

### CHAPTER III.

## WEIGHTS AND MEASURES, CURRENCY, EXCHANGE, AND BANKING.

Weights and measures—Coinage—Currency legislation—Exchange rates—Paper  
currency—Banking—Bank rates.

**Weights and Measures.**—In 1871 an Act was passed in India for the ultimate adoption of a uniform standard of weights and measures. It was designed to assimilate Indian standards to the metric standards. The ser, for instance, was to be the equivalent of the kilogramme and of the litre. This Act, however, has never been brought into operation.

The weights actually in use vary considerably in different parts of India, even when the same name is adopted. Thus, the maund is  $82\frac{2}{7}$  pounds avoirdupois in Bengal, about 28 pounds in Bombay, and about 25 pounds in Madras. Moreover, they often vary for different commodities. The weights adopted in Government transactions and by the Indian railway companies are those which were established under the East India Company by Bengal Regulation VII. of 1833. By this Regulation the tola or sicca weight was fixed at 180 grains troy, and the other denominations of weight are derived from this unit as follows :

|              |                    |  |
|--------------|--------------------|--|
| 8 ruttees    | = 1 masha          | = 15 troy grains.  |
| 12 mashas    | = 1 tola           | = 180 „ „  |
| 5 tolas      | = 1 chittack       | = 900 „ „  |
| 16 chittacks | = 1 ser            | = $2\frac{1}{2}$ „ lbs. (or $2\frac{1}{17}$ lbs. avoird.). |
| 40 sers      | = 1 imperial maund | = 100 „ „ (or $82\frac{2}{7}$ lbs. avoird.).               |

Dry and liquid goods are sold by weight in Calcutta, Bombay, and Madras, as there are no standard measures of capacity.

Besides the above, there is a factory weight, in which the maund is equivalent to about  $74\frac{2}{3}$  pounds, and a bazaar weight, in which the maund is  $82\frac{1}{8}$  pounds. In Madras the following weights are also used :

5 sers = 1 viss.  
 8 viss = 1 maund (nearly 25 lbs. avoird.).  
 20 maunds = 1 khandi ( ,, 500 ,, ,, ).

In Burma :

2 moo = 1 mat.  
 4 mat = 1 tical (about 252 troy grains).  
 100 tical = 1 viss (about  $3\frac{3}{8}$  lbs. avoird.).

Special weights for particular commodities include the following :

Cotton is weighed per bale of 392 lbs.  
 Wool ,, per bale of 336 lbs.  
 Wheat ,, per bag of 2 cwt.  
 Oilseeds ,, per bag of  $1\frac{1}{2}$  ,, (usually).  
 Jute ,, per bale of 400 lbs.  
 Opium ,, per chest of  $140\frac{1}{7}$  lbs.

An Indian Act of 1889 declared the imperial standard yard (with the foot and inch) of the United Kingdom to be the legal standard measure of length in British India. In Bengal the guz (or gaz) is equivalent to 1 yard; but this measure of length varies in different localities from 24 to 36 inches.

In the Customs returns particulars of the quantities of merchandise have to be stated in British weights and measures—ounces, pounds, and hundredweights of 112 pounds, feet or yards, gallons, and cubic tons (for timber).

**Coinage.**—The coinage of India is governed by an Indian Act of 1870, which has been modified in important particulars by Acts of 1893 and 1899. The coins which are now legal tender to an unlimited amount are: (1) All gold coin of current weight coined at any mint in the British Empire; (2) silver rupees and half-rupees. Gold coin is legal tender at the rate of 15 rupees per £1. Rupees are no longer coined on private account. The rupee is a legal tender for all payments, so long as it is not defaced or has not lost more than two per cent. of its weight. It is the chief medium of

exchange and money of account. Copper coins are legal tender up to one rupee. The weight and fineness of the silver coins which the mints (Calcutta and Bombay) issue are as follows :

| Fine Silver.   | Alloy. | Eng.<br>s. d. | Amer.<br>Cents. |                |
|--|--------|---------------|-----------------|----------------|
| Rupee of 165 grains troy + 15 grains troy<br>(= together 1 tola) |        | }             | = 1             | 4 = 32 approx. |
| $\frac{1}{2}$ rupee (8 anna piece) ...                           | ... .. |               |                 |                |
| $\frac{1}{4}$ „ (4 „ „ ) ...                                     | ... .. | = 0           | 4 = 8           | „              |
| $\frac{1}{8}$ „ (2 „ „ ) ...                                     | ... .. | = 0           | 2 = 4           | „              |
| 1 anna ... ..  | ... .. | = 0           | 1 = 2           | „              |

Silver pieces of 1 anna have not been issued recently.

