13·3)		Quantity	Value (£1=Rs. 18·8)		Quantity
	ozs.	Rs.	£	ozs.	Rs.	£	ozs.
India ..	25,345	33,610	2,528	24,642	32,343	2,432	22,295
Burma ..	5,952,000	68,71,584	516,000	6,180,000	73,60,998	553,458	5,920,000
Total ..	5,977,345	69,05,203	519,188	6,204,642	73,98,841	555,890	5,942,295

The output of silver from the mines of the Burma Corporation declined from 6,180,000 ounces in 1937 to 5,920,000 ounces in 1938. The world production of silver also fell from 274·7 million ounces in 1937 to 264·8 million ounces in 1938.

24. *Transactions in silver.*—Statement VI gives transactions, on private as well as Government account, in silver coin and bullion both in respect of India and Burma for each month of the year 1938-39 while Statement VII summarises the monthly data since 1900-01. The table below gives separately Government and private transactions in silver for the years 1937-38 and 1938-39 :

		(In lakhs of Rs.)								
		Imports.			Exports.		Net Imports (+) or Exports (—)			
		India.	Burma.	India & Burma.	India.	Burma.	India & Burma.	India.	Burma.	India & Burma.
1937-38	Government	12	80	..	81	53	..	—69	+27	..
	Private ..	3,00	1	2,50	74	73	99	+2,26	—72	+1,51
1938-39	Government	43	4	..	53	40	49	—10	—36	—49
	Private ..	2,03	..	1,49	28	72	45	+1,75	—72	+1,04

The figures between India and Burma are distorted by transfers of silver coin which cancel out in the combined totals. The value of the net imports of silver into India and Burma declined to Rs.55 lakhs in 1938-39 from Rs.1·51 crores in 1937-38. The Indian import duty which had been reduced from five to two annas in March 1936 was again raised to three annas in March 1937 and has since remained unchanged.

25. *Price of silver.*—Statement VIII shows the highest and lowest prices of silver for each month in 1938–39 in Bombay, London and New York. While the “official” price in the United States based on the Treasury price of 43 cents per ounce 1,000 fine remained unaltered at  $42\frac{3}{4}$  cents to which it was reduced from  $44\frac{3}{4}$  cents by two consecutive reductions of one cent each on the 28th and the 29th March 1938, prices fluctuated between  $18\frac{2}{16}d.$  and  $21\frac{1}{16}d.$  per standard ounce in London and Rs.48–2–0 and Rs.53–1–6 per 100 tolas in Bombay during the year under review. The purchasing policy of the United States Government continued to be the main prop of the silver market. The comparative steadiness in prices during 1938–39 was, therefore, due to lack of any fundamental changes in the silver purchasing programme of the United States. The United States purchased 403.2 million ounces in 1938 bringing the total Treasury holdings to about 2,575 million against 2,172 million ounces in the previous year. In the table below are given the highest and lowest prices of silver in Bombay, London and New York for the five years 1934–35 to 1938–39 :

	Prices in Bombay per 100 tolas.		Prices in London per standard ounce.		Prices in New York per fine ounce.	
	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
	Rs. a. p.	Rs. a. p.	d.	d.	Cents.	Cents.
1934–35 ..	67 12 0 (November)	50 12 0 (May)	$20\frac{7}{16}$ (March)	$18\frac{1}{16}$ (May)	$61\frac{1}{2}$ (March)	$41\frac{1}{2}$ (April & May)
1935–36 ..	87 0 0 (April)	46 12 0 (January)	$36\frac{1}{2}$ (April)	19 (January)	81 (April)	$44\frac{1}{2}$ (January)
1936–37 ..	56 2 0 (November)	47 0 0 (August)	$22\frac{1}{16}$ (November)	$19\frac{1}{16}$ (August)	$47\frac{1}{2}$ (November)	$44\frac{1}{2}$ (Throughout the year excepting December)
1937–38 ..	55 15 6 (April)	46 1 6 (December)	$21\frac{1}{2}$ (April)	$18\frac{1}{16}$ (December)	$46\frac{1}{2}$ (April)	$42\frac{1}{2}$ (March)
1938–39 ..	53 1 6 (March)	48 2 0 (April)	$21\frac{1}{16}$ (January)	$18\frac{2}{16}$ (April)	$42\frac{1}{2}$ (Throughout the year)	$42\frac{1}{2}$ (Throughout the year)

26. *Assaying and refining of silver at the Mint.*—The quantity of silver received from the public for melting and assaying amounted to 76,185 tolas at the Bombay Mint and to 107,016 tolas at the Calcutta Mint, the corresponding figures for the previous year being 3,629 and 17,178 tolas, respectively. The quantity of silver received for refining at the Bombay Mint rose to 5,158,136 tolas from 234,835 tolas in 1937–38, as a result of 4,109,231 tolas having been refined on account of the Indian States during the year under review as against nil in the last two years.

#### IV.—EXCHANGE AND REMITTANCE.

27. *Exchange.*—The Bombay rates for telegraphic transfers on London for each month of the year under review will be found in Statement IX. In common with other primary producing countries whose export surpluses were affected by the trade recession, the Indian exchange rate also weakened and fell as low as the lower statutory point of 1s. 5 49/64d. in the first week of June 1938. On the 13th April the Bank accepted tenders to the amount of £10,000 at 1s. 6 3/32d., the lowest rate since December 1934 and, despite the rejection of tenders at 1s. 6d. in the next week followed by a total suspension of the purchase of sterling by tender, the rate continued to decline. Two communiques were issued by Government on the 6th June and the 16th December indicating their determination to maintain the rate at 1s. 6d. and with the improvement in the balance of trade rates steadied and improved to 1s. 5 31/32d. in March 1939.

28. *Remittance.*—As Statement X shows, the total purchases of sterling by the Bank, including £3,768,000 by tender, amounted to £25,468,000 at an average rate of 1s. 5 15/16d. in 1938-39 in comparison with £25,140,000 at 1s. 6½d. in 1937-38. Owing to the cumulative effect of a decline in the balance of trade in merchandise and treasure in the last two years, combined with an increase in private remittance for purposes of investment, the amount of sterling offered to the Bank was low. The Bank purchased sterling at a tap rate of 1s. 5 15/16d. from the end of July until the end of February when it recommenced purchasing sterling by tender. The total sterling requirements of the Secretary of State during the year, including £610,000 in respect of Burma, amounted to £35·6 million compared with £37·2 million in 1937-38. To meet the balance the Bank drew upon its accumulated reserves in the Issue Department, the total amount drawn being approximately £14·5 million. The total sterling requirements of the Secretary of State for India and the Secretary of State for Burma in 1939-40 show a substantial reduction on those of 1938-39 due to a number of causes of which the chief is the completion in the latter year of the remittances on account of the Commissioners of Family Pension Funds. The total requirements were as follows :

	£ sterling ( millions approximately )
1936-37 .. .. .	41
1937-38 .. .. .	37
1938-39 .. .. .	36
1939-40 (estimated) .. .. .	27

## V.—PUBLIC FINANCE.

29. *Central Government Finances.*—Despite the trade recession the Central Government have succeeded, by means of economies in administration and the postponement or abandonment of schemes involving heavy new expenditure, in presenting a series of balanced budgets. In consequence the credit of the Government was well maintained and it was able to meet its commitments towards the Provincial Governments under the Niemeyer Award. In 1937-38, the first year of Provincial Autonomy, it was enabled to distribute Rs.1½ crores to the Provinces as their share of income-tax in addition to the various aids and subventions, and this amount was increased to Rs.1·50 crores in 1938-39. The prices of India Government rupee securities were, on the whole, steady and the Government were able to avail themselves of their option to give notice of repayment on the 1st October of the 5½ per cent. Loan, 1938-40, amounting to Rs.19·1 crores. Principally to replace this Loan the Government offered in March 1938 a 3 per cent. Loan repayable not earlier than 1963 and not later than 1965 at Rs.98 per cent. Details of this flotation are given in para 47. The rate of interest on Post Office cash certificates, which has been steadily reduced in recent years, underwent a further reduction in December 1938 from 2 per cent. to 1½ per cent. The effect of the conversion operation together with the reduction of interest on Post Office cash certificates was a considerable lightening of interest charges.

30. *Finance accounts. 1937-38.*—Notable variations in revenue were increases of Rs.83 lakhs from taxes on Income, including Rs.43 lakh on account of Corporation Tax, and Rs.14 lakhs in the net receipts from Posts and Telegraphs. These increases were partly offset by decrease of Rs.82 lakhs under Customs and Rs.10 lakhs in Mint profits. The betterment under taxes on Income combined with an improvement in the contribution of the Railways to general revenues made it possible to raise the share of the Provinces by a further Rs.25 lakhs to Rs.1·6 crores against the budgeted figure of Rs.1·38 crores, but only Rs.1·2 crores were distributed and a balance of Rs.38 lakhs was carried forward. The fall in the customs revenue proved to be steeper than was estimated this was the result of the deferred effect of the trade recession on the import trade of the country.

31. *Revised estimates. 1938-39.*—In place of an anticipated surplus of Rs.9 lakhs the revised estimates disclosed a net deficit of Rs.2·65 crore being the result of a drop in revenue of Rs.2·92 crores and a decrease in expenditure of Rs.18 lakhs.

On the revenue side the principal cause of the shortfall was a shrinkage of Rs.3·67 crores under Customs receipts. There was an increase in receipts of Rs.49 lakhs from Central Excise, and Rs.79 lakhs from Income Tax (including Rs.32 lakhs under Corporation Tax).

The decline of Rs.18 lakhs in expenditure resulted from special measures of economy (yielding Rs.94 lakhs), a reduction in Interest

charges (24 lakhs) and an increase of Rs.1 crore under Defence in consequence of the Waziristan operations and of improved conditions of military service.

32. *Budget estimates, 1939-40.*—The revenue and expenditure estimates for 1939-40 respectively at Rs.82·15 crores and Rs.82·65 crores compare with Rs.83 crores and Rs.85·65 crores in the revised estimates for 1938-39. The prospective gap of Rs.50 lakhs is to be met by raising an additional Rs.55 lakhs by an increase in the import duty on raw cotton from 6 pies to an anna per lb. Estimates of revenue in the main approximate to the revised figures for 1938-39 as shown below.

(i) Customs receipts though apparently estimated at Rs.40·10 crores (compared with Rs.40·14 crores) are exclusive of a payment of Rs.39 lakhs due to the States of Cochin and Travancore as their share of the customs revenue of Cochin Port which was till now treated as an item of expenditure.

(ii) Central Excise is expected to yield Rs.8·28 crores (as against Rs.8·25 crores) and includes Rs.4 crores from the duty on sugar. The present rate of one rupee however on Khandesari sugar is lowered to eight annas per cwt. but, as a result of a more equitable system of collection, receipts are expected to be Rs.5½ lakhs more than the last year.

(iii) The most important single change is in respect of Income Tax. The change from the 'Step' to the 'Slab' system, which was introduced from the 1st April, 1939 by the Income Tax Act of 1938, is expected to produce a larger yield. By the change in the basis of assessment persons having small incomes tend to gain while those with higher incomes are required to pay more. The reduced assessments for small incomes involve a loss of revenue of Rs.93 lakhs which is more than offset by larger estimated collections (Rs.1·31 crores) from higher incomes and from dividends of companies in the case of which the exemption limit of Rs.50,000 for the purposes of Super Tax has been abolished. The system of 'surcharge' in respect of both Income Tax and Super Tax is abandoned.

On the expenditure side a reduction of Rs.3 crores is mainly made up of decreases of (1) Rs.1·73 crores under Interest and (2) Rs.1 crore under Defence.

33. *Provincial finances.*—As indicated by Statement XI the Provincial accounts for 1937-38 closed with a net surplus of Rs.2·49 crores including Rs.1·18 crores in respect of Bengal. Both revenue and expenditure have increased since then as the following table shows; expenditure has increased more than revenue



						(in lakhs of Rs.)		
						1937-38	1938-39	1939-40
						Accounts.	Revised.	Estimates.
Revenue	..	..	..	..	..	89,44	91,10	93,82
Expenditure	..	..	..	..	..	86,95	92,22	95,67
Surplus	..	..	..	..	..	+ 2,61	+ 47	+ 13
Deficit	..	..	..	..	..	- 12	- 1,59	- 1,98
Net Surplus or Deficit	..	..	..	..	..	+ 2,49	- 1,12	- 1,85

The budget estimates of the Provinces as a whole for 1939-40 show a prospective deficit of Rs.1·85 crores compared with a deficit of Rs.1·12 crores in the revised estimates for 1938-39. Fresh taxation has been resorted to by most of the Provinces to meet (1) increasing expenditure as a result of their spending policies and (2) the losses in receipts due to the abandonment of revenues on account of the introduction of Prohibition, to remissions of land revenue, etc. Important amongst the new Provincial taxes are (1) taxes on sales, (2) taxes on property, (3) taxes both graduated and ungraduated on professions or employment, (4) taxes on entertainment, prize competitions, betting, etc.

34. *Subventions and payments from the Centre.*—The table below shows the various payments made by the Centre to the Provinces since 1937-38 in terms of the Niemeyer Award while Statement XII gives the details :

							(In crores of Rs.)			
							Income-tax.	Jute Duty.	Subventions.	Total.
1937-38	..	..	..	..	..	1·25	2·65	3·12	7·02	
1938-39	..	..	..	..	..	1·50	2·51	3·03	7·04	
1939-40	..	..	..	..	..	1·78	2·61	3·03	7·42	
(Estimates)	..	..	..	..	..	—	—	—	—	
Total	..	..	..	..	..	4·53	7·77	9·18	21·48	

The above statement shows that Rs.1·25 crores in 1937-38 and Rs.1·50 crores in 1938-39 (compared with Rs.1·78 crores budgeted for 1939-40) were paid to the Provinces on account of their share of Income Tax receipts. In addition the share of the four jute-producing Provinces of Bengal, Bihar, Assam and Orissa (62½ per cent. of the gross duty on jute, as provided under the Government of India Act and the Niemeyer Award) amounted to Rs.2·65 crores in 1937-38 and Rs.2·51 crores in 1938-39 as against Rs.2·61 crores provided in the budget for 1939-40. Also five Provinces received subventions or aids totalling Rs.3·12 crores in 1937-38 and Rs.3·03 crores in 1938-39; their share for 1939-40 is estimated at the latter figure. The total financial obligations of the Centre towards the Provinces amounted therefore to Rs.7·02 crores in the first year of Provincial Autonomy, to Rs.7·04 crores in the second and are estimated as Rs.7·42 crores in the third year, a total of Rs.21·48 crores for the three years 1937-38 to 1939-40.

35. *Annual Financial Statement of the Government of Burma.*—The year 1937-38 ended with a surplus of Rs.1·26 crores of which Rs.36 lakhs resulted from under-spending. The revised estimates for 1938-39

show a surplus of Rs.40.1 lakhs against the budgeted figure of Rs.38.5 lakhs. Decreases in revenue under Customs (Rs.15 lakhs) and Posts and Telegraphs (Rs.10 lakhs) were more than offset by increases under Income Tax (Rs.15 lakhs), Land Revenue (Rs.19 lakhs) and Excise (Rs.10 lakhs). Rs.13 lakhs less was provided for 'reduction or avoidance of debt' and Rs.3 lakhs under other heads. On the other hand there were increases in expenditure for general administration (Rs.5 lakhs), miscellaneous railway expenditure (Rs.7 lakhs) and 'Currency' (Rs.21 lakhs), the last being Burma's share of the silver deficiency as provided under clause, 3 part IV of Burma Monetary Arrangements Order, 1937.

The budget of the Government of Burma for 1939-40 estimates a small surplus of Rs.1 lakh with revenue and expenditure of Rs.15.43 crores and Rs.15.42 crores respectively. Provision is made for the discontinuance of the duty on raw silk and silk cocoons and for a further reduction in the *Thathameda* Tax, the latter involving a loss of revenue of Rs.21.9 lakhs. Additional taxation of Rs.10.2 lakhs was proposed viz. an excise duty of three annas per dozen bottles of aerated and other table waters estimated to yield Rs.4.14 lakhs and the licensing of the sale of *Ganja* expected to bring in another Rs.6.81 lakhs. The effects of the trade recession on the revenues of Burma are shown in the estimated reductions of Rs.22 lakhs under Customs and Rs.10 lakhs under Income Tax. The State Lottery is also estimated to yield Rs.8 lakhs more in 1939-40.

36. *Indo-Burma Financial Settlement.*—According to the findings of the Amery Tribunal appointed to determine "an equitable apportionment between the two countries of assets and liabilities" the liabilities of Burma to India consisted of (1) Rs.34.77 crores being the net assets of which Burma has assumed possession, (2) Rs.16.03 crores or 7.5 per cent. of India's liabilities outstanding at the date of Separation and (3) the cost of pensions for services rendered to Burma. The Tribunal also recommended that the Financial Settlement be based on equated payments over a period of 45 years commencing with the date of Separation. The final Report of the Committee for the application of the recommendations of the Amery Tribunal places the total indebtedness of Burma to India on the basis of the outstanding balances on the 31st March, 1937 at Rs.50,79,81,000 reduced by provisional payments during the years 1937-38 and 1938-39 to Rs.49,72,86,558 on the 31st March, 1939. The annuity required to redeem this debt with interest at 3½ per cent. in 43 years from the latter date is fixed at Rs.2,24,55,964 payable in two half yearly instalments on the 30th September and the 31st March in each year. In addition the Burma Government are required to pay 7½ per cent. of the actual expenditure yearly in respect of the Central pensions in issue at the date of Separation. The budget for 1939-40 provides for Rs.71 lakhs on account of these pensions compared with Rs.75 lakhs in 1938-39 and Rs.80 lakhs in 1937-38.

## VI.—GOVERNMENT BALANCES AND RESERVES.

37. *Government balances with the Bank.*—Statement XIII shows the Government balances including those of the Provinces both with the Reserve Bank of India and at Government treasuries at the end of each month during 1938-39. On the 31st March, 1939 these balances amounted to Rs.18·68 crores (including Provincial balances of Rs.6·54 crores) compared with Rs.19·62 crores a year earlier; the monthly average total was Rs.15·06 crores.

Under the new constitution each of the Provinces has to maintain an account with the Bank and entrust it with all its banking operations including the custody of cash balances, the management of the public debt, the issue of new loans, the investment of funds, etc. Agreements embodying these and other provisions and effective from the 1st April, 1937 were entered into between the various Governments and the Bank in terms of sections 20 and 21 of the Reserve Bank of India Act. In order to facilitate the change the Central Government continued during 1937-38 to be responsible for the cash requirements of the Provinces, but from the 1st April, 1938 the responsibility devolved on the Provinces which made their own ways and means arrangements and also became responsible for the maintenance of the agreed minimum balances with the Reserve Bank. Under the new arrangements therefore the Provinces have to meet any deficits in their minimum balances either by obtaining ways and means advances from the Bank or by issuing their own treasury bills. The India and Burma (Burma Monetary Arrangements) Order, 1937 provides for a similar Agreement between the Bank and the Government of Burma. The Burma Government's balance with the Bank at the end of the year amounted to Rs.4·79 crores; the average monthly balance was Rs.2·63 crores.

38. *Treasury bills, and ways and means advances.*—Details of the sales of the Central Government treasury bills by weeks are recorded in Statement XIV; Statement XV gives similar data in respect of those of the Provinces which issued their own treasury bills during the year. Burma which issued Rs.90 lakhs of four months treasury bills in 1937-38 did not have recourse to this form of borrowing in 1938-39. The total outstanding ways and means advances and treasury bills of the Central Government at the end of each month are given in Statement XVI.

