

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

1943-44

BOMBAY

THE TIMES OF INDIA PRESS

1944

CONTENTS

	Paragraph	Page
I. INTRODUCTORY		
	1-11	1-19
General Features of the Year	1	1-2
Wartime Finances	2	2-5
Currency Circulation and Wholesale Prices (<i>with graphs</i>) ..	3	6
United States	4	6 & 9
United Kingdom	5	9-10
Other Empire Countries	6	10-12
Middle Eastern Countries	7	12
Germany	8	12-13
Japan	9	13
Burma	10	14
India (<i>with graphs</i>)	11	14-19
 II. PRICES AND TRADE		
	12-18	19-25
Price Trends in India and certain other Countries	12	19-21
Trends in International Trade	13	21-22
India's Balance of Trade in Merchandise (Private)	14	22
Quantum and Prices	15	22-23
Direction of Trade	16	23-24
Composition of Trade	17	24-25
Imports and Exports	18	25
 III. BULLION		
	19-24	26-30
Production of Gold	19	26-27
Price of Gold	20	27-29
Assaying and Refining of Gold	21	29
Production of Silver	22	29
Price of Silver	23	29-30
Assaying and Refining of Silver	24	30

	Paragraph	Page
IV. FOREIGN EXCHANGE AND EXCHANGE CONTROL		
	25-34	31-36
Purchases of Sterling and Remittances.. .. .	25	31
Exchange	26	32
Developments in Exchange Control	27	32
Import of Currency Notes	28	32
Export Control	29	32-33
Methods of Export Finance (<i>with graphs</i>)	30	33
French Overseas Empire.. .. .	31	33 & 35
Chinese Exchange.. .. .	32	35
Restrictions on Travel	33	35-36
U. S. Dollar Securities	34	36
V. PUBLIC FINANCE		
	35-56	36-56
General	35	36-37
A. BUDGETS		
	36-41	37-46
Finance Accounts 1942-43	36	37
Revised Estimates 1943-44	37	37-38
Budget Estimates 1944-45	38	39-42
Railway Budget	39	42-44
Provincial Budgets	40	44-45
Subventions and Payments from the Centre	41	45-46
B. PUBLIC DEBT		
	42-56	47-56
(a) GOVERNMENT BALANCES AND SHORT-TERM BORROWING		
	42-47	47-49
CENTRAL GOVERNMENT :		
Balances	42	47
Treasury Bills	43	47-48
Yield on Treasury Bills	44	48-49
Ways and Means Advances	45	49
PROVINCIAL GOVERNMENTS :		
Balances and Ways and Means Advances	46	49
Treasury Bills	47	49

	Paragraph	Page
(b) LONG-TERM DEBT AND OTHER BORROWING	48-56	49-56
Government of India Loans	48	49-52
Repayment of Loans	49	52
Provision for Reduction of Debt	50	52
Repatriation of Sterling Debt	51	52-53
Composition of Total Rupee and Sterling Debt Since 1913-14	52	54
Conversion of Government Promissory Notes into Stock Certificates, and Subsidiary General Ledger Accounts ..	53	54
Post Office Certificates and Savings Bank Deposits ..	54	54-55
Provincial Loans	55	55
Debt Position of Provinces	56	55-56
VI. CAPITAL MARKETS, MONEY AND BANKING	57-64	56-62
Government Securities Market	57	56-58
Industrial Share Market	58	58-59
Money Rates and Conditions	59	59
Consolidated Position of Scheduled Banks	60	60
Clearing House Statistics	61	60
Internal Remittances	62	60-61
Reserve Bank of India: Banking Department	63	61
Reserve Bank of India: Issue Department	64	61-62
VII. CURRENCY	65-82	62-73
A. CIRCULATION AND ABSORPTION	65-72	62-70
Circulation and Absorption of Notes	65	62-63
Absorption of Rupee Coin (including Government of India One Rupee Notes)	66	63
Absorption of Small Coin	67	63-65
Total Absorption of Currency	68	65
Wartime Absorption of Currency (<i>with graphs</i>)	69	66
Seasonal Absorption	70	66
Note Circulation and Demand Deposits	71	66 & 69
Encashment of Foreign Circle Notes	72	70

	Paragraph	Page
B. MISCELLANEOUS MATTERS CONNECTED WITH CURRENCY AND COINAGE	73-82	70-73
Changes in the Form of Notes	73	70
Encashment of Burma Notes	74	70
Circulation of Notes by Denominations	75	70-71
Old Notes	76	71
Lost, Destroyed and Mutilated Notes	77	71
Note Forgeries	78	71-72
Coinage	79	72
Withdrawal of Silver Coin	80	72-73
Withdrawal of Nickel and Copper Coin	81	73
Counterfeit Coin	82	73

STATEMENTS

	Page	Paragraph
I. Index Numbers of Wholesale Prices and Cost of Living in India and Certain Other Countries since 1938 (1929 = 100)	74	12
II. Index Numbers of Wholesale Prices in India by groups of articles since 1939-40 (week ended 19th August 1939 = 100)	75	12
III. Balance of Trade in Merchandise of British India, 1943-44	76	14
IV. Highest, Lowest and Average Prices of Gold and Silver in Bombay and Import Duty on Silver, 1926-27 to 1943-44	76	20
V. Highest, Lowest and Average Monthly Prices of Gold and Sovereigns in Bombay, 1943-44..	77	20
VI. Week-End Prices of Gold and Silver and estimated stock in Bombay, 1943-44	78	20
VII. Price of Silver in London, New York and Bombay, 1943-44	79	23
VIII. Purchases of Sterling by the Reserve Bank of India, since 1937-38	80	25
IX. Provincial Government Budgets, 1944-45 ..	80	40
X. Subventions and other Payments made by the Centre to the Provinces under the Government of India (Distribution of Revenues) Order as amended	81	41
XI. Government Balances in India with the Reserve Bank of India and at Government Treasuries, 1943-44	82	42
XII. Government of India Treasury Bills since 1918-19	83	43
XIII. Government of India Three Months Treasury Bills, 1943-44	84-85	43
XIV. Government of India Ways and Means Advances and Treasury Bills Transactions, 1943-44 ..	86	45
XV. Provincial Government Treasury Bills, 1943-44.	86	47
XVI. Public Debt of India since 1913-14— (A) Rupee Debt, (B) Sterling Debt	87-88	52
XVII. Post Office (A) Cash Certificates, (B) Defence Savings Certificates and (C) National Savings Certificates	89	54

	Page	Paragraph
XVIII. Post Office (A) Savings Bank, (B) Defence Savings Bank Deposits	90	54
XIX. Debt Position of Provinces since 1936-37 ..	91	56
XX. Representative Rupee Securities of the Government of India: Prices in Bombay, 1943-44..	92-93	57
XXI. Representative Rupee Securities of the Government of India: Prices since 1914-15	94	57
XXII. Index Numbers of Prices of Indian Securities (1927-28=100)	95	58
XXIII. Indian Money Rates since 1935-36	96-97	59
XXIV. Scheduled Banks' Consolidated Position in India and Burma since 1935-36	98	60
XXV. Clearing House Statistics since 1918-19 ..	99	61
XXVI. Number and Amount of Cheques cleared at each Centre, 1943-44	100	61
XXVII. (A) Remittances through the Reserve Bank of India	101	62
(B) Remittances through the Imperial Bank of India	101	62
(C) Remittances effected between the Reserve Bank of India, and the Imperial Bank of India and the Treasury Agencies ..	102	62
XXVIII. Reserve Bank of India: Banking Department since 1935-36	103	63
XXIX. Reserve Bank of India: Banking Department—Weekly Statement of Assets and Liabilities, 1943-44	104-105	63
XXX. Reserve Bank of India: Issue Department—Weekly Statement of Assets and Liabilities, 1943-44	106-107	64
XXXI. Reserve Bank of India: Issue Department since 1935-36	108	64
XXXII. Monthly Statistics of Note Circulation in India and Burma since 1938-39	109	64
XXXIII. Circulation and Absorption of Notes in India and Burma since 1909-10	110	65
XXXIV. Absorption of Small Coin since 1909-10 ..	111	67
XXXV. Absorption of Currency since 1914-15	112	68
XXXVI. Monthly Absorption of Currency, 1943-44 ..	113	68
XXXVII. Encashment of Foreign Circle Notes, 1943-44 ..	113	72
XXXVIII. Circulation of Notes by Denominations since 1913-14	114	75
XXXIX. Whole Rupees coined and issued from the Indian Mints since 1835	115-116	79

INTRODUCTORY

General Features of the Year.—In the year 1943-44 the war production of the Allied Nations reached its maximum and supplies and munitions were steadily amassed for the general offensive action against Germany and Japan planned to take place during 1944. One of the most important successes of the year was the winning of the Battle of the Atlantic, which had a profound effect not only directly on the fighting operations but also on the economic front. The defeat of the German U-Boat campaign resulted in a far larger proportion of the supplies despatched from the United States reaching their destination than was originally estimated. This enabled reserves of munitions and supplies to be built up so rapidly that it was found possible to release a portion of the available raw materials and productive capacity for the manufacture of goods for civilian consumption. The co-operation of the United Nations in the distribution of supplies, and the regulation and control of production facilities were still further expanded by the extension of the scope of agencies such as the Combined Production and Resources Board and the Combined Raw Materials Board. A feature of the year was, however, the great development in mutual aid and lend-lease in reverse. While the supplies of goods and materials by the United States under lend-lease steadily increased, and in 1943 accounted for 14 per cent. of that country's war expenditure, the volume of reverse lend-lease showed a remarkable expansion, as the requirements of the United States forces overseas were met to a growing extent by the countries in which the troops were stationed, or from which they were operating.

The Governments of nearly all countries, whether belligerent or not, were actively engaged throughout the year in attempts to regulate and control the inflationary tendencies which were the result of an almost universal shortage of consumer goods, owing to the deflection of the bulk of the industrial capacity of the world to the manufacture of war requirements, combined in most cases with a marked increase in the money incomes of the people. In belligerent countries, this increase was largely due to general mobilisation and the expansion of industrial activity, and in certain other countries, not directly involved in the war, to the expenditure by the armed forces of the warring nations stationed in them. In the United States, the United Kingdom and the Dominions, the measures to stabilise prices met with a considerable degree of success, although the upward pressure on the price levels was constantly increasing. In India, the rise in the cost of living index which had continued to advance at a rapid pace throughout 1942, was finally checked in June 1943, as a result of extensive Government control measures. In the countries of the Middle East, the inflationary rise in prices continued throughout the year, in part due to the fact that there was little incentive for Governments to absorb excess purchasing power by drastic increases in taxation or by wide scale borrowings owing to the absence of war expenditure. In China, owing to its isolated position and the difficulties of establishing effective controls, anti-inflationary measures were not very successful and there was a further large rise in prices.

The year was noteworthy for the formulation of a number of schemes for post-war reconstruction and development. These not only consisted of plans by national Governments for the development of industries and social services of their own countries, but also of international schemes aiming at the speedy restoration of normal conditions and prosperity throughout the world. The first of the latter schemes to be put into execution was the United Nations Relief and Rehabilitation Administration, which was established after the deliberations of a conference of representatives of the United Nations at Atlanta in November 1943. Under this plan, participating countries undertook to make a contribution of 1 per cent. of their national incomes to a fund whose objectives were to establish the pre-requisites of stability in the liberated countries through relief by way of food, clothing, shelter, medical aid and the restoration of essential services.

Another conference was held in July 1944, at Bretton Woods, New Hampshire, to discuss a plan for the establishment of an International Monetary Fund whose objects are stated to be to promote international monetary co-operation, to facilitate the expansion of trade, and to shorten the periods and lessen the degree of disequilibrium in the international balance of payments. The plan is the joint production of the British and the United States Treasury experts, and has been evolved after long and close discussions and is based on a previously published British scheme for the establishment of a Clearing Union (the Keynes Plan) and an American scheme for a Stabilisation Fund (the White Plan).

2. *Wartime Finances.*—The table on pages 4 and 5 gives figures of revenue, defence and total expenditure and public debt from 1938-39 to 1943-44 in respect of the principal belligerent countries excepting Germany for which figures are not available. War expenditure by Germany during the years 1941-42 and 1942-43 is believed to have been in the neighbourhood of Rm.200,000 million or £14,815 million at the rate of Rm.13½ per £1.

The wartime finances of the various belligerent countries have developed on similar lines. In most cases, about half the Government expenditure is covered by revenue, while taxation receipts have increased at a faster pace than public debt. The enlarged revenues are mainly due to substantial increases in direct taxation, particularly in taxes on income and profits, although latterly with a view to tapping small earnings and mopping up excess purchasing power, increases in indirect taxation have also been effected. The higher rates of taxation on beer and tobacco in the British budget for the year 1943-44 were a notable example of this. During the period comprising the financial years 1939-40 to 1943-44 the receipts from taxes on income and earnings including Excess Profits Tax increased more than four-fold in the United Kingdom, by more than thirteen times in Canada and sixteen times in Australia. In the United States, these receipts increased from \$2,125 million in 1939-40 to \$16,094 million in 1942-43.

In their borrowing programmes, Governments have concentrated on obtaining subscriptions to loans from outside the banking system and on the encouragement of small savings by the issue of Savings Certificates of small denominations with a view to immobilising the excess spending power resulting from the general increase in earnings. In the United Kingdom, savings both large and small amounted to £1,903 million in 1943 against £1,696 million in 1942, and accounted respectively for

37 and 35 per cent. of total wages and salaries in those years. In the United States, the Third War Loan of \$15 billion floated in September 1943 was not open for subscriptions by banks. From 1939 to 1943, public debt in the United States rose nearly five-fold while the increase in the United Kingdom and Canada was more than 100 per cent. The level of public debt in the United States and Canada rose during 1943 above that of national income for the first time. In Germany, public debt had increased by the end of 1943 to Rm.229,860 million from Rm.37,340 million in 1939, the annual rate of increase during these four years being 78.3; 68.2; 50.1 and 37.1 per cent. The proportion of short-term debt to total debt increased from 32.9 per cent. in 1939 to 55.7 per cent. in 1943. The maintenance of a cheap money policy in almost all belligerent countries has tended to lighten the burden of debt to a considerable degree.

By the year 1943-44 the war effort as reflected in defence expenditure of belligerent countries had very nearly attained its peak; in the United States it is expected to reach its maximum in the first six months of 1944, with an estimated annual rate of spending of \$97 billion against an average spending rate of \$90 billion for the full fiscal year 1944-45. With the maximisation of the war effort, defence expenditure appeared to become more or less stabilised, and the rate of expansion in revenue and expenditure decreased. In countries such as the United Kingdom, where the taxable capacity may have been already reached, the budgetary deficits for the year 1944-45 are to be met entirely by borrowings and no new taxes have been introduced.

An idea of the magnitude of the cost of the present war and the financial effort involved can be had from a comparison with the figures for the last war as shown below :—

	Last War 1914-18	Present War		Ratio of 3 to 1
		Total cost up to 1942-43	Total cost up to 1943-44	
		1	2		3	4
United States.. .. .	7,435	26,322	48,282	6.5
Great Britain	9,002	13,286	18,236	2.0
Canada	522	1,745	2,844	5.4
Australia	331	886	1,342	4.1
South Africa	29	231	333	11.5
India	212	371	596	2.8

By 1943 the Allied Nations had spent considerably more than in the years 1914 to 1918. The total cost of the last war has been estimated at £42,840 million of which the British Empire's share was £10,225 million or 23.9 per cent. The war expenditure of the United States alone by the end of June 1944 was greater than the total cost of the last war.

Country.	Years	Total Revenue	Defence Expenditure	Total Expenditure	Percentage Increase in 4	Percentage of 2 to 4	Public Debt (year-end figures)
		1	2	3	4	5	6	7
United States (In millions of \$)	July-June						
	1938-39	5,165 _a	1,206	8,707	—	59.3	40,440
	1939-40	5,387 _a	1,657	8,998	+ 3	59.9	42,968
	1940-41	7,607 _a	6,301	12,711	+ 41	59.8	48,961
	1941-42	12,799 _a	26,011	32,397	+155	39.5	72,422
	1942-43	22,282 _a	72,109	78,189	+141	28.5	136,696
	1943-44	41,200 _a	88,500	96,300	+ 23	42.8	198,000
	1944-45 (Budget)	40,800 _a	88,200	98,000	+ 2	41.6	268,000
		a. Net revenue.					
United Kingdom (In millions of £)	April-March						
	1938-39	927	400 _b	1,068	—	86.8	8,163
	1939-40	1,049	1,141 _b	1,817	+ 70	57.7	8,932
	1940-41	1,408	3,220 _b	3,884	+114	36.3	11,399
	1941-42	2,074	4,085 _b	4,776	+ 23	43.4	14,074
	1942-43	2,820	4,840 _b	5,623	+ 18	50.2	16,856
	1943-44	3,039	4,950 _b	5,790	+ 3	52.4	19,593
	1944-45 (Budget)	3,102	5,000 _b	5,937	+ 2	52.2	—

b. The figures are approximate estimates. 1938-39—Navy, Army, Ordnance and Air votes and Issues out of Defence Loans; 1939-40—Navy, Ordnance and Air votes and Issues out of Defence Loans and vote of credit; 1940-41, 1941-42, 1942-43 and 1943-44 (est.)—votes of credit. The Defence expenditure was entirely met from votes of credit from 1940-41 onwards though small amounts from votes of credit were presumably issued for Civil Services including the self-balancing Post Office Department.

Canada (In millions of Canadian \$)	April-March						
	1938-39	499	34	574	—	86.9	3,638
	1939-40	535	237	808	+ 40	66.4	3,959
	1940-41	857	1,190 _c	1,683	+109	50.9	4,737
	1941-42	1,469	2,467 _c	3,019	+ 79	48.7	6,609
	1942-43	2,161	3,873 _c	4,521	+ 50	47.8	8,893
	1943-44	2,527	4,890	5,501	+ 22	45.9	—
	1944-45 (Budget)	—	—	—	—	—	—

c. Includes \$77.9 million for expansion of industry.

d. Includes \$247.8 million for expansion of industry, and also a revenue of \$36.5 million from the War Supplies Ltd.

e. The 1943-44 estimates are highly tentative. The figures for 'Direct War Expenditure' represent the total Departmental Estimates. The 'Gift' to U.K. is as provided in the War Appropriation (U.K. Financing) Act, 1942.

Country	Years	Total Revenue	Defence Expenditure	Total Expenditure	Percentage Increase in 4	Percentage of 2 to 4	Public Debt (year-end figures)
	1	2	3	4	5	6	7
Australia (In millions of Australian £)	July-June						
	1938-39	95	14	99	—	96.0	1,295
	1939-40	112	55	140	+ 41	80.0	1,341
	1940-41	151	170	256	+ 83	59.0	1,426
	1941-42	210	320	421	+ 64	49.0	—
	1942-43 ^f	267 ^g	562	670 ^g	+ 59	39.9	—
	1943-44 ^f (Budget)	312 ^h	570	715 ^h	+ 25	43.6	—

f. The expenditure does not include supplies from the U.S. on Lend-Lease terms but includes a substantial sum for the provision of supplies, services, etc., to U.S. forces in Australia under "Reciprocal Aid."

g. Excludes £26.43 million and £0.57 million to be applied as grants to States for income-tax reimbursement, and entertainment tax reimbursement respectively.

h. Excludes £32.27 million and £0.77 million to be applied as grants to States for income-tax reimbursement, and entertainment tax reimbursement respectively.

South Africa† (In millions of South African £)	April-March						
	1939-40	45.5	3.80	71.3	—	63.8	291
	1940-41	62.9	60.00	128.2	+ 80	49.1	336
	1941-42	79.5	72.00	131.5	+ 3	60.5	381
	1942-43	94.5	96.00	166.0	+ 26	66.9	420
	1943-44	107.5	102.50	173.5	+ 5	62.0	478
	1944-45 (Budget)	112.2	102.50	180.5	+ 4	62.2	534

† Including expenditure on Capital Account.

India (In millions of Rs.)	April-March						
	1938-39	845	462	852	—	99.2	12,058*
	1939-40	946	495	946	+ 11	100.0	12,039*
	1940-41	1,077	736	1,142	+ 21	94.3	12,477*
	1941-42	1,346	1,039	1,473	+ 29	91.4	12,092*
	1942-43†	1,769	2,671	3,416	+ 132	51.8	13,391*
	1943-44† (Revised)	2,545	3,009	3,852	+ 13	66.1	15,560*
	1944-45† (Budget)	3,085	3,012	3,878	+ 1	79.6	19,882*

* The figures of public debt represent the total interest-bearing obligations. † Including expenditure on Capital Account.

Japan† (In millions of Yen)							
	1938-39	1,814	6,087	8,084	—	22.4	17,837
	1939-40	2,247	6,468	8,953	+ 11	25.1	23,481
	1940-41	3,188	6,764	10,034	+ 12	31.6	30,895
	1941-42	3,868	15,730	20,253	+ 102	19.1	41,677
	1942-43	5,767	18,079	24,311	+ 20	23.7	45,333 (June)
	1943-44	—	—	—	—	—	—
	1944-45	—	—	—	—	—	—

† The figures of total revenue represent tax receipts only, while those of expenditure include expenditure on Capital Account.

3. *Currency Circulation and Wholesale Prices.*—The table on the next page gives comparative indices of note circulation, sight deposits of commercial banks and wholesale prices since the war for certain Empire countries and the United States. The graphs on page 8 indicate the measure of the relative trends in different countries.

A review of monetary and price trends under the prevailing conditions resolves itself into a study of inflationary tendencies, and of the degree of success which the authorities in various countries have achieved in their attempts to counter inflation. The war has been attended by a universal expansion of purchasing power as reflected in the growth of bank deposits, increase in currency circulation and rise in the national price levels. It can be seen that the relation between the volume of notes in circulation plus deposits, and the price level varies from country to country. The trend in bank deposits has been similar to that in note circulation. The fact that in most cases the rise in note circulation and deposits has been faster than that in prices illustrates the danger of a further and continuing pressure on price levels, although, under present conditions, an increase in purchasing power may not exert the same expansionary pressure on the price level as it would under conditions of free economy.

The wartime increase in note circulation has varied between a little more than two-fold in the United Kingdom and more than five-fold in India and Canada, but the increase in deposits and the price level has been most marked in the case of India, the rise being four-fold and three-fold respectively. The movements in price levels in all countries were narrower in 1943-44, and only in the case of India did prices register a decline. The increase in note circulation and deposits inseparable from wartime finance continued during 1943-44 but was generally less rapid than during the previous year. The rate of increase in note circulation was the largest in the United States and India at 37 per cent., and it was least in the United Kingdom at 18 per cent.

4. *United States.*—The chief feature of the United States economy during 1943 was the continued increase in war production involving the conversion of half of the hugely expanded national production to war purposes. According to the Federal Board Indices (1935-39 = 100) the physical volume of total industrial production reached a new high level in December 1943 at 241 as against 223 and 176 respectively at the end of 1942 and 1941; income payments during December 1943 stood at 224.8 as compared with 193.4 and 153.9 at the end of 1942 and 1941. The national income for 1943 is estimated at \$135 billion as against \$117 billion in 1942.

This phenomenal rise in national income created serious problems and the Administration has had to take vigorous steps to prevent inflationary rises in prices and wages. A fair measure of stabilisation has been achieved by means of orders fixing ceiling prices, the introduction of a plan for food subsidies estimated to cost \$100 million, and additional taxation aiming to raise revenue from taxes from \$39 billion in 1942-43 to \$50 billion or half the budgetary expenditure. The Administration has not been wholly successful in the achievement of its aims owing to the opposition of Congress to increased taxation and to the principle of Government subsidies. This resulted in the reduction of the Treasury's taxation bill of October 1943 from \$10.5 billion to \$2.3 billion and in a refusal to vote the full subsidy programme.

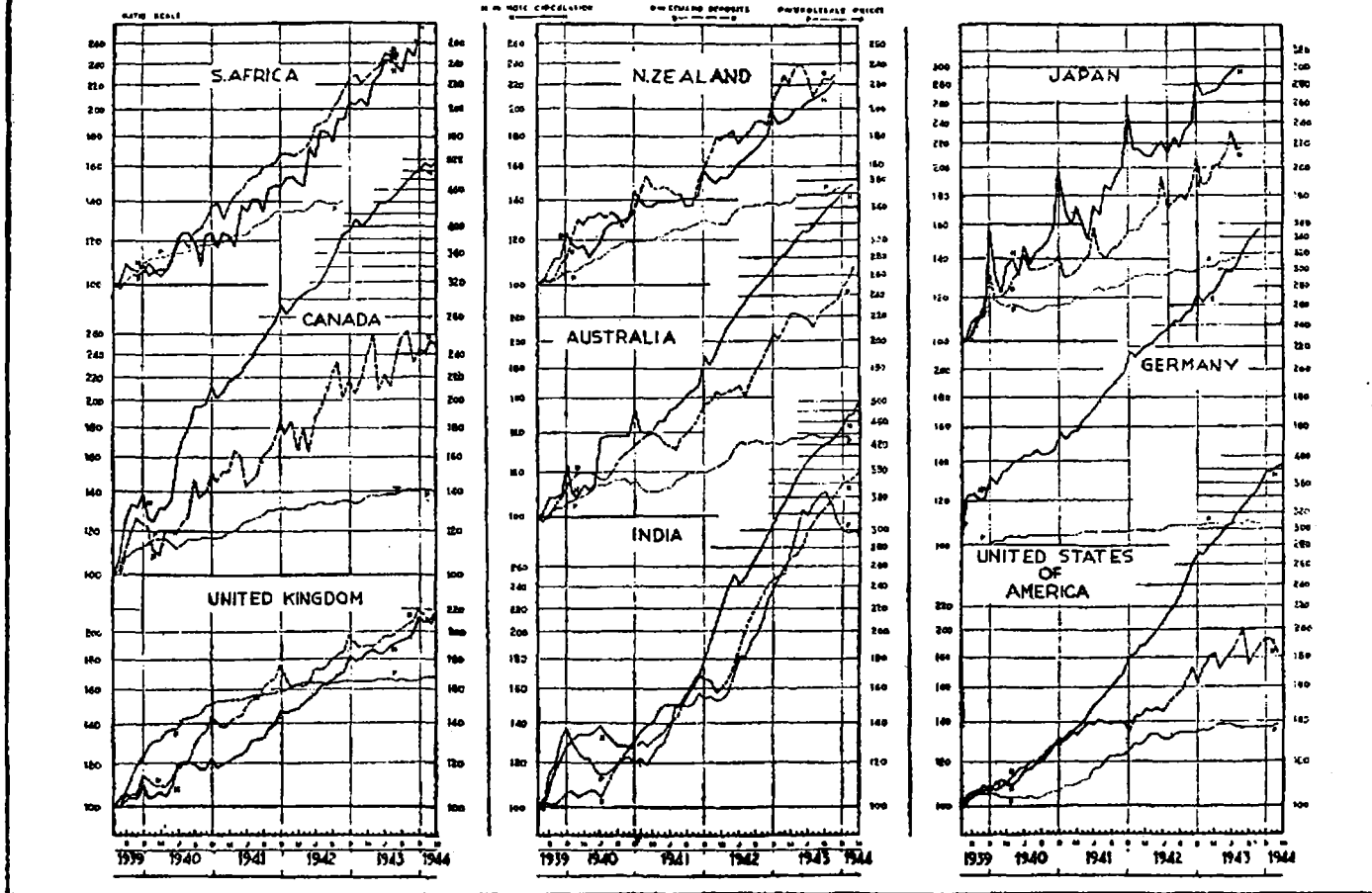
QUARTERLY INDICES OF AVERAGE MONTHLY NOTE CIRCULATION, DEMAND DEPOSITS
AND WHOLESALE PRICES

(July 1939 = 100)

			1939		1942				1943				1944
			III	IV	I	II	III	IV	I	II	III	IV	I
INDIA	{	N	102	122	204	246	273	311	356	405	437	464	505
		D	101	103	167	185	224	253	273	299	335	367	390
		P	103	129	164	169	191	225	258	312	342	316	298
UNITED KINGDOM..	{	N	103	105	147	157	162	173	180	185	191	202	212
		D	101	108	164	166	175	187	189	192	199	211	212
		P	102	119	161	163	163	164	165	166	166	165	167
CANADA	{	N	110	134	290	311	350	396	410	441	468	501	512*
		D	104	122	174	176	207	217	221	230	235	247	248*
		P	103	111	130	131	132	134	134	137	138	141	141*
S. AFRICA ..	{	N	103	106	152	162	181	197	205	225	238	255	253*
		D	100	104	168	178	194	217	226	239	245*	..	..
		P	100	106	133	136	138	139*	..	..	..	..	..
AUSTRALIA ..	{	N	103	113	192	219	241	262	284	307	325	352	371*
		D	100	109	161	166	170	193	213	221	221	233	260*
		P	100	104	122	130	134	134	134	137	137	137	..
UNITED STATES	{	N	102	107	187	200	224	258	277	300	328	360	382
		D	103	107	143	146	154	166	177	179	190	189	189*
		P	102	105	128	131	132	133	136	138	137	137	138*

* Average of two months only. N—Note circulation. D—Demand Deposits. P—Wholesale Prices.

**INDICES OF NOTE CIRCULATION, DEMAND DEPOSITS AND WHOLESALE PRICES
IN CERTAIN COUNTRIES DURING THE WAR. BASE—JULY 1939=100**



In April 1944, the dangers of an inflationary situation developing led the President to issue a 'Hold the Line Order' whereby price ceilings were to be placed on all commodities affecting the cost of living, and the War Labour Board was instructed to authorise no further increases in wages except to correct sub-standards of living. This order sought to "roll back" prices to the level of the 15th September 1942. The United States have, however, been successful in neutralising inflation to a considerable degree by maintaining and in many cases increasing the supply of civilian consumer goods, which has been instrumental in absorbing a portion of surplus purchasing power. As a consequence of this, the standard of living in the country has risen above the pre-war level, in marked contrast to the position in almost every other country in the world at present, whether belligerent or neutral.

The general problems of post-war reconstruction, termination of war contracts, disposal of surplus Government property, demobilisation and re-employment of members of the armed forces are being actively examined. A national Post-War Inter-Departmental Council was created in October 1943 to supervise and co-ordinate research and planning. In June 1943, a new Office of War Mobilisation was established to unify and supervise production programmes and to put the resources of the nation to the maximum use. This Office is also dealing with the immediate re-transfer of factories engaged on munitions production to the manufacture of civilian goods as supplies of different types of munitions reach the maximum required, and is formulating a long-range programme for the gradual reconversion of war industry to the production of goods for post-war markets.

5. *United Kingdom.*—As a result of the measures of stabilisation taken early in the war, the wartime economy of the United Kingdom showed little change from the previous year. It is generally recognised that the policy of denial and control and of bearing the cost of the war up to the maximum possible personal burden while simultaneously cutting down civilian consumption must be continued, if the position is to be maintained. The stabilisation of living costs has involved a larger use of subsidies which amounted in 1943 to £210 million, but the position has been assisted by the greatly increased food production, which in 1943 was 70 per cent. in excess of the pre-war average and now accounts for two-thirds of the nation's food requirements. The use of subsidies to stabilise prices has been extended from food to other essential goods entering into the calculation of the cost of living index, so that the rise in the index has been limited to 28 per cent. over the pre-war level. The pressure on the price level is, however, severe and the Chancellor of the Exchequer uttered a warning in his budget speech that the Government might be compelled to allow the cost of living index to rise to 35 per cent. in order to relieve the pressure on the price level as a whole.

Production of war supplies continued on a high level and the officially compiled index for the first half of 1943 stood at 300 (1940 = 100) as compared to 230 and 115 for similar periods in 1942 and 1941. This large increase was achieved by a further concentration of both consumption and production industry and by the labour policy of the Government with their negotiating machinery to settle wage disputes and their power to direct labour from one industry to another. The degree of mobilisation of manpower was very high; out of a population of 33 million between the ages of 14 and 65, 22.3 million or 68 per cent., including 7.1 million women workers, were

reported to be fully employed in the services or in industry. In the following table are given data which provide an index to the main wartime developments in the United Kingdom :—

	1938	1939	1940	1941	1942	1943
Wholesale prices (1930 = 100) (average of months)	101.4	102.8	136.6	152.6	159.4	162.8
Cost of living (July 1914 = 100) (average of months)	156	158	184	199	200	199
Note circulation (£ million) (average of Wednesdays) ..	485.6	507.3	574.7	652.2	808.3	966.3
Bank deposits (£ million) (average of months)	1,244	1,252	1,487	1,885	2,148	2,455
Clearings (average of working days) (£ million)	133.1	124.3	133.6	144.4	163.3	189.8
Retail sales (average daily sales) (1937 = 100)	102	105	109	105	108	106
Wages (Prof. Bowley's index) (December 1924 = 100) (average of months)	104.3	106.0	117.0	127.5	136.3	143.0
Unemployment (succeeding January figures) (thousands) ..	2,133.8	1,602.6	764.3	195.1	121.0	96.3
Capital floatations (thousands of £)	118,098	66,294	4,096	2,326	3,907	8,583

During the year, increased attention was paid to post-war reconstruction and to the consideration of the altered financial and economic position of the United Kingdom in the future due to the loss of her overseas investments. The Chancellor of the Exchequer emphasised in his budget speech the need for expanded exports to enable the country to pay for the imports of raw materials necessary for active employment, and for sufficient goods to maintain a decent standard of living. To assist in accomplishing these aims, the policy of Government subsidies for food and other vital commodities was to be continued with guarantees of reasonable prices to producers, farmers were to be assisted by long-term loans and reductions in interest rates to enable the present high rate of production to be maintained, special taxation concessions were to be made to shipping concerns and other industries to assist them in covering the cost of new equipment, and new industries were to be developed. A cardinal feature of the future policy of the British Government was the maintenance of the purchasing power of money in order to ensure that the real value of savings did not depreciate. In order to co-ordinate post-war reconstruction plans a Ministry of Reconstruction was established in 1943. In May 1944, Government issued a White Paper announcing that they accepted as one of their primary responsibilities the maintenance of a high level of employment after the war, and, to accomplish this, were prepared to take measures to regulate the volume of purchasing power, to meet the onset of depression by planned spending on public works, and to take concerted action with banks to influence capital expenditure. It was recognised that the success of this policy would be dependent to a considerable degree on the expansion of the country's export trade. During the period under review, the Government also proceeded with its post-war social service schemes for improved education and health services, and formulated plans to meet the acute housing shortage.

6. *Other Empire Countries.*—The war effort in the Dominions, which was still expanding in 1942, reached its peak in 1943, and thereafter a tapering off was noticeable in order to relieve the strain on civilian economy, and to prepare the way for the change-over from wartime to peace-time production. Industrialisation proceeded apace particularly in Canada and Australia, and it is estimated that the progress which has been achieved in the last four years would ordinarily have taken not less than a quarter of a century. Further measures

of an economic and financial nature were found necessary in order to counteract the effect of higher wages and to arrest the upward trend in living costs. These included a larger use of subsidies, a further extension of rationing, the amplification of price control machinery and increased taxation and Government borrowings, particularly out of individual savings. A noteworthy feature in Canada and Australia was the rationing of surplus commodities such as meat and butter to make larger amounts available for export to the United Kingdom.

A still further increase in Canada's production was recorded in 1943, and it is estimated that 55 per cent. of the total national production was devoted to war purposes. Exports, which reflect the magnitude of Canada's war effort, showed a record rise of 31 per cent. during the seven months from April to October 1943. According to the Department of Munitions and Supplies, war contracts and commitments during the four-year period from the 14th July 1939 to the 30th June 1943 totalled \$8,914 million, of which supply programmes for the United Kingdom accounted for \$3,703 million or 41 per cent. To achieve this increased production, further measures for the organisation of labour were taken. Orders were passed for the registration of workers engaged in non-essential industries, and for the transfer of workers from one industry to another. As a result of a new labour code providing for the addition of a cost of living bonus to the basic wage rates, the average earnings of an employee in Canada rose to \$30.97 per week during the year ended August 1943, as against \$28.62 in the previous year. The cost of living index (1935-39=100) in October 1943 stood at 119.3 against 117.8 a year before. The financial position of the farmer has been greatly improved by the war, and the farm income in 1943 has been estimated at 25 per cent. higher than in 1942, when it was the highest in the history of Canada. The farm debt problem, which before the war was acute, has been substantially alleviated. To prevent the deterioration of the position of primary producers, the Government of Canada announced in October 1943 that they would assume responsibility for maintaining a floor for farm prices during the post-war transition period and, with a view to protecting producers from a sudden slump in prices, were entering into an agreement for the sale of farm products to the United Kingdom after the war.

In Australia, both primary and secondary production rose to a still higher level in 1943. With the removal of the threat of invasion, the necessity for Australia to maintain such a high proportion of its manpower in its armed forces decreased. During the course of the year, 90,000 men were diverted from the army for the purpose of increasing food production to supply the requirements of the growing Allied forces in Australia. The Government also appointed special Commissions to enquire into problems such as social security, the development of industry, housing and agriculture, and to provide the necessary data for post-war planning.

In South Africa, the year witnessed a large improvement in and extension of the system of controls, over both supplies of commodities and prices, which up to that time had not been satisfactory. There was increasing industrialisation, and the expansion of the textile industry and of the manufacture of agricultural implements was marked. The country continued to have a favourable balance of payments and the acquisition of gold and foreign exchange by the South African Reserve Bank amounted to £69.4 million in 1943 as against £68.5 million in 1942 and £32 million in 1941. Sterling stocks of the Union Government to the value of £39.5 million were repatriated in 1943. The Industrial and Agricultural Requirements Commis-

sion appointed to enquire into long-term policy has issued a report recommending increased industrialisation to absorb those who cannot make a living from farming and to counterbalance the inevitable decline in gold mining predicted to commence within two years. The Commission also stressed the need for reducing the high cost of manufacture by rationalisation and the increased use of native labour.

7. *Middle Eastern Countries.*—A considerable degree of inflation has occurred in all countries in the Middle East, due to an extreme shortage of consumer goods combined in most cases with heavy Allied expenditure and an absence of effective control machinery. In addition, defence expenditure in these countries has been of small proportions, and there has, consequently, been no apparent necessity for increasing taxation or Government borrowings which might have had the effect of absorbing some of the extra money disbursed. In September 1942, an anti-inflation Conference was held in Cairo under the auspices of the British and American authorities, which led to the establishment of a standing committee for the co-ordination of measures for the preservation of civilian economy in the Middle Eastern countries. As the Allied expenditure in the Middle East has now passed its peak and a downward adjustment of prices has become more practicable, it was decided to hold a further anti-inflation Conference. This took place in Cairo in April 1944 and was attended by the representatives of eleven Middle Eastern countries. The Conference recommended, among other measures, supplementary taxation the proceeds of which were to be retained as a reserve for post-war needs, and the encouragement of the production of consumer goods by subsidies, if necessary, the cost of which would be met out of new taxes. The British and American Governments also gave assistance by arranging to meet a part of their expenditure in Egypt and Iran with gold, which was offered for sale in Cairo and Teheran as a means of absorbing idle and surplus funds.

8. *Germany.*—During the year under review the economy of the German Reich was subjected to further changes with a view to maintaining productive activity at the same level as in the previous year in order to make up for the reduction in supplies due to the loss of occupied territories and to meet the interference to industrial production caused by frequent bombing attacks. To accomplish this, industry was placed under the complete technocratic control of the Minister of Weapons and War Production. This control was exercised through special committees known as Speer Committees named after the Minister, which operated through highly mobile bodies of engineers and specialised working gangs, who were able to take over and operate whole factories with a view to rectifying breakdowns, preventing waste and removing inefficient management. Production was still further concentrated in the more efficient units. This system was extended from purely war plants to all manufacturing industries, with the result that the distinction between armament and civilian work practically disappeared. Germany's shortage of man-power is indicated by the fact that nearly seven million foreigners are now employed in industry and agriculture and they form 40 per cent. of the total number of workers. Of the Germans employed, 40 to 50 per cent. consist of women. Decrees have lately been issued mobilising women and children between the ages of 10 to 16 for work in war factories.

Stability of wages and prices was maintained to a considerable degree with the exception of certain sections of retail prices. By August 1943, after four years of war, the indices of wholesale prices, cost of living and share prices had increased by 8.6 per cent., 9.5 per cent. and 55.3 per cent. respectively. Despite stringent control over the working of bourses, which included the fixing of maximum prices for shares

and industrial debentures, a large rise in the index of share prices occurred and this may be regarded as a clearer indication of economic trends in Germany than the wholesale price index which is more or less fictitious and the cost of living index which reflects only the prices of rationed and controlled commodities. The stabilisation has been achieved to a considerable degree at the expense of occupied and satellite territories, the exactions from which in the form of occupation costs and balances on clearing account during the past four and a half years have been estimated at £5,800 million (£1=Rm.13½) and these are expected to increase further at the rate of £1,700 million a year. In spite of the extended increase of internal control and these gigantic levies, Germany's wartime finances are now showing signs of strain. This is illustrated by the lower rate of increase in small savings which in 1943 are not believed to have reached the level of 1942, by the fact that more than half the total of Government expenditure is met by borrowing as the taxable capacity of the country appears to have been reached and by the rise in the note circulation, which in the fourth year of the war showed an increase of 33 per cent. over the previous year rising from Rm.21.81 million to Rm.29.03 million at the end of August 1943. In 1939 the note circulation amounted to Rm.10.01 million.

9. *Japan.*—With the war approaching an acute stage, the Japanese Government have called upon the nation for a more intensified war effort, and measures were taken to convert the "whole country into one gigantic arsenal". Legislation was passed to bring about a concentration and mobilisation of industry necessary for increased production at a cost of 3,800 million yen. Further amalgamation of shipping and banking concerns and railways also took place, and the degree of Government control and supervision of the economic life of the country increased. Evidence is available of increasing financial and economic strain in the country. The standard of living has, it is estimated, gone down by 40 per cent. while prices have risen rapidly and extensively. The budget for 1944-45 envisages a large increase in taxation most of which is to be in the form of direct taxation.

Japan's attempts to develop her so-called 'co-prosperity sphere' have not been attended with the success she had hoped for, mainly due to a shortage of shipping which has been intensified by the successful naval and air operations of the Allied Nations. The new Japanese Empire covers an area of nearly three million square miles and forms one of the richest regions in vegetable and mineral products in the world, with an abundance of labour. The Japanese Government have attempted to confine this area to the production of food and other agricultural raw materials needed by Japan, following the expressed policy of Germany in occupied Europe, but have been forced by war needs like the latter country, to encourage the growth of local manufacturing industries to a certain extent. The offices of the European banks in the occupied territories have been liquidated and branches of Japanese banks established in their place with the object of harnessing the financial resources of these countries to those of Japan. In addition, their currencies have been devalued in most cases to a parity with yen. Far-reaching changes have occurred in the economic life of all these territories as no exchange of their normal products of rubber, tea, kapok and sugar with the outside world is now possible. The substitution for these, of commodities which Japan requires, such as rice, cotton and jute, is taking place. The planting of cotton is being encouraged in all territories particularly in the Philippines while the cultivation of jute is being fostered in French Indo-China.

10. *Burma.*—The severe economic distress through which Burma was passing in 1942 continued during the year under review. The conscription of agricultural workers into cooly gangs and the commandeering of cattle and crops have led to the neglect of the land, and the bulk of the paddy fields of Upper Burma has not been cultivated for two seasons. As a consequence almost famine conditions prevailed in Upper Burma, which usually has a large surplus of rice, as, owing to the interruption of the transport system, the surplus rice could not be transferred from Lower Burma. The Japanese are still encouraging the growth of cotton in Lower Burma, although it is stated that they have not met with much success.

The evacuated Government of Burma have been mainly concerned with plans for the reconstruction of Burma after the ejection of the Japanese. A Burma-India Conference was held in February 1944 to discuss the future policy in respect of Indian immigration, rights of citizenship, compensation for war losses and facilities for trading.

11. *India.*—The development of India as a main base for the offensive operations of the Allied forces against Japan, particularly following the establishment of the South East Asia Command in 1943, has led to this country being called upon increasingly to draw on her resources of manpower and materials for war purposes. The progressively mounting defence expenditure and the steady increase in disbursements on behalf of the Allied countries on account of supplies and services are indications of the magnitude of India's war effort and the strain on her financial and physical resources. These disbursements include both the war expenditure recoverable from His Majesty's Government under the Financial Settlement of November 1939 and the cost of supplies to the forces of the United States under reverse lend-lease. Government outlay both on revenue and capital accounts in the four years 1940-41 to 1943-44, amounted to Rs.1,712 crores, of which the amount recoverable from His Majesty's Government totalled Rs. 966 crores. The production of munitions was maintained at a high level throughout the year, and attempts were made to step up the output of essential supplies not only to meet the still growing demands for war purposes but also to make supplies available on an increased scale for civilian requirements. Under the stimulus of the war, employment and wages both industrial and agricultural continued to increase. The table on page 15 and the graphs on pages 16 and 17 indicate the main trends in the economic and financial developments in the country since the outbreak of the war.

