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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 88. Press ~~Mis.~~

103-104.

Dated 24—1— 1872.

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103 - 104

Not to be folded or roughly handled

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20.11.09

No. 103. Read the following Proceedings of the Government of India in the Financial Department, dated Fort William, 5th January 1872, No. 80 (Mint and Currency):—

Read—

A Report by the Head Commissioner of Paper Currency on the operations of his Department during the year 1870-71.

RESOLUTION.—The Governor-General in Council observes that the average circulation from the commencement of the Paper Currency operations has been in—

	Rs.
1862-63	4,41,94,285
1863-64	5,23,25,000
1864-65	6,88,20,116
1865-66	7,72,57,983
1866-67	8,98,93,179
1867-68	9,28,50,848
1868-69	10,14,55,327
1869-70	10,66,90,777
1870-71	9,81,32,240

and in the last two years, the maximum and minimum values of notes in circulation were—

Year.	Maximum. Rs.	Month.	Minimum. Rs.	Month.
1869-70	11,42,07,120	January ...	9,80,32,010	April.
1870-71	10,75,53,170	,, ...	8,68,19,030	May.

2. For the first time in nine years the circulation shows a large decrease, having fallen back below what it was in 1868-69. The falling off in the main circles of Calcutta and Bombay amounted to no less than Rupees 1,32,81,487, or nearly 15¼ per cent. There was a counterbalancing increase in most of other circles, which reduced the decrease on the whole to Rupees 85,58,537 below 1869-70, or a little over 8 per cent.

3. The Calcutta circulation reached its highest point (Rupees 4,89,53,150) on the 22nd January 1870. It then fell rapidly to Rupees 3,51,79,910 on the 31st March 1870, from which date to the end of May 1871 it showed no signs of recovery. Since then it has risen again quickly till, on the 31st October, it was Rupees 4,29,93,960, since when it has slightly fallen, it having been reduced to Rupees 4,11,43,980 on 15th December 1871.

4. The Bombay circulation was at its highest point in recent years (Rupees 5,03,63,280) on the 7th April 1870. By the 7th July it had fallen to Rupees 3,16,18,750. It now stands rather below Calcutta, or at about Rupees 3,67,00,000 on 15th December.

5. The Madras circulation rose strikingly from about Rupees 60,00,000, at the end of February 1870, to Rupees 1,15,85,270 on the 31st August 1871, having even reached a higher sum, viz., Rupees 1,20,41,130, on the 22nd June last. On 15th December 1871 it stood at Rupees 97,86,390.

6. These rather remarkable phenomena are not explained in the report.

7. No less than Rupees 1,42,16,200 of Lahore and Allahabad notes were cashed in Calcutta in 1870-71, and a far larger sum in proportion (Rs. 1,53,98,020) had been so cashed to the end of August this year.

8. This means that in the course of seventeen months Government has had to bear the cost of the exchange on nearly Rupees 3,00,00,000 from Allahabad or Lahore, or, since the beginning of the year, from Bombay to Calcutta.

9. The absence of forgery is satisfactory.

10. The table showing the age of outstanding notes is useful.

11. The statistics showing the composition of the currency are too imperfect to be of much use. But they will doubtless be found susceptible of development in time.

12. The Head Commissioner argues that the note remittances in the year, amounting to Rupees 3,24,58,870, caused a large saving to Government. But doubtless *per contra* some expense must have been thrown upon Government by notes being received instead of coin at deficit treasuries.

13. The Government will await with interest information as to the progress of the various Currency Agencies.

14. The net profits of the Department are shown to be Rupees 11,57,637, but against this amount ought to be set the cost of the exchange on Rupees 1,42,16,200 of Lahore and Allahabad notes cashed in Calcutta, and taking this cost at 4 Annas per cent., the set-off would be Rupees 35,540.

15. Evidently the accounts are incomplete. The full charge for service telegrams is not shown, and scarcely anything is charged for official postage. No charge is made for repairs, &c., except in Calcutta. Nor does any charge for municipal rates appear under Bombay.

16. Some of these items are perhaps lumped together under establishment or contingencies, but it is highly probable that some have been omitted.

17. Nothing is charged for remittances, although, in the Madras Presidency for instance, the encashment of notes is allowed at every treasury. It will probably be difficult to fix the charge in detail, but the subject requires special and constant attention, as it is very important to trace every expense incurred in facilitating the convertibility of notes.

Ordered that the foregoing Resolution be communicated to the Head Commissioner of Paper Currency, and to the several Local Governments and Administrations.

(Signed) R. H. HOLLINGBERY,
Asst. Secy. to the Govt. of India.

No. 104. ORDER THEREON, 24th January 1872, No. 88.

Communicated to the Accountant-General.

(True Extract.)

Chief Secretary.

To the Accountant-General.

Exd. J. Wright.

24 January 1872 No. 88

Communicating Resolution

Accountant General

O. S. F.—No. 7661. C. F.—5-12-80.

Govt. of {1872} Madras.

FINANCIAL.

To

THE ACCOUNTANT-GENERAL.

Dated January, 24th.

Recd. *Encl.*

G. O., 24th January 1872, *No.* 88.

JANUARY.
Nos. 103-104.

Communicating Resolution of the Government of India passing orders on the report of the Head Commissioner of Paper Currency on the operations of his Department during 1870-71.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

Mint and Currency.

To

No. 80.

Dated, Fort William, the 5*th January* 1872.

Received

Govt. of {1872} Madras.

Financial

To

The Accountant General.

Dated Janv. 24 } Encl.
Recd

G. O. 24 Janv. 1872 No 88.

Nos. 103. 104

Forwg. Resn of the Govt. of India passing orders on the Report of the Head Commrs of Paper Currency on the operations of his Dept. during 1870-71.