39. *Central Government treasury bills.*—The total sales of three months treasury bills to the public amounted to Rs.97·49 crores including Rs.15·36 crores of 'intermediates' compared with Rs.71·99 crores in 1937-38 and Rs.80·99 crores in 1936-37.

During the year the Central Government continued to provide, through the Reserve Bank, facilities for the investment of the surplus balances of the Provincial Governments in Central Government treasury

bills. The Reserve Bank sold to the Provincial Governments the bills required by them out of its own holdings in the Issue Department and replaced these bills by taking from the Central Government fresh bills at the 'tap'; similar facilities were extended to the Government of Burma. The total amount of bills outstanding in the hands of the Issue Department of the Reserve Bank, the Provincial Governments and the Government of Burma on the 31st March, 1939 was Rs.18·96 crores compared with Rs.19·89 crores a year before. The corresponding figures for the investments in treasury bills of the Provinces and Burma together were Rs.6·28 crores and Rs.6·11 crores respectively. The total of the treasury bills outstanding with the public, the Bank and the Provincial Governments and Burma stood at Rs.46·30 crores at the end of 1938-39 compared with Rs.38·01 crores, Rs.28·54 crores and Rs.31 crores at the close of 1937-38, 1936-37 and 1935-36 respectively. The increase in 1938-39 is in part due to the obligation laid on the Central Government by section 36 of the Bank's Act under which Rs.5 crores of surplus rupees have been returned to the Government in each of the years 1937-38 and 1938-39 against payment in treasury bills.

40. *Transactions in Central Government treasury bills.*—At the beginning of the year the amount of bills offered at the weekly tender was raised to Rs.2 crores but was reduced to Rs.1·50 crores on the 3rd May. From the 10th May to the end of June it remained at Rs.1 crore when it was again increased to Rs.1·50 crores at which figure it remained until the 9th August. In the succeeding week the offer was further raised to Rs.2 crores and continued at that level until the 11th October after which by two consecutive weekly increases of Rs.50 lakhs each it was raised to Rs.3 crores for the first time for many years and was maintained at that figure for two weeks when 'intermediate' treasury bills were placed on offer. The amount of the weekly tender was successively reduced to Rs.2·50 crores on the 8th November, to Rs.2 crores on the 6th December, to Rs.1·50 crores on the 13th December and finally to Rs.1 crore in the following week at which it remained till the end of the year excepting the last two weeks when it was Rs.1·50 crores; the sale of 'intermediates' was discontinued on the 14th March. The amount of bills offered was varied according to the state of the money market, the amount of maturing bills and the Government's requirements.

41. *Yield on treasury bills.*—The table below gives the average true yield per cent. per annum on treasury bills in 1938-39 and 1937-38.

## YIELD ON TREASURY BILLS.

	1937-38.		1938-39.	
	Amount of 3 months treasury bills sold (Rs.000s omitted.)	Average yield per cent. per annum.	Amount of 3 months treasury bills (including intermediates) sold (Rs.000s omitted.)	Average yield per cent. per annum.
April .. .. .	5,00,00	1.06	9,00,00	1.55
May .. .. .	3,99,25	.99	4,15,25	1.44
June .. .. .	4,00,00	.99	4,17,50	1.27
July .. .. .	5,00,00	.88	6,64,25	.85
August .. .. .	5,00,00	.51	7,00,00	.62
September .. .. .	8,00,00	.60	9,16,25	.91
October .. .. .	8,00,00	.71	9,50,00	1.36
November .. .. .	5,00,00	.85	12,43,75	1.40
December .. .. .	10,00,00	1.00	8,63,00	1.98
January .. .. .	8,00,00	1.27	7,29,25	2.60
February .. .. .	6,00,00	1.42	11,28,50	2.60
March .. .. .	4,00,00	1.55	8,21,25	2.45
Total .. .. .	71,99,25	.97	97,49,00	1.63

It will be seen that the average yield except in July was on a higher level than in 1937-38. The rate reached Rs.2-9-8 per cent. on the 13th January and remained round that level till about the end of the year. The largest single rise from Rs.1-0-9 per cent. to Rs.1-8-3 per cent. took place in the last week of September when international tension was at its height. Similarly the rate for British Government three months treasury bills more than doubled from 10s.5.87d. per cent. per annum on the 2nd September to £1-5-1.42d. in the last week of the month and, though it eased to normal later in the year, ended with £1-11-2.37d., £1-6-10.5d. and £1-4-3.67d. respectively during the last three weeks of March.

42. *Provincial treasury bills.*—For the first time since the introduction of the new constitution on the 1st April, 1937 and the assumption since the 1st April, 1938 of direct responsibility by the Provinces for their balances and ways and means requirements, Rs. 25 lakhs of 9 months and Rs.15 lakhs of 3 months treasury bills were issued by tender on the 22nd April by the Government of the Central Provinces at rates of Rs.1-9-4 per cent. and Rs.1-12-0 per cent. respectively. Other Provinces followed (*vide* Statement XV) and the total sales of the Provincial treasury bills upto the end of the year amounted to Rs.5.70 crores ;

the total outstandings at the end of the year were Rs.1·50 crores of which Rs.1·10 crores were in respect of the Central Provinces and Rs.40 lakhs of Assam. The average yield of these Provincial bills was 1·82 per cent. per annum and the rates generally followed, though at a slightly higher level, the trends in the Central Government treasury bill rates.

43. *Ways and means advances.*—There were no outstanding ways and means advances at the beginning of the year but the Central Government borrowed in all Rs.32·50 crores during 1938-39 compared with Rs.18 crores in the previous year. With the exception of Rs.1 crore taken on the 5th April and repaid on the 14th of that month, the Government did not have recourse to the Bank until the 1st October when they borrowed Rs.1½ crores. The largest total borrowed in any one month was Rs.9 crores in October in which month also the largest amount outstanding on any one day during the year (Rs.7·5 crores) was recorded. No advances were outstanding at the close of the year. The Government of Burma did not require any ways and means advances from the Bank during the year. The Provinces borrowed in the aggregate a total of Rs.10·41 crores. All advances to the Provinces were repaid before the close of the year.

44. *Treasury balances in London.*—The table below gives the treasury balances in England (as well as in India) on the last day of the years 1937-38 and 1938-39.

		In India. (lakhs of Rs.)	In England. (thousands of £s.)
1937-38	:: :: :: :: :: ::	19,62	7,20
1938-39	:: :: :: :: :: ::	18,68	5,74

Since the Bank assumed responsibility for supplying the Secretary of State with his London requirements the Secretary of State maintains a smaller balance with the Bank of England ; this account is fed by transfers from the Reserve Bank's account to meet the Secretary of State's daily disbursements. The disbursements of the High Commissioner for India and Burma are met directly by the Reserve Bank through its London office. The total sterling requirements of the Central and Provincial Governments in India and the Government of Burma (of which the latter's share was £0·6 million in 1938-39) are shown below :

	1937-38. (£ millions.)	1938-39.
Excess of expenditure over revenue of the Government of India in		
London .. .. .	23·4	22·2
Expenditure on behalf of Provincial Governments .. .. .	2·2	2·2
Capital expenditure on railways .. .. .	2·7	4·3
Debt discharged (net) .. .. .	5·1	2·2
Unfunded debt (net payment) .. .. .	3·5	5·8
Net requirements of the Government of Burma .. .. .	0·6	0·6
Deduct—Miscellaneous capital receipts .. .. .	—0·3	—1·7
<b>Total .. .. .</b>	<b>37·2</b>	<b>35·6</b>

45. *The Silver Redemption Reserve.*—The main purpose of this Reserve of approximately £7½ million was to enable the Government of India to make payment to the Reserve Bank in sterling, if necessary, in respect of the surplus rupees which may be returned by the Bank under section 36 of its Act. The fund however has not so far been drawn upon as on the two occasions in 1937-38 and 1938-39, when the Bank returned Rs.5 crores of surplus rupees, payment was made in the form of rupee treasury bills.

## VII.—PUBLIC DEBT.

46. *Provision for reduction of debt.*—Since 1934-35 a provision of Rs. 3 crores has been made annually from revenue for reduction of debt. Particulars of the appropriations for the past three years are given below :

	(in lakhs of Rs.)		
	Budget 1938-39.	Revised 1938-39.	Budget 1939-40.
1. Sinking Fund provision for 5 per cent. rupee loans .. .. .	1,36·71	1,36·71	1,25·15
2. Railway sinking funds .. .. .	23·20	23·68	23·20
3. A part of the capital portion of railway annuities .. .. .	1,40·09	1,39·61	1,51·66
Total ..	3,00·00	3,00·00	3,00·00

47. *Government of India Rupee Loan.*—On the 13th May the Central Government announced a 3 per cent. combined cash and conversion Loan repayable not earlier than 1963 and not later than 1965, at Rs.98 per cent. Subscriptions, which were received on the 19th May only, were payable in cash, or 5½ per cent. 1938-40 Bonds, or 5 per cent. 1939-44 Loan. Securities of the 5½ per cent. Loan 1938-40 and the 5 per cent. Loan 1939-44 were accepted in payment for the new Loan at Rs.101-12-0 and Rs.104-0-0 per Rs.100 nominal value. The loan notification stated that in case the total cash subscriptions exceeded Rs.5 crores partial allotment might be made to subscribers in cash. The total amount offered was Rs.32.35 crores of which Rs.12.24 crores were by tender of cash, Rs.11.80 crores by tender of the 5½ per cent. 1938-40 Bonds and Rs.8.18 crores by tender of the 5 per cent. 1939-44 Loan. Conversion applications were allotted in full; cash applications upto Rs.5,000 were also allotted in full, those between Rs.5,000 and Rs.10,000 were allotted Rs.5,000 and those above Rs.10,000 received 50 per cent. The total allotment, including Rs.6.33 crores in cash, amounted to Rs.26.31 crores. Market conditions being favourable the loan was oversubscribed within five minutes of the opening of the lists and was quoted at a small premium immediately afterwards. The success of the issue had a good effect on the prices of gilt-edged securities.

48. *Total rupee and sterling debt.*—The total funded debt of the Government of India at the beginning and at the end of the year was as follows :

	31st March, 1938.	31st March, 1939.
In India (Crores of Rs.) .. .. .	438·82	438·58
In England (Millions of £) .. .. .	297·56	297·38

No sterling loan matured for payment during the year, nor was any new sterling loan floated. Securities of the India 4½ per cent. Loan 1950-55 of the nominal value of £177,617 were purchased and cancelled during the year, in addition to the normal capital payments on account of Railway annuities amounting to £2,030,738 making the total debt discharged £2·2 million, as shown in paragraph 44. A net payment of £5·8 million was made in 1938-39 (compared with £3·6 million in 1937-38) on account of the Unfunded Debt mainly in respect of the liabilities for certain Family Pension Funds as provided under the Government of India Family Pension Funds Order, 1936.

49. *Provincial Loans.*—During the year two Provinces, *viz.*, the Punjab and Madras announced through the Bank the issue of Loans for Rs.1 crore and Rs.1½ crores respectively. The Punjab Government 3 per cent. Loan was issued on the 3rd August at Rs.98-8-0 per cent. in the form of Bonds redeemable at par on the 15th August, 1958; the Madras Government 3 per cent. Loan repayable at par on the 15th September, 1953 of which only Rs.1·10 crores were offered for public subscription, was issued on the 14th September, 1938 at Rs.99 per cent. Both the loans were for productive purposes and were received favourably by the market, the lists of applications being closed within an hour of their opening. In the case of the Punjab Loan applications for Rs.1,000 or less were accepted in full and others were allotted 55 per cent. subject to a minimum of Rs.1,000. Applications for the Madras issue not exceeding Rs.5,000 were allotted in full, while those above that amount received approximately 57 per cent. subject to a minimum of Rs.5,000.

50. *Trends in market values of securities.*—As Statement XVII indicates, an upward trend in the prices of Indian gilt-edged securities commenced in February 1932, and in 1934-35 the total market value of the outstanding Government of India Rupee securities exceeded their face value as the table below indicates :

(in crores of Rs.)

End of (1)	TOTAL (FUNDED) RUPEE DEBT (excluding discharged debt)		Percentage of (3) to (2)
	Face value. (2)	Market value.* (3)	
1930-31	4,16·67	3,56·95	85·7
1931-32	4,22·25	3,43·11	81·3
1932-33	4,46·47	4,01·68	90·0
1933-34	4,34·57	4,25·86	98·0
1934-35	4,37·72	4,51·28	103·1
1935-36	4,25·32	4,44·20	104·4
1936-37	4,37·33	4,70·86	107·7
1937-38	4,38·40	4,64·73	106·0
1938-39	4,37·92	4,60·17	105·1

\*Based on average of daily prices during the year.



These securities thereafter steadily appreciated until about the end of 1937-38 when the upward movement was temporarily arrested on account of European war fears. It is notable however that the average daily price of  $3\frac{1}{2}$  per cent. Rupee Paper was higher at Rs.98-0-5 in 1938-39 than in 1937-38 at Rs.97-1-2. The margin by which the price of  $3\frac{1}{2}$  per cent. Rupee Paper had exceeded that of the  $3\frac{1}{2}$  per cent. Indian Sterling Stock since March 1936 widened further to more than 12 points; the causes of this movement are mentioned in the following paragraph.

51. *Government securities.*—Statement XVIII shows the extent of the fluctuations in the prices of representative Rupee securities of the Government of India in 1938-39. During the year the principal influences on world security market were political—Central European, Far Eastern and Spanish. On the whole however Indian security markets were less affected than those in other countries. In March 1938 events in Europe resulting in the incorporation of Austria in Greater Germany had a very depressing effect on security prices which throughout the year reflected every change either potential or actual in the world political situation. Fluctuations were wide and frequent the lowest levels generally being reached towards the end of September. An immediate recovery however followed the announcement of the Munich Agreement. Indian security prices remained fairly steady thereafter until the German occupation of a large part of the former Czechoslovakia in March 1939 when all gilt-edged prices again fell sharply. Throughout the year the outstanding feature connected with Indian Government securities was the disparity in prices between the India Rupee and the India Sterling loans which resulted in many investors selling their Rupee securities and buying Sterling securities in their place. This was due to the steady and continued investment demand for all Rupee loans in India and the disturbance of the London market by war fears and apprehensions regarding the financing of the U. K. rearmament programme. One of the causes of the demand for Rupee gilt-edged securities during the year was the obligation placed on insurance companies operating in British India as from the 1st July, 1939 to hold substantial amounts of such securities equal to 25 per cent. of their total liabilities in India.

52. *Post Office cash certificates and Post Office Savings Bank deposits.*—Statement XIX shows the extent of the transactions in Post Office cash certificates since their introduction in 1917-18 and in Post Office Savings Bank deposits since 1913-14. There was no change in the issue prices of cash certificates during the year, the yield remaining at  $2\frac{1}{2}$  per cent. compound interest to which it was reduced in July 1936. It will be seen that owing to higher rates of interest prior to 1934-35 during which year the yield was reduced twice in conformity with the lower yields of gilt-edged securities, there were large purchases during the period 1930-31 to 1933-34; the maturities were consequently heavy beginning with the

year 1935-36 when repayments amounted to Rs.13·43 crores compared with Rs.7·70 crores in the previous year. Repayments amounted to Rs.15·35 crores in 1938-39 against Rs.18·16 crores in 1937-38 the largest on record. With the lowering of the interest rate the value of new certificates sold decreased in 1934-35 to Rs.9·95 crores compared with Rs.13·31 crores in the previous year. Since then sales have been however rising and totalled Rs.14·71 crores in 1938-39 in India alone. (Since the separation of Burma the figures for the two countries have been shown separately.) The increase was due in part to the reduction in recent years in the rate of interest on Post Office Savings Bank deposits which was further lowered to  $1\frac{1}{2}$  per cent. with effect from the 1st December, 1938. Withdrawals of Post Office Savings Bank deposits were the highest on record at Rs.41·65 crores in 1938-39 when the amount deposited was Rs.44·61 crores compared with Rs.43·27 crores in 1937-38. The total liabilities of the Government of India in respect of the cash certificates and the Savings Bank deposits amounted to Rs.141·51 crores at the end of the year 1938-39 compared with Rs.137·77 crores a year earlier. The number of depositors in the Post Office Savings Banks in Burma rose to 1,31,982 in 1938-39 compared with 1,17,953 in 1937-38. The total amount shown as outstanding includes Rs.2·09 crores at the credit of Savings Bank depositors in Burma at the time of Separation on the 1st April, 1937. The rate of interest on Post Office Savings Bank deposits in Burma remained at 2 per cent. throughout the year.

### VIII.—MONEY AND BANKING.

53. *Money rates.*—Statement XX gives the money rates in India on the first day of each month of the year. The Bank Rate is the standard rate at which the Reserve Bank of India is prepared to buy or rediscount first class bills of exchange or other commercial paper eligible for purchase under the Bank's Act. The Imperial Bank *Hundi* rate is the rate at which the Imperial Bank discounts first class three months bills. The *Bazar* rates are those at which the bills of small traders are reported to have been discounted by Shroffs; these are of course not official quotations.

54. *General features.*—Bank rates in almost all important financial centres remained unchanged except in Belgium where the rate was raised from 2 per cent. to  $2\frac{1}{2}$  per cent. and at one time during the year to 4 per cent., and in New Zealand where it was increased from 2 per cent. to 4 per cent. as a result of circumstances peculiar to these countries. While money rates for four to six months commercial paper in New York declined and the French market showed notable downward adjustments from the higher rates previously ruling, similar rates in London showed an upward trend. Short-term rates in London were generally higher due to the repatriation of French capital and to the exodus of short-term funds as a result of the international situation. Rates in London for three months bank bills rose during the September crisis to  $1\frac{3}{4}$  per cent. and those for three months treasury bills increased to over  $1\frac{1}{2}$  per cent.

on the 17th March. Apart from the fluctuations consequent upon variations in seasonal demand, the Indian call and term rates showed a rising trend in sympathy with the London market. In the slack season owing to an abundance of funds with few borrowers, the rate for inter-bank call money moved between  $\frac{1}{4}$  per cent. and  $\frac{1}{2}$  per cent; in January and February the rate rose to  $2\frac{1}{4}$  per cent. the highest since June 1935. Similarly the banks' three months deposit rate in Bombay increased during December to  $2\frac{1}{2}$  per cent. the highest for several years. The *Bazar* bill rates in Bombay and Calcutta were also seasonally higher. The Reserve Bank Rate as well as the Imperial Bank *Hundi* rate remained unaltered during the year.

55. *Banks in India.*—The tendency already noticed among smaller banks to increase their paid up capital and reserves with a view to qualifying for inclusion in the Second Schedule to the Reserve Bank Act continued. As the fourth Annual Report of the Reserve Bank of India for the calendar year 1938 indicated, the total number of scheduled banks rose from 54 to 57, although the total number of their offices slightly declined from 1,138 to 1,125 principally due to the closure of one scheduled bank with 77 branches. The end of June 1938 witnessed a run on banks in South India following the closure of the Travancore National and Quilon Bank. To meet the situation special credits were opened by the Reserve Bank in favour of some of the South Indian scheduled banks for advances against or discounts of commercial paper; these limits were later increased in some cases, the total amount sanctioned under this head being Rs.34 lakhs. Credit was also made available as usual against Government securities. These measures accompanied by a statement by the Reserve Bank that the circumstances of the Travancore National and Quilon Bank were peculiar and that the general condition of the other scheduled banks was sound eased the position. The banking situation elsewhere in India was not seriously affected.