The most serious problem affecting the country during the year was that of food and on its successful solution depended the stabilisation of the cost of living and the maintenance of the country's production at its present high level. From about August 1943 until the end of December, serious shortages of food were experienced in many of the deficit areas particularly in Bengal, Bihar, Travancore, Cochin and Malabar. In Bengal, famine conditions prevailed for some months. The food shortage, although mainly due to an over-all deficiency of food grains in the country, was greatly aggravated by difficulties in distribution, owing to pressure on the internal transportation system of the country and by hoarding. The general food situation became such that the Central Government were forced to take over a large measure of direction and control from the provincial authorities. The immediate difficulties in Bengal were met by large exports of food grains from surplus provinces, imports from overseas and the organized distribution of supplies within the province with the aid of the military authorities. In addition, the Central Government took over the responsibility of feeding the greater Calcutta area with

	1939-40		1941-42				1942-43				1943-44			
	II	I	II	III	IV	I	II	III	IV	I	II	III	IV	
I. PRICE INDICES (Quarter-end figures)														
1. All primary commodities	111.9	126.0	135.9	137.3	140.0	156.3	163.3	177.0	218.0	238.8	237.5	232.2	231.8	
2. Manufactured articles	116.5	146.7	167.3	163.8	165.2	167.4	182.3	222.2	227.9	263.5	252.3	251.0	259.8	
3. General Index	112.9	130.2	142.2	140.8	145.6	168.6	187.3	186.0	220.1	244.0	240.6	236.3	237.8	
4. Bombay cost of living	106	122	129	129	137	152	170	188	208	235	245	247	225	
5. Exports	61	68	87	92	99	95	99	111	120	129	132	126	124	
6. Imports	66	96	107	108	117	180	132	120	185	187	136	150	188	
7. Fixed yield Government Securities	103.8	117.6	118.0	116.2	109.8	113.1	116.1	116.2	116.1	116.1	117.3	117.6	117.7	
8. Preference shares	127.8	157.3	163.2	155.8	131.2	137.0	147.7	153.5	157.1	160.2	164.1	165.7	171.6	
9. Variable yield securities	111.4	123.2	136.2	132.1	119.6	124.3	136.3	143.7	162.8	174.8	176.8	186.8	195.3	
10. Bullion :—														
(a) Gold (Bombay spot)	110.7	113.9	113.4	126.7	139.8	137.0	155.3	178.2	191.9	222.4	203.4	191.3	198.3	
(b) Silver	123.3	130.4	129.6	143.9	176.6	175.1	186.7	1207.9	230.3	254.4	255.7	240.9	277.1	
II. FINANCIAL STATISTICS (In crores of rupees)														
1. Scheduled Banks*														
(a) Demand Deposits	133.1	176.8	195.4	216.1	219.0	243.2	293.2	330.8	357.9	390.9	438.7	482.4	512.6	
(b) Time Deposits	101.6	102.1	103.6	100.6	108.8	95.8	93.0	105.6	117.4	120.2	134.9	143.9	163.9	
(c) Cash and Balance with the Reserve Bank	28.4	36.1	46.2	53.4	48.0	60.0	75.8	74.3	64.5	66.2	81.4	100.9	87.0	
2. Cheque clearings (Total)	490.6	615.8	662.9	**728.1	679.5	570.2	591.5	740.0	905.0	989.6	1019.6	1036.4	1238.0	
3. Notes in circulation, excluding Burma notes (Quarter-end)	192.8	258.6	287.6	314.5	381.7	443.2	492.0	570.4	643.6	723.4	759.7	840.3	882.5	
4. Absorption (+) or Return (—) of Notes and Rupees	+12.7	+17.4	+ 6.6	+54.5	+81.1	‡+63.4	+51.2	+100.3	+92.3	+39.1	+37.7	+38.1	+47.1	
5. Sterling Holdings of Reserve Bank (Quarter-end)	76.1	155.9	189.2	274.8	248.1	322.6	416.1	475.8	509.1	641.7	750.0	855.4	946.1	
6. Tax Revenue (April to Quarter-end)	34.3	19.3	39.1	64.1	103.3	18.5	42.9	77.3	134.5	28.9	66.3	112.4	199.2	
7. Defence Expenditure (April to Quarter-end)	21.0	20.6	41.4	67.9	103.9	34.6	64.5	138.3	214.6	48.0	104.1	183.3	262.6	
8. Rupee debt of Government of India :—														
(a) Rupee loans (Quarter-end)	427.7	558.0	577.9	596.5	614.5	620.4	636.9	667.2	751.5	783.7	856.3	905.6	1002.6	
(b) Treasury bills outstanding (Quarter-end)	59.8	112.4	79.3	49.8	137.0	166.3	194.2	189.1	204.7	240.1	162.3	112.8	110.6	

Sources :—

* Average of weekly figures (excluding Burma).

I. Items 1 to 3 and 5 to 9. Economic Adviser to the Government of India.

I. Item 4. Bombay Labour Gazette.

† Based on closing quotations of the 10th September.

Base :—

‡ Excluding Burma from April 1942.

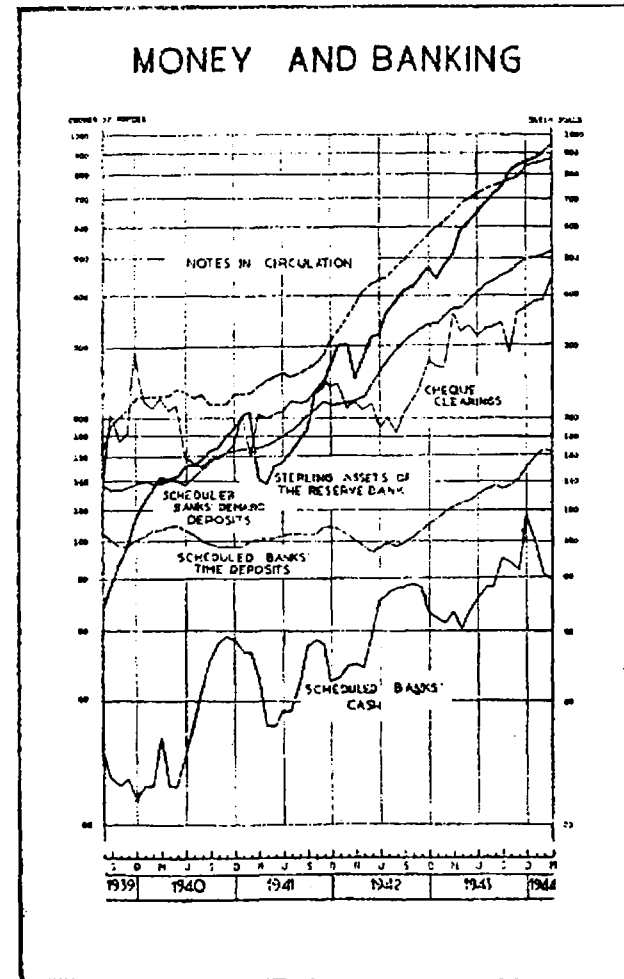
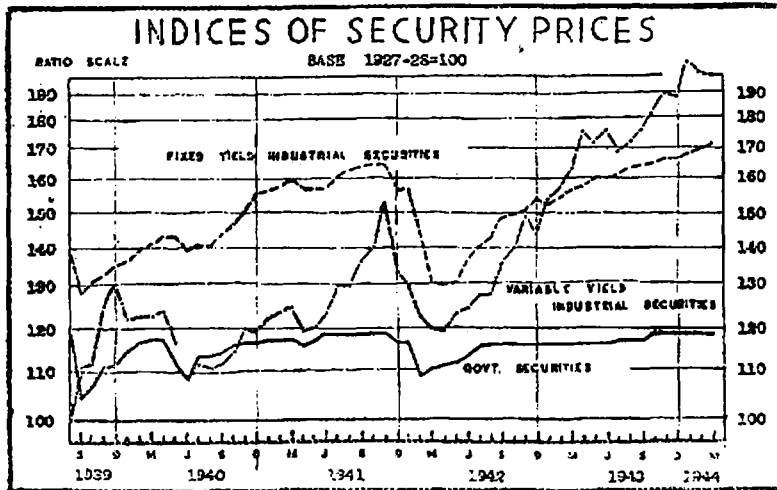
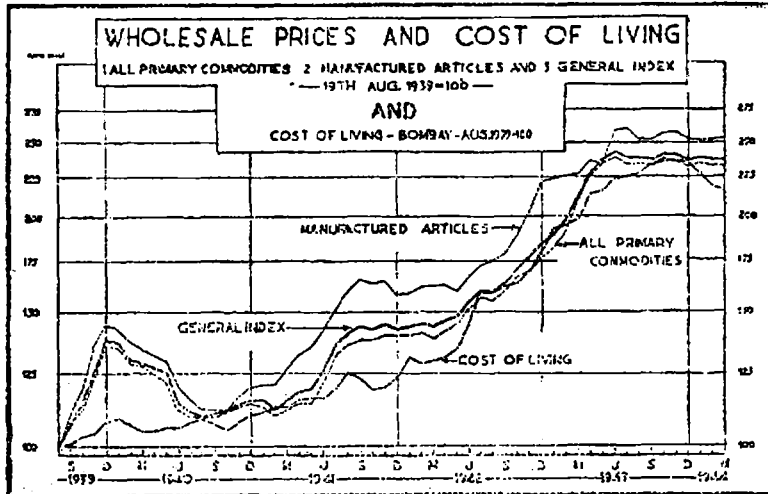
I. Items 1 to 3: Week ended 19th August 1939=100.

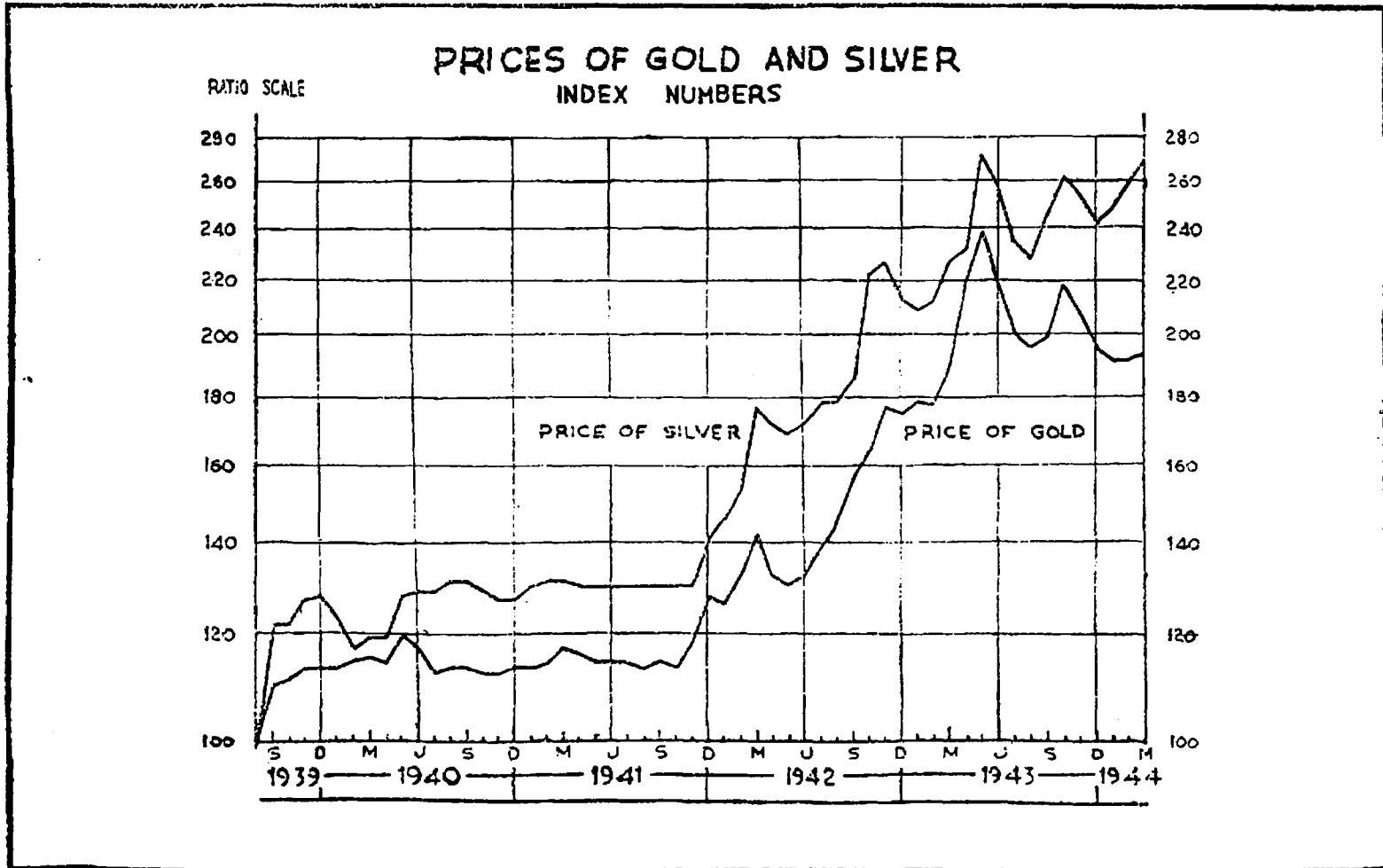
I. Item 4: July 1933—June 1934=100.

I. Items 5 to 9: 1927-28=100.

** Excluding Burma from December 1941.

I. Item 10: June—August 1939=100.





food grains obtained from outside Bengal. The long-range policy of the Central Government for dealing with the food situation was based on the recommendations of the Food Grains Policy Committee which made its report in September 1943. The main features of this policy were the institution of statutory price control over the major food grains, first on a provincial and then on a regional basis; secondly, the introduction of civilian rationing in all towns with a population of over 75,000 whether situated in deficit or surplus provinces; thirdly, the procurement of food grains direct from the growers by Provincial Governments; and lastly, the adoption of a vigorous policy for increasing the area of land under food crops. In addition, the export of food stuffs, with the exception of small quantities for specific purposes such as supplies of rice to Ceylon, was stopped and every effort was made to obtain imports of grain from overseas both to meet immediate deficits and to build up a central food reserve. As one of the reasons for local shortages of food grains was hoarding by growers, attempts were made to increase the supply of consumer goods in agricultural districts, as an inducement to cultivators to sell their stocks. The scheme for the procurement of food crops on a voluntary basis was not found to work satisfactorily, nor were the attempts of Provincial Governments to persuade cultivators to change over from cash crops such as short staple cotton to the growing of food, very successful. As a result of their experience in 1943 the Provincial Government in Bombay, which is a deficit province, introduced a scheme for procuring on a compulsory basis a specified portion of all food grains produced, and in addition, enacted legislation to compel cultivators to devote a prescribed percentage of the acreage planted to food crops.

By the end of 1942-43 the cumulative effects of the wartime expansion of currency, the rise in the money income of a large portion of the community together with the reduction in the supply of consumer goods, had, in the absence of an adequate system of controls on distribution and prices and of machinery to absorb excess purchasing power, resulted in a large increase in living costs and price levels. This was further aggravated by the hoarding of essential commodities on a large scale, profiteering and speculation. In order to deal with this situation, a series of control measures were instituted during the year with the object of regulating the distribution and prices of essential goods, increasing production and checking speculation. In addition, sustained efforts were made to reduce purchasing power by attracting idle money into Government loans and by the institution of savings campaigns. Further measures were taken to speed up the assessment and collection of taxes, and in the 1944-45 budget, measures were introduced for the payment of Income and Excess Profits Tax at quarterly, instead of yearly, intervals. In addition, from August 1943 onwards the Reserve Bank commenced selling gold in order to absorb surplus funds.

Apart from the measures taken for the production and distribution of food, the most important of the control orders issued by Government was the Cotton Cloth and Yarn (Control) Order 1943 based on an agreement that was reached between the Government of India and the representatives of the textile industry. Its objects were to reduce prices and stimulate production by controlling the cost and supply of mill stores and by regulating the price of raw cotton, and to make available to consumers larger supplies of cloth by compelling dealers to sell hoarded stocks and by superintending the distribution of cloth from the mills to the retailers. Wholesale and retail prices for cloth were fixed and mills were only permitted to sell to dealers who held licences from the Textile Controller. It is claimed that these measures

have been successful in reducing prices by 30 to 40 per cent. and also in increasing supplies to consumers. In October 1943, a Hoarding and Profiteering Prevention Ordinance was issued penalising hoarding and profiteering, and prices were fixed for a large range of consumer goods during the course of the year. At the same time measures were taken to increase supplies by encouraging local manufacture, releasing a part of the output of factories entirely engaged on supplying military requirements and by a more liberal issue of import licences. Although these measures were not completely successful in reducing prices, they checked the rise in the general price level which has remained stabilised since June 1943. The greater measure of control exercised over the production, distribution and price levels of consumer goods during the year has also proved to be of material assistance in bringing food supplies on to the market.

In March 1943, a Reconstruction Committee of the Viceroy's Executive Council was set up with a number of Official and Policy Committees to deal with various post-war problems, and an announcement was made in June 1944 of the creation of a special Department of Planning and Development under the separate charge of a Member of the Viceroy's Executive Council. The duties of the Reconstruction Committee were to decide the general order of priority in which reconstruction schemes were to be undertaken, and to co-ordinate the activities of the various Official and Policy Committees. As a preliminary measure, the Central Government have been making enquiries from industrial and commercial associations as well as Provincial and State Governments as to their requirements of plant and machinery to enable the Government to form an estimate of the country's post-war needs. Further, post-war schemes, which took shape during the year and are under the consideration of Government, are a twenty-year programme for building roads at an estimated cost of Rs. 450 crores; a five-year plan for the development of civil aviation and a forty-year scheme for educational development. A scheme for the improvement of public health is under examination. The large sterling balances which have accrued as a result of the expenditure on behalf of Allied Governments in India during the war and India's favourable balance of trade should facilitate the purchase of capital goods, while His Majesty's Government have agreed to set aside each year, from 1944-45 onwards, a part of the U.S. dollars accruing from the excess of India's exports to over imports from the United States. These dollars are being earmarked for post-war capital expenditure outside the sterling area.

II. PRICES AND TRADE

12. *Price Trends in India and certain other Countries.*—It is difficult to review the international and national trends in prices and costs as comparisons of price levels between one country and another, and between the different constituents of the price index of the same country, are often of doubtful value owing to Governmental controls and restrictions imposed to meet the abnormal conditions arising out of the war, and the artificial basis on which certain official price indices are at present calculated. The varying degree of pressure of wartime inflationary forces on different national price structures, the measure of success attending attempts at domestic stabilisation by the regulation of living costs, the incidence of the volume of Allied expenditure and purchases, and, in enemy occupied territories and satellite countries, the ruthlessness with which local resources have been exploited, are all factors which have influenced and caused the present diversity in national price levels.

This diversity provides an index to the impact of the war on different national economies and is a warning of the complexity of post-war problems, which will arise when local prices have to be adjusted to a competitive level to permit the free flow of international trade.

In the United Kingdom the efforts of the Government to hold down the cost of living by means of subsidies, price controls and rationing have achieved a marked degree of success and as a consequence it has been possible to check the rise in industrial costs and wages and also to maintain a comparative stabilisation in the wholesale price level. Official policy has been largely concentrated on stabilising the price level of essential goods, that is, those entering into the composition of the cost of living index; it commenced with a control over foodstuffs, and was progressively extended to cover other commodities in common use. The cost of living index number was stabilised between 121 and 123 during the period March 1941 to March 1944, and the wholesale price index during the same period moved narrowly between 132 and 144 (*vide* Statement I). In the United States, where the inflationary impact has been relatively severe, a larger measure of price stability was in evidence during the year under review, following the Administration's "Hold the Line" programme. The cost of living index which rose to 100 in March 1943 as against 93 in March 1942 and 86 in March 1941 was held between 101 and 102 during the year under review; the wholesale prices also followed a similar trend ranging between 108 and 109 as against a steady rise from 102 in March 1942 to 108 in March 1943. In Canada, while the cost of living would appear to have been stabilised, the wholesale price level showed an upward tendency. The apparent fixity of German official price indices may to a large extent be attributed to their successful technique in exploiting occupied territories through currency manipulations and direct drafts of raw materials and commodities. In the case of Japan, however, prices and costs continued to move up despite the country's attempts to follow closely German methods of control of home economy and exploitation of conquered territories. At the other end of the scale and in sharp contrast to the principal belligerent nations stand the countries of the Middle East, where price levels have risen three to six times. The index number of wholesale prices (January to June 1939 = 100) had by the end of August 1943 risen to 655 in Turkey, 457 in Iran, 326 in Palestine and 271 in Egypt. In China, where inflation has occurred in a most virulent form, the cost of living index number had risen by 157 times above the 1937 level by March 1943 and by as much as 571 times by March 1944. Amongst the Latin American countries the wholesale price level by the end of September 1943 had increased by 97 per cent. in Argentina and by 100 per cent. in Chile and by 107 per cent. in Peru.

In India, the magnitude of whose war effort is represented by its rising budgetary expenditure and by an even larger volume of expenditure on behalf of the Allies, the price structure had shown a steep rise following the outbreak of war with Japan in December 1941. The disruption of the national economy, which was threatened by runaway prices, was countered by resolute measures of physical and financial controls with the object of restoring the price level to a wartime 'norm.' The Calcutta index of wholesale prices reveals that the rise was arrested by about the middle of the year under review and as Statement I shows, there has been since then a decline of 37 points from 248 in September 1943 to 211 in March 1944 (1929 = 100). Statement II shows the Economic Adviser's index number of wholesale prices (week-ended 19th August 1939 = 100), which is calculated on a wider and more

scientific basis. It shows a similar trend, the index number rising to the record level of 241.7 in June 1943, and tending to move downward and fluctuating narrowly between 240.8 and 235.7 during the rest of the year. Similar trends are noticeable in the price levels of 'Primary Commodities'. 'Food and Tobacco' and 'Other Agricultural Commodities' rose to peaks of 303 and 253 respectively in October and May 1943 and then receded to 284 and 200 at the end of March 1944. The declines were chiefly due to Government's measures for the regulation of food prices and for the control of trading in futures in commodities such as oil-seeds, copra and spices. Industrial 'Raw Materials' despite the declining trends in raw cotton and jute, steadily appreciated, reflecting shortages of supplies and transport; their index number registered almost a continuous advance from 172 in March 1943 to 197 in March 1944. The recession in the prices of manufactured articles during the latter part of the year after they had reached their peak in July, was caused by the various stabilisation measures introduced under *ad hoc* control orders and the comprehensive Hoarding and Profiteering Prevention Ordinance intended to regulate the production and distribution of commodities in common use, as well as the incidence of releases of larger supplies of goods for civilian consumption and increased imports of essential commodities such as drugs, foot-wear and iron and steel goods. The price level of jute manufactures, for which there was a steady demand, remained on the upward grade almost throughout the year and averaged higher at 248.8 in 1943-44 as against 184.5 in 1942-43. On the other hand, cotton manufactures after reaching their peak at 513 in June 1943 declined by 26 per cent. to 381 in December 1943 and continued the downward trend mainly as a result of the measures taken under the Cotton Cloth and Yarn (Control) Order.

13. *Trends in International Trade.*—The direction and composition of world trade on private account continued to be determined mainly by the exigencies of the war, but the quantum has declined from pre-war levels owing to handicaps in the form of shortage of transport, and of blockades and counter-blockades instituted by the belligerents. As was observed last year, following the demarcation of the world according to political alignments, global trade has been replaced by more or less closely knit trade groups, while the composition of international commerce continues to be influenced by the strategic requirements of the belligerent powers. The favourable developments in the progress of the war during the year under review led to a marked improvement in the trading opportunities of the Allied nations, by enabling them to reopen shorter and more direct routes between important regions. The increasing demands on shipping to supply the invasion armies, however, limited the expansion of trade on private account. On the other hand, commercial transactions between the two Axis powers were rendered more difficult by a more extensive and effective naval blockade. Both Germany and Japan have experienced growing difficulties in their commercial dealings with occupied countries. The President of the German Reichbank admitted that a vicious circle was being formed, as the uncompensated exports from the occupied countries to Germany paid for by credits to clearing account, were the direct cause of local inflation, with the result that prices of these exports rose steadily and the favourable balances on clearing account tended to increase at a still faster pace. As regards Japan, although the control, extended over the subjugated countries, closely follows the German pattern, difficulties have arisen because of the growing lack of transport, particularly shipping, and inability to absorb, on the one hand, the full volume of many of the natural products of the occupied territories, and, on the other, to supply even their most essential require-

ments. Japan has not been in a position either to utilise or dispose of the huge quantities of rubber produced in South East Asia while warehouses in Lower Burma continued to be glutted with the country's rice surplus.

With the war about to reach its final stages the United and Associated Nations are formulating plans to secure freedom of commercial intercourse between countries in the post-war world. The economic and financial consequences of the policies adopted after the last war and the fatally progressive restrictions to which world commerce was subjected under economic nationalism in the thirties, have clearly indicated the necessity for international agreement and the adherence of countries to a common policy, if a free flow of goods between nations is to be achieved. These aims are sought to be accomplished by the establishment of international organisations, whereby the resources of member nations may be made available to assist one another, to maintain exchange stability without the necessity of imposing restrictions on trade, and to provide financial aid for backward and undeveloped countries in obtaining their capital requirements. In addition, international agreements are being made to secure fair prices for and equitable distribution of commodities in universal demand such as oil and rubber and for the allocation and regulation of shipping routes and air services. It has now been recognised that freedom of international trade is not inconsistent with the maintenance of a policy of full employment in all countries, although in the transitional period from war to peace a measure of trade and exchange control may be found necessary to facilitate the switchover of labour and plant from military to civilian employment. With the progressive industrialisation of hitherto under-developed countries such as India, China and the South American Republics, a far reaching transformation in the composition of world trade must ensue, as the traditional exchange of manufactures against primary products declines and is replaced by an interchange of specialised products.

14. *India's Balance of Trade in Merchandise (private).*—The total value of India's foreign sea-borne trade during the year under review aggregated Rs.329.02 crores as against Rs.305.15 crores in the previous year and against the record level of Rs.426.21 crores in 1941-42. As Statement III shows, the balance of trade in merchandise rose by 8.4 per cent. from Rs.84.25 crores in 1942-43 to Rs.91.32 crores in 1943-44. The recession in the value of India's foreign trade, which set in in 1942-43 despite a continued rise in the prices of both imports and exports, was arrested by the middle of the year under review. Both imports and exports showed an improvement in the second half of the year rising respectively to Rs.66.73 crores and Rs.113.54 crores, the relative figures for the first half of the year being Rs.52.12 crores and Rs. 96.63 crores and for the second half of the previous year Rs.53.67 crores and Rs. 97.71 crores.

15. *Quantum and Prices.*—Comparative indices for the quantum and price level of imports and exports in respect of the last three years are given below :—

		(Original base 1927-28 = 100 shifted to 1938-39 = 100)		
		1941-42	1942-43	1943-44
IMPORTS				
Quantum		74.2	37.6	39.9
Increase or decrease per cent.		- 8.7	-49.3	+ 6.1
Price level		153.4	192.9	195.5
Increase or decrease per cent.		+21.1	+25.7	+ 1.3
EXPORTS				
Quantum		93.7	62.4	53.8
Increase or decrease per cent.		+ 6.4	-33.3	-13.8
Price level		155.9	184.6	227.4
Increase or decrease per cent.		+19.6	+18.4	+23.2

As the price level of imports remained practically unaltered, the rise in the value of imports was accompanied by an increase of 6.1 per cent. in their quantum, which had been showing a continuous decline since 1940-41. On the other hand, in respect of exports, the quantum further declined by 13.8 per cent. and was about half of the 1938-39 level. Export prices with a maximum wartime increase of 23.2 per cent. rose to more than two and a quarter times the pre-war level.

16. *Direction of Trade.*—The following table shows the more important changes in the direction of India's trade and the balance of trade with important countries and groups for the three years 1941-42 to 1943-44 and compares them with the pre-war year 1938-39 :—

(In lakhs of rupees)

	1938-39			1941-42			1942-43			1943-44		
	Imports	Exports (excluding re-exports)	Balance (excl. re- exports)	Imports	Exports (excluding re-exports)	Balance (excl. re- exports)	Imports	Exports (excluding re-exports)	Balance (excl. re- exports)	Imports	Exports (excluding re-exports)	Balance (excl. re- exports)
I. British Empire.												
1. United Kingdom	46.49	55.61	+ 9.02	36.59	76.85	+40.26	29.56	57.32	+27.76	29.80	60.19	+30.39
Percentage ..	30.5	34.1	..	21.1	32.3	..	26.8	30.5	..	25.1	30.2	..
2. Burma ..	24.35	10.03	- 14.32	29.47	11.74	-17.73	1.44	..	- 1.44	2	..	- .. 2
3. Ceylon ..	1.18	5.09	+ 3.91	3.41	9.76	+ 6.35	4.37	14.43	+10.06	3.51	14.36	+10.85
4. Australia ..	2.41	2.97	+ 50	4.95	12.32	+ 7.37	3.22	16.08	+12.86	4.92	13.31	+ 8.39
5. Canada ..	91	2.14	+ 1.23	6.73	6.47	- 26	5.53	3.78	- 1.75	2.52	4.93	+ 2.41
6. South Africa ..	35	1.49	+ 1.14	1.24	5.88	+ 4.64	2.25	10.51	+ 8.26	2.59	9.90	+ 7.31
7. Other countries.	12.87	8.14	- 4.73	23.24	25.93	+ 2.69	14.89	23.69	+ 8.80	13.65	25.82	+12.17
Total British Empire ..	88.56	85.37	- 3.19	1,05.63	1,48.95	+43.32	61.26	1,25.81	+64.55	57.01	1,28.51	+71.50
Percentage to Total Trade ..	58.1	52.4	..	61.0	62.7	..	55.5	67.1	..	48.0	64.6	..
II. Foreign Countries.												
1. United States ..	9.78	13.88	+ 4.10	34.61	46.59	+ 11.98	19.12	27.80	+ 8.68	18.39	40.28	+21.89
Percentage ..	6.4	8.5	..	20.0	19.5	..	17.3	14.8	..	15.5	20.2	..
2. Japan ..	15.41	14.69	- 32	11.78	4.59	- 7.19	3	..	- 3	..	..	..
3. Egypt ..	2.19	1.23	- 96	4.69	5.98	+ 1.29	8.12	3.68	- 4.44	11.19	2.98	- 8.21
4. Iran ..	3.49	78	- 2.71	6.04	1.34	- 4.70	17.75	4.27	-13.48	27.56	1.72	-25.84
5. Other Foreign Countries ..	36.39	47.72	+ 11.33	16.56	31.47	+ 14.91	4.17	26.07	+21.90	4.70	25.71	+21.01
Total Foreign Countries ..	63.77	77.42	+ 13.65	67.64	88.63	+ 20.99	49.19	61.82	+12.63	61.84	70.69	+ 8.85
Total Trade ..	1,52.33	1,62.79	+ 10.46	1,73.27	2,37.58	+ 64.31	1,10.45	1,87.63	+ 77.18	1,18.85	1,99.20	+80.35

The total trade between India and other countries of the British Empire was maintained at the level of the previous year but owing to lower imports and higher exports, the positive balance of trade in merchandise reached a new high level of Rs. 71.50 crores. The total trade between India and the United States on the other hand rose by 25 per cent., the increase being entirely due to a rise in exports, the level of imports remaining approximately the same. While this increase in exports without a corresponding rise in imports must in part be accounted for by the rise in rupee prices at a time when the prices of imported goods remained comparatively stable, it is probably also due to the fact that a considerable portion of cargoes arriving in India from the United States consist of war materials and goods supplied on lend-lease terms for which no payment is made and which are therefore excluded from the balance of trade. There is thus more freight space available for commercial exports than for commercial imports. It should be remembered that as a proportion of lend-lease goods is released for civilian consumption, the total value of goods imported from the United States for actual commercial use is greater than that given in the table which only gives the value of imports on private account for which payment is actually made by India. The noticeable increase in India's imports from Iran and Egypt is due to larger purchases of petroleum products and raw cotton respectively.

17. *Composition of Trade.*—The following table shows the changes in the composition of India's imports and exports according to the main commodity groups during the last three years and compares them with the pre-war year 1938-39. Although the exclusion of trade on Government account detracts from the value of these figures, they serve as a comparative guide to the distribution of trade over constituent categories:—

	1938-39		1941-42		1942-43		1943-44	
	Rs. crores	Percent- age	Rs. crores	Percent- age	Rs. crores	Percent- age	Rs. crores	Percent- age
IMPORTS								
Food	24.00	15.7	27.84	16.1	7.62	6.9	8.13	6.8
Raw Materials ..	33.18	21.7	50.05	28.9	51.95	47.0	63.94	53.8
Manufactured Articles	92.79	60.8	93.65	54.1	49.52	44.8	45.12	38.0
EXPORTS								
Food	39.43	23.3	60.44	23.9	48.61	25.0	48.14	22.9
Raw Materials ..	76.28	45.1	73.04	28.9	45.21	23.2	53.72	25.6
Manufactured Articles	50.72	30.0	115.08	45.5	98.33	50.5	105.89	50.4

In the year under review, the value of imports of raw materials continued to increase while manufactured articles again decreased. Exports of both raw materials and manufactured articles registered increases. The category 'Food' includes 'drink and tobacco', and both imports and exports under this head remained at practically the same level as in the previous year. The large imports of wheat made to meet the food shortage in the country were on Government account and

are not shown. With regard to exports under 'Food' the increase in the value of tea shipments more than compensated for the reduction in grains and pulses, as can be seen from the table in paragraph 18.

18. *Imports and Exports.*—The table below shows changes in the value of important commodities entering into the foreign sea-borne trade of India during the last three years and compares them with the pre-war year 1938-39 :—

(In lakhs of rupees)

	1938-39	1941-42	1942-43	1943-44	Increase (+) or decrease (—) over 1942-43
IMPORTS					
Grain, pulse and flour	13,76	15,02	31	1,48	+ 117
Sugar	46	1,08	2	—	— 2
Oils, vegetable, mineral and animal	15,62	21,85	27,79	36,33	+ 854
Cotton, raw and waste	8,51	15,34	15,42	17,53	+ 211
Wool, raw	62	2,77	2,95	4,02	+ 107
Chemicals, drugs and medicines .	5,62	8,73	6,38	7,26	+ 88
Dyes and colours	4,06	6,96	5,43	8,38	+ 295
Machinery	19,72	13,73	10,53	11,39	+ 86
Cotton yarns and manufactures .	14,15	6,79	1,36	1,34	— 2
EXPORTS (including re-exports)					
Grain, pulse and flour	7,80	10,70	7,10	2,31	— 479
Tea	23,29	39,60	31,71	37,68	+ 597
Oils, vegetable, mineral and animal	1,06	2,68	1,44	84	— 60
Seeds	15,10	10,57	10,52	11,16	+ 64
Cotton, raw and waste	24,82	17,90	5,59	7,49	+ 190
Jute	13,40	10,42	9,02	8,32	— 70
Hides and skins, raw, tanned or dressed and leather	11,32	16,91	9,26	14,08	+ 482
Metals	2,07	4,23	1,90	1,74	— 16
Cotton yarns and manufactures .	7,57	38,00	46,96	42,60	— 436
Jute manufactures	26,26	53,90	36,41	49,46	+ 13,05

The decrease in the value of exports of 'Grain, pulse and flour' is due to the virtual prohibition of exports of foodstuffs since July 1943. The export of 'Cotton yarns and manufactures' was also restricted in view of the acute shortage of cotton textiles in India. There were increased imports under 'Cotton, raw and waste' following the establishment of a special purchasing mission in Egypt to secure supplies of long staple cotton needed to meet the increasing requirements of Indian mills. The substantial increase under 'Oils, mineral and vegetable' is due to the large quantities of petroleum products imported for war purposes.

III. BULLION

19. *Production of Gold.*—The estimated world production of gold during 1943 is placed at 29·6 million ounces, the comparable figure for 1942 being 35·8 million ounces ; there was thus a decline of 17 per cent. in 1943. The continued decline in output is mainly attributable to the diversion of manpower, plant and other resources from the production of gold to other war purposes. In the United States owing to the large stocks of gold already held, the production of further gold was of little direct benefit to the war effort, while the introduction of lend-lease no longer made it essential for the British Empire countries to produce gold to capacity as a means of paying for supplies from the United States. The following table shows the trends in wartime production of gold in the principal producing countries, including those of the British Commonwealth :—

						(In thousand ounces)				
						1939	1940	1941	1942	1943
I.	British Empire	..	..	..	..	22,471	24,053	24,200	22,550	19,150
	(a) Union of S. Africa	..	..	..	..	12,822	14,047	14,386	14,121	12,800
	(b) Canada	..	..	..	..	5,094	5,311	5,345	4,841	3,850
	(c) Australia	..	..	..	..	1,646	1,644	1,503	1,164	750
	(d) New Zealand	..	..	..	..	179	186	186	180	150
	(e) India	..	..	..	..	317	289	286	260	262
II.	United States	..	..	..	..	4,621	4,863	4,832	3,619	1,350
III.	All countries	..	..	..	..	39,038	40,810	40,100*	35,800*	29,600*
PERCENTAGE SHARE OF WORLD PRODUCTION :										
	British Empire	..	..	..	..	57·6	53·9	60·3	63·0	64·7
	South Africa	..	..	..	..	32·8	34·4	35·9	39·4	43·2

* The production figures of the U.S.S.R. and certain enemy countries have not been available since 1940 and their production in subsequent years has been estimated on 1940 figures.

Production has been drastically curtailed in the United States where it fell during 1943 by 62·7 per cent. as compared with the previous year and by 72·2 per cent. as compared with the peak production of 1940. It is now the lowest since 1848, when gold was first discovered in California and 483,750 ounces were produced. South African output during the year registered a further drop of 9·4 per cent. despite the Union Government's efforts to maintain a high level of production.

The estimated output of gold in India in 1943 amounted to 252,262 ounces valued at Rs.5,02,57,880 as compared with 260,302 ounces valued at Rs. 3,76,83,442 in 1942. The output decreased but its value showed a large increase owing to the high prices ruling during the year. The production of gold in India during the ten years ended 1943 aggregated 3,039,000 ounces or one per cent. of the total world production (excluding the U.S.S.R.) of 313,142,000 ounces during the same period.

The upward trend in the United States' stock of gold was arrested towards the end of 1942 when a downward trend commenced. This continued throughout the year 1943 at the end of which the stock stood at \$21,938 million showing a decline of 3·5 per cent. on the previous year. Gold held under earmark at the Federal Reserve Bank for foreign account, however, stood higher at \$3,477·4 million at the end of December 1943 as compared with \$2,673·8 million a year before.

The following table, based on the estimates compiled by the Bank for International Settlements, gives an idea of the position of the monetary stocks of gold in certain countries at the end of 1913, 1929, 1938, 1942 and 1943.

(In millions of fine ozs.)

<i>Monetary stocks of gold</i>						
	1913	1929	1938	1942	1943	
United States	62.4	207.2	414.6	649.3	626.8	
United Kingdom	8.2	34.8	76.9	...	...
France	32.9	78.9	69.4	57.1	57.1	(Oct.)
Switzerland	1.6	7.3	20.0	23.5	27.5	
India	6.0	6.2	7.8	7.8	7.8	
South Africa	1.7	3.1	6.3	18.1	20.2	

Between 1938 and 1942 increases occurred in the monetary stocks of gold in Mexico, Belgium, Roumania and Turkey, while in South American countries holdings increased by 10.23 million ounces. This redistribution of gold is due to its increasing use by certain belligerent countries as a means of international payment. The United States Government have granted licences to convert certain frozen dollars into gold and have made special arrangements with a few Latin American countries to convert into gold their dollar holdings arising from favourable trade balances. Reports also indicate that Germany has been obliged to make some payments in gold to satellite countries in view of their growing reluctance to accept further credits in their clearing accounts at the Reichsbank. Further, the United States and British Governments have financed a part of their war expenditure in Iran, Egypt and India by shipments of gold which have been mainly utilised for sales to the public in these countries with a view to combating the inflationary positions there. The United States has also supplied gold to China, and the Chinese Government have been effecting sales to the public as a means of absorbing purchasing power and stabilising the monetary position.

20. *Price of Gold.*—The table below shows the highest, lowest and average prices of gold in London, New York and Bombay for each of the years since 1938-39.

Year	PRICE OF GOLD IN LONDON (PER FINE OUNCE)			PRICE OF GOLD IN NEW YORK (PER FINE OUNCE)			PRICE OF GOLD IN BOMBAY (PER TOLA)		
	Highest	Lowest	Average	High- est	Low- est	Aver- age	Highest	Lowest	Average
	£ s. d.	£ s. d.	£ s. d.	\$	\$	\$	Rs. s. p.	Rs. s. p.	Rs. s. p.
1938-39 ..	7 10 5	6 19 3½	7 4 3	35	35	35	37 10 6	34 12 3	35 10 3
1939-40 ..	8 8 0	7 8 4	7 18 4	35	35	35	43 8 0	36 9 0	39 13 11
1940-41 ..	8 8 0	8 8 0	8 8 0	35	35	35	48 8 0	40 2 6	42 6 0
1941-42 ..	8 8 0	8 8 0	8 8 0	35	35	35	57 12 0	41 9 6	44 7 11
1942-43 ..	8 8 0	8 8 0	8 8 0	35	35	35	72 0 0	44 12 0	57 10 10
1943-44 ..	8 8 0	8 8 0	8 8 0	35	35	35	96 4 0	65 4 0	76 11 6

The prices of gold in the United Kingdom and in the United States remained unchanged at 168 sh. (with sovereigns at 39 sh. 3d.) and \$ 35 per fine ounce respectively. In India, the price of gold touched a new high level of Rs.96-4-0 per tola or £19-5-0 per fine ounce on the 26th April 1943; thereafter, a reaction set in following the introduction of measures designed to limit speculation, and, later in the year, as a result of official sales of gold, prices steadied at levels around Rs.71 per tola. While

prices of bullion in the London and New York markets continued to be controlled, India remained a relatively free market but isolated from outside influences by wartime restrictions on the imports and exports of gold.

Statement V shows the highest, lowest and average prices of bar gold, both spot and forward, and of sovereigns as well as the estimated average stocks of gold in the Bombay market for each month of the year under review. Statement VI gives weekly movements of prices and stocks in Bombay during the year in regard to both gold and silver. The bullish sentiment which was in evidence during the latter part of 1942-43 continued to dominate the bullion market during the earlier part of the year and as a result of intensified demand, partly induced by the inflation complex, and in the face of dwindling stocks of gold and silver, prices of both metals reached new high levels during the year. In the middle of May the ready price of gold declined sharply, following the prohibition on forward and option trading by the Bullion Exchange. The prohibition was confirmed by the issue by the Government of India of Defence of India Rule 90C making all forward and option dealing in bullion illegal. As the market settled down to the new conditions, the price rose from Rs.74-14-0 to which it had fallen on the 27th May to over Rs.80, at which level it remained, though subject to considerable fluctuation during June. The issue by Government on the 17th July of the Defence of India Rule 94B, under which they took powers to prohibit advances against commodities and bullion, led to a collapse in price, the lowest level of the year at Rs.65-4-0 being recorded on the 19th and 20th July. The price recovered to Rs.76-12-0 on the 5th August, but the commencement of sales of gold by the Reserve Bank on the 16th August brought the price down to just over Rs.70. These sales of gold were made on behalf of the British and United States Governments as a means of meeting part of their war expenditure in India, and were useful in absorbing surplus purchasing power and thereby combating inflation. At first, sales were confined to Bombay and were only made to recognised bullion dealers, but in the middle of February 1944 sales of small bars at a slight premium over the Bombay rate were made at Calcutta, Madras, Lahore and other centres. These official sales had a stabilising effect and although the price of gold moved up throughout October to Rs.79-2-0 in sympathy with the rise in silver, continued official offerings at successively reduced prices throughout November and December brought the rate down to the neighbourhood of Rs.71 by the middle of the latter month, at which level it remained until the last week of March 1944. The news of the Japanese attack on Imphal led to a keen demand for gold, and, on the 27th March, the market price rose above the Reserve Bank selling rate, reaching Rs.80 on the 30th. The Bank thereupon stopped selling at fixed rates and on the 29th March commenced selling by tender, with the object of letting the market find its own level. By the 31st March the rate had fallen to Rs.73-12-0 as compared with Rs.71-6-0 at the end of the previous year.

The highest, lowest and annual average prices for gold and silver in the Bombay market for the years 1926-27 to 1943-44 are given in Statement IV. Until the outbreak of war, the prices of both metals remained approximately on world parity, although there were occasional and independent fluctuations due to local speculative movements. Up to September 1931, when the United Kingdom went off the gold standard, the gold parity in Bombay was an import parity, i.e., the price in Bombay was the price in London plus the cost of importing gold. After that date until 1940-41 India was an exporter of gold and the prices were based on the export parity, i.e., the price of gold in London (or New York) less the cost of sending it to

these places. In the case of silver, movements in local prices were also affected by the reimposition of the import duty in 1930 and by subsequent alterations in the rate of duty. The price of silver on the whole remained on an import parity basis, subject to speculative fluctuations, although there were a few instances of exports during 1932-35. These exports, other than those on Government account, were limited to silver which had previously been imported and on which a refund of import duty could be obtained.

21. *Assaying and Refining of Gold.*—The quantity of gold received from the public for melting and assaying at the Bombay and Calcutta Mints declined during the year to 1,148,117 tolas and 51,916 tolas respectively from 2,436,817 and 105,969 tolas in 1942-43. The quantity of raw gold received for refining at the Bombay Mint was higher at 941,673 tolas as compared with 866,668 tolas in 1942-43.

22. *Production of silver.*—No accurate estimates are available about the production of silver for the year 1943. The output in the four principal producing countries, viz., Mexico, the United States, Canada and Peru is estimated at 166 million ounces in 1943. In the previous year these four countries accounted for 173·2 million ounces or 70 per cent. of the estimated world production of 248 million ounces. Production in Mexico at 87 million ounces in 1943 showed a rise of 8 per cent.; as against this the output in the United States at 44·5 million ounces and in Canada at 18·5 million ounces registered declines of 18 per cent. and 16 per cent. respectively; the Peruvian output remained unchanged. The total purchases of silver by the United States Government in 1943 amounted to only 5·8 million ounces as against 63·4 million ounces in 1942 and for the first time since the inauguration of the silver purchase programme by the Treasury in 1934, the United States Government holdings showed a decline, stocks at the end of 1943 being 3,274 million ounces as against 3,339 million ounces at the end of 1942. The production of silver in India in 1943 is placed at 20,863 ounces valued at Rs.58,527 as compared with 20,098 ounces of the value of Rs.48,451 in the preceding year.

23. *Price of silver.*—In the table below are given the highest, lowest and average prices in Bombay, London and New York during the six years to 1943-44.