The weight and value of the copper coins are as follows :

|  |        |                    |                   |
|--|--------|--------------------|-------------------|
| Double pice of 200 grains troy<br>(6 pies or $\frac{1}{2}$ anna) | }      | = $\frac{1}{2}$ d. | = 1 cent.         |
| Pice (3 pies or $\frac{1}{4}$ anna) ...                          |        |                    |                   |
| Pie ... ..   | ... .. | = $\frac{1}{8}$ d. | = $\frac{1}{8}$ „ |

100,000 rupees are called a lakh (lac), and 10,000,000 rupees a crore, of rupees.

The Indian gold mohur of 16 rupees, which was not a legal tender, is no longer coined ; 100 sicca rupees (an old currency) are equivalent to 106 rupees 10 annas 8 pies of standard rupees.

Cowries (shells) are used in parts of India for small payments

**Currency Legislation.**—Until June, 1893, the equivalent of the rupee in British sterling money depended on the market price of silver, and for forty years prior to 1873 the value of the rupee had varied little from 2s. ; but the fall in the gold price of silver after 1873 produced a serious fall in the sterling value of the rupee, the value in gold at one time touching 1s. 0 $\frac{1}{2}$ d. This fall in exchange caused serious loss upon the payments which the Government of India had to make in England, while trade was harassed by the speculative character which commercial transactions necessarily assumed owing to the constant oscillations in the standard of value. In order to remedy these evils, the Indian mints, previously open for the unrestricted coinage of silver into rupees, were closed to the public on June 26, 1893, though Government was not deprived of the power to coin rupees if they should be required to

meet the demands for circulation. It was notified that until further orders gold coin and bullion would be received at the mints in exchange for Government rupees at the rate of 7·53344 grains of fine gold for 1 rupee, being equivalent to a rate of exchange of 1s. 4d. per rupee. The object was to fix the exchange between gold and silver at this rate. Further, gold coins of the full legal weight, coined at the Royal Mint in England or any of its branches, were made legal tender at all British-Indian treasuries. In 1899 these gold coins were, as mentioned above, made legal tender for all transactions. The effect of this legislation has been to place the English sovereign and half-sovereign side by side with the rupee as legal tender coins. It should be added that the Government's currency legislation has succeeded. From June, 1893, till January, 1898, the rupee underwent considerable fluctuation, but since the latter date it has remained practically stable at 1s. 4d. A considerable stock of gold has also been accumulated in the treasuries of Government, brought in not by loan, but in the course of the ordinary operations of trade.

**Exchange Rates.**—The average rate of exchange obtained for Indian Council Bills and Telegraphic Transfers, drawn by the Secretary of State on the Indian Exchequer and bought in England by merchants and others desiring to make payments in India, has been as follows for the last ten years, per rupee (approximately):

|        | s.  | d.  | Cents.                 |           | s.  | d.  | Cents.                 |
|--------|-----|-----|------------------------|-----------|-----|-----|------------------------|
| 1891-2 | ... | ... | 1 4 $\frac{3}{4}$ = 33 | 1896-7    | ... | ... | 1 2 $\frac{1}{2}$ = 29 |
| 1892-3 | ... | ... | 1 3 = 30               | 1897-8    | ... | ... | 1 3 $\frac{1}{2}$ = 31 |
| 1893-4 | ... | ... | 1 2 $\frac{1}{2}$ = 29 | 1898-9    | ... | ... | 1 4 = 32               |
| 1894-5 | ... | ... | 1 1 = 26               | 1899-1900 | ... | ... | 1 4 = 32               |
| 1895-6 | ... | ... | 1 1 $\frac{1}{2}$ = 27 | 1900-1    | ... | ... | 1 4 = 32               |

In the tables given in a subsequent portion of this volume amounts in rupees are converted into pounds sterling at fifteen rupees per £1, and into dollars at three rupees to the dollar. The results are not quite precise, but are sufficiently accurate for tracing the course and trend of Indian trade.