In addition to the credit granted to the South Indian banks limits totalling Rs.75 lakhs were granted against commercial paper to scheduled banks during the year. Further, with a view to increasing the popularity of treasury bills as short-term investments by scheduled banks the Reserve Bank intimated that they were prepared to purchase from scheduled banks Central Government treasury bills of any currency up to three months at fine rates based on the current tender rates; these facilities were made use of by several banks. On the 1st September the Bank issued a circular to all scheduled banks explaining the nature of its relations with them. This was followed by an explanatory memorandum indicating the circumstances and conditions under which the scheduled banks might obtain advances and discounts from the Reserve Bank under section 17 of its Act. The need was emphasised for maintaining a sufficient quantity of liquid, readily realisable, and rediscountable assets in bank portfolios, the absence of which was felt to be one of the principal defects shown by the South Indian crisis.

Besides the banks scheduled to the Reserve Bank of India, there are operating in this country a large number of banking and loan companies totalling about 1,500 of which there are roughly 300 with a paid up capital and reserves of Rs.50,000 and over. The Bank now receives copies of cash balance returns and of balance sheets from about 600 of these non-scheduled banks and is trying to establish contact with them. In furtherance of this objective the Bank issued a circular letter to all non-scheduled banks with capital and reserves of Rs.50,000 and over in November last, inviting them to keep the Bank in touch with their operations so that it might be possible to offer them guidance when required.

56. *Reserve Bank of India. Issue Department.*—Statement XXI shows the total liabilities and assets of the Issue Department of the Reserve Bank of India as on the last Friday of each month of the year, while the table below gives similar details since the commencement of the operations of the Bank in April, 1935.

(In lakhs of Rs.)

	Liabilities.			Assets.				Percentage of Gold, and Sterling securities to total notes issued.
	Average of Friday figures.	Notes held in Banking Department.	Notes in Circulation.	Total.	Gold coin and bullion.	Sterling securities.	Rupee coin.	
1935-36 ..	27.54	164.11	191.65	44.42	62.13	55.52	29.58	55.60
1936-37 ..	25.70	175.98	201.68	44.42	69.63	64.01	23.62	56.55
1937-38 ..	25.64	186.14	211.78	44.42	79.90	60.24	27.22	58.70
1938-39 ..	28.22	182.36	210.58	44.42	66.88	67.10	32.18	52.85

The total notes issued in India and Burma declined from Rs.214.59 crores in the beginning to Rs. 207.23 crores at the end of the year. Notes in circulation followed the usual course, declining during the slack season from Rs.188.89 crores on the 15th April to Rs.171.34 crores on the 26th August and increasing in the busy season to Rs.195.40 crores on the 10th March, 1939 against Rs.190.81 crores on the 11th March, 1938. On the assets side gold coin and bullion remained unaltered at Rs.44.42 crores, being 21.44 per cent. of the total notes issued at Rs.207.23 crores on the 31st March, 1939 compared with 20.75 per cent. at the close of 1937-38. The percentage of gold and sterling securities to total liabilities declined from 57.42 at the beginning of the year to 50.15 at its close owing to a reduction in the total of sterling securities from Rs.78.81 crores to Rs.59.50 crores as a result of the transfers to the Banking Department. The holding of Rupee coin increased from Rs. 63.97 crores to Rs.71.01 crores after allowing for the return of five crores of surplus rupees to Government in April 1938 as permitted under section 36 of the Bank Act.

57. *Banking Department.*—Statement XXII shows the liabilities and assets of the Banking Department of the Bank as on the last Friday of each month during the year while the table below gives the annual averages for the four years 1935-36 to 1938-39.

(In lakhs of Rs.)

	Liabilities.				Assets.					
	Deposits.			Other Liabilities.	Notes and coin.	Balances held abroad.	Loans and advances to Government.	Investments.	Other assets.	
	Average of Friday figures.	Government.	Banks.							Other.
1935-36 ..	11,29	27,24	9	38,62	90	27,64	15,05	83	5,48	52
1936-37 ..	9,87	26,56	40	36,83	1,14	25,80	13,76	1,53	6,06	82
1937-38 ..	11,42	24,80	70	36,92	86	25,72	13,39	75	7,11	81
1938-39 ..	14,88	16,20	76	31,84	1,27	28,31	4,12	1,82	6,35	2,51

Deposits of banks declined from Rs. 14.56 crores on the 1st April to Rs.11.41 crores at the close of the year, while they averaged Rs.16.20 crores during the year compared with Rs.24.80 crores in 1937-38 showing a larger trade demand as reflected in the returns of the scheduled banks (*vide* Statement XXIII). Government deposits averaged Rs.14.88 crores against Rs.11.42 crores in the previous year. The Reserve Bank's cash balance fell from Rs.29.87 crores at the beginning of the year to Rs.18.22 crores at its close but the average was higher being Rs.28.31 crores compared with Rs.25.72 crores in 1937-38.

58. *Scheduled banks.*—Statement XXIII on the scheduled banks' consolidated position records their total time and demand liabilities, balances with the Reserve Bank, and advances and discounts on the last Friday of each month of the year; the table below gives the annual averages for the four years 1935-36 to 1938-39.

(In lakhs of Rs.)

Average of Friday figures.	Liabilities.	Cash and balances with Reserve Bank of India.	Cash and balances with Reserve Bank of India as percentage of liabilities.	Advances in India and Burma.	Bills discounted in India and Burma.	Advances and discounts as percentage of liabilities.
1935-36 (9 months July-March) ..	217,72	37,79	17.36	87,85	3,59	42.00
1936-37 .. ..	229,97	32,27	14.03	95,27	4,73	43.48
1937-38 .. ..	241,81	31,07	12.85	113,41	6,26	49.49
1938-39 .. ..	237,87	22,60	9.50	115,78	4,84	50.71

The total time and demand liabilities increased from Rs.234·87 crores on the 1st July to Rs.241·52 crores on the 7th October and the cash and balances with the Reserve Bank during the period rose from Rs.16·58 crores to Rs.21·35 crores. Thereafter during the busy season the total liabilities as well as the cash and balances with the Reserve Bank declined and amounted to Rs. 235·35 crores on the 10th March and Rs.10·89 crores on the 31st March respectively. The scheduled banks' advances in India and Burma which declined from Rs.125·54 crores on the 15th April to Rs.101·80 crores on the 18th November rose to Rs.128·01 crores on the 31st March being the highest during the four years ended 1938-39. Similarly bills discounted rose to Rs.7·87 crores at the end of the year after having declined to Rs.2·37 crores on the 16th September. The percentage of advances and discounts to total liabilities rose to 57·10 at the end of the year compared with 54·58 in 1937-38. Below are given the various ratios showing the position of the scheduled banks as at the end of each of the four years 1935-36 to 1938-39.

#### SCHEDULED BANKS' POSITION.

End of	Total Liabilities (Rs. crores.)	Demand Liabilities.	Percentages of total liabilities.		
			Cash (including balances with Reserve Bank.)	Advances.	Bills discounted.
1935-36 .. ..	221·96	54·10	18·79	41·79	2·78
1936-37 .. ..	238·94	55·92	12·02	50·10	3·34
1937-38 .. ..	237·00	53·64	9·72	51·59	2·99
1938-39 .. ..	237·96	54·91	7·12	53·79	3·31

59. *Clearing House Statistics.*—Statement XXIV gives details of the clearances of cheques since 1918-19. Rangoon, Cawnpore and Delhi showed increases but the total of cheques cleared declined slightly in other centres. The table below gives quarterly figures for the three years 1936-37 to 1938-39.

					(In lakhs of Rs.)		
					1936-37.	1937-38.	1938-39.
1st quarter .. ..	..	..	..	..	456,96	579,00	497,79
2nd .. ..	..	..	..	..	433,96	466,49	503,51
3rd .. ..	..	..	..	..	482,29	527,50	479,70
4th .. ..	..	..	..	..	558,45	478,13	531,47
Total ..					19,31,66	20,51,12	20,12,47

60. *Internal remittances.*—Statement XXV shows remittances through the Reserve Bank of India as well as the Imperial Bank of India; Statements XXVI and XXVII record remittances through Government agencies. The total of telegraphic transfers issued by the offices of the Reserve Bank of India in 1938 amounted to Rs.271·93 crores compared with Rs.250·09 crores in the previous year. The totals of demand drafts purchased and the drafts and telegraphic transfers paid by the Imperial Bank of India show a progressive rise; their total was Rs.282·92 crores in 1938 compared with Rs.268 crores in 1937.

### IX.—CURRENCY.

61. *Note circulation.*—Statement XXVIII shows the average circulation of currency notes since 1889-90. It will be seen that the active average note circulation after rising to Rs.171·90 crores in 1928-29 declined due to the subsequent trade depression and it was not until 1936-37 that the previous record high figure was passed. In 1937-38 the circulation rose further to Rs.183·96 crores, the highest published figure during the year under review being Rs.180·86 crores. Statement XXIX shows the encashment of 'foreign circle' notes.

62. *Absorption of Currency.*—Statement XXX shows the average annual absorption of currency notes and rupee coin for the five years 1914-15 to 1918-19 and the absorption during the 20 subsequent years. Sovereigns and half sovereigns are omitted as they are no longer legal tender. Since the Bank assumed the management of the currency, the figures for absorption or return of notes are taken as the variation in the totals of notes in circulation as shown in the weekly returns of the Issue Department of the Bank. The figures for the notes in circulation thus now include the amounts held at Government treasuries as well as those with the public but exclude the holdings of the Banking Department of the Reserve Bank. The absorption or return of rupee coin is calculated similarly; half rupees have been excluded since 1935-36. The net absorption of Rs.23·04 crores in 1936-37 (the largest since 1919-20) was followed by a net return of Rs.14·75 crores in 1937-38 and of Rs.9·62 crores during the year under review. The latter figure was made up of a return of Rs.12·60 crores of rupee coin and an absorption of Rs.2·98 crores of notes.

The graph accompanying the Statement shows the progressive return and absorption of currency week by week since the commencement of operations by the Reserve Bank.

63. *Seasonal absorption and return since 1920-21.*—Statement XXXI with the accompanying graph records the busy season absorption and slack season return of notes and coin for the 19 years from 1920-21 to 1938-39.

64. *Absorption of rupees.*—Statement XXXII gives the monthly absorption of rupees and Statement XXXIII distributes the figures by Circles. There was a net return of Rs.12·60 crores in 1938-39 compared with Rs.6·52 crores in the previous year.

65. *Rupee census.*—Statement XXXIV shows the number of rupees minted since 1835. There has been no coinage of rupees since 1922. Once a year a portion of the rupees held at each treasury in India and Burma is examined in order to determine the composition, according to the date borne by the coins, of the rupee coinage in circulation. The results of this examination are shown in Statement XXXV.

66. *Absorption of small coin.*—Statement XXXVI summarises the figures for the absorption of small coin (excluding half pice and pie pieces) and compares them with similar figures for the average of the five pre-war years, average for the five war years and the years following the war.

## X.—MISCELLANEOUS MATTERS CONNECTED WITH NOTES AND COINAGE.

67. *Changes in the form of notes.*—The table below gives the dates on which issues of the various denominations of bank notes commenced. Designs for the higher denominations of Burma bank notes were completed during the year and the new notes will be put into circulation when existing stocks of India notes overprinted with the words 'Legal Tender in Burma only' are exhausted. The Bank does not propose to issue Rs.50 or Rs.500 notes.

Denominations. Rs.	Date of Issue. (India Notes.)	Offices at which Bank notes were first issued.
5	January 1938	Calcutta, Bombay.
10	February "	Madras.
100	May "	Cawnpore, Lahore.
1,000	May "	Calcutta.
10,000	June "	Calcutta.
	(Burma Notes).	
5	May 1938	Rangoon.
10	June "	Rangoon.

68. *Circulation of notes by denominations.*—Statement XXXVII indicates the number of notes of the various denominations in circulation. The Rs.10,000 denomination has been excluded since it is seldom used except by banks for making large adjusting payments. Currency notes for Re.1 and Rs.2-8-0, which were introduced as a war time measure, have not been issued or re-issued since 1926. Notes of the Rs.20 denomination have not been issued since 1910. The ten rupee note continues to have the largest circulation and comprises 41·7 per cent.



of the total circulation ; the one hundred rupee note with a circulation of 33·6 per cent. comes next followed by the five rupee note with 18·1 per cent.

69. *Life 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 during that year. The table below gives in months the life of notes of each denomination for the last three years.

		(in months.)							
(a) Including notes held in the currency chests.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
		5	10	50	100	500	1,000	10,000	
1936-37	.... ..	15	14	12½	15	15	4	4	
1937-38	.. ..	15	14½	11	15	12½	5	5	
1938-39	.. ..	15	15	11	16	7	6	8	
(b) Excluding notes held in the currency chests.									
1936-37	.. ..	6½	8	6	8	2½	2	3	
1937-38	.. ..	6	7½	5	7	2	2½	3	
1938-39	.. ..	7½	8½	6	8½	3	4	5	

The actual period for which the notes ordinarily remain in circulation may be taken as being between the limits shown by the above two sets of figures.

70. *Old notes.*—Section 34 of the Reserve Bank of India Act provides that any currency note or bank note which has not been presented for payment within 40 years from its date of issue shall be deemed to be no longer in circulation. The value of the currency notes written off under this section during 1938-39 amounted to Rs.85,680 compared with Rs.84,850 in the previous year. Refunds in respect of notes previously written off amounted to Rs.2,340.

71. *Lost, destroyed and mutilated notes.*—The number of lost, destroyed and mutilated notes in respect of which claims have been admitted during the last four years is as follows :

	1935-36.	1936-37.	1937-38.	1938-39.
Lost or wholly destroyed notes .. ..	358	139	162	166
Half notes .. ..	594	866	1,276	1,084
Mutilated notes .. ..	39,925	54,364	73,489	68,031

Three alleged false claims on defective and other currency notes were investigated during the year ; prosecutions were launched in all the cases and a conviction secured in one of them.

72. *Note forgeries.*—The total number of forged notes brought to notice during the year was 1,140 compared with 1,944 in 1937-38. These forgeries were distributed as follows :

	Denomination of notes.					
	Rs. 1	Rs. 2-8	Rs. 5	Rs. 10	Rs. 50	Rs. 100
Number of forgeries .. ..	3	1	43	1,040	1	52

In 1938-39 twenty-seven prosecutions as against thirty-five in the previous year were instituted. Of these ten resulted in the conviction of the accused. Of the cases pending at the close of the previous year five resulted in convictions.

73. *Coinage.*—The Government of India, Finance Department, notification No. D. 7340-F dated the 29th October, 1938 announced changes in the various denominations of British India coin. With the exception of the nickel two anna piece, the sizes of the coins remain unchanged.

The first issues of George VI coins were made from the Bombay Mint as follows :

Bronze Single Piece .. ..	December 2nd, 1938.
Nickel One Anna .. ..	March 3rd, 1939.

The first issues from the Calcutta Mint were as follows :—

Single Piece .. ..	December 2nd, 1938.
Nickel One Anna .. ..	February 6th, 1939.
Bronze Half Piece .. ..	March 7th, 1939.

74. *Withdrawal of silver coin.*—The total value of the silver coin withdrawn from circulation during 1938-39 was as follows :

	(in lakhs of Rs.)	
William IV 1835 .. ..	1.18	
Victoria Queen 1840 .. ..	9.45	
Victoria Queen 1862-1901 .. ..	9,71.02	
George V 1911 .. ..	.20	
Shroff marked coin .. ..	.02	
Other uncurrent coin .. ..	87.63	
	<hr/>	
	10,69.50	

Victoria coin continues to be full legal tender but its withdrawal is being accelerated with a view to improving the quality of the rupees in circulation. During the year restrictions on the acceptance of Victoria rupees were further relaxed in order to encourage the public to return these coins. The Issue offices and the Government treasuries were instructed to accept at full value all genuine light-weight Victoria coin without examination as to weight. As an additional inducement to the public to tender Victoria coin certain concessions were given to Issue offices and treasuries in the matter of the acceptance of rupees the genuineness of which was in doubt.

The number of light-weight silver coins withdrawn from circulation during the year was as follows :

	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.	Total.
Rupees .. ..	29,73,274	1,02,505	....	....	....	30,75,779
Half rupees .. ..	....	....	23,09,315	55,328	....	23,64,643
Quarter rupees .. ..	....	....	42,41,395	12,25,450	....	54,66,845
Eighth rupees .. ..	....	....	12,05,880	2,35,760	....	14,41,640
<b>Total .. ..</b>	<b>29,73,274</b>	<b>1,02,505</b>	<b>77,56,590</b>	<b>15,16,538</b>	<b>....</b>	<b>1,23,48,907</b>

75. *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 and are now received at Issue offices only. Double pice are also being withdrawn from circulation but are still received at treasuries and Issue offices. The total nominal value of these coins withdrawn during 1938-39 was as follows :

	Ra.
Eight anna nickel .. ..	3,335
Double pice .. ..	13,719

The amounts of badly worn and defaced nickel and copper and bronze coins withdrawn from circulation during the year were as follows :

	Ra.
Four anna nickel .. ..	24,815
Two anna nickel .. ..	90,695
One anna nickel .. ..	12,23,055
Copper and bronze .. ..	2,14,874

76. *Counterfeit coin.*—The number of counterfeit coins cut at treasuries and railway stations during the last three years was as follows :

#### SILVER COIN.

	Rupees.	Half rupees.	Quarter rupees.	Eighth rupees.	Total.
1936-37 .. ..	1,61,436	12,891	10,762	1,283	1,87,372
1937-38 .. ..	1,82,654	14,526	8,745	667	2,06,592
1938-39 .. ..	2,10,730	18,434	10,753	661	2,40,578

#### NICKEL COIN.

	Eight anna.	Four anna.	Two anna.	One anna.
1936-37 .. ..	239	13,914	52,015	20,180
1937-38 .. ..	305	12,626	44,651	20,535
1938-39 .. ..	124	14,192	52,553	24,000

## XI.—ANNUAL ACCOUNTS, ETC., OF THE RESERVE BANK OF INDIA.

77. *Balance Sheet and Profit and Loss Account of the Reserve Bank of India.*—Statements XXXVIII and XXXIX reproduce the Balance Sheet and the Profit and Loss Account of the Bank for the year 1938 as presented at the fourth annual general meeting of the shareholders of the Bank held at Madras on the 6th February, 1939. The Bank's expenditure for 1938 was slightly lower than in previous years being Rs.98·25 lakhs as against Rs.99·20 lakhs in 1937 and Rs.102·07 lakhs in 1936. Profits were higher at Rs.38,45,137 compared with Rs.27,91,200 in 1937; the increase was mainly due to higher short-term money rates both in India and England compared with previous years. The Central Government's share of the Bank's profits was Rs.20,95,137 as against Rs.10,41,200 in the previous year.

78. *Distribution of shares.*—The table below gives the distribution of shares and the number of shareholders on the 1st April, 1935 and on the 31st December, 1937 and 1938. The declining tendency noticed in the earlier reports in the number of shareholders continued and at the end of 1938 there were 59,777 shareholders compared with 92,047 on the inauguration of the Bank. The table also shows the further increase in the number of shares held on the Bombay Register. These tendencies were brought to the notice of the Government of India last year when it was suggested that steps should be taken to limit the number of shares to be held by individual shareholders.

Area.	1st April, 1935.		31st December, 1937.		31st December, 1938.	
	Distribution of shares.	Number of Shareholders.	Distribution of shares.	Number of Shareholders.	Distribution of shares.	Number of Shareholders.
Bombay .. ..	1,40,000	28,000	2,01,448	21,467	2,05,508	20,765
Calcutta .. ..	1,45,000	23,890	1,25,216	14,525	1,22,800	13,801
Delhi .. ..	1,15,000	23,000	93,919	15,669	93,314	14,900
Madras .. ..	70,000	14,000	60,221	9,142	59,951	8,708
Rangoon .. ..	30,000	3,157	19,196	1,787	18,427	1,603
<b>Total .. ..</b>	<b>5,00,000</b>	<b>92,047</b>	<b>5,00,000</b>	<b>62,570</b>	<b>5,00,000</b>	<b>59,777</b>

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**STATEMENTS.**

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## STATEMENT I.

