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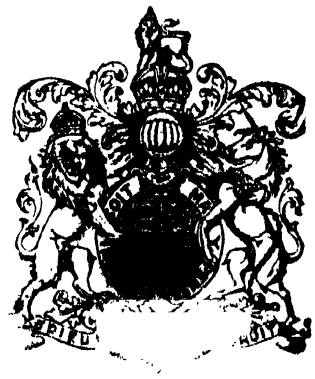
GOVERNMENT OF INDIA

FINANCE DEPARTMENT

FINANCIAL STATEMENT AND BUDGET

FOR

1918-19



DELHI
SUPERINTENDENT GOVERNMENT PRINTING INDIA
1918

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SUPERINTENDENT GOVERNMENT PRINTING INDIA
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GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

FINANCIAL STATEMENT AND BUDGET

FOR

1918-1919.

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Speech of the Honourable Finance Member

INTRODUCING THE

FINANCIAL STATEMENT FOR 1918-19.

Introductory.

My Lord,

I rise to present the Financial Statement for 1918-19, and as usual there will be no debate to-day. As regards subsequent discussion we are this year, as Your Excellency has already informed the Council at the opening of the session, introducing a modification in previous procedure which will, I think, be appreciated. We propose, that is, before dealing with particular portions of the estimates to have a general debate on the Financial Statement as a whole, which will enable Members to discuss and criticise to more effect than in the debate that has hitherto taken place on the final Budget, and will give greater reality to subsequent Resolutions which are admissible with reference to loan or taxation proposals and grants to Local Governments, or in the later compartment stage. This discussion will commence on the 8th March and we shall subsequently proceed to the stages at which specific Resolutions will be admissible.

The Budget in its final form, with such alterations in the Financial Statement as may be required by later information or suggested by the discussions in Council, will be presented on the 22nd March. After that there will be no further discussion, the lifeless Budget debate of previous years being superseded by the general discussion on the Financial Statement above referred to, which, as I have said, will enable criticisms to be put forward at a time when our proposals are in a less rigid state.

2. We must again, unfortunately, assume that the war will continue throughout the coming year. That means a continuance, in probably aggravated form, of some of the special problems which I shall presently have to describe to the Council; and as I have said on previous occasions the constantly changing circumstances of the war materially add to our difficulties in estimating. We must go cautiously, and when the results turn out better than we anticipated, it is a matter for congratulation and not for criticism.

3. The general situation I have now to describe is in many ways similar to that outlined in my speech last year. The revenue position is again excellent. Our Railway receipts have once more broken the record, and far exceeded the figure estimated in the current year's Budget. The result is that we are able to face with equanimity a considerable increase in military charges. Our financial embarrassments, as I shall presently show, are mainly due to ways and means questions. We have had to incur here on behalf of His Majesty's Government constantly increasing expenditure which is repaid to the Secretary of State at home. Simultaneously there is serious and growing demand on our resources to finance the shipment of materials required for the prosecution of the war, and of the food-stuffs which the Allies and many portions of the Empire are drawing from India. The account which I shall give later on of the calls which we have had to meet will be a sufficient indication of the anxieties which the year now coming to a close has brought with it. To meet these demands we have had to ask the trading and financial community to submit to restrictions on their operations, and to share to some extent in the general financial burden. I fully recognise and acknowledge the spirit of co-operation with which these restrictions have been accepted.

But I may quite legitimately claim that we on our part have at all times taken our full share in responding to the calls in question. We have been materially assisted in this endeavour to meet our responsibilities by the continued expansion in our currency note circulation, by the gratifying results which have been achieved by the War Loan, by the substantial success of our issue of post office cash certificates, and, latterly, by the material addition to our resources which we have received through the sales of Treasury Bills.

4. Our satisfactory revenue position is largely due to favourable agricultural conditions. The south-west monsoon of the current year was exceptionally bountiful and prolonged, and such damage as has been sustained by crops, as regards cotton for instance in some provinces, has been due not to deficiency of rainfall but to excess. The recent winter rains have been defective in the north and centre of India, but, speaking generally, the copious south-west monsoon has rendered this deficiency far less serious than would otherwise have been the case. I may add that the area under wheat, which shows an increase of 3 per cent. over the area finally reported last year, is the highest on record.

5. Trade conditions have on the whole been very satisfactory, in spite of the shackles placed upon them by difficulties in respect of railway transport and ocean and coasting freight, and the restrictions which military and political considerations have required us to impose on a variety of imports and exports. The total volume of the private sea-borne trade in 1916-17 was much the same as in 1915-16, though, as a consequence of the rise in prices, the recorded value shows an excess of about £40 million, of which one-third occurred under imports and two-thirds under exports. The excess of exports over imports reached the record figure of £54 million as against £40 million in 1915-16. The financing of this large excess at a time when the ordinary adjusting method of imports of specie on private account is precluded has been, and remains, one of the principal problems which we and the commercial community have had to face.

6. The current year, so far as this can be gauged from the figures of the first nine months, shows little variation from its predecessor. The exports and imports of merchandise show a balance of £38 million in favour of India—reduced to £24 million by private imports of gold, which, however, as I shall shortly explain, have been acquired by Government. Practically the whole of these gold imports have come to us from Japan and America, in liquidation of payments due from these countries for purchases of our products which they have not been able to adjust through exports of merchandise to India.

Speaking roughly, of £108 million of exports in the first nine months of this year—grain, pulse and flour represent £27 million ; raw and manufactured cotton £25 million ; raw and manufactured jute £21 million ; and tea and tanned hides between them £10 million. Over half our imports represent yarns and cotton goods, and sugar.

The available results of this year's trade operations have thus disproved the gloomy prophecies made in some quarters as to the prejudicial effect on trade of the restrictions which, for the reasons explained in my speech last year, we found ourselves compelled, in view of the larger interests involved, to impose on the Secretary of State's Council drawings. Similarly, there is nothing in the trade statistics to support analogous apprehensions that the raising of exchange in August last would re-act on our export trade. As I have said on previous occasions, these factors are of minor importance compared with the difficulties of obtaining freight, and cannot affect the demand for our produce and manufactures so long as war conditions secure these against the competition which India would ordinarily meet with in the world's markets.

Revised Estimate for 1917-18. Current Revenue and Expenditure.

7. The general position is brought out in the following table, which compares the current year's Budget and the Revised Estimate now put forward :—

[In millions of pounds.]

	Budget, 1917-18.			Revised, 1917-18.		
	Imperial.	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue	**66·420**	32·451	98·871	**76·677**	33·724	110·401
Expenditure	**66·284**	32·549	98·833	**70·852**	31·468	102·320
Surplus (+) or deficit (−) .	**+·136**	—·098	+·038	**+5·825**	+2·256	+8·081

Revenue and Expenditure—Imperial.

8. As regards Imperial transactions, it will be observed that we are over £10 million better under revenue, while our expenditure has increased by about £4½ million, leading as a result to a surplus of £5·8 million against £136,000 estimated in the Budget.

9. Nearly half of the total increase in Revenue is due to *Railways*, which have once more broken the record in respect of receipts, in spite of the hampering of our sea-borne trade by scarcity of freight and other war restrictions, difficulties in respect of coal, continued deterioration (owing to lack of renewal facilities) of permanent-way and rolling-stock, and the pulling up of some lines to provide railway material for Mesopotamia. The following table compares the results as anticipated in the Budget with those now forecasted, and brings in for purposes of comparison the actuals for 1916-17 :—

[In millions of pounds.]

—	1916-17.	Budget Estimate, 1917-18.	Revised Estimate, 1917-18.
Gross receipts	41·8	41·3*	45·5
Working expenses, including payments of surplus profits to Railway Companies	20·7	21·7	21·7
Net receipts	21·1	19·6*	23·8
Add—Receipts from Subsidised Companies and miscellaneous receipts in England.	0·2	0·1	0·2
Total receipts	21·3	19·7*	24·0
Deduct—Interest charges and some miscellaneous expenditure.	13·8	14·1	13·9
Net profit on Railway	7·5	5·6*	10·1

In framing the current year's Budget we allowed for a slight decrease under gross receipts as compared with the, at that time, record figures of 1916-17, and added to the working expenses in order to cope, as far as the circumstances of the war permitted us, with the demands under renewals caused by the heavy work imposed on our lines and rolling-stock. The very favourable agricultural conditions which India has enjoyed have more than counterbalanced the *prima facie* unfavourable factors referred to above, with the result that we have a large expansion in gross receipts; and as regards net profits, an excess over the Budget of £4·5 million.

10. We have also a considerable increase under gain by *Exchange*, which is mainly due to the fact that in August last the Secretary of State raised his rates for Council Bills to 1*s.* 5*d.* per rupee in the case of immediate telegraphic transfers, and 1*s.* 4$\frac{3}{32}$*d.* in the case of other Council drafts. Before this, too, the figures had been 1*s.* 4$\frac{1}{2}$*d.* and 1*s.* 4$\frac{5}{32}$*d.* respectively, *i.e.*, in excess of the normal 1*s.* 4*d.* we take for adjusting our rupee transactions in sterling.

On the other hand we have sustained actual loss on some of our rupee coinage by reason of high silver prices, and it has been decided to take this loss against our exchange gain and not to debit it to the Gold Standard Reserve, which was not intended to deal with a situation in which the bullion value of the rupee exceeded its value on coinage : allowing for this our total net gain under this head amounts to £1 million.

11. Under *Salt* we have an increase of nearly £1½ million,† due to large advance payments in Northern India to secure priority of issue from the stocks there. In November last these indents had so accumulated that it was estimated that it would

* These figures are less than those taken in the Budget by £500,000, the sum estimated as the proceeds of the small surcharge we levied this year on railway goods traffic. This surcharge was subsequently treated as a tax, and the proceeds brought to account under Head XXV—Miscellaneous. Consequently, for purposes of comparison, it is omitted here.

† I give round figures throughout.

take more than a year to clear them off, and accordingly the receipt of further indents was stopped, a measure which will be reflected in a reduction of revenue in 1918-19.

12. Under *Customs* we have an increase of over £1·7 million, due mainly to higher prices which affect our *ad valorem* duties. The increase is most marked under cotton piece-goods (£810,000), while tobacco, silver bullion, sugar, articles of food and drink and miscellaneous manufactured articles are also appreciably better. We have likewise increases of £150,000 under excise duty on cotton manufactures, and £120,000 under the export duty on rice.

13. Other heads of revenue which show material increase are :—

(1) *Posts and Telegraphs.*—£150,000, owing to favourable agricultural and trade conditions.

(2) *Mint.*—£390,000, due mainly to seigniorage charges on new rupee coinage, to cover the cost of Mint establishments and other coinage expenses.

(3) *Interest.*—£150,000, due mainly to temporary investment of the Secretary of State's large cash balances, and to fresh investments made on behalf of the Paper Currency Reserve.

In the Revised Estimate for 1916-17 and in the Budget for the current year we set aside, in all, £600,000 of the additional interest derived from our expanded Paper Currency Reserve investments for a Paper Currency Reserve Depreciation Fund, intended to make good the difference between the original purchase price of our consols holding in the Paper Currency Reserve and its value at current prices—*vide* paragraphs 12 and 53 of my speech introducing the last Financial Statement. The current year's Budget provision for this purpose amounted to £200,000: we now increase this to £450,000, which at present prices will raise the Depreciation Fund to the full limit required.

(4) *Income-Tax proper.*—£910,000, due to larger profits in various trades as a result of war conditions—of which £550,000 occurs under the Income tax head itself, while we realise £360,000 by special payments from the provinces. Income tax is a divided head, the proceeds of which are normally shared in equal proportions between Imperial and Provincial. But in order to obtain for the Government of India the full advantage of the increase in taxation imposed for Imperial purposes in 1916-17, the provinces have, as explained in paragraph 59 of my speech introducing the Financial Statement for that year, to pay to us what would normally have been their share of the proceeds of the additional taxation in question.

Against this, however, we have to set off a slight decrease of £70,000 under *Super-tax*, the receipts from which we estimated in the Budget at about £1½ million. This figure had to be taken very roughly, and it is satisfactory that it has been so closely worked up to.

(5) *Miscellaneous.*—£330,000, which includes £150,000 additional receipts in respect of the railway freight tax imposed this year (*vide* foot-note to paragraph 9), *i.e.*, the yield of the tax is now estimated at £650,000 instead of £½ million.

(6) *Excise.*—£180,000, owing to favourable agricultural conditions. The bulk of the increase under this head falls, however, to the provinces, and the above figure represents the Imperial share only.

14. The only revenue item which shows any considerable decrease is *Opium* (£320,000), owing to the fact that we were not able, without going below the upset price we had fixed, to dispose of as much as we anticipated at some of our monthly sales in Calcutta—by reason of freight and exchange difficulties, and the dealers having considerable stocks in hand. The loss would have been heavier but for some counterbalancing increase owing to additional supplies to the Straits Settlements Government.

15. The increase under Expenditure (£4·6 million) occurs chiefly under *Military charges.* The total net military expenditure for the current year was placed in the Budget at £25·9 million, including a reserve of about £700,000 to meet unforeseen charges. It is now estimated to amount to £28·8 million—an excess, that is, of £2·9 million. The increase over specific provision, which is due to war

preparations and requirements, amounts therefore to £3·6 million and occurs mainly under the following items :—

(*a*) Additional outlay on rifles and ammunition	£900,000
(*b*) Grant of increased pay to British troops, following on the measures lately adopted by the Home Government . . .	£520,000
(*c*) Larger expenditure on port defences, representing mainly the cost of mine-sweeping	£470,000
(*d*) Increased expenditure on guns, machine gun squadrons and mechanical transport	£200,000
(*e*) Increased railway charges in connection with larger movement of troops and stores	£140,000
(*f*) Larger outlay on military works including frontier roads and hospital buildings	£710,000
(*g*) Frontier operations, mainly connected with the Mahsud Expedition	£140,000
(*h*) Formation of the Indian Munitions Board	£140,000

16. Under *Political* we have likewise an increase of expenditure on the South Persia Rifles, a corps raised to assist the Persian Government in maintaining order in tracts in which British interests are specially concerned with reference to present war conditions. While such conditions prevail, the cost of this corps is borne by ourselves and His Majesty's Government in equal proportions. It is now estimated that our moiety will amount to £900,000 for 1917-18, including £210,000 of expenditure which really belongs to 1916-17, but will be adjusted in the current year's accounts. Against this, however, we have a Budget provision of £300,000, thus reducing the real excess to £600,000. On the other hand, there is a saving on other political expenditure in Persia which reduces the total excess under this head to £440,000.

17. The only other material increases over the Budget are :—

(1) *Interest on debt.*—£690,000, due to provision for discount on our Treasury Bills. When we issue ordinary loans at a discount, the accounts procedure is to credit the receipts at par value and to show discount as an interest charge. We follow the same procedure in regard to Treasury Bills.

As regards outlay in connection with our war contribution of £100 million to His Majesty's Government, we set aside £6 million for recurring charges, in respect of this amount, including (*a*) interest on money raised by loan in India and made over to His Majesty's Government, (*b*) interest on the balance to be taken over in the shape of Home war debt; and (*c*) sinking fund provision. I explained in paragraph 58 of my speech introducing the last Financial Statement that we were provisionally debiting this amount to the head Interest, and on further consideration it has been decided to maintain this allocation. The fact that our war loan receipts in India have been so much larger than we anticipated does not affect the total here, since it involves a counter decrease in the Home war debt taken over and the interest thereon.

(2) *Miscellaneous.*—£520,000, the chief item being £400,000 on account of stores lost in transit between England and India.

18. We thus, as I have already said, obtain an Imperial surplus of £5·8 million against £136,000 taken in the Budget. This satisfactory result is due in the main to the favourable agricultural conditions with which we have been blessed, and their results as reflected in the still further advance of Railway earnings. Our betterment here, together with the improved Provincial balances to which I shall refer directly, has been of material assistance to us in dealing with the very difficult situation we have had to cope with in respect of ways and means transactions.

Revenue and Expenditure—Provincial.

19. We estimated in the Budget that the provinces, in the aggregate, would obtain a revenue of £32·4 million and spend £32·5 million, leaving a deficit of about £100,000, which would be made up from their balances. The present figures indicate a revenue of £33·7 million and an expenditure of £31·4 million, thus leading to an aggregate Provincial surplus of about £2·3 million.

The improvement under revenue, which is most marked in Bombay, the United Provinces, the Punjab and Bengal, occurs mainly under Excise (£540,000) and Forests (£400,000). There is also a nominal increase of £470,000 under Income Tax; but that is largely set off, as indicated in paragraph 13 (4), by a payment to the Government of India under the head Transfers between Imperial and Provincial.

The decrease of about £1 million under expenditure, which is largest in the Punjab, Bombay and Bengal, is due to anticipated lapses in Budget grants, mainly in respect of civil works, education, police, and the profits from the wheat purchase scheme of 1915 allotted for outlay on agricultural objects.

The aggregate Provincial surplus goes, of course, into our balances, to the credit of the provinces concerned.

Borrowing in 1917-18.

War loan operations.

20. Before going on to our ways and means transactions, I should like to say something about our borrowing operations in the current year.

Our net borrowing at Home is a *minus* quantity as, while raising no fresh money there, we have paid off £2·1 million in the shape of India Bonds and Railway Debentures falling due.

The War Loan we floated in India in various shapes was, as announced prior to its flotation, intended to be made over to His Majesty's Government for the purposes of the war, and to form part of India's total war contribution of £100 million which was offered with such general approval. The balance of the said £100 million was to be defrayed by our taking over a portion of the previously existing Home War debt.

21. Having regard to the anticipations of my expert advisers and the necessity for caution, I was unable, in connection with the current year's Budget, to estimate the total amount of the War Loan at more than £10 million, though I expressed the hope that this might be materially exceeded. That hope has been justified to an extent far beyond the anticipations of the most sanguine expert, as will be seen from the figures below, which are in millions of pounds.

Main Loan	26·6
Postal Section	2·9
Cash Certificates	6·6
Total	36·1

The figures under the main loan and its postal section represent actuals, payments having been closed on the 15th October, and they include, under the main loan, £4 million actually received in March 1917 (our loan, it will be remembered, started on the 15th of that month) and a little over £1 million allowed to be tendered in England, on certain special conditions, in the shape of Home Treasury Bills, which were exchanged for allotments in the Indian War Loan. The cash certificates, which were introduced as a permanent measure, continue to yield money. The actual receipts up to the end of January amounted to £6,400,000, and we estimate that £200,000 more will have been received in the last two months of the year.

This splendid response to our loan is due in great measure to the patriotic propagandist work of Provincial and District War Loan Committees working under the auspices of the Heads of Provincial Governments, as also to the cordial co-operation of the Presidency Banks, especially those of Bengal and Bombay. The Bank of Bengal made special arrangements for advancing money, to be repaid in gradual instalments, to persons who wished to subscribe to the loan but had not funds immediately available. The Government also assisted its officers in this respect by a scheme under which these were enabled to subscribe in ten monthly instalments to be deducted from their pay—a scheme which was supplemented by the Presidency Banks in regard to officers who wished to spread their payments over a longer period.

22. The surprising response to the loan had, however, one disadvantage. The Public Debt Office was absolutely overwhelmed by the volume of the work suddenly

thrown upon it, and in spite of the utmost exertions of the Bank of Bengal, which manages this office, and whose staff had previously been depleted by a number of its officers going to military service, there was considerable delay in the issue of scrip. I may say that steps have been taken to prevent any such complaint in respect of next year's loan by simplifying and decentralizing arrangements as far as possible.

23. Taking the various forms in which the loan might be subscribed to in the main section and its post office ancillary, the results are as follows :—

[In millions of pounds.]

5 per cent. long-term Loan of 1929-47	8·3
5½ per cent. 3-year War Bonds	13·2
5½ per cent. 5-year War Bonds	8·0
Total	29·5

It will be seen that, in spite of the conversion facilities it carried in regard to previous loans, less than one-third of the total was realised from the long-term loan, and that the 3-year short-term war bonds received a material preference over the 5-year.

It is interesting to note that the great bulk of the applications in all three issues were fully paid up, the percentage of such applications varying from 75 per cent. in the case of the long-term loan to 89 per cent. in the case of the 5-year bonds.

24. As regards the cash certificates, the nature of which was explained in my speech introducing the last Financial Statement, these have come to stay, and the results this year have been most gratifying, the total figure (£6·6 million, of which only about £300,000 was found by withdrawals from existing postal accounts) being in excess of any previous year's regular borrowing in India. It will be remembered, however, that, although the normal currency of our cash certificates is for 5 years, we undertake to repay them on demand, though of course at some sacrifice of interest. Such withdrawals, on the basis of the latest statistics, will amount to about £600,000, thus leaving the net receipts at £6 million.

I look forward with confidence to the continued operation of this scheme as establishing a valid and welcome *nexus* between Government and the really small investors; and as an illustration of this I may say that 6 per cent. of the subscriptions to the post office section of the loan came from people who put in Rs. 100 or less, and that the purchase of Rs. 10 cash certificates accounted for about 21 per cent. of the total receipts under that head up to the 15th October.

25. Taking the British provinces, in respect of the main and postal sections, and of the actuals already available as regards cash certificates, Bombay heads the list with a total subscription of 14 crores, followed by Bengal with nearly 12 crores, and by the Punjab with a little over 6. As a Madras officer, I must express my disappointment that my Presidency has not done as well, compared with others, as I expected, having allowed itself to be distanced not only by the United Provinces and the Punjab, but also by Burma. It has of course to be remembered that some of the subscriptions received in Calcutta and Bombay represented applications on behalf of subscribers residing in adjoining Provinces or States.

The loan was also most cordially subscribed to in the principal Native States Taking the figures for the main loan, 113 lakhs (in round figures) were received from Hyderabad, of which 75 lakhs came from His Exalted Highness the Nizam; 88 lakhs from His Highness the Maharaja Sindhia, 54 from Mysore, of which 35 lakhs were subscribed by the Darbar; and 31½ from His Highness the Gackwar of Baroda; while Their Highnesses the Nawab of Bahawalpur and the Maharaja of Patiala subscribed 40 and 25 lakhs respectively.

It is not possible to state with any degree of statistical accuracy to what extent the loan receipts represented money which would otherwise have remained with, or been lodged in, banks. But there is no doubt that a considerable amount—especially under the cash certificates and the postal section of the main loan—represented money that would not have been so employed, but was specially drawn out by the loan stimulus.

26. At the time the loan was launched apprehensions were expressed in various quarters as to the prejudicial effect it would have on trade and commerce by drawing

off money from the banks. These anticipations have proved without foundation. The principle we adopted throughout was to leave the loan proceeds with the Presidency Banks, where they could be made available for trade purposes, until we actually needed them for disbursement, or the Banks specially requested their withdrawal; and the Presidency Banks on their side were ready to give assistance to other banks which might find themselves in temporary difficulties owing to the sudden withdrawal of their deposits.

The following figures will make our policy in regard to the loan receipts quite clear. In the third week of June these had swelled the Government balances with the Presidency Banks to nearly 24 crores, while by the end of September the balances had been gradually reduced to 8½ crores. But the withdrawals were employed, practically, to liquidate Council drafts, so the ultimate result was merely to transfer a portion of the Presidency Banks' holdings from public to private deposits.

The best proof of the success of the policy adopted was that when the payments to the main section of the loan closed in the middle of October, the Presidency Banks of Bengal and Bombay had such plethoric balances that we were able, without misgiving, to launch on the experiment in regard to Treasury Bills to which I shall now turn.

Treasury Bills.

27. The drain on our resources caused by heavy war payments for His Majesty's Government and the Secretary of State's Council bills led us, in the middle of October, to introduce a new experiment—the issue of short-term Treasury Bills, which could be taken at option for periods of 6, 9, or 12 months. It was suggested to us in some quarters that we might issue three-months bills also, but this would then have been undesirable, as the bills would have matured at a time when it would have been inconvenient for us to meet them. Since January, however, we have been issuing bills of this description.

The results have been very satisfactory. Including a special temporary loan we took from the Bank of Bombay on very favourable terms to ourselves, in addition to a large purchase of Treasury Bills by that institution, we have in this way raised £25⅓ million up to 15th February 1918, and we hope before 31st March to get up to a total figure of £30 million.

Revised Estimate for 1917-18. Ways and Means.

(*1*) *India and England together.*

28. As regards capital transactions, the following table reproduces the figures given in paragraph 72 of my speech introducing the Financial Statement for 1917-18, subject to certain modifications made in the final Budget and later :—

Outlay.		£ million.	*Resources.*	£ million.
Provincial deficit		0·1	Imperial surplus	0·1
Capital expenditure—			Unfunded debt	1·9
Railways	3·6			
Irrigation	0·6	4·5	Special war receipts	0·6
Delhi	0·3			
Discharge of debt		0·9	Credit for silver purchased in 1916-17	1·4
			Miscellaneous items	1·5
TOTAL		5·5	TOTAL	5·5

29. (1) The figures for War Loan transactions have been omitted, as in the case of the corresponding table in the last Financial Statement, since they will go to His Majesty's Government in part liquidation of our £100 million contribution.

(2) The figures do not follow the Budget in the following respects:—

(*a*) We then contemplated drawing on our balances in India to the extent of £3 million, corresponding to the estimated loan receipts during 1916-17. The present table is, however, squared without adopting this course, and to the extent to which our balances were in excess of the normal figure, these consisted of anticipatory war loan receipts which can be more conveniently dealt with in connection with the war loan figures as a whole.

(*b*) Miscellaneous items, £1·5 million.—The head Miscellaneous is made up of numerous entries, such as deposit transactions, etc., and it was anticipated at the time of the presentation of the Financial Statement that these would practically balance each other. Subsequently, however, the Secretary of State advised us that he expected to recover £1½ million less war expenditure in 1916-17, and a correspondingly larger amount in 1917-18 (*vide* paragraph 6 of my speech introducing the final Budget).

30. But the figures as we can now forecast them will stand thus:—

Outlay.	£ million.	£ million.	*Resources.*	£ million.
Capital expenditure—			Receipts from Indian Treasury Bills, etc.	30·0
Railways	3·1		Imperial surplus	5·8
Irrigation	0·5	3·9	Provincial surplus	2·3
Delhi	0·3		Net result of other transactions	0·6
Discharge of debt*		2·7		
Purchase of Home Treasury Bills		20·0	Total	38·7
Credits in favour of Federal Reserve Bank of New York		2·7		
Purchase of military stores and equipment awaiting allocation		2·1		
Total		31·4		

31. (1) The capital expenditure falls short of the Budget Estimate by £600,000, due mainly to lapses under railway expenditure at Home, which could not be fully made up by extra outlay here.

(2) The discharge of debt figure includes £570,000 in repayment—(*a*) of a temporary loan of £330,000 taken from the Maharaja Sindhia in 1914-15 and (*b*) of three instalments of £80,000 each of the Gwalior loan of 1887. In 1914-15 His Highness the Maharaja intimated to us in the most generous and patriotic way that he would postpone repayment of these instalments during the war, but in view of its prolongation it has been decided to take no further advantage of this concession.

The remaining amount (£2·1 million) is in respect of debt in London, and is for discharge of India Bonds (£500,000) and Railway Debentures which matured this year. It was originally proposed to renew the latter, but in view of the Secretary of State's favourable financial position they have been paid off.

(3) We have also had to incur expenditure to the extent of £2·1 million on the purchase of military stores and equipment in anticipation of demands either in India or from the Expeditionary forces. Pending their allocation to specific requirements, when the cost will be treated as expenditure debitable to Indian revenues or recoverable from the Home Government as the case may be, it has to be charged to a suspense head, thus reducing the resources available for general ways and means purposes.

(4) The Treasury Bills receipts and the Imperial and Provincial surpluses have already been explained, while the American 'credit' transaction is referred to later in paragraph 39.

32. The closing item in the 'Resources' column, which balances to £600,000, is the net result of transactions in respect of unfunded debt, special war receipts, credit for

* The discharge of debt is shown in statement C of the Financial Statement as amounting to £5·5 million: the difference between this sum and the figure given above represents rupee debt bearing interest at 3, 3½ and 4 per cent. which has been cancelled by the issue of a smaller face value of paper of the 5 per cent. long term Indian war loan 1929-1947 in connection with the conversion operations of 1917, and securities of the latter loan cancelled by purchase for the sinking fund constituted under the Loan notification. The amount of debt cancelled is shown in statement C as debt discharged by a *per contra* credit to the head "Deposits and Advances—Miscellaneous".

silver purchased but not yet obtained, and miscellaneous, which were shown separately in the statement in paragraph 28, and there totalled to £5·4 million.

(1) Apart from transactions connected with the transfer of the provident funds of certain Railway companies to Government which result in a credit of £300,000, unfunded debt is now estimated to bring us in £300,000 only, against £1·9 million contemplated in the Budget, owing to reduction in postal savings bank deposits by reason of the superior attractions of cash certificates and the postal section of the ordinary loan. There is no reason to regret this as it is of advantage to us to have deposits which are practically at call transferred to more permanent indebtedness. Cash certificates, I may say, come technically under unfunded debt, but it is convenient to deal with them in connection with the war loan, as the amount realised thereby is credited to His Majesty's Government like our war loan receipts proper.

(2) The adjusting credit in regard to silver is now altered to a debit of £200,000, as the amount outstanding at the end of the current year will exceed that at the beginning.

(3) Special war receipts are now estimated to produce £200,000 only, by reason of smaller receipts in connection with the employment of enemy ships.

(4) Miscellaneous items balance to *nil* as against an anticipated credit of £1½ million. This is due to—

(*a*) The amounts recoverable from His Majesty's Government in respect of 1916-17 having been less than anticipated.

(*b*) The fact that no recovery has yet been made, pending more definite compilation and adjustment of accounts, of the sums which under present arrangements constitute the share of His Majesty's Government in respect of the cost of the South Persia Rifles—*vide* paragraph 16.

33. It will thus be seen that, apart from the £20 million to be invested in Home Treasury Bills, which I will explain directly, we are about £27⅓ million to the good as compared with original anticipations, a result obtained mainly—

(*a*) By our having a large (combined) Imperial and Provincial surplus of £8·1 million, whereas in the Budget we expected these two items to balance to *nil*.

(*b*) By our receipts from Treasury Bills, including the temporary loan from the Bank of Bombay referred to in paragraph 27.

These results would lead up to an aggregate closing balance in India and England of £44 million as against about £17½ million taken in the Budget.

We have, however, arranged with the Secretary of State, on whose side, as I shall presently explain, the greater part of this balance has accrued, to reduce it by the purchase of £20 million of Home Treasury Bills, to be realised later in order to meet the special liabilities which will then come upon us.

34. Apart from our Treasury Bills, which mature in the coming year and which we propose to pay off or renew then, our position as regards temporary debt is as follows. In 1920 we have to pay off the three-year War Bonds issued this year amounting to about £13 million. In 1922 we have to pay the five-year War Bonds of 1917, amounting to about £8 million. Our this year cash certificates, amounting to £6 million net (after deducting amounts already repaid), will also fall due in 1922. In 1923, again, we have to pay off the loan of 1915, amounting to £3⅓ million: we have the option, however, of paying this in 1920. Moreover, our borrowing programme for next year will in all probability include the issue of short term bonds, and if we repeat bonds for three and five years, the former will mature in 1921, and the latter, and fresh cash certificates, in 1923.

Lastly, when peace conditions permit the resumption of the Railway Capital Programme on a scale necessary to provide adequately for requirements—and this will involve making up a lot of leeway in respect of the compulsory cutting down of that programme during the war—we shall probably find some difficulty in raising, on reasonable terms, the amount of capital which would be required.

We propose therefore, as against our temporary borrowings on Treasury Bills here, and in view of the satisfactory financial position of India as a whole, to invest £ 20 million in Home Treasury Bills in order to provide for the liabilities which in one way or another will come upon us shortly after the war is over.

35. This investment will, of course, help the Home Government *pro tanto* in providing funds for the war. And counting in investments from the Paper Currency and Gold Standard Reserves, we shall thus have put £32 million of fresh money into Home Treasury Bills this year, making in all, in addition to the £35 million we had already put in up to the end of 1916-17, a total of £67 million lent to the Home Government, and quite outside our special war contribution, since the war began. This will be increased by £16 million in the coming year through the additional investment against the Paper Currency Reserve proposed in paragraph 70.

(*2*) *India.*

36. But though our position, taking India and England together, is a decidedly satisfactory one, there is a most marked difference between the position in the two countries, owing to the very large war expenditure which we have to meet here and for which the Secretary of State receives payment in London, while we have also to defray large Council drawings, which he issues in the interests of India's export trade, the bulk of which at the present time consists of commodities of national importance. Owing, again, to the high price of, and keen competition for, silver, the Secretary of State has not been able to make counter-remittances to us in this form (for coinage) to anything like the extent that we had hoped for, while the necessity of conserving the central gold resources of the Empire has precluded his making alternative counter-remittances to us in that metal. America, too, has prohibited the export of gold and silver except under special licence since September 1917. Accordingly, while the Secretary of State's balances have been exceedingly high, our position has been one of constant anxiety. We should indeed have been in a very parlous state but for the facts that—

(*a*) Our War Loan receipts proved far in excess of the most sanguine estimates that could have been framed in advance of the loan. And though the receipts ultimately go to His Majesty's Government, that takes place by adjustment between the India Office and the Treasury in London, so we get the primary benefit of the money subscribed here.

(*b*) We are, as already indicated, obtaining £30 million from Indian Treasury Bills or their equivalent.

37. The difficulties of our position in India will appear more fully from the figures which follow.

In the current year's Budget we estimated that we should have to incur a repayable outlay of £39 million for war purposes, including £2·7 million for remittances to East Africa and expenditure on behalf of Australia and the Ministry of Munitions. Leaving out minor miscellaneous adjustments, we proposed to find this amount to the extent of £24½ million from revenue, representing ordinary Home charges in respect of current and capital expenditure; £10 million from the proceeds of the War Loan, including cash certificates; and about £4 million through purchase of silver by the Secretary of State. The Secretary of State was to finance himself for his ordinary requirements from the recoveries he obtained from the War Office, etc., and we were unable to make any specific provision for Council drawings, barring a sum of £½ million representing the difference between estimated outstandings at the beginning and at the end of the year. For the current Council drawings we had to trust to further purchase of silver by the Secretary of State and further investment from the Paper Currency Reserve.

38. The present state of things, taking actuals so far as they are available and anticipations in respect of the remainder of the year, is as follows.

(1) The outlay on behalf of His Majesty's Government, including as before remittances to East Africa and expenditure on behalf of Australia, the Admiralty and the Ministry of Munitions, amounts to no less than £66 million.

(2) The Secretary of State's drawings are expected to amount to £34·8 million, inclusive of special allotments to the Exchange Banks to enable them to finance tea and rice purchases for His Majesty's Food Controller, and other payments which are practically equivalent to Council bills. The latter category covers special finance which we provided in India in respect of wheat purchases negotiated for the Royal Commission on food supplies.

(3) We have further to provide funds for the purchase of tea for the War Office in Ceylon and of foodstuffs for that Colony in India, for coinage undertaken in India on behalf of Egypt, and for special remittances in connection with the war to Jeddah and other places. These various items amount together to £2 million.

(4) We have to meet increased liabilities for the payment of money orders issued by foreign countries on India to the extent of £5·3 million.

We thus get to the gigantic total (for India) of about £108 million, representing, in effect, remittances to England and other countries.

39. To this we have to add a further sum of £2·7 million which, under arrangements between His Majesty's Government and the United States, we have had to provide here in credits to the Federal Reserve Bank of New York for the benefit of American importers of jute and other Indian articles required in connection with the war, who would otherwise find it difficult to discharge their liabilities. This sum represents, in effect, an addition to the Secretary of State's ordinary Council drawings. On the other side, the American Government credits us with an equivalent amount in dollars, and we are assuming the realisation of this sum next year—*vide* paragraph 66 *infra*.

Our special liabilities for what may be called remittance purposes thus reach about £111 million, which is nearly half as much again as our total current revenue (Imperial) as now estimated, and about three and a half times as much as the Secretary of State's Council drawings in the last year of peace (1913-14), when we had, of course, no special war charges and the like to meet on behalf of His Majesty's Government and other British Administrations.

40. We have met, or will meet, this huge demand in the following ways—

(*a*) By proceeds in India of our War Loan, including £6 million (net) in cash certificates—about £34½ million. The loan produced an additional £1·1 million received in London under special conditions in the shape of Home Treasury Bills, but this is, of course, no use to us in India.

(*b*) By adding to £24½ million, put down in the Budget estimate as obtainable from revenue, the further sum of £7 million representing, approximately, improvements in revenue (Imperial and Provincial) arising in India : in all, therefore, £31½ million.

(*c*) By the obtainment of £30 million from Treasury Bills, including the special loan from the Bombay Presidency Bank referred to in paragraph 27.

(*d*) By fresh coinage of silver, or bullion awaiting coinage—£13·3 million.

(*e*) By profits from the Gold Standard Reserve in respect of rupee coinage—£1·4 million.

(*f*) By further investment in London on behalf of the Paper Currency Reserve, which sets free rupees on this side—£8·7 million. We took power last April to increase our Paper Currency investments by £8 million and had £1 million still in reserve against previous investing powers. Against this investments have been made to the extent of £8·7 million, leaving a balance of £300,000 which is available for further investment hereafter.

41. We thus work up to a total of over £119 million as against remittance liabilities of £111 million. But we have likewise to take into account the worseness in our miscellaneous capital transactions as described in paragraphs 31 (3) and 32, and the net result is that we shall have a closing balance in India of £16 million against £12·2 million taken in the Budget. As will be seen later, this surplus will be fully required next year.

I have not taken any account in the above calculations of the measures adopted in respect of compulsory acquisition of gold coming into India, for we have to pay for this gold ourselves. The good it does us is not in any direct increase of our resources, but in the concentration of the gold in the Currency Reserve as against future possibilities, and also in the fact that some of the notes in which we pay for the gold will probably remain in circulation instead of coming back for encashment in rupees.

(3) *England.*

42. I next turn to the Secretary of State's position. His resources for the year are now estimated as follows:—

[In millions of pounds]

(1) Receipts from Council Bills, and on account of analogous payments, *vide* paragraph 38 (2) *	35·3
(2) Recoveries from the War Office and the Ministry of Munitions, etc.†	65·0
(3) Special recoveries in respect of our disbursements or remittances of funds in respect of Ceylon, Jeddah, Egypt, etc.	2·1
(4) Increased receipts from the foreign money order transactions referred to in paragraph 38 (4)	5·3
(5) Subscriptions to Indian War Loan in London in the form of Home Treasury Bills	1·1
Total	108·8

43. As against this the Secretary of State will have to meet the following disbursements:—

(1) Ordinary Home charges including capital expenditure outlay	25·0
(2) For purchase of silver ‡	13·5
(3) Payments to the Treasury of the net proceeds of the Indian War Loan§	35·1
(4) Investment in Home Treasury Bills on behalf of the Paper Currency Reserve	8·7
(5) Investment on behalf of Gold Standard Reserve from profits on coinage	1·4
(6) Special investment of £20 million in Home Treasury Bills for the purpose indicated in paragraph 34	20·0
(7) Discharge of India bonds and Railway debentures	2·1
(8) Miscellaneous transactions	0·4
Total	106·2

These transactions and adjustments lead up to a closing balance in London of £8 million.

Currency and Exchange Difficulties.

44. The figures I have cited in dealing with our ways and means operations during the course of this year evidence the nature and extent of the strain which these place on our resources. The subject is, however, one of such importance that I propose to turn now to its more general aspects, and to deal with the position more fully than by mere review of figures. The remittance operations to which I have referred have been on a scale abnormally huge as compared with the transactions of the country before the war. I will now explain as briefly as I can how these have tended to dislocate the mechanism of Government finance, and of trade finance also, owing to the intimate dependence of Indian trade on the financial machinery of Government. In normal times the remittances which the Secretary of State places at the disposal of trade through his Council drawings are required, so far as the

* This does not correspond exactly with the disbursement on our side estimated in paragraph 38, as the present figure includes some drawings which will be paid in India in 1918-19.

† This allows for sums which will be still outstanding at the close of the year.

‡ This figure differs somewhat from that given in paragraph 40(*d*) by reason of the fact that the Secretary of State pays for silver when he acquires it, whereas we do not get the benefit of it till it reaches India. Consequently, while the figures given in respect of his transactions relate to current purchases, those in respect of ours relate to receipts.

§ The gross receipts from our War loans in India and England together are shown at £36·1 million in paragraph 21, in accordance with the usual practice under which we credit the full face value of a loan under our Loans receipts, discount in respect of the actual rate of subscription being charged as interest expenditure which falls under current revenues transactions. But the net amount actually obtained, allowing for the fact that the long-term loan was issued at 95, and that our net cash certificate receipts are less than the gross by £600,000 (paragraph 24), is £35·1 million, and it is this amount that we pay over to the Home Government.

trade aspect of the matter is concerned, to settle only a portion of the surplus of exports of merchandise over imports, a substantial portion of the excess being discharged by the import of the precious metals by private agency. At the present time the position is aggravated not merely by the increased surplus of exports, but by the difficulty in effecting specie remittances. So, whereas ordinarily the primary object of the Secretary of State's Council drawings is to place him in funds to meet his expenditure in England, his large Council issues are at present made solely with the object of financing trade. His expenditure requirements would be covered nearly twice over by repayments made to him in London against the enormous disbursements made by us here on behalf of His Majesty's Government, these direct disbursements alone placing a very heavy strain on our resources.

45. Our primary difficulty, then, arises from the extent to which, as a result of these transactions, our resources have been transferred from India to England. In normal times it might have been possible for us, as it would be for the banks on behalf of trade, to deal with this problem by the import of specie, or, as a refinement on this method, by earmarking gold in London against the concurrent issue of notes from our Paper Currency Reserve in India. These expedients, or modifications of them, have indeed been adopted to an extent which is, I think, not generally realized. Our imports of purchased silver have, during 1916-17 and the current financial year, amounted to not less than £29 million. The maintenance of silver purchases, however, on a scale sufficient to settle the balance of indebtedness to India would obviously not have been a practical proposition, while since the outbreak of the war, the importation or the earmarking of gold by Government has been precluded by the interests of the Empire.

But though it has not been possible for us to earmark gold, we have adopted an alternative measure which, while it has a very similar effect from our point of view, is at the same time very helpful to the Home Government. We have taken powers to enable us, instead of earmarking gold for our Paper Currency Reserve against the issue of notes, to hold a portion of the Reserve in British Treasury Bills, which are the next best thing to gold. The effect of this transaction is that the Government of India provide, from their Indian resources, the money necessary for meeting the expenditure of the Home Government incurred in India, and they take repayment of a substantial portion of the amount so disbursed in the form of securities of the Home Government. In other words, we have lent to the Home Government for the time being the funds required for a considerable portion of their outlay in India, in the same way in which the United States grants loans to the Allies to cover the larger portion of their disbursements in America.

There is another and analogous method by which we have also to some extent been able to deal with the problem. I refer here to what I have previously said in regard to our War Loan, and to our Treasury Bills. The proceeds of these are received by us in India and are available for financing our disbursements here, while we are repaid in England for services against which these disbursements were originally made. A portion of the amount so recovered, representing the equivalent of the subscriptions to our War Loan is, of course, not lent to the Home Government, but is actually made over to them as a gift in cash.

46. It may perhaps be asked why we could not indefinitely continue the process of making payments in India in notes against purchases of British Treasury bills in England. The answer is, of course, that the extent to which we can issue notes is limited in two ways; in the first place by the extent to which the supplier of goods, or services, is prepared to receive notes in payment, while secondly we must maintain an adequate metallic backing to enable us to honour these notes promptly when presented. Any attempt to compel the acceptance of currency notes would react on public confidence and Government credit, and would result in the depreciation of our notes and the inflation of prices.

47. This fact brings me to another aspect of our difficulty. The great demand for Indian products and other services which has resulted in the large transfer of funds from India to England has also necessitated the issue in India of a large amount of currency to pay for such products, etc. The demand for these products at the same time tends to cause a rise in prices in India, in this way also affecting the amount of currency required. To the extent that these currency requirements

can be met by notes they have been so satisfied. The total of our active note circulation (*viz.*, excluding notes held in our Reserve Treasuries and by the head offices of the Presidency Banks), which is now 82 crores as against 50 crores before the war, is a definite indication of the progress which has been made in this way, and the further introduction of small value notes marks another definite step in the same direction. But ultimately the provision of metallic rupees is largely governed by the customs and prejudices of the Indian producer and artisan, and though these may be gradually modified, there is a definite limit to the extent to which a paper currency can in this country be substituted for coin.

Concurrently, then, with this large increase in our note issue, we must expect, and find, a very large demand for rupees. The net issues to the public during 1916-17 amounted to no less than 35 crores, while in the current year the net issues already amount to a further 24 crores, in addition to 8 crores (over £5 million) of sovereigns. That is 67 crores in all of issues of metallic currency since the commencement of the financial year 1916-17, or in rather less than two years. In normal years we could have hoped that a portion of the large volume of currency thus put into circulation for the purchase of agricultural produce and other supplies, for the payment of labour in mills and factories, and so on, would tend to return to the larger centres in payment for the imported commodities which the recipient classes consume. The contraction of imports caused by freight and other war difficulties, however, affects us in this way too, as well as from the point of view of our purely external exchange; and the net absorption would have been on an even larger scale had it not been for the fact that a certain quantity of our currency has returned to us in the form of subscriptions to our loans. Our requirements of silver have, therefore, been very great, and in attempting to satisfy them, the Secretary of State has been confronted with keen competition from other countries where also the economic position has entailed an increase in the silver currency. Such steps as we could take to eliminate competition by private importers with the Secretary of State we have taken, and I refer to them elsewhere. The fact, however, remains that the price of silver has in the last year been steadily advancing; and has for some time past, subject to some fluctuations, stood at a level at which the bullion value of the rupee exceeds its value as coin.

48. This advance in the price of silver involved an alteration in the exchange value of the rupee on the basis of the rates at which the Secretary of State sells his Councils. The immediate necessity for this measure arose out of the fact that it would be unjustifiable for Government to undertake, at material loss, the supply of the large amount of new rupee currency required at the present time; and I should like to emphasise that this action was reluctantly taken only when it became evident that the price of silver was unlikely for a considerable period to recede from a level at which loss would be entailed by the continued sale of Councils at 1*s.* 4*d.* It has been suggested that the potential loss was small and that it might legitimately be charged to the Gold Standard Reserve. I cannot accept either of these contentions. In the first place, the absorption of rupees during the years when the bullion value of the rupee was less than its face value affords no criterion of the probable demand on Government for rupees when, owing to a rise in the price of silver, it would become profitable to melt or to export them. In order to avoid loss from these causes as far as possible, we have, it is true, taken certain steps in the form of prohibitory legislation; but though prohibitions of the kind may serve their object to some extent as temporary expedients, they cannot be expected to operate as a permanent check to the drain on our rupee currency which would certainly accompany a substantial and continued appreciation in the bullion value of the rupee over its face value. In fact the most important limitation which has previously existed on the possible demand on Government for the supply of rupees, *viz.*, that it is unprofitable to export or melt them, would be entirely removed. The only safeguard that a rise in the value of silver above what I may call the 'rupee melting point' will not result in the disappearance of rupees from circulation is such a modification in their external exchange value as to make their export unprofitable. Apart from this safeguard an indefinite and unlimited liability would be entailed, and it would be indefensible for the Government of India to accept this liability as a loss either to the Gold Standard Reserve or to Indian revenues generally.

49. The references which certain of our critics have made in this connection to the report of the Royal Commission on Indian Currency and Finance are, as I said in Bombay last October, based on an entire misapprehension of the Commission's conclusions. The main danger which the Commission had in view was the possibility of the exchange value of the rupee falling below 1*s.* 4*d.*, and their report lends no support to the view that the Gold Standard Reserve should be drawn upon to make good unflinchingly loss entailed by adhering to the 1*s.* 4*d.* rate in the case of such a contingency as that which has now occurred. I quote from paragraph 79 of their report:—The object of the Gold Standard Reserve, they said, "is only to provide a reserve sufficient to convert into sterling such amount of rupees as may at any moment seek export; in other words, such amount as the owners require to exchange for sterling in order to settle debts due in sterling." With this object in view, they definitely recommended that the whole of the Gold Standard Reserve should be held in London so as to make it as efficient as possible for the purpose, a portion of the Reserve then held in India being transferred to London at the earliest possible opportunity. I give these references to show that the *dicta* of the Commission did not envisage a situation such as that which has since arisen. Their conclusions presupposed a totally different set of conditions and cannot be appealed to in support of a plea that the measures which it has been necessary to adopt are inconsistent with the Commission's findings and would not be endorsed by them.

50. I much regret any hardship imposed on our export trade by the increase which it has been necessary to make in the rate for Council drafts, and I am, of course, well aware that a rise in exchange would in ordinary conditions be prejudicial to that trade, like the limitations which the Secretary of State has found it necessary to impose on the volume of his Council drawings. Consequently, as I have repeatedly stated, we embark on any such action with the greatest reluctance, and simply to prevent greater evils. At the same time, while a rise in exchange tends, under ordinary conditions, to prejudice the export trade, it must be remembered that a country like India, which normally exports a considerably larger volume of commodities than she imports in order to discharge her external obligations—such as interest on her sterling debt, Home administrative charges, and outlay on stores and plant—gains by a measure which requires her debtors to pay more for the rupees in which their payments must eventually be liquidated. Or, to put the matter in another way, a rise in exchange means that a smaller amount of India's commodities, as expressed in rupees, will have to be sent abroad in order to provide for a specified amount of payments in sterling, and that she herself will have to pay less for the imports she obtains.

51. Further, in considering the effect on India of a rise in exchange at the present time, allowance must be made for the effect of the abnormal conditions now prevailing. While an Indian exporter would doubtless, in normal circumstances, be prejudicially affected by a rise in the external value of the rupee, which would make it more difficult for him to compete with producers in other countries, this proposition does not apply when no keen competition on the part of other producing countries exists, when there is a large and an unsatisfied demand for many of India's more important products, and when, as a result of freight difficulties, exporters are able to ship practically all the goods for which tonnage can be provided. Even if it be granted that, as a result of the rise in exchange, exporters are receiving somewhat lower rupee prices than they would otherwise have secured, it is an undoubted fact that the actual rupee prices obtained are, in the case of most commodities, substantially in excess of pre-war prices and that, in spite of such restrictions as it has been necessary to impose, rupee prices within India have risen and not fallen. That this is the case is due to the great demand for India's products from abroad and to the enormous rise in prices which has taken place in almost every country in the world which consumes these products. It is indeed probably the case that but for the various restrictions which have attended the special external demands for India's products during the war, internal prices would have risen to a level higher than that at which they at present stand. Even as it is, the great increase in internal prices has become a serious hardship to the poorer classes within India, and special measures have been necessary to deal with some aspects of this problem.

52. There is yet a further point which I would like to emphasise. India is not peculiar in being affected by exchange difficulties. Practically every country in

the world at the present time is undergoing embarrassment in some form or other in connection with its foreign exchanges; and I think we are entitled to take credit for the fact that, in spite of the special difficulties with which we have had to deal, our currency system has borne the strain on it so well, and that we have succeeded in regulating sterling exchange to the public advantage in a way which has been possible in very few other countries. Thus in the case of France, the present exchange rate as between Paris and London has not only departed from the normal gold point to at least the same extent as the external rupee exchange, but it is also liable to indefinite fluctuations. In Italy and many other countries the exchanges have diverged further from normal, and are liable to even greater fluctuations. In the case of India, if exchange had been left to find its own level under the normal laws of supply and demand, the rupee exchange would long ago have reached a far higher level than it has actually done.

I made observations of this description to the Indian Merchants' Chamber in Bombay last October, but I desire to repeat them here, through this Council, to a wider public.

53. In this endeavour to maintain stability in our exchange rate, we have received the valuable co-operation of the Exchange Banks and others. In particular, I can record with satisfaction that exports of national importance, to which, as is well known, special priority in finance is now given by the Exchange Banks, have not, in spite of difficulties, been retarded by any breakdown in the arrangements for their financing. We may yet have to call to a still larger extent for the co-operation of merchants and others who have homeward remittances to make, with the view of applying these more largely than in the past to the financing of these essentially national exports; and to such an appeal I have no doubt that we shall find an adequate response from those engaged in the import trade.

This co-operation being of the greatest value to us, we can, I think, reasonably require it to be given, and ask the banks and trade generally to submit in Imperial interests, and therefore for their own ultimate advantage, to a certain amount of control and inconvenience. After all, the bulk of the burden is being shouldered by Government. Apart from the £35 million which we have given outright to the Home Government in the form of cash in part liquidation of our war contribution, and in addition to our Gold Standard Reserve holdings and our ordinary Home Treasury balances, we shall by the end of the current year have accumulated in London £32 million of British Treasury Bills in the Paper Currency Reserve and £20 million in the special reserve referred to paragraph 34, or about £52 million of floating funds which we should be very glad to have in India.* Against these accumulations in England we have already undertaken in India a liability for about £30 million of short-term debt and £30 million of Treasury Bills. This "overbought position," as it would be described in banking terminology, will be further added to during the coming year. These facts are sometimes ignored by those who chafe under what they regard as arbitrary restrictions and who urge upon us that such restrictions could safely be removed or relaxed.

Budget Estimate for 1918-19. Current Revenue and Expenditure.

54. Assuming that next year's monsoon will be normal, the following statement compares the Revised Estimate for 1917-18 with the Budget Forecast for 1918-19.

[In millions of pounds.]

	Revised, 1917-18.			Budget, 1918-19.		
	Imperial.	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue	**76·677**	33·724	110·401	**73·999**	34·348	108·347
Expenditure	**70·852**	31·468	102·320	**71·708**	34·443	106·151
Surplus (+) or deficit (−)	**+5·825**	+2·256	+8·081	**+2·291**	—·095	+2·196

* The £67 million referred to in paragraph 35 included Gold Standard Reserve transactions.

Revenue and Expenditure—Imperial.

55. It will thus be seen that we expect to be about £2⅔ million worse off under revenue, while the expenditure is about £800,000 more than in the current year, thus giving a surplus of £2·3 million against £5·8 million now expected for 1917-18.

56. The reduction in Revenue is primarily due to a decrease in *Salt* receipts (£1·9 million), and the elimination of gain by *Exchange*, estimated this year at £1 million net. To take credit for the latter would be gambling on a continuance of the present rates of exchange, which we have no desire to see maintained when the circumstances that justify them pass away, and we therefore, following precedent, leave it out of account in our budgetary anticipations.

The falling off under Salt is due to the stoppage of indents in Northern India, referred to in paragraph 11, which, in view of the state of stocks there, must continue for a considerable time.

57. As regards other heads, I give some remarks as to items which call for special comment.

The following table, which is on the lines of that given in paragraph 9 for the current year, shows the total *Railway* results for 1916-17, and those now estimated for 1917-18, and forecasted for 1918-19:—

[In millions of pounds.]

—	1916-17.	Revised, 1917-18.	Budget, 1918-19.
Gross receipts	41·8	45·5	47·0
Working expenses, including payments of surplus profits to Railway Companies.	20·7	21·7	24·1
Net receipts	21·1	23·8	22·9
Add—Receipts from Subsidised Companies and miscellaneous receipts in England.	0·2	0·2	0·1
Total receipts	21·3	24·0	23·0
Deduct—Interest charges and some miscellaneous expenditure.	13·8	13·9	13·8
Net profit on Railways . . .	7·5	10·1	9·2

In forecasting gross receipts for next year, we have to bear in mind that those of 1917-18 were swelled by an extraordinarily good monsoon, and that, with continued wear and tear of rolling-stock and absence of adequate facility for renewal, a time must come at which the railways cannot carry all the passengers and tonnage that they might otherwise convey. We think, therefore, that it is not safe to estimate for an increase of more than £1½ million on the Revised Estimate for the current year. On the other hand, we have to provide for an increase of nearly £2½ million under working expenses, including special renewals in order to provide, as far as circumstances permit us, for enabling the railways to bear the strain the present circumstances are putting upon them.

Taking minor alterations into account, we thus, as shown in the table, get to a final net profit on Railways of £9·2 million against £10·1 million now estimated for 1917-18 and £7·5 million in 1916-17—a decrease, that is, of £900,000 as compared with the current year.

58. *Interest* receipts show an increase of nearly £1½ million, with reference to the investment of £20 million in Home Treasury Bills indicated in paragraph 34, and the fact that the special Paper Currency Depreciation Fund, referred to in paragraph 13 (3), having now been made up to the total amount at present required, no further contributions thereto will be needed.

59. There is a decrease of £300,000 under *Miscellaneous*, the principal item leading to this result being £170,000 due to profits on the wheat scheme of 1915, which figure in the accounts for the current year and will not now recur. But so far as Imperial revenues are concerned, the decrease under this latter item will be counterbalanced by an almost like decrease in payments to the provinces under *Transfers between Imperial and Provincial*, since most of the wheat profits were passed on to the Local Governments under this head.

On the other hand, there is an increase here, by reason of a special recurring grant of £200,000 for the development of *primary education*, which we propose to make in supplement of that given this year for improving the pay and training of teachers in primary and secondary schools. We desire to give this fresh evidence of our concern for educational development, though the amount we can assign is but small by reason of the strain on our resources occasioned by the war. Apart from this too, as Your Excellency indicated in your opening speech, it is impossible to embark on large fresh commitments from Imperial funds till the future powers of local bodies, and the future relations of local, Provincial and Imperial finance, have been determined in connection with the scheme of Constitutional Reforms.

Nearly the whole of this grant will be distributed to the provinces, and these and other adjustments will result in the net payment from Imperial revenues under *Transfers between Imperial and Provincial* being about the same as in the current year.

60. (1) Under *Customs*, we anticipate about £410,000 less than now estimated for the current year, on the assumption that a decreased volume of trade, which will probably result from the shipping situation, will be largely countered by higher prices reflected in our *ad valorem* duties. It is necessarily a matter of increasing difficulty to forecast the manner in which war restrictions will affect our Customs revenue. We must, of course, expect the limitations imposed by freight scarcity and restrictions on production to continue in an accentuated form. On the other hand, the export restrictions from the United Kingdom may not impossibly be set off to an increasing extent by substitutes from other countries, *e.g.*, we are obtaining a larger amount of provisions from America and Australia, and, still more, by the higher level of prices. On the whole, therefore, we have come to the conclusion that it will be safe to take a somewhat smaller figure than the Revised Estimate of the current year, allowing for the fact that we can expect no receipts from private imports of silver in 1918-19.

(2) As regards *Income-tax* and *Super-tax* (taken together) we estimate an increase of about £170,000 over the receipts of the current year as shown in the Revised Estimate.

(3) *Posts and Telegraphs* are estimated to give us £290,000 more. But this is more than set-off by an increase of £330,000 under expenditure, due to expansion of the operations of the Department, an increase in pay of establishments with reference to war conditions, and increased price of stores and stationery.

61. Turning now to the Expenditure side, the net outlay under *Military Services* is estimated in the current year at £28·8 million. But various items of this are non-recurring or will recur in smaller proportion next year. In the former category figures this year's expenditure on rifles and ammunition (£1,450,000); the latter covers diminished expenditure in connection with the North-West Frontier (£370,000), purchase of Hotchkiss and Lewis guns, manufacture of ammunition, etc. (£170,000), and smaller provision for Home stores, Military Works, and Railway charges, etc. (£510,000).

On the other hand we have to take into account:—

(*a*) £550,000 extra for increased pay concessions to British troops—*vide* paragraph 15, item (*b*)—for a whole year instead of for a few months only as in the current year.

(*b*) £200,000 for introduction of the Station Hospital system for India and improvements of hospitals.

(*c*) £250,000 for extension of Ordnance factories.

The net result of these various changes is to bring the allocated 1918-19 expenditure up to £27·3 million, and to this we add a reserve of £1·7 million for charges at present unforeseen, so as to be in a position to meet additional outlay consequent on the war such as has come on us after the Budget was framed in the last two years. The total provision for net Military expenditure is thus £29 million.

62. India's share of the total expenditure on the South Persia Rifles which, as stated in paragraph 16, is shown under *Political*, is estimated at £750,000 for next year, against £900,000 this. The decrease is mainly due to non-recurrence of the adjustment which had to be made this year in respect of charges of 1916-17, *vide* paragraph 16 *supra*. But allowing for increase in other Political expenditure in Persia, the total figures under this head are £350,000 more than in the Revised.

63. (1) Our total charges in respect of the War debt remain at £6 million, including sinking funds of £270,000 in connection with this year's long term Indian issue (*vide* paragraph 81 of my speech introducing the last Financial Statement) and £470,000 in respect of the Home war debt taken over.

(2) Under *Miscellaneous* we get an improvement of £500,000 by reverting to the Budget figure for the current year and omitting the special increase in the Revised referred to in paragraph 17.

64. The final result, so far as it can at present be forecasted, is, as I have already said, a revenue surplus of £2·3 million. We shall need every penny of this—and more too if it should accrue to us—to meet our ways and means difficulties, and there can be no question, while war conditions continue, of reduction of taxation. On the other hand, as our difficulties arise on the ways and means, and not on the revenue, side there is no present necessity for adding to the fresh imposts imposed during the last two years. We therefore keep our taxation on the existing level.

Revenue and Expenditure—Provincial.

65. The Provincial revenues are taken in the Budget at £34·3 million and the expenditure at £34·4 million. An increase of revenue is anticipated everywhere except in the United Provinces. The current year's revenue in these provinces has been inflated by special receipts from irrigation, and provision has been made for normal receipts in the coming year; part of the decline is also due to the omission of the non-recurring assignment made to provincial revenues in the current year from the profits of the wheat scheme. Assignments on the latter account have been made to other provinces also, but in their case the increase of revenue from normal growth is expected to exceed the deterioration arising from the omission of the assignments next year.

The result is, as I have said, that Provincial receipts and expenditure are nearly in equilibrium; but nevertheless the provinces can anticipate the spending of nearly £3 million more than they were able to lay out in the current year.

The financial situation has compelled us to keep in force the instructions to Local Governments I have referred to in previous speeches to refrain from new outlay which is not immediately necessary or remunerative, and to maintain their expenditure as far as possible within the limits of their current income. I have once more to acknowledge the loyalty with which the Local Governments are carrying out this policy, and the figures I have just cited show that the restriction has not been incompatible with reasonable increase in Provincial expenditure.

Budget Estimate for 1918-19. Ways and Means.

(1) India and England together.

66. Our ordinary capital transactions are estimated as follows:—

(In millions of pounds.)

Outlay.		*Resources.*	
Capital expenditure—			
Railways	4·2	From balances	3·6
Irrigation	0·5	5·0 Net revenue surplus (Imperial and Provincial)	2·2
Delhi	0·3	Unfunded debt, excluding cash certificates	1·2
Discharge of debt	5·9	Special war receipts	0·2
Total	10·9	Credit for silver purchased in 1917-18	1·0
		Net balance under Miscellaneous	*nil*
		Repayment of credits placed at the disposal of the Federal Reserve Bank of New York in 1917-18 —*vide* paragraph 39.	2·7
		Total	10·9

67. (1) The Railway and Irrigation expenditure follow the figures advised by the Departments concerned, the Railway outlay being put at about £1 million more than in the current year's Revised Estimate.

(2) Discharge of debt includes £3·1 million for payment of India Bonds and Railway Debentures which will mature in the coming year, £2·7 million for the repayment of the temporary loan taken from the Bank of Bombay in the current year, and £80,000 for the instalment of the Gwalior Loan of 1887.

(3) Allowing for the small Provincial deficit exhibited in paragraph 54, the net surplus, Imperial and Provincial, is £2·2 million.

(4) The statement includes nothing from Treasury Bills, as we assume that what we can thus obtain next year—say, about £27·3 million—will merely suffice to wipe out the similar obligations incurred during the current year.

Nor do we make any allowance here for ordinary loan receipts, since, as will be seen presently, it is proposed to apply what we can raise by loan in the coming year to the further liquidation of our £100 million contribution to the Home Government.

(5) Under Miscellaneous we provide for the anticipated recovery from the Home Government of their share of the expenditure on the South Persia Rifles for the period ending 31st March 1918—*vide* paragraph 32 (4) (*b*). But against this and other miscellaneous receipts, provision has to be made for the payment of Council bills amounting to £2 million which remain unpaid at the end of the current year. The final result is a *nil* adjustment in respect of Miscellaneous.

Our aggregate closing balance in India and England on the 31st March 1919 is estimated at £20½ million.

(2) *India.*

68. But though our position, taking India and England together, is quite satisfactory, the resources shown in paragraph 66 being the same as the liabilities, things are very different when we look at India alone. Our recoverable war expenditure for His Majesty's Government cannot be estimated at less than about £70½ million, while we have in addition to supply funds to East Africa to the extent of £2·8 million : in all therefore £73·2 million.

We shall also have to meet £2 million in respect of Council Bills drawn by the Secretary of State in the current year but not payable by us till after its close, and £2·7 million in respect of the temporary loan obtained from the Bank of Bombay which has to be repaid in 1918-19. Our liabilities thus come to £78 million.

69. Against this we have £22·1 million available from surplus of revenue over expenditure in India, and we anticipate getting £20 million by fresh borrowing, a measure on which I shall have more to say later. So far then, we have got £42 million, and are still £36 million to the bad, without making any allowance for fresh Council Bills.

70. We hope to meet this deficiency thus :—

(*a*) By specie remittances from the Secretary of State to the extent of £13 million, including £1 million in transit at the end of the current year.

(*b*) By further investment, as circumstances require it, of £16 million (24 crores) against the Paper Currency Reserve—or, if account be taken of the unutilised balance of our existing powers, of £16·3 million, thus giving us the command of an equal amount of money here. I shall later on introduce a Bill giving us the necessary power in this respect.

(*c*) By drawing £5 million from our balances in India which, as I have already stated, are expected to stand at £16 million at the close of the current year.

(*d*) We also expect that we shall obtain repayment during the next year of the credits for £2·7 million which we are placing at the disposal of the Federal Reserve Bank of New York during the current year. But that sum will be required for payments of foreign money orders, as remittances by this source must be assumed to continue next year, though, we may hope, not on the same scale as this year.

On these calculations and allowing for some minor adjustments, we should have a closing balance in India of about £11·1 million, which is a good deal less than the normal closing balance (£12¼ million) to which we usually look.

71. It will be observed that these calculations take no account of the Secretary of State's fresh Council drawings. We do not, of course, propose that these should be suspended—a measure which would produce very undesirable effects on Indian trade. On the contrary, we desire to meet Council drafts so far as we can, but the exposition I have given will show how difficult we shall find it to do this. All we can say at present, therefore, is that we shall endeavour to provide for Councils as far as our resources permit. We may, for example, be able to get more in the way of specie remittances than the figure mentioned above, and to the extent that acquisitions of specie will add to the proportion of metallic holdings in our Paper Currency Reserve, we may, as time goes on, be able to justify a further investment from this. Our loan transactions may give us more than it is at present safe to anticipate, and the same remark will apply, if the seasons are good, to our revenue receipts. But I have said enough, I think, to show how very uncertain is the position, and how absolutely necessary it is that we should conserve our resources as much as we possibly can.

(3) *England.*

72. Leaving out of account Council drawings, in regard to which, as I have said, we can make no definite provision at present, and allowing, for some recoveries from His Majesty's Government being still outstanding on 31st March 1918, the Secretary of State's resources for next year will consist of about £75 million in the shape of recoveries from His Majesty's Government for fresh and past war expenditure, and miscellaneous adjustments of an analogous character.

Against this he will have to make the following disbursements :—

	(In millions of pounds.)
Ordinary Home charges, including capital expenditure outlay . .	22·3
Payment to His Majesty's Government for proceeds of our new War loan .	20·0
Investment on behalf of Paper Currency Reserve	16·3
Payment for silver remittances (*a*)	12·0
Discharge of India bonds and Railway debentures	3·1
TOTAL .	73·7

There will thus be an increase in his closing balance, which is expected to stand at £9·3 million, as compared with £8 million with which the year opens. It is too early yet to contemplate definite utilisation of any portion of this balance by further special investment or otherwise.

Next year's borrowing.

73. I will conclude this portion of my speech with some further remarks as regards our borrowing next year. We propose, following this year's precedent, that the regular loan receipts, and those from cash certificates, shall all go to His Majesty's Government for the prosecution of the war in further redemption of our £100 million contribution. We thus assist ourselves also, since the payment to His Majesty's Government is made by adjustment with the Secretary of State in London, while we get the primary benefit of the sums received in India.

74. As I have already said, the War Loan of this year, including cash certificates brought us in nearly £35 million in India. Next year's loan will again have no limit of amount, and I shall rejoice if we get results approaching to those of this year. The success of the 1917 loan was largely due to the splendid efforts made by Heads of Provinces and Provincial and Local Committees, and the Government of India look with grateful confidence to a renewal of these efforts in respect of the fresh War loan of 1918. But in framing Budget estimates I must proceed cautiously,

(*a*) See foot-note ‡ against paragraph 43. In this case the figure here given represents the Secretary of State's current purchases: that shown in paragraph 70 (*a*) is our estimated receipts, including amounts purchased in 1917-18 but which will only reach us next year.

and take into account that the very fact of this year's effort having been such a large one militates against the expectation of an equal harvest next year. It has to be remembered too that we also count on raising £27 million by Treasury Bills. For the purposes of the Budget estimates therefore and our ways and means calculations, and after consultation with my expert advisers, official and non-official, I do not think it safe to put down for the present a larger amount than £20 million for next year's War Loan, including cash certificates. But I repeat that this is regarded as a minimum amount, and that no one will be better pleased than I (and I can speak with equal confidence, on behalf of Your Excellency and the Government) if this estimate should be very largely exceeded, and India's effort should once more show that she derides the cautious calculations of her financiers.

I would impress on the Council and the public that the raising of a large war loan here produces three very material advantages to India and the Empire. *First.*—It gives His Majesty's Government fresh money for the conduct of the war in lieu of a mere readjustment of previous war expenditure, and thus makes India's war contribution still more useful. *Second.*—It assists the Government of India in obtaining funds for the financing of war expenditure here to meet the needs of His Majesty's Government. *Third.*—India profits economically by her war contribution being raised by internal borrowing, the interest on which is disbursed in this country, instead of by adjustment which involves payment of interest on a portion of the British debt.

The raising of a further sum of £20 million by loan in this country will bring our total contribution by fresh borrowing to more than half of the full £100 million for which we have made ourselves liable; and to the extent that we may obtain more than £20 million this proportion will be correspondingly increased. I may add that in order to eliminate as far as possible competition with our efforts in this direction, we shall shortly place restrictions on issues of capital in this country, except in so far as these are required for enterprises of national importance at the present time. I shall before long introduce the legislation necessary to give effect to this decision.

75. Having regard to present money conditions and the fact that we are obtaining funds at present by the issue of Treasury Bills, we do not propose to start the new loan immediately and it would be premature at present to commit ourselves as to the date of issue and the form which the loan shall take. I may, however, provisionally indicate that, having regard to the relative amounts obtained this year on the long term loan and from the short term war bonds, we are at present disinclined to issue a further long term loan in 1918. I think, after consulting those who are entitled to speak with most weight on this matter, that we shall be more likely to obtain an adequate response by concentrating ourselves on short term bonds. We might, for example, put out once more the 3-year and 5-year bonds, which were so successful this year, and add a further category of bonds having a somewhat longer period. We contemplate that outstanding Treasury Bills shall be received on suitable terms in subscription to the new loan.

The cash certificates will, of course, continue on their present footing.

76. I need only at present add a few words on the subject of premium bonds, which to some people seem a desirable method of adding to the attraction of our loans. I may say at once that I have no puritanical scruples in this matter, and that if I thought that the issue of premium bonds would bring us in any large amount of money which we should otherwise not obtain, I would do my best to get them sanctioned. I have, however, found that the general opinion of financial and commercial authorities entitled to speak with weight on this subject is that we should not obtain this result. It would *primâ facie* be impossible for us to issue a loan at a very small rate of interest (having regard to present market conditions) with the bulk of the inducements in prizes: that would be a gambling transaction which the Government ought not to take up. As regards the alternative of issuing a loan at a fair flat rate of interest, though somewhat below what we should otherwise have to pay, with supplementary prize inducements, the general opinion is that it would not work. Having regard to the present price of money, banks and serious investors are not likely to be satisfied with less than the rate of interest we had to pay this year on the remote chance of getting a prize; while as regards those who like a flutter, the consensus of opinion is that they

prefer speculative share investments, which involve a considerable degree of real or imaginary skill and give them the constant stimulus of following the ups and downs of the market. These views receive corroboration from the fact that the recent premium bonds issue in Ceylon was a complete failure.

We have also the fact that the Committee which the Home Government appointed to consider the question of premium bonds advised that it was doubtful whether the additional funds thus obtainable would justify controversial legislation. That is our feeling also as regards India. The expedient would undoubtedly be resented by many on what they hold to be moral grounds, and I do not think that we should be justified in ignoring such scruples on a very problematic chance of making material sums which would not otherwise be obtainable. I cannot, therefore, advise that we should try this experiment.

Paper Currency and Gold Standard Reserves, and Exchange.

77. The following statement gives the total and active note circulation on the 1st February of each of the last five years, the active note circulation excluding the notes held in reserve treasuries and headquarter offices of the Presidency Banks:—

[In crores of rupees.]

Year.	Total Circulation.	Active Circulation.
1914	63·9	51·9
1915	60·3	45·1
1916	62·4	54·1
1917	84·4	67·9
1918	104·8	82·1

It will be seen that the 1917 figures, which were at that time a heavy 'record', have now been far passed, thus affording further testimony to the confidence the people have in our note issues, and to the effect of the measures taken in recent years towards making our notes more easily cashable. For it is an easily understood paradox that the more you increase facilities for ready encashment of notes, the greater is the confidence in their value and the fewer the occasions on which they are actually presented for encashment. This expansion of circulation has been of material assistance to us in our ways and means difficulties by enabling increasing investment from the Paper Currency Reserve.

78. As the Council are aware, till lately our lowest denomination of notes was Rs. 5, but we have now made the experiment of issuing still smaller notes for Re. 1 and Rs. 2½ respectively. The former were issued on the 1st December 1917 and the latter on 2nd January last, and at the outset the issues in India were confined to the three Presidency cities; while in order to enhance confidence in the notes, we have given special facilities for their encashment at local post offices. The results so far have been very satisfactory, the total issues having reached a value of R45 lakhs, and the encashments of R11 lakhs only, leaving a margin of R34 lakhs worth of these small notes actually in circulation. The success of the experiment has already warranted its extension to some of the other large cities.

It should be understood that though the area of issue is as yet limited, the Re. 1 and Rs. 2½ notes are received anywhere in payment of Government dues, and are encashable at all currency offices and treasuries in the same way as our other universal notes.

We have also sent about R4 lakhs worth of these notes to Mesopotamia, where the people are accustomed to minute paper currency. We are likewise, at the request of His Majesty's Government, sending about £500,000 worth to East Africa.

79. As regards the metallic portion of our Currency Reserve, on the 31st March last we held about £8 million of gold here and about £4½ million in England, or in all £12½ million. The figures now stand at £19 million and £½ million respectively, or in all £19½ million. I shall speak presently of the main transactions that have led to this result.

As regards silver, our holdings in the Paper Currency Reserve, including bullion under coinage, amounted on 31st March last to about 19 crores (or nearly £13 million). They at present stand at about 13½ crores (£9 million).

80. The increase in our gold and silver holdings together in spite of a further investment from the Paper Currency Reserve thus amounts to about £3 million. This has of course been made possible by the increase in our currency note circulation, the total of which now stands at 105 crores (£70 million) against 86 crores (about £57 million) at the beginning of the year.

At the beginning of the year we had invested about 56 per cent. of our holdings against total note issues. The present percentage is still about the same figure, with the advantage that nearly all our gold is now held in India ; and this enables us to contemplate the further investment indicated in paragraph 70 above.

81. In paragraph 34 of my speech introducing the last Financial Statement I explained that, with the object of relieving the strain on silver and of reducing the premium on gold, we had started selling a portion of the raw gold held at Bombay on behalf of the Bank of England, the gold bullion thus taken over by us being paid for by sovereigns from our Reserve in London. These sales were continued between 18th January and 26th April last, during which period we disposed of over £4 million of bullion. They were then discontinued because a transfer of gold to India from Australia and New Zealand, in exchange for our London holdings of gold, made it necessary for us to reserve those holdings for that purpose. The effect of these sales upon the silver position can only be vaguely estimated. Enquiries showed, however, that most of the gold which was sold found its way up-country and must have resulted in drawing into circulation a certain amount of rupees which those who ultimately acquired the gold would not otherwise have parted with.

82. Last April, again, in view of our then depleted stock of rupees we found it necessary to issue sovereigns in the hope of relieving the strain on our silver balances. The absorption of rupees in that month was over £4 million, and on 7th May our holding of silver in the Paper Currency Reserve amounted to about 13 crores only, which was the lowest point touched for over 10 years. What may be called the relief-issue of sovereigns, which continued till the end of August, amounted to about £5 million, the bulk being absorbed in the Punjab where they were utilised in the purchase of wheat. By that time our silver position had improved, and in accordance with our general policy of retaining our gold holdings as our second line of reserve, the necessity for further issues of gold thus disappeared. We have lately, however, had to recommence the issue of sovereigns with reference to a renewed depletion of our silver stocks.

83. Since June last we have been acquiring private imports of gold under the Gold Import Act, the provisions of which I explained in this Council on the 26th September 1917, and thereby raised our gold holdings by about £12 million. As I have already explained (paragraph 6) most of this gold has come to us from America and Japan. The gold so acquired was passed into the Paper Currency Reserve, an equivalent amount of notes being issued to the importers from whom it was obtained.

An analogous transaction, which has also had the effect of strengthening our gold holdings, is the arrangement recently arrived at between His Majesty's Government, Japan and ourselves under which, by the end of the current year, we shall have received £2 million of the Bank of England's gold held in Bombay. This amount is placed in the Paper Currency Reserve, and we issue against it an equivalent amount of notes to the nominees of the Japanese Government.

84. As the Council is aware, we have, besides taking over all private imports of gold, forbidden, since July last, the import and export of silver into or from India except on Government account. In respect of imports the object is to avoid private competition with the Secretary of State's purchases, and also to preclude private imports of this metal being used to obtain Indian money for the financing of exports not of primary war importance: as regards exports to conserve the stock of silver already in the country. We have, with a like object, forbidden the melting of rupees and sovereigns.

85. The Council is also aware that we have obtained permission from the Home Government to coin sovereigns in India, and although the establishment of a Gold Mint in Bombay for this purpose which will work as a branch of the Royal Mint in

London, has been delayed owing to the necessity of satisfying conditions laid down by the Home Treasury, the construction of our Mint is now in hand, and we hope that it will be issuing sovereigns by May. Its operations will extend in the first instance to the coinage of foreign coins and refined gold, but arrangements have been made to enable it to take up the coinage of unrefined gold also. In the meantime we have got coinage done for us in Australia, in pursuance of the arrangements I explained to the Council in my speech on 5th September last introducing the Paper Currency Amendment Bill, which subsequently passed into law as Act XIX of 1917, and we are now entitled to treat as part of our Currency Reserve gold held on our account in any part of His Majesty's Dominions, or in transit therefrom.

86. As regards silver prices, these stood at an average of nearly 37*d* per ounce in April, and had risen to an average of nearly 51*d* in September, the high watermark of 55 being reached towards the end of that month. This latter figure, which was largely due to speculation, was however not long maintained. In October the average price had fallen to 44*d* and in November to 43, at which level it has practically stood since.

The increase in silver prices led to alteration in the price at which the Secretary of State sells his Councils. I have dealt with this matter already, and need only refer briefly here to what I said in the Legislative Council on the 24th September in answer to a question by the Hon'ble Mr. Hogg, when, under the authority of the Secretary of State, I explained the conditions by which he is guided in fixing his Council rates. These rates are being, and will continue to be, based roughly on the price at which he is able to buy silver. He cannot be expected to sell rupees at appreciably less than their actual cost, but he intends to apply this principle with considerable latitude so as to avoid changes as far as possible. Once again I must emphasise that the measures adopted to meet an abnormal increase in the price of silver, caused in their turn by the special circumstances of the war, must in no way be considered as implying the abandonment of the policy of a fixed and stable exchange; that by selling his Councils at fixed rates the Secretary of State did all he could to keep exchange stable; that he only raised those rates in August last when the bullion price of the rupee made this necessary; and that the rise in external exchange has not in any way affected the internal parity of rupees and sovereigns, which remains at the standard rate of 15 to 1.

87. The following statement shows the holdings in the Gold Standard Reserve on the 1st April last, at the date of the last published statement, and as we expect them to stand on the 31st March.

[In thousands of pounds.]

—	Book credit in India.	Gold held in India.	Cash placed by the Secretary of State for India in Council at short notice.	Invested in London.	Total.
1st April 1917 . . .	181	103	6,001	25,406*	31,691
31st January 1918 . .	...	...	6,019	27,798†	33,817
As estimated on 31st March 1918.	...	...	6,000	28,316†	34,316

The increase in the total holding is due in part to the fresh rupee coinage we have had to undertake from silver purchased in the earlier months of the year; and the interest on previous investments is, as usual, added to the assets of the Fund.

The average rate of exchange in the current year calculated on the Secretary of State's drawings, will amount to 16·55 pence per rupee against 16·15 pence in 1916-17.

* This represents the value of the securities as on the 31st March 1917.

† This represents the value as on 30th September 1917 (the date of the last valuation) of the securities then held and the cost price of securities purchased since that date.

REMARKS ON CERTAIN SPECIAL HEADS.

A.—Military Services.

88. The table below shows the gross and net expenditure on military services for the coming year and the four years preceding :—

	Gross.					Net, *i.e.*, deducting receipts.
	Army.	Marine.	Military Works.	Special Defences.	Total.	
	£	£	£	£	£	£
1914-15 . .	20,336,559	463,370	996,071	13,603	21,809,603	20,434,915
1915-16 . .	21,893,200	745,513	850,866	13,514	23,503,093	22,261,353
1916-17 . .	24,260,003	693,680	1,594,538	18,536	26,566,757	24,990,811
1917-18 (Budget) .	25,215,900	838,500	1,158,700	14,000	27,227,100	25,900,000
1917-18 (Revised) .	27,665,400	736,600	1,872,300	10,400	30,284,700	28,782,500
1918-19 (Budget) .	27,790,900	960,300	1,781,500	... *	30,532,700	29,000,000

89. I have already indicated in paragraph 15 the more important causes contributing to the increase in the Revised Estimate for 1917-18 as compared with the Budget. These account for about £3·2 million, and other minor factors for a further increase of about £0·8 million. On the other hand, there have been some savings, the most important of which are the lapse in the Home provision for construction of vessels for the Royal Indian Marine and credit for a dredger taken over by the War Office, amounting together to £157,000 ; reduction in food charges; and reduction in the non-effective charges in India and England. The reserve of about £700,000 included in the current year's Budget to meet unforeseen expenditure must also of course be set off against the increase in specific expenditure to which I have referred.

90. The receipts have risen by £175,000, which is mainly accounted for by large sales of dairy produce to overseas forces, war hospitals, etc., and by the recovery of departmental charges on stores supplied by the Indian Munitions Board.

91. The Budget provision for next year has been fixed at £29 million. I have already (paragraph 61) explained the need for this large provision. It includes a reserve of £1,677,000 to meet charges which we cannot yet specifically foresee, but which, as the experience of preceding war years shows, are likely to come upon us in one way or another.

The head 'Special Defences' has been abolished with effect from 1st April 1918, and any remaining transactions will be adjusted under the head 'Military Works.'

92. The total cash contributions from Indian Princes and others towards the cost of the war received this year amount to £428,000. His Excellency the Commander-in-Chief has also continued to receive considerable sums for the provision of motor ambulances and the like and the supply of comforts to the troops at the front.

93. The gross amount contributed from Indian revenues on account of the normal pay and charges of the military forces despatched out of India up to the end of 1917-18 may be taken at £28 million. Against this, however, must be set the cost of maintaining substituted British troops (Territorial and Garrison battalions) actually serving in India, which is borne by His Majesty's Government under the Resolution of the Houses of Parliament referred to in paragraph 39 of my last year's speech. Taking this into account, our total net contribution towards the cost of the war

* Closed as a separate sub-head—see paragraph 91.

in respect of the Expeditionary Forces is about £15¾ million to the end of the current year, to which another £4¾ million should be added in respect of 1918-19. And outside these adjustments, and taking our normal net military expenditure, on the basis of the 1913-14 figures (£19·9 million), at £20 million, we have had to incur an additional outlay, due almost entirely to the war, amounting to £16½ million up to the end of the current year, and £25½ million including the estimated expenditure for 1918-19.

B.—Expenditure from special grants for education, sanitation, etc., and financial position of Local Governments.

94. I give below a table similar to that in paragraph 111 of my speech last year, showing special grants made for these purposes from 1911-12 onwards and the extent to which they have been utilised.

(In thousands of pounds.)

—	Total grants given (1911-12 to 1918-19).		Total expenditure (1911-12 to 1918-19).	Balance expected to be available on 1st April 1919.
	Recurring.	Non-recurring.	*Non-recurring.	
(1) Education	1,146	3,290	2,436	854
(2) Sanitation	245	1,765	1,217	548
(3) Medical relief, etc.	...	58	58	...
(4) Agriculture, etc.	...	332	295	37
(5) Grants for other special purposes	...	1,556(*a*)	1,497	59
(6) Grants for general purposes (Discretionary grants).	...	667	407	260
TOTAL	1,391	7,668	5,910	1,758
Add—Savings on recurring grants during foregoing period about				883
Total amount expected to be available from special grants on the 1st April 1919				2,641

In view of war conditions, we have again had to ask Local Governments to restrict drawings on their balances, which include the unspent remainder of these special grants. But any outlay thus postponed is merely deferred till normal times return.

95. I have already reviewed in bulk the estimated Provincial receipts and expenditure for the current and the coming years. The total Provincial balances stood at £9·9 million on 1st April 1917 and are expected to amount to £12·1 million on 31st March 1919, the increase being due to excess of current revenue over expenditure in the present year. It will thus be seen that the provinces will have large scope for special beneficent expenditure when the war conditions which necessitate the conservation of their balances have passed away.

Moreover, we have under consideration, for application after the war is over and in connection with the scheme of Constitutional Reforms, a material advance in the direction of separating Imperial and Provincial finance, which will give the provinces larger and more independent resources, with further powers of supplementing these by taxation when such may be found necessary.

96. As I explained in connection with the Budget for the current year, we have taken steps to give the provinces more powers in the matter of specific items of expenditure, and we have under consideration, in connection with the scheme I have mentioned, the question of adding to these powers still further.

* Non-recurring figures only are given as the recurring grants are treated as having been fully worked up to, any savings obtained from those grants in particular years being added at the foot of the statement.

(*a*) Decrease as compared with last year's figures due to the Revised Estimate figure for the current year being less than the Budget forecast.

C.—Railways (Capital Outlay).

97. The following statement gives the figures of Railway capital expenditure, on State-owned lines included within the Railway programme, for the coming year and the four years preceding :—

——	1914-15.	1915-16.	1916-17.	1917-18, Revised.	1918-19, Budget.
	£	£	£	£	£
Open Lines including rolling stock .	10,534,300	3,864,200	1,236,500	2,364,300	3,667,900
Lines under construction —					
(*a*) Started in previous years . .	898,800	627,100	245,700	27,700	534,400
(*b*) Started in current year . .	...	...	496,500	757,700	...
Total .	11,433,100	4,491,300	1,978,700	3,149,700	4,202,300

98. The Revised Estimate for 1916-17 provided for a total outlay of about £1½ million as against a Budget allotment of £3 million. The actuals however come to nearly £2 million, as it was found possible, in the closing weeks of the year, to lay out more money than had previously been thought feasible.

In the current year we provided £3·6 million, but are not able to work fully up to this owing to the extreme difficulty of obtaining materials from England. Next year we provide £4·2 million, which represents the limit of what can be expended having regard to the present special conditions.

99. As was the case this year, it has not been possible to provide for the construction of any new lines, and our construction expenditure is almost entirely restricted to the completion of certain projects of military importance which were commenced during the current year.

We propose to spend £3⅔ million on open line capital works and equipment. A large proportion of this expenditure will be devoted to rolling stock, and the remainder to works of open line improvement necessitated by a heavy and increasing traffic.

100. The difficulties attendant on the raising of capital in the open market which I referred to last year still continue, with the result that new construction by Branch Line companies has now been altogether suspended, and work on certain projects already sanctioned, such as the Tinnevelly-Tiruchendur and Trichinopoly-Pudukottai lines, has had to be deferred.

The policy of proceeding as far as possible, *i.e.*, up to a stage short of actual flotation, with negotiations for the promotion of Branch Line companies after the war is being continued, and steps have also been taken to carry out surveys of new lines with a view to such projects being undertaken as soon as possible after the return of normal conditions.

101. The following figures show the capital outlay on all State lines up to the end of each year from 1914-15, and the net return obtained after deducting working expenses and interest charges :—

[Capital and profit figures in thousands of pounds]

——	1914-15.	1915-16.	1916-17.	1917-18, Revised.	1918-19, Budget.
Capital at charge at end of each year .	361,560	364,858	365,483	367,310	370,114
Working profit from railways excluding interest charges.	15,614	17,797	21,148	23,959	22,924
Percentage of same to capital outlay .	4·32	4·88	5·79	6·52	6·19
Final working profit after meeting interest charges.	2,158	4,075	7,482	10,175	9,202
Percentage of same to capital outlay .	·60	1·12	2·05	2·77	2·49

102. The return on railway capital (excluding interest charges) was estimated in the current year's Budget at 5·47 per cent. We now estimate it at 6·52 in consequence of the large increase in net railway earnings which I have already dealt with in my review of the Revised Estimate. For next year we put it at 6·19 consequent on the smaller estimate of net earnings arrived at in the Budget.

The charges for interest in the current and ensuing years work out to 3·75 and 3·70 per cent. respectively on the capital outlay, so that the final net profit on railways is about $2\frac{3}{4}$ and $2\frac{1}{2}$ per cent, respectively. These interest charges include certain annuity and sinking fund payments which really go to the discharge of debt.

D.—Irrigation (Capital outlay).