Year	PRICE IN BOMBAY (PER 100 TOLAS GROSS)			PRICE IN LONDON (PER STANDARD OUNCE)			PRICE IN NEW YORK (PER FINE OUNCE)		
	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest	Average
	Rs. s. p.	Rs. s. p.	Rs. s. p.	d.	d.	d.	Cents	Cents	Cents
1938-39 ..	53 1 6	48 2 0	51 11 3	21½	18-9/16	19-9/16	42½	42½	42½
1939-40 ..	66 4 0	44 7 6	55 4 9	23½	16-1/16	20-13/16	42½	34½	37-1/16
1940-41 ..	64 13 0	62 11 0	62 8 0	23½	20-1/8	22-13/16	35-5/8	34½	34½
1941-42 ..	97 6 0	61 12 6	66 11 4	23½	23-5/16	23-7/16	35-1/8	34½	34-7/8
1942-43 ..	116 8 0	75 4 0	94 2 6	23½	23-7/16	23½	44½	35-1/8	40½
1943-44 ..	141 8 0	101 8 0	120 7 11	23½	23½	23½	44½	44½	44½

The London silver market continued to be featureless during the year, and the prices for spot and two months' delivery remained unchanged at 23½d. per standard ounce, rates which had been ruling since the 3rd April 1942. The United Kingdom received 3,075,000 ounces of silver from the United States on lend-lease and 1,925,000 ounces from Canada in July 1943. It is probable that further supplies were received subsequently. It is also reported that the country's stocks were replenished by imports from Australia and other sources. The restrictions on the non-essential consumption of silver continued and the industrial demand connected with the war

effort was met from official stocks. Imports and exports on private account have been prohibited.

In the United States the outstanding development during the year was the passing of the Green Act in July 1943. This Act changed the legal position of silver held by the United States Treasury, as it made such silver available for sale or loan on certain conditions. It empowered the Administration to lease for a period not extending beyond six months after the termination of the war, any silver held or owned by the United States Treasury, and to sell silver to the United States war industries provided that the amount of silver under the ownership and control of the Treasury within the United States should at no time fall below the face value of the outstanding silver certificates. As a consequence, the actual physical possession of silver by the Treasury is no longer necessary provided control is maintained, and silver leased within the United States for non-consumable purposes can now be treated as a backing for the note issue. This, obviously, increases considerably the volume of silver the Treasury can make available to industry and to the Allied Nations. Until the passing of this Act a shortage of silver seemed likely to occur as the domestic production was insufficient to meet industrial and coinage demands. In the first eleven months of 1943, 40.9 million ounces were lend-leased representing direct transactions between the United States and other Governments while 17.2 million ounces were sold to industry under the Green Act. Consumption in arts and industry in the United States attained a new record level in 1943 at 125 million ounces, which is more than four and one-half times the average annual consumption for the five-year period ending 1940. The Treasury's purchasing price for foreign silver remained unchanged during the year at 45 cents per fine ounce and the New York official market price stood at 44½ cents. The price for newly mined domestic silver also remained unchanged at 71.11 cents per fine ounce, at which rate silver is released under the Green Act.

The price of silver in the Bombay market remained well above the import parity of both London and New York during the year. No official sales of silver took place. During April and the first half of May 1943 a strong speculative demand forced the price up, and on the 22nd April, it rose to Rs. 126 which was Rs. 4 above the highest level reached during the last war. On the 3rd May, the ready price rose still further to Rs.139. With the introduction of restrictions on forward trading in the second half of May, the price of silver fell along with that of gold. A recovery at the beginning of June to Rs.130 was followed by a sharp fall in July to Rs.101-8-0 as a result of panic selling due to fears of the Government placing an embargo on silver loans. This proved to be the lowest price of the year. An upward trend was noticeable in September and, afterwards the market remained firm as a result of a persistent investment demand accompanied by a shortage of stocks. The price moved up still further in February, in spite of the price of gold remaining stable. At the end of the year the news of the Japanese movements on the borders of Assam led to a sharp rise, the price reaching Rs.141-8-0, the highest of the year, on the 29th March (vide Statement VII).

24. *Assaying and Refining of Silver.*—The quantity of silver received from the public for melting and assaying amounted during the year to 1,407,968 tolas in the Bombay Mint and 255,807 tolas in the Calcutta Mint as compared with 7,256,269 tolas and 2,324,966 tolas respectively in 1942-43. The quantity received for refining at the Bombay Mint increased to 10,834,938 tolas from 7,950,853 tolas in the preceding year.

IV. FOREIGN EXCHANGE AND EXCHANGE CONTROL

25. *Purchases of Sterling and Remittances.*—Statement VIII shows the net purchases of sterling by the Reserve Bank of India month by month during 1943-44. Owing to a further improvement in the balance of trade resulting from a larger increase in exports the net purchases of sterling by the Reserve Bank of India reached a new high level at £105.3 million as compared with the previous year's record figure of £91.7 million. The monthly purchases were more evenly distributed in 1943-44 than in 1942-43 and amounted to £48.20 million in the first half of the year as against £57.11 million in the second half, the corresponding figures for the previous year being £28.09 million and £63.58 million. As usual, the maximum quarterly purchases were in the last quarter and the highest monthly acquisition during the year was £14.39 million in March 1944. The rate of purchase continued to be 1s. 6d. at which level it has remained unchanged since January 1940. The total net amount of sterling purchases by the Bank from the 1st September 1939 to the end of 1943-44 aggregated £392.1 million. During the year the Bank sold sterling amounting to £3,312,683 as compared with £3,958,389 during 1942-43. To the net purchases of sterling made in India by the Bank, should be added payments in sterling amounting to £274 million received from His Majesty's Government during 1943-44 as against £233 million in 1942-43 and £151 million in 1941-42. The sterling acquisitions by the Bank would have been larger but for the imports of gold on official account during the year under review in part payment of the Allied war expenditure in the country.

The total sterling holdings of the Bank at the end of March 1944 stood at £709 million or Rs.945 crores as against £383 million or Rs.511 crores at the end of March 1943, and £48 million or Rs. 64 crores at the end of August 1939. In the table below are given the sources of the supply of sterling to the Reserve Bank of India and its disposal from the beginning of the war to the end of 1943-44.

SOURCES	(In crores of rupees)				
	Sept. 1939 to March 1940	1940-41	1941-42	1942-43	1943-44
1. Sterling assets held by the Reserve Bank at end of the previous period .	64	142	144	284	511
2. Sterling purchased by the Reserve Bank	86	76	98	122	140
3. Sterling payments by His Majesty's Government	16	43	201	310	365
Total amount of sterling available for disposal and disposed	166	261	443	716	1,016
DISPOSAL					
4. Sterling amounts utilised for repatriation schemes	22	89	110	160	16
5. Other sterling commitments (derived figure)	2	28	49	45	55
6. Sterling holdings of the Reserve Bank at end of the period	142	144	284	511	945
	<u>166</u>	<u>261</u>	<u>443</u>	<u>716</u>	<u>1,016</u>

26. *Exchange.*—The sterling exchange market continued to be featureless throughout the year, banks' quotations for ready Telegraphic Transfers for merchant business remaining unchanged at ls. 5 $\frac{3}{4}$ d. selling and ls. 6 $\frac{1}{4}$ d. buying. For inter-bank business, however, the quotations of sellers of spot Telegraphic Transfers on London ranged between ls. 5 $\frac{1}{4}$ d. to just under ls. 6d., while buyers were usually to be found at a shade under ls. 6d. In the New York market the sterling-dollar rate remained unaltered at \$4.03.

The London—New York cross rates, as also the rates for T.T. on New York in Bombay remained unchanged during 1943-44.

27. *Developments in Exchange Control.*—Remittances of foreign exchange continued to be restricted during the course of the year, although owing to the reduction in the U.S. dollar requirements of the sterling area owing to large quantities of materials being supplied by the United States under lend-lease procedure the U.S. dollar position became easier. As a consequence it was found possible to relax to a certain extent the restrictions on remittances of U.S. dollars. The remittance of profits by American firms was allowed in full, and the amounts which had been blocked on account of infringements of the Import Trade Control Regulations were released. A more liberal policy was also adopted towards applications from United States nationals retiring from the country for the transfer of their savings. In general, the policy was to allow remittances in cases where a refusal would merely result in the creation of a deferred U.S. dollar liability. British subjects, who were permanently resident outside the sterling area before the war, and had previously only been permitted to receive a proportion of their income, were now allowed to receive it in full, as in any case transfer would eventually have to be allowed. Restrictions on remittances in certain other currencies were also relaxed, although the exchange position in respect of Switzerland, the Argentine and Canada remained difficult.

28. *Import of Currency Notes.*—On the 15th January 1944, the Government of India issued a notification prohibiting the bringing into British India across any of the Customs frontiers lying to the east of India or to the north of Assam of any currency notes or bank notes which were legal tender in British India except with the permission of the Central Government or the Reserve Bank of India. The previous notifications restricting the import of notes into British India did not cover currency notes which were legal tender in this country and this further prohibition was introduced in order to control the import of British Indian notes emanating from enemy sources. The duty of licensing such imports devolved on the officers of the Central Government in charge of frontier Customs posts.

29. *Export Control.*—The regulations requiring exporters to make a declaration at the time of shipment that they would receive payment for their goods in a manner and within a time approved by the Reserve Bank continued unchanged. The system worked smoothly as the general public had now become fully acquainted with the control requirements. Certain new measures had however to be introduced to strengthen the Export Licensing system. The Export Trade Controller, who is responsible for licensing the actual export of goods, found that licences issued by him were sold by holders at large premiums owing to the considerable profits to be made out of exports, particularly to countries in the Middle East, and as a result goods were at times shipped by persons other than the holders of the licences to parties other than the consignees named therein. In order to put a stop

to this practice, authorised dealers in foreign exchange were instructed that they should not accept any bills of exchange or shipping documents for negotiation or collection unless the name of the consignee and the name of the shipper agreed with the names on the export licence which had to be attached to the documents handed over to the bank. This new regulation effectively prevented the resale of export licences.

30. *Methods of Export Finance.*—Three graphs are given on page 34 showing the different methods used to finance exports to countries outside the sterling area governed by the Export Trade Control Regulations. The graphs are on a percentage basis.

Graph I.—This represents shipments made to Hard Currency countries which in effect means shipments to the United States only as there were practically no exports to Switzerland. The bulk of this business continued to be financed in U. S. dollars.

Graph II.—This covers shipments to countries other than the United States and Switzerland, and comprises those with which special payment agreements are in operation, and Canada and Newfoundland. As under special payment agreements, payments to the sterling area have to be made in special account sterling the bulk of the business is financed by means of sterling bills on London. Method No. 1 (bills drawn in the currency of the country of destination) represents business with Canada financed in Canadian dollars. The rupee business shown consists mainly of shipments to Portuguese East Africa, although a small proportion of the export trade with Canada is also financed in rupees.

Graph III.—This is a combination of the two previous graphs and represents the percentage of different methods of finance for shipments to all countries. The rather pronounced monthly variations between the two chief methods, bills drawn in the currency of the country of destination of the goods and sterling bills on London are caused by variations in the amount of freight available to particular countries from month to month and are not due to exporters altering their methods of finance. In a month when shipments to the United States exceed those to other foreign countries, the proportion of goods financed by bills drawn on the country of destination is much higher than in a month when the bulk of shipments are to South American countries, payment for which must be made in sterling.

31. *French Overseas Empire.*—In August 1943, the Trading with the Enemy restrictions were lifted from French North and West Africa and remittances to these places were permitted provided that the transfers were effected through the medium of sterling accounts in London of banks in French North and West Africa. The rate of exchange fixed for French North and West Africa was 200½ francs to the £ as compared to the rate of 176½ francs per £ ruling for those parts of the French Overseas Empire which were within the sterling area.

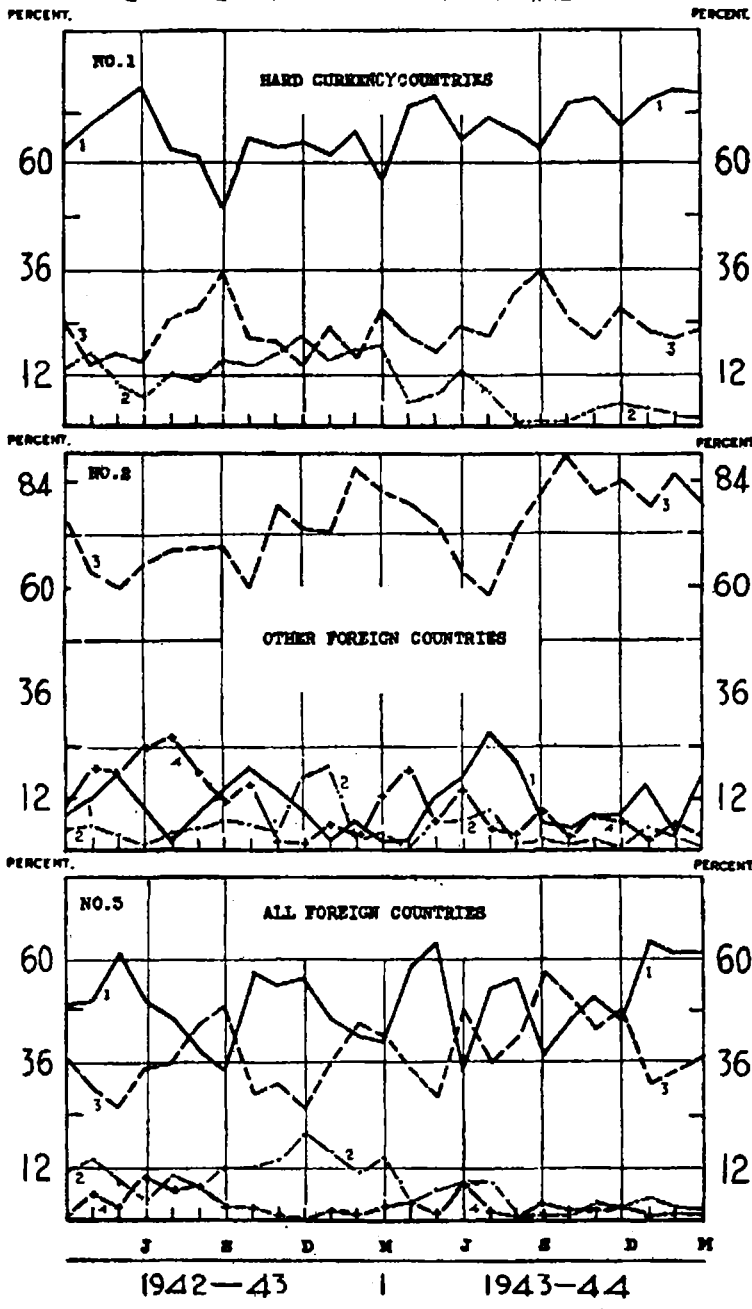
In February 1944, a new financial agreement was entered into between the British Government and the French Committee of National Liberation in Algiers under which the entire French Overseas Empire not under enemy occupation became a single monetary area. The Reserve Bank of India issued a notification under the Defence of India Rule 92A 1(i) excluding from the sterling area those French territories which had declared for General De Gaulle and had previously been included therein. All transactions with the French Overseas Empire were in future subject

METHODS OF EXPORT FINANCE

ON PERCENTAGE BASIS

- 1 — 1 BILLS DRAWN OR REMITTANCES RECEIVED IN CURRENCY OF COUNTRY OF DESTINATION
- 2 - - - 2 BILLS DRAWN OR REMITTANCES RECEIVED IN RUPEES
- 3 - - - 3 BILLS DRAWN IN STERLING ON LONDON
- 4 - - - 4 BILLS DRAWN IN STERLING ON THE COUNTRY OF DESTINATION

PERCENTAGE OF EXPORTS TO TOTAL EXPORTS



to the same conditions as transactions with any other special sterling account country. The rate of exchange for all French Overseas Empire francs was fixed at 200½ per £ buying and 199½ selling, and the previous rate of 176½ for certain territories was abolished.

The French Establishments in India were also excluded from the sterling area. In view of the lack of exchange banking facilities there, it was decided that banks in British India might continue to sell foreign exchange to residents in French India on the same terms and conditions as they were selling exchange to residents in British India. Similarly the rupee accounts of residents in French India with banks in British India were treated as resident and no restrictions were placed on transfers between British and French India. The Customs Union between the two countries which came into operation in February 1941 was not terminated and imports into French India continued to be licensed by British Indian Import Trade Controllers, while the foreign exchange proceeds of exports passed to banks in British India.

32. *Chinese Exchange.*—The Exchange Control regulations limiting transactions with China to payments through the medium of the rupee accounts of approved banks continued. At the beginning of December 1943 the Chinese Government dissolved the Chinese Stabilisation Board which had been established to control foreign exchange in China and which contained British and American representatives. Its duties were, however, taken over by the Foreign Exchange Commission, a Chinese Government body, and the regulations governing transactions with China remained unchanged. Prices in China continued to rise, and the rate for the Chinese dollar in the black market depreciated heavily, although the official rate remained the same. In view of this rise in the cost of living in China and the difficulties experienced both by foreign nationals resident there, and Chinese families who were dependent for their support on remittances received from abroad, the Chinese Government granted a subsidy over the official rates from the 1st January 1944 of 50 per cent. which three weeks later was increased to 100 per cent. This applied to transfers for account of Embassy staffs and missionaries and also to remittances by Chinese resident overseas for the support of their families in China. Ordinary business remittances still had to be made at the official rates.

33. *Restrictions on Travel.*—Restrictions on travel to places outside the sterling area involving disbursements of foreign exchange remained unaltered. British subjects were not given facilities to purchase foreign exchange to enable them to travel on foreign steamships or to reside outside the sterling area, unless they were travelling on official business or for business purposes which had been approved by the Government of India or for reasons of health. It was found, however, that in spite of the restrictions on the sale of steamship passages certain persons were able to leave the country by entering into arrangements with friends in foreign countries whereby the latter supplied the necessary foreign exchange for payment of passages and their support, repayment to be made after the war. This practice resulted in the creation of post-war foreign exchange liabilities and was contrary to the principles of the Indian Exchange Control. To prevent unauthorised journeys taking place the Government of India issued on the 17th of July 1943 a notification under sub-rule (1) of Defence of India Rule 25 prohibiting any British subject or any subject of an Indian State from proceeding outside India except under

the authority of a written permit issued by the Reserve Bank of India. This restriction did not apply to persons proceeding to countries adjoining India, Iraq, Arabia, British East Africa or the United Kingdom. These permits were known as Exit Finance Permits.

Exit Finance Permits were issued freely to persons proceeding to South Africa, Australia or New Zealand, provided that they were able to satisfy the Reserve Bank of India that they did not intend proceeding from there to the United States or any other country outside the sterling area. Permits to proceed to the United States or other foreign countries were only granted provided the journey of the applicant was for an approved purpose, proper arrangements had been made for supplies of foreign exchange for his or her support while abroad, and there was no question of the journey involving a further payment of foreign currency by India at a later date.

34. *U. S. Dollar Securities.*—A notification vesting the holdings of certain U. S. dollar securities of residents in British India was issued by the Government of India on the 10th March 1941. This order was a continuing one and, in addition to securities surrendered at the time the order was promulgated, all U.S. dollar securities in the notified list in the possession of persons arriving in India after the date of the original order, or held by persons who might have come into possession of them after March 1941, had to be surrendered. The number of securities tendered under this order after the expiry of two and a half years had become negligible, and the Government of India therefore issued a further notification on the 14th December 1943 declaring that their previous vesting order would cease to have effect from the 31st December 1943. The order requiring British subjects resident in India to register their holdings of U. S. dollar securities with the Reserve Bank of India was unaffected by this notification, and the surrender of U. S. dollar balances by residents in India, other than those specifically exempted, also remained obligatory.

V. PUBLIC FINANCE

35. *General.*—The financial problems with which the Government of India have been faced during the war years have been similar to those experienced by Governments in other belligerent countries and as a consequence their financial technique has tended to develop on the same general lines as in the United Kingdom, the United States and Germany. The dominating factor in all countries taking an active part in the war has been the rapidly expanding level of expenditure on military services and supplies. This has led to enormous increases in disbursements on official account, the inflationary effects of which on internal prices are likely to prove disastrous to a country's economy unless held in check. Consequently, all Governments have adopted vigorous policies of increased taxation, both direct and indirect, and extended borrowing, to re-absorb the surplus money in the hands of the public. Taxation and borrowing have been made to serve the dual purpose of bringing in additional funds to finance the war, and of acting as an instrument for countering inflation. With levels of taxation reaching their limits in the past year, Governments have been obliged to turn more and more to public borrowing, both long term and short term, to meet their requirements. A noteworthy feature has been the general concentration on the problem of tapping small savings arising from

he larger earnings of industrial workers in the more advanced western countries and from the increase in rural incomes as in India. In the past year, with the end of the war in sight, the budgetary policies of the Governments of the United Nations have also been directed towards adjusting and broadening the basis of Government finance to fit in with the requirements of the post-war period.

In India, the total defence expenditure brought to account since 1939-40 amounts to Rs.2,509 crores including Rs.744 crores budgeted for 1944-45. Of this, the war expenditure recoverable from His Majesty's Government represents Rs.1,413 crores or 56.3 per cent. There have been wartime budgetary deficits on revenue account amounting to Rs.223.82 crores during the period 1939-40 to 1943-44 but the deficits have been more than covered by borrowings from the public. As more than half of the total war expenditure has been incurred by His Majesty's Government and other Allied Governments, there is still a wide gap between official expenditure and the amounts re-absorbed by taxation and borrowings. This indicates clearly the need for continued investment in Government loans by all classes of the community in the interests of sound war financing and for the maintenance of a stable domestic economy.

A. BUDGETS.

CENTRAL GOVERNMENT :

36. *Finance Accounts, 1942-43.*—The year closed with revenue at Rs.176.88 crores and expenditure at Rs.289.05 crores as compared with the revised estimates of Rs.178.76 crores and Rs.273.42 crores respectively. The decline of Rs.1.88 crores in revenue was due to a fall of Rs.5.88 crores under Customs and Rs.2.64 crores under war risks insurance receipts, although it was offset to a large extent by an improvement of Rs.7.76 crores under taxes on income. The total increase of Rs.15.63 crores in expenditure occurred as a result of a rise of Rs.24.87 crores under defence counterbalanced by savings aggregating Rs.9.24 crores under civil estimates.

Tax revenue retained by the Centre increased from Rs.72.34 crores in 1938-39 to Rs.123.57 crores in 1942-43, a rise of 71 per cent. Taxes on income including the provinces' share rose during the same period nearly five-fold from Rs.17.28 crores to Rs.85.76 crores. The actual budgetary deficit on revenue account in 1942-43 increased to Rs.112.17 crores and resulted in an addition to debt by that amount. Additions to the debt during the four years from 1939-40 on account of the budgetary deficits amounted to Rs.131.39 crores.

37. *Revised Estimates, 1943-44.*—Under prevailing war conditions both revenue and expenditure continued to expand during the year under review. There was an acceleration in the country's war effort which involved a further expansion of all the three arms of India's defence services. The setting up of the South East Asia Command, while not affecting India's liability for defence expenditure, resulted in substantial increases in the demands on the country's resources. Defence expenditure both on revenue and capital accounts rose to Rs.300.94 crores in the revised estimates for 1943-44 against Rs.199.66 crores originally budgeted and Rs.267.12 crores in the accounts for 1942-43; the war expenditure recoverable from His Majesty's Government, under the Financial Settlement of November 1939 also

increased to Rs.392·71 crores against Rs.325·48 crores in the previous year. Thus, the total outlay of Governmental money on defence services amounted to Rs. 693·65 crores as against Rs.592·60 crores in 1942-43.

The revised estimates for the year place receipts and expenditure on revenue account higher at Rs.254·50 crores and Rs.346·93 crores respectively compared with the budget estimates of Rs.219 crores and Rs.259·59 crores. The improvement of Rs.35·50 crores in revenue is more than neutralised by an increase of Rs.87·34 crores in expenditure, resulting in a revenue deficit of Rs.92·43 crores against the budget estimate of Rs.40·59 crores. On the revenue side, the estimated increase of Rs.35·50 crores in receipts (*vide* table in the following paragraph) is mainly accounted for by a rise of Rs.20·88 crores (from Rs.42·80 to Rs.63·68 crores) under Corporation Tax, Rs.15·12 crores (from Rs.59·20 to Rs. 74·32 crores) under Income Tax, Rs.4·94 crores under Currency and Mint, Rs.5·17 crores (from Rs.27·10 to Rs.32·27 crores) under Railways and Rs.1·02 crores under Posts and Telegraphs. Collections under Excess Profits Tax increased by Rs.22·25 crores to Rs.62·25 crores. Total taxes on income, including the provinces' share, further rose from Rs.102 crores in the budget estimates to Rs.138 crores in the revised estimates mainly owing to the speeding up of assessments. The figures do not include some of the collections by way of advance payments under the Excess Profits Tax Ordinance of May 1943, which are treated as deposits. The relatively large increase under Currency and Mint accrued mainly on account of a marked rise in the surplus profits of the Reserve Bank from Rs.3·24 crores to Rs. 7·50 crores. The only important head of revenue which showed a decline was Customs, the receipts from which were placed at Rs.25·94 crores against the original estimate of Rs.30 crores. Increases in revenue, particularly under taxes on income, were an indication of larger individual incomes and prosperous industrial conditions.

On the expenditure side, civil expenditure increased from Rs.76·78 crores provided for in the budget estimates to Rs.84·29 crores as a result of larger provisions for (i) financial assistance to Indian evacuees and the families in India of British subjects detained in enemy occupied territories, (ii) increased expenditure resulting from the intensification of the 'Grow More Food' campaign and (iii) dearness allowances to Government servants and meeting the cost of schemes for furnishing supplies of essential goods to them at concessional rates. The total financial assistance provided to the Provinces and States during 1943-44 to promote the 'Grow More Food' campaign amounted to Rs.249 lakhs made up of Rs.69½ lakhs in grants from Central revenue, Rs.15 lakhs in grants from the Cotton Fund and Rs.164½ lakhs as loans. The revised estimates also include provision for a grant up to Rs.3 crores by way of financial assistance to Bengal for famine relief. The defence expenditure on revenue account is estimated at Rs.262·64 crores against Rs.182·81 crores budgeted in addition to Rs.38·30 crores on capital account as against Rs.16·85 crores in the budget estimates. The large increase is due to a rise under War Measures (from Rs.127·01 to Rs.204·53 crores) mainly accounted for by the expansion of the air force, increased supplies and services rendered by India to the United States on reciprocal aid terms, and by the grant of improved amenities and better terms of service to Indian troops. As regards the capital portion of defence expenditure, as all the air fields and other operational facilities included in the 1943-44 programme were found necessary for purposes of local defence the revised estimates make provision for the whole of the capital expenditure on that account.

38. *Budget Estimates, 1944-45.*—The following table compares the budget estimates of revenue and expenditure for 1944-45 with the budget and revised estimates for 1943-44 and accounts for 1942-43 and the pre-war year 1938-39, gives an analysis of defence expenditure on both revenue and capital accounts and shows the war expenditure recoverable from the British Government :—

	(In crores of rupees)				
	1938-39 Accounts	1942-43 Accounts	1943-44 Budget Revised		1944-45 Budget
I. Revenue	84.52	176.88	219.00	254.50	308.47*
Tax Revenue	72.34	123.57	153.88	179.66	237.41
(Retained by the Centre)					
II. Expenditure	85.15	289.05	259.59	346.93	363.17
(a) Civil Estimates	38.97	74.43	76.78	84.29	86.56
(b) Defence Expenditure	46.18	214.62	182.81	262.64	276.61
(1) Basic Normal Budget	36.77	36.77	36.77	36.77	36.77
(2) Rise in prices .. .. .	....	7.97	10.62	13.01	15.05
(3) War Measures (Not) .. .. .	....	161.63	127.01	204.53	215.58
(4) Non-effective charges (Net) .. .. .	....	8.26	8.41	8.33	9.21
III. Deficit on revenue account ..	-0.63	-112.17	-40.59	-92.43	-54.70
IV. Defence Expenditure on Capital Account .. .. .	....	52.50	16.85	38.30	24.60
(1) Air Force-Airfields .. .. .	....	23.34	2.52	14.67	10.00
(2) Capital outlay on industrial expansion .. .. .	....	5.70	4.00	6.00	2.00
(3) Reciprocal Aid-Airfields .. .. .	....	8.56	2.85	10.85	5.20
(4) New Constructions for the R. I. N. .. .. .	....	3.38	3.23	2.58	1.60
(5) Capital outlay on Tele-com- munication scheme .. .. .	....	0.08	4.20	4.20	5.80
(6) Capital outlay on Chatfield Modernisation Plan .. .. .	....	11.44	....	....	....
V. War Expenditure Recoverable from the British Government .. .. .	....	325.48	346.00	392.71	443.02
VI. Total Governmental outlay on account of defence [Total of II (b), IV and V] .. .. .	....	592.60	545.66	693.65	744.23

*Including new taxation.

The estimates for 1944-45 generally follow the trends of the revised estimates for 1943-44. The total budgetary expenditure and receipts are placed respectively at Rs.363.17 crores and Rs.284.97 crores on the basis of existing taxation. Civil expenditure estimated at Rs.86.56 crores includes an increase of Rs.8.83 crores under interest on debt which rose from Rs.11.50 crores in the revised estimates of 1943-44 to Rs.20.33 crores in the budget estimates for 1944-45, Government's liability under this head increasing with their larger borrowings. This increase was partly set off by a reduction in the amount transferred to War Risks Insurance Funds of about Rs.4 crores owing to a lower rate of premium, while expenditure on civil defence also showed a decrease of about Rs.1½ crores. Under capital account the budget estimates for 1944-45 show a decrease of Rs.13.70 crores due mainly to the completion in 1943-44 of the bulk of the construction programme for air fields for both British and American forces for the cost of which India is liable.

The prospective deficit of Rs.78.20 crores is proposed to be met to the extent of Rs.23.50 crores by additional taxation and the balance of Rs.54.70 crores by borrowing; during 1944-45 Government contemplate raising through loans about

Rs.350 crores. The reliance on borrowing is in accordance with Government's general wartime financial policy of 'more and more borrowing' with a view to re-absorbing the vast outpourings of money required to meet India's growing war expenditure and the still larger disbursements on account of Allied Governments. As a further anti-inflationary measure provision has been made in the budget proposals for advance payment of taxes on income or the 'pay-as-you-go' system of Income Tax.

The variations in the important heads of revenue are indicated below :—

Heads of Revenue	1938-39 Accounts	1942-43 Accounts	1943-44		1944-45 Budget	(In crores of rupees)	
			Budget	Revised		Increase (+) Decrease (-) in 1944-45 over revised estimates for 1943-44	
Customs	40.51	25.12	30.00	25.94	28.00	+ 2.06	
Central Excise Duties	8.66	12.75	25.02	25.65	40.90	+15.25	
Corporation Tax	2.04	31.40	42.80	63.68	81.61	+17.93	
(Excess Profits Tax) .. .. .	..	(22.40)†	(33.80)	(51.35)	(65.00)	(+13.65)	
Taxes on Income other than Corporation Tax*	15.24	54.36	59.20	74.32	100.89	+26.57	
(Excess Profits Tax) .. .. .	..	(3.60)†	(6.20)	(10.90)	(13.00)	(+ 2.10)	
Currency and Mint	0.58	5.25	5.13	10.07	9.99	— 0.08	
(Profits of the Reserve Bank) (0.20)	(0.20)	(3.24)	(3.24)	(7.50)	(7.50)	..	
Railways' Contribution	1.37	20.13	27.10	32.27	31.37	— 0.90	
Posts and Telegraphs	0.19	4.52	8.36	9.38	11.31	+ 1.93	

*Including provinces' share.

†Revised estimates.

The following table gives the proportion of taxes on income to total tax revenue :—

	*Total Tax Revenue (1)	*Total Taxes on Income (2)	(In crores of rupees) Percentage of (2) to (1) (3)
1938-39	73.84	17.28	23
1939-40	81.85	19.37	24
1940-41	79.66	25.93	33
1941-42	103.26	44.06	43
1942-43	134.47	85.76	64
1943-44 (Budget)	165.96	102.00	61
1943-44 (Revised)	189.16	138.00	69
1944-45 (Budget)	261.10	182.50	70

*Including provinces' share.

The increase in receipts from Corporation Tax and Income Tax in the budget estimates for 1944-45 is owing to higher estimated collections of Excess Profits Tax which are placed at Rs.78 crores against Rs.62.25 crores in the revised estimates for 1943-44 and to increases in the rates of Income Tax, Super Tax and Corporation Tax. With a view to giving relief at the bottom of the scale, the taxable minimum

on which income tax is levied has been raised from Rs. 1,500 to Rs. 2,000. According to the Indian Finance Act of April 1944 the measures for additional direct taxation include :—

- (1) an increase in the Central Surcharge on Income Tax by 2 pies from 16 to 18 pies in addition to the basic rate of 24 pies on incomes from Rs.10,000 to Rs.15,000 and on the balance above Rs. 15,000 an increase in the surcharge by 4 pies from 20 to 24 pies, in addition to the basic 30 pies,
- (2) an increase of 6 pies in the surcharge on Super Tax on slabs of income between Rs.35,000 and Rs.2 lakhs, and
- (3) an increase in the Corporation Tax from 2 annas to 3 annas, a rebate of anna one in the rupee being allowed on so much of a company's total income as is not distributed in dividends other than dividends payable at a fixed rate.

By a special provision, the combined rate of Income Tax and Super Tax payable by life insurance businesses is limited to 63 pies, with retrospective effect for 1943-44. Indirect taxation is estimated to bring in an additional revenue of Rs.15 crores made up of (1) an increase from one-fifth to one-half in the additional duty levied in respect of the following items estimated to yield Rs.1 crore :—(a) spirits, (b) tobacco, (c) cigars, and (d) cigarettes; (2) increases in central excise duties on unmanufactured tobacco and on cigars and cheroots estimated to yield Rs.10 crores, and (3) three new excise duties, at the rate of two annas a pound, on betel nuts, tea and coffee together estimated to yield Rs.4 crores. The contribution from Railways in terms of the new arrangements referred to in the last year's Report, is expected to be slightly lower at Rs.31.37 crores against Rs.32.27 crores in the revised estimates for the year 1943-44. On the other hand, the receipts from Posts and Telegraphs estimated at Rs.11.31 crores are higher by Rs.1.93 crores due to the growth of traffic in the postal, telegraph and telephone branches.

The budget proposals also include measures for advance payments of tax on income from which the tax is not at present deducted at source, e.g., income from property, business and professions. Under the proposed scheme, an assessee will have the option to pay tax quarterly, either on the basis of his last assessed income or on the basis of his own estimate of current earnings. Government will pay 2 per cent. interest on all sums paid in advance, but if the assessee's own estimate, which can be revised during the year, falls short of 80 per cent. of the tax determined on regular assessment, penal interest at 6 per cent. on the difference will be payable. No penal interest will be payable where the assessee chooses to pay on the basis of his last assessed income. The sums collected will be treated as deposits to be taken to revenue when the regular assessments are made. As regards Excess Profits Tax, the compulsory deposit which was fixed at one-fifth of such tax by Ordinance No. XVI dated the 17th May 1943, has been increased to 19/64 of the tax provisionally fixed, and is payable at the time of the provisional assessment.

The Finance Member stated in his budget speech that the Central Government had reviewed the post-war budgetary position as it was considered that the first requisite for a satisfactory reconstruction programme was a sound financial position both at the Centre and in the provinces, which could best be achieved by the fullest development of their respective taxation resources. Although many provinces had already started exploiting their revenue resources and building up

reconstruction funds, the magnitude of their requirements would almost certainly necessitate their receiving all the financial assistance that the Centre might be in a position to render. Government had therefore under consideration the possibility of an estate duty on non-agricultural property which would be levied by the Centre, but of which the proceeds would be assigned to the provinces on whom a large share of the cost of development would fall. The Finance Member further stated that, on the assumption of a reasonably speedy rate of demobilisation and the maintenance of full production and employment and a determination on the part of Government to utilise to the full the taxable capacity of the country, the review of the post-war budgetary position indicated that after one or two deficit years, revenue surpluses should occur rising in the fourth or fifth year to the order of Rs.100 crores per annum. If all-out borrowing continued in accordance with the technique developed during the war it was possible that the total resources for the purpose of reconstruction during the first effective quinquennium might approximate to the level of Rs.1,000 crores. This figure was apart from private investments and the resources built up by industry to facilitate their task of post-war reconstruction.

39. *Railway Budget.*—The following table compares the budget estimates of State-owned Railways including worked lines for 1944-45 with the budget and revised estimates for 1943-44 and the actuals for 1942-43 and the pre-war year 1938-39 :—

(In crores of rupees)

	1938-39 Accounts	1942-43 Accounts	1943-44		1944-45 Budget
			Budget	Revised	
I. Receipts and Expenditure.					
Gross Traffic Receipts	99.62	1,55.48	1,50.00	1,78.50	1,82.00
Total Working Expenses	69.18	84.26	88.14	1,08.58	1,14.28
a. Net Traffic Receipts	30.44	71.22	61.86	69.92	67.72
b. Net Miscellaneous Receipts	0.23	1.88	2.17	2.70	3.24
Net Revenue (a + b)	30.67	73.10	64.03	72.62	70.96
Interest charges	29.30	28.03	27.99	28.85	28.75
II. Surplus	1.37	45.07	36.04	43.77	42.21
Contributions to General Revenues	1.37	20.13	27.10	32.27	31.37
Contributions to Railway Reserve Fund .. .. .	....	8.86	8.94	11.50	10.84
Repayment of the loans from the Depreciation Fund .. .. .	....	22.38*	....	....	....
Total expenditure charged to capital	2.33	23.96	13.00	14.82	28.70
Total expenditure charged to Depreciation Fund 7.08		4.95	11.00	11.02	23.00
III. Capital at charge at the end of the year. 7.55.26	7.55.26	7.72.52	7.83.24	7.87.34	8.08.04
IV. Depreciation Reserve Fund	19.61	51.84	82.19	82.07	87.93
Net accretions during the year	5.48	7.85	1.84	5.86	—5.88
Closing Balance	25.09†	82.07	84.03	87.93	82.05

* Includes Rs. 6.30 crores transferred from the Railway Reserve Fund

† Includes Rs.9 lakhs on account of loans to branch line companies and also Rs.31 lakhs on account of investments in branch line shares. In 1942-43, these amounts were transferred to the Railway Reserve Fund investment account.

The accounts for 1942-43 showed a surplus of Rs.45.07 crores which was higher than the revised estimates by Rs.8.79 crores due mainly to a marked increase in receipts during the last quarter of that year. Out of the surplus, general revenues received Rs.20.13 crores; a sum of Rs.16.08 crores was paid into the Depreciation Fund, which together with the transfer of Rs.6.30 crores from the Railway Reserve, cleared the outstanding liability to that Fund; the balance of Rs.8.86 crores was transferred to the Railway Reserve Fund, raising the balance in the Fund to Rs.9.35 crores.

The working of the railways during 1943-44 disclosed a picture of rising receipts and growing expenditure combined with an increasing strain on rolling stock and equipment. Earnings both from passenger and goods traffic registered increases. As against a moderate increase under goods traffic earnings from Rs.91.86 crores in 1942-43 to Rs.97.33 crores in the revised estimates for 1943-44 or of 6 per cent., earnings from coaching traffic during the same period witnessed a record rise from Rs.60.52 crores to Rs.76.32 crores or of 26.1 per cent. The earnings on coaching traffic and on goods traffic in the revised estimates for 1943-44 compared with the pre-war year 1938-39 show percentage increases of 131.5 and 51.2 respectively.

The revised estimates for 1943-44 placed total traffic receipts higher at Rs.178.50 crores as against Rs.150 crores budgeted. The total estimated working expenses (including depreciation and payments to worked lines) at Rs.108.58 crores are also higher by Rs.24.32 crores than those in the previous year mainly as a result of a sharp rise in the price of coal, increased scales of dearness allowance and provision of foodgrains to staff at concessional rates. The net surplus after meeting interest charges amounts to Rs.43.77 crores of which general revenues will receive Rs.32.27 crores. The balance of Rs.11.50 crores is proposed to be carried to the Railway Reserve.

The original budget estimates for 1944-45 placed the gross traffic receipts, at Rs.192 crores and working expenses at Rs.114.28 crores. Consequent, however, on the decision of the Governor-General in Council to drop the budget proposal to enhance passenger fares by 25 per cent. estimated to bring in an additional Rs. 10 crores, the revenue estimates have been reduced by an equivalent amount. As it had been proposed to transfer the anticipated Rs.10 crores to the Railway Reserve to be earmarked for the provision of amenities to third class passengers after the war, the transfer to that Fund had also to be reduced by a similar amount. The budget proposed to levy the surcharge on coal freight at 20 per cent. throughout the year instead of reducing it to 15 per cent. for seven months as hitherto, as there is no slack season under wartime conditions. The net surplus after payment of interest charges is estimated at Rs.42.21 crores. The surplus of commercial lines will be divided between general revenues and railways in the proportion of 3:1 as in 1943-44. The share of the former, after deduction of the loss on strategic lines at Rs. 1.15 crores, will be Rs. 31.37 crores, and Rs. 10.84 crores will be transferred to Railway Reserve, raising the Reserve to Rs.31.69 crores.

The works programme for 1944-45 not charged to revenue is the largest on record and is estimated to cost Rs.58.17 crores as against Rs.26.25 crores in the revised estimates for 1943-44. The contemplated capital expenditure includes

an outlay of Rs.34.24 crores on rolling stock and provision for the purchase of the Madras & Southern Mahratta, and South Indian Railways at a cost of about Rs. 8 crores, and also of the Gujcrat Railway and the Dhond-Baramati Railway at Rs.67 lakhs.

The post-war reconstruction programme of the Railways is estimated to cost Rs.319 crores. The programme is classified into three main groups namely (1) rehabilitation, repairs and replacement of machinery, locomotives, wagons, etc., (2) organisational improvement covering servicing of goods, parcel and passenger traffic and the evolution of a new rate structure in keeping with post-war requirements and (3) developments, including provision of special amenities for third class passengers, establishment of workshops for the manufacture of locomotives and extension of the activities of the railways to other branches of transport, such as road and air services. The construction of 5,000 miles of new lines in the post-war period is also provided for, of which 2,500 miles are proposed to be built during the first seven years. A sum of Rs.125 crores will be contributed towards the financing of the scheme from the Railway Reserves and the balance of Rs. 194 crores from loans to be raised by the Government of India. The price level at which the aggregate cost of the plan namely Rs.319 crores is computed is 200 to 250 per cent. above pre-war rates. After the last war about Rs.150 crores had to be spent on the rehabilitation of the railways.

40. *Provincial Budgets.*—Statement IX shows receipts and expenditure on revenue account of the provinces for the years 1942-43, 1943-44 and 1944-45. The following table contains a comparison of the combined results for all the provinces :

	(In lakhs of rupees)				
	1933-39 Accounts	1942-43 Accounts	1943-44 Budget	Revised	1944-45 Budget
Revenue	84,74	1,24,31	1,16,65	1,51,41	1,56,21
Expenditure	86,76	1,18,18	1,17,15	1,57,50	1,58,40
Total surpluses	62	6,46	1,36	7,09	6,50
Total deficits	1,64	33	1,86	13,18	8,69
Total net surpluses (+) or deficits (—)	—1,02	+6,13	—50	—6,09	—2,19

Both revenue and expenditure in case of almost all the provinces reached new peak levels during the year under review. The revised estimates in 1943-44 of the revenues of all the provinces at Rs.151.41 crores was nearly 30 per cent. higher than the budget figure of Rs.116.65 crores. The rise is mainly due to increases under the provincial share of Income Tax and larger receipts from Land Revenue, Excise and Forests. In part, however, the larger revenues were the result of additional taxation levied by some of the provinces with a view to immobilising a part of the surplus purchasing power in the country and to providing larger amounts for provincial post-war reconstruction funds. In Madras, the additional measures of taxation during the inter-budgetary period included enhanced rates in respect of Registration Fees, Stamp Duties, Betting Tax and General Sales Tax, in all estimated to yield Rs.1,72 lakhs in 1943-44 and Rs.3,63 lakhs in 1944-45, i.e., in a full year. Similar increases were imposed in Bombay, the North-West Frontier Province and other provinces. Unprecedented increases in receipts as in the case of the United Provinces, the Central Provinces and Berar, Bombay, Madras and the Punjab have enabled their Governments to build up large funds for expenditure after the war. Thus, in the case of Bombay it is estimated that the Post-war Reconstruction Fund first instituted

in 1942-43, will stand at Rs.7 crores at the end of 1944-45. In the United Provinces, the Revenue Reserve Fund is expected to amount to Rs.5.49 crores at the end of 1944-45 including the contribution of Rs.2 crores from the anticipated surplus of Rs.4.38 crores in 1944-45. The buoyancy of provincial revenues mainly as a result of the high level of agricultural prices and the consequent sharp increase in land values have enabled the Punjab and Sind to find funds to effect substantial reductions in their debts to the Centre; the Punjab has repaid, during the current year, its entire unconsolidated debt of Rs.10 crores, while Sind was able to repay on the 15th May 1944 in one lump sum Rs.5.75 crores being the balance of the Sukkur Barrage Debt. The rise in the combined expenditure of the provinces from Rs.117.15 crores in the budget estimates to Rs.157.50 crores in the revised estimates for 1943-44 is mainly due to developments incidental to the war, such as the higher level of prices, the larger provision for the 'Grow More Food' campaign and the grant of dearness allowances to low-paid Government servants, as well as the setting apart of funds for post-war reconstruction. The total expenditure by provinces on beneficent departments such as Education, Public Health, Agriculture, Veterinary, Co-operation and Industries stood at Rs.32.37 crores for 1943-44 compared with Rs.27.71 crores for 1942-43, and is placed at Rs.34.67 crores for 1944-45. The large rise in expenditure in the case of Bengal is mainly accounted for by the cost of the relief measures adopted in connection with the famine conditions in the province.

The budget estimates for 1944-45 show deficits in four provinces amounting in all to Rs.8.69 lakhs of which Rs.8.46 lakhs is accounted for by Bengal; six other provinces show surpluses aggregating Rs.6.50 lakhs. The total estimated revenue for all the provinces is higher than the revised estimates of the previous year by Rs. 4.80 lakhs due mainly to realisation in a full year of enhanced rates of taxation and expected larger receipts in the provincial share of income-tax.

41. *Subventions and Payments from the Centre.*—The following table shows the subventions and other payments made by the Centre to the provinces since 1937-38 in terms of the Government of India (Distribution of Revenues) Order as amended in February 1940, April 1942 and April 1944, and special grants to the provinces. Further particulars of the payments in respect of each province will be found in Statement X.