INDEX NUMBERS OF WHOLESALE PRICES : 1929=100.\*

(Reference paragraphs 5 and 6.)

						India.		United Kingdom.	United States of America.	Japan.
						Calcutta.	Bombay.			
1929 average	..	..	..	..	..	100	100	100	100	100
1930	..	..	..	..	..	82	87	88	91	82
1931	..	..	..	..	..	68	75	77	77	70
1932	..	..	..	..	..	65	75	75	68	73
1933	..	..	..	..	..	62	68	75	69	82
1934	..	..	..	..	..	63	66	77	79	81
1935	..	..	..	..	..	65	68	78	84	84
1936	..	..	..	..	..	65	66	83	85	90
1937	..	..	..	..	..	72	73	95	91	108
1938	..	..	..	..	..	68	70	89	83	114
1937 April	..	..	..	..	..	73	74	95	92	113
" May ..	..	..	..	..	..	73	75	97	92	110
" June ..	..	..	..	..	..	72	73	97	92	108
" July ..	..	..	..	..	..	74	73	98	92	109
" August	..	..	..	..	..	75	73	98	92	107
" September	..	..	..	..	..	74	73	97	92	109
" October	..	..	..	..	..	74	72	97	90	108
" November	..	..	..	..	..	73	72	95	87	108
" December	..	..	..	..	..	72	72	94	86	110
1938 January	..	..	..	..	..	70	72	94	85	112
" February	..	..	..	..	..	69	71	93	84	113
" March	..	..	..	..	..	68	69	91	84	114
" April ..	..	..	..	..	..	67	70	90	83	112
" May ..	..	..	..	..	..	67	69	89	82	113
" June ..	..	..	..	..	..	67	69	88	82	116
" July ..	..	..	..	..	..	67	69	88	83	116
" August	..	..	..	..	..	67	69	87	82	115
" September	..	..	..	..	..	67	70	86	82	115
" October	..	..	..	..	..	67	69	87	81	115
" November	..	..	..	..	..	67	68	86	81	116
" December	..	..	..	..	..	67	70	86	81	116
1939 January	..	..	..	..	..	67	69	85	81	118
" February	..	..	..	..	..	69	68	85	81	120
" March	..	..	..	..	..	68	68	85	81	121

\*Calcutta—Indian Trade Journal, original base, 1914=100.

Bombay—Labour Gazette, original base, 1914=100.

United Kingdom—Board of Trade, original base, 1930=100.

United States of America—Bureau of Labour Statistics, original base, 1926=100.

Japan—Bank of Japan, original base, 1900=100.

## STATEMENT II.

### BALANCE OF TRADE.\*

(Reference paragraph 10.)

	(In lakhs of rupees.)					
	1937-38.			1938-39.		
	India.	Burma.	India and Burma.	India.	Burma.	India and Burma.
Exports of merchandise (private) ..	+ 1,80,92	+ 49,92	+ 1,96,24	+ 1,62,79	+ 47,81	+ 1,74,74
Re-exports of foreign merchandise (private) .. .. .	+ 8,28	+ 50	+ 7,46	+ 6,42	+ 69	+ 5,53
Imports of foreign merchandise (private)† .. .. .	- 1,73,32	- 23,81	- 1,59,45	- 1,51,82	- 20,78	- 1,37,24
<b>BALANCE OF TRADE IN MER- CHANDISE (PRIVATE) .. .. .</b>	<b>+ 15,88</b>	<b>+ 26,61</b>	<b>+ 43,25</b>	<b>+ 17,39</b>	<b>+ 27,72</b>	<b>+ 43,03</b>
Gold (private) .. .. .	+ 16,33	- 2	+ 16,32	+ 13,03	....	+ 23,24‡
Silver (private) .. .. .	- 2,25	+ 74	- 1,48	- 1,75	+ 71	- 1,03
Currency notes (private) .. .. .	+ 28	....	+ 28	+ 58	....	+ 58
<b>BALANCE OF TRANSACTIONS IN TREASURY (private) .. .. .</b>	<b>+ 14,36</b>	<b>+ 72</b>	<b>+ 15,12</b>	<b>+ 11,86</b>	<b>+ 71</b>	<b>+ 22,79</b>
<b>TOTAL VISIBLE BALANCE OF TRADE .. .. .</b>	<b>+ 30,24</b>	<b>+ 27,33</b>	<b>+ 58,37</b>	<b>+ 29,25</b>	<b>+ 28,43</b>	<b>+ 65,82</b>
Purchase of sterling by the Reserve Bank of India .. .. .	....	....	- 33,29	....	....	- 34,06
Sale of sterling by the Reserve Bank of India .. .. .	....	....	....	....	....	....
Transfers of Government securities ..	....	....	- 11	....	....	- 8
Interest drafts on India in respect of Government of India securities ..	....	....	- 28	....	....	- 28
<b>BALANCE OF REMITTANCE OF FUNDS .. .. .</b>	<b>....</b>	<b>....</b>	<b>- 33,68</b>	<b>....</b>	<b>....</b>	<b>- 34,42</b>
<b>TOTAL VISIBLE BALANCE OF ACCOUNTS .. .. .</b>	<b>....</b>	<b>....</b>	<b>+ 24,69</b>	<b>....</b>	<b>....</b>	<b>+ 31,40</b>

\*Excludes figures for Kathiawar and Travancore ports.

†Exclude imports by State railways under company management.

‡Includes gold valued at Rs. 10,19 lakhs earmarked on account of purchasers abroad.

# STATE

## IMPORTS AND EXPORTS OF GOLD

(Reference

### IMPORTS.

				Bullion.		Sovereigns and other British gold coin.		TOTAL.	
				Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.
April	1938	..	..	3,635	3,26,869	3,434	3,19,606	7,069	6,46,475
May	..	..	..	13,459	11,10,992	5,518	5,15,870	18,977	16,26,862
June	..	..	..	2,266	2,11,220	5,056	4,77,234	7,322	6,88,454
July	..	..	..	2,580	2,37,208	3,954	3,75,344	6,534	6,12,552
August	..	..	..	3,668	3,44,824	2,569	2,45,788	6,237	5,90,612
September	..	..	..	2,317	2,19,590	1,566	1,51,608	3,883	3,71,198
October	..	..	..	2,010	1,92,789	2,029	1,96,628	4,039	3,89,417
November	..	..	..	2,540	2,46,035	1,214	1,10,493	3,754	3,65,529
December	..	..	..	4,514	4,19,979	1,768	1,75,998	6,282	5,95,977
January	1939	..	..	1,889	1,82,001	1,063	1,06,492	2,952	2,88,493
February	..	..	..	2,651	2,63,923	2,294	2,29,814	4,945	4,93,737
March	..	..	..	2,167	2,04,964	3,937	3,89,158	6,104	5,94,122
<b>TOTAL</b>				<b>43,696</b>	<b>39,60,395</b>	<b>34,402</b>	<b>33,03,033</b>	<b>78,098</b>	<b>72,63,428</b>

\* From October onwards includes gold earmarked



## MENT III.

### COIN AND BULLION DURING 1938-39.

paragraph 20.)

Bullion.		Sovereigns and other British gold coin.		TOTAL.		Net imports or exports. Imports+ Exports—	
Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.
11,216	10,46,637	121,259	1,13,57,794	132,475	1,24,04,431	— 125,406	— 1,17,57,956
87,557	81,79,964	30,297	28,56,290	117,854	1,10,36,254	— 98,877	— 94,09,392
35,439	33,44,644	29,042	36,85,207	74,481	70,29,851	— 67,159	— 63,41,397
397	37,718	320,872	3,04,67,585	321,269	3,05,05,303	— 314,735	— 2,98,92,751
500	47,833	208,215	2,00,67,132	208,715	2,01,14,965	— 202,478	— 1,85,24,353
19,915	19,12,085	11,449	11,07,962	31,364	30,20,047	— 27,481	— 26,48,849
1,09,060	1,05,56,301	112,883	1,10,33,744	221,943	2,15,90,045	— 272,085*	— 2,65,00,628*
69,370	68,20,869	....	....	69,370	68,20,869	— 228,399	— 2,24,55,240
386	38,385	....	....	386	38,385	— 121,889	— 1,21,42,408
5,431	5,38,105	1,172	1,16,748	6,603	6,54,853	— 330,692	— 3,27,66,340
98,537	97,24,411	141	13,884	98,678	97,38,295	— 314,904	— 3,11,44,558
1,52,187	1,50,12,198	....	....	152,187	1,50,12,198	— 283,543	— 2,80,18,076
5,89,995	5,72,59,150	845,330	8,07,06,346	14,35,325	13,79,65,496	— 2,387,647	— 23,26,02,068

on account of purchasers abroad.

# STATE

## AVERAGE QUANTITY AND VALUE OF IMPORTS AND EXPORTS OF GOLD COIN AND OFFICIAL YEARS FROM

(Reference)

	IMPORTS.						
	Bullion.		Sovereigns and other British gold coin.		TOTAL.		
	Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.	
Average for 1900-01 to 1904-05 .. .. .	(a)	5,72,18,318	(a)	9,34,97,221	2,486,571	15,07,15,539	
Average for 1905-06 to 1909-10 .. .. .	(a)	9,65,96,452	(a)	7,83,64,043	2,845,107	17,49,60,495	
Average for 1910-11 to 1914-15 .. .. .		2,115,589	13,49,74,877	2,786,453	16,42,39,395	4,902,022	29,92,14,272
Average for 1915-16 to 1919-20 .. .. .		2,423,885	14,94,65,235	796,983	4,70,19,473	3,220,868	19,84,84,708
Average for 1920-21 to 1924-25 .. .. .		4,344,849	28,54,42,004	1,183,850	7,90,80,246	5,528,699	36,45,22,250
1925-26 .. .. .		4,447,036	25,26,78,970	1,754,479	9,96,20,393	6,201,515	35,22,99,363
1926-27 .. .. .		2,420,259	13,86,46,145	982,747	5,63,65,857	3,403,006	19,50,12,002
1927-28 .. .. .		2,001,041	11,42,46,018	1,186,985	6,70,98,044	3,188,026	18,13,44,062
1928-29 .. .. .		2,070,197	11,81,68,903	1,718,388	9,40,20,789	3,788,585	21,21,89,692
1929-30 .. .. .		1,194,246	6,83,46,025	1,331,001	7,39,65,452	2,525,247	14,23,11,477
1930-31 .. .. .		1,099,230	6,31,40,997	1,230,396	6,93,11,456	2,329,626	13,24,52,453
1931-32 .. .. .		235,609	1,53,60,459	214,441	1,26,34,905	450,050	2,79,95,364
1932-33 .. .. .		119,742	91,13,200	52,670	40,68,191	172,412	1,31,81,391
1933-34 .. .. .		105,507	85,60,464	29,394	24,33,821	134,901	1,09,94,285
1934-35 .. .. .		62,015	55,38,348	17,977	16,54,753	79,992	71,93,101
1935-36 .. .. .		56,200	50,72,099	47,261	44,23,311	103,461	94,95,410
1936-37 .. .. .		61,086	57,09,880	111,695	1,03,76,239	172,781	1,60,88,119
1937-38 .. .. .		39,967	34,61,069	131,699	1,22,23,092	171,666	1,56,84,161
1938-39 .. .. .		43,696	39,60,395	34,402	33,03,033	78,098	72,63,428
Total for 31 years from 1900-01 to 1930-31 ..	(a)	437,37,11,488	(a)	277,13,83,681	116,402,337	714,50,95,369	
Total for 8 years from 1931- 32 to 1938-39 .. ..		723,822	5,67,75,914	639,539	5,11,19,345	1,363,361	10,78,95,259

(a) Figures are not available.

## MENT IV.

BULLION FOR EACH QUINQUENNium FROM 1900-01 TO 1924-25 AND FOR EACH OF THE 1925-26 TO 1938-39.

*paragraph 20.)*

Bullion.		EXPORTS. Sovereigns and other British gold coin.		TOTAL.		Net imports or exports. Imports + Exports—.	
Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.
(a)	4,85,71,823	(a)	3,97,99,942	1,520,365	8,83,71,765	+	976,206 + 0,23,43,774
(a)	3,34,76,990	(a)	2,40,30,440	1,000,328	6,75,07,430	+	1,844,779 + 11,74,53,065
535,654	3,07,89,183	254,980	1,50,03,372	790,634	4,57,92,555	+	4,111,388 + 25,34,21,717
851,352	4,91,96,247	223,682	1,31,45,685	1,075,034	6,23,41,932	+	2,145,834 + 13,41,42,776
907,000	6,99,52,231	101,892	74,74,737	1,008,892	7,74,26,968	+	4,519,807 + 28,70,95,282
41,037	23,26,183	24,897	14,27,381	65,934	37,53,564	+	6,135,581 + 34,85,45,799
8,567	4,91,792	8,910	5,14,782	17,477	10,06,554	+	3,385,529 + 19,40,05,448
2,052	98,300	4,215	2,45,739	6,267	3,44,039	+	3,181,759 + 18,10,00,023
1,577	1,05,457	1,567	97,257	3,144	2,02,714	+	3,785,441 + 21,19,86,978
1,083	65,559	602	37,522	1,685	1,03,081	+	2,523,562 + 14,22,08,396
80,884	49,29,307	89	5,031	86,973	49,34,338	+	2,242,653 + 12,75,18,115
7,758,315	58,43,62,379	321,112	2,33,60,827	8,079,427	60,77,23,206	—	7,629,377 — 57,97,27,842
8,102,406	63,46,29,676	423,835	3,37,79,671	8,526,241	66,84,09,347	—	8,353,829 — 65,52,27,956
6,645,012	56,59,86,325	185,187	1,55,43,921	6,830,199	58,15,30,246	—	6,695,298 — 57,05,35,961
5,723,675	52,76,09,980	51,137	49,57,728	5,774,812	53,25,87,708	—	5,694,820 — 52,53,74,607
4,072,548	37,83,21,643	50,175	47,33,722	4,122,723	38,30,55,365	—	4,019,262 — 37,35,59,955
3,183,450	29,45,14,987	367	34,261	3,183,817	29,45,49,248	—	3,011,036 — 27,84,61,129
1,841,172	17,00,08,595	97,311	89,93,695	1,938,483	17,90,02,290	—	1,766,817 — 16,33,18,129
589,995	5,72,59,150	845,330	8,07,06,346	1,435,325	13,79,65,496	—	2,387,647* — 23,26,02,068*
(a)	116,79,48,968	(a)	49,95,98,572	27,157,745	166,75,47,540	+	89,244,592 + 547,75,47,829
37,916,573	321,26,92,735	1,974,454	17,21,09,171	39,891,027	338,48,02,906	—	39,558,086* — 337,88,07,647*

\* Includes 1,030,420 ounces of gold valued at Rs.10,19 lakhs earmarked on account of purchasers abroad.

## STATEMENT V.

### LONDON-NEW YORK CROSS RATE, FRANC-STERLING RATE AND PRICE OF GOLD IN LONDON AND IN BOMBAY.

(Reference paragraph 21.)

		London-New York cross rate.		Franc-sterling rate.		Price of gold in London per fine ounce.		Price of country bar gold in Bombay per tola.	
		Dollars to pound sterling.		Francs to pound.		Highest.    Lowest.		Highest.    Lowest.	
		Highest.	Lowest.	Highest.	Lowest.	£ s. d.	£ s. d.	Rs. a. p.	Rs. a. p.
April	1938	5.0113	4.96	167	157.88	7 0 1½	6 19 5½	35 0 9	34 12 3
May	"	5.005	4.9375	178.94	162.50	7 0 9	6 19 6	35 4 9	34 13 9
June	"	4.9838	4.9413	178.44	177.81	7 0 10½	7 0 5½	35 14 3	35 4 6
July	"	4.9588	4.9125	178.81	177.69	7 1 6½	7 0 8½	35 11 9	35 2 9
August	"	4.9150	4.8488	179	177.94	7 3 3½	7 1 8	36 4 3	35 10 9
September	"	4.8625	4.60	180	178.19	7 7 0	7 3 0½	36 12 0	35 15 0
October	"	4.83	4.7250	179.25	178.50	7 6 10	7 4 1½	36 11 0	35 14 3
November	"	4.7650	4.6225	178.94	178.13	7 10 0	7 5 11½	37 10 6	36 7 9
December	"	4.7025	4.6425	178.38	176.69	7 9 7½	7 8 1	37 7 6	37 2 0
January	1939	4.6819	4.6325	177.38	172.63	7 10 5	7 8 5½	37 9 6	37 1 3
February	"	4.6919	4.6781	177.63	176.94	7 8 7½	7 8 2	37 1 9	36 14 6
March	"	4.6913	4.6825	176.99	176.75	7 8 6½	7 8 2½	37 0 9	36 14 9

## STATEMENT VI.

### IMPORTS AND EXPORTS OF SILVER COIN AND BULLION DURING 1938-39.

(Reference paragraph 24.)

		INDIA.			BURMA.			INDIA AND BURMA.		
		Imports.	Exports.	Net imports or exports imports (+) exports (-)	Imports.	Exports.	Net imports or exports imports (+) exports (-)	Imports.	Exports.	Net imports or exports imports (+) exports (-)
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
April	1938 ..	14,85,025	8,400	+ 14,76,625	12,818	5,44,837	- 5,32,019	8,99,678	8,400	+ 8,91,278
May	" ..	34,73,369	128	+ 34,73,241	....	5,39,387	- 5,39,387	29,18,305	1,84,719	+ 27,33,586
June	" ..	16,01,742	51,690	+ 15,50,062	57,036	8,22,318	- 7,65,282	10,60,785	1,880	+ 10,58,905
July	" ..	52,09,996	1,18,800	+ 50,91,196	86,293	5,75,082	- 4,88,789	7,92,028	38,800	+ 7,53,228
August	" ..	14,95,903	2,77,318	+ 12,18,585	....	5,79,761	- 5,79,761	7,20,261	2,77,318	+ 4,42,943
September	" ..	39,40,215	18,58,716	+ 20,81,499	40,000	5,81,608	- 5,41,608	35,59,753	18,18,716	+ 17,41,037
October	" ..	33,21,278	12,078	+ 33,09,200	....	6,15,157	- 6,15,157	27,20,577	2,03,840	+ 25,16,737
November	" ..	8,44,868	40,06,628	- 31,61,760	50,000	6,37,849	- 5,87,849	5,98,779	43,47,102	- 37,48,323
December	" ..	5,88,535	9,95,921	- 4,07,386	6,430	43,44,589	- 43,38,159	2,73,093	15,53,179	- 12,80,086
January	1939 ..	6,02,459	89,805	+ 5,12,654	58,268	6,01,603	- 5,45,335	3,68,220	2,27,918	+ 1,40,302
February	" ..	7,95,710	50,132	+ 7,45,578	50,000	6,33,679	- 5,83,679	3,59,646	132	+ 3,59,514
March	" ..	12,91,040	6,33,052	+ 6,57,988	81,778	7,66,852	- 6,85,074	6,35,775	7,58,589	- 1,22,814
Total	..	246,50,140	81,02,658	+ 165,47,482	4,40,823	112,42,722	- 108,02,099	149,06,900	94,20,593	+ 54,86,307

## STATEMENT VII.

### IMPORTS AND EXPORTS OF SILVER COIN AND BULLION SINCE 1900.

(Reference paragraph 24.)