103. The financial position of our great irrigation undertakings may be gathered from the following table which brings up to date the information given in connection with previous Financial Statements. The figures are in thousands of pounds :—

Particulars.	1914-15.	1915-16.	1916-17.	1917-18 (Revised).	1918-19 (Budget).
1	2	3	4	5	6
Productive Works.					
Capital outlay to end of each year .	35,777	36,603	37,120	37,630	38,104
Total receipts, including land revenue due to irrigation.	4,325	4,394	4,733	4,764	4,897
Total expenses, including interest on debt.	2,452	2,549	2,488	2,556	2,624
Net profit	1,873	1,845	2,245	2,208	2,273
Percentage of net profit to capital outlay.	5·24	5·04	6·05	5·87	5·97
Protective Works.					
Capital outlay to end of each year .	5,345	5,853	6,166	6,513	6,897
Total receipts, including land revenue due to irrigation.	101	118	105	111	116
Total expenses, including interest on debt.	247	277	276	303	314
Net loss	146	159	171	192	198
Percentage of net loss to capital outlay .	2·73	2·72	2·77	2·95	2·87
Minor Works and Navigation.					
Direct receipts	254	267	317	313	306
Expenditure	986	869	781	878	983
Net loss	732	602	464	565	677

104. The total length of main and branch canals and distributaries which had been constructed on irrigation works of all classes up to the end of the year 1916-17 amounted to 65,000 miles, and it is expected that this will have been increased by nearly 600 miles by the close of the present financial year. These channels command an area of about 52 million acres of culturable land, of which more than half was irrigated in 1916-17. It is estimated that some 25 million acres, or about a million acres less than last year, will be irrigated in the current year, the decrease being due to the copious monsoon, which diminished the demands on artificial irrigation.

105. In addition to the works actually in operation, 34 major works are either under construction, awaiting sanction or being examined by the professional advisers of Government. These are designed to command an additional culturable area of approximately 27 million acres, of which it is estimated that $11\frac{1}{2}$ millions will be irrigated annually, the capital cost involved being about £33 million.

106. Owing to the present financial stringency no new irrigation works of any magnitude were sanctioned during the current year. The investigation of several large projects was, however, continued, the most important being those relating to the Sukkur barrage on the Indus (Sind), the Sind Sagar Doab Canal (Punjab) and the Bhakra dam on the Sutlej (Punjab).

107. The Triple Canal project in the Punjab was declared complete on the 31st March 1917. It is anticipated that there will be a saving on the revised estimate of this work, amounting to about £690,000, and at the beginning of 1917 over a million acres had already been irrigated from these canals.

108. Development of important protective works in the Bombay Deccan continues to be hampered by difficulties in connection with the war, but good progress has been made on the Bhandardarra and Bhatgarh dams, as also on the Nira Right Bank canal.

Work on the Upper Swat canal in the North-West Frontier Province is practically complete, and the construction estimate will be closed on the 31st March 1918. The Tandula canal in the Central Provinces is also rapidly approaching completion.

109. In my speech of last year I referred to a project for the utilization of a portion of the water of the Sarda river in the United Provinces. The Local Government has recently sent up a comprehensive scheme for the utilization of the whole supply of the river in extensions of irrigation in Rohilkhand and Oudh. The estimated direct cost of the necessary works is over £5 million, and it is anticipated that the project would add more than 2 million acres to the irrigated area of the province.

E.—Delhi Expenditure (Capital outlay).

110. The expenditure during the current year under Head 51 is expected to amount to about £250,000 (Rs. 37 lakhs) as compared with a budget provision of £267,000 (Rs. 40 lakhs). The reduction is due to credits received for sale or transfer of materials to heads other than 51.

During the current year the aim has been to confine operations to such work on the central buildings and other features of the New City as can be carried out without the use of materials the price of which has been seriously affected by the war. A moderate rate of progress has been maintained in the case of Government House, the Secretariat buildings, the Viceroy's Court, and the great *Place*. Work has been put in hand on the construction of the Central Vista and on the erection of residential quarters for Indian clerks. A start has also been made on such portions of the storm water drainage scheme as do not involve the use of imported material. The larger schemes of sanitation, water supply, electric lighting and irrigation, which require the use of imported materials, have been left untouched. Considerable addition has been made to the stock of materials and tree planting operations on the roads have been pushed on.

It is expected that £267,000 (Rs. 40 lakhs) will be needed to carry on work on similar lines in 1918-19.

Retrospect and Conclusion.

111. This is the last Financial Statement which I shall have the honour to present to the Council. My tenure of office as Finance Member is drawing to its end, and it has been a particularly difficult and arduous one. When I took up my post I hoped that I might share the good fortune which my distinguished predecessor enjoyed in such ample measure. But *dis aliter visum*: in my first year I was beset with troubles arising out of the bank failures in 1913 in Northern India and an unsatisfactory monsoon; soon after that the war came upon us; and since then I have had to face a constant succession of difficult and abnormal circumstances.

I propose now to give a short summary of the most important events which have marked my term of office, for I think it is useful to have a retrospect of this sort, as showing us more clearly how we stand, not merely from year to year but taking a backward glance over the past.

112. I must ask the indulgence of the Council if, in this presentation of some of the events of the years during which I have had the honour of administering the finances of India, I permit myself to touch a personal note. When

in July 1913 I took up the post which I shall ere long relinquish, I envisaged various problems the solution of which I hoped to be able to advance during my tenure of office. Like almost all financial problems they were closely inter-related, and progress in any one direction was bound to react on the general situation as a whole and facilitate the solution of the remainder.

The first of these questions arose out of the periodical money stringency which is a characteristic of the busy trade months of the year. The problem is a complex one, and not capable of solution by the application of any single method. But it can be materially influenced by the more liberal release of Government funds at the busy time of the year so that these may then be available for trade. In presenting my first Budget, after a few months' tenure of office, I was able to inform the Council that we had secured the assent of the Secretary of State to a policy of making loans from our balances to the Presidency Banks during the busy seasons. As I then explained, it can only be through the agency of these Central banking institutions that Government can hope to secure an effective and wise application of such resources as they can make available at times of stringency. By continued action in this direction, as also by the creation and maintenance of more intimate relations with these leading institutions, it was my hope that it might be possible to help in the further development of the trade and commerce of the country.

A second set of questions was connected with our currency note system. The expansion of our note circulation, satisfactory as it was, was still impeded by certain restrictions. Apart from any other consideration, it was in any case imperative in a country like India, where the cheque is not likely for many years to attain any large vogue up-country, to encourage the use of the currency note as a medium of exchange.

Thirdly, as I indicated in connection with my first Budget, I recognised that if, as I hoped, my tenure of office as Finance Member was to see a vigorous programme of capital expenditure on Railways and Irrigation, a courageous policy of borrowing in India was indispensable. It was clear that the traditional method of relying solely on a handful of wealthy investors or on the established banking institutions would no longer suffice ; that it must give way to a policy which would establish a direct *nexus* between the State and the small investor; and that the attraction to fructifying purposes of the small savings of small people must form one of the objects to which our efforts should be bent.

113. Let me now endeavour to indicate briefly how far these hopes have been realised, and how far the events of the last three and a half years of war have assisted or impeded their realisation, or have compelled their modification or postponement.

I am able to record with satisfaction the measure of success which has attended my efforts to demonstrate the readiness of Government to secure, by a more liberal utilisation of its funds, relief to commercial and financial interests in times of stringency. It has been my consistent policy to give proof of this desire by making temporary loans (as has been done on occasion) to the Presidency Banks ; by leaving in deposit with them, till actually required by us, the proceeds of our public loans ; by avoiding as much as possible the lock-up of funds in our reserve treasuries ; and by the maintenance with the Presidency Banks of balances at all times considerably, and at certain periods far, in excess of the standards previously observed. It is largely owing to action of this character that it has been possible to secure the money market against the strain to which our war finance must otherwise have exposed it, and in particular to raise the large sums we have recently obtained by way of loan without materially inconveniencing the market. A striking feature of our financial operations in the last year has been the way in which money has tended to return to the larger trade centres, in other words the extent to which there has been an increase in the supplies of floating capital in these centres It would be premature to attempt to analyse the causes of this change in Indian money market conditions, but I think it can reasonably be hoped that this change has come to stay, and that one result will be that it will tend to eliminate to some extent the excessive seasonal stringency which has been in the past a characteristic of our money market during certain months of the year.

114. It also justifies the hope that greater dependence may hereafter be placed on the Indian money market for the raising of the funds necessary for the

development of our railway and irrigation works, and it will likewise pave the way for the solution of the somewhat kindred question of the greater development of banking throughout the country. Let me here gratefully record my acknowledgment of the response which the Presidency Banks have extended to my desire to see the establishment of cordial and close relations between Government and them as representatives of the financial interests of the country. I have always looked on their Secretaries as non-official comrades, to be freely consulted in respect of loans and other matters affecting the money market, and I have met with ready and very valuable response in such cases.

115. An even greater degree of success than I dared hope has attended our efforts to secure the expansion of our currency note system. In the early months of the war, as the Council will recollect, the general dislocation of trade and finance brought about a temporary, though successfully met, run on our notes, while the restoration of confidence which followed on free and unrestricted payments in silver, pointed to the general soundness of our system and to the possibility of its further expansion by increases in the facilities for encashment. Accordingly, as I explained in my speech introducing the Financial Statement for 1916-17 (paragraphs 108-109), we proceeded with measures to secure the widest facilities for the exchange of silver against notes, not merely, as the law requires, at special currency centres, but at all district treasuries ; while we also made arrangements with the Presidency Banks for the issue and prompt encashment of notes at a number of their branches.

The results of these measures have been most gratifying, not only because they have made our currency notes more popular, but because they have enabled us to rely with greater boldness on this portion of our financial system to meet the added and continually growing demands on Government funds for the carrying on of the war and of our trade. Taking the figures as on 1st February, our gross circulation has increased, in round figures, from £42½ million in 1914 to £70 million in 1918; while the active circulation *i.e.*, that portion of the note circulation which is held outside the reserve treasuries and the head offices of the Presidency banks, has grown between the same dates from £34½ million to £54¾ million.

We have now initiated the experiment of issuing small notes for Rs. 2½ and Re. 1 which, as I have already said, promise to prove a material success The popularity of these notes will, I trust, increase as time goes on.

116. The metallic portion of our Paper Currency Reserve represented on the 1st February nearly 53 per cent. of the active circulation, which compares with a 96 per cent. proportion on the same date in 1914. This evidences the fact that we have, under the stress of war finance, travelled far beyond the recommendations of the Chamberlain Commission in regard to the composition of the Reserve. The total invested portion now stands at £ 41 million as compared with £9·3 million in 1914, and we contemplate, as I have already explained, a further increase to £57 million. With the return of normal conditions, the permanent composition of the Reserve will need to be considered with reference to the recommendations of the Commission; for the investments in British Government Treasury Bills made in recent times are only as a temporary war measure. Meanwhile, as regards the pre-war holding of consols in the Paper Currency Reserve, we have provided by the establishment of a depreciation fund against loss in present value as compared with their purchase price

117. Equally gratifying are the results which have attended our efforts in relying on the Indian market for our capital borrowings. In 1913-14, allowing for repayment of maturing obligations and including the borrowing transactions of railway companies managing State owned lines, we raised in all £4·7 million, of which £2·8 million were borrowed in England. In the current year, as in 1916-17, we have kept completely out of the London market. Indeed, we have gone further. We have this year discharged £2 million of previous sterling debt, while the sum total of our net Indian borrowings has reached what would have been in normal times a great figure for any country, and is a gigantic one for us, *viz.*, £65 million. I readily recognise that the borrowings of the current year have been abnormal, and specially stimulated by the patriotic consideration that—except as regards Treasury Bills, which are a new feature in Indian finance—the proceeds were to be handed over to His Majesty's Government for war purposes. It is also the case that the large and constant war disbursements by Government during the last two years have facilitated our borrowing

operations. But even making allowances for these special features, there is a most striking contrast between the borrowings of 1917-18 and those of 1913-14. And if we take the figures for a wider period—for the four years ending 1913-14 as compared with those for the four years ending 1917-18—and omit from the latter our short-term Treasury Bills, the contrast is still very marked. In the first period our net borrowings were £4·8 million in England and £5·9 million in India—in all £10·7 million. The second period gives a total of £49 million, of which all but £3 million have been raised in India.

Next year again, as I have already informed the Council, we hope to draw on the Indian loan market to the extent of at least £47 million in respect of our war borrowing and fresh Treasury Bills, the latter representing the discharge value of the bills outstanding at end of 1917-18.

118. We have further opened up new borrowing sources, and I refer here specially to the postal sections of the last three loans and to the cash certificates. The former method of utilising the Post Office to get into touch with the small investor was introduced for the first time in 1915-16 when it gave us £⅓ million; while in 1916-17 it yielded a little less. But this year the postal section of the War Loan produced nearly £3 million, a larger sum than we raised by ordinary methods in any year between 1907-08 and 1913-14; while the cash certificates will have given us in this first year of their issue about £6½ million (gross), a result exceeding those of any of our public loans before the present year. In all, in the three years since we started borrowing through the Post Office, we have been able, through this innovation, to attract funds to the extent of over £10 million, the bulk of which is new money which would not otherwise have found its way into the Government loan chest and has to a considerable extent been drawn from hoards and current savings. I should like in this connection to express to Sir William Maxwell and his Post Office staff my warm appreciation of the zeal and success with which they have co-operated with the Finance Department in the working of these new schemes.

119. Some portion of the funds thus obtained no doubt represents money which has been deflected from the ordinary postal savings bank deposits, and in so far as this cause accounts for the decrease in these latter deposits as compared with the pre-war figures, there is no need to regret diversion to a more permanent form of investment. Post Office deposits, it will be remembered, suffered considerably from the dislocation caused by the outbreak of the war, and though the ground lost has not yet been fully recovered, the present figure (£ 10·4 million) is already somewhat in excess of the amount at the close of 1914-15. This result has been facilitated by an increase in the permissible limit of individual depositors' holdings which was introduced in the first year of my tenure of my office.

120. In reviewing the events of the last four years, I have unfortunately to record a decrease in the provision for capital expenditure. In 1913-14 this provision was £14 million: in the year which is coming to a close we expect to spend less than a third of that amount, namely, £3·9 million. Irrigation capital outlay has dropped from £1·3 million to £½ million, owing to the completion of large projects, such as the Triple Canal scheme in the Punjab, and to the fact that further projects involving heavy outlay are not yet ready for execution. Under Railways the provision for capital outlay has fallen from £12·3 million in 1913-14, the highest figure yet touched, to £3·1 million in the current year and £4·2 million in the Budget for 1918-19. This is, of course, a consequence of the great struggle in which the Empire is now engaged. The war imposes on us the necessity for conservation of our resources, and it also precludes us, even if we had the funds, from obtaining the material we should require for a large railway programme. I have always regarded these necessities with profound regret. In connection with the Budget for 1914-15 I explained the efforts we had then made to keep the railway programme up to a standard of £12 million, and I had hoped that if times had remained peaceful and prosperous we should be able during my tenure of office to go beyond that figure; but here again Fate has willed otherwise. One of the main problems which will face my successor when peace returns will be consideration of the way to find money for making up the necessary lee-way under railways, more especially in view of the strain to which our present equipment has been exposed by the heavy traffic demands, and the impossibilities of regular and

thorough renewal of lines and rolling stock. So far as it has been in my power I have endeavoured to assist in the solution of this problem. The special investment of £20 million in Home Treasury Bills, to which I have referred in paragraph 34, has been made largely with a view to this contingency, so that it may provide a means of meeting the liabilities which will in one way or another come upon us after the war is over.

121. I will now make a few remarks on the various financial problems which have beset us during the last 3½ years. Briefly, the history of our war finance may be divided into two periods. The first period was marked, in India as elsewhere, by a general dislocation of trade and finance. We experienced a serious run on our savings bank deposits, and some panic encashment of our currency notes. There was a considerable demand for the remittance of money to London, and sterling drafts on London to the extent of £8¾ million had to be sold between August 1914 and January 1915 to maintain the exchange value of the rupee. This temporary want of confidence soon passed away, though it left as a legacy £14 million of temporary debt which we had to raise to meet our current requirements, *viz.*, £7 million from the Gold Standard Reserve, and £7 million raised by the Secretary of State in India Bills in lieu of a permanent loan of £4½ million which he had contemplated when the Budget for 1914-15 was framed. But it was not until the autumn of 1915, that is to say when rather more than a year had elapsed since the outbreak of the war, that the tide set in which was to bring with it entirely different, and by reason of their novelty peculiarly difficult, problems.

122. The first period, then, was one calling for the consolidation and conservation of our resources. With a serious decline in the values of and demand for our leading exports, with prices of foodstuffs at an abnormally high level, with trade in a state of general depression, and with public confidence only lately recovered from the first shock of the war, prudence clearly dictated postponement of additional taxation in spite of a considerable temporary deficit. Meanwhile we did what we could in the form of indirect assistance to the mother country. During 1915-16 we reduced our net Home borrowings for capital expenditure from an estimated sum of £5½ million to about £2 million, and we also paid off £3 million of our borrowings from the Gold Standard Reserve. The object which we set before ourselves during the first period of our war finance was to abstain as far as possible from drawing on the resources of the London market, and to make provision, by the curtailment of expenditure in this country, to meet possible military contingencies.

123. By the autumn of 1915, the effects of the dislocation which set in on the outbreak of the war had passed away. A considerable demand made itself felt, mainly as a result of war conditions, for the products of this country, and the export trade, which had been seriously curtailed, began to show a marked and growing revival. The circumstances attending this restoration of active trade conditions rendered possible not only a continuance of the policy of abstaining from borrowing in London, but also the imposition of additional taxation in India. Accordingly we proceeded to strengthen our position by a programme of taxation, introduced in the Budget of 1916-17, which included the revision of our import tariff, save as regards the important item of piecegoods ; the imposition of new duties on the exports of jute and tea ; a small addition to the salt tax ; and the enhancement and graduation of the income tax. And as a logical sequence of the last mentioned measure, the Council has now before it a Bill for the material improvement of our Income Tax machinery. We abstained from any fresh borrowing in England and paid off the £7 million of India Bills referred to above (paragraph 121) as well as some India Bonds which fell due for redemption in the ordinary course. We also cleared off the £ 4 million which we still owed to the Gold Standard Reserve.

124. We had now cleared the decks for further action, and in 1917-18 we felt able to take the step, which we had always hoped we might be in a position to take, of making a direct pecuniary contribution by India towards the prosecution of the war. As I have said, we had now discharged the temporary debt liabilities which we had been compelled to undertake by the dislocation of our finances caused by the war. The additional taxation imposed in the previous year had materially added to the strength of our finances, while the insistent demand for

exports from this country made it clear that we need not anticipate the prejudicial effect on exchange which would otherwise have been caused by borrowing a large amount in this country for the purpose of remittances to London. We were thus able, with general approval, to offer a special capital contribution of £100 million to His Majesty's Government towards the expenses of the war, and to meet the recurring charges which this offer entailed by the imposition of additional taxation estimated to produce at the outset £3⅓ million, the balance being provided by the surplus revenue which was accruing to us through the taxation of 1916-17. The new taxation took the form of :—

(*a*) A super-tax on incomes.

(*b*) An increase in the export tax on jute.

(*c*) A small surcharge on railway goods traffic.

(*d*) Raising of the import duty on cotton piecegoods to the general tariff rate, while maintaining at the lower previous level the excise duty on local cotton manufactures.

This last measure had the effect of removing, at any rate in large part, a grievance which had been felt for many years in India.

125. These new sources of revenue account in considerable measure for the fact that our Imperial revenue receipts in the current year are about £22 million more than in 1913-14. Of this increase about £9½ million is due to the additional taxation of the last two years, and of the remaining £12½ million about two-fifths is accounted for by increase in net profits on Railways, which have grown from about £4¾ million in 1913-14 to £10 million in 1917-18. Concomitantly with this increase in our revenue, we have, of course, to record an increase in Imperial expenditure, which is now £19 million higher than the figure for 1913-14. £9 million of this accrues under Military charges and is almost entirely due to the war, and £6 million represents the interest and sinking fund charges in respect of our war contribution of £100 million to His Majesty's Government. There is also an increase of over £1 million under Political charges, due to the war, including special expenditure in Persia and the cost of militia employed on the North-West frontier. Put in other words, a growth of £16 million in what may be called war charges has been met to the extent of £9½ million by taxation, while the balance has been found from other expansion of revenue.

126. This brief review of our war finance would be incomplete without reference to the magnitude and difficulty of our ways and means operations in the last two years. I have, however, dealt at some length with this matter in an earlier portion of my speech, and I need only now cite certain salient figures which will show how heavy this burden has been. War expenditure for His Majesty's Government and analogous items have involved us in a net outlay in India of £128 million during the last 3½ years. At the same time, we have had to meet heavy Council drawings representing the demand of trade for fresh funds in this country. These increased from £20 million in 1915-16 to £33 million in 1916-17, and will this year amount to about £35 million

Repayment in respect of these transactions has been in England, and to find the requisite funds for our disbursements here has been a matter of great and growing difficulty and anxiety. A large portion of the sums reimbursed to us in London by His Majesty's Government on account of war outlay has been re-lent to them for war purposes by investment in their Treasury Bills. As I stated in an earlier part of my speech, these investments, which are of course quite apart from our gift of £100 million, will amount to £67 million at the end of the current year, while the further investment from our Paper Currency Reserve contemplated next year will add £16 million more.

127. I have already described the present composition of the Paper Currency Reserve, and need only add now that our Gold Standard Reserve at present stands at £34 million against £25½ million in 1913-14. This increase is, of course, mainly due to the coinage of silver in the last few years. Every effort has been made to obtain as ample supplies of silver for India as were available, and our recognition of the probable requirements in this respect was made at a date considerably earlier than

is generally known. In all, we have in the last four years coined £33 million worth of fresh rupees, which is double the amount coined in the similar period ending with 1913-14. That none of this coinage has been redundant is shown by the prompt way in which it has been absorbed.

128. It will be seen from these figures and remarks how much ground we have traversed during the last few years; and what strikes one first and last is the way in which the war has brought out the financial strength of India. No one could have imagined, for example, three years ago that we should be able, with a moderate increase of taxation, to offer His Majesty's Government £100 million as a special war contribution over and above the additional charges which the war has entailed on our own military budgets; that we could borrow in India anything like as much as we have done, raising, for example, more than one-third of the £100 million war contribution by direct loan in this country in a single year; or again, that we should have found it possible to meet, as we have done, the enormous demands for war supplies to His Majesty's Government and the immediate outlay they have involved. Generally favourable monsoons (taking the period as a whole and India as a whole) have assisted in bringing about this result. Our trade conditions, again, have been wonderfully prosperous, considering all the adverse circumstances which had to be faced, and have indeed led to the paradoxical result that the pecuniary resources of the Government of India have had to be strained to the utmost to meet the demands on us necessitated by the Secretary of State's Council drawings for the assistance of trade, coming as these did on the top of large war expenditure on behalf of the Home Government repaid in London.

129. My present speech and previous utterances of mine have given the Council some idea of the difficulties and anxieties which the war has brought about in the realm of Indian finance and the special expedients which had to be resorted to in order to meet a succession of most difficult and constantly changing situations, based on circumstances for which there was no precedent in the period of *pre-bellum* finance. I say *some* idea advisedly, because transactions which can be very briefly described in our annual Budget chronicles or in Press *communiqués* have often been the fruit of long and detailed labour and thought. For example, as regards the action taken in respect of the amount of the Secretary of State's weekly Council drawings and rates of exchange, communications exchanged at various times between us and the India Office would fill a respectable little book. I may say without the least exaggeration that since the war began I have never been free from acute anxieties in regard to one or more important matters with which the Finance Department is directly or indirectly concerned, and decisions have often had to be taken at very short notice. Looking back with present knowledge on this crowded past, I do not, of course, claim that everything that has been done was done in the best possible way.

'That man was vain, and false as vain,
Who said, were he ordained to run
His whole career of life again,
He would do all that he had done.'

And this applies equally to the short official life of the holder of a high office such as mine, especially in the circumstances of this kaleidoscopic war time when, in the financial sphere as well as in the military, the events of one year mock at the fears or hopes of the year before. But I have done my best to serve India in these troublous times: and I think I can claim that her interests have not suffered at my hands; that the difficulties which beset us have been adequately met; that our financial structure has well withstood the storms which have beaten upon it; and that efforts have been successfully made to strengthen its walls and foundations.

130. I should like to add that such credit as may be accorded to me in respect of the policy and actions of the last few years must be shared by my able lieutenants in the Finance Department. I owe a great deal, as I have always acknowledged, to their loyal and efficient co-operation, and they, in their turn, have been most ably seconded by those who work under them. I am indeed proud of the Department I am shortly to quit and in which I have myself served in a subordinate as well as in a directing capacity.

I must also acknowledge with grateful thanks the constant help and support I have received from Your Excellency and Lord Hardinge, and from my colleagues, past and present, on the Executive Council. For, though the fact seems to be rather ignored in some quarters, while the Finance Member has to propose action in respect of important questions of financial policy, the final decision, on this side, rests with the collective Government.

Lastly, I have to acknowledge with gratitude the support I have received from my non-official friends in the Legislative Council. Some of them have every now and then differed from me in regard to particular matters, but they have given me most welcome and helpful support in respect of financial policy as a whole, recognising that I love India and that her interests have ever been foremost in my thoughts.

W. S. MEYER.

Delhi, March 1st, 1918.

FINANCIAL STATEMENT

OF THE

GOVERNMENT OF INDIA

MARCH 1918.

ACCOUNTS	1916-17
REVISED ESTIMATES	1917-18
BUDGET ESTIMATES	1918-19

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I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	22,041,265	22,218,200	22,191,100	22,358,500
Opium	„	3,160,005	3,389,300	3,068,500	3,191,800
Salt	„	4,826,350	3,972,900	5,432,800	3,492,200
Stamps	„	5,776,696	5,952,100	5,745,000	5,928,000
Excise	„	9,215,899	9,328,200	10,050,100	10,373,700
Customs	„	8,659,182	9,394,800	11,127,900	10,714,400
Income Tax	„	3,772,967	5,129,800	6,075,800	6,313,200
Other Heads	„	3,655,196	3,465,600	3,861,300	3,870,700
TOTAL PRINCIPAL HEADS	...	61,107,470	62,850,400	67,552,500	66,242,500
Interest	A	1,136,504	2,095,700	2,245,300	3,552,600
Posts and Telegraphs	„	4,174,607	4,345,700	4,492,100	4,782,800
Mint	„	689,866	139,100	530,700	376,000
Receipts by Civil Departments	„	1,739,713	1,706,300	1,920,100	1,956,100
Miscellaneous	„	847,530	743,000	2,599,900	1,295,200
Railways: Net Receipts	„	21,313,797	20,253,000	24,051,600	22,983,700
Irrigation	„	5,155,624	5,125,300	5,188,000	5,320,400
Other Public Works	„	309,373	285,200	318,900	304,900
Military Receipts	„	1,575,946	1,327,100	1,502,200	1,532,700
TOTAL REVENUE	...	98,050,430	98,870,800	110,401,300	108,346,900

DELHI,
FINANCE DEPARTMENT,
March 1, 1918.

M. F. GAUNTLETT,
Offg. Comptroller General.

Revenue, of the Government of India, in India and in England.

	For details, vide Statement.	Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	9,328,668	10,027,500	9,919,000	10,438,300
Interest	„	1,174,864	6,832,800	7,797,500	7,784,300
Posts and Telegraphs	„	3,441,387	3,601,900	3,599,000	3,931,400
Mint	„	167,411	108,600	179,800	170,000
Salaries and Expenses of Civil Departments	„	19,081,230	21,089,800	20,915,100	22,993,000
Miscellaneous Civil Charges	„	5,414,272	5,419,200	5,894,800	5,644,700
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	13,831,922	14,147,400	13,876,800	13,782,000
Irrigation	„	3,549,912	3,834,100	3,742,800	3,928,700
Other Public Works	„	4,618,535	5,544,800	5,110,500	5,945,600
Military Services	„	26,566,757	27,227,100	30,284,700	30,532,700
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	88,174,958	98,833,200	102,320,000	106,150,700
Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	2,397,302	240,300	2,322,900	351,400
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	...	*338,100*	*66,700*	*446,700*
TOTAL EXPENDITURE CHARGED TO REVENUE	...	90,572,260	98,735,400	104,576,200	106,055,400
SURPLUS	...	7,478,170	135,400	5,825,100	2,291,500
TOTAL	...	98,050,430	98,870,800	110,401,300	108,346,900

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, vide Statement.	Receipts.			
		Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Surplus	C	7,478,170	135,400	5,825,100	2,291,500
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	"	...	...	—500,000	—250,000
Capital contributed by Native States towards construction of State Railways	"	66,667	66,700	66,700	33,300
Capital raised and deposited by Railway Companies (net)	"	555,431	318,600	...	...
TOTAL CAPITAL ACCOUNT RECEIPTS		622,098	385,300	—433,300	—216,700
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	4,433,691	6,416,700	68,943,800	...
Temporary Debt (net incurred)	"	...	...	47,557,900	...
Unfunded Debt (net incurred)	"	1,474,857	1,926,700	9,383,200	1,215,300
Deposits and Advances (net)	"	...	787,900	...	3,912,800
Loans and Advances by Imperial Government (net Repayments)	"	2,451	...	...	...
Loans and Advances by Provincial Governments (net Repayments)	"	585,495	262,500	598,400	162,400
Loans to Local Boards for Railway Construction	"	8,020	8,300	...	8,700
Remittances (net)	"	1,651,160	...	...	2,000,000
Secretary of State's Bills drawn	"	9,669,240	...	25,258,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES		17,824,914	9,402,100	151,741,300	7,299,200
TOTAL RECEIPTS	...	25,925,182	9,922,800	157,133,100	9,374,000
Opening Balance—India	...	12,016,056	15,142,656	15,293,216	15,969,516
England	...	(a) 12,803,348	(a) 11,419,648	(a) 11,391,993	(a) 14,036,193
TOTAL	...	50,744,586	36,485,104	183,818,309	39,379,709

(a) Include balances of the Gold Standard Reserve as shown

M. F. GAUNTLETT,
Offg. Comptroller General.

DELHI,
FINANCE DEPARTMENT,
March 1, 1918.

Government of India, in India and in England.

	For details, vide Statement.	Disbursements.			
		Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	C	512,083	600,000	504,500	466,700
Outlay on State Railways	"	1,872,348	3,224,200	3,023,400	3,704,400
Initial outlay on new Capital at Delhi	"	244,297	266,700	250,700	266,700
India's Financial Contribution to the War	"	...	...	100,000,000	...
Outlay of Railway Companies (net)	"	770,593	648,400	521,700	631,600
Capital raised and deposited by Railway Companies	"	...	...	772,300	2,242,400
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	3,399,321	4,739,300	105,072,600	7,311,800
Debt, Deposits and Advances—					
Permanent Debt (net discharged)	C	...	...	...	877,800
Temporary Debt (net discharged)	"	7,722,183	333,300	...	2,666,700
Deposits and Advances (net)	"	4,595,151	...	20,178,400	...
Loans and Advances by Imperial Government (net Advances)	"	...	120,700	3,100	59,500
Loans to Local Boards for Railway Construction	"	...	...	2,000	...
Remittances (net)	"	...	7,279,800	3,795,800	...
Secretary of State's Bills paid	"	8,342,722	466,700	24,760,700	2,060,000
TOTAL DEBT, DEPOSITS AND ADVANCES	...	20,660,056	8,200,500	48,740,000	5,663,500
TOTAL DISBURSEMENTS	...	24,059,377	12,939,800	153,812,600	12,975,300
Closing Balance—India	...	15,293,216	12,190,456	15,969,516	11,119,916
England	...	(a) 11,391,993	(a) 11,354,848	(a) 14,036,193	(a) 15,284,493
TOTAL	...	50,744,586	36,485,104	183,818,309	39,379,709

In the notes on pages 52 and 53.

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secretary to the Government of India.

A —Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1916-1917.					REVISED	
	India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
Principal Heads of Revenue—	£	£	£	£	£	£	£
I.—Land Revenue	22,041,265	...	**22,041,265**	10,780,478	11,260,787	22,191,100	...
II.—Opium	3,160,005	...	**3,160,005**	3,160,005	...	3,068,500	...
III.—Salt	4,826,260	...	**4,826,260**	4,826,260	...	5,432,800	...
IV.—Stamps	5,776,696	...	**5,776,696**	2,940,614	2,836,082	5,745,000	...
V.—Excise	9,215,899	...	**9,215,899**	2,573,089	6,642,810	10,050,100	...
VI.—Provincial Rates	31,391	...	**31,391**	234	31,157	28,700	...
VII.—Customs	8,659,182	...	**8,659,182**	8,659,182	...	11,127,900	...
VIII.—Income Tax	3,772,967	...	**3,772,967**	2,053,215	1,719,752	6,075,800	...
IX.—Forest	2,470,795	...	**2,470,795**	96,687	2,374,108	2,681,400	...
X.—Registration	540,581	...	**540,581**	6,388	534,193	533,400	...
XI.—Tributes from Native States	612,429	...	**612,429**	612,429	...	617,800	...
TOTAL	61,107,470	...	**61,107,470**	35,708,581	25,398,889	67,552,500	...
XII.—Interest	861,246	275,258	**1,136,504**	794,810	341,694	922,900	1,322,400
XIII.—Posts and Telegraphs	4,153,236	21,371	**4,174,607**	4,174,607	...	4,444,300	47,800
XV.—Mint	689,866	...	**689,866**	689,866	...	530,700	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	414,799	...	**414,799**	29,639	385,160	435,100	...
XVI.—Law and Justice { Jails	345,725	...	**345,725**	47,795	297,930	338,600	...
XVII.—Police	154,984	54	**155,038**	5,497	149,541	133,100	...
XVIII.—Ports and Pilotage	123,419	...	**123,419**	...	123,419	105,300	...
XIX.—Education	298,278	...	**298,278**	15,281	282,997	322,300	...
XXA.—Medical	83,772	356	**84,128**	951	83,177	93,000	300
XXB.—Sanitation	31,667	...	**31,667**	6,673	24,994	33,100	...
XXIA.—Agriculture	91,111	...	**91,111**	12,137	78,974	107,000	...
XXIB.—Scientific and Miscellaneous Departments	194,870	678	**195,548**	8,142	187,406	301,400	900
TOTAL	1,738,625	1,088	**1,739,713**	126,115	1,613,598	1,918,900	1,200
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	173,379	46,486	**219,865**	143,626	76,239	174,400	39,600
XXIII.—Stationery and Printing	90,034	...	**90,034**	40,971	55,063	93,800	...
XXIV.—Exchange	111,371	...	**111,371**	111,371	...	1,000,000	...
XXV.—Miscellaneous	402,275	17,985	**420,260**	217,763	202,497	1,091,700	200,400
TOTAL	783,059	64,471	**847,530**	513,731	333,799	2,359,900	240,000
Railways—							
XXVI.—State Railways (Gross Receipts)	41,849,739	114,861	**41,964,600**	41,953,574	11,026	45,500,000	107,200
Deduct—Working Expenses	*19,979,096*	...	*19,979,096*	*19,972,320*	*6,776*	*20,666,600*	...
Surplus profits paid to Companies, etc.	*770,442*	...	*770,442*	*770,442*	...	*993,400*	...
Net Receipts	21,100,201	114,861	**21,215,062**	21,210,812	4,250	23,840,000	107,200
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	29,175	69,560	**98,735**	98,735	...	34,000	70,400
TOTAL	21,129,376	184,421	**21,313,797**	21,309,547	4,250	23,874,000	177,600
Irrigation—							
XXIX.—Major Works: Direct Receipts	3,011,227	...	**3,011,227**	1,279,777	1,731,450	3,015,800	...
Portion of Land Revenue due to Irrigation	1,827,108	...	**1,827,108**	992,167	834,941	1,859,200	...
XXX.—Minor Works and Navigation	317,289	...	**317,289**	112,221	205,068	313,000	...
TOTAL	5,155,624	...	**5,155,624**	2,384,165	2,771,459	5,188,000	...
Other Public Works—							
XXXI.—Civil Works	309,373	...	**309,373**	39,346	270,027	318,900	...
Military Receipts—							
XXXII.—Army: Effective	700,993	292,201	**993,194**	993,194	...	745,800	244,300
Non-Effective	83,711	38,613	**122,324**	122,324	...	83,100	38,000
	784,704	330,814	**1,115,518**	1,115,518	...	828,900	282,300
XXXIII.—Marine	365,005	22	**365,027**	365,027	...	301,000	...
XXXIV.—Military Works	95,401	...	**95,401**	95,401	...	90,000	...
TOTAL	1,245,110	330,836	**1,575,946**	1,575,946	...	1,219,900	282,300
Transfers between Imperial and Provincial Revenues	...	...	...	—1,629,367	+1,629,367	...	...
TOTAL REVENUE	97,172,985	877,445	**98,050,430**	65,687,847	32,363,083	108,330,000	2,071,300

India, in India and in England.

ESTIMATE, 1917-1918.				BUDGET ESTIMATE, 1918-1919.						
Total.	Distribution of Total between		Increase + Decrease — as compared with Budget Estimate, 1917-1918.	India.	England.	Total.	Distribution of Total between		Increase + Decrease — of Budget, 1918-1919, as compared with Budget Estimate, 1917-1918.	Increase + Decrease — of Budget, 1918-1919, as compared with Revised Estimate, 1917-1918.
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
22,191,100	10,846,000	11,345,100	—27,100	22,358,500	...	22,358,500	10,878,200	11,480,300	+140,800	+167,400
3,068,500	3,068,500	...	—320,800	3,191,800	...	3,191,800	3,191,800	...	—197,500	+123,300
5,432,800	5,432,800	...	+1,459,900	3,492,200	...	3,492,200	3,492,200	...	—480,700	—1,940,600
5,745,000	2,926,400	2,818,600	—207,100	5,928,000	...	5,928,000	3,017,900	2,910,100	—24,100	+183,000
10,050,100	2,793,100	7,257,000	+721,900	10,373,700	...	10,373,700	2,882,300	7,491,400	+1,045,500	+323,600
28,700	100	28,600	+1,100	29,200	...	29,200	100	29,100	+1,600	+500
11,127,900	11,127,900	...	+1,733,100	10,714,400	...	10,714,400	10,714,400	...	+1,319,600	—413,500
6,075,800	3,873,100	2,202,700	+946,500	6,313,200	...	6,313,200	4,028,100	2,285,100	+1,183,900	+237,400
2,681,400	100,800	2,580,600	+414,700	2,684,300	...	2,684,300	104,300	2,580,000	+417,600	+2,900
533,400	7,000	526,400	—20,900	542,600	...	542,600	6,800	535,800	—11,700	+9,200
617,800	617,800	...	+800	614,600	...	614,600	614,600	...	—2,400	—3,200
67,552,500	40,793,500	26,759,000	+4,702,100	66,242,500	...	66,242,500	38,930,700	27,311,800	+3,392,100	—1,310,000
2,245,300	1,934,200	311,100	+149,600	933,600	2,619,600	3,552,600	3,255,200	297,400	+1,456,900	+1,307,300
4,492,100	4,492,100	...	+146,400	4,699,600	83,200	4,782,800	4,782,800	...	+437,100	+290,700
530,700	530,700	...	+391,600	376,000	...	376,000	376,000	...	+236,900	—154,700
435,100	27,800	407,300	+15,600	440,600	...	440,600	22,300	418,300	+21,100	+5,500
388,600	55,200	333,400	+57,000	386,200	...	386,200	55,500	330,700	+54,600	—2,400
133,100	6,400	126,700	—3,200	173,000	...	173,000	5,500	167,500	+36,700	+39,900
105,300	...	105,300	—12,200	108,900	...	108,900	...	108,900	—8,600	+3,600
322,300	6,700	315,600	+17,000	312,800	...	312,800	7,100	305,700	+7,500	—9,500
93,300	1,600	91,700	+12,400	97,200	300	97,500	800	96,700	+16,600	+4,200
33,100	12,000	21,100	+13,000	29,300	...	29,300	10,000	19,300	+9,200	—3,800
107,000	12,800	94,200	+4,300	142,300	...	142,300	22,900	119,400	+39,600	+35,300
302,300	7,400	294,900	+109,900	264,500	1,000	265,500	8,600	256,900	+73,100	—36,800
1,920,100	129,900	1,790,200	+213,800	1,954,800	1,300	1,956,100	132,700	1,823,400	+249,800	+36,000
214,000	136,500	77,500	—2,100	176,300	38,100	214,400	136,400	78,000	—1,700	+400
93,800	37,400	56,400	+6,900	93,100	...	93,100	39,000	54,100	+6,200	—700
1,000,000	1,000,000	...	+1,000,000	...	...	...	...	...	...	—1,000,000
1,292,100	1,092,700	199,400	+852,100	961,200	26,500	987,700	796,900	190,800	+547,700	—304,400
2,599,900	2,266,600	333,300	+1,856,900	1,230,600	64,600	1,295,200	972,300	322,900	+552,200	—1,304,700
45,607,200	45,597,300	9,900	+3,768,000	47,000,000	500	47,000,500	46,990,500	10,000	+5,161,300	+1,393,300
20,666,600	*20,658,600*	*8,000*	+233,400	*23,044,300*	...	*23,044,300*	*23,035,600*	*8,700*	−2,144,300	−2,377,700
993,400	*993,400*	...	−213,400	*1,066,600*	...	*1,066,600*	*1,066,600*	...	−286,600	−73,400
23,947,200	23,945,300	1,900	+3,788,000	22,889,100	500	22,889,600	22,888,300	1,300	+2,780,400	−1,057,600
104,400	104,400	...	+10,600	16,100	78,000	94,100	94,100	...	+300	−10,300
24,051,600	24,049,700	1,900	+3,798,600	22,905,200	78,500	22,983,700	22,982,400	1,300	+2,730,700	−1,067,900
3,015,800	1,292,800	1,723,000	+43,600	3,092,500	...	3,092,500	1,353,600	1,738,900	+120,800	+76,700
1,859,200	1,009,000	850,200	+1,000	1,921,400	...	1,921,400	1,040,800	880,600	+63,200	+62,200
313,000	119,300	193,700	+18,100	306,500	...	306,500	111,800	194,700	+11,600	−6,500
5,188,000	2,421,100	2,766,900	+62,700	5,320,400	...	5,320,400	2,506,200	2,814,200	+195,100	+132,400
318,900	57,100	261,800	+33,700	304,900	...	304,900	51,100	253,800	+19,700	−14,000
990,100	990,100	...	+126,200	776,800	246,000	1,022,800	1,022,800	...	+158,900	+32,700
121,100	121,100	...	−1,800	83,300	38,000	121,300	121,300	...	−1,100	+200
1,111,200	1,111,200	...	+124,900	860,100	284,000	1,144,100	1,144,100	...	+157,800	+32,900
301,000	301,000	...	+40,200	308,600	...	308,600	308,600	...	+47,800	+7,600
90,000	90,000	...	+10,000	80,000	...	80,000	80,000	...	...	−10,000
1,502,200	1,502,200	...	+175,100	1,248,700	284,000	1,532,700	1,532,700	...	+205,600	+30,500
...	−1,499,700	+1,499,700	...	...	...	...	−1,522,900	+1,522,900	...	...
118,461,300	76,677,400	33,723,900	+11,530,500	105,215,700	3,131,200	108,346,900	78,999,200	34,347,700	+9,476,100	−2,054,400

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1916-1917.					REVISED
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Direct Demands on the Revenues—							
1.—Refunds and Drawbacks	478,698	...	**478,698**	359,244	119,454	545,700	...
2.—Assignments and Compensations	1,250,357	...	**1,250,357**	557,419	692,938	1,303,700	...
Charges in respect of Collection, *viz.* :—							
3.—Land Revenue	3,811,518	1,615	**3,813,133**	271,795	3,541,338	3,863,400	2,100
4.—Opium (including cost of Production)	911,577	817	**912,394**	912,394	...	1,113,800	1,400
5.—Salt (including cost of Production)	396,460	1,726	**398,186**	398,186	...	425,300	600
6.—Stamps	63,194	110,272	**173,466**	99,268	74,198	70,900	125,000
7.—Excise	478,287	345	**478,632**	145,500	333,132	490,500	400
9.—Customs	270,830	334	**271,164**	271,164	...	281,400	200
10.—Income Tax	37,112	...	**37,112**	18,700	18,412	42,300	...
11.—Forest	1,249,592	2,173	**1,251,765**	83,302	1,168,463	1,381,200	600
12.—Registration	263,761	...	**263,761**	1,886	261,875	270,500	...
Total	9,211,386	117,282	**9,328,668**	3,118,858	6,209,810	9,788,700	130,300
Interest—							
13.—Interest on Debt	3,777,813	5,846,832	**9,624,645**	8,712,156	912,489	6,286,700	9,938,800
Deduct—Amounts chargeable to Railways†	*4,139,212*	*3,620,110*	***7,759,322***	*7,759,322*	...	*4,227,800*	*3,600,000*
" Amounts chargeable to Irrigation	*1,292,620*	*120,585*	***1,413,205***	*723,528*	*689,677*	*1,320,500*	*120,800*
Remainder chargeable on Ordinary Debt	−1,654,019	2,106,137	**452,118**	229,306	222,812	738,400	6,218,000
14.—Interest on other obligations	722,746	...	**722,746**	722,746	...	841,100	...
Total	−931,273	2,106,137	**1,174,864**	952,052	222,812	1,579,500	6,218,000
15.—Posts and Telegraphs	3,122,690	318,697	**3,441,387**	3,441,387	...	3,272,900	326,100
17.—Mint	158,662	8,749	**167,411**	167,411	...	157,800	22,000
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,679,065	404,072	**2,083,137**	1,168,685	914,452	1,722,500	500,600
19.—Law and Justice Courts	3,306,576	450	**3,307,026**	82,002	3,225,024	3,324,900	1,400
Jails	1,086,275	147	**1,086,422**	170,195	916,227	1,137,900	...
20.—Police	5,424,190	...	**5,424,190**	295,814	5,128,376	5,545,800	200
21.—Ports and Pilotage	199,668	...	**199,668**	...	199,668	194,300	...
22.—Education	3,123,602	9,346	**3,132,948**	111,736	3,021,212	3,350,100	12,000
23.—Ecclesiastical	128,357	180	**128,537**	128,537	...	130,300	400
24A.—Medical	864,820	946	**865,766**	79,577	786,189	964,000	800
24B.—Sanitation	518,617	1,681	**520,298**	78,081	442,267	577,900	1,700
25.—Political	1,260,361	22,082	**1,282,443**	1,119,980	162,513	2,215,500	36,100
26A.—Agriculture	607,668	3,947	**611,615**	66,053	545,562	698,300	3,900
26B.—Scientific and Miscellaneous Departments	398,756	40,424	**439,180**	277,621	161,559	458,100	43,400
Total	18,597,955	483,275	**19,081,230**	3,578,181	15,503,049	20,314,600	600,500
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	197,418	10,550	**207,968**	207,968	...	193,900	10,600
28.—Civil Furlough and Absentee Allowances	1,509	251,007	**252,516**	252,516	...	1,800	194,000
29.—Superannuation Allowances and Pensions	1,467,475	2,008,225	**3,475,700**	2,125,633	1,350,067	1,523,500	1,989,000
30.—Stationery and Printing	690,584	116,454	**807,038**	306,634	500,404	863,300	118,500
32.—Miscellaneous	464,655	206,395	**671,050**	459,908	211,142	559,200	441,000
Total	2,821,641	2,592,631	**5,414,272**	3,352,659	2,061,613	3,141,700	2,753,100
Famine Relief and Insurance—							
33.—Famine Relief	187,617	...	**187,617**	140,762	46,855	6,500	...
34.—Construction of Protective Railways	−476	...	**−476**	−476	...	100	...
35.—Construction of Protective Irrigation Works	332,468	1,133	**333,601**	333,601	...	352,800	1,400
36.—Reduction or Avoidance of Debt	479,258	...	**479,258**	380,686	98,572	639,700	...
Total	998,867	1,133	**1,000,000**	854,573	145,427	998,600	1,400
Carried over	33,979,928	5,627,904	**39,607,832**	15,465,121	24,142,711	39,253,800	10,051,400

	ACCOUNTS, 1916-1917.			REVISED ESTIMATE, 1917-1918.		
	India.	England.	Total.	India.	England.	Total.
†Included under the following heads:—	£	£	£	£	£	£
State Railways—Interest on Debt	4,121,990	3,538,860	**7,660,850**	4,210,600	3,518,800	**7,729,400**
Ditto —Interest chargeable against Companies on Advances	17,222	81,250	**98,472**	17,200	81,200	**98,400**
Total	4,139,212	3,620,110	**7,759,322**	4,227,800	3,600,000	**7,827,800**

Revenues of India, in India and in England.

ESTIMATE, 1917-1918.			Increase + Decrease − as compared with Budget Estimate, 1917-1918.	BUDGET ESTIMATE, 1918-1919.					Increase + Decrease − of Budget, 1918-1919, as compared with Budget Estimate, 1917-1918.	Increase + Decrease − of Budget, 1918-1919, as compared with Revised Estimate, 1917-1918.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
545,700	415,700	130,000	+115,400	516,700	...	**516,700**	389,000	127,700	+86,400	−29,000
1,303,700	590,600	713,100	+30,900	1,325,000	...	**1,325,000**	610,000	715,000	+52,200	+21,300
3,865,500	284,000	3,581,500	−114,100	4,017,900	1,500	**4,019,400**	315,200	3,704,200	+39,800	+153,900
1,115,200	1,115,200	...	−205,800	1,253,100	1,200	**1,254,300**	1,254,300	...	−66,700	+139,100
425,900	425,900	...	+17,300	480,800	2,500	**483,300**	483,300	...	+74,700	+57,400
195,900	114,600	81,300	+35,200	73,400	120,000	**193,400**	110,500	82,900	+32,700	−2,500
490,500	147,100	343,800	+2,400	516,900	200	**517,100**	152,500	364,600	+28,600	+26,200
281,600	281,600	...	−4,300	292,900	100	**293,000**	293,000	...	+7,100	+11,400
42,300	21,600	20,700	+1,200	51,500	...	**51,500**	26,400	25,100	+10,400	+9,200
1,381,800	82,900	1,298,900	+12,700	1,508,700	2,500	**1,511,200**	100,900	1,410,300	+142,100	+129,400
270,500	2,000	268,500	+600	273,400	...	**273,400**	1,900	271,500	+3,500	+2,900
9,919,000	3,481,200	6,437,800	−108,500	10,310,300	128,000	**10,438,300**	3,737,000	6,701,300	+410,800	+519,300
16,225,500	15,313,600	911,900	+647,000	7,073,300	9,196,200	**16,269,500**	15,354,000	915,500	+691,000	+44,000
7,827,800	*7,827,800*	...	+304,900	*4,344,300*	*3,588,600*	***7,932,900***	*7,932,900*	...	+199,800	−105,100
1,441,300	*742,300*	*699,000*	+84,900	*1,348,300*	*121,000*	***1,469,300***	*762,000*	*707,300*	+56,900	−28,000
6,956,400	6,743,500	212,900	+1,036,800	1,380,700	5,486,600	**6,867,300**	6,659,100	208,200	+947,700	−89,100
841,100	841,100	...	−72,100	917,000	...	**917,000**	917,000	...	+3,800	+75,900
7,797,500	7,584,600	212,900	+964,700	2,297,700	5,486,600	**7,784,300**	7,576,100	208,200	+951,500	−13,200
3,599,000	3,599,000	...	−2,900	3,489,800	441,600	**3,931,400**	3,931,400	...	+329,500	+332,400
179,800	179,800	...	+71,200	152,500	17,500	**170,000**	170,000	...	+61,400	−9,800
2,223,100	1,284,700	938,400	+166,200	1,703,300	560,200	**2,263,500**	1,323,600	939,900	+206,600	+40,400
3,326,300	79,600	3,246,700	−54,300	3,391,400	800	**3,392,200**	76,600	3,315,600	+11,600	+65,900
1,137,900	173,000	964,900	+12,500	1,153,700	...	**1,153,700**	174,900	978,800	+28,300	+15,800
5,546,000	333,400	5,212,600	−183,900	5,866,500	100	**5,866,600**	355,500	5,511,100	+136,700	+320,600
194,300	...	194,300	−1,000	200,900	...	**200,900**	...	200,900	+5,600	+6,600
3,362,100	124,400	3,237,700	−261,300	4,110,600	10,500	**4,121,100**	152,200	3,968,900	+497,700	+759,000
130,700	130,700	...	−11,800	136,500	300	**136,800**	136,800	...	−5,700	+6,100
964,800	84,300	880,500	−3,700	1,036,100	800	**1,036,900**	90,200	946,700	+68,400	+72,100
579,600	84,500	495,100	−31,000	713,300	1,500	**714,800**	129,700	585,100	+104,200	+135,200
2,251,600	2,071,300	180,300	+398,400	2,614,800	17,900	**2,632,700**	2,417,500	215,200	+779,500	+381,100
697,200	81,100	616,100	−169,100	834,500	6,800	**841,300**	87,600	753,700	−25,000	+144,100
501,500	304,200	197,300	−35,700	575,200	57,300	**632,500**	314,300	318,200	+95,300	+131,000
20,915,100	4,751,200	16,163,900	−174,700	22,336,800	656,200	**22,993,000**	5,258,900	17,734,100	+1,903,200	+2,077,900
204,500	204,500	...	−5,900	196,800	10,600	**207,400**	207,400	...	−3,000	+2,900
195,800	195,800	...	−65,700	1,300	194,000	**195,300**	195,300	...	−66,200	−500
3,512,500	2,109,800	1,402,700	−28,000	1,580,600	1,991,000	**3,571,600**	2,110,200	1,461,400	+36,100	+59,100
981,800	453,500	528,300	+120,500	843,400	108,500	**951,900**	372,000	579,900	+90,600	−29,900
1,000,200	708,600	291,600	+449,700	690,500	28,000	**718,500**	207,500	511,000	+168,900	−281,700
5,894,800	3,672,200	2,222,600	+475,600	3,312,600	2,332,100	**5,644,700**	3,092,400	2,552,300	+225,500	−250,100
6,500	4,900	1,600	−49,800	40,400	...	**40,400**	30,300	10,100	−15,900	+33,900
100	100	...	+600	−500	...	**−500**	−500	...	...	−600
353,700	353,700	...	−66,300	396,100	10,600	**406,700**	406,700	...	−13,300	+53,000
639,700	639,700	...	+115,500	553,400	...	**553,400**	553,400	...	+29,200	−86,300
1,000,000	998,400	1,600	...	989,400	10,600	**1,000,000**	989,900	10,100	...	...
49,305,200	24,266,400	25,038,800	+1,225,400	42,889,100	9,072,600	**51,961,700**	24,755,700	27,206,000	+3,881,900	+2,656,500

BUDGET ESTIMATE, 1918-1919.		
India	England.	Total.
£	£	£
4,326,900	3,507,400	**7,834,300**
17,400	81,200	**98,600**
4,344,300	3,588,600	**7,932,900**

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1916-1917.					REVISED	
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Brought forward	33,979,928	5,627,904	39,607,832	15,465,121	24,142,711	39,253,800	10,051,400
Railways—							
38.—State Railways: Interest on Debt	4,121,990	3,538,860	7,660,850	7,660,850	...	4,210,600	3,518,800
Annuities in purchase of Railways	...	3,357,650	3,357,650	3,357,650	...	...	3,357,700
Sinking Funds	...	323,647	323,647	323,647	...	...	333,600
Interest chargeable against Companies on Advances	17,222	81,250	98,472	98,472	...	17,200	81,200
Interest on Capital deposited by Companies	55,708	2,170,232	2,225,940	2,225,940	...	58,900	2,205,800
40.—Subsidised Companies: Land, etc.	162,451	...	162,451	161,544	907	73,300	...
41.—Miscellaneous Railway Expenditure	2,912	...	2,912	2,911	1	19,700	...
Total	4,360,283	9,471,639	13,831,922	13,831,014	908	4,379,700	9,497,100
Irrigation—							
42.—Major Works: Working Expenses	1,351,194	...	1,351,194	637,718	713,476	1,418,300	...
Interest on Debt	1,292,620	120,585	1,413,205	723,528	689,677	1,320,500	120,800
43.—Minor Works and Navigation	785,076	437	785,513	239,078	546,435	883,200	...
Total	3,428,890	121,022	3,549,912	1,600,324	1,949,588	3,622,000	120,800
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	2,204	...	2,204	...	2,204	700	...
45.—Civil Works	4,562,918	53,413	4,616,331	745,961	3,870,370	5,064,200	45,600
Total	4,565,122	53,413	4,618,535	745,961	3,872,574	5,064,900	45,600
Military Services—							
46.—Army: Effective	18,030,182	3,191,512	21,221,694	21,221,694	...	20,437,700	4,102,400
Non-Effective	856,347	2,181,962	3,038,309	3,038,309	...	969,900	2,155,400
	18,886,529	5,373,474	24,260,003	24,260,003	...	21,407,600	6,257,800
46A.—Marine	272,362	421,318	693,680	693,680	...	328,600	408,000
47.—Military Works	1,522,163	72,375	1,594,538	1,594,538	...	1,806,300	66,000
47A.—Special Defences (1902)	14,054	4,482	18,536	18,536	...	10,300	100
Total	20,695,108	5,871,649	26,566,757	26,566,757	...	23,552,800	6,731,900
Total Expenditure, Imperial and Provincial	67,029,331	21,145,627	88,174,958	58,209,177	29,965,781	75,873,200	26,446,800
Add—Portion of Allotments to Provincial Governments not spent by them in the year	2,397,302	...	2,397,302	...	2,397,302	2,322,900	...
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	...	...	...	...	...	*66,700*	...
Total Expenditure charged to Revenue	69,426,633	21,145,627	90,572,260	58,209,177	32,363,083	78,129,400	26,446,800

	ACCOUNTS, 1916-1917.		
	India.	England.	Total.
Capital Expenditure not charged to Revenue—	£	£	£
48.—State Railways	1,553,694	318,654	1,872,348
49.—Irrigation Works	505,115	6,968	512,083
Total	2,058,809	325,622	2,384,431
51.—Initial Expenditure on new Capital at Delhi	222,443	21,854	244,297
52.—India's Financial Contribution to the War	...	...	...

Revenues of India, in India and in England—*continued.*

ESTIMATE, 1917-1918.			Increase + Decrease − as compared with Budget Estimate, 1917-1918.	BUDGET ESTIMATE, 1918-1919.					Increase + Decrease − of Budget, 1918-1919, as compared with Budget Estimate, 1917-1918	Increase + Decrease − of Budget, 1918-1919, as compared with Revised Estimate, 1917-1918.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
49,305,200	24,266,400	25,038,800	+ 1,225,400	42,889,100	9,072,600	**51,961,700**	24,755,700	27,206,000	+ 3,881,900	+ 2,656,500
7,729,400	7,729,400	...	− 305,000	4,326,900	3,507,400	**7,834,300**	7,834,300	...	− 200,100	+ 104,900
3,357,700	3,357,700	...	...	...	3,357,600	**3,357,600**	3,357,600	...	− 100	− 100
333,600	333,600	...	+ 103,600	...	242,800	**242,800**	242,800	...	+ 12,800	− 90,800
98,400	98,400	...	+ 100	17,400	81,200	**98,600**	98,600	...	+ 300	+ 200
2,264,700	2,264,700	...	− 10,900	62,100	2,126,600	**2,188,700**	2,188,700	...	− 86,900	− 76,000
73,300	72,700	600	− 54,100	33,300	...	**33,300**	32,700	600	− 94,100	− 40,000
19,700	19,600	100	− 4,300	26,700	...	**26,700**	26,600	100	+ 2,700	+ 7,000
13,876,800	13,876,100	700	− 270,600	4,466,400	9,315,600	**13,782,000**	13,781,300	700	− 365,400	− 94,800
1,418,300	676,100	742,200	+ 27,000	1,469,000	...	**1,469,000**	711,100	757,900	+ 77,700	+ 50,700
1,441,300	742,300	699,000	− 84,900	1,348,300	121,000	**1,469,300**	762,000	707,300	− 56,900	+ 28,000
883,200	252,200	631,000	− 33,400	990,000	400	**990,400**	296,700	693,700	+ 73,800	+ 107,200
3,742,800	1,670,600	2,072,200	− 91,300	3,807,300	121,400	**3,928,700**	1,769,800	2,158,900	+ 94,600	+ 185,900
700	...	700	− 800	700	...	**700**	...	700	− 800	...
5,109,800	754,500	4,355,300	− 433,500	5,905,700	39,200	**5,944,900**	868,200	5,076,700	+ 401,600	+ 835,100
5,110,500	754,500	4,356,000	− 434,300	5,906,400	39,200	**5,945,600**	868,200	5,077,400	+ 400,800	+ 835,100
24,540,100	24,540,100	...	+ 2,539,900	22,278,900	2,379,500	**24,658,400**	24,658,400	...	+ 2,658,200	+ 118,300
3,125,500	3,125,300	...	− 90,400	1,071,400	2,061,100	**3,132,500**	3,132,500	...	− 83,200	+ 7,200
27,665,400	27,665,400	...	+ 2,449,500	23,350,300	4,440,600	**27,790,900**	27,790,900	...	+ 2,575,000	+ 125,500
736,600	736,600	...	− 101,900	350,200	610,100	**960,300**	960,300	...	+ 121,800	+ 223,700
1,872,300	1,872,300	...	+ 713,600	1,767,500	14,000	**1,781,500**	1,781,500	...	+ 622,800	− 90,800
10,400	10,400	...	− 3,600	...	..	...	...	...	− 14,000	− 10,400
30,284,700	30,284,700	...	+ 3,057,600	25,468,000	5,064,700	**30,532,700**	30,532,700	...	+ 3,305,600	+ 248,000
102,320,000	70,852,300	31,467,700	+ 3,485,800	82,537,200	23,613,500	**106,150,700**	71,707,700	34,443,000	+ 7,317,500	+ 3,830,700
2,322,900	...	2,322,900	+ 2,082,600	351,400	...	**351,400**	...	351,400	+ 111,100	− 1,971,500
66,700	...	*66,700*	+ 271,400	***446,700***	...	***446,700***	...	***446,700***	− 108,600	− 380,000
104,576,200	70,852,300	33,723,900	+ 5,840,800	82,441,900	23,613,500	**106,055,400**	71,707,700	34,347,700	+ 7,320 000	+ 1,479,200

REVISED ESTIMATE, 1917-1918.			BUDGET ESTIMATE, 1918-1919.		
India.	England.	Total.	India.	England.	Total.
£	£	£	£	£	£
2,416,300	607,100	**3,023,400**	2,941,400	763,000	**3,704,400**
503,200	1,300	**504,500**	451,700	15,000	**466,700**
2,919,500	608,400	**3,527,900**	3,393,100	778,000	**4,171,100**
243,900	6,800	**250,700**	253,000	13,700	**266,700**
...	100,000,000	**100,000,000**	...	...	...

C.—Statement of Receipts and Disbursements of the

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	97,172,985	877,445	98,050,430	108,330,000	2,071,300	110,401,300	105,215,700	3,131,200	108,346,900
Excess of Revenue over Expenditure charged to Revenue			**7,478,170**			**5,825,100**			**2,291,500**
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways	...	...	...	—500,000	...	—500,000	—250,000	...	—250,000
Capital contributed by Native States towards construction of State Railways	66,667	...	66,667	66,700	...	66,700	33,300	...	33,300
Outlay of Railway Companies—									
Repayments	...	14,772	14,772	...	7,400	7,400	...	2,000	2,000
Net			**0**			**0**			**0**
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital	630,431	...	630,431	310,200	...	310,200	132,500	...	132,500
Net			**555,431**			**0**			**0**
Permanent Debt Incurred—									
Sterling Debt—									
British Government 5 per cent. War loan, 1929-47	...	...		...	64,861,000		...	...	
Rupee Debt—							(a)		
Rupee Loan	...	...		...	...		20,000,000	...	
5 per cent. War Loan 1929-47	736,768	...		7,624,500	...		...	...	
4 „ Conversion Loan 1916-17	4,486,680	...		...	..		...	...	
Total	5,223,448	...	5,223,448	7,624,500	64,861,000	72,485,500	20,000,000	...	20,000,000
Net			**4,433,691**			**68,943,800**			**0**
Temporary Debt Incurred—									
5½ per cent. War Bonds 1,920	1,765,813	...		11,434,900	...		...	...	
Do. do. 1,922	1,512,004	...		6,456,300	...		...	...	
Treasury Bills	...	..		27,333,300	...		27,333,300	...	
Other Temporary Loans	...	2,000,000		2,666,700	...		...	...	
Total	3,277,817	2,000,000	5,277,817	47,891,200	...	47,891,200	27,333,300	...	27,333,300
Net			**0**			**47,557,900**			**0**
Unfunded Debt—									
Post Office Cash Certificates	...	...		6,666,700	...		...	...	
Deposits of Service Funds	87,749	27		86,500	...		86,100	...	
Savings Bank Deposits	7,512,896	...		10,848,500	...		8,167,100	...	
Total	7,600,645	27	7,600,672	17,601,700	...	17,601,700	8,253,200	...	8,253 200
Net			**1,474,857**			**9,383,200**			**1,2:5,300**
Deposits and Advances—									
Balances of Provincial Allotments	2,397,302	...		2,822,900	...		351,400	...	
Appropriation for Reduction or Avoidance of Debt	479,258	...		639,700	...		553,400	...	
Deposits of Local Funds—									
District Funds	5,416,592	...		5,542,200	...		5,482,400	...	
Other Funds	1,224,572	...		1,201,500	...		1,212,400	...	
Deposits of Sinking Funds	16,479	...		17,100	...		17,800	...	
Gold Standard Reserve	4,213,830	24,525,105		1,092,600	33,584,300		...	28,008,300	
Paper Currency Reserve	...	46,984,376		...	79,267,000		...	91,479,300	
Do. Depreciation Fund	...	399,080		...	1,224,300		...	1,481,000	
Special Reserve	...	...		...	...		...	11,998,100	
Departmental and Judicial Deposits	34,137,966	...		38,985,800	...		33,620,200	...	
Advances	8,091,669	2,934,337		9,871,100	2,564,600		10,736,8.0	1,854,600	
Suspense Accounts	165,730	...		151,600	...		362,300	...	
Miscellaneous	251,799	955,320		2,813,300	589,400		297,300	671,200	
Total	56,395,197	75,798,218	132,193,415	62,637,800	117,229,600	179,867,400	52,634,000	135,492,500	188,126,500
Net			**0**			**0**			**3,912,800**
Carried over	170,367,190	78,690,462		248,962,100	184,169,300		213,352,000	138,625,700	

(a) The entry of the proposed Rupee War Loan to be issued in 1918-19 under this head is purely provisional, pending decision as to the form which the loan should actually take.

Government of India, in India and in England.

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	67,029,331	21,145,627	88,174,958	75,878,200	26,446,800	102,320,000	82,537,200	23,613,500	106,150,700
Add—Provincial Surpluses transferred to "Deposits"	2,397,302	...	2,397,302	2,322,900	...	2,322,900	381,400	...	381,400
Deduct—Provincial Deficits charged to "Deposits"	...	...	...	*66,700*	...	*66,700*	*446,700*	...	*446,700*
Total	69,426,633	21,145,627	90,572,260	78,129,400	26,446,800	104,576,200	82,441,900	23,613,500	106,055,400
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay on Irrigation Works	505,115	6,968	512,083	503,200	1,300	504,500	451,700	15,000	466,700
Outlay on State Railways	1,553,694	318,654	1,872,348	2,416,300	607,100	30,23,400	2,941,400	763,000	3,704,400
Initial expenditure on new Capital at Delhi	222,443	21,854	244,297	243,900	6,800	250,700	253,000	13,700	266,700
India's Financial Contribution to the War	...	...	...	...	100,000,000	100,000,000	...	...	...
Outlay on Railway Companies—									
Payments for Capital Outlay	450,036	335,329	785,365	75,400	453,700	529,100	—169,700	803,300	633,600
Net			**770,593**			**521,700**			**631,600**
Raised and deposited by Railway Companies—									
Payments for Discharge of Debentures	...	75,000	75,000	...	1,082,500	1,082,500	...	2,374,900	2,374,900
Net			**0**			**772,300**			**2,242,400**
Permanent Debt Discharged—									
Sterling Debt—									
British Government 5 per cent. War Loan, 1929-47	...	...		...	...		...	20,000,000	
India Bonds	...	500,000		...	500,000		...	500,000	
India 4 p. c. Stock	...	...		...	200		...	...	
Rupee Debt—									
5 per cent. War Loan	...	...		293,300	...		293,300	...	
4 p. c. Loans	80,000	...		505,300	...		80,000	...	
3½ p. c. Loans	154,790	...		2,098,800	...		...	...	
3 p. c. Loan	54,967	...		144,100	...		4,000	...	
Total	289,757	500,000	789,757	3,041,500	500,200	3,541,700	377,300	20,500,000	20,877,300
Net			**0**			**0**			**877,300**
Temporary Debt Discharged—									
Treasury Bills	...	...		...	...		27,333,300	...	
Other Temporary Loans	4,000,000	9,000,000		333,300	...		2,666,700	...	
Total	4,000,000	9,000,000	13,000,000	333,300	...	333,300	30,000,000	...	30,000,000
Net			**7,722,183**			**0**			**2,666,700**
Unfunded Debt—									
Post Office Cash Certificates	...	...		666,700	...		...	...	
Special Loans	220	...		100	...		100	...	
Deposits of Service Funds	93,064	...		96,300	...		98,000	...	
Savings Bank Deposits	6,032,531	...		7,455,400	...		6,939,800	...	
Total	6,125,815	...	6,125,815	8,218,500	...	8,218,500	7,037,900	...	7,037,900
Net			**0**			**0**			**0**
Deposits and Advances—									
Balances of Provincial Allotments	...	...		66,700	...		416,700	...	
Deposits of Local Funds—									
District Funds	5,388,742	...		5,776,400	...		5,463,300	...	
Other Funds	1,142,666	...		1,204,900	...		1,175,200	...	
Gold Standard Reserve	4,033,724	24,316,280		1,274,000	33,585,700		...	28,008,300	
Paper Currency Reserve	...	46,984,376		...	79,267,000		...	91,479,300	
Do. Depreciation Fund	...	399,080		...	1,224,300		...	1,481,000	
Special Reserve	...	...		...	20,000,000		...	11,998,100	
Departmental and Judicial Deposits	33,598,366	...		37,948,300	...		33,444,100	...	
Advances	8,468,296	3,013,624		12,438,800	2,558,200		8,048,700	2,157,200	
Suspense Accounts	9,108,843	...		4,185,700	...		73,400	...	
Miscellaneous	23,944	310,625		18,500	497,300		...	438,400	
Total	61,764,581	75,023,985	136,788,566	62,913,800	137,132,500	200,045,800	48,651,400	135,562,300	184,213,700
Net			**4,595,151**			**20,178,400**			**0**
Carried over	144,338,074	106,427,417		155,874,800	266,230,900		171,984,900	183,645,700	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	170,367,190	78,630,462		243,962,100	184,169,300		213,352,000	138,625,700	
Loans and Advances by Imperial Government	330,072	...	330,072	358,300	...	358,300	186,600	...	186,600
Net			2,451			0			0
Loans and Advances by Provincial Governments	1,396,171	...	1,396,171	1,245,100	...	1,245,100	1,069,300	...	1,069,300
Net			585,495			598,400			162,400
Loans to Local Boards for Railway Construction	8,020	...	8,020	40,000	...	40,000	8,700	...	8,700
Net			8,020			0			8,700
Remittances—									
Inland Money Orders	42,013,744	...		48,000,000	...		50,000,000	...	
Other Local Remittances	42,936	...		16,649,100	...		11,834,900	...	
Other Departmental Accounts	16,145	...		...	...		31,600	...	
Net Receipts by Civil Treasuries from—									
Railways	15,847,380	...		20,933,500	...		19,390,500	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	1,268,318	...		8,926,500	...		4,082,900	...	
Marine	7,796,429	...		7,684,500	...		6,338,900	...	
Military Works	3,292,904	...		3,796,000	...		2,123,700	...	
Military	41,182,880	...		68,163,400	...		78,632,200	...	
Remittance Account between England and India—									
Transfers through Currency	...	...		...	...		16,347,000	...	
Purchase of Silver	14,957,577	...		13,333,300	...		12,949,100	...	
War Office transactions	24,314,635	38,516,104		6,667,000	67,442,000		5,834,000	73,834,000	
Railway transactions	703,597	16,966		977,600	40,000		1,228,100	6,500	
Other „	8,131,554	7,007,199		3,207,300	19,374,700		3,515,200	11,367,500	
Total	159,568,099	45,540,269	205,108,368	198,338,200	86,856,700	285,194,900	212,303,100	85,208,000	297,516,100
Net			1,651,160			0			2,000,000
Secretary of State's Bills drawn	...	(a) 9,669,240	9,669,240	...	(c) 25,258,000	25,258,000	...	...	...
Total Receipts	331,669,552	133,899,971		443,943,700	296,284,000		426,124,700	223,833,700	
Opening Balance	12,016,056	(b) 12,803,348		15,293,216	(d) 11,391,993		15,969,516	(e) 14,036,193	
GRAND TOTAL	343,685,608	146,703,319		459,236,916	307,675,993		442,894,216	237,869,893	

(a) In addition to £4,384,537 and £18,994,318 on account of the Gold Standard Reserve and the Paper Currency Reserve, respectively.
(c) In addition to £1,420,000 and £8,658,600 on account of the Gold Standard Reserve and the Paper Currency Reserve, respectively.
(e) Of this amount £6,000,056 represents the funds of the Gold Standard Reserve.

Delhi,
Finance Department,
March 1, 1918.

M. F. GAUNTLETT,
Offg. Comptroller General.

Government of India, in India and in England—*continued.*

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	144,338,074	106,427,417		155 874,800	266,230,900		171,984,900	183,645,700	
Loans and Advances by Imperial Government .	327,621	...	327,621	361,400	...	361,400	246,100	...	246,100
Net .			0			3,100			59,500
Loans and Advances by Provincial Governments .	810,676	...	810,676	646,700	...	646,700	906,900	...	906,900
Net .			0			0			0
Loans to Local Boards for Railway Construction.									
Net .	...	...	... 0	42,000	...	42,000 2,000	...	...	... 0
Remittances—									
Inland Money Orders .	41,851,366	...		48,000,000	...		50,000,000	...	
Other Local Remittances	...	...		16,649,100	...		11,834,900	...	
Other Departmental Accounts . . .	6,337	...		...	...		31,600	...	
Net Payments into Civil Treasuries by—									
Railways . . .	15,664,799	...		21,153,500	...		19,390,500	...	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs .	1,266,158	...		8,926,500	...		4,082,900	...	
Marine . . .	7,774,833	...		7,684,500	...		6,338,900	...	
Military Works . .	3,221,843	...		3,796,000	...		2,123,700	...	
Military . . .	41,172,687	...		68,163,400	...		78,632,200	...	
Remittance Account between England and India—									
Transfers through Currency . .	...	...		...	...		...	16,347,000	
Purchase of Silver .	2,827	16,093,978		...	13,500,000		...	12 000.000	
War Office transactions	55,175,547	5,320,891		69,667,000	6,767,000		73,834,000	5,834,000	
Railway transactions .	251	720,312		...	1,017,600		...	1,234,600	
Other „ .	8,436,646	6,748,728		17,541,800	6,124,300		10,307,700	3,524,100	
Total .	174,573,299	28,888,909	203,457,208	261,581,800	27,408,900	288,990,700	256,576,400	38,939,700	295,516,100
Net .			0			3,795,800			0
Secretary of State's Bills paid . .	(a) 8,342,722	...	8,342,722	(c) 24,760,700	...	24,760,700	2,060,000	...	2,060,000
Total Disbursements .	328,392,392	135,311,326		443,267,400	293,639 800		431,774,300	222,585,400	
Closing Balance .	15,396,916	(d) 11,391,993		15,969,516	(e) 14,036,193		11,119,916	(e) 15,284,493	
GRAND TOTAL .	343,685,608	146,703,319		459,236,916	307,675,993		442,894,216	237,869,893	

(*b*) Of this amount £5,792,631 represents the funds of the Gold Standard Reserve.
(*d*) Of this amount £6,001,456 represents the funds of the Gold Standard Reserve.

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secretary to the Government of India.

D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1916-17.	Revised, 1917-18.	Budget, 1918-19.
Madras—	R	R	R
Balance on April 1st	1,10,02,216	1,52,38,000	1,89,82,000
Special grants from Imperial revenues	24,71,500	25,75,000	34,25,000
Other revenue	7,70,07,188	7,96,45,000	8,08,44,000
Total Revenue including transfers from Imperial revenues	7,94,78,688	8,25,20,000	8,42,69,000
Total Expenditure	7,52,42,984	7,87,76,000	8,37,10,000
Closing Balance	1,52,37,920	1,89,82,000	1,95,41,000
Bombay—			
Balance on April 1st	1,77,00,898	2,71,28,000	3,93,38,000
Special grants from Imperial revenues	20,81,200	24,81,000	27,30,000
Other revenue	7,96,63,316	8,56,24,000	8,75,78,000
Total Revenue including transfers from Imperial revenues	8,17,44,416	8,81,05,000	9,03,08,000
Total Expenditure	7,23,16,714	7,58,95,000	8,68,02,000
Closing Balance	2,71,28,600	3,93,38,000	4,28,44,000
Bengal—			
Balance on April 1st	2,79,19,135	3,39,64,000	3,79,52,000
Special grants from Imperial revenues	85,12,600	44,15,000	49,69,000
Other revenue	6,27,19,436	6,44,37,000	6,46,65,000
Total Revenue including transfers from Imperial revenues	6,62,32,036	6,88,52,000	6,96,34,000
Total Expenditure	6,01,87,132	6,48,64,000	7,36,54,000
Closing Balance	3,39,64,039	3,79,52,000	3,39,32,000
United Provinces—			
Balance on April 1st	1,55,34,726	1,92,44,000	2,44,94,000
Special grants from Imperial revenues	24,28,500	34,42,000	29,17,000
Other revenue	6,77,67,222	6,95,94,000	6,98,72,000
Total Revenue including transfers from Imperial revenues	7,01,95,722	7,30,36,000	7,27,89,000
Total Expenditure	6,64,86,884	6,77,86,000	7,19,32,000
Closing Balance	1,92,43,564	2,44,94,000	2,53,51,000
Punjab—			
Balance on April 1st	63,54,888	1,22,75,000	1,85,53,000
Special grants from Imperial revenues	15,22,400	27,90,000	17,80,000
Other revenue	5,02,46,217	5,14,66,000	5,30,21,000
Total Revenue including transfers from Imperial revenues	5,17,68,617	5,42,56,000	5,48,01,000
Total Expenditure	4,58,48,710	4,79,78,000	5,46,61,000
Closing Balance	1,22,74,795	1,85,53,000	1,86,93,000
Burma—			
Balance on April 1st	83,52,055	1,17,80,000	1,32,62,000
Special grants from Imperial revenues	9,93,800	12,94,000	14,44,000
Other revenue	5,83,39,875	5,86,30,000	5,93,25,000
Total Revenue including transfers from Imperial revenues	5,93,33,675	5,99,24,000	6,07,69,000
Total Expenditure	5,59,05,867	5,84,42,000	6,09,76,000
Closing Balance	1,17,79,863	1,32,62,000	1,30,55,000
Bihar and Orissa—			
Balance on April 1st	1,42,99,955	1,48,01,000	1,38,00,000
Special grants from Imperial revenues	14,63,500	18,80,000	21,59,000
Other revenue	3,03,96,954	3,08,27,000	3,25,63,000
Total Revenue including transfers from Imperial revenues	3,18,60,454	3,27,07,000	3,47,22,000
Total Expenditure	3,13,59,459	3,37,08,000	3,67,16,000
Closing Balance	1,48,00,950	1,38,00,000	1,18,06,000
Central Provinces—			
Balance on April 1st	1,00,64,032	1,26,35,000	1,39,49,000
Special grants from Imperial revenues	9,14,000	12,99,000	12,24,000
Other revenue	2,93,61,362	2,99,04,000	3,07,90,000
Total Revenue including transfers from Imperial revenues	3,02,75,362	3,12,03,000	3,20,14,000
Total Expenditure	2,77,04,121	2,98,89,000	3,24,94,000
Closing Balance	1,26,35,273	1,39,49,000	1,34,69,000
Assam—			
Balance on April 1st	19,97,779	21,20,000	26,97,000
Special grants from Imperial revenues	4,47,500	5,48,000	6,48,000
Other revenue	1,41,09,770	1,47,07,000	1,52,61,000
Total Revenue including transfers from Imperial revenues	1,45,57,270	1,52,55,000	1,59,09,000
Total Expenditure	1,44,34,836	1,46,78,000	1,57,00,000
Closing Balance	21,20,213	26,97,000	29,06,000
Total—			
Balance on April 1st	11,32,25,684	14,91,85,000	18,30,27,000
Special grants from Imperial revenues	1,58,35,000	2,10,24,000	2,12,96,000
Other revenue	46,96,11,240	48,48,34,000	49,39,19,000
Total Revenue including transfers from Imperial revenues	48,54,46,240	50,58,58,000	51,52,15,000
Total Expenditure	44,94,86,707	47,20,16,000	51,66,45,000
Closing Balance	14,91,85,217	18,30,27,000	18,15,97,000
Total (in sterling)—	£	£	£
Balance on April 1st	7,548,379	9,945,600	12,201,800
Special grants from Imperial revenues	1,055,667	1,401,600	1,419,700
Other revenue	31,307,416	32,322,300	32,928,000
Total Revenue including transfers from Imperial revenues	32,363,083	33,723,900	34,347,700
Total Expenditure	29,965,781	31,467,700	34,443,000
Closing Balance	9,945,681	12,201,800	12,106,500

M. F. GAUNTLETT, *Offg. Comptroller General.*

M. M. S. GUBBAY, *Controller of Currency.*

H. F. HOWARD, *Secy. to the Govt. of India.*

DELHI,
March 1, 1918.
FINANCE DEPARTMENT,

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1916-1917. Revenue.	Expenditure. Refunds and Assignments.	Expenditure. Cost of Collection and Production.	Net Receipts.	Net Charges.	REVISED ESTIMATE, 1917-1918 Net Receipts.	Net Charges.	BUDGET ESTIMATE, 1918-1919. Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue — Land Revenue (excluding that due to Irrigation)	22,041,265	778,832	3,813,133	17,449,300		17,534,800		17,552,200	
Opium	3,160,005	3,584	912,394	2,244,027		1,949,700		1,933,900	
Salt	4,826,260	264,096	398,186	4,163,978		4,711,100		2,696,100	
Stamps	5,776,696	57,192	173,466	5,546,038		5,487,800		5,676,100	
Excise	9,215,899	109,818	478,632	8,627,449		9,440,000		9,738,000	
Provincial Rates	31,391	313	...	31,078		28,300		28,900	
Customs	8,659,182	265,799	271,164	8,122,219		10,541,000		10,132,800	
Income Tax	3,772,907	33,594	37,112	3,702,261		5,980,800		6,209,200	
Forest	2,470,795	8,676	1,251,765	1,210,354		1,288,900		1,161,800	
Registration	540,581	757	263,761	276,063		262,000		268,300	
Tributes	612,420	206,394	...	406,035		409,600		406,900	
TOTAL	61,107,470	1,729,055	7,599,613	61,778,802		57,633,500		55,804,200	
Total deduction from Revenue		9,328,668							
Expenditure Heads.									
Debt Services — Interest	1,136,504	1,174,864			38,360		5,552,200		4,231,700
Commercial Services — Posts and Telegraphs	4,174,607	3,441,387		733,220		893,100		851,400	
Railways	21,313,797	13,831,922		7,481,875		10,174,800		9,201,700	
Irrigation	5,155,624	3,549,912		1,605,712		1,445,200		1,391,700	
Other Public Works — Civil Works, etc.	309,373	4,618,535			4,309,162		4,791,600		5,640,700
Mint — Mint	689,866	167,411		522,455		350,900		206,000	
Civil Departments — Civil Departments	1,739,713	19,081,230			17,341,517		18,995,000		21,036,900
Miscellaneous Civil Services — Superannuation	219,865	3,475,700			3,255,835		3,298,500		3,357,200
Exchange	111,371	...		111,371		1,000,000			
Miscellaneous	420,260	671,050			250,790	291,900		269,200	
Other heads	96,034	1,267,522			1,171,488		1,288,300		1,261,500
Famine Relief and Insurance — Famine Relief	...	187,617			187,617		6,500		40,400
Other heads	...	812,383			812,383		993,500		953,600
Military Services — Army — Effective	993,194	21,221,694			20,228,500		23,550,000		23,635,600
Army — Non-effective	122,324	3,038,309			2,915,985		3,004,200		3,011,200
Marine	365,027	693,680			328,653		4 35,600		651,700
Military works	95,401	1,594,538			1,499,137		1,782,300		1,701,500
Special Defences (1902)	...	18,536			18,536		10,400		...
TOTAL	98,050,430	88,174,958		9,875,472		8,081,300		2,196,200	
Provincial Adjustment — Surplus		2,397,302			2,397,302		2,256 200		
Deficit		...						95,300	
TOTAL	98,050,430	90,572,266		7,478,170		5,825,100		2,291,500	
Surplus				7,478,170		5,825,100		2,291,500	
Capital Account — Railway, Irrigation and other Capital not charged to Revenue:— Capital raised through Companies towards outlay on State Railways						—500,000		250,000	
Capital contributed by Native States towards construction of State Railways				66,667		66,700		33,300	
Capital raised and deposited by Railway Companies (net)				555,431			772,300		2,242,400
Outlay on Irrigation Works					512,083		504,500		466,700
Outlay on State Railways					1,872,343		3,023,400		3,704,400
Initial outlay on new Capital at Delhi					244,297		250,700		266,700
India's Financial Contribution to the War							100,000,000		
Outlay of Railway Companies (net)					770,593		521,700		631,600
Debt, Deposits, Advances, and Remittances — Permanent Debt (net)				4,433,691		68,943,800			877,300
Temporary Debt (net)					7,722,183	47,557,900			2,666,700
Unfunded Debt (net)				1,474,857		9,383,200		1,215,300	
Loans and Advances by Imperial Government (net)				2,451			3,100		59,500
Loans and Advances by Provincial Governments (net)				585,495		598,400		162,400	
Loans to Local Boards for Railway Construction (net)				8,020			2,000	8,700	
Deposits and Advances (net)					4,595,151		20,178,400	3,912,800	
Remittances (net)				1,651,160			3,795,800	2,000,000	
Secretary of State's Bills drawn				9,669,240		25,258,000			
Secretary of State's Bills paid					8,342,722		24,760,700		2,060,000
				25,925,182	24,059,377	157,133,100	153 812,600	9,374,000	12,975,300
Cash Balance — Opening Balance				24,819,404		26,685,209		30,005,709	
Closing Balance					26,685,209		30,005,709		26,404,409
TOTAL				50,744,586	50,744,586	183,818,309	183,818,309	39,379,709	39,379,709

M. F. GAUNTLETT,
Offg. Comptroller-General.

M. M. S. GUBBAY,
Controller of Currency.

DELHI,
FINANCE DEPARTMENT,
March 1, 1919.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915.
(5 & 6 Geo. V, Ch. 61.)

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Friday, the 8th March, 1918.

PRESENT :

His Excellency BARON CHELMSFORD, P.C., G.M.S.I., G.M.I.E., G.C.M.G., Viceroy and Governor General, *presiding*, and 62 Members, of whom 55 were Additional Members.

THE FINANCIAL STATEMENT, 1918-19.

FIRST STAGE.

The Hon'ble Maung Bah Too :—" My Lord, I cannot pretend to be in any sense experienced in financial matters, and for me to criticise the details of a Budget prepared by such a great financier as our respected Finance Minister would be an impertinence. But I do desire to say a few words in regard to the financial needs of my own Province, and I hope the Council will listen to me patiently and forgive any deficiencies in my arguments. The matter I have to bring before the Council is one of the greatest importance, and I regret that it may suffer from my feeble exposition.

" My Lord, Burma although it is a part of the Indian Empire, is in many respects entirely different from the remainder of that Empire. It stands economically and financially much in the position of a company that has recently been floated, while the rest of India may be regarded as an old established undertaking. In India, you have roads and railways, while, in Burma, we have some railways, but hardly any roads. The reason is that in India the roads were built before the railways, while, in Burma, some railways were built, but the roads are still to be built. I think it is generally admitted that the condition of my Province in regard to communications of both kinds needs very great improvement if the best is to be got out of it.

" Again, my Lord, our resources in Burma of all kinds are naturally very great. We have great mineral wealth and great agricultural resources. Our country is fertile, and our revenue is increasing even under the present conditions to a considerable extent. But to get much more revenue it is essential that money in large quantities should be spent to develop the wealth which lies there dormant. I recognise that in a time like this of financial stress owing to the terrible war which is now being carried on, it is very difficult to find that money, nor do I press the Hon'ble the Finance Member to do so in his present Budget. What I do ask for, is recognition even in that Budget, however small it may be, that the conditions of Burma being special, a special financial policy in regard to Burma should form part of the general financial policy of the Government. Capital expenditure on Burma is not only necessary in the interests of the country, but will be an excellent investment from the point of view of the Indian exchequer. I know too little of finance to say how this may best be effected, whether it should be by a special loan or by special grants, or what is the most appropriate way of marking and carrying out this policy.

" Sir William Meyer in his speech indicated the possibility of greater powers in financial matters being given to the Provinces after the war. That

may help us, but we shall want greater and more definite assistance than other parts of India—assistance which we shall repay in every way.

"There are, however, three principal directions in which our development is possible, and which I venture to urge require special treatment from the policy which is adopted as regards the rest of India. They are, in the first place, the development of our means of communication, and in this connection I would commend to the favourable notice of Government the Report of the Roads and Communications Committee which was constituted by the Government of Burma In the second place, the encouragement of industry and agriculture, more particularly by the award of State scholarships in order that Burmans may have a chance of showing that they are not the lazy people they are so wrongly assumed to be. I say give us a chance so that my young countrymen may have an opportunity of taking their part in the development of their own country. Thirdly, we want funds for the scientific examination and exploitation of the very great mineral resources of Burma which may be of the greatest possible assistance to the whole of the Empire in the future.