					(In crores of rupees)				
					Income-tax	Jute Duty	Subvention	Other grants- in-aid	Total
1937-38	..	..	..	..	1.25	2.65	3.12	....	7.02
1938-39	..	..	..	..	1.50	2.51	3.03	....	7.04
1939-40	..	..	..	..	2.79	2.50	3.03	....	8.32
1940-41	..	..	..	..	4.16	1.85	3.03	....	9.04
1941-42	..	..	..	..	7.39	1.95	3.03	....	12.37
1942-43	..	..	..	..	10.90	1.40	2.75	0.01	15.06
1943-44 (Revised)	..	..	..	..	19.50	1.35	2.75	3.25*	26.85
1944-45 (Budget)	..	..	..	..	23.69	1.35	2.75†	1.75*	29.54

* Not utilised.

† Including Rs.1.05 crores for payment to Sind, which has, however, been discontinued from the 1st April 1944.

The progressive increase in the share of Income-Tax accruing to the provinces noticed since the outbreak of the war also continued during the year under review, the revised estimates for 1943-44 showing an increase of about 45 per cent. as compared with the budget estimates of Rs.12.10 crores. The receipts for 1944-45 are estimated at Rs.23.69 crores. The divisible pool of Income-Tax is estimated at Rs.56.38 crores for 1944-45 as compared with Rs.44.04 crores and Rs.33.19 crores respectively in the revised and budget estimates for 1943-44, and is calculated as follows :—

	(In lakhs of rupees)		
	1943-44 Budget	1943-44 Revised	1944-45 Budget
Total taxes on income other than Corporation Tax, excluding central surcharge	38,20	49,72	62,39
Deduct—Portion attributable to taxes on federal emoluments and to Chief Commissioners' Provinces..	4,62	5,18	5,36
Deduct share of cost of collection	39	50	65
<hr/>			
Divisible Net Proceeds of Income-Tax	33,19	44,04	56,38
Deduct amount retained by the Central Government ..	21,09	26,52	32,69
<hr/>			
Amount payable to Provinces	12,10	17,52	23,69
Add previous year's arrears .. .. .	....	1,08	....
<hr/>			
	12,10	19,50	23,69

The share of jute export duty assigned to the jute producing provinces is placed at Rs.1.35 crores both for 1944-45 and 1943-44 (revised) against Rs.1.40 crores in 1942-43.

On a proposal of the Sind Government to set off the capitalised value of the annual subvention of Rs.1.05 lakhs payable to the Sind Government by the Centre against the outstanding Lloyd Barrage Debt of Rs.20.70 crores and to repay the balance from the province's own free balances, the subvention was capitalised at Rs.14.70 crores at the same rate of interest as borne by the Barrage Debt namely $4\frac{1}{2}$ per cent.; the Distribution of Revenues Order was accordingly amended on the 17th April relieving the Centre from its liability in respect of the payment of the annual subvention to Sind with effect from the 1st April 1944.

The revised estimates for 1943-44 and the budget estimates for 1944-45 provide for the payment of additional grants by the Centre of Rs.3.25 crores and Rs. 1.75 crores respectively of which Rs.3 crores and Rs.1.50 crores go to Bengal.

In view of the somewhat uneven effects of the impact of war on provincial finances, an examination of recent developments was made by the Central Government to see whether a temporary modification of the manner in which the provincial share of the divisible Income-Tax pool is allocated between the provinces as prescribed in paragraph 5 of the Government of India (Distribution of Revenues) Order, 1936 should be made. It was decided that the situation does not call for modification at present and that any action on these lines would have an unsettling effect.

B. PUBLIC DEBT

(a) GOVERNMENT BALANCES AND SHORT TERM BORROWING

CENTRAL GOVERNMENT :

42. *Balances.*—Statement XI shows the balances of the Central and the Provincial Governments separately with the Reserve Bank of India and Government Treasuries at the end of each month during 1943-44. It will be seen that except at the end of May, June and December 1943 the Central Government's balances with the Bank remained on a much higher level than in 1942-43. They showed an almost continuous rise from July 1943 and stood at a record level of Rs.83·49 crores at the end of the year as compared with Rs.17·41 crores at the end of 1942-43. The average month-end balances of the Central Government with the Bank during 1943-44 stood at Rs.30·25 crores as against Rs.12·10 crores in the previous year.

43. *Treasury Bills.*—Particulars of the transactions in Central Government treasury bills since 1918-19 are given in Statement XII. Statement XIII gives particulars of the weekly transactions in these bills during 1943-44. The outstanding treasury bills, which had reached the high level of Rs.282·29 crores on the 19th March 1943 mainly as a result of sterling debt repatriation operations, showed a steady reduction and during the twelve months ending the 31st March 1944 declined by Rs.154·09 crores. This reduction was nearly three times the estimate of Rs.57 crores envisaged in the budget statement for the year 1943-44 and was due to the success of the Government's borrowing programme. Total sales of Central Government treasury bills to the public including intermediaries amounted during the year to Rs.396·19 crores and the maturities to Rs.437·03 crores, the corresponding figures for 1942-43 being Rs.371·93 crores and Rs.283·08 crores. The total amount of bills held by the public declined from Rs.123·98 crores at the end of 1942-43 to Rs.76·07 crores at the end of the year under review. As a result of the modification in the method of payment for accepted tenders introduced in July 1942 a successful tenderer is permitted to offer, in lieu of payment in cash against allotment, such treasury bills in his possession as mature between the day on which the tender result is published and the day preceding the next publication. The amount of treasury bills offered for reconversion totalled Rs.16·50 crores during 1943-44 as against Rs.8·31 crores during the previous year. The weekly offer which had been maintained at Rs.8 crores since the 16th February 1943 was lowered to Rs.6 crores from the 9th November. The tender limit was raised to Rs.8 crores from the 18th January 1944 but was again reduced to Rs.6 crores from the 29th February and to Rs.4 crores from the 22nd March.

The money market was easy throughout the year and applications were generally well above the amounts offered. In April 1943, applications fell below the tender limits largely on account of the smallness of maturities and in March 1944, an increased demand for funds and the comparatively better yield obtainable on provincial treasury bills, resulted in smaller applications. The total amount tendered in 1943-44 was Rs.628·59 crores against an offer of Rs.384 crores, as compared with Rs.527·44 crores and Rs.317 crores in the previous year. The rate of discount of both the accepted tenders and intermediaries for the year averaged Rs.0-14-5 as against Rs.0-13-11 per cent. for 1942-43. The spread between the highest and lowest accepted tender rates was Rs.0-9-5 as against Rs.0-14-6 in 1942-43 and Rs.0-12-9 per cent. in 1941-42. The accepted tender rate remained below the level of last year up to the first week of June, and again from the last week of November till

the close of the year, but it ruled above the previous year's level in the intervening period and this accounted for the higher average for 1943-44. The accepted tender rate remained at Rs.1-2-0 for the greater part of April and then gradually declined. The commencement of the busy season did not affect this trend and the rate continued to fall, the lowest for the year and also the lowest on record for this part of the season being Rs.0-8-7 per cent. on the 14th January 1944. After this the rate firmed up owing to an increased demand for money rising to Rs.0-13-0 on the 17th March 1944. The year closed slightly lower at Rs.0-12-9 as against the closing rate of Rs.1-1-10 on the 26th March 1943. Earlier, on the 23rd February, with a view to counteracting the rising trend in the tender rate at the weekly auctions, tenders below Rs.99-12-9 were rejected with the result that an aggregate allotment of only Rs.89.50 lakhs was made out of a total amount of Rs.10.47 crores applied for against an offer of Rs.8 crores; as a further step in the same direction, the weekly offer was reduced from Rs.8 crores to Rs.6 crores. The sale of intermediates which had been resumed in December 1942 was discontinued from the 7th July 1943 and no sales were made during the rest of the year. The amount of intermediates sold was lower at Rs.36.48 crores compared with Rs.62.51 crores in 1942-43; the rate remained unaltered at Rs.1-0-0 per cent. per annum at which it had stood since the 9th December 1942. The following table gives comparative treasury bill rates for the six years ended 1943 in certain other Empire countries:—

	(per cent. per annum)				
	United Kingdom	Canada	Australia	South Africa*	India
1938 Average	0.61	0.59	1.75	0.75	1.30
1939	1.19	0.71	1.75	0.75	2.01
1940	1.03	0.70	1.58	0.75	1.21
1941	1.01	0.53	1.50	0.75	0.74
1942	1.00	0.54	1.50	0.75	0.86
1943	1.00	0.48	1.46	0.75	0.96

* Six months bills.

44. *Yield on Treasury Bills.*—The following table shows the average true yield per cent. per annum on Central Government treasury bills sold to the public during each month of 1943-44 and 1942-43:—

Month	1943-44		1942-43	
	Amount of three months treasury bills (including intermediates) sold (000s omitted)	Average yield per cent. per annum	Amount of three months treasury bills (including intermediates) sold (000s omitted)	Average yield per cent. per annum
April	40,08,25	1.10	13,40,00	1.23
May	43,74,50	1.06	26,78,00	1.23
June	47,10,50	1.04	21,00,00	0.88
July	35,19,25	1.01	39,81,75	0.62
August	32,00,00	0.93	24,18,25	0.47
September	39,96,50	0.85	24,00,00	0.52
October	32,03,50	0.76	36,00,00	0.62
November	26,00,00	0.85	38,00,00	0.71
December	24,00,00	0.75	31,85,25	1.00
January	28,00,00	0.58	39,08,25	1.06
February	24,89,50	0.75	41,89,75	1.08
March	23,16,75	0.81	35,93,50	1.11
Total	396,18,75	0.90	371,92,75	0.87

The average yield during the year was slightly higher at 0.90 per cent. as compared with 0.87 per cent. in 1942-43. The highest and lowest monthly yields during the year were 1.10 per cent. in April 1943 and 0.58 per cent. in January 1944 respectively, the corresponding figures for the previous year being 1.23 per cent. in April and May 1942 and 0.47 per cent. in August 1942.

45. *Ways and Means Advances.*—The monthly borrowings of the Central Government from the Reserve Bank of India are shown in Statement XIV. The total amount of advances taken by the Government during the year dropped to Rs.31 crores as against Rs.162 crores in 1942-43 and Rs.97 crores in 1941-42 and were the lowest since 1935-36. Of the total advances taken during the year, Rs.22 crores were borrowed during the first quarter and a further Rs.9 crores in September 1943, all for temporary periods. No advances were taken during the remainder of the year and none were outstanding at the end of the year.

PROVINCIAL GOVERNMENTS :

46. *Balances and Ways and Means Advances.*—The month-end balances of the Provincial Governments were generally on a higher level than in 1942-43 and averaged Rs.12.86 crores as compared with Rs.8.13 crores during the preceding year. The average month-end balances of the Government of Burma stood at Rs.69 lakhs as against Rs.62 lakhs in 1942-43.

With the exception of the Punjab and the North-West Frontier Province all the provinces had recourse to ways and means advances from the Bank during the year. The amount of advances during the year aggregated Rs.12.42 crores as compared with Rs.10.57 crores in 1942-43 of which Rs.25 lakhs was outstanding at the end of the year. The borrowings of the Government of Burma during the year totalled Rs.3.94 crores, all of which was repaid before the close of the year.

47. *Treasury Bills.*—The sale of treasury bills by Provincial Governments during 1943-44 are shown in Statement XV. The increasing extent of short-term borrowing by the Provincial Governments during the year is shown by the marked rise in the sales of treasury bills which totalled Rs.45.65 crores as compared with Rs.4.35 crores in 1942-43. Of the six provinces which issued treasury bills, Bengal accounted for Rs.29 crores, Assam for Rs.8.75 crores and the United Provinces for Rs.6 crores. The total outstandings amounting to Rs.17.30 crores at the end of the year were the highest since 1937-38 when the provinces first commenced issuing their own treasury bills. The average yield on provincial bills during the year was 0.98 per cent. as compared with 0.82 per cent. in 1942-43 and 0.85 per cent. in 1941-42. The yield on provincial bills continued to be higher than on corresponding issues of Central Government bills.

(b) LONG-TERM DEBT AND OTHER BORROWING.

48. *Government of India Loans.*—The loan programme of the Central Government during 1943-44 carried forward the Indian Defence Savings Movement and formed the main item in Government's anti-inflationary drive. A number of new loans designed to appeal to every type of investor were floated during the year in addition to the sale of rupee counterparts of 3½ per cent. undated Paper. In the all-important field of small savings, that is to say, savings and investment among villagers and persons of small means in urban areas into whose hands much of the excess purchasing power has been passing, a country-wide National Savings drive

with targets to be reached by individual provinces was launched in October 1943. As a part of this scheme, the Post Office Ten-Year Defence Savings Certificates, which were first issued in June 1940, were replaced from the 1st October 1943 by the Twelve-Year National Savings Certificates, giving a slightly higher return. Besides, the Three-Year Interest-Free Bonds first issued in June 1940 remained on tap throughout the year, the 3 per cent. Loan 1951-54 (Third Defence Loan) continued to be sold up to the 30th June; and the 3 per cent. Loan 1953-55 (Fourth Defence Loan) was issued from the 3rd July 1943. Further, Premium Bonds carrying no rate of interest but in respect of which half-yearly prizes are allotted, were on sale to the public from the middle of January 1944. The Government's borrowing programme was highly successful, and the aggregate investments in Government loans, both Central and Provincial, and in the various forms of postal savings totalled Rs.349.24 crores or over three times the total of the preceding year.

The subscriptions to the 3 per cent. Loan 1951-54 (Third Defence Loan), from the 1st April 1943 to the 30th June 1943, amounted to Rs.14,53,52,000, the total subscriptions since the 8th July 1942 when it was first issued being Rs.54,80,10,300 including conversions of Interest-Free Bonds of the face value of Rs.68,100. The 3 per cent. Loan 1953-55 (Fourth Defence Loan) was a cash-cum-conversion loan. Subscriptions to it were received also in the form of the 4 per cent. Bonds, (which fell due for repayment on the 31st July 1943), up to the close of business on the 17th July 1943 at the rate of Rs.100-4-0 for every Rs.100 nominal. The new loan was on tap, the issue price during the first week being fixed at Rs.100 for every Rs.100 nominal, increasing thereafter by 8 pies per cent. weekly approximating to the net weekly interest accruing. The total subscriptions to the loan up to the 31st March 1944 amounted to Rs.1,10,85,11,300 including Rs.5,45,97,600 in the form of 4 per cent. Bonds 1943 tendered for conversion.

Simultaneously with the announcement of the Fourth Defence Loan, a further issue of the 3 per cent. Loan 1963-65 (Fourth Issue) was also announced, the issue price being Rs.95-8-0 for every Rs.100 nominal plus an amount to cover the interest from the 1st June 1943 to the date of application. The list was to be opened on the 3rd July 1943 and to be closed without notice as soon as it appeared that the total subscriptions amounted to approximately Rs.15 crores, and in any case not later than the 10th July 1943. Subscriptions were to be in cash or in the form of the 4 per cent. Bonds 1943. The loan was actually closed on the 10th July 1943, the total subscriptions amounting to Rs.15,21,10,400 including Rs.7,28,02,600 in the form of 4 per cent. Bonds tendered for conversion.

In order to assist in the funding of the liabilities connected with the acquisition of the 2½ per cent. and 3 per cent. undated Sterling Loans, Government announced, early in August 1943, their decision to create rupee counterparts of 3½ per cent. undated Paper up to the maximum value of the two sterling loans repaid, the counterparts being sold by the Reserve Bank in accordance with the usual procedure.

On the 16th October, the issue of a new 3 per cent. Funding Loan 1966-68 was announced, subscriptions to which were to be received from the 22nd October 1943. The loan was to be closed as soon as the total subscriptions amounted to approximately Rs.25 crores, and in any case not later than the 26th October 1943. The issue price was fixed at Rs.98 for every Rs.100 nominal plus Rs.0-2-0 per cent. representing approximately interest for the period 1st to 21st October 1943. The

loan was closed on the 26th October 1943, the total subscriptions amounting to Rs.25,11,78,000. On the 10th January 1944 in view of the existence of a continued investment demand for longer-dated loans on the part of institutional investors and the market generally, a special issue of Rs.50 crores of the 3 per cent. Funding Loan 1966-68 was created.

In order to encourage the public and particularly the small investor to save more, the Government announced on the 15th December 1943, the issue of Five-Year Interest-Free Prize Bonds repayable at par on or after the 15th January 1949. The Bonds have been on sale since the 15th January 1944. The entire issue is in the form of bearer bonds in denominations of Rs.10 and Rs.100. Drawings for prizes are half-yearly on the 15th July and the 15th January, the amount of prize money involving a cost to Government equivalent to a rate of interest of about 2 per cent. per annum. The subscriptions to these Bonds up to the 31st March 1944 amounted to Rs.1,80,55,170.

Apart from subscriptions to the Defence Loans, there was a sustained investment of new money, especially by institutional investors, in rupee counterparts and extensions of existing loans issued in connection with the repatriation of sterling debt. The aggregate investments during the year under review in these loans amounted to Rs.78.05 crores as against Rs.48.14 crores in the preceding year. The progressive totals in respect of investments in each of these loans for the years 1940-41 to 1943-44 are shown below :—

						(In crores of rupees)			
						1940-41	1941-42	1942-43	1943-44
3	per cent.	Paper	..	..	..	2.89	3.39	3.97	5.28
3½	..	..	..	..	..	9.38	17.26	55.73	133.78
5	..	1942-47	..	..	..	7.45	0.29	..	..
4½	..	1950-55	..	..	..	18.72	8.08	8.08	6.73
4½	..	1958-68	..	..	..	7.27	5.84	5.84	5.85
4	..	1948-53	..	..	..	6.36	4.72	5.02	5.02
3½	..	1954-59	..	..	..	3.96	12.24	12.32	12.35
3	..	1949-52	..	..	..	5.24	7.28	7.48	7.48
3	..	1951-54	..	..	..	....	10.95	16.79	16.79
3	..	1963-65	..	..	..	....	13.05	16.01	16.01
Total						61.27	83.10	131.24	209.29

The total receipts from the various Defence Loans and issues made in connection with the financing of the repatriation operations during each of the years 1940-41 to 1943-44 are given below. Investments during 1943-44 amounted to Rs.341.49 crores and accounted for 57.6 per cent. of the aggregate investments at Rs.592.45 crores since the inception of the Defence Loan programme in 1940.

	(In lakhs of rupees)				
	1940-41	1941-42	1942-43	1943-44	Total
3 per cent. Six-Year Defence Bonds:—					
(a) First series	71	..	..	..	71
(b) Second series	44,43	..	..	20,00*	64,43
3 per cent. Second Defence Loan 1949-52	3,47	55,69	..	..	59,16
Three-Year Interest-Free Bonds	2,34	34	32	—1	2,99
Post Office Cash Certificates	—10,04	—7,97	—4,44	7	—22,38
Defence Savings Certificates	2,29	2,06	1,21	1,41	6,97
National Saving Certificates .. .. .	..	..	..	8,65	8,65
Post Office Savings Bank	—18,81	—7,44	15	11,96	—14,14
Post Office Defence Savings Bank .. .. .	..	11	29	3,58	3,98
3 per cent. Loan 1951-54 (Third Defence Loan) .. .. .	..	..	40,01	14,79	54,80
Rupce Counterparts (net investments)	61,27	21,83	48,14	78,05	209,29
3 per cent. Loan 1963-65 (Special Issue) .. .. .	..	..	15,00	15,21	30,21
3 per cent. Funding Loan 1966-68 .. .. .	..	..	..	75,12*	75,12
3 per cent. Loan 1953-55 (Fourth Defence Loan) .. .. .	..	..	..	110,85	110,85
Five-Year Interest-Free Prize Bonds .. .. .	..	..	..	1,81	1,81
Total	85,66	64,62	100,68	341,49	592,45

* Includes amounts taken up by the Government of India in their Cash Balance Investment Account.

49. *Repayment of Loans.*—The 4 per cent. Bonds 1943, fell due for redemption on the 31st July 1943. The total amount outstanding as on the 31st March 1943 was Rs.14,97,18,000; of this, Bonds of the face value of Rs.5,45,97,600 and of Rs.7,28,02,600 respectively were converted into the 3 per cent. Loan 1953-55 (Fourth Defence Loan) and the fourth issue of the 3 per cent. Loan 1963-65, and the balance was paid off on the 31st July 1943, the actual amount surrendered for payment during the year under review being Rs.2,12,39,800.

50. *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 for the last three years are given below:—

	(In lakhs of rupees)		
	1942-43 Accounts	1943-44 Revised	1944-45 Budget
1. Sinking Fund	95.04	95.04	95.04
2. Other Appropriations	2,04.96	2,04.96	2,04.96
Total	3,00.00	3,00.00	3,00.00

51. *Repatriation of Sterling Debt.*—The scheme of repatriation of India's sterling debt, which was started in 1937, reached its final stages during the year under review. Out of a total debt of £356.05 million (including Railway Stocks, Debentures and Annuities) outstanding at the end of 1936-37, debt of the value of £307.26 million had been repaid by the end of 1942-43. The Chatfield debt amounting to £8½ million was also liquidated. The continued accumulations of sterling with the Reserve Bank enabled the Government of India to redeem during 1943-44 through repayments and open market purchases a further £13.02 million of the remaining sterling debt. In addition, on the 1st April 1944, Government effected the purchase of the Madras and Southern Mahratta Railway and the South Indian Railway at an aggregate cost of approximately £6.35 million.

In accordance with the notice of redemption given on the 12th of March 1943, the remaining three 3½ per cent. Railway Debentures, viz., those of the East Indian Railway, the Great Indian Peninsula Railway, and the Bombay, Baroda and Central India Railway, were repaid on the 4th February 1944, the amount paid being £8·9 million. During the year the acquisitions of stray parcels of the Government of India Sterling Stocks, both dated and undated, of the face value of £2·52 million and of the 3½ per cent. Railway Debenture Stocks amounting to £1·60 million, totalled £4·12 million. The aggregate sterling debt redeemed from the time since repatriation first began up to the end of March 1944 amounted to £320·28 million at a total cost of Rs.425·37 crores.

In the table below are given particulars of the sterling stocks acquired since 1937-38 under the various schemes, their purchase prices and the amount of rupee counterparts created.

Manner of Repatriation	Face Value		Purchase Value		Amount of Rupee Counterparts created (Rs. crore)
	(£ million)	(£ million)	(Rs. crore)	(Rs. crore)	
1937-38 Open market purchases	0·84	0·75	1·00	1·12	
1939-40 " " "	17·09	16·54	22·05	22·79	
1940-41 1. " " "	9·22	8·52	11·36	12·10	
2. Licence scheme of 22nd February 1940	2·02	2·02	2·60	2·69	
3. First compulsory scheme of 8th February 1941	60·05	64·70	88·27	80·07	
1941-42 1. Open market purchases	12·11	12·36	16·48	16·14	
2. First compulsory scheme of the 8th February 1941	13·08	14·14	18·85	17·44	
3. Second compulsory scheme of the 24th December 1941	73·85	65·78	87·71	....
1942-43 1. Open market purchases	10·43	10·40	14·00	11·40	
2. First compulsory scheme of the 8th February 1941 (including special arrangement)	1·45	1·13	2·02	1·29	
3. Second compulsory scheme of the 24th December 1941 (including special arrangement)	5·22	4·31	6·12	2·30	
4. Redemption of 3½ per cent. sterling stock 1931 or after	56·21	56·21	74·95	67·63*	
5. Funding of Railway Annuities	27·06	30·05	40·07	....
6. Repatriation of Railway Debenture Stocks	18·58	18·38	24·51	....
1943-44 1. Open market purchases	1·60	1·63	2·17	....
2. First compulsory scheme of the 8th February 1941 (including special arrangement)	0·16	0·16	0·22	0·04	
3. Second compulsory scheme of the 24th December 1941 (including special arrangement)	0·32	0·28	0·37	30·38†	
4. Redemption of 3½ per cent. sterling stock 1931 or after	0·71	0·71	0·94	8·00*	
5. Redemption of 3½ per cent. Debenture Stocks of E.I.R., G.I.P., & B. B. & C. I. Railways.	8·90‡	8·90‡	11·87	....
6. Repatriation of Railway Debenture Stocks	1·33	1·29	1·72	....
Total	320·28	318·26	425·37	273·39	

* Created against cancellation of £56·72 million of 3½ per cent. Sterling Stock 1931 or after.

† Includes counterparts for Rs. 30 crores created against cancellation of £26·25 million of 3 per cent. Sterling Stock 1948 during the period 2nd March to 16th June 1942.

‡ Provisional.

52. *Composition of Total Rupee and Sterling Debt since 1913-14.*—Statement XVI gives the outstandings of the rupee and sterling debt of the Government of India as at the end of each quinquennium from 1913-14 to 1938-39 and as at the end of each financial year thereafter. The terminable part of the funded debt is classified according to the period of maturity.

The total public debt of India as on the 31st March 1944 amounted to Rs.1,372·96 crores, of which the sterling debt accounted for Rs.38·27 crores or 2·8 per cent. as against Rs.57·41 crores at the end of the preceding year.

53. *Conversion of Government Promissory Notes into Stock Certificates, and Subsidiary General Ledger Accounts.*—The facility for the conversion of Government Promissory Notes into Stock Certificates, free of charge, continued to be availed of by the investing public. The amount of such conversions during the year under review was Rs.50·23 crores, the total amount converted since the introduction of the scheme on the 1st March 1942 being Rs.232·51 crores. Reconversions of Stock Certificates into Government Promissory Notes, for which also no charge is made, amounted to Rs.18·66 crores as compared with Rs.19·80 crores in 1942-43. Institutional investors also continued to utilise the facility allowed by the Bank for holding securities on Subsidiary General Ledger Accounts, referred to in the last year's Report. The relative importance of the various forms in which the total rupee debt is held by the public is indicated in the table below :—

As on	Percentage to total Rupee Debt			
	G. P. Notes	Stock Certificates	S.G.L. A/c.	Misc. (i.e., G. P. Notes & Stock held in London)
31-3-1942	53·69	15·40	30·57	0·34
31-3-1943	25·60	31·28	42·85	0·27
31-3-1944	32·65	28·88	38·27	0·20

54. *Post Office Certificates and Savings Bank Deposits.*—Statement XVII shows the transactions in Post Office Five-Year Cash Certificates since their inception in 1917-18 and Ten-Year Defence Savings Certificates which were first introduced in 1940 and were replaced by the Twelve-Year National Savings Certificates from the 1st October 1943. Statement XVIII gives information regarding the Post Office Savings Bank since 1913-14 and the Defence Savings Bank which started operations from the 1st April 1941.

The year witnessed a welcome improvement in the volume of small savings, the campaign launched by the Central Government and pursued by most of the provinces meeting with a marked degree of success. A National Savings Commissioner was appointed in September 1943 to direct and control the small savings movement, and a scheme was introduced for the employment of authorised agents to make sales of certificates in the villages on a commission basis. A special staff paid by the Central Government was appointed to assist provincial authorities in promoting their savings and investment campaigns. As a further encouragement, new Twelve-Year National Savings Certificates were introduced with a yield to maturity of nearly 3½ per cent. compound interest free of income tax as compared with 3½ per cent. on the old Defence Savings Certificates. Also from the 1st October 1943 the rate of interest on Post Office Savings Bank deposits was raised from 1½ per cent. to 2 per cent. on balances that did not fall below Rs.200 at any time during the year. As a result of these measures, there was a marked

improvement both in the purchase of certificates by the public and in lodgements to Savings Bank accounts. In both 1941-42 and 1942-43 there had been a net decrease by withdrawals of funds from savings banks and by encashment of certificates, but in 1943-44 there was a net accrual of Rs.25.67 crores under both these heads as indicated by the following table.

Outstandings	(In lakhs of rupees)			
	1940-41	1941-42	1942-43	1943-44
Cash Certificates	46,98	39,01	34,57	34,64
Defence Savings Certificates	2,29	4,35	5,56	6,97
National Savings Certificates .. .. .	....	....	....	8,65
Savings Bank Deposits	59,57	52,13	52,28	64,24
Defence Savings Bank Deposits .. .. .	....	11	40	3,98
Total ..	108,84	95,60	92,81	118,48

No change was made in the rate payable on the Post Office Five-Year Cash Certificates, the yield on them continuing at 2½ per cent. compound interest, free of income tax. Total withdrawals during 1943-44 showed a decline of Rs.2.77 crores over the previous year, while on a similar comparison total sales showed an increase of Rs.1.74 crores. The aggregate amount outstanding at the end of the year under review at Rs.34.64 crores was higher than at the end of the previous year by Rs.7 lakhs.

The total net investments in the Ten-Year Defence Savings Certificates since their introduction in June 1940 upto the 30th September 1943 when they were discontinued, amounted to Rs.7.46 crores. The outstanding of these Certificates at the end of 1943-44 was Rs.6.97 crores.

The notification of the Government of India issued in October 1942 giving an option to the holders of Post Office Cash Certificates issued in Burma after its separation from India to extend their maturity by a further ten years was cancelled in February 1944 and such certificates ceased to bear interest after maturity. Post Office Cash Certificates issued in Burma prior to its separation from India continue to be governed by the same rules as apply to Government of India Post Office Cash Certificates.

55. *Provincial Loans.*—On the 14th September 1943, four Provincial Governments issued loans bearing interest at 3 per cent. to the aggregate value of Rs.7.75 crores repayable on the 14th September 1956. Bombay issued Rs.3.50 lakhs at Rs.100, the Punjab Rs.2.50 lakhs at Rs.99, Madras Rs.1.25 lakhs at Rs.99-8-0 and the Central Provinces and Berar Rs.50 lakhs at Rs.99. The lists were open for one day only, viz., the 14th September 1943. The Central Provinces and Berar and the Punjab Loans were over-subscribed while the Bombay and Madras Loans were fully subscribed after a call had been made on the underwriters. The object of the loans as in the case of those floated in the previous year was to make advance repayment of a portion of the loans carrying a higher rate of interest, owed to the Central Government from a date prior to the inauguration of Provincial Autonomy on the 1st of April 1937.

56. *Debt Position of Provinces.*—Statement XIX shows the debt position of the provinces at the end of the year under review. The main features are an almost continuous rise in the permanent debt of the provinces, and a more or less opposite trend in the debt owed by them to the Central Government. The

reduction in the debt owed to the Central Government during 1943-44 was a result of advance payments amounting to Rs.7.84 crores made by some of the provinces against their liability on account of their consolidated debt to the Centre. Out of the large amount of the floating debt at Rs.37.55 crores outstanding at the end of 1943-44, borrowings by Bengal mainly for financing famine relief measures accounted for Rs.33.5 crores.

VI. CAPITAL MARKETS, MONEY AND BANKING

57. *Government Securities Market.*—Statement XXI gives the highest and lowest prices of representative rupee securities of the Government of India during 1943-44 and previous years while Statement XX shows the highest, lowest and average prices, and the average yield during each month of the year under review.

The recovery in the gilt-edged market which commenced in May 1942 continued almost without interruption throughout 1943 and during the last quarter, prices touched the highest levels recorded since the war began. A continued investment demand, particularly for the longer-dated loans, the diversion of funds from equities and the commodity markets following a further tightening of financial control, and the improved technique of Governmental borrowing developed during the war, were the major factors which contributed to the firmness of the gilt-edged market and the success of Government's borrowing programme during the year. The total investment in Central Government loans during 1943-44 amounted to Rs. 341 crores and was more than half of the total subscribed since the outbreak of the war.

A quietly steady tone prevailed during the first quarter of the year under review, the $3\frac{1}{2}$ per cent. undated Rupee Paper continuing to be quoted at Rs.94 and other loans showing no marked variations. On the 30th June, Government advanced the selling price of $3\frac{1}{2}$ per cent. rupee counterparts of undated Paper which were on sale on tap at the Reserve Bank from Rs.94 to Rs.94-8-0 and on the 5th July to Rs.95. The announcement at the end of June of the issue of the Fourth Defence Loan, viz., the 3 per cent. Loan 1953-55, and a further issue of the 3 per cent. Loan 1963-65 coupled with the decision to create from the 5th August further rupee counterparts in the form of $3\frac{1}{2}$ per cent. undated Paper had a favourable effect on the gilt-edged market and both the terminable and nonterminable loans tended to improve from the beginning of the second quarter on a good investment demand. The firmness of the market enabled Government to raise by stages the selling price of the $3\frac{1}{2}$ per cent. undated Rupee Paper to Rs.96 by the 28th July and to Rs.97-8-0 by the 28th September. Prices of other loans also advanced in sympathy, the 3 per cent. Loan 1963-65 and the 4 per cent. Loan 1960-70 improving from Rs.95-8-0 and Rs.110-8-0 on the 30th June to Rs.97-8-0 and Rs.111-6-0 respectively by the 28th September. The market continued to be firm for the rest of the year except for temporary setbacks, following the air raids on Madras in October and on Calcutta in December. During November, however, prices of the $3\frac{1}{2}$ per cent. undated Paper showed a downward trend owing to heavy profit-taking sales by purchasers who had bought at lower levels earlier in the year, and on the 20th November the quotation touched Rs.97-1-0 recovering to Rs.97-8-0 by the end of the month. On the 11th December, Government issued a notification further revising the minimum prices of Government securities originally fixed in March 1942 and revised upward in September of that year. The minima for the provincial

loans were, however, left at the levels at which they were fixed on the latter date. The table below shows the revised prices together with the previous day's closing quotations and the minimum prices fixed earlier by Government.

CENTRAL GOVERNMENT LOANS	Minimum price	Minimum price	Minimum price	Closing
	fixed by Government on 2nd March 1942.	revised by Government on 2nd September 1942.	revised by Government on 11th December 1943.	quotation on 10th December 1943.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
3½% Rupee Paper (Non-terminable)..	87 0 0	90 0 0	94 0 0	97 6 0
3% Rupee Paper (Non-terminable)..	75 0 0	77 0 0	80 8 0	84 8 0
4% 1943	101 12 0	101 0 0	Repaid	..
5% 1945-55	104 0 0	107 0 0	..	..
3% Defence Bonds 1946	97 4 0	101 0 0	101 0 0	102 5 0
3½% 1947-50	97 4 0	101 8 0	101 8 0	103 6 0
2½% 1948-52	93 0 0	97 0 0	98 0 0	99 12 0
4% 1948-53	102 0 0	104 8 0	104 8 0	106 11 0
3% 1949-52	95 0 0	98 8 0	99 8 0	100 9 0
4½% 1950-55	106 0 0	107 8 0	108 8 0	111 10 0
3% 1951-54	94 0 0	97 8 0	98 8 0	100 2 0
3½% 1954-59	98 0 0	100 0 0	103 0 0	104 2 0
4½% 1955-60	107 8 0	109 8 0	112 8 0	115 8 0
4% 1960-70	103 0 0	106 8 0	108 8 0	111 15 0
3% 1963-65	88 8 0	91 0 0	95 0 0	98 4 0
4½% 1958-68	108 0 0	109 8 0	113 8 0	116 2 0
3% 1953-55 .. .. .	..	..	98 0 0	..
3% 1966-68 .. .. .	..	..	95 0 0	98 2 0

The announcement of the new minima which were in most cases higher than those fixed earlier, had a strengthening effect; the 3½ per cent. undated Paper which had declined to Rs. 97-5-0 on the 6th December moved up steadily to Rs.99 on the 13th January 1944, and, after fluctuating narrowly between Rs.98-12-0 and Rs.99-2-0, advanced to Rs.99-6-0 on the 4th March 1944, the highest quotation since the outbreak of the war. Towards the close of the year, however, as a result of developments on the Assam-Burma front a slight reaction set in, the quotation declining to Rs.98-3-0 by the 31st March as compared with the previous year's closing price of Rs.94. Most other loans showed substantial gains over 1942-43; the 3 per cent. undated Paper, the 4 per cent. Loan 1960-70 and the 3 per cent. Loan 1963-65 closed at Rs.89-8-0, Rs.112-8-0 and Rs.98-5-0 respectively showing gains of Rs.8-14-0, Rs.2-1-0 and Rs.2-13-0. The Economic Adviser's index number of the prices of Government securities (1927-28 = 100) advanced from 116.1 in March 1943 to 118.3 in January 1944 and stood at 117.7 in March 1944.

The table below gives the average face and market values of rupee securities of the Government of India for each of the eight years 1936-37 to 1943-44 and for each of the months of the year under review.

Year. (1)	(In crores of rupees)		
	Face Value. (2)	Market Value. (3)	Percentage of (3) to (2)
1936-37	437.33	470.86	107.7
1937-38	437.39	463.86	106.0
1938-39	447.92	471.23	105.2
1939-40	457.56	454.59	99.4
Five pre-war months	441.86	453.78	102.7
Seven war months	441.32	426.53	96.6
1940-41	502.73	496.73	98.8
1941-42	587.92	589.26	100.04
1942-43	663.84	660.10	99.44
1943-44	873.08	878.58	100.63
April	755.76	755.36	99.95
May	779.29	779.10	99.98
June	783.74	783.45	99.96
July	804.79	807.72	100.36
August	848.06	853.66	100.66
September	856.31	862.64	100.74
October	886.87	895.69	100.99
November	895.51	903.76	100.92
December	905.58	914.56	100.99
January	967.93	980.16	100.26
February	990.50	992.79	100.23
March	1,002.60	1,014.01	101.14

58. *Industrial Share Market.*—The recovery in prices of industrial securities was maintained during the year under review and the prices recorded the largest gains in any single year since the beginning of the war. This improvement reflected on the whole the favourable position of most Indian industries as a result of the war and the removal of the fear of enemy attack. A large part of the rise must, however, be attributed to the pressure of idle funds against limited investment opportunities particularly since the restrictions imposed on new issues of capital in May 1943. The following table based on the indices compiled by 'Capital' (Base: August 1939 = 100) illustrates the general rise, the index for industrial shares for the year 1943-44 being higher at 210.1 against 159.3 in the previous year.

	1941-42.	1942-43.	1943-44.
Banks	110.8	117.5	155.5
Cotton Mills	177.2	213.5	269.5
Coals	125.3	133.8	190.4
Jute Mills	129.8	131.9	170.0
Mining and Oil	104.8	106.8	155.2
Cement, Lime, etc.	125.7	158.1	200.0
Engineering and Metal Works	144.5	149.7	196.6
Tea shares	136.3	159.1	226.4
Paper Mills	251.4	291.1	398.3
Sugar shares	153.3	189.3	265.4
Others	156.1	167.8	199.6
Combined Index	145.2	159.3	210.1

Statement XXII of the Index Numbers of Indian Securities compiled by the Office of the Economic Adviser shows that the general index of variable yield industrial securities registered on an average an increase of about 30 per cent. during 1943-44 as against an increase of 7.4 per cent. during the year 1942-43.

The slight fall in prices in most securities in the month of May 1943 was due to the issue by Government of the Excess Profits Tax Ordinance 1943 which

provided for a summary assessment of wartime industrial profits and aimed at immobilising a part of the surplus purchasing power in the hands of industrial concerns. The set-back was only temporary and most securities registered a steady advance thereafter. The issue of the Cotton Cloth and Yarn (Control) Order of June 1943 whose object was the stabilisation of prices in the piecegoods trade led to a general fall in prices of textile shares in anticipation of lower dividends but the shares gradually recovered and reached their highest level in January 1944, Bombay Dyeings, the leading textile share, being quoted at Rs.2,122-8-0 on the 31st March 1944 against Rs.1,925 at the close of the previous year.

The fluctuations in Tata Deferreds, one of the leading scrips, is illustrative of general market movements during the year. Deferreds, which rose to Rs.2,026-4-0 on the 5th May, fell to Rs.1,862-8-0 following the issue of the Excess Profits Tax Ordinance, but improved to Rs.2,075 by the end of June, mainly due to the diversion of funds to the Stock Exchange following Government restrictions on forward trading in bullion. The rumours of restrictions being placed on 'budla' transactions and forward trading on the Stock Exchange, led to further falls and, after the issue of the Government notification prohibiting trading in shares except on a cash basis, the price fell to Rs.1,837-8-0. A partial recovery occurred in the following months, but the quotation declined to Rs.1,890 in December owing to fear of Japanese air attacks. From January 1944 onwards, there was a steady appreciation and the shares touched their highest level of the year at Rs.2,252-8-0 on the 20th March 1944. The strength of the coal section was due to the acute shortage of coal, and the anticipation of higher prices and special measures of assistance to the colliery companies by Government. Jute shares receded in price in July owing to temporary stoppages due to interruptions in the supply of coal, but later recovered.

59. *Money Rates and Conditions.*—Bank rates in the United Kingdom, the United States and most other leading countries remained unchanged during the year. In the United Kingdom, money conditions continued to be easy except towards the close of July 1943 when owing to heavy tax payments and the clearing banks making up their July statements, somewhat tighter money conditions prevailed, but the stringency was eased by special open market purchases of bills by the Bank of England. The day-to-day money rate fluctuated between $\frac{3}{4}$ - $1\frac{1}{4}$ per cent. while the average rate of British Government Treasury Bills was unchanged round 1 per cent.

Statement XXIII gives various money rates in India on the first day of each month of the year under report. Easy money conditions continued to prevail throughout the year as in the previous year, with the inter-bank call money rate in Calcutta and Bombay unaltered at $\frac{1}{2}$ and $\frac{1}{4}$ per cent. respectively, except for a brief period towards the close of the financial year when the call rate in Bombay advanced to $\frac{1}{2}$ per cent. The rate on three months' fixed deposits paid by some of the larger scheduled banks in Bombay was at its highest during the first three months of the year, when it fluctuated between $\frac{3}{4}$ and 1 per cent. but it declined later to $\frac{1}{2}$ — $\frac{3}{4}$ per cent. Owing to the seasonal trade demand for funds it rose again to $\frac{3}{4}$ —1 per cent. in November, and after remaining at that level up to the middle of January 1944 receded to $\frac{1}{2}$ — $\frac{3}{4}$ per cent. and remained unaltered up to the close of the year. The six months' rate moved more or less in a parallel manner between $1\frac{1}{2}$ — $1\frac{3}{4}$ per cent. in the busy season, declining to 1— $1\frac{1}{4}$ per cent. in the slack season. The twelve months' rate ranged between $1\frac{1}{2}$ — $1\frac{3}{4}$ per cent. throughout the year.

60. *Consolidated Position of Scheduled Banks.*—Statement XXIV shows the consolidated position of scheduled banks in India (excluding Burma) during the year under review. As in the previous year, there was a continuous and steady increase in both the demand and time liabilities of scheduled banks, but while the net increase in demand liabilities during 1943-44 was approximately the same as in the previous year, the net increase in time liabilities was nearly double. The most noticeable feature of the Statement is the steady and substantial rise in the amount of advances and bills discounted which was maintained throughout the year including the usual slack season for trade demands. There was an appreciable rise in banks' cash holdings and balances held with the Reserve Bank during the first nine months of the year, but a gradual decline set in thereafter and at the end of the year the proportion of cash holdings and balances with the Reserve Bank to total liabilities was less than at any time since June 1940.

61. *Clearing House Statistics.*—Statement XXV shows the amount of cheques cleared through the more important clearing houses in India and Burma since 1918-19. The total amount of cheques cleared increased from Rs.29,79 crores in 1942-43 to Rs.45,79 crores in 1943-44. The increase of Rs.16,00 crores is mainly shared by Calcutta and Bombay which together account for a rise of Rs.12,65 crores. With the pre-war year 1938-39 as base, the index numbers of the value of cheques cleared during the last five years are 117·3; 109·4; 138·6; 148·7 and 228·6 respectively. Of the total value of cheques cleared in India during the year 1943-44, Bombay and Calcutta handled about 43 per cent. and 37 per cent. respectively.

Statement XXVI gives the monthly figures of the number and amount of cheques cleared in 1943-44 including twelve Clearing Houses in smaller centres managed by the Imperial Bank of India and incorporated in this Statement for the first time. It will be noticed that the rise in the amount of cheques which passed through the Clearing Houses was proportionately greater than the increase in their number.

62. *Internal Remittances.*—Statement XXVII (A) shows remittances during the year by telegraphic transfers both issued and encashed at the offices and branches of the Reserve Bank of India according to circles. Statement XXVII (B) gives the transfers of funds by demand drafts, telegraphic transfers and mail transfers through the Imperial Bank of India on their own account. Statement XXVII (C) shows the share of the general public, the scheduled and non-scheduled banks, the co-operative banks and societies and Government in the remittances by telegraphic transfers, drafts and mail transfers effected between the Reserve Bank of India, the Imperial Bank of India and Treasury Agencies together for each of the half-years ended September 1942, March 1943 and September 1943.

The amount of remittances during the year showed a substantial increase and is an indication of business activity within the country. Telegraphic transfers issued at the offices of the Reserve Bank of India increased by 45 per cent. while the total remittances through the Imperial Bank of India showed an increase of 48 per cent. The total remittances through the Reserve Bank of India, Imperial Bank of India and Treasury Agencies on account of the general public, scheduled banks, co-operative banks and societies, Government etc. showed an increase under each head during the first half of 1943-44 as compared with the first and second halves of the previous year. It will be observed that while the total amount of remittances, both through telegraphic transfers, and drafts and mail transfers increased, the

aggregate number of transactions showed a decline during the half-year ended the 30th September 1943. The total amount of remittances during this period stood higher at Rs. 579·36 crores as compared with Rs. 474·45 crores and Rs. 311·75 crores during the earlier two half-yearly periods. Of the total remittances during the first half of 1943-44, the shares of the scheduled banks, general public, Government and co-operative banks and societies were respectively 58·8 per cent., 25·1 per cent., 4·6 per cent. and 2·4 per cent.

63. *Reserve Bank of India: Banking Department.*—Statement XXVIII shows the monthly averages of the liabilities and assets of the Banking Department of the Reserve Bank of India for each month during the year, along with their annual averages for the nine years 1935-36 to 1943-44, while Statement XXIX gives weekly (Friday) figures in respect of those for 1943-44.

The average deposits of banks with the Reserve Bank of India rose from Rs.57·36 crores in 1942-43 to Rs.64·69 crores in 1943-44. The minimum and maximum deposits during the year stood higher at Rs.41·08 crores on the 2nd April 1943 and Rs.98·16 crores on the 17th December 1943 respectively, as against the corresponding figures in 1942-43, of Rs.40·85 crores on the 17th April 1942 and Rs.70·81 crores on the 30th October 1942. There was an almost continuous rise in balances during the first part of the year to the peak level of Rs.98·16 crores on the 17th December 1943, after which, owing in part to the seasonal trade demand for funds, they declined and stood at Rs.49·92 crores at the close of the year.