	Imports.		Exports.			Net imports (+) or exports (-)	
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.
Average for 1900-01 to 1904-05 ..	14,64,66,929		4,53,05,415		+	10,11,61,514	
Average for 1905-06 to 1909-10 ..	18,26,25,431		2,12,05,059		+	16,14,20,372	
Average for 1910-11 to 1914-15 ..	14,13,58,602		3,52,17,276		+	10,61,41,326	
Average for 1915-16 to 1919-20 ..	30,70,50,526		2,74,11,840		+	27,96,38,686	
Average for 1920-21 to 1924-25 ..	19,18,47,079		3,45,76,258		+	16,72,70,821	
1925-26 .. .. .	19,89,70,504		2,77,29,354		+	17,12,41,150	
1926-27 .. .. .	21,76,34,160		1,89,53,825		+	19,86,80,335	
1927-28 .. .. .	16,47,37,417		2,63,69,190		+	13,83,68,227	
1928-29 .. .. .	15,52,18,307		6,15,11,381		+	9,77,06,926	
1929-30 .. .. .	13,41,90,827		4,79,78,629		+	8,62,12,198	
1930-31 .. .. .	13,46,82,717		3,38,69,661		+	10,07,93,056	
1931-32 .. .. .	4,42,63,962		4,84,81,050		-	42,17,088	
1932-33 .. .. .	1,62,95,157		3,64,26,108		-	2,01,30,951	
1933-34 .. .. .	81,72,592		7,17,44,018		-	6,35,71,426	
1934-35 .. .. .	4,45,10,039		9,85,74,841		-	5,40,64,802	
1935-36 .. .. .	6,45,68,617		7,03,09,479		-	57,40,862	
1936-37 .. .. .	13,87,84,907		28,47,436		+	13,59,17,471	
1937-38 .. .. .	2,50,22,330		99,56,495		+	1,50,65,835	
	India.	Burma.	India.	Burma.		India.	Burma.
	3,12,47,515	81,58,193	1,55,19,225	1,26,34,782	+	1,57,28,290	— 44,76,589
1938-39 .. .. .	..	1,49,06,900	..	94,20,593	+	..	54,86,307
	2,46,50,140	4,40,623	81,02,658	1,12,42,722	+	1,65,47,482	— 1,08,02,099

## STATEMENT VIII.

### PRICE OF SILVER DURING 1938-39.

(Reference paragraph 25.)

	Price in Bombay per 100 tolas (country bar).				Price in London per standard ounce.		Price in New York per fine ounce.	
	Highest.		Lowest.		Highest.	Lowest.	Highest.	Lowest.
	Rs.	s.	Rs.	s.	d.	d.	Cents.	Cents.
April 1938 .. .. .	50	½	48	2	19½	18½	42½	42½
May .. .. .	49	13½	49	½	18½	18½	42½	42½
June .. .. .	50	7	49	4½	19½	18½	42½	42½
July .. .. .	51	14½	50	0	19½	18½	42½	42½
August .. .. .	51	7½	50	6½	19½	19½	42½	42½
September .. .. .	52	15½	49	14½	19½	18½	42½	42½
October .. .. .	51	9½	50	12½	19½	19½	42½	42½
November .. .. .	51	8½	50	10	20½	19½	42½	42½
December .. .. .	51	6½	50	6	20½	19½	42½	42½
January 1939 .. .. .	52	12	51	11	21½	19½	42½	42½
February .. .. .	52	15½	52	3	20½	19½	42½	42½
March .. .. .	53	1½	52	5½	20½	19½	42½	42½

## STATEMENT IX.

### EXCHANGE.

THE HIGHEST AND LOWEST QUOTATIONS FOR TELEGRAPHIC TRANSFERS ON LONDON  
FOR EACH MONTH OF THE YEARS 1937-38 AND 1938-39.

(Reference paragraph 27.)

### SHILLINGS TO RUPEE.

	1937—1938.				1938—1939.			
	Highest.		Lowest.		Highest.		Lowest.	
	sh.	d.	sh.	d.	sh.	d.	sh.	d.
April .. .. .	1	6-1/8	1	6-3/32	1	6-3/32	1	5-7/8
May .. .. .	1	6-3/32	1	6-3/32	1	5-61/64	1	5-51/64
June .. .. .	1	6-3/32	1	6-3/32	1	5-51/64	1	5-49/64
July .. .. .	1	6-3/32	1	6-3/32	1	5-59/64	1	5-51/64
August .. .. .	1	6-3/32	1	6-3/32	1	5-59/64	1	5-51/64
September .. .. .	1	6-3/32	1	6-3/32	1	5-59/64	1	5-27/32
October .. .. .	1	6-3/32	1	6-3/32	1	5-59/64	1	5-29/32
November .. .. .	1	6-3/32	1	6-3/32	1	5-29/32	1	5-57/64
December .. .. .	1	6-7/64	1	6-3/32	1	5-59/64	1	5-57/64
January .. .. .	1	6-7/64	1	6-7/64	1	5-59/64	1	5-59/64
February .. .. .	1	6-1/8	1	6-3/32	1	5-15/16	1	5-59/64
March .. .. .	1	6-3/32	1	6-3/32	1	5-31/32	1	5-15/16

## STATEMENT X.

### PURCHASES OF STERLING BY THE RESERVE BANK OF INDIA.

(Reference paragraph 28.)

(in thousands of £ and Rs.)

	1937-38.				1938-39.			
	Sterling purchased in India.		Average rate.*		Sterling purchased in India.		Average rate.*	
	£.	Rs.	s.	d.	£.	Rs.	s.	d.
April .. .. .	5,450	7,21,63	1	6½	303	40,12	1	6½
May .. .. .	95	12,58	1	6½	—	—	—	—
June .. .. .	985	1,30,43	1	6½	—	—	—	—
July .. .. .	425	56,28	1	6½	415	55,53	1	5½
August .. .. .	753	99,71	1	6½	660	88,31	1	5½
September .. .. .	80	10,59	1	6½	630	84,20	1	5½
October .. .. .	3,035	4,01,88	1	6½	1,625	2,17,42	1	5½
November .. .. .	650	86,07	1	6½	1,135	1,51,86	1	5½
December .. .. .	570	75,48	1	6½	1,193	1,59,62	1	5½
January .. .. .	3,270	4,32,99	1	6½	6,495	8,69,02	1	5½
February .. .. .	4,945	6,54,79	1	6½	7,707	10,31,18	1	5½
March .. .. .	4,882	6,46,44	1	6½	5,305	7,08,84	1	5½
<b>Total .. .. .</b>	<b>25,140</b>	<b>33,28,87</b>	<b>1</b>	<b>6½</b>	<b>25,468</b>	<b>34,06,19</b>	<b>1</b>	<b>5½</b>

\* Nearest to ¼ d.

## STATEMENT XI.

### PROVINCIAL GOVERNMENT BUDGETS.

(Reference paragraph 33.)

(in lakhs of Rs.)

	Accounts 1937-38.			Revised Estimates 1938-39.			Budget Estimates 1939-40.		
	Revenue.	Expen- diture.	Surplus + Deficit —	Revenue.	Expen- diture.	Surplus + Deficit —	Revenue.	Expen- diture.	Surplus + Deficit —
Madras .. .. .	16,01	15,83	+ 18	16,23	16,21	+ 2	16,23	16,40	— 17
Bombay .. .. .	12,44	12,14	+ 30	12,34	12,96	— 62	12,90	12,94	— 4
Bengal .. .. .	13,01	11,83	+ 1,18	12,71	12,93	— 22	13,78	14,65	— 87
United Provinces .. .. .	12,33	12,33	....	13,08	12,93	+ 15	13,31	13,69	— 38
Punjab .. .. .	11,68	11,36	+ 32	11,43	11,70	— 27	11,67	11,96	— 29
Bihar .. .. .	5,03	4,95	+ 8	5,19	5,04	+ 15	5,38	5,37	+ 1
Central Provinces .. .. .	4,54	4,66	— 12	4,40	4,74	— 34	4,84	4,83	+ 1
Assam .. .. .	6,81	6,75	+ 6	8,32	8,44	— 12	8,22	8,18	+ 4
North-West Frontier Province .. .. .	1,82	1,79	+ 3	1,83	1,83	....	1,81	1,86	— 5
Orissa .. .. .	1,85	1,76	+ 9	1,91	1,93	— 2	1,85	2,03	— 18
Sind .. .. .	3,92	3,55	+ 37	3,66*	3,51*	+ 15*	3,83	3,76	+ 7
<b>Total .. .. .</b>	<b>89,44</b>	<b>86,95</b>	<b>+ 2,49</b>	<b>91,10</b>	<b>92,22</b>	<b>— 1,12</b>	<b>93,82</b>	<b>95,67</b>	<b>— 1,85</b>

\* Eight monthly.



## STATEMENT XII.

### SUBVENTIONS AND OTHER PAYMENTS MADE BY THE CENTRE TO THE PROVINCES UNDER THE NIEMEYER AWARD.

(Reference paragraph 34.)

(in lakhs of Rs.)

Paid to	Income-Tax.			Jute Duty.			Subventions.		
	1937-38.	1938-39.	1939-40.	1937-38.	1938-39.	1939-40.	1937-38.	1938-39.	1939-40.
Bengal .. ..	25.00	30.00	35.60	237.81	221.27	226.63	..	..	..
Bombay .. ..	25.00	30.00	35.60	..	..	..	..	..	..
Madras .. ..	18.75	22.50	26.70	..	..	..	..	..	..
United Provinces ..	18.75	22.50	26.70	..	..	..	25.00	25.00	25.00
Punjab .. ..	10.00	12.00	14.24	..	..	..	..	..	..
Central Provinces and Berar .. ..	6.25	7.50	8.90	..	..	..	..	..	..
Bihar .. ..	12.50	15.00	17.80	13.66	17.12	19.76	..	..	..
Assam .. ..	2.50	3.00	3.56	11.75	11.69	13.68	30.00	30.00	30.00
Orissa .. ..	2.50	3.00	3.56	1.94	.92	.94	47.00	43.00	43.00
N. W. F. P. .. ..	1.25	1.50	1.78	..	..	..	100.00	100.00	100.00
Sind .. ..	2.50	3.00	3.56	..	..	..	110.00	105.00	105.00
<b>Total .. ..</b>	<b>125.00</b>	<b>150.00</b>	<b>178.00</b>	<b>265.16</b>	<b>251.00</b>	<b>261.01</b>	<b>312.00</b>	<b>303.00</b>	<b>303.00</b>

## STATEMENT XIII.

### GOVERNMENT BALANCES IN INDIA WITH THE RESERVE BANK OF INDIA AND A' GOVERNMENT TREASURIES.

(Reference paragraph 37.)

(in lakhs of Rs.)

At Government Treasuries.			Last day of the month.	At the Reserve Bank of India.		
1936-37.	1937-38.	1938-39.		1936-37.	1937-38.	1938-39.
1,67	1,22	1,17	April	7,66	10,01	15,77
1,50	1,17	1,13	May	10,22	9,38	17,72
1,72	1,21	1,13	June	7,70	10,20	17,38
1,51	1,17	1,14	July	7,73	8,59	14,11
1,50	1,15	1,14	August	7,01	11,85	14,26
1,57	1,25	1,05	September	8,23	12,46	15,78
1,44	1,18	1,10	October	9,80	9,62	11,12
1,52	1,22	1,10	November	7,10	7,21	11,63
1,44	1,14	1,09	December	6,57	7,22	9,54
1,44	1,18	95	January	6,53	10,17	11,15
1,82	1,23	1,13	February	7,32	14,74	11,42
2,65	1,90	2,02	March	12,85	17,72	16,66
1,65	1,25	1,18	Average	8,23	10,76	13,88

**STATEMENT XIV.**  
**GOVERNMENT OF INDIA THREE MONTHS TREASURY BILLS.**  
*(Reference paragraph 38.)*

(In thousands of Rs.)

		Amount offered for tender.	Amount tendered.	Amount sold.	Inter- mediates sold.	Average rate of discount per cent. per annum.	*Amount outstanding with the public.	*Total amount outstanding including amount sold in favour of Issue Department.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
April	1 1938 ..	1,00,00	3,34,75	1,00,00	....	1/8/9	19,11,50	39,34,75
"	8 " ..	2,00,00	3,69,50	2,00,00	....	1/8/10	19,03,50	40,43,25
"	15 " ..	2,00,00	3,95,00	2,00,00	....	1/8/3	19,03,50	47,30,25
"	22 " ..	2,00,00	2,20,75	2,00,00	....	1/8/7	19,03,50	47,19,25
"	29 " ..	2,00,00	3,11,25	2,00,00	....	1/8/10	19,07,00	47,37,75
May	6 " ..	1,50,00	3,15,25	1,50,00	....	1/7/7	18,52,00	47,44,25
"	13 " ..	1,00,00	2,72,50	1,00,00	....	1/6/4	18,02,00	46,72,50
"	20 " ..	1,00,00	1,18,25	1,00,00	....	1/6/11	16,57,50	45,28,00
"	27 " ..	1,00,00	1,55,50	65,25	....	1/6/4	15,71,75	44,04,25
June	3 " ..	1,00,00	1,37,00	82,00	....	1/6/5	16,53,75	44,66,25
"	10 " ..	1,00,00	2,82,75	1,00,00	....	1/6/0	16,88,75	44,87,00
"	17 " ..	1,00,00	2,29,50	1,00,00	....	1/4/0	17,26,25	45,13,00
"	24 " ..	1,00,00	3,28,00	1,00,00	....	1/2/3	17,93,50	46,82,25
July	1 " ..	1,00,00	2,68,25	1,00,00	....	1/0/8	17,00,25	45,69,00
"	8 " ..	1,50,00	3,56,75	1,49,75	....	0/15/4	16,57,00	45,90,75
"	15 " ..	1,50,00	2,51,75	1,50,00	....	0/14/0	16,09,25	45,79,00
"	22 " ..	1,50,00	2,47,00	1,50,00	....	0/12/11	15,59,00	45,60,75
"	29 " ..	1,50,00	2,84,75	1,50,00	....	0/11/0	15,01,25	43,81,25
August	5 " ..	1,50,00	2,73,00	1,50,00	....	0/10/1	16,51,00	44,01,50
"	12 " ..	1,50,00	2,70,75	1,50,00	....	0/9/10	16,51,00	44,27,50
"	19 " ..	2,00,00	2,91,75	2,00,00	....	0/9/8	17,42,25	45,20,75
"	26 " ..	2,00,00	2,52,75	2,00,00	....	0/9/11	18,49,25	44,70,75
September	2 " ..	2,00,00	2,43,00	2,00,00	....	0/10/10	19,84,00	45,75,50
"	9 " ..	2,00,00	2,37,75	2,00,00	....	0/11/10	21,02,00	46,43,50
"	16 " ..	2,00,00	2,07,50	2,00,00	....	0/12/11	22,02,00	47,24,25
"	23 " ..	2,00,00	2,26,75	2,00,00	....	1/0/9	22,99,75	47,22,25
"	30 " ..	2,00,00	1,16,25	1,16,25	....	1/8/3	22,81,00	46,00,50
October	7 " ..	2,00,00	2,61,00	2,00,00	....	1/6/5	23,61,00	44,55,50
"	14 " ..	2,00,00	3,50,25	2,00,00	....	1/5/1	23,16,25	44,79,75
"	21 " ..	2,50,00	4,46,75	2,50,00	....	1/5/3	24,19,25	45,50,75
"	28 " ..	3,00,00	4,17,50	3,00,00	....	1/5/10	27,16,25	48,78,75
November	4 " ..	3,00,00	3,67,00	3,00,00	10,00	1/5/8	28,80,25	50,17,75
"	11 " ..	2,50,00	3,44,00	2,50,00	25,50	1/5/8	30,05,75	50,38,25
"	18 " ..	2,50,00	3,19,25	2,50,00	93,00	1/6/3	30,16,00	50,48,50
"	25 " ..	2,50,00	2,81,25	2,50,00	63,00	1/7/5	33,08,25	53,26,75
December	2 " ..	2,50,00	2,65,00	2,50,00	10,25	1/10/4	31,69,00	51,37,50
"	9 " ..	2,00,00	2,47,25	2,00,00	19,50	1/13/5	31,20,00	50,93,50
"	16 " ..	1,50,00	1,55,25	1,50,00	11,50	2/1/5	31,49,50	51,18,00
"	23 " ..	1,00,00	1,14,25	1,00,00	15,00	2/3/8	30,71,00	49,37,00
"	30 " ..	1,00,00	1,10,75	1,00,00	9,00	2/8/9	30,57,25	48,87,25
January	6 1939 ..	1,00,00	1,32,50	1,00,00	30,50	2/9/2	31,87,75	49,84,50
"	13 " ..	1,00,00	1,38,75	1,00,00	41,75	2/9/8	31,29,50	49,03,25
"	20 " ..	1,00,00	1,54,00	1,00,00	1,11,25	2/9/5	31,41,25	49,28,00
"	27 " ..	1,00,00	1,52,50	1,00,00	1,13,00	2/9/4	31,04,25	48,75,00
February	3 " ..	1,00,00	1,09,00	1,00,00	50,25	2/9/8	29,54,00	47,69,75
"	10 " ..	1,00,00	1,33,00	1,00,00	76,00	2/9/6	27,94,50	46,55,25
"	17 " ..	1,00,00	1,74,00	1,00,00	2,04,75	2/9/4	27,63,25	46,46,00
"	24 " ..	1,00,00	2,31,25	1,00,00	2,57,50	2/9/2	28,00,50	47,27,75
March	3 " ..	1,00,00	1,31,00	1,00,00	1,90,25	2/9/1	25,90,75	45,06,75
"	10 " ..	1,00,00	2,15,75	1,00,00	1,45,50	2/7/7	26,06,25	44,97,25
"	17 " ..	1,00,00	1,97,75	1,00,00	58,25	2/7/0	26,01,50	45,02,50
"	24 " ..	1,60,00	2,03,00	1,50,00	....	2/5/10	26,38,75	45,34,75
"	31 " ..	1,50,00	2,40,25	1,50,00	....	2/5/3	26,79,00	46,30,00
Total ..			128,90,25	82,13,25	15,35,75			

\* Includes bills discounted and held in the Banking Department.

## STATEMENT XV.

DETAILS OF SALE OF PROVINCIAL GOVERNMENT TREASURY BILLS DURING 1938-39.

(Reference paragraphs 38 and 42.)

(In thousands of Rs.)							
Week ended	Issuing Government.	Period.	Amount offered for tender.	Amount tendered.	Amount sold.	Average rate of discount per cent. per annum.	Amount outstanding with the public.
Apr. 22 1938	C. P. & Berar	9 months	25,00	35,00	25,00	1/9/4	40,00
" 22 "	"	3 "	15,00	25,00	15,00	1/12/0	
June 3 "	"	9 "	20,00	25,00	20,00	1/11/0	60,00
Aug. 12 "	Madras	6 "	50,00	65,00	50,00	1/3/11	50,00
" 19 "	C. P. & Berar.	6 "	30,00	36,00	30,00	1/9/0	75,00
Sept. 2 "	Assam	6 "	15,00	15,00	15,00	1/12/0	15,00
Oct. 21 "	Madras	3 "	50,00	52,75	50,00	1/8/9	1,00,00
" 28 "	U. P.	3 "	80,00	85,00	80,00	1/8/11	80,00
Nov. 4 "	C. P. & Berar	8 "	55,00	55,75	55,00	1/15/11	1,55,00
" 4 "	"	3 "	25,00	48,00	25,00	1/9/2	
" 25 "	Madras	3 "	60,00	81,00	60,00	1/10/8	1,60,00
Dec. 2 "	"	3 "	30,00	44,00	30,00	1/12/0	1,90,00
" 9 "	Assam	3 "	20,00	25,50	20,00	1/15/6	35,00
Feb. 3 1939	C. P. & Berar	4 "	25,00	35,00	25,00	2/13/0	1,55,00
Mar. 3 "	Assam	4 "	25,00	27,00	25,00	2/12/0	45,00
" 24 "	"	3 "	15,00	15,00	15,00	2/8/0	40,00
" 31 "	C. P. & Berar	3 "	30,00	47,00	30,00	2/9/1	1,10,00

## STATEMENT XVI.

GOVERNMENT OF INDIA WAYS AND MEANS ADVANCES AND TREASURY BILLS TRANSACTIONS (WITH THE PUBLIC) DURING 1938-39.