"My Lord, we in Burma have two minerals which are of the highest importance, I believe, for military purposes. The first is wolfram, which is found in the Tavoy District, and the second is lead, which is found in the Shan States where we have one of the richest mines in the whole world. Again, there is the Pottery industry which is indigenous to the country, and which is to be found in every township of my Province. We have good clay, but we have neither the knowledge nor the plant necessary to make the best use of it.

"Our Forests are an unrivalled store-house of riches, and we might hope to supply even more of the timber of the world than we do, but here again we are handicapped by lack of facilities of communication.

"There are also other resources which need to be tapped. We have oil which can supply the needs of the Empire, and there is no reason to doubt that, with careful examination, other sources of mineral wealth will be discovered.

"I cannot refrain from saying that, after examining the Budgets for the last five years which were so carefully reviewed by the Hon'ble the Finance Member in his speech on the 1st of March, I regret I cannot find any trace of the special financial treatment of Burma which I wish to advocate not merely in the selfish interests of my Province, but because I am convinced that it will result in the development of one of the greatest assets in India and indeed of the British Empire."

The Hon'ble Sir Gangadhar Chitnavis:—"My Lord, in examining the Financial Statement before us, I must at once say that there will be no disposition among the general public to cavil at financial arrangements, the central object of which has been to render on behalf of India all possible help to His Majesty's Government in the vigorous prosecution of the war without weakening the internal administration and the financial credit of the country. It is only just that we should express our appreciation of the tact and judgment with which the Hon'ble Sir William Meyer has discharged his difficult task in these critical times. The Financial Statement shows how sound our position is. But what should be specially gratifying to the Indian public is that we all have the satisfaction of feeling that India has done her duty by the Empire in this great war. The Government of India and the Hon'ble Sir William Meyer have helped us to hold up our heads before the civilised world with the consciousness of having rendered to the Empire and the Allies no mean assistance in men and money.

"My Lord, the war is responsible for numerous changes all over the world, but not the least striking among them is the sudden elevation of India from the humble position of a debtor country to the proud one of a creditor country. In pre-war days we had to run to the London market for our small annual borrowings for capital expenditure; but during the past three-and-a-half years we have raised loans on an unprecedented scale within the country—a scale

which would have caused a strain even on the London market in normal times—not only for our current needs, but also for the purposes of a special gift of £100 million to His Majesty's Government. We have besides lent out of our Reserves £67 million to the Home Government, and propose to increase our investments by £16 million in the coming year. Thus our current expenditure and our share of the extraordinary expenditure and the heavy expenditure both in India and the different theatres of the war on behalf of His Majesty's Government is fully met. On an adjustment of accounts after the war, a heavy amount will be due to us from the Home Government. A novel experiment has likewise been made to finance the Federal Government of America on however humble a scale. This is a record of which any Indian may feel proud, but we owe it all to the Hon'ble Sir William Meyer whose approaching retirement we all regret. That these results have been attained without further and heavier taxation is to some extent due to the magnificent returns of the Department over which Sir Robert Gillan presides with such ability. But the patriotism of the people has been the dominating factor. It is a matter for satisfaction that peoples' ideas have been given a new direction, so potent for the good of the country. Their savings have been diverted into safe, sound and fructifying channels. The methods adopted for raising the loans have taught them lessons of economy. It is hoped that the constitutional changes will so popularise and strengthen the administration that it will command in a larger and ever-increasing measure the capital within the country for useful and remunerative employment and attract cheap capital for the industrial development of India.

"But while so much is said about the loans already floated, a word of caution appears to be necessary in regard to the proposed War Loan of 1918-19. It is clear Government will depend more largely upon War Bonds for necessary funds than upon long-term notes. These Bonds, suited as they are to the needs of the commercial and professional classes, will of course be taken up largely by them. It is a question, however, if the masses will go in for them year after year. Renewed efforts on the part of Provincial Governors and local committees are unnecessary for popularising War Bonds among the classes that need them, whereas they will not have the desired effect among the agriculturists of moderate means. The people have been approached frequently of late for contributions to these War Loans and special funds connected with the war, and they have cheerfully responded from patriotic motives. A repetition of the call, will neutralise the moral effect of the absence of taxation even in a year of stress and difficulty. The wise restraint in the matter of fresh taxation has created confidence among the people and leaves for Government a reserve of resources to be utilised in case of absolute necessity. Nothing should be done which will even remotely shake this public confidence or trench upon this reserve.

"My Lord, two other points connected with the Financial Statement should arrest our attention. Reference has been made to the transport of rails from India to Mesopotamia and other countries. There is no intention to criticise the policy of dismantling lines with its attendant problems in these war times, but a full statement on the subject with details would help a better appreciation among the public of the issues of compensation and replacement.

"The abnormal rise in prices alluded to in the Financial Statement is a matter of the gravest import to the people. The spirit of sacrifice is therefore, a certainty, but even in this matter, there is a point beyond which humanity cannot go And it is the duty of the Administration to prevent all avoidable distress. That Government is alive to its responsibilities is proved beyond doubt by its action regulating the supply of salt. I have no doubt that similar action will be taken as regards other commodities as occasion arises. But both Government and the people will have a better grip of the problems connected with food supply, if the average annual income per head of population is periodically calculated and shown in the Financial Statement. Such a calculation would also simplify the problem of taxation, in so far as it would help to dispel many illusions. There is no question of additional taxation in the immediate future, it is true, but the uncertainties of the present situation may have many a surprise in store for us."

The Hon'ble Sir Fazulbhoy Currimbhoy :—"My Lord, the Financial Statement has been well received throughout the country and for the best of reasons. Indian Commerce at Bombay has welcomed it. The Hon'ble Sir William Meyer deserves all the praise that has been bestowed on him. He has not only carried us safely through an extraordinarily difficult position without putting any extra strain upon the resources of the people; but, taking advantage of the new conditions introduced by the war, he has revealed to the world the possibilities of the Indian market, and has tapped a new source of supply. The wise forbearance he observed in the first stages of the war in not taxing the people when they were more or less in a state of panic, and when there was a sudden dislocation of business, has been amply justified by the financial results of his subsequent policy. It is only through the conservation of resources then that he has been able to raise such large amounts of late both by taxation and borrowing. His loan operations will have their lessons for our future Finance Members. The prospect of freeing India, to a large extent at least, from financial dependence upon London for our Railways and Irrigation works has for the first time appeared realisable. Indians have maintained, for some time past, as the Proceedings of this Council will show, that the Indian money-market is capable of supplying to Government the funds necessary for our annual capital expenditure; but it was reserved for Sir William Meyer to act upon the suggestion, and to initiate the bold policy which is fraught with such immense possibilities for the future and is calculated to do such permanent good to the country.

"My Lord, the small investor has reason to be grateful to Government. He has never had his chance before; but he is now provided with the best alternative to hoarding. The economic results of the new policy are incalculable. The common people have now the greatest incentive to thrift, and Indian capital, which may be lying idle, has been given wider scope for remunerative employment.

"The extraordinary expansion of the note circulation, wisely limited by the two conditions of public readiness to accept the notes and the maintenance of a sufficient metallic backing, is another prominent feature of the excellent financial administration, which, to our deep regret, is drawing to a close. It indicates unmistakably how high the credit of Government stands. And more than that: The increase in circulation brings as a substantial gain to the extent that it relieves Government of undertaking indefinitely additional coinage. It is doubtful if the world prices of silver would recede to their former level for many years to come. Anything, therefore, which renders the necessity of fresh coinage less acute must be a gain to the country.

"Yet another departure in policy, for which the Hon'ble Sir William Meyer's administration of our public finances and Your Excellency's Government will be distinguished, is the employment of the Government balances through the Presidency Banks for financing trade. With normal development the policy is bound to do good to the commercial interests of the country.

"My Lord, the new Paper Currency Depreciation Fund will command universal approval. It is a wise policy that Your Excellency's Government has adopted in view of the heavy depreciation in the value of the investments.

"The Financial Statement shows a loss of £400,000 on account of stores lost in transit between England and India. Greater details on the subject would have been welcome. The public would like to know, for instance, if the loss was due to the stores being shipped uninsured or insufficiently insured, or to the higher prices paid in replacing the goods.

"My Lord, it is only just to the Council that the Hon'ble Finance Member should make a full statement with regard to the expenditure in Persia, Mesopotamia, and other foreign countries which falls to the share of India. Under the Rules Hon'ble Members are not free to elicit information on such points of vital importance to the people by interpellation, and Resolutions are out of the question. Yet when expenditure is incurred by this Government beyond the natural frontiers of India the public have a right to know how it is justified by the circumstances. Government undoubtedly has a satisfactory explanation to offer, and it is here suggested that any such explanation should

find a place in the Finance Member's speech dealing with the Financial Statement. Not that India grudges any war expenditure, but a clear appreciation of the position is necessary.

"Reference, again, has been made in the Financial Statement to the future adjustment of accounts between His Majesty's Government and this Government regarding Military expenditure undertaken by this Government outside India. But no idea can be formed of the principle on which this adjustment will be made. For instance, in regard to expenditure in a country like Mesopotamia, we do not know where we stand. A complete statement on the whole subject is certainly necessary, and this statement should be made while the annual financial arrangements are under review.

"My Lord, the latent possibilities of our Railways as an elastic source of revenue have been well disclosed in the current year, and the financial results have agreeably surprised us all, though discounted by the fact that a considerable portion of the income is due to the transport of troops and materials. But in this connection Sir William Meyer has rightly emphasised the urgent need of renewals, especially in view of the present exceptionally heavy traffic. And it is satisfactory that provision has been made in the next year's budget for improvements on open lines which must be regarded as ample, regard being had to the difficulties in the supply of materials. The whole problem must, however, be seriously tackled by Government immediately after the war. And it would appear *primâ facie* desirable to create a Renewal Reserve out of the present large profits. The railway income now helps to swell the annual surplus. Surpluses are, indeed, necessary as provisions against the contingencies of the present uncertain position, but a real surplus can only be had after expenditure, which is certain, is amply provided for.

"My Lord, the investment of £20 million in Home Treasury Bills entails an annual loss of £300,000 in interest charges. If, on the contrary, £20 million is paid to His Majesty's Government as a part of our special war contribution of £100 millions sterling, the loss can be avoided. Borrowing money here at 5 per cent., while we earn only 3½ per cent. upon our fresh investment, is surely not desirable. Besides, we can raise the requisite capital in India after the war. But if, in the light of the fuller knowledge Government possesses, it appears necessary to have £20 million in England as a sort of reserve, the proposed investment in Home Treasury Bills will not be objected to. India is ready to make the sacrifice . . . . "

The Hon'ble Sir William Meyer:—"May I ask if the Hon'ble Member supposes that we pay interest on the Home Treasury Bills?"

The Hon'ble Sir Fazulbhoy Currimbhoy:—"No, we get interest.

"Again, the attempt to maintain the sterling exchange at 1*s.* 5*d.* to the rupee, with the price of silver in the American market at one dollar for an ounce, may not succeed. The tendency of the market is distinctly upwards, but since the Hon'ble Finance Member hopes to keep down the rate, we must suspend our judgment at present.

"My Lord, the Hon'ble Sir William Meyer's conclusions about premium bonds will be fully endorsed by the Indian public. The incentive of prizes is not necessary for people swayed by feelings of patriotism unique in history. The response to the War Loan of this year has, indeed, been splendid, more from patriotic motives than anything else. The hope is justified that the cautious estimate of the Finance Member will be exceeded next year. The public sentiment is one of whole-hearted co-operation with the British Empire in the prosecution of the war; the people are determined to do all in their power to help in the success of the Allied cause. No sacrifice is too great for them. The circumstances are, indeed, favourable and another loan may be floated with some degree of assurance of success. The people of Bombay, numerically fewer though they are, compared to the populations of the larger Provinces, under the wise guidance of our popular Governor, will not, it is hoped, allow the lead in this matter of subscriptions to the loan to be taken by others, and the Presidency Banks will be ever

ready to co-operate cordially with Government in all possible ways. Were it not for our patriotism, the legislation announced by the Finance Member, placing restrictions on the issue of capital by companies, would have been severely criticised. We are aware that such restrictions have been already provided for in England and the Colonies. The operation of our Port Trusts and Municipal Corporations have likewise been restricted. But, notwithstanding all this, the facts connected with the formation of the recent joint-stock companies, which must be known to Government, demonstrate the undesirability of the proposed restrictions. The war has helped a number of men to make exceptionally large profits, and, on the Bombay side at least, it has been our object to see a good portion of this money employed for the industrial development of India, the clamant need for which cannot be disputed. The new companies have succeeded in attracting some of this capital which would otherwise have, in all probability, gone to force up the prices of existing stocks and real property. Capital has been subscribed even by the subjects of Feudatory States. This is beneficial to Government also. During the war no new factory or business can be started for want of men and materials, and the money called by the companies would find a natural outlet into sound temporary investments such as India Treasury Bills and War Bonds provide. Besides the amount of capital, which may be put into joint stock concerns, is inconsiderable, compared to the heavy borrowings of Government, and cannot, therefore, affect them. It is difficult to believe that in such circumstances this Government would proceed to place restrictions upon the issue of capital but for the fact that the other parts of the Empire have them. And we, on our part, submit to the restrictions out of regard for the sentiment of the British public. At the same time it is hoped that provision will be made in the Bill for the flotation of companies for the promotion of industries that are of national importance and also of what are known as small industries.

"My Lord, the present situation has brought into relief the necessity of developing salt manufacture in India, if only for its productiveness as a source of revenue. With a vast seaboard such as it has this country should be self-contained in this matter of salt supply. And it is pertinent to inquire what this Government propose to do to develope its manufacture. It would be wrong to throw the whole work on the Provincial Governments. Not only should the policy be laid down by this Government, but the efforts of the Provincial Governments should be seconded by them.

"My Lord, the Financial Statement exposes the groundlessness of the charge of apathy towards the war so lightly brought against Indians. The Hon'ble Sir William Meyer deserves the thanks of the community for such a clear and convincing exposition of the whole situation. The figures speak for themselves, and, however strict the scrutiny, it is undeniable that India has rendered to the Empire solid and substantial help at the present crisis."

The Hon'ble Mir Asad Ali, Khan Bahadur:—"My Lord, the remarkable Financial Statement for 1918-19 reveals an excellent revenue position, a revenue surplus, and a cautious war budget without the imposition of fresh taxation. I take this opportunity to congratulate most heartily the Hon'ble Finance Member on his presenting an eminently satisfactory budget once again. On the eve of laying down the reins of high office the Hon'ble Sir William Meyer may look back with pride and satisfaction upon his career in the Financial Department, and rejoice to find that his valuable service to India and the Empire at a most critical period of her history is fully recognised and appreciated by his non-official colleagues in the Imperial Legislative Council.

"The Financial Statement assumes for budget purposes that the war is likely to continue for yet another year. The end of the gigantic world-struggle does not yet seem to be within sight. How to win the war is the one mighty resolve of the whole Empire. India, too, my Lord, is determined to continue to render the Empire every loyal assistance in the successful prosecution of the war. At such a time any criticism of the war budget ought to recognise at once the urgent needs of the British Empire. Neither is it possible for me to criticise the budget without a fair knowledge of the present

military needs, nor is it advisable to press vigorously, as in normal times, the claims of India in matters of internal progress and reform. Nor is a week's time hardly sufficient to go through and digest a mass of statistics in the able memorandum prepared by the Financial Secretary.

"I should, however, like to place a few facts before the Council, as may suggest thoughts for future guidance. Until the year when war broke out education and sanitation, my Lord, continued to receive sufficient encouragement during your predecessor's *régime*. Since then war-conditions have naturally prevented your Excellency's Government from making large and substantial grants towards their expenditure. But it is to be regretted that even the grants since made to Local Governments could not fully be utilised. While the accumulation of non-recurring grants, made to education between 1911-12 and 1918-19, represents a fair sum of nearly £2½ millions, the unspent balance on the 1st of April 1919 is expected to be £854,000, or less than a third of the total expenditure of non-recurring grants Further, the Financial Statement expresses that in view of war conditions they have to ask Local Governments to restrict drawings on their balances. Hence no appreciable progress could be made in education. Moreover, a special recurring grant of thirty lakhs, allotted in the budget, for the development of primary education, is too small to be of practical value over a large area. In view of the growing importance of primary education this grant needs to be doubled, so as to be of real benefit to the cause of primary education. The Financial Member, I daresay, will see his way to make a grant of at least £400,000 instead of £200,000, without materially altering any budget item. Though substantial amounts are not available for improving education efforts should be made to divert a good portion of the money spent on University or higher education to the more pressing needs of primary and secondary education. The need for trained teachers in Primary Schools is increasingly felt, especially in aided and unaided institutions. In Government Vernacular Primary Schools half the number of teachers are untrained men, and in Board and Municipal Schools far more than half the number are untrained men, while in aided and unaided Vernacular Primary Schools, the trained men form only about a seventh of the total number of teachers. The position is better in the Anglo-Vernacular Primary Schools under Government, Board, or Municipal management, where two-thirds of the teachers are trained men. But in aided and unaided Anglo-Vernacular Schools less than a fourth of the teachers are trained men. These figures clearly show that, if primary education is to make headway, more trained teachers are needed, and, consequently, more training schools in select centres. Whether in normal or abnormal times, adequate provision should be made to meet the growing needs of primary education. Also, I should like to suggest that a portion of the Imperial grants, both recurring and non-recurring, should be earmarked for Moslem education. Fairly satisfactory as the progress of Moslem education has been in recent years I believe there is need for an increased number of scholarships to Moslem youths who desire to pursue scientific or industrial education. For they have a better aptitude for such education than those of the sister community. Special Imperial grants, too, should be earmarked for scientific and commercial education. A sum of about Rs. 34,000 is all that Provincial revenues could find for promoting higher commercial education in 1916-17, and a sum of about Rs. 24,400 only for commercial schools.

"Nor can sanitation be neglected. Steeped as the masses have been for years past in ignorance and poverty, any amount expended on the improvement of rural sanitation so as to minimise the evils of preventible diseases is money well spent. Even there one finds that nearly half the total expenditure of the non-recurring grants is shown as the unspent balance expected to be available on the 1st of April 1919. I wish, my Lord, that Local Governments are permitted to spend more of these non-recurring grants so as to leave little unspent balance, except where it is absolutely necessary.

"Under the revenue heads the rapid growth of the excise revenue cannot be contemplated with equanimity. It has nearly doubled itself within the last fifteen years. Within the last four years, it has increased by about 17 per cent. Nearly half the total revenue is shared between Madras and

Bombay, the former alone contributing more than a fourth of the total revenue. While an increased revenue does not necessarily indicate a corresponding growth in the consumption of liquor, it represents, however, a large amount of money of the drinking classes, the vast bulk of whom are the poor masses of India. The money they now waste on liquor may profitably be spent in securing for them increased comfort and better living. The Government, my Lord, I respectfully submit, is not morally entitled to raise revenue from the cursed liquor traffic.

"Under the expenditure items, the military item, as is indispensable and inevitable, tops the list. While I do not feel competent to criticise that item, I feel bound to say that a considerable decrease in expenditure should be looked forward to when normal times return. Within the last five years the expenditure has increased by about 40 per cent. Next in importance to military expenditure comes police expenditure. The expenditure, too, has shown a very rapid rise from £3·81 millions in 1907-08 to over £5½ millions in 1917-18, and the budgeted figure for 1918-19 rises to £5·86 millions. Within the last ten years it has increased by about 74 per cent. A large increase, I daresay, must have occurred in the Criminal Investigation Department, whose expenditure alone has nearly trebled itself during the same period. If increased expenditure leads to efficiency I shall not grudge it. But I have reason to believe there is need for effective retrenchment in police expenditure.

"In view to the impending reforms, public expenditure is likely to grow. The question of retrenchment is even more important than that of reform. I should like to suggest the appointment of a mixed committee of officials and non-officials to scrutinise our public expenditure and suggest ways of economy. Again, the post-war trade problems have to engage our serious attention, as the future financial strength of India will have to depend upon her economic prosperity. Without feeling any necessity for imposing fresh taxation the Government should consider the revenues of the country have to be augmented by a well-thought-out plan of Indian industrial expansion. Let me hope, my Lord, that, as soon as the war is over, greater encouragement will be given to scientific and commercial education, and that your Excellency's *régime* will mark the beginning of a new industrial era in this country."

The Hon'ble the Raja of Kanika:—"My Lord, this is the fourth War Budget which has been presented to this Council, and I must take the earliest opportunity of congratulating the Hon'ble Sir William Meyer on the Financial Statement which he presented on Friday last. The bold and statesman-like manner in which he has managed our finances during a period of extreme difficulty ever since the war broke out must excite the admiration and gratitude of all—not only of those who are inside this Council, but also of the larger public who are outside it. My Lord, it was Sir William Meyer's misfortune that circumstances over which none had any control had so shaped themselves as to compel him to impose a number of additional taxes within the last few years. My Lord, so far as extra burdens were the inevitable result of the present war, there never had been any desire to find fault with Sir William Meyer. Rather, there was a good deal of sympathy for him in the difficult task, with which he was faced, of making the two ends meet. This is the last Financial Statement which Sir William Meyer will deal with in this Council, and I take this opportunity of expressing our wide appreciation of his work here as the Finance Member of the Government of India.

"The current year, my Lord, is expected to close with a surplus of about six million pounds and the budget for the coming year is expected to yield a surplus of about £2¼ millions. My Lord, Sir William Meyer has very wisely declined on the one hand to impose any fresh burdens this year by way of new taxation, and on the other he has also very prudently declined to remove any taxation which was imposed during the last few years. My Lord, nobody would like to quarrel with the Finance Minister in the extreme caution with which he frames his financial policies. 'Prudence' one of Sir William's distinguished predecessors remarked, 'is to a Finance Minister what modesty is to a woman.' Sir William Meyer, if I may venture to say so, is both prudent and modest. But, my Lord, while we must agree with Sir

William Meyer in the cautious and prudent policy which he now lays down, may I express a fervent hope that the whole scheme of war taxes imposed during the last few years will be liberally reconsidered as soon as the war ends? The extreme necessity of the situation, perhaps, justifies all that Sir William has done by way of imposing fresh taxation; but, though necessity justifies them, they are an onerous and a very heavy burden no doubt, and the one hope with which the country is bearing with them all at the present time, with prices of almost all commodities soaring and the purchasing power of money continually going down, is the hope of their temporary nature and of their ultimate removal after the war. Sir William Meyer's work, I thoroughly agree, has been very difficult. The task of a Finance Minister is the most thankless of all tasks. No Finance Minister ever was a popular hero. No public statue is ever voted to him. It seems that Burke's famous dictum 'It is as difficult to tax and to please as it is to love and be wise' will remain true for all ages to come. But in spite of it all, I again repeat my fervent hope and prayer that the Government will be pleased to reconsider the whole scheme of war taxation as soon as the present war ends, and that, with good surpluses in hand just now, no further increase of taxation—whether directly or indirectly—will be demanded.

"I also hope, my Lord, that the end of the war will see a renewed attempt to re-vitalise our schemes of education and sanitation. The war has necessarily restricted to a great extent any large expenditure on these lines, and as these are the things absolutely essential for a minimum of civilised life, I hope the Government will not fail to make increased allotments for these services as soon as conditions permit.

"The experimental issue of short-term Treasury Bills made necessary by the excessive drain on the resources of the Government of India due to the very heavy military charges which the Government of India are incurring on behalf of the Home Government has proved a very great success, and I beg to offer my congratulations to the Hon'ble the Finance Member for having taken, what practically amounts to a new departure in our Indian Finance system. I am sure this new issue, modelled on the British Treasury Bill system, will be found equally advantageous to both the Government and the public. It has afforded a great relief to the money-markets of India and as a war measure, it does indirectly, though in a very great way, help His Majesty's Government in the vigorous prosecution of the war. The absence of a three months' Treasury Bill at the beginning was felt to be a great handicap, as, to the business man who wanted a temporary short-term investment of his idle money, the long period bills failed to be attractive. Of course, I quite realise that the Government had very good reasons not to offer the three months' term when they issued the Treasury Bills in October last, because even in normal times a heavy financial liability maturing in the middle of the month of January was a thing quite difficult to handle. I am glad, however, to find from the Hon'ble the Finance Member's statement that from January last even the three months' bills are being issued. This, I am sure, is highly welcome in business and commercial circles, and, as this is only another way of helping to win the war, I have no doubt there will be a big response to it.

"My Lord, the issue of a big war loan in India on the premium bond principle has long been suggested in some influential quarters. Several Indian Chambers of Commerce also strongly recommended this plan of raising money. The main idea of the premium bond is of course to cater for the millions of small investors to whom a loan on the premium bond principle is bound to be specially attractive. Certain classes of people who are not regular investors are no doubt attracted by this means as they are by no others. Apart from the large number of thriftless people, who will not save even if they can, there are a large number—I should say, a very large number—of other people who do not care to save simply because the amount that they can save at any one time is much too small. They feel that their total savings are too small to be useful for any important necessity, and therefore they give up all ideas of saving as not being worth their while. To these classes, no doubt, a premium bond loan would appeal immensely, the chance of winning a prize would attract all classes and gild the ordinary invitation to subscribe to a war loan with a touch of romance.

"But, my Lord, in spite of all these advantages the premium bond principle has been severely condemned on high moral grounds. It is like running on an inclined plane and once it is adopted there will be no practical limit to the continual application of its principles in other cases; it will supply the artificial excitement of a gamble in place of duty, loyalty and patriotism, and thereby it will greatly undermine them all; it will give the great weight of Government influence to gambling; it will land the Government in the curious position of encouraging gambling on the one hand and repressing it on the other.

"It is a great relief, my Lord, that Sir William Meyer has rejected the principle of premium bonds, though, I am sorry to find, not on ethical but on financial considerations. I do trust and pray, my Lord, that if ever the Government of India reconsider the question of introducing the premium bond principle here, it will think carefully of all the sides of this important question before it takes a final decision.

"My Lord, when the Indian war loan was floated last year, many were the misgivings with which its progress was watched. Sir William Meyer and his expert advisers did not hope to get more than £10 millions or 15 crores of rupees. But the progress of the loan within a few days of its issue proved to the hilt how utterly futile all the misgivings were as to its ultimate success. My Lord, when the people of India undertook to make a total war contribution of £100 millions to His Majesty's Government to be used towards the prosecution of the war they knew what they were about, and they proved their mind and word by the subsequent success of the war loan. To get £36 million where only 10 millions were expected is a very great thing, and it speaks very highly of a poor country like India. The response to the war loan last year was universal—all classes of the community freely took part in its accumulating total. My Lord, the war loan was a part, it was only a part, of our great national effort to mobilise and marshal into line all the forces at our disposal for the supreme task of winning the war. The present war is India's war quite as much as it is England's war. We are in it, heart and soul, and the whole country from end to end is supremely thankful that India has been allowed to pull her weight and to take her legitimate part in this titanic war of civilisation against the forces of a savage and despotic militarism. My Lord, in this matter of the Indian War Loan, India and the Indians were on trial. It is a supreme satisfaction to all concerned to find how very creditably India has come out of it. The people of India, my Lord, realise what this greatest of the world's war is being fought for, and there is nothing, my Lord, that could excite their imagination and ignite their zeal more than the sight of this appalling sacrifice of the most precious human blood and this colossal expenditure of money—all for the sanctity of a 'scrap of paper'! The people of India, my Lord, have entered into this war with a mind incandescent with loyalty and melting with zeal, and they would, I am sure, see to it that so far as men and money are concerned, India will give all—all that she can possibly give. Sir William Meyer hopes to get £20 millions next year as the result of the war loan. I do sincerely hope and trust that the response to this year's war loan will be as gratifying as the response last year. I have not the least doubt, my Lord, that India will nobly respond to this fresh call of duty."

The Hon'ble Rai Bahadur Krishna Sahay:—"My Lord, may I be permitted to join in the congratulatious which have been offered to the Hon'ble the Finance Member on the budget he has presented to the Council this year. The task of a Finance Minister of India always is difficult, was never perhaps so full of dangerous pit-falls as has been the case in Sir William Meyer's term of office, and it is no ordinary achievement even for a man of his ability to have come triumphant out of it. Every weapon that he designed during the last few years to combat the difficulties in his way have fallen with soft hands on the people—and the fact that there is no provision for fresh taxation in his final budget will be received with unmixed satisfaction throughout India. They all bear the imprint of his remarkable skill, his resourcefulness and a broad-minded sympathy with the people of this country

which will ever be remembered by them with a sense of gratitude. He lays down the reins of his great office to the regret of us all.

"The decision of your Excellency's Government to float the war loan again this year is most welcome as it will give us a further opportunity of redeeming in cash as far as possible the debt of honour for which we have made ourselves responsible. We, the people of India, are thankful, my Lord, that we have been permitted to shoulder to some extent the burden of the almost Herculean task of 'making the world safe for democracy' and of saving human liberty and human civilisation from the wounds of a savage and despotic militarism. The war loan last year was our supreme test, and it is a matter of unfeigned satisfaction that by her ready response India has proved her fitness to be a real partner in the Empire. May this comradeship in arms grow into a real Imperial and inter-Imperial partnership, will be the devout prayer of every sincere well-wisher of the Empire!

"I have absolutely no doubt, my Lord, that the estimate of £20 millions which Sir William Meyer expects as the results of the war loan in the ensuing year will be easily reached. The people of India are suffering with all other countries of the world by the long continuance of this present terrible struggle, and they realise only too well that a big and successful war loan will, in the words of Mr. Lloyd George, 'shorten the war, it will help to save life, it will help to save the British Empire, it will save Europe and it will save civilisation.' What a glorious opportunity for us to have a share in the noblest of tasks which man ever set before himself to achieve in this world, what a fine opportunity to have a hand and a share in the making of the world's history! I believe, with all my heart, my Lord, I do believe, that India's response to this fresh call in the name of liberty, humanity and justice, will be as noble and as magnificent in the coming year as it has been in the past.

"But, my Lord, in this connection may I be permitted to utter a word of caution? I pray that the war loan in rural areas this year may be pushed on very cautiously so that poor people—who, it is just possible, have invested their all in the war loan last year—may not find any pressure brought to bear upon them to subscribe again in sums much beyond their means. Cases of such undue pressure have unfortunately actually occurred in some places last year, else I would not have referred to it at all. I fervently hope that the work of pushing on the war loan will be entrusted to careful and judicious persons so that people might voluntarily subscribe the utmost that they want to. The moral value of such free and voluntary contributions is much greater than in any other case. If the Government will fully explain the situation to the people and trust them, the people in their turn will trust the Government freely with their money.

"My Lord, the Railways of India have broken all records and have given the Government of India an unexpected windfall. The net profit on Railways in 1917-18 is expected to be £10·1 millions as against £5·6 millions in the budget estimate. Such a large increase of revenue is always welcome, and no one is more glad to get them than the Finance Member himself. That the Railways will treat the Finance Minister so nobly in spite of the restrictions referred to by Sir William Meyer is indeed a matter of great satisfaction, but it does seem to me that the estimates of revenue for the current year under the Railways had been framed rather too cautiously. Be that as it may, may I draw your Lordship's attention to one serious public inconvenience in connection with our railway services? Railway facilities, my Lord, have been seriously curtailed throughout India recently, on account of the unusual conditions prevailing at the present time. The supreme necessity of moving military supplies and other goods vital to the successful prosecution of the war, the grave difficulty with regard to the supplies of good coal, the continued deterioration of the permanent-way and the rolling stock, including in some cases the actual dismantling of certain railway lines to provide for railway materials for Mesopotamia—all these, my Lord, have combined to create an almost unparalleled situation with regard to our railway facilities and have resulted in a very serious restriction of railway services throughout India. I have no desire, my Lord, to manufacture grievances, but I feel it my duty to represent

to your Excellency's Government the very great hardships felt throughout the country by the serious curtailment of railway facilities. I know we are living in abnormal times, and therefore we have no choice but to put up with abnormal conditions. But, in spite of it all, I do hope that at the earliest possible opportunity the Government will kindly reconsider the question of provision of increased railway facilities in the country. I do not suggest that the pre-war facilities ought to be immediately re-established, because nobody is foolish enough to imagine even for a moment that that is possible. What I do suggest is, that, considering what a fine asset the Railways have proved themselves to be, the Railway Board might just reconsider the question of providing, at the earliest possible opportunity, improved railway facilities—however slight they might be, because I am convinced that any relief, however slight, would be highly welcome in the present state of railway traffic in the country.

"There is another matter, my Lord, on which I beg to thank your Excellency's Government—I refer to the recently-issued Royal Proclamation which constitutes a branch of the Royal Mint at Bombay for the purpose of the local minting of sovereigns. We have been asking for this privilege, my Lord, for a long time, and we have got it at last. The measure now taken only completes the steps recommended by the Indian Currency Committee of 1898. In paragraph 54 of their Report the Committee reported that they were 'in favour of making the British sovereign a legal tender and a current coin in India. 'We also consider,' they remarked, 'that, at the same time, the Indian Mints should be thrown open to the unrestricted coinage of gold on terms and conditions such as govern the three Australian branches of the Royal Mint. The result will be that under identical conditions the sovereign would be coined and would circulate both in England and in India.'

"My Lord, the first part of the Committee's recommendations, namely, that the British sovereign should be made a legal tender was carried out almost immediately in 1899, but the latter part took a very long time to be accomplished. By 1900, it almost seemed as if matters had progressed favourably when Sir Clinton Dawkins actually announced that it had been decided to constitute a branch of the Mint at Bombay for this purpose; but these proposals were never carried out, a number of technical and other difficulties were raised by the Royal Mint, and the project was dropped in 1902. The whole question was, however, revived in 1911, and since then the Government of India have again fought for this privilege being granted to India. The country, my Lord, is deeply thankful to the Government in having finally succeeded in securing for India this valued privilege.

"With reference to the figures given in Tables XVI and XVII of the Financial Statement I cannot help expressing my regret for the increase of expenditure in my Province of Bihar and Orissa under the heads of 'Police' and 'Law and Justice' due to the unfortunate riots in the district of Shahabad.

"But I hope, my Lord, that it is only a passing phase of the Provincial budget and no undue importance need be attached to the occurrences themselves which have necessitated it. The people of the disturbed area have by this time realised that the arm of law is long enough—and strong enough—to reach any offender even in remote and obscure villages, and it is disastrous to court the advent of military camp, additional police force or special tribunals. I also venture to think that your Excellency's appeal to the leaders of the communities of Hindus and Mussalmans and to the communities themselves has not and will not go in vain, and permit me to assure your Excellency that genuine efforts are being made by both to prevent a recurrence of such deplorable incidents."

The Hon'ble Rai Bahadur Bishan Dutt Shukul:—"My Lord, I join hands with my colleagues in congratulating the Hon'ble Member, Sir William Meyer, on the remarkable lucidity which characterizes the Financial Statement which he has placed in our hands this year, and which has already been accorded a warm reception by the whole country.

"My Lord, when we met here in this Council Chamber last year about this time, we prayed that the outlook already so sad and dismal then should soon disappear and an era of universal peace and order dawn upon us, but that was not to be. The war still continues with its unabated fury, and the end is not yet in sight. The war is writ large in every page of the Finance Member's speech. Under these circumstances, we cannot but admire him for the tact and fore-thought with which he has not only been able to make both ends meet, but has maintained the financial stability of the Government intact, without imposing any additional taxation upon the people of the country during the next year. This is indeed a most happy feature of the present budget.

"My Lord, the revised estimate for the current year shows a surplus of £5,825,100. Such a large surplus coming as it does in the train of a series of similar surpluses during the immediately preceding years especially at this juncture, when the whole country is passing through an unprecedented crisis, would lead one to pause and think as to how far such a large surplus is really a matter to be congratulated upon. Our Hon'ble friend the Finance Member refers to caution in the opening part of his speech, as a matter for congratulation. I quite agree with him. Caution is no doubt an element of statesmanship, especially during these war times, but excess of it is not a very wholesome feature, and one need not be disappointed, if, at times, it fails to receive an enthusiastic response. It is with reference to these surpluses that the Finance Commission observed in their report that 'in preparing their estimate of revenue, the Government of India erred on the side of caution'. The principle of maintaining a fair equilibrium between the estimated revenue and expenditure of the State, providing at the same time for a moderate and reasonable surplus, is indeed a sound financial policy, but to evolve large, continuous and progressive surpluses, year after year, is a policy which, I submit, is hardly defensible. For after all, what do these large surpluses indicate? They are apt to indicate nothing else than an attempt, a deliberate attempt on the part of the Government, to squeeze more money out of the pockets of the people than what is fairly needed for the requirements of the State. In normal times this would have been the most objectionable feature of the budget, and an immediate demand for the remission of taxation would have been raised by the whole country, but in view of the present embarrassed position of the Government due to war, I refrain from making any such demand, although the necessity for the reduction of certain taxes, such as the salt tax and the increased Railway rates, is being most strongly felt.

"My Lord, though the remission of taxation is out of question at present, yet the Government, in my humble opinion, are bound to return a substantial portion of the surpluses to the people, by applying it to purposes which will immediately tend to ameliorate their material and moral conditions Since, who are the principal contributors to these large surpluses? They are no other than the cultivators of the soil. The Hon'ble Finance Member has attributed the large surpluses to the excellent agricultural prospects of the present year. Surely, it is upon the agricultural prosperity of the country that the stability of the financial position of the Government of India mainly depends. One year's bad harvest shakes the very foundation of the whole financial edifice, and are not then the cultivators, the teeming millions, toiling at the well and at the plough, the real custodians of the agricultural prosperity of the land, entitled to receive their just share of the surplus to which they have so largely contributed? I wish the rosy figures as indicated in the budget should have really represented a prosperous India. I wish there should have been a real correspondence between the conditions of the finances of the State and the condition of the people, but, my Lord, unfortunately it is not so, while, on the one hand, we have to congratulate the Government on their 'excellent revenue position' and fat surpluses, on the other hand, we feel the painful necessity of drawing the attention of the Government to the actual condition of the people which is far from being satisfactory. My Lord, the question which demands the most serious attention of the Government at this moment, is the gradual deterioration that is taking place in the economic condition of the agriculturists, and I think I shall be lacking in my duty if I do not

urge upon the attention of the Government the necessity of providing larger funds for the purpose of agriculture, education, medical relief and sanitation, etc.

" My Lord, agricultural industry is the mainstay of the Indian nation, of 80 per cent. of the population of the whole country, yet no other industry is in a worst plight. While in the countries of the West the farmers have begun to grow wheat yielding 30 to 45 bushels per acre, the poor tenantry of India can never expect a better yield than 10 to 12 bushels per acre and this in spite of the agricultural department having been established here all these 30 years or more. My Hon'ble friend the Finance Member congratulates the Government upon the increase of ·3 per cent. in the cultivated area of the year. My Lord, this increase is insignificant and any felicitations expressed on this account are bound to be coupled with expressions of regret that the alleged expansion of area under cultivation is hardly keeping pace with the corresponding increase in population. The inadequacy of food-supply to meet the growing demand in India, both external and internal, is being seriously reflected in the inflated prices of the necessities of life, which have been pushed up to the high standard of famine rates in several parts of the country and are causing acute hardship and distress to the people. Unless immediate steps are taken to copiously increase the productivity of the soil, the farmers of India will not be able to stand competition in the markets of the world, and the sufferings of the people will know no end. In view of these remarks, it will be observed that the allotment under the head of agriculture is wholly inadequate. More money should be placed at the disposal of the agricultural department to enable it to provide for more agricultural schools, more trained men, more machines and more cattle-breeding and demonstration farms, with a view to accelerate the pace of progress in the matter of agricultural improvements.

" My Lord, I have to make a few more observations on two items of expenditure in which I am particularly interested, and they are no other than those of education and sanitation which are the prime needs of the country. In the matter of education I have to thank the Government for their putting aside a sum of Rs. 30 lakhs for the development of primary education. Although this may not be quite up to the expectations of the people, yet it furnishes a striking testimony to the high regard in which the Government holds the cause of primary education in this country. While congratulating the Government upon this, I cannot help confessing to a feeling of disappointment that overtook me when I did not find any provision in the budget under this head for the establishment of the Nagpur University in the Central Provinces. My Lord, the whole Province feels keenly about this, and the Council may take it from me that this omission will be very much resented. I therefore beseech the Government and especially request the Finance and Education Members to see their way to provide some money at least by reducing the surplus, and curtailing expenditure under the head of Civil Works, to enable the Local Government to make at least a beginning towards the establishment of the Nagpur University.

" As for sanitation, I have personal grievance. I notice in page 69 of the memorandum under head Sanitation an allotment of Rs. 6,31,000 only for the Central Provinces. This is less than the sum shown in the revised estimate by Rs. 1 lakh. The reason for this decrease has nowhere been given, and an explanation is due from my Hon'ble friend the Finance Member for the same. The Central Provinces are still far behind the other sister Provinces in the matter of sanitary improvements. The rate of mortality still continues to be high. It was only last year that the infant mortality reached the record figure of 265 per 1,000 births which was the highest in the whole of India, if I am not mistaken. Besides, the condition of rural sanitation ' is most disappointing '. Village houses are still ill-ventilated. The village sites are dirty, crowded with cattle, choked with rank vegetable and poisoned with stagnant pools. It may not be out of place here to give public expression to the general feeling of disappointment prevailing in the rural areas that all that is talked of and all that is done for sanitary reforms, the least attention is paid to village sanitation. While 1-14th only of the population of British India resides in the Municipal areas, yet more money is spent on urban areas than rurals, and this is a matter which

I wish the attention of your Lordship especially drawn to, and I hope that a more lively interest will henceforth be taken in the improvement of the village sanitation and so far as the Central Provinces are concerned, the provisions instead of being curtailed would rather be increased.

"My Lord, I quite realize the difficulties of the present situation, and if I have been encouraged to demand more money, it is because of the tantalizing surpluses accruing year after year. Moreover I strongly feel that, as far as possible, the progress of the internal reforms in the country should not be stayed. In my humble opinion the Government should have a definite determined policy with regard to financing education, sanitation and agriculture. It is high time that the Government should lay down a distinct financial policy which would assure, or at any rate convince, the people at large that the desired goal, aimed at by these departments, will be reached within a definite period of time. As the whole question relating to reforms is under consideration of the Government of India and the Secretary of State, as indicated by the Hon'ble Finance Member in paragraph 95 of his speech, it is expected that this aspect of the question will not be overlooked, and we all hope and believe that the time is not distant when your Excellency will earn the further gratitude of the people by ensuring fiscal independence to India, accompanied by provincial autonomy and a substantial measure of responsible government, so essential to her industrial, social, economical and political development and without which she can never expect to secure her proper place in the civilized world.

"Just a parting word to my Hon'ble friend the Finance Member who is on the eve of retirement and I have done. We are all thankful to him for the paternal care and solicitude with which he has managed the financial affairs of the State during these most anxious war times, and we deeply regret that at this juncture we are to lose in him not only an able financier, but a sympathetic heart so loyal to India. He carries with him the good wishes of the whole country, and we hope that in the midst of his new surroundings he will not forget India, but will continue to exert his beneficial influence in the cause of her interests to which he has been so ardently devoted."

The Hon'ble Mr. Malcolm Hogg:—"The Financial Statement which was presented by the Hon'ble the Finance Member last week affords neither provocation nor excuse for a lengthy speech and in saying that I feel that I am paying it a very high compliment. With regard to the Revenue and Expenditure side the position is extremely satisfactory, and it only remains for me to tender my hearty congratulations to the Hon'ble Member on being able to present a statement, which must be very gratifying to the country in general. But as the Hon'ble Member has said it is the ways and means problem which has been and is the cause of most of his anxieties, and I should like to make a few remarks on certain points which arise in connection with that problem. In the course of his speech the Hon'ble Member stated that it had been his consistent policy to promote co-operation between Government and the Presidency Banks and made a warm acknowledgment of the response with which his efforts had met from those institutions. As I have this year the honour to be President of the Bank of Bombay it would, I think, be ungracious if I did not thank Sir William Meyer on behalf of that bank for the terms in which he has referred to the assistance which the Bank has been able to give. In doing so, I do not wish it to be thought that I am appropriating to myself and my colleagues on the board the credit, which was intended, and rightly intended, for our Secretary and Treasurer, Mr. Aitken. That is far from my intention. I merely regard myself as the mouth-piece of Mr. Aitken and of my co-directors, and feel that it would be their wish not only that I should acknowledge the Hon'ble Member's remarks, but that I should state definitely that it is our wish at all times to afford the maximum possible assistance to Government and more particularly in the difficult times through which we are at present passing.

"About the desirability of close co-operation between Government and the Presidency Banks, I do not think there can be two opinions, but there may on particular occasions be two opinions as to the best method of co-operation.

The Presidency Banks have certain definite and important functions to perform in financing the commerce and industry of India, and when considering how best to assist Government, they have to be careful that the assistance is not given in such a way as will or may subsequently hinder them from adequately performing their primary functions. For to ignore this aspect of the question would be a very short sighted policy and would entail consequences as detrimental to the interests of Government as to those of the commercial and financial communities. If then there have at any time been or should be in the future differences of opinion between the Hon'ble Member and the Bank of Bombay, I am sure that he recognises that such differences of opinion are not due to any diversity in the object aimed at, but to an honest difference of opinion as to the best way of achieving that object.

"While I am speaking of co-operation I may perhaps refer briefly to another passage in the Hon'ble Member's speech where in paragraph 53 he referred to the possibility that Government might have to call to a still larger extent for the co-operation of merchants and others who have homeward remittances to make with the view of applying those remittances more largely than in the past to the financing of exports of essential national importance. Now, I feel sure that if the necessity for such a call arises, Government will receive a ready response from those to whom it will be addressed. But I would just like to say this. Government restrictions on and interference with the ordinary channels of trade are not in themselves desirable, and are only acceptable in so far as they are necessitated under war conditions by paramount national interests. I hope, therefore, that before making any such further call Government will thoroughly investigate this rather complicated question and, if possible, take into their confidence those who will be affected by it in order that there may be no doubt of its necessity. For it does seem to me that the present complete control, which is exercised by Government over the utilisation of freight space, already effects the object which Government have in view, or if it does not already effect it can very easily be made to do so. As far as I am aware very little except exports of national importance are being or can be shipped at present, and if that is so it is difficult to see how those who have homeward remittances to make can use them for any other purpose except the financing of such exports.

"The next subject on which I wish to make a few remarks is the proposed War Loan of 1918-19. Compared with the results of the last War Loan the Hon'ble Member may appear to have taken a rather conservative figure in estimating the minimum proceeds of the forthcoming Loan at £20 millions, but while I cordially join with him in hoping that this minimum figure will be largely surpassed, I think that he has good reasons for his caution. As he as said the very magnitude of last year's effort is in itself a reason, and then there is the fact that the present very high prices of cotton and other raw materials will make it more difficult for industrial concerns, in spite of the large profits which many of them have made, to release their funds for lending to Government. Any steps therefore which Government can take towards reducing these high prices, and I am glad to see that the matter is receiving careful consideration in my own Province, will tend to pave the way for the success of the loan. Government are aware that a good deal of inconvenience has been felt by investors in the last War Loan owing to the delay in the issue of scrip and other cognate matters, and I welcome the Hon'ble Member's assurance that steps have been taken to prevent any such complaint in respect of the coming loan by simplifying and decentralizing arrangements. May I suggest to the Hon'ble Member that the greatest possible emphasis should be laid upon and publicity given to this fact when the new loan is floated? Dissatisfaction with the previous arrangements undoubtedly exists in many quarters, and it is essential that, that feeling should be removed if the new Loan is to have the best possible chance. This can only be done by widespread advertisement couched in the simplest and plainest language of the new arrangements which have been made. One other point I should like to emphasise, although I have no doubt that Government are fully alive to it, is this. The success of last year's loan was very largely due to the vigorous publicity campaign initiated by the heads of Local Governments and carried on by unofficial War

Loan Committees. A similar campaign and one no less vigorous is essential this year also if last year's success is to be repeated. The Hon'ble Member has foreshadowed the placing of restrictions upon the withdrawal of capital from the money-market by companies in order to prevent competition with the Government loan, and I see that he is shortly to introduce a Bill for this purpose. With the object of this proposed legislation I certainly have no quarrel, nor do I suppose that it will evoke opposition from any quarter, but I wish to place one or two considerations of a practical nature before Government with regard to the method to be adopted. Mere prohibition of the floating of companies might, I think, fail of its object, for it is certain that much of the money thus prevented from being invested in new companies would not find its ways to Government, but would be diverted to speculation in house property, in shares of existing companies, and in other directions where it would be lost to Government. I would suggest, therefore, that in many cases a form of conditional floatation might be more efficacious than mere prohibition. What I mean is this. Under present conditions there is likely to be considerable delay in the full utilisation of their capital funds by many new companies, and such companies are likely to have large funds at their disposal for temporary investment for varying but considerable periods. I am inclined to think that Government might get more money by allowing companies, which are likely to prove attractive to the investing public, to raise funds on condition of lending a certain proportion of the funds so raised to Government for certain periods than by excluding them altogether from the money-market. The exact conditions as to the proportion of capital to be lent and the period for which it is to be lent would have to be settled to suit the circumstances of each individual case. Of course, it may be objected that a company, which did not expect to be able to utilise its whole capital for some time, would ordinarily call up only a small portion of that capital at the outset. That is true enough, but I think that such a company, rather than be excluded altogether from the money-market, would prefer to call up rather more capital than it immediately needed and lend the surplus for a time to Government, as it would after all be earning a very fair rate of interest on that surplus. I hope, therefore, that the Bill to be introduced will provide for conditional flotation on the lines I have suggested, as well as for prohibition in case of need. I hope that the Hon'ble Member will not suspect me of having any axe to grind in this matter. I assure him I have none, and that my only object in urging this suggestion on the attention of Government is the furtherance of the object which they themselves have in view, namely, the success of the War Loan.

"I cannot refrain from some reference to the question of premium or bonus bonds. I have always been and am still of the opinion that this is an expedient which is well worth a trial. I have never supposed that these bonds would be a suitable form of investment for banks or other large investors, obviously they would not, nor have I thought that they would immediately produce many crores of rupees to Government, and so provide a panacea for all their difficulties. But I do believe that an issue of bonds bearing interest at, say, 2 per cent. less than the ordinary war bonds and having that 2 per cent. distributed in prizes by half-yearly or quarterly drawings, would, if properly advertised, gradually attract a number of investors, who would otherwise not invest in Government securities, and would after a few years and after the distribution of several prize-drawings attain a very wide measure of popularity. In view of the fact that Government for years to come will have to depend for their requirements on the Indian money-market in a far greater degree than before, it has seemed to me that any form of security likely to attract a new class of investors to Government issues was well worth a trial, and to that opinion I still hold. I must, however, admit that there is a considerable body of commercial and financial opinion which is opposed to this experiment, and I recognise that it is an experiment upon which Government can scarcely be expected to embark unless supported by a strong preponderance of such opinion. I can therefore at present only regret the present division of opinion on the subject.

"The future position of the Railways in India is a subject which I do not think anyone can view without a great deal of anxiety. They are being and

have been for the last three years worked to their utmost capacity, while repairs to existing rolling stock and provision of new rolling stock are of necessity reduced to a minimum. There will, as the Hon'ble Member has said, be a great deal of leeway to be made up after the war, and I therefore welcome the reserve fund of £20 millions which has been set aside against this and other future liabilities, and I hope that it may be possible to increase this reserve fund. I also welcome the announcement which I recently saw in the Press of the measures which Government are taking to promote the manufacture of railway wagons in this country, and I hope that these measures will meet with a large degree of success.

"There is just one other point I should like to refer to. The rise which has taken place in the rate of exchange involves a considerable potential depreciation in the value of the Government of India's investments of the paper currency reserve in Home securities. It would be interesting to know whether the Hon'ble Member considers it necessary to make provision against this depreciation or regards it as too temporary to require provision.

"Before I sit down, my Lord, I desire, as this is the last Financial State ment which Sir William Meyer will present to this Council, to congratulate him upon the successful manner in which he has steered the craft of India's finances through the troubled waters of the last few years. It may not fall to his lot to complete the voyage into the harbour of peace, but at least he hands over to his successor the rudder of a vessel which has so far successfully weathered all storms and which is in good fettle to meet the further buffets which may be in store for her. With that he may well rest content and for that India undoubtedly owes him a great debt."

The Hon'ble Mr. K. K. Chanda:—"My Lord, the budget has come as an agreeable surprise to the over-burdened tax-payer who finds that there is no new taxation, and I hasten to join the Council in offering my sincerest congratulations to the Hon'ble the Finance Member on his being able to bring out a prosperity budget under adverse circumstances.

"Looking at the surplus which he has been able to budget for one cannot help regretting that an over-cautious spirit, if I may say so, should have influenced the judgment of the Finance Member in 1915-16 in adding to the poor man's burden in the shape of an increase to the duty on salt—small as it was. But for this his budgets could, on the whole, be described as the poor man's budgets.

"Judging by an experience of the past two years one cannot say that the fears of those who demurred to the proposal to enhance the salt duties were groundless. There was no need to have enhanced the tax to inflate the surplus, and no justification has up to now been disclosed. It was a fallacy to think that the addition was negligible being about a pie per seer. In theory it is so, but in experience otherwise, and it is a well-known fact that consumption of salt always varies conversely to any alteration in the tax. In this view, and in view of the surpluses, the poor man has certainly a right to demand the removal of this extra tax on salt which, being a necessary of life, should in the words of Professor Fawcett be as 'free as the air we breathe and the water we drink.' Perhaps, taking everything into consideration, it may not be very sound to take off this additional tax at this moment. But there can be no question that sanitation, education and medical relief have a special and even an indefeasible claim to a considerable portion of this surplus at any rate. A reference to paragraph 94 of the Hon'ble Finance Member's speech reveals the fact that the surplus is made up in a large part of the savings from special grants for education, sanitation, medical relief, and agriculture which amount to £883,000. How were these savings effected? It is obvious that you cannot spend too much on these objects—their demands are imperative and unlimited unlike other matters. Why are there these savings? It cannot be claimed that the grants erred on the side of lavishness. It is simply due to the fact that the Government of India restrained the Local Governments from using up these special grants. We regret this decision of the Government, and cannot make out why a project like the Delhi scheme,

for instance, was allowed to be worked up to the full, while grants for education, sanitation, and medical relief were practically partially withheld. I submit, therefore, that even if no fresh special grant can be made for these objects beyond what is provided for in the budget, Local Governments should be permitted to spend these artificial surpluses to prevent their surplus being spent for the objects for which the grants were made will practically be giving with one hand and taking away with the other.

" It is difficult to name one object more urgent than sanitation, education, and medical relief. The ravages of plague, of malaria, and other diseases are frightful and well known indeed, and may almost stand comparison with the decimation caused by the world-war, and one need not apologise for urging their claims even in a war budget when we find that the provision made for sanitation is only about 2 annas of what is allowed for the police charges. We are grateful for small mercies, for the sum of rupees thirty lakhs provided for primary education. Something is better than nothing, but it must be apparent that it is a mere drop in the ocean. If a similar grant were made yearly during the last ten years or so, during which the Indian Members, headed by the late Mr. Gokhale, started the campaign for free elementary education, something substantial by now would have resulted. But the sins in the past of omission—in fact more than omission—of actual refusal to admit the claim of primary education—can hardly be wiped away by a dole of thirty lakhs granted in 1918. Infinitely more will have to be done, and we trust that the relative importance of police and education will be recognized in the framing of future budgets.

" My Lord, the Finance Member estimates the gain we shall have made during the current year at £1 million net by exchange, but he would not take credit for it as it would be gambling, and has no desire to see it maintained: not only this he says in paragraph 52 'if exchange had been left to find its own level under the normal laws of supply and demand, the rupee would long ago have reached a far higher level than it has actually.'

I confess to a feeling akin almost to bewilderment at this. One can appreciate the anxiety of the Hon'ble Member not to do anything to disturb the money-market by attempting to raise the exchange value of the rupee: but why should we not only not desire that the rupee should attain a higher exchange value but prevent its doing so. Why should we get alarmed at the prospect if, due to natural laws, its value is enhanced? Is it not a consummation to be desired from the standpoint of Indian Finance that the rupee should have a higher value in the gold-using countries? The Hon'ble Member says that if natural laws had full and unrestricted play the rupee would automatically go much higher up resulting in a considerable gain—much greater than £1 million—to India. Where is the magic in 16*d.* which is the statutory exchange value of the rupee? Does not the Government itself ignore it when furlough allowances of English officials are calculated at 18 pence to the rupee? The history of how the rupee came to be fixed at 16*d.* is well known? Is it not due to the merest chance that it came to be so fixed? Supposing the rupee was able to retrace its step up grade from 13*d.* to which it had sunk to something more than 16*d.* by the time the Government issued the notification in 1893 when the mints were closed to coining of rupees offering to give rupees at the Calcutta or Bombay mints or to issue notes at the paper currency offices against gold tendered to them at a rate of exchange of 15 rupees for £1 sterling or supposing the exchange value of the rupee touched a point higher than 1*s.* 4*d.* in 1899 when Act XXII of that year was passed making the sovereign and half-sovereign legal tender at ₹15 to the £ can it be doubted that the rupee may have had an upward march? So long as the offer of the Government of India to give rupees in exchange for gold at 1*s.* 4*d.* per rupee remained in force, and the Government were prepared to maintain a supply of rupees sufficient for this purpose, there was obviously no possibility of exchange rising above 1*s.* 4*d.* by more than the cost of shipping gold to India. Now that natural causes are tending to push up the rupee upwards towards—let us hope—the two shilling position, it once occupied, why should we get nervous or do anything to obstruct its easy passage? What will not be the gain to India—in meeting the Home charges alone or say the contribution of

one hundred million pounds which we have made to the British treasury when the rupee has a higher value? My humble and earnest submission would be to respectfully invite a reconsideration of the matter.

"My Lord, the Hon'ble Finance Member has spoken of railway lines being pulled up to provide railway materials for Mesopotamia. A layman like myself would be grateful for further elucidation of the subject. What is the total length and value of the lines dismantled, the value thereof to India, that is, the cost that will have to be incurred in replacing them; whether any repairs or reconstruction of the permanent-way will be needed, if so, what the cost thereof would be; whether any rolling stock has been taken away or rendered idle by reason of sections of the line being closed; what would be the value of the same; whether any compensation would have to be paid? these are matters which one would have expected to find dealt with in the budget; but, while the Hon'ble Member speaks of his successor having to be faced with 'the consideration of the way to find money for making up the necessary lee-way under railways, more specially in view of the strain to which our present equipment has been exposed by the heavy traffic demands and the impossibilities of regular and thorough renewal of lines and rolling stock,' he says nothing as to how the dismantled lines are to be re-built, as to who has to pay for them, whether the British treasury will restore the *status quo* both as regards the lines, the permanent-way and rolling stock, if any, carried away—whether we are not equitably entitled to some compensation for loss of revenue by having so many lines closed to traffic—whether the monetary value of all this cannot be set off against the unliquidated portion of our hundred million pounds contribution. I submit, my Lord, this matter deserves some consideration at the hands of the Finance Member.

"In this connection I beg to mention the grievances of railway passengers, specially of third class, which are at this moment pressing very hard We know that the exigencies caused by the war and requirements connected with the prosecution thereof have compelled the Railway Board and the different Railway administrations to place handicaps upon railway travelling. Not only have train services been reduced to the minimum, but fares have been raised up to the maxima which render them almost prohibitive in the case of the poorer classes. Nobody can surely grudge that concessions which were admissible in the higher classes only, that some of their privileges have been withdrawn, but it is a very great hardship upon the poorer people to pay the present rates charged, and the reduction of trains have made these passengers absolutely helpless and miserable. Where overcrowding was the case on special occasions formerly, it is now the normal condition of things. I would earnestly ask the Hon'ble Sir Robert Gillan to let the matter have his indulgent consideration to see whether some relief could not be given both in the railway fares now charged and in train accommodation.

"My Lord, the Coronation Durbar Despatch estimated that £4 millions sterling would be enough for the cost of the transfer to Delhi, and that would, according to Lord Crewe's Durbar Despatch, be the outside figure of cost. What is the real fact now? The amount spent up to the end of 1916-17 is 2 crores 25 lakhs 44 thousands, and adding the figure Rs. 37,60,000 according to the revised estimate for 1917-18, we get the total amount spent up to now as 2,63,04=two crores sixty-three lakhs and four thousand—that is, very nearly half the amount estimated for the whole thing, and another 40 lakhs is estimated for 1918-19. What is the net result of this, nearly 3 crores expenditure? We are told that a 'moderate rate of progress has been maintained in the cost of Government House, the Secretariat Buildings, the Viceroy's Court, and the Great Place'. The fact is, I believe, about as many feet of the plinth level have been raised as we spent crores. Is it not time to seriously consider whether this could not for the present be suspended? What is the urgency when the work is proceeding so leisurely in spending this large sum annually simply to 'carry on' the work. Why should brick and mortar and dressed or undressed stones be supposed to deteriorate if not immediately utilised? Going on at this rate nobody can tell when the new Dewan-i-am and Dewan-i-khas are likely to be ready for the reception of His Excellency the Viceroy and the reformed Council

that is to be. Under these circumstances; I would submit that further proceedings should be stayed till better times return and the money thus set free utilised on more pressing projects.

"My Lord, the Coronation Durbar Despatch of 1911 suggested or rather laid it down that my province Assam was to be under the direct control of the Government of India—to be a sort of Khas-mahal under it. We naturally concluded and everybody thought that we were to have special indulgence shown to us: that at any rate we would have no reason to complain that our ordinary needs even were not supplied. I regret to notice in the budget, my Lord, the treatment that has been accorded to us—the very reverse of what we could reasonably expect. We have not got anything in the shape of any special grant beyond the mere adjusting grant of Rs. 6,48,000. I submit, my Lord, it is not only unfair and unjust but unbusiness-like, regard being had to the immense potentialities of my Province which require development. The Province is rich in minerals, in forest produce. Capital outlay judiciously made for the development of the Province is bound to yield a return in no time many times over. It will, in fact, be a profitable investment that is bound to benefit not only the Province itself, but the whole country. Moreover, it being at present a frontier Province requires special measures. My respectful submission would, therefore, be that there ought to be a substantial special grant for the Province.

"I would like to say a word with regard to the suggestion made to the Local Governments for the success of the war loan next year. There were some complaints in some of the Provinces—my Province, I am glad to say, was free from this—that here and there an over-zealous officer misconceived his duty in the matter and now and again went beyond the line in using persuasion to people to subscribe. Such injudicious proceedings were extremely unfortunate and did more harm than good, and were likely to detract from the otherwise popularity of the loan. I trust that Local Governments would be on their guard and authorize only selected officers to work for the success of the loan next year.

"The Hon'ble Sir William Meyer wound up his speech introducing the Financial Statement with the following words:

'But I have done my best to serve India in these troublous times and I think I can claim that her interests have not suffered at my hands.'

The people of India will gratefully and unhesitatingly endorse this and fully admit his very modest claim. We feel and shall ever remember that he has manfully guarded our financial interests under trying circumstances against attempted inroads by all powerful parties and resisted the incessant pressure that was brought to bear upon him now and again. We shall always bear in mind that he resolutely set his face against fanciful proposals made to bring more money out of the Indian tax-payer, that he most effectively answered and repelled the mischievous suggestion that India had not 'done her 'bit'—had not made enough sacrifice in sufficient contribution to the war to the fullest extent it was possible for her to do. We shall remember that he faced the obloquy that was sought to fasten upon him by his countrymen who ought to have known better and that he evolved a sagacious scheme of Indian War Finance that has not only stood the test well but has removed a sore point in the Indian fiscal policy. The enhanced import duties on cotton goods without a corresponding increase in the countervailing excise duty on Indian goods, a graduated income-tax, the popularising of the War Securities and the Indian Paper Currency are measures which will have an important bearing on our finances."

The Hon'ble Mr. Muhammad Shafi:—"My Lord, it must be a source of real gratification to the Hon'ble the Finance Member to have been able to present to this Council a highly satisfactory Financial Statement in spite of the prolonged continuance of extraordinary conditions brought into existence by an unparalleled world-conflagration. The increase in the estimated Imperial surplus, the conversion of expected Provincial deficit into a Provincial balance, the remarkable success of the Indian War Loan, the excess of

our exports and imports resulting in the importation of gold into India, the avoidance of further taxation and the prospect of a surplus at the end of the ensuing year constitute some of the most pleasing features of India's financial stability upon which your Excellency's Government as well as the Indian people have every reason to congratulate themselves. And the significance of the great success of our War Loan, floated in this country in connection with India's spontaneous contribution of £100 million towards the expenses of this terrible war, is considerably enhanced when we remember that, during the same period, His Imperial Majesty's loyal Indian subjects have voluntarily subscribed huge sums to 'Our Day,' 'Imperial Relief,' 'Red Cross,' 'Blue Cross,' 'Prisoners of War Bread,' and scores of other War Funds started for the provision of comforts to our soldiers and alleviation of human suffering resulting from the greatest of all wars known to history.

"My Lord, the Revised Financial Statement for the current year shows an increased Imperial surplus of £5,825,000 instead of £136,000 estimated in the budget presented to us last year, in spite of our having had to spend as much as £66 million in this country on behalf of His Majesty's Government. There is, in this happy result, ample reason for satisfaction. I find myself in complete agreement with the Hon'ble Sir William Meyer in thinking that, in framing our estimates in the abnormal circumstances we have to face, we must proceed with the caution and if, acting on this salutary principle, we find the ultimate results more satisfactory than originally anticipated, the matter is one for congratulation and not for criticism. In the extraordinary circumstances whatever may be said of normal condition, international as well as local, produced by the world war, it would, to my mind, be contrary to sound principles to be over-sanguine in our financial forecasts, for the consequences of being over-optimistic may possibly give rise to disappointment leading to dissatisfaction.

"My Lord, our agricultural population constitutes the backbone of the British Indian Empire, and their prosperity is very naturally one of the foremost concerns of your Excellency's Government. It is from them that our Indian armies are drawn, and it is upon them mainly that the heavy burdens as well as grievous sufferings of this catastrophic war have fallen. It is most gratifying, therefore, to note that our satisfactory revenue position, as revealed in the Revised Financial Statement for the current year, is 'largely due to favourable agricultural conditions.' Increased revenues from agricultural sources mean cultivation of larger areas, resulting very naturally in larger harvests and, in consequence, greater prosperity for our sturdy agricultural population, and the record figure of £54 million, representing the excess of our exports over imports, in spite of a considerable reduction of tonnage, constitutes clear indication of improved trade conditions and the consequent prosperity of our commercial classes. The increase of revenue, during the current year, under the heads 'Railways,' 'Custom,' 'Posts and Telegraphs,' and 'Income-tax' must undoubtedly be regarded as highly satisfactory from every point of view. It is, however, difficult to look at the increase of £1,80,000 in our excise revenue with the same feeling of satisfaction. A State monopoly in the manufacture of alcoholic liquor is justifiable mainly on the ground that in this manner alone the State is in a position to exercise restrictive influence over the consumption of liquor and thereby promote the cause of temperance and social reform. An enhanced excise revenue may, of course, mean larger profits in the manufacture and sale of liquor without increase of the quantity sold by reason of enhanced prices intended specifically to make the drinking of liquor somewhat expensive for the poorer sections of our population. Such a result is undoubtedly calculated to promote temperance among the lower strata of Indian society. But it may, on the other hand, represent merely the natural consequence of increased sale of alcoholic liquor with all its concomitant evils. The resulting evils of such a deplorable state of things are self-evident. The general excise policy of the Government of India, as enunciated by the Hon'ble Sir George Barnes in the interesting debate on my Hon'ble friend Mr. Sarma's Resolution the other day, is undoubtedly

based on sound principles. What is needed is greater vigilance on the part of those who are charged with the carrying out of that policy May I, in this connection, urge upon your Excellency's Government the extreme desirability of directing resort to local option wherever possible, in the matter, not only of opening new drink shops, but also of renewal of existing licenses. It seems to me that by the adoption of this principle, the work of temperance reform will be made really effective to the incalculable benefit of those of our lower classes who are unfortunately addicted to the drink evil.

"My Lord, of the various items in what may be called our Revised Provincial Statement, relating to the reduction of Provincial expenditure, there is one to which it is necessary to invite attention. In paragraph 19 of his speech the Hon'ble the Finance Member tells us that the decrease of about £1 million under Provincial expenditure is due to anticipated lapses in budget grants in respect, among others, of education. This, to my mind, constitutes a highly, unsatisfactory feature in the Revised Financial Statement for the current year. The appalling ignorance of the rest of Indian masses which makes them easy victims of the unrighteous exactions as well as trickeries of the professional money-lender and of the subordinate ministerial officials of Government and on account of which they succumb so easily to superstition as well as to clap-trap of all kind, can be eradicated only by means of a wide expansion of elementary education throughout the length and breadth of the Indian Continent.. A universal diffusion of primary education among the illiterate millions of His Imperial Majesty's Indian subjects ought, therefore, to be the principal aim of our educational policy. Ever since the adoption by Government of the policy laid down by the Education Commission of 1882 and more particularly in recent years, the Government of India have very rightly devoted particular attention to the solution of this vital problem. There is ample scope for expenditure in the faithful discharge of this all-important obligation in the various Indian provinces, and the lapse of educational grants, therefore, is in the highest degree deplorable. The Government of India should, therefore, impress upon the Provincial Goverments the urgent need of greater efforts towards the expansion of elementary education among our masses by utilizing educational grants to their fullest extent. And when that destroyer of all civilized traditions and laws of humanity, *i.e.*, German militarism, is wholly crushed, as we all trust it soon shall be, the Imperial and Provincial Governments should be able to spend larger and still larger sums towards the realization of this greatest of all the needs of our country.

"My Lord, the somewhat heavy increase in the military charges during the current year was obviously unavoidable, and no one who is alive to the deplorable necessities of the existing situation can take any exception to it. There is one aspect of this increase, however, with reference to which I desire to say a few words on this occasion. According to the figures given by the Hon'ble the Finance Member, a sum of £520,000 have been spent in 'grant of increased pay to British Troops.' May I, in this connection, venture to appeal to your Excellency's Government on behalf of our Indian soldiers who have right nobly borne the burdens of the Empire and upheld the honour and glory of England on the battlefield of three Continents to the everlasting fame of India's martial races. In these days of high prices the pay of Indian soldiers is utterly inadequate to meet even ordinary requirements, and I earnestly hope and trust that this urgent problem will receive early attention from His Excellency the Commander-in-Chief.

"My Lord, the time at my disposal being limited, it is impossible for me to deal with any of the other items in the Financial Statement on which one would otherwise feel tempted to address the Council. I will, therefore, conclude by offering my sincere congratulations to the Hon'ble the Finance Member on the remarkable skill displayed in the preparation of a highly satisfactory statement of our financial affairs under circumstances the most difficult and complicated India has ever had to face, and, in view of this being the last year of the tenure of his high office, I venture to add a few words to the eloquent testimony borne by the Hon'ble Members who have preceded me, to the exceptional sagacity and statesmanship with which Sir William

Meyer has presided over the financial administration of our country through a period of storm and stress. During the last four years India has had to face, in common with the rest of the Empire, financial difficulties unparalleled in her past history. Under his wise guidance, and with the benefit of his ripe experience, she has successfully weathered the mighty storm. We, the non-official Members of this Council, have special cause for being deeply grateful to him. He has always been ready and willing to give us the information and advice which, from time to time, we have been in need of: his hospitable doors have been open to us both at Simla and Delhi in an unstinted measure. It is, indeed, with the deepest regret that we shall part from him when, in a few months, he will hand over the reins of his high office to his successor, and our best wishes for a long and happy life will accompany him in his well-earned rest.".

The Hon'ble Mr. Surendra Nath Bannerjea:—" My Lord, my first words on this occasion would be words of congratulation offered to the Hon'ble the Finance Minister on the Financial Statement which he has submitted to this Council. It is a war budget, but a war budget that does not impose additional burdens upon the people, and as such it is an achievement of which any financier might well be proud. The Hon'ble Finance Minister will soon be leaving us and he has presented to this Council an account of his work. Looking to that work, I will say this, that in the annals of our financial administration the Hon'ble Sir William Meyer will take a place among the most distinguished of his predecessors. We are beholden to him in a special degree and for one particular matter. There have been critics who have been persistent in their efforts to minimise the measure of our co-operation with the Empire in the struggle, and that sort of criticism has even been heard within the walls of this Council Chamber.

" The Hon'ble the Finance Minister has always stood forth as a stout champion in vindication of the efforts of the people of India to aid the Empire in the present crisis, and no more convincing proof of the justice of that vindication could be afforded than by the testimony of the cold and colourless facts which are furnished by the Financial Statement, and which will, I am sure, silence even the venomed tongue of calumny. Look at that Financial Statement for a moment. Apart from our contribution of £100 millions, apart from the contributions of the Indian Princes, apart from our own subscriptions in aid of war charities, we have helped the Empire in various and indirect ways. The Hon'ble Sir William Meyer computes that for the three years and-a-half during which the war has lasted, our expenditure in India in aid of the Home Government comes up to £128 millions. My Lord, speaking on behalf of my countrymen, I will say this, that we do not grudge the expenditure. We are proud of it. The Empire is engaged in one of the noblest wars that ever stirred the heart of humanity, a war of justice and freedom, a war for the protection of minor nationalities and the vindication of the sanctity of treaty obligations. My Lord, we have freely contributed all we could in respect of men and money, and we are prepared to do so as long as the war lasts. And this patriotic resolve on our part has been deepened and strengthened by the gracious message of the 20th of August which promises responsible government, a promise which India hopes will in its fulfilment eventually place her among the free self-governing communities of a great and federated Empire.

" My Lord, the budget is a budget which imposes no taxation. That is its salient feature. This is due to our surpluses. I cannot help thinking that there has been an under-estimate in this matter. But, my Lord, perhaps it will be said that this is, after all, a failing that leans to virtue's side. It has the effect at least of saving us from taxation this year.

" My Lord, the Financial Statement makes a notable announcement. I will read that announcement in the words of the Statement itself. It runs as follows:—

'We have under consideration, for application after the war is over and in connection with the scheme of Constitutional Reforms, a material advance in the direction of separating Provincial and Imperial finance, which will give the Provinces larger and more independent resources, with further power of supplementing these by taxation when such may be found necessary.'

"My Lord, here we have sounded for the first time in this Legislative Council, in clear and distinct notes, the beginnings of a policy which in its fruition will confer upon the Provinces the inestimable boon of fiscal independence. My Lord, when three years ago I ventured from my place in this Council to urge that fiscal independence for the Provinces had been promised by the despatch of the 25th of August 1911—for provincial autonomy necessarily involves fiscal autonomy—my Hon'ble friend the Finance Minister rose up and challenged that statement—he said no such pledge had been given. My Lord, I was overborne by the weight of official testimony. That has always been our lot, that was my lot that day. I said nothing; I could say nothing. But the hour has at last sounded for the vindication of that part of the despatch, and to me it is a matter of the sincerest personal gratification—it may be the bitter irony of fate—that my Hon'ble friend should himself stand forth as the defender of that despatch and the high priest of this function. We are moving on; the world is changing, Sir William Meyer has also changed. May we hope that the process will continue until he appears before the world as the stalwart champion of the constitutional reforms now pending.

"My Lord, I take it that under the scheme thus outlined there will be no heads of divided revenue; that the Provincial revenues will belong to the Provinces, that the Imperial revenues will belong to the Government of India, and that the Provinces will have sufficient heads of revenue given to them to meet their growing requirements. For, my Lord, the fact cannot be disputed that, as soon as the scheme of constitutional reforms is carried out, the Provincial Governments will assume a measure of importance which they do not possess now, and it will be their duty to develop those sources of revenue upon which the wealth, the prosperity and the happiness, of the people so largely depend in a special measure—I refer to the expenditure under the heads of Local Self-Government, Education, and Sanitation.

"My Lord, I find no mention is made of any power being given to the Provincial Governments for contracting loans. That is an anomaly to which I desire to call the attention of the Hon'ble the Finance Minister. In Bengal, the Corporation and the Port Trust of Calcutta have the power of contracting loans, subject to the sanction of the Government of India. The Government of Bengal, which is a superior body, does not possess this power. I hope and trust that, when our institutions are liberalised, when popular government is installed, the Provincial Governments will have the power of floating loans.

"My Lord, the Financial Statement says that the trade conditions were favourable and observes that this was largely due to the absence of competition. My Lord, I take it that that is an argument in favour of protection, for protection blunts the edge of all competition. My Lord, we educated Indians are all protectionists—I hope no dissentient voice will be raised in this Council with regard to this matter—not wholesale, irrational, extremist protectionists, but protectionists in regard to those articles which can be produced and developed in our own country. The war afforded an automatic protection to our industries, if indeed we had any. But, unfortunately, we had few or none, so that we were not able to take advantage of that golden opportunity which presented itself. My Lord, I hope that the Industries Commission which is now at work will make recommendations, the acceptance of which will help forward the development of our industries; I hope that it will be your Excellency's high privilege to lay, broad and deep, the foundations of our future industrial greatness. Too long—far too long—has the State held aloof from participation in the industrial movement. The time has come when it must change its policy, place itself at the head of the industrial movement, and make India self-contained, self-reliant, the store-house of the Empire, holding her own against the enemies of India and of the Empire.

"My Lord, I pass on to the question of Railways. There has been a steady growth in railway receipts, a steady decline in the comfort of the travelling public. My Hon'ble friend Mr. Chanda has sounded this note. We are all railway travellers and have to do it almost every day of our lives. We are put to serious inconvenience by reason of the discontinuance of so many passenger trains. We are told that it is due to the absence of materials and the impossibility of

renewals in consequence. Here again, my Lord, I refer to my old proposition. Let us have waggons, let us have materials, let us have the means of making railway waggons, steel rails, and things of that kind in India. Again I say—make India self-contained and self-reliant—the store-house of the Empire, as Mr. Chamberlain said, and I am sure India will be a source of incalculable strength to the Empire.

"My Lord, I should like to say a word or two with regard to the loan operations of Government. They were a splendid success last year. I hope they will be a great success this year, too. I do not say we shall be able to repeat our last performance this year, but at any rate the conditions are favourable; the people are with you, they will co-operate with you if you go in the right direction. Sometimes you did not do that on the last occasion. Complaints were heard in the newspapers of official pressure being brought to bear on poor investors in order to make them subscribe. There was no need for it. The superior authorities never suggested a thing of that kind. It is over-zealous officers who must have done it. Their zeal must be restrained, because if the feeling were to go forth that official pressure would be used for the purpose of helping forward the loan operations it would re-act upon public confidence and interfere with the success of the loan. My Lord, the Post Office certificates made a marvellous revelation of the wonderful financial credit of the Government and the hold which the Government has over small investors. It is a revelation of which the Government ought to take the fullest advantage and let nothing be done which would in the smallest degree interfere with this feeling of confidence which the small investor has in the Government. At the same time, my Lord, with your Excellency's permission, I desire to sound a warning note. The price of Government papers, of securities, has been steadily going down. Let me recall to mind one or two facts in this connection. In 1894, when the mints were closed, 3½ per cent. Government paper went up to 109. That was due to the operation of the enfaced papers in London. Perhaps it was a matter of speculation, and the price in a short time came down to 104. Before the war it remained at 99; to-day it is 68. The 4 per cent. paper when it was issued was at par; the price of it now is 80. Your 5 per cent. paper which was issued at 95 is now valued at 90½. I think my Hon'ble friend the Finance Minister should take note of these facts. We are with the Government. We want to co-operate with the Government. We want that the next loan should be successful—if not in the same measure as the last loan, at any rate that a substantial part of the 20 millions we want should be raised. But, I think, we ought fully to realise the difficulties that lie in our way in order that we should be in a position to overcome them.

"My Lord, I desire for a moment to refer to a matter which my Hon'ble friend Mr. Shafi has discussed. Pay concessions have been made to British soldiers. I have not the slightest objection to that; but no such concessions have been made to Indian soldiers. I think the answer will be that they get their rations free. I say that is not enough. Rupees 11 a month, which is their pay and free rations in these days of high prices are not sufficient to be attractive. I say so without any fear of challenge or contradiction. My Lord, I have had some experience of recruiting. I am not quite a recruiting sergeant, but last year I addressed about 25 recruiting meetings in connection with the Bengali Battalion which was then being formed. We have been able to get together a battalion and more recruits are coming in steadily, but very slowly. There was one difficulty which we could never overcome. The difficulty which confronted us was this,—that the pay was Rs. 11 *plus* rations, and that pay and those rations were not sufficiently attractive to the ordinary Bengali recruit. The prices of things have gone up, and you must take note of that fact at once. The moments are precious. You want men—thousands, hundreds of thousands, millions. We have an inexhaustible reservoir of men in India. We are prepared to place them at the disposal of the Empire at this supreme crisis of the Empire. Give us the facilities, give us the opportunities, give us the power and the means, and we shall do it with the devotion which belongs to our Oriental nature. But here are considerations, monetary considerations of pounds, shillings and pence, which

stand in the way. You must rise above them. The Empire is in danger. Money is no consideration. It ought to be forthcoming, my Lord. I say so with the utmost emphasis, money ought to be forthcoming in order that our soldiers might be placed absolutely above want and the pressure of want. I make a personal appeal to your Excellency in this connection.

"My Lord, I want to say a word or two about Sanitation and Education. Those are hackneyed subjects, it may be said, but they are subjects which may be taken as a test for judging a budget, and if you apply that test to this budget I am afraid the result is disappointing. The expenditure on Education has not made any appreciable advance since 1914-15. For the coming year my Hon'ble friend has added 759 thousand pounds to the expenditure assigned to Education. And further you have given only 30 lakhs to Primary Education. Compulsory primary education will soon be general in Bombay. A Bill has passed the Bombay Legislative Council and a similar Bill is now pending in the Bengal Council. Under these circumstances, I say the grant for primary education ought to be much more than it is. His Majesty announced at the Great Durbar in 1911 50 lakhs for primary education. You have given us only 30. And then your Provincial Governments will not spend the money. They have got unspent balances. My Lord, we are in a difficult position. When we come to you, you say 'go to the Provinces: there are the unspent balances.' When we go to them, they say 'We cannot spend without the orders of the Government of India.' What are we to do? Here are the unspent balances and they want your help in the matter; and when we come to you to ask your help you say 'Go to them.' I think that is hardly fair to those who are interested in this great problem of education and especially of primary education.

"In regard to Sanitation, the position is even worse. It has made no appreciable progress. On the contrary, there has been a decrease of expenditure since 1914-15. You have, indeed, given us 135 thousand pounds next year in excess of the expenditure of this year; but then the whole excess grant comes up to only 714 thousand pounds, which is a paltry advance in the case of such a vast population as that of India. And, my Lord, the sanitary problem in Bengal looms large and is menacing. We have got malarial fever there, and thousands of people are being carried off by it every year. Our Governor, Lord Ronaldshay, with praiseworthy enthusiasm, has addressed himself to the task of grappling with this terrible scourge, but he needs money, and you must give him the money.

"One word more and I have done. It is with reference to reserves. Our reserves are not in India in our hands; they are in England and in a somewhat unsatisfactory condition. The whole of our gold standard reserve practically has been invested; and the metallic portion of our paper currency reserve which stood at 96 per cent. in 1914 to-day stands at 53 per cent. I ask my Hon'ble friend the Finance Member to say whether this is safe. He is compelled to admit that we are going far beyond the recommendations of the Chamberlain Commission. It was the success of the war loan and the Treasury bills which saved the situation. My Lord, we ought not to trust to luck. 'Lakshmi, the goddess of wealth,' says the Hindu proverb, 'is fickle and capricious.' We must rely upon our statesmanship, upon our counsels of prudence and wisdom rather than upon the chapter of accidents, in framing our financial policy.

"My Lord, I do not wish to detain the Council any longer. I will close my observations with the earnest hope that what I have said and what other Hon'ble Members have said or may say will be sympathetically considered by your Excellency's Government, and so far as possible included in the Financial Statement that will be presented on the 22nd of this month. Then, my Lord, and then only will the inane debates of former years have given place to fruitful discussions resulting in budgets that will command the approval and commendation of the people of India."

The Hon'ble Mr. K. V. Rangaswamy Ayyangar:—"My Lord, under head 'Expenditure 3' I have to say that the items in the table at

page 21 represent the cost of survey mostly for administrative purposes. It is a matter of great complaint for landholders that the cost of their survey operations are recovered partly from the landholders. I need not point out to the non-landed classes in this Council how strong their feelings would be if such a special tax should be imposed over and above the income-tax for maintaining the establishment and records for the collection of the latter tax. Then under the same head I should request the Government to issue strict injunctions to village officials to keep correct accounts of the collections made over and above the dues to the Government, and after the 'jamabandi' of every year to make a refund to the parties concerned of all over-collections. Beyond the host of cesses and the penalties there seems to be a very large amount of over-collections, the exact amount of which I shall give to the Council later on. These should, in justice, be returned to the parties concerned.

"Then as regards Revenue item III Salt several members of this Council through a number of questions have already drawn attention to the high prices of salt prevailing throughout India. Considering the fact that there is an increase of nearly 219 lakhs between the budget and revised estimates of 1917-18 we have to fear that the action of the Government is greatly responsible for these increases in the price of salt. The system by the Madras Government in selling by auction certain salt factories in which stocks were low is very unsatisfactory, and there seems to be an attempt to repeat in the case of salt what has been done with such lamentable success in the matter of auctioning liquor shops.

"In the matter of Revenue heading VIII between the budget and the revised estimates there seems to be an increase of nearly 142 lakhs, the increase no doubt 'arising from favourable trade conditions and the creation of additional establishments mainly military,' and evidently also—the memorandum supplied to us fails to add—from additional over-zeal of income-tax officers like the Collector of Chakwal whose extraordinary judgments over income-tax petitions were reported by the 'Tribune' in its issue of the 8th ultimo. The three typical judgments run thus:—

(1) 'He the objector has three sons and will not enlist one of these. He has also not subscribed to any War Fund or War Loan, although he could easily do so.'

(2) 'Up to date he has not helped even by a single pice in the War or Red Cross Funds.'

(3) 'He is a miser and has not helped with a single pice in any War Fund or Loan.'

These judgments speak volumes of the mind and methods of certain officers.

"As regards 13 and 14 'expenditure,' I have to say with regret that in spite of my drawing the attention of the Government last year as to how they should have treated the surpluses that have accrued from the lands dedicated to temples and vested with the Government for management as debts due to the various temples, I see in this year's budget that no such inclusion of these items has been made under the head 'debt,' permanent or temporary. What became of these funds could not be ascertained either here or in the local Councils. When I interpellated on that subject here Sir Reginald Craddock was kind enough to refer me to the Local Governments concerned for the information regarding the accumulated amounts due to the various temples; but when a friend of mine sitting in the local Council interpellated the Madras Government on the same subject they very courteously referred the Hon'ble gentleman to the Imperial Government. So again this year I have to point out for the serious consideration of the Government that these are trust funds and should be restored to the temples concerned or treated as debts incurred by the Government. It is highly undesirable that the temple authorities should be driven to have recourse to legal remedies in respect of these funds.

"Under head 'expenditure 15' considering the fact that the increase in revenue under 'Posts and Telegraphs' from 1914-15 accounts to the budget of this year is nearly 1¼ crores it would be proper to spend some more amount for the better pay and prospects of the subordinate staff and for better provision of postal services in the villages. The matter is so important that its consideration should not be deferred on account of the war. Then in the higher

services had there been no supersessions by young European officers over veterans in the field the expenditure under head 15 should have been considerably less. Specific instances of undue supersessions could be easily given if required. Then the telegraph rates are not reduced. For an interpellation of mine to reduce the rates if there is no reduction in the number of telegrams, for which alone the increase of rates was contemplated, the Commerce Member replied that that is the very reason why the rates have to be increased still further. But the Government should resort to some other means for providing the staff required, and I may point out that whenever they are in need of other commodities for any purpose they do not increase the rates but increase the staff and output.

"*Head 'Expenditure 19-A. (b).*'—In this item I should suggest that there will be a great saving if, instead of establishing special tribunals, an increase in the number of temporary judges is made in the High Court. It will also infuse confidence in the minds of the people that all cases are tried in the usual way to mete out justice rather than suggest a desire to punish those that are tried. Besides the opinion on the point whether the Governor General has got the power to constitute special tribunals is divided.

"'*Expenditure 19-B.*'—An additional cause for saving in the Punjab jails has been said to be due to the transfer of convicts for the formation of Labour Corps in Mesopotamia. While rejoicing that they are made use of in the best interests of the Empire I have to protest against taking them against their will to countries outside India and exposing them to risks of life.

"'*Expenditure 20.*'—I note a punitive police has been established at Bihar. The Hon'ble Mr. Abdur Rahim rightly had put a question if those hordes of ordinary Police and Criminal Intelligence Department did not scent a riot of that serious nature and did not report the matter to the Government. Owing to that gentleman not being at the meeting that day the question was withdrawn, yet a satisfactory reply to that interpellation is due from the Government. If they had failed to report, the expenses incurred upon such a staff may well be utilised in other ways.

"Then as regards Education, Sanitation, and Irrigation the Government gives grants with a miserly hand, and yet even the whole of these grants are not spent and they 'lapse' and the Government issues strict orders to the Local Governments not to lay hands on surpluses. It is with greatest regard for economy that grants are given during each year and what is the meaning of giving injunctions to the Local Governments not to spend the surpluses? When we Members see the grants in budgets against these items we are satisfied and congratulate the Members concerned for providing so much for the pressing needs. But what happens next year? There are lapses and the money is not spent and there is the injunction that these surpluses should not be touched. What they give with one hand they take away with the other. When education received so much as thirty lakhs more last year all were really rejoiced and thought that to be the redeeming feature of the last year's budget, but this year we see that 36 lakhs have not been spent. That is the case with Sanitation and Irrigation. This is really unsatisfactory.

"'*Expenditure 23.*'—This is a really heart-burning subject and many have pointed this out time and again to the injustice of this item. Though the expenses are only 20½ lakhs, this item transgresses the solemn pledges and proclamations made every now and then by the Sovereign. To take from the different religionists and even fanatics of other creeds and to pay for the maintenance of the sectarian Church of England is un-British. The argument that it is useful for the military loses ground as another branch under military department is created and 1·09 lakhs are charged to the Military Accounts. When there are soldiers composed of all religionists, it does not look well if only one section should be provided for. Justice requires that this item should be met by a separate taxation levied on only those who subscribe to the creed of the Church of England.