The deposits of Governments with the Reserve Bank were also higher on an average during the year, amounting to Rs.42·47 crores as compared with Rs.21·09 crores in 1942-43, and stood at the record figure of Rs.101·75 crores at the close of the year. Wide fluctuations in the deposits of the Central Government from week to week were noticeable, the highest and the lowest balances being Rs.76·40 crores on the 31st March 1944 and Rs.4·70 crores on the 3rd September 1943.

On the assets side, the average cash balances declined further from Rs.11·92 crores last year to Rs.10·67 crores, while the average balances held abroad representing cash and short-term investments in sterling securities rose sharply from Rs.75·11 crores to Rs.111·72 crores. The increase represented the excess of receipts of sterling from the Central Government over the transfers to the Issue Department, as cover for increases in the note issue. The average of loans and advances to Governments declined from Rs.1·49 crores to Rs.0·49 crores, the highest amount under this head being Rs.2·10 crores in December 1943. The average investments of the Banking Department increased from Rs.7·12 crores to Rs.7·61 crores during the course of the year. The average of 'Other Loans and Advances' comprising advances to scheduled banks and co-operative banks, was Rs.15 lakhs as against Rs.4 lakhs in the previous year, the highest amount reached during the year being Rs.111 lakhs on two separate occasions.

64. *Reserve Bank of India: Issue Department.*—Statement XXXI shows the monthly averages of the liabilities and assets of the Issue Department of the Reserve Bank of India for each month of the year together with their annual averages since the commencement of the operations of the Bank in 1935, while Statement XXX gives weekly (Friday) figures in respect of those for 1943-44. Statement XXXII shows notes in circulation in India and Burma as on the last Friday of each month since April 1938.

Notes in circulation (excluding Burma notes) rose by Rs.238·91 crores or 37·12 per cent. from Rs.643·58 crores on the 26th March 1943 to Rs.882·49 crores on the 31st March 1944. Total notes issued stood at Rs.894·84 crores at the end of 1943-44 as compared with Rs.655·11 crores at the end of the previous year showing an increase of 36·60 per cent.

On the assets side, gold coin and bullion were unchanged at Rs.44·42 crores, their percentage to total notes issued falling further during the year from 6·78 to 4·96. The valuation of the gold holding continued to be based on the statutory rate of Rs.21-3-10 per tola while the market rate for gold stood on the 31st March 1944 at Rs.73-12-0. As a result of the rising war expenditure incurred by the Government of India on behalf of His Majesty's and other Allied Governments, for which payments are made in sterling, the Bank's holding of sterling securities continued to mount. From Rs.421·71 crores on the 26th March 1943 it rose to Rs.689·83 crores on the 12th November 1943, and after a temporary setback to Rs.684·83 crores on the 19th November as a result of the substitution of Rs.5 crores of rupee coin in the assets of the Issue Department, it rose to a total of Rs.779·83 crores on the 31st March 1944. The percentage of sterling balances to total note issue stood at 87·15 at the end of the year as compared with 64·37 at the end of 1942-43. The percentage of gold and sterling securities together, which stood at 71·15 towards the end of the previous year, rose to 92·11 towards the close of the year. Mainly as a result of the cancellation of *ad hoc* treasury bills created in connection with the repatriation of sterling loans, rupee securities held in the Issue Department fell from Rs.174·47 crores on the 26th March 1943 to Rs.58·33 crores on the 31st March 1944. The holding of rupee coin, including one rupee notes, fluctuated between Rs.17·62 crores and Rs.11·52 crores, the amount held on the 31st March 1944 being Rs.12·26 crores.

VII. CURRENCY

A. Circulation and Absorption

65. *Circulation and Absorption of Notes.*—Statement XXXIII shows the year-end figures and annual averages of the total notes (exclusive of Government of India one rupee notes issued since 1940) issued and in circulation since the quinquennium ended 1913-14 together with the percentage rise or fall in the active circulation. Burma notes have been shown separately for the years 1937-38 to 1941-42. The year under review witnessed a further large expansion in note circulation, although at a more moderate rate than in 1942-43. The annual rate of increase during the year 1943-44 declined to 37 per cent. as compared with 69 per cent. in 1942-43, which was the highest recorded figure either in this war or the last, and 59 per cent. in 1941-42. The total amount of notes legal tender in India stood at Rs. 894·84 crores at the end of 1943-44 as compared with Rs.655·11 crores at the end of the previous year, and the average circulation for the year was Rs.777·17 crores as against Rs. 513·44 crores during 1942-43. The active circulation increased from Rs.643·58 crores at the end of 1942-43 to Rs.882·49 crores at the close of 1943-44. Of the total absorption of Rs.710·13 crores of notes since the 1st September 1939, when the active circulation of notes in India stood at Rs. 172·36 crores, the year under review accounted for Rs.238·91 crores or 34 per cent.

The year 1943-44 like the previous year was characterised by a net absorption of notes during all months of the year. The average monthly absorption during 1943-44 amounted to Rs.19.91 crores as against Rs.21.82 crores in 1942-43, Rs.11.77 crores in 1941-42 and Rs.1.29 crores in 1940-41. The minimum and maximum absorption at Rs.5.04 crores and Rs.46.43 crores occurred during September and December 1943 respectively, the latter being the highest monthly absorption on record. The absorption during the first half of the year amounted to Rs. 116.10 crores and during the second half to Rs.122.81 crores, the corresponding figures for 1942-43 being Rs.110.86 crores and Rs.150.99 crores respectively. The relatively low expansion during the second half of the year as compared with the second half of the previous year can be attributed to the re-absorption of currency as a result of vigorous loan and taxation programmes and official sales of gold.

66. *Absorption of Rupee Coin (including Government of India One Rupee Notes).*— There was a marked reduction compared with the previous years in the demand for rupee coin, the decline in the rate of absorption being considerably more pronounced than in the case of bank notes. The net absorption during the year amounted to Rs.23.14 crores as against Rs.44.93 crores during 1942-43 and Rs.128.01 crores since the 1st September 1939. Except for the month of September when there was a return of Rs.12 lakhs, the absorption of rupee coin continued throughout the year under review. The absorption during the first half of the year amounted to Rs.10.68 crores and during the second half to Rs.12.46 crores, the corresponding figures for 1942-43 being Rs.2.80 crores and Rs.42.13 crores respectively. A feature of the year was the growing popularity of the Government of India one rupee note. Even after the increase in supplies of quaternary rupees enabled issues of coin to the public to be made freely, a preference was shown in nearly all urban areas for the more convenient one rupee note. Rupee coin retained its popularity in the country districts, where the circulation of money is less rapid, and the more durable qualities of the coin as compared to the note is of greater importance.

Now that the standard silver rupee coin is no longer legal tender, the difficulty previously experienced in estimating the volume of rupee coin in circulation has to a large extent been eliminated. A fairly accurate estimate of the amount of current rupee coin in circulation can now be arrived at by taking the figures of quaternary rupees the issue of which commenced on the 23rd December 1940 and Government of India one rupee notes first issued on the 24th July 1940, so far absorbed by the public. On the 31st March 1944, the net absorption of coin and notes was Rs.133.05 crores.

During the year under review the Bank received from the Government of India, one rupee notes and coin, on eight occasions to the extent of Rs.21.04 crores in all under Section 36 of the Reserve Bank of India Act as amended in July 1940, against cancellations of *ad hoc* treasury bills, credits to the Central Government and transfers of rupee and sterling securities.

67. *Absorption of Small Coin.*—Statement XXXIV shows the annual absorption of small coin by denominations for each of the years 1919-20 to 1943-44 and average annual absorption for the last war and pre-war quinquenniums. The measures taken to reabsorb currency notes do not directly affect the circulation of small coin and the progressively heavy absorption of small coin which has been in evidence since the beginning of the war continued unabated during 1943-44, in

contrast to the trends in the circulation of notes and rupee coin. The absorption in India during the year rose further by 58·7 per cent. to Rs.18·46 crores as compared with Rs.11·64 crores in 1942-43, Rs.5·06 crores in 1941-42, Rs. 4·28 crores in 1940-41 and Rs.2·21 crores in 1939-40. The issue of small coin in 1943-44 accounted for 43·9 per cent. of the total absorption of Rs.42·08 crores since the 1st September 1939. As usual the absorption during the second half of the year which comprised the busy season was larger than during the first half, the respective figures being Rs.10·28 crores as against Rs.8·18 crores. The monthly absorption ranged between Rs.1·08 crores in April 1943 and Rs.2·15 crores in March 1944. Excluding the absorption of silver half rupee coin at Rs.5·41 crores, the net issue of the remaining denominations of small coin during the year amounted to Rs.13·05 crores, which is more than two and a half times the total absorption of Rs.5·11 crores during the entire period of the last war. The following table gives the absorption of small coin by denominations during the war as compared with the pre-war year 1938-39.

(In lakhs of rupees)

Denominations	1938-39	1939-40	Sept. 1939 to March 1940	1940-41	1941-42*	1942-43†	1943-44†	Sept. 1939 to March 1944	
I SILVER									
8 annas	+ 2	+ 60	+ 77	+1,53	+1,57	+ 3,82	+ 5,41	+13,10	
4 „	- 5	+ 31	+ 43	+1,02	+1,29	+ 2,97	+ 5,19	+10,90	
Total Silver Coin	- 3	+ 91	+1,20	+2,55	+2,86	+ 6,79	+10,60	+24,00	
II NICKEL									
4 annas	- 4	+ 8	+ 15	..	- 2	- 10	- 2	+ 1	
2 „	+ 4	+ 48	+ 58	+ 72	+ 88	+ 2,22	+ 3,34	+ 7,74	
1 anna	+ 6	+ 51	+ 53	+ 76	+ 99	+ 2,02	+ 3,11	+ 7,41	
½ „ .. ..	..	..	..	..	+ 4	+ 57	+ 1,14	+ 1,75
Total Nickel Coin	+ 6	+1,07	+1,26	+1,48	+1,89	+ 4,71	+ 7,57	+16,91	
III COPPER									
Pice	+14	+ 21	+ 16	+ 23	+ 29	+ 13	+ 29	+ 1,10	
Half Pice ..	+ 1	+ 1	+ 1	+ 1	+ 1	..	..	+ 3
Pie Pieces..	+ 1	+ 1	+ 1	+ 1	+ 1	+ 1	..	+ 4	
Total Copper Coin	+16	+ 23	+ 18	+ 25	+ 31	+ 14	+ 29	+ 1,17	
V Total Small Coin	+19	+2,21	+2,64	+4,28	+5,06	+11,64	+18,46	+42,08	

* Excluding Burma for February and March 1942. † Excluding Burma.

The largest proportional increases were in half anna pices whose absorption rose by 100 per cent. from Rs.57 lakhs in 1942-43 to Rs.1,14 lakhs in 1943-44 and in pice pieces which rose from Rs.13 lakhs to Rs.29 lakhs in the same period. Silver accounted for 57·4 per cent., nickel for 41·0 per cent. and copper for 1·6 per cent. of the total absorption during the year, the corresponding percentages for the previous year being 58·3 per cent., 40·5 per cent. and 1·2 per cent. respectively.

The issues of small coin in the different Circles during the year under review are shown in the table below :—

Circle	(In thousands of rupees)		
	1942-43	1943-44	Percentage increase
Bombay	3,61,11	5,82,85	+61.4
Calcutta	4,36,53	6,43,36	+47.4
Cawnpore	1,35,34	2,50,27	+84.9
Karachi	20,42	33,94	+66.2
Lahore	71,48	1,37,13	+91.8
Madras	1,38,70	1,98,71	+43.3
Total	11,63,58	18,46,26	+58.7

Of the total absorption of small coin, Bombay and Calcutta accounted for Rs. 12.26 crores or 66.4 per cent., the share of Calcutta being the greatest at 34.8 per cent.

In order to meet the still expanding demand for small coin, the mints at Bombay and Calcutta continued to work to capacity throughout the year; and in October the new mint at Lahore commenced operations. The monthly output of small coin of the three mints reached a figure of 168.2 million pieces in November 1943, and rose to 175.2 million pieces in March 1944. Production of the Bombay and Calcutta mints in March 1943 had been 136.0 million pieces. The mintage of one pice and two pice coin totalled 683 million pieces in 1943-44 as against 270 million pieces in 1942-43.

Although the volume of small coin issued to the public showed no tendency to decrease, the abnormal demand which daily led to long queues of people forming up at the counters of the Bombay and Calcutta offices of the Reserve Bank gradually subsided, and by January 1944, the knowledge that supplies of coin were readily available led to the virtual disappearance of queues at the Bank. The policy of making larger issues of coin, which it was found possible to adopt owing to the increased output of the mints combined with a greater measure of public confidence, resulted in small coin circulating more readily. Even with issues of small coin on their present scale, the public demand has not, however, been fully satisfied, and there is still a shortage of coin in certain mofussil areas, although this position is largely due to continued hoarding. The present abnormal demand for small change is mainly the result of the increase in general purchasing power especially of the lower group of incomes, and the scare caused by the previous dearth of small coin. The increased demand for small coin is not peculiar to India, but is a common feature of wartime conditions. In South Africa, the absorption of small silver and bronze coin rose from £70,000 in 1939-40 to £1,320,000 in 1942-43, while in the United Kingdom the output of silver, bronze and nickel-brass coins rose from 223½ million pieces in 1941 to over 355 million in 1942. The position in India has been greatly aggravated by a widespread hoarding of small coin due to the inability of the agriculturist to obtain rupee coin in sufficient quantities and a dislike of paper currency.

68. *Total Absorption of Currency.*—Statement XXXV gives the annual absorption of notes, rupee coin and small coin since 1914-15. Statement XXXVI gives similar figures on a monthly basis for 1943-44 and 1942-43. The total absorption of currency including small coin during the year was lower at Rs.280.51 crores as against Rs.318.42 crores in 1942-43 and compares with a total absorption of Rs. 199 crores during the last war period between 1914-15 and 1918-19.

69. *Wartime Absorption of Currency.*—The following table gives the wartime absorption of currency since September 1939 :—

		(In lakhs of rupees)			
		Notes	Rupees*	Small Coin	Total
September 1939 to March 1940	..	59,66	19,55	2,64	81,85
April 1940 to March 1941	.. ..	19,11	33,22	4,28	56,61
.. 1941 1942	.. ..	152,40	7,17	5,06†	164,63
.. 1942 1943†	.. ..	261,85	44,93	11,64	318,42
.. 1943 1944†	.. ..	238,91	23,14	18,46	280,51
Total	..	731,93	123,01	42,08	902,02

* The figures of absorption are based on changes in the amount of rupee coin held in the Issue and Banking Departments. † Excluding Burma. ‡ Excluding Burma for February and March 1942.

The accompanying two graphs show the wartime absorption of currency. The graph at page 67 shows absorption during the war years 1941-42 to 1943-44 separately for (i) notes, (ii) rupees and (iii) small coin. The linear diagram in the second graph at page 68 shows the progressive absorption of notes, rupees and small coin since the beginning of the war, while the bar diagram depicts the absorption month by month, for the entire period of the war, of notes, rupees and small coin separately.

70. *Seasonal Absorption.*—The normal seasonal ebb and flow of currency have been overborne by the large issues of currency throughout the year as the wartime requirements of Government are unaffected by seasons. The following table shows the seasonal fluctuations in the demand for currency from 1939-40, the period September to February being regarded as the busy season and March to August as the slack season. From this it will be seen that in the year under review the currency absorption in the slack season was actually greater than during the busy period. This was mainly the result of the cumulative effects of the various measures taken by Government throughout the year to absorb surplus currency.

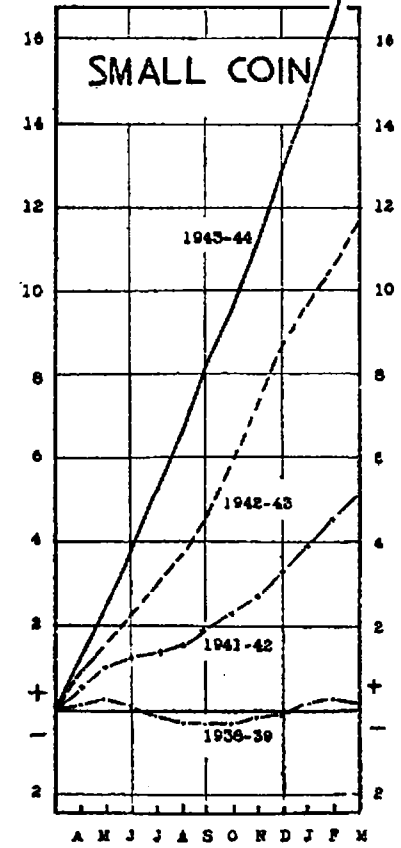
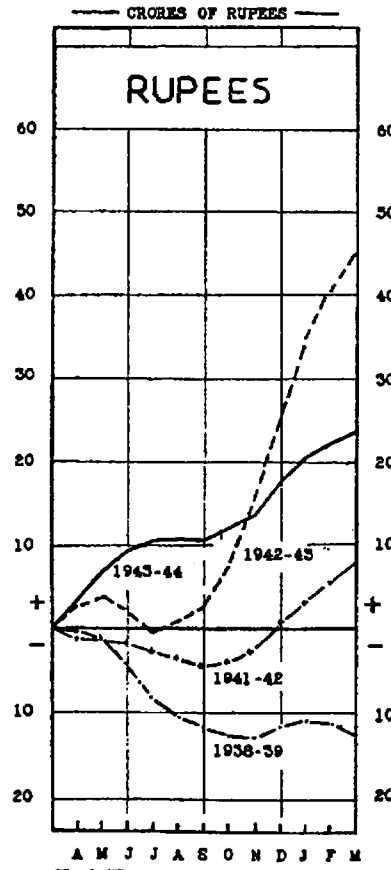
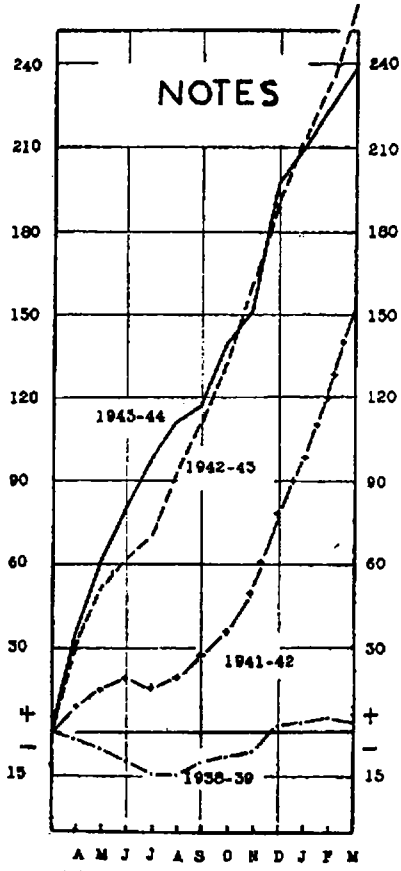
		(In lakhs of rupees)					
		Slack season (March to August)			Busy season (September to February)		
		Notes	Rupee Coin	Total	Notes	Rupee Coin	Total
1939-40	.. ..	— 12,32	— 10,74	— 23,06	+ 60,66	+ 17,21	+ 77,87
1940-41	.. ..	— 8,06	+ 35,52	+ 27,46	+ 17,99	+ 2,32	+ 20,31
1941-42	.. ..	+ 27,11	.. 6,08	+ 21,03	+ 103,09	+ 8,99	+ 112,08
1942-43*	.. ..	+ 122,91	+ 2,73	+ 125,64	+ 140,10	+ 40,04	+ 180,14
1943-44*	.. ..	+ 140,28	+ 14,91	+ 155,19	+ 112,86	+ 11,16	+ 124,02

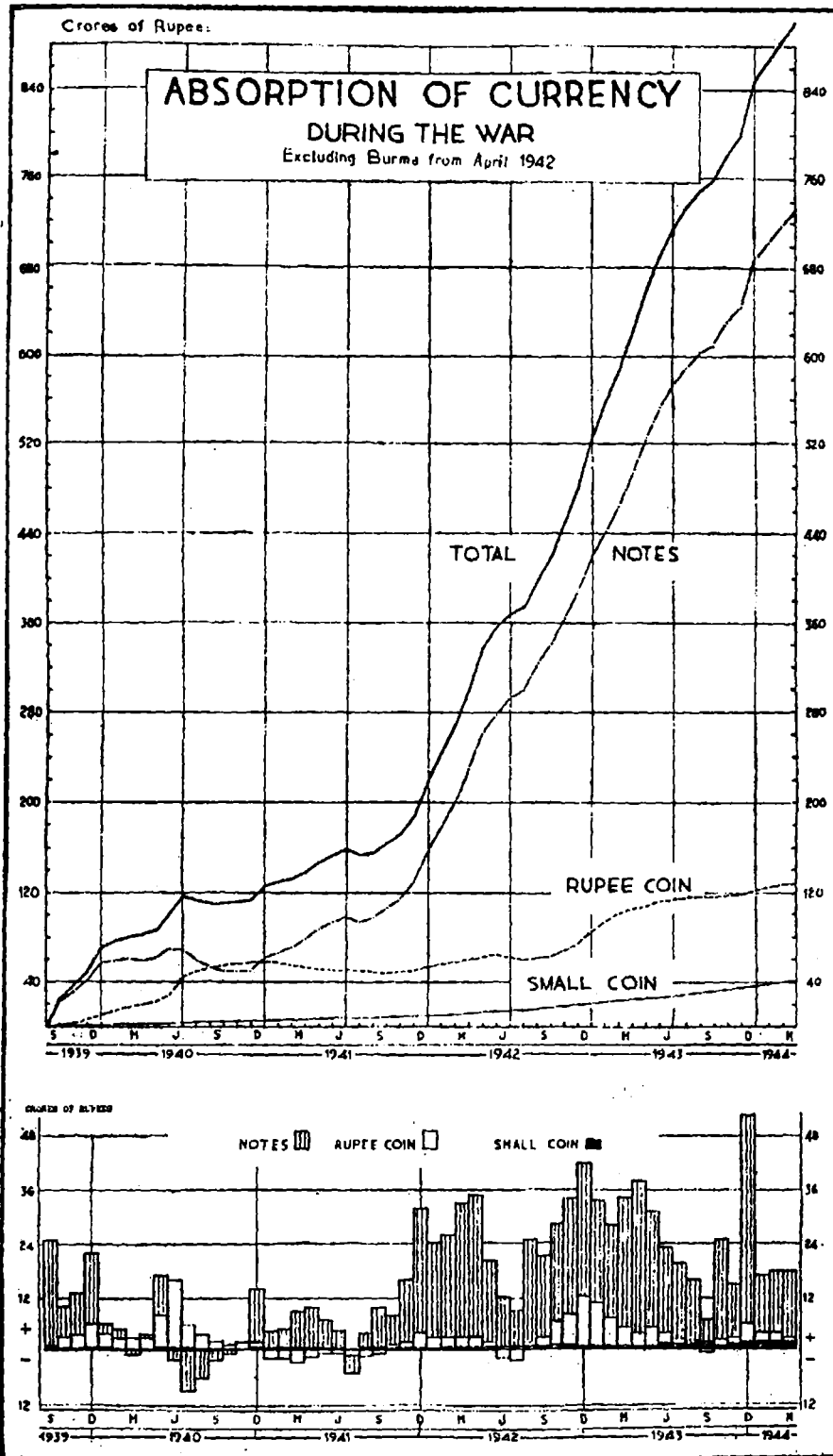
* Excluding Burma figures from April 1942.

71. *Note Circulation and Demand Deposits.*—The table on page 69 gives a comparison of the wartime expansion in note circulation with the changes in scheduled banks' demand deposits.

ABSORPTION OF 1- NOTES, 2- RUPEES AND 3- SMALL COIN, 1941-42-1943-44

87





(In crores of rupees)

	1939-40	1940-41	1941-42		1942-43		1943-44	
	Sept.-Mar.		April to Sept.	Oct. to March	April to Sept.	Oct. to March	April to Sept.	Oct. to March
1 Note circulation at the end of period	225	241	270	388	498	651	764	882
2 Increase during the period	+53	+16	+29	+118	+110	+153	+113	+118
3 Percentage Increase ..	+31	+7	+12	+44	+28	+31	+17	+15
4 Demand Deposits at the end of period ..	143	172	209	227	318	370	460	524
5 Increase during the period	+9	+29	+37	+18	+91	+52	+90	+64
6 Percentage Increase ..	+6	+20	+22	+9	+40	+16	+24	+14

It was pointed out last year that underlying the general upward trend in monetary circulation there is, during the first half of the year corresponding to the slack season in trade, a greater relative increase in demand deposits than in notes issued, while a larger comparative expansion in note circulation than in deposits occurs in the second half of the year which corresponds to the busy season. Owing to the steadily increasing circulation the seasonal fluctuations in the demand for currency are no longer noticeable. The relatively large expansion in demand deposits noticed in the previous year continued in the year under review. While this reflected the general state of public confidence it was also illustrative of the plethoric money conditions and the general relative inactivity of monetary circulation as a whole. The latter is now an almost universal wartime phenomenon. The indices of the turnover of demand deposits in India illustrate the declining trend in the velocity of deposits during the war years, as is shown in the following statement.

Year	Average Demand Liabilities of Scheduled Banks*	Indices	Total Clearing House Returns*	Indices	Number of times 4 to 2
(1)	(2)	(3)	(4)	(5)	(6)
1938-39 ..	123.8	100	1,929	100	15.6
1939-40 ..	132.6	107	2,211	115	16.7
1940-41 ..	155.8	126	2,019	105	13.0
1941-42 ..	200.1	162	2,569	133	12.8
1942-43 ..	306.3	247	2,773	144	9.1
1943-44 ..	456.6	369	4,349	225	9.5

* In crores of rupees.

It is not possible to determine accurately the turnover of bank deposits in India but a comparison of the ratio of clearings to scheduled bank liabilities furnishes an approximate and general idea of changes in the activity of bank deposits. During the year under review cheque clearings recorded an unprecedented increase of 56.8 per cent. compared with a rise of 49.1 per cent. in demand deposits and as a result the ratio of the former to the latter which had been progressively declining from 16.7 in 1939-40 to 9.1 in 1942-43 showed a slight rise to 9.5 in 1943-44.

72. *Encashment of Foreign Circle Notes.*—Statement XXXVII shows the encashment of foreign circle notes in 1943-44. The total encashments during the year were higher at Rs.23·96 crores as against Rs.16·36 crores in 1942-43. The increase in the amount of foreign circle notes encashed this year appears to be due to an increased volume of commercial transactions effected on a cash basis, the large scale purchases by army contractors, and transfers of funds from one centre to another by military field cashiers.

B. Miscellaneous matters connected with Currency and Coinage.

73. *Changes in the Form of Notes.*—During the year under review the first bank notes bearing the signature of the present Governor of the Reserve Bank, Sir Chintaman D. Deshmukh, were issued to the public. The first issues which were of the denominations of Rs. 10 and Rs. 2 were made from Calcutta on the 29th February and 3rd March 1944 respectively. There was no other change in respect of denominations or pattern of notes during 1943-44.

74. *Encashment of Burma Notes.*—The stringent restrictions on the import of Burma notes into India and on their encashment, detailed in paragraph 75 of last year's Report, continued to be enforced. In January 1944, the Government of India further extended the restrictions on the import of currency notes from Burma by the issue of a notification prohibiting the import into British India across any of the Customs frontiers lying to the east of India or to the north of Assam of any currency or bank notes which were legal tender in British India. The effect of this order was to ban the import of both Government of India one rupee notes, which were also legal tender in Burma, and of Reserve Bank of India Indian notes, of which there were still a number circulating in Burma, although no longer legal tender there. Licences for the import of notes covered by this order as well as of Burma notes carried by evacuees were issued by Refugee Officers on Frontier Posts in approved cases.

The total amount of Burma notes encashed during each of the three years 1941-42 to 1943-44 is given below :—

	Rs.
(1) 1941-42 (Since 5th January 1942) ..	1,05,39,780
(2) 1942-43	5,29,20,095
(3) 1943-44	38,64,535

75. *Circulation of Notes by Denominations.*—Statement XXXVIII shows the relative popularity of the different denominations of notes. Notes of all denominations excepting the Rs.50, issues of which further declined from Rs.46 lakhs to Rs.37 lakhs, contributed as in the previous year to the large expansion of paper currency during 1943-44. The Rs.2 denomination which had been introduced in February 1943 to relieve the strain on one rupee notes is slowly gaining in popularity. This is in contrast to the Rs.2½ notes introduced during the last war which never formed more than 0·4 per cent. of the circulation. The composition of the note circulation was similar to that in 1942. The Rs.10 note continued to be the most popular although the progressive decline in the relative proportion of these notes to the total issue, which has been noticeable since 1939 continued. Ten rupee notes accounted for

36 per cent. of the total as against 37 per cent. in the previous year, while the proportion of the Rs.100 note, which comes next in popularity, remained on the high level of the previous year at 35 per cent. The proportion of Rs.1,000 notes rose further to 10.9 per cent. from 9.3 per cent. in 1942. The relative proportion of Rs.5 and Rs.10 notes together dropped to 53 per cent. as against 56 per cent. in 1942 and 61 per cent. in 1939, while that of Rs.100 and Rs.1,000 further advanced to 46 per cent.

76. *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 currency notes written off under this section during 1943-44 amounted to Rs.2,11,260 compared with Rs.1,22,740 in the previous year. Notes amounting to Rs.900 which had been previously written off under this section were presented for payment and were paid by the Banking Department during the year. The following table gives the value of notes written off and refunded for the past three years.

	1941-42	1942-43	1943-44
Value of Notes written off at the end of the year	101,880	122,740	211,260
Value of Notes refunded during the year	5,320	7,180	900

77. *Lost, Destroyed and Mutilated Notes.*—The table below gives the details of lost or wholly destroyed, half, and mutilated notes in respect of which claims were admitted in India during the year under review.

	No. of claims admitted	No. of pieces	Amount of claims admitted	Amount paid against claims
Lost or wholly destroyed notes	192	384	72,250	16,650*
Half notes	882	2,375	3,03,980	55,160
Mutilated notes	52,095	2,14,790	14,75,963	13,27,454

* Represents amount paid during 1943-44 in respect of claims admitted in previous years.

78. *Note Forgeries.*—The total number of forged notes (including Government of India one rupee notes) received during the year was 13,239 compared with 14,566 in 1942-43 and was distributed as follows :—

Year	Rs. 1 Old Notes	Rs. 1 Government of India Notes	Rs. 2	Rs. 2½	Rs. 5	Rs. 10	Rs. 50	Rs. 100	Rs. 1,000
1943-44 ..	1	8,560	1,280	1	210	3,140	..	17	30
1942-43 ..	..	11,580	..	..	40	2,803	2	138	3
1941-42 ..	38	7,196	..	..	78	818	1	57	..

The largest number of forgeries, was again in respect of Government of India one rupee notes, being 65 per cent. of the total, another 24 per cent. being accounted for by Rs.10 notes. As may be seen from the above table a large number of forged notes of Rs.2 denomination at 1,280 or 10 per cent. of the total were received during the year. The number of cases of forgery detected in Calcutta was 4,867, in Bombay 4,375, in Cawnpore 1,999 and in Lahore 1,408. The following table gives certain particulars regarding prosecutions on account of forgeries for the past three years.

Year	Fresh prosecutions	Pending at the end of the previous year	Total trials	Discharges	Convictions	Pending
1943-44	22	13	35	11	10	14
1942-43	47	7*	54	22	19	13
1941-42	31	29	60	23	27	10

* The results of three cases pending at Rangoon at the end of 1941-42 are not known.

79. *Coinage.*—Statement XXXIX gives mintage of rupee coin since 1835. Rupees were not minted between 1922 and 1940. Rupee coin minted during 1943 amounted to Rs.6.70 crores against Rs.23.75 crores during 1942. The following table gives the total mintage of rupee coin and the various denominations of small coin during 1943-44 at the Bombay, Calcutta and Lahore mints.

Denomination	Bombay Mint		Calcutta Mint		Lahore Mint		Total	
	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.
Quaternary Rupees	6,49,00,636	0	....	....	98,00,000	0	7,47,00,636	0
.. Half Rupees	4,04,50,000	0	....	....	2,02,50,000	0	6,07,00,000	0
.. Quarter Rupees	3,45,00,000	4	1,74,10,892	12	59,25,000	0	5,78,35,893	0
Nickel 2 annas	3,50,72,500	0	....	....	....	....	3,50,72,500	0
.. 1 anna	74,62,000	0	2,50,30,000	0	....	....	3,24,92,000	0
.. ½ .. ..	....	....	1,44,78,000	0	....	....	1,44,78,000	0
Single Pice	32,64,800	0	....	....	1,64,187	8	34,28,987	8
Total ..	18,56,49,936	4	5,69,18,892	12	3,61,39,187	8	27,87,08,016	8

The mintage of quaternary rupee coin up to the end of March 1944 amounted to Rs.61.76 crores.

With a view to preventing counterfeiting the Government of India directed by their notification No. D. 7506-F/43 dated the 15th July 1943 that the quarter rupee coin minted during and after August 1943 should have the same security edge as the present quaternary rupees and half rupees. The new quaternary quarter rupees were first issued from the Bombay Office of the Bank on the 6th August 1943, but the standard silver quarter rupees continued to be legal tender.

80. *Withdrawal of Silver Coin.*—As noted in the previous Reports, all Victoria and King Edward VII rupee and half rupee coins were withdrawn with effect from the 1st April 1941 and the 31st May 1942 respectively, and King George V and King George VI standard silver rupees and half rupees with effect from the 1st May 1943. These coins continued to be accepted at the offices of the Reserve Bank of India up to the 1st November 1943. The return of coins was however meagre as, since the end of March 1943, the average price of silver has been higher than the melting point of the standard silver rupee which is Rs.109-2-0 per 100 tolas. As standard silver coins have been demonetised it is no longer illegal to hoard or melt them, or to purchase or sell them at a value other than their face value; consequently, large quantities of coin have been hoarded or melted and sold for their bullion content.

The amount of silver coin including half-rupees, quarter rupees and one eighth rupees withdrawn from circulation during 1943-44 is given below :

	(In lakhs of rupees)
William IV 1835	0.06
Queen Victoria 1840	0.35
Standard Silver Rupees	530.00
Other uncurrent coin	2.58
Defective Quaternary Rupees	0.17
Total ..	533.16

Under the Indian Coinage Amendment Act 1918, silver two anna pieces are no longer coined and issued, but coin previously issued continue to be legal tender.

81. *Withdrawal of Nickel and Copper Coin.*—Eight anna nickel coin were withdrawn under section 15A of the Indian Coinage Act 1906, with effect from the 1st October 1924, and are now received at Issue Offices only. Double pice coin are also being withdrawn from circulation but are still received at Treasuries and Issue Offices. The total nominal value of uncurrent coins and badly worn and defaced nickel, copper and bronze coins withdrawn from circulation during the year was as follows :—

		Rs.	a.	p.	
Uncurrent coin	{	Nickel eight anna	1,106	0	0
		Bronze double pice	1,178	8	6
Badly worn and defaced nickel, copper and bronze coin.	{	Nickel -/4/-	1,90,644	4	0
		Nickel -/2/-	16,256	6	0
		Nickel -/1/-	79,597	5	0
		Single Pice	7,425	9	3
		Half Pice	104	11	7½
		Pie Pieces	798	0	2
Total ..		2,97,110	12	6½	

82. *Counterfeit Coin.*—The following table gives the number of counterfeit coin by denominations cut at treasuries and railway stations during the three years 1941-42 to 1943-44 :

	1943-44		1942-43		1941-42	
	Silver	Nickel	Silver	Nickel	Silver	Nickel
Rupees	39,223	..	3,39,141	..	3,82,770	..
Half-Rupees	7,365	96	18,366	118	32,762	121
Quarter Rupees	7,363	3,605	17,832	6,534	22,830	12,912
Eighth Rupees	151	9,400	836	20,254	966	56,179
One Anna .. .. .	..	4,307	..	10,987	..	26,362
Half Anna .. .. .	..	..	..	1	..	..
Total ..	54,102	17,408	3,76,195	46,894	4,39,337	95,574

STATEMENT I

INDEX NUMBERS OF WHOLESALE PRICES AND COST OF LIVING IN INDIA AND CERTAIN OTHER COUNTRIES SINCE 1938. (1929 = 100)

(Reference paragraph 12)

Year and month	India		U.K.		U.S.A.		Canada		Germany		Japan	
	Calcutta	Bombay	P	C	P	C	P	C	P	C	P	C
	July 1914	July 1933 to June 1934	1930	July 1914	1926	1935- 39	1926	1935- 39	1913	1928- 30	Oct. 1900	July 1914
(Original Base :-)	1	2	3	4	5	6	7	8	9	10	11	12
1938	88	106	89	95	82	86	82	84	77	82	114	110
1939	76	106	90	94	81	84	79	83	78	82	126	123
1940	85	112	120	113	82	85	87	87	86	84	142	143
1941	99	124	134	121	92	89	94	92	82	87	150	145
1942	131	157	140	122	104	95	100	96	84	89	162	149
1943	218	230	143	121	108	101	105	97	85	90	172	158
1939 August	71	105	86	95	79	84	76	88	78	83	124	128
September	81	100	92	101	88	86	82	83	78	82	131	128
October	84	108	97	103	88	86	83	85	78	82	133	129
November	93	109	104	105	83	86	84	85	78	82	136	130
December	97	113	107	108	83	85	85	85	78	82	143	133
1940 January	92	114	110	108	88	85	86	85	79	82	146	136
February	89	112	112	109	82	86	87	85	79	83	144	138
March	86	110	113	109	82	85	87	80	80	84	142	140
April	86	110	116	110	82	85	87	86	80	84	143	148
May	83	111	117	110	82	85	86	86	80	85	142	145
June	81	111	118	114	81	85	85	86	80	85	140	145
July	81	113	122	113	82	86	86	87	81	86	139	147
August	82	114	124	114	81	85	86	87	81	86	139	146
September	84	112	124	115	82	86	87	87	81	85	140	146
October	80	113	126	117	83	85	87	88	81	85	141	144
November	87	113	120	119	84	85	86	89	81	85	141	144
December	85	115	130	120	84	86	88	89	81	85	142	144
1941 January	86	117	131	120	85	86	88	89	81	85	143	143
February	84	119	131	120	85	86	89	89	81	86	144	143
March	87	119	132	121	86	86	90	89	81	86	147	144
April	90	121	132	122	87	87	91	89	82	86	148	144
May	92	122	132	122	89	87	93	90	82	87	148	146
June	97	122	133	121	91	88	94	91	82	87	151	146
July	106	126	134	121	93	89	95	92	82	88	152	145
August	107	131	134	121	95	89	96	98	82	88	151	145
September	100	129	135	122	90	91	97	94	82	87	153	144
October	107	125	135	122	97	92	98	95	82	86	153	144
November	111	126	136	123	97	93	98	96	82	86	155	145
December	109	120	137	122	98	93	98	95	82	86	158	148
1942 January	110	137	137	123	101	91	99	95	83	87	160	148
February	109	135	139	122	102	92	99	95	83	88	161	148
March	109	137	139	122	102	93	99	95	83	88	161	148
April	111	136	140	121	104	93	99	95	88	89	161	148
May	120	142	141	122	104	94	100	95	83	89	161	148
June	129	152	140	121	104	94	100	96	88	90	161	149
July	129	168	140	122	104	95	101	97	84	91	161	149
August	130	168	139	123	104	95	100	97	84	90	163	149
September	140	170	139	122	105	96	100	96	84	88	163	150
October	148	172	140	122	105	97	101	97	84	88	162	150
November	161	178	141	122	105	98	101	98	84	88	163	151
December	169	188	141	122	106	98	101	98	84	88	163	151
1943 January	177	203	142	121	107	99	102	96	85	89	166	151
February	179	205	142	121	108	98	102	96	85	89	166	151
March	193	208	142	121	108	100	103	96	85	89	166	155
April	208	225	142	121	109	101	103	97	85	90	170	153
May	230	227	143	121	109	102	104	97	85	90	170	157
June	220	235	143	121	109	102	104	97	85	91	172	158
July	235	236	144	122	108	101	105	98	86	92	173	158
August	245	238	142	121	108	100	105	98	86	92	173	158
September	248	245	143	121	108	101	108	98	85	89	174	161
October	237	248	142	121	108	101	107	98	85	89	175	161
November	223	248	142	121	108	101	107	98	85	89	176	163
December	213	247	143	121	108	101	107	98	85	90	178	163
1944 January	211	238	144	121	108	101	107	98	85	91	..	165
February	213	230	144	122	100	101	107	98	..	91	..	..
March	211	226	144	122	109	101	107	98	..	..	..	..

*Base not shifted. P—Wholesale Prices. C—Cost of Living.

Sources: Calcutta—Indian Trade Journal (P); Bombay—Labour Gazette (C); U.K.—Board of Trade (P); Ministry of Labour (C); U.S.A.—Bureau of Labour Statistics (P.C.); Canada—Dominion Bureau of Statistics (P.C.); Germany—Monthly Bulletin of Statistics; League of Nations (P.C.); Japan—Bank of Japan (P.C.).

STATEMENT II

INDEX NUMBERS OF WHOLESALE PRICES IN INDIA BY GROUPS OF ARTICLES, SINCE 1939-40
(Week ended 19th August 1939=100; Source: Economic Adviser to the Government of India)
(Reference paragraph 12)

Year and Month	Food and Tobacco	Other Agricultural commodities (3)	Raw Materials (7)	All primary commodities (18)	Manufactured articles (5)	Chief articles of export (15)	General Index	Sugar	Kerosene	Certain Industrial Articles				
										Petrol	Cotton Manufactures	Jute Manufactures	Cement	Galvanised corrugated Sheets
1939-40*	118.5	157.4	119.3	124.3	131.9	131.3	126.0	118.2	109.7	109.3	117.3	181.8	109.3	125.6
1940-41	107.4	113.3	121.5	113.5	120.4	114.2	114.9	100.9	122.6	124.7	117.7	132.3	114.4	138.3
1941-42	122.0	129.9	146.7	132.4	154.4	137.1	136.8	102.9	138.4	135.5	176.6	181.3	118.5	212.4
1942-43	172.0	157.3	185.6	166.5	190.6	162.4	171.4	126.8	184.9	163.4	308.8	184.5	136.4	259.0
1943-44	294.4	217.0	185.1	233.4	251.8	237.3	237.3	146.1	186.2	167.0	451.0	248.8	175.4	340.7
Sept. 1939	107.6	118.1	103.2	107.6	110.4	110.0	108.2	109	94	100	105	131	105	110
Dec. "	127.5	194.4	125.5	135.9	144.5	146.7	137.8	124	111	108	126	232	109	135
Mar. 1940	118.8	159.0	127.2	128.0	133.9	134.6	129.3	122	117	119	123	161	114	128
June "	106.3	119.2	117.0	112.4	120.0	112.9	114.1	122	117	121	118	121	117	131
Sept. "	106.1	104.8	117.7	110.3	111.6	109.1	110.5	90	124	126	110	119	114	130
Dec. "	107.7	104.7	126.2	114.0	119.7	116.4	115.2	90	124	126	117	134	112	131
Mar. 1941	104.8	102.9	124.5	111.8	127.2	111.9	114.9	91	126	126	127	149	112	177
June "	109.5	126.4	136.5	122.3	142.0	128.0	126.4	93	133	126	143	179	112	194
Sept. "	127.5	150.0	146.5	138.3	166.3	147.7	143.8	97	136	129	190	210	119	227
Dec. "	127.5	140.7	154.1	139.5	157.8	142.5	143.3	114	130	142	198	164	118	215
March 1942	130.5	116.8	162.4	139.4	162.5	138.7	144.2	121	137	161	193	173	133	222
1942-43														
April	136.5	114.9	162.3	141.9	162.5	139.7	146.1	127	167	162	193	169	133	222
May	144.7	120.7	158.1	145.3	160.0	139.3	148.4	129	177	163	199	153	133	218
June	152.3	131.5	162.1	162.3	166.5	147.2	155.2	120	177	163	212	163	133	227
July	155.8	145.7	162.3	156.5	172.7	152.2	159.9	120	177	163	242	161	134	236
August	158.9	136.0	162.4	156.1	174.6	151.0	160.0	120	177	163	258	159	133	239
September	161.0	152.5	163.1	160.4	179.2	154.5	164.3	120	188	163	282	163	133	245
October	167.2	169.6	165.3	136.8	188.5	161.7	171.4	120	184	163	300	181	133	256
November	172.4	168.2	168.6	170.2	203.6	166.3	177.0	120	194	163	339	262	133	276
December	178.5	177.9	171.3	175.6	221.5	171.3	184.7	120	194	163	414	219	137	299
January	190.8	183.3	171.5	182.0	224.1	177.2	190.4	138	194	163	415	226	145	303
February	207.0	193.8	172.0	190.5	225.5	187.6	197.6	143	194	166	427	222	146	305
March	247.8	215.3	172.0	210.0	227.0	210.5	213.5	143	194	166	437	220	145	307
1943-44														
April	283.7	225.1	174.2	225.9	235.6	229.9	227.9	143	194	166	469	232	145	319
May	294.8	253.1	173.4	233.8	246.8	241.1	236.7	143	194	166	505	255	145	334
June	303.3	241.8	178.4	237.5	257.5	243.9	241.7	143	198	166	513	252	162	349
July	294.4	225.8	182.8	234.1	259.5	236.8	233.3	143	203	166	493	237	166	352
August	298.2	217.3	183.8	234.3	251.8	239.5	238.0	143	194	166	426	246	166	340
September	298.5	212.4	181.4	232.4	251.3	238.3	236.4	143	177	166	417	247	182	340
October	303.4	219.5	184.6	236.8	255.8	243.8	240.8	143	178	166	417	253	182	345
November	303.1	200.7	189.1	235.6	256.9	240.7	240.1	149	178	166	405	252	186	346
December	292.5	197.9	189.3	231.4	251.9	234.6	235.7	151	178	166	381	251	182	338
January	291.6	203.6	193.3	234.1	251.3	235.1	237.8	151	178	166	..	252	182	..
February	288.3	199.4	194.8	232.8	251.1	233.8	236.7	151	178	188	..	255	182	..
March	283.8	199.5	196.6	232.0	252.3	232.9	236.3	151	178	176	..	255	189	..