**Paper Currency.**—Notes are issued by a Government Department, no banks being allowed to issue notes. By the Act of 1893 the Government was authorized to issue currency notes in exchange for gold coin or bullion to any amount, the law having

hitherto provided only for the issue of notes against silver. The Department of Paper Currency issues without any limit notes (called currency notes) of the Government of India, payable to the bearer on demand, of the denominations of 5, 10, 20, 50, 100, 500, 1,000 and 10,000 rupees, the issue being made in exchange for silver coin from all paper currency offices and for gold coin from the head offices in Calcutta and Bombay on the requisition of the Controller-General, at the rate of 1s. 4d. per rupee. The circles and offices of issue of the notes, and the territories or circles within which they are legal tender, are as follows :

| Offices of Issue.          | Circles.  |
|----------------------------|---|
| Calcutta ... ..            | Bengal and Assam.   |
| Allahabad (sub-office) ... | North-Western Provinces and Oudh.                                       |
| Lahore (sub-office) ...    | Punjab.   |
| Madras ... ..              | Madras (except portion under Calicut).                                  |
| Calicut (sub-office) ...   | Districts of Malabar, South Canara,<br>Coimbatore, Nilgiris, and Coorg. |
| Bombay ... ..              | Bombay and Central Provinces.   |
| Karachi (sub-office) ...   | Sind.   |
| Rangoon ... ..             | Burma (except Shan States).   |

Notes are legal tender only within their own circle, and are payable only at the office of issue, or in the case of sub-offices at the Presidency circle, though for convenience any paper currency office is permitted to cash notes of other circles. Ordinarily, too, any Government Treasury (of which there are 250 in India) will cash notes if it can conveniently do so. Bankers usually charge 1 per cent. for cashing notes of other circles. Notes are covered by the gold and silver received for them, excepting that a maximum value of 100,000,000 rupees may be covered by Government securities. Currency notes may be issued on the security of gold held by the Secretary of State for India in London. In 1900-1 the average monthly circulation of currency notes was 288,800,000 rupees. The most popular notes are those for 10 rupees and 100 rupees.

**Banking.**—Excluding native banks, which are very numerous, and many of which enjoy a high reputation with the European banks, the following are the principal banks in India

## PRESIDENCY BANKS.

*Bank of Bengal*, Calcutta, with branches or agencies in Bombay, Rangoon, Moulmein, Akyab, and many other important towns.

*Bank of Bombay*, Bombay, with branches at Karachi, etc.

*Bank of Madras*, Madras, with branches at Calicut, Cocanada, Tuticorin, Tellicherry, Mangalore, Bimlipatam, Negapatam, Vizagapatam, Cochin, etc.

These banks are regulated by the Presidency Banks Act of 1876.

## BANKS WITH HEAD OFFICES IN INDIA:

*Allahabad Bank, Limited*, Allahabad, Calcutta, etc.

*Alliance Bank of Simla, Limited*, Simla, Calcutta, etc.

*Bank of Calcutta, Limited*, Calcutta.

*Commercial Bank of India, Limited*, Calcutta, Bombay, Karachi, Madras, Rangoon, etc.

*Bank of Upper India, Limited*, Meerut, Delhi, etc.

*Oudh Commercial Bank, Limited*, Fyzabad.

*Punjab Banking Company, Limited*, Lahore, Karachi, etc.

*Deccan Banking and Agency Corporation, Limited*, Madras.

## EXCHANGE BANKS.

*Chartered Bank of India, Australia, and China* (London), Bombay, Calcutta, Madras, Rangoon, and Akyab.

*Comptoir National d'Escompte de Paris* (Paris), Calcutta.

*Delhi and London Bank, Limited* (London), Calcutta, Delhi, Rangoon, etc.

*Deutsche-Asiatische Bank* (Shanghai), Calcutta.

*Hong Kong and Shanghai Banking Corporation* (Hong Kong), Bombay, Calcutta, and Rangoon (exchange business with New York).

*Mercantile Bank of India, Limited* (London), Calcutta, Bombay, Madras, and Karachi.

*National Bank of India, Limited* (London), Calcutta, Bombay, Madras, Tuticorin, Karachi, and Rangoon.

*Yokohama Specie Bank* (Yokohama), Bombay.