(Reference paragraph 38.)

		Ways and means Advances.			(In thousands of Rs.) Treasury Bills.			
Opening balance on 1st April 1938.		NIL.			18, 11, 50.			
1938-39.		Advances taken.	Advances repaid.	Outstanding at the end of each month.	Salc.	Discharge.	Outstanding at the end of each month.	Total outstanding of ways & means advances and treasury bills.
April 1938	..	1,00,00	1,00,00	....	9,00,00	8,04,50	19,07,00	19,07,00
May	" ..	....	....	....	4,15,25	7,50,50	15,71,75	15,71,75
June	" ..	....	....	....	4,17,50	3,46,00	16,43,25	16,43,25
July	" ..	....	....	....	6,64,25	8,06,50	15,01,00	15,01,00
August	" ..	....	....	....	7,00,00	4,17,00	17,84,00	17,84,00
September	" ..	....	....	....	9,16,25	4,19,25	22,81,00	22,81,00
October	" ..	9,00,00	6,50,00	2,50,00	9,50,00	6,60,75	25,70,25	28,20,25
November	" ..	2,50,00	5,00,00	....	12,43,75	7,03,00	31,11,00	31,11,00
December	" ..	1,00,00	50,00	50,00	8,63,00	9,16,75	30,57,25	31,07,25
January 1939	..	8,50,00	5,50,00	3,50,00	7,29,25	9,47,75	28,38,75	31,88,75
February	" ..	5,00,00	7,50,00	1,00,00	11,28,50	12,51,00	27,16,25	28,16,25
March	" ..	5,50,00	6,50,00	....	8,21,25	8,88,50	26,79,00	26,79,00

## STATEMENT XVII.

### REPRESENTATIVE RUPEE SECURITIES OF THE GOVERNMENT OF INDIA.

Prices since 1914.

(Reference paragraph 50.)

	5 per cent. Rupee Loan 1945-55 (free of income-tax.)		4 per cent. Rupee Loan 1960-70.		3½ per cent. Rupee Loan 1947-50.		3¼ per cent. Rupee Loan (non-terminable.)	
	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1914-15 .. .. .	..	..	..	..	..	..	96½	91½
1920-21 .. .. .	96	78½	..	..	..	..	60	52
1925-26 .. .. .	104½	98½	..	..	..	..	74½	67½
1926-27 .. .. .	110½	104½	90½	86½	..	..	79½	74½
1927-28 .. .. .	108½	105½	90	87½	..	..	79½	74½
1928-29 .. .. .	106½	102½	88½	83½	..	..	75½	71
1929-30 .. .. .	103½	100	84½	75½	..	..	72½	63½
1930-31 .. .. .	101½	99½	77½	73	..	—	68½	61½
1931-32 .. .. .	101½	88½	75½	58½	..	..	63½	51
1932-33 .. .. .	113½	98½	100½	67½	..	..	88½	60½
1933-34 .. .. .	115½	109	103½	90½	97½	90	88½	79½
1934-35 .. .. .	119½	114½	111½	101½	102½	97½	98½	87½
1935-36 .. .. .	120½	114½	113½	103	107½	100½	99½	87½
1936-37 .. .. .	121½	117½	116½	109½	108½	103½	100½	91½
1937-38 .. .. .	120½	118	114½	110½	107½	105	99½	92½
1938-39 .. .. .	118½	111	114½	107½	106½	103	99½	90½

## STATEMENT XVIII.

### REPRESENTATIVE SECURITIES OF THE GOVERNMENT OF INDIA.

Prices during 1938-39.

(Reference paragraph 51.)

		5 per cent. Rupco Loan 1945-55 (free of income-tax).		4 per cent. Rupco Loan 1960-70.		3½ per cent. Rupco Loan 1947-50.		3½ per cent. Rupco Loan (non-terminable).		3½ per cent. Sterling Loan (non-terminable).	
		Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	£.	£.
April	1938..	118½	118¼	114½	114	106½	106¼	99½	97½	93½	90½
May	" ..	118½	117¾	114½	113½	106½	106¼	99½	98½	93	92½
June	" ..	117½	117½	113½	113½	106½	106½	99½	98½	92½	92
July	" ..	118½	117½	112½	112½	106½	106½	99½	98½	95	92½
August	" ..	118½	117½	112½	112½	106½	106½	99½	98½	94½	94½
September	" ..	117½	111	112½	107½	106½	103	99½	90½	93½	82
October	" ..	117½	116	112½	111½	106½	105	98½	97½	94	92
November	" ..	118½	116½	111½	111½	105½	105½	98½	98	92½	90½
December	" ..	116½	115½	111½	111½	105½	105½	98½	98½	90½	89½
January	1939..	115½	114½	111½	110½	105½	104½	98½	96½	90	88
February	" ..	114½	114½	110½	110½	104½	104½	97½	95½	88½	86½
March	" ..	114½	113½	110½	109½	104½	103½	97½	93½	87	81

**STATEMENT XIX.**  
**POST OFFICE CASH CERTIFICATES.**  
*(Reference paragraph 52.)*

							(in lakhs of Rs.)			
			Receipts.	Repayments.	Net receipts.	Total amount outstanding.				
1917-18 .. .. .			10,00	1,12	8,88	8,88				
1918-19 .. .. .			4,03	7,16	— 3,13	5,75				
1919-20 .. .. .										
1920-21 .. .. .			1,00	2,41	— 1,41	4,34				
1921-22 .. .. .										
1922-23 .. .. .			7,61	3,53	4,08	8,42				
1923-24 .. .. .										
1924-25 .. .. .			15,65	3,10	12,55	20,97				
1925-26 .. .. .										
1926-27 .. .. .			13,61	3,88	9,73	30,70				
1927-28 .. .. .										
1928-29 .. .. .			4,91	3,31	1,60	32,30				
1929-30 .. .. .			7,15	4,45	2,70	35,00				
1930-31 .. .. .			11,78	8,35	3,43	38,43				
1931-32 .. .. .			14,49	8,34	6,15	44,58				
1932-33 .. .. .			15,74	4,68	11,06	55,64				
1933-34 .. .. .			13,31	5,24	8,07	63,71				
1934-35 .. .. .			9,95	7,70	2,25	65,96				
1935-36 .. .. .			13,45	13,43	2	65,98				
1936-37 .. .. .			14,88	16,46	— 1,58	64,40				
			India.	Burma.	India.	Burma.	India.	Burma.		
1937-38 .. .. .			13,97	35	18,16	3	— 4,19	32	60,21	32
1938-39 .. .. .			14,71	33	15,35	5	— 64	27	59,57	59

**POST OFFICE SAVINGS BANK.**

									(in lakhs of rupees.)		
			Deposits.	Withdrawals.	Interest.	Net increase.	Amount outstanding at the end of the year.				
1913-14 .. .. .			10,99	9,04	61	2,56	23,16				
1914-15 .. .. .			9,07	17,88	53	— 8,28	14,89				
1915-16 .. .. .			7,73	7,73	43	43	15,32				
1916-17 .. .. .			8,93	8,10	45	1,28	16,59				
1917-18 .. .. .			9,72	10,17	44	— 1	16,58				
1918-19 .. .. .			12,99	11,21	46	2,24	18,82				
1919-20 .. .. .			17,18	15,22	56	2,52	21,24				
1920-21 .. .. .			18,22	17,33	62	1,51	22,86				
1921-22 .. .. .			17,11	18,32	61	— 60	22,26				
1922-23 .. .. .			17,07	16,75	62	94	23,19				
1923-24 .. .. .			17,71	16,79	67	1,59	24,78				
1924-25 .. .. .			17,44	17,64	71	51	25,63				
1925-26 .. .. .			19,05	18,19	73	1,59	27,23				
1926-27 .. .. .			20,38	18,89	79	2,28	29,50				
1927-28 .. .. .			23,14	20,84	86	3,16	32,66				
1928-29 .. .. .			26,24	25,39	97	1,82	34,49				
1929-30 .. .. .			26,25	24,63	1,02	2,64	37,13				
1930-31 .. .. .			24,36	25,50	1,04	10	37,02				
1931-32 .. .. .			27,39	27,29	1,08	1,18	38,20				
1932-33 .. .. .			30,96	26,86	1,15	5,25	43,45				
1933-34 .. .. .			36,87	29,37	1,28	8,78	52,23				
1934-35 .. .. .			38,67	37,26	1,34	2,75	58,30				
1935-36 .. .. .			46,33	38,88	1,50	8,95	67,25				
1936-37 .. .. .			43,38	37,40	1,45	7,43	74,68				
			India.	Burma.	India.	Burma.	India.	Burma.	India.	Burma.	
1937-38 .. .. .			43,27	1,44	39,76	1,29	1,46	4	4,97	19	* 77,56 ** 2,28
1938-39 .. .. .			44,61	1,51	41,65	1,33	1,42	5	4,38	22	81,94 2,50

\* Excludes Rs. 2,09 lakhs being the amount at the credit of depositors in Burma at the time of separation.  
 \*\* Includes .. .. .

## STATEMENT XX.

INDIAN MONEY RATES PER CENT: 1938-39.

(Reference paragraphs 53 and 54.)

1st of	Bank Rate.	Call money rate		Imperial Bank Hundi rate.	Bazar bill rate.	
		Calcutta	Bombay.		Calcutta. (Range)	Bombay.
April 1938 .. ..	3	$\frac{1}{2}$	$\frac{1}{2}$	3	7-8	5 $\frac{1}{2}$
May " .. ..	3	1	$\frac{1}{2}$	3	7-8	5 $\frac{1}{2}$
June " .. ..	3	$\frac{1}{2}$	$\frac{1}{2}$	3	7-8	5 $\frac{1}{2}$
July " .. ..	3	$\frac{1}{2}$	$\frac{1}{2}$	3	6-7	5 $\frac{1}{2}$
August " .. ..	3	$\frac{1}{2}$	$\frac{1}{2}$	3	6-7	5 $\frac{1}{2}$
September " .. ..	3	$\frac{1}{2}$	$\frac{1}{2}$	3	6-7	3 $\frac{1}{2}$
October " .. ..	3	$\frac{1}{2}$	$\frac{1}{2}$	3	6-7	3
November " .. ..	3	$\frac{1}{2}$	$\frac{1}{2}$	3	6-7	5 $\frac{1}{2}$
December " .. ..	3	1	$\frac{1}{2}$	3	6-7	5 $\frac{1}{2}$
January 1939 .. ..	3	2 $\frac{1}{2}$	2 $\frac{1}{2}$	3	6-7	5 $\frac{1}{2}$
February " .. ..	3	2 $\frac{1}{2}$	2 $\frac{1}{2}$	3	6-7	5 $\frac{1}{2}$
March " .. ..	3	2	2 $\frac{1}{2}$	3	6-7	5 $\frac{1}{2}$

## STATEMENT XXI.

### RESERVE BANK OF INDIA—ISSUE DEPARTMENT.

(Reference paragraph 56.)

		LIABILITIES.			ASSETS.				(in lakhs of Rs.)	
		Notes held in Banking Department.	Notes in circulation.	Total liabilities (total notes issued).	Gold coin and bullion.	Sterling securities.	Rupee coin.	Rupee securities.	Total assets.	Percentage of gold and sterling securities to total notes issued.
1938-39 Last Friday of										
April	..	31,80	182,88	214,68	44,42	78,81	59,06	32,39	214,68	57.40
May	..	35,23	180,23	215,46	44,42	78,81	59,88	32,35	215,46	57.19
June	..	40,33	175,39	215,72	44,42	76,14	62,81	32,35	215,72	55.89
July	..	41,80	171,53	213,33	44,42	69,49	67,05	32,37	213,33	53.39
August	..	43,78	171,34	215,12	44,42	69,49	68,84	32,37	215,12	52.95
September	..	36,86	175,67	212,53	44,42	65,49	70,25	32,37	212,53	51.71
October	..	32,67	175,15	209,82	44,42	62,16	70,88	32,36	209,82	50.79
November	..	31,43	178,91	210,34	44,42	62,16	71,40	32,36	210,34	50.67
December	..	18,43	188,00	206,43	44,42	59,50	70,19	32,32	206,43	50.34
January 1939	..	14,33	188,91	203,24	44,42	56,84	69,68	32,30	203,24	49.82
February	..	14,75	191,21	205,96	44,42	59,50	69,75	32,29	205,96	50.45
March	..	18,13	189,10	207,23	44,42	59,50	71,01	32,30	207,23	50.15



## STATEMENT XXII.

### RESERVE BANK OF INDIA—BANKING DEPARTMENT.

(Reference paragraph 57.)

		(in lakhs of Rs.)									
1938-39 Last Friday of	Govern- ments.	Deposits.			Other liabi- lities.	Notes and coin.	Balances held abroad.	Loans and ad- vances to Govern- ments.	Invest- ments.	Other assets.	
		Banks.	Other.	Total.							
April	.. ..	18,51	14,78	55	33,84	67	31,91	4,71	4	7,09	79
May	.. ..	19,41	14,46	57	34,44	65	35,35	1,99	16	6,72	76
June	.. ..	20,74	18,01	57	39,32	85	40,41	2,05	12	6,52	80
July	.. ..	15,81	24,95	62	41,38	1,18	41,92	3,46	4	6,25	92
August	.. ..	17,09	24,66	55	42,30	1,54	43,90	2,44	13	6,41	98
September	.. ..	17,80	19,35	77	37,92	1,50	36,96	4,65	25	6,33	1,16
October	.. ..	13,92	18,53	1,48	33,93	1,85	32,80	2,94	3,08	5,57	1,39
November	.. ..	13,78	12,50	1,06	27,34	2,02	31,58	34	11	5,92	1,41
December	.. ..	11,26	12,17	83	24,26	2,53	18,54	1,30	1,06	5,58	10,21
January	.. ..	14,98	11,35	87	27,20	79	14,42	5,84	4,32	6,29	7,12
February	.. ..	13,69	12,49	75	26,93	63	14,86	9,93	1,71	6,87	4,19
March	.. ..	19,67	11,41	77	31,85	81	18,22	14,43	..	6,66	3,35

## STATEMENT XXIII.

### SCHEDULED BANKS' CONSOLIDATED POSITION.

(Reference paragraphs 57 and 58.)

				(In lakhs of rupees)					
1938-39.	Liabilities.	Cash and balances with Reserve Bank.	Cash and balances with Reserve Bank as percentage of demand and time liabilities.	Advances in India and Burma.	Bills discounted in India and Burma.	Advances and discounts as percentage of demand and time liabilities.			
<b>Last Friday of</b>									
April .. .. .	238,15	20,86	8.76	124,72	6,79	55.22			
May .. .. .	237,75	20,71	8.71	124,42	6,49	55.06			
June .. .. .	234,97	24,63	10.48	117,38	5,16	52.15			
July .. .. .	236,83	31,35	13.24	113,55	3,52	49.43			
August .. .. .	237,36	31,29	13.18	110,66	2,52	47.68			
September .. .. .	237,37	25,33	10.67	109,81	2,49	47.31			
October .. .. .	240,51	26,09	10.85	105,17	3,07	45.00			
November .. .. .	240,80	19,85	8.24	103,36	3,62	44.43			
December .. .. .	238,59	19,20	8.05	114,57	4,34	49.84			
January .. .. .	237,44	17,02	7.17	119,82	5,41	52.74			
February .. .. .	235,66	18,61	7.90	120,70	6,86	54.13			
March .. .. .	237,97	16,95	7.12	128,01	7,87	57.10			
Average for 1938-39 ..	237,78	22,66	9.53	116,01	4,85	50.83			

**STATEMENT XXIV.**  
**CLEARING HOUSE STATISTICS.**  
*(Reference paragraph 59.)*

(In lakhs of Rs.)

	Calcutta.	Bombay.	Madras.	Karachi.	Rangoon.	Cawnpore.	Lahore.	Delhi.	TOTAL.
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	5,96	..	20,24,90
1922-23 ..	9,80,26	8,58,73	45,13	33,58	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	..	18,08,01
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
1927-28 ..	10,54,02	3,89,80	59,79	30,82	1,25,57	7,00	7,59	..	16,74,59
1928-29 ..	10,94,00	6,52,35	65,73	28,02	1,25,00	7,31	8,69	..	19,81,10
1929-30 ..	9,60,97	7,93,66	82,19	26,49	1,20,70	7,56	8,17	..	19,99,74
1930-31 ..	8,66,28	6,66,61	50,36	24,47	1,06,55	5,71	10,67	..	17,30,65
1931-32 ..	7,31,09	6,23,82	43,97	23,23	78,90	5,63	9,02	..	15,15,66
1932-33 ..	7,90,37	6,67,42	48,85	25,56	70,75	7,08	8,50	..	16,18,53
1933-34 ..	8,30,88	6,55,47	53,19	26,78	56,12	8,88	9,88	..	16,41,20
1934-35 ..	8,75,69	6,89,17	56,22	28,96	61,03	11,51	10,43	..	17,33,01
1935-36 ..	9,18,68	7,16,74	69,23	30,12	72,00	11,69	11,16	13,73	18,43,35
1936-37 ..	9,23,68	7,62,38	91,39	31,94	83,75	11,51	11,40	15,61	19,31,66
1937-38 ..	9,66,93	8,15,56	1,09,64	35,53	82,07	11,91	11,21	18,27	20,51,12
1938-39 ..	9,49,35	8,04,53	1,00,54	33,18	83,05	12,11	10,65	19,06	20,12,47

## STATEMENT XXV.

### (A) REMITTANCES THROUGH THE RESERVE BANK OF INDIA.

Telegraphic transfers issued and paid.\*

(Reference paragraph 60.)

(In lakhs of Rs.)

	1936.		1937.		1938.							
	January to June.	July to December.	January to June.	July to December.	January to June.	July to December.						
	Issued.	Paid.	Issued.	Paid.	Issued.	Paid.						
Bombay ..	37,83	51,14	39,95	28,51	38,78	45,19	37,15	31,25	35,97	49,45	41,60	40,13
Calcutta ..	61,90	40,33	36,90	43,79	65,07	47,77	28,57	44,30	65,16	45,98	50,78	53,29
Cawnpore ..	2,26	2,43	2,80	2,07	3,05	5,08	3,81	48	4,25	4,37	6,36	3,65
Delhi ..	4,82	2,04	5,83	2,72	6,59	2,89	5,98	3,22	6,63	2,50	4,85	2,64
Karachi ..	7,86	6,51	6,19	6,03	11,37	8,82	4,31	5,42	8,37	7,05	5,08	5,80
Lahore ..	2,82	4,86	3,28	2,71	6,03	7,84	7,52	3,75	9,01	8,44	7,30	6,35
Madras ..	6,65	8,02	8,10	9,48	12,47	9,65	9,66	6,90	7,32	12,04	8,13	10,66
Rangoon ..	3,66	12,40	4,91	7,60	5,50	11,20	4,23	6,45	5,35	11,47	5,77	7,52
Total ..	1,27,80	1,27,73	1,07,96	1,02,91	1,48,86	1,38,44	1,01,23	1,01,77	1,42,06	1,42,20	1,29,87	1,30,04

### (B) REMITTANCES THROUGH THE IMPERIAL BANK OF INDIA.

	1934.		1935.		1936.		1937.		1938.	
	Jan. to June	July to Dec.	Jan. to June.	July to Dec.	Jan. to June.	July to Dec.	Jan. to June.	July to Dec.	Jan. to June.	July to Dec.