* For seven months ended March 1940.

STATEMENT III
BALANCE OF TRADE IN MERCHANDISE OF BRITISH INDIA, 1943-44
(Reference paragraph 14)

(In lakhs of rupees)

1942-43						1943-44								
Imports*	Import Price Indices†	Exports	Export Price Indices†	Re-exports	Total Ex-ports	Balance of trade	Imports*	Import Price Indices†	Exports	Export Price Indices†	Re-exports	Total Ex-ports	Balance of trade	
8,75	111	17,75	86	1,16	18,91	+ 10,16	April	9,37	164	15,63	118	51	16,14	+ 6,77
8,51	128	13,15	87	1,09	14,24	+ 5,73	May	7,91	118	16,38	125	36	16,74	+ 8,83
8,63	130	13,11	95	64	13,75	+ 5,12	June	8,68	137	17,99	129	27	18,26	+ 9,58
9,68	110	15,07	89	61	15,68	+ 6,00	July	7,85	105	12,66	142	1,17	13,83	+ 6,18
10,73	140	14,88	98	99	15,87	+ 5,14	August	9,58	159	16,70	126	50	17,20	+ 7,62
10,48	132	18,24	99	30	18,54	+ 8,06	September	8,93	136	13,97	132	49	14,46	+ 5,53
9,86	134	14,02	101	34	14,36	+ 4,59	October	8,33	145	18,36	124	2,65	21,01	+ 12,68
8,01	119	20,09	108	22	20,31	+ 12,30	November	9,72	134	19,88	127	3,03	22,91	+ 13,19
8,13	120	18,62	111	46	19,08	+ 10,95	December	12,74	155	11,85	126	35	12,20	- 54
9,44	151	12,37	115	38	12,75	+ 3,31	January	11,85	120	16,53	132	53	17,06	+ 5,21
9,03	120	13,74	120	24	13,98	+ 4,95	February	11,72	109	23,18	117	56	23,74	+ 12,02
9,20	135	16,59	120	64	17,23	+ 8,63	March	12,37	138	18,08	124	54	18,62	+ 4,25
110,45	130	167,63	102	7,67	194,70	+ 84,25	Total	118,85	132	199,21	125	10,96	210,17	+ 91,32

* Excluding value of railway materials imported direct by State Railways working under company management which are not paid for in the ordinary way and not therefore taken into account in arriving at the balance of trade. † Base 1927-28 = 100

STATEMENT IV
HIGHEST, LOWEST AND AVERAGE PRICES OF GOLD AND SILVER IN BOMBAY AND IMPORT DUTY ON SILVER
SINCE 1926-27
(Reference paragraph 20)

76

Year	Gold (per fine tola)			Silver (per 100 tolas gross)			Import duty
	Highest	Lowest	Average	Highest	Lowest	Average	
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1926-27	21 11 6	21 4 6	21 7 8	72 0 0	55 8 0	63 1 5	Nil
1927-28	21 11 3	21 4 9	21 7 6	61 2 0	56 8 0	59 3 7	"
1928-29	21 11 6	21 4 6	21 6 10	66 6 0	58 2 0	60 9 2	"
1929-30	22 0 0	21 5 3	21 7 5	59 7 0	46 14 0	53 9 11	"
1930-31	21 13 3	21 3 6	21 12 6	57 4 0	39 0 0	46 15 1	9 6 0
1931-32+	31 2 0	21 3 6	24 4 3	60 8 0	41 12 0	50 3 11	14 1 0
1932-33+	32 1 6	26 10 0	29 5 2	60 0 0	48 14 0	52 11 4	14 1 0
1933-34+	34 12 0	28 11 0	32 4 5	59 14 0	52 15 0	56 0 10	17 9 3
1934-35+	36 13 3	33 3 0	35 15 8	69 0 0	50 7 0	60 13 5	11 11 6
1935-36+	36 12 0	31 3 6	35 4 11	87 0 0	46 12 0	65 1 1	4 11 0
1936-37+	35 8 0	33 15 3	34 12 6	56 2 0	47 0 0	50 5 8	4 11 0
1937-38+	35 2 9	34 3 6	34 7 10	55 15 6	46 1 6	51 4 1	7 0 6
1938-39+	37 10 6	34 12 3	35 10 3	53 1 6	48 2 0	51 11 3	7 0 6
1939-40+	43 8 0	36 0 0	39 13 11	66 4 0	44 7 6	55 4 9	7 0 6
1940-41+	48 8 0	40 2 6	42 6 0	64 13 0	62 11 0	62 8 0	7 0 6
1941-42	57 12 0	41 9 6	44 7 11	97 6 0	61 12 6	66 11 4	8 7 0
1942-43	72 0 0	44 12 0	57 10 10	116 8 0	75 4 0	94 2 6	8 7 0
1943-44	96 4 0	65 4 0	76 11 6	141 8 0	101 8 0	120 7 11	8 7 0

+ Gold exported from India

STATEMENT V

HIGHEST, LOWEST AND AVERAGE MONTHLY PRICES OF GOLD AND SOVEREIGNS IN BOMBAY, 1943-44

(Reference paragraph 20)

Month	Price of bar gold (per fine tola)						Price of sovereigns			Average estimated stock of gold during each month in Bombay (Tolas)	
	Spot			Settlement			Highest	Lowest	Average		
	Highest	Lowest	Average	Highest	Lowest	Average					
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.		
1943-44											
April	96 4 0 (26th)	70 0 0 (13th)	80 10 2	93 0 0 (26th)	71 4 0 (1st & 2nd)	80 4 2	66 8 0 (26th)	51 4 0 (1st)	57 10 10	46,000	
May	95 12 0 (1st & 2nd)	74 14 0 (27th)	89 6 3	95 0 0 (1st, 3rd & 15th)	85 8 0 (24th)	92 4 0	68 8 0 (1st)	56 12 0 (25th)	64 6 6	106,250	
June	86 12 0 (1st)	78 4 0 (10th)	82 15 3	83 9 0 (25th)	80 14 6 (29th)	82 5 0	60 12 0 (1st)	56 8 0 (10th)	58 6 6	93,750	
July	82 13 0 (1st)	65 4 0 (19th & 20th)	74 15 11	82 7 0 (1st)	62 10 0 (20th)	74 5 7	58 4 0 (2nd)	47 8 0 (19th)	53 7 2	40,000	
August	76 12 0 (5th)	69 0 0 (17th)	72 12 2	76 5 0 (14th)	68 7 0 (19th)	72 0 2	52 10 0 (5th)	50 0 0 (18th)	51 5 7	37,500	
September	78 2 0 (30th)	69 15 0 (9th)	73 6 4	78 4 0 (24th)	69 2 0 (9th)	73 4 2	54 8 0 (24th)	50 6 0 (9th)	52 1 9	123,000	
October	86 7 0 (20th)	75 15 0 (5th)	81 0 5	87 0 0 (21st)	75 13 0 (4th)	80 15 8	58 0 0 (20th)	53 4 0 (4th)	55 8 8	230,000	
November	79 2 0 (1st & 6th)	74 0 0 (2nd)	77 1 5	79 7 0 (6th)	74 0 0 (2nd)	76 13 0	54 0 0 (5th to 8th)	52 0 0 (1st & 12th)	53 0 0	125,000	
December	76 9 0 (1st)	70 3 0 (27th)	72 13 6	75 10 0 (2nd)	68 14 0 (16th & 17th)	71 6 2	52 0 0 (1st, 2nd & 7th)	49 0 0 (17th, 22nd & 25th)	50 3 1	60,000	
January	71 2 0 (3rd to 19th)	70 10 0 (22nd)	71 0 5	71 2 0 (10th)	69 15 0 (20th)	70 10 9	49 4 0 (3rd to 10th)	48 14 0 (20th)	49 2 7	93,750	
February	71 10 0 (15th)	70 14 0 (11th & 17th)	71 0 2	71 10 0 (15th)	70 13 0 (1st)	70 15 3	49 9 0 (15th)	49 0 0 (12th)	49 2 2	225,000	
March	80 0 0 (30th)	70 1 6 (9th)	71 13 6	79 8 0 (29th)	70 10 0 (4th)	71 12 10	54 12 0 (29th)	49 0 0 (3rd & 4th)	49 11 8	425,000	

The price of gold in the United States was unchanged at \$35 per fine ounce.

STATEMENT VI

WEEK-END PRICES OF GOLD AND SILVER AND ESTIMATED STOCK IN BOMBAY, 1943-44

(Reference paragraph 20)

Date	Gold (per fine tola)				Silver (per 100 tolas gross)			
	Spot	Settlement	Premium of ready over settlement rate	Estimated stock (Tolas)	Spot	Settlement	Premium of ready over settlement rate	Estimated stock (Bars)
1943-44	Rs. a. p.	Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.	Rs. a. p.	
April 2	71 5 0	71 4 0	0 1 0	50,000	110 15 0	110 5 0	0 10 0	1,500
" 9	77 2 0	77 1 0	0 1 0	50,000	115 2 0	115 0 0	0 2 0	1,500
" 16	79 5 0	79 1 0	0 4 0	55,000	116 12 0	116 4 0	0 8 0	1,500
" 23*	91 4 0	89 8 0	1 12 0	50,000	124 12 0	124 8 0	0 4 0	1,500
" 30	90 8 0	90 0 0	0 8 0	25,000	129 12 0	127 12 0	2 0 0	1,000
May 7	94 8 0	94 0 0	0 8 0	100,000	136 8 0	134 4 0	2 4 0	1,000
" 14	94 0 0	93 12 0	0 4 0	100,000	135 4 0	133 12 0	1 8 0	1,500
" 21*	89 2 0	89 2 0	..	100,000	132 12 0	130 12 0	2 0 0	1,500
" 28	76 0 0	..	..	125,000	120 0 0	..	..	2,000
June 4	82 8 0	..	..	100,000	126 0 0	..	..	1,500
" 11	81 0 0	..	..	125,000	123 0 0	..	..	1,500
" 18	82 4 0	..	..	75,000	126 8 0	..	..	1,500
" 25	83 13 0	..	..	75,000	124 9 0	..	..	2,000
July 2	81 10 0	80 12 0	0 14 0	50,000	121 12 0	120 12 0	1 0 0	1,500
" 9	79 8 0	79 6 0	0 2 0	50,000	120 8 0	119 14 0	0 10 0	1,500
" 16	76 1 0	75 14 0	0 3 0	50,000	115 13 0	115 4 0	0 9 0	1,500
" 23	69 12 0	68 12 0	1 0 0	25,000	102 12 0	100 10 0	2 2 0	1,500
" 30	72 11 0	71 14 0	0 13 0	25,000	108 3 0	105 0 0	3 3 0	800
August 6	73 8 0	73 4 0	0 4 0	50,000	109 8 0	107 4 0	2 4 0	700
" 13	75 8 0	75 7 0	0 1 0	25,000	112 1 0	111 8 0	0 9 0	800
" 20	71 8 0	69 14 0	1 10 0	50,000	110 8 0	108 14 0	1 10 0	1,000
" 27	70 10 0	70 6 0	0 4 0	25,000	108 12 0	108 4 0	0 8 0	1,000
September 3*	70 8 0	70 8 0	..	100,000	117 6 0	116 2 0	1 4 0	700
" 10	70 6 0	70 2 6	0 3 6	75,000	115 7 0	114 14 0	0 9 0	1,000
" 17	73 11 0	73 10 0	0 1 0	125,000	118 4 0	117 14 0	0 6 0	800
" 24	77 13 0	77 6 0	0 7 0	200,000	123 6 0	122 8 0	0 14 0	1,000
October 1*	77 8 0	77 8 0	..	250,000	123 10 0	122 14 0	0 12 0	1,200
" 8*	78 9 0	78 9 0	..	200,000	125 6 0	124 11 0	0 11 0	1,000
" 15	82 2 0	82 1 0	0 1 0	200,000	126 0 0	125 4 0	0 12 0	1,500
" 22	84 8 0	84 9 0	-0 1 0	250,000	127 10 0	127 4 0	0 6 0	1,500
" 29	79 2 0	81 6 0	-2 4 0	250,000	122 12 0	124 3 0	-1 7 0	1,500
November 5	78 12 0	78 8 0	0 4 0	150,000	122 8 0	121 12 0	0 12 0	1,500
" 12	76 3 0	75 12 0	0 7 0	100,000	120 2 0	119 2 0	1 0 0	1,000
" 19	77 2 0	76 7 0	0 11 0	100,000	123 5 0	122 6 0	0 15 0	1,000
" 26	77 3 0	76 15 0	0 4 0	150,000	125 4 0	124 12 0	0 8 0	1,000
December 3	75 1 0	74 5 0	0 12 0	50,000	122 2 0	121 8 0	0 10 0	1,000
" 10	73 12 0	72 10 0	1 2 0	50,000	116 4 0	115 8 0	0 12 0	1,000
" 17	71 4 0	68 14 0	2 6 0	25,000	113 12 0	111 0 0	2 12 0	1,000
" 24	71 4 0	69 12 0	1 8 0	75,000	114 12 0	112 12 0	2 0 0	800
" 31	71 2 0	70 4 0	0 14 0	100,000	116 8 0	113 8 0	3 0 0	500
January 7*	71 1 0	70 12 0	0 5 0	75,000	122 4 0	118 4 0	4 0 0	250
" 14*	71 2 0	70 11 0	0 7 0	150,000	120 2 0	116 12 0	3 6 0	500
" 21	70 12 0	70 2 0	0 10 0	100,000	118 4 0	116 0 0	2 4 0	500
" 28	71 0 0	71 0 0	..	50,000	121 0 0	120 0 0	1 0 0	500
February 4	71 0 6	70 14 0	0 2 6	200,000	122 14 0	120 6 0	2 8 0	500
" 11	70 14 0	70 13 6	0 0 6	250,000	124 2 0	122 0 0	2 2 0	250
" 18	73 15 6	70 15 6	..	300,000	126 6 0	124 12 0	1 10 0	300
" 25*	71 0 3	71 0 3	..	150,000	125 6 0	123 2 0	2 4 0	350
March 3	70 11 0	70 10 0	0 1 0	75,000	125 2 0	123 2 0	2 0 0	400
" 10*	71 0 8	70 14 9	0 1 9	50,000	126 9 0	123 1 0	3 8 0	350
" 17	71 0 3	71 0 0	0 0 3	100,000	128 12 0	126 0 0	2 12 0	350
" 24	71 0 6	71 1 0	-0 0 6	400,000	133 4 0	130 12 0	2 8 0	450
" 31	73 12 0	73 12 0	..	1,500,000	134 0 0	131 0 0	3 0 0	500

* Market closed ; preceding working day's quotations given.

STATEMENT VII

PRICE OF SILVER IN LONDON, NEW YORK AND BOMBAY, 1943-44

(Reference paragraph 23)

Month	Price in London (per standard ounce)			Market price in New York (per fine ounce)			Price in Bombay (per 100 tolas gross)			Average estimated stock during each month in Bombay (in bars of 2,800 tolas)
	Highest, Lowest, Average. d.	Highest, Lowest, Average. Cents.		Spot	Spot	Average	Settlement	Settlement	Average	
1943-44				Highest Rs. a. p.	Lowest Rs. a. p.	Average Rs. a. p.	Highest Rs. a. p.	Lowest Rs. a. p.	Average Rs. a. p.	
April	23½	44½		135 0 0 (26th)	110 2 0 (2nd)	118 11 10	129 8 0 (26th)	110 4 0 (1st)	117 12 8	1,400
May	23½	44½		139 0 0 (3rd)	118 0 0 (28th)	131 0 11	135 0 0 (3rd & 15th)	129 0 0 (19th)	132 6 5	1,500
June	23½	44½		130 0 0 (2nd)	119 8 0 (30th)	124 14 0	125 10 0 (22nd)	120 14 0 (29th)	123 5 4	1,600
7/ July	23½	44½		123 4 0 (1st)	101 8 0 (20th)	112 12 7	122 9 0 (1st)	98 4 0 (20th)	111 9 3	1,400
August	23½	44½		113 12 0 (31st)	106 4 0 (25th)	109 15 0	113 2 0 (31st)	104 12 0 (2nd)	108 8 6	900
September	23½	44½		123 10 0 (30th)	113 14 0 (9th)	118 9 0	123 10 0 (27th)	112 5 0 (9th)	118 0 0	900
October	23½	44½		129 2 0 (13th)	122 2 0 (4th)	126 1 3	129 7 0 (20th)	121 3 0 (4th)	125 3 7	1,300
November	23½	44½		126 4 0 (26th & 29th)	119 4 0 (2nd)	122 12 0	124 13 0 (26th)	117 13 0 (12th)	121 14 5	1,100
December	23½	44½		123 6 0 (1st)	113 2 0 (27th)	117 0 3	122 0 0 (6th & 7th)	111 0 0 (15th & 17th)	115 4 1	900
January	23½	44½		122 12 0 (8th)	116 12 0 (3rd)	119 10 0	120 0 0 (28th)	115 0 0 (4th)	117 0 4	450
February	23½	44½		128 6 0 (15th)	121 8 0 (1st)	125 3 2	126 6 0 (15th)	119 7 0 (1st)	122 14 4	350
March	23½	44½		141 8 0 (28th & 30th)	124 1 0 (6th)	129 12 7	137 0 0 (29th)	122 1 0 (6th)	127 1 9	400

STATEMENT X

SUBVENTIONS AND OTHER PAYMENTS MADE BY THE CENTRE TO THE PROVINCES UNDER THE GOVERNMENT OF INDIA (DISTRIBUTION OF REVENUES) ORDER AS AMENDED (Reference paragraph 41)

(In lakhs of rupees)

Paid to	INCOME-TAX				JUTE DUTY				SUBVENTIONS			
	1938-39 Accounts	1942-43 Accounts	1943-44 Revised	1944-45 Budget	1938-39 Accounts	1942-43 Accounts	1943-44 Revised	1944-45 Budget	1938-39 Accounts	1942-43 Accounts	1943-44 Revised	1944-45 Budget
Bengal	30·00	2,18·00	3,90·00	4,73·80	2,21·27	1,19·09	1,14·01	1,16·21	..	..	..	..
Bombay	30·00	2,18·00	3,90·00	4,73·80	..	..	..	..	..	..	..	..
Madras	22·50	1,63·50	2,92·50	3,55·35	..	..	..	..	..	..	..	..
United Provinces	22·50	1,63·50	2,92·50	3,55·35	..	..	..	..	25·00	..	..	..
Punjab	12·00	87·20	1,56·00	1,89·52	..	..	..	..	..	..	..	..
¹⁸ Central Provinces and Berar	7·50	54·50	97·50	1,18·45	..	..	..	..	..	..	..	..
Bihar	15·00	1,09·00	1,95·00	2,36·90	17·12	10·93	9·42	10·34	..	..	..	..
Assam	3·00	21·80	39·00	47·38	11·69	9·64	10·79	7·61	30·00	30·00	30·00	30·00
Orissa	3·00	21·80	39·00	47·38	0·92	0·65	0·78	0·84	43·00	40·00	40·00	40·00
N. W. F. P.	1·50	10·90	19·50	23·69	..	..	..	..	1,00·00	1,00·00	1,00·00	1,00·00
Sind	3·00	21·80	39·00	47·38	..	..	..	..	1,05·00	1,05·00	1,05·00	1,05·00*
Provision for further possible grants to Provinces .. .. .	..	..	..	..	..	..	..	..	..	..	25·00†	25·00†
Total	1,50·00	10,90·00	19,50·00	23,69·00	2,51·00	1,40·31	1,35·00	135·00	3,03·00	2,75·00	3,00·00	3,00·00

* This amount will not be required for payment as under arrangements made recently the capitalised value as on 1-4-44 of the subvention to Sind has been set off towards the repayment of the Lloyd Barrage Debt on that date.

† Not utilised.

STATEMENT XI

GOVERNMENT BALANCES IN INDIA WITH THE RESERVE BANK OF INDIA AND AT GOVERNMENT TREASURIES, 1943-44

(Reference paragraph 42)

(In lakhs of rupees)

	Reserve Bank of India				Government Treasuries				
	Central Government		Provincial Governments		Last day of the month	Central Government		Provincial Governments	
	1942-43	1943-44	1942-43	1943-44		1942-43	1943-44	1942-43	1943-44
82	11,70	12,67	5,53	15,25	.. .. April ..	19	— 26	1,05	83
	12,10	9,68	6,43	8,28	.. .. May ..	8	4	1,05	92
	13,13	8,39	7,33	10,03	.. .. June ..	17	20	1,00	1,00
	11,43	18,99	7,38	9,14	.. .. July ..	4	6	89	89
	1,57	21,25	5,61	7,77	.. .. August ..	4	— 22	85	1,11
	2,47	21,52	5,41	12,44	.. .. September ..	11	2	97	37
	4,41	26,74	8,09	12,62	.. .. October ..	3	5	98	1,03
	11,48	56,80	7,17	9,48	.. .. November ..	— 4	13	72	1,09
	13,64	12,59	7,07	9,90	.. .. December ..	— 14	19	60	1,04
	19,97	39,75	10,81	18,13	.. .. January ..	7	— 19	1,19	1,63
	25,88	51,14	10,53	16,56	.. .. February ..	4	— 40	1,29	1,70
	17,41	83,49	16,14	24,72	. . . March ..	— 1	— 14	1,47	2,10
	12,10	30,25	8,13	12,86	.. .. Average ..	5	— 4	1,01	1,14

STATEMENT XII

GOVERNMENT OF INDIA TREASURY BILLS SINCE 1918-19

(Reference paragraph 43)

(In thousands of rupees)

YEAR	Amount offered for tender	Amount tendered	Amount sold	Amount of inter- mediates sold	Total amount sold	Amount outstanding at end of year*
1918-19	.....	.....	87,09,05	.....	87,09,05	49,24,30
1919-20	.....	.....	102,48,00	.....	102,48,00	52,98,00
1920-21	.....	.....	139,18,00	.....	139,18,00	104,93,10
1921-22	.....	.....	139,26,00	.....	139,26,00	111,85,70
1922-23	.....	.....	95,84,00	.....	95,84,00	71,23,90
1923-24	.....	.....	50,68,00	.....	50,68,00	51,77,20
1924-25	.....	.....	.....	.....	.....	49,65,40
1925-26	.....	.....	.....	.....	.....	49,65,15
1926-27	.....	.....	.....	.....	.....	41,47,15
1927-28	33,75,00	53,62,30	25,86,90	4,50,45	30,37,35	39,52,55
1928-29	31,75,00	38,19,50	20,48,75	1,89,25	22,38,00	43,14,80
1929-30	65,00,00	93,85,25	44,73,00	20,00,75	64,73,75	65,25,45
1930-31	96,00,00	107,22,50	69,11,00	89,91,75	159,02,75	61,26,50
1931-32	104,00,00	107,80,75	75,00,00	126,25,50	201,25,50	97,19,85
1932-33	81,00,00	139,32,00	65,97,00	55,60,25	121,57,25	61,57,20
1933-34	80,00,00	120,95,00	76,14,25	35,98,75	112,13,00	59,23,70
1934-35	61,50,00	103,65,25	59,47,50	29,35,00	88,82,50	54,34,25
1935-36	58,00,00	113,51,50	57,76,75	12,73,75	70,50,50	32,13,00
1936-37	83,00,00	125,99,00	80,98,50	.....	80,98,50	28,53,75
1937-38	72,00,00	117,86,00	71,99,25	.....	71,99,25	38,00,50
1938-39	83,50,00	128,90,25	82,13,25	15,35,75	97,49,00	46,30,00
1939-40	71,50,00	116,96,50	70,50,00	49,93,00	120,43,00	54,70,50
1940-41	84,00,00	162,48,00	84,00,00	17,32,75	101,32,75	68,90,25
1941-42	81,00,50	140,27,00	81,00,50	37,59,50	118,60,00	136,97,75
1942-43	317,00,00	527,43,50	309,42,00	62,50,75	371,92,75	264,69,50
1943-44	384,00,00	628,59,00	359,71,25	36,47,50	396,18,75	110,61,25

* Including holdings in the Currency Reserve up to 1934-35 and in the Issue Department of the Bank thereafter.

STATEMENT
GOVERNMENT OF INDIA THREE
(Reference)

Week		Amount offered for tender	Amount tendered	Amount sold	Intermediates sold	Total amount sold
		1	2	3	4	5
1943—44						
April	2	8,00,00	1,80,25	1,48,25	12,50	1,60,75
"	9	8,00,00	5,71,00	5,46,50	1,14,25	6,60,75
"	16	8,00,00	9,01,00	8,00,00	2,39,75	10,39,75
"	23	8,00,00	7,64,25	7,50,00	2,14,00	9,64,00
"	30	8,00,00	12,54,50	8,08,00	3,75,00	11,83,00
May	7	8,00,00	15,12,00	7,99,50	3,36,25	11,35,75
"	14	8,00,00	15,07,00	8,00,00	2,68,00	10,68,00
"	21	8,00,00	12,79,75	7,99,00	1,45,00	9,44,00
"	28	8,00,00	11,92,50	8,01,50	3,70,25	11,71,75
June	4	8,00,00	11,88,00	7,93,00	3,77,50	11,70,50
"	11	8,00,00	12,31,50	7,99,75	2,82,00	10,81,75
"	18	8,00,00	12,80,25	8,04,25	7,30,50	15,34,75
"	25	8,00,00	11,11,00	7,82,50	86,50	8,69,00
July	2	8,00,00	9,07,00	8,20,50	91,00	9,11,50
"	9	8,00,00	4,81,25	3,12,25	5,00	3,17,25
"	16	8,00,00	13,22,25	8,00,00	.....	8,00,00
"	23	8,00,00	15,93,75	8,00,00	.....	8,00,00
"	30	8,00,00	19,76,50	8,00,00	.....	8,00,00
August	6	8,00,00	13,83,00	7,70,25	.....	7,70,25
"	13	8,00,00	14,73,25	7,86,00	.....	7,86,00
"	20	8,00,00	12,36,75	8,43,75	.....	8,43,75
"	27	8,00,00	16,41,25	7,95,60	.....	7,95,60
September	3	8,00,00	18,95,75	8,00,00	.....	8,00,00
"	10	8,00,00	18,85,25	7,59,75	.....	7,59,75
"	17	8,00,00	14,91,25	8,31,00	.....	8,31,00
"	24	8,00,00	15,84,25	7,81,25	.....	7,81,25
October	1	8,00,00	20,10,75	8,32,00	.....	8,32,00
"	8	8,00,00	16,86,50	8,00,60	.....	8,00,60
"	15	8,00,00	12,28,00	7,59,00	.....	7,59,00
"	22	8,00,00	14,57,00	7,79,50	.....	7,79,50
"	29	8,00,00	12,89,00	8,53,50	.....	8,53,50
November	5	8,00,00	10,70,50	7,91,75	.....	7,91,75
"	12	6,00,00	9,14,50	5,88,50	.....	5,88,50
"	19	6,00,00	13,20,50	5,91,00	.....	5,91,00
"	26	6,00,00	10,71,25	6,56,75	.....	6,56,75
December	3	6,00,00	11,13,50	6,00,00	.....	6,00,00
"	10	6,00,00	13,73,75	5,55,25	.....	5,55,25
"	17	6,00,00	14,02,50	6,43,75	.....	6,43,75
"	24	6,00,00	14,26,25	6,01,00	.....	6,01,00
"	31 .. ..	.....	.....	.....	.....	.....
January	7	6,00,00	10,77,75	6,00,00	.....	6,00,00
"	14	6,00,00	8,55,50	5,79,00	.....	5,79,00
"	21	8,00,00	12,11,25	7,68,25	.....	7,68,25
"	28	8,00,00	10,76,75	8,44,75	.....	8,44,75
February	4	8,00,00	11,71,00	7,51,25	.....	7,51,25
"	11	8,00,00	13,34,00	8,17,00	.....	8,17,00
"	18	8,00,00	14,74,00	6,09,75	.....	6,09,75
"	25	8,00,00	10,46,50	3,19,50	.....	3,19,50
March	3	6,00,00	7,79,25	5,05,25	.....	5,05,25
"	10	6,00,00	8,55,50	5,54,75	.....	5,54,75
"	17	6,00,00	5,41,25	4,56,75	.....	4,56,75
"	24	4,00,00	7,33,00	4,00,25	.....	4,00,25
"	31	4,00,00	5,94,75	3,99,75	.....	3,99,75
Total		394,00,00	623,59,00	359,71,25	36,47,50	396,18,75

XIII

MONTHS TREASURY BILLS, 1943-44

paragraph 43)

(In thousands of rupees)

Amount discharged	Amount outstanding with the public	Total amount outstanding including amount outstanding on account of Issue Department, Provinces and Burma	Average rate of discount of accepted tenders	Average rate of discount of intermediates sold	Average rate of discount of total amount sold to public
6	7	8	9	10	11
			Rs. a. p.	Rs. a. p.	Rs. a. p.
1,02,25	117,49,00	249,93,00	1 1 11	1 0 0	1 1 9
7,18,75	116,91,00	241,48,00	1 2 0	1 0 0	1 1 8
10,49,50	116,81,25	226,93,25	1 2 0	1 0 0	1 1 6
9,44,00	117,01,25	227,03,25	1 2 0	1 0 0	1 1 7
10,92,75	117,91,50	229,46,00	1 2 0	1 0 0	1 1 4
9,99,00	119,28,25	228,57,75	1 1 9	1 0 0	1 1 3
9,22,50	120,73,75	232,93,25	1 1 7	1 0 0	1 1 2
10,06,75	120,12,00	233,13,50	1 1 0	1 0 0	1 0 10
12,61,75	119,22,00	227,16,50	1 1 0	1 0 0	1 0 8
30,00	130,62,50	237,66,50	1 1 0	1 0 0	1 0 8
10,44,25	131,00,00	238,31,00	1 1 0	1 0 0	1 0 9
16,04,50	130,30,25	238,04,25	1 1 0	1 0 0	1 0 6
72,25	138,27,00	246,91,00	1 1 0	1 0 0	1 0 11
10,02,75	137,35,75	246,61,75	1 1 0	1 0 0	1 0 11
6,59,25	133,93,75	242,37,00	1 0 0	1 0 0	1 0 0
10,42,25	131,51,50	240,25,75	0 15 11	.....	0 15 11
9,64,25	129,87,25	231,79,50	0 15 9	.....	0 15 9
11,79,75	126,07,50	224,11,25	0 15 7	.....	0 15 7
3,58,75	130,19,00	224,82,00	0 15 0	.....	0 15 0
11,19,25	126,85,75	211,04,75	0 14 11	.....	0 14 11
16,61,75	118,67,75	201,61,75	0 14 10	.....	0 14 10
4,21,75	122,41,50	199,45,50	0 14 11	.....	0 14 11
20,23,50	110,18,00	180,67,00	0 14 0	.....	0 14 0
1,82,75	115,95,00	185,54,00	0 13 9	.....	0 13 9
14,49,75	109,78,25	169,30,25	0 13 4	.....	0 13 4
9,69,75	107,87,75	165,51,75	0 13 5	.....	0 13 5
9,82,75	106,37,00	157,28,00	0 13 6	.....	0 13 5
7,22,75	107,14,75	157,00,75	0 12 0	.....	0 12 0
3,15,00	111,58,75	150,10,25	0 12 0	.....	0 12 0
8,30,50	111,07,75	144,21,25	0 12 1	.....	0 12 1
13,11,75	108,49,50	134,33,00	0 12 9	.....	0 12 8
3,05,50	111,35,75	138,40,00	0 13 8	.....	0 13 7
7,57,00	109,47,25	137,10,50	0 13 8	.....	0 13 8
8,11,00	107,27,25	135,13,75	0 13 8	.....	0 13 7
7,87,50	105,96,50	134,32,00	0 13 0	.....	0 13 1
15,75,50	96,21,00	124,61,50	0 12 11	.....	0 12 11
7,44,75	94,31,50	122,72,00	0 12 3	.....	0 12 3
8,62,50	92,12,75	121,46,75	0 11 11	.....	0 11 11
7,98,25	90,15,50	120,32,50	0 11 0	.....	0 11 0
8,15,00	82,00,50	112,78,75	.....	.....	.....
8,00,50	80,00,00	112,80,25	0 9 0	.....	0 9 0
.....	85,79,00	118,73,75	0 8 7	.....	0 8 8
8,00,00	85,47,25	117,02,75	0 8 8	.....	0 8 8
15,92,00	78,00,00	109,93,00	0 10 4	.....	0 10 3
8,00	85,43,25	117,66,75	0 11 4	.....	0 11 4
7,99,00	85,61,25	117,69,75	0 12 0	.....	0 11 11
6,01,00	85,70,00	117,57,25	0 12 6	.....	0 12 7
5,97,00	82,92,50	115,14,75	0 12 11	.....	0 12 3
11,99,50	75,98,25	110,35,75	0 12 11	.....	0 12 11
5,43,00	76,10,00	112,39,50	0 12 11	.....	0 12 11
6,55,75	74,11,00	111,29,50	0 13 0	.....	0 13 0
6,04,00	72,07,25	107,86,75	0 12 9	.....	0 12 9
25	76,06,75	110,61,25	0 12 9	.....	0 12 9
437,02,50	76,06,75	110,61,25	0 14 2	1 0 0	0 14 5

STATEMENT XIV
GOVERNMENT OF INDIA WAYS AND MEANS ADVANCES AND TREASURY BILLS
TRANSACTIONS, 1943-44
(Reference paragraph 45)

Month	Ways and Means Advances				Treasury Bills				Total outstanding of Ways & Means Advances and Treasury Bills
	Advances taken	Advances repaid	Outstanding at the end of month	Sale to the public	Outstanding at the end of month with the public	Total amount outstanding on account of Issue Department, the Provinces and Burma	Total amount Discharged	Total amount outstanding including amount	
1943-44									
April	1,00,00	1,00,00	....	40,08,25	117,91,50	229,46,00	39,07,25	229,46,00	229,46,00
May	15,50,00	15,50,00	....	43,74,50	119,76,25	227,70,75	41,89,75	227,70,75	227,70,75
June	5,50,00	5,50,00	....	47,10,50	131,05,25	240,11,25	35,81,50	240,11,25	240,11,25
July .. ..	....	....	....	35,19,25	125,44,25	223,69,25	40,80,25	223,69,25	223,69,25
August .. ..	....	....	....	32,00,00	114,39,75	186,63,75	43,04,50	186,63,75	186,63,75
September	9,00,00	9,00,00	....	39,96,50	106,34,00	162,25,00	48,02,25	162,25,00	162,25,00
October .. ..	....	....	....	32,03,50	104,12,75	131,40,00	34,24,75	131,40,00	131,40,00
November .. ..	....	....	....	26,00,00	98,00,00	126,35,50	32,12,75	126,35,50	126,35,50
December .. ..	....	....	....	24,00,00	82,00,50	112,76,75	39,99,50	112,76,75	112,76,75
January .. ..	....	....	....	28,00,00	78,00,00	110,36,50	32,00,50	110,36,50	110,36,50
February .. ..	....	....	....	24,89,50	76,92,50	108,45,00	25,97,00	108,45,00	108,45,00
March .. ..	....	....	....	23,16,75	76,06,75	110,61,25	24,02,50	110,61,25	110,61,25
1943-44	31,60,00	31,00,00	....	396,18,75	76,06,75	110,61,25	437,02,50	110,61,25	110,61,25

STATEMENT XV
PROVINCIAL GOVERNMENT TREASURY BILLS, 1943-44
(Reference paragraph 47)

Week ended	Issuing Government	Period	Amount offered for tender	Amount tendered	Amount sold	(In thousands of rupees)	
						Average rate of discount per annum	Amount outstanding with the public
						Rs.	a. p.
1943-44							
June 11 ..	Assam	3 months	50,00	60,00	50,00	1	3 0
July 16 ..	Assam	3 "	75,00	1,49,00	75,00	1	2 0
Aug. 6 ..	Bengal	3 "	1,50,00	1,78,00	1,50,00	1	1 0
Sept. 3 ..	U. P.	3 "	1,50,00	2,40,00	1,50,00	1	0 0
Sept. 17 ..	Assam	3 "	1,50,00	1,75,00	1,50,00	1	0 0
Sept. 17 ..	Bengal	12 "	50,00	50,00	50,00	1	12 0
Sept. 24 ..	U. P.	3 "	1,00,00	2,28,00	1,00,00	0	14 8
Oct. 15 ..	Madras	3 "	1,00,00	1,65,00	80,00	0	13 7
Oct. 22 ..	Assam	3 "	1,50,00	1,91,00	1,50,00	0	13 11
Nov. 5 ..	Bengal	3 "	4,00,00	4,47,50	4,00,00	0	15 10
Dec. 3 ..	U. P.	3 "	1,50,00	2,84,00	1,50,00	0	14 5
Dec. 10 ..	Bengal	3 "	3,00,00	4,06,00	3,00,00	0	15 8
Dec. 17 ..	Assam	3 "	2,00,00	2,56,00	2,00,00	0	13 0
Dec. 24 ..	Bengal	3 "	8,00,00	8,70,00	8,00,00	0	14 11
Dec. 24 ..	U. P.	3 "	1,00,00	2,31,00	1,00,00	0	11 5
Jan. 21 ..	Assam	3 "	1,00,00	1,60,00	1,00,00	0	10 0
Jan. 28 ..	C. P. & Berar	3 "	80,00	1,39,00	80,00	0	10 5
Feb. 4 ..	Bombay	3 "	50,00	1,15,00	50,00	0	10 0
Feb. 4 ..	Bengal	3 "	3,00,00	4,49,00	3,00,00	0	13 0
Feb. 11 ..	U. P.	3 "	1,00,00	1,75,00	1,00,00	0	13 0
Mar. 3 ..	Bengal	3 "	3,00,00	5,00,00	3,00,00	0	14 6
Mar. 10 ..	Bengal	3 "	3,00,00	5,17,00	3,00,00	0	14 7
Mar. 10 ..	Assam	3 "	1,50,00	2,29,00	1,50,00	0	14 6
Mar. 24 ..	Bengal	3 "	3,00,00	3,49,00	3,00,00	0	14 11
		Total	1941-42	18,14,25	8,15,00		1,00,00
		"	1942-43	9,67,50	4,35,00		80,00
		"	1943-44	65,63,50	45,65,00		17,30,00

STATEMENT XVI

PUBLIC DEBT OF INDIA SINCE 1913-14

(Reference paragraph 52)

(A) Rupee Debt

(In crores of rupees)

End of March	Un-dated	Per-cent- age of Total	Over 10 years	Per-cent- age of Total	Between 5 and 10 years	Per-cent- age of Total	Under 5 years	Per-cent- age of Total	Trea- sury Bills	Per-cent- age of Total	Post Office Savings Bank Deposits and Cash Certifi- cates	Per-cent- age of Total	*Other obliga- tions	Per-cent- age of Total	Total	Percent- age in- crease(+) or decr- ease(-)
1914	.. 144.52	30.4	1.00	0.6	—	—	—	—	—	—	23.17	12.9	11.08	6.1	179.77	—
1919	.. 143.20	39.9	26.42	7.4	29.44	8.2	59.43	16.5	49.24	13.7	27.03	7.5	24.02	6.6	353.78	+99.5
1924	.. 137.25	25.4	29.29	6.1	96.93	20.1	94.45	19.6	51.77	10.7	33.21	6.9	39.62	8.2	482.52	+35.5
1929	.. 137.41	24.9	121.03	21.9	50.25	9.2	81.54	14.8	43.15	7.8	56.79	10.3	61.04	11.1	551.21	+14.2
1934	.. 120.60	18.3	160.73	23.2	67.93	9.8	79.22	11.4	59.24	8.5	115.94	16.7	83.34	12.1	693.09	+25.7
1939	.. 128.46	18.1	113.80	16.0	124.71	17.6	70.89	9.9	46.30	6.5	141.46	19.8	84.34	11.8	709.96	+ 2.4
1940	.. 130.03	19.2	147.24	20.2	113.75	15.6	49.35	6.8	54.71	7.5	135.35	18.6	87.48	12.1	727.79	+ 2.6
1941	.. 148.52	17.3	182.98	21.2	150.31	17.5	95.07	11.0	68.90	8.0	108.80	12.6	106.59	12.4	861.17	+18.3
1942	.. 164.18	17.4	261.77	27.8	68.75	7.3	117.16	12.5	136.98	14.6	95.55	10.2	96.61	10.3	941.00	+ 9.3
1943(Preliminary)	245.50	20.3	238.41	19.7	91.75	7.6	172.80	14.3	264.70	21.9	93.00	7.7	102.29	8.5	1,208.45	+28.4
1944(	„ )283.89	21.3	445.67	33.4	85.38	6.4	182.86	13.7	110.61	8.3	117.56	8.8	108.72	8.1	1,334.69	+10.4

* Includes (1) the unclaimed balance of old loans which have ceased to bear interest from the date of discharge, (2) balance of special loans (the bulk of this relates to endowments made by the late King of Oudh for payment of pensions and stipends or for specific purposes of a religious or charitable character, guaranteed by Government), (3) balances of State Provident Funds, Pension Funds, and other accounts such as General Family Pension Fund, the Hindu Family Annuity Fund, the Postal Insurance and Life Annuity Fund, etc., and (4) the amount of Three-Year Interest-Free Bonds and Five-Year Interest-Free Prize Bonds.

STATEMENT XVI—(continued.)

PUBLIC DEBT OF INDIA SINCE 1913-14

(B) Sterling Debt *

(Reference paragraph 52)

(In crores of rupees)

End of March	Undated	Percent- age of Total	Over 10 years	Percent- age of Total	Between 5 and 10 years	Percent- age of Total	Under 5 years	Percent- age of Total	† Other obliga- tions	Percent- age of Total	Total	Percent- age in- crease (+) or de- crease (—)
1914	265.57	99.9	—	—	—	—	—	—	0.24	0.1	265.81	—
1919	257.80	84.8	45.96	15.1	—	—	—	0.32	0.1	304.08	+ 14.4	
1924	366.80	92.2	28.90	7.3	—	—	—	2.06	0.5	397.76	+ 30.8	
1929	296.61	62.7	169.93	36.0	4.66	1.0	—	1.58	0.3	472.76	+ 18.9	
1934	269.19	52.6	198.50	38.8	—	—	43.08	8.4	1.38	0.2	512.15	+ 8.3
1939	268.05	57.1	135.11	28.8	29.30	6.3	32.46	6.9	4.18	0.9	469.10	— 8.4
1940	255.63	57.8	115.44	26.1	39.09	8.8	28.15	6.4	4.18	0.9	442.49	— 5.7
1941	246.81	71.6	40.81	11.8	32.87	9.5	20.62	5.9	3.82	1.1	344.93	— 22.1
1942	134.00	63.6	34.66	16.4	17.32	8.2	20.95	9.9	3.77	1.8	210.70	— 38.9
1943† (Preliminary)	22.13	38.5	4.06	5.3	6.88	12.0	20.62	35.9	3.72	6.5	57.41	— 72.8
1944‡ (")	3.27	8.6	3.97	10.4	5.82	15.2	21.56	56.3	3.65	9.5	38.27	— 33.3

* Converted at 1sh. 4d. per rupee up to 1923-24 and thereafter at 1sh. 6d.
ceased to bear interest from the date of discharge and (2) the balances relating to Service Funds.

† Including (1) the unclaimed balances of old loans which have
‡ Excluding Railway Annuities.

STATEMENT XVII

(A) POST OFFICE CASH CERTIFICATES *

(Reference paragraph 54)

(In lakhs of rupees)

			Receipts	Repayments	Net receipts	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	3,63	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	4,08	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
1937-38	..	..	13,97	18,16	— 4,19	60,21
1938-39	..	..	14,71	15,35	— 64	59,57
1939-40	..	..	10,25	12,80	— 2,55	57,02
1940-41	..	..	4,89	14,93	—10,04	46,98
1941-42	..	..	3,97	11,94	— 7,97	39,01
1942-43	..	..	3,76	8,20	— 4,44	34,57
1943-44	..	..	5,50	5,43	7	34,64

* Figures for Burma are included up to 1936-37.

(B) POST OFFICE DEFENCE SAVINGS CERTIFICATES †

			Receipts	Repayments	Net receipts	Amount outstanding
1940-41	..	..	2,41	12	2,29	2,29
1941-42	..	..	2,81	75	2,06	4,35
1942-43	..	..	2,02	81	1,21	5,56
1943-44	..	..	2,43	1,02	1,41	6,97

† Replaced by the Twelve-year National Savings Certificates from the 1st October 1943.

(C) POST OFFICE NATIONAL SAVINGS CERTIFICATES

			Receipts	Repayments	Net receipts	Amount outstanding
1943-44			8,66	1	8,65	8,65

STATEMENT XVIII

(A) POST OFFICE SAVINGS BANK *

(Reference paragraph 54)

(In lakhs of rupees)

	Deposits	Interest	Withdrawals	Net increase in Deposits	Amount outstanding
1913-14	10,99	61	9,04	2,56	23,16
1914-15	9,07	53	17,88	— 8,28	14,89
1915-16	7,73	43	7,73	43	15,32
1916-17	8,83	45	8,10	1,28	16,59
1917-18	9,72	44	10,17	— 1	16,58
1918-19	12,99	46	11,21	2,24	18,82
1919-20	17,18	56	15,22	2,52	21,34
1920-21	18,22	62	17,33	1,51	22,86
1921-22	17,11	61	18,32	— 60	22,26
1922-23	17,07	62	16,75	94	23,19
1923-24	17,71	67	16,79	1,59	24,78
1924-25	17,44	71	17,64	51	25,63
1925-26	19,05	73	18,19	1,59	27,23
1926-27	20,38	79	18,89	2,28	29,50
1927-28	23,14	86	20,84	3,16	32,66
1928-29	26,24	97	25,39	1,82	34,49
1929-30	26,25	1,02	24,63	2,64	37,13
1930-31	24,36	1,04	25,50	— 10	37,02
1931-32	27,39	1,08	27,29	1,18	38,20
1932-33	30,96	1,15	26,86	5,25	43,45
1933-34	36,87	1,28	29,37	8,78	52,23
1934-35	38,67	1,34	37,26	2,75	58,30
1935-36	46,33	1,50	38,88	8,95	67,25
1936-37	43,38	1,45	37,40	7,43	74,68
1937-38	43,27	1,46	39,76	4,97	77,56
1938-39	44,61	1,42	41,65	4,38	81,94
1939-40	40,51	1,15	45,22	— 3,56	78,38
1940-41	25,35	93	45,00	—18,81	59,57
1941-42	21,91	83	30,18	— 7,44	52,13
1942-43	22,26	73	22,84	15	52,28
1943-44	35,22	93	24,19	11,96	64,24

* Figures for Burma are included up to 1936-37.