In 1899 the capital of the Presidency and other Indian banks was Rs. 44,025,000 (= £2,935,000, or \$14,675,000), and the reserve and

rest, Rs. 25,150,000 (= £1,677,000, or \$8,385,000). The capital of the exchange banks, which is not kept in India, was £8,945,000 (= \$44,725,000), and reserve and rest, £3,298,000 (= \$16,490,000). The total capital of these banks is not great, and it has not grown in proportion to the growth in the foreign and internal trade of India. In the last twenty-five years the public deposits of the Presidency banks have been almost stationary, while the private deposits in those banks, and still more in other Indian banks, have increased rapidly. The capital and reserves of Indian banks bear the high proportion of 1 to 3 of deposits. The deposits in India of the exchange banks have increased faster than those of the Indian banks. Complaints have been made of the inability of the banks to manage commercial credit satisfactorily, and severe monetary stringency sometimes occurs in Calcutta and Bombay. To remedy this evil, it has been proposed to concentrate the capital of the Presidency banks by forming one great Bank of India, but opinions differ widely as to the merits of this proposal, and the scheme has been postponed indefinitely. The following table shows the bank deposits in India for the last five years available :

|                  | 1895.         | 1896.       | 1897.      | 1898.      | 1899.       |
|------------------|---------------|-------------|------------|------------|-------------|
| Indian Banks ... | £14,497,600   | 13,913,500  | 12,866,400 | 13,479,000 | 14,076,500  |
| =                | \$72,488,000  | 69,567,500  | 64,332,000 | 67,395,000 | 70,382,500  |
| Exchange Banks   | £6,872,400    | 6,768,700   | 6,059,600  | 6,328,600  | 6,936,000   |
| =                | \$34,362,000  | 33,843,500  | 30,298,000 | 31,643,000 | 34,680,000  |
| Total ... {      | £21,370,000   | 20,682,200  | 18,926,000 | 19,807,600 | 21,012,500  |
| =                | \$106,850,000 | 103,411,000 | 94,630,000 | 99,038,000 | 105,062,500 |

Earnest attention is now being given to the institution of agricultural banks in India with the aid and encouragement of the Government.

Besides the banks above enumerated, there are many firms of bankers and agents, of whom the following may be named: T. Cook and Son, Calcutta, Bombay, and Rangoon; W. Watson and Co., Calcutta, Bombay, and Karachi; Grindlay and Co., Calcutta; Grindlay, Groom and Co., Bombay; King, Hamilton and Co., Calcutta; King, King and Co., Bombay; Thacker, Spink and Co.,

Calcutta; Andrew Yule and Co., Calcutta; Balmer, Lawrie and Co., Calcutta; Gillanders, Arbuthnot and Co., Calcutta and Rangoon; D. Sassoon and Co., Calcutta and Bombay; Latham and Co., Bombay and Karachi; Forbes, Forbes and Co., Karachi; Scott and Co., Rangoon; Arbuthnot and Co., Madras; Best and Co., Madras; Binny and Co., Madras; Gordon, Woodroffe and Co., Madras; Parry and Co., Madras.

**Bank Rates.**—The following table shows the average minimum rate of discount per cent. per annum at the Bank of Bengal for each half-year and year from 1896 to 1900 :

|      |   |             |     | Average<br>for<br>half-years.<br>Per cent. | Average<br>for<br>year.<br>Per cent. |
|------|---|-------------|-----|--|--------------------------------------|
| 1896 | { | June 30     | ... | 5·77                                       | } 5·69.                              |
|      |   | December 31 | ... | 5·61                                       |                                      |
| 1897 | { | June 30     | ... | 9·88                                       | } 7·93.                              |
|      |   | December 31 | ... | 5·97                                       |                                      |
| 1898 | { | June 30     | ... | 11·00                                      | } 8·05.                              |
|      |   | December 31 | ... | 5·10                                       |                                      |
| 1899 | { | June 30     | ... | 6·23                                       | } 5·73.                              |
|      |   | December 31 | ... | 5·23                                       |                                      |
| 1900 | { | June 30     | ... | 6·52                                       | } 5·24.                              |
|      |   | December 31 | ... | 3·96                                       |                                      |

It will be observed that the rate is usually much higher in the earlier half of the year. Frontier war and famine caused monetary stringency in 1897-8.