#### DEMAND DRAFTS PURCHASED.

Bengal Circle.	21,67	19,71	23,74	18,39	24,37	23,17	29,24	23,80	29,59	27,92
Bombay „	15,50	10,61	16,46	12,14	17,02	15,44	19,31	12,24	18,37	14,70
Madras „	8,84	6,49	8,62	6,77	8,22	9,51	10,84	7,72	9,55	9,53
Total ..	46,01	36,81	48,82	37,30	49,61	48,12	59,39	43,76	57,51	52,15

#### DRAFTS AND TELEGRAPHIC TRANSFERS PAID.

Bengal Circle.	33,23	28,54	35,60	27,31	30,81	28,01	35,67	33,27	36,94	32,72
Bombay „	26,87	25,49	28,61	23,95	26,11	23,51	31,03	29,89	33,72	32,61
Madras „	15,70	17,79	16,55	11,57	14,18	13,96	18,12	16,87	18,76	18,51
Total ..	75,80	71,82	80,76	62,83	71,10	65,48	84,82	80,03	89,42	83,84

\* Including remittances on account of the Imperial Bank of India.

## STATEMENT XXVI.

TRANSFERS OF FUNDS THROUGH GOVERNMENT AGENCY WITHIN EACH PROVINCE OF INDIA AND IN BURMA  
DURING THE YEAR 1938-39.

(Reference paragraph 60.)

(In lakhs of rupees.)

	Bengal (including certain centrally adminis- tered areas.)	Madras & Coorg.	Bombay.	United Provinces.	Punjab.	Bihar.	Central Provinces.	Assam.	North- West Frontier Province.	Orissa.	Sind.	Total for India.	Burma.
Sale of supply bills and transfers to the public .. ..	1,67	15	90	17	6	3	6	2	1	..	6	3,13	3,23
Transfers to headquarters by bank post-bills .. ..	49	..	..	..	..	1	..	..	..	..	..	50	..
Total ..	2,16	15	90	17	6	4	6	2	1	..	6	3,63	3,23

## STATEMENT XXVII.

TRANSFERS OF FUNDS THROUGH GOVERNMENT AGENCY BETWEEN DIFFERENT PROVINCES AND BETWEEN  
PROVINCES AND BURMA.

(Reference paragraph 60.)

ON ACCOUNT OF

(In thousands of rupees.)

PAID BY	Bengal (including certain centrally adminis- tered areas.)	Madras and Coorg.	Bombay.	United Pro- vinces.	Punjab.	Bihar.	Centra Pro- vinces.	Assam.	North- West Frontier Province.	Orissa.	Sind.	Burma.	Total.
Bengal, etc. .. ..	..	..	..	11,42	3	19,60	72	47,43	3,43	3,96	..	58	87,17
Madras and Coorg .. ..	..	19	2,03	..	..	5	..	..	..	10	..	..	2,37
Bombay .. ..	..	6,70	..	5,14	5,10	9,52	3,30	16	16,73	4,64	..	..	51,29
United Provinces .. ..	..	1,17	45	..	10	2,24	..	..	..	..	2,80	6	6,92
Punjab .. ..	..	46	..	..	..	3	..	..	20,53	..	..	8	21,10
Bihar .. ..	..	10,68	..	62	..	..	..	..	..	10	..	..	11,40
Central Provinces .. ..	..	7,32	34,97	..	..	..	..	..	..	10	19	..	42,58
Assam .. ..	..	1,19,31	1,70	..	..	..	..	..	..	..	..	..	1,21,01
North-West Frontier Province .. ..	..	..	..	..	1,50	..	..	..	..	..	..	..	1,50
Orissa .. ..	..	2,08	..	..	..	4	..	..	..	..	..	..	2,12
Sind .. ..	..	9,50	..	..	22,84	..	..	..	20,74	..	..	..	53,08
Burma .. ..	..	50	..	..	..	..	..	..	..	..	..	..	50
Total ..	1,57,91	39,15	17,18	29,57	31,58	4,02	47,59	61,43	8,90	2,99	72	4,01,04	

## STATEMENT XXVII.

### NOTE CIRCULATION.

(Reference paragraph 61.)

(In lakhs of Rs.)

	Circulation at the end of each year.		Average Circulation.		Increase or decrease in average active circulation.
	Total notes issued.	Active.	Total notes issued.	Active.	
1889-90 .. .. .	....	15,77	....	16,15	....
1899-1900 .. .. .	28,74	22,10	27,96	21,27	+ 2,18
1909-10 .. .. .	54,41	39,99	49,66	37,21	+ 9,10
1913-14 .. .. .	66,12	49,97	65,55	46,63	+ 9,42
1918-19 .. .. .	1,53,46	1,33,58	1,63,20	1,13,84	+ 67,21
1919-20 .. .. .	1,74,53	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	1,52,23	+ 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	1,86,83	1,63,16	+ 2,25
1926-27 .. .. .	1,84,13	1,64,31	1,80,13	1,56,86	- 6,90
1927-28 .. .. .	1,84,87	1,74,53	1,80,16	1,63,63	+ 7,26
1928-29 .. .. .	1,88,03	1,78,10	1,84,86	1,71,90	+ 8,28
1929-30 .. .. .	1,77,23	1,59,30	1,83,11	1,63,00	- 8,90
1930-31 .. .. .	1,60,84	1,47,93	1,65,49	1,51,13	- 11,37
1931-32 .. .. .	1,78,14	1,65,17	1,63,64	1,53,62	+ 1,49
1932-33 .. .. .	1,76,90	1,60,34	1,73,83	1,52,04	- 58
1933-34 .. .. .	1,77,22	1,63,88	1,78,13	1,57,47	+ 5,43
1934-35 .. .. .	1,86,10	1,63,56	1,83,24	1,61,60	+ 4,13
1935-36 .. .. .	1,95,58	1,68,82	1,92,17	1,62,98	+ 1,33
1936-37 .. .. .	2,08,00	1,94,35	2,02,00	1,75,38	+ 12,40
1937-38 .. .. .	2,14,03	1,86,12	2,12,29	1,83,96	+ 8,58
1938-39 .. .. .	2,07,23	1,89,10	2,10,82	1,80,86	- 3,10

## STATEMENT XXIX.

### ENCASHMENT OF FOREIGN CIRCLE NOTES, 1938-39.

(Reference paragraph 61.)

(In rupees)

CIRCLE.	CASHED BY							TOTAL.			
	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Rangoon.	1938-39.	1937-38	1936-37.	1935-36.
Calcutta .. ..	1,06,84,450		98,36,220	1,06,28,720	12,61,200	15,13,300	2,07,450	3,41,81,340	3,76,24,820	3,95,03,060	4,66,56,670
Cawnpore ..	1,20,13,700		91,16,920	64,76,390	7,08,350	60,950	22,700	2,83,99,010	5,99,69,030	2,35,74,450	2,52,44,020
Lahore .. ..	51,37,600	1,58,90,950	....	1,21,82,620	45,13,300	1,24,400	79,050	3,79,27,920	3,93,91,550	3,88,38,900	4,30,67,360
Bombay .. ..	80,15,300	95,52,750	91,21,420	..	32,35,050	67,31,700	3,69,450	3,70,25,670	5,89,48,715	4,58,90,020	5,56,04,830
Karachi .. ..	6,31,300	10,75,400	84,12,500	34,98,170	..	50,250	13,100	1,36,80,720	1,23,82,700	1,17,00,370	1,05,33,120
Madras .. ..	69,16,400	17,87,450	19,77,050	1,16,65,250	7,07,300	..	1,03,400	2,31,56,850	1,11,15,000	2,55,20,070	2,72,63,340
Rangoon .. ..	11,37,955	5,89,600	7,95,050	13,23,960	1,20,460	15,23,850	..	54,90,875	13,58,650	88,74,200	97,96,850
<b>Total for 1938-39..</b>	<b>3,38,52,255</b>	<b>3,95,80,600</b>	<b>3,92,59,160</b>	<b>4,57,75,110</b>	<b>1,05,45,660</b>	<b>1,00,04,450</b>	<b>7,95,150</b>	<b>17,98,12,385</b>	..	..	..
<b>Total for 1937-38..</b>	..	..	..	..	..	..	..	..	<b>22,07,90,465</b>	..	..
<b>Total for 1936-37..</b>	..	..	..	..	..	..	..	..	..	<b>19,89,01,060</b>	..
<b>Total for 1935-36..</b>	..	..	..	..	..	..	..	..	..	..	<b>21,81,66,190</b>

## STATEMENT XXX.

### ABSORPTION OF RUPEES & CURRENCY NOTES.

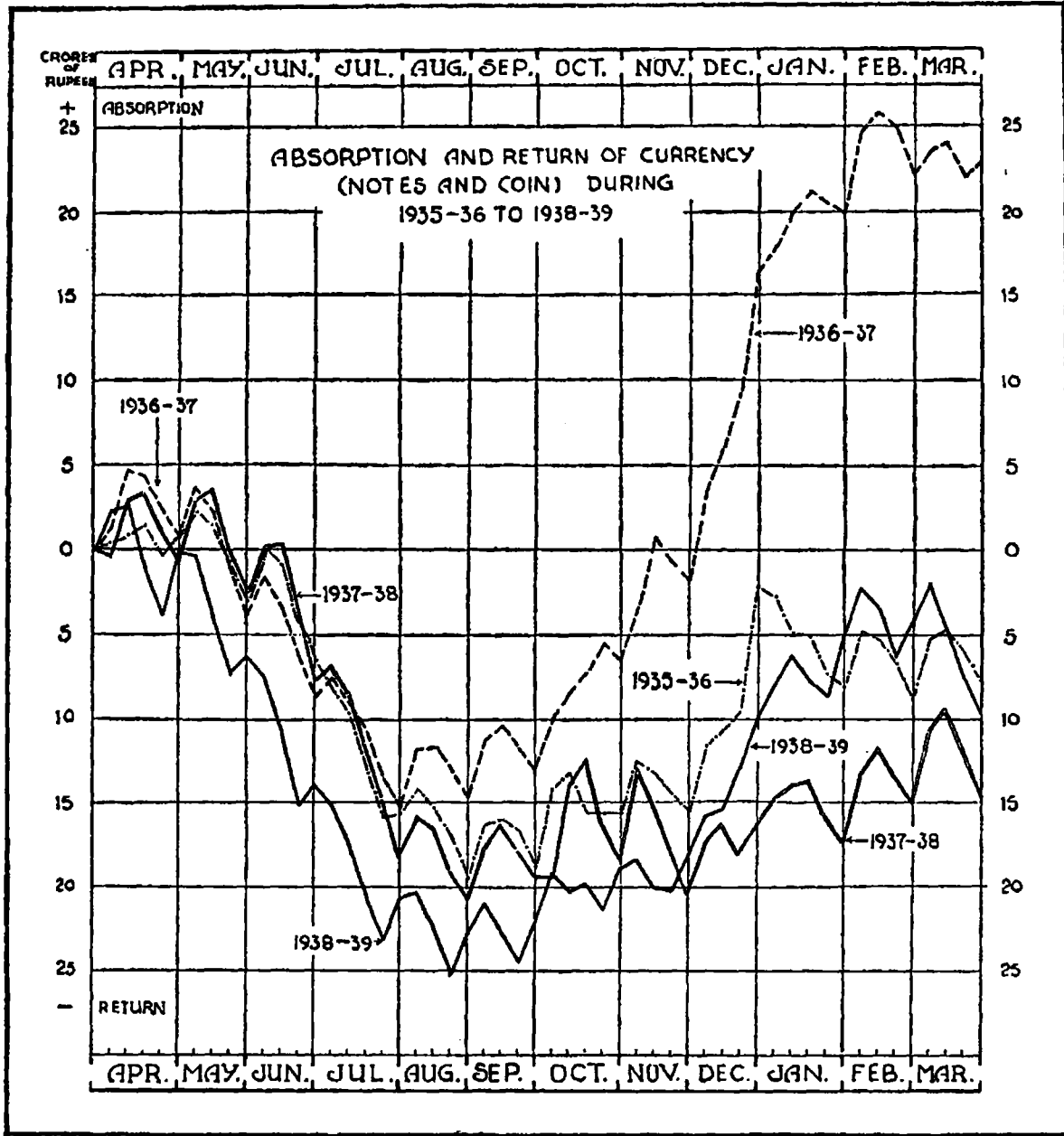
(Reference paragraph 62.)

(In lakhs of Rs.)

—	Rupees.	Notes.	Total.
Average for 5 years 1914-15 to 1918-19 .. ..	22,08	16,72	38,80
1919-20 .. .. .	20,09	20,20	40,20
1920-21 .. .. .	— 25,68	— 5,90	— 31,58
1921-22 .. .. .	— 10,46	9,35	— 1,11
1922-23 .. .. .	— 9,56	3,87	— 5,69
1923-24 .. .. .	7,62	7,96	15,58
1924-25 .. .. .	3,65	— 2,51	1,14
1925-26 .. .. .	— 8,17	1,16	— 7,01
1926-27 .. .. .	— 19,76	— 3,40	— 23,16
1927-28 .. .. .	— 3,75	10,22	6,47
1928-29 .. .. .	— 3,03	3,57	54
1929-30 .. .. .	— 21,71	— 18,80	— 40,51
1930-31 .. .. .	— 21,58	— 11,37	— 32,95
1931-32 .. .. .	3,93	17,24	21,17
1932-33 .. .. .	— 7,56	— 14,83	— 22,39
1933-34 .. .. .	— 30	13,54	13,24
1934-35 .. .. .	— 3,21	— 32	— 3,53
1935-36 .. .. .	— 9,46	1,82	— 7,64
1936-37 .. .. .	— 2,49	25,53	23,04
1937-38 .. .. .	— 6,52	— 8,23	— 14,75
1938-39 .. .. .	— 12,60	2,98	— 9,62
Total for 20 years 1919-20 to 1938-39 .. ..	— 130,55	52,08	— 78,47
Average for 20 years 1919-20 to 1938-39 .. ..	— 6,53	2,60	— 3,93



### STATEMENT XXX.



# STATEMENT XXXI

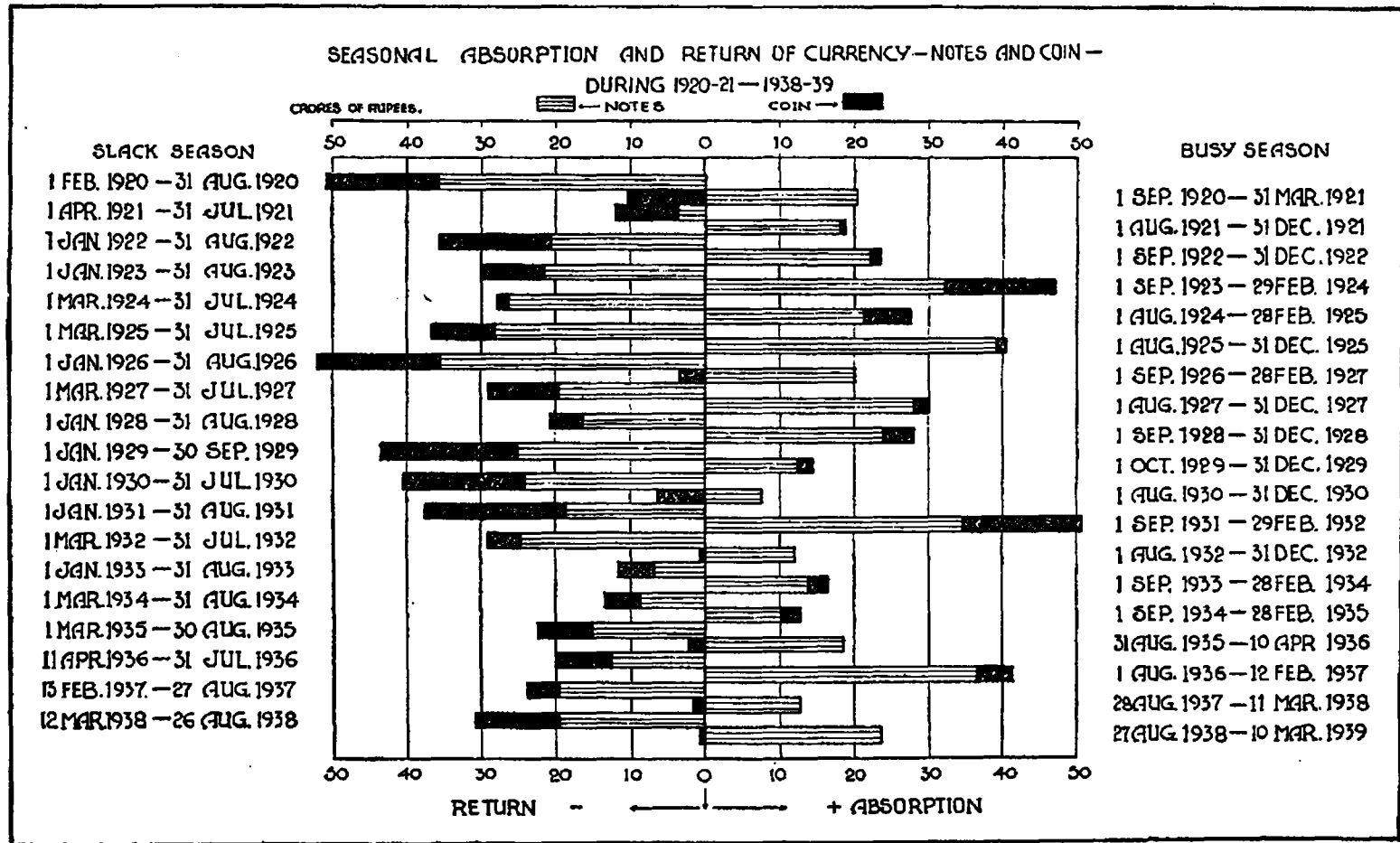
## SEASONAL ABSORPTION.

(Reference paragraph 63.)

(In lakhs of Rs.)

