

INDIAN CURRENCY COMMITTEE.

REPORT

OF

THE COMMITTEE

APPOINTED TO INQUIRE INTO THE

INDIAN CURRENCY.

Presented to both Houses of Parliament by Command of Her Majesty.



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INDIAN CURRENCY.

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CORRESPONDENCE

BETWEEN THE

GOVERNMENT OF INDIA

AND THE

SECRETARY OF STATE.

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No. 1.

The GOVERNMENT OF INDIA to the SECRETARY OF STATE FOR INDIA,  
Calcutta, 23rd March 1892, No. 68.

MY LORD,

WE have the honour to forward, for your Lordship's information, a copy of the correspondence noted on the annexed schedule,\* with the Bengal Chamber of Commerce, in which the Chamber inquires what we propose to do with reference to the heavy fall in the value of the rupee which has followed on the fall in the price of silver in the United States.

2. Your Lordship is aware of the anxiety with which we regard this question, and of its high importance in our estimation as affecting the interests of India. We have, at various times, for instance in our letters No. 45 of the 2nd February 1886, and No. 277 of the 4th September 1886, fully expressed our views on the subject, and it is unnecessary to repeat them here. But we desire to say that the violent oscillations in the price of silver since 1890, and its rapid decline during the last year to the lowest point yet reached, cause us, as they have caused the mercantile community, the gravest anxiety for the future.

3. We are desirous, as we have always been, of aiding in the settlement of the silver question by international agreement, and, if proposals should be made by the United States or by any other Government for the holding of an International Conference, we trust that your Lordship will lend those proposals your strongest support.

4. In our opinion it is not open to question that, if international agreement is not arrived at, the United States Government will sooner or later be driven either to the adoption of a silver standard or to the abandonment of its purchases of silver. It is certain that the cessation of the purchases of silver by the United States could not fail to depress still further the price of that metal, and the policy to be followed by India in that event deserves the most serious consideration on an early date.

5. The stoppage of the coinage of silver by the United States will probably, if it should come, come suddenly; and, if we defer, until it has taken place, the consideration of the measures which in that event it may be expedient to adopt, we shall find ourselves unprepared and left with no time for due consideration.

6. We are, therefore, of opinion that the subject should be considered in all its bearings beforehand, and we recommend that, in view of the possible action of the United States in the future, Her Majesty's Government should now take into consideration the question whether any, and if so what, measures can be adopted for the protection of Indian interests against the further decline in the gold value of the rupee to which, for the reasons which we have given, we may be at any moment exposed, and the violent fluctuations in the relative value of gold and silver to which, under present circumstances, we cannot assign any limit either in time or in amount.

We have, &c.,

LANSDOWNE.  
P. P. HUTCHINS.  
D. BARBOUR.  
A. E. MILLER.  
H. BRACKENBURY.  
R. C. B. PEMBERTON.

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\* Not printed.