(B) POST OFFICE DEFENCE SAVINGS BANK DEPOSITS

	Deposits	Withdrawals	Net increase in Deposits	Amount outstanding
1941-42	11	..	11	11
1942-43	29	..	29	40
1943-44	3,59	1	3,58	3,98

STATEMENT XIX

DEBT POSITION OF PROVINCES SINCE 1936-37.

(Reference paragraph 56)

(In lakhs of rupees)

	At the end of							
	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44
I Public Debt								
(a) Permanent Debt	8,72	12,64	15,07	19,60	23,33	23,04	27,53	32,93
(b) Floating Debt .. .. .	....	....	1,50	1,80	50	1,00	82	37,55
(c) Loans from Central Government	1,43,80	1,24,67	1,23,24	1,21,77	1,20,54	1,18,49	1,11,11	89,84
II Unfunded Debt	15,03	22,39	23,39	24,44	25,54	26,62	27,26	92,30
III Gross Total Debt (Total of I and II)	1,67,55	1,59,70	1,63,20	1,67,61	1,69,91	1,69,15	1,66,72	1,93,82
IV Net Debt (Deduct outstanding loans and advances made by Provincial Governments)	1,04,63	1,00,32	1,02,48	1,35,65	1,38,98	1,37,92	1,34,60	1,63,39
V Provision for the reduction of Debt during the year	2,31	1,60	1,06	1,51	2,84	3,64	14,85	48,41
VI Closing Cash Balance	10,10	10,07	7,34	9,59	10,64	19,11	30,44	23,89

STATE REPRESENTATIVE RUPEE SECURITIES

* Prices in Bombay,
(Reference)

		5 per cent. Loan 1945-55 (free of income-tax)				4 per cent. Loan 1960-70				3½ per cent. Loan 1947-50		
		Highest	Lowest	Average	Average Yield	Highest	Lowest	Average	Average Yield	Highest	Lowest	Average
1943-44												
Apr. ..	..	108 $\frac{3}{16}$ (6-26)	108 (30)	108 $\frac{7}{16}$	1.64	110 $\frac{7}{16}$ (1-30)	110 $\frac{7}{16}$ (1-30)	110 $\frac{7}{16}$	3.22	103 $\frac{11}{16}$ (1-10)	103 $\frac{7}{16}$ (12-30)	103 $\frac{7}{16}$
May ..	..	108 (1)	107 $\frac{5}{16}$ (19-31)	107 $\frac{1}{2}$	1.80	110 $\frac{7}{16}$ (1-31)	110 $\frac{7}{16}$ (1-31)	110 $\frac{7}{16}$	3.21	103 $\frac{7}{16}$ (1-31)	103 $\frac{7}{16}$ (1-31)	103 $\frac{7}{16}$
June ..	..	107 $\frac{3}{16}$ (23-30)	107 $\frac{3}{16}$ (8, 9)	107 $\frac{5}{16}$	1.78	110 $\frac{1}{2}$ (30)	110 $\frac{7}{16}$ (1-29)	110 $\frac{7}{16}$	3.21	103 $\frac{7}{16}$ (1-17)	103 $\frac{11}{16}$ (29, 30)	103 $\frac{11}{16}$
July ..	..	107 $\frac{3}{16}$ (2-10)	106 $\frac{11}{16}$ (30, 31)	107 $\frac{7}{16}$	1.73	111 $\frac{1}{2}$ (30, 31)	110 $\frac{1}{2}$ (2, 3)	110 $\frac{1}{2}$	3.18	103 $\frac{11}{16}$ (22-31)	103 $\frac{11}{16}$ (2-13)	103 $\frac{7}{16}$
Aug. ..	..	106 $\frac{15}{16}$ (2)	106 $\frac{1}{16}$ (31)	106 $\frac{7}{16}$	1.94	111 $\frac{1}{2}$ (10-13, 17-31)	111 $\frac{1}{2}$ (2-9, 14-16)	111 $\frac{3}{16}$	3.15	103 $\frac{11}{16}$ (2-10)	103 $\frac{7}{16}$ (30, 31)	103 $\frac{11}{16}$
Sept. ..	..	106 $\frac{1}{2}$ (30)	106 $\frac{7}{16}$ (1-14)	106 $\frac{1}{2}$	1.97	111 $\frac{7}{16}$ (29, 30)	111 $\frac{1}{2}$ (1-27)	111 $\frac{1}{2}$	3.14	103 $\frac{11}{16}$ (1-7, 25-30)	103 $\frac{1}{2}$ (8-22)	103 $\frac{11}{16}$
Oct. ..	..	106 $\frac{5}{16}$ (22-27)	106 $\frac{1}{2}$ (2-21)	106 $\frac{1}{2}$	1.81	111 $\frac{7}{16}$ (19-27)	111 $\frac{7}{16}$ (2-4)	111 $\frac{11}{16}$	3.11	103 $\frac{1}{2}$ (11, 12)	103 $\frac{11}{16}$ (2-7, 13-21)	103 $\frac{11}{16}$
Nov. ..	..	106 $\frac{5}{16}$ (1-8)	106 $\frac{3}{16}$ (22, 23)	106 $\frac{1}{2}$	1.67	111 $\frac{11}{16}$ (24-30)	111 $\frac{11}{16}$ (4-8, 22, 23)	111 $\frac{7}{16}$	3.09	103 $\frac{7}{16}$ (1-22)	103 $\frac{11}{16}$ (23-30)	103 $\frac{7}{16}$
Dec. ..	..	106 $\frac{7}{16}$ (1-10)	105 $\frac{7}{16}$ (30, 31)	106	1.66	112 $\frac{3}{16}$ (31)	111 $\frac{7}{16}$ (11)	112	3.08	103 $\frac{11}{16}$ (1-31)	103 $\frac{11}{16}$ (1-31)	103 $\frac{11}{16}$
Jan. ..	..	105 $\frac{1}{2}$ (3-5)	105 $\frac{1}{2}$ (20-26)	105 $\frac{7}{16}$	1.83	112 $\frac{11}{16}$ (24-31)	112 $\frac{7}{16}$ (3)	112 $\frac{1}{2}$	3.04	103 $\frac{11}{16}$ (3-13)	103 $\frac{7}{16}$ (14-31)	103 $\frac{5}{16}$
Feb. ..	..	105 $\frac{5}{16}$ (1-24)	105 $\frac{1}{2}$ (25-29)	105 $\frac{1}{16}$	1.75	112 $\frac{11}{16}$ (2-18)	112 $\frac{1}{2}$ (25-29)	112 $\frac{1}{2}$	3.02	103 $\frac{5}{16}$ (1-18)	103 $\frac{1}{16}$ (24-29)	103 $\frac{1}{2}$
March ..	..	105 $\frac{1}{2}$ (1-7)	104 $\frac{11}{16}$ (31)	105	1.78	112 $\frac{1}{2}$ (4-15)	112 $\frac{11}{16}$ (24, 25)	112 $\frac{1}{2}$	3.02	103 $\frac{1}{2}$ (4-18)	103 (23-31)	103 $\frac{1}{2}$

*Figures below the quotations indicate dates.

MENT XX

OF THE GOVERNMENT OF INDIA

1943-44

paragraph 57)

(In rupees)

Average Yield	3½ per cent. Loan (non-terminable)			3 per cent. Loan 1951-54				3 per cent. Loan 1963-65				
	Highest	Lowest	Average	Average Yield	Highest	Lowest	Average	Average Yield	Highest	Lowest	Average	Average Yield
2.60	94 (1-30)	94 (1-30)	94	3.72	99½ (1-30)	99½ (1-30)	99½	3.01	95½ (1-30)	95½ (1-30)	95½	3.29
2.58	94 (1-31)	94 (1-31)	94	3.72	99½ (5-31)	99½ (1-4)	99½	3.01	95½ (1-31)	95½ (1-31)	95½	3.29
2.58	94½ (30)	94 (1-29)	94	3.72	99½ (1-30)	99½ (1-30)	99½	3.01	95½ (1-30)	95½ (1-30)	95½	3.29
2.58	96 (28-31)	94½ (2, 3)	95½	3.68	100½ (5-12)	99½ (2)	100½	2.99	96½ (30, 31)	95½ (2, 3)	96½	3.25
2.58	97 (17-31)	95½ (7)	96½	3.62	100½ (2-31)	100½ (2-31)	100½	2.99	97½ (17-28)	96½ (3-7)	96½	3.19
2.65	97½ (29,30)	96½ (17, 18)	97½	3.61	100½ (6-30)	100½ (1, 2)	100½	2.99	97½ (30)	96½ (1-18)	97½	3.19
2.62	97½ (18-20, 23-26)	97½ (13)	97½	3.59	100½ (2-27)	100½ (2-27)	100½	2.99	98½ (21-26)	97½ (2)	98	3.15
2.59	97½ (1, 24-30)	97½ (20-22)	97½	3.60	100½ (1-15, 26-30)	100½ (18-25)	100½	2.98	98½ (25-30)	98½ (4-8, 13-20)	98½	3.11
2.59	97½ (31)	97½ (6)	97½	3.59	100½ (1-31)	100½ (1-31)	100½	2.98	98½ (20)	98½ (8-11)	98½	3.10
2.59	99 (13-17)	98½ (3)	98½	3.54	100½ (14-31)	100½ (3-13)	100½	2.96	98½ (5-13)	98½ (24)	98½	3.08
2.58	99½ (2-10)	98½ (26-29)	98½	3.54	100½ (4-14)	100½ (17-24)	100½	2.96	98½ (10-14)	98½ (25-29)	98½	3.09
2.60	99½ (4)	98½ (24, 31)	98½	3.54	100½ (1-16)	99½ (24-31)	100½	2.98	98½ (2-9)	98½ (24, 25)	98½	3.10

STATEMENT XXI
REPRESENTATIVE RUPEE SECURITIES OF THE GOVERNMENT OF INDIA
 Prices since 1914-15
 (Reference paragraph 57)

	5 per cent. Loan 1945-55 (free of income-tax)		4 per cent. Loan 1960-70		3½ per cent. Loan 1947-50		3½ per cent. Loan (non-terminable)		3 per cent. Loan 1951-54		(In rupees) 3 per cent. Loan 1963-65	
	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
1914-15 ..	—	—	..	..	..	..	96½	91½	..	..	..	..
1920-21 ..	98	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	103½	96½	..	..
1936-37 ..	121½	117½	116½	109½	108½	103½	100½	91½	105	100½	..	..
1937-38 ..	120½	118	114½	110½	107½	105	99½	92½	102½	100½	..	..
1938-39 ..	118½	111	114½	107½	106½	103	99½	90½	103½	100	98½	96
1939-40 ..	114½	102	111½	94	104½	92½	97½	80½	101½	86	97½	82
1940-41 ..	112½	105½	109	99	104½	98½	96½	84½	99½	92½	95	85½
1941-42 ..	111½	104	111½	99	103½	96½	96½	84	100	93½	95½	85½
1942-43 ..	109½	105½	110½	103½	104	97½	94	88½	90½	94	95½	88½
1943-44 ..	108½	104½	112½	110½	103½	103	99½	94	100½	99½	98½	95½

STATEMENT XXII

INDEX NUMBERS OF PRICES OF INDIAN SECURITIES (1927-28=100)

(Prepared in the office of the Economic Adviser to the Government of India)

(Reference paragraph 58)

Year and Month	Government Securities	Fixed Yield Industrial Securities	Variable Yield Industrial Securities								General Index. (Col. 3-10)
			Cotton (22 shares)	Jute (20 shares)	Coal (13 shares)	Iron and steel (3 shares)	Tea (19 shares)	Sugar (3 shares)	Cement (1 share)	Paper (2 shares)	
	1	2	3	4	5	6	7	8	9	10	11
1941-42	115.9	155.9	111.0	57.2	152.5	504.3	77.7	107.2	193.9	323.9	129.0
1942-43	115.0	144.9	146.6	53.9	161.3	441.5	86.9	141.7	235.9	359.9	138.6
1943-44	117.2	164.3	198.8	65.6	227.2	555.9	118.0	211.4	278.4	488.0	182.2
August 1939 ..	117.6	137.7	69.4	47.7	131.7	369.5	57.8	74.7	149.6	174.0	98.5
December	111.2	135.1	101.3	68.5	176.7	614.0	73.9	108.6	170.3	408.0	130.7
March 1940 ..	116.7	141.4	84.8	59.7	161.8	562.2	70.7	90.7	154.3	370.4	122.1
June	107.8	138.5	..	..	..	..	..	..	..	..	(a)
September	114.3	143.9	77.8	51.2	141.1	451.8	65.2	77.8	144.9	274.6	110.6
December	116.4	154.6	88.4	52.8	153.4	518.6	67.0	91.3	177.9	287.5	119.3
March 1941 ..	117.4	158.6	98.3	54.2	150.0	545.7	70.2	95.8	181.3	288.3	123.8
June	117.6	157.3	95.0	58.9	144.8	537.7	71.7	88.9	179.4	309.8	123.2
September	118.0	163.2	116.2	61.4	162.1	570.3	78.3	111.7	194.2	355.9	136.2
December	116.2	155.8	128.0	52.4	152.5	470.6	82.7	122.4	206.4	328.4	132.1
March 1942 ..	109.8	131.2	104.2	51.3	151.8	351.4	79.3	115.4	192.0	315.8	119.6
1942-43											
April	110.5	130.4	102.0	51.1	151.0	359.1	78.7	114.6	197.6	309.3	119.1
May	112.3	131.0	109.3	50.8	150.2	386.0	78.8	127.6	202.3	309.3	122.8
June	113.1	137.0	117.5	50.4	150.8	386.2	77.7	133.9	211.4	308.8	124.3
July	115.2	141.1	123.0	50.3	149.4	409.5	78.9	134.7	210.8	316.2	126.8
August	115.5	142.2	123.8	49.6	149.0	422.2	79.4	133.6	211.1	317.1	127.4
September	116.1	147.7	144.8	53.5	156.8	440.7	81.2	145.3	230.9	343.0	136.3
October	116.2	148.5	150.3	54.6	159.9	447.3	84.0	146.5	238.4	374.1	140.0
November	116.3	150.4	165.4	58.6	170.4	498.4	91.5	151.8	255.3	397.8	149.2
December	116.2	153.5	158.5	53.7	167.8	419.1	92.2	144.5	249.7	396.1	143.7
January	116.1	152.0	179.7	57.2	173.1	492.2	93.0	156.1	272.3	410.9	152.7
February	116.1	153.6	189.0	58.0	174.7	523.2	100.7	151.4	271.6	415.6	153.3
March	116.1	157.1	196.1	59.5	182.8	513.5	107.2	160.1	278.9	421.0	162.8
1943-44											
April	116.1	157.9	216.1	63.3	189.7	544.1	112.4	190.3	297.7	483.4	174.5
May	115.8	159.8	198.9	63.8	187.9	542.5	117.0	187.2	289.8	469.7	170.7
June	116.1	160.2	191.8	66.9	201.0	569.4	117.9	203.0	291.1	478.8	174.8
July	116.8	160.8	177.6	62.7	198.5	542.1	113.3	191.7	272.9	461.6	168.8
August	117.0	162.9	191.0	62.3	206.4	578.7	112.1	205.5	268.2	441.1	170.9
September	117.3	164.1	192.6	64.8	227.4	534.5	116.0	181.6	274.6	471.0	176.3
October	117.5	163.3	195.3	64.4	237.8	535.4	118.8	235.6	270.4	498.4	183.1
November	117.6	165.6	200.4	67.3	243.8	549.1	119.1	233.0	281.1	496.9	188.9
December	117.6	165.7	195.4	65.2	243.5	530.5	119.5	223.5	283.6	485.6	186.8
January	118.3	168.3	218.5	68.0	264.8	594.8	126.7	231.5	275.4	524.5	200.1
February	118.2	169.1	205.3	69.0	264.8	574.4	123.7	227.2	272.3	509.7	196.2
March	117.7	171.6	203.2	69.1	261.6	575.0	119.8	226.8	281.7	534.9	195.3

(a) Not available.

STATE
INDIAN MONEY
(Reference)

	Bank Rate*	Imperial Bank of India Hundi Rate†		Call Money Rate				Bazar Bill Calcutta	
		Highest	Lowest	Calcutta		Bombay		Highest	Lowest
1935-36 ..	3 (3½ up to November)	3½ Apr.-Nov.	3 Dec.-Mar.	1 Apr.-July	½ Feb.-Mar.	3½ April	½ Sept.-Mar.	7 to 8 Apr.-June	5 to 6 Aug.-Nov. & Jan.-Mar.
1936-37 ..	3	3	3	½ Apr.-June	½ July-Mar.	1½ Jan.	½ Sept.-Nov.	5 to 6	
1937-38 ..	3	3	3	¾ Apr.-July, Feb.-Mar.	½ Aug.-Jan.	1½ April	½ Aug.-Dec.	7 to 8 Nov.-Mar.	5 to 6 Apr.-Sept.
1938-39 ..	3	3	3	2½ Jan.-Feb.	½ July	2½ Jan.-Feb.	½ July, Sept., & Nov.	7 to 8 Apr.-June	6 to 7 July-Mar.
1939-40 ..	3	3½ Nov.-Mar.	3 Apr.-Oct.	2 Apr.-May	½ Aug.-Sept.	2½ April	½ Aug.-Sept.	6 to 7	
1940-41 ..	3	3½ Apr.-Jan.	3 Feb.-Mar.	½ Apr. & June	½ May & July -Mar.	1½ April	½ Aug.-Mar.	6 to 7	
1941-42	3	3		½		½ Apr. & Jan.	½ May-Dec. Feb.-Mar.	6 to 7	
1942-43 ..	3	3		½		½		6 to 7	
1943-44 ..	3	3		½		½		6 to 7	
1st of								1943-	
Apr. ..	3	3		½		½		6 to 7	
May ..	3	3		½		½		6 to 7	
June ..	3	3		½		½		6 to 7	
July ..	3	3		½		½		6 to 7	
Aug. ..	3	3		½		½		6 to 7	
Sept. ..	3	3		½		½		6 to 7	
Oct. ..	3	3		½		½		6 to 7	
Nov. ..	3	3		½		½		6 to 7	
Dec. ..	3	3		½		½		6 to 7	
Jan. ..	3	3		½		½		6 to 7	
Feb. ..	3	3		½		½		6 to 7	
Mar. ..	3	3		½		½		6 to 7	

*The standard rate at which the Reserve Bank of India is prepared to buy or rediscount bills of exchange Imperial Bank discounts first class three months' commercial bills. †Rates at which the bills of small traders are reported

MENT XXIII

RATES SINCE 1935-36

paragraph 59).

Rate† Bombay		Average Treasury Bill Rate per cent. per annum	Deposit Rates‡					
Highest	Lowest		3 months		6 months		12 months	
			Highest	Lowest	Highest	Lowest	Highest	Lowest
6½	3	1.21	..	..	..	..	..	..
Apr.-July	October							
5½	3½	0.78	..	..	..	..	..	..
Apr.-May, Jan.-Mar.	July-Dec.							
5½	5½	0.97	..	..	..	..	..	..
(unchanged)								
5½	3	1.63	2½	½	2½	1½	2	1½
Apr. & Feb.	October		January	Aug.-Sept.	Dec.-Jan.	Aug.-Sept.	Dec.-Jan.	Aug.-Sept.
6½	6½	1.86	2½	1	2½	1	2	1½
Jan.-Mar.	Apr.-Aug. Oct.-Nov.		Sept.-Feb.	June	Sept.	June-July	Sept. & Dec.- Mar.	Nov.
6½	5½	0.89	2½	½	2½	1½	2	1½
Jan.-Mar.	Apr.-Aug. Oct.-Nov.		April	Sept.-Mar.	April	Aug.-Mar.	April	May-Mar.
6½	4½	0.82	1 to 1½	½	1½ to 1½	1	1½ to 2	1½ to 2
Jan.-Mar.	Aug.-Oct.		Feb.-Mar.	Sept.	Feb.-Mar.	Aug.-Sept.	March	January
6½	5	0.87	1 to 1½	½ to 1	1½ to 1½	½ to 1	1½ to 2	1½ to 1½
April	Aug.-Oct.		Apr.-May	Sept.-Oct.	Apr.-May	Sept.-Oct. Dec.-Jan.	Apr.-May	June-Mar.
6	4½	0.90	½ to 1	½ to ½	1½ to 1½	1 to 1½	1½ to 1½	
April	May.-Oct.		Apr.-June Dec.-Jan.	July-Nov. Feb.-Mar.	Apr.-June	July-Mar.		
44								
6		1.09	½ to 1		1½ to 1½		1½ to 1½	
4½		1.06	½ to 1		1½ to 1½		1½ to 1½	
4½		1.04	½ to 1		1½ to 1½		1½ to 1½	
4½		1.01	½ to ½		1 to 1½		1½ to 1½	
4½		0.93	½ to ½		1 to 1½		1½ to 1½	
4½		0.85	½ to ½		1 to 1½		1½ to 1½	
4½		0.76	½ to ½		1 to 1½		1½ to 1½	
5½		0.84	½ to ½		1 to 1½		1½ to 1½	
5½		0.75	½ to 1		1 to 1½		1½ to 1½	
5½		0.67	½ to 1		1 to 1½		1½ to 1½	
5½		0.74	½ to ½		1 to 1½		1½ to 1½	
5½		0.80	½ to ½		1 to 1½		1½ to 1½	

or other commercial paper eligible for purchase under the Reserve Bank of India Act. †The rate at which the to have been discounted by shroffs. These are unofficial quotations. ‡As quoted by the larger banks in Bombay.

STATEMENT XXIV

SCHEDULED BANKS' CONSOLIDATED POSITION IN INDIA AND BURMA SINCE 1935-36

(Reference paragraph 60)

(In lakhs of rupees)

	Average of Friday figures	Demand Liabilities	Time Liabilities	Cash	Balances with Reserve Bank	Excess of (d) over the statutory minimum	% of (c+d) to (a+b)	Advances	Bills Dis- counted	% of (f+g) to (a+b)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(g)	(g)	
1935-36 ..	1,21,90	98,66	5,95	31,86	23,79	17.14	87,70	3,56	41.38	
1936-37 ..	1,28,58	1,01,32	6,01	26,27	17,81	14.04	95,11	4,70	43.41	
1937-38 ..	1,32,77	1,09,04	6,81	24,62	15,81	12.92	1,13,43	6,28	49.51	
1938-39 ..	1,29,98 (6,17)	1,07,85 (4,55)	6,64 (26)	15,94	7,28	9.50	1,15,85 (4,51)	4,86 (26)	50.75	
1939-40 ..	1,39,65 (7,01)	1,06,03 (4,08)	7,08 (35)	17,43	8,33	9.98	1,25,89 (4,42)	5,25 (28)	53.38	
1940-41 ..	1,63,90 (8,11)	1,04,94 (3,75)	8,37 (42)	36,42	26,13	16.66	1,22,13 (4,43)	3,84 (15)	46.86	
1941-42 ..	2,11,35 (11,22)	1,07,61 (4,24)	9,86 (70)	36,65	23,93	14.58	1,20,20 (4,88)	4,93 (9)	39.23	
1942-43* ..	3,06,28	1,04,21	12,97	55,73	38,33	16.73	95,68	2,18	23.83	
1943-44* ..	4,56,63	1,42,78	20,57	63,63	37,99	14.05	150,14	5,59	26.98	
1943-44										
April ..	3,74,75	1,23,59	16,32	44,35	23,14	12.77	1,31,66	4,40	27.30	
May ..	3,90,87	1,25,95	17,51	49,50	27,44	12.97	1,41,35	5,06	28.33	
June ..	4,11,24	1,29,85	17,68	54,61	31,45	13.36	1,42,60	4,94	27.27	
July ..	4,28,11	1,33,52	18,09	59,09	35,01	13.74	1,43,24	4,19	26.25	
August ..	4,37,77	1,36,61	19,00	57,65	33,03	13.34	1,44,02	3,67	25.71	
September ..	4,52,76	1,35,00	20,23	71,24	45,90	15.56	1,44,13	3,73	25.16	
October ..	4,65,80	1,36,71	21,12	68,07	42,05	14.80	1,50,48	4,23	25.68	
November ..	4,82,34	1,42,50	22,09	74,11	47,14	15.40	1,53,04	5,51	25.37	
December ..	4,98,91	1,52,34	23,48	92,94	64,85	17.88	1,58,62	6,36	25.33	
January ..	5,02,56	1,61,94	23,59	76,12	47,75	15.01	1,71,73	7,26	26.94	
February ..	5,11,83	1,68,08	23,67	59,23	30,28	12.19	1,87,20	8,03	28.71	
March ..	5,21,25	1,67,36	24,01	56,12	26,71	11.64	2,03,85	9,51	30.98	

Note:—Burma figures shown in brackets.

*Figures for India only.

STATEMENT XXV

CLEARING HOUSE STATISTICS SINCE 1918-19

(Reference paragraph 61)

(In lakhs of rupees)

	Calcutta	Bombay	Madras	Karachi	Rangoon	Cawnpore	Lahore	Delhi	Other Centres	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	5,86	..	..	20,24,90
1922-23	9,80,26	8,58,73	45,13	33,58	1,25,96	7,83	8,49	..	..	20,60,08
1923-24	8,53,05	7,07,98	55,41	41,52	1,32,82	6,38	5,85	..	..	18,03,01
1924-25	9,54,11	6,21,66	55,96	46,13	1,17,21	5,72	5,57	..	..	18,06,36
1925-26	10,12,19	4,45,05	56,80	36,14	1,25,33	6,16	6,86	..	..	16,88,53
1926-27	9,61,01	4,22,68	54,53	31,07	1,24,42	8,16	7,70	..	..	16,09,57
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	8,86,28	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	76,90	5,63	9,02	..	..	15,15,66
1932-33	7,90,37	6,67,42	48,85	25,56	70,75	7,06	6,50	..	..	16,18,53
1933-34	8,30,88	6,55,47	53,19	26,78	56,12	6,88	9,88	..	..	16,41,20
1934-35	8,76,69	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	9,34,65	7,86,22	98,91	32,66	81,40	11,76	10,36	18,56	28,31	20,03,20
1939-40	11,54,03	8,83,97	99,94	37,53	97,55	14,22	11,14	20,36	31,73	23,50,46
1940-41	10,08,53	8,02,32	1,08,65	46,76	1,18,64	19,20	16,33	28,53	42,28	21,91,24
1941-42	12,33,61	10,48,60	1,36,41	58,80	1,09,15*	29,59	26,71	41,35	91,27	27,75,49
1942-43	10,74,66	13,45,23	1,31,40	77,51	..	56,21	48,76	81,94	1,63,38	29,79,09
1943-44	17,18,81	19,66,69	1,96,80	1,01,36	..	1,01,06	77,90	1,19,16	2,97,74	45,79,22

* Figures from December 1941 not available.

STATEMENT XXVI

NUMBER AND AMOUNT OF CHEQUES CLEARED AT EACH CENTRE, 1943-44

(Reference paragraph 61)

(Rupees in lakhs)

Centre	1943-44												Total
	April	May	June	July	August	September	October	November	December	January	February	March	
BOMBAY—													
Number ..	5,65,731	5,42,515	5,20,561	5,23,856	5,29,865	5,44,538	5,12,903	6,30,936	5,99,725	5,99,079	5,85,376	6,22,071	67,77,156
Amount ..	1,60,16	1,64,56	1,43,39	1,51,68	1,54,78	1,43,70	1,34,34	1,65,03	1,78,44	1,84,47	1,79,42	2,06,72	19,68,69
CALCUTTA—													
Number ..	4,23,354	4,21,849	4,36,484	4,42,279	4,11,871	4,43,764	3,53,632	5,08,089	4,50,074	4,58,299	4,61,829	4,99,222	53,10,746
Amount ..	1,22,98	1,29,94	1,34,28	1,36,08	1,39,29	1,52,31	1,14,14	1,52,16	1,40,21	1,53,41	1,60,42	1,83,39	17,18,61
CAWNPORE—													
Number ..	23,335	23,688	21,436	21,863	22,001	26,738	22,990	28,932	29,140	28,929	30,604	30,964	3,10,620
Amount ..	7,61	8,14	6,68	6,50	6,35	9,75	7,21	9,09	9,28	10,44	9,43	10,58	1,01,06
DELHI—													
Number ..	72,835	72,781	73,692	75,400	74,306	72,966	68,887	80,604	65,751	63,957	61,336	70,334	8,52,849
Amount ..	8,68	9,09	7,89	8,88	8,75	9,27	9,17	11,43	11,26	11,10	11,06	12,58	1,19,16
KARACHI—													
Number ..	44,170	46,689	44,936	45,716	43,259	45,176	40,568	48,433	44,852	46,821	44,054	48,621	5,43,295
Amount ..	7,85	7,98	8,99	7,86	7,57	9,15	7,46	8,38	8,58	8,98	8,87	9,69	1,01,36
LABORE—													
Number ..	51,921	48,822	45,204	50,300	46,934	45,987	45,987	55,078	53,280	52,624	56,362	65,423	6,17,922
Amount ..	5,57	5,44	4,78	7,85	6,71	5,65	5,94	6,31	6,53	6,35	8,31	8,36	77,80
MADRAS—													
Number ..	1,02,772	1,01,236	1,03,054	1,08,775	1,09,194	1,08,003	1,02,686	1,12,751	1,09,297	1,04,610	1,11,383	1,19,731	12,93,492
Amount ..	14,79	16,45	15,33	14,78	15,57	17,10	13,86	17,15	20,40	16,17	16,36	19,84	1,96,80
OTHER CENTRES*													
Number ..	1,51,929	1,02,296	1,07,871	95,475	1,08,712	1,20,439	1,15,878	1,45,220	1,34,252	1,30,925	1,36,909	1,60,540	15,10,245
Amount ..	24,07	22,73	20,44	18,93	18,62	28,65	21,83	26,79	26,44	25,34	27,17	36,73	2,97,74
Total—													
Number ..	14,36,047	13,59,875	13,53,238	13,63,664	13,46,142	14,07,611	12,63,331	16,10,043	14,86,371	14,85,244	14,87,853	16,16,906	1,72,16,325
Amount ..	3,51,71	3,63,33	3,41,78	3,52,56	3,57,64	3,75,58	3,13,95	3,96,34	4,01,14	4,16,26	4,21,04	4,87,89	45,79,22

* Ahmedabad, Allahabad, Amritsar, Calicut, Coimbatore, Lucknow, Madras, Mangalore, Nagpur, Patna, Simla and Rawalpindi.

STATEMENT XXVII

(A) REMITTANCES THROUGH THE RESERVE BANK OF INDIA Telegraphic Transfers issued and paid, 1943-44

(Reference paragraph 62)

(In lakhs of rupees)

Centre	1941-42				1942-43				1943-44			
	April to September		October to March		April to September		October to March		April to September		October to March	
	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid
Bombay ..	43,29	71,26	46,65	63,91	34,91	115,92	109,93	150,79	79,91	183,79	116,08	210,78
Calcutta ..	90,46	52,12	101,63	48,59	158,62	63,31	251,91	123,54	255,59	104,26	306,28	140,01
Cawnpore ..	6,23	8,65	4,35	12,23	5,31	13,81	3,36	27,72	9,86	21,88	10,55	23,79
Delhi ..	6,27	2,34	8,70	3,58	7,97	3,17	12,09	7,03	22,63	11,35	27,47	19,40
Karachi ..	6,64	7,82	7,10	11,41	8,65	12,72	15,68	18,95	18,76	18,10	18,31	22,22
Lahore ..	8,87	8,62	7,01	22,40	12,20	23,20	8,97	45,44	18,80	38,54	22,54	43,65
Madras ..	11,02	16,49	7,52	21,40	5,68	22,00	8,45	30,86	16,32	26,45	14,07	33,88
Total ..	172,78	167,30	182,96	183,52	233,34	254,13	410,39	404,33	421,87	404,36	515,30	493,73

101

(B) REMITTANCES THROUGH THE IMPERIAL BANK OF INDIA, 1943-44*

(Reference paragraph 62)

(In lakhs of rupees)

From Offices in	1941-42				1942-43				1943-44			
	Bengal Circle	Bombay Circle	Madras Circle	Total	Bengal Circle	Bombay Circle	Madras Circle	Total	Bengal Circle	Bombay Circle	Madras Circle	Total
Bengal Circle	148,71	60,68	6,76	216,15	208,65	92,22	9,62	310,49	330,59	124,66	15,28	470,53
Bombay Circle	26,40	97,85	11,09	135,34	43,28	149,61	26,45	218,34	70,27	219,49	22,57	312,33
Madras Circle	8,40	19,06	81,27	88,73	9,84	27,43	91,99	129,26	25,23	43,15	126,23	194,61
Total ..	183,51	177,59	79,12	440,22	261,77	269,26	127,06	658,09	426,09	387,30	164,08	977,47

* Telegraphic Transfers paid, Mail Transfers received and Drafts paid.

STATEMENT XXVII—(contd.)

**(C) REMITTANCES EFFECTED BETWEEN THE RESERVE BANK OF INDIA AND THE IMPERIAL BANK OF INDIA AND
TREASURY AGENCIES**

(Reference paragraph 62)

(In lakhs of rupees)

	HALF-YEAR ENDED 30-9-42				HALF-YEAR ENDED 31-3-43				HALF-YEAR ENDED 30-9-43			
	Telegraphic Transfers		Drafts and Mail Transfers		Telegraphic Transfers		Drafts and Mail Transfers		Telegraphic Transfers		Drafts and Mail Transfers	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
The General Public	17,674	32,57	3,27,863	55,05	23,184	58,62	3,42,351	68,05	20,388	67,03	3,38,498	78,49
Scheduled Banks :												
At par	5,324	135,68	3,135	18,72	5,121	219,72	3,407	19,69	7,246	277,60	3,379	23,36
At premium	3,291	11,34	13,543	7,70	4,588	25,10	14,393	10,38	4,589	27,02	14,998	12,45
102 Approved Non-Scheduled Banks & Indigenous Bankers (under para. 3C of the Remittance Facilities Scheme)	357	71	4,139	2,47	584	1,41	4,398	3,31	643	1,69	4,746	4,33
Co-operative Banks and Societies :												
At par	76	1,27	502	1,71	67	66	464	1,29	87	1,27	596	2,86
At premium	121	22	10,667	5,47	283	1,11	11,375	7,19	174	1,09	11,593	8,47
Local Funds at a premium (under para. 3E (i) (f) of the Remittance Facilities Scheme) ..	36	—	2,693	23	2	—	3,038	19	69	53	2,710	24
Other remittances at par ..	1,357	6,49	92,958	22,18	1,766	11,37	99,338	29,01	1,333	8,05	1,00,247	39,10
Government :												
Intra-Provincial at par ..	—	—	84,708	8,35	104	3	1,01,747	13,42	69	8	1,04,585	21,67
Extra-Provincial at premium ..	—	—	12,998	1,59	20	—	15,455	3,90	31	28	11,633	4,76
Total ..	28,236	188,28	5,53,206	123,47	35,719	318,02	5,95,966	156,43	34,629	384,64	5,92,985	194,72

STATEMENT XXVII

RESERVE BANK OF INDIA : BANKING DEPARTMENT SINCE 1935-36*

(Reference paragraph 63)

												(In lakhs of rupees)				
Average of Friday figures		Central Govt.	Other Govts.	Deposits		Total	Other Liabilities	Total of Assets or Liabilities	Notes and Coin	Balances held abroad	Loans & Advances to Gov-ernments	Other Loans & Advances	Bills pur-chased & discounted	Invest-ments	Other Assets	
1935-36	.. ..	11,26	..	27,26	9	38,61	91	49,52	27,68	14,99	86	1	..	5,47	51
1936-37	.. ..	9,83	..	26,56	41	36,80	1,13	47,93	25,90	13,61	1,54	1	1	6,04	82
1937-38	.. ..	11,37	..	24,96	69	37,02	87	47,89	25,70	13,48	79	2	6	7,12	72
1938-39	.. ..	14,90	..	16,19	75	31,84	1,28	43,12	26,38	4,21	1,72	2	1,53	6,36	90
1939-40	.. ..	6,84	7,00	17,82	1,05	32,71	1,54	44,25	18,88	12,34	1,05	11	2,87	7,25	1,75
1940-41	.. ..	10,03	7,37	36,84	1,91	56,15	2,56	68,71	17,39	39,32	2,01	7	97	7,78	1,17
1941-42	.. ..	9,65	7,95	37,73	3,89	59,22	4,33	73,55	12,35	46,08	4,09	4	27	8,96	1,76
1942-43	.. ..	12,99	8,10	57,36	3,30	81,75	7,91	99,86	11,92	75,11	1,49	4	68	7,12	3,30
1943-44	.. ..	29,31	13,16	64,69	6,65	113,81	10,82	134,63	10,67	111,72	49	15	91	7,61	3,08
1942-43																
April	.. ..	4,79	10,12	42,03	1,80	58,74	10,03	78,77	11,94	46,36	5,09	6	1,20	8,44	5,98
May	.. ..	11,02	5,83	51,26	1,95	70,06	8,98	89,04	12,21	57,61	3,43	11	52	8,32	6,84
June	.. ..	5,58	6,77	60,38	2,07	74,80	9,55	94,35	12,01	62,66	3,86	..	13	8,57	7,12
July	.. ..	15,03	7,44	64,55	2,05	89,07	6,62	105,69	12,95	81,81	63	..	6	8,23	2,01
August	.. ..	7,43	5,96	67,06	2,53	82,98	6,07	99,05	12,39	76,95	88	..	18	6,59	2,06
September	.. ..	12,47	5,00	65,15	5,00	87,62	6,46	104,08	11,50	82,16	1,52	..	29	6,59	2,02
October	.. ..	12,56	6,65	67,17	3,51	90,89	6,65	107,54	10,70	87,57	39	..	26	6,60	2,02
November	.. ..	11,85	7,53	64,57	4,20	88,15	7,37	105,52	10,86	85,22	25	..	58	6,61	2,00
December	.. ..	16,81	7,57	53,49	4,63	82,50	7,22	99,72	12,59	76,83	67	8	1,00	6,30	2,25
January	.. ..	12,59	10,10	50,19	4,43	77,31	7,64	94,95	12,87	70,45	80	1	1,87	6,37	2,58
February	.. ..	28,13	9,69	49,20	3,58	90,60	8,85	109,45	11,69	86,75	13	10	1,59	6,58	2,61
March	.. ..	16,64	15,10	52,33	4,09	88,16	9,91	108,07	11,12	87,69	40	11	45	5,98	2,32
1943-44																
April	.. ..	15,16	15,85	45,60	3,95	80,56	10,49	101,05	10,64	80,16	1,06	3	62	5,54	3,00
May	.. ..	12,93	11,91	50,99	3,90	79,73	11,70	101,43	11,21	78,45	22	25	61	7,48	3,21
June	.. ..	13,37	10,44	55,50	3,07	82,38	12,57	104,95	11,47	80,68	7	78	65	7,49	3,81
July	.. ..	17,64	9,56	60,31	2,95	90,46	10,42	110,88	10,84	89,43	30	20	10	7,83	2,18
August	.. ..	24,96	9,20	58,73	3,66	96,55	7,24	113,79	10,93	90,86	88	5	92	7,65	2,70
September	.. ..	14,78	12,06	72,60	8,87	108,31	7,42	125,73	12,53	101,83	48	2	39	7,70	2,78
October	.. ..	34,77	12,35	69,35	9,03	125,50	7,28	142,78	11,86	118,63	26	..	1,16	7,91	2,96
November	.. ..	55,70	11,96	75,15	8,27	151,08	9,67	170,75	9,98	150,08	11	..	..	7,43	3,15
December	.. ..	23,39	10,03	93,80	7,33	134,64	9,49	154,13	9,10	133,26	81	7	3	7,65	3,21
January	.. ..	32,14	13,92	78,44	6,77	129,27	14,81	154,08	9,17	130,34	71	8	2,61	7,89	3,28
February	.. ..	45,99	10,74	59,61	11,61	127,89	13,58	151,47	10,16	124,91	81	..	3,99	8,29	3,31
March	.. ..	59,83	27,52	57,35	10,30	155,00	16,45	180,45	10,27	157,06	31	30	38	8,57	3,56

* Capital and Reserves, rupees ten crores.