Period.	Busy Season Absorption.			Slack Season Return.		
	Notes.	Coin.	Total.	Notes.	Coin.	Total.
1st February 1920 to to 31st August 1920 ..	..	..	..	35,08	14,07	50,35
1st September 1920 to 31st March 1921 ..	20,15	-10,26	9,89	..	..	..
1st April 1921 to 31st July 1921 ..	..	..	..	3,48	8,47	11,95
1st August 1921 to 31st December 1921 ..	18,19	71	18,90	..	..	..
1st January 1922 to 31st August 1922 ..	..	..	..	21,60	13,91	35,51
1st September 1922 to 31st December 1922 ..	22,15	1,24	23,39	..	..	..
1st January 1923 to 31st August 1923 ..	..	..	..	21,82	8,12	29,94
1st September 1923 to 29th February 1924 ..	32,15	14,87	47,02	..	..	..
1st March 1924 to 31st July 1924 ..	..	..	..	26,09	1,82	27,91
1st August 1924 to 28th February 1925 ..	21,37	6,41	27,78	..	..	..
1st March 1925 to 31st July 1925 ..	..	..	..	28,00	8,69	36,69
1st August 1925 to 31st December 1925 ..	39,13	1,41	40,54	..	..	..
1st January 1926 to 31st August 1926 ..	..	..	..	35,40	16,53	51,93
1st September 1926 to 28th February 1927 ..	24,05	-3,24	20,81	..	..	..
1st March 1927 to 31st July 1927 ..	..	..	..	19,86	9,11	28,97
1st September 1927 to 31st December 1927 ..	28,29	1,97	30,26	..	..	..
1st January 1928 to 31st August 1928 ..	..	..	..	16,43	4,41	20,84
1st September 1928 to 31st December 1928 ..	24,13	4,13	28,26	..	..	..
1st January 1929 to 30th September 1929 ..	..	..	..	25,63	17,46	43,09
1st October 1929 to 31st December 1929 ..	12,77	1,95	14,72	..	..	..
1st January 1930 to 31st July 1930 ..	..	..	..	24,45	16,00	40,45
1st August 1930 to 31st December 1930 ..	7,07	-6,38	69	..	..	..
1st January 1931 to 31st August 1931 ..	..	..	..	18,49	18,99	37,48
1st September 1931 to 29th February 1932 ..	34,69	15,72	50,41	..	..	..
1st March 1932 to 31st July 1932 ..	..	..	..	24,82	4,19	29,01
1st August 1932 to 31st December 1932 ..	12,27	-37	11,90	..	..	..
1st January 1933 to 31st August 1933 ..	..	..	..	6,88	4,82	11,70
1st September 1933 to 28th February 1934 ..	14,18	2,47	16,65	..	..	..
1st March 1934 to 31st August 1934 ..	..	..	..	8,77	4,58	13,35
1st September 1934 to 28th February 1935 ..	11,37	1,67	13,04	..	..	..
1st March 1935 to 30th August 1935 ..	..	..	..	15,06	7,19	22,25
31st August 1935 to 10th April 1936 ..	18,75	-2,24	16,51	..	..	..
11th April 1936 to 31st July 1936 ..	..	..	..	12,60	7,31	19,91
1st August 1936 to 12th February 1937 ..	36,82	4,49	41,31	..	..	..
13th February 1937 to 27th August 1937 ..	..	..	..	19,64	4,15	23,79
28th August 1937 to 11th March 1938 ..	13,01	-1,55	11,46	..	..	..
12th March 1938 to 26th August 1938 ..	..	..	..	19,47	11,16	30,63
27th August 1938 to 10th March 1939 ..	24,06	-76	23,30	..	..	..
TOTAL ..	414,60	32,24	446,84	384,17	181,59	565,75

## STATEMENT XXXI.



## STATEMENT XXXII.

### MONTHLY ABSORPTION OF RUPEES.

(Reference paragraph 64.)

(in lakhs of rupees).

							Absorption (+) or return from circulation (—) in		
							1936-37	1937-38	1938-39
April	..	..	..	..	..	..	+ 30	+ 1,18	— 64
May	..	..	..	..	..	..	— 1,30	+ 61	— 82
June	..	..	..	..	..	..	— 2,81	— 1,21	— 2,03
July	..	..	..	..	..	..	— 3,17	— 3,14	— 4,24
August	..	..	..	..	..	..	— 94	— 1,68	— 1,70
September	..	..	..	..	..	..	— 64	— 60	— 1,41
October	..	..	..	..	..	..	— 8	— 66	— 63
November	..	..	..	..	..	..	+ 1,02	— 40	— 52
December	..	..	..	..	..	..	+ 3,12	+ 24	+ 1,21
January	..	..	..	..	..	..	+ 91	— 36	+ 51
February	..	..	..	..	..	..	+ 90	— 23	— 7
March	..	..	..	..	..	..	+ 29	— 27	— 1,27
Total							— 2,40	— 6,52	— 12,60

## STATEMENT XXXIII.

### ABSORPTION OF RUPEES BY CIRCLES.

(Reference paragraph 64.)

(In lakhs of rupees.)

							1935-36.	1936-37.	1937-38.	1938-39.
Calcutta	..	..	..	..	..	..	— 1,90	— 68	— 85	— 5,06
Cawnpore	..	..	..	..	..	..	— 2,04	— 69	— 1,77	— 1,89
Lahore	..	..	..	..	..	..	— 1,14	— 36	— 75	— 1,59
Bombay	..	..	..	..	..	..	— 3,20	— 95	— 3,80	— 3,86
Karachi	..	..	..	..	..	..	+ 2	+ 11	+ 33	— 30
Madras	..	..	..	..	..	..	— 44	+ 9	+ 52	— 69
Rangoon	..	..	..	..	..	..	+ 14	+ 19	— 20	+ 79
Total							— 9,46	— 2,49	— 6,52	— 12,60

## STATEMENT XXXIV.

### WHOLE RUPEES COINED AND ISSUED FROM THE INDIAN MINTS.

(Reference paragraph 65.)

	Coined in Calcutta.	Coined in Madras.	Coined in Bombay.	Total coined
	Rs.	Rs.	Rs.	Rs.
William IV, 1835 .. .. .	10,90,88,070	11,78,000	5,37,12,502	16,39,78,572
Victoria, 1840, 1st issue ..	17,99,34,870	2,18,98,181	10,98,38,073	31,16,70,924
"  1840, 2nd .. .. .	39,85,53,860	5,50,49,201	31,29,58,078	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 .. .. .	3,92,51,892	.....	9,55,54,320	13,48,06,012
"  1878 .. .. .	3,26,57,837	.....	6,39,27,196	9,66,85,033
"  1879 .. .. .	1,59,28,325	.....	7,27,99,904	8,87,28,229
"  1880 .. .. .	1,83,99,894	.....	5,37,85,624	7,21,85,518
"  1881 .. .. .	24,35,719	.....	31,61,858	55,97,577
"  1882 .. .. .	1,50,90,289	.....	5,63,97,278	7,14,87,567
"  1883 .. .. .	51,23,372	.....	1,80,22,789	2,31,46,161
"  1884 .. .. .	1,16,41,767	.....	3,68,46,570	4,84,88,327
"  1885 .. .. .	3,41,52,203	.....	6,48,78,000	9,90,30,203
"  1886 .. .. .	1,08,78,075	.....	4,11,46,457	5,20,24,532
"  1887 .. .. .	4,02,00,148	.....	4,84,00,000	8,86,00,148
"  1888 .. .. .	75,68,000	.....	6,32,00,000	7,07,68,000
"  1889 .. .. .	93,68,310	.....	6,53,00,000	7,46,68,310
"  1890 .. .. .	2,47,41,865	.....	9,29,00,000	11,76,41,865
"  1891 .. .. .	1,46,69,903	.....	4,95,00,000	6,41,69,903
"  1892 .. .. .	3,24,55,120	.....	7,22,00,000	10,46,55,120
"  1893 .. .. .	91,40,310	.....	6,95,90,000	(a) 7,87,30,310
"  1897 .. .. .	4,70,184	.....	10,54,593	(b) 15,24,777
"  1898 .. .. .	12,50,976	.....	62,68,437	(b) 75,19,413
"  1900 .. .. .	5,29,02,591	.....	6,52,96,908	(c) 11,81,99,499
"  1901 .. .. .	3,37,22,243	.....	7,54,13,718	(d) 10,91,35,961
"  1901 coined in 1902 ..	3,82,94,644	.....	5,48,44,740	(e) 9,31,39,384
Edward VII, 1903 ditto ..	25,000	.....	.....	25,000
"  "  1903 .. .. .	4,93,78,355	.....	5,29,69,151	(f) 10,23,47,506
"  "  1904 .. .. .	5,83,38,617	.....	10,19,40,291	(g) 16,02,78,908
"  "  1905 .. .. .	5,12,57,883	.....	7,62,02,223	(h) 12,74,60,106

- (a) Includes Rs. 5,00,000 coined for the Bikaner State.  
 (b) On account of Kashmir and Bhopal re-coinage.  
 (c) Includes Rs. 2,08,02,414 coined for Indian States.  
 (d) .. Rs. 1,90,43,904 coined for Indian States.  
 (e) .. Rs. 2,93,86,014 coined for Indian States.  
 (f) .. Rs. 11,66,451 coined for Indian States.  
 (g) .. Rs. 59,422 coined for Indian States.  
 (h) .. Rs. 3,28,000 coined for Indian States.

**STATEMENT XXXIV—(continued.)**

**WHOLE RUPEES COINED AND ISSUED FROM THE INDIAN MINTS.**

		Coined in	Coined in	Coined in	Total coined.
		Calcutta.	Madras.	Bombay.	
		Rs.	Rs.	Rs.	Rs.
Edward VII, 1906	.. ..	10,47,97,164	.....	16,89,53,269	(j) 26,37,50,433
" " 1907	.. ..	8,13,38,000	.....	17,09,11,816	(k) 25,22,49,816
" " 1908	.. ..	2,02,17,728	.....	1,07,14,770	3,09,32,498
" " 1909	.. ..	1,27,58,580	.....	95,38,746	(l) 2,22,97,326
" " 1910	.. ..	85,00,000	.....	91,88,673	1,76,88,673
" " 1910 coined in 1911		41,27,013	.....	16,06,273	58,23,286
George V, 1911	.. ..	42,99,024	.....	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
<b>Total</b>	<b>.. ..</b>	<b>2,70,20,56,128</b>	<b>10,76,07,305</b>	<b>3,66,60,32,346</b>	<b>6,47,56,95,779</b>

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

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

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

(m) " Rs. 16,56,260 coined for Indian States.

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

## STATEMENT XXXV.

### RUPEE CENSUS.

*(Reference paragraph 65.)*

	1910.	1915.	1920.	1925.	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.	1934.	1935.	1936.	1937.	1938.
William IV. 1835 .. ..	.12	.07	.05	.04	.03	.04	.04	.03	.03	.03	.02	.02	.02	..	.02	.03	.02
Victoria Queen. 1840-76 ..	16.88	13.77	9.63	9.77	9.32	9.56	9.26	6.46	5.36	4.46	4.19	3.82	3.43	3.57	3.22	3.18	3.46
Victoria Empress. 1877-1901.	46.68	41.35	27.31	29.94	29.32	29.76	29.41	30.32	29.46	29.11	27.93	27.30	21.81	17.56	21.44	17.87	15.08
Edward VII. 1903-1911 ..	36.32	33.13	21.22	22.25	22.45	22.09	22.47	23.66	24.56	24.93	25.21	25.73	28.01	29.80	29.11	30.57	32.34
George V. 1911-1922 .. ..	11.68	41.79	38.00	38.88	38.55	38.82	39.53	40.59	41.47	42.85	43.13	46.73	49.07	46.19	48.35	49.10	
<b>TOTAL ..</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**STATEMENT XXXVI.**  
**ABSORPTION OF SMALL COIN.**  
*(Reference paragraph 66.)*

(in thousands of rupees.)

	Silver half rupces.*	Four anna pieces.	Two anna pieces.	One anna pieces.	Single pice.	TOTAL.
Average for the 5 years 1909-10 to 1913-14 .. .. .	....	15,75	13,59	21,02	10,51	60,87
Average for the 5 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	— 47,69
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
1927-28 .. .. .	....	7,03	4,62	22,02	5,05	38,72
1928-29 .. .. .	....	8,89	6,57	22,12	5,04	42,62
1929-30 .. .. .	....	— 2,05	— 1,88	10,36	5,77	12,20
1930-31 .. .. .	....	— 31,70	— 18,88	— 14,33	— 1,30	— 66,21
1931-32 .. .. .	....	7,16	3,73	8,52	16	19,57
1932-33 .. .. .	....	— 6,11	2,13	10,82	1,48	8,32
1933-34 .. .. .	....	14,01	16,04	23,27	10,28	63,60
1934-35 .. .. .	....	1,54	12,93	20,35	11,88	46,70
1935-36 .. .. .	— 5,59	— 5,58	7,76	13,06	11,31	20,96
1936-37 .. .. .	22,50	15,97	22,20	25,48	12,92	99,07
1937-38 .. .. .	25,00	10,26	16,08	19,21	14,52	85,07
1938-39 .. .. .	2,40	— 9,55	3,55	6,34	14,80	17,54

\*Before the inauguration of the Reserve Bank in 1935 silver half rupees were not included in statistics relating to small coin.



**STATEMENT XXXVII.**  
**CIRCULATION OF NOTES BY DENOMINATIONS.**  
*(Reference paragraph 68.)*

NOTES IN CIRCULATION (IN LAKHS OF RUPEES).										PERCENTAGE TO GROSS CIRCULATION OF ALL NOTES EXCEPT THOSE OF Rs. 10,000.								
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	1	2-8	5	10	20	50	100	500	1,000	1	2-8	5	10	20	50	100	500	1,000
1914 (31st March)..	..	..	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
1921 ..	9.52	51	14.05	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
1922 ..	9.93	27	15.84	57.51	3	4.05	54.28	2.05	14.63	6.2	.2	10.0	36.3	..	2.5	34.2	1.3	9.3
1923 ..	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
1924 ..	11.99	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
1925 ..	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
1926 ..	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
1927 ..	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
1928 ..	39	1	18.91	76.27	2	2.09	63.07	1.05	14.90	.2	..	10.7	43.2	..	1.2	35.7	.6	8.4
1929 ..	36	1	23.77	74.55	2	2.01	65.76	.99	12.69	.2	..	13.2	41.4	..	1.1	36.5	.6	7.0
1930 ..	35	1	20.97	69.08	2	1.60	58.88	.84	10.78	.2	..	12.9	42.6	..	1.0	36.3	.3	6.7
1931 ..	34	1	18.92	64.20	2	1.53	54.86	.77	10.76	.2	..	12.5	42.4	..	1.0	36.3	.5	7.1
1932 ..	34	1	22.31	69.55	2	1.51	63.07	.79	11.67	.2	..	13.2	41.1	..	.9	37.3	.4	6.9
1933 ..	33	1	19.95	61.83	2	1.28	57.65	.68	11.63	.2	..	13.0	40.3	..	.8	37.6	.5	7.6
1934 ..	33	1	21.53	67.41	2	1.33	64.90	.60	11.31	.2	..	12.9	40.2	..	.8	38.8	.4	6.7
1935 ..	32	1	23.11	67.83	2	1.26	60.94	.56	17.72	.2	..	13.5	39.5	..	.7	35.5	.3	10.3
1935 (31st Dec.) ..	32	1	25.28	69.31	1	1.34	62.35	.53	12.84	.2	..	15.0	40.3	..	.7	36.0	.3	7.5
1936 ..	33	1	31.71	77.34	1	1.36	69.07	.48	12.11	.2	..	16.5	40.2	..	.8	35.9	.2	6.2
1937 ..	32	1	32.46	76.08	1	1.25	62.44	.45	11.01	.2	..	17.5	41.3	..	.7	34.0	.2	6.0
1938 ..	32	1	33.84	77.89	1	1.01	62.81	.37	10.51	.2	..	18.1	41.7	..	.6	33.6	.2	5.6

## STATEMENT XXXVIII.

RESERVE BANK OF INDIA BALANCE SHEET AS AT 31ST DECEMBER 1938.

(Reference paragraph 77.)

LIABILITIES.				ISSUE DEPARTMENT.				ASSETS.				
	Rs.	a. p.		Rs.	a. p.		Rs.	a. p.		Rs.	a. p.	
Notes held in the Banking Department..	18,43,89,425	8	0			A. Gold Coin and Bullion :—						
Notes in Circulation :—						(a) Held in India..	41,54,53,252	0	8			
(a) Legal Tender in India ..	1,80,25,68,317	8	0			(b) Held outside India ..	2,86,97,782	0	10			
(b) Legal Tender in Burma only ..	7,73,91,350	0	0			Sterling Securities..	59,50,02,401	8	3			
Total Notes issued. .				2,06,43,29,093	0	0	Total of A ..			1,03,91,53,435	0	9
							B. Rupee Coin ..			70,19,36,608	12	3
							Govt. of India Rupee Securities .			32,32,39,048	10	0
							Internal Bills of Exchange and other Commercial Paper ..			Nil.		
TOTAL LIABILITIES ..				2,06,43,29,093	0	0	TOTAL ASSETS ..			2,06,43,29,093	0	0

Ratio of total of A to liabilities : 50.339 per cent.

LIABILITIES.				BANKING DEPARTMENT.				ASSETS.			
	Rs.	a. p.		Rs.	a. p.		Rs.	a. p.		Rs.	a. p.
Capital paid up .. .. .	5,00,00,000	0	0			Notes :—					
Reserve Fund .. .. .	5,00,00,000	0	0			(a) Legal Tender in India ..	18,43,49,210	8	0		
Deposits :—						(b) Legal Tender in Burma only ..	20,215	0	0		
(a) Government—						Rupee Coin .. .. .	3,78,218	12	0		
(1) Central Government of India ..	4,87,30,192	13	5			Subsidiary Coin .. .. .	6,39,975	11	5		
(2) Government of Burma ..	1,94,82,990	6	6			Bills purchased and discounted :—					
(3) Other Government Accounts ..	4,36,39,904	14	2			(a) Internal .. .. .	Nil.				
(b) Banks .. .. .	12,17,45,685	4	3			(b) External .. .. .	Nil.				
(c) Others .. .. .	84,33,920	1	10			(c) Government Treasury Bills ..	8,26,46,250	3	4		
Bills payable .. .. .	8,77,947	9	2			Balances held abroad† .. .. .	1,14,08,432	13	1		
Other Liabilities .. .. .	86,87,373	9	6			Loans and Advances to Governments ..	1,06,00,000	0	0		
TOTAL LIABILITIES .. .. .	35,15,98,014	10	10			Other Loans and Advances .. .. .	10,50,000	0	0		
						Investments .. .. .	5,26,15,728	8	8		
						Other Assets .. .. .	78,88,983	2	4		
						TOTAL ASSETS .. .. .	35,15,98,014	10	10		

† Includes Cash and Short term Securities.

## STATEMENT XXXIX.

RESERVE BANK OF INDIA—PROFIT AND LOSS ACCOUNT FOR THE YEAR  
ENDED THE 31ST DECEMBER, 1937 AND 1938.

(Reference paragraph 77.)

INCOME	1937		1938	
	Rs.	s. p.	Rs.	s. p.
Interest, Discount, Exchange, Commission, etc. . . . .	1,27,10,792	0 9	1,36,70,015	1 2
<b>EXPENDITURE</b>				
Establishment . . . . .	34,86,255	7 7	34,33,565	12 9
Directors' and Local Board Members' fees and expenses . . . . .	88,394	3 6	93,292	2 6
Auditors' fees . . . . .	9,000	0 0	9,000	0 0
Rent, taxes, insurance, lighting, etc. . . . .	5,51,618	0 11	5,40,312	10 1
Law charges . . . . .	21,251	8 6	12,343	14 6
Postage and telegraph charges . . . . .	59,490	0 6	69,869	8 5
Remittance of treasure . . . . .	9,30,039	4 9	8,72,029	3 4
Stationery, etc. . . . .	88,529	5 8	87,998	7 6
Security Printing (cheques, note forms, etc.) . . . . .	16,77,812	15 2	17,49,786	6 1
Depreciation and repairs to Bank property . . . . .	78,467	13 10	1,16,931	5 2
Agency charges . . . . .	24,96,434	12 4	25,12,572	3 2
Contributions to staff and superannuation funds . . . . .	74,500	0 0	77,700	0 0
Miscellaneous expenses . . . . .	3,57,798	8 0	2,49,476	7 0
Net available balance . . . . .	27,91,200	0 0	38,45,137	0 8
<b>Total</b> . . . . .	<b>1,27,10,792</b>	<b>0 9</b>	<b>1,36,70,015</b>	<b>1 2</b>
Amount set aside for payment of dividend at the rate of 3½ per cent. per annum . . . . .	17,50,000	0 0	17,50,000	0 0
Surplus payable to the Central Government . . . . .	10,41,200	0 0	20,95,137	0 8
	27,91,200	0 0	38,45,137	0 8



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