"'*Expenditure 24—B.*' Our thanks are due to the Government for providing a lakh of rupees for the Badrinath route. I may say that the broken toes and bleeding knees to which the poor pilgrims were subjected to will be

relieved by the good state of repair the road will be kept in with the money provided for. I have also to bring before the Council that other great pilgrim centres in the South like Srirangam deserve their inclusion in the Imperial grants and if the Government do not see the feasibility of allotting to these places from the 3·53 lakhs of the reserve, for the improvement of drainage works, assistance should at least be given as loans to these struggling municipalities for the completion of their drainage projects.

" '*Expenditure 46.*'—I do not touch upon any of the huge expenditures incurred. Anyhow, all our resources should be diverted to this one question of the hour. I have only to point out that when we are thankful for substituting the word 'Indians' for 'Natives' and for placing us in due status we see an additional expense of 78 lakhs for increased pay to British soldiers while no proportional increase is granted to the Indian soldiers who are equally subjecting themselves to sacrifices.

" I cannot sit down without saying a few words about paragraph 25 of the Hon'ble Financial Member's speech. He was complaining of Madras—his and my Presidency—for going behind some of the backward provinces of India in the matter of the War Loan. Having a full knowledge of the economic condition of Madras it is surprising that he should not have appreciated what was scored by Madras. With no industries and with few rich houses and these all divided into small estates (due to the non-existence of a law of primogeniture even in the case of big and ancient families) and with the crushing temporary ryotwari settlements Madras could not possibly do more.

" Then in the matter of issuing another loan this year, I should say that it would be more advisable to issue it next year. The rate of interest has already become very high, and the flotation of another loan will jeopardise the interests of land-owners and other industrial people wanting capital or otherwise indebted.

" There is also an ominous indication in paragraph 74 of the Finance Member's speech that Government is going to enact for the curtailment of the issue of private capital. Already the Railway Board has issued a Circular that it does not allow any company to be floated in India during the war. Railway should be considered as one of the developments of national concerns. Any restriction on borrowing or formation of companies would certainly go to endanger the small attempts at industries that are stimulated by the war. If in the heat of the moment they are not allowed to form the companies, there will be no use in stimulating their growth when fervour has subsided and the matter has become cold.

" One word more and that is our expression of sorrow at the parting of friends. Our Finance Minister has combined in himself a straight forward and clear policy—though socialistic and so not quite approved of by some of us—with a large measure of ready wit and piercing criticism and a remarkable ability and India had not compromised her interests in him; and it is only now that India will be a loser as the experiences of such an officer will not go to benefit her hereafter, as he goes Home. This is not his home!"

The Council adjourned for Lunch till 2-30 P.M.

The Hon'ble the Raja of Mahmudabad:—" My Lord, it has fallen to the lot of my Hon'ble friend Sir William Meyer to prepare and present war budgets in succession; that in itself is an achievement out of the ordinary: but to present to the country a surplus during these abnormal times is a feat of which my Hon'ble friend may well be proud.

" The budget that we are discussing contains another remarkable and unlooked-for feature, inasmuch as no fresh taxation has directly been resorted to; I say 'directly' advisedly; because by the provisions of the new Income-tax Amendment Bill agriculture has indirectly been subjected to fresh taxation. Under whatever guise it may be put forward, the fact remains that agriculture, against which a threat was held out last year, has been taxed. This is a serious departure from the established policy of the Government, for admittedly agriculture is already meeting the heaviest demand of the Government

compared to other industries, and, as my friend the Hon'ble Mr. Shukul has shown in this Council, heaviest also as compared with other countries. This is not the occasion to enter into a detailed examination of the proposal, but I have made this passing reference only to invite attention to it in connection with the claim of the absence of any fresh taxation in the budget of the coming year.

"But, on the whole, it is a budget which shows that my friend the Finance Member has made a close and a very sympathetic study of the financial problems of this country, and, on the approaching relinquishment of his high office, I join my colleagues in paying the tribute which he is so deservedly getting for his great talents and services.

"My Lord, as I said in this Council on a previous occasion, I prefer that the unprecedentedly abnormal financial requirements of the Government be satisfied by means of a loan rather than by an increase in taxation or fresh impositions. The enthusiastic response of India to the invitation to participate in the War Loan is a fresh proof not only of the realisation of the responsibilities which as a component part of the British Empire devolve on her in this fateful period of the world's history, but also of this system being better suited for India at least. The new method which has been employed of getting short term loans by the issue of Treasury Bills is a happy idea, and I hope that it will be increasingly made use of.

"But, my Lord, I look with misgivings to the expansion of the paper currency, and the coinage of new money at the rate at which it has been done. I agree with Mr. Webb of Karachi, and I wish that the Finance authorities of your Government would constantly keep in mind the danger which large issues of money—whether paper or metallic—possess in them in a latent form through the inter-relation of the inflation of prices and depreciation of the purchasing power of money—a contingency which is by no means a remote possibility, but which has unfortunately manifested itself in a more or less acute form in all parts of the country. I realise that these are not the only factors which have brought about this state of things. Many other causes remote as well as immediate have contributed to it. But the causes to which I have particularly referred are at least those which it should be our aim to keep under constant vigilance. In the beginning of war every reform was held in abeyance; and it was natural that it should be so. All energies and all resources were directed in one channel alone, the channel that is of the prosecution of the war with the greatest vigour. Much as we hoped each year that that year would be the final year of the war the hope has so far turned into bitter disappointment. However, the end of the war is not yet measurably in sight; the need for carrying on the war with the same grim determination is as urgent to-day as it was when we entered the struggle; but at the same time it is evident that the longer the war lasts, our own problems, social, political and economic, to single out a few among many, are accumulating. Can we brush them aside and say that they can wait? But the longer they are deferred they are gathering greater force and momentum in their insistence for solution. We cannot arrest time and make it stand still or so arrange our national affairs that they will step aside and come to us when we want them at our leisure.

"I, therefore, submit, my Lord, that we should make up our mind to begin to grapple with those problems without slackening our efforts to reach a successful issue of the life and death struggle in which we are engaged. My Lord, education is one of those questions, perhaps the most vital question; and it should no longer be treated in a perfunctory or leisurely manner. Free and compulsory education by a consensus of opinion is overdue; obstacles to its adoption there may be, but they are not such as could not be overcome. The grant of 30 lakhs provided for primary education is satisfactory as far as it goes, but it cannot by any stretch of words be called adequate, or even anything like it. And, my Lord, it was not pleasing to read in the Financial Statement of my Hon'ble friend the Finance Member the remark with regard to the special grants on education, sanitation and medical relief that, in view of the war conditions, Local Governments had again been asked to restrict drawings on their balances, which include the unspent remainder of their special grants. I would wish that they would be instructed to utilise them to the full, for in

all conscience neither education nor sanitation nor medical relief are things which can or ought to be garnered and hoarded and then distributed as and when we like. The need for them is with us from day to day, even hour to hour.

"My Hon'ble friend, Sir William Meyer, has foreshadowed a measure of far-reaching consequences; he says that restrictions will be imposed in the coming year on the issue of Capital for enterprises which may not be considered of national importance.

"Now, my Lord, the silver lining in the dark cloud of the war for industrially backward countries like India was the removal of the incubus of foreign competition; now was the time that industrial India should have discarded her swaddling clothes, and tried to stand on her own legs. Who can say that India has made, or been permitted or encouraged to make, full use of her opportunities? It is a crying shame that countries like America and Japan should capture the trade of India, while India, from what cause or combination of causes soever, should still be dependent for articles of every-day use on Japan. The nascent industries required careful and tender nursing at the hands of the Government. Where are the bounties and the subsidies of which we hear so much in other countries, and with which countries which are engaged in the war are even now stimulating and strengthening their trade and their industries?

"My Lord, in the face of these deplorable conditions, I may be pardoned if I do not look with equanimity at the prospect of restrictions on the free expansion of industries in India."

The Hon'ble Nawab Saiyed Nawab Ali Chaudhri:—"My Lord, if the Hon'ble Sir William Meyer has the misfortune to handle our finance at a time of exceptional difficulty and stress, he has the singular good luck of an extremely favourable monsoon and a bumper crop which has resulted in producing a surplus of £5,825,000. I wish to join hands with others in congratulating the Hon'ble Member on his well-balanced Financial Statement. Before proceeding further I beg to remark that it is a matter of great gratification to find that the budget under discussion does not impose any fresh tax.

"My Lord, we find no sufficient provision in the present budget for secondary education, though last year some money was sanctioned which was unfortunately not fully utilised. My Lord, the question of secondary education has not received that amount of consideration which the subject deserves. The condition of secondary education in Bengal, indeed I may be so bold as to include the whole of India, is far from satisfactory.

"We have had several Commissions appointed on different occasions to inquire into the conditions of education, but the Commissioners have addressed themselves mainly to the problem of college education. The question of secondary education did not seize their imagination in the way that the subject so urgently demanded.

"My Lord, the root of all our trouble lies in the system of our secondary education. We can go on appointing Commissions and spending enormous sums of money for the improvement of our higher education without any appreciable advance so long as the conditions of our schools remain stationary. It is not advisable to make the superstructure top-heavy without ensuring the foundation. A vast majority of our young men who seek admission to University courses and other professional, scientific, and technical institutions are ill-equipped and unfit to assimilate advanced teaching required for a course of higher training.

"Mr. Hornell describes the condition of secondary education in Bengal as bad. The condition of the schools he says 'is undoubtedly prejudicing the development of the Presidency and is by no means a negligible feature in the existing state of general disturbance. It is in the high schools with their underpaid and discontented teachers, their crowded, dark and ill-ventilated class-rooms and their soul-destroying process of unceasing cram that the seeds of fanaticism are sown.'

"Mr. Hornell very correctly regards their remedy as mainly a matter of funds remarking that the secondary education system is being run at a figure at which the genuine article or anything approaching it cannot be delivered. Other Directors are also faced with the same difficulty of securing permanent teachers. The Central Provinces report complains of the dead level of mediocrity and sameness in the methods of teaching, mainly attributable to lack of general knowledge and attainment in the staff. There are two other contributing causes—the dominance of the matriculation examination and the absence of any effective control over the organisation of the system.

"My Lord, I am not an advocate of building palatial houses and elaborate class-rooms for our schools. My claim is that enough money should be spent to improve the lot of teachers. The causes of a high percentage of failures in certain Provinces may be traced to inefficient teaching imparted by untrained and unqualified teachers. The percentage of trained teachers in schools is still very low, and it is no wonder, considering the poor pay and prospects held out by the profession, that men of the right stamp are not available.

"It is a matter of extreme gratification to us to hear the Finance Member's statement on War Loan operations. His estimate of the total amount expected has been more than trebled, and the result has far exceeded the anticipations of the most sanguine expert. This splendid success is a clear proof of the whole-hearted support and loyalty of the people of India in whom a great trust had been reposed and who were not found wanting, and I hope they will rise to the occasion to help the cause for future exigencies.

"My Lord, under the heading 'Police' the increase of expenditure by Rs. 1,68,904—for the budget of 1917-1918 in the Province of Bihar and Orissa might have justified the expectation of a corresponding efficiency on their part in the discharge of their duties, but the recent events in that Province have proved the desirability of a further increase in the strength and efficiency of that Department. The special grant of 2½ lakhs for additional armed police and for a Military Camp will to some extent, I hope, re-establish the confidence of my unfortunate community. I desire to convey to your Excellency and the Government the grateful thanks of my fellow-Muslims for the kind words of sympathy expressed for the unhappy sufferers in the recent outrage in Bihar in your Excellency's opening speech.

"It is needless to impress upon the Council how strongly we feel on the subject, and I trust the Government is alive to the danger to which certain communities are exposed by reason of their numerical inferiority in certain Provinces. I hope in future precautionary measures of such a character will be taken as to render the repetition of such incidents impossible.

"Lastly, I desire to bring to the notice of this Council the insufficient provision made in the budget for the pressing need of works of sanitary improvement. I do not desire to press the Government on this subject at a time when their energies and resources should be otherwise occupied. But I would like to point out the defective results of the present system of distribution of resources and responsibilities between local bodies and Local Government on the one hand and the Central Government on the other. It displays the picture of the Exchequer of the Government of India overflowing with money, while these local bodies have been in a state verging on bankruptcy and Local Governments though they may have considerable balances at their disposal are not allowed to use them.

"It is high time that the Government should announce a definite policy in the matter.

"In conclusion, my Lord, I desire to join my Hon'ble colleagues to convey our tribute of admiration to Sir William Meyer who is about to leave us, and we shall ever cherish a kind memory of him as one of the most able and sympathetic members who have had charge of the financial portfolio."

The Hon'ble Sardar Bahadur Sundar Singh Majithia:—
"My Lord, in going through the Financial Statement the first thing that strikes one is that Land-revenue, apparently, is the backbone of the financial resources of the Government of India. Very nearly 45·5 per cent. of the whole income is derived from that source. This income depends to a greater

extent on weather conditions being favourable. No doubt the policy of the extension of canals is helping to make the position securer, but even this security, in its turn, depends upon favourable monsoon conditions. It is, therefore, a matter of congratulation that Irrigation has had its share of the Government resources. In this connection, I would strongly urge the sinking of tube wells in parts where the facilities for canal irrigation are not available. In the Punjab, Messrs. Ashford and Brownlie have rendered valuable services in providing improved tube wells, which not only supply an abundant supply of water, but in places where, for sanitary purposes, the need for lowering the water level is desirable these tube wells have been found to be very useful. In Amritsar, the Canal Department is working their tube wells by means of electric motors. They utilise their canal for the production of necessary electrical energy and pump water from these tube wells, thus releasing canal water for its useful service elsewhere where it is much needed. The hydro-electric scheme is a success in Amritsar, and in India it has, before it, great possibilities. In the United Provinces, there is a very great field for its introduction. I would strongly urge that Government help be extended to owners of estates by way of loans to introduce the scheme in their estates, thereby securing them from fear of drought.

"This brings me, my Lord, to the question of the speedy means of transporting the produce of land to trade centres. Railways have come in very handy to meet this necessity, and, though the gigantic war has curtailed the programme of extension in this direction and naturally it should have been so, as all our energies must be directed to the speedy and successful termination of this gigantic struggle. We must have as feeders to the Railway a system of good *pucca* roads to link up important towns and villages to railway stations.

"Though this great war is dislocating many things, but the necessity of increased facilities of rolling stock is keenly being felt. A railway journey brings one across railway stations with platforms and goods-sheds overcrowded with goods awaiting to be railed, and in many cases exposing the traders to loss and a good deal of damage. This demonstrates without contradiction that the demand of goods wagons is very great and their supply comparatively far short of the necessity. This state of affairs must naturally affect the railway earnings. The levy of higher rates has brought in better revenue, but a good deal of this must have been contributed by the debit entries from one department to the credit of the Railway. I refer to the expenditure incurred in the transport of military stores and troops, thereby adding to the railway earnings. The service of the railway for transport of troops, etc., was rightly demanded by the unique exigencies of the State, but if the demands of the trade could have also been met with, the railway earnings would have been still higher. On the other hand, the industrial enterprises of the country have suffered for want of fuel. The price of coal has more than quadrupled and, on the top of this, difficulties of the supply of wagons has to be faced. It is therefore gratifying to see in the Financial Statement that provision has been made for the increased supply of the rolling stock. I wish something more had been allotted than what is provided under this head, but perhaps the want of the necessary material for their construction is responsible for this, and during this great war one must put up with these inconveniences.

"The Right Hon'ble the Secretary of State for India has been in our midst for close upon three months, and has received many representations concerning the administrative reforms needed in India, and these must be receiving the necessary attention at the hands of the Government, but before any real step could be taken in this direction, the necessity of educating the would-be future electorates is a very real one. The generality of the masses of India are to a great extent illiterate, and steps to remove this illiteracy of the people have to be taken. We must teach the people the rudiments of the three 'R's' and for this the primary education of the country must demand the urgent attention of the Government. I am glad to find that 30 lakhs have been provided for this purpose, but the provision to my mind does not seem to be adequate and requires to be supplemented. I would strongly urge upon your Excellency's Government the necessity of giving larger grants for education to remove the general illiteracy of the people.

"We Sikhs are tackling this problem amongst our community and are doing what our limited resources would permit, and I would beg your Excellency's Government to give greater help to the community which, in services to the Empire, is not in any way behind its sister communities. The community, owing to its endeavours in this direction, deserves encouragement to a greater extent to ameliorate its backward educational condition. I quite understand, on the other hand, that it is necessary for us to conserve our resources for the needs of the Empire as a whole, but the education of the masses is a matter which demands your Excellency's kind consideration.

"The Hon'ble Sir William Meyer has referred to the approaching close of his career as a Finance Member. One really sympathises with him in the stupendous task that he has had to face during the term of his office. Uneasy lies the head that wears a crown, but I would say that the case of the Finance Minister is still harder. He has to use all his ingenuity to make two ends meet, and touch as lightly as he can the pockets of the people and keep all sides satisfied. It is therefore a matter of very great congratulation for Sir William Meyer that, in the difficult times that have confronted him during his tenure of office, he has steered the financial bark of the Government of India most skilfully and with thorough success. He has not added, to any great extent, to the taxation of the country, and with the means at his disposal has placed on behalf of India not an insignificant amount of £100 millions at the disposal of the Empire. I am glad that with all the pressure on the financial resources of the country he has left the land income free as it has hitherto been. The land, my Lord, is bearing the largest share of the Government demands, and it would be unwise to add to the burdens that the land-owners have to bear.

"We are sensible to the good qualities of head and heart of our Finance Member, and India owes him a debt of gratitude for the most able and sympathetic administration of the department under his control, and I can say, and say it with confidence, that Sir William Meyer will always be remembered by the peoples of India with feelings of deep respect and gratitude for his able management of the most important department of the Government of India. We may have differed from him in some respects, but all the same our regard for him is in no way diminished, for he possesses the qualities of head and heart which are essential for a good administrator. In wishing Sir William Meyer our heartiest good wishes one does not help feeling with regret at the short span of the official tenure of these high offices. On behalf of my Province I offer the retiring Finance Member our heartiest congratulations for the most able discharge of his high responsibilities, and wish him all the happiness in his well-earned rest."

The Hon'ble Mr. Khaparde:—"My Lord, the Financial Statement that we have been discussing is, really speaking, a War Statement. We read about the war from almost the first page to the last, and I may without exaggeration say that in almost every paragraph something is said about the war which has influenced us either adversely or for the better. For the 'better.' I use this word with some deliberation. For the better I say in that some principles have been carried out for which we have been fighting for a long time. One of these principles, which has eventually been put in paragraph 68 of the statement of the Finance Minister, is that balances derived from loans, etc., have been allowed to remain in the Banks as long as possible, in fact, until they were actually required or until the Banks themselves requested that they might be withdrawn. This has for a long time been felt to be necessary, and in that view what are called independent treasuries were always condemned. I always thought that maintaining a treasury where money was brought and locked up for a long time and kept from better use was a mistake, and I am glad that the Hon'ble the Finance Minister has availed himself of this balance and let it become useful for the trade of the country until actually required. I trust that these independent treasuries will gradually diminish and finally disappear and eventually, if the Government has balances, they will be lodged in the banks and will be always available both for trade and for the purposes of the administration as they are required.

"This brings me, from my point of view, to another subject which is of great importance also, namely, that the large balances that are maintained in England on account of India, all our savings and whatever we could keep back here, have always travelled to England, and I am very glad in this respect that the necessities of the war have compelled us to keep our money here and arrange, as well as we can, to pay off our obligations in England by Treasury Bills or by drawing cheques or by any other arrangements without actually sending the cash out of the country. Fortunately for us also this year the money at the disposal of the Secretary of State has been so much that he has not had to sell Council Bills, not at least for the purpose of meeting his establishment charges or his necessities. More money has been there with him, and for the first time, I believe, this has prevented him from doing a thing which always used to be looked upon as a sort of standing joke. I am told that at Aden Arab boys come close to the steamers and when you try to throw them a rupee they say 'rupee no good, throw us a shilling.' This bad reputation of the rupee has definitely disappeared, and it is now not only worth 16 annas but a little more. To such an extent is this so, that it has caused the consideration of a problem which has never arisen before and which has arisen now for the first time, especially when silver sells really for more than it did, whether the coin is to be maintained or what is to be done. As a remedy I am glad that the Mint has been established and this Mint, when it comes into full working order, will operate, I think, very strongly in solving all those problems of exchange which have been agitating the public mind for a long time. If our currency here is gold and Government mint gold, then the difficulty of sending for it across the seas entirely disappears, and India will buy in gold and will be paid in gold also, and this troublesome problem of exchange, which has been weighing on the public mind for a long time will, I think, in course of time disappear. Another good that has come out of it is that to which I referred in the beginning of my remarks, namely, that Indian balances and monies raised by us here should be kept in the country and not sent out to another country. That has also been solved by this question of the opening of the Mint. For the purposes of this Mint we will necessarily have to buy gold; silver necessarily will occupy a secondary place, and the charge which has been levelled against us before that India hoardes gold and that we are very fond of getting hold of gold coin and burying it will lose its force. Somebody said that in Australia they are digging gold out of the ground, and that in India we are burying gold in the ground as a sort of counterbalancing measure for the numerous mining operations that are going on elsewhere. Like all countries India absorbs a certain amount of gold and Indians, in common with all other members of humanity, store a little gold as a provision for a rainy day, but they do not possess a particular passion for burying it. That fallacy has been exposed, and I believe will be exploded entirely when this Mint will be working in Bombay for some time.

"Whilst I am speaking of these balances in the hands of the Secretary of State, I wish to submit that the reserves on account of the Paper Currency that are now kept in England should be transferred to India. One advantage of that would be that they would be lodged in the Banks here, so that the money will be useful for trade, and the difficulty about the condition of markets and about the shortage of money and so on will disappear. It is true that we require money only during particular seasons and security at other seasons. That is so, I believe, all the world over to a certain extent, though more so in India because we are all agricultural people, and at one particular time of the year we have got to pay our land-revenue, meet the demands of moneylenders, meet all our liabilities and also make provision for the rest of the year. So money is required at one time very urgently, and as a result of this shortage of money, we have to sell cheaper than we otherwise would if all our resources were here. If all our resources were available here then they would give it so much use and this periodical difficulty of our having to sell cheaper than we otherwise would, would disappear, and Government as well as the banks would have more money to give.

"There is a further matter on which my friends have been congratulating, and rightly congratulating, the Hon'ble the Finance Minister, and that is the

provision he has made for Education. I congratulate him also, though I submit that the provision is very small. It need not have been small on account of the war, because I look upon Education as really a war measure. The more people are educated, the better soldiers they will make, and in respect of this I would submit that we should spend a little more money in making the military service more attractive. A complaint has been made here that soldiers only get Rs. 11, and that is not sufficient. Of course it is not sufficient, and I think if we want to make it worth while for the best kind of people to go in for military service, we should raise their pay and status. And in order to afford facilities for their higher training in military knowledge, something like an Indian Sandhurst might be established where officers could be trained. In that way this will be not only an educational measure but also a measure of protection against war.

"My Lord, whilst thanking the Hon'ble the Finance Minister for providing for Education, I humbly submit that the provision he has made does not go far enough. I should like to have seen 4, 5, 6, 8 or 10 times the money set apart even in these days of war and stress.

"I have no further observations to offer. In conclusion, I also very heartily desire to be associated in congratulating the Hon'ble the Finance Minister upon the nice budget which he has presented. Usually the budget makes dry reading, but in this year's budget I find something to linger over, something to read and something to understand. Though my acquaintance with the Hon'ble the Finance Minister has been a short one, still I regret quite as much as anybody else in this Council that his connection with India will be severed soon. I trust he will retain his interest in us in his retirement and continue to give us the same advice and the same care that he has given us here."

The Hon'ble Rao Bahadur B. N. Sarma :—"My Lord, it is with great pleasure that I rise to congratulate the Hon'ble the Finance Member upon his rare good fortune in earning the good-will and the hearty good wishes of the people of India under exceptionally trying circumstances; and it is with peculiar pride that I rise to do so because I recognise that it is a Madras officer who has earned such distinction and his title to be considered one of the ablest financiers of our times. He has truly earned the gratitude of the people of India in that he has withstood all temptation to win a cheap popularity in certain quarters and stood by the country and defended the country's interests against obloquy, slander and malicious statements. We can never therefore forget what he has done for us, and we hope that when he severs his connection with us, he will still continue to take an interest in the affairs of India and try to promote its financial and economic prosperity.

"My Lord, there are so many good features in this budget that it would take a very long time to deal at any length with all of them. For two reasons I shall only allude to the more prominent of them. One is the time-limit and the other is that it is perhaps needless to remind the Government of India of the excellences of their schemes and the critical attitude that is generally forced upon us involves us in a discussion of what may perhaps be said against the schemes that may be proposed by the Government. The features upon which the Government is to be congratulated have been dealt with at some length by the Hon'ble Members who preceded me. One of those features is, that we are not going to be taxed further. Another is that we have made a new departure in undertaking to provide money by treasury bills. A third I would put as the departure to undertake raising loans in India for the purpose of discharging British liabilities and British debts. A fourth feature, which is an even more important one, is the recognition of the need for the differentiation of Provincial from Imperial finance. And last but not least is the recognition and partial introduction, owing to the pressure of war, of democratic methods in financial administration. The higher functions of Government have not been confined solely to the keeping of peace and order in any country. So much being said, I only hope that the departure which has been rightly undertaken this year in bringing on the discussion of the Financial Statement at an earlier stage will

result in some fruit. I hope that the united wisdom or unwisdom of the non-official Members—official Members cannot help us because rigid discipline prevents them from taking part in the discussion—I hope, I say, that the united wisdom or unwisdom of all the non-official Members will induce the Finance Member—for after all the Finance Member is the Government of India in this particular matter—to change in some slight degree what I suppose he conceives to be the only possible Financial Statement that can be presented by the Government of India in the present year.

"My Lord, I may characterise the present Financial Statement as the usual orthodox statement modified by the pressure of War—a Service Budget, a War Budget—a tradesman's old East India Company's Budget and not a People's Budget. Travelling back over the history of finance during the past many years one noticeable feature has been that no Government of India, no Finance Minister, has ever come forward with any proposals before the Legislative Council for raising money, either in the shape of taxation or otherwise, for education, sanitation, or what may be called the social reforming side of governmental activities. It is a question always of throwing the crumbs for the above purposes. Money may be raised for service needs or for army needs; if it is a surplus budget, some little money may be forthcoming for the needs of education and sanitation and such services are thus satisfied from time to time. But there has been no definite policy of asking the people to associate themselves with the Government saying to them 'We will raise so much money for the definite purpose of improving and organising your resources, intellectual or economic: will you agree to our proposals?' I hope that a departure will be made in this direction. I understand the difficulties of the Government. All foreign Governments are generally afraid to tax the people except to keep peace and order and do only so much as is absolutely necessary for the improvement of the condition of the people consistently with the security of their position. I hope that the new Councils will enable a departure to be made; and apart from that I hope the Government will take the sense of the country. The reformed Councils which will necessarily be larger in numbers will be able to cope with these large questions and to decide whether the people are willing to tax themselves for general purposes of the kind that I have referred to.

"Then, my Lord, I said this was an orthodox Budget. I need hardly refer to the various vicissitudes which the finances of the country have had to undergo owing to the Government embarking on a policy of purchases outside India and in India for the Imperial Government. That was accentuated by the war and nobody complains and nobody has a right to complain about it, except to draw the attention of the Government to its abnormal character, for it may be that that precedent will be pursued unless it is carefully safeguarded.

"Then one other point, I would like to draw the attention of the Council to in this connection is, that the Government does not choose to depart from its customary policy of always budgetting for a surplus by under-estimating the revenue. I appreciate the difficulties during a time of war, but my criticism is a real point, because during the last 20 years, except during three years, from 1898 to 1918-19, we have always budgetted for a surplus. The surplus amounted to as much as 52 millions. There were only three years in which there was a deficit, and one was 1908-09 when there was a worldwide monetary crisis, and the others were 1914-15 and 1915-16 when this war overtook us. That shows, therefore, that it was not merely the vicissitudes of the season that were responsible for these surpluses, but the fear that a deficit might land the Government in very great difficulties. I hope that the new Treasury Bill system which has been introduced and which has to be safeguarded from abuse (I shall allude to this later) will obviate the necessity for budgetting for large surpluses thereby avoiding the need for taxation until it is demonstrably proved that taxation is the only alternative open to the country and to the Government. Another point to which I would invite the attention of Council is one which has already been referred to by speakers on previous budgets, and it is that revenue is being utilised in this poor country towards capital expenditure. Of course in a particular year when the

money cannot be otherwise raised or when the surplus revenue cannot be usefully employed, it may be that revenue should be spent over capital expenses, but I hope even then that there will be a separate account, a loan account, with or without interest; because, my Lord, unless that is done we shall not know how much taxation proper has been utilised for capital purposes which should come really under a different heading altogether and not under revenue.

"One thing which makes one somewhat sceptical with regard to the general currency policy of the Government is certain disclosures made during the course of the war. England is a very wealthy country. She has asked her people during these years to produce as much as possible for export, to reserve and conserve the resources of the country by reducing the imports; but our Government found it necessary to discourage exports and regretted that the imports have not been heavy because their financial equilibrium was rudely disturbed in undertaking the continuous solution of the exchange problem on an artificial basis. I quite appreciate the difficulties but still this is to be said, that though money has been intercepted the result of this policy is that currency has been inflated. The net excess of exports of merchandise in 1915-16 and 1916-17 was 40 millions and 54 millions, as against 55 millions and 53 millions in 1911-12 and 1912-13, so that that is not an abnormal feature. A foreign trade of 431 crores of rupees was managed in 1913-14 with a currency of 183 crores metallic and 69 crores paper, whereas a trade of 410 crores, or 21 crores less, found a difficulty in being managed even with a currency of 250 crores metallic, an addition of 67 crores in two years and 35 crores additional paper. The object was to minimise the imports of gold and silver as far as possible, but has the Government succeeded in that policy? In the years 1911-12 and 1912-13, as I have said there was a net excess of exports of merchandise of 55 and 53 millions. The total import of gold and silver did not then exceed 45 million pounds, whereas in the two years 1916-17 and 1917-18 you had to import for currency purposes exactly the same amount, 45 million pounds, or 67 crores of rupees; and besides this there was 14 crores of rupees imported on private account. Therefore, I do not see that the object Government had in view except in respect of gold has been achieved. High prices have been the result; there was an inflation of currency, and I am not quite sure as to whether the disturbance of the normal channels of trade has had the effects desired by the Government, except for a temporary period. It would have been a very good thing if the people of India could entrust their money on a loan account; certainly we are bound to do so and we wish to assist the United Kingdom; and it is unfortunate that the Government of India have had to resort to these expedients. It seems to me, therefore, that the time has come to investigate the need for and the location, first of all, of the Gold Standard Reserve, and the desirability of a revision of the currency policy of the Government; and the latter has been facilitated to a certain extent by the opening of the gold mint in Bombay. With regard to the Gold Standard Reserve, my Lord, I make the suggestion that this might be utilised for reducing the debt for this reason. During the war at any rate it would be next to impossible to expect the United Kingdom to repay the debt. Our exports are bound to be in excess of imports, and so no question of exchange is likely to involve us in difficulties. If the Government should insist upon their old gold standard policy the money might be utilised meanwhile in discharging the British debt thereby reducing the interest charges, on condition that it should be restored, if necessary, when peace returns. The Chamberlain Commission gave the reason for the location of that gold standard reserve in England that if the reserve were kept in India it would have to be removed to London to be used, and that this would involve delay, and they said that there was absolutely no danger of this reserve being looked upon as a London reserve by the Bank of England. But exceptional circumstances have proved that the fears that were entertained were not altogether unjustified, and it has also to a certain extent proved a source of danger to the Government in England. A survey of the trade of India during the past many years also shows that India has always had an excess of exports and with the advancement of agriculture, and manufactures, she is bound to have an excess of exports over imports, and the problem as to whether the gold standard reserve should be kept on those lines deserves investigation at an early date.

"The organization of the banking system and the financial resources of the people are problems which, I hope, the Government will undertake as soon as war conditions permit. The war loan has been such a great success during the last few years shows what immense confidence the people of India have in Government initiative and Government credit and under the guidance of Government officials I am sure sufficient capital will be forthcoming for all industrial expansion, and let me hope, agricultural expansion also. The expansion of the currency policy and the possibility of a two-third safe investment in securities prove also the elasticity of our resources.

"The last suggestion that I would respectfully make is the provision for the discharge of future financial obligations only in India, whether in the shape of interest charges, salaries or pensions, or the purchase of stores or facilities for the payment in the United Kingdom being only optional. The centre must be removed to Delhi from the United Kingdom. The need....."

His Excellency the President :—"The Hon'ble Member has taken two minutes more. I thought he was coming to a close, but he might now conclude his peroration."

The Hon'ble Rao Bahadur Sarma :—"The need for ship building programme is absolutely necessary. There is the principle of the indigo trade being taxed for a certain purpose and that may be taken as a precedent for undertaking any expansion that may be needed in that direction.

"And lastly, the only point I would ask your Lordship to permit me to state is with regard to the reference that was made here that Madras had not done well in the War Loan,—it is only if your Lordship will permit me to refer to it....."

His Excellency the President :—"You might let it alone."

The Hon'ble Rai Sita Nath Ray Bahadur :—"My Lord, before proceeding to say a few words on the Financial Statement, I would crave leave to offer my hearty and respectful congratulations to the Hon'ble the Finance Member on his parting prosperity budget, and the successful way in which he has been able to find out means for the prosecution of the war, without recourse to any additional taxation. 'Let not him that girdeth on his harness boast himself as he that putteth it off'. And as he has presented to the Council his last Financial Statement and we are now able to judge him by his actions, we can assure him that he will carry with him, in his retirement, the gratitude of India in having steered the bark of his department clear of those rocks-ahead on which policies and reputation are often wrecked. He has laboured under peculiar difficulties and disadvantages due to the world-wide war, which has dislocated trade and fearfully increased expenditure. War is writ large on every page of four of the five Financial Statements which he has presented to this Council, and the necessity to conserve our resources, as much as possible, has made him minimise expenditure on social reform and capital outlay. But he has always shown his eagerness to avoid the imposition of fresh taxes and has kept before him the ideal of graduated taxation. True to the interests of India which has touched him with her magic wand and faithful to the salt he has eaten, he has served India with a love and devotion which will not be forgotten by a grateful people. He has served India at a most critical period of her history and served her faithfully. In him the Government of India loses an honest and honourable officer, India a true well-wisher and many of us a sincere friend.

"My Lord, under the new rules we are precluded from discussing matters which fall outside the Financial Statement. I can very well realise that at a critical time like the one we are passing through, we should not embarrass the Government of India with requests for increased grants for Provincial purposes. But the practice of allowing Members to unfold their tale of grievances in this Council once in a year was on the whole wholesome and, I may add, useful. For even at the risk of being charged with having developed a dangerous degree of provincial or parochial patriotism, I must say

that we are the representatives of provincial interests, and it is our duty to safeguard those interests and draw the attention of your Excellency's Government to the needs and requirements of our respective provinces. The necessity of drawing the Council's attention to provincial matters has been somewhat aggravated by the Government of India's decision to live away from centres of mercantile activities and public life . . . . "

His Excellency the President :—" I think the Hon'ble Member knows that he is off the lines. Will he please get on the lines again ? "

The Hon'ble Rai Sita Nath Ray Bahadur :—" My Lord, I bow to your decision and proceed to say a word or two on the present crisis.

" My Lord, we are passing through a crisis. The Empire is engaged in a war that civilisation is waging against Prussian militarism and brute force which are a menace to peace and progress, and an onerous burden has thereby been thrown on our shoulders. Ways and means must be found to bring the war to a successful issue, and we, as citizens of the Empire, must strain every nerve to achieve that end. Considering these, and not wishing to embarrass the Government at this juncture, I refrain from criticising in detail the several heads of the Statement, though I must say I feel a little disappointed to find that with the exception of a grant of 30 lakhs of rupees for the development of primary education there is very little provision in it for social reform or the development of any beneficial service. The amount provided for primary education is to be distributed among the Provinces. At a time when the 'torch of knowledge is lit for all' and it is borne in mind that in India the percentage of literacy is so low as about 10 in males and 1 in females, it is somewhat disappointing that the Government should make such a small provision for primary education. The mass of Indian ignorance is appalling. The people are eager to take advantage of primary schools wherever they exist, but their number is few and far between and equipment deplorable. In Bengal, in 1916-17, the number of primary schools for boys was 31,617 with 1,124,468 pupils. The expenditure on them was Rs. 37,40,699, of which Rs. 17,95,596 was from fees. The amount which came from the students represents the desire of the poor people for education. It will appear that for 31,617 schools the Local Government and the local bodies between them paid only Rs. 19,45,103 or a little over Rs. 5 per school per month. Is this enough to attract really competent men to diffuse the fertilising waters of intellectual knowledge from their great and copious fountain-heads by a thousand irrigating channels over the whole length and breadth of the land ? I, therefore, respectfully plead for an increase in the grant for primary education and together with it a suitable grant for commercial education, if it is possible to do so at a juncture like this.

" It is a truism that if a country has to solve her poverty problem she must make necessary arrangements for the progressive development of her manufacture and commerce. We are lamentably wanting in all that leads to the establishment of prosperous industries. A carefully-organised system of commercial education is a prelude to successful industries and a necessity in a country which has immense possibilities of industrial and commercial development. In India we have only one commercial college worth the name. It has recently been established in Bombay through the exertions and enterprise of the growing and prosperous commercial community there. I am glad after long deliberation my *alma mater* has in this matter made a move in the right direction. The Calcutta University is now drafting regulations to provide for examinations in agriculture, technology, and commerce. It is certainly a significant sign of the times. But an institution like the Calcutta University which, in spite of the post-graduate classes, is mainly an examining body with its hands already full, cannot satisfy the growing needs of the country in this matter. And I, therefore, respectfully plead for a capital outlay and a recurring grant from the Government of India to provide commercial education in various parts of the country.

"Sanitation is a head which has received but scanty recognition; but with the plague decimating the population, and malaria no longer the monopoly of Bengal, it deserves more attention.

"My Lord, it is to be regretted that the expenditure on railways is so small. As a merchant myself I feel keenly the hardship and loss which continued shortage of waggons has entailed on the country. On account of wagon-shortage and other causes the supply of coal has become so irregular and unreliable that mills and factories are in constant danger of being obliged to stop work, and colliery-proprietors are, in many cases, the worst sufferers. I, therefore, welcome the decision of the Government to encourage the construction of railway waggons in India, and wish the project every success. At the same time I would advocate a more vigorous policy in the matter, so as to relieve the congestion of traffic as early as possible.

"My Lord, I join with my Hon'ble friend, Sir Fazulbhoy Currimbhoy, in raising my voice against the impending legislation to prohibit the raising of capital for joint-stock companies, large or small. The opportunity given to India by the war, which has shut out almost all imports from Europe and America, has raised new hopes in our minds and given us a stimulus for the development of our resources. People have been eagerly looking forward to the promotion of joint-stock enterprises, to capture the trade of enemy-countries with India. Here is our opportunity. And we cannot but regard a prohibition to raise capital for industrial enterprises at this time as undesirable—if not prejudicial—to the interests of India which are the interests of the Empire.

"My Lord, I congratulate the Hon'ble the Finance Member on his wise decision against the issue of premium bonds. A deviation from the ordinary methods of raising money in this country would have created a flutter in the dovecots of speculators and spread all sorts of rumours throughout the whispering galleries of the East.

"With these words, my Lord, I resume my seat."

The Hon'ble Mr. Sastri:—"My Lord, the Hon'ble Sir William Meyer has received many expressions of personal esteem. I will add mine, and beg him to accept it as not less genuine than the rest. Sir William has been a tireless watcher of India's treasury as well as of her public weal. Cruel domestic sorrow, exceptional difficulties in office, and criticism, undeserved and in some cases unduly harsh, have added to his burdens and cares, but through them all he has pursued his duty unflinchingly. This Council will not be in Session when he retires, and it is therefore fitting that some of us should say to him that when he is in retirement he will be attended by the grateful recollections and kind thoughts of a people whom he has served faithfully and loved well. This budget, in spite of the difficulties confronting it, is as satisfactory as it may well be; but when I have said that, I must ask the leave of the Council to grumble a little in exercise of the constitutional right of a citizen of the British Empire. There has been, as is remarked on page 76 of this Financial Statement, a great deal of distress to the poor on account of the rise in prices. Now there are several causes for this rise in prices. There is a world movement, in which India is obliged to share. There is besides the complication produced by the war, but over and above that there is the element of difficulty added by the Government's own action. During the last two years there has been a very great inflation of the currency of this country, amounting on some estimates to about 100 crores, nearly 50 in coinage and about as much, or somewhat less, in the shape of paper. Whatever that is, this great addition to the currency of the country must have contributed its own share to the distress of the people I do not say that this could have been altogether avoided, but I do say that this ought to be borne in mind by Government in adjusting their future financial arrangements. They have got to remember that the poor man in this country, poorer than in most other countries, has likewise to bear always the whole weight of administration on his back. Other people cry aloud for relief in this matter, relief is afforded to them, but always and inevitably at his expense. I will therefore ask that the present Finance

Minister, and the Finance Minister who succeeds him, should glance an eye of pity on his burdens

'Which have of late so huddled on his back;
Enow to press a royal merchant down,
And pluck commisseration of his state,
From brassy bosoms and rough hearts of flint.'

"I will mention to your Excellency two matters in respect of which Government have to adopt a policy of great care and tenderness for the people. I will mention in the first place salt. But before I go to salt, let me say that in the budget of last year that we listened to there has been a tendency to under-estimate the revenue. This has been brought forward to-day as an adverse criticism. I do not mean it exactly in that sense; I recognise the exceptional difficulties of the situation and will not blame, but I wish to draw attention to the circumstance that the under-estimate seems to go throughout. If the revenue has been under-estimated, so has the expenditure been. For both last year and this I find that the Finance Minister has had to face two or three millions, this year four millions, of additional expenditure under the head of Military. But this under-estimate seems also to extend to another thing. When he imposed taxation, he meant it to raise a certain amount both last year and this, seven millions, but he has got a good deal more, a little over nine. On striking the whole balance it appears as though it were possible to have managed the whole of this business without imposing any additional taxation at all on the people. For I find that during these two years there has been an increase under revenue only of about 22 millions and on expenditure there has been an increase of about 9 millions odd. It might have been possible—with prescience may I say—not entirely beyond human reach, it might have been possible to adjust the whole thing without additional taxation. I am mentioning this merely to enforce this point—that it might cause Government to pause before they take further measures in the way of taxing people either directly or indirectly.

"Coming now to the head of salt, the Hon'ble Sir William Meyer has been obliged to impose some slight taxation in addition to the taxation that salt bore already. Now, I do not object to this either, but I do object to another thing in connection with salt. Owing to the shortage of transport facilities and owing also, I fear, to the combination amongst salt traders throughout the country, there has been an increase in the price of salt to the poor far in excess of what might be justified by the advance in the salt duty. And, as Government own the salt in this country and enjoy a practical monopoly of that necessary article, I think the duty rests on Government of making available, by whatever measures may be reasonable, to the poor throughout the country, this necessary commodity at as small a price as may be, considering the duty imposed on it. Both in Madras, within my knowledge, and elsewhere in the country there has been much distress caused both by lack of salt and by its excessive price. The matter requires very close attention, and I hope the Government will give it.

"The only other point to which I wish to draw attention is the difficulty placed in the way of the poor in railway travelling. In this matter, though it is indirect taxation, Government have to remember that their policy during all these years has generally been to make travelling easy to the poor. Their policy, pursued without interruption, has been to make travelling as cheap as possible and to cause a reduction further and further in the fares. But, unfortunately, during the last year, the Railway Board have advanced the fares considerably. They first of all in the year 1916, in the month of December, cancelled a large number of passenger trains, thus restricting the facilities of travel. Not content with that, as another measure for restricting passenger traffic, they made an addition on the fares. In March 1916, again, they went on to raise the maximum fares on all the broad gauge lines on their third class. Then they said, wherever the fares were less than two-thirds or were only two-thirds, 25 per cent. of this two-thirds should be added, so that on all other lines as well the fares were worked up to five-sixths of the maxima. Then the railway lines abolished all the concessions.

One need not mind the abolition of the concessions in the case of first and second-class passengers. But there are a number of students in our educational centres who travel in the third class at concession rates. The abolition of those concessions must have added considerably to the difficulties of the poor. But there is another thing that I do not quite understand. They have abolished also the sliding scales, according to which the fares were calculated on all the classes, so that now people pay uniformly at three pies or three and-a-half pies per mile, whereas formerly they would have had to pay at three pies or three and-a-half pies for a certain distance and at a lower rate for the balance of long journeys. This sliding scale has now been abolished, thus adding also greatly to the fares. But besides that, another step has been taken which must spell greater hardship to the poor in the future. They have raised the maxima of fares on all the lines up to about 33 per cent. on all the classes; in the case of the third class and the intermediate class, these additional fares are to be put on only for mail and fast trains. All the same, this is an addition which they have taken power to make, and one fears that perhaps these new maxima will also be soon worked up to, thus adding greatly to the difficulties already placed in the way of the poor in railway travelling. Now it seems to me that that is a method of indirect taxation which adds greatly to the revenue but presses hardly on the poor third-class travelling public. In this respect also I think that, with the surpluses with which we have been working our budgets for the last two years, it is possible—in fact I think it is highly desirable—that Government should look into the matter and, as soon as possible, restore the facilities that the poor have had for railway travelling."

The Hon'ble Sir Dinshaw Wacha:—"Your Lordship, I will not travel over the same ground which has been traversed by so many of the speakers who have spoken before me. I think in a way they have actually travelled from China to Peru; if not from China to Peru, at any rate from the Himalayas to Cape Comorin. We have heard all sorts of suggestions and all sorts of grievances which are mostly what are called hardy annuals. There is agriculture, there is education, there is sanitation, and all the rest of the compass. But, my Lord, I do not mind all these suggestions and grievances that have been put forward. Now that we have changed our rules, it is only right to see that every Member of this Council has the privilege of bringing before your Excellency and this Council his own grievances. It is a miniature House of Commons now, I suppose. That is to say, grievances are heard before supplies. I do not know whether my Hon'ble friend, Sir George Lowndes, will say yes to it, but at least I consider we have a mimicry of it.

"But apart from these and other little matters, I may say, my Lord, that I do associate myself, as far as Commerce and Industry are concerned, with most of what has fallen from the Hon'ble Mr. Malcolm Hogg and from the Hon'ble Sir Fazulbhoy Currimbhoy. I agree generally with them in many respects; but I am sorry to say that I cannot agree with what has fallen from the Hon'ble Mr. Sarma. He said that surpluses are induced by simple under-estimates of revenue. The Hon'ble Mr. Sarma forgets that the surpluses are more or less due to railway finance. If he only studies the surpluses that have been yielded by railways since 1904-05, he will see that they are no doubt in an ascending ratio. He should know that from the date of the construction of the railways up till that time, namely, 1904, most of the railways were a losing investment as far as the State was concerned. I remember, your Lordship, when giving my evidence before the Welby Commission that I had brought to their notice this particular fact of the loss of the railways. From 1848 they were losing at the rate of one crore per annum, but it was owing, of course, probably to the guaranteed system of railways that the Government lost a great deal, but there was no help for it. These guaranteed railways were formed at a time when there was an absolute absence of any sort of private enterprise in India. So that these surpluses are not entirely owing to an under-estimate of revenue. I admit that in all great countries and great States, however capable their Finance Minister may be, there is always a little under-estimate of revenue and a little over-estimate of expenditure. I have to discuss these points of under and over-estimates almost

every year before my Municipal Corporation, but I believe it is the case everywhere. Whether it is the Provincial Government or whether it is the Local Government, or whether it is the Imperial Government, or whether it is the United States of America, France or Great Britain, it is all the same over and over again. Of course, if the under-estimates are such that when the next year's actual accounts are before us we find there is a great difference and a large percentage of increase in the surplus, surely we can trace the cause. This point also I brought before the Welby Commission in my evidence, and I put down in parallel columns what was the budget, what was the revised estimate, and what was the actual account; and, I think, I convinced Lord Welby and his colleagues at the time that there was a good deal of under-estimating. I, however, do not think that since those days there has been the same under-estimating, as has been attributed to the Government by the Hon'ble Mr. Sarma. But I will not say anything more on this point since I have very little time, and the clock, like the finger of fate, points onward fast to 5 o'clock. I must finish soon my little harangue.

"Then, the Hon'ble Mr. Sarma spoke next about Treasury bills. No doubt Treasury bills are a form of raising loans; but if the Hon'ble Mr. Sarma thinks that these Treasury bills can achieve miracles for the Finance Minister I say he is greatly mistaken. It is true that Treasury bills are another form of raising loans, but if he means to say that taxation is saved by means of Treasury bills he is entirely wrong; for even Treasury bills have to pay interest, and whether you pay interest in the form of loans or Treasury bills it is all the same. If you incur loans you have to pay interest on them. If you do not pay interest, and if the Finance Minister finds himself in this box, that he has to raise taxation, he must impose it. Interest charged to revenue is only another form of taxation. Therefore, that argument will not hold water.

"Thirdly, he spoke of currency. I am sorry to say that here the Hon'ble Mr. Sarma is altogether on ground where it is very dangerous to tread, particularly for gentlemen who have not had the benefit of a commercial or industrial career. The mechanism of exchange is, of course, intimately associated with imports and exports; but the statics and dynamics of imports and exports have to be very well understood, and I should advise the Hon'ble Member to read Sir Robert Giffen's book on Imports and Exports and the balance of trade and exchange in order that he may speak with greater authority next time he rises in this Council to criticise the budget. He also seems to forget that it is not only this sea-borne export trade of India that requires to be financed. He forgets that there is something like 800 crores of inland trade which has also to be financed; and that trade values during the last two years have been greatly enhanced, no doubt, by the prevalence of dearer prices, freight, etc.

"Then lastly, both the Hon'ble Mr. Sarma and the Hon'ble Mr. Sastri have referred to the inflation of currency. No doubt when a currency is inflated, it is a great evil. The purchasing power of money then tends to be less or considerably diminished and prices rise. The question is whether the Finance Minister, in expanding the currency for the last two years to a very large extent, has really inflated currency to such a degree that prices have risen partially on that account? That is a great controversial question on which I will not enter; but I take it that when the Finance Minister rises to give his reply, he will have sufficient to say on this very difficult question.

"Having said so much as to the discussion that has gone forward among different Hon'ble Members I now, my Lord, come to one or two other points. If Members of this Council rise one after the other and ask that the grant for education should be increased, that the grant for sanitation should be increased, that the grant for agriculture should be increased, surely it should make the Government pause and think whether they could meet their wishes. It is true that those grants are being annually increased, but they are not being increased in the proportion that we should like to see. But the whole question as to getting additional grants beyond those budgetted is circumscribed by the revenue which the Finance Minister is able to raise by taxation and by other means. Expenditure is limited by income. That is

the whole point. I remember, my Lord, that whenever there is a little big surplus in the Municipal Corporation, of which I am a member, member after member rises and says this must be done and that must be done. If you add up all the different grants they want, they will run into lakhs on lakhs, whereas the municipal revenue is only 1½ crore. The same is the case here. Government cannot shake the pagoda-tree, and pick up *ad libitum* golden coins or shining rupees whenever they want. Government has laboriously to devise ways and means to raise every rupee, India being a poor country. All these considerations have to be taken into account before any valid or sound criticism can be made on the budget. But I say this much, my Lord, that as far as loans are concerned I would put it to the Finance Minister and to other Members of the Council whether the railway surplus which is now being realised can be utilised for revenue purposes after the war. I do not think so. At present there are considerable debits and credits They are crediting railways and debiting military accounts, for all these things that are being passed from one end of the country to the other. The normal coaching and goods receipts will not be swelled after the war. But I do say that, supposing on an average in future, when the war is over you have a surplus under railways to the extent of 5, 6 or 7 crores, the question which will be raised is this: whether that surplus ought to be entirely utilised for ordinary revenue purposes during the following year as has been the present practice, or whether that surplus should not be ear-marked to diminish the amount of the loan you annually require for railway purposes. If you annually require 10 crores and if you have a surplus of 7 crores, why not take 7 crores as your capital? Then, of course, you will only have to raise 3 crores more; besides, you save the interest on 7 crores. I remember having a talk at one time on this subject with my Hon'ble friend the Finance Minister, and he said that after all it is a surplus which reverts to the State after having paid all railway expenses. That is very true; but what do we do in our commercial transactions? When cotton or jute mill or other factories pay dividend, they set apart a certain amount of money for extensions and developments and to that extent *pro tanto* the loan to be raised is less. Why should not this business principle on which all mercantile firms, all cotton and jute mills and the like systematically set apart a reserve out of their profits be adopted in our budget? I am open to reason, and I hope, my Lord, that when the Finance Member rises to reply he may be able to satisfactorily answer this question. Then, my Lord, as to the railway fares to which Mr. Sastri referred. Perhaps, the Hon'ble Mr. Sastri does not know that before they were increased, railway fares in India were considered to be the cheapest in all the world, cheaper than America. Mr. Priestley, who was some years ago asked by the Government of India to go to America and make a report on the different systems of railway administration, stated it to be so. I do not know what the position may be to-day, but seven or eight years ago when Mr. Priestley reported he said the railway fares for passengers in India were the cheapest of all. If, therefore, for purposes of War, Government is obliged to tax the rich as well as the poor, I do not see why the poor should not pay their share according to their ability. We admit the cost of living has gone up, house-rent has greatly risen, and so on; but if we are to make sacrifices, the poor man must make sacrifices as well as the rich. The rich will of course pay more, but the poor cannot entirely escape. And this increased railway fare is a kind of indirect taxation. Apart from that, Hon'ble Members, I presume, have been reading the railway report each year. What do they find there? Third-class passengers contribute the bulk of the coaching revenue, and on an average they travel once a year and that to the extent of 37 miles. If 37 miles was, say, a pie before and if two pies are levied now, you can compute what is the amount that the poor man has to pay per mile over and above the former fare? That is to say, if he travels at all. That also has to be taken into consideration.

"Then, my Lord, I come on to another question. Much has been said about education and sanitation. I submit, my Lord, that the Government ought to do more after the war by way of education. I think that goes without saying. Government has declared its policy, and there is not the slightest doubt that education and sanitation will be greatly stimulated when better times dawn. But there is one little question I have to ask the Government. Here you are every year increasing your excise revenue. Excise revenue has gone up now to

nearly 13 crores. It may go up to 14 crores. If you calculate this excise revenue per head of the population of British India, you will find that it comes to 8 annas per head. What are you spending on education per head to-day, even according to the new budget?

"If you divide it again by the population (the population of 1911), you will find that they are only paying two annas. So, while you are making people insober by your excise policy and take a heavy tax of 13 crores from them for your drink traffic, you have not the generosity to repay to them to a larger extent than two annas per unit for education! That is not right. If you take eight annas per year from the pockets of the poor, try to put it back in another form in their pockets, that is to say, as productive expenditure, and whatever you spend on education is a productive expenditure; and whatever may in consequence go to diminish thereby the excise revenue will be a great gain, because the more people are educated I am certain that more sobriety will prevail among them, and the mischievous policy of maximum of revenue and minimum of consumption will be knocked on the head, if not to-day, 25 years hence. Having said so much on some of the points of the budget, I will say one thing more and that is in reference to the civil charges. Before, however, I come to the civil charges, I will say one thing more. If the total net revenue and expenditure according to the Parliamentary returns are examined, it will be found that in the last ten years ending 1915-16, revenue on an average has increased at the ratio of 14 per cent., while expenditure has increased at the ratio of 20 per cent. Here is the cloven hoof. If expenditure is increasing and if you do not perceive it, what is the reason? I say you do not perceive it because your railway surpluses are so large that they partially absorb a large portion of the expenditure and still put in the pocket of the Finance Minister a very fat surplus. That is the reason. That is not a sound policy in finance, and I do hope, my Lord, that the successor of Sir William Meyer will certainly bear this point in mind. It is a very important point.

"Civil charges also are increasing to a very large extent, if the ratio of the revenue yielded is compared with the ratio of the civil charges. But unfortunately, the case is this, that in India we have not got the full and efficient machinery to control expenditure and to audit it as it is audited in England. Hon'ble gentlemen who have studied the British budget as I have been doing for years together, will see that there is a memorandum for improving the audit by the Controller of Public Accounts. The audit has gone on for 60 years past or rather 50 years, from 1866. They have a Controller of Public Accounts; there is also a Standing Committee of Parliament, and between them they are taking the greatest care that expenditure is not increased faster than is right and proper, and that the grants are kept well in hand. I do not know how far the machinery here is complete. The Welby Commission did examine this question of machinery, but I do not think they came to any satisfactory conclusion on it. But I do say this, that if in future, even if self-government is conferred and if responsible government is attained, and we are in the place of those who are now sitting on the front benches, then I do say that the first thing that we should do is to have a Controller of Public Accounts and a Standing Committee of Council which would most vigilantly control expenditure Now, my Lord, the Financial Statement that we are discussing to-day has been pronounced in some quarters as neither brilliant nor booming, that it is a humdrum budget. Brilliant it might have been, I think, if the author of the budget had only taken care to invest it with a blaze of glory all his own; and possibly it might have been booming, too, if he had heralded it with salvoes of artillery such as those we heard this morning and drums beating and colours flying. In that case I suppose they will be quite satisfied. But because of the modesty of the Finance Minister who has brought forward his budget in a simple and unadorned style without any sensation, that there is this sort of ignorant, or hostile or prejudiced criticism, forgetting the matter of the thing which is so important. I believe, my Lord, that it is the most phenomenal budget that I have ever known, and I have been a student of Indian finance for the last fifty years, from 1868. I have studied every budget from that date up to this, and I can say with a clear conscience, and nobody will say that Wacha was, of course, indulging in rose water and kisses—I am doing

nothing of the kind—it is my genuine appreciation of Sir William Meyer's financial statemanship that I do say this. I do not know of a single Finance Minister, even Mr. James Wilson, who having regard to our financial needs in his time (1860) had ever such a difficult task as Sir William Meyer has had for the last three years. It is unprecedented. There have been very many able Finance Ministers in the past, Mr. James Wilson, Mr. Laing, the great Treasury man who has left to us a classic phrase in regard to budgets—that 'India is the milch cow of England.' That is the way, of course, in which Mr. Laing is remembered in India. There was Sir Charles Trevelyan, a great friend of India, who because of his opposition to the fresh income-tax of 1860, was re-called. Then there have been Civilian Finance Ministers of great ability, like Sir John Strachey, Sir Auckland Colvin, and Sir David Barbour; but, as far as Indian finance is concerned, none of these in their respective times had to overcome the difficulties of ways and means as Sir William Meyer. I would at this stage point out that Indian finance has passed through three phases. If you take the first period between 1860 and 1880 what do you find? The revenue was small and the sources of revenue were almost inelastic; hardly 40 or 50 crores were raised and at that time public works were famished; there was no such thing as irrigation works, and railways were in their infancy. There was the fight among railway engineers for the gauges, one side saying the standard gauge is the best and the other side saying the metre gauge is the best as being so cheap; and between them a battle royal was fought. At that time, what was the condition of the railways? Any Member of the Council, who goes through a Railway Administration Report, will find that you did not then go beyond 3,000 miles. That was the condition. There were deficits after deficits, and Sir John Lawrence often used to be vexed on that account. It was for the very reason why when provincial governors like Sir Bartle Frere tried to outrun the constable he put a very big foot down on their extravagance; there was no decentralisation, and the Government of India had to sit tight on every pie of the whole country's expenditure. Those days rolled away. Lord Ripon came in 1880 and with him came a very brilliant Finance Minister in the person of the late Earl Cromer (then Sir Evelyn Baring) who regenerated Egypt during his 24 years of brilliant administration as High Commissioner. He was a free trader and so was Sir Evelyn Baring and they thought the best thing they could do was to give India free trade, that free trade by which I fully believe India has prospered. My friend on the opposite side, Mr. S. N. Banerjea, says that we are now all protectionists in India. I may say emphatically that I am a convinced free trader, and I do say that free trade alone from 1880 till 1896 had done the greatest good to India; all the larger prosperity of so many of our cotton mills and the larger jute mills and other factories that have been established in India since 1880 are entirely owing to free trade. Without free trade even to-day despite what protectionists might think, I will unhesitatingly say this: India even to-day is not able to make one single engine of 10 horse power. It cannot make a single boiler; for every little wheel and accessory of all kinds of machinery you have to go to England or to Lancashire. When will India do it? To say that India will be able to make these when she has protection is simply a delusion. Even protection will not do it. It will be by India's own industry, steady perseverance, skill, her greater scientific intelligence and enterprise that she would materially prosper, tariff or no tariffs. Therefore, I do say, my Lord, that the greatest good that Lord Ripon's Government did to India was to give it free trade which brought out all the prosperity which is still growing. Then in 1886 came a political factor which brought difficulties of finance. One should know that policy and expenditure go together in every State. There can be no expenditure without policy, and there can be no policy without expenditure. Each acts and re-acts on the other. There was first the Penjdeh incident whereby the funds of the Provincial Governments were, of course, raided by the Government of Lord Dufferin to the extent of 3 crores. Then came the Burma expedition which cost a large sum of money and for some time the revenues were in a very precarious state necessitating new and enhanced taxation in 1886-87. Then at the same time there was the 'precariousness' of the opium revenue. Opium was the *deux ex machina* of those days, from 1860 until it was abolished by the Anglo-Chinese treaty.

At present the *deux ex machina* is the railway surplus as opium was in former days. That makes deficits and surpluses. If you exclude the railway surplus from your general revenues, what do you find? Instead of having for the last ten years a net surplus of £9 million, you will discover a net deficit of over £6¼ million....."

His Excellency the President:—"The Hon'ble Member has been speaking for 24 minutes."

The Hon'ble Sir Dinshaw Wacha:—"Yes. Well, my Lord, I thank you for reminding me."

His Excellency the President:—"Now, perhaps, the Hon'ble Member will finish his speech."

The Hon'ble Sir Dinshaw Wacha:—"I will conclude my speech. And, therefore, what I do say is this, that as far as the Hon'ble Sir William Meyer is concerned, he has been really the greatest Finance Minister of the day. It may be said, my Lord, that his budget is a solid budget. It is instinct with financial sagacity and statesmanship. The present budget, specially the 'Retrospect,' will be a light and guide to his successor, and in that way Sir William may be called, in the firmament of Indian finance, the Star of Arcady, that star which in olden times used to guide and light the way of the pioneers of maritime navigation. I mean those sturdy Phœnician mariners who ploughed the Mediterranean, crossed the Gates of Hercules and reached the Cassiterides, in the south of Cornwall, for tin. Well, Sir William Meyer in this sense is really the Star of Arcady. He is leaving to his successor his Retrospect which will serve as a guide and a light which will enable him to shape safely his course of the future of Indian finance. Sir William has steered his financial bark through the dangerous Scylla and Charybdis with the greatest skill, and has brought her to a haven of rest. Let him now rest on his oars. This is the last time that we shall perhaps see Sir William Meyer officially as Finance Minister, and I also cordially congratulate him as my other friends have congratulated him already. In conclusion, all I would say is this: 'Sir William Meyer, thou hast deserved well of India.' With these few words I take my seat."

The Hon'ble Pandit M. M. Malaviya:—"My Lord, the general discussion of the Financial Statement has taken place to-day under the new rule which has been introduced for the purpose. I feel thankful with my Hon'ble colleagues for this change. It is an advantage to have an opportunity of saying what one has to say about the Financial Statement at this stage. But I wish, my Lord, also to say that, in view of the very limited opportunities that are available to Members of this Council to ventilate questions of general importance which cannot be embodied in Resolutions, it is desirable that the one day that we used to have for general discussion, I mean the final day, ought to be still open to us for such discussion. I know, my Lord, that it led sometimes to a great deal of weariness, but we also know that there were opportunities given by it to Members to bring to the notice of Government matters of public interest which cannot conveniently be embodied in Resolutions. But, however, that may be, I hope that, as a result of this earlier discussion of the Financial Statement, some at least of the suggestions which have been made will be found acceptable by the Hon'ble the Finance Member.

"The budget is undoubtedly a War Budget; war is writ large upon it from beginning to end. It is a budget which proves more than anything how closely India and the people of India have been identified with England in the mighty struggle in which she has been engaged during the last three years and more. It is a budget which is framed, as far as was possible to do so, from the point of view of helping England so far as India can help her in carrying on this great war. That explains both the insertion of many provisions and the omission of

certain provisions, the omission of which has been a matter of complaint. It is accepted, my Lord, as a War Budget. If a budget like the present one were introduced in ordinary times, there would have been a great outcry throughout the country. 29 millions sterling to be spent on the army, with an apprehension that more will have to be provided in the future, and so very little provided for those beneficial services which go to increase the social well-being of the people. But, as I have said, we acquiesce in the budget, because it is a War Budget, because we recognise that we have identified ourselves with the cause for which England is fighting, and we have done so because we felt that it was our duty to do so. I hope, my Lord, that this fact will receive full weight in considering what constitutional reforms should be introduced in the government of the country. I do not mention this as a matter of bargain. Far be it from me to do so, but I hope that it will be remembered that out of the little that she had India sacrificed a great deal in a large hearted way and identified herself with England in the struggle for freedom and the independence of nations in which she has been engaged.

"There are some features of the budget, however, to which attention might be drawn, not in a carping spirit, but because they merit attention. In the first place, I wish to join with my friends who have complained that there has frequently been an under-estimate of income in our budgets. This complaint is not confined to the budgets of the last two years as one of my Hon'ble friends seemed to think. It has been a chronic complaint for the last two decades. The late Mr. Gokhale complained of it in 1906-07, and on other occasions other Members too have complained of it. Sir Vithaldas Thakersey complained of it when silver legislation was introduced. The Hon'ble Sir Ibrahim Rahimtoola, whose appointment as a Member of the Executive Council of the Governor of Bombay we have all welcomed, and whom we very much miss in this Council—speaking in 1916 on the question of the increases in the Income-tax and the Salt-tax, said:—

'Looking at it, as a whole, it appears to me that the salt-tax has been levied, as I have already contended, to make up the deficiency in the Tariff Bill due to the exemption of cotton piece-goods from the necessary increase of 2½ per cent. I now contend that the increased income-tax which represents a revenue of £900,000 is to provide Government with a surplus which is estimated at a million pounds.'

As I have said, my Lord, in past years Mr. Gokhale complained that the surpluses of the years preceding 1904 were brought about by a systematic under-estimating of revenue and over-estimating of expenditure. This complaint was also noted by the Chamberlain Commission on Indian Finance and Currency. Sir James Meston was questioned about it. The Chairman of the Commission put the following question to him:—'But looking back on those years with the wisdom which comes from experience would you think it unfair to say that the Government did err a little on the side of excessive caution in their financial estimates,' and Sir James Meston said in reply: 'I must admit they did.' In another place he said: 'The under-estimate was simply a matter of, as you have said, probably exaggerated caution.'

"Now, my Lord, these systematic under-estimates have led to certain surpluses, and the evil of it has been that the existence of the surpluses has deluded the people into the wrong notion that India is prosperous. These surpluses have brought upon us greater burdens than perhaps would have fallen upon us if the fact were realised how these surpluses had occurred. As regards this year's surplus, my friend the Hon'ble the Finance Member budgetted for a surplus of £136,000 only. The actual surplus is 5·8 million. This has been brought about by the inclusion of an additional income of £3·5 million from railway revenue. This increase has partly occurred owing to an enhancement of railway rates and fares. I note the Hon'ble the Finance Member has, perhaps, deliberately not said anything about it, though of course he has included the additional revenue in his estimates. But I submit that this is quite objectionable. Provision had been fully made in the budget of last year for the expenditure on war by the taxation which had been imposed and by other means. This increase of railway fares was not brought about, as my friend Sir Dinshaw Wacha seems wrongly to

have thought, for purposes of the war. The Railway Board say, at page 24 of their last Administration Report, that at a meeting at which the question of reduction in train service was considered 'it was agreed as a general principle that fares on fast trains should be enhanced up to the existing maximum in order to discourage travelling with a view to avoiding undue overcrowding in passenger trains consequent on the reduction in train services.' The Report goes on to say that as the result of another meeting instead of confining themselves to increasing fares on fast trains, they decided that there should be 'a general enhancement of fares.' They, therefore, decided that on the principal broad gauge lines the third-class fare should be advanced to the existing maximum, and on others, where the ordinary fare had been only 2-3rds of the maximum, that it should be advanced by 25 per cent. Now I submit, my Lord, that these fares having been increased, in order to discourage travelling, the matter should be re-examined by the Government, and if it is found that it was really unnecessary to adopt this method to discourage travelling, then fares should not be charged at the enhanced rates next year. It was sufficient, my Lord, to discourage travelling that there was a curtailment of trains. People could only travel by the trains that were running. Secondly, if there was an apprehension that more men might go to the station platform than could be admitted, instructions could be issued not to sell tickets to them ; but I submit it was not necessary, nor justifiable, that such an enhancement should have been made in the fares.

" The principle, my Lord, of determining fares has long been established, that a profit should not be made on railways. It has been laid down in some countries in the legislation relating to railways. Belgium, for instance, is one of the countries which has managed its railways best. While we have invested nearly 400 millions on our railways, and have only recently begun to earn a small interest on it, as Mr. Carl Vrooman points out in his book, ' every dollar which Belgium has invested in its State railways, whether for purposes of construction, or for making up of the deficits of the lean years, has been paid, together with the market rate of interest, from the profits of the fat years.' There they lay down as a law that all idea of running railways for a profit must be completely eliminated. And our Government, too, have recognised for the last many years from 1869-70, when the Government started State Railways, that it was with a view to keeping down fares ; and Major Conway Gordon, a former Director-General of Indian State Railways, in his evidence before the Select Committee of 1884 rightly said that ' every rupee taken out of the country by an English Company in excess of the normal rate of interest on the State debt constitutes practically a direct tax on transit, which must, of course, have its effect on checking the export and import trade and on the general development of the country.'

" According to this principle, whether railways are worked by Companies or by the State, the fares levied from passengers should cover the working expenses, the interest charges on the capital outlay and a provision for the sinking fund. But the earnings from these railways have been increased lately. I do not complain that they have been ; I do not suggest that they should be reduced to the extent that would be suggested by that principle enunciated by Major Conway Gordon, and I submit that there was no justification for the enhancements that were made last year.

" The analyses of working given in the last Railway Administration Report show that it is the third-class passenger who contributes profits to the Railways. So far as profits are concerned, the first-class and second-class passengers need not exist. Let us take the East Indian Railway. The average earning per coaching vehicle per mile on that Railway during the two halves of 1916-17 were :—

1st class	14·92 and 18·62 pies.
2nd class	13·87 and 17·59 „
Inter class	21·75 and 23·49 „
3rd class	50·54 and 53·89 „

While the average cost of hauling a coaching vehicle with its load one mile or all classes during the same half-year was 9·94 and 10·94 pies, respectively, giving an average profit per coach per mile as under :—

	1st half.	2nd half.
1st class	4·98	7·68 pies.
2nd class	3·93	6·65 „
Inter class	11·81	12·55 „
3rd class	40·60	42·95 „

"Let us take another Railway, the Great Indian Peninsula. The average profits on the same basis were :—

	1st half.	2nd half.
1st class	—9·48	—5·35
2nd class	18·32	16·64
Inter class	13·88	16·89
3rd class	22·41	24·57

"There was, therefore, no justification for enhancing the passenger fares, but rather for reducing them. The budget will not be upset by the Government accepting the view that these enhancements should be withdrawn during the next year in justice to the great body of people who contribute these profits, because, after making a provision of 29 millions for Military expenditure, there is still a large surplus in the hands of the Government, and the total amount provided for the Army includes £1,677,000 as a reserve to meet unforeseen charges. With that very liberal provision for Military expenses there is no danger of any interest suffering if the proposal is accepted.

"There are, my Lord, some other unsatisfactory features of the budget, which call for a remark. One of these is the increase in revenue from salt. £1½ million has come from increased salt revenue. I endorse all that my Hon'ble friend Mr. Sastri has said on this subject, and I submit, as Sir Ibrahim Rahimtoola pointed out two years ago, and, as events have shown, that the increase in the salt tax was not justifiable. It should be still considered whether it would not be right to reduce it.

"Among other unsatisfactory features of the budget are the growth of the excise revenue, to which attention has already been drawn by more than one Member, and the scanty provision for education. Only 30 lakhs has been provided for primary education. For continuing the building up of Delhi 40 lakhs has been provided. I should like to know why this sum of 40 lakhs should not be added to the provision for primary education. I fear that in the matter of education the Government do not show that they realise the importance of education to the extent that they should. I submit that the provision for education ought to be regarded as a provision for war, necessary to prepare the people to do their duty by their King and their country. Among others the Japanese have recognised the value of education in the conflict of nations. I find they are already taking note of the progress in other countries, in belligerent countries of the condition of education. Authorities there are closely following the educational progress of the world and distributing at their own cost in Japanese a description of the state of education in the belligerent nations of the world. It should hardly be necessary to remind the Council, and least of all my friend the Finance Member, of the important truth which Sir Norman Lockyer sought many years ago to emphasise that brain power is the most essential power even in matters of war. We must regretfully recognise that even after this devastating war we shall not be approaching a millenium, and the more the people are educated the better will they be prepared to understand and discharge their duties and responsibilities, the better will they be able to promote the national income, which after all is the source from which they can help Government at a time of crisis. I submit, therefore, that the importance of education should be properly recognised even during war time, and there should be better provision made for it particularly as there is a large surplus in the hands of

Government. The provision of 30 lakhs of rupees seems to be utterly inadequate for the requirements of the situation. I hope that if the Hon'ble the Finance Member will not accept my suggestions with regard to reducing revenue he will, at any rate, accept the suggestion that the provision for education should be increased.

"The growth of civil expenditure, to which my friend Sir Dinshaw Wacha has drawn attention, as well as the growth of Military expenditure, are matters which require attention. I know that this is not the time when the Government can take up this question, but I submit, my Lord, that the importance of the subject demands that when constitutional reforms are introduced there should be Committees appointed to go thoroughly into both Civil as well as Military expenditure.

"As my friend has shown, Civil expenditure has grown enormously, and there is no question that Military expenditure also has grown enormously. I do not for a moment suggest that the Military needs of the country should not be fully met, but there is a very widespread feeling that there is much room for retrenchment. In the report of the Mesopotamia Commission I find it said :—

'We also gather that there is general dissatisfaction with the system of microscopic financial control exercised over details of Military expenditure, pay and allowances.'

'I submit that this is a matter which it is desirable the Government should look into at the end of the war when the reforms are introduced.

"My Lord, in the matter of investments I must say that I fail to understand the wisdom of the investment that is suggested in Home Treasury Bills. I read at page 70, with regard to the probable expansion of the Railway programme, as follows :—

'Lastly, when peace conditions permit the resumption of the Railway Capital Programme on a scale necessary to provide adequately for requirements—and this will involve making up a lot of lee-way in respect of the compulsory cutting down of that programme during the war—we shall probably find some difficulty in raising, on reasonable terms, the amount of capital which would be required. We propose, therefore, as against our temporary borrowings on Treasury Bills here, and in view of the satisfactory financial position of India as a whole, to invest £20 millions in Home Treasury Bills in order to provide for the liabilities which in one way or another will come upon us shortly after the war is over.'

"I submit, my Lord, that that is looking too far ahead. The Hon'ble the Finance Member says :—'we shall probably find some difficulty in raising, on reasonable terms, the amount of capital which would be required.' If there is no difficulty in raising that capital now there should be less difficulty in raising it after the war is over. Secondly, as one of my Hon'ble friends has already remarked, to raise money at 5 per cent. and to invest it at 3·5 seems to require a little further explanation. The Hon'ble the Finance Member proposes to make this provision for a liability which, he says, will come upon us after the war. We do not know when the war will be over—we all pray that it should soon be over—but as we do not know when that will be, I submit that the justification for this proposal is not quite clear.

"With regard to the question of railway fares, if I may go back to it for a moment, I should have pointed out that, when the Hon'ble Sir Dinshaw Wacha said that the railway fares were cheapest in India, he forgot that the people of India are the poorest in the world. When you compare the fares which they pay per mile here with those paid in England and America, you must also compare the incomes of the people of India with the incomes of the people in England and America; and, comparing them it will be found that the people of India are not having railway facilities afforded to them on the cheapest terms.

"As regards the War Loan, I will simply add one word to what has been said about it. When an effort is made this year to raise a War Loan, I hope instructions will be issued to prevent any overzeal being shown by subordinates. The Government have seen how well the people have responded already, and therefore there is all the more reason why a factor, which has given rise to complaints, should be entirely eliminated from the new year's operations. I hope that the Hon'ble the Finance Member will issue instructions on this point.

"As regards the restrictions on the issue of capital, I may say that I am in entire agreement with my Hon'ble friends over there as to there being no need for it. Up to this time the needs of the Government have been met and the money which the Government wanted has been found. The expenditure has been balanced by revenue, and there is a surplus. Is there, then, any justification for placing any restrictions on the issue of capital at this stage? If, however, this proposal must be carried out, then I submit two points ought to be borne in mind by Government. Foreign companies must not be placed in a position of advantage over Indian companies. It should not be that while Indian companies find difficulties placed in their way foreign companies should be free to start work in this country with capital raised in other countries, and to flood this country with their goods. Secondly, my Lord, I think a Board should be appointed to deal will all applications which may be made for the floating of new companies, and on such a Board the Government should see that half the number of members are Indians and half Europeans. This is essential in order to create confidence in the minds of Indians who are concerned in business and who are anxious to promote the industries of the country....."

His Excellency the President.—"The Hon'ble Member has exceeded the time allowed to him."

The Hon'ble Pandit Madan Mohan Malaviya:—"I will not take up any more time, my Lord."

The Hon'ble Sir George Lowndes:—"My Lord, I am only drawn into this almost interminable discussion by certain remarks that fell from the Hon'ble Pandit at the commencement of his speech. The Hon'ble Member referred to the change which has taken place in the procedure of the Council on this budget discussion, a change which was made, I believe, in consequence of the desires of Hon'ble Members of this Council which were very frankly expressed. The Hon'ble Pandit, however, said that he hoped that your Excellency would be able to allot to the Council another day for what I may call the annual hare hunt which we used to have on matters which, as the Hon'ble Pandit admitted, could not be dealt with in Resolutions and had no reference to the Financial Statement. Now no one in the Council knows better than my Hon'ble friend that we are governed here by the terms of a Parliamentary Statute which allows us to discuss three types of things only. In the first place, we can discuss motions on Bills or having reference to the Rules. In the second place, we can discuss the Financial Statement. In the third place, we can have Resolutions on matters of public interest. There is nothing in the Act of Parliament by which we are governed which will allow us, even if your Excellency was willing to permit it, to have what I may call the hare hunt that we have always had in former years, which is neither with reference to a Resolution nor a discussion of the Financial Statement nor a motion on any Bill or Rule."

The Hon'ble Maharaja Sir Manindra Chandra Nandy, of Kasimbazar:—"My Lord, I feel no hesitation in congratulating Sir William Meyer on the very good luck and circumstance that have attended the Government in the most eventful years of storm and stress that have followed the outbreak of the present European War. Sir William Meyer has no doubt opened in Indian history a bold era of financial experiments, and, in his efforts to strengthen 'the walls and foundations of our financial structure,' he has received the unstinted support both of Providence and man. With bountiful monsoons and golden harvests on the one side and money pouring in unexpectedly for the War Loan, the treasury bills and post office certificates on the other, Sir William Meyer has had not much anxious time to meet the financial liabilities of the Government, and has even succeeded in laying by something for the rainy day.

"But while I congratulate Sir William Meyer—as one of the best financial Ministers—I must say that the Financial Statement which he presented to this

Council just a week ago cannot be pronounced to be a very satisfactory and pleasing State document. It is evident, from the revised accounts, that Sir William Meyer's budget of 1917-18 contained under-estimate of the revenues of India. Almost every important head of our revenue, excepting opium, has yielded larger revenue in the present year than Sir William Meyer budgetted for in last March. Excise, customs, salt, income-tax, post and telegraphs and exchange have all exceeded the budgetted figures of Sir William Meyer, the greatest surprise being the railway earnings which come to nearly six million pounds sterling or close upon nine crores of rupees or nearly double of Sir William Meyer's budgetted estimate. Though I fully appreciate the difficulty of forming accurate estimates of our revenue at such an uncertain period of our finances, I cannot quite exonerate our Finance Member from the evil consequences of an under-estimated budget. I feel in my heart of hearts that this under-estimate of the revenues of India in the budget of 1917-18 necessitated an additional burden on the Indian tax-payer, and if this tendency of an under-estimate had not overtaken the Financial Department of the Government of India, there would have been no new imposts last year, no panic for fresh taxation this year, and perhaps more money would have flowed into the Imperial Exchequer in the shape of contributions to the War Loan.

" My Lord, following the line of argument I have been trying to develop in the above observations, I feel bound to characterise Sir William Meyer's financial disbursements for the coming year as equally disappointing. With an unexpectedly large surplus in hand and budgetting for another year of a not inconsiderable surplus, it is neither very generous nor graceful for a Finance Minister to stand where Sir William Meyer does. Sir William Meyer does not think it proper, under the circumstance, to add to our burdens nor does he see his way to reduce the existing level of taxation. Perhaps that is, after all, a very safe and wise policy to adopt. But what strikes me as the most disappointing feature of Sir William Meyer's financial policy is that he stints to use his huge surplus for the betterment of the condition of the people who have so very largely contributed to it. Of course, nobody would like Sir William Meyer, at a time like this, to embark on any ambitious scheme of social or industrial improvement which might involve either heavy financial outlay or large recurring grants : but it is difficult to see why a very large portion of his surplus could not be spared for either the cause of primary education or sanitation—so essential to the amenities of civilised life.

" My Lord, the question of a surplus leads me to offer another criticism. It transpires from the figures which find place in Sir William Meyer's Financial Statement that practically the whole of the present year's surplus has been contributed by the Indian railways. My Lord, I quite remember the time when eminent Indian publicists used to question the wisdom of pushing railways in this country as a State venture and also protested against its expansion at the neglect of irrigation. My Lord, the railway policy of the Government of India has proved most beneficent to us, and there is perhaps no one in this Council who, far from challenging the wisdom of that policy, would not care to justify and bless it now. Most unfortunately, this very important source of our revenue is now being neglected, and the Government is unable to find for the Indian railways even a third of the money which Lord Inchcape's Committee recommended only a few years back as absolutely necessary for their development. It is somewhat consoling to notice, however, that the Government have already been able to invest £20 millions in British treasury bills which, after the war they intend to spend for railway development in India. That may make up for the lee-way that has been lost during the last few years. But I do not find any valid reason why the Government should not cultivate the Indian market to obtain greater assistance from indigenous capital towards reproductive outlay on our railways. Sometime in the near future, when the war is over, an attempt ought to be made by the Government to raise a rupee loan for the purpose of expanding our system of railways.

" My Lord, speaking of our railways, I cannot omit to urge on the attention of the Government the great need of nationalising them or bringing them

absolutely and invariably under State control. The question of the nationalisation of our railways, my Lord, is more a financial and economic problem than a question of general policy, and I make bold to say that as soon as this policy is adopted, it will popularise our railways in such a fashion that the difficulty of raising capital for them will never arise. Sir William Meyer has taken many bold financial steps in the last few years; may I appeal to him to recommend to the Government of India the nationalisation of our railways as another step which will carry his name down to posterity?

"My Lord, the establishment of a ship-building branch of the Admiralty in India and the decision of the Government to get 3,000 railway wagons built annually in this country for a period of ten years from now unmistakably indicate the final abandonment of the policy of *laissez faire*, against which your Excellency made such a notable pronouncement a few months ago in Madras. I have no doubt that, with the full and frank abandonment of this economic doctrine and the adoption of an active and energetic policy of industrial and agricultural development, the revenues of India will exceed at one time the wildest dream of any Finance Minister of to-day. I hope the Government will take time by the forelock and move ahead with a quickened pace towards the realisation of this ideal.

"I am sorry, my Lord, the condition and circumstances of the present titanic struggle have upset the price of silver, which has risen from 37*d*. to 43*d*. per ounce, and disturbed, in spite of the gold currency reserve, our whole system of exchange, and necessitated many legislations to readjust our paper and metallic currency. I hope, however, that the credit of the Government of India is so well established now that an increased paper currency, even without a sufficient metallic backing, has come to stay as a great relief and support of India's financial position. Yet, I think, it would be a wise economic policy for the Government to keep and invest in India the bulk of the gold and paper currency reserves which the Secretary of State for India now holds in England.

"My Lord, I have nearly finished: I have one more word to add. Before the commencement of the titanic world-conflict which is now shaking to its very foundation the civilisation of the West, India paid a bill of a little over £20 millions for her army, marine, military works and special defences. To-day, our total military bill comes to the neighbourhood of £31 millions, thanks to the war. This amount is several times over what all India pays to-day for the education of her children. My Lord, so long as the war lasts, we will do our very best to help England and her Allies with our men and money. England's cause is our own and with England, my Lord, we will sink or swim. Our contributions to the war so far have neither been mean nor hesitating; we have ever been and shall always be ready at the beck and call of the Empire. Indian troops have bled themselves white in the various theatres of the war in East and West; we have paid so far nearly 65 million pounds directly towards the expenses of the war, besides the very large amount voluntarily contributed by us towards special purposes, equipments or comforts for the troops and the heavy military bill of the Government. May we not expect that, when the war is over and the armour is laid down, education will take the place of military expenditure in our budgets and make up for the neglect of the past? My Lord, when the expected constitutional reforms come into operation, Sir William Meyer has announced there will be a decentralisation of finance and very few 'divided heads' of revenue, and the provinces will be allowed the privilege of imposing taxation and, I hope also, to raise loans for special purposes. Whether the provinces are or are not able to provide adequate means for the spread of education to the extent we desire, I hope, my Lord, the Government of India will never consider the internal development of India and the social advance of her people matters of less concern to themselves than the maintenance of a well-equipped and up-to-date army and navy."

The Hon'ble Dr. Tej Bahadur Sapru:—"My Lord, even at this late hour of the day I trust your Lordship will bear with me for a few minutes and permit me to pay my humble tribute of admiration to the Hon'ble Sir William Meyer on this occasion when he is presenting to us his last Financial

Statement. My Lord, during the tenure of his office he has had to contend against difficulties of an extraordinary character, and, I think, it must be admitted as, indeed, it has been admitted very frankly by every Indian Member this afternoon that he has given a most excellent account of his stewardship of Indian finances during the last five years. My Lord, as some of the speakers have reminded us this afternoon, Sir William Meyer has been subjected to criticism, mostly hostile in certain quarters. But I venture to think that Indian sentiment is entirely with him, and if the support of Indian sentiment and Indian opinion can bring any solace to him, he can have plenty of it. My Lord the Financial Statement that he has presented to us to-day is, to my mind, a complete refutation of the criticism passed on him or of the criticism levelled against India. No doubt the war dominates our finances, but one pleasing feature of the Financial Statement is that there is no additional taxation to be imposed this year, while, on the other hand, it brings out into prominent relief the magnificent services rendered by this country during the period during which Sir William Meyer has held the high office which he is about to quit. Now, my Lord, I do not wish to traverse the ground which has been covered by so many of my Hon'ble colleagues in the course of the day, and I shall, therefore, confine myself to one or two points only. I must congratulate the Hon'ble the Finance Member upon the remarkable success that has attended the War Loan, and I sincerely hope and trust that the next War Loan will be equally successful. I at the same time join my friends in expressing the hope that specific instructions will be issued to the officers of Government that no ground is given for complaint by subordinate officials with regard to any undue zeal in collecting the money.

"My Lord, the real point in regard to which I would invite your Lordship's attention and the attention of Government is the question of education. It is perfectly true that we are going to get 30 lakhs under the present scheme, but it seems to me that having regard to the size of the country and having regard also to the slow progress which education has so far made the sum allotted is wholly inadequate. When one compares this paltry sum of 30 lakhs with the ambitious programme of Mr. Fisher in England, my Lord, one is astonished that the Government have not seen their way to make the rate of progress a little more quick. Now, whatever may have been the case in regard to primary education in the past, I think, the whole question of primary education has got to be approached now from a different point of view. We cannot forget that the announcement made in the House of Commons with regard to responsible government imposes a still greater obligation on the Government to quicken their pace with regard to education all round if it is considered at all necessary, as I think it is, that we should have educated electorates. I think, my Lord, therefore that the sum of 30 lakhs is wholly inadequate, and I would earnestly urge upon the Finance Member to consider whether it is not possible for him to increase the allotment with regard to education this year.

"My Lord, I have one provincial grievance. In speaking last year on this subject I complained that Bengal, Madras and Bombay which had already got more had been allotted a larger share, while my province had got less. I find the same story is repeated this year, and I would therefore earnestly ask the Hon'ble Sir William Meyer, as also the Hon'ble Sir Sankaran Nair, to consider whether it is not possible to give us something more out of the balance. My Lord, I do not wish to take up your Lordship's time unnecessarily any further, but I would like to associate myself with my friend the Hon'ble Mr. Sastri, with everything which has fallen from him with regard to the increase of railway fares and also with regard to the question relating to salt. With these few words I resume my seat."

The Hon'ble Mr. M. A. Jinnah:—"I cannot say, my Lord, that I am an expert in finance, and I do not think that I can throw any light on the Financial Statement that has been submitted by the Hon'ble Member in charge of Finance. As an ordinary layman what strikes me is this, that the proof of the pudding is in the eating, and I find that the Financial Statement that is presented to us to-day has a surplus and no fresh taxation, and that is

a most satisfactory state to be in. That is all that I can say with regard strictly to the Financial Statement.