STATEMENT XXIX

RESERVE BANK OF INDIA : BANKING DEPARTMENT WEEKLY STATEMENT OF ASSETS AND LIABILITIES, 1943-44

(Reference paragraph 63)

(In lakhs of rupees)

	Friday 1943-44		Deposits				Total	Other Liabi- lities	Total Li- abilities or Assets	Notes and Coin	Balances held abroad	Loans and Advances to Govts.	Other Loans & Advances	Bills pur- chased & discounted	Invest- ments	Other Assets
			Central Government	Other Govts.	Banks	Others										
	Apr.	2	19,29	16,78	41,08	4,49	81,64	10,79	102,43	9,43	84,19	2	1	62	5,58	2,58
	"	9	14,31	15,72	47,00	3,71	80,74	9,12	99,86	8,89	80,90	58	2	55	5,60	3,32
	"	16	12,45	14,77	46,56	3,47	77,25	10,56	97,81	11,93	74,47	2,03	—	78	5,64	2,96
	"	23	14,52	16,44	46,35	3,99	81,30	10,80	102,10	10,61	80,17	2,09	—	76	5,45	3,02
	"	30	15,22	15,53	47,01	4,11	81,87	11,18	103,05	12,36	81,06	58	14	41	5,42	3,09
101	May	7	10,19	15,40	47,52	3,99	77,10	11,15	98,25	10,54	75,80	82	12	36	7,48	3,13
	"	14	13,93	12,25	49,07	3,11	78,36	11,38	99,74	10,99	77,36	—	8	63	7,48	3,20
	"	21	14,05	10,56	49,54	4,37	78,52	13,45	101,97	12,01	78,30	—	17	78	7,48	3,23
	"	28	13,57	9,40	57,85	4,11	84,93	10,84	105,77	11,29	82,33	4	65	68	7,48	3,30
	June	4	13,13	12,09	53,11	3,46	81,79	11,56	103,35	11,35	79,22	—	1,11	68	7,49	3,50
	"	11	12,07	9,03	53,18	3,02	77,30	13,25	100,55	11,31	76,27	26	1,01	41	7,49	3,80
	"	18	8,96	10,23	59,57	2,80	81,56	12,89	104,45	11,66	80,02	—	70	75	7,49	3,83
	"	25	19,33	10,37	56,14	3,01	88,85	12,59	111,44	11,56	87,21	—	30	75	7,51	4,11
	July	2	15,43	9,96	53,03	3,12	81,54	12,51	104,05	12,66	81,83	—	13	30	7,38	1,75
	"	9	16,34	8,11	54,14	3,27	81,86	13,88	105,24	10,75	84,67	64	10	—	7,39	1,69
	"	16	16,25	8,96	63,55	3,13	91,89	11,48	113,37	10,74	93,12	22	25	—	7,39	1,65
	"	23	19,45	10,58	65,38	2,74	98,15	6,07	114,22	9,48	92,03	36	—	10	9,31	2,94
	"	30	20,75	10,19	65,43	2,51	98,88	8,65	117,53	10,57	95,50	31	50	10	7,67	2,88
	Aug.	6	22,71	8,43	55,72	2,38	89,24	9,27	108,51	10,18	87,02	38	10	70	7,54	2,59
	"	13	25,09	7,34	55,95	3,85	92,23	6,26	108,49	10,94	85,41	83	—	95	7,67	2,69
	"	20	22,95	10,49	62,68	3,79	99,91	7,04	116,95	10,76	94,33	38	10	95	7,67	2,76
	"	27	29,08	10,53	60,57	4,63	104,81	6,41	121,22	11,86	99,67	1,12	—	1,10	7,71	2,76

Sept.	3	..	4,70	13,77	77,53	5,98	101,98	6,07	118,05	9,67	96,12	1,12	—	73	7,70	2,62
„	10	..	19,33	9,11	71,53	8,52	108,49	8,58	127,07	11,83	103,25	54	2	73	7,79	2,91
„	17	..	16,48	10,56	68,02	9,98	105,04	9,22	124,26	13,68	99,72	28	4	10	7,66	2,78
„	24	..	18,61	14,80	73,33	10,99	117,73	5,80	133,53	14,94	108,21	—	—	—	7,57	2,81
Oct.	1	..	22,47	12,71	73,94	6,54	115,66	6,06	131,72	10,80	108,24	28	—	1,90	7,59	2,91
„	8	..	36,29	13,11	64,51	8,44	122,35	7,39	139,74	9,87	116,77	31	—	2,40	7,44	2,95
„	15	..	29,67	9,88	68,02	9,22	116,79	7,68	134,47	14,41	103,56	66	—	50	7,41	2,93
„	22	..	38,70	12,86	68,46	10,28	130,30	7,78	148,08	15,08	119,21	2	—	50	10,31	2,96
„	29	..	46,71	13,19	71,81	10,70	142,41	7,47	159,88	9,13	140,39	—	2	50	6,81	3,03
Nov.	5	..	49,51	14,47	66,40	8,20	138,58	10,27	158,85	9,53	138,91	10	—	—	7,21	3,10
„	12	..	54,72	11,07	69,90	8,12	143,81	8,80	162,61	9,88	142,23	—	—	—	7,39	3,11
„	19	..	56,19	11,59	80,22	8,05	156,65	9,29	175,94	10,01	155,16	4	—	—	7,54	3,19
„	26	..	62,40	10,68	84,08	8,10	165,26	10,33	185,59	10,48	164,03	30	—	—	7,59	3,19
Dec.	3	..	47,73	9,62	94,40	9,37	161,12	8,59	179,71	7,54	160,66	65	—	—	7,59	3,27
„	10	..	20,02	8,07	95,97	7,85	131,91	8,74	150,65	7,99	130,73	1,02	—	4	7,64	3,23
„	17	..	18,57	7,51	98,16	7,42	131,66	10,22	151,94	9,41	129,69	2,10	—	4	7,64	3,06
„	24	..	16,78	14,52	90,78	4,84	126,92	9,64	146,56	10,77	124,63	3	18	3	7,69	3,23
„	31	..	13,87	10,41	90,17	7,17	121,62	10,19	141,81	9,79	120,60	26	19	3	7,69	3,25
Jan.	7	..	16,10	10,96	80,27	7,85	115,18	16,05	143,23	7,89	123,70	30	11	11	7,85	3,27
„	14	..	38,66	10,40	73,39	9,05	131,50	13,70	155,20	10,50	128,68	1,23	20	3,44	7,84	3,31
„	21	..	39,75	15,86	74,70	4,83	135,14	15,33	160,47	8,80	135,99	1,07	—	3,44	7,82	3,35
„	28	..	34,06	18,44	77,38	5,36	135,24	12,18	157,42	9,51	132,98	23	—	3,44	8,05	3,21
Feb.	4	..	39,72	10,62	63,55	8,74	122,63	12,97	145,60	7,21	120,85	1,31	—	4,73	8,22	3,28
„	11	..	43,51	8,33	56,84	12,48	121,16	13,41	144,57	9,66	117,63	1,20	—	4,55	8,21	3,32
„	18	..	44,25	9,80	59,72	15,88	129,65	13,35	153,00	10,95	126,37	43	—	3,69	8,21	3,35
„	25	..	56,47	14,21	58,10	9,35	138,13	14,59	162,72	12,84	134,78	30	—	3,00	8,50	3,30
Mar.	3	..	45,60	32,95	62,79	10,06	151,40	14,58	175,98	10,61	151,42	23	20	1,55	8,50	3,47
„	10	..	56,70	25,97	55,15	7,18	145,00	15,45	170,45	8,01	150,04	28	—	5	8,55	3,52
„	17	..	59,98	28,53	55,44	7,28	151,23	14,50	175,73	9,01	154,28	35	—	5	8,55	3,49
„	24	..	60,47	24,79	63,46	11,53	160,25	16,98	187,23	11,07	163,35	42	20	5	8,56	3,58
„	31	..	76,40	25,35	49,92	15,48	167,15	15,72	192,87	12,60	166,23	25	1,11	20	8,67	3,57

STATEMENT XXX
RESERVE BANK OF INDIA : ISSUE DEPARTMENT
WEEKLY STATEMENT OF ASSETS AND LIABILITIES, 1943-44
(Reference paragraph 64)

(In lakhs of rupees)

				Notes in	Notes held	Total Liabilities	Gold Coin &	Sterling	Rupee Coin	Rupee	Percentage of
Friday				Circulation	in Banking	(TOTAL NOTES	Bullion	Securities		Securities	Gold and
1943-44					Department	ISSUED)					Sterling Secu-
											rities to Total
											Notes Issued
901	April	2	..	651,38	9,32	660,70	44,42	447,66	14,09	154,53	74.48
	"	9	..	663,20	8,77	671,97	44,42	467,64	14,37	145,54	76.20
	"	16	..	669,38	11,78	681,16	44,42	493,59	13,56	129,59	78.98
	"	23	..	673,43	10,46	683,89	44,42	493,59	16,29	129,59	78.67
	"	30	..	677,61	12,18	689,79	44,42	501,49	16,19	127,69	79.14
	May	7	..	689,71	10,42	700,13	44,42	515,48	14,54	125,69	79.97
	"	14	..	696,15	10,85	707,00	44,42	523,48	13,40	125,70	80.33
	"	21	..	700,61	11,86	712,47	44,42	529,48	12,87	125,70	80.55
	"	28	..	704,11	11,12	715,23	44,42	532,48	17,62	120,71	80.66
	June	4	..	713,05	11,23	724,28	44,42	542,48	16,67	120,71	81.03
	"	11	..	721,66	11,17	732,83	44,42	552,48	15,22	120,71	81.45
	"	18	..	722,94	11,51	734,45	44,42	554,48	14,84	120,71	81.54
	"	25	..	723,35	11,40	734,75	44,42	554,48	16,13	119,72	81.51
	July	2	..	733,61	12,54	746,15	44,42	567,78	15,54	118,41	82.05
	"	9	..	737,62	10,64	748,26	44,42	570,78	14,64	118,42	82.22
	"	16	..	737,42	10,60	748,02	44,42	570,78	14,40	118,42	82.24
	"	23	..	738,92	9,33	748,25	44,42	577,68	14,63	111,52	83.14
"	30	..	740,37	10,40	750,77	44,42	582,87	15,15	108,33	83.55	

August	6	..	..	749,76	10,06	759,82	44,42	597,86	14,20	103,34	84-53
"	13	..	..	754,61	10,78	765,39	44,42	613,83	13,77	93,37	86-00
"	20	..	..	755,11	10,59	765,70	44,42	613,83	14,07	93,38	85-97
"	27	..	..	754,64	11,67	766,31	44,42	618,82	14,68	83,39	86-55
September	3	..	..	756,93	9,56	766,49	44,42	623,81	14,90	83,36	87-18
"	10	..	..	761,99	11,72	773,71	44,42	631,81	14,12	83,36	87-40
"	17	..	..	760,40	13,53	773,93	44,42	641,78	14,34	73,39	88-66
"	24	..	..	759,68	14,78	774,46	44,42	641,78	14,88	73,38	88-60
October	1	..	..	763,80	10,67	774,47	44,42	646,77	14,89	68,39	89-25
"	8	..	..	773,55	9,74	783,29	44,42	656,77	13,71	68,39	89-52
"	15	..	..	776,52	14,29	790,81	44,42	674,75	13,23	58,41	90-94
"	22	..	..	776,42	14,02	791,34	44,42	674,83	13,76	58,33	90-89
"	29	..	..	782,09	8,96	791,05	44,42	674,83	13,47	58,33	90-92
November	5	..	..	790,62	9,43	800,05	44,42	684,83	12,47	58,33	91-15
"	12	..	..	794,64	9,74	804,38	44,42	689,83	11,80	58,33	91-28
"	19	..	..	794,68	9,86	804,54	44,42	684,83	16,96	58,33	90-64
"	26	..	..	794,37	10,31	804,68	44,42	684,83	17,10	58,33	90-63
December	3	..	..	804,42	7,43	811,85	44,42	692,83	16,27	58,33	90-81
"	10	..	..	815,62	7,88	823,50	44,42	705,83	14,92	58,33	91-11
"	17	..	..	820,56	9,27	829,83	44,42	712,83	14,25	58,33	91-25
"	24	..	..	828,58	10,61	839,19	44,42	722,83	13,61	58,33	91-43
"	31	..	..	840,80	9,60	850,40	44,42	734,83	12,82	58,33	91-63
January	7	..	..	845,70	7,78	853,48	44,42	738,83	11,90	58,33	91-77
"	14	..	..	852,89	10,26	863,15	44,42	744,83	15,57	58,33	91-44
"	21	..	..	854,33	8,55	862,88	44,42	744,83	15,30	58,33	91-47
"	28	..	..	853,68	9,22	862,90	44,42	744,83	15,32	58,33	91-47
February	4	..	..	863,09	6,98	870,07	44,42	752,83	14,49	58,33	91-63
"	11	..	..	870,61	9,39	880,00	44,42	763,83	13,42	58,33	91-85
"	18	..	..	869,11	10,69	879,80	44,42	763,83	13,22	58,33	91-87
"	25	..	..	867,50	12,54	880,04	44,42	763,83	13,46	58,33	91-84
March	3	..	..	873,95	10,38	884,33	44,42	763,83	12,75	58,33	91-96
"	10	..	..	883,42	7,75	891,17	44,42	776,83	11,59	58,33	92-15
"	17	..	..	885,36	8,74	894,10	44,42	779,83	11,52	58,33	92-19
"	24	..	..	883,64	10,80	894,44	44,42	779,83	11,86	58,33	92-15
"	31	..	..	882,49	12,35	894,84	44,42	779,83	12,26	58,33	92-11

STATEMENT XXXI
RESERVE BANK OF INDIA: ISSUE DEPARTMENT SINCE 1935-36
(Reference paragraph 64)

		LIABILITIES			ASSETS				(In lakhs of rupees)	
		Notes in Circulation	Notes held in Banking Department	Total Liabilities (TOTAL NOTES ISSUED)	Gold Coin and Bullion	Sterling Securities	Rupce Coin*	Rupce Securities	Total Assets	Percentage of Gold and Sterling Securities to Total Notes Issued
Average of Friday figures										
1935-36	.. ..	164,06	27,58	191,64	44,42	62,09	55,51	29,62	191,64	55.58
1936-37	.. ..	175,81	25,81	201,62	44,42	69,57	64,01	23,62	201,62	56.64
1937-38	.. ..	186,15	25,61	211,76	44,42	79,92	60,23	27,19	211,76	58.72
1938-39	.. ..	182,36 (7,97)	28,28 (1)	210,64 (7,98)	44,42	66,95	67,11	32,16	210,64	62.91
1939-40	.. ..	209,22 (11,09)	18,79 (8)	228,01 (11,17)	44,42	78,63	67,62	37,44	228,01	53.97
1940-41	.. ..	241,41 (13,38)	17,26 (20)	258,67 (13,58)	44,42	120,92	35,87	48,46	258,67	67.39
1941-42	.. ..	307,63 (20,20)	12,21 (23)	319,89 (20,43)	44,42	165,00	35,28	75,19	319,89	65.47
1942-43	.. ..	513,44	11,80	525,24	44,42	319,11	22,33	139,38	525,24	69.21
1943-44	.. ..	777,17	10,50	787,67	44,42	643,52	14,28	85,45	787,67	87.34
1942-43										
April	.. ..	430,14 (28,54)	11,84 (3)	441,98 (28,57)	44,42	235,10	29,47	132,99	441,98	63.24
May	.. ..	455,09 (30,24)	12,11 (2)	467,20 (30,26)	44,42	250,85	23,14	143,79	467,20	63.20
June	.. ..	439,17	11,90	451,07	44,42	258,10	26,27	122,28	451,07	67.07
July	.. ..	449,53	12,81	462,34	44,42	270,84	28,77	118,31	462,34	68.19
August	.. ..	467,91	12,25	480,16	44,42	304,29	29,07	102,38	480,16	72.62
September	.. ..	488,06	11,37	499,43	44,42	325,29	27,29	102,43	499,43	74.03
October	.. ..	508,77	10,58	519,35	44,42	318,83	23,71	132,39	519,35	69.94
November	.. ..	535,26	10,73	545,99	44,42	351,83	17,35	132,39	545,99	72.57
December	.. ..	560,57	12,47	573,04	44,42	388,33	14,16	126,13	573,04	75.52
January	.. ..	587,60	12,73	600,33	44,42	364,23	13,72	177,96	600,33	68.07
February	.. ..	609,50	11,56	621,06	44,42	378,03	13,94	184,67	621,06	68.02
March	.. ..	635,70	10,98	646,68	44,42	401,49	14,32	186,45	646,68	68.95
1943-44										
April	.. ..	667,00	10,50	677,50	44,42	480,79	14,90	137,39	677,50	77.52
May	.. ..	697,65	11,06	708,71	44,42	525,23	14,61	124,45	708,71	80.38
June	.. ..	720,25	11,33	731,58	44,42	550,98	15,72	120,46	731,58	81.39
July	.. ..	737,59	10,70	748,29	44,42	573,98	14,87	115,02	748,29	82.64
August	.. ..	753,53	10,78	764,31	44,42	611,09	14,18	94,62	764,31	85.76
September	.. ..	759,75	12,40	772,15	44,42	634,80	14,56	78,37	772,15	87.96
October	.. ..	774,47	11,72	786,19	44,42	665,59	13,81	62,37	786,19	90.31
November	.. ..	793,58	9,83	803,41	44,42	686,08	14,58	58,33	803,41	90.92
December	.. ..	821,99	8,96	830,95	44,42	713,83	14,37	58,33	830,95	91.25
January	.. ..	851,65	8,95	860,60	44,42	743,33	14,52	58,33	860,60	91.54
February	.. ..	867,58	9,90	877,48	44,42	761,08	13,65	58,33	877,48	91.80
March	.. ..	881,77	10,01	891,78	44,42	777,03	12,00	58,33	891,78	92.11

Note:—Burma Figures shown in brackets below totals. Figures for India only from June 1942. * Including Government of India one rupee notes from July 1940.

STATEMENT XXXII

MONTHLY STATISTICS OF NOTE CIRCULATION IN INDIA AND BURMA SINCE 1938-39

(Reference paragraph 64)

		(In lakhs of rupees)									
		1938-39			1939-40			1940-41			
Last Friday of	Total Notes Issued	Notes held in the Banking Dept.	Notes in Circulation	Total Notes Issued	Notes held in the Banking Dept.	Notes in Circulation	Total Notes Issued	Notes held in the Banking Dept.	Notes in Circulation	Notes in Circulation	
April	214,68	31,80	182,88	207,22	18,50	188,72	252,66	13,04	239,62	239,62	
May	213,46	35,23	180,23	207,44	19,64	187,80	257,03	8,50	248,53	248,53	
June	215,72	40,33	175,39	210,78	26,15	184,63	255,96	9,02	246,94	246,94	
July	213,33	41,80	171,53	214,30	35,88	178,42	263,79	25,87	237,92	237,92	
August	215,12	43,78	171,34	216,78	37,89	178,89	260,17	28,68	231,49	231,49	
September	212,53	36,86	175,67	221,43	18,52	202,91	258,15	28,97	229,18	229,18	
October	209,82	32,67	177,15	228,80	18,50	210,30	257,16	28,49	228,67	228,67	
November	210,34	31,43	178,91	233,75	13,64	220,11	256,33	27,18	229,15	229,15	
December	206,43	18,43	188,00	254,48	18,56	235,92	255,19	13,94	241,25	241,25	
109 January	203,24	14,33	188,91	251,12	13,28	237,84	260,54	15,49	245,05	245,05	
February	205,96	14,75	191,21	254,56	15,01	239,55	266,96	17,49	249,47	249,47	
March	207,23	18,13	189,10	252,21	13,66	238,55	269,25	11,59	257,66	257,66	
		1941-42			1942-43*			1943-44*			
April	280,80	13,48	267,12	425,16	11,30	413,86	689,79	12,18	677,61	677,61	
May	285,76	12,70	272,97	444,40	12,56	431,84	715,23	11,12	704,11	704,11	
June	291,10	14,17	276,93	456,11	12,92	443,19	734,75	11,40	723,35	723,35	
July	292,18	19,17	273,01	463,30	12,30	451,00	750,78	10,40	740,38	740,38	
August	293,03	16,44	276,59	487,34	13,09	474,25	766,31	11,67	754,64	754,64	
September	296,76	10,64	286,12	503,35	10,77	492,58	774,46	14,78	759,68	759,68	
October	307,39	13,94	293,45	524,48	9,78	514,70	791,05	8,96	782,09	782,09	
November	319,14	11,72	307,42	551,94	11,58	540,36	804,68	10,31	794,37	794,37	
December	347,72	12,12	335,60	585,80	15,44	570,36	850,40	9,60	840,80	840,80	
January	366,18	9,77	356,41	604,19	10,94	593,25	862,89	9,21	853,68	853,68	
February	389,02	9,34	379,68	626,23	11,87	614,36	880,04	12,54	867,50	867,50	
March	421,06	10,99	410,07	655,11	11,53	643,58	894,84	12,36	882,48	882,48	

* Excluding Burma notes.

STATEMENT XXXIII

CIRCULATION AND ABSORPTION OF NOTES IN INDIA AND BURMA SINCE 1909-10

(Reference paragraph 65)

	Year-end				Annual Average *			
	Total Notes Issued	Notes in Circulation	Absorp- tion (+) or Return (-)	% of Ab- sorption or Return	Total Notes Issued	Notes in Circulation	Increase or de- crease in average circulation	% of in- crease or decrease in average circula- tion
Average for 5 years 1909-10 to 1913-14	61,17	44,41	..	..	58,51	41,97	..	..
1914-15	81,63	43,96	— 6,01	— 12	64,04	45,43	— 1,20	— 3
1915-16	87,73	53,19	+ 9,23	+ 21	64,10	48,08	+ 2,65	+ 6
1916-17	86,37	67,08	+ 13,89	+ 26	76,14	59,36	+ 11,28	+ 23
1917-18	99,79	84,30	+ 17,22	+ 26	101,77	71,87	+ 12,51	+ 21
1918-19	153,46	133,58	+ 49,28	+ 58	133,20	113,84	+ 41,97	+ 58
1919-20	174,62	163,78	+ 20,20	+ 15	171,68	161,10	+ 37,26	+ 33
1920-21	166,16	147,88	— 5,90	— 4	163,61	138,88	— 12,22	— 8
1921-22	174,76	157,23	+ 9,35	+ 6	173,80	152,22	+ 13,34	+ 10
1922-23	174,70	161,10	+ 3,87	+ 2	176,33	153,27	+ 1,05	+ 1
1923-24	185,85	169,06	+ 7,96	+ 5	179,01	166,93	+ 3,66	+ 2
1924-25	184,10	166,55	— 2,51	— 1	179,27	160,91	+ 3,98	+ 3
1925-26	193,34	167,71	+ 1,16	+ 1	186,88	163,16	+ 2,25	+ 1
1926-27	184,13	164,31	— 3,40	— 2	189,13	156,36	— 6,80	— 4
1927-28	184,87	174,63	+ 10,22	+ 6	180,16	162,62	+ 6,26	+ 4
1928-29	188,03	178,10	+ 3,57	+ 2	184,86	171,90	+ 9,28	+ 6
1929-30	177,23	159,30	— 18,80	— 11	183,11	163,00	— 8,90	— 5
1930-31	160,84	147,93	— 11,37	— 7	165,49	151,13	— 11,87	— 7
1931-32	178,14	165,17	+ 17,24	+ 12	163,64	152,62	+ 1,49	+ 1
1932-33	176,90	160,34	— 14,83	— 9	173,83	152,04	— 58	..
1933-34	177,22	163,88	+ 13,54	+ 9	178,13	167,47	+ 5,43	+ 4
1934-35	186,10	163,56	— 32	..	183,24	161,60	+ 4,13	+ 3
1935-36	195,58	168,82	+ 5,26	+ 3	191,64	164,06	+ 2,46	+ 2
1936-37	208,00	194,35	+ 25,53	+ 15	201,62	175,81	+ 11,75	+ 7
1937-38 I	206,20	178,29	— 8,23	— 4	207,79	182,19	+ 10,34	+ 6
B	7,83	7,83			3,97	3,96		
1938-39 I	196,47	178,36	+ 7	..	202,66	174,39	— 7,80	— 4
B	10,76	10,74	+ 2,91	+ 37	7,98	7,97	+ 4,01	+ 101
1939-40 I	238,43	225,10	+ 46,74	+ 26	216,84	198,13	+ 23,74	+ 14
B	13,78	13,45	+ 2,71	+ 25	11,17	11,09	+ 3,12	+ 39
1940-41 I	251,81	240,55	+ 15,45	+ 7	245,09	228,03	+ 29,90	+ 15
B	17,44	17,11	+ 3,66	+ 27	13,58	13,38	+ 2,29	+ 21
1941-42 I	392,71	381,73	+ 141,18	+ 59	299,46	287,48	+ 59,45	+ 26
B	28,35	28,33	+ 11,22	+ 66	20,43	20,20	+ 6,82	+ 51
1942-43 I	655,11	643,58	+ 261,85	+ 69	525,24	513,44	+ 225,96	+ 79
1943-44 I	894,84	882,49	+ 238,91	+ 37	787,67	777,17	+ 263,73	+ 51

Note.—Since the Bank assumed the management of the currency, the variations in the figures of notes in circulation as given in the weekly returns of the Issue Department of the Bank are taken to indicate absorption or return. Notes in circulation now include the amounts held in Government Treasuries as well as by the public, but exclude the holdings of the Banking Department of the Reserve Bank.

* Average of weekly figures.

I—India notes.

B—Burma notes.

STATEMENT XXXIV

ABSORPTION OF SMALL COIN SINCE 1909-10

(Reference paragraph 67)

			(In thousands of rupees)								
			Silver half rupees†	Four anna pieces	Two anna pieces	One anna pieces	Half anna pieces*	Single pice	Half pice	Pie pioces	Total
Average for five years 1909-10 to 1913-14	..	..	..	15,75	13,59	21,02	..	10,51	83	83	62,53
Average for five years 1914-15 to 1918-19	..	..	..	37,24	29,54	27,86	..	5,63	66	1,18	1,02,11
1919-20	..	..	..	88,15	60,33	44,05	..	21,18	90	1,21	2,15,82
1920-21	..	..	..	— 9,31	— 23,24	— 12,82	..	— 2,22	42	1,15	— 46,02
1921-22	..	..	..	— 7,09	— 2,40	3,28	..	52	53	1,11	— 4,05
1922-23	..	..	..	3,67	1,70	12,99	..	2,89	57	76	22,58
1923-24	..	..	..	6,20	3,99	19,88	..	2,42	54	75	33,78
1924-25	..	..	..	15,87	4,90	21,86	..	5,31	65	72	49,31
1925-26	..	..	..	3,34	5,49	11,22	..	2,23	45	72	23,45
1926-27	..	..	..	51	— 6,10	11,62	..	4,05	45	86	11,39
1927-28	..	..	..	7,03	4,62	22,02	..	5,05	54	85	40,11
1928-29	..	..	..	8,89	6,57	22,12	..	5,04	57	74	43,93
1929-30	..	..	..	— 2,05	— 1,88	10,36	..	5,77	57	79	13,56
1930-31	..	..	..	— 31,70	— 18,88	— 14,33	..	— 1,30	58	55	— 65,08
1931-32	..	..	..	7,16	3,73	8,52	..	16	59	1,29	21,45
1932-33	..	..	..	— 6,11	2,13	10,82	..	1,48	60	1,02	9,94
1933-34	..	..	..	14,01	16,04	23,27	..	10,28	74	1,10	65,44
1934-35	..	..	..	1,54	12,93	20,35	..	11,88	83	76	48,29
1935-36	..	..	— 5,59	— 5,58	7,76	13,06	..	11,31	81	59	22,36
1936-37	..	..	22,50	15,97	22,20	25,48	..	12,92	79	66	1,00,52
1937-38	..	..	25,00	10,26	16,08	19,21	..	14,52	89	85	86,81
1938-39	..	..	2,40	— 9,55	3,55	6,34	..	14,80	84	77	19,15
1939-40	..	..	59,67	38,97	48,07	51,25	..	21,08	97	97	2,20,98
1940-41	..	..	1,52,76	1,02,27	71,56	76,14	..	23,27	1,14	1,06	4,28,20
1941-42	..	..	1,56,83	1,26,47	87,91	99,25	4,16	29,31	1,18	1,16	5,06,27
1942-43	..	..	3,81,92	2,86,87	2,21,82	2,02,27	56,89	12,69	37	75	11,63,58
1943-44	..	..	5,40,61	5,16,98	3,33,70	3,10,98	1,14,33	29,45	8	13	18,46,26

† Since the inauguration of the Reserve Bank in 1935 silver half rupees have been included in statistics relating to small coin. * Nickel half anna pieces introduced in January 1942.

STATEMENT XXXV
ABSORPTION OF CURRENCY SINCE 1914-15
(Reference paragraph 68)

(In lakhs of rupees)

	Notes	Rupees*	Small coin	Total
Average for 5 years 1914-15 to 1918-19..	+ 16,72	+ 22,08	+ 1,02	+ 39,82
1914-15	- 6,01	- 6,70	- 19	- 12,90
1915-16	+ 9,23	+ 10,40	+ 38	+ 20,01
1916-17	+ 13,89	+ 33,81	+ 99	+ 48,69
1917-18	+ 17,22	+ 27,86	+ 1,01	+ 46,09
1918-19	+ 49,28	+ 45,02	+ 2,92	+ 97,22
1919-20	+ 20,20	+ 20,09	+ 2,16	+ 42,45
1920-21	- 5,90	- 25,68	- 46	- 32,04
1921-22	+ 9,35	- 10,46	- 4	- 1,15
1922-23	+ 3,87	- 9,56	+ 23	- 5,46
1923-24	+ 7,96	+ 7,62	+ 34	+ 15,92
1924-25	- 2,51	+ 3,65	+ 49	+ 1,63
1925-26	+ 1,16	- 8,17	+ 23	- 6,78
1926-27	- 3,40	- 19,76	+ 11	- 23,05
1927-28	+ 10,22	- 3,75	+ 40	+ 6,87
1928-29	+ 3,57	- 3,03	+ 44	+ 98
1929-30	- 18,80	- 21,71	+ 14	- 40,37
1930-31	- 11,37	- 21,68	- 65	- 33,60
1931-32	+ 17,24	+ 3,93	+ 21	+ 21,38
1932-33	- 14,83	- 7,56	+ 10	- 22,29
1933-34	+ 13,54	- 30	+ 65	+ 13,89
1934-35	- 32	- 3,21	+ 48	- 3,05
1935-36	+ 5,26	- 9,41	+ 22	- 3,93
1936-37	+ 25,53	- 2,49	+ 1,01	+ 24,05
1937-38	- 8,23	- 6,52	+ 87	- 13,88
1938-39	+ 2,98	- 12,60	+ 19	- 9,43
Total for 20 years 1919-20 to 1938-39 ..	+ 55,52	- 130,50	+ 7,12	- 67,86
Average for 20 years 1919-20 to 1938-39	+ 2,78	- 6,53	+ 36	- 3,39
1939-40	+ 49,45	+ 10,08	+ 2,21	+ 61,74
1940-41	+ 19,11	+ 33,23	+ 4,28	+ 56,62
1941-42	+ 152,40	+ 7,18	+ 5,06	+ 164,64
1942-43 †	+ 261,85	+ 44,93	+ 11,64	+ 318,42
1943-44 †	+ 238,91	+ 23,14	+ 18,46	+ 280,51
Total for 5 years 1939-40 to 1943-44	+ 721,72	+ 118,56	+ 41,65	+ 881,93
Average for 5 years 1939-40 to 1943-44	+ 144,34	+ 23,71	+ 8,33	+ 176,38

* Including Government of India one rupee notes since July 1940. † India only.

STATEMENT XXXVI

‡ MONTHLY ABSORPTION OF CURRENCY, 1943-44 (Reference paragraph 68)

1942-43				(In lakhs of rupees)								
				1943-44								
Notes	Rupee Coin†	Small Coin	Total	Month	Notes	Rupee Coin†	Small Coin	Total	Notes	Rupee Coin†	Small Coin	Total
+ 32,13	+ 2,23	+ 81	+ 35,17	April	+ 34,03	+ 3,31	+ 1,08	+ 38,42	+ 34,03	+ 3,31	+ 1,08	+ 38,42
+ 17,98	+ 1,36	+ 73	+ 20,07	May	+ 26,50	+ 3,66	+ 1,17	+ 31,23	+ 26,50	+ 3,66	+ 1,17	+ 31,23
+ 11,35	- 1,60	+ 65	+ 10,40	June	+ 19,24	+ 2,49	+ 1,39	+ 23,12	+ 19,24	+ 2,49	+ 1,39	+ 23,12
+ 7,81	- 2,18	+ 65	+ 6,28	July	+ 17,03	+ 97	+ 1,46	+ 19,46	+ 17,03	+ 97	+ 1,46	+ 19,46
+ 23,26	+ 97	+ 77	+ 25,00	August	+ 14,26	+ 47	+ 1,45	+ 16,18	+ 14,26	+ 47	+ 1,45	+ 16,18
+ 18,33	+ 2,02	+ 92	+ 21,27	September	+ 5,04	- 12	+ 1,63	+ 6,55	+ 5,04	- 12	+ 1,63	+ 6,55
+ 22,11	+ 4,87	+ 1,29	+ 28,27	October	+ 22,41	+ 1,40	+ 1,21	+ 25,02	+ 22,41	+ 1,40	+ 1,21	+ 25,02
+ 25,66	+ 6,52	+ 1,55	+ 33,73	November	+ 12,28	+ 1,37	+ 1,57	+ 15,22	+ 12,28	+ 1,37	+ 1,57	+ 15,22
+ 30,00	+ 11,13	+ 1,23	+ 42,36	December	+ 46,43	+ 4,25	+ 1,84	+ 52,52	+ 46,43	+ 4,25	+ 1,84	+ 52,52
+ 22,89	+ 9,56	+ 1,05	+ 33,50	January	+ 12,88	+ 2,41	+ 1,60	+ 16,89	+ 12,88	+ 2,41	+ 1,60	+ 16,89
+ 21,11	+ 5,94	+ 97	+ 28,02	February	+ 13,82	+ 1,85	+ 1,91	+ 17,58	+ 13,82	+ 1,85	+ 1,91	+ 17,58
+ 29,22	+ 4,11	+ 1,02	+ 34,35	March	+ 14,99	+ 1,18	+ 2,15	+ 18,32	+ 14,99	+ 1,18	+ 2,15	+ 18,32
+ 261,85	+ 44,93	+ 11,64	+ 318,42	Total	+ 2,38,91	+ 23,14	+ 18,46	+ 280,51	+ 2,38,91	+ 23,14	+ 18,46	+ 280,51

† Including Government of India one rupee notes.

‡ Figures for India only.

113

STATEMENT XXXVII

ENCASHMENT OF FOREIGN CIRCLE NOTES, 1943-44 (Reference paragraph 72)

(In rupees)									
Cashed by									
	Bombay	Calcutta	Cawnpore	Karachi	Lahore	Madras	Rangoon	Total	
Bombay .. .. .	....	1,02,11,020	36,25,700	37,83,850	1,02,10,820	1,23,63,870	....	4,01,95,260	
Calcutta	6,97,88,100	....	1,84,04,620	22,35,700	1,73,17,850	52,40,550	....	11,29,86,820	
Cawnpore	43,59,950	39,93,520	....	4,98,700	70,58,850	8,10,650	....	1,65,19,670	
Karachi	40,06,150	13,64,050	7,09,850	....	65,66,400	4,79,450	....	1,31,25,900	
Lahore	1,05,22,100	61,14,890	37,75,050	35,56,700	....	12,32,000	....	2,52,00,740	
Madras	1,92,25,750	47,47,550	13,83,800	6,40,150	22,85,350	....	....	2,82,82,600	
Rangoon	4,03,850	1,70,800	1,58,900	16,550	2,66,550	22,70,950	....	32,87,600	
Total 1943-44	10,83,05,900	2,66,01,830	2,80,57,920	1,07,29,650	4,37,05,820	2,21,97,470	....	23,95,98,590	
" 1942-43	5,16,13,060	1,93,20,590	3,66,81,110	86,49,865	3,68,64,010	1,05,17,200	100	16,36,45,965	
" 1941-42	4,71,75,130	2,58,94,650	2,79,52,870	87,60,260	4,01,11,000	1,57,72,600	85,500	16,57,52,010	

STATEMENT XXXVIII

CIRCULATION OF NOTES BY DENOMINATIONS SINCE 1913-14†

(Reference paragraph 75)

Year ended (31st March)	NOTES IN CIRCULATION (in lakhs of rupees)										Percentage to Gross Circulation of all notes except Rs. 10,000										
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.			
	1	2	2-8	5	10	20	50	100	500	1,000	1	2	2-8	5	10	20	50	100	500	1,000	
1914	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	14,68	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	11,39	7	15,90	57,18	2	3,12	69,41	1,62	12,87	6.6	..	..	9.3	33.4	..	1.8	40.5	.9	7.5
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	76,86	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
Year ended (31st Dec.)																					
1935	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	77,94	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
1939	32	1	45,63	93,29	1	92	75,57	34	13,79	.1	..	..	19.4	41.9	..	.4	32.1	.2	5.9
1940	32	1	44,03	97,83	1	61	80,44	33	17,64	.1	..	..	18.3	40.6	..	.2	33.4	.1	7.3
1941	32	1	62,23	134,89	1	51	113,13	36	28,20	.1	..	..	18.3	39.7	..	.2	33.3	.1	8.3
1942*	32	1	106,74	218,21	1	46	202,82	52	54,07	..	..	..	18.3	37.4	..	.1	34.8	.1	9.3
1943*	32	5,66	142,48	302,93	1	37	291,54	60	90,99	..	.7	..	17.1	36.3	..	..	34.9	.1	10.9

† Excluding (1) the Government of India one rupee notes introduced in July 1940, which are treated for the purposes of the Bank as rupee coin, and (2) Rs. 10,000 notes which are mainly used by banks for making large adjusting payments. * India notes only.

STATEMENT XXXIX

WHOLE RUPEES COINED AND ISSUED FROM THE INDIAN MINTS SINCE 1835

(Reference paragraph 79)

	Coined in Calcutta	Coined in Madras	Coined in Bombay	Total Coined
	Rs.	Rs.	Rs.	Rs.
William IV, 1836	10,90,88,070	11,78,000	5,37,12,502	16,39,78,572
Victoria, 1840, 1st issue	17,99,34,670	2,18,98,181	10,98,38,073	31,16,70,924
.. 1840, 2nd	39,85,53,660	5,50,49,201	31,29,58,078	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	3,92,51,692	.....	9,55,54,320	13,48,06,012
.. 1878	3,26,57,837	.....	6,39,27,196	9,65,85,033
.. 1879	1,59,28,325	.....	7,27,99,904	8,87,28,229
.. 1880	1,83,99,894	.....	5,37,85,624	7,21,85,518
.. 1881	24,35,719	.....	31,61,858	55,97,577
.. 1882	1,50,90,289	.....	5,63,97,278	7,14,87,567
.. 1883	51,23,372	.....	1,80,22,789	2,31,46,161
.. 1884	1,16,41,757	.....	3,68,46,570	4,84,88,327
.. 1885	3,41,52,203	.....	6,48,78,000	9,90,30,203
.. 1886	1,08,78,075	.....	4,11,46,457	5,20,24,532
.. 1887	4,02,00,148	.....	4,84,00,000	8,86,00,148
.. 1888	75,68,000	.....	6,32,00,000	7,07,68,000
.. 1889	93,68,310	.....	6,53,00,000	7,46,68,310
.. 1890	2,47,41,865	.....	9,29,00,000	11,76,41,865
.. 1891	1,46,69,903	.....	4,95,00,000	6,41,69,903
.. 1892	3,24,55,120	.....	7,22,00,000	10,46,55,120
.. 1893	91,40,310	.....	6,95,90,000	(a) 7,87,30,310
.. 1897	4,70,184	.....	10,54,593	(b) 15,24,777
.. 1898	12,50,976	.....	62,68,437	(b) 75,19,413
.. 1900	5,29,02,591	.....	6,52,36,908	(c) 11,81,39,499
.. 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	.....	7,02,02,223	(h) 12,74,60,106

(a) Including Rs. 5,90,000 coined for the Bikaner State

(c) 2,09,02,414 coined for Indian States

(e) 2,98,86,014

(g) 59,422

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

(d) Including Rs. 1,90,43,904 coined for Indian States

(f) 11,66,451

(h) 3,28,000

STATEMENT XXXIX—(continued)

WHOLE RUPEES COINED AND ISSUED FROM THE INDIAN MINTS SINCE 1835

		Coined in Calcutta	Coined in Madras	Coined in Bombay	Coined in Lahore	Total Coined
		Rs.	Rs.	Rs.		Rs.
Edward VII,	1906	10,47,97,164	....	15,89,53,269	....	(j) 26,37,50,433
" "	1907	8,13,38,000	....	17,09,11,816	....	(k) 25,22,49,816
" "	1908	2,02,17,728	....	1,07,14,770	....	3,09,32,498
" "	1909	1,27,58,580	....	95,38,746	....	(l) 2,22,97,326
" "	1910	85,00,000	....	91,88,673	....	1,76,88,673
" "	1910 coined in 1911	41,27,013	....	16,96,273	....	58,23,286
George V,	1911	42,99,924	....	51,43,125	....	94,43,049
" "	1912	4,51,22,132	....	7,90,67,074	....	(m) 12,41,89,206
" "	1913	7,58,00,163	....	8,74,65,788	....	(n) 16,32,65,951
" "	1914	3,31,00,150	....	1,52,70,000	....	4,83,70,150
" "	1915	99,00,139	....	53,71,979	....	1,52,72,118
" "	1916	11,50,00,210	....	9,79,00,000	....	21,29,00,210
" "	1917	11,32,00,217	....	15,15,82,659	....	26,47,82,876
" "	1917 coined in 1918	17,74,025	....	....	....	17,74,025
" "	1918	20,13,26,240	....	21,05,50,363	....	41,18,76,603
" "	1918 coined in 1919	40,94,006	....	....	....	40,94,006
" "	1919	19,68,06,224	....	22,67,06,054	....	42,35,12,278
" "	1919 coined in 1920	1,44,00,031	....	....	....	1,44,00,031
" "	1920	3,86,00,085	....	5,59,36,544	....	9,45,36,629
" "	1920 coined in 1921	64,00,064	....	....	....	64,00,064
" "	1920 coined in 1922	5,64,000	....	....	....	5,64,000
" "	1920 coined in 1923	49,36,050	....	....	....	49,36,050
" "	1921 .. ..	....	....	51,15,121	....	51,15,121
" "	1922 .. ..	....	....	20,51,150	....	20,51,150
George VI,	1923 coined in 1940	....	....	98,02,178	....	98,02,178
" "	1940 .. ..	....	....	(o) 2,35,00,002	....	2,35,00,002
" "	1941 .. ..	....	....	(o) 24,11,00,001	....	24,11,00,001
" "	1942 .. ..	....	....	(o) 23,75,00,001	....	23,75,00,001
" "	1943 .. ..	....	....	(o) 5,71,94,637	(o) 98,00,000	6,69,94,637
Total William IV ..	.. ..	10,90,88,070	11,78,000	5,37,12,502	....	16,39,78,572
" Victoria .. ..	.. ..	133,69,06,058	10,64,29,305	207,80,44,775	....	352,13,80,138
" Edward VII .. ..	.. ..	39,07,38,340	....	59,21,15,212	....	98,28,53,552
" George V .. ..	.. ..	86,53,23,660	....	94,21,59,857	....	180,74,83,517
" George VI Standard ..	.. ..	....	....	98,02,178	....	98,02,178
" Quaternary .. ..	.. ..	....	....	55,92,94,641	98,00,000	56,90,94,641
Total ..	.. ..	270,20,55,128	10,76,07,305	423,51,29,165	98,00,000	705,45,52,598

(j) Including Rs. 3,90,310 coined for Indian States and Rs. 1,67,00,000 (Calcutta Rs. 32,00,000 and Bombay Rs. 1,35,00,000) coined from silver in Gold Standard Reserve.

(k) " Rs. 94,786 coined for Indian States and Rs. 4,33,00,000 (Calcutta Rs. 1,68,00,000 and Bombay Rs. 2,65,00,000) coined from silver in Gold Standard Reserve.

(l) " Rs. 1,01,459 coined for Indian States. (m) Including Rs. 16,56,250 coined for Indian States

(n) " " 12,78,441 " " " (o) Quaternary rupees

INDEX

A	Paragraph	D	Paragraph
Absorption, currency	68, 69	Debt, funded	52
" of notes	65	" provision for reduction of	50
" of rupee coin	66	" total	52
" seasonal	70	" position of provinces	56
" of small coin	67	Defence expenditure	36, 37, 38
" " " in South Africa	67	" loan, Government of India	48
" " " in United Kingdom	67	Third	48
Advances, prohibition of, against bullion and commodities	20	Fourth	48
Anti-Inflation Conference—Cairo	7	" Savings Movement	48
Assaying and refining of gold	21	Deposits of commercial banks	3
" " " of silver	24	" of scheduled banks	60
Australia	2,6	Direction of Trade	16
		Distribution of Revenues Order	41
		Dollars, earmarking of	11
B		E	
Balance of Trade	14	Empire countries, imports from	16
Balances, Central Government	42	" " treasury bill rates in	43
" Provincial Governments	46	Estate duty	38
Bank Rates	59	Exchange	26
Bills, U. S. dollar	30	" control, developments in	27
" Sterling	30	Excess Profits Tax	36, 37, 38
Bonds, Three-Year Interest-Free	48	" " " compulsory deposit on	38
Bretton Woods Conference	1	account of	38
Budget, Central	36, 37, 38	" " Ordinance	38, 58
" Provincial	40	Exit Finance Permits	33
" Railway	39	Expansion of currency	3
Budla transactions, restrictions on	58	Expenditure, defence	36, 37, 38
Bullion market	20	Export Control	29
" restrictions on forward trading	20	" finance, methods of	30
Burma	10	" Licensing System	29
" —India Conference	10		
" notes	65	F	
" " , encashment of	74	Federal Reserve Board, production indices of	4
		Financial Settlement between U. K. and India	11, 37
		Food Grains Policy Committee	11
		" situation in India	11
		Forward trading, restrictions on, Bullion, Stock Exchange, commodities	20, 23, 58
		French Overseas Empire	31
		Funded Debt	52
		G	
		Germany	8, 12, 13
		Gold, assaying and refining of	21
		" monetary stocks of	19
		" price of	20
		" production of	19
		" holdings, valuations of	64
		" official sales in India	11, 19, 20
		" " in Middle Eastern Countries	7, 19
		" U. S. Treasury's stock of	19
		Government loans	48, 55
		" securities, index numbers of	57
		" securities market	57
		" securities, minimum prices of	75
C			
Canada	6		
Capital Issues, restrictions on	58		
Circulation of notes	65		
" " " by denominations	75		
Chatfield Debt	51		
Chinese Exchange	32		
" Stabilization Board	32		
Clearing House Statistics	61		
Coinage	79		
Combined Production and Resources Board	1		
Combined Raw Materials Board	1		
Commercial banks, deposits of	3		
Consolidated position of scheduled banks	60		
Conversion of G. P. Notes into Stock Certificates	53		
Cotton Cloth and Yarn (Control) Order	11, 12		
Cotton Crop, reduction of area under	11		
Cotton Fund	37		
Counterfeit coin	82		
Currency Absorption	68, 69		
" circulation	3		
" , expansion of	3		
" notes, restrictions on the import of	28, 74		
Customs receipts	36, 37		

INDEX—contd.

G—contd.	Paragraph		Paragraph
Great Britain, taxation in	2	Note circulation, relative trends of ..	3
Green Act	23	" forgeries	78
Grow More Food Campaign	37,40	Notes, Burma	65, 74
		" changes in the form of	73
		" circulation and absorption of	65
		" encashment of foreign circle	72
		" lost, destroyed and mutilated	77
		" old	76
		P	
		Plan, Keynes	1
		" Post-War Reconstruction	1
		" White	1
		Post Office Certificates	48, 54
		" " " issued in Burma	54
		" " Defence Savings Certificates	48, 54
		" " " Deposits	54
		" " Savings Deposits	54
		Post-war Inter-Departmental Council	4
		" schemes of Railways	39
		" reconstruction	1,39,40
		" " Reconstruction Fund, Bombay	40
		Premium Bonds	48
		Price level in India	12
		Price level in various countries	1, 12
		" " ,stabilization of	12
		Prize Bonds	48
		Production Index of the Federal Reserve Board	4
		Profits, Reserve Bank of India	37
		Provincial budgets	40
		" debt position	58
		" loans	55
		Public Debt of belligerent countries	2
		" " India	52
		R	
		Railway budget	39
		" debentures	51
		Railways' contribution to general revenue	37, 38, 39
		Reconstruction Committee, India	11
		Remittances, internal	62
		Repatriation of Sterling Debt	51
		Reserve Bank of India Banking Department	63
		" " " Issue Department	64
		" " " surplus profits	37
		Revenue and expenditure of belligerent countries	2
		Reverse lend-lease	1
		Rupee coin absorption	66
		" " in circulation	66
		" counterparts	48, 51
		" debt, composition of	52
		S	
		Scheduled banks, consolidated position of	60
		Securities, open market purchases of	51
		" revision of minimum prices of Government	57
		" U. S. dollar	34

INDEX—*contd.*

<i>S—contd.</i>	Paragraph	Paragraph	
Silver, assaying and refining of ..	24	Trade, balance of	14
„ demand for industrial and coinage purposes	23	„ composition of	17
„ lend-lease by United States ..	23	„ direction of	16
„ price of	23	„ foreign sea-borne	14
„ production of	22	„ trends in international	13
„ U. S. Treasury's buying rate of	23	Travel, restriction on	33
„ holdings of U. S. Treasury ..	22	Treasury bill rates in Empire countries.	43
„ Purchase Programme, United States	22	„ bills, Central Government ..	43
„ coin, melting point of	80	„ „ modification in the method of payment ..	43
„ „ withdrawal of	80	„ „ Provincial Government ..	47
Small coin, absorption of	67	„ „ yield on	44
„ „ issues of	67	U	
Small Savings Movement	54	United Kingdom	5
South Africa	6	„ „ , stabilization of price levels in	12
South East Asia Command	11	„ „ production of war supplies	5
Sterling area, remittances outside ..	27	U. N. R. R. A.	1
„ balances	11, 51, 64	United States	1, 4
„ bills	30	„ „ dollar bills	30
„ debt, composition of	52	„ „ „ securities	34
„ debt, repatriation of	51	W	
„ holdings by the Bank	64	War expenditure, recoverable ..	11, 35, 37, 38
„ purchases	25	Wartime absorption of currency ..	69
Subsidiary General Ledger Accounts ..	53	Wartime finances	2
Subsidies, food	5, 6	Ways and means advances, Central Government ..	45
Subventions from the Centre	41	„ „ „ „ Provincial Governments ..	46
Sukkur Barrage Debt	40, 41	White Plan	1
T		Wholesale prices in India, U. K., etc. ..	3, 12
Tax, Corporation	37, 38	Withdrawal of nickel and copper coin ..	81
„ Income	36, 37, 38, 41	„ of silver coin	80
„ „ , advance payment of	38		
Taxation, new	38		
Telegraphic Transfers	26, 62		