"My Lord, last year I was responsible for saying that the budget was presented to us in this Council, when we could not change a single word or figure; and it was like flogging a dead horse. Since then the procedure has been changed, and we are given an opportunity to discuss the Financial Statement when it is not flogging a dead horse, but, as I may say, moving a live horse. I hope that the change in the procedure, which has brought this discussion to-day, will enable the Finance Member to consider some of the points which have been brought out, and I hope it will bear some fruit. I hope that on the 22nd when we get the budget presented some at least of the suggestions that have been made might be accepted. I would only say this, my Lord, that I support entirely what Mr. Sastri said about salt and primary education. There is one more word which I would point out to my Hon'ble friend, Sir George Lowndes, who happened to say that we have done away with 'the hare-hunting debate.' Nobody appreciates that more than I do, my Lord, but it was a very great privilege which was enjoyed by this Council for many years; and with very great deference to the Hon'ble Member I see nothing in law which prevented that practice from being followed. That advantage has been taken away, and I believe some Members keenly feel that that advantage has been taken away. Though it is perfectly true that we can bring forward Resolutions in this Council, and probably the Hon'ble Member will find more Resolutions in future because he has taken away this privilege. But it will take more of the time of the Council, whereas what he described as the hare-hunting debate had the advantage of preventing people from going so far as to bring forward Resolutions but gave them opportunities of drawing the attention of Government to certain matters of public importance. However, that privilege has been taken away, and I hope that it will be compensated by the Finance Member in showing us on the 22nd that what has happened to-day has borne some fruit. Now, my Lord, before I sit down I would join in what has been said about Sir William Meyer. I have listened to the debate from the morning till past five, and I was wondering what would be the height of my ambition just now if I had to make a choice. I honestly say, my Lord, that I have come to the conclusion that I should like to be in the place of Sir William Meyer to-day. But I do not think I should like to continue for more than to-day, because I think on the 14th instant, perhaps, he may have some trouble about the Income-tax Bill.

"All the same, my Lord, I join in the sincere congratulations and the good wishes which have been offered to him, that when he retires he may have the happiness and rest that he fully deserves, and I am sure that India, not only in this Council as represented by the various communities, but India as a whole outside fully recognises the services that he has rendered to our Finance at the critical moment. He deserves well of India and rightly so."

The Hon'ble Sir Hugh Bray:—"My Lord, I have no speech to make, but I should not like the Hon'ble Member to think that I alone did not join in the congratulations offered to him. I desire, therefore, to associate myself very sincerely with the shower of congratulations that have fallen and are falling on the Hon'ble Member's head in connection with his most successful farewell budget. I should also like to associate myself with a good deal of what the Hon'ble Mr. Hogg from Bombay said but not with all because I do not agree with him in regard to Premium Bonds. I suppose that many Finance Members if not most have to wait for a post mortem for a proper appreciation. In this case vivisection self-performed has had most satisfactory results. I think, my Lord, I should be perhaps less or more than human if I refrained from reminding the Hon'ble Member that 12 months ago I said certain words here which he construed to mean or to imply that he ran some danger of going to jail for the way in which he had dealt with the railway earnings. It is, therefore, my Lord, with unbounded satisfaction that I find that he has had such a good year that he has been able to make restitution, if as I hope I do interpret correctly what he said on the 1st of March and I trust that the reserve he then referred to may be so ear-marked, so tied up, that

it must be spent on Railways only and that next year it may be possible to provide even a further reserve."

The Hon'ble Raja Rampal Singh:—"My Lord, being under the impression that to-day's speeches will be strictly confined to the Financial Statement I had no mind to speak, but, it was only this morning that it came to my mind that I may also take advantage of the privilege that we enjoy I determined to prepare a speech. The time was short at my disposal but to my great relief the old saying 'short and sweet' came to my help. To make my speech short was in my power, but to impart sweetness to it was beyond my capacity. However, I brought satisfaction to myself with the idea that if my speech will not be suggestive of any improvement in the finances or financial system of the country or any reform in its administration, I will at least have the satisfaction of not having wearied the Council by a monotonous speech though I fully associate myself with the views expressed by my Hon'ble Colleagues.

"Now, my Lord, I beg leave to give expression to feelings of cordial gratitude on my own behalf and on behalf of the landholders of the United Provinces of Agra and Oudh to your Excellency's Government and to Sir William Meyer, the Finance Member in particular, for the most praiseworthy manner in which the levying of any fresh taxation has been avoided. The shadow of that titanic war, which Germany started three years ago to gain her own selfish ends, is still over us and at a time when there was not a little apprehension in the country that new methods of fresh taxation may be devised by the Financial Department to meet the exigencies of the most extraordinary situation, it is no less a matter of self-congratulation to us as it is to your Excellency's Government that the finances of the country have been managed in such a masterly manner as not to necessitate the imposition of any further burden on the shoulders of the people.

"There is one matter, my Lord, which is exercising the minds of the landholders of the country with considerable amount of anxiety and uneasiness. It is the innovation that is intended to be adopted in the method of calculating their assessable incomes.....

His Excellency the President:—"I think the Hon'ble Member is travelling outside the limits which are permitted to him."

The Hon'ble Raja Rampal Singh:—"I thought that some income has been estimated and added to the assets, and so I wish to point out to the Hon'ble the Finance Member that if any assessable income has been added in the Financial Statement for the levy of a higher rate of income-tax, any such estimated income should be left out of account."

His Excellency the President:—"He has already told you that nothing has been added to the estimated income."

The Hon'ble Raja Rampal Singh:—"I did not know that."

The Hon'ble Sir William Meyer:—"I can assure the Hon'ble Member that nothing has been added in the Financial Statement on this score."

The Hon'ble Raja Rampal Singh:—"Thank you, Sir,

"My Lord, this is not the time to press for allotments towards objects calculated to advance the moral and material progress of this country though it cannot be too incessantly impressed towards what direction that advancement lies. I am fully confident that your Excellency's Government will by exercising every economy compatible with efficiency in the administrative expenditure of the State will take early steps to bring about that educational, agricultural and commercial development in the country for which we cannot be too impatient.

"My Lord, I cannot resume my seat without offering my tribute of well-deserved praise to my Hon'ble friend Sir William Meyer for the admirable qualities of his head and heart which he has brought to bear to steer the finances of this country during his tenure of office as Finance Minister. The times were hard, the difficulties severe, but he managed them in such an admirable manner that we cannot in fitting words give expression to our sense of appreciation. It is a matter of great regret to us that a few months hence he is to quit the office which he so worthily filled in the last few years. In him India will lose the services of a most capable and sympathetic officer."

The Hon'ble Sir William Meyer:—"My Lord, I find it difficult to express adequately my deep appreciation of the most cordial and kindly way in which all my non-official friends have spoken of my Financial Statement for the year 1918-19, including the Revised Estimate for the current year, and of my work as a whole as Finance Member. As one of the speakers has rather aptly put it, it is rather difficult as a rule for a Finance Member to get liked. He has always to be treading on somebody's toes; he has to refuse grants which people think they have made a very good case for. He has, as has happened to me twice in my career, had to raid hen-roosts—to come down on the people with extra taxes; and so he is generally regarded and tends to regard himself, as a sort of Ishmael. Perhaps he may get a welcome when he first comes on the stage; but he does not expect many bouquets when he goes. It has been, therefore, a very great source of pride and pleasure to me to find that, although I have been on the stage so long, my budget and my policy have elicited such warm, I might almost say affectionate, approval from my friends here. It justifies the claim I ventured to make in my speech on the 1st of March that, though my non-official colleagues have on occasions differed from me on particular points, they have given me most warm support as a whole, realising that I love India and have given my best to her. They have assured me of that in terms which I shall never forget. Their approval is a source of great satisfaction to me, and it will be one of the most cherished reminiscences of my Indian career, which will be closed ere long.

"I hope, however, as one of the speakers has said, that I shall, when in England in what I may call a disembodied capacity, meet at any rate some of my friends when they come over on business or pleasure.

"Turning now to the various criticisms that have been made, I note the warm congratulations on the avoidance of taxation. At the same time various speakers exhibited a yearning for greater expenditure. I am asked why more money could not be given for Education and Sanitation. My friend the Hon'ble Mr. Bannerjea yearned to spend more money on the Army and so on. Well, I shall touch presently on the question of extra grants for Education and Sanitation. But I would remind my friends who have taken this line that you cannot have things both ways. The Hon'ble Pandit and another speaker or two said 'You have got this big surplus, which may probably be bigger still at the close of the year. Surely, you need not be so miserly; you can give out more money.' Well, if my friends follow carefully the exposition I have given of our Ways and Means position for the year that is coming on us, they will find that, as I have said, we shall want all the money we have got to meet the Ways and Means difficulties. I would remind the Council once more that, even as it is, we have not been able to make specific provision for the Secretary of State's Council Bills, so necessary for the support of India's trade; and, therefore, I say that the fact that there is a surplus does not show that we can dissipate it so freely on expenditure as one might in ordinary years. This is a war year and the next year is a war year, and we must conserve our resources to the utmost.

"Then, some reference was made to a charge that I had underestimated our income in the current year, and that this underestimating of revenue, and — it was implied — overestimating of expenditure, was an ingrained vice of Indian Governments. Well, I have no doubt that the Government of India must always be cautious folk. They have felt that you cannot turn the taxation tap on and off so readily and easily as you do at Home.

They felt that it is better to be on the safe side because their calculations may at any time be upset, as Sir Edward Baker's were on one occasion, by bad seasons Therefore, as I say, you must be prudent and cautious, and this is doubly necessary in the case of the present war with its kaleidosocopic surprises. My friend the Hon'ble Mr. Sastri noticed that if I have underestimated the revenue I have also underestimated the expenditure. Military demands came which I could not possibly resist. I maintain what I said on previous occasions that really, so long as this war lasts, we are groping in the dark, and that if our estimates turn out to be better than we expected, it is a matter to thank Providence for and not be too critical about. And lest this should be thought to be some special vice of bureaucracy, I would remind my Hon'ble friends that in the British Parliament the estimates that the Chancellor of the Exchequer has put forward during the war have been set aside by actual events to a far greater extent than our estimates here.

"Then reference has been made to the lapses in Provincial expenditure under Education and other heads, lapses in the current year. Well, I want to state emphatically that we put no pressure whatever on Local Governments to cut down the budget estimates we had agreed to. The lapses that occur are, I think, absolutely due to the feeling that it is better to defer expenditure and incur it to better advantage later than to rush into outlay simply to show that the budget estimates have been worked up to. Anybody who has experience of these matters will know that it often happens that, towards the close of a year, you are faced with the question, can you lay this money out to the best advantage? You can throw it away and make it appear that your actuals square with your budget. But wise and honest people will say that it is much better to let it lapse and spend it to advantage and with greater deliberation next year.

"Then, we have had a wail that beneficent expenditure is at a standstill owing to the war. Well, the war is on us, and we cannot expect to get on with other outlay as if there were no war at all. My friend the Hon'ble Dr. Sapru referred, I think, to the fact that Great Britain was nevertheless spending much money on education. He referred to Mr. Fisher's programme. I would remind my friend that Mr. Fisher's programme has not come in yet; it has had to be postponed.

"As regards the current year's Provincial budgets, in spite of the necessity for economy which the war requires, we are, as I said in my speech on the 1st of March, giving the Provinces an opportunity of spending three million pounds more next year than is actually being spent in the current year. If you compare the budget estimates of the coming year with the figures of the last peace year, 1913-14, you will find that there is an increase of expenditure of about one million pounds, from £3,177,000 to £4,121,000, under Education; and if you compare the budget allotment for education in 1918-19 with the Revised for 1917-18 you get a rise, in round figures from £3,360,000 to £4,120,000. Some of the Members have spoken as if the special grant of £200,000 which we are making from Imperial funds was the only contribution to educational progress in the coming year. Well, education is a Provincial matter, and the expenditure comes from Provincial revenues. What we have done in past years, when our finances allowed of it, and what we do this year as an earnest of what we should like to do if the war was not on us, is, every now and again, to make additional grants to the Provinces from the Imperial Exchequer. But the expenditure remains, in the main, Provincial expenditure; and the fact that there is an increase budgetted for in 1918-19 shows that, in spite of the war, the Provinces are going ahead.

"Similarly, for Sanitation the current year's budget figure was about £610,000 and the Revised £580,000. In 1918-19, there is a provision of £715,000 for Sanitation as against £423,000 in the last peace year, 1913-14. That is a very large proportional increase. The Sanitation expenditure in Bengal, to which the Hon'ble Mr. Bannerjea referred, has risen from about six lakhs in the current year's budget to nearly 12 lakhs in 1918-19, and that includes a considerable amount of provision for measures against malaria.

"As to expenditure on Agriculture, to which one speaker has referred, if he looks at the budget allotment for the coming year, he will see that it

is nearly 50 per cent. above that for 1913-14. So I maintain that, in spite of war conditions and the necessity for conserving our resources as much as possible, we are still making very fair progress in beneficent expenditure. Well, I have been asked if we cannot give more special grants. I have already answered the question : we have not the necessary funds, having regard to the demands on our resources for Ways and Means purposes. There is also, as I indicated in my speech of the 1st March, another reason. We have got under consideration, in connection with the scheme of constitutional reforms, the future relations—financial as well as other relations—of local bodies, Provincial Governments and the Government of India, and till we have determined what those relations will be obviously we cannot go in for large commitments based on the existing system. My friend the Hon'ble Mr. Bannerjea regarded this announcement as a great triumph for his views on Provincial autonomy, and chaffed me genially for having taken a different view now to what I took in a debate in 1914 when he raised the subject in connection with the famous Delhi Despatch. Well, if my Hon'ble friend wishes to claim me as a captive to his bow and spear, he is welcome to do so, but I would like to remind him that what I said then—that is, in that debate of 1914—was that the Delhi Despatch only spoke of Provincial autonomy as a distant ideal; it did not give any pledge for immediate action. We have progressed more rapidly now, and perhaps we can act sooner than we thought possible in 1914. My Hon'ble friend is an impatient idealist in this matter. An impatient idealist has been described by somebody as 'a beautiful and ineffectual creature ;' but I do not commit myself to that description at all. An impatient idealist, I think, is a very useful person. Without the impatient idealist we should all get far too much into the ordinary ruts....."

The Hon'ble Mr. S. N. Bannerjea :—" Whatever has been done has been done by impatient idealists in this world."

The Hon'ble Sir William Meyer :—" As I have just been saying, without the impatient idealist we should stagnate; but at the same time the impatient idealist, when he begins, is just as much before the right time as the obscurantist conservative is behind it. A Government has to take a prudent course. It listens to the impatient idealist, but it cannot prudently move till it has made sure that the route is the right route, and that the ground will bear the progress which it is proposed to make."

The Hon'ble Mr. S. N. Bannerjea :—" The impatient idealist has triumphed in this matter."

The Hon'ble Sir William Meyer :—" He generally does in the end. Well, my friend, the impatient idealist, if he will allow me to call him so, and some other speakers have criticised us on the ground that the additional pay to British soldiers provided in the Financial Statement has not been accompanied by a corresponding increase to the Indian troops. It is not, for the very good reason that we made the increase to the Indian troops first. We did that with effect from the 1st of January 1917, and it was mentioned in the budget of the current year as materially adding to the military estimates. We increased the pay of all ranks from Subadar-Major downwards; and we gave the sepoy, instead of an increase of cash pay, free rations which were estimated at that time to be worth an additional pay of Rs. 3-8 per month, and which, as prices have continued to increase, is worth still more now....."

The Hon'ble Mr. S. N. Bannerjea :—" May I make a submission? My point was that Rs. 11 which is the increased pay *plus* the rations which you give are not sufficient. That is my whole point."

The Hon'ble Sir William Meyer :—" I will meet that directly; but what I say is that we did make very material additions last year."

The Hon'ble Mr. S. N. Banerjea :—" It is not enough."

The Hon'ble Sir William Meyer:—"We also raised pensions We gave men a bonus of Rs. 50 on recruitment. We have given improved clothing and housing conditions. But my Hon'ble friend says 'it is not enough. I want you to spend millions more.' Well, if you spend millions more, you will have to increase taxation very considerably. I am less of an idealist in these matters than my Hon'ble friend, and I will wait for the military authorities to put up proposals to me. It is the military authorities who have to deal with a great deal of possible military expenditure to judge which military expenditure is most essential; and I may say that His Excellency the Commander-in-Chief and Army Member has always shown an extreme amount of—may I say?—Scotch caution in deciding how far to progress; but when he comes to me he generally does so with such a complete case that I throw my hands up and surrender to his discretion....."

The Hon'ble Mr. S. N. Bannerjea:—"You will get much more recruiting."

His Excellency the President:—"The Hon'ble Member has had his say already."

The Hon'ble Sir William Meyer:—'Then, the Hon'ble Sir Fazulbhoy Currimbhoy asked me for an announcement of our position in regard to expenditure in Persia and Mesopotamia. As regards Mesopotamia our expenditure is limited to the Expeditionary Forces there—I mean expenditure which we have eventually to defray from Indian revenues, not what we pay in the first instance on behalf of His Majesty's Government and get back from them. The Resolution of 1914 puts on us the normal charges in respect of those forces, namely, what we should pay for them if they remained in India.

"As regards Persia I cannot say more than what I said in paragraph 16 of my speech of the 1st March. There I spoke of the South Persia Rifles as 'a corps raised to assist the Persian Government in maintaining order in tracts in which British interests are specially concerned with reference to present war conditions,' and indicated that the cost of the corps is divided like other Political expenditure in Persia between His Majesty's Government and ourselves. Well, my Hon'ble friend, I think, knows that Persia is in a rather delicate situation; that there are Turkish troops in the country; that there are German agents in the country, that there are large tracts in the country which have been the scene of local disorders. I am sure he will not press me to make any further statement as to the precise functions and use of the South Persia Rifles. I must ask the Council to take it from me that they are doing useful work.

"Then, my Hon'ble friend Sir Fazulbhoy Currimbhoy, and I think the Hon'ble Pandit also, criticised our investment in Home Treasury Bills—our special investment of 20 millions—on the ground that it is out of the proceeds of borrowing here and that we are paying more here than we get in interest in England. Well, that may be; but surely my Hon'ble friend realises that it is necessary to borrow here for the purposes of our war finance, which includes among other things large expenditure on account of His Majesty's Government and the meeting of Council Bills to promote those trade interests in which the Hon'ble Sir Fazulbhoy Currimbhoy is so interested. We have to lay out this money; we cannot get adequate specie payments in return, for the reasons I have explained, and so we have to be content with Treasury Bills at Home. That is a war sacrifice if people like to call it so; but it is justified in the circumstances of India's trade among other things The Hon'ble Pandit objected to any investment at all. He would like the money to lie idle in the Secretary of State's coffers. Well, I have explained that it has accumulated in the Secretary of State's coffers for reasons which are beyond our control, and that being so, we thought we were doing a good stroke of business for India in persuading the Secretary of State to invest it....."

The Hon'ble Pandit M. M. Malaviya:—"Why raise it?"

The Hon'ble Sir William Meyer:—"If the Hon'ble Pandit has followed my exposition of the Ways and Means situation, he will have seen how necessary it is for the money to go Home and that we cannot get specie back again. That is one of the difficulties of the situation.

"Then the Hon'ble Mr. Hogg raised a kindred point as to the rise in the rate of exchange affecting our Home investments when we want to get them out here, meaning, I presume, that we should get less in the way of rupees than the amount of our original remittances. Well, most of our investments are in short term Treasury Bills. We may lose by exchange in bringing the money out when we can bring it out; but it must be remembered that we gain in our remittances Home, so that the one balances the other.

"Also so far as this money is applied to help in the Railway Programme it would come out not in actual cash but in railway material.

"I note the remark which Mr. Hogg and Sir Fazulbhoy and some other speakers made in regard to our contemplated measure for restriction of flotations of private issues. Well, I shall bring forward that Bill in a few days' time and it will be published for information I only want to say now that there is no intention of absolute prohibition, as my friend, Mr. Sita Nath Ray seems to imagine. We only propose to follow the system that has been adopted by the Home Treasury since the beginning of the war, which is in force in India now in respect of so many other matters connected with the war, by requiring a special license before private flotations are made of registered companies. If it can be shown that new flotations will not compete with our loans, or if they would compete are nevertheless in the national interest, as for instance in the production of material required for the war, certainly I will never be chary in giving the licenses. I also note as a very useful remark Mr. Hogg's suggestion that we might in some cases make it a condition that till a company can get to actual useful work of its own it should temporarily invest in Government funds what it gets from the public.

"Some of the speakers have referred to the undesirability of undue pressure in respect of our current war loan. I entirely agree with them that there should be no undue pressure. Put on the lowest ground, it defeats its own object, because for one man you get money out of by compulsion you may prevent ten others from subscribing. But we do want a great deal of persuasion, and though persuasion should not develop into compulsion, no doubt occasionally there has been too much zeal on the part of some subordinate local officials. I daresay there have been individual regrettable instances of this sort, but speaking as a whole, I do not think that it can be said that in respect of our current year's loan there was undue pressure exercised, though there was remarkably successful persuasion by Heads of Provinces and their committees. But I am quite ready if it is thought desirable to let it be known that Government are absolutely opposed to any coercion. I note also, as a very useful one, Mr. Hogg's suggestion that when we make a definite announcement as to next year's loan we should indicate how the difficulties that arose this year in respect of the issue of scrip are going to be avoided next year.

"Every Member who spoke showed warm appreciation of the loan and of its objects. There was one marked exception in a speech, which, perhaps fortunately, has been taken as read. The Hon'ble Mr. Rangaswami Ayyangar's taken-as-read speech contains this gem—'In the matter of issuing another loan this year I should say that it would be more advisable to issue it next year. The rate of interest has already become very high and the flotation of another loan will jeopardise the interests of landowners and other industrial people wanting capital or otherwise indebted.' Well, that is a very sordid way of looking at things, looking at them from the point of view of the interests of the speaker's own class, and regarding the interests of India and of the Empire as *nil*. I am very happy to feel that this is a mere isolated criticism which has found no echo at all in this debate, where, as I say, the loan has evoked warm appreciation.

"There were a few remarks from Mr. Sarma and Mr. Sastri as to the inflation of currency and its effect on prices. Well, I do not see how the

currency can be said to be inflated by our coinage and note issues. We only coin when it is shown to us to be absolutely necessary to add to stock of rupees and similarly with regard to note issues; and the result as regards our coinage, and the fact that it has not been redundant, has been shown in the way in which it is absorbed. Almost as soon as it is issued from the mint, it gets absorbed by the public, and we get once more into a state of embarrassment as to how to replenish it. The rise in prices is of course the result far more of the world demand for essential products rather than of any question of local inflation of the currency. An addition to the coinage would in any case be required with reference to the more active circulation of commodities that is taking place in these war circumstances. Of course, there is one method which certain economists like Mr. Hartley Withers constantly preach, to meet the demands for currency—that is that you get the old currency out by drastic additional taxation; but I do not think those speakers who have criticised our alleged inflation of currency would wish to adopt that counter-remedy in India.

"My friend Sir Dinshaw Wacha has spoken of the railway surplus as one which should be ear-marked for capital expenditure on the railway programme. Well, that is a matter which I have discussed more than once. I had some remarks on it in my first budget speech, and there are arguments both ways. There is a great deal *primâ facie* to be said for putting the profits made on railways into the development of the railway estate. On the other hand, if you take Sir Dinshaw Wacha's metaphor and treat the people of India as shareholders in railways, you have got the fact that the shareholders went without any dividends for a long time, because, as Sir Dinshaw has aptly reminded the Council, it was not until after many years that the railways began to pay, and the shareholders may quite reasonably claim that they should have some reward for their past abstinence. Also, as shareholders might claim in an ordinary business, they might say 'It is all very well for you to put part of the profit into improving the business, but you must apply part of it in giving us dividends'. So that one has to hold the scale between those two rival claims, and it really becomes a mere matter of expediency in any particular year as to how far you should use capital and how far revenue for the railway programme ....."

The Hon'ble Sir Dinshaw Wacha:—"It is not a question of cumulative dividends."

The Hon'ble Sir William Meyer:—"But as I told the Chamber of Commerce in Calcutta a year or two ago, I had gone into the matter in respect of the years before the war; and I found that as a matter of fact, taking a cycle of years, I think it was 15 or so, we had put all, and more than all, the profits that the railways had been giving us into the development of our railway property. Some speakers said they could not trace that expenditure. My answer is that when we meet capital expenditure out of revenue we meet it by a corresponding transfer from our unproductive to our productive debt.

"The Hon'ble Pandit says that I said nothing about the railway revenue. I thought I had said something very material about it in paragraphs 9 and 57 of my speech on the 1st of March, explaining for instance how it had grown in spite of great disadvantages, but perhaps what he really meant was that I had not said anythiing about increase of railway fares....."

The Hon'ble Pandit M. M. Malaviya:—"That was what I meant."

The Hon'ble Sir William Meyer:—"Of course, I had to deal with big figures and with the railway budget as a whole, and I could not, as the Hon'ble Pandit will, I am sure, understand, go into all the details in a budget speech. But I understand that either Sir George Barnes or Sir Robert Gillan will deal with this matter at a later stage of our discussions on the Financial Statement.

"Sir Dinshaw Wacha wants improved Audit machinery and reports like those of the Auditor-General at Home. I think we have got that. We get very illuminating audit reports from the Comptroller-General and Auditor-General, which are published every year and which form the subject of comment in the Press; and I think we have a great advantage here over the people at Home, in that our audit system is a continuous system. The Audit Officer can always put the brake at once as soon as he regards any expenditure objectionable, whereas at Home they apparently wait; and then there is a retrospective review and much weeping and wailing by the Auditor-General over the wickedness of the spending departments. There was a House of Commons Committee on the matter not long ago which was moved to tears at the reckless way in which the various spending departments were spending, and, I think, one of the things they said was that it would hardly be believed that the Munitions Ministry had never taken the trouble to have a Financial Officer attached to them....."

The Hon'ble Sir Dinshaw Wacha :—"Is it effectual—the system here?"

The Hon'ble Sir William Meyer :—"I do not say it is perfect here, but I think it has been much improved during the last few years—since the accounts and audit functions of the Comptroller and Auditor-General were separated from his functions in connection with currency, loans and so forth, now discharged by the Controller of Currency, and it is improving constantly.

"It is getting late, my Lord, and I do not think I need keep the Council further with answers to what were very friendly criticisms. I must once more express my great appreciation of the way in which Hon'ble Members have spoken about my work and my hearty thanks for it. And I should like to say, as I did in my speech on the Financial Statement, that such credit as is attributed to me must be very largely shared by my able and most zealous lieutenants in the Finance Department; and that I also owe very much to your Excellency and to Lord Hardinge, and to my past and present colleagues in the Executive Council."

The Council then adjourned to Saturday, the 9th March, 1918.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915.
(5 & 6 Geo. V, Ch. 61.)

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Saturday, the 9th March, 1918.

PRESENT:

The Hon'ble SIR GEORGE LOWNDES, K.C.S.I., K.C., *Vice*-President, *presiding* and 58 Members, of whom 52 were Additional Members.

THE FINANCIAL STATEMENT, 1918-19.

SECOND STAGE.

The Hon'ble Sir William Meyer :—"I beg to open the second stage of the discussion on the Financial Statement."

RESOLUTION *RE* INCREASED EXPENDITURE FOR TECHNICAL EDUCATION.

The Hon'ble Rao Bahadur B. N. Sarma :—"Sir, I beg to move the Resolution which stands in my name:

'That this Council recommends to the Governor General in Council an increase in the recurring appropriation from Imperial revenue of 30 lakhs towards primary education by another 30 lakhs for expenditure from the year 1918-19 onwards on the development of education in—

(*a*) Mechanical, electrical and sanitary engineering.
(*b*) Metallurgy.
(*c*) Mining.
(*d*) Forestry.
(*e*) Agriculture.

"Sir, the subject of this Resolution has been discussed to a large extent when the Public Services Commission Report resolutions were being considered on previous occasions, and yesterday also there was a general expression of opinion that the Government ought to grant larger sums towards the development of education in India. Particular stress has not been laid upon aid to the branches which I seek to see developed, and I therefore propose to make a very few brief remarks in connection with that aspect of the question. I do not think any very lengthy remarks are needed to commend the need of development or money therefor to the Council. The needs of the higher services, as well as the general economic condition of the country, require improvement in education in the branches which I have included in the Resolution. The Public Services Commissioners in their report have these observations on this point. On Agriculture they say :—

'Practical agricultural experience, however, is not demanded of candidates for appointment to the highest posts on the research and teaching sides of the department. In these branches, the chief requisite is a good science qualification supplemented by a term of post-graduate training in agricultural research. We accordingly recommend that facilities for such training be developed in India, and that the standard be brought up to the level of the best equipped agricultural institutions of Europe and America. The training classes should be established at Pusa, such additions being made to the staff of the institution as may be necessary for the purpose.'

"With regard to Forests this is what they say:—

'Direct recruitment should be made to the Imperial branch in India; with this object, a course of training up to the highest European standard should be instituted at Dehra Dun.'

"In regard to Geological survey the following statement is made:—

'A School of Geology should be developed in India which will rank with similar institutions in Great Britain. It is desirable that at one centre at least in India advanced study of this subject should be possible.'

"In regard to Mining the following recommendation is made:—

'Facilities for instruction in mining should be developed in India, and every effort should be made to utilise the services of Indian inspectors. One reason for urging this is, that there is a considerable Indian element among mining managers.'

"Then with regard to civil, mechanical, and electrical engineering and kindred branches they say generally:—

'With regard to the needs of the Public Works Department we are satisfied that the training now given in each of the four colleges is adequate to the needs of the higher branches of the public service.'

"But the evidence suggests improvements in mechanical and electrical and sanitary engineering.

"With regard to the locomotive and other departments they say that:—

'Arrangements should also be provided by which statutory natives of India with suitable educational qualifications would be able to serve as apprentice pupils in the shops and running sheds of the State railways, and so to reach the standard of professional training prescribed for direct recruitment.'

"With regard to Metallurgy, the report of the Committee on Technical Education, which sat more than 14 or 15 years ago, recommended a school for metal working, but nothing seems to have come of that recommendation. There is no doubt, therefore, that from the point of view of equipping educational institutions and workshops for the recruitment of the higher branches of the Indian Services, there is ample justification for the expenditure of the money I ask for. But, Sir, it may be said that the recommendations of the Public Services Commission are under consideration and that, therefore, it is a little premature to consider this subject. And with regard to the Industrial branch, it may be said perhaps that the Industrial Commission is sitting and will submit its report about April, and that, consequently, we might wait till that report is received. My answer to these two objections would be that, with regard to the Public Services Commission's Report, the matter has been already under investigation for about two years, and all that I say, is that some beginning should be made in the current year towards the solution of this problem. With regard to the Industrial Commission's Report, what I would say is, that the report will be received in June, and we are already late in making the necessary improvements to enable us to compete with foreign countries in the matter of industries. The recent commercial returns show how India has been swamped with foreign goods. So, apart from the question of recruitment for the Public Services, I would strongly urge upon the Government the need for the development of education in the branches which I have mentioned.

"Sanitary Engineering is one of the subjects which has to be taken up in India, and I hope that special attention will be paid to it.

"The recommendations of the Universities' Commission, with regard to the London University, show that they have there an Imperial College of Science and Technology in Metallurgy, Mining, and in Civil and Mechanical Engineering, and that it was hoped to secure professors with the highest qualifications at a salary of £1,000, and that £500 was sufficient for Readers. Therefore, the expenditure need not be very prohibitive in the matter of equipping Indian colleges, and besides, we already have in this country institutions in Agriculture, in Forestry, in Mining and in Mechanical, Civil and Electrical Engineering at Roorkee, Sibpur, Poona and Madras. All that is needed, is to further equip them with superior professorial staff and the necessary scientific appliances.

"So far as to the need and the cost. Then the question is, whether I am right in asking for a grant from the Imperial Revenues, especially in view of the possibility of the decentralisation of Provincial finance. My answer is, Sir, that these needs that I am asking to be served are chiefly for the higher Indian services, the Imperial services so to speak, and also for the general economic development of the country in which the whole of India is interested, towards equipping railways, larger irrigation works, and so on; and, consequently, there is justification for the appropriation of Imperial Revenues, towards the objects in respect of which support is sought. Of course, if any of these should fall within the exclusive category of Provincial finance, certainly, adjustments may be made, but I do not think that this step should be deferred, or can be deferred, until the other problem is fully solved.

"Then the question may be asked whether the grant can be utilised during the current year. If a brand new institution or brand new institutions had to be started, there would be some difficulty; but we have our own institutions which can be developed, and it ought not to be very difficult to import old men—men who are too old for fighting—into India for the purpose of filling the professorial appointments. So there may be no difficulty in getting the required professors; the equipment is there to a certain extent, and it ought not to be difficult, therefore, to utilise the grant during the year.

"Then the more important question would be whether there is any possibility of inducing the Government in the state of the Imperial finances this year to make any grant with regard to that subject. Sir, much has been said yesterday already. There has been a growth of nearly £26 millions in the general revenue since the year 1913-14 But have the general needs of the country been served by even a very, very small percentage of the excess? That is the first point I would like to put to the Council. The second is that there are certain increases and certain allotments suggested which might await happier times; under the discharge of debt, Indian bonds and Railway bonds, an expenditure of £3·5 millions is proposed, a loan of 2·7 millions is to be discharged, which might be included in the new loan Then there is a debt of ·8 millions to the Gwalior State, but if His Highness the Maharaja of Scindia is not very particular on insisting upon repayment, it might be postponed. I am only suggesting possibilities. I will not not say any of them or all of them are particularly feasible.

"Then there is railway development for which another million is provided. I do not say that that should be curtailed; but it is just possible that all the money may not be expended during the current year. Then the elasticity is so great and has been proved to be so great that it ought not to be difficult to find £200,000 for the expenditure that I seek in connection with this department.

"Then between the acceptance of this by the Government and their making any provision, there would be a long time, and I hope, therefore, that the figures can be so adjusted or will be capable of being so adjusted on later information as to make it possible for the Government to accept this Resolution"

The Hon'ble Sir William Meyer:—"I regard the Resolution with very considerable sympathy, but I shall presently explain why I am not able to accept it in this form The Resolution says:—

'This Council recommends to the Governor General in Council an increase in the recurring appropriation from Imperial revenue of 30 lakhs towards primary education by another 30 lakhs for expenditure from the year 1918-19 onwards on the development of education in:—

(*a*) Mechanical, electrical and sanitary engineering,

(*b*) Metallurgy,

(*c*) Mining,

(*d*) Forestry,

(*e*) Agriculture.

"To put it briefly, on technical education, including Forestry and Agriculture, I must again refer to what I said yesterday in regard to our financial

position. It is quite true that we budget for a surplus of about £2⅓ million. It may be—I hope it will be—that that surplus will prove to be actually exceeded in the year that lies before us. But, as I tried to emphasize in my speech on the 1st of March, we want all this money for the demands on our Ways and Means resources arising out of the war. I gave a sketch of these demands in my speech, and I had to say that, on the balance-sheet I was able to strike, we had not been able to make specific provision for the Secretary of State's Council drawings which are so important for India's external trade; that we must meet these in some way or other, and that, therefore, even if we get windfalls, it is necessary to preserve them.

"The Hon'ble Mr. Sarma has made some rather ingenious remarks as to putting off paying our just dues, and hoping to save money on the provision for railway renewals, a very much needed provision for the helping of our much tried railways, which have done such splendid service. I am afraid I cannot accept those expedients as being practical and of financial validity.

"I must also repeat the arguments I used yesterday against further commitments in the shape of Provincial grants, when our future financial relations with the Provinces are under consideration, and it is proposed to give them larger resources to meet what is primarily Provincial expenditure.

"I gave some figures yesterday to show how the total expenditure on education had advanced as compared with 1913-14—the last year of peace. I showed that the coming budget provided 1 million pounds more expenditure for education than in that year; and as regards technical education I now cite some figures for the year 1916-17—the last for which details are available—as compared with the period five years previously, 1911-12. I find that comparing 1911-12 with 1916-17, the expenditure on engineering colleges and schools, engineering and surveying schools, technical and industrial schools, increased in all from about 24 lakhs to 29 lakhs. The former figure includes a Provincial outlay of 14 lakhs, the latter of 18 lakhs.

"Well, as I said yesterday, it is most undesirable to plunge into ill-considered schemes of outlay merely in order to impress the public, and this is specially the case in regard to technical education. We have got to be careful that what is spent is spent to the best advantage to meet actual, immediate or prospective demands. On this point I should like to quote some very apposite remarks made as regards engineers in paragraph 86 of the recent report of the Public Works Reorganization Committee. They say:—

'We are not convinced, however, that the annual output of engineers is less than the existing demand, and this view receives support from the fact that 46 per cent. of the upper subordinate posts in Bengal are filled by Bachelors of Engineering, that 60 per cent. of the products of the engineering class at Madras accept subordinate positions, and that posts as upper subordinates are guaranteed to and accepted by the students from Poona passing second and third in the Bachelor of Engineering examination. It is obviously uneconomical for Government to provide, at considerable expense, an engineering education of the highest standard for a man who will remain for the greater portion of his life in an inferior position and will never have the opportunity of exercising the knowledge gained during his college course.'

"Similar remarks were made in respect of electrical and mechanical engineers in the report of Colonel Atkinson and Mr. Dawson on Technical Institutions. I sincerely hope—and I yield to none in that hope—that our industrial development will hereafter justify provision for a much larger output of technically trained men; but we must not let the supply exceed the demand. If so, you will have a set of men for whom the State has provided training and who cannot be properly utilised. I may say, too, that we shall have guidance presently in this as in other matters from the report of the Industries Commission. My Hon'ble friend has referred among other things to Mining. I may remind the Council that Sir Thomas Holland, the President of the Industries Commission, is one of the greatest living authorities on mining—certainly the greatest living authority on mining in India; and that it is not likely the development of mining and the training of men in mining enterprise will have escaped his notice or his recommendations.

"Then, again, it would be most difficult to obtain the necessary teaching *personnel*, the reason being the paucity of men in the scientific cadre owing

to the war, and the difficulty of recruiting fresh men. My Hon'ble friend says 'get an old batch of old men from Home.' Well, I do not think that would be feasible. In the first place, the old men, or a considerable portion of them, would succumb to the unaccustomed Indian climate; and, in the second place, there is nothing in which the practical outlook changes so much as in these technical subjects. We do not want old men who are passed their work. If you want to have good instruction, you must have it from men who are in the prime of life and who are thoroughly *au fait* with existing and future developments.

"Then, as regards agricultural education, a reference was recently made in my Hon'ble colleague Sir Claude Hill's Department to Local Governments as to the promotion of this. We have not received the replies yet. Here, again, it is undesirable to commit ourselves prematurely to schemes which might possibly be unreliable.

"For these reasons, Sir, I cannot accept the Resolution, but I am prepared to make an offer to my Hon'ble friend which, I hope, will meet his purpose, and which, I may say, is made with the full concurrence of my Hon'ble colleagues who administer the Departments in question. On the figures in the Financial Statement, for reasons already explained, I can make no further grant; but it may be, though I cannot yet speak with any knowledge on the subject, that the final budget figures will show a somewhat better position for 1918-19 than we have yet been able to assume in the Financial Statement. If that should prove to be the case, subject to the sanction of the Secretary of State which will be necessary, I shall be prepared to set aside such sum, not exceeding 30 lakhs, as may seem desirable, after consultation with my Hon'ble colleagues in the administrative departments concerned, for purposes of technical and agricultural education. This money would, at the outset, be regarded as an Imperial reserve. We cannot commit ourselves in any way at present as to its eventual application. It may be, as I have said,—I hope it will be,—that we shall get material guidance on this point ere long from the report of the Industries Commission. It may be, too, that the replies to the references made to Provinces on the subject of agricultural education will help us to an early practical course in that matter. But for the present I can only give this strictly provisional undertaking. I regret I cannot commit myself to hand over such money as may be available to the Provinces. It may be that we shall be able to spend it to better advantage under the direct agency of the Government of India—especially as my Hon'ble friend observed that some of the objects concerned were rather all-India objects than Provincial objects.

"Now that is all I have to say. As I have explained, I cannot accept the Resolution as put before the Council, but I do make this conditional promise that, if our budget for 1918-19 shows a betterment as compared with the Financial Statement, I will give the fullest consideration to the putting aside of a sum, not exceeding 30 lakhs, for the general objects which my Hon'ble friend has referred to, and I hope that, in view of this explanation, he will not press the Resolution."

The Hon'ble Rao Bahadur B. N. Sarma:—"Sir, I have only one or two observations to make with reference to the remarks which fell from the Hon'ble the Finance Minister. A passage was quoted from the report of the Public Works Department Reorganisation Committee that even at present the output of engineers is not small and, perhaps, exceeds the requirements and the fear was expressed that the supply might exceed the demand. May I say, Sir, that in the following paragraph the Commissioners state that, if their recommendations are accepted and the Indian agency be increased, the management being handed over to the local boards, there would be a demand for a larger number of highly qualified engineers and better arrangements will have to be made to enable the engineering colleges to increase the output. But the point really is not as to whether the output of engineers educated on the present lines is sufficiently large; the point is as to whether the highest type of teaching open to candidates in the rest of the world is open to students seeking education in these various branches in India; and it is for that higher

teaching on which stress was laid by the Public Service Commissioners, it is for the development of that higher education that I have sought this money, and therefore, I think, Sir, that the money can very well be utilised at an early date.

"Then with regard to the second point that was put to me, that we must not unduly hasten the pace of making large advances to Provinces unless we had properly considered schemes, may I say that this subject of technical education has engaged the attention of Government for more than 20 years past, that the Public Services Commission's recommendations have been before them for the last two and a half years, and that there is a limit to the patience even of the Indian community. I hope, therefore, that there will be more driving power in the various administrations towards advancing the cause which we all of us have at heart. But in view of the very sympathetic remarks of the Hon'ble Sir William Meyer that the Government would consider the question and make provision this year if the finances would permit, I do not see that any useful purpose will be served by pressing the Resolution. It only remains for me to thank the Government for the assurances they have given. I beg to withdraw the Resolution if the Council would permit me to do so."

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION *RE* GRANT OF 50 LAKHS OF RUPEES IN AID OF SANITATION.

The Hon'ble Rao Bahadur B. N. Sarma :—"Sir, I beg to move the second Resolution which stands against my name, namely :—

'This Council recommends to the Governor General in Council that a grant of 50 lakhs of rupees may be made in aid of sanitation, especially towards the supply of pure drinking water in rural areas.'

"Here, again, almost every Member of the Council, official as well as non-official, is convinced of the need for better sanitary equipment in order to improve the health of the Indian population. Recent events such as the increase of plague and increase in mortality from fevers, especially malaria, have rivetted, almost compelled, the attention of every thinking Indian to the subject and made him pause and consider as to whether he has been doing his duty in not putting sanitation above all other things and all other requirements. The figures available to me with regard to the last census are truly appalling. In several Provinces there has been a diminution in population, and as compared with the Native States, British India cannot boast of having done its duty in the matter, the growth of population having been smaller.

"In Bihar, there was an actual decrease of population of ·9 between 1891—1901 and in the decade 1901—11 the growth was only 1·7 per cent. In the Bombay Presdiency, it was—1·7 and +6 in the two decades Bombay city itself was depopulated in the years 1891—01 4·1 per cent and the growth has been very small during the latter period. The Central Provinces again fared badly, but in the Punjab the tale is harrowing; there has been a decrease during the period 1901—11 of the population to the extent of —1·7 per cent. whereas there has been a general increase all over India of 5·5. In the United Provinces, also, the tale is equally sickening. Between 1891 and 1901 the growth was only 1·7, whereas between 1901 and 1911 there was an actual decrease of 1·1. A contemplation of these figures is sufficient to convince us that the mortality from the various preventible causes in India is greater than the mortality which ten such horrible wars like the great war now devastating Europe may be accountable for. The growth of population in British India has not been larger during the last decade than that in the Native States, and that is a state of things which requires looking into. So far as to the general need. With regard to the special requirement to which I have drawn attention, namely, the supply of pure drinking water in rural areas, I must say that I made pointed allusion to that special object with reference to the experience I have of my own Presidency. I have travelled far and wide in rural areas

for various purposes, and nothing has impressed me so much as the absolute and imperative need of providing pure drinking water which can be done at a comparatively small expense, if only the resources of the Government and of local bodies can be organised on a proper footing. There are very many villages, where a lot of time and energy is spent by half the population (I say 'half' because the women-folk form half the population) in going long distances to get water which is but impure and absolutely inadequate in the hot season; and even where canals run by the side of villages the water is so impure as to cause mortality from fevers and bowel complaints, simply because local bodies have not been able to make proper arrangements for purifying the water. I, therefore, think that this is a subject which requires immediate attention; and there is the Public Works staff which is not engaged fully owing to the curtailment of Public Works expenditure. This is a matter which does not require any special technical skill, because there are hundreds of small overseers and contractors who will be willing to undertake the task, and labour will be forthcoming in abundance. I, therefore, think that the money can be utilised this year if only the grant is made, and I have worded my Resolution somewhat vaguely in order to meet possible objections. I said, 'recommends to the Council that the grant of 50 lakhs may be made in aid of sanitation.' This grant may be made either from the General Imperial Funds or by releasing Provincial funds to the extent of 50 lakhs, if the Hon'ble the Finance Member should say that there is to the credit of Provincial Governments a sum of £545 thousand which may perhaps be utilised for the purpose. I, however, submit that the Imperial grants, having regard to the immense growth in the revenue, ought to undertake a portion of the burden and contribute 50 lakhs of rupees immediately. That is what is due to this particular department of Governmental activity. But if the Government are unable, for the reasons which have been suggested yesterday, to make a grant from Imperial revenue, I hope they will be able to make a grant in the indirect fashion that I have alluded to, by allowing the Local Governments to spend to that extent from, or rather to draw upon, their Provincial reserves. The Financial Statement with reference to that point says that 'instructions have been issued in view of the war conditions to the Local Governments asking them to restrict drawings on their balances which include the unspent remainder of these special grants', and it further says 'any outlay thus postponed is merely deferred until normal times return'. I hope, Sir, that the grant may be made in one of the alternative forms I have proposed, and I think the subject requires the serious consideration of the Hon'ble the Finance Member and the Government of India."

The Hon'ble Pandit M. M. Malaviya:—"I hope, Sir, the Hon'ble the Finance Member will see his way to accept the Resolution of my Hon'ble friend in one of the alternative forms suggested by him. I do not think the cause of sanitation requires any advocacy. Countless plague deaths eloquently call for more money being put forward in the direction of sanitation, and the need for pure drinking water is one of the most insistent needs which calls for attention. There is no doubt that a great deal of money can be most usefully spent in promoting public health and hygiene, and thereby preventing preventible mortality, and, as my friend Mr. Sarma has now suggested an alternative form, I hope the Hon'ble the Finance Member will see his way to accept the Resolution in one of the forms."

The Hon'ble Mr. S. N. Bannerjea:—"Sir, I desire to support my Hon'ble friend on my left in this matter. I think the practical thing to do in this case would be for the Government of India to issue instructions to the Local Governments to free their balances for this purpose. They hold large balances for sanitary purposes, and these balances might be usefully employed for the purpose mentioned in this Resolution. Something more has to be done than that. You may give the money to various local bodies, but you cannot compel them to spend that money. I know, as a matter of fact, considerable grants were made to the District Boards out of the cesses which were placed at their disposal, but the District Boards were not able to spend them and so the grants lapsed. Therefore, Sir, it seems to me that apart from the essential need

of money something more is required, and that something is the revision of the constitution of these District Boards. The Government of Bengal has taken a distinct and definite step in that direction by appointing by direct election in the case of five or six District Boards, Indian Chairmen for the purpose of carrying on their administration. The experiment has been tried for some months in the district from which my friend Maharaja Manindra Chandra Nandi comes—the district of Moorshedabad. The Chairman-elect is Rai Bahadur Baikuntha Nath Sen, aged 74, but he posesses the energy of a young man and he goes about from place to place in his motor car, visiting distant places, and he has infused a new life into the whole District Board administration. If we had in the District Boards of Bengal chairmen of that type elected by the people, I am sure this problem would be largely solved. Money is needed, and I hope the Hon'ble the Finance Member will be able to give it to us or, at any rate, to free the balances. But even more essential, I repeat, is the revision of the constitution of these local bodies. Liberalise the constitution, make it more popular, make it more responsible, make the Chairmen feel that they are responsible to the electorate, then and then only I think these balances will be utilised in a proper and more satisfactory manner than they are at present.

"As for drinking water, its value for the purposes of sanitation cannot be exaggerated. Wherever a supply of pure drinking water,—and I speak as a Chairman of one of the municipalties in Bengal,—wherever the supply of pure drinking water has been obtained, it has been attended with substantial benefit to the health of the people. I live in a village near the cantonment of Barrackpore. We have got a filter supply. We pay for it and we get it, and the result is a marvellous change for the better in the health of the people. The Government at present,—I am talking of those riparian municipalities,—is engaged upon a scheme for supplying pure water to the riparian municipalities on the left bank of Hooghly. The estimated cost of the scheme is about R36 lakhs. It is expected that Government will make a substantial contribution, and the municipalities are most willing to tax themselves for the purpose. Therefore, let us have the contribution by all means from the Government, and I hope and trust my Hon'ble friend the Finance Minister will be in a position to give us an assurance to that effect. But the constitution of these local bodies must be liberalised, they must be popularised, they must be made responsible to the people, their official character must be banished. Then and then alone the cause of sanitation will be placed upon a satisfactory footing in Bengal and elsewhere."

The Hon'ble Sir William Meyer:—"Sir, here again I have much sympathy with the objects of the Hon'ble Mover, and I may say that one of the most interesting and, to my mind, pleasant experiences of my Indian career, which now extends over more than a generation, is the change in the attitude of the people towards sanitation. When I was a young official I found, as a District Officer, that sanitary measures were absolutely unpopular. I believe now that as my Hon'ble friend Mr. Bannerjea has said, there has been a change in the outlook, and that people are becoming more and more willing to tax themselves for the purposes of sanitary improvement. But I think my friends will also agree that, although this is extremely desirable, it would be undesirable to force the pace too much and to let people think that they are being coerced into sanitation. I only throw that out by the way because I repeat that I have the greatest pleasure in looking at the fact of the changed attitude of the ordinary mass of the people towards sanitation.

"Well, here again we have not been absolutely at a standstill as might be thought from some speeches yesterday. I think my friend the Mover will recognise, as being a master of figures himself, that we have advanced during the last few years very considerably. I have got the figures here for sanitation expenditure—and mind you this is only the Government sanitation expenditure; it does not include the expenditure of district boards and municipalities which are primarily concerned with this subject. In 1913-14, the expenditure was £432,000; we are budgetting this year for £715,000, that is an increase of 70 per cent. Then during those happy years in which peace prevailed and the Government of India were able to make grants to the provinces, a good deal

was done in the direction of encouraging sanitation. I have some figures here furnished by the Education Department. In the last ten years the Government of India have given recurring grants which now total 85 lakhs a year for sanitation, and 439 lakhs in non-recurring grants; the actual expenditure, altogether, in this way, recurring and non-recurring, for a period of ten years amounts to nearly 10 crores. That is quite apart from the 82 lakhs recurring expenditure given since 1913-14 to certain Local Governments to permit of an increase to the general resources of rural boards with the object that the boards should have a freer hand for sanitation expenditure. These sums are not merely for urban sanitation; much has been made available for rural sanitation also: and in making the grant for 1913-14, the Education Department drew special attention to the needs of rural water supply.

"Coming now to the Resolution, I cannot accept the proposal that we should make a further grant from Imperial revenues of 50 lakhs for sanitation, I can only repeat what I have said before, that although we have a surplus, that surplus is needed, essentially needed, for our Ways and Means purposes in connection with the war, and we cannot dissipate it further. My Hon'ble friend the Mover, however, threw out an alternative suggestion. He said 'let the provinces over-draw from their balances'.

"Well, we have had to ask the provinces to conserve their balances for war purposes. If my Hon'ble friend turns to paragraphs 70 and 71 of my speech introducing the Financial Statement he will find that we have had to cut down the total balances of India, which include provincial balances, very much. We estimate that on the 31st March 1919 we shall not have much more than £11 million, our total balances for all India, whereas we regard the ordinary margin of safety as £12¼ million.

"I may say that the Bengal Government came up to us this year and asked to be allowed to draw on their balances a bit, that is that their expenditure in the coming year should exceed their revenue for that year for certain purposes, and one of them was sanitation. The Bengal Government have embarked on a liberal sanitation programme, and we were satisfied with their reason and said that we would allow them to draw on their balance for this purpose. Other Local Governments have not made any similar request, and I must presume therefore that they are satisfied with the increased provision that they have been able to make out of current revenues. It is no use adding to your expenditure and simply provoking lapses, or rash and ill-considered outlay to avoid lapses.

"There is the question of establishment too. The Hon'ble Mover said that the Public Works establishment, not having so much to do as usual, could turn their attention to sanitary works. My Hon'ble friend Sir Claude Hill has just informed me that 33 per cent. of the Public Works establishment are absent on war work, serving in the field or otherwise, so that we have not got the establishments.

"But I will say this, that if in the course of the year any province should come up to us and ask for a further grant for sanitation to be made from the provincial balances, and can show that they can do this without disturbing our Ways and Means calculation by reason of the provincial revenues coming in better than at present anticipated—I say that if any province makes such a request, we shall receive it very sympathetically. I should be very loth indeed to stand in the way of any such request. Therefore, though I cannot accept the Resolution as it stands, I think my Hon'ble friend Mr. Sarma will not be able to accuse me of want of sympathy."

The Hon'ble Rao Bahadur B. N. Sarma:—"Sir, I recognise that the Government are aware of the serious nature of the problem, but to my mind it seems that they have not placed it in a proper perspective. They were deluded into thinking that the improvements that have been effected in recent years resulting in a large increase of expenditure, have been of such a character as to satisfy the average thinker on these questions. But what is the position? There was an increase of expenditure from 60 lakhs to 130 lakhs; has any very great benefit resulted? has enough been done? We find that in 1913 the deaths were 6,845,000, in 1914 there were 7,155,000 or an increase

of 300,000, and in 1915 the figures were nearly the same, 7,142,000. Therefore the deaths in 1914 and 1915 are more than in 1913. . . . . "

The Hon'ble Sir William Meyer:—" There is a larger population probably."

The Hon'ble Rao Bahadur B. N. Sarma:—" And the growth of population is only half per cent. During the recent decade it has been 5·5, and the death-rate is much larger, 4 per cent."

The Hon'ble Sir Dins aw Wacha:—" Are these deaths due to want of sanitation only ? "

The Hon'ble Rao Bahadur B. N. Sarma:—" They may be due to want of sufficient food also, which may result in feebler frames unable to resist the ravages of disease. I grant that. I, therefore, submit, Sir, that a larger advance should be made in the desired direction.

" Then with regard to the establishments needed, it is quite true that a number of Public Works officials have gone out, but I believe the curtailment of the expenditure proposed has even been greater ; and apart from that, the local board staff undertakes general expenditure of the kind that I have referred to. But in view of the promise the Hon'ble the Finance Minister has made, that if any Local Government, should approach the Government of India for the sanction of larger expenditure, the request would be sympathetically considered, I think that we shall have to transfer our activities from here to the Local Governments, and then press the question if the present Finance Minister or his successor is obdurate. Under those conditions, therefore, and having regard to the reply that has been given, I do not see that there is very much use in pressing the Resolution further; having regard to war conditions, I feel that perhaps it would be improper to press the Government further in this matter. But before leaving the subject, may I ask inasmuch as for every improvement we have asked, this plea of want of funds has been brought forward, whether the Government of India cannot induce the Government of England to help us a little more in this direction by releasing our funds, because one point that I have never been able to understand is why, when 800 million pounds or more have been lent to the Allies and the Colonies, the Government cannot help us to find the funds for the purchases made here. That is a question on which perhaps the Finance Member on some occasion may help to make clear the position of the Government because there is a misunderstanding on the subject."

The Resolution was, by leave of the Council, withdrawn.

THE FINANCIAL STATEMENT, 1918-19.

THIRD STAGE.

The Hon'ble Sir William Meyer:—" I beg, Sir, to introduce the third stage. "

The Hon'ble Sir Claude Hill opened the third stage of the discussion on, and introduced the following heads of, the Financial Statement for 1918-19 :—

Revenue.	*Expenditure.*
Land Revenue.	Land Revenue.
Provincial Rates.	Provincial Rates.
Forest.	Forest.
Agriculture.	Agriculture.
Scientific and Miscellaneous Departments.	Scientific and Miscellaneous Departments.
Irrigation.	Famine Relief.
Civil Works.	Protective Works, Irrigation.
	Irrigation.
	Civil Works.
	Capital outlay on Irrigation.

" Sir, the discussion which has already taken place on the Financial Statement has been more expansive than has been the practice in past years, owing to the change in procedure, and I think I can therefore be rather more brief this year in dealing with the subjects that fall under my care than has been my practice in the past. There are, however, one or two important matters which, I think, the Council would wish me to enlarge upon.

" Dealing in a different order with the subjects from what has been my practice in the past, I would first of all propose to refer to, and inform the Council of, the advance that has been made in the matter of agricultural education since I addressed this Council last year. In accordance with the suggestion which was made to me last year by the Hon'ble Pandit Madan Mohan Malaviya we held an agricultural educational conference during the last Simla Season in June, at which the whole subject of agricultural education was gone into and certain Resolutions passed which have since been referred to the Local Governments, and, so far as we know, they have met with very general approval. For present purposes I propose to refer to what is of the greatest immediate importance among these Resolutions, namely, that which was passed in June last recommending that agricultural middle schools be established in all the Provinces. That Resolution, among others, was also referred for the consideration of the Board of Agriculture which met last December in Poona, and which I attended, and was there debated at considerable length, with the result that the Board of Agriculture, while premising that in no circumstances was it desirable to do anything which would retard the progress of scientific investigation and demonstration which they regarded as of cardinal importance, endorsed the recommendation that agricultural middle schools should be established in every Province, wherever possible. They went further and drew up a provisional syllabus for such agricultural middle schools, which should form a very useful basis, I think, for adoption, with such modifications as may be necessary for different Provinces, in the schools which we now hope will come into being. The rapidity with which this scheme for inaugurating middle schools progresses must, of course partly depend on financial considerations as well as on the enthusiasm of individual Local Governments. But I venture to hope, after what my Hon'ble friend Sir William Meyer has said to-day that if circumstances prove favourable, and if it is possible for him to allot a certain additional grant, in pursuance of his reply to the Hon'ble Mr. Sarma towards technical education, I shall be able to hope for some of the crumbs from the rich man's table; and possibly be in a position to stimulate Local Governments, always supposing that stimulus is necessary to the establishment—the very early establishment—of certain of these schools to which I personally, and the Department attach the very greatest importance.

" The proceedings of the Board of Agriculture dealt with very many matters of great importance, and I trust that Hon'ble Members who are interested in agricultural development—and it is a great pleasure to me to notice that their number appears to be growing rapidly—will have obtained and perused copies of the report of the proceedings. I only propose here to refer to one other item there discussed, and that is the subject of uneconomic holdings, which was perhaps the most important matter which came under consideration. The discussion was based primarily on a draft Bill of a rather skeleton character which the Hon'ble Mr. Keatinge the Director of Agriculture in Bombay, was anxious, I believe, to introduce into the Bombay Legislative Council. The nature of that Bill was of a purely permissive character, the idea being to make it possible for a landlord who so wished, with the consent of all the descendants who might be interested in the disposition of his property, to get it declared that such property should not be further sub-divided, but should pass to his son or next-of-kin. Well, it is obvious that such a measure is one of very considerable difficulty and complexity, and that, since it impinges upon the Hindu law of inheritance it is a very ticklish thing for Government to discuss. At the same time its permissive character was, according to my thinking at the time, its best commendation to us for consideration. Generally speaking, the Board of Agriculture were in favour of some such measure being passed, but it was interesting to me to take note of the fact that the people, who at that Board's

discussion thought that the measure was likely to prove inoperative and ought to be strengthened very much more, were two prominent Hindu gentlemen present at the Conference, who urged that this was a much too mild measure, and that Government ought to go very much further and peremptorily, if necessary, interfere with Hindu traditions. That was their view, but it was not the view taken by the Board of Agriculture. Of course, the question of whether legislation will be undertaken is still for discussion, but I mention the matter as being to me a very interesting phenomenon, that those who pressed for action in this behalf were the two prominent Hindu gentlemen who were present at the Conference.

"Then the next matter to which I should like to refer is the very important step we have taken in the appointment of a Committee to examine the question of developing the cultivation of long staple cotton. In recent years the world's demand for raw cotton, especially of the better varieties, has very largely outstripped the supply, and to us, in India, that is a matter of very great interest and importance; because it is, perhaps, not generally realised that 20 million acres of the cultivated area of India are at present under cotton, and that, therefore, the potentialities of India in regard to the development and cultivation of long staple cotton are enormous. The question how far that change which is involved in the substitution of long for short staple cotton is possible of achievement depends on very many factors—among others the question of how far we can arrange for marketing arrangements so as to ensure that the cultivator will always be able to obtain the proper premium value for the improved varieties of cotton; and that matter in India does present very considerable difficulty. It may interest the Council, however, to know that, in regard to that aspect of the case, we have arranged for telegraphic intimation to be at short intervals despatched upcountry from Bombay of ruling world prices for the different classes of cotton. That seems to be one step which may help the cultivator to obtain an adequate price for improved varieties. On this Long Staple Cotton Committee, which is still conducting its inquiries under the presidency of Mr. Mackenna, we have a representative of the British Cotton-growing Association and an *ex*-Chairman of the Bombay Millowners' Association, and I have the best of reasons for believing that they are tackling the subject from a broadminded standpoint, and that they have the interests not only of the manufacturers and the marketing agencies, but also of the cultivator very seriously at heart. It will further interest the Council, I think, to know that the Home Government have decided to appoint a permanent Cotton Committee, the main object of which will be to assist in developing the cotton resources of the whole Empire by keeping in touch with work in progress relating to the growing, handling, and marketing of cotton all over the world and by being a sort of clearing house of information in London. We have been asked to appoint on that Committee out here representatives of the Indian users of cotton and Indian merchants, and I hope, therefore, that the inauguration of this Committee will be a further factor in enabling us to progress in the direction of the development of long staple cotton growing in India.

"I had hoped to be able to tell the Council something about the results arrived at by Professor Maxwell Lefroy when he was out here investigating the silk industry, but, owing to Mr. Lefroy's absence from India, there has been some unavoidable delay in getting out his report, and I am unable to say anything on the subject to-day.

"The Indigo Cess Bill has already passed through this Council, and therefore I need not refer further to the subject of Indigo. But there is an important matter which I should like to mention, and that is the subject of cinchona cultivation. Hon'ble Members are probably aware that there is likely, within a very short period of time, to be a world shortage in the supply of that indispensable drug, quinine, and we have therefore during the past year taken steps to ascertain whether it is not possible for us in India so to increase the area under cultivation of cinchona as to make India, at all events, independent of this shortage in years to come, and possibly also to make India the supply agency for the rest of the Empire. For this purpose, Colonel Gage, Director of the Botanical Survey, was deputed and spent

some months last year in investigating possible areas in Southern India, in Assam and in Burma, and it is a matter for congratulation to know that Colonel Gage has or thinks he has (and he is a very great expert on the subject) discovered a very suitable area in one of the districts in Burma for a very large extension of cinchona cultivation. We hope, therefore, that we may shortly be in a position very largely to extend the outturn of quinine.

"The next matter to which I should like to refer for a moment is the recruitment for the Agricultural Service. In connection with the Hon'ble Mr. Sastri's Resolution the other day, I had occasion to offer certain remarks, and I do not wish to repeat what I then said; but I should like to observe that we have found it extraordinarily difficult to obtain recruits with the requisite qualifications for the scientific posts under the Agricultural Department. During the past year or so we have taken steps, as I explained, to effect promotions from the Provincial Service and to appoint Indians when we can find them duly qualified. But there has been a shortage, and great difficulty is found in filling some of the posts on the scientific side of the Agricultural Service. All I wish to do now—I am afraid at the cost of repetition—is to say that, while the Government of India are cordially at one with the aspiration of certain Members of this Council that the Indianisation of the Agricultural Service should proceed as rapidly as possible, they also adhere—and, I think, the Council will on the whole agree, wisely adhere—to the great principle that the best men for some years to come must be obtained irrespective of race or creed or anything else in order that no excuse might be given for levelling the complaint hereafter at the Government of India that they had sacrificed what was so vital to the interests of India in deference to a theory.

"I now turn to the activities of the Forest Department; and there again perhaps my Hon'ble friend Mr. Sarma will be surprised to know that as many as 65 officers of the Imperial branch were away on war duty. Like the Public Works Department, the Agricultural Department has been very seriously crippled in its activities owing to the war and to the zeal with which some forest officers applied for permission to go on work connected with the war. But we do fully realise the importance, more especially in this time of war, of developing, as far as possible, the unlimited forest resources of India. As I had occasion to tell my friend the Hon'ble Sir Dinshaw Wacha last year, we have decided to create a cadre of forest engineers as one of the most important developments in the direction of forest exploitation, and I may mention that very great activity has, as a matter of fact, been displayed in many Provinces in exploiting forest produce for purposes of the war. The only other point in respect of staff that I need mention is that Madras, the Punjab and Bengal have put forward—and we have approved of—re-organisation schemes involving a total increase of 18 Imperial and 30 Provincial Service Officers, which will meet a long-felt want in those Provinces, as soon as recruits can be obtained. Then, in pursuance of the policy of developing Provincial autonomy in forest matters, we have had under consideration proposals for decentralising the training of forest rangers. At present that work is done in Dehra Dun, and we propose that it shall be done in future in three centres—at Dehra Dun for some of the Upper India provinces, at Coimbatore for some of the Southern and Central provinces, while a new school is to be opened at Dharwar in the Bombay Presidency.

"Turning now to the Public Works Department, it will have been seen from the Financial Statement that our productive irrigation systems, after meeting all charges for maintenance, repairs and interest on capital, have returned a net profit of 331 lakhs as against 315 lakhs, which I anticipated in this place last year. For the ensuing year we estimate a profit of 341 lakhs, the gradual increase being, as I forecasted last year, due to the completion of the Punjab Triple Canal project. The provision for major irrigation works is 70 lakhs, or 20 lakhs less than the provision allowed last year; while the grant for protective works chargeable to famine insurance has been reduced from 60 lakhs to 58. This steady reduction is due to our policy of undertaking no new works, unless it can be shown that they are either urgently required, or will be immediately remunerative, with the result that as each of the works now under construction is completed, the provision is

slightly reduced. This, however, does not mean that we have no new project under consideration. The case is far otherwise. Though we are not able to undertake any new works at present, a comprehensive programme of new projects is being drawn up and will be introduced when financial conditions permit. As regards the future developments of some of the major irrigation works, I mentioned last year the Cauvery Reservoir in Madras. Owing to a Privy Council decision there has been some question as to how the water rights of zamindari lands work out, and how far the decision of the Privy Council in reference to those rights affects the probable results of the irrigation facilities provided by this project. The project has not yet been submitted to the Secretary of State pending the investigation of that question. Another great irrigation project in Madras is that for a reservoir in the Kistna; but we have not gone into that fully, because the Cauvery work is both more important and likely to be more beneficial to the country, and we propose to concentrate on that at first. The Hon'ble the Finance Member has referred to the project for a canal from the Sarda River which has quite recently been submitted worked out in detail by the United Provinces Government. This is the project to which I made reference in replying to the Hon'ble Mr. Sastri, and it may be of interest if I mention that this scheme when completed will prabably be one of the largest irrigation works in India or in the world. The total length of the channels included in the project exceeds 5,000 miles, and some 9 millions acres will be commanded and 2 million acres irrigated annually. I need only refer very briefly to two other projects which are under preparation, namely, that for the Sukkur Barrage on the Indus in Sind and for the Bhakra dam on the Sutlej in the Punjab. The main object of the former is to convert the existing inundation canals in Sind into perennial canals, while that of the latter is to store the surplus water of the Sutlej during the rains with a view to its utilisation during the dry season. The provision of such storage reservoirs to prevent water running waste and to secure its utilisation during the dry season has become more and more one of the main objects upon which the Irrigation Department is concentrating. I had, the other day, in a visit to my old district of Ahmednagar, occasion to see the changes that have been effected by works of this character. When I was in Ahmednagar 25 years ago, the whole of the Pravara and Godavari valleys were practically deserts in which there were perhaps half a dozen wells which could be seen dotted about on a bare countryside, and where land could be purchased for Rs. 12 an acre. I revisited it the other day to find that I was able to motor for 60 or 70 miles along these valleys through a sea of sugar-cane, wheat and so forth, and ascertained that the land which used to be purchasable for Rs. 12 an acre was very difficult to obtain now for Rs. 400 an acre. That, in the space of 25 years, I think Hon'ble Members will agree with me, is a gratifying change.

"I now desire to mention certain matters with reference particularly to a remark of the Hon'ble Mr. Shukul. I understood the Hon'ble Member to say the other day that there was a serious deterioration in the condition of the people of the country, at all events in parts of the Central Provinces. Well, I confess at once that I do not know whether what Hon'ble Members have noticed in this regard is directly contrary to my own impression when travelling about India and contrasting the condition of the people as it appeared 25 years ago with what it is now. My experience is that one sees on every hand better houses, more wells, better comforts, better implements used by agriculturists in the rural tracts, and on the whole, if I may say so, a greater degree of prosperity. That, however, is an arguable proposition, and I do not wish to lay undue stress upon it. But I do wish to lay stress on, and draw the attention of this Council to certain extracts from, Mr. Mackenna's Report on the progress of agriculture in India which deal with facts which are incontrovertible and which have a great bearing on the correctness of an estimate which concludes that the condition of the people is deteriorating. I would first of all, if I may ask the indulgence of the Council, read an extract from page 15 :—

'The agricultural departments have been successful in demonstrating the improved agriculture of one tract to the backward cultivators of another, *e.g.*, the methods of transplanting rice, drilling and intercultivating cotton and other crops, green-manuring, the Poona

method of making *gur*, etc., and it is in these directions that Deputy Directors are doing the most useful work.'

Mr. Mackenna then goes on to give an extract from a report regarding certain operations in the Central Provinces at the Chandkhuri Farm; the Chandkhuri Farm having been established in an area hitherto entirely waste which the Hon'ble Mr. Shukul will recognise by the name of *bhata* lands :—

'These *bhata* lands lie higher than the more productive arable lands and are for the most part regarded as uncultivable; a very small proportion of them are poorly cultivated at long intervals to produce wretched crops of the lesser millets..... ...The original idea was to try growing green fodder crops under irrigation in order to substitute stall-feeding of cattle for the starvation-ration hitherto obtained by grazing.....This has been successfully achieved; but Mr. Clouston has not been satisfied with that success. He has gone on to try the cultivation of *bhata* lands, aided by manure and irrigation, with ground-nut, cotton and cane, and has made a startling success with all three crops.....The cost of cultivation is very little, and the nuts were found to be much larger than those grown in stiff black soil, hitherto regarded as most suitable for this crop.'

Similar good results were achieved in the case of cotton and so on. Water is available, and it only remains to encourage cultivation, and there are hundreds of thousands of acres which will be available to come under cultivation out of these barren lands.

"I will now give another quotation :—

'The cultivation of a short staple variety, *roseum*, in Berar has brought an additional crore of rupees to the cultivators. The introduction of Company No. 3, a selection from Karunganni cotton, which is an indigenous long-stapled variety, and Cambodia cotton, have produced markedly beneficial results. Similarly, in the Punjab, the cultivation of Mr. Milne's selection, 4 F. American cotton, is extending by leaps and bounds and this year it is expected to bring an additional 45 lakhs to the cultivators.'

In the canal colonies of the Punjab the department is pushing a selected wheat regarding which Mr. Mackenna says :—

'It is estimated that the growers of this wheat got an additional income of at least 2 lakhs of rupees as the result of the higher yield and the premium paid over the ordinary price of wheat.'

In regard to the Central Provinces again, I may draw Mr. Shukul's attention to the increased profits, from growing those wheats, which have been definitely established, at 'from Rs. 5 to Rs. 10 an acre,' and as there are 200,000 acres this brings an additional 10 or 20 lakhs a year to the cultivator. In Bengal, the selection of an improved type of rice 'Indrasail' isolated by Mr. Hector has also resulted in very great profits to the cultivators and in the year under report seed sufficient to sow over 20,000 acres was distributed through panchayets, while this year it is hoped to distribute enough for nearly 12 lakhs of acres. In regard to cotton in Madras in the 'Tinnevellies' tract, it is stated on page 25 :

'The selected strains Company No. 2 and No. 3 have been found to combine both good yield per acre and staple, and the Director of Agriculture calculates that the ryot who grew Company No. 3 cotton made a profit of some Rs. 28 per acre over those who grew ordinary Tinnies.'

"I hope I have not wearied the Council with the recital from this book of the progress of agriculture in India, but I felt that it was necessary to say something, however little, to show that, so far as the Agricultural Department are concerned, the claim to progress in the direction of benefiting the cultivator is not lacking in evidence.

"There is only one other reference I should like to make to what has fallen in the course of the debate from Hon'ble Members; and that is to the remark of the Hon'ble Mr. Chanda in reference to New Delhi, that its construction should be temporarily stopped. I may best refer him to the answer given by the Hon'ble Sir William Meyer to Mr. Basu last year. My Hon'ble Colleague said :

'As I explained the other day, we are just spending enough to keep things going to keep the scheme alive. That scheme is one which was brought into effect by the fiat of the King-Emperor, and it is the deliberate policy of the Government of India and of His Majesty's Government at Home. My friend was not in the Council two or three years ago; but if he had been, he would have had a striking exhibition of the way in which Hon'ble Members from other parts of India endorsed the project of the New City.'

"As was the case last year, so is it this year, that the provision for New Delhi is merely sufficient to prevent waste. I have already in answer to a question by another Hon'ble Member explained how largely the staff has been reduced and the rate of construction is merely such as to keep the scheme alive."

The Hon'ble Rao Bahadur B. N. Sarma:—"May I ask for information whether with regard to the 18 Imperial Forest officers, the recruitment is to be thrown open to all without regard to their race and only with a view to efficiency?"

The Hon'ble Sir Claude Hill:—"I am afraid I did not quite understand the point of the Hon'ble Member's question."

The Hon'ble Rao Bahadur B. N. Sarma:—"If I am not wrong, I remember having heard that sanction has been given for 18 additional Imperial officers in the Forest Department. I ask as to whether these officers will be recruited from Europeans as well as Indians irrespective of their caste, having regard only to their efficiency."

The Hon'ble Sir Claude Hill:—"The Hon'ble Member is quite correct. The recruitment will be made, under the orders and regulations at present obtaining at Home, through the Secretary of State in the ordinary way. Recruitment is not closed to anybody."

The Hon'ble Sir C. Sankaran Nair introduced the following heads of the Financial Statement for 1918-19 :—

Revenue.	*Expenditure.*
Sanitation.	Sanitation.
Education.	Education.

"Sir, I beg to introduce the Education and Sanitation heads of the Financial Statement. Hon'ble Members will find at page 62 of the Financial Statement that the expenditure on Education continues to grow, and will next year considerably exceed all previous records. When I took over my present office in 1915, we were spending about 4½ crores of rupees a year. Last year we spent 5 crores, and next year we hope to spend over 6 crores. The number of scholars which seven years ago was barely 6¼ million was over 7 millions in 1916-17, and I trust that it will be found to exceed 8 millions in the present year, and that we shall make a further advance next year. This is not as great a progress as we might wish to see, but none the less it is a very distinct advance and one which we cannot ignore. The additional expenditure expected in 1918-19 is due partly to the new Imperial grant announced by the Hon'ble Sir William Meyer but also and to a still larger degree to a policy of educational expansion which has been adopted by all the Local Governments without exception. Our own grant is, as the Hon'ble Sir William Meyer stated, one of 30 lakhs, and it follows on a grant of 30 lakhs given last year for the training and pay of teachers. The grant for 1918-19 is like its predecessor intended to meet the needs of primary education. It will be available not merely for schools themselves, whether these schools are for boys or girls, but also for Inspectors and for the training and pay of teachers as far as primary schools are concerned. It is generally recognised that of the various pressing needs of education in this country, that of primary education is the most pressing, and we should have been glad to have been able to present to this Council some scheme which will provide in advance for the progressive extension of primary education in India, but as His Excellency has explained in his speech at the opening of this Session, the changes in our financial system which will be inaugurated as part of the contemplated reforms render it impossible for us at this stage to formulate any programme of this kind in advance. In the meantime we have, as the Council are aware, given an opening to the introduction in several provinces of schemes by which local bodies can enforce in their areas a system

of compulsory education, and the provincial budget shows for the first time a provision for meeting the expense of introduction of compulsory education. Hon'ble Members will find it at page 64 of the Statement. We have not ourselves adopted compulsion as part of our present programme, but we are anxious to see primary education increase by whatever means this increase may be obtained, and, on these grounds, we have included in our budget the new recurring grants of Rs. 30 lakhs for primary education. Of this sum, we are keeping one lakh in hand, and of the rest Madras would get 5½ lakhs; Bombay 4; Bengal 5½; United Provinces 4½; Punjab 2; Burma 1½; Bihar and Orissa 3; Central Provinces 1½, and Assam 1 lakh. A further half a lakh will be distributed as follows :—

	Rs.
Coorg	2,000
North-West Frontier Province	32,000
Ajmer	8,000
Baluchistan	5,000 and
Residency Areas	3,000

These grants are intended for the extension of primary schools on the present voluntary footing, but they will, of course, be available also for granting assistance in areas where compulsory education is being introduced.

"Turning to Sanitation or, as I should prefer to call it, Public Health, we contemplate here also a considerable increase in our expenditure. We spent Rs. 78 lakhs in 1916-17; we shall be spending 87 lakhs this year, and we hope to spend 107 lakhs next year. Most of the provinces have budgetted for an increase of expenditure and the increase contemplated in Bombay and Bengal is considerable. We have also provided for an increase of expenditure from the two items from which we ourselves make grants, namely, the sanitary grant and the grant for the Indian Research Fund Association. The reserve at our disposal from the sanitary grant was Rs. 6 lakhs. Of this sum, we have given one lakh towards the drainage of Peshawar, one lakh for the improvement of the Badrinath Kidernath pilgrim route, Rs. 75,000 for the relief of congestion in Ahmedabad and Poona, Rs. 80,000 for improvemen at Amritsar and for anti-plague measures at Rawalpindi, Rs. 60,000 for the relief of the congested town areas in the Central Provinces, and Rs. 90,000 for various sanitary improvements in Delhi. Next year we hope to have some 8 lakhs at our disposal, and some portion at any rate of that sum will be utilised in assisting Local Governments to provide for the improvement of the health conditions attending pilgrimages. For our other main source of expenditure—the Indian Research Fund Association—we should ordinarily have had 7½ lakhs available, but our Bacteriological Department is depleted owing to the war, and we temporarily surrendered 3½ lakhs out of this sum. Of the remaining 4 lakhs, we have put aside 1 lakh for the Hygiene Institute which will be an important branch of the School of Tropical Medicine at Calcutta, designed to give medical post-graduates an up-to-date training in public health such as is not at present available in India. We have also devoted Rs. 26,000 to improvements to the Central Research Institute at Kasauli and Rs. 16,000 to experiments in the improvement of vital statistics in Madras. The rest of our money has been allotted mainly to special lines of investigation, such as plague, diabetes, flies and hookworm disease. Hon'ble Members will perhaps remember the account which Sir Pardey Lukis gave us in this Council last year of the widespread debility occasioned by this last-named disease among the coolie class, and I am glad to say that during the present year a sum considerably exceeding half a lakh has been spent on the important inquiries into this hookworm disease which have been carried out by Lieutenant-Colonel Clayton Lane in Bengal and by Dr. Mhasker in Madras. We propose during the present year to continue our liberal support of the chief investigations which have been carried on during the present year, and if opportunity offers to extend further the scope of these forms of research. Our inquiries are, as I have stated, much circumscribed by the absence of many of the officers of the Bacteriological Department at the front, and at the present moment

out of a research staff of 31 officers 18 are on Military duty. There are at this time 17 officers engaged in laboratories or on special inquiries, of whom 9 are Indians: and in addition to these, Indian assistants have been associated in the investigations now under the conduct of European officers. We are in this way forming the nucleus of a body of indigenous experts who will, I hope, constitute a source of great future strength to the well-being of this country.

"I have made an allusion to the late Sir Pardey Lukis, and I wish before sitting down to remind the Council of the debt which we owe to him in the development of bacteriological research in India. Hon'ble Members are aware of his great services in other lines, but I think I am right in saying that he looked on this particular branch of his activities as representing in a special way his own contribution to the welfare of India. He was very closely associated with the inception of the Research Fund Association, and it was due to his constant efforts that the Fund was utilised, as it has been, for the investigation of the more prominent questions affecting public health in this country. In continuing the work on the lines which he inaugurated, we shall maintain it in the way he would best have wished to the memory of his services to India."

The Hon'ble Mr. H. Sharp :—"Sir, it is usual at this stage to lay on the table a short narrative dealing with the educational activities which took place during the last completed financial year. I think I explained last March that during this year the Quinquennial Review of Education would be published and that, therefore, no short narrative would be laid on the table. Instead, I beg to lay on the table the document generally known as 'Salient Features', which gives the more important figures of education in India and also in the individual provinces."

The Council then adjourned till Tuesday, the 12th March, at 11 o'clock.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915 (5 & 6 Geo. V, Ch. 61).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Tuesday, the 12th March, 1918.

PRESENT:

The Hon'ble SIR GEORGE LOWNDES, K.C.S.I., K.C., *Vice*-President, *presiding*, and 57 Members, of whom 52 were Additional Members.

RESOLUTION *RE* INCREASE OF THE EDUCATION GRANT FOR THE CENTRAL PROVINCES.

The Hon'ble Rai Bahadur B. D. Shukul:—"Sir, the Resolution which I beg to move is that:—

'This Council recommends to the Governor General in Council that the sum provided in the budget under the head of Education for the Central Provinces be increased by rupees 4 lakhs for the establishing of a University at Nagpur.'

"I do not think any apology will be needed from me, when I venture to make this modest demand of 4 lakhs of rupees for the establishment of a University at Nagpur in the Central Provinces, especially at this time, when all the resources of the State are being strained for the successful prosecution of the war. Sir, the matter is as important as it is urgent and deserves a most sympathetic consideration at the hands of the Government and this Council. We, the Indians, are already grateful to Government for the striking proof that has already been given of the high regard in which the Government holds the cause of University education in this country, by the promptitude with which action has been taken to establish the two Universities at Benares and Patna, during the pendency of the war. The University education is the highest blessing that the British rule has conferred upon the people of India, and the people are now wide awake to the benefits of higher education and are eager to have it as easily and as cheaply as they possibly could. Sir, the signs of a general intellectual awakening are visible all round, which is a hopeful augury of the bright future that awaits India. The people of the Central Provinces also are desirous of joining hands with their fellow brethren of the other sister Provinces and keeping abreast with them in the march of progress that they are making. We belonging to the Central Provinces and Berar recognize as clearly as others that it is University, a University alone that 'provides the best teaching over the entire field of knowledge of which its own resources and the progress of science may admit; that offers this teaching to the widest range of students and moulds and shapes them not merely by the training of intellect, but by the discipline of spirit so that wherever they go, they may be worthy citizens or worthy servants of the State'. It was the noble desire of bringing 'through the natives of India the vast moral and material blessings which flow from the diffusion of knowledge', that impelled the Court of Directors of the East India Company 60 years ago to establish Universities in this country. Of all the older Provinces in India, ours is the only 'ill-fated' Province, which has not been as yet blessed with its own University. The Government, we are glad, has already recognized the necessity of reducing the unwieldy jurisdiction of the present affiliating Universities, by means of establishing in different Provinces new Universities of a kindred type and at

the same time of founding at suitable centres, in different typical areas, Universities of a type, congruous with the prevailing conditions of the present times. Sir, it will be by this means only, and not otherwise, that it will be possible for the Government to give full effect to the pious wish of our beloved Sovereign that a net work of colleges and schools be one day spread all over this land. It is in pursuance of this already accepted policy of the Government of India, that I, on behalf of the people of the Central Provinces, request the Government that over and above the sum provided in the Financial Statement for expenditure under education, a sum of 4 lakhs should be allotted for the establishment of a University at Nagpur.

"Sir, a short history of the attitude of the Government towards the establishment of a separate University for the Central Provinces may not be out of place here. In this connection, I may be permitted to inform the Council at once that the question is a very old one. Hopes for the establishment of a University at Nagpur were held out to us, when the idea of some of the Universities which have but lately come into existence was not even conceived. The contemplated University for the Central Provinces was referred to in the Report of the Education Commission of 1882. The Universities Commission of 1902 also adverted to it in paragraph 29 of their Report and bore unequivocal testimony to the fact that 'the proposal to create a new University at Nagpur had received both official and non-official support.' Later on, the Government of India in their Resolution dated the 21st February 1913 while declaring the educational policy assured, that with a view to satisfy the aspirations of the people they contemplated the establishment of a University at Rangoon, Patna and Nagpur. Not long after that, the Central Provinces Government by their Resolution No. 682, dated the 8th July 1914, appointed a strong Committee consisting of officials and non-officials to consider a scheme for the creation of the University at Nagpur. The Committee, Sir, gave a very close and thoughtful consideration, and after seven months' labour produced an elaborate report, embodying a detailed scheme for the constitution of the proposed University. The Local Government invited public criticism on the said Report and gave the people an opportunity to express their own views on the subject. The Report was discussed threadbare at the meetings of the 4th Provincial Conference, Central Provinces and Berar, held at Nagpur in the year 1915 at which I have had the honour to preside, and a deputation was arranged to wait upon the Hon'ble the Chief Commissioner and place before his Honour the views of the Conference. This was done and a favourable and a sympathetic reply was received from the Government. Since then, the people have waited and waited very long and waited in vain. The people are becoming anxious, disappointed and almost hopeless, and yet the scheme has been hanging fire. For so many years past, and this in the face of repeated assurance from the Government and in spite of the sympathetic attitude which they have maintained towards this question all along.

"The Hon'ble Mr. M. R. Dixit, Bar.-at-Law, who is also Secretary of the Graduates' Association, Central Provinces and Berar, interpellated the Local Government on the subject on March 18, 1916, and received the following reply :—

'(*a*) The Government is not aware that the proposal for the Dacca and Patna Universities and for a University for Burma, have reached the advanced stage which is mentioned in part (*a*) of the question.

(*b*) and (*c*) With regard to parts (*b*) and (*c*) of the question, I would refer the Hon'ble Member to the reply which was given by the Chief Commissioner to the deputation which waited on him in January to present the resolution of the Provincial Conference. The reply was published in the press. The Chief Commissioner is aware of the interest that is taken in the subject in the Province, that in view of the voluminous criticism received and of the necessity at a time like the present for putting forward proposals which should be as practicable as possible, he must wait the detailed report on the scheme which is to be furnished by the permanent Director of Public Instruction ; until the report has been received and considered, it is impossible to make a further statement on the subject.'

"Sir, I do not know of any statement having been made by the Local Government as yet although it is nearly two years that have passed since then. In compliance with the wishes of my constituents I asked the Government on 19th September 1916, if they had received any definite proposal regarding

the establishment of the University at Nagpur from the Local Government, and the reply received, as the Council must be aware, was in the negative. I repeated my question on the 12th September last and further asked the Government as to when a Bill for the establishment of a University at Nagpur was likely to be introduced in the Council. My friend on the opposite, the Hon'ble Member in charge of Education, then replied to the effect that 'proposals have been received from the Local Government for the establishment of a University for the Central Provinces and are now under consideration. It is therefore undesirable to publish the proposals at present and impossible to give a definite reply to the question when a Bill for the establishment of the contemplated University will be introduced.' Very nearly six months have elapsed since then and nothing is known as to what has been the fate of these proposals. It was expected that provisions for the establishment of the proposed University would be made in the ensuing year's budget; but that has not been done, even in the face of the bountiful surpluses at our disposal. Sir, this means another year's delay and the Council may take it from me that this indefinite postponement of such an important measure pertaining to the immediate welfare of the Province from time to time, is having a very discouraging effect upon the minds of the people which should not be ignored. Sir, there is ample material in the Province for the growth of the University atmosphere. At present there are seven colleges in the whole Province including the newly sanctioned college for the Berar at Amraoti. Further, there is an agricultural college, a medical school for the training of the Sub-Assistant Surgeons and an engineering school, all located at Nagpur. The latter two institutions, however, have been established but lately, and it is expected that these will soon be raised to the status of a college.

"As regards the progress of education, the number of students in receipt of collegiate education is increasing by leaps and bounds. The Central Provinces University Committee observed in their Report that 'the existing colleges contain about 1,100 students exclusive of undergraduates in the Training College. We, therefore, provide for an increase of approximately 850 students. In the quinquennium ending in 1912, the number of pupils in the High School class increased by over 50 per cent. in the number of students.' In the matter of secondary education as well the Province has made rapid strides during the preceding few years. The Hon'ble Mr. A. Mayhew, the Director of Public Instruction, Central Provinces, while speaking on this subject, stated in the Local Legislative Council on the 4th September 1915, that 'last year six High Schools were opened, three under private agency and three under Government. A large number of educational sections were opened in Government Middle Schools and some standards were added. 471 additional pupils were admitted to the High School classes and 20,708 pupils were admitted to the Middle School classes in these Provinces. Thus the time has come when the educational needs of the Province demand that the University already promised should no longer be denied to us.

"Before I conclude, I shall say just a few words in justification of the allotment I have asked for and I have done. The sum of 4 lakhs is indeed a very small amount in view of the needs and requirements of the entire University Scheme as drawn up by the Committee, but for the time being I would request the Government to provide 4 lakhs only, with a view to meet the cost of acquiring the necessary land, laying out sites and filling of quarries, etc. The Committee have estimated Rs. 3,25,326 for this purpose, but I have raised it to 4 lakhs in view of the considerable rise that has taken place in the prices of building materials and wages since the outbreak of the present war. As we all know the process of land acquisition is rather a long and dilatory process involving much delay, I hope the Government of India will not grudge to provide for the allotment I have asked for with a view to enable the Local Government to acquire land, etc., and be prepared to arrange for the construction of new buildings and the provision of necessary equipment soon after the Bill with regard to the Nagpur University is enacted. I do not think the acceptance of this Resolution will mean any financial embarrassment to the Government, as the requisite amount could be easily got either out of the surpluses or by the curtailment under the head of Civil Works.

"Sir, we stand on the eve of momentous changes, and in order that each Province may be in a position to work out its own salvation under the altered circumstances to be brought about by the constitutional changes now under contemplation, it is but in the fitness of things that every Province should be made self-contained, and as a prelude to that I hope and believe that this crying need of my Province will be immediately supplied."

The Hon'ble Sir Gangadhar Chitnavis:—"Sir, I beg to support this Resolution. The Nagpur University, which is so much desired by both the Government and the public, as all the new Universities in India, must conform to the higher ideal of a teaching and in some respects even a residential university. Necessarily its needs are great. Funds cannot indeed be too liberally spent to put it in a fit condition to discharge the important functions that will be assigned to it. There is everywhere in the Central Provinces a great demand for education, especially high education and education of a technical character. More colleges and more universities and more faculties are obviously required to meet the growing demand. Without ample funds no university can perform its duties according to modern ideals. It is only therefore just that we should have a larger grant for our university, and the figure suggested by the Hon'ble Mover is modest. More than half of this proposed grant will be required for the acquisition of grounds, and as prices of land are going up, it will be a good thing if the site is acquired as early as possible. This grant will enable the authorities to have this done."

The Hon'ble Sir C. Sankaran Nair:—"Sir, the Government desire the establishment of the Nagpur University at a very early date. The reasons for the delay I shall now explain at once. In 1913, we contemplated the establishment of a university at Nagpur, and invited the Chief Commissioner to submit his proposals for the establishment of that university. Later in the year, about November I think, he submitted a broad outline of the proposed university which he had in contemplation and informed the Government of India that he proposed to appoint a Committee to go into the whole question and submit a report to him. He submitted their Report in about November 1915. The cost according to the Report of the Committee amounted to about 90 lakhs capital and 8 lakhs recurring. He realised that it was impossible in the financial conditions now prevailing to start the university according to that scheme, and accordingly submitted a more modest scheme which required an outlay of 13½ lakhs capital and 2½ lakhs recurring. The Chief Commissioner came up to Simla and we had a conference with him; we had also the Patna University scheme before us; there were questions concerning the type of the university whether it should be of the unitary type as opposed to a collegiate or federal type; questions concerning the elective element on the Senate and Syndicate, and questions concerning the power of the executive Government to interfere. All these questions arose as I said also in connection with the Patna University and Hon'ble Members are aware of the great differences of opinion that existed on all these various questions. A compromise was no doubt arrived at with reference to the Patna University, but that was a compromise which, though accepted no doubt by the representatives of Bihar here, official and non-official, was unacceptable to the representatives of other universities with reference to other universities. The result was that we felt that these questions required very careful consideration; at that time the Calcutta Commission was appointed. Even with reference to the Patna University the question arose whether it would not be wise to defer the consideration of the Patna University scheme pending the report of the Calcutta Commission. In those circumstances, the Government felt that it would not be right to go on pending the report of the Calcutta Commission who were expected to deal with all those questions. Further, we also hoped that we might be able to submit the Nagpur University scheme, if not to all the members of the Calcutta Commission, to some members at least. Therefore, we have put it off till the receipt of the report from them. That is the reason of the delay. We have already, as Hon'ble Members are aware, made provision for the acquisition of a site for the university. We have allowed the Chief Commissioner the amount which was required by him for the acquisition of

that site. Whether any additional sum would be required, as my Hon'ble friend seems to think, I am not now in a position to say. At any rate the Chief Commissioner has not asked for any increased grant. The Hon'ble Members will, in these circumstances, agree with me that so far as this Government is concerned, we have given indications of our earnest desire to go on with the establishment of the university. I assure them that the Government will do all they legitimately can to establish the university at an early date. With this assurance I trust the Hon'ble Member will be satisfied and will see his way to withdraw his Resolution. There are technical difficulties with regard to the Resolution as he has put it forward, but I do not want to refer to them. If, however, he wishes to press the matter to a division, then I have to oppose the Resolution."

The Hon'ble Rai Bahadur B. D. Shukul :—"Sir, I thank the Hon'ble Member in charge of Education for his relating the short history of the whole scheme as it now stands, and, in view of the definite assurances given by him and the situation explained, I beg to withdraw my Resolution. I do not mean to press it."

The Resolution was, by leave of the Council, withdrawn.

THE FINANCIAL STATEMENT, 1918-19.

The Hon'ble Sir George Barnes introduced the following heads of the Financial Statement for 1918-19 :—

Revenue.	*Expenditure.*
Salt.	Salt.
Excise.	Excise.
Posts and Telegraphs.	Customs.
Stationery and Printing.	Posts and Telegraphs.
State Railways.	Stationery and Printing.
Subsidised Companies.	Protective Works, Railways.
	Subsidised Companies.
	Miscellaneous Railway Expenditure.
	Capital outlay on State Railways.

"Sir, I beg to introduce the heads of the Financial Statement for 1918-19 which stand below my name. As has been the practice in former years, I will ask my Hon'ble friend, the President of the Railway Board, to deal generally with the subject of Railways. I cannot, however, pass railways by without emphasising the great importance of the special reserve fund of £20 million sterling which is being made this year. This provision will enable us to embark on fresh railway construction directly materials are available. I know that my friend Sir Hugh Bray regards this 20 million sterling as an inverted form of conscience money, and doubtless he also regards the provision for railways in the coming year as a very meagre one. I agree that it is meagre, but it is not meagre because of any stinginess on the part of our Finance Member, but owing to the necessities of the position. My instructions to the Railway Board were to frame estimates for the coming year up to the maximum which could be spent with advantage. The figure which appears in my Hon'ble Colleague's Financial Statement represents the whole of what we are able to spend. My Hon'ble Colleague has been anxious to help the railways to spend all that they can usefully spend, and I know that it has been a great disappointment to him—perhaps the only disappointment,—that owing to the war we have not been able to make more rapid progress with railway development in India. The Government as a whole fully realise that the building of more railways in India is vital to the best interests of this country.

"To turn then to the subject of Posts and Telegraphs, I do not propose to weary Council with any repetition of the figures which have already been laid before them, but I think that it would interest Council to know the very heavy calls which have been made on the Department in connection with the war and to be told of the large number of the postal and telegraph staffs who are

at present serving in the field. It has been with the utmost difficulty that the Director-General of Posts and Telegraphs has been able to comply with the very heavy demands which have been made upon him. At present the total postal establishment with the various Expeditionary Forces consists of 23 Supervising Officers, 756 postmasters, inspectors and clerks and 659 menials, while there are 127 field post offices. The number of field post offices a year ago was 112.

" With the great increase of work both in the field and in India, it has been found that the General Post Office at Bombay is no longer able to combine its ordinary functions with that of Chief Base Office, and a separate Base Post Office for overseas forces has had to be opened there. It may also interest Council to hear one of the results of the curtailment of shipping facilities owing to the shortage of tonnage. The result to which I refer is the increased recourse which has been had to the foreign parcel post to some places, owing to the lack of tonnage. In some directions the use of the parcel post has expanded far beyond its legitimate scope. The abuse became so serious that in some cases restrictions had to be imposed. As an instance of the way in which the parcels post is used, I may mention that on one occasion a single individual in Basrah by a single post received 5,101 parcels from India weighing altogether 24 tons.

" Demands on the Telegraph Branch have continued to be heavy throughout the year, but I am glad to be able to say that these have at all times been met, although generally with considerable difficulty. At present roughly 2,500 members of the engineering and 700 of the traffic staff are working with the various Expeditionary Forces. The chief of these of course is Mesopotamia. As I mentioned last year, the unit charge for ordinary Inland telegrams was raised from 6 to 8 annas. This had the desired effect of checking the rate of expansion of the traffic, but notwithstanding this, the traffic has shown a small increase over the figures for the corresponding period last year This has imposed a severe strain on the operative staff of the Department, and I can safely assert that had not the rate of increase of traffic been checked by the enhanced tariff, it would have been impossible to have had it dealt with efficiently by the staff, depleted as it is by the large number of men who have been deputed on field service. As regards engineering work during the year, in accordance with the policy which has been in force since early in war, no extra lines have been erected when these could possibly be deferred, but it was found that some additional lines were required in various parts of the country for the prompt disposal of the increased traffic, and that the provision of these could not with safety be postponed any longer. Accordingly, a certain number of important lines have been sanctioned, and their erection is now nearly complete. From the foregoing it will be seen that, notwithstanding the adverse circumstances, the record of the Department has been one of continued progress and the volume of the work has continued to expand. For this the staff of all grades deserve the greatest credit, and the way in which they continued to carry out their duties merits the highest praise Government decided, I am glad to say, to ask the sanction of the Secretary of State to the grant of the same bonus to the staff of the Post Office and Telegraph Department as was given to the railways, and I am glad to say that the recommendation has been accepted. These two Departments have earned this special consideration by reason of the strain imposed on them ever since the war started.

" In particular, I should like to call the attention of Council to the good work done by Sir William Maxwell throughout the year in successfully meeting the extraordinary demands which have been made on the Post and Telegraph service not only in India, but throughout Mesopotamia. It is difficut to exaggerate the burden which has fallen on him in this respect and in the work of piloting the Department through a time of great stress and strain. I am only sorry that owing to sickness he is not here in his place to-day to hear what the Government, and I am sure all of you, think of his services.

" I turn now to the next item on the list, that of salt.

" In dealing with the subject of salt, I unfortunately find myself in the same position as I was last year in stating that one of our principal anxieties has arisen from the abnormally high prices which have prevailed. The rise in

prices is no doubt due mainly to a curtailment of the normal supplies of foreign salt owing to tonnage difficulties. This, however, by no means accounts for the very rapid and speculative rise which took place in November and December last. We have taken every practical measure to cope with the situation. The first steps taken were steps in the direction of increasing the supply of salt, and with this end in view we secured rather more than a year ago what we believed was the best advice to be obtained in India, namely, that of Mr. Glen George, a highly skilled colliery engineer. Mr. Glen George gave us a very valuable report showing how the output of the Khewra mine could be increased with safety to the mine, and I may add that his services were generously placed at our disposal without remuneration by Messrs. Yule of Calcutta. Mr. Glen George's report has since been acted upon, and I myself paid a visit to the mine in October last. I hope that the net result of the improvements which have been made and are being made will be to double the previous output by the middle of next month. Apart from the Khewra mine, the largest internal supply of salt for Northern India has been the Sambhar Lake in Rajputana. In this case, unfortunately, there is no possibility of increasing the output this year owing to the heavy floods of the last monsoon and the consequent difficulties of evaporation. Apart from internal supplies, we are endeavouring to secure the assistance of the Shipping Controller in providing tonnage for increased supplies of salt from Aden and Port Said. In order to meet the efforts of the speculators in salt, we took powers last November to give priority at the salt mines and at the Sambhar Lake to indents by any local authority, and we wrote to the various Local Governments concerned urging that salt depôts should be established for the sale of salt at reasonable prices. In consequence of this suggestion, salt depôts have been opened by many of the Local Governments, and I think that you may find an example in Delhi of a depôt opened by my Hon'ble friend, Mr. Hailey, the Chief Commissioner. We have further taken powers to control the price of salt, where necessary, in the interests of public safety, and these have already been acted upon in the Presidency of Bengal. The result of these steps has been a welcome fall in the price of salt throughout the country. We all recognise how important the price of salt is, and no efforts will be spared to keep the price of salt down to a reasonable level.

"The question of the high price of salt leads me on to the high prices of other commodities. I know that Hon'ble Members take a deep interest in the difficulties which are being felt by the poorer classes on account of the high prices of cotton cloth. The Government of India have been considering this difficult question with anxiety and this anxiety has been increased by the recent outburst of speculation in raw cotton. Any control of prices, the Government feel, can only be carried out with the co-operation of the persons interested in the trade, and with that end in view, Government have appointed a Committee consisting of :—

1. Mr. R. H. Brooke of the Bombay Company.
2. Mr. N. B. Saklatwala of Messrs. Tata Sons and Company.
3. The Hon'ble Purushottam Thakurdass.
4. Mr. C. N. Wadia.
5. Mr. Mangaldass Girdhardass.
6. Mr. J. P. Chrystal of Messrs. Chrystal and Company.
7. Mr. Pestonji N. Masani of Messrs. Masani and Company.
8. Sir Bezonjee Dadabhoy Mehta of the Empress Mills, Nagpur.
9. Mr. Thomas Smith, Managing Director of the Muir Mills Company, Cawnpore.
10. Sir Clement Simpson of the Buckingham Mill Company, Madras.

Mr. Silver, Controller of Textile Supplies with the Munitions Board, and formerly Director of Industries in the United Provinces, will also be asked to join the Committee. The Committee will be presided over by an officer to be appointed by the Government of Bombay, and will begin their sittings in Bombay as soon as possible, and will among other things advise Government

whether it is possible to fix a scale of mills charges for cotton piece-goods, and whether for this purpose it will be necessary or practicable to control in any way the price of, or operations in, raw cotton.

"In conclusion, there is one point to which, I think, I ought to draw the attention of Council in relation to the Customs figures. You will notice a reduction in the estimated receipts from Land Customs. This, though of no financial importance, has a certain significance, as it is mainly due to the abolition of the Kathiawar Land Customs Line—a change which has long been supported by several members of this Council. The Kathiawar Customs barrier has been a long-standing question of considerable difficulty, and I personally welcome its final disappearance, and am confident that the action which has been taken will be a considerable step forward in advancing the industry and commerce of the Kathiawar States. Passing to the more important figures of the Customs estimates, we all realise the effect upon our import and export trade of freight difficulties and of the restrictions which it has been found necessary to impose for military reasons. I do not, however, wish to pass from the subject without once more paying a tribute to the patriotic and ungrudging spirit in which all these restrictions have been accepted, and all these difficulties have been faced by the commercial community in this country. It is right too to express again my appreciation of the work of the Customs staff of all ranks upon whose shoulders a heavy burden of work and responsibility has been thrown."

The Hon'ble Sir Robert Gillan:—"Sir, for the reason just stated by the Hon'ble Sir George Barnes the Financial Statement with which we are now dealing is one of great interest and importance to railways. The Hon'ble Finance Member has always been most sympathetic to the development of railways in India. He has recognised, as every one must, the severe disability under which the railways have recently been placed inevitably as regards development. But he has not been satisfied with recognising a fact: he has provided a remedy. By reason of the reserve which he is laying by, railways and trade equally will view with more equanimity a difficult future.

"In the general debate, so far as railways are concerned, which arose out of the Financial Statement, two matters mainly emerge.

"The first is the enhancement of passenger fares, but as this has been made the subject of a separate Resolution, it is not necessary for me to deal with it now. I should like to refer to the second which is the development in this country of railway industries. As I explained in speaking on a Resolution moved by the Hon'ble Mr. Sastri railways have in the past been hampered by the defective development in India of what from their point of view are the primary industries. But our hopes for the future are bright; we shall shortly get in the country the different kinds of steel which we require, plates and so on, and railways, I am sure, will do their utmost to take advantage of the change in the situation and develop the industries which this change makes possible. We have recently given a substantial indication of our desire to move in this direction by making the announcement to which I am glad that the Hon'ble the Maharaja of Kasimbazar referred, of a guarantee of 3,000 wagons a year to be built in India for ten years. We hope that this guarantee will enable the wagon industry to be established on a firm foundation in India.

"But now, Sir, to turn from our recent debate I venture to hope that I may be permitted on this occasion to deal with the subject of Railways in rather a special manner. The position of railways at the present time is altogether special, and I should like to take the opportunity of explaining it.

"In the first place, it is obvious that railways could not before the war have equipped themselves for duties which it had never been foreseen that they might be called on to perform. If there was want of foresight in this respect it is scarcely the railways that can be blamed for it: the fault, if fault there was, is common to the whole Empire. But apart from this I desire to lay stress on the fact that the railways are not merely what they have been made in say the last ten years. The materials in them and their rolling stock may be five years old

or thirty; their administrative methods may go back a long time or may be recent improvements. But while there has been enormous growth there has been continuity. In the matter of personnel particularly, which is of supreme importance, if we are to understand the railway position, we must remember that railways are rather what they have made themselves in the last 50 years. The railway staff have inherited an ancient and honourable tradition.

"Now we have to consider how railways have met the present crisis. A review which I saw in a newspaper the other day, of our Administration Report, was headed in large letters 'Splendid war work.' That is the kind of appreciation which railways value in the midst of many discouragements and disappointments. To understand the part that our railways have played in the war we must not confine our views to India; we must look, I was going to say, over almost a hemisphere—Mesopotamia, Palestine and East Africa. In Mesopotamia the railways are Indian, lock, stock and barrel; in Palestine the rails that have taken the line as we were told the other day as far as Jerusalem are Indian rails; and much stock and material has gone to East Africa also. In the matter of personnel also, and it is on personnel throughout that I wish to lay stress, we have given much help. Altogether railways can well claim that their share has been one of the most considerable items in India's contribution to the war.

"Next as regards the internal situation. Sir, it gave me much pleasure to hear the other day the handsome compliment which the Hon'ble Finance Member paid to railways in this Council. On behalf of our railways, I thank him for it. I can best illustrate his statement in which he said that the railways have rendered splendid service by a reference to our revenue figures.

"The Accountant General, Railways, told me that not many years ago he consulted a railway officer about the estimate he was making of the Railway Revenue in the coming year. The officer who was a very capable and experienced man said that he thought the Accountant General's figure was excessive, because railways simply would be unable to carry so much traffic, the figure in question was 56 lakhs, and the estimate for next year is 70 lakhs, a clear addition of no less than 25 per cent. ....."

The Hon'ble Sir William Meyer:—"My friend means crores, does he not?"

The Hon'ble Sir Robert Gillan:—"I beg your pardon, 56 crores and 70 crores. I think the results have fairly astonished railway men themselves. They have been achieved by unremitting attention directed to ease the position wherever the pressure of traffic indicated a want of capacity; they have been accomplished only by the exercise of much ingenuity and above everything else by sheer hard work. And hitherto the railways have been able to claim—not indeed that there have been no inconveniences—I do not wish in any way to minimise the inconveniences which have been great, but that they have in one way or another taken all the traffic that came. In the last Administration Report the Board said: 'On no occasion, whether called on to undertake an entirely new work such as the manufacture of shell, to carry out against time the construction of new railways or to deal with a sudden press of essential traffic, have the railways failed to do what was required of them.' I am jealous that railways should not now lose credit, because requirements are rising to a point which constitutes an impossible demand on them. The primary fact which is well recognised no doubt, but which must be emphasised for any proper understanding of the position, is that immediately on the outbreak of the war the withdrawal of shipping threw on to the railways a very large amount of traffic which used to go by sea. We dealt with the position by giving preference to certain classes of traffic, coal, military stores, and so on; other traffic had to move when it could, but in spite of interruptions and inconveniences, the system worked because there was on the whole room for other traffic. The shipping difficulties, however, have gone on increasing, and the preferential traffic is constantly growing till now there is *not* room. A new situation is thus created, and I cannot conceal from the Council that there are very difficult times ahead of us. For this situation there is no heroic remedy

possible. We are trying to meet it in three directions. In the first place, the departments of Government concerned are effecting all possible economies in preferential traffic. This is a very large matter, involving in fact, as the Council will recognise, the co-ordination of requirements with the sources of supply so as to require the minimum amount of railway transportation. Secondly, we have consulted Local Governments with the idea of setting up a provincial machinery which will enable railways to discriminate the essential movements in what we have hitherto regarded as general traffic, for such movements must under the conditions which we have now to face be given a definite and in fact a high degree of preference; on the other hand, they may be able to eliminate other movements as unnecessary. Lastly, the conditions which have now arisen justify us in pressing again and more strongly either for relief to be given to railways by the provision of a certain amount of more shipping or by the provision of more rolling stock. Under this last head, we must acknowledge that the difficulties are extreme, but we may hope that something will be found possible. I do not pretend that our difficulties will be removed; on the contrary, I must say plainly that they will increase and become more and more acute as time goes on. But when troubles come as they must come, let us remember this. It would be absurd of me to talk of railways adopting a selfish policy, or, on the other hand, of sacrificing their interests. It is a matter quite obviously not of railway policy, not even of Government of India policy, but of Empire policy. We have taken and hold Baghdad, we have taken and hold Jerusalem. These are truly Koh-i-Noors added to the Crown of Empire. Soldiers won them, but it was the railway man—the Indian railway man—who helped the soldiers.

"In conclusion, may I go back to the railway staff. The machine is much, but it is the men behind the machine that counts, and it is the question of staff which therefore is paramount. I may begin with a railway man who has got to the very top. I saw a paragraph about him the other day in a newspaper. It was headed the Geddes Family:

"'A painful impression,' it said, has been created by a revelation which comes from Scotland. It appears that in that gifted country there is another Geddes brother who is not a member of the Government or even the chief of any administrative commission! He is merely plain Mr. Geddes, the head of a large mercantile concern. How,' it is justly urged, 'can we expect to win the war if we neglect the obvious precautions for national safety?'

Sir Eric Geddes truly has had an astonishing career. It is not as if he had been a Member of the Railway Board or even the Agent of a railway; he was Traffic Manager on the Rohilkund and Kumaon Railway. But Sir Eric Geddes is only one example, there is General Nash who was Secretary to the Agent, East Indian Railway, and who, if not so well known to the public, has in the Railway Administration in France followed close behind Sir Eric Geddes. Then there are numerous Royal Engineer Officers, who have distinguished themselves in the same field of work, and if these officers belong to a world-wide corps, the fact remains that they got all their railway training in India, and it is a matter of much satisfaction that they should in competition with the best men from Home have so distinguished themselves. Nor are Railway Officers without honour in their own country. When a Munitions Board is formed Sir A. Anderson has to be one of its Members. When control over coal becomes necessary Mr. Godfrey is the man chosen for an extremely important and difficult task. But I can mention only a few names, and we have to think of the whole great army of hundreds of thousands of railway workers throughout India under all their officers. It is these men who bear the burden and heat of the day and deserve the credit of whatever railways have been able to achieve, whether on war work proper or railway working. As regards war work, I may take as an example the East Indian Railway, since within the last few days I have received a fresh copy of their list of officers and men serving in the war. This shows a total of 663 men, on active service, on Government service in East Africa or Mesopotamia and on Munitions work. I congratulate my friend to my right that in this fine list there are five Banerjees. Of these East Indian Railway men 16 have been killed in action, 20 wounded, 15 died; 2 have received the D. S. O., 6 the Military Cross, 1 the D. C. M., 6 have been

mentioned in despatches; 26 received commissions in the British Army, 41 in the I. A. R. O. Thus our railway men are in touch with the heart-shaking events of war. Many of their comrades, many of their relatives have gone to the front. As regards railway working tne Board said in their Administration Report—

'The results are a tribute to the efficiency of the staff as a whole and were rendered possible only by the co-operation of all ranks from the highest to the lowest. The Railway Board desire therefore to conclude their report with an acknowledgment of the devotion to duty of all grades of the railway staff and of the success they have attained.'

"Let me add a reference to what I said at the beginning of my speech. An army is worth nothing without morale, but the Indian railway staff have inherited as I said an ancient and honourable tradition. That tradition they have throughout times of extreme stress and difficulty nobly maintained. As one who has intimate knowledge of all the facts I claim that Government, India and the Empire owe to this staff a great debt of gratitude."

RESOLUTION *RE* REDUCTION OF RAILWAY FARES.

The Hon'ble Pandit M. M. Malaviya:—"Sir, I beg to move the following Resolution, namely, that—

'This Council recommends to the Governor General in Council that he should be pleased to direct the Railway Board to order the withdrawal of the enhancements made during the year 1917 in the rates of the passenger fare over the Indian Railways.'

"It will be obvious, Sir, that my Resolution confines itself to the enhancements made during the year 1917 in passenger fares. I do not refer here at all to the Freight Tax or any other profits which have been made during the last year in addition to those which were expected. The enhancements to which my Resolution refers were introduced, as I said in my speech at the first stage of the financial discussion, on the ground that they were necessary to discourage travelling. I pointed out that it was not necessary in order to achieve that object to enhance the rates, as that object had been partly achieved by the curtailment of the train services and could be further achieved by a restriction on the issue of tickets and, where necessary, by return of the fares which people might have paid for tickets when they could not obtain accommodation in the trains. I do not know, Sir, upon what ground it could be justified, but so far as I can see the reason which has been assigned for it certainly did not in my opinion justify the enhancement of fares. Now what has been the result of the enhancement? We find it stated at page 91 of the Financial Statement that while 62 crores was budgetted as the estimate for last year, the result has proved more favourable, and the revised estimate was placed at 68·25 crores; and now we have the estimate for the next year at 70·50 crores. This substantial improvement, the Statement explains, occurred on almost all the principal railways, and was due mainly to larger receipts from the carriage of troops and military stores and from wheat and coal traffic. But the enhancement of rates and the withdrawal of concessions have also contributed to a certain extent towards the railway earnings of the current year. Owing to the courtesy of the Hon'ble Sir Robert Gillan, I hold in my hand an abstract showing what amount of increase has been earned by railways on account of these enhancements. The result shows that, as compared with the corresponding period of the previous year (1915-1916), the third class shows a decrease of 29 million passengers, or 13·95 per cent. in the earnings. Taking the whole of the passenger traffic in all the four classes there was a decrease of 36·70 millions in the number of passengers, of which 80 per cent. was in the third class; while the earnings showed an increase of 61·92 lakhs, of which 5·8 per cent. was contributed by the third class.

"Now, Sir, the third-class passenger, as I showed the other day, contributes largely to the profits of the railways, and I showed that he has been contributing to a very large extent compared to the expenditure incurred on his behalf by the railways. Even when you take account of the interest charges and of the Sinking Fund, the profits earned are not unsatisfactory. But the

result of this further enhancement has been that 61·92 lakhs, of which 95·8 per cent. came from the third class passenger, has been taken from the pockets of the travelling public and added to the revenues of Government. A further result of this has been that, while the larger portion of the revenue has come to Government, we read in the Financial Statement at page 91 that under surplus profits paid to the companies there was an increase of 11 lakhs due to the profits earned in the second-half of the current year, payment of which will be made next year. While, therefore, the larger portion of the profits has come to Government, a very substantial portion has been added to the profits of companies owing to the enhancements effected in passenger fares. I do not see, Sir, how these enhancements were justified, and it seems to me that they ought to be discontinued in the next year. It has never been said that this was done with the object of obtaining greater revenues; and if it was not, but merely results in larger revenues being obtained, then the matter ought to be re-examined. What was earned last year was earned; but during the present year, both in view of the surplus in hand, and in view of the fact that it is not necessary, in order to discourage people from travelling, to keep up these enhancements, they should be withdrawn.

"If that is my objection to the enhancements already effected I have also an objection to the manner in which it was done. The Railway Act does not, so far as I can see, provide or lay down any rules by which the rates of fares should be determined. Neither the Act nor the rules made under section 47 contains anything as to who should fix the rates and rules for passengers, etc. In the contracts which have been entered into by Government with companies there is a provision fixing the maxima and the minima rates. I may refer, for instance, to the latest provision that is to be found in the contract between the Secretary of State in Council of India and the South Indian Railway Company, dated 21st December 1910. There it is laid down that:

'The Secretary of State shall from time to time authorise maximum and minimum rates within which the Company shall be entitled to charge the public for services rendered by way of or in connection with the conveyance of passengers or goods on the undertaking and shall prescribe the several classes and descriptions of passengers and goods to which such rates shall be respectively applicable, as well as the extent to which, within the maxima and minima so authorised, the Company may vary the said rates in respect of the distance or weight or special conditions under which such conveyance takes place or services are rendered.'

"I should like to know, Sir,—I hope the Hon'ble President of the Railway Board will tell us something of the procedure by which the variations between the maximum and minimum rates are secured. Evidently what happened, so far as the report of the Railway Board shows, was that the Railway Board felt that traffic should be discouraged, and they held a meeting at which they agreed that as a general principle fares and rates should be enhanced to their maximum in order to discourage travelling with a view to avoiding overcrowding and curtailing train services, and at a subsequent meeting they brought about these enhancements. I should like to know whether the matter was considered only by the Railway Board, or whether the Executive Government were also asked to consider the matter and accorded their sanction to the proposal. It seems to me, Sir, that the procedure by which this enhancement has been brought about, and can be brought about, is open to great objection, because here it is in the power of the Railway Board, acting in consultation with the Agents of the Railway Companies, to impose what undoubtedly is a great deal of extra taxation on the people. I quoted the other day the opinion of Major Conway Gordon, who said that any amount taken in excess of what was required was undoubtedly extra taxation; and I submit that here we find the Railway Board, either with the consent or without the consent, of the Executive Government, imposing a very heavy extra taxation without the matter at all coming before the Legislative Council and without the public who are concerned in the enhancement of these fares being given any opportunity to have any say about the matter. In the matter of freights, Sir, as there is no provision about the increase of freights in the Railway Act, I find that the Government felt it necessary last year to have an Act passed, and the Freights Tax Act—or rather, the Railway and Steam Vessel Tax Act, XIII of 1917, was

accordingly passed to enable the railways to take a surcharge on the goods traffic.

"Well, that was a matter of surcharge and they may have felt that there was a special necessity for having legislation on that point. But I do not see why there should not be some provision in regard to the enhancement of fares. In England, there is a provision in the Railway and Canal Traffic Act, 1888, in regard to proposed increases in reference to goods traffic, and it is provided that the revised classification should not come into force unless it has been enacted by the Houses of Parliament. The provision shows that the Act of Parliament confirming any provisional order which the Commissioners under the Act are authorised to pass shall be a public general Act, and the rates and charges mentioned in the Provisional Order as confirmed by such Act shall, from and after the Act coming into operation, be the rates and charges which the railway company shall be entitled to charge and make. When the Provisional Order is passed, the public have an opportunity of having their say as to whether the proposed enhancements are right and proper, and then the matter comes up before Parliament before those increased rates and charges can be brought into operation. I think, Sir, that there should be some such provision in our Railway Act, too. But, however, at present I am speaking without full knowledge of what procedure was adopted in those circumstances. I hope my friend, the President of the Railway Board, will enlighten the Council on this point. In any event, so far as the present enhancements are concerned, I would ask the Finance Member of the Government to consider whether the enhancement should not be withdrawn in the next year."

The Hon'ble Sir George Barnes:—"Sir, my Hon'ble friend, the President of the Railway Board, has dealt with the heading of railways to-day, but he tells me that he feels a delicacy in replying to the Hon'ble Pandit Madan Mohan Malaviya's Resolution because of the way in which it is framed. The Resolution, you will notice, asks that directions should be given to the Railway Board by the Government, and consequently it is, perhaps, better that the resolution should be dealt with by myself. I will, however, ask the Hon'ble Sir Robert Gillan to say a few words about the legal aspect of the matter to which the Hon'ble Pandit referred just now. The Resolution asks 'that the Railway Board should be directed to order the withdrawal of the enhancement made during the year 1917 in the rates of the passenger fares over the Indian railways.' The great fact we have to keep in mind is that owing to the heavy demands which are made upon railways as some of the results of the present war, they are unable to carry all the traffic which is offered. This is partly due to the fact that coal which was formerly carried from Calcutta to Bombay and Karachi by sea has now to be taken across India in railway wagons. As His Excellency informed Council in his opening speech, no less than 40,000 wagons are continually occupied in this way. There are further heavy demands of a purely military character, and we are at the present time unable to carry by railway a great deal of merchandise which is necessary for the comfort and well-being of the people of this country. In these circumstances, we decided to take the step which is being taken in England and France in a far more drastic way and cut down our passenger service to some extent. The subject was thoroughly discussed with the different railways, and reductions were made which finally amounted to 16 million train miles a year, that is over a million and a quarter train miles per month. The reduction in capacity, however, was not so much as these figures would indicate, for if the trains were fewer, they were heavier, being run at reduced speeds with heavier loads. There was, however, of course a large reduction in capacity. It was impossible for Government to accept the situation in which it was certain that the trains would be besieged by passengers far beyond the capacity of railways to carry them; not only in such conditions would there be great inconvenience to everyone desiring to use the railways, but the risk of serious accidents. It was essential in the circumstances to reduce travel, and the Government took the only economic step at their disposal, namely, that of slightly enhancing the fares. The measures taken have been in some degree effective. In the half year ending 30th September 1917—the latest figures which I have—

the number of third class passengers on 14 of the principal lines was 30 million less than in the corresponding half of 1916. But, in spite of this reduction, there has, I regret to think, been serious overcrowding. The number of people wishing to travel has not been reduced in proportion to the capacity of the trains to carry them. The Hon'ble Pandit, if I follow his argument rightly, says—

'Your object in enhancing the fares was not to make revenue, but you have made revenue, and therefore you ought to withdraw the enhancement.'

I must point out to him that if fares were now to be reduced to their old level, we should immediately be faced with the difficulties I have described. I recognise fully the inconvenience to which the public travelling in every class are put at the present time. As the Hon'ble Mr. Surendra Nath Bannerjea said the other day, we have increased the fares while reducing facilities, but I hope that it will be clear to him from what I have said that the two things really go together. I recognise also the hardship involved in an enhancement of fares to the poorer classes of the community. It was in fact a measure to which we were only with reluctance brought, but it is a necessity of the war, and in this connection I should like to point out that India in the way of travelling facilities as in every other way is suffering far less than any part of Europe and than any of our Allies with the exception perhaps of Japan. I regret, Sir, that it is not possible for Government to accept this Resolution."

The Hon'ble Sir Robert Gillan:—"Sir, as desired by the Hon'ble Sir George Barnes, I may say a few words with regard to the point that was raised by the Hon'ble Pandit. It seems to me that he was really raising in his speech the very largest constitutional questions. He desires, as I understand him, that the maximum rates and fares should be fixed by legislation. That seems to me....."

The Hon'ble Pandit M. M. Malaviya:—"May I interrupt my Hon'ble friend, Sir. I did not say that the maxima should be fixed by legislation. I said that there should be a provision that when fares are raised, it should be by legislation."

The Hon'ble Sir Robert Gillan:—"It seems to me to be very much the same thing. And at any rate it seems to be irrelevant to the present discussion. The method under which fares are dealt with at present may in the Hon'ble Pandit's view be objectionable; but there is no question about its legality. As he read out to us, the companies are restricted in dealing with rates and fares within certain maxima which are fixed by Government, and it is naturally within the power of Government to enhance these maxima when they consider it necessary. I should like to add that the increase of the maxima in regard to the third class was in fact a very small matter. We allowed the maximum to be raised only for mail and fast passenger trains, because some of the Agents considered that that would be desirable. Other Agents have met the difficulty by not allowing intermediate and third class passengers to travel by mail and fast passenger trains who are going for less than a certain distance, and there is in fact only one Company, the Great Indian Peninsula, who to some extent have taken advantage of the opportunity to raise their fares and they have introduced for trains of this kind a fare of 3½ pies instead of 3 pies which was the old maximum."

The Hon'ble Pandit M. M. Malaviya:—"With regard, Sir, to the remarks which my Hon'ble friend the Member for Commerce and Industry has made, I wish to emphasise that I do not complain of the curtailment of the train services. I recognise that in war time curtailment of the train services is necessary. My complaint is that when the services were curtailed, it was not necessary to enhance the rates in order to prevent over-crowding. The

Hon'ble Member himself has said that in spite of the enhancements made there has been a great deal of over-crowding. Now the method that has been adopted to remedy over-crowding shows that enhancements were not necessary to effect that object, nor have they been successful in doing so. The means to remedy over-crowding are provided in the Act and in the Regulations of Railways. A certain number of seats are to be occupied in every compartment. Why not enforce that provision? The accommodation is limited in every train, and if the Railway authorities will take a little care they would be able to see that the number of men that can find accommodation in the trains do really enter. There has been a sore complaint for a long time that there has been a great deal of over-crowding. I am sure the Hon'ble Member for Commerce and Industry and other Members of the Government will have read the letter of Mr. Gandhi which was recently published on that question. It is necessary that over-crowding should be prevented, and in order to do so what is needed is to issue strict instructions to the railway authorities in order to see that there is no over-crowding. Enhancement of the fares was not necessary to attain that object, and it has not been able to achieve that object.

"Then, Sir, with regard to what the Hon'ble Member said that 30 millions of people travelled less, I submit that here again it was not on account of the enhancement, but it was because there were no trains available.

"Then my friend said the complaint is that if the revenue were given up now, the difficulties which he has mentioned of over-crowding would arise again. I submit they would not. Try it, and you will find that when the number of trains is limited, when the compartments are limited, there cannot be too much of an over-crowding, particularly if you take steps to prevent it.

"Then the Hon'ble Member said that India was suffering far less than the allied countries. Now, I do not dispute that, but India is suffering to the extent that she is, and she certainly does not want to see more suffering. The question is whether in view of the high prices that prevail, whether in view of the great hardships which are already being suffered by the great bulk of the people of this country owing to the war, it is right and proper that so much more should be added to their suffering by the enhancements in question. Nobody can deny, and I am sure the Hon'ble Member for Commerce and Industry will not deny, that the people in general are undergoing very serious hardships. It is lucky that the hardships are not of the same severity as in other allied countries, but that does not afford any justification for adding to their discomforts in a way which is not justified by the requirements of the public. If it was necessary to raise a larger revenue, and if the matter was taken up by Government from that point of view, I could understand it; but, I submit, that these enhancements were necessary in order to discourage traffic has not been shown in any way. If that is so, then I submit the enhancements should be withdrawn.

"Then the Hon'ble Sir Robert Gillan referred to the difficulties in the way. Now I should first like to ask my Hon'ble friend as to where was the necessity of raising the maxima? I submit that there was no necessity for the maxima being enhanced. That has given rise to a fear that there may be a further enhancement in contemplation, or that it may be resorted to in the future when it is felt that the enhancements already effected are not sufficient to discourage traffic. I should like to know where the necessity for these further enhancements of this maxima was.

"Then, Sir, my friend has spoken of the procedure and said that I have raised a large constitutional issue. Undoubtedly I have. At a time like this when the people are suffering various hardships on account of the war, sufferings which are not unknown and which cannot be unknown to any thinking man in this country, it should not be possible by an executive order to add to the sufferings of the people by taking from them 61 and odd lakhs in one half year from Railways. I do not know what the total will come to. 61 and odd lakhs is only the revenue of one half year, the first half year in which the enhancements were in operation. Probably in the next half year the

earnings have been greater. In fact I find it stated in the Statement in paragraph 169 of the budget 'it is anticipated that the favourable conditions of traffic which have contributed so largely to the earnings of the current year will be fully maintained in the ensuing year and that the enhancements of fares and rates introduced for the most part during 1917 will in 1918-19 affect the rates of the whole year, and consequently add more to the total of receipts than they have done this year.'

"Now, I submit, Sir, that this should not be possible, and that if it is not right that it should be so done, then the Government should not sanction the enhancements. My friend has not answered the questions that I put as to how this was actually effected. I did not suggest that it was illegal. I suggested that it was objectionable, and I look forward to hearing that the matter had been considered not merely by the Railway Board, but by the Government of India before the enhancements were sanctioned. In any event as I said before, I submit that the matter ought to be reconsidered and these enhancements should be removed."

The Resolution was put and negatived.

THE FINANCIAL STATEMENT, 1918-19.

The Hon'ble Sir William Vincent introduced the following heads of the Financial Statement for 1918-19 :—

Revenue.	*Expenditure.*
Registration.	Registration.
Jails.	General Administration.
Police.	Courts of Law.
Medical.	Jails.
	Police.
	Medical.

"Sir, I do not propose to deal at any great length with the heads of the budget with which the Home Department is directly connected. There is very little for me to say, and the variations in the figures are made clear in the explanatory memorandum.

"Under the head of Law and Justice, the number of Judges in some of our High Courts and Chief Courts has been increased in order to enable those Courts to cope with accumulated arrears. In two Provinces provision has also been made for the re-organization of the pay and grading of the process-serving establishment.

"Under the head of Police, however, I should like to draw attention to one or two points. We are steadily pursuing the policy which has been developed in the last few years of improving, where necessary, the pay and the prospects of the lower ranks. The various schemes provided in this connection are mentioned in the explanatory memorandum. The increased cost of living, and in the case of the military and frontier police, the superior attractions for the army have lately rendered service in these ranks less and less sought after, and in order to obtain recruits of the right stamp and to keep them efficient and contented, it is necessary to assure them of a living wage. With this object the sanction of the Secretary of State has recently been obtained to the grant of local and special allowances to Head Constables and Constables in the Bombay Presidency and City Police and to the police in Sind, and increased allowances have also been sanctioned for the Calcutta police.

"A feature of the several police re-organization schemes with which we have been and are dealing now is that successful efforts have been made

to meet the increased cost of salaries by economy in other directions, principally by a reduction of the personnel. We realise in fact that where it is possible it is better to have fewer constables and pay them well than maintain a larger number of men who are underpaid and discontented.

"The task of the police-force grows yearly heavier, and the current year has been no exception to that rule. I need only instance the troubles in Bihar to which reference was made by, I think, more than one Hon'ble Member. These disturbances have necessitated the entertainment of an additional police-force, but I am glad to say that we hope that this expenditure will be temporary.

"Another channel of expenditure under the head Police consists of grants made to philanthropic societies, notably the Salvation Army, to assist them in the reclamation of members of criminal tribes. This movement has been directed with considerable energy and success in more than one Province and is, we believe, resulting in the conversion of many hundreds of these criminal outcasts into honest and peaceful workers.

"In the Medical Department I am glad to say that, in spite of financial stringency and the ever-increasing difficulties of personnel, the administration continues slowly but steadily to expand. As will be seen, a considerable sum has been provided for expenditure on hospitals, dispensaries and grants-in-aid. My predecessor, in speaking under this head last year, made special reference to the very able control and direction of this Department by the late Director-General, Sir Pardey Lukis. And I should be guilty of a grave omission if I did not refer to the irreparable loss which the Department has suffered from Sir Pardey's untimely death. I do not wish to advert on this occasion to his great services and abilities; I have referred to them before and they are well known to all the Members of this Council. I think they will also not be forgotten readily, but I ought not to let this occasion pass without mentioning the great loss which, I believe, the Government and the Council have suffered by his death. I have nothing else with which I need trouble Hon'ble Members under any of the heads which concern me, except perhaps to express my regret that another year has brought the Jail Commission, in the projection of which my predecessor took such interest, no nearer than before. I hope, however, that we may expect great results from this Commission when it is constituted."

The Hon'ble Sir William Meyer:—"I beg to introduce the following heads of the Financial Statement for 1918-19:—

Revenue.	*Expenditure.*
Opium.	Refunds.
Interest.	Opium.
Mint.	Stamps.
Receipts in aid of superannuation.	Income Tax.
Exchange.	Interest on obligations other than the Public Debt.
Miscellaneous.	Mint.
	Civil Furlough and Absentee allowances.
	Superannuation Allowances and Pensions.
	Exchange.
	Miscellaneous.
	Reduction or Avoidance of Debt.

"I have dealt fully with the Financial estimates in my speech introducing the Financial Statement, and they have been further dealt with in the Secretary's Supplementary Memorandum. So all that I need do now is to take this opportunity of bringing to notice the excellent work which the Mints of Calcutta and Bombay have been doing during the last two years or more. The demands on these mints for coinage, not only of our rupees and other coins, but

of coinage for Egypt, Ceylon, the Straits and Australia, have been very heavy, but every demand has been met cheerfully and effectively. I may illustrate the extent of these demands, ours as well as the kindred countries I have mentioned, by stating that in the ten months ending 31st January last, the Calcutta Mint minted nearly 130 million silver pieces, the Bombay Mint over 136 million. The Calcutta Mint in addition coined 124 million bronze coins, of which rather more than 10 million were penny and half-penny pieces for the Australian Government. The copper coinage amounted to 3 million pieces for the Ceylon Government. The Bombay Mint, in addition to the silver coinage to which I have just referred, also minted some 52 million nickel coins. In all, the two mints between them minted nearly 450 million coins. Besides this the mints have taken their share in the production of munitions, having been engaged in the manufacture of copper driving bands for shells. I think the Council will agree that this is a first-class record."

Speech of the Honourable Finance Member

INTRODUCING THE

BUDGET FOR 1918-19.

I rise to present the Budget of the Government of India for 1918-19. The preliminary estimates which I laid before the Council on the 1st March have been revised in the light of our latest information. The Financial Secretary's Explanatory Memorandum has also been checked and brought up to date.

2. The final figures of the Revised Estimate for 1917-18 and of the Budget Estimate for 1918-19 are given in separate formal statements. The broad results of the revenue account are brought out in the table below in which I have also shown in brackets for convenience of comparison the figures (now superseded) which were given in the corresponding table appearing in paragraph 54 of my speech introducing the Financial Statement.

[In millions of pounds.]

	Budget, 1917-18.			Revised, 1917-18.			Budget, 1918-19.		
	Imperial.	Provincial.	**Total.**	**Imperial.**	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue . .	**66·420**	32·451	98·871	**76·563** (**76·677**)	33·361 (33·724)	109·924 (110·401)	**74·303** (**73·999**)	34·887 (34·348)	109·190 (108·347)
Expenditure . .	**66·284**	32·549	98·833	**70·852** (**70·852**)	31·523 (31·468)	102·375 (102·320)	**71·721** (**71·708**)	34·756 (34·443)	106·477 (106·151)
Surplus (+) or deficit (−).	**+·136**	—·098	+·038	**+5·711** (**+5·825**)	+1·838 (+2·256)	+7·549 (+8·081)	**+2·582** (**+2·291**)	+·131 (−·095)	+2·713 (+2·196)

3. The more important alterations in our figures occur under the entirely provincial or the 'divided' heads of revenue and expenditure. Thus, owing to the unsatisfactory conditions of the paddy market in Burma the Local Government has had to postpone land revenue collections to a considerable extent with the result that these are now expected to fall short of the previous estimates for the current year by £500,000, of which we anticipate that £400,000 will be realised during the course of next year. This affects both the Imperial and the Provincial estimates in each of the two years. There has been a similar postponement of a smaller amount, namely, £67,000, in Bombay. In the latter province, however, a large increase of £233,000 is now expected in the excise revenue for next year, against which we have allowed proposals made by the Local Government for additional expenditure mainly on education and sanitation. Under purely Imperial heads the largest changes in our estimates are an increase in the Customs revenue of about £76,000 in the current year, and £100,000 in the next year. I need not refer to other alterations as these are of relatively minor importance.

4. The net result of the above changes, in so far as the Imperial position is concerned, is to reduce the surplus for 1917-18 by £114,000 and to increase that for next year by £291,000, the surplus for 1918-19 now standing at £2,582,000. Of this latter improvement, however, about £183,000 represents revenue thrown forward from the current year, and £108,000 a real improvement.

5. These results would, so far as the ability to provide funds is concerned, permit the fulfilment of the conditional promise I made on the 9th instant with reference to a Resolution by my Hon'ble Friend Mr. Sarma, that if our final Budget figures justified it, we should be prepared to make a supplementary grant of £200,000 for technical and agricultural education. But, as I indicated on that occasion, the sanction of the India Office was also required, and though that has just been received, it has arrived too late to allow of the alteration in figures which the allotment of this sum would require. But I assure the Council that we shall make a

supplementary allotment as soon as possible, and thus furnish substantial evidence of the reality which we attach to our new procedure in respect of discussion of the Financial Statement.

6. In the case of the provinces there will be a reduction in the surplus for 1917-18 of £418,000, but on the other hand the estimated deficit of £95,000 for 1918-19 will be converted into a surplus of £131,000, there being thus an improvement of £226,000. Concurrently with this conversion of the collective provincial deficit into a surplus, provision has been made for increased provincial expenditure next year to the extent of £313,000, this increase occurring mainly in Bombay where, as already stated, we have allowed the Local Government to apply the anticipated increase of £233,000 in excise receipts next year to beneficent expenditure, including £100,000 on education, £67,000 on sanitation, and a like amount for grants to local bodies for other purposes. We have also allowed them to draw on their provincial balances during the current year to the extent of £80,000 for the last mentioned object. This is a very early fulfilment of the undertaking which I gave in connection with a resolution moved in the Council a short time ago to the effect that if later an improvement occurred in the provincial revenues we would consider very sympathetically the possibility of allowing the provinces to increase their outlay.

7. Turning to ways and means, recent heavy demand for Treasury Bills in Bombay warrants an increase of £1,333,000 on our previous estimate for 1917-18, involving a corresponding increase in the estimated repayments of the same from fresh bills next year. There has also been an improvement in savings bank deposits, and a falling off in payments on account of foreign money orders. On the other hand, we expect to have to meet during the current year additional military outlay, mainly on stores, to the extent of £669,000; a considerable part of this will probably be recovered later, and the expenditure is meanwhile shown provisionally under the suspense head. As the net result of these and other less important alterations, we now expect that our cash balance in India at the end of the current year will be £16,522,000, or an increase of £553,000 on the figure adopted in the Financial Statement; while our closing balance for next year will stand at £12,273,000, being an increase of £1,153,000 over that previously taken and practically equivalent to the normal closing balance we look to.

As regards England, the Secretary of State expects that his balance will be larger by £1,745,000 at the end of the current year and next, owing to additional and more prompt recoveries from the War Office and the Admiralty.

8. This is the last occasion on which I shall address this Council as I shall have relinquished office before it re-assembles at Simla. I desire therefore to reiterate my heartfelt acknowledgment of the generous tribute to my work which fell from the lips of my non-official Colleagues in the general debate on the Financial Statement. Tributes such as these, giving the assurance that I am held to have done good service to India, are an ample recompense for my heavy and anxious labours. And, though I shall presently cease to serve her, my love for India will continue as long as my life lasts. I shall always hope and pray for her welfare, and follow with the keenest interest the developments that the coming years may have in store for her. I shall also follow with sympathetic attention the careers of my friends, official and non-official, with whom I have been associated in the Legislative Council. To those of them whom I shall not see again, I beg now to extend a cordial God-speed, and to wish them, each and all, a full measure of happiness and prosperity in the future.

W. S. MEYER.

The 22nd March 1918.

BUDGET

OF THE

GOVERNMENT OF INDIA

MARCH 1918.

ACCOUNTS	1916-17
REVISED ESTIMATES	1917-18
BUDGET ESTIMATES	1918-19

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I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	22,041,265	22,218,200	21,611,100	22,798,600
Opium	„	3,160,005	3,389,300	3,068,500	3,191,800
Salt	„	4,826,250	3,972,900	5,472,800	3,492,200
Stamps	„	5,776,696	5,952,100	5,745,000	5,938,000
Excise	„	9,215,899	9,328,200	10,076,800	10,647,000
Customs	„	8,659,182	9,394,800	11,204,200	10,814,400
Income Tax	„	3,772,967	5,129,300	6,075,800	6,333,200
Other Heads	„	3,655,196	3,465,600	3,828,000	3,870,700
TOTAL PRINCIPAL HEADS	...	61,107,470	62,850,400	67,082,200	67,085,900
Interest	A	1,136,504	2,095,700	2,245,300	3,552,600
Posts and Telegraphs	„	4,174,607	4,345,700	4,492,100	4,782,800
Mint	„	689,866	139,100	530,700	376,000
Receipts by Civil Departments	„	1,739,713	1,706,300	1,926,700	1,956,100
Miscellaneous	„	847,530	743,000	2,599,900	1,295,200
Railways: Net Receipts	„	21,313,797	20,253,000	24,051,600	22,983,700
Irrigation	„	5,155,624	5,125,300	5,174,700	5,320,400
Other Public Works	„	309,373	285,200	318,900	304,900
Military Receipts	„	1,575,946	1,327,100	1,502,200	1,532,700
TOTAL REVENUE	...	98,050,430	98,870,800	109,924,300	109,190,300

DELHI,
FINANCE DEPARTMENT,
March 22, 1918.

M. F. GAUNTLETT,
Offg. Comptroller General.

Revenue, of the Government of India, in India and in England.

	For details, vide Statement.	Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	9,328,668	10,027,500	9,950,300	10,454,800
Interest	„	1,174,864	6,832,800	7,797,500	7,784,800
Posts and Telegraphs	„	3,441,387	3,601,900	3,599,000	3,931,400
Mint	„	167,411	108,600	179,800	170,000
Salaries and Expenses of Civil Departments	„	19,081,230	21,089,800	20,936,800	23,164,300
Miscellaneous Civil Charges	„	5,414,272	5,419,200	5,894,800	5,671,500
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	13,831,922	14,147,400	13,876,800	13,782,000
Irrigation	„	3,549,912	3,834,100	3,732,800	3,928,700
Other Public Works	„	4,618,535	5,544,800	5,122,500	6,057,700
Military Services	„	26,566,757	27,227,100	30,284,700	30,532,700
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	88,174,958	98,833,200	102,375,000	106,477,400
dd—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	2,397,302	240,300	2,068,900	572,600
educt—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	...	*338,100*	*231,200*	*441,200*
OTAL EXPENDITURE CHARGED TO REVENUE	...	90,572,260	98,735,400	104,212,700	106,608,800
SURPLUS	...	7,478,170	135,400	5,711,600	2,581,500
TOTAL	...	98,050,430	98,870,800	109,924,300	109,190,300

M. M. S. GUBBAY,
Controller of Currency

H. F. HOWARD,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts.			
		Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Surplus	C	7,478,170	135,400	5,711,600	2,581,500
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	„	...	...	—500,000	—250,000
Capital contributed by Native States towards construction of State Railways	„	66,667	66,700	66,700	33,300
Capital raised and deposited by Railway Companies (net)	„	555,431	318,600	...	...
TOTAL CAPITAL ACCOUNT RECEIPTS		622,098	385,300	- 433,300	— 216,700
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	4,433,691	6,416,700	68,943,800	...
Temporary Debt (net incurred)	„	...	...	48,891,200	...
Unfunded Debt (net incurred)	„	1,474,857	1,926,700	9,616,500	1,215,300
Deposits and Advances (net)	„	...	787,900	...	4,139,500
Loans and Advances by Imperial Government (net Repayments)	„	2,451	...	...	...
Loans and Advances by Provincial Governments (net Repayments)	„	585,495	262,500	598,400	119,100
Loans to Local Boards for Railway Construction	„	8,020	8,300	...	8,700
Remittances (net)	„	1,651,160	...	...	2,000,000
Secretary of State's Bills drawn	„	9,669,240	...	25,258,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES		17,824,914	9,402,100	153,307,900	7,482,600
TOTAL RECEIPTS	...	25,925,182	9,922,800	158,586,200	9,847,400
Opening Balance—India	...	12,016,056	15,142,656	15,293,216	16,522,616
England	...	(a) 12,803,348	(a) 11,419,648	(a) 11,391,993	(a) 15,781,193
TOTAL	...	50,744,586	36,485,104	185,271,409	42,151,209

(a) Include balances of the Gold Standard Reserve as shown

DELHI,
FINANCE DEPARTMENT,
March 22, 1918.

M. F. GAUNTLETT,
Offg. Comptroller General.

Government of India, in India and in England.

	For details, vide Statement.	Disbursements.			
		Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	C	512,083	600,000	372,400	466,700
Outlay on State Railways	"	1,872,348	3,224,200	3,023,400	3,704,400
Initial outlay on new Capital at Delhi	"	244,297	266,700	250,700	266,700
India's Financial Contribution to the War	"	...	...	100,000,000	...
Outlay of Railway Companies (net)	"	770,593	648,400	521,700	631,600
Capital raised and deposited by Railway Companies	"	...	...	772,300	2,242,400
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	3,399,321	4,739,300	104,940,500	7,311,800
Debt, Deposits and Advances—					
Permanent Debt (net discharged)	C	...	...	...	877,300
Temporary Debt (net discharged)	"	7,722,183	333,300	...	2,666,700
Deposits and Advances (net)	"	4,595,151	...	20,916,800	...
Loans and Advances by Imperial Government (net Advances)	"	...	120,700	3,100	59,500
Loans to Local Boards for Railway Construction	"	...	...	2,000	...
Remittances (net)	"	...	7,279,800	2,217,500	...
Secretary of State's Bills paid	"	8,342,722	466,700	24,887,700	1,933,300
TOTAL DEBT, DEPOSITS AND ADVANCES	...	20,660,056	8,200,500	48,027,100	5,536,800
TOTAL DISBURSEMENTS	...	24,059,377	12,939,800	152,967,600	12,848,600
Closing Balance—India	...	15,293,216	12,190,456	16,522,616	12,273,116
England	...	(a) 11,391,993	(a) 11,354,848	(a) 15,781,193	(a) 17,029,493
TOTAL	...	50,744,586	36,485,104	185,271,409	42,151,209

(a) See the notes on pages 174 and 175.

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1916-1917.					REVISED
	India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
Principal Heads of Revenue—	£	£	£	£	£	£	£
I.—Land Revenue	22,041,265	...	**22,041,265**	10,780,478	11,260,787	21,611,100	...
II.—Opium	3,160,005	...	**3,160,005**	3,160,005	...	3,068,500	...
III.—Salt	4,826,260	...	**4,826,260**	4,826,260	...	5,472,800	...
IV.—Stamps	5,776,696	...	**5,776,696**	2,940,614	2,836,082	5,745,000	...
V.—Excise	9,215,899	...	**9,215,899**	2,573,089	6,642,810	10,076,800	...
VI.—Provincial Rates	31,391	...	**31,391**	234	31,157	28,700	...
VII.—Customs	8,659,182	...	**8,659,182**	8,659,182	...	11,204,200	...
VIII.—Income Tax	3,772,967	...	**3,772,967**	2,053,215	1,719,752	6,075,800	...
IX.—Forest	2,470,795	...	**2,470,795**	96,687	2,374,108	2,648,100	...
X.—Registration	540,581	...	**540,581**	6,388	534,193	533,400	...
XI.—Tributes from Native States	612,429	...	**612,429**	612,429	...	617,800	...
TOTAL	61,107,470	...	**61,107,470**	35,708,581	25,398,889	67,082,200	...
XII.—Interest	861,246	275,258	**1,136,504**	794,810	341,694	922,900	1,322,400
XIII.—Posts and Telegraphs	4,153,236	21,371	**4,174,607**	4,174,607	...	4,444,300	47,800
XV.—Mint	689,866	...	**689,866**	689,866	...	530,700	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	414,799	...	**414,799**	29,639	385,160	435,100	...
XVI.—Law and Justice { Jails	345,725	...	**345,725**	47,795	297,930	395,200	...
XVII.—Police	154,984	54	**155,038**	5,497	149,541	133,100	...
XVIII.—Ports and Pilotage	123,419	...	**123,419**	...	123,419	105,300	...
XIX.—Education	298,278	...	**298,278**	15,281	282,997	322,300	...
XXA.—Medical	83,772	356	**84,128**	951	83,177	98,000	300
XXB.—Sanitation	31,667	...	**31,667**	6,673	24,994	33,100	...
XXIA.—Agriculture	91,111	...	**91,111**	12,137	78,974	107,000	...
XXIB.—Scientific and Miscellaneous Departments	194,870	678	**195,548**	8,142	187,406	301,400	900
TOTAL	1,738,625	1,088	**1,739,713**	126,115	1,613,598	1,925,500	1,200
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	173,379	46,486	**219,865**	143,626	76,239	174,400	39,600
XXIII.—Stationery and Printing	96,034	...	**96,034**	40,971	55,063	93,800	...
XXIV.—Exchange	111,371	...	**111,371**	111,371	...	1,000,000	...
XXV.—Miscellaneous	402,275	17,985	**420,260**	217,768	202,497	1,091,700	200,400
TOTAL	783,059	64,471	**847,530**	513,731	333,799	2,359,900	240,000
Railways—							
XXVI.—State Railways (Gross Receipts)	41,849,739	114,861	**41,964,600**	41,953,574	11,026	45,500,000	107,200
Deduct—Working Expenses	*19,979,096*	...	*19,979,096*	*19,972,320*	*6,776*	*20,666,600*	...
Surplus profits paid to Companies, etc.	*770,442*	...	*770,442*	*770,442*	...	*993,400*	...
Net Receipts	21,100,201	114,861	**21,215,062**	21,210,812	4,250	23,840,000	107,200
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	29,175	69,560	**98,735**	98,735	...	34,000	70,400
TOTAL	21,129,376	184,421	**21,313,797**	21,309,547	4,250	23,874,000	177,600
Irrigation—							
XXIX.—Major Works: Direct Receipts	3,011,227	...	**3,011,227**	1,279,777	1,731,450	3,002,500	...
Portion of Land Revenue due to Irrigation	1,827,108	...	**1,827,108**	992,167	834,941	1,859,200	...
XXX.—Minor Works and Navigation	317,289	...	**317,289**	112,221	205,068	313,000	...
TOTAL	5,155,624	...	**5,155,624**	2,384,165	2,771,459	5,174,700	...
Other Public Works—							
XXXI.—Civil Works	309,373	...	**309,373**	39,346	270,027	318,900	...
Military Receipts—							
XXXII.—Army: Effective	700,993	292,201	**993,194**	993,194	...	745,800	244,300
Non-Effective	83,711	38,613	**122,324**	122,324	...	83,100	38,000
	784,704	330,814	**1,115,518**	1,115,518	...	828,900	282,300
XXXIII.—Marine	365,005	22	**365,027**	365,027	...	301,000	...
XXXIV.—Military Works	96,401	...	**96,401**	96,401	...	90,000	...
TOTAL	1,245,110	330,836	**1,575,946**	1,575,946	...	1,219,900	282,300
Transfers between Imperial and Provincial Revenues	...	...	...	—1,629,367	+1,629,367	...	...
TOTAL REVENUE	97,172,985	877,445	**98,050,430**	65,687,347	32,363,083	107,853,000	2,071,300

India, in India and in England.

ESTIMATE, 1917-1918.				BUDGET ESTIMATE, 1918-1919.						
Total.	Distribution of Total between		Increase + Decrease — as compared with Budget Estimate, 1917-1918.	India.	England.	Total.	Distribution of Total between		Increase + Decrease — of Budget, 1918-1919, as compared with Budget Estimate, 1917-1918.	Increase + Decrease — of Budget, 1918-1919, as compared with Revised Estimate, 1917-1918.
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
21,611,100	10,618,500	10,992,600	—607,100	22,798,600	...	22,798,600	11,048,300	11,750,300	+580,400	+1,187,500
3,068,500	3,068,500	...	—320,800	3,191,800	...	3,191,800	3,191,800	...	—197,500	+123,300
5,472,800	5,472,800	...	+1,499,000	3,492,200	...	3,492,200	3,492,200	...	—480,700	—1,980,600
5,745,000	2,926,400	2,818,600	—207,100	5,938,000	...	5,938,000	3,022,900	2,915,100	—14,100	+193,000
10,076,800	2,812,300	7,264,500	+748,600	10,647,000	...	10,647,000	2,900,600	7,746,400	+1,318,800	+570,200
28,700	100	28,600	+1,100	29,200	...	29,200	100	29,100	+1,600	+500
11,204,200	11,204,200	...	+1,809,400	10,814,400	...	10,814,400	10,814,400	...	+1,419,600	—389,800
6,075,800	3,863,100	2,212,700	+946,500	6,333,200	...	6,333,200	4,038,100	2,295,100	+1,203,900	+257,400
2,648,100	100,800	2,547,300	+381,400	2,684,300	...	2,684,300	104,300	2,580,000	+417,600	+36,200
533,400	7,000	526,400	—20,900	542,600	...	542,600	6,800	535,800	—11,700	+9,200
617,800	617,800	...	+800	614,600	...	614,600	614,600	...	—2,400	—3,200
67,082,200	40,691,500	26,390,700	+4,231,800	67,085,900	...	67,085,900	39,234,100	27,851,800	+4,235,500	+3,700
2,245,300	1,934,200	311,100	+149,600	933,000	2,619,600	3,552,600	3,255,200	297,400	+1,456,900	+1,307,300
4,492,100	4,492,100	...	+146,400	4,699,600	83,200	4,782,800	4,782,800	...	+437,100	+290,700
530,700	530,700	...	+391,600	376,000	...	376,000	376,000	...	+236,900	—154,700
435,100	27,800	407,300	+15,600	440,600	...	440,600	22,300	418,300	+21,100	+5,500
395,200	55,200	340,000	+63,600	386,200	...	386,200	55,500	330,700	+54,600	—9,000
133,100	6,400	126,700	—3,200	173,000	...	173,000	5,500	167,500	+36,700	+39,900
105,300	...	105,300	—12,200	108,900	...	108,900	...	108,900	—8,600	+3,600
322,300	6,700	315,600	+17,000	312,800	...	312,800	7,100	305,700	+7,500	—9,500
93,300	1,600	91,700	+12,400	97,200	300	97,500	800	96,700	+16,600	+4,200
33,100	12,000	21,100	+13,000	29,300	...	29,300	10,000	19,300	+9,200	—3,800
107,000	12,800	94,200	+4,300	142,300	...	142,300	22,900	119,400	+39,600	+35,300
302,300	7,400	294,900	+109,900	264,500	1,000	265,500	8,600	256,900	+73,100	—36,800
1,926,700	129,900	1,796,800	+220,400	1,954,800	1,300	1,956,100	132,700	1,823,400	+249,800	+29,400
214,000	136,500	77,500	—2,100	176,300	38,100	214,400	136,400	78,000	—1,700	+400
93,800	37,400	56,400	+6,900	93,100	...	93,100	39,000	54,100	+6,200	—700
1,000,000	1,000,000	...	+1,000,000	...	...	...	...	...	...	—1,000,000
1,292,100	1,092,700	199,400	+852,100	961,200	26,500	987,700	796,900	190,800	+547,700	—304,400
2,599,900	2,266,600	333,300	+1,856,900	1,230,600	64,600	1,295,200	972,300	322,900	+552,200	—1,304,700
45,607,200	45,597,300	9,900	+3,768,000	47,000,000	500	47,000,500	46,990,500	10,000	+5,161,300	+1,393,300
20,666,000	*20,658,600*	*8,000*	+233,400	*23,044,300*	...	*23,044,300*	*23,035,600*	*8,700*	—2,144,300	—2,377,700
993,400	*993,400*	...	—213,400	*1,066,600*	...	*1,066,600*	*1,066,600*	...	—286,600	—73,200
23,947,200	23,945,300	1,900	+3,788,000	22,889,100	500	22,889,600	22,888,300	1,300	+2,730,400	—1,057,600
104,400	104,400	...	+10,600	16,100	78,000	94,100	94,100	...	+300	—10,300
24,051,600	24,049,700	1,900	+3,798,600	22,905,200	78,500	22,983,700	22,982,400	1,300	+2,730,700	—1,067,900
3,002,500	1,286,100	1,716,400	+30,300	3,092,500	...	3,092,500	1,353,600	1,738,900	+120,300	+90,000
1,859,200	1,009,000	850,200	+1,000	1,921,400	...	1,921,400	1,040,800	880,600	+63,200	+62,200
313,000	119,300	193,700	+18,100	306,500	...	306,500	111,800	194,700	+11,600	—6,500
5,174,700	2,414,400	2,760,300	+49,400	5,320,400	...	5,320,400	2,506,200	2,814,200	+195,100	+145,700
318,900	57,100	261,800	+33,700	304,900	...	304,900	51,100	253,800	+19,700	—14,000
990,100	990,100	...	+126,200	776,800	246,000	1,022,800	1,022,800	...	+158,900	+32,700
121,100	121,100	...	—1,800	83,300	38,000	121,300	121,300	...	—1,100	+200
1,111,200	1,111,200	...	+124,900	860,100	284,000	1,144,100	1,144,100	...	+157,800	+32,900
301,000	301,000	...	+40,200	308,600	...	308,600	308,600	...	+47,800	+7,600
90,000	90,000	...	+10,000	80,000	...	80,000	80,000	...	...	—10,000
1,502,200	1,502,200	...	+175,100	1,248,700	284,000	1,532,700	1,532,700	...	+205,600	+30,500
...	—1,505,200	+1,505,200	...	...	...	...	—1,522,900	+1,522,900	...	...
109,994,300	76,563,200	33,361,100	+11,053,500	106,059,100	3,131,200	109,190,300	74,302,600	34,887,700	+10,319,500	—734,000

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1916-1917.					REVISED
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
Direct Demands on the Revenues—	£	£	£	£	£	£	£
1.—Refunds and Drawbacks	478,698	...	**478,698**	359,244	119,454	565,700	...
2.—Assignments and Compensations	1,250,357	...	**1,250,357**	557,419	692,938	1,303,700	...
Charges in respect of Collection, viz.:—							
3.—Land Revenue	3,811,518	1,615	**3,813,133**	271,795	3,541,338	3,856,700	2,100
4.—Opium (including cost of Production)	911,577	817	**912,394**	912,394	...	1,113,800	1,400
5.—Salt (including cost of Production)	396,460	1,726	**398,186**	398,186	...	425,800	600
6.—Stamps	63,194	110,272	**173,466**	99,268	74,198	70,900	125,000
7.—Excise	478,287	345	**478,632**	145,500	333,132	490,500	400
9.—Customs	270,830	334	**271,164**	271,164	...	281,400	200
10.—Income Tax	37,112	...	**37,112**	18,700	18,412	42,300	...
11.—Forest	1,249,592	2,173	**1,251,765**	83,302	1,168,463	1,399,200	600
12.—Registration	263,761	...	**263,761**	1,886	261,875	270,500	...
Total	9,211,386	117,282	**9,328,668**	3,118,858	6,209,810	9,820,000	130,300
Interest—							
13.—Interest on Debt	3,777,813	5,846,832	**9,624,645**	8,712,156	912,489	6,286,700	9,938,800
Deduct—Amounts chargeable to Railways†	*4,139,212*	*3,620,110*	***7,759,322***	*7,759,322*	...	*4,227,800*	*3,600,000*
„ Amounts chargeable to Irrigation	*1,292,620*	*120,585*	***1,413,205***	*723,528*	*689,677*	*1,320,500*	*120,800*
Remainder chargeable on Ordinary Debt	−1,654,019	2,106,137	**452,118**	229,306	222,812	738,400	6,218,000
14.—Interest on other obligations	722,746	...	**722,746**	722,746	...	841,100	...
Total	−931,273	2,106,137	**1,174,864**	952,052	222,812	1,579,500	6,218,000
15.—Posts and Telegraphs	3,122,690	318,697	**3,441,387**	3,441,387	...	3,272,900	326,100
17.—Mint	158,662	8,749	**167,411**	167,411	...	157,800	22,000
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,679,065	404,072	**2,083,137**	1,168,685	914,452	1,722,500	500,600
19.—Law and Justice Courts	3,306,576	450	**3,307,026**	82,002	3,225,024	3,324,900	1,400
Jails	1,086,275	147	**1,086,422**	170,195	916,227	1,137,900	...
20.—Police	5,424,190	...	**5,424,190**	295,814	5,128,376	5,545,800	200
21.—Ports and Pilotage	199,668	...	**199,668**	...	199,668	194,300	...
22.—Education	3,123,602	9,346	**3,132,948**	111,736	3,021,212	3,371,800	12,000
23.—Ecclesiastical	128,357	180	**128,537**	128,537	...	130,300	400
24A.—Medical	864,820	946	**865,766**	79,577	786,189	964,000	800
24B.—Sanitation	518,617	1,681	**520,298**	78,031	442,267	577,900	1,700
25.—Political	1,260,361	22,082	**1,282,443**	1,119,930	162,513	2,215,500	36,100
26A.—Agriculture	607,668	3,947	**611,615**	66,053	545,562	693,300	3,900
26B.—Scientific and Miscellaneous Departments	398,756	40,424	**439,180**	277,621	161,559	458,100	43,400
Total	18,597,955	483,275	**19,081,230**	3,578,181	15,503,049	20,336,300	600,500
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	197,418	10,550	**207,968**	207,968	...	193,900	10,600
28.—Civil Furlough and Absentee Allowances	1,509	251,007	**252,516**	252,516	...	1,800	194,000
29.—Superannuation Allowances and Pensions	1,467,475	2,008,225	**3,475,700**	2,125,633	1,350,067	1,523,500	1,989,000
30.—Stationery and Printing	690,584	116,454	**807,038**	306,634	500,404	863,300	118,500
32.—Miscellaneous	464,655	206,395	**671,050**	459,908	211,142	559,200	441,000
Total	2,821,641	2,592,631	**5,414,272**	3,352,659	2,061,613	3,141,700	2,753,100
Famine Relief and Insurance—							
33.—Famine Relief	187,617	...	**187,617**	140,762	46,855	6,500	...
34.—Construction of Protective Railways	−476	...	**−476**	−476	...	100	...
35.—Construction of Protective Irrigation Works	332,468	1,133	**333,601**	333,601	...	352,300	1,400
36.—Reduction or Avoidance of Debt	479,258	...	**479,258**	380,686	98,572	639,700	...
Total	998,867	1,133	**1,000,000**	854,573	145,427	998,600	1,400
Carried over	33,979,928	5,627,904	**39,607,832**	15,465,121	24,142,711	39,306,800	10,051,400

	ACCOUNTS, 1916-1917.			REVISED ESTIMATE, 1917-1918.		
	India.	England.	Total.	India.	England.	Total.
†Included under the following heads:—						
State Railways—Interest on Debt	£ 4,121,990	£ 3,538,860	£ **7,660,850**	£ 4,210,600	£ 3,518,800	£ **7,729,400**
Ditto —Interest chargeable against Companies on Advances	17,222	81,250	**98,472**	17,200	81,200	**98,400**
Total	4,139,212	3,620,110	**7,759,322**	4,227,800	3,600,000	**7,827,800**

Revenues of India, in India and in England.

ESTIMATE, 1917-1918.			Increase + Decrease − as compared with Budget Estimate, 1917-1918.	BUDGET ESTIMATE, 1918-1919.					Increase + Decrease − of Budget, 1918-1919, as compared with Budget Estimate, 1917-1918.	Increase + Decrease − of Budget, 1918-1919, as compared with Revised Estimate, 1917-1918.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
565,700	435,700	130,000	+135,400	516,700	...	**516,700**	389,000	127,700	+86,400	−49,000
1,303,700	590,600	713,100	+30,900	1,325,000	...	**1,325,000**	610,000	715,000	+52,200	+21,300
3,858,800	284,000	3,574,800	−120,800	4,020,700	1,500	**4,022,200**	315,200	3,707,000	+42,600	+163,400
1,115,200	1,115,200	...	−205,800	1,253,100	1,200	**1,254,300**	1,254,300	...	−66,700	+139,100
425,900	425,900	...	+17,300	494,100	2,500	**496,600**	496,600	...	+88,000	+70,700
195,900	114,600	81,300	+35,200	73,400	120,000	**193,400**	110,500	82,900	+32,700	−2,500
490,900	147,100	343,800	+2,400	516,900	200	**517,100**	152,500	364,600	+28,600	+26,200
281,600	281,600	...	−4,300	292,900	100	**293,000**	293,000	...	+7,100	+11,400
42,300	21,600	20,700	+1,200	51,500	...	**51,500**	26,400	25,100	+10,400	+9,200
1,399,800	82,900	1,316,900	+30,700	1,508,700	2,500	**1,511,200**	100,900	1,410,300	+142,100	+111,400
270,500	2,000	268,500	+600	273,800	...	**273,800**	1,000	271,000	+3,900	+3,300
9,950,300	3,501,200	6,449,100	−77,200	10,326,800	128,000	**10,454,800**	3,750,300	6,704,500	+427,300	+504,500
16,225,500	15,313,600	911,900	+647,000	7,073,300	9,196,200	**16,269,500**	15,354,000	915,500	+691,000	+44,000
7,827,800	*7,827,800*	...	+304,900	*4,344,300*	*3,588,600*	***7,932,900***	*7,932,900*	...	+199,800	−105,100
1,441,300	*742,300*	*699,000*	+84,900	*1,348,300*	*121,000*	***1,469,300***	*762,000*	*707,300*	+56,900	−28,000
6,956,400	6,743,500	212,900	+1,036,800	1,380,700	5,486,600	**6,867,300**	6,659,100	208,200	+947,700	−89,100
841,100	841,100	...	−72,100	917,000	...	**917,000**	917,000	...	+3,800	+75,900
7,797,500	7,584,600	212,900	+964,700	2,297,700	5,486,600	**7,784,300**	7,576,100	208,200	+951,500	−13,200
3,599,000	3,599,000	...	−2,900	3,489,800	441,600	**3,931,400**	3,931,400	...	+329,500	+332,400
179,800	179,800	...	+71,200	152,500	17,500	**170,000**	170,000	...	+61,400	−9,800
2,223,100	1,284,700	938,400	+166,200	1,703,300	560,200	**2,263,500**	1,323,600	939,900	+206,600	+40,400
3,326,300	79,600	3,246,700	−54,300	3,393,600	800	**3,394,400**	76,600	3,317,800	+13,800	+68,100
1,137,900	173,000	964,900	+12,500	1,153,700	...	**1,153,700**	174,900	978,800	+28,300	+15 800
5,546,000	333,400	5,212,600	−183,900	5,866,500	100	**5,866,600**	355,500	5,511,100	+136,700	+320,600
194,300	...	194,300	−1,000	200,900	...	**200,900**	...	200,900	+5,600	+6,600
3,383,800	124,400	3,259,400	−239,600	4,211,000	10,500	**4,221,500**	152,200	4,069,300	+598,100	+837,700
130,700	130,700	...	−11,800	136,500	300	**136,800**	136,800	...	−5,700	+6,100
964,800	84,300	880,500	−3,700	1,036,100	800	**1,036,900**	90,200	946,700	+68,400	+72,100
579,600	63,500	516,100	−31,000	780,500	1,500	**782,000**	129,700	652,300	+171,400	+202,400
2,251,600	2,071,300	180,300	+398,400	2,614,800	17,900	**2,632,700**	2,417,500	215,200	+779,500	+381,100
697,200	81,100	616,100	−169,100	836,000	6,800	**842,800**	87,600	755,200	−23,500	+145,600
501,500	304,200	197,300	−35,700	575,200	57,300	**632,500**	314,300	318,200	+95,300	+131,000
20,936,800	4,730,200	16,206,600	−153,000	22,508,100	656,200	**23,164,300**	5,258,900	17,905,400	+2,074,500	+2,227,500
204,500	204,500	...	−5,900	196,800	10,600	**207,400**	207,400	...	−3,000	+2,900
195,800	195,800	...	−65,700	1,300	194,000	**195,300**	195,300	...	−66,200	−500
3,512,500	2,109,800	1,402,700	−23,000	1,580,600	1,991,000	**3,571,600**	2,110,200	1,461,400	+36,100	+59,100
981,500	453,500	528,300	+120,500	843,400	108,500	**951,900**	372,000	579,900	+90,600	−29,900
1,000,200	708,600	291,600	+449,700	717,300	28,000	**745,300**	207,500	537,800	+194,800	−254,900
5,894,800	3,672,200	2,222,600	+475,600	3,339,400	2,332,100	**5,671,500**	3,092,400	2,579,100	+252,500	−223,300
6,500	4,900	1,600	−49,800	40,400	...	**40,400**	30,300	10,100	−15,900	+33,900
100	100	...	+600	−500	...	**−500**	−500	...	...	−600
353,700	353,700	...	−66,300	396,100	10,600	**406,700**	406,700	...	−13,300	+53,000
639,700	639,700	...	+115,500	553,400	...	**553,400**	553,400	...	+29,200	−86,300
1,000,000	998,400	1,600	...	989,400	10,600	**1,000,000**	989,900	10,100	...	...
49,358,200	24,265,400	25,092,800	+1,278,400	43,103,700	9,072,600	**52,176,300**	24,769,000	27,407,300	+4,096,500	+2,818,100

BUDGET ESTIMATE, 1918-1919.		
India.	England.	Total.
£	£	£
4,826,900	3,507,400	**7,834,300**
17,400	81,200	**98,600**
4,344,300	3,588,600	**7,932,900**

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1916-1917.					REVISED	
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Brought forward	33,979,928	5,627,904	39,607,832	15,465,121	24,142,711	39,306,800	10,051,400
Railways—							
38.—State Railways: Interest on Debt	4,121,990	3,538,860	7,660,850	7,660,850	...	4,210,600	3,518,800
Annuities in purchase of Railways	...	3,357,650	3,357,650	3,357,650	...	...	3,357,700
Sinking Funds	...	323,647	323,647	323,647	...	...	333,600
Interest chargeable against Companies on Advances	17,222	81,250	98,472	98,472	...	17,200	81,200
Interest on Capital deposited by Companies	55,708	2,170,232	2,225,940	2,225,940	...	58,900	2,205,800
40.—Subsidised Companies: Land, etc.	162,451	...	162,451	161,544	907	73,300	...
41.—Miscellaneous Railway Expenditure	2,912	...	2,912	2,911	1	19,700	...
Total	4,360,283	9,471,639	13,831,922	13,831,014	908	4,379,700	9,497,100
Irrigation—							
42.—Major Works: Working Expenses	1,351,194	...	1,351,194	637,718	713,476	1,408,300	...
Interest on Debt	1,292,620	120,585	1,413,205	723,528	689,677	1,320,500	120,800
43.—Minor Works and Navigation	785,076	437	785,513	239,078	546,435	883,200	...
Total	3,428,890	121,022	3,549,912	1,600,324	1,949,588	3,612,000	120,800
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	2,204	...	2,204	...	2,204	700	...
45.—Civil Works	4,562,918	53,413	4,616,331	745,961	3,870,370	5,076,200	45,600
Total	4,565,122	53,413	4,618,535	745,961	3,872,574	5,076,900	45,600
Military Services—							
46.—Army: Effective	18,080,182	3,191,512	21,221,694	21,221,694	...	20,437,700	4,102,400
Non-Effective	856,347	2,181,962	3,038,309	3,038,309	...	969,900	2,155,400
	18,886,529	5,373,474	24,260,003	24,260,003	...	21,407,600	6,257,800
46A.—Marine	272,362	421,318	693,680	693,680	...	328,600	408,000
47.—Military Works	1,522,163	72,375	1,594,538	1,594,538	...	1,806,300	66,000
47A.—Special Defences (1902)	14,054	4,482	18,536	18,536	...	10,300	100
Total	20,695,108	5,871,649	26,566,757	26,566,757	...	23,552,800	6,731,900
Total Expenditure, Imperial and Provincial	67,029,331	21,145,627	88,174,958	58,209,177	29,965,781	75,928,200	26,446,800
Add—Portion of Allotments to Provincial Governments not spent by them in the year	2,397,302	...	2,397,302	...	2,397,302	2,068,900	...
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	...	...	...	...	...	*231,200*	...
Total Expenditure charged to Revenue	69,426,633	21,145,627	90,572,260	58,209,177	32,363,083	77,765,900	26,446,800

	ACCOUNTS, 1916-1917.		
	India.	England.	Total.
Capital Expenditure not charged to Revenue—	£	£	£
48.—State Railways	1,553,694	318,654	1,872,348
49.—Irrigation Works	505,115	6,968	512,083
Total	2,058,809	325,622	2,384,431
51.—Initial Expenditure on new Capital at Delhi	222,443	21,854	244,297
52.—India's Financial Contribution to the War	...	...	...

Revenues of India, in India and in England—*continued.*

ESTIMATE, 1917-1918.			Increase + Decrease − as compared with Budget Estimate, 1917-1918.	BUDGET ESTIMATE, 1918-1919.					Increase + Decrease − of Budget, 1918-1919, as compared with Budget Estimate, 1917-1918.	Increase + Decrease − of Budget, 1918-1919, as compared with Revised Estimate, 1917-1918.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
49,358,200	24,265,400	25,092,800	+1,278,400	43,103,700	9,072,600	**52,176,300**	24,769,000	27,407,300	+4,096,500	+2,818,100
7,729,400	7,729,400	...	−305,000	4,326,900	3,507,400	**7,834,300**	7,834,300	...	−200,100	+104,900
3,357,700	3,357,700	...	...	...	3,357,600	**3,357,600**	3,357,600	...	−100	−100
333,600	333,600	...	+103,600	...	242,800	**242,800**	242,800	...	+12,800	−90,800
98,400	98,400	...	+100	17,400	81,200	**98,600**	98,600	...	+300	+200
2,264,700	2,264,700	...	−10,900	62,100	2,126,600	**2,188,700**	2,188,700	...	−86,900	−76,000
73,300	72,700	600	−54,100	33,300	...	**33,300**	32,700	600	−94,100	−40,000
19,700	19,600	100	−4,300	26,700	...	**26,700**	26,600	100	+2,700	+7,000
13,876,800	13,876,100	700	−270,600	4,466,400	9,315,600	**13,782,000**	13,781,300	700	−365,400	−94,800
1,408,300	671,100	737,200	+17,000	1,469,000	...	**1,469,000**	711,100	757,900	+77,700	+60,700
1,441,300	742,300	699,000	−84,900	1,348,300	121,000	**1,469,300**	762,000	707,300	−56,900	+28,000
883,200	252,200	631,000	−33,400	990,000	400	**990,400**	296,700	693,700	+73,800	+107,200
3,732,800	1,665,600	2,067,200	−101,300	3,807,300	121,400	**3,928,700**	1,769,800	2,158,900	+94,600	+195,900
700	...	700	−800	700	...	**700**	...	700	−800	...
5,121,800	759,800	4,362,000	−421,500	6,017,800	39,200	**6,057,000**	868,300	5,188,700	+513,700	+935,200
5,122,500	759,800	4,362,700	−422,300	6,018,500	39,200	**6,057,700**	868,300	5,189,400	+512,900	+935,200
24,540,100	24,540,100	...	+2,539,900	22,278,900	2,379,500	**24,658,400**	24,658,400	...	+2,658,200	+118,300
3,125,300	3,125,300	...	−90,400	1,071,400	2,061,100	**3,132,500**	3,132,500	...	−83,200	+7,200
27,665,400	27,665,400	...	+2,449,500	23,350,300	4,440,600	**27,790,900**	27,790,900	...	+2,575,000	+125,500
736,600	736,600	...	−101,900	350,200	610,100	**960,300**	960,300	...	+121,800	+223,700
1,872,300	1,872,300	...	+713,600	1,767,500	14,000	**1,781,500**	1,781,500	...	+622,800	−90,800
10,400	10,400	...	−3,600	...	...	...	...	...	−14,000	−10,400
30,284,700	30,284,700	...	+3,057,600	25,468,000	5,064,700	**30,532,700**	30,532,700	...	+3,305,600	+248,000
102,375,000	70,851,600	31,523,400	+3,541,800	82,863,900	23,613,500	**106,477,400**	71,721,100	34,756,300	+7,644,200	+4,102,400
2,068,900	...	2,068,900	+1,828,600	572,600	...	**572,600**	...	572,600	+332,300	−1,496,300
231,200	...	*231,200*	+106,900	***441,200***	...	***441,200***	...	***441,200***	−103,100	−210,000
104,212,700	70,851,600	33,361,100	+5,477,800	82,995,300	23,613,500	**106,608,800**	71,721,100	34,887,700	+7,873,400	+2,396,100

REVISED ESTIMATE, 1917-1918.			BUDGET ESTIMATE, 1918-1919.		
India.	England.	Total.	India.	England.	Total.
£	£	£	£	£	£
2,416,300	607,100	**3,023,400**	2,941,400	763,000	**3,704,400**
371,100	1,300	**372,400**	451,700	15,000	**466,700**
2,787,400	608,400	**3,395,800**	3,393,100	778,000	**4,171,100**
243,900	6,800	**250,700**	253,000	13,700	**266,700**
...	100,000,000	**100,000,000**	...	...	...

C.—Statement of Receipts and Disbursements of the

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	97,172,985	877,445	98,050,430	107,853,000	2,071,300	109,924,300	106,059,100	3,131,200	109,190,300
Excess of Revenue over Expenditure charged to Revenue			**7,478,170**			**5,711,600**			**2,581,500**
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways	...	...	...	—500,000	...	—500,000	—250,000	...	—250,000
Capital contributed by Native States towards construction of State Railways	66,667	...	66,667	66,700	...	66,700	33,300	...	33,300
Outlay of Railway Companies—									
Repayments	...	14,772	14,772	...	7,400	7,400	...	2,000	2,000
Net			**0**			**0**			**0**
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital	630,431	...	630,431	310,200	...	310,200	132,500	...	132,500
Net			**555,431**			**0**			**0**
Permanent Debt Incurred—									
Sterling Debt—									
British Government 5 per cent. War loan, 1929-47	...	...		...	64,861,000		...	...	
Rupee Debt—							(a)		
Rupee Loan	...	...		...	...		20,000,000	...	
5 per cent. War Loan 1929-47	736,768	...		7,624,500	...		...	...	
4 „ Conversion Loan 1916-17	4,486,680	...		...	..		...	...	
Total	5,223,448	...	5,223,448	7,624,500	64,861,000	72,485,500	20,000,000	...	20,000,000
Net			**4,433,691**			**68,943,800**			**0**
Temporary Debt Incurred—									
5½ per cent. War Bonds 1,920	1,765,813	...		11,434,900	...		...	...	
Do. do. 1,922	1,512,004	...		6,456,300	...		...	...	
Treasury Bills	...	...		28,666,600	...		28,666,600	...	
Other Temporary Loans	...	2,000,000		2,666,700	...		...	...	
Total	3,277,817	2,000,000	5,277,817	49,224,500	...	49,224,500	28,666,600	...	28,666,600
Net			**0**			**48,891,200**			**0**
Unfunded Debt—									
Post Office Cash Certificates	...	...		6,666,700	...		...	...	
Deposits of Service Funds	87,749	27		86,500	...		86,100	...	
Savings Bank Deposits	7,512,896	...		11,081,800	...		8,167,100	...	
Total	7,600,645	27	7,600,672	17,835,000	...	17,835,000	8,253,200	...	8,253,200
Net			**1,474,857**			**9,616,500**			**1,215,300**
Deposits and Advances—									
Balances of Provincial Allotments	2,397,302	...		2,068,900	...		572,600	...	
Appropriation for Reduction or Avoidance of Debt	479,258	...		639,700	...		553,400	...	
Deposits of Local Funds—									
District Funds	5,416,592	...		5,622,200	...		5,482,400	...	
Other Funds	1,224,572	...		1,201,500	...		1,212,400	...	
Deposits of Sinking Funds	16,479	...		17,100	...		17,800	...	
Gold Standard Reserve	4,213,830	24,525,105		1,092,600	33,584,300		...	28,008,300	
Paper Currency Reserve	...	46,984,376		...	79,267,000		...	91,479,300	
Do. Depreciation Fund	...	399,080		...	1,224,300		...	1,481,000	
Special Reserve	...	...		...	...		...	13,998,100	
Departmental and Judicial Deposits	34,137,966	...		38,985,800	...		33,620,200	...	
Advances	8,091,669	2,934,337		9,871,200	2,564,600		10,736,800	1,854,600	
Suspense Accounts	165,730	...		151,600	...		362,300	...	
Miscellaneous	251,799	955,320		2,813,300	589,400		297,300	671,200	
Total	56,395,197	75,798,218	132,193,415	62,468,900	117,229,600	179,698,500	52,855,200	137,492,500	190,347,700
Net			**0**			**0**			**4,139,500**
Carried over	170,867,190	78,690,462		244,877,800	184,169,300		215,749,900	140,625,700	

(a) The entry of the proposed Rupee War Loan to be issued in 1918-19 under this head is purely provisional, pending decision as to the form which the loan should actually take.

Government of India, in India and in England.

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	67,029,331	21,145,627	88,174,958	75,928,200	26,446,800	102,375,000	82,863,900	23,613,500	106,477,400
Add—Provincial Surpluses transferred to "Deposits"	2,397,302	...	2,397,302	2,068,900	...	2,068,900	572,600	...	572,600
Deduct—Provincial Deficits charged to "Deposits"	...	...	...	*231,200*	...	*231,200*	*441,200*	...	*441,200*
Total	69,426,633	21,145,627	90,572,260	77,765,900	26,446,800	104,212,700	82,995,300	23,613,500	106,608,800
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay on Irrigation Works	505,115	6,968	512,083	371,100	1,300	372,400	451,700	15,000	466,700
Outlay on State Railways	1,553,694	318,654	1,872,348	2,416,300	607,100	3,023,400	2,941,400	763,000	3,704,400
Initial expenditure on new Capital at Delhi	222,443	21,854	244,297	243,900	6,800	250,700	253,000	13,700	266,700
India's Financial Contribution to the War	...	...	...	...	100,000,000	100,000,000	...	...	...
Outlay of Railway Companies—									
Payments for Capital Outlay	450,036	335,329	785,365	75,400	453,700	529,100	—169,700	803,300	633,600
Net			**770,593**			**521,700**			**631,600**
Raised and deposited by Railway Companies—									
Payments for Discharge of Debentures	...	75,000	75,000	...	1,082,500	1,082,500	...	2,374,900	2,374,900
Net			**0**			**772,300**			**2,242,400**
Permanent Debt Discharged—									
Sterling Debt—									
British Government 5 per cent. War Loan, 1929-47	...	...		...	...		...	20,000,000	
India Bonds	...	500,000		...	500,000		...	500,000	
India 4 p. c. Stock	...	...		...	200		...	...	
Rupee Debt—									
5 per cent. War Loan	...	...		293,300	...		293,300	...	
4 p. c. Loans	80,000	...		505,300	...		80,000	...	
3½ p. c. Loans	154,790	...		2,098,800	...		...	...	
3 p. c. Loan	54,967	...		144,100	...		4,000	...	
Total	289,757	500,000	789,757	3,041,500	500,200	3,541,700	377,300	20,500,000	20,877,300
Net			**0**			**0**			**877,300**
Temporary Debt Discharged—									
Treasury Bills	...	...		...	...		28,666,600	...	
Other Temporary Loans	4,000,000	9,000,000		333,300	...		2,666,700	...	
Total	4,000,000	9,000,000	13,000,000	333,300	...	333,300	31,333,300	...	31,333,300
Net			**7,722,183**			**0**			**2,666,700**
Unfunded Debt—									
Post Office Cash Certificates	...	...		666,700	...		...	...	
Special Loans	220	...		100	...		100	...	
Deposits of Service Funds	93,064	...		96,300	...		98,000	...	
Savings Bank Deposits	6,032,531	...		7,455,400	...		6,939,800	...	
Total	6,125,815	...	6,125,815	8,218,500	...	8,218,500	7,037,900	...	7,037,900
Net			**0**			**0**			**0**
Deposits and Advances—									
Balances of Provincial Allotments	...	...		231,200	...		441,200	...	
Deposits of Local Funds—									
District Funds	5,388,742	...		5,776,400	...		5,463,300	...	
Other Funds	1,142,666	...		1,204,900	...		1,175,200	...	
Gold Standard Reserve	4,033,724	24,316,280		1,274,000	33,585,700		...	28,008,300	
Paper Currency Reserve	...	46,984,376		...	79,267,000		...	91,479,300	
Do. Depreciation Fund	...	399,080		...	1,224,800		...	1,481,000	
Special Reserve	...	...		...	20,000,000		...	13,998,100	
Departmental and Judicial Deposits	33,598,366	...		37,948,300	...		33,444,100	...	
Advances	8,468,296	3,013,624		12,438,800	2,558,200		8,048,700	2,157,200	
Suspense Accounts	9,108,843	...		4,585,700	...		73,400	...	
Miscellaneous	23,944	310,625		18,500	497,300		...	438,400	
Total	61,764,581	75,023,985	136,788,566	63,477,800	137,132,500	200,610,300	48,645,900	137,562,300	186,208,200
Net			**4,595,151**			**20,916,800**			**0**
Carried over	144,338,074	106,427,417		155,943,700	266,230,900		173,866,100	185,645,700	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	170,367,190	78,690,462		244,877,800	184,169,300		215,749,900	140,625,700	
Loans and Advances by Imperial Government	330,072	...	330,072	358,300	...	358,300	186,600	...	186,600
Net			2,451			0			0
Loans and Advances by Provincial Governments	1,396,171	...	1,396,171	1,245,100	...	1,245,100	1,069,300	...	1,069,300
Net			585,495			598,400			119,100
Loans to Local Boards for Railway Construction	8,020	...	8,020	40,000	...	40,000	8,700	...	8,700
Net			8,020			0			8,700
Remittances—									
Inland Money Orders	42,013,744	...		48,000,000	...		50,000,000	...	
Other Local Remittances	42,936	...		16,389,100	...		11,834,900	...	
Other Departmental Accounts	16,145	...		...	...		31,600	...	
Net Receipts by Civil Treasuries from—									
Railways	15,847,380	...		20,700,100	...		19,390,500	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	1,268,318	...		8,293,200	...		4,082,900	...	
Marine	7,796,429	...		7,684,500	...		6,338,900	...	
Military Works	3,292,904	...		3,796,000	...		2,123,700	...	
Military	41,182,880	...		68,823,400	...		78,632,200	...	
Remittance Account between England and India—									
Transfers through Currency	...	...		...	...		16,347,000	...	
Purchase of Silver	14,957,577	...		13,333,300	...		12,949,100	...	
War Office transactions	24,314,635	38,516,104		6,667,000	68,667,000		5,834,000	73,834,000	
Railway transactions	703,597	16,966		977,600	40,000		1,228,100	6,500	
Other "	8,131,554	7,007,199		3,207,300	19,894,700		3,515,200	11,367,500	
Total	159,568,099	45,540,269	205,108,368	197,871,500	88,601,700	286,473,200	212,308,100	85,208,000	297,516,100
Net			1,651,160			0			2,000,000
Secretary of State's Bills drawn	...	(a) 9,669,240	9,669,240	...	(c) 25,258,000	25,258,000	...	...	...
Total Receipts	331,669,552	133,899,971		444,392,700	293,029,000		429,322,600	225,833,700	
Opening Balance	12,016,056	(b) 12,803,348		15,293,216	(d) 11,391,993		16,522,616	(e) 15,781,193	
GRAND TOTAL	343,685,608	146,703,319		459,685,916	309,420,993		445,845,216	241,614,893	

(a) In addition to £4,384,537 and £18,994,818 on account of the Gold Standard Reserve and the Paper Currency Reserve, respectively.
(c) In addition to £1,420,000 and £8,658,600 on account of the Gold Standard Reserve and the Paper Currency Reserve, respectively.
(e) Of this amount £6,000,056 represents the funds of the Gold Standard Reserve.

Delhi,
Finance Department,
March 29, 1918.

M. F. GAUNTLETT,
Offg. Comptroller General.

Government of India, in India and in England—*continued.*

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	144,338,074	106,427,417		155,943,700	266,280,900		173,866,100	185,645,700	
Loans and Advances by Imperial Government .	327,621	...	327,621	361,400	...	361,400	246,100	...	246,100
Net .			0			3,100			59,500
Loans and Advances by Provincial Governments .	810,676	...	810,676	646,700	...	646,700	950,200	...	950,200
Net .			0			0			0
Loans to Local Boards for Railway Construction.									
Net .	...	...	... 0	42,000	...	42,000 2,000	...	...	... 0
Remittances—									
Inland Money Orders .	41,851,366	...		48,000,000	...		50,000,000	...	
Other Local Remittances	...	...		16,389,100	...		11,834,900	...	
Other Departmental Accounts . . .	6,337	...		...	...		31,600	...	
Net Payments into Civil Treasuries by—									
Railways . . .	15,664,799	...		21,153,500	...		19,390,500	...	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs .	1,266,158	...		8,293,200	...		4,082,900	...	
Marine . . .	7,774,833	...		7,684,500	...		6,838,900	...	
Military Works .	3,221,843	...		3,796,000	...		2,123,700	...	
Military . . .	41,172,687	...		68,828,400	...		78,632,200	...	
Remittance Account between England and India—									
Transfers through Currency . .	...	...		...	...		...	16,347,000	
Purchase of Silver .	2,827	16,093,978		...	13,500,000		...	12,000,000	
War Office transactions	55,175,547	5,820,891		69,667,000	6,767,000		73,834,000	5,834,000	
Railway transactions .	251	720,312		...	1,017,600		...	1,234,600	
Other „ .	8,436,646	6,748,728		17,475,100	6,124,300		10,307,700	3,524,100	
Total .	174,573,299	28,883,909	203,457,208	261,281,800	27,408,900	288,690,700	256,576,400	38,939,700	295,516,100
Net .			0			2,217,500			0
Secretary of State's Bills paid . .	(a) 8,342,722	...	8,342,722	(c) 24,887,700	...	24,887,700	1,933,300	...	1,933,300
Total Disbursements .	328,392,892	135,311,326		443,163,300	293,689,800		433,572,100	224,585,400	
Closing Balance .	15,293,216	(d) 11,391,993		16,522,616	(e) 15,781,193		12,273,116	(e) 17,029,493	
GRAND TOTAL .	343,686,108	146,703,319		459,685,916	309,470,993		445,845,216	241,614,893	

(*b*) Of this amount £5,792,681 represents the funds of the Gold Standard Reserve.
(*d*) Of this amount £6,001,456 represents the funds of the Gold Standard Reserve.

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secretary to the Government of India.

D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1916-17.	Revised, 1917-18.	Budget, 1918-19.
	R	R	R
Madras—			
Balance on April 1st	1,10,02,216	1,52,38,000	1,93,57,000
Special grants from Imperial revenues	24,71,500	28,75,000	34,25,000
Other revenue	7,70,07,188	8,00,20,000	8,11,19,000
Total Revenue including transfers from Imperial revenues	7,94,78,688	8,28,95,000	8,45,44,000
Total Expenditure	7,52,42,984	7,87,76,000	8,42,10,000
Closing Balance	1,52,37,920	1,93,57,000	1,96,91,000
Bombay—			
Balance on April 1st	1,77,00,898	2,71,28,000	3,69,68,000
Special grants from Imperial revenues	20,81,200	25,56,000	27,30,000
Other revenue	7,96,63,216	8,48,24,000	9,15,78,000
Total Revenue including transfers from Imperial revenues	8,17,44,416	8,73,80,000	9,43,08,000
Total Expenditure	7,23,16,714	7,75,40,000	9,03,02,000
Closing Balance	2,71,28,600	3,69,68,000	4,09,74,000
Bengal—			
Balance on April 1st	2,79,19,185	3,39,64,000	3,77,52,000
Special grants from Imperial revenues	35,12,600	45,15,000	49,69,000
Other revenue	6,27,19,436	6,42,37,000	6,46,65,000
Total Revenue including transfers from Imperial revenues	6,62,32,036	6,87,52,000	6,96,34,000
Total Expenditure	6,01,87,182	6,49,64,000	7,36,54,000
Closing Balance	3,39,64,039	3,77,52,000	3,37,32,000
United Provinces—			
Balance on April 1st	1,55,34,726	1,92,44,000	2,44,94,000
Special grants from Imperial revenues	24,28,500	34,42,000	29,17,000
Other revenue	6,77,67,222	6,93,94,000	6,98,72,000
Total Revenue including transfers from Imperial revenues	7,01,95,722	7,28,36,000	7,27,89,000
Total Expenditure	6,64,86,884	6,75,86,000	7,19,32,000
Closing Balance	1,92,43,564	2,44,94,000	2,53,51,000
Punjab—			
Balance on April 1st	63,54,888	1,22,75,000	1,59,78,000
Special grants from Imperial revenues	15,22,400	28,70,000	17,80,000
Other revenue	5,02,46,217	5,18,16,000	5,32,21,000
Total Revenue including transfers from Imperial revenues	5,17,68,617	5,46,86,000	5,50,01,000
Total Expenditure	4,58,48,710	4,79,83,000	5,48,61,000
Closing Balance	1,22,74,795	1,89,78,000	1,91,18,000
Burma—			
Balance on April 1st	83,52,055	1,17,80,000	92,00,000
Special grants from Imperial revenues	9,93,800	12,94,000	14,44,000
Other revenue	5,83,39,875	5,88,68,000	6,30,75,000
Total Revenue including transfers from Imperial revenues	5,93,33,675	5,51,62,000	6,45,19,000
Total Expenditure	5,59,05,867	5,77,42,000	6,14,76,000
Closing Balance	1,17,79,863	92,00,000	1,22,43,000
Bihar and Orissa—			
Balance on April 1st	1,42,99,955	1,48,01,000	1,39,13,000
Special grants from Imperial revenues	14,63,500	18,80,000	21,59,000
Other revenue	3,03,96,954	3,09,40,000	3,26,38,000
Total Revenue including transfers from Imperial revenues	3,18,60,454	3,28,20,000	3,47,97,000
Total Expenditure	3,13,59,459	3,37,08,000	3,67,16,000
Closing Balance	1,48,00,950	1,39,13,000	1,19,94,000
Central Provinces—			
Balance on April 1st	1,00,64,032	1,26,35,000	1,36,24,000
Special grants from Imperial revenues	9,14,000	13,59,000	12,24,000
Other revenue	2,93,61,362	2,97,04,000	3,05,90,000
Total Revenue including transfers from Imperial revenues	3,02,75,362	3,10,63,000	3,18,14,000
Total Expenditure	2,77,04,121	3,00,74,000	3,24,94,000
Closing Balance	1,26,35,273	1,36,24,000	1,29,44,000
Assam—			
Balance on April 1st	19,97,779	21,20,000	24,64,000
Special grants from Imperial revenues	4,47,500	5,48,000	6,48,000
Other revenue	1,41,09,770	1,42,74,000	1,52,61,000
Total Revenue including transfers from Imperial revenues	1,45,57,270	1,48,22,000	1,59,09,000
Total Expenditure	1,44,34,836	1,44,78,000	1,57,00,000
Closing Balance	21,20,213	24,64,000	26,73,000
Total—			
Balance on April 1st	11,32,25,684	14,91,85,000	17,67,50,000
Special grants from Imperial revenues	1,58,35,000	2,13,39,000	2,12,96,000
Other revenue	46,96,11,240	47,90,77,000	50,20,19,000
Total Revenue including transfers from Imperial revenues	48,54,46,240	50,04,16,000	52,33,15,000
Total Expenditure	44,94,86,707	47,28,51,000	52,13,45,000
Closing Balance	14,91,85,217	17,67,50,000	17,87,20,000
Total (in sterling)—	£	£	£
Balance on April 1st	7,548,379	9,945,600	11,783,300
Special grants from Imperial revenues	1,055,667	1,422,600	1,419,700
Other revenue	31,307,416	31,938,500	33,468,000
Total Revenue including transfers from Imperial revenues	32,363,083	33,361,100	34,887,700
Total Expenditure	29,965,781	31,523,400	34,756,300
Closing Balance	9,945,681	11,783,300	11,914,700

M. F. GAUNTLETT,
Offg. Comptroller General.

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secy. to the Govt. of India.

DELHI,
FINANCE DEPARTMENT,
March 22, 1918.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1916-1917.					REVISED ESTIMATE, 1917-1918.		BUDGET ESTIMATE, 1918-1919.	
	Revenue.	Expenditure. Refunds and Assignments.	Expenditure. Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue — Land Revenue (excluding that due to Irrigation)	22,041,265	778,832	3,813,133	17,449,300		16,961,000		17,989,500	
Opium	3,160,005	3,584	912,394	2,244,027		1,949,700		1,933,900	
Salt	4,826,260	264,096	398,186	4,163,978		4,751,100		2,682,800	
Stamps	5,776,696	57,192	173,466	5,546,038		5,487,800		5,686,100	
Excise	9,215,899	109,818	478,632	8,627,449		9,466,700		10,011,300	
Provincial Rates	31,391	313	...	31,078		28,300		28,900	
Customs	8,659,182	265,799	271,164	8,122,219		10,597,300		10,232,800	
Income Tax	3,772,967	33,594	37,112	3,702,261		5,980,800		6,229,200	
Forest	2,470,795	8,676	1,251,765	1,210,354		1,237,600		1,161,800	
Registration	540,581	757	263,761	276,063		262,000		267,900	
Tributes	612,429	206,394	...	406,035		409,600		406,900	
TOTAL	61,107,470	1,729,055	7,599,613	51,778,802		57,131,900		56,631,100	
Total deduction from Revenue		9,328,668							
Expenditure Heads.									
Debt Services — Interest	1,136,504	1,174,864			38,360		5,552,200		4,231,700
Commercial Services — Posts and Telegraphs	4,174,607	3,441,387		733,220		893,100		851,400	
Railways	21,313,797	13,831,922		7,481,875		10,174,800		9,201,700	
Irrigation	5,155,624	3,549,912		1,605,712		1,441,900		1,391,700	
Other Public Works — Civil Works, etc.	309,373	4,618,535			4,309,162		4,803,600		5,752,800
Mint — Mint	689,866	167,411		522,455		350,900		206,000	
Civil Departments — Civil Departments	1,739,713	19,081,230			17,341,517		19,010,100		21,208,200
Miscellaneous Civil Services — Superannuation	219,865	3,475,700			3,255,835		3,298,500		3,357,200
Exchange	111,371	...		111,371		1,000,000			
Miscellaneous	420,260	671,050			250,790	291,900		242,400	
Other heads	96,034	1,267,522			1,171,488		1,288,300		1,261,500
Famine Relief and Insurance — Famine Relief	...	187,617			187,617		6,500		40,400
Other heads	...	812,383			812,383		993,500		959,600
Military Services — Army — Effective	993,194	21,221,694			20,228,500		23,550,000		23,635,600
Army — Non-effective	122,324	3,038,309			2,915,985		3,004,200		3,011,200
Marine	365,027	693,680			328,653		435,000		651,700
Military works	95,401	1,594,538			1,499,137		1,782,300		1,701,500
Special Defences (1902)	...	18,536			18,536		10,400		...
TOTAL	98,050,430	88,174,958		9,875,472		7,549,300		2,712,900	
Provincial Adjustment — Surplus		2,397,302			2,397,302		1,837,700		131,400
Deficit		...							
TOTAL	98,050,430	90,572,260		7,478,170		5,711,600		2,581,500	
Surplus				7,478,170		5,711,600		2,581,500	
Capital Account — Railway, Irrigation and other Capital not charged to Revenue:—									
Capital raised through Companies towards outlay on State Railways						—500,000		—250,000	
Capital contributed by Native States towards construction of State Railways				66,667		66,700		33,300	
Capital raised and deposited by Railway Companies (net)				555,431			772,300		2,242,400
Outlay on Irrigation Works					512,083		372,400		466,700
Outlay on State Railways					1,872,343		3,023,400		3,704,400
Initial outlay on new Capital at Delhi					244,297		250,700		266,700
India's Financial Contribution to the War							100,000,000		
Outlay of Railway Companies (net)					770,593		521,700		631,600
Debt, Deposits, Advances, and Remittances — Permanent Debt (net)				4,433,691		68,943,800			877,300
Temporary Debt (net)					7,722,183	48,891,200			2,666,700
Unfunded Debt (net)				1,474,857		9,616,500		1,215,300	
Loans and Advances by Imperial Government (net)				2,451			3,100		59,500
Loans and Advances by Provincial Governments (net)				585,495		598,400		119,100	
Loans to Local Boards for Railway Construction (net)				8,020			2,000	8,700	
Deposits and Advances (net)					4,595,151		20,916,800	4,139,500	
Remittances (net)				1,651,160			2,217,500	2,000,000	
Secretary of State's Bills drawn				9,669,240		25,258,000			
Secretary of State's Bills paid					8,342,722		24,887,700		1,933,300
				25,925,182	24,059,377	158,586,200	152,967,600	9,847,400	12,848,600
Cash Balance — Opening Balance				24,819,404		26,685,209		32,303,809	
Closing Balance					26,685,209		32,303,809		29,302,609
TOTAL				50,744,586	50,744,586	185,271,409	185,271,409	42,151,209	42,151,209

M. F. GAUNTLETT,
Offg. Comptroller-General.

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT,
March 22, 1918.

MEMORANDUM EXPLAINING THE DETAILS OF THE ESTIMATES.

Introductory.

In this memorandum the variations between the Budget and the Revised estimates of the current year, and between the latter and the Budget estimates of next year, are explained in detail for the major heads of account. Under most of the heads details by provinces have been given, and it may be explained that the figures shown against "India General" represent the transactions of the Central Government, including all expenditure directly controlled by it, of the minor administrations of Ajmer-Merwara and Coorg, and of the convict settlement in the Andamans. The Budget estimates of Provincial and "Divided" expenditure in 1918-19 generally represent the allotments proposed by the several Governments and Administrations with whom regular provincial settlements have been concluded. More detailed information regarding the figures will be found in the Financial Statements presented by the Local Governments to their respective Councils.

2. The figures for the province of Delhi have been entered separately and explained under each major head of account. A *pro formâ* account of expenditure on Delhi and the Delhi province is also appended to this memorandum (Appendix I), together with a prefatory note explaining the scope of the *pro formâ* account and the relation between it and the regular accounts.

3. A statement is added to the memorandum (Appendix II) bringing together for each province and for the Home treasury of the Government of India the actual revenue and expenditure under each major head during the last year, the Revised estimates of the current year and the Budget estimates of the next year. The statement takes the place of a return which was formerly presented separately to Parliament and will serve as an expansion of the totals of revenue and expenditure exhibited in the Budget Statements proper (Statements A to E) and as a summary of the figures shown for each province under the several heads in this memorandum.

General results.

4. The broad totals of revenue and expenditure for the last year, the current year and the ensuing year, are as follows:—

	Accounts, 1916-17.
	£
Revenue	98,050,430
Expenditure charged to Revenue	90,572,260
Imperial surplus	7,478,170

	Revised, 1917-18.
	£
Revenue	109,924,300
Expenditure charged to Revenue	104,212,700
Imperial surplus	5,711,600

	Budget, 1918-19.
	£
Revenue	109,190,300
Expenditure charged to Revenue	106,608,800
Imperial surplus	2,581,500

These figures exclude all capital, debt and remittance transactions.

Accounts, 1916-17.

5. The Accounts of 1916-17 are not discussed in this memorandum, but according to our usual practice in the past a brief explanation is given below of the principal divergences between the Revised estimates of revenue and expenditure as submitted to the Council twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Comptroller and Auditor-General.

6. The broad results are brought out in the following table :—

	Revised, 1916-17.			Actuals, 1916-17.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
	£	£	£	£	£	£
Revenue . . .	64,837,800	31,936,700	96,774,500	65,687,300	32,363,100	98,050,400
Expenditure . .	58,849,100	30,329,700	89,178,800	58,209,100	29,965,800	88,174,900
Surplus .	5,988,700	1,607,000	7,595,700	7,478,200	2,397,300	9,875,500

7. The Imperial revenue exceeded the Revised estimate by £849,500 while the Imperial expenditure fell short of it by £640,000, with the result that the surplus was £1,489,500 more than was anticipated. The principal items contributing to this improvement are mentioned below. There was an increase of £381,700 in the gross traffic receipts from railways, mainly on the Great Indian Peninsula, Bombay, Baroda and Central India, Madras and Southern Mahratta and North Western lines; the traffic conditions in January and February 1917 were depressed owing to difficulties in regard to coal supplies, but they recovered sooner than expected, and there was a general rise in earnings during the last few weeks of March. With a small excess of £39,000 in the working expenses, the betterness in the net receipts of Railways amounted to £342,700. The Imperial share of Major Irrigation revenue and Income-tax collections showed improvements of £92,800 and £95,300 respectively. A decrease of £363,200 occurred under Political expenditure by reason mainly of the fact that the adjustment of the Indian share of the expenditure on the South Persia Rifles for which the Revised estimate included a provision of £300,000 had to be postponed to the accounts for 1917-18. The net Military expenditure showed a saving of £164,200 owing principally to larger realisations from the sale of dairy produce, provisions and stores. There were lapses of £114,200 in the grant for the Postal and Telegraph Department and of £99,000 under Opium expenditure, due in the latter case to a reduction in the payments for the purchase of Malwa opium. The improvement of £790,300 in the Provincial section was the result mainly of better collections of income-tax, irrigation, forest and excise revenue and of savings in the grants for expenditure on civil works, education, sanitation and land revenue establishments.

Authors of Memorandum.

8. Paragraphs 205 to 220 of the memorandum have been communicated by the Honourable Mr. G. B. H. Fell, C.S.I., C.I.E., Financial Adviser, Military Finance, and paragraphs 165 to 174 and 230 to 233 by Mr. H. N. Heseltine, C.I.E., Accountant General, Railways; the rest of the memorandum has been drafted by Mr. A. V. Venkataramana Aiyar, B. A., Assistant Secretary in the Finance Department.

I AND 3.—LAND REVENUE.

REVENUE.

(Including the portion due to Irrigation.)

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	7,24,712	7,14,006	7,60,795	7,43,000	7,61,000	7,92,000
2. Delhi	3,19,227	4,13,467	3,48,021	3,73,000	3,43,000	3,73,000
3. Baluchistan	10,18,550	9,45,527	10,85,662	10,60,000	10,01,000	10,54,000
4. North-West Frontier	22,60,241	22,03,033	22,05,190	22,77,000	23,32,000	23,47,000
5. Other Provinces	17,59,382	23,80,959	40,19,895	39,50,000	34,80,000	24,00,000
Total	60,82,112	66,56,992	84,19,563	84,03,000	79,17,000	69,66,000
Divided and Provincial.						
1. Madras	6,77,35,907	6,97,93,862	7,00,16,684	7,09,89,000	7,08,17,000	7,15,04,000
2. Bombay	5,36,52,418	5,49,84,813	5,41,07,087	5,48,62,000	5,32,73,000	5,64,79,000
3. Bengal	2,69,87,049	2,82,05,800	2,79,27,219	2,78,59,000	2,74,75,000	2,79,94,000
4. United Provinces	6,40,10,989	6,93,40,212	6,66,08,251	6,73,06,000	6,70,88,000	6,71,69,000
5. Punjab	3,86,30,652	3,87,69,925	4,04,51,302	4,02,62,000	4,17,96,000	4,18,15,000
6. Burma	4,48,07,155	4,66,63,827	4,75,95,073	4,79,00,000	4,07,00,000	5,50,00,000
7. Bihar and Orissa	1,51,42,994	1,50,92,834	1,54,66,425	1,52,98,000	1,52,08,000	1,53,65,000
8. Central Provinces	1,88,25,898	1,97,48,498	1,98,54,287	2,00,90,000	1,95,80,000	2,00,60,000
9. Assam	74,65,876	78,16,453	75,79,713	81,76,000	82,01,000	84,47,000
Total	33,72,58,938	35,04,16,224	34,96,06,041	35,27,42,000	34,41,38,000	36,38,33,000
TOTAL REVENUE ₹	34,33,41,050	35,70,73,216	35,80,25,604	36,11,45,000	35,20,55,000	37,07,99,000
Shown under I.—Land Revenue ₹	31,83,23,088	33,04,67,411	33,06,18,976	33,32,72,000	32,41,67,000	34,19,78,000
Shown under XXIX.—Irrigation ₹	2,50,17,962	2,66,05,805	2,74,06,628	2,78,73,000	2,78,88,000	2,88,21,000
Equivalent of total Revenue in Sterling £	22,889,403	23,804,881	23,868,373	24,076,400	23,470,300	24,720,000
Shown under I.—Land Revenue £	21,221,539	22,031,161	22,041,265	22,218,200	21,611,100	22,798,600
Shown under XXIX.—Irrigation £	1,667,864	1,773,720	1,827,108	1,858,200	1,859,200	1,921,400

EXPENDITURE.

Imperial.						
1. India General	4,11,539	4,13,480	4,10,603	4,22,000	4,16,000	4,24,000
2. Delhi	1,02,099	1,06,710	1,03,806	1,06,000	1,12,000	1,05,000
3. Baluchistan	2,29,749	2,29,586	2,20,136	2,23,000	2,21,000	2,27,000
4. North-West Frontier	6,48,563	6,32,824	6,57,547	7,06,000	6,77,000	7,27,000
5. Other Provinces	34,02,717	30,42,742	26,60,612	31,01,000	28,03,000	32,23,000
Total	47,94,667	44,25,342	40,52,704	45,58,000	42,29,000	47,06,000
Provincial.						
1. Madras	1,25,47,258	1,23,55,014	1,22,76,233	1,25,50,000	1,25,17,000	1,27,63,000
2. Bombay	89,04,087	86,58,731	82,57,931	87,92,000	86,30,000	89,29,000
3. Bengal	33,89,970	34,76,687	34,92,481	35,57,000	34,38,000	36,28,000
4. United Provinces	91,84,818	95,07,344	95,69,444	98,92,000	96,55,000	97,76,000
5. Punjab	49,87,071	49,46,687	47,29,433	51,13,000	48,10,000	55,45,000
6. Burma	68,14,945	70,94,318	68,54,578	69,42,000	65,52,000	69,01,000
7. Bihar and Orissa	24,69,531	23,12,937	22,98,084	25,33,000	24,39,000	24,16,000
8. Central Provinces	41,15,623	41,26,317	39,98,035	40,52,000	39,70,000	40,65,000
9. Assam	14,77,681	16,37,550	16,43,845	16,75,000	16,11,000	15,82,000
Total	5,38,90,984	5,41,15,585	5,31,20,064	5,51,06,000	5,36,22,000	5,56,05,000
TOTAL INDIA ₹	5,86,85,651	5,85,40,927	5,71,72,768	5,96,64,000	5,78,51,000	6,03,11,000
Equivalent in Sterling £	3,912,377	3,902,729	3,811,518	3,977,600	3,856,700	4,020,700
England £	1,641	985	1,615	2,000	2,100	1,500
TOTAL EXPENDITURE £	3,914,018	3,903,714	3,813,133	3,979,600	3,858,800	4,022,200

9. The Imperial expenditure shown against "Other Provinces" in the table on the preceding page represents the cost of survey and record-of-right operations on a large scale in Bengal and in Bihar and Orissa, undertaken more for administrative than for fiscal purposes. The expenditure is of a temporary and varying character and was accordingly not considered suitable for inclusion in the financial settlements with the two provinces. Three-fourths of the charges are eventually recovered from landlords and tenants for the protection of whose rights the operations are primarily undertaken; and the recoveries are shown in the table as Imperial revenue against "Other Provinces".

REVENUE.

(a) *Wholly Imperial.*

Revised, 1917-18. 10. The Revised estimate for 1917-18 is less than the Budget by R4·86 lakhs. The reduction occurs almost entirely in the recoveries of survey and settlement charges in Bengal (R3·20 lakhs) due to excess recoveries effected in 1916-17, and in Bihar and Orissa (R1·50 lakhs) owing to less rapid progress with the programme of operations. There is also a small decline in the land revenue collections in Baluchistan and Delhi, but it will be counterbalanced by the recovery of arrears in the North-West Frontier Province.

Budget, 1918-19. 11. The Budget estimate for 1918-19 falls short of the Revised estimate for 1917-18 by R9·51 lakhs. A decrease of R10·80 lakhs is anticipated in the receipts on account of survey and settlement charges in Bengal and Bihar and Orissa as the result of a reduction in the programme of recovery operations. Provision has been made for normal collections of land revenue.

(b) Divided and wholly Provincial.

Revised, 1917-18. 12. The total collections in 1917-18 will fall short of the Budget estimate by R86·04 lakhs. There will be a considerable decline of R72 lakhs in Burma owing to a postponement of collections as a result of the unsettled condition of the paddy market. Decreases of revenue are also expected to the extent of R15·89 lakhs in Bombay in consequence of suspensions necessitated by excessive rainfall in certain districts, a change in the dates for instalments in the Broach district, and a low inundation in parts of the Sind division; R5·10 lakhs in the Central Provinces owing to unfavourable crops in certain districts; R2·18 lakhs in the United Provinces as the result of improved collections in 1916-17 and a consequent reduction in the demand which remained outstanding at the end of that year; and R3·84 lakhs in Bengal and R1·72 lakhs in Madras due to a retardation of collections by late harvests. On the other hand, there will be a large rise of R15·34 lakhs in the Punjab as the *rabi* harvest proved to be much better than anticipated when the Budget was framed.

Budget, 1918-19. 13. The total Budget estimate for 1918-19 is more than the Revised estimate for 1917-18 by R1,96·95 lakhs. The estimates have been framed as usual on the basis of normal monsoon conditions in the ensuing year, and an increase in revenue is expected in all the provinces. It is expected that the bulk of the revenue, the collection of which has been deferred in Burma in the current year, will be realised in 1918-19. Provision has been made for recoveries of arrears also in Bombay, Madras, the Central Provinces and Bengal, for an extensive wheat crop in Sind, for enhanced assessments and an extension of canal irrigation in the Punjab, and for normal growth in the revenue demand in other provinces.

EXPENDITURE.

(a) *Wholly Imperial (India and England).*

Revised, 1917-18. 14. The saving of R3·27 lakhs on the Budget estimate for 1917-18 is chiefly due to lapses in the grants for survey and settlement expenditure in Bengal and Bihar and Orissa. *Budget, 1918-19.* The Budget estimate for 1918-19 is taken at R4·68 lakhs more than the Revised for the current year. The increase is almost wholly due to a larger provision for the same item of expenditure.

(*b*) *Provincial.*

Revised, 1917-18.

15. The total expenditure in the current year will fall short of the Budget estimate by R14·84 lakhs, the reduction being distributed over all the provinces. The temporary transfer of officers to military duty and to other departments and the reduced rates for exchange compensation allowance introduced in the latter part of the current year contribute to part of the saving in most provinces. Among other causes may be mentioned—

(1) The total or partial non-utilization of grants for the revision of village establishments in Madras and land record establishments in the Central Provinces, and for grain compensation allowance in the Punjab,

(2) The non-introduction of the revised scale for Deputy Collectors in its entirety in the United Provinces,

(3) Smaller outlay on commission on revenue collections in Burma and on the improvement of Government estates in Bengal and Bihar and Orissa, and

(4) The earlier completion of certain settlement operations in Assam than anticipated in the Budget.

There will be an increase of R2·49 lakhs in Bombay owing to the grant of grain compensation allowance for which no provision was included in the Budget, but it will be more than covered by savings under other items of expenditure.

Budget, 1918-19.

16. The total Budget estimate for 1918-19 exceeds the Revised for the current year by R19·83 lakhs. The increase is distributed over all the provinces with the exception of Assam and Bihar and Orissa. Provision has generally been based on existing sanctions and commitments. The largest increase occurs in the Punjab and is due to provision for additional survey and settlement operations (R2·37 lakhs), charges connected with the formation of a new district (R1·33 lakhs), increased pay to menial establishments and the reorganisation of district office establishments (R2 lakhs) and larger outlay on grain compensation allowance (R·75 lakh). Special allotments have also been made for the revision of village establishments in Madras (R1·09 lakhs) and Bombay (R·84 lakh) and land record establishments in the Central Provinces (R1·09 lakhs), for a larger programme of settlement operations in Madras (R1·44 lakhs), for charges connected with the settlement of criminal tribes in Bombay (R·60 lakh), and for increased outlay on grain compensation allowance in the same province (R·59 lakh) and on the improvement of Government estates in Bengal (R1·41 lakhs).

II AND 4—OPIUM.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
INDIA.						
Revenue—						
Sale of provision and medical Opium .	1,87,71,783	2,41,19,712	4,15,78,728	4,49,90,000	4,01,07,000	4,10,27,000
Excise Opium and other Revenue .	48,11,491	45,83,000	58,21,345	58,50,000	59,21,000	68,50,000
TOTAL ₹	2,35,83,274	2,87,02,712	4,74,00,073	5,08,40,000	4,60,28,000	4,78,77,000
Equivalent in Sterling £	1,572,218	1,913,514	3,160,005	3,589,300	3,068,500	3,191,800
Expenditure—						
Purchase of Opium (including payments to Cultivators) .	85,79,357	1,58,70,745	1,21,60,402	1,83,27,000	1,50,81,000	1,68,02,000
Other Charges . .	12,27,924	12,82,616	15,13,254	14,75,000	16,26,000	19,94,000
TOTAL INDIA ₹	98,07,281	1,71,53,361	1,36,73,656	1,98,02,000	1,67,07,000	1,87,96,000
Equivalent in Sterling £	653,819	1,143,557	911,577	1,320,100	1,113,800	1,253,100
ENGLAND.						
Miscellaneous Charges £	270	774	817	900	1,400	1,200
TOTAL £	654,089	1,144,331	912,394	1,321,000	1,115,200	1,254,300

REVENUE.

(i) *Provision and medical opium.*

Revised, 1917-18.

17. The Budget estimate for 1917-18 provided for a revenue of ₹4,49·90 lakhs from the sale of 16,870 chests of opium for consumption outside India, of which 7,000 chests were to be disposed of at the monthly auctions held at Calcutta, and the balance was to be supplied to the Governments of the Straits Settlements, Hong Kong and the Netherlands Indies or sold in England for medicinal purposes. As a result of difficulties connected with freight and exchange and the large stocks which the dealers had in hand, only 530 chests, out of 2,915 offered for sale, were disposed of at the first five auctions of the year. It is expected that 4,264 chests will be sold by auction during the year and that they will fetch a revenue of ₹1,39·34 lakhs, *i.e.*, an average of ₹3,268 a chest, or slightly more than the upset price of ₹3,200 which has been in force throughout the year. Arrangements have also been made for the direct supply of opium to the Governments of Siam and British North Borneo on the lines of those entered into with the other Governments named above, and the demand from the Straits Settlements has been larger than contemplated in the Budget. Taking into account opium supplied to these countries and sold in England for medicinal purposes, it is expected that about 15,700 chests will be disposed of in the current year, the proceeds amounting to ₹4,01·07 lakhs.

Budget, 1918-19.

18. The Budget estimate for 1918-19 anticipates a revenue of ₹4,10·27 lakhs from the sale of about 15,700 chests of provision and medical opium, of which 5,600 chests will be sold by public auction and the balance will be supplied to the countries named in paragraph 17 or sold in England for medicinal purposes.

(*ii*) *Excise opium and other revenue.*

19. The Revised estimate for 1917-18 does not differ materially from the Budget. Only the amount charged to local Governments on account of the cost of production of opium consumed in India is credited under this head, the difference between the actual price of issue and the cost of production forming an item of excise revenue. Owing to the increase from Rs. 7½ to Rs. 9 a seer recently made in the price paid to cultivators for crude opium, it has been decided to raise the cost price at which opium is supplied to local Governments from Rs. 11 to Rs. 13 a seer with effect from the 1st April 1918. This accounts for the increase of R9·29 lakhs in revenue in the Budget for 1918-19 as compared with the Revised estimate for 1917-18.

Revised, 1917-18.

Budget, 1918-19.

EXPENDITURE.

20. The Revised estimate for 1917-18 falls short of the Budget provision by R30·87 lakhs. A reduction of R22·90 lakhs is anticipated in the payments to cultivators in the United Provinces owing to the area brought under cultivation in the current year having fallen short of original expectations, and the Budget provision for the purchase of mature Malwa opium will not be utilised to the extent of R12·30 lakhs. On the other hand, there will be an excess of R2·74 lakhs in the advance payments to cultivators in certain Native States in Central India, with which arrangements have been made for the special cultivation of opium, commencing from the current year, for sale to Government in order to supplement the supply of Bengal opium. The Budget estimate for 1918-19 provides for an expansion of the area cultivated with poppy in the United Provinces and, in the case of the Central India States, for final payments on account of the current year's crop and for advances in respect of the cultivation in 1918.

Revised, 1917-18.

Budget, 1918-19.

III AND 5.—SALT.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
REVENUE.						
Northern India (*a*)	1,56,28,033	1,47,09,662	2,54,11,204	1,20,00,000	3,48,12,000	55,01,000
Madras (*a*)	1,17,06,298	1,15,78,575	1,28,65,539	1,40,80,000	1,61,36,000	1,61,80,000
Bombay (*a*)	1,49,70,019	1,39,91,462	1,80,09,168	1,78,25,000	1,72,00,000	1,82,00,000
Bengal (*b*)	1,40,25,260	1,23,67,112	1,34,04,794	1,30,86,000	1,10,00,000	95,00,000
Burma (*b*)	23,29,911	20,64,895	27,01,850	26,00,000	29,42,000	30,00,000
Bihar and Orissa	1,471	1,256	266	1,000	1,000	1,000
Assam	849	840	770	1,000	1,000	1,000
TOTAL ₹	5,86,61,841	5,47,13,802	7,23,93,891	5,95,93,000	8,20,92,000	5,23,83,000
Equivalent in Sterling £	3,910,790	3,647,587	4,826,260	3,972,900	5,472,800	3,492,200
CHARGES.						
Establishment charges	43,17,603	43,72,216	43,55,554	45,51,000	47,24,000	52,55,000
Cost of salt purchased by Government	10,64,773	12,41,171	15,91,345	15,43,000	16,55,000	21,57,000
Total India ₹	53,82,376	56,13,387	59,46,899	60,94,000	63,79,000	74,12,000
Equivalent in Sterling £	358,825	374,226	396,460	406,300	425,300	494,100
England £	1,692	2,496	1,726	2,300	600	2,500
TOTAL £	360,517	376,722	398,186	408,600	425,900	496,600
Total Consumption (*c*) Mds.	5,07,42,000	4,74,62,000	5,10,38,000	4,87,90,000	4,51,26,000	5,12,75,000

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.
(*c*) The figures for Northern India included in the total consumption now represent actual or estimated issues instead, as hitherto, of authorised issues.

REVENUE.

Revised, 1917-18.

21. With a view to secure the prior right of obtaining salt heavy advance payments of duty were again made by traders in Northern India from July to November 1917. Owing to the excessive accumulation of indents awaiting compliance and a reduction in output which resulted from damage to the salt sources caused by abnormal rains, it was decided in the last week of November 1917 to stop the receipt of duty and of further indents. At the same time, in order to check an acute rise in prices which had occurred in several provinces, local bodies, co-operative credit societies, native states, etc., were permitted to obtain supplies in preference to the ordinary traders and to open depôts for the sale of salt at fair prices. These measures were accompanied by an offer to refund to traders in Northern India the duty paid by them in advance of the issue of salt, provided that applications for refunds are presented before the 31st March 1918. Allowing for these factors, the revenue in Northern India in 1917-18 is expected to exceed the Budget estimate by ₹2,28·12 lakhs.

There will also be an increase of ₹20·56 lakhs in Madras owing mainly to the sale of Government salt by auction in certain factories in which stocks were low, but it will be more than set off by a decline in Bengal (₹20·86 lakhs) due to a contraction of imports in consequence of freight difficulties, and in Bombay (₹6·25 lakhs) as a result of the stoppage, in the latter part of the year, of the removal of Baragora salt for consumption outside the Presidency.

Budget, 1918-19.

22. The total issues of salt in 1918-19, imported as well as locally manufactured, are taken at 513 lakhs of maunds. In estimating, however, the net receipts of duty during the year allowance has been made for the advance payments made in Northern India up to November 1917 and for claims for

refunds, payment of which is likely to be thrown forward from the current year. Inclusive of sale-proceeds of Government salt and other miscellaneous receipts, the Budget estimate of revenue for 1918-19 has accordingly been placed at R5,23·83 lakhs.

EXPENDITURE.

23. The Revised estimate for 1917-18 exceeds the Budget by R2·60 lakhs. The increase occurs in all the areas of local manufacture, *viz.*, Northern India (R1·84 lakhs), Madras (R1·12 lakhs) and Bombay (R1·02 lakhs). It is due generally to measures undertaken to extend the salt works and improve their output in view of the present situation in regard to the supplies of salt. The extra expenditure in Madras arising from this cause is partly counterbalanced by savings in the grants for other items of expenditure. The Budget estimate for 1918-19 is more than the Revised estimate for the current year by R10·61 lakhs. The rise is attributable to further measures for extending the salt works and improving their output and to larger purchases from licensees to increase the stocks of Government salt. Provision has also been made in Northern India for an expenditure of R3 lakhs on raising and strengthening the Kayar embankments at Sambhar in order to reduce the liability of the salt works to damage from rains.

Revised, 1917-18.

Budget, 1918-19.

IV AND 6.—STAMPS.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General . .	4,30,499	4,45,677	4,22,188	4,24,000	4,11,000	3,99,000
2. Delhi . . .	3,26,745	3,22,777	3,53,754	3,42,000	3,80,000	3,79,000
3. Baluchistan . .	87,078	89,550	86,815	90,000	92,000	91,000
4. North-West Frontier	6,19,027	6,74,843	7,05,227	7,25,000	7,33,000	7,47,000
TOTAL .	14,63,349	15,32,847	15,67,984	15,81,000	16,16,000	16,16,000
Divided.						
1. Madras . . .	1,38,98,284	1,51,01,998	1,55,89,277	1,60,50,000	1,55,00,000	1,59,50,000
2. Bombay . . .	80,59,237	85,28,187	97,64,993	96,50,000	1,01,00,000	1,04,00,000
3. Bengal . . .	2,02,62,265	2,24,37,340	2,41,51,970	2,53,00,000	2,31,00,000	2,41,00,000
4. United Provinces .	1,18,18,155	1,25,11,383	1,29,89,366	1,34,00,000	1,32,50,000	1,37,00,000
5. Punjab . . .	54,38,062	58,11,218	59,82,286	61,00,000	60,75,000	61,50,000
6. Burma . . .	34,28,201	35,15,055	36,64,993	36,50,000	32,50,000	35,00,000
7. Bihar and Orissa .	68,04,228	66,97,240	73,22,624	75,50,000	76,00,000	78,50,000
8. Central Provinces .	36,21,293	39,44,865	41,82,422	45,50,000	42,00,000	43,00,000
9. Assam . . .	14,31,576	14,24,354	14,34,522	14,50,000	14,34,000	15,04,000
TOTAL .	7,47,67,301	7,99,71,640	8,50,82,453	8,77,00,000	8,45,59,000	8,74,54,000
TOTAL REVENUE ₹	7,62,30,650	8,15,04,487	8,66,50,437	8,92,81,000	8,61,75,000	8,90,70,000
Distribution of Total Revenue :—						
Court Fees and Plain Paper . . .	5,24,85,951	5,60,06,140	5,89,86,754	6,05,17,000	5,94,41,000	6,11,22,000
Commercial and other stamps . . .	2,31,20,128	2,48,62,238	2,72,54,189	2,74,54,000	2,54,81,000	2,66,79,000
Other Revenue . .	6,24,571	6,36,109	4,09,494	13,10,000	12,53,000	12,69,000
Equivalent of total revenue in Sterling £	5,082,043	5,433,632	5,776,696	5,952,100	5,745,000	5,938,000

EXPENDITURE.

Imperial.						
1. India General :—						
(*i*) Superintendence and other charges .	2,38,454	2,25,214	2,67,970	2,61,000	3,67,000	3,63,000
(*ii*) Credits for value of stamps supplied to Local Governments and administrations and to the Postal and Telegraph Departments.	—15,06,504	—15,01,791	—15,82,435	—16,19,000	—17,74,000	—17,83,000
2. Delhi . . .	5,931	6,456	6,804	6,000	6,000	6,000
3. Baluchistan . .	1,256	1,312	1,376	1,000	1,000	1,000
4. North-West Frontier	22,608	22,405	28,260	29,000	25,000	29,000
TOTAL .	—12,38,255	—12,46,404	—12,78,025	—13,22,000	—13,75,000	—13,84,000
Divided.						
1. Madras . . .	4,33,776	4,13,897	4,46,380	4,44,000	4,96,000	4,52,000
2. Bombay . . .	2,37,489	2,38,679	2,59,181	2,48,000	2,88,000	2,96,000
3. Bengal . . .	6,22,265	5,82,710	6,26,371	6,28,000	6,84,000	7,37,000
4. United Provinces .	2,42,781	2,63,448	2,58,580	2,72,000	2,90,000	2,87,000
5. Punjab . . .	1,71,110	1,78,242	1,76,799	1,77,000	1,90,000	2,03,000
6. Burma . . .	91,573	94,632	1,00,503	1,00,000	92,000	98,000
7. Bihar and Orissa .	2,19,626	1,77,887	1,91,031	2,07,000	2,24,000	2,32,000
8. Central Provinces .	1,11,528	1,10,505	1,18,406	1,27,000	1,24,000	1,30,000
9. Assam . . .	64,062	48,108	48,680	50,000	51,000	50,000
TOTAL .	21,94,210	21,08,108	22,25,931	22,53,000	24,39,000	24,85,000
TOTAL INDIA . ₹	9,55,955	8,61,704	9,47,906	9,31,000	10,64,000	11,01,000
Equivalent in Sterling £	63,730	57,447	63,194	62,100	70,900	73,400
England . £	56,133	89,703	110,272	98,600	125,000	120,000
TOTAL EXPENDITURE £	119,863	147,150	173,466	160,700	195,900	193,400

REVENUE.

(*a*) *Wholly Imperial.*

24. The figures show little variation.

(*b*) *Divided.*

Revised, 1917-18.

25. The total Revised for 1917-18 is less than the Budget by R31·41 lakhs. The latter provided for a moderate increase over the revenue of the preceding year, but the considerable growth which occurred in 1915-16 and 1916-17 has been followed by a set-back in the current year in all provinces except Bombay, Bihar and Orissa and Assam. The decline is largest in Bengal (R22 lakhs) and Madras (R5·50 lakhs). The only material rise in revenue occurs in Bombay (R4·50 lakhs) and is attributed to good conditions in regard to the local industries and to large business transacted in real property. Of the total reduction of R31 lakhs, R11 lakhs are expected in the revenue from court-fee stamps, and R20 lakhs in that derived from non-judicial stamps.

Budget, 1918-19.

26. The Budget for 1918-19 provides for a moderate growth in revenue in all the provinces and is taken at R28·95 lakhs higher than the Revised estimate for 1917-18.

EXPENDITURE.

27. The cost of all stamps and stamp paper supplied from England is charged under this head, and an adjustment is made in India transferring to Posts and Telegraphs the cost of stamps used for postal and telegraph purposes. Similarly the cost of revenue stamps supplied to Local Governments and Administrations is debited to them in the Provincial section of the accounts by *per contra* credit in the Imperial section under this head. The credits on both these accounts are shown against item I (*ii*) under expenditure in the table on the preceding page.

(*a*) *Wholly Imperial* (*including outlay in England*).

Revised, 1917-18.

28. The Revised estimate for 1917-18 exceeds the Budget by R3·43 lakhs. The rise is due to larger outlay in England on the manufacture of stamps and to higher prices of plain paper purchased in India for use with court-fee stamps, partly set off by an increase in the credits mentioned in paragraph 27. The decrease of R·84 lakh in the Budget for 1918-19 as compared with the Revised for the current year occurs almost entirely in the outlay in England on the manufacture of stamps.

Budget, 1918-19.

(*b*) *Divided.*

Revised, 1917-18.

29. The Revised estimate for the current year exceeds the Budget by Rs. 1·86 lakhs owing to a rise in the cost of manufacture of stamped paper supplied to local Governments and to provision being made for packing and freight charges on post cards, the demand for which is now met partly by local manufacture. The Budget estimate for 1918-19 does not differ materially from the Revised for the current year.

Budget, 1918-19.

V AND 7.—EXCISE.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General .	16,12,055	16,31,925	18,77,477	18,20,000	23,65,000	23,72,000
2. Delhi . . .	2,73,867	2,65,765	2,49,631	2,45,000	3,20,000	3,20,000
3. Baluchistan . .	2,91,692	2,98,920	3,68,194	3,63,000	4,72,000	4,70,000
4. North-West Frontier	3,54,363	3,53,604	3,58,716	3,35,000	4,23,000	4,70,000
Total .	25,31,977	25,50,214	28,54,018	27,63,000	35,80,000	36,32,000
Divided and wholly Provincial.						
1. Madras . .	3,66,18,734	3,51,18,758	3,72,02,608	3,78,00,000	4,04,21,000	4,16,28,000
2. Bombay . .	2,20,07,779	2,27,91,330	2,60,50,666	2,56,00,000	3,04,00,000	3,50,00,000
3. Bengal . . .	1,53,74,624	1,51,40,074	1,44,44,229	1,46,00,000	1,55,00,000	1,60,00,000
4. United Provinces .	1,24,44,302	1,22,11,130	1,34,11,963	1,36,10,000	1,45,10,000	1,51,00,000
5. Punjab . .	69,21,307	70,59,656	75,86,836	77,35,000	85,26,000	91,47,000
6. Burma . . .	88,94,183	81,11,370	88,31,324	91,00,000	92,09,000	94,00,000
7. Bihar and Orissa .	1,15,93,047	1,09,71,527	1,12,26,696	1,13,00,000	1,20,50,000	1,21,58,000
8. Central Provinces .	1,10,55,162	1,00,65,862	1,10,89,102	1,18,16,000	1,15,50,000	1,19,00,000
9. Assam . . .	54,12,099	54,63,211	55,41,053	56,00,000	54,06,000	57,40,000
Total .	13,03,21,237	12,69,32,918	13,53,84,477	13,71,61,000	14,75,72,000	15,60,73,000
TOTAL REVENUE ₹	13,28,53,214	12,94,83,132	13,82,38,495	13,99,24,000	15,11,52,000	15,97,05,000
Equivalent in Sterling £	8,856,881	8,632,209	9,215,899	9,328,200	10,076,800	10,647,000

EXPENDITURE.

Imperial.						
1. India General .	98,509	97,701	1,00,849	91,000	1,02,000	1,09,000
2. Delhi . . .	6,283	7,873	9,497	11,000	13,000	12,000
3. Baluchistan . .	11,644	11,355	12,923	13,000	13,000	30,000
4. North-West Frontier	13,244	15,388	15,548	17,000	16,000	16,000
Total .	1,29,680	1,32,317	1,38,817	1,32,000	1,44,000	1,67,000
Divided and wholly Provincial.						
1. Madras . .	18,33,739	18,52,487	18,16,051	18,56,000	18,15,000	18,42,000
2. Bombay . .	11,43,213	11,47,633	11,23,723	11,31,000	11,51,000	11,61,000
3. Bengal . . .	7,17,585	7,74,858	9,39,493	9,00,000	10,21,000	10,85,000
4. United Provinces .	4,60,058	4,81,865	4,86,016	5,04,000	4,87,000	5,10,000
5. Punjab . .	2,15,338	2,25,691	2,31,891	2,58,000	2,42,000	2,60,000
6. Burma . . .	12,77,533	12,52,270	12,54,379	12,57,000	12,47,000	12,83,000
7. Bihar and Orissa .	5,65,501	5,85,276	5,81,814	6,15,000	6,03,000	6,43,000
8. Central Provinces .	4,25,345	4,80,171	4,81,576	5,48,000	5,28,000	5,51,000
9. Assam . . .	1,22,192	1,22,242	1,20,539	1,23,000	1,20,000	2,52,000
Total .	67,60,504	69,22,493	70,35,482	71,92,000	72,14,000	75,87,000
Total India ₹	68,90,184	70,54,810	71,74,299	73,24,000	73,58,000	77,54,000
Equivalent in Sterling £	459,346	470,321	478,287	488,300	490,500	516,900
England £	339	419	345	200	400	200
TOTAL EXPENDITURE £	459,685	470,740	478,632	488,500	490,900	517,100

REVENUE.

(*a*) *Wholly Imperial.*

30. The Revised estimate for 1917-18 exceeds the Budget by ₹8·17 lakhs. The increase occurs mainly in Ajmer, Bangalore and Baluchistan, and is due partly to a rise in duties. The Budget estimate for 1918-19 does not differ materially from the Revised for 1917-18. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Divided and wholly Provincial.*

31. The favourable agricultural and economic conditions of the current year and the prohibitive prices prevailing for imported liquors have resulted in a considerable expansion of the revenue from Excise, and the Revised estimate is now taken at no less than ₹1,04·11 lakhs more than the Budget. The increase is shared by all the provinces except the Central Provinces and Assam, but is largest in Bombay and Madras. Part of the increase in Bombay arises from the change in the system of sales of country spirit referred to in the following paragraph. *Revised, 1917-18.*

32. The total Budget for 1918-19 exceeds the Revised estimate for the current year by ₹85·01 lakhs. Nearly half of the increase is expected in Bombay owing to the substitution of triennial auction sales of country spirit for the present system of sales for fixed fees. The estimates allow for a moderate growth of revenue in all the other provinces, and in several of them, for an enhancement in the issue price of opium in consequence of the increased price payable by local Governments for opium obtained for internal consumption—*vide* paragraph 19. A special receipt of ₹1 lakh is also anticipated in Assam from the sale of machinery in the Jorhat distillery. *Budget, 1918-19.*

EXPENDITURE.

(*a*) *Wholly Imperial.*

33. The figures show little variation.

(*b*) *Divided and wholly Provincial.*

34. The expenditure in 1917-18 does not differ materially from the Budget. An increased outlay of ₹1·21 lakhs in Bengal mainly on rewards is nearly counterbalanced by minor lapses in grants in several provinces. The Budget estimate for 1918-19 provides for normal charges of sanctioned establishments. Provision has been made for additional expenditure on the reorganisation scheme in Bengal, for revision of excise preventive establishments in the Punjab and for a special payment in Assam (₹1·25 lakhs) on account of compensation to the owners of the distillery at Jorhat. The distillery will be closed from the 1st April 1918, and the contract under which it is worked provides for the plant being taken over by Government; the expenditure on this account will however be nearly set off by the receipt anticipated from the sale of machinery—*vide* paragraph 32. *Revised, 1917-18.* *Budget, 1918-19.*

VI.—PROVINCIAL RATES.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. India General	310	103	25	1,000	1,000	1,000
2. Delhi	681	...	431	...	...	...
3. North-West Frontier.	2,897	3,715	3,048	1,000	1,000	1,000
TOTAL	3,888	3,818	3,504	2,000	2,000	2,000
Provincial.						
1. Bengal	1,70,453	2,33,853	1,34,841	1,18,000	1,20,000	1,17,000
2. United Provinces	2,27,357	1,63,716	1,64,613	1,66,000	1,72,000	1,56,000
3. Punjab	39,442	31,356	32,314	30,000	34,000	31,000
4. Bihar and Orissa	1,25,559	1,33,487	1,25,009	86,000	88,000	1,14,000
5. Assam	15,512	11,446	10,578	13,000	15,000	18,000
TOTAL	5,78,323	6,23,858	4,67,355	4,13,000	4,29,000	4,36,000
TOTAL REVENUE ₹	5,82,211	6,27,676	4,70,859	4,15,000	4,31,000	4,38,000
Equivalent in Sterling £	38,814	41,845	31,391	27,600	28,700	29,200

35. The figures show little variation.

VII AND 9—CUSTOMS.

SEA CUSTOMS.	Accounts, 1914-1915. (a)	Accounts, 1915-1916. (a)	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
IMPORTS.						
Special Import Duties.						
1. Arms, Ammunition, and Military Stores	5,35,000	5,69,000	7,31,199	9,34,000	4,77,000	4,50,000
2. Coal, coke, and patent fuel	...	1,000	22,283	16,000	17,000	14,000
3. Liquors—						
(a) Ale, Beer, Porter, Cider and other fermented Liquors	6,73,000	5,66,000	6,72,356	7,00,000	5,00,000	5,00,000
(b) Spirits and Liqueurs	1,10,42,000	1,07,73,000	1,12,85,840	1,09,65,000	1,03,75,000	95,00,000
(c) Wines	4,54,000	4,51,000	5,55,748	6,13,000	4,10,000	4,02,000
4. Opium	5,000	5,000	6,046	6,000	4,000	5,000
5. Petroleum	81,43,000	66,58,000	45,19,141	37,73,000	35,50,000	35,00,000
6. Silver, Bullion and Coin	1,54,51,000	95,57,000	15,01,194	5,00,000	17,30,000	...
7. Silver manufactures	7,000	13,000	3,92,204	3,61,000	2,50,000	1,50,000
8. Sugar	43,98,000	60,60,000	1,30,05,428	1,28,80,000	1,43,00,000	1,50,00,000
9. Tobacco	26,78,000	28,36,000	46,01,391	45,64,000	61,50,000	60,00,000
Duty at 2½ per cent.						
10. Machinery	...	57,000	10,65,988	9,05,000	9,25,000	8,09,000
11. Metals—Iron and Steel	9,70,000	9,04,000	18,47,847	13,43,000	16,80,000	13,50,000
12. Railway plant and rolling stock	...	20,000	3,65,794	3,87,000	1,37,000	1,00,000
13. Other articles	2,000	25,000	3,87,991	3,12,000	4,00,000	4,00,000
Duty at 7½ per cent.						
14. Articles of Food and Drink (excluding sugar and vinegar)	29,18,000	31,76,000	52,00,338	42,82,000	55,00,000	50,00,000
15. Raw materials and articles mainly unmanufactured	23,05,000	24,71,000	38,55,706	32,26,000	39,40,000	38,00,000
16. Articles wholly or mainly manufactured—						
(a) Cutlery, hardware, implements and instruments	25,28,000	24,77,000	40,70,085	31,00,000	36,10,000	35,00,000
(b) Metals other than Iron and Steel	21,07,000	9,16,000	11,62,994	10,93,000	18,30,000	14,05,000
(c) Cotton manufactures	1,53,58,000	1,35,23,000	1,79,16,726	2,85,00,000	4,06,74,000	3,80,00,000
(d) Yarn and textile fabrics (other than cotton manufactures)	20,57,000	23,08,000	61,63,830	56,70,000	52,84,000	52,00,000
(e) All other articles wholly or mainly manufactured	82,50,000	94,38,000	1,69,73,753	1,57,78,000	1,77,85,000	1,75,00,000
17. Miscellaneous	8,00,000	10,51,000	27,18,858	22,18,000	22,00,000	20,00,000
TOTAL IMPORTS	8,06,81,000	7,38,55,000	9,90,22,740	10,21,76,000	12,17,28,000	11,45,85,000
18. EXPORT DUTIES—						
(a) Jute (raw and manufactured)	...	1,74,000	1,17,86,315	1,80,00,000	1,88,14,000	2,10,00,000
(b) Rice	82,97,000	76,26,000	86,71,041	85,00,000	1,00,40,000	1,00,00,000
(c) Tea	...	93,000	42,54,462	35,00,000	44,66,000	43,26,000
19. SEA CUSTOMS—MISCELLANEOUS	4,29,000	4,74,000	7,76,783	7,20,000	9,77,000	9,70,000
20. LAND CUSTOMS	5,67,000	5,53,000	5,58,377	5,71,000	7,75,000	2,50,000
21. EXCISE DUTY ON COTTON MANUFACTURES	49,41,000	49,25,000	44,61,448	48,59,000	81,32,000	80,00,000
22. EXCISE DUTY ON MOTOR SPIRIT	...	...	...	22,50,000	27,46,000	27,00,000
23. WAREHOUSE AND WHARF RENTS, AND MISCELLANEOUS	2,93,010	4,08,293	3,56,562	3,46,000	3,85,000	3,85,000
GRAND TOTAL ₹	9,52,08,010	8,81,08,293	12,98,87,728	14,09,22,000	16,80,63,000	16,22,16,000
Equivalent in Sterling £	6,347,201	5,873,886	8,659,182	9,394,800	11,204,200	10,814,400
CHARGES ₹	39,54,820	39,30,783	40,62,448	42,87,000	42,20,000	43,93,000
Equivalent in Sterling £	263,655	262,052	270,830	285,800	281,400	292,900
England £	624	212	334	100	200	100
TOTAL £	264,279	262,264	271,164	285,900	281,600	293,000

(a) The actuals for 1914-15 and 1915-16 have, for facility of comparison, been recast in accordance with the revised classification of tariff heads introduced from the year 1916-17. The figures for these years are therefore approximate.

REVENUE.

Revised, 1917-18.

36. The Revised estimate of Customs revenue in 1917-18 amounts to ₹16,80·63 lakhs or ₹2,71·41 lakhs more than the Budget estimate. The effect on the import trade of war restrictions and freight difficulties has been more than counterbalanced by the general rise in the level of prices. This cause is responsible for the large receipts under cotton manufactures under which nearly half of the improvement occurs (₹1,21·74 lakhs). A strong demand for rice, jute and tea from the United Kingdom and the allied countries results in an enhanced revenue from the export duties. The tariff heads other than cotton manufactures which show important excesses are manufactured articles (₹20·07 lakhs), tobacco (₹15·86 lakhs), sugar (₹14·20 lakhs), silver bullion and coin (₹12·30 lakhs), articles of food and drink (₹12·18 lakhs), excise duty on cotton manufactures (₹32·73 lakhs) and the export duty on rice (₹15·40 lakhs).

Budget, 1918-19.

37. The Budget estimate of Customs revenue in 1918-19 is taken at ₹16,22·16 lakhs, or ₹58·47 lakhs less than the Revised estimate for 1917-18. There will be a loss of revenue under silver bullion and coin (₹17·30 lakhs) owing to the prohibition imposed during the course of 1917-18 on the import of silver into India on private account, but it will be more than set off by an increase under jute (₹21·86 lakhs) by reason of the fact that receipts in 1917-18 were affected by the exemption of forward contracts from the enhanced rate of duty introduced in March 1917 and that this will not be the case in the coming year. It is assumed that while scarcity of tonnage and restrictions in regard to imports from particular countries will continue to impede the import trade, the loss of revenue arising from these causes will be set off to some extent by larger imports from other countries and an increase in the yield of our *ad valorem* duties owing to a further rise in prices. Apart from silver bullion and coin, the revenue from the import duties in 1918-19 is accordingly taken at ₹54·13 lakhs less than the Revised estimate for the current year. Important decreases occur under cotton manufactures (₹26·74 lakhs) and spirits and liqueurs (₹8·75 lakhs), while an increase of ₹7 lakhs is expected under sugar owing to the higher tariff valuation which will be in force throughout the coming year; the revenue under the first head has been specially high in the current year and it is not considered safe to assume the same scale of revenue for 1918-19.

EXPENDITURE.

Revised, 1917-18.

38. The expenditure in 1917-18 is expected to be less than the Budget by ₹·65 lakh owing mainly to the non-utilisation of the grant for strengthening the preventive establishment in Bombay. The Budget estimate for 1918-19 includes lump grants for a general revision of the customs establishment in Karachi and for strengthening the preventive establishment in Bombay and Karachi and a larger provision for overtime allowances in Calcutta.

Budget, 1918-19.

VIII AND 10.—INCOME TAX.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
SUPER-TAX.						
Imperial.						
1. India	...	...	...	50,000	34,000	25,000
2. Madras	...	...	...	10,00,000	10,00,000	10,00,000
3. Bombay	...	...	...	66,00,000	42,00,000	92,56,000
4. Bengal	...	...	...	1,07,00,000	1,25,00,000	85,00,000
5. United Provinces	...	...	...	5,00,000	3,95,000	5,70,000
6. Punjab	...	...	...	1,00,000	1,00,000	1,50,000
7. Burma	...	...	...	8,00,000	3,00,000	3,00,000
8. Bihar and Orissa	...	...	...	3,00,000	1,52,000	1,52,000
9. Central Provinces	...	...	...	2,00,000	81,000	83,000
10. Assam	...	...	...	...	1,22,000	1,22,000
TOTAL	...	...	...	2,02,50,000	1,88,84,000	2,01,58,000
ORDINARY INCOME-TAX.						
Imperial.						
1. India General (Civil)	9,38,178	9,36,151	19,31,136	18,73,000	21,37,000	21,79,000
2. Delhi (Civil)	2,57,998	1,61,778	4,31,995	3,05,000	4,78,000	4,77,000
3. Baluchistan (Civil)	22,019	21,830	35,214	34,000	35,000	34,000
4. North-West Frontier (Civil)	1,66,139	1,71,418	2,60,447	2,56,000	2,95,000	3,00,000
5. Other Provinces (Civil)	31,948	18,789	93,189	1,00,000	1,19,000	1,25,000
6. Non-Civil Departments	14,91,447	14,39,064	22,49,963	21,09,000	28,11,000	28,71,000
Total	29,07,729	27,49,030	50,01,944	46,77,000	58,75,000	59,86,000
Divided.						
1. Madras	40,28,350	40,74,656	60,09,144	60,00,000	75,96,000	75,00,000
2. Bombay	68,68,409	73,32,639	1,39,95,113	1,35,00,000	2,04,00,000	2,20,00,000
3. Bengal	69,84,610	72,26,611	1,68,55,428	1,80,00,000	2,11,00,000	2,15,00,000
4. United Provinces	26,36,028	28,01,166	42,44,881	41,80,000	47,54,000	48,74,000
5. Punjab	17,88,307	18,55,709	24,61,856	25,80,000	33,44,000	35,00,000
6. Burma	25,46,145	24,75,430	40,05,618	38,25,000	46,32,000	46,25,000
7. Bihar and Orissa	14,24,225	14,28,417	20,21,417	19,30,000	22,00,000	23,50,000
8. Central Provinces	9,08,909	9,47,825	13,20,815	13,48,000	15,75,000	17,06,000
9. Assam	4,58,287	4,60,160	6,78,282	6,50,000	7,77,000	8,00,000
Total	2,76,43,270	2,86,02,613	5,15,92,554	5,20,13,000	6,63,78,000	6,88,55,000
TOTAL REVENUE R	3,05,50,999	3,13,51,643	5,65,94,498	7,69,40,000	9,11,37,000	9,49,99,000
Equivalent in Sterling £	2,036,733	2,090,109	3,772,967	5,129,300	6,075,800	6,333,200

EXPENDITURE.

Imperial.						
1. India General	1,320	1,244	1,303	2,000	2,000	2,000
2. Delhi	1,413	1,466	2,106	3,000	3,000	3,000
3. North-West Frontier	916	955	903	1,000	1,000	4,000
4. Bengal	...	...	...	...	8,000	10,000
Total	3,649	3,665	4,312	6,000	14,000	19,000
Divided.						
1. Madras	41,221	60,561	66,159	66,000	68,000	68,000
2. Bombay	1,65,847	1,71,853	1,79,298	2,09,000	2,09,000	2,45,000
3. Bengal	1,54,085	1,52,964	1,62,754	1,69,000	1,75,000	1,78,000
4. United Provinces	291	413	62	...	...	20,000
5. Punjab	12,614	12,423	26,587	29,000	31,000	82,000
6. Burma	46,554	47,732	49,125	49,000	56,000	68,000
7. Bihar and Orissa	44,824	45,996	45,459	46,000	46,000	46,000
8. Central Provinces	15,488	16,253	18,235	38,000	30,000	42,000
9. Assam	4,821	4,522	4,689	5,000	5,000	5,000
Total	4,85,745	5,12,717	5,52,368	6,11,000	6,20,000	7,54,000
TOTAL EXPENDITURE R	4,89,394	5,16,382	5,56,680	6,17,000	6,34,000	7,73,000
Equivalent in Sterling £	32,626	34,426	37,112	41,100	42,300	51,500

REVENUE.

(*i*) *Super-tax—Imperial.*

Revised, 1917-18. 39. It is anticipated that a portion of the collections in Bombay in respect of 1917-18 will be thrown forward into the following year, but in spite of this the Revised estimate for the current year falls short of the Budget by only *Budget, 1918-19.* R13·66 lakhs. The Budget estimate for 1918-19 exceeds the Revised for the current year by R12·74 lakhs. A large increase of R50·56 lakhs is expected in Bombay owing partly to the recovery of outstandings in respect of the current year's demand, but this will be largely counterbalanced by a falling off in Bengal.

(*ii*) *Ordinary income-tax.*

(*a*) *Imperial.*

Revised, 1917-18. 40. The Revised estimate for the current year exceeds the Budget by R11·98 lakhs. The increase arises from very favourable trade conditions and the employment of additional establishments by Government for work arising *Budget, 1918-19.* out of the war, mainly in the Military Department. The Budget estimate for 1918-19 does not differ materially from the Revised for the current year.

(*b*) *Divided.*

Revised, 1917-18. 41. The Revised estimate for 1917-18 is more than the Budget by R1,43·65 lakhs. The bulk of the increase is expected in Bombay (R69 lakhs), Bengal (R31 lakhs) and Madras (R15·96 lakhs), and arises from abnormal profits which have been realised in certain trades as the result of war conditions. Part of the excess in Madras represents collections of arrears. There will be minor increases of revenue in all the other provinces.

Budget, 1918-19. 42. The Budget estimate for 1918-19 is taken at R24·77 lakhs more than the Revised for 1917-18. Of this increase, R16 lakhs are expected to accrue in Bombay as a result of the continuance of the prosperity of local industries. Provision has been made for a moderate growth in revenue in the other provinces, with the exception of Madras and Burma.

EXPENDITURE.

(*a*) *Imperial.*

43. The figures show little variation. The expenditure shown against Bengal relates to temporary establishment for the collection of super-tax.

(*b*) *Divided.*

Revised, 1917-18. 44. The expenditure in the current year is not expected to differ mate-
Budget, 1918-19. rially from the Budget grant. The Budget estimate for 1918-19 includes provision for revision of establishments in several provinces, mainly in the Punjab and Bombay.

IX AND 11.—FOREST.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. India General .	5,90,319	9,37,836	11,91,042	10,32,000	11,64,000	11,67,000
2. Baluchistan . .	19,058	21,633	18,277	21,000	19,000	22,000
3. North-West Frontier	2,38,013	1,86,815	2,40,985	2,42,000	3,29,000	3,75,000
Total .	8,47,390	11,46,284	14,50,304	12,95,000	15,12,000	15,64,000
Provincial.						
1. Madras . . .	39,41,537	41,06,838	45,96,126	42,00,000	53,45,000	48,45,000
2. Bombay . . .	46,80,242	47,01,263	55,19,177	52,30,000	63,37,000	65,00,000
3. Bengal . . .	13,04,496	11,45,610	13,38,779	13,00,000	15,00,000	16,00,000
4. United Provinces .	31,35,235	37,38,831	50,40,932	43,85,000	57,00,000	61,00,000
5. Punjab . . .	14,38,005	17,27,283	16,87,800	15,74,000	19,74,000	22,58,000
6. Burma . . .	97,07,694	96,99,217	1,23,79,531	1,10,80,000	1,20,00,000	1,19,00,000
7. Bihar and Orissa .	5,49,779	5,17,727	5,29,081	5,60,000	6,70,000	6,50,000
8. Central Provinces .	32,72,529	32,78,262	33,71,578	33,60,000	34,35,000	36,00,000
9. Assam . . .	8,32,877	10,55,052	11,48,622	10,66,000	12,48,000	12,47,000
Total .	2,88,62,394	2,99,70,083	3,56,11,626	3,27,05,000	3,82,09,000	3,87,00,000
TOTAL INDIA R	2,97,09,784	3,11,16,367	3,70,61,930	3,40,00,000	3,97,21,000	4,02,64,000
Equivalent in Sterling £	1,980,652	2,074,425	2,470,795	2,266,700	2,648,100	2,684,300

EXPENDITURE.

Imperial.						
1. India General . .	9,28,367	10,69,300	10,71,931	12,66,000	10,52,000	12,69,000
2. Delhi . . .	177	...	...	...	...	...
3. Baluchistan . .	26,000	27,995	26,929	30,000	28,000	32,000
4. North-West Frontier	1,25,593	1,04,795	1,18,070	1,41,000	1,55,000	1,74,000
Total .	10,80,137	12,02,090	12,16,930	14,37,000	12,35,000	14,75,000
Provincial.						
1. Madras . . .	28,60,685	29,27,318	28,42,678	29,63,000	29,48,000	30,17,000
2. Bombay . . .	24,87,925	26,42,038	25,64,682	29,46,000	33,95,000	36,88,000
3. Bengal . . .	6,70,935	5,93,635	6,19,649	6,52,000	7,30,000	7,50,000
4. United Provinces .	23,17,740	25,66,307	27,35,915	30,79,000	31,84,000	36,18,000
5. Punjab . . .	8,89,302	9,23,879	9,34,662	11,34,000	10,99,000	15,72,000
6. Burma . . .	46,80,447	48,86,242	49,36,588	52,28,000	53,81,000	54,22,000
7. Bihar and Orissa .	3,84,371	3,61,550	4,47,972	4,33,000	4,09,000	4,34,000
8. Central Provinces .	19,36,569	17,84,336	17,68,775	19,26,000	18,66,000	19,25,000
9. Assam . . .	8,98,339	7,55,214	6,76,033	7,15,000	7,41,000	7,29,000
Total .	1,71,26,313	1,73,90,519	1,75,26,954	1,90,76,000	1,97,53,000	2,11,55,000
TOTAL INDIA R	1,82,06,450	1,85,92,609	1,87,43,884	2,05,13,000	2,09,88,000	2,26,30,000
Equivalent in Sterling £	1,213,763	1,239,507	1,249,592	1,367,500	1,399,200	1,508,700
England . . £	4,045	3,360	2,173	1,600	600	2,500
TOTAL EXPENDITURE £	1,217,808	1,242,867	1,251,765	1,369,100	1,399,800	1,511,200
NET REVENUE £	762,844	831,558	1,219,030	897,600	1,248,300	1,173,100

REVENUE.

(*a*) *Imperial.*

Revised, 1917-18. 45. The increase of R2·17 lakhs in the revenue in the current year as compared with the Budget estimate occurs mainly in Port Blair (R1·76 lakhs), due to better prices realised for timber, and in the North-West Frontier Province (R·87 lakh) owing to the supply of various articles of forest produce to the Military Department and the Indian Munitions Board. The Budget for *Budget, 1918-19.* 1918-19 anticipates a rise of R·52 lakh, mainly in the North-West Frontier Province, over the receipts obtained in the current year.

(*b*) *Provincial.*

Revised, 1917-18. 46. The Revised estimate for 1917-18 is more than the Budget by R55·04 lakhs. All the provinces contribute to the improvement, but it is largest in the United Provinces (R13·15 lakhs), Madras (R11·45 lakhs), Bombay (R11·07 lakhs) and Burma (R9·70 lakhs). The rise is due to increased demands for timber, resin, turpentine, tanning bark and other forest produce, mainly from the Military Department, the Munitions Board and Railways, and to the higher prices that have been realised.

Budget, 1918-19. 47. The Budget estimate for 1918-19 is R4·91 lakhs more than the Revised for the current year. Provision has been made for increased receipts in the United Provinces from the superior quality of resin which will be manufactured at a newly opened factory, for anticipated supplies to the Munitions Board, mainly in Bengal, the United Provinces and the Punjab, for a decline in Madras as compared with the high revenue obtained in the current year, and for normal receipts in the other provinces.

EXPENDITURE.

(*a*) *Imperial* (*including outlay in England*).

Revised, 1917-18. 48. The decrease of R·2·17 lakhs in the Revised estimate for the current year as compared with the Budget is due to a lapse in the grant for the extension of departmental working in Port Blair. The Budget for 1918-19 exceeds *Budget, 1918-19.* the Revised estimate for 1917-18 by R2·69 lakhs. The grant for departmental working in Port Blair has been repeated for the next year, and provision made for some increase in ordinary expenditure.

(*b*) *Provincial.*

Revised, 1917-18. 49. The Revised estimate for 1917-18 is more than the Budget by R6·77 lakhs. The excess occurs in Bombay (R4·49 lakhs), Burma (R1·53 lakhs), the United Provinces (R1·05 lakhs) and Bengal (R·78 lakh) and is partly set off by minor savings in the other provinces except Assam. The increase in Bombay is mainly due to the construction of a forest railway, while the growth in expenditure in the other provinces is a concomitant of the larger revenue obtained from the sale of forest produce.

Budget, 1918-19. 50. The total Budget estimate for 1918-19 exceeds the Revised for the current year by R14·02 lakhs. The bulk of the increase occurs in the Punjab (R4·73 lakhs), the United Provinces (R4·34 lakhs) and Bombay (R2·93 lakhs). Provision has been made for various measures of development in view of the growing demands for forest produce. Grants have been allotted, among other objects, in Bombay for the construction of a railway line and for additional staff including a Chief Conservator and a Forest Engineer; in the Punjab for the purchase of a tramway and motor lorries and for an additional Conservator; and in the United Provinces for enhanced outlay on resin operations. There will also be minor increases in the other provinces except Assam, where the grant for the next year is taken at about the same amount as the probable expenditure in 1917-18.

X AND 12.—REGISTRATION.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. India General . .	21,238	19,714	19,611	20,000	21,000	22,000
2. Delhi . . .	23,012	22,342	23,701	24,000	27,000	27,000
3. Baluchistan . .	3,072	3,188	3,207	3,000	4,000	3,000
4. North-West Frontier	44,404	46,243	49,307	45,000	52,000	50,000
Total .	91,726	91,487	95,826	92,000	1,04,000	1,02,000
Provincial.						
1. Madras . . .	22,43,183	23,37,549	24,70,160	26,00,000	24,90,000	25,50,000
2. Bombay . . .	7,53,619	7,95,528	8,37,457	8,50,000	9,10,000	9,30,000
3. Bengal . . .	18,12,868	20,36,068	21,48,927	22,00,000	19,60,000	19,60,000
4. United Provinces .	6,87,167	7,33,642	7,31,341	7,40,000	7,50,000	7,60,000
5. Punjab . . .	3,52,872	3,55,564	3,71,489	3,58,000	3,88,000	3,84,000
6. Burma . . .	2,31,049	2,49,935	2,48,754	2,50,000	1,90,000	2,20,000
7. Bihar and Orissa .	6,46,731	6,96,048	6,80,909	6,70,000	6,90,000	7,00,000
8. Central Provinces .	3,47,873	3,74,251	4,20,903	4,44,000	4,20,000	4,24,000
9. Assam . . .	1,12,335	1,13,115	1,02,962	1,10,000	1,04,000	1,09,000
Total .	71,87,697	76,91,700	80,12,902	82,22,000	78,97,000	80,37,000
TOTAL INDIA R .	72,79,423	77,83,187	81,08,728	83,14,000	80,01,000	81,39,000
Equivalent in Sterling £	485,295	518,879	540,581	554,300	533,400	542,600

EXPENDITURE.

Imperial.						
1. India General . .	8,090	7,393	7,162	8,000	7,000	8,000
2. Delhi . . .	6,930	7,111	7,523	7,000	8,000	7,000
3. Baluchistan . .	1,358	1,434	1,536	1,000	2,000	1,000
4. North-West Frontier	12,124	12,374	12,066	13,000	13,000	13,000
Total .	28,502	28,312	28,287	29,000	30,000	29,000
Provincial.						
1. Madras . . .	12,73,585	12,56,016	13,12,239	13,89,000	13,41,000	13,53,000
2. Bombay . . .	3,70,772	3,71,933	3,71,704	3,78,000	3,88,000	3,97,000
3. Bengal . . .	11,17,210	11,27,328	11,34,770	11,36,000	11,60,000	11,57,000
4. United Provinces .	2,93,128	3,11,322	3,02,871	3,08,000	3,04,000	3,07,000
5. Punjab . . .	1,22,006	1,26,149	1,24,682	1,30,000	1,25,000	1,30,000
6. Burma . . .	1,05,981	1,08,725	1,08,007	1,06,000	1,06,000	1,05,000
7. Bihar and Orissa .	3,65,689	3,78,240	3,79,011	3,93,000	3,74,000	3,94,000
8. Central Provinces .	1,28,308	1,24,536	1,27,554	1,58,000	1,60,000	1,60,000
9. Assam . . .	64,513	65,051	67,906	72,000	70,000	75,000
Total .	38,41,192	38,69,300	39,28,134	40,20,000	40,28,000	40,78,000
TOTAL INDIA R .	38,69,694	38,97,612	39,56,421	40,49,000	40,58,000	41,07,000
Equivalent in Sterling £	257,980	259,840	263,761	269,900	270,500	273,800

REVENUE.

Imperial.

51. The figures show little variation.

Provincial.

Revised, 1917-18. 52. The total Revised estimate for 1917-18 is R3·25 lakhs less than the Budget forecast. There has been a check to the growth in the fees for the registration of documents in Bengal (R2·50 lakhs) and Madras (R1·13 lakhs).

Budget, 1918-19. The estimates for 1918-19 are generally based on the revenue expected to be realised in the current year. The total Budget exceeds the Revised by R1·40 lakhs, owing mainly to provision for some recovery in Madras.

EXPENDITURE.

53. The figures show little variation.

XI.—TRIBUTES.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. India General .	18,81,572	19,92,599	19,47,897	20,09,000	20,12,000	20,04,000
2. Madras . .	44,96,519	44,96,520	44,96,519	44,97,000	44,97,000	44,97,000
3. Bombay . .	14,01,838	12,88,860	13,94,235	13,89,000	13,87,000	13,58,000
4. Bengal . .	67,701	*67,701	67,701	68,000	68,000	68,000
5. United Provinces .	3,21,000	3,21,000	3,21,000	3,21,000	3,21,000	3,21,000
6. Punjab . . .	1,43,824	1,44,754	1,46,453	1,44,000	1,44,000	1,44,000
7. Burma . . .	4,53,150	4,57,706	4,48,099	4,52,000	4,52,000	4,52,000
8. Bihar and Orissa .	85,500	85,499	85,499	86,000	86,000	86,000
9. Central Provinces .	2,46,187	2,32,187	2,28,937	2,39,000	2,49,000	2,39,000
10. Assam . . .	50,100	50,100	50,100	50,000	50,000	50,000
TOTAL INDIA ₹ .	91,47,391	91,36,926	91,86,440	92,55,000	92,66,000	92,19,000
Equivalent in Sterling £	609,827	609,128	612,429	617,000	617,800	614,600

54. The revenue recorded under this head represents tributes received from the protected States, in several cases as a result of exchanges of territory and settlement of claims, and contributions made chiefly in lieu of former obligation to supply or maintain troops. The figures do not ordinarily show any important fluctuations from year to year except for advance payment of sums falling due in the ensuing year, or arrears and their recovery. The variations between the Budget and Revised estimates for the current year and between the latter and the Budget for 1918-19 are unimportant.

1.—REFUNDS AND DRAWBACKS.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. India General . .	67,324	1,06,922	65,522	78,000	2,32,000	94,000
2. Delhi . . .	12,696	5,455	10,613	11,000	16,000	11,000
3. Baluchistan . .	4,601	3,208	1,804	5,000	4,000	3,000
4. North-West Frontier	19,080	22,423	27,503	27,000	23,000	26,000
5. Other Provinces .	30,82,960	24,11,368	41,22,695	35,04,000	50,26,000	44,48,000
Total .	31,86,661	25,49,376	42,28,137.	36,25,000	53,01,000	45,82,000
Divided and Provincial.						
1. Madras . . .	4,54,807	4,44,531	4,76,011	6,25,000	5,08,000	5,31,000
2. Bombay . . .	11,31,185	9,22,310	9,86,435	9,55,000	11,90,000	11,75,000
3. Bengal . . .	3,34,233	2,94,526	4,36,318	2,82,000	3,90,000	3,59,000
4. United Provinces .	2,78,336	2,48,117	2,84,472	2,90,000	2,76,000	3,14,000
5. Punjab . . .	1,97,841	1,70,118	2,04,669	1,81,000	2,42,000	1,89,000
6. Burma . . .	2,62,698	2,72,554	3,39,326	2,74,000	3,37,000	3,47,000
7. Bihar and Orissa .	1,03,961	93,726	1,07,940	96,000	1,00,000	1,13,000
8. Central Provinces .	1,01,829	1,22,115	75,211	85,000	90,000	90,000
9. Assam . . .	71,049	49,315	41,953	41,000	52,000	50,000
Total .	29,35,939	26,17,312	29,52,335	28,29,000	31,85,000	31,68,000
TOTAL INDIA R	61,22,600	51,66,688	71,80,472	64,54,000	84,86,000	77,50,000
Equivalent in Sterling £	408,173	344,446	478,698	430,300	565,700	516,700

(*a*) *Imperial.*

55. The wholly Imperial expenditure shown against "Other Provinces" represents refunds and drawbacks in respect of wholly Imperial revenue (*e.g.* Opium, Salt, Super-tax, Customs and Tributes). The bulk of the increase

Revised, 1917-18. of R16·76 lakhs in the Revised estimate over the Budget for 1917-18 occurs under Customs refunds and is due to drawback allowed in Bombay on imports of sugar and other articles purchased by the Military authorities for shipment overseas, and to the refund of duty on exports of jute in Bengal in connection with the exemption of back commitments from the enhanced duty introduced from March 1917. There was also a special income-tax refund of R·92 lakh to the Hyderabad State in connection with the conversion of Government securities held by it into the special form of notes mentioned in Article 214-A

Budget, 1918-19. of the Civil Account Code. The Budget estimate for 1918-19 provides for some decrease in the refunds of Customs revenue and is R7·19 lakhs less than the Revised for the current year.

(*b*) *Divided and Provincial.*

Revised, 1917-18. 56. The expenditure fluctuates considerably from year to year and is difficult to estimate. In 1917-18, the Budget will be exceeded by R3·56 lakhs

Budget, 1918-19. owing chiefly to higher refunds of excise and land revenue in several provinces. The Budget estimate for 1918-19 follows generally the Revised for the current year.

2.—ASSIGNMENTS AND COMPENSATIONS.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General . .	32,33,328	33,38,765	32,18,487	32,61,000	36,41,000	39,38,000
2. Delhi . . .	10,452	4,423	5,188	5,000	5,000	5,000
3. Baluchistan . .	2,04,716	2,01,888	2,01,745	2,02,000	2,02,000	2,02,000
4. North-West Frontier	18,212	17,769	17,842	18,000	18,000	18,000
5. Other Provinces .	35,39,025	35,51,743	35,45,856	35,58,000	35,77,000	35,74,000
Total .	70,05,733	71,14,588	69,89,118	70,44,000	74,43,000	77,37,000
Divided and Provincial.						
1. Madras . . .	5,55,118	6,19,472	5,95,418	6,00,000	5,90,000	6,10,000
2. Bombay . . .	1,05,67,450	1,08,82,022	1,05,20,212	1,08,20,000	1,08,21,000	1,07,94,000
3. Bengal . . .	68,546	60,060	1,09,389	70,000	1,48,000	1,89,000
4. United Provinces .	3,02,875	2,98,524	3,06,022	3,06,000	3,12,000	3,03,000
5. Punjab . . .	73,646	65,902	66,880	77,000	67,000	71,000
6. Burma . . .	400	400	200	1,000	1,000	1,000
7. Bihar and Orissa .	1,07,905	1,01,041	98,974	1,05,000	1,01,000	1,01,000
8. Central Provinces .	38,675	36,011	34,813	34,000	34,000	32,000
9. Assam . . .	34,040	35,039	34,331	35,000	35,000	37,000
Total .	1,17,48,655	1,20,98,471	1,17,66,239	1,20,48,000	1,21,12,000	1,21,38,000
TOTAL INDIA .	1,87,54,388	1,92,13,059	1,87,55,357	1,90,92,000	1,95,55,000	1,98,75,000
Equivalent in Sterling £	1,250,292	1,280,870	1,250,357	1,272,800	1,303,700	1,325,000

(*a*) *Imperial.*

57. The wholly Imperial expenditure shown against "Other Provinces" represents Opium, Salt and Customs compensations paid to Native States and Foreign Governments, as well as Miscellaneous compensations (*i.e.*, those of a general character and not intended to indemnify against loss of a particular kind of revenue) in provinces other than Bombay. The variations between the Budget and Revised estimates of the current year and between the latter and the Budget of next year are generally due to the fact that the salt royalty payable to Jaipur and Jodhpur and the customs compensation payable to Travancore and Cochin fluctuate respectively with reference to the actual sales of salt and the actual realisations of customs revenue. Provision has been made in the Revised estimate for the current year for a payment of R·27 lakh to the Sirohi Durbar for the lease of the Abu area.

(*b*) *Divided and Provincial.*

58. The Revised estimate for 1917-18 exceeds the Budget by R·64 lakh owing mainly to arrear payments in Bengal. The Budget estimate for 1918-19 does not differ materially from the Revised for the current year. Provision has been made in Bengal for a payment of R·81 lakh to the Bhutan Durbar on account of compensation for the removal of liquor shops, but this is partly set off by omission of the arrear payments included in the Revised. *Revised, 1917-18. Budget, 1918-19.*

XII.—INTEREST RECEIPTS.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget. 1918-1919.
Imperial.						
1. Interest on Imperial loans and advances . .	34,25,626	34,83,525	34,21,667	34,21,000	34,35,000	34,66,000
2. Profits of Paper Currency Circulation . .	34,70,420	34,70,420	34,70,420	34,70,000	34,70,000	34,70,000
3. Interest on overdrawn Capital of Railway Companies in India .	4,66,914	5,62,490	5,67,643	6,51,000	6,03,000	6,46,000
4. Interest charged to Capital on advances to Railway Companies .	66,523	39,990	9,553	11,000	10,000	11,000
5. Interest on Securities of Railway Companies' Provident Funds . .	...	...	...	20,00,000	10,00,000	16,00,000
6. Miscellaneous items .	3,50,620	3,55,844	3,24,001	3,00,000	6,59,000	3,41,000
TOTAL ₹	77,80,103	79,12,269	77,93,284	98,53,000	91,77,000	95,34,000
Provincial.						
1. Madras . . .	4,42,929	4,52,295	4,82,547	4,86,000	4,75,000	5,00,000
2. Bombay . . .	15,26,317	12,43,788	12,62,716	10,45,000	11,08,000	10,07,000
3. Bengal . .	4,14,486	4,63,551	6,49,042	5,88,000	6,05,000	5,55,000
4. United Provinces .	16,58,397	23,94,286	17,78,373	14,58,000	15,21,000	13,24,000
5. Punjab . . .	2,24,646	2,45,866	2,77,185	2,44,000	2,55,000	2,48,000
6. Burma . . .	1,30,615	1,71,053	1,64,513	1,79,000	1,96,000	2,15,000
7. Bihar and Orissa .	1,82,380	1,87,067	1,75,750	2,10,000	1,94,000	2,08,000
8. Central Provinces .	1,90,902	2,70,937	2,76,390	2,05,000	2,20,000	1,92,000
9. Assam . . .	66,896	43,885	58,893	2,00,000	93,000	2,12,000
TOTAL ₹	48,37,568	54,72,728	51,25,409	46,15,000	46,67,000	44,61,000
TOTAL INDIA ₹	1,26,17,671	1,33,84,997	1,29,18,693	1,44,68,000	1,38,44,000	1,39,95,000
Equivalent in Sterling £	841,178	892,333	861,246	964,500	922,900	933,000
ENGLAND.						
1. Profits of Paper Currency Circulation . . .	78,211	78,211	399,152	1,157,300	1,429,400	1,504,600
Deduct: transfer to the Paper Currency Reserve Depreciation Fund . . .	...	...	*399,080*	*200,000*	*450,000*	...
Net profits of Paper Currency circulation .	78,211	78,211	72	957,300	979,400	1,504,600
2. Interest realised from investment of Cash Balances etc.	79,969	93,458	213,929			
3. Interest on advances to the Imperial Bank of Persia for the purpose of the Persian Government . .	23,656	31,349	24,591	172,100	309,000	260,000
4. Interest on investment in Special Reserve	...	...	...	...	...	855,000
5. Miscellaneous . .	293	1,066	36,666	1,800	34,000	...
TOTAL £	182,129	204,084	275,258	1,131,200	1,322,400	2,619,600
TOTAL RECEIPTS £	1,023,307	1,096,417	1,136,504	2,095,700	2,245,300	3,552,600
Loans and advances outstanding on 31st March :—						
1. Imperial . £	6,037,605	5,939,789	5,934,988	6,093,389	5,945,988	6,002,988
2. Provincial . £	7,025,402	6,711,720	6,120,555	5,890,320	5,516,255	5,390,955

(*a*) *India—Imperial.*

Revised, 1917-18.

59. The Revised estimate for 1917-18 is less than the Budget by R6·76 lakhs. There is a decrease of R10 lakhs in the interest on the securities of Railway companies' provident funds recently taken over by Government, as a portion of the interest on investments was realised by some of the companies before the date of actual transfer. On the other hand, a special receipt of R3·75 lakhs is anticipated under Miscellaneous items, made up of (1) the difference between the discounted value at which British Treasury Bills were accepted as subscription to the Indian war loan in England and the value realised on their maturity and (2) the interest realised on the accumulated balance of the Trust Fund recently constituted for the pensions payable to the Surat Nawab's family.

Budget, 1918-19.

60. The total Budget for 1918-19 is taken at R3·57 lakhs more than the Revised for the current year. Provision has been made for a full year's interest on securities taken over from provident funds of Railway companies, and the special receipt in the current year in connection with the tender of Treasury Bills as subscription to the war loan has been eliminated.

(*b*) *India—Provincial.*

Revised, 1917-18.

61. The Revised estimate for 1917-18 is R·52 lakh more than the Budget for the current year. Increased recoveries in Bombay and the United Provinces in respect of agricultural loans granted in previous years will be partly set off by a decline in Assam, where it has been necessary to postpone recoveries in respect of loans granted in the last two years in connection with agricultural distress caused by floods. The Budget estimate for 1918-19 provides for an increase of R1·19 lakhs in Assam for the reason just stated and elsewhere for normal recoveries based on the current demand.

Budget, 1918-19.

(*c*) *England.*

Revised, 1917-18.

62. The gross interest receipts in England in 1917-18 are likely to exceed the Budget estimate by £441,200 owing to increased investments on behalf of the Paper Currency Reserve and to a rise in the interest realised from investment of the cash balances of the Home treasury, which have been larger than was anticipated in the Budget. Part of the increased receipts (£250,000) will however be utilised for raising the appropriation for the Paper Currency Reserve Depreciation Fund (*vide* paragraph 72 of the memorandum explaining the details of the estimates for 1917-18) from £200,000, the provision included in the Budget, to £450,000. It is estimated that with this appropriation the fund will be brought up to the full amount required for making up the deficiency in the present value of the consols held in the Paper Currency Reserve as compared with their purchase price. Allowing for this expenditure, the net receipts in the current year will exceed the Budget by £191,200.

Budget, 1918-19.

63. The interest receipts are taken in the Budget estimate for 1918-19 at £2,619,600 or £1,297,200 more than in the Revised for the current year. The Budget includes a receipt of £855,000 in respect of the special reserve of £20 million which it has been decided to constitute in the current year by investment in Treasury Bills or other short-term securities of the British Government. The balance of the increase is due to the omission of the appropriation to the Paper Currency Reserve Depreciation Fund included in the Revised estimate and interest on further investments which it is proposed to make in the ensuing year on behalf of the Paper Currency Reserve, partly set off by a smaller provision for interest on the investment of the cash balances of the Home treasury.

13 AND 14.—INTEREST EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Interest on Debt other than that charged to Railways and Irrigation Works—						
Interest on total Debt—						
1. India (R)	5,54,05,204	5,70,46,941	5,66,67,195	6,63,40,000	9,43,00,000	10,61,00,000
1. India (£)	3,693,680	3,803,130	3,777,813	4,422,700	6,286,700	7,073,300
2. England £	6,077,903	6,182,399	5,846,832	11,155,800	9,938,800	9,196,200
Total	9,771,583	9,985,529	9,624,645	15,578,500	16,225,500	16,269,500
Deduct amounts charged to—						
(*a*) Railways:						
(*i*) India (R)	*6,30,88,705*	*6,42,62,141*	*6,20,88,181*	*6,62,00,000*	*6,34,16,000*	*6,51,65,000*
(*i*) India (£)	*4,205,914*	*4,284,143*	*4,139,212*	*4,413,300*	*4,227,800*	*4,344,300*
(*ii*) England £	*3,706,300*	*3,738,480*	*3,620,110*	*3,719,400*	*3,600,000*	*3,588,600*
Total Railways £	*7,912,214*	*8,022,623*	*7,759,322*	*8,132,700*	*7,827,800*	*7,932,900*
(*b*) Irrigation:						
(*i*) India (R)	*1,92,62,258*	*1,98,60,762*	*1,93,89,288*	*2,09,64,000*	*1,98,98,000*	*2,02,24,000*
(*i*) India (£)	*1,284,150*	*1,324,051*	*1,292,620*	*1,397,600*	*1,320,500*	*1,348,300*
(*ii*) England £	*125,379*	*127,299*	*120,585*	*128,600*	*120,800*	*121,000*
Total Irrigation £	*1,409,529*	*1,451,350*	*1,413,205*	*1,526,200*	*1,441,300*	*1,469,300*
Total deduction £	*9,321,743*	*9,473,973*	*9,172,527*	*9,658,900*	*9,269,100*	*9,402,200*
Interest on Ordinary Debt . . £	449,840	511,556	452,118	5,919,600	6,956,400	6,867,300
Distribution of above—						
Imperial . £	210,219	271,214	229,306	5,702,100	6,743,500	6,659,100
Provincial . £	239,621	240,342	222,812	217,500	212,900	208,200
Interest on other Obligations—						
On Savings Bank Balances converted at R15=£1 £	525,444	473,085	513,795	708,100	638,100	679,500
Other items . £	215,973	205,723	208,951	205,100	203,000	237,500
TOTAL £	741,417	678,808	722,746	913,200	841,100	917,000
GRAND TOTAL £	1,191,257	1,190,364	1,174,864	6,832,800	7,797,500	7,784,300
Debt outstanding on 31st March—						
Sterling . . .	£ 183,190,358	£ 182,171,829	£ 174,144,724	£ 174,171,829*	£ 238,505,524	£ 218,005,524
Rupee Debt—	R	R	R	R	R	R
New Loan . .	...	...	...	...	...	30,00,00,000
5½ per cent. . .	...	...	4,91,67,255	...	31,75,34,255	31,75,34,255
5 per cent. . .	...	...	1,10,51,523	15,00,00,000	27,09,65,523	26,35,65,523
4 per cent. . .	3,19,00,000	8,18,86,000	21,46,54,000	21,36,73,000	16,10,77,000	15,98,77,000
3½ per cent. . .	1,38,12,21,400	1,38,50,89,600	1,32,02,13,950	1,32,06,29,600	1,18,90,98,950	1,18,94,58,950
3 per cent. . .	8,20,59,500	7,75,47,200	7,26,69,400	7,19,17,200	6,61,93,400	6,57,73,400
Treasury Bills .	...	...	...	...	43,00,00,000	43,00,00,000
Temporary loans .	11,00,00,000	6,50,00,000	50,00,000	...	4,00,00,000	...
Other Debt . .	1,00,84,300	1,00,74,900	1,00,14,200	1,00,13,900	1,00,14,200	1,00,14,200
Savings Bank Balances .	21,84,66,176	23,13,00,699	25,25,68,358	28,37,06,699	30,61,37,358	32,35,23,358

* Exclusive of War debt of the Home Government to be taken over by India during the year 1917-18.

Interest on ordinary debt.

64. The expenditure in 1917-18 on account of interest payable on the public debt as a whole will exceed the Budget estimate by R97·05 lakhs (£647,000). The increase represents mainly the discount (R90 lakhs= £600,000) on Treasury Bills, the issue of which commenced in India on the 16th October last. The total sales of these Bills during the current year are expected to amount to R43 crores (£28⅔ million); as in the case of the ordinary loans raised in India, the face value of the bills payable on maturity is treated as debt incurred and the discount charged as Interest expenditure. Part of the increase is also due to the interest (R2·75 lakhs=£18,300) payable in respect of a temporary loan of R4 crores (£2⅔ million) obtained from the Bank of Bombay and to an increased investment in England on behalf of the Discount Sinking Fund (R5·04 lakhs=£33,600) owing to the realisation, not contemplated in the Budget, of securities of the 4½ per cent. British war loan already held in the fund. *Revised, 1917-18.*

The charges for the service of the Indian war loan for which the Budget included a provision of R90 lakhs (£600,000) are now expected to amount to R2,77 lakhs (£1,847,000) owing to a large increase in the proceeds of the loan. The larger payment to His Majesty's Government from the proceeds of the loan will however result in a reduction in the amount of the British debt for which India assumes liability in connection with her contribution of £100 million towards the cost of the war, and the excess in Interest expenditure in India will be counterbalanced by a saving in the provision for dividends and sinking fund in respect of the British war debt taken over.

65. In the Budget for 1918-19 provision has been made for a full year's interest on the Indian war loan raised in the current year and for a sinking fund appropriation of R41 lakhs (£273,300) in respect of the long term loan (1929-47). A sum of R1,00 lakhs (£666,700) has been set aside for the service of the second Indian war loan to be floated in the coming year, and a further sum of R1,05 lakhs (£700,000) for the discount on the Treasury Bills which it is anticipated will be sold during the course of 1918-19 in replacement of those issued in the current year. The proceeds of the second Indian war loan will also be made over to His Majesty's Government in part payment of the British war debt for which India has assumed liability in connection with her war contribution, and the payments in England in 1918-19 in respect of India's share of the British war debt will therefore be less than in the current year by £675,000. *Budget, 1918-19.*

66. The total provision of £6 million allotted in the Budget estimate for the current year for the service of India's contribution to the war will be applied in the current and next years as follows :—

	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
In India—	£	£	£
Interest and miscellaneous charges for Indian war loan, 1917 . . .	...	1,152,200	1,582,000
Discount on long term Indian war loan (1929-47)	...	418,100	...
Sinking fund for long term Indian war loan (1929-47) at 1½ per cent. on the amount of loan created by fresh issue and conversion . . .	...	276,700	273,300
Lump provision for charges connected with new Indian war loan . . .	600,000	...	666,700
Total .	600,000	1,847,000	2,522,000
In England—			
Interest on British 5 per cent. war loan (1929-47) taken over by India . .	3,375,000	3,340,100	3,006,200
Sinking fund in respect of British 5 per cent. war loan (1929-47) taken over by India	2,025,000	812,900	471,800
	6,000,000	6,000,000	6,000,000

Transfers to Railway and Irrigation Accounts.

67. The amount of interest transferred to the Railway and Irrigation sections of the accounts depends, firstly, on the capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of railways or irrigation works; and, thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above or other purpose. Our practice is to adopt, for this adjustment, the average rate of interest actually paid in respect of the whole of the non-specific debt in the latest year for which complete accounts are available. The result is that the rate adopted in calculating the Revised estimate for a year is generally somewhat different from that used for the Budget estimate: and this usually leads to a difference between the two estimates apart from that caused by a variation in the capital expenditure itself.

Revised, 1917-18.

The decrease of R58·47 lakhs (£389,800) in the Revised estimate of total interest to be transferred in 1917-18, as compared with the Budget, is due to a reduction in the rate, as well as in the capital at charge at the end of 1917-18. The increase in the total amount of interest to be transferred in 1918-19 over the Revised estimate for 1917-18 is almost wholly due to the progress of capital expenditure.

Budget, 1918-19.

Transfer to Provincial.

68. A portion of the interest on Ordinary Debt appears in the Provincial section of the accounts. Provincial Governments are authorised to grant advances to cultivators (as well as to certain other people in special cases) under various Acts, to Native States, to landholders and notabilities apart from the provisions of any law and to municipalities and local bodies (other than Presidency Corporations), out of amounts annually placed at their disposal by the Government of India. The interest actually levied on such advances is credited as Provincial revenue. But interest at a fixed rate is charged to the Local Governments on the mean between the outstanding balances of the Provincial Loan Accounts at the commencement of the year and at its close; and this is done by transferring the amount so calculated from the Imperial to the Provincial section under Interest on Ordinary Debt. This rate was raised during the current year from 4½ to 5½ per cent. with reference to the rate of interest which the Government of India have now to pay on their own borrowings. Allowing for this alteration in rate, the differences between the Budget and the Revised estimates of the amount to be transferred to the Provincial Section in the current year, and between the latter and the Budget estimate of 1918-19, are explained by the variations in the outstanding balances of the Provincial Loan Account as shown in the table under head XII.—Interest receipts.

Interest on other obligations.

Revised, 1917-18.

69. The total expenditure in 1917-18 is likely to fall short of the Budget provision by R10·82 lakhs (£72,100). There will be a reduction of R4·96 lakhs in the interest payable on the Savings Bank balance owing mainly to the present anticipation of a net withdrawal of R55 lakhs from post office savings banks during the year instead of a net deposit of R75 lakhs as contemplated in the Budget; and of R5·17 lakhs in the interest payable in respect of the provident funds of railway companies owing to some delay in the actual transfer of the funds to Government. The Budget estimate for 1918-19 provides for an increase of R11·39 lakhs (£75,900) over the Revised for 1917-18. It is attributable (*i*) to an anticipated growth in the deposits in State provident funds, (*ii*) to an increase in the interest creditable to the accounts in railway companies' provident funds and (*iii*) to a provision of R5 lakhs for bonus on post office cash certificates issued in the current year which are likely to be encashed in 1918-19.

Budget, 1918-19.

XIII AND 15—POSTS AND TELEGRAPHS.

—	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
REVENUE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Postage and Message Revenue .	4,16,19,153	4,39,07,079	4,78,47,180	5,06,99,000	5,19,19,000	5,49,49,000
2. Commission on money orders .	60,88,658	63,44,831	67,48,904	70,00,000	73,75,000	79,00,000
3. Other Receipts .	43,39,142	44,54,226	46,51,886	48,25,000	48,20,000	49,00,000
TOTAL INDIA . R	5,20,46,953	5,47,06,136	5,92,47,970	6,25,24,000	6,41,14,000	6,77,49,000
TOTAL INDIA . £	3,469,797	3,647,076	3,949,865	4,168,300	4,274,300	4,516,600
ENGLAND .	30,000	...	20,014	...	23,000	50,000
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT .	3,499,797	3,647,076	3,969,879	4,168,300	4,297,300	4,566,600
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA.						
1. Message Revenue .	13,23,801	19,29,616	30,32,096	26,02,000	27,45,000	30,00,000
2. Other Receipts .	—14,201	—1,10,479	18,478	—1,91,000	—1,95,000	—2,55,000
TOTAL INDIA . R	13,09,600	18,19,137	30,50,574	24,11,000	25,50,000	27,45,000
TOTAL INDIA . £	87,306	121,276	203,371	160,700	170,000	183,000
ENGLAND.						
1. Message Revenue. £	7,220	10,077	1,196	2,000	22,000	2,000
2. Other Receipts £	2,650	9,049	161	14,700	2,800	31,200
TOTAL ENGLAND £	9,870	19,126	1,357	16,700	24,800	33,200
TOTAL INDO-EUROPEAN DEPARTMENT £	97,176	140,402	204,728	177,400	194,800	216,200
TOTAL REVENUE £	3,596,973	3,787,478	4,174,607	4,345,700	4,492,100	4,782,800
EXPENDITURE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Establishment charges . . .	3,19,24,561	3,22,63,206	3,23,38,193	3,38,64,000	3,42,21,000	3,64,42,000
2. Stationery and Printing . . .	13,38,126	15,42,336	15,72,270	16,34,000	18,06,000	17,41,000
3. Conveyance of mails	72,31,660	72,37,261	72,03,461	75,71,000	72,45,000	75,90,000
4. Maintenance of Telegraph Lines .	23,80,227	24,43,300	25,03,651	25,85,000	24,58,000	25,18,000
5. Capital outlay in connection with the Telegraph Service .	7,10,564	—5,47,706	—4,26,035	3,40,000	2,77,000	5,35,000
6. Miscellaneous .	8,70,621	10,58,228	10,47,817	10,80,000	10,87,000	10,91,000
TOTAL INDIA R .	4,44,55,759	4,39,96,625	4,42,39,357	4,70,74,000	4,70,94,000	4,99,17,000
Equivalent in Sterling £	2,963,717	2,933,108	2,949,291	3,138,300	3,139,600	3,327,800
ENGLAND.						
1. Contribution to Eastern mail subsidy £	54,588	42,713	59,863	45,800	45,800	45,800
2. Stores . . £	143,676	149,595	204,171	300,000	230,000	367,800
3. Other items . £	16,999	9,047	5,298	7,700	4,200	4,200
TOTAL ENGLAND . £	215,263	201,355	269,332	353,500	280,000	417,800
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT £	3,178,980	3,134,463	3,218,623	3,491,800	3,419,600	3,745,600
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA AND ENGLAND.						
1. Revenue charges . £	86,888	93,823	107,941	116,300	145,900	133,000
2. Capital outlay . £	13,241	6,732	145,485	31,000	36,700	76,000
3. Payments in respect of Revenue . £	—21,846	—85,338	—30,662	—37,200	—3,200	—23,200
TOTAL INDO-EUROPEAN TELEGRAPH DEPARTMENT £	78,283	15,217	222,764	110,100	179,400	185,800
TOTAL EXPENDITURE . £	3,257,263	3,149,680	3,441,387	3,601,900	3,599,000	3,931,400
NET REVENUE . £	339,710	637,798	733,220	743,800	893,100	851,400

REVENUE.

(a) *Indian Postal and Telegraph Department.*

Revised, 1917-18. 70. The Revised estimate for 1917-18 exceeds the Budget by R19·35 lakhs (£129,000). An improvement of R15·90 lakhs is expected in India owing to the activity of internal trade and an increase in the revenue from state messages owing to war conditions. There is also a rise of R3·45 lakhs in England in the receipts from the Home Government under the Morley award in connection with the Eastern Mail Service.

Budget, 1918-19. 71. The Budget estimate for 1918-19 provides for a further advance of R36·35 lakhs in the collections in India. An increase of R4·05 lakhs is also expected in England during the next year in connection with the Eastern Mail Service.

(b) *Indo-European Telegraph Department.*

Revised, 1917-18. 72. The small rise of R2·61 lakhs (£17,400) in the revenue in the current year as compared with the Budget estimate is due to an increase in the traffic owing to the war. *Budget, 1918-19.* The Budget estimate for 1918-19 provides for a small growth of R3·21 lakhs (£21,400) in the revenue.

EXPENDITURE.

(a) *Indian Postal and Telegraph Department.*

Revised, 1917-18. 73. The expenditure in 1917-18 is likely to fall short of the Budget grant by R10·83 lakhs (£72,200). The reduction is mainly due to increased credits for the value of stores supplied to the Indian Expeditionary Forces, a lapse in the provision for conveyance of mails owing mainly to a reduction in special train services, and a smaller outlay on stores in England; partly counterbalanced by an increase in the pay of establishments owing to war conditions and in the cost of stationery and printing owing to a rise in prices.

Budget, 1918-19. 74. The Budget grant for 1918-19 exceeds the Revised estimate for the current year by R48·90 lakhs (£326,000). The credits on account of the value of stores supplied to other departments will be less by R5 lakhs in consequence of smaller supplies to the Indian Expeditionary Forces and a larger provision of R7 lakhs is necessary with reference to the increase in the pay of establishments owing to war conditions. The outlay in England will also be higher by R20·67 lakhs owing to a rise in the cost of stores and a larger demand. Apart from these special items, the Budget estimate provides for sanctioned establishments and normal working expenses, together with a margin for the development of the operations of the department which re generally remunerative in character.

(b) *Indo-European Telegraph Department.*

Revised, 1917-18. 75. The Revised estimate for 1917-18 exceeds the Budget by R10·40 lakhs (£69,300), the rise being mainly due to the outlay on hire of, and repairs to, steamers employed on cable maintenance, an increase in the cost of establishments owing to a development of traffic, and a reduction in the net receipts in England in connection with the Joint Purse arrangement, etc. The Budget estimate for 1918-19 is taken at R·96 lakh (£6,400) more than the Revised *Budget, 1918-19.* estimate for the current year. An increase in the capital outlay on the construction of telegraph lines will be nearly covered by an improvement in the net receipts in England in connection with the Joint Purse arrangement, etc., and a reduced provision for repairs to the steamers employed on cable maintenance.

XV AND 17.—MINT.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
REVENUE.						
INDIA.						
1. Percentage chargeable on coinage of new rupees	...	...	61,90,138	...	44,00,000	30,00,000
2. Profit on circulation of—						
(a) Nickel coins	9,54,164	14,01,818	32,91,627	20,00,000	22,00,000	25,00,000
(b) Bronze coins	...	...	...	...	5,50,000	...
3. Fees for coining dollars, etc.	...	136	3,06,032	4,000	3,00,000	26,000
4. Other items	88,301	1,26,348	5,60,185	83,000	5,11,000	1,14,000
TOTAL R	10,42,465	15,28,302	1,03,47,982	20,87,000	79,61,000	56,40,000
TOTAL £	69,498	101,887	689,866	139,100	530,700	376,000
England £	...	31	...	...	...	...
TOTAL £	69,498	101,918	689,866	139,100	530,700	376,000
EXPENDITURE.						
INDIA.						
1. Establishment charges	6,85,293	6,40,920	9,91,475	7,26,000	11,07,000	14,23,000
2. Purchase of stores	99,913	82,662	4,19,956	1,79,000	4,91,000	4,20,000
3. Loss on bronze coinage	7,57,341	1,24,786	1,12,152	...	...	...
4. Loss on re-coining old silver coins	4,13,718	3,59,838	4,16,592	4,07,000	7,70,000	4,44,000
5. Other coinage losses	27,906	18,834	4,39,764	...		
TOTAL R	19,84,171	12,27,040	23,79,939	13,12,000	23,68,000	22,87,000
TOTAL £	132,278	81,803	158,662	87,500	157,800	152,500
England £	9,404	7,570	8,749	21,100	22,000	17,500
TOTAL £	141,682	89,373	167,411	108,600	179,800	170,000
TOTAL NET REVENUE £	—72,184	12,545	522,455	30,500	350,900	206,000

REVENUE.

76. The Revised estimate for the current year exceeds the Budget by R58·74 lakhs. Of this increase R44 lakhs are contributed by the seignorage on the coinage of rupees from purchased silver. There will also be a rise of R7·50 lakhs in the profit on the circulation of nickel and bronze coins, the demand for which has exceeded anticipations, and a receipt of R3 lakhs will accrue in respect of coinage executed for the Egyptian Government. The coinage of new rupees will result in an increase in the operative gains included under "other items" in the above table, but this will be counterbalanced by an increase in the debits on account of operative losses. *Revised, 1917-18.*

77. The Budget estimate for 1918-19 is taken at R23·21 lakhs less than the Revised estimate for 1917-18. A moderate provision is made for seignorage on new coinage of rupees and for profit on the circulation of nickel and bronze coins. *Budget, 1918-19.*

EXPENDITURE.

78. The excess of R10·69 lakhs in the expenditure in the current year over the Budget estimate arises from the heavy coinage of rupees from purchased silver. The Budget for 1918-19 provides for a moderate expenditure on this account and includes a lump grant of R2 lakhs for the construction of a building for the branch of the Royal Mint to be established at Bombay and for establishment and other charges for the coinage of gold. *Revised, 1917-18.* *Budget, 1918-19.*

18.—GENERAL ADMINISTRATION.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
INDIA.						
Imperial.						
1. Cost of the Central Government:						
(i) Salary and expenses of the Governor-General	10,55,920	10,22,202	10,49,815	10,19,000	10,27,000	10,25,000
(ii) Executive Council	5,44,171	5,40,960	5,34,543	5,22,000	5,33,000	5,38,000
(iii) Legislative Council	1,54,746	1,25,012	1,54,383	1,58,000	1,58,000	1,58,000
(iv) Charges of the Secretariats	36,87,063	36,89,215	38,11,699	37,59,000	38,43,000	37,42,000
2. Offices of Account and Audit	38,10,796	38,51,258	38,97,014	37,99,000	39,60,000	38,57,000
3. Currency Department and Reserve Treasury	8,53,238	9,59,186	10,46,462	10,78,000	12,12,000	11,04,000
4. Payments to Presidency Banks for treasury and public debt work	3,82,870	3,95,461	4,68,264	4,09,000	4,94,000	4,74,000
5. Ajmer-Merwara Administration, etc.	2,068	2,404	4,594	2,000	5,000	2,000
6. Delhi	1,43,117	1,47,767	1,45,418	1,39,000	1,31,000	1,36,000
7. North-West Frontier Administration	3,36,534	3,69,421	3,61,991	3,98,000	3,98,000	4,15,000
Total	1,09,70,523	1,11,02,886	1,14,69,186	1,12,78,000	1,17,61,000	1,14,51,000
Provincial.						
1. Madras	15,22,569	15,50,732	15,15,419	15,96,000	16,28,000	15,86,000
2. Bombay	21,15,164	20,49,821	20,50,106	21,04,000	21,21,000	21,63,000
3. Bengal	24,18,157	23,88,887	24,82,180	25,70,000	25,17,000	25,88,000
4. United Provinces	17,54,705	17,56,105	17,60,350	17,90,000	17,74,000	18,21,000
5. Punjab	13,27,042	12,41,339	12,48,683	12,66,000	12,21,000	12,87,000
6. Burma	15,72,207	15,87,066	16,89,550	15,99,000	17,49,000	16,18,000
7. Bihar and Orissa	13,45,502	13,50,018	14,14,087	13,88,000	14,60,000	14,18,000
8. Central Provinces	9,71,025	9,25,185	9,62,329	9,50,000	9,88,000	9,91,000
9. Assam	6,06,828	6,12,443	5,94,072	6,11,000	6,18,000	6,26,000
Total	1,36,33,199	1,34,61,596	1,37,16,781	1,38,74,000	1,40,76,000	1,40,98,000
TOTAL INDIA	2,46,03,722	2,45,64,482	2,51,85,967	2,51,52,000	2,58,37,000	2,55,49,000
Equivalent in Sterling	£ 1,640,248	£ 1,637,632	£ 1,679,065	£ 1,676,800	£ 1,722,500	£ 1,703,300
ENGLAND.						
1. Cost of the Secretary of State's establishment, etc.	268,486	280,424	301,819	300,100	325,600	324,900
2. Stores, etc., for India	139,504	50,682	102,253	80,000	175,000	235,300
TOTAL £	407,990	331,106	404,072	380,100	500,600	560,200
GRAND TOTAL £	2,048,238	1,968,738	2,083,137	2,056,900	2,223,100	2,263,500

(*a*) *India—Imperial.*

Revised, 1917-18.

79. The expenditure in 1917-18 is likely to exceed the Budget grant by ₹4·83 lakhs. The increase is due to (*a*) a rise in the charges of the civil account department (₹1·61 lakhs) owing mainly to the cost of advertising the Indian war loan, for which provision was included in the Budget under "Interest on debt," (*b*) the expenses of coinage and shipment to India of gold which was tendered in Australia on behalf of the Government of India instead of in India for acquisition under the Gold Import Act (₹1·15 lakhs), (*c*) an excess in the allowance payable to the Presidency Banks owing to increased public debt work (₹·85 lakh) and (*d*) larger expenditure on account of the Secretariats owing to the employment of officers on special duty in the Home, Army and other Departments in connection with the war and the question of constitutional reforms (₹·84 lakh).

Budget, 1918-19.

The Budget estimate for 1918-19 provides generally for sanctioned establishments and normal charges. The decrease of ₹3·10 lakhs as compared with the Revised estimate for the current year is due to the omission of the special items of expenditure included in the latter for the coinage and shipment of gold, for officers on special duty in the Secretariats and for the advertisement of the war loan. Provision for the last item has been included, along with other charges for the loan, under "Interest on debt".

(*b*) *Provincial.*

Revised, 1917-18.

80. The total Revised for 1917-18 will exceed the Budget grant by ₹2·02 lakhs. Increases of ₹1·50 lakhs and ₹·72 lakh respectively are expected in Burma and Bihar and Orissa; in the former province owing to the deputation of officers on special duty in the Secretariats, and extra expenditure necessitated by the Viceregal visit, and in the latter on account of the cost of furniture for the new Secretariats. There will also be a rise of ₹·38 lakh in the Central Provinces and ₹·32 lakh in Madras owing to the deputation of officers on special duty, but minor savings are anticipated in the Punjab and Bengal, due in the former case to the record under Police of the salary and other charges of the officer employed in connection with the reclamation of criminal tribes, for whom provision was included under General Administration in the Budget. The variations in the other provinces are unimportant.

Budget, 1918-19.

81. The total Budget estimate for 1918-19 is only ₹·22 lakh more than the Revised for the current year. There will be decreases in Burma (₹1·31 lakhs), Madras (₹·42 lakh) and Bihar and Orissa (₹·42 lakh) due to smaller outlay on officers on special duty, the omission in Burma of special expenditure incurred in the current year on account of the Viceregal visit and a reduced provision in Bihar and Orissa for the furnishing of the Secretariats. An increase of expenditure is anticipated in all the other provinces. Provision has been made for revision of Secretariat establishments in the Punjab (₹·35 lakh), for a Controller of Prices in Bombay (₹·50 lakh) and for additional establishment for the inspection of the accounts of police offices and Government schools and the creation of a new Department in the Secretariat in the United Provinces.

(*c*) *England.*

Revised, 1917-18.

82. The Revised estimate for 1917-18 exceeds the Budget by £120,500. The cost of stores supplied to India will be exceeded by £86,200 owing to the manufacture of currency notes for ₹1 and ₹2½ and a rise in the price of paper, and an expenditure of £8,800 arises in connection with the visit of the Secretary of State to India and the establishment of a Trade Commissioner's office in London. There will also be a rise of £25,500 in the charges of the Secretary of State's establishment due mainly to higher salaries necessitated by the exigencies of the war, larger payments for professional inspection of stores, an increase in the wages of labourers at the India Store Depot and the addition of a new storey to the India Office building.

Budget, 1918-19.

The Budget estimate for 1918-19 exceeds the Revised for the current year by £59,600, owing mainly to increased provision for the cost of currency notes partly set off by the omission of the expenditure in the current year in connection with the Secretary of State's visit to India.

XVI-A and 19-A.—LAW AND JUSTICE—COURTS OF LAW.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	3,66,885	3,66,693	3,77,772	3,51,000	2,96,000	2,44,000
2. Delhi	2,42,989	1,63,823	1,56,874	1,46,000	1,60,000	1,48,000
3. Baluchistan	22,517	27,479	23,944	25,000	28,000	28,000
4. North-West Frontier	6,49,779	6,41,577	6,64,690	7,02,000	6,89,000	7,16,000
Total	12,82,170	11,99,642	12,23,280	12,24,000	11,73,000	11,36,000
Provincial.						
1. Madras	82,64,186	84,47,568	85,47,219	86,15,000	86,26,000	89,13,000
2. Bombay	57,76,860	57,75,879	56,15,539	57,73,000	56,80,000	58,98,000
3. Bengal	1,03,78,200	1,03,11,110	99,20,187	1,01,57,000	1,00,10,000	1,01,75,000
4. United Provinces	66,82,719	69,97,430	67,48,239	68,18,000	66,90,000	67,58,000
5. Punjab	46,02,900	47,44,398	44,95,204	46,74,000	44,85,000	47,14,000
6. Burma	50,21,931	50,76,796	50,68,388	50,88,000	49,23,000	49,57,000
7. Bihar and Orissa	35,30,823	38,22,402	41,02,172	42,20,000	42,44,000	42,33,000
8. Central Provinces	28,17,148	28,83,014	28,50,990	30,72,000	29,93,000	30,07,000
9. Assam	10,14,742	10,35,202	10,27,425	10,53,000	10,50,000	10,52,000
Total	4,80,89,509	4,90,93,799	4,83,75,363	4,94,70,000	4,87,01,000	4,97,67,000
TOTAL INDIA . R	4,93,71,679	5,02,93,441	4,95,98,643	5,06,94,000	4,98,74,000	5,09,03,000
Equivalent in Sterling £	3,291,445	3,352,896	3,306,576	3,379,600	3,324,900	3,393,600
England . . . £	809	1,042	450	1,000	1,400	800
TOTAL £	3,292,254	3,353,938	3,307,026	3,380,600	3,326,300	3,394,400

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	3,17,242	2,81,439	1,64,745	1,48,000	1,23,000	40,000
2. Delhi	17,849	22,944	26,284	23,000	20,000	20,000
3. Baluchistan	24,532	38,128	48,303	38,000	46,000	46,000
4. North-West Frontier	1,43,825	1,74,293	2,05,258	2,30,000	2,28,000	2,28,000
Total	5,03,448	5,16,804	4,44,590	4,39,000	4,17,000	3,34,000
Provincial.						
1. Madras	11,44,480	12,00,387	11,38,856	11,48,000	11,28,000	10,79,000
2. Bombay	8,43,009	8,66,059	8,26,303	8,70,000	9,00,000	9,35,000
3. Bengal	8,60,139	8,43,999	9,21,386	8,82,000	11,07,000	12,23,000
4. United Provinces	7,86,719	8,53,721	8,60,104	8,73,000	8,49,000	8,64,000
5. Punjab	5,87,921	5,67,763	6,90,167	7,00,000	7,30,000	7,60,000
6. Burma	6,51,323	6,33,412	6,38,635	6,57,000	6,19,000	6,22,000
7. Bihar and Orissa	2,96,004	3,50,679	3,01,846	3,13,000	3,64,000	3,69,000
8. Central Provinces	2,58,662	2,43,774	2,57,305	2,70,000	2,75,000	2,80,000
9. Assam	1,36,817	1,25,971	1,42,796	1,40,000	1,37,000	1,43,000
Total	55,65,074	56,86,365	57,77,398	58,53,000	61,09,000	62,75,000
TOTAL R	60,68,522	62,03,169	62,21,988	62,92,000	65,26,000	66,09,000
Equivalent in Sterling £	404,568	413,545	414,799	419,500	435,100	440,600

EXPENDITURE.

(*a*) *Imperial.*

83. The decreases against "India General" in the Revised estimate of the current year as compared with the Budget and in the Budget for 1918-19 as compared with the current year's Revised arise from the provincialization and transfer to the Government of Bengal of the charges of the Administrator General and the Official Trustee, Bengal, from the 1st October 1917. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

84. The Revised estimate for 1917-18 falls short of the Budget by R7·69 lakhs. The saving occurs in all the provinces except Madras and Bihar and Orissa where there are unimportant excesses, due in the latter to the cost of special tribunals in connection with riot cases. Among the general factors which have contributed to the decrease in expenditure may be mentioned the deputation of officers to military duty, vacancies in the sanctioned scales and the reduced rates for exchange compensation allowance. A portion of the saving is also due to the partial non-utilisation of the grants for compensation for dearness of food in the Punjab, for pleader's fees in Bengal and Bombay and for revision of establishments in the Central Provinces. The reduction in Bengal and Bombay would have been higher but for expenditure on grain compensation allowance for which there was no provision in the Budget under this head, and in the former province the charges of the Administrator General and the Official Trustee which were transferred to Provincial revenues in the current year. *Revised, 1917-18.*

85. The Budget for 1918-19 is R10·66 lakhs more than the Revised estimate for 1917-18. The excess is distributed over all the provinces except Bihar and Orissa. Provision has generally been made for the normal charges of sanctioned establishments. Allotments have been included for revision of pay of process-service establishments and for temporary subordinate courts in Madras (R·98 lakh); for revision of process-service and chief court establishments and other minor reforms in the Punjab (R·78 lakh); for various additional appointments in Bombay (R1·69 lakhs); and for two additional Judges for the High Court (R1·04 lakhs) and the charges of the Administrator General and the Official Trustee for the whole year (R1·08 lakhs) in Bengal. *Budget, 1918-19.*

REVENUE.

(*a*) *Imperial.*

86. The Revised estimate for 1917-18 falls short of the Budget by R·22 lakh and the Budget for the next year is less than the current year's Revised by R·83 lakh. The decrease in both years is due to the provincialisation of the receipts realised by the Administrator General and the Official Trustee. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

87. The total revenue in the current year is likely to exceed the Budget estimate by R2·56 lakhs. The improvement occurs mainly in Bengal (R2·25 lakhs) due to an increase in magisterial fines and to the receipts of the Administrator General and the Official Trustee from the 1st October 1917. There will also be special receipts of R·35 lakh in Bihar and Orissa from the new High Court and of R·49 lakh in Madras on account of the value of unclaimed Goverment promissory notes in the hands of the Administrator General; the notes will be endowed to a hospital, their value being credited as judicial receipts and charged *per contra* as medical expenditure. These receipts will however be absorbed by a decline in magisterial fines in several provinces. The Budget for 1918-19 provides for a full year's receipts by the Administrator General and the Official Trustee in Bengal and for normal receipts in the other provinces. *Revised, 1917-18.* *Budget, 1918-19.*

XVI-B and 19-B.—LAW AND JUSTICE—JAILS.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	17,73,473	18,26,014	21,25,376	21,57,000	21,68,000	21,75,000
2. Delhi	74,135	81,739	78,315	82,000	78,000	80,000
3. Baluchistan	30,498	38,170	39,311	45,000	39,000	40,000
4. North-West Frontier	2,13,234	2,52,648	3,07,717	3,03,000	3,10,000	3,29,000
TOTAL	20,91,340	21,98,571	25,50,719	25,87,000	25,95,000	26,24,000
Provincial.						
1. Madras	15,43,300	15,27,715	15,63,198	15,48,000	16,04,000	16,03,000
2. Bombay	12,82,660	12,85,300	13,34,848	13,35,000	13,65,000	13,97,000
3. Bengal	25,50,828	25,06,617	27,96,318	28,89,000	30,64,000	30,03,000
4. United Provinces	23,13,033	23,84,085	23,27,153	24,15,000	22,81,000	24,28,000
5. Punjab	15,86,118	17,93,754	17,61,295	19,46,000	19,14,000	20,44,000
6. Burma	15,77,416	15,31,723	15,68,263	16,24,000	16,42,000	15,46,000
7. Bihar and Orissa	14,80,168	14,21,469	14,22,827	15,13,000	15,88,000	15,98,000
8. Central Provinces	7,51,965	6,56,887	6,62,816	6,77,000	6,92,000	7,21,000
9. Assam	2,94,557	3,29,022	3,06,686	3,47,000	3,24,000	3,42,000
TOTAL	1,31,80,045	1,34,36,572	1,37,43,404	1,42,94,000	1,44,74,000	1,46,82,000
TOTAL INDIA R	1,52,71,385	1,56,35,143	1,62,94,123	1,68,81,000	1,70,69,000	1,73,06,000
Equivalent in Sterling £	1,018,093	1,042,343	1,086,275	1,125,400	1,137,900	1,153,700
England £	450	177	147	...	...	...
TOTAL £	1,018,543	1,042,520	1,086,422	1,125,400	1,137,900	1,153,700

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	3,70,057	4,66,352	6,37,775	6,33,000	7,60,000	7,65,000
2. Delhi	33,457	33,164	29,090	32,000	28,000	28,000
3. Baluchistan	552	858	850	1,000	1,000	1,000
4. North-West Frontier	37,074	42,008	49,203	46,000	39,000	39,000
TOTAL	4,41,140	5,42,382	7,16,918	7,12,000	8,28,000	8,33,000
Provincial.						
1. Madras	6,25,005	5,10,531	5,69,398	5,65,000	7,74,000	6,10,000
2. Bombay	2,85,042	3,11,796	3,04,611	2,75,000	3,10,000	3,00,000
3. Bengal	8,34,256	9,09,148	12,13,040	11,02,000	14,00,000	13,52,000
4. United Provinces	3,63,038	3,52,443	3,67,714	3,62,000	3,63,000	3,51,000
5. Punjab	4,08,694	4,44,191	4,16,024	4,38,000	6,03,000	5,96,000
6. Burma	4,19,784	4,36,989	4,08,869	4,10,000	3,86,000	4,37,000
7. Bihar and Orissa	7,03,179	6,82,564	7,88,794	7,42,000	8,57,000	8,82,000
8. Central Provinces	2,77,557	2,17,291	3,05,914	2,70,000	3,16,000	3,42,000
9. Assam	90,310	81,047	94,583	98,000	92,000	90,000
TOTAL	40,06,865	39,46,000	44,68,947	42,62,000	51,01,000	49,60,000
TOTAL R	44,48,005	44,88,382	51,85,865	49,74,000	59,29,000	57,93,000
Equivalent in Sterling £	296,534	299,225	345,725	331,600	395,200	386,200

EXPENDITURE.

(*a*) *Imperial.*

88. The figures show little variation.

(*b*) *Provincial.*

89. The total expenditure in 1917-18 is likely to exceed the Budget grant by R1·80 lakhs. A large excess of R7·24 lakhs will occur in the purchase of raw materials, mainly in Bengal (R2·71 lakhs), the Punjab (R1·48 lakhs), Bihar and Orissa (R1·26 lakhs) and Madras (R1·25 lakhs), due to increased orders from the Military and other Departments for jail-made articles and to a rise in prices. On the other hand, there will be a saving of R5·44 lakhs in the ordinary charges of jails, mainly in the Punjab (R1·80 lakhs), the United Provinces (R1·24 lakhs), Bengal (R·96 lakh) and Madras (R·69 lakh) as the result of a decrease in dietary expenses owing to the prices of food-grains having been less than anticipated in the Budget, and in some provinces to a fall in the jail population. An additional cause for the saving in the Punjab is the transfer of convicts for the formation of a labour corps in Mesopotamia. The variations in the other provinces both under manufactures and ordinary charges are unimportant. *Revised, 1917-18.*

90. The Budget for 1918-19 exceeds the Revised of the current year by R2·08 lakhs. The grant is generally based on the sanctioned scales of establishment, the probable jail population and the estimated outlay on raw materials with reference to supplies anticipated to the Military and other Departments. Provision has generally been made for a rise in dietary charges and for an increase in the jail population in Bihar and Orissa in consequence of the recent riots. *Budget, 1918-19.*

REVENUE.

(*a*) *Imperial.*

91. The excess of R1 16 lakhs in the Revised estimate for the current year as compared with the Budget occurs mainly in the receipts from the S. S. "Maharaja". The Budget estimate for 1918-19 closely follows the Revised for 1917-18. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

92. The increase of R8·39 lakhs in the revenue in the current year over the Budget estimate is mainly due to heavy supplies of jail-made articles to the Military and other Departments in Bengal, Madras, the Punjab and Bihar and Orissa. Special receipts have also accrued in the Punjab and Bombay from the supply of convict labour to arsenals, etc. The Budget estimate for 1918-19 is based on present information in regard to demands for jail-made articles from other departments. Allowance is made for some decline in Madras and Bengal from the high receipts of the current year. *Revised, 1917-18.* *Budget, 1918-19.*

XVII AND 20.—POLICE.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	11,52,094	12,34,883	12,62,285	14,25,000	13,44,000	13,99,000
2. Delhi	4,29,842	4,04,580	3,76,897	4,13,000	4,16,000	4,10,000
3. Baluchistan	5,84,734	5,90,234	5,91,599	6,27,000	6,44,000	6,98,000
4. North-West Frontier	18,05,391	19,32,256	22,06,427	24,99,000	25,94,000	28,23,000
Total	39,72,061	41,61,953	44,37,208	49,64,000	49,98,000	53,30,000
Provincial.						
1. Madras	1,09,30,808	1,10,09,898	1,14,74,811	1,17,47,000	1,17,41,000	1,20,73,000
2. Bombay	1,04,25,121	1,05,79,762	1,06,16,374	1,12,49,000	1,06,69,000	1,14,30,000
3. Bengal	1,03,72,545	1,09,03,783	1,16,57,283	1,34,38,000	1,22,84,000	1,37,85,000
4. United Provinces	1,25,99,303	1,28,01,703	1,25,18,155	1,27,78,000	1,26,26,000	1,31,86,000
5. Punjab	62,48,665	64,25,524	64,52,125	70,14,000	65,90,000	69,49,000
6. Burma	1,34,74,754	1,37,05,639	1,37,01,907	1,38,04,000	1,33,15,000	1,36,03,000
7. Bihar and Orissa	47,22,728	47,55,942	46,98,196	48,67,000	50,72,000	54,59,000
8. Central Provinces	34,60,413	35,88,952	34,72,855	36,87,000	35,65,000	37,00,000
9. Assam	23,30,651	23,65,730	23,33,931	23,99,000	23,27,000	24,82,000
Total	7,45,64,988	7,61,36,933	7,69,25,637	8,09,83,000	7,81,89,000	8,26,67,000
TOTAL INDIA . R	7,85,37,049	8,02,98,886	8,13,62,845	8,59,47,000	8,31,87,000	8,79,97,000
Equivalent in Sterling £	5,235,803	5,353,259	5,424,190	5,729,800	5,545,800	5,866,500
England . . £	1,205	356	...	100	200	100
TOTAL . £	5,237,008	5,353,615	5,424,190	5,729,900	5,546,000	5,866,600

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	21,267	23,617	26,110	21,000	22,000	22,000
2. Delhi	5,007	5,967	7,473	6,000	7,000	6,000
3. Baluchistan	18,714	20,710	23,610	23,000	23,000	23,000
4. North-West Frontier	33,308	32,279	24,450	23,000	44,000	32,000
Total	78,296	82,573	81,643	73,000	96,000	83,000
Provincial.						
1. Madras	4,94,132	5,06,454	5,19,980	5,12,000	5,38,000	5,32,000
2. Bombay	2,59,452	3,02,072	3,67,773	3,37,000	1,05,000	1,01,000
3. Bengal	1,77,419	1,90,866	1,83,633	1,71,000	1,87,000	1,87,000
4. United Provinces	79,991	1,01,839	98,835	90,000	1,17,000	1,13,000
5. Punjab	1,72,730	1,98,940	2,71,038	2,18,000	2,28,000	1,76,000
6. Burma	6,44,811	5,79,894	5,48,016	4,50,000	4,67,000	4,05,000
7. Bihar and Orissa	39,897	36,068	35,733	58,000	88,000	8,75,000
8. Central Provinces	23,907	26,452	43,228	46,000	43,000	26,000
9. Assam	1,48,580	1,22,825	1,74,880	89,000	1,27,000	97,000
Total	20,40,919	20,65,410	22,43,116	19,71,000	19,00,000	25,12,000
TOTAL . R	21,19,215	21,47,983	23,24,759	20,44,000	19,96,000	25,95,000
Equivalent in Sterling £	141,281	143,199	154,984	136,300	133,100	173,000
England . . £	...	...	54	...	...	...
TOTAL . £	141,281	143,199	155,038	136,300	133,100	173,000

EXPENDITURE.

(*a*) *Imperial* (*including outlay in England*).

93. The Revised estimate for 1917-18 is more than the Budget by R·36 lakh. There is an excess of R·95 lakh in the North-West Frontier Province owing to the entertainment of additional forces and the revision of the constabulary, but it will be nearly set off by the lapse of a grant in Bangalore for initial outlay in connection with a contemplated reorganisation scheme. The Budget estimate for 1918-19 exceeds the Revised for the current year by R3·30 lakhs. Provision has been made for the full sanctioned strength in the North-West Frontier Province, and for a revised scale of pay and a reorganisation scheme in Bangalore. There is also a minor increase in expenditure in Baluchistan. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

94. The expenditure in the current year is expected to fall short of the Budget grant by R27·94 lakhs. The saving occurs in all the provinces except in Bihar and Orissa where there is an increase of R2·05 lakhs from the entertainment of additional police in connection with the recent riots. A substantial portion of the reduction in expenditure occurs in Bengal (R11·54 lakhs) due mainly to the non-utilisation of the lump grants included in the Budget for additional police and reforms. Among the general causes of the decrease in other provinces are the non-filling up of vacancies in the executive forces, partly on account of difficulties in recruitment, and the deputation of officers to military duty. A portion of the saving is also due (1) to the recoveries in respect of police supplied to the Port Trust, Municipalities and other bodies in Bombay being taken in the Revised estimate in reduction of expenditure instead of to the receipt head (R2·53 lakhs), (2) to a lapse in the grant for reclamation of criminal tribes in the Punjab and (3) the postponement till the 1st April 1918 of a reorganisation scheme in the Central Provinces for which provision was included in the Budget. The saving in Bombay and the United Provinces has been partly absorbed by the grant of grain compensation allowance in the former province and by an increase in the pay of constables introduced in the latter from the 1st January 1918. *Revised, 1917-18.*

95. The Budget estimate for 1918-19 is taken at R44·78 lakhs more than the Revised for the current year. The excess is distributed over all the provinces and provision has been made for the full cost of sanctioned establishments and of the various schemes already introduced including in the Central Provinces the reorganisation scheme which has recently been sanctioned and will be given effect to from the 1st April 1918. A considerable increase of R15·01 lakhs is anticipated in Bengal owing to allotments for various schemes including the completion of the reorganisation of the subordinate and river police, the raising of the reserve of constables and head constables in the province and an increase in the pay of the Calcutta force. Allotments for urgent improvements have also been made in the other provinces, *e.g.*, for the reorganisation of the District Police in Bombay (R2·25 lakhs), for the introduction of new schemes in Burma (R1·42 lakhs), and for additional force including armed police and for a military camp in Bihar and Orissa (R2·20 lakhs). Provision has been made for larger grant of grain compensation allowance in Bombay (R1·11 lakhs) and the Punjab (R1·01 lakhs) and for increased outlay on the scheme for the reclamation of criminal tribes in the latter province (R1·35 lakhs). *Budget, 1918-19.*

REVENUE.

(*a*) *Imperial.*

96. The figures show little variation.

(*b*) *Provincial.*

Revised, 1917-18.

97. The Revised estimate for 1917-18 falls short of the Budget by R·71 lakh. There will be a decrease of R2·32 lakhs in Bombay owing mainly to the adjustment in reduction of expenditure of the recoveries in respect of police supplied to the Port Trust, Municipalities, etc., but it will be largely set off by minor increases in almost all the other provinces including recoveries on account of punitive police in Burma and Bihar and Orissa. The Budget estimate for 1918-19 exceeds the Revised of the current year by R6·12 lakhs. The increase is due to recoveries on account of punitive police in the parts of Bihar and Orissa affected by the recent riots, partly set off by smaller recoveries on the same account in Burma and the Punjab.

Budget, 1918-19.

XVIII AND 21.—PORTS AND PILOTAGE.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Provincial.						
1. Madras	36,552	47,020	37,017	47,000	48,000	48,000
2. Bombay	1,74,032	1,86,008	1,23,771	1,14,000	1,11,000	1,22,000
3. Bengal	13,78,205	13,73,063	11,15,029	12,15,000	10,35,000	11,12,000
4. Burma	14,79,283	14,86,303	16,47,384	14,84,000	16,49,000	16,67,000
5. Bihar and Orissa	1,029	5,114	6,071	7,000	6,000	6,000
6. Assam	60,729	61,620	65,756	62,000	66,000	64,000
Total India	31,29,830	31,59,128	29,95,028	29,29,000	29,15,000	30,14,000
Equivalent in Sterling £	208,655	210,609	199,668	195,300	194,300	200,900
England £	1	...	...	...	...	...
TOTAL £	208,656	210,609	199,668	195,300	194,300	200,900

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Provincial.						
1. Madras	68	69	1,313	...	...	...
2. Bombay	1,29,876	1,31,976	1,62,135	1,57,000	1,85,000	2,00,000
3. Bengal	15,52,988	13,49,562	12,60,964	11,81,000	10,26,000	10,80,000
4. Burma	4,21,961	3,99,267	4,26,674	4,24,000	3,68,000	4,03,000
5. Bihar and Orissa	70	...	...	...	...	...
6. Assam	112	38	199	...	...	...
TOTAL R	21,05,075	18,80,912	18,51,285	17,62,000	15,79,000	16,33,000
Equivalent in Sterling £	140,339	125,394	123,419	117,500	105,300	108,900

EXPENDITURE.

98. The total Revised estimate for 1917-18 does not differ materially from the Budget. A decrease of R1·80 lakhs in Bengal due mainly to a reduction in the charges of pilot establishments as a result of the present trade conditions is nearly counterbalanced by an increase of R1·65 lakhs in Burma due to a larger outlay on stores owing to a rise in prices and to the higher cost of maintenance of light houses and light ships The Budget estimate for 1918-19 provides for an increase in the charges of pilot establishments in Bengal and is taken at R·99 lakh more than the Revised for the current year. *Revised, 1917-18.* *Budget, 1918-19.*

REVENUE.

99. The falling-off of R1·83 lakhs in the revenue in 1917-18 as compared with the Budget estimate is chiefly due to the unfavourable conditions of sea-borne trade. Credit has been taken in Bengal for the value of a launch made over to the Military Department. The Budget estimate for 1918-19 does not differ materially from the Revised for the current year. *Revised, 1917-18.* *Budget, 1918-19.*

XIX AND 22.—EDUCATION.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India, General	9,25,293	7,03,183	7,38,288	10,89,000	8,03,000	10,88,000
2. Delhi	2,34,513	1,92,315	1,82,753	2,07,000	1,98,000	2,06,000
3. Baluchistan	81,011	91,031	97,743	1,16,000	1,02,000	1,34,000
4. North-West Frontier	5,02,767	5,27,345	5,17,061	6,31,000	5,83,000	6,97,000
Total	17,43,584	15,13,874	15,35,845	20,43,000	16,86,000	21,25,000
Provincial.						
1. Madras	78,31,353	76,96,650	83,17,005	94,79,000	92,26,000	1,12,98,000
2. Bombay	83,03,180	75,29,863	76,01,881	85,89,000	77,18,000	1,21,42,000
3. Bengal	92,07,022	84,83,414	76,87,152	98,13,000	81,14,000	1,03,01,000
4. United Provinces	70,23,430	60,78,311	62,26,532	68,80,000	68,78,000	74,34,000
5. Punjab	42,20,202	44,10,192	42,78,524	46,32,000	44,61,000	54,77,000
6. Burma	31,67,165	30,44,813	30,84,334	37,59,000	35,15,000	41,25,000
7. Bihar and Orissa	36,87,752	35,73,507	36,87,173	41,50,000	40,34,000	47,39,000
8. Central Provinces	26,95,062	27,85,989	29,96,350	32,71,000	34,37,000	36,89,000
9. Assam	15,98,655	14,13,758	14,39,231	15,85,000	15,07,000	18,35,000
Total	4,77,33,821	4,50,16,497	4,53,18,182	5,21,58,000	4,88,90,000	6,10,40,000
TOTAL INDIA ₹	4,94,77,405	4,65,30,371	4,68,54,027	5,42,01,000	5,05,76,000	6,31,65,000
Equivalent in Sterling £	3,298,494	3,102,025	3,123,602	3,613,400	3,371,800	4,211,000
England £	10,320	9,102	9,346	10,000	12,000	10,500
TOTAL	3,308,814	3,111,127	3,132,948	3,623,400	3,383,800	4,221,500

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	41,371	50,614	44,464	45,000	41,000	47,000
2. Delhi	15,158	15,681	15,529	15,000	16,000	16,000
3. Baluchistan	18,070	18,689	17,847	18,000	19,000	19,000
4. North-West Frontier	24,800	26,796	1,51,370	24,000	25,000	25,000
TOTAL	99,399	1,11,780	2,29,210	1,02,000	1,01,000	1,07,000
Provincial.						
1. Madras	3,23,120	3,09,763	3,54,148	4,26,000	3,64,000	4,28,000
2. Bombay	6,00,079	7,94,273	5,73,245	6,28,000	9,68,000	6,26,000
3. Bengal	8,47,110	8,86,574	9,47,392	9,28,000	9,40,000	9,79,000
4. United Provinces	6,09,306	6,47,761	6,50,893	7,15,000	7,00,000	7,37,000
5. Punjab	4,77,429	4,91,073	5,22,373	5,24,000	5,23,000	5,40,000
6. Burma	3,53,679	3,65,991	3,65,741	3,94,000	3,69,000	3,68,000
7. Bihar and Orissa	2,99,643	3,70,930	3,55,634	3,30,000	3,73,000	3,80,000
8. Central Provinces	2,14,529	2,60,617	2,71,297	2,75,000	2,85,000	3,00,000
9. Assam	1,69,456	1,86,780	2,04,236	2,08,000	2,12,000	2,27,000
TOTAL	38,94,351	43,13,762	42,44,959	44,78,000	47,34,000	45,85,000
TOTAL INDIA ₹	39,93,750	44,25,542	44,74,169	45,80,000	48,35,000	46,92,000
Equivalent in Sterling £	266,250	295,036	298,278	305,300	322,300	312,800

EXPENDITURE.

(*a*) *Imperial* (*India and England*).

Revised, 1917-18.

100. The Revised estimate for 1917-18 is less than the Budget by R3·27 lakhs. The latter included a reserve provision of R2·90 lakhs, from which R1·78 lakhs have been allotted to Provincial Governments for non-recurring outlay, while R·19 lakh has been applied to expenditure on sundry objects such as model school buildings at Ajmer, etc., which is recorded under "45—Civil Works." The balance of the decrease in expenditure is due to lapses in the reserve and in ordinary grants.

101. The reserve of R2·90 lakhs provided in the Budget for 1917-18 out of the recurring appropriation of R154 lakhs made from Imperial revenues up to the end of the current year for the improvement of education, will be utilised as shown below to the extent of R2·47 lakhs and the balance of R·43 lakh will lapse:—

	Lakhs of R.
(*i*) Assigned to Provincial Governments for non-recurring expenditure	1·7
(*ii*) Allotted for non-recurring expenditure in minor administrations, etc.	·29
(*iii*) Balance which is likely to be allotted to definite objects before the close of the year	·40
Total	2·47

Budget, 1918-19.

102. The Budget estimate for 1918-19 exceeds the Revised for the current year by R4·17 lakhs, the increase being mainly due to provision for grants to certain schools in the North-West Frontier Province and Bangalore; for expenditure in minor administrations from the fresh Imperial grant for development of primary education referred to below; and a reserve of R2·77 lakhs.

103. Of the special appropriation of R154 lakhs mentioned in paragraph 101, R149·87 lakhs have already been distributed among the various provinces, etc., to meet recurring expenditure. The balance of R4·13 lakhs has been allotted as follows in the Budget estimate of the ensuing year:—

	Lakhs of R.
(*i*) Assigned to Provincial Governments for non-recurring expenditure	2·13
(*ii*) Allotted to minor administrations	·23
(*iii*) Reserve	1·77
Total	4·13

It is proposed to make a further recurring appropriation from Imperial revenues of R30 lakhs from the year 1918-19 for expenditure on the development of primary education. This amount has been allotted as follows:—

	Lakhs of R.
(*i*) Assigned to Provincial Governments—*vide* distribution by Provinces in paragraph 225	28·50
(*ii*) Assigned to minor administrations	·50
(*iii*) Reserve	1·00
Total	30·00

(*b*) *Provincial.*

Revised, 1917-18.

104. The total expenditure in 1917-18 is expected to be R32·68 lakhs less than the Budget estimate. The latter included special allotments under this head, aggregating about R138 lakhs, from the recurring and non-recurring assignments made from Imperial revenues in recent years for the development and improvement of education. These allotments are expected to be utilised to the extent of about R135 lakhs, R116 lakhs of the expenditure being recorded

under Education, and the balance under Civil Works. Under the former head, there is thus a decrease of R22 lakhs as compared with the Budget provision in the outlay from special Imperial grants; and the expenditure from other Provincial resources will accordingly fall short of the corresponding Budget provision by about R10¾ lakhs. This decrease is chiefly due to lapses in ordinary grants in Bombay, Bengal and Madras, partly counterbalanced by increased expenditure in the Central Provinces.

Budget, 1918-19.

105. The Budget estimate for 1918-19 exceeds the Revised for the current year by R121·50 lakhs, of which R28·50 lakhs represent expenditure from the fresh appropriation of R30 lakhs for the development of primary education. The expenditure in 1918-19 from the previous Imperial assignments will be about R30 lakhs more than in 1917-18, the provision made in the Budget under Education amounting to R146 lakhs against a probable outlay of R116 lakhs in the current year. The provision in the Budget for 1918-19 for expenditure from ordinary Provincial resources is thus about R63 lakhs more than in the Revised of the current year. The increase is distributed over almost all the provinces, but is largest in Bombay (R33 lakhs) and Madras (R13 lakhs). Provision has generally been made for an expansion of the expenditure on education in various directions, chiefly by grants to schools. Special allotments have been made of R2·87 lakhs in Madras on account of grants to local bodies for buildings for secondary and elementary schools; R2·00 lakhs in the Punjab for grants to local bodies for new schools; and in Bombay of R15 lakhs for grants out of the extra revenue which will be obtained from a change in the system of sales of country spirit (*vide* paragraph 32), R2·00 lakhs for the introduction of compulsory primary education in municipal areas, R3·00 lakhs for grants to local and municipal boards for increased pay and staff, and of R1·93 lakhs for grants to municipalities for primary schools maintained by them.

106. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants given from Imperial revenues in recent years. To simplify the position, it has been assumed that the whole of the recurring grants for any year are fully utilised before any expenditure is debited against the non-recurring grants.

[In lakhs of Rupees.]

Province.	Grants to end of 1918-19.	Expenditure.					Unspent balance on 31st March 1919.
		To end of 1916-17.	In 1917-18 (Revised) recorded under		In 1918-19 (Budget) recorded under		
			Education.	Other heads.	Education.	Other heads.	
1. Madras . .	65·15	50·86	·10	1·98	2·92	1·32	7·97
2. Bombay . .	57·80	17·59	·17	·27	7·07	...	32·70
3. Bengal . .	1,48·96	47·91	—17·45	...	—5·07	...	1,23·57
4. United Provinces .	67·57	44·24	·29	2·96	·07	1·93	18·08
5. Punjab . .	39·83	38·83	—1·25	...	1·85	..	·40
6. Burma . . .	33·75	12·50	...	5·42	...	...	15·83
7. Bihar and Orissa .	41·37	14·18	—·65	...	—·43	...	28·27
8 Central Provinces .	23·40	19·55	·42	·20	·45	...	2·78
9. Assam . .	15·70	11·85	—·33	...	—·33	...	4·51
Total .	4,93·53	2,57·51	—18·70	10·83	6·53	3·25	2,34·11

Owing to the need for economy, no material progress with the spending of these grants is likely to be made in the ensuing year. As stated above, however, a substantial provision is being made for further expenditure from ordinary Provincial resources during the next year. The *minus* figures against some of the provinces indicate that it will not be possible to utilise fully the recurring grants from Imperial revenues for educational expenditure.

REVENUE.

(*a*) *Imperial.*

107. The figures show little variation.

(*b*) *Provincial.*

108. The Revised estimate for 1917-18 exceeds the Budget by R2·56 lakhs. A special credit of R3·50 lakhs is expected in Bombay owing to the refund of a grant made to the Victoria Jubilee Technical Institute in 1915. The Budget included a provision of R·89 lakh in Madras for fees from private secondary schools to be taken over under Government management; no receipts on this account will be realised as the scheme has not been brought into effect in the current year. The Budget estimate for 1918-19 is less than the Revised for the current year by R1·49 lakhs. The special receipt in Bombay included in the Revised for 1917-18 has been omitted and the provision for fees from secondary schools in Madras to be taken over under Government management has been repeated. Allowance has been made generally for a further growth in receipts in the other provinces.

Revised, 1917-18.

Budget, 1918-19.

23.—ECCLESIASTICAL.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. India General .	1,84,119	1,72,073	1,71,081	1,76,000	1,72,000	1,74,000
2. Delhi . . .	16,083	17,890	14,617	18,000	17,000	20,000
3. Baluchistan . .	21,772	25,075	25,820	27,000	25,000	24,000
4. North-West Frontier	43,958	52,088	53,955	57,000	64,000	65,000
5. Madras . .	3,23,132	3,50,120	3,27,254	3,66,000	3,50,000	3,55,000
6. Bombay . .	3,22,831	3,17,201	3,61,023	4,64,000	3,65,000	3,83,000
7. Bengal . . .	1,90,758	1,89,362	1,70,542	1,78,000	1,72,000	1,72,000
8. United Provinces .	2,59,009	2,87,932	2,46,495	2,65,000	2,38,000	2,56,000
9. Punjab . .	2,46,590	2,61,357	2,44,868	2,60,000	2,43,000	2,80,000
10. Burma . . .	1,43,624	1,41,366	1,45,878	1,47,000	1,44,000	1,46,000
11. Bihar and Orissa .	33,102	34,893	34,451	40,000	37,000	39,000
12. Central Provinces .	97,927	91,913	1,10,532	1,13,000	1,04,000	1,10,000
13. Assam . . .	19,183	22,566	18,843	22,000	24,000	24,000
TOTAL INDIA R	19,02,088	19,63,856	19,25,359	21,33,000	19,55,000	20,48,000
Equivalent in Sterling £	126,806	130,924	128,357	142,200	130,300	136,500
England . . £	413	122	180	300	400	300
TOTAL £	127,219	131,046	128,537	142,500	130,700	136,800

Revised, 1917-18.

109. The saving of R1·77 lakhs in the Revised estimate for the current year as compared with the Budget arises from the decision to debit to the Military Department the cost of additional chaplains for war hospitals and hospital ships in Bombay for which provision was included in the Budget under "Ecclesiastical" (R1·09 lakhs) and from minor savings in some other provinces. The Budget for 1918-19 provides generally for the sanctioned scale of expenditure.

Budget, 1918-19.

XXA AND 24A.—MEDICAL.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	6,58,111	6,70,402	7,19,326	7,75,000	7,84,000	7,65,000
2. Delhi	2,60,911	1,68,155	1,83,659	1,76,000	2,14,000	2,47,000
3. Baluchistan	95,006	1,00,281	93,697	97,000	94,000	1,38,000
4. North-West Frontier	1,29,185	1,31,622	1,82,796	1,86,000	1,60,000	1,92,000
Total	11,43,213	10,70,460	11,79,478	12,34,000	12,52,000	13,42,000
Provincial.						
1. Madras	18,01,313	16,76,622	17,99,320	22,89,000	22,54,000	26,34,000
2. Bombay	18,40,309	18,12,721	19,17,471	19,60,000	20,30,000	22,91,000
3. Bengal	24,79,568	22,83,740	23,36,330	26,14,000	27,75,000	26,86,000
4. United Provinces	13,42,993	13,56,449	13,61,327	14,23,000	13,80,000	14,14,000
5. Punjab	13,26,288	12,41,347	8,03,440	11,05,000	8,90,000	11,57,000
6. Burma	19,05,125	17,51,522	16,71,842	17,68,000	17,17,000	17,34,000
7. Bihar and Orissa	7,56,715	6,37,591	6,62,846	6,96,000	8,03,000	8,11,000
8. Central Provinces	8,33,357	6,94,816	7,13,854	8,57,000	8,17,000	9,24,000
9. Assam	5,71,296	5,61,057	5,26,400	5,67,000	5,42,000	5,49,000
Total	1,28,56,964	1,20,15,865	1,17,92,830	1,32,79,000	1,32,08,000	1,42,00,000
TOTAL INDIA ₹	1,40,00,177	1,30,86,325	1,29,72,308	1,45,13,000	1,44,60,000	1,55,42,000
Equivalent in Sterling £	933,345	872,422	864,820	967,500	964,000	1,036,100
England £	1,356	1,328	946	1,000	800	800
TOTAL £	934,701	873,750	865,766	968,500	964,800	1,036,900

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	6,011	6,164	6,938	6,000	16,000	6,000
2. Delhi	1,404	2,593	1,241	1,000	2,000	1,000
3. Baluchistan	88	264	26	...	...	...
4. North-West Frontier	2,564	1,339	726	1,000	1,000	1,000
TOTAL	10,067	10,360	8,931	8,000	19,000	8,000
Provincial.						
1. Madras	1,41,876	1,27,918	1,42,059	1,54,000	1,63,000	2,35,000
2. Bombay	2,94,210	3,29,612	4,20,308	3,84,000	4,70,000	4,80,000
3. Bengal	3,92,348	3,59,574	3,73,618	3,62,000	3,90,000	4,05,000
4. United Provinces	81,473	1,29,942	95,135	1,00,000	1,13,000	97,000
5. Punjab	43,958	39,960	39,224	40,000	44,000	42,000
6. Burma	91,398	1,01,547	1,22,585	1,04,000	1,26,000	1,25,000
7. Bihar and Orissa	18,569	28,872	40,268	34,000	47,000	49,000
8. Central Provinces	9,074	14,234	7,960	9,000	8,000	8,000
9. Assam	9,870	8,272	6,499	13,000	15,000	9,000
TOTAL	10,82,776	11,39,931	12,47,656	12,00,000	13,76,000	14,50,000
TOTAL INDIA ₹	10,92,843	11,50,291	12,56,587	12,08,000	13,95,000	14,58,000
Equivalent in Sterling £	72,856	76,686	83,772	80,500	93,000	97,200
England £	633	562	356	400	300	300
TOTAL £	73,489	77,248	84,128	80,900	93,300	97,500

EXPENDITURE.

(*a*) *Imperial* (*India and England*).

Revised, 1917-18. 110. The Revised estimate for 1917-18 does not differ materially from the Budget.

Budget, 1918-19. The Budget for 1918-19 includes provision for a new women's hospital in Baluchistan and for some increase in grants to hospitals in Delhi.

(*b*) *Provincial.*

Revised, 1917-18. 111. The expenditure in 1917-18 is expected to be less than the Budget by R·71 lakh. There will be excesses of R1·61 lakhs in Bengal due to an increased grant to the Belgatchia Medical College and the record under Medical of contributions to nursing associations for which Budget provision was included under Miscellaneous; and of R1·07 lakhs in Bihar and Orissa owing to the charges of the newly constructed European Lunatic Asylum and to grants made to hospitals and dispensaries from the reserve provision included under Miscellaneous. On the other hand, a saving of R2·15 lakhs is anticipated in the Punjab owing to the record under Civil Works of a contribution to the King Edward Memorial Fund for which provision was made in the Budget under Medical, and to a lapse in the allotment for extensions of certain hospitals. Minor variations in the other provinces will result in a further saving as compared with the Budget.

Budget, 1918-19. 112. The Budget estimate for 1918-19 is taken at R9·92 lakhs more than the Revised for the current year. Provision has been made for the cost of sanctioned establishments and for normal charges generally; for expenditure in connection with the transfer of headquarter hospitals to Government management (R2·50 lakhs) and for grants to local bodies for medical buildings (R1·50 lakhs) in Madras; for quarters for medical subordinates and improvement of hospitals in the Central Provinces (R1·85 lakhs); for a grant to the Bombay Municipality for the construction of an infectious diseases hospital (R1·78 lakhs); and for the establishment of new dispensaries in the Punjab (R1 lakh).

REVENUE.

(*a*) *Imperial.*

113. The figures show little variation.

(*b*) *Provincial.*

Revised, 1917-18. 114. The increase of R1·76 lakhs in the Revised for the current year over the Budget arises from larger receipts from college fees and paying patients in several provinces.

Budget, 1918-19. The Budget estimate for 1918-19 provides for an increase of R·72 lakh in Madras on account of contributions from local bodies in connection with the transfer of headquarter hospitals to Government management.

XXB AND 24B.—SANITATION.

EXPENDITURE.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18. Budget.	1917-18. Revised.	Budget, 1918-19.
Imperial.						
1. India General	8,29,344	5,65,050	6,40,852	11,16,000	4,91,000	16,85,000
2. Delhi	2,60,279	1,13,058	2,71,741	60,000	2,17,000	70,000
3. Baluchistan	11,146	10,677	11,652	10,000	11,000	11,000
4. North-West Frontier	1,21,332	2,59,711	2,21,002	2,39,000	2,09,000	1,57,000
Total	12,22,101	9,48,496	11,45,247	14,25,000	9,28,000	19,23,000
Provincial.						
1. Madras	7,16,906	33,51,417	17,04,832	13,76,000	16,12,000	14,38,000
2. Bombay	6,59,805	5,73,767	4,61,198	10,85,000	8,37,000	24,74,000
3. Bengal	5,35,586	4,15,035	3,93,456	5,98,000	6,10,000	11,71,000
4. United Provinces	19,07,308	14,31,461	13,73,996	16,21,000	15,22,000	15,84,000
5. Punjab	14,97,202	7,24,833	8,08,780	7,67,000	9,50,000	8,18,000
6. Burma	13,09,635	9,37,463	9,03,407	9,10,000	9,14,000	9,15,000
7. Bihar and Orissa	2,46,474	3,27,032	2,54,466	5,45,000	3,14,000	5,42,000
8. Central Provinces	5,65,249	5,36,972	5,90,997	6,53,000	7,91,000	6,31,000
9. Assam	1,34,426	1,06,657	1,42,872	1,49,000	1,91,000	2,12,000
Total	75,72,591	84,04,637	66,34,004	77,04,000	77,41,000	97,85,000
TOTAL INDIA ₹	87,94,692	93,53,133	77,79,251	91,29,000	86,69,000	1,17,08,000
Equivalent in Sterling £	586,313	623,542	518,617	608,600	577,900	780,500
England £	4,984	1,744	1,681	2,000	1,700	1,500
Total	591,297	625,286	520,298	610,600	579,600	782,000

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	20,817	29,665	1,00,087	60,000	1,80,000	1,50,000
2. North-West Frontier.	1,224	5,310	...	...	...	...
TOTAL	22,041	34,975	1,00,087	60,000	1,80,000	1,50,000
Provincial.						
1. Madras	9,685	10,834	17,485	10,000	14,000	14,000
2. Bombay	11,941	12,927	20,075	16,000	13,000	16,000
3. Bengal	2,210	660	83,937	12,000	23,000	18,000
4. United Provinces	63,462	80,666	40,958	30,000	39,000	30,000
5. Punjab	41,964	37,853	1,16,022	81,000	1,26,000	96,000
6. Burma	14,860	20,411	21,474	20,000	14,000	20,000
7. Bihar and Orissa	...	2,907	13,527	16,000	16,000	16,000
8. Central Provinces	9,594	20,579	31,553	30,000	36,000	40,000
9. Assam	14,095	18,983	29,902	27,000	36,000	40,000
TOTAL	1,67,811	2,05,880	3,74,913	2,42,000	3,17,000	2,90,000
TOTAL INDIA ₹	1,89,852	2,40,855	4,75,000	3,02,000	4,97,000	4,40,000
Equivalent in sterling £	12,657	16,057	31,667	20,100	33,100	29,300

EXPENDITURE.

(*a*) *Imperial* (*India and England*).

Revised, 1917-18.

115. The Revised estimate for 1917-18 is less than the Budget by R5·02 lakhs. The decrease is largely nominal and is due to the assignment to Provincial Governments of R4·55 lakhs out of the reserve of R5·67 lakhs for sanitary expenditure, provision for which was included in the Imperial section in the Budget estimate. There will be increases of R1·57 lakhs in Delhi due mainly to allotments for sanitary improvements, of which R·89 lakh was from the reserve provision mentioned above; and of R·96 lakh in the charges of the Central Research Institute at Kasauli, owing to a large purchase of chemicals. These excesses will be more than set off by a saving of R1·50 lakhs in the grant to the Indian Research Fund and by minor lapses in other grants.

116. The reserve of R5·67 lakhs provided in the Budget for 1917-18 out of the recurring appropriation of R51 lakhs from Imperial revenues for the improvement of sanitation will be utilised as shown below :—

[Lakhs of rupees.]

(*i*) Assigned to Provincial Governments for non-recurring outlay as follows :—		
(*a*) to the United Provinces for the improvement of the pilgrim route to Badrinath and Kedarnath	1·00	
(*b*) to Bengal for water-supply in Midnapore .	1·00	
(*c*) to the Punjab for various sanitary measures .	1·20	
(*d*) to Bombay (·75) and the Central Provinces (·60) for the relief of certain congested areas	1·35	
		4·55
(*ii*) To Delhi for sanitary improvements, etc. . .		·89
(*iii*) To Coorg for drainage schemes		·23
TOTAL .		5·67

Budget, 1918-19.

117. The Budget estimate for 1918-19 exceeds the Revised for the current year by R9·92 lakhs. Provision has been made for the cost of sanctioned establishments and normal charges generally; and for a reserve of R8·08 lakhs. The reduction of R1·47 lakhs in the expenditure in Delhi is due to the absence of the special outlay mentioned in paragraph 115.

118. Out of the special appropriation of R51 lakhs referred to in paragraph 116, R37·92 lakhs have been assigned permanently to Provincial Governments or allotted for outlay in minor administrations. From the balance of R13·08 lakhs, R5 lakhs will be paid in 1918-19 to the Indian Research Fund; and R8·08 lakhs will be held in reserve to meet pressing demands that may come forward during the ensuing year.

(*b*) *Provincial.*

Revised, 1917-18.

119. The Revised estimate for 1917-18 does not differ materially from the Budget. The latter included special allotments aggregating about R36 lakhs for outlay from recurring and non-recurring grants made from Imperial revenues for the development of sanitation. The corresponding expenditure is now estimated at R39 lakhs inclusive of expenditure from the assignments made during the current year as stated in paragraph 116. Of this amount, R36 lakhs only are recorded under Sanitation, the balance being shown under Civil Works. It is therefore expected that the provision for expenditure from ordinary Provincial resources will be fully utilised. The Revised estimate in Madras includes a payment of R1·50 lakhs to the Madras Corporation for water-supply and drainage works for which there was no provision in the Budget.

Budget, 1918-19.

120. The Budget estimate for 1918-19 exceeds the Revised for the current year by R20·44 lakhs. The provision under Sanitation for expenditure from special Imperial grants amounts to about R43 lakhs against a probable expenditure of R36 lakhs in the current year. Provision has generally been made

for the full cost of sanctioned establishments as well as for an expansion of outlay in aid of sanitary schemes in several provinces, Madras, the Central Provinces and the Punjab being the only provinces which provide for a material decrease in the total expenditure. A considerable increase (R16·37 lakhs) is anticipated in Bombay owing to allotments proposed for sanitary schemes from the extra revenue which will be obtained from a change in the system of sales of country spirit—*vide* paragraph 32. Allotments have also been made in Bengal for measures for combating malaria.

121. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants made from Imperial revenues in recent years (beginning from 1911-12) in aid of sanitation. To simplify the position, it has been assumed that the recurring grants are fully utilised before any expenditure is debited against the non-recurring grants; and the *minus* figure in 1917-18 and 1918-19 against some of the provinces indicates that the recurring grants will not be spent in full during the year.

[In lakhs of rupees.]

Province.	Grants to end of 1918-19.	Expenditure.					Unspent balance on 31st March 1919.
		To end of 1916-17.	In 1917-18 (Revised) recorded under		In 1918-19 (Budget) recorded under		
			Sanitation.	Other heads.	Sanitation	Other heads.	
Madras . . .	39·25	39·25	...	...	...	...	...
Bombay . . .	38·70	12·64	—1·31	...	2·00	...	25·37
Bengal . . .	41·55	6·86	—1·50	...	3·50	...	32·69
United Provinces .	53·20	30·97	1·30	...	...	...	20·93
Punjab . . .	31·84	19·47	2·20	...	...	...	10·17
Burma . . .	21·50	12·66	...	...	...	...	8·84
Bihar and Orissa .	17·82	11·02	—·19	...	...	...	6·99
Central Provinces .	17·10	9·69	3·17	·05	1·23	·03	2 93
Assam . . .	6·96	6·96	—·39	...	—·29	...	·68
Total .	2,67·92	1,49·52	3·28	·05	6·44	·03	1,08·60

No material expenditure from the special grants is expected in the current and next years. Only three of the provinces expect to utilise in 1918-19 a portion of the unspent balances of the non-recurring grants; while in Assam, the recurring grant will not be spent in full.

Revenue.

(*a*) *Imperial.*

122. The increase of R1·20 lakhs in the Revised estimate for the current year as compared with the Budget is mainly due to heavy war demands for anti-sera and vaccine. The Budget for 1918-19 provides for some decrease in the revenue now estimated for the current year. *Revised, 1917-18* *Budget, 1918-19*

(*b*) *Provincial.*

123. The variations between the Budget and Revised estimates for the current year and between the latter and the Budget for the next year occur mainly in the receipts from the sale of quinine in the Punjab.

25—POLITICAL.

	Accounts, 1914-1915.	Accounts, 1915-16.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General . .	64,80,080	76,84,254	83,08,451	1,48,21,000	2,19,42,000	2,69,38,000
2. Delhi . .	810	1,236	880	1,000	2,000	1,000
3. Baluchistan . .	24,13,424	25,32,825	31,91,018	27,42,000	28,74,000	29,21,000
4. North-West Frontier .	31,60,054	33,77,482	37,09,366	50,53,000	43,70,000	47,85,000
5. Punjab . . .	6,23,229	6,22,022	6,15,273	6,13,000	5,88,000	5,84,000
6. Other Provinces .	6,67,596	7,54,390	6,42,728	9,10,000	7,53,000	7,65,000
TOTAL .	1,33,45,193	1,49,72,209	1,64,67,716	2,41,40,000	3,05,29,000	3,59,94,000
Provincial.						
1. Madras . . .	85,269	85,757	91,967	89,000	91,000	89,000
2. Bombay . . .	5,15,841	5,02,820	5,01,663	5,30,000	4,70,000	5,28,000
3. Bengal . . .	18,358	23,187	89,380	2,36,000	2,98,000	2,99,000
4. United Provinces .	3,960	4,264	5,790	8,000	8,000	12,000
5. Burma . . .	18,26,178	11,89,489	10,94,813	17,33,000	11,77,000	15,94,000
6. Bihar and Orissa .	57,363	39,687	48,925	60,000	60,000	54,000
7. Central Provinces .	34,483	30,422	37,605	44,000	46,000	45,000
8. Assam . . .	6,03,759	5,68,221	5,67,560	5,95,000	5,54,000	6,07,000
TOTAL .	31,45,211	24,43,847	24,37,703	32,95,000	27,04,000	32,28,000
TOTAL INDIA . R	1,64,90,404	1,74,16,056	1,89,05,419	2,74,35,000	3,32,33,000	3,92,22,000
Equivalent in Sterling £	1,099,360	1,161,070	1,260,361	1,829,000	2,215,500	2,614,800
England . . . £	23,975	6,957	22,082	24,200	36,100	17,900
TOTAL . £	1,123,335	1,168,027	1,282,443	1,853,200	2,251,600	2,632,700

124. The Imperial outlay shown against "Other Provinces" consists of the charges of the Political Residency at Aden and certain other expenditure—mainly in connection with political refugees and State prisoners—in several provinces.

(*a*) *Imperial—India and England.*

Revised, 1917-18.

125. The expenditure in 1917-18 is likely to exceed the Budget estimate by R65·67 lakhs. The latter included a provision of R45 lakhs on account of the South Persia Rifles, a corps raised to assist the Persian Government in maintaining order in tracts in which British interests are specially concerned with reference to present war conditions; the expenditure is borne in moieties between the Home and Indian Governments and the Indian share is now estimated at R1,35 lakhs inclusive of R32·25 lakhs for outlay which was incurred in 1916-17 but which will be brought to account in the current year. On the other hand, other political expenditure in Persia arising from war conditions will be less than the Budget by R26·73 lakhs. There is also a lapse in the North-West Frontier Province, part of which arises from the record under Police of the charges for the revision of the Frontier Constabulary for which Budget provision was included under Political; but it will be more than covered by increases under other items.

Budget, 1918-19.

126. The total Budget for 1918-19 is more than the Revised for the current year by R51·92 lakhs. An increase is expected in the political expenditure in Persia, but it will be counterbalanced to some extent by a reduction in the Indian share of the outlay on the South Persia Rifles owing to the omission of the expenditure in 1916-17 included in the Revised estimate for the current year.

(*b*) *Provincial.*

Revised, 1917-18.

127. The saving of R5·91 lakhs in the Revised estimate for the current year as compared with the Budget occurs mainly in the special expenditure in Burma in connection with the administration and proper control of the North-East Frontier.

Budget, 1918-19.

The Budget estimate for 1918-19 exceeds the Revised for the current year by R5·24 lakhs owing to the inclusion of normal provision for the same item of expenditure.

XXI A. AND 26 A.—AGRICULTURE.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	7,57,462	7,71,720	8,33,341	11,24,000	10,30,000	10,10,000
2. Delhi	10,860	10,705	10,861	12,000	13,000	12,000
3. Baluchistan	27,624	36,672	25,764	36,000	34,000	47,000
4. North-West Frontier	84,757	80,060	61,623	1,53,000	80,000	1,44,000
5. Other Provinces	28,555	27,189	...	...	...	...
TOTAL	9,09,258	9,26,346	9,31,589	13,25,000	11,57,000	12,13,000
Provincial.						
1. Madras	8,83,060	11,21,167	12,00,524	14,50,000	13,07,000	15,68,000
2. Bombay	12,45,884	12,06,261	12,60,166	15,71,000	14,31,000	16,89,000
3. Bengal	10,22,161	11,39,162	10,86,600	12,26,000	11,55,000	14,20,000
4. United Provinces	12,20,008	12,74,821	11,90,354	21,66,000	15,18,000	19,40,000
5. Punjab	11,45,530	11,82,849	12,41,220	24,45,000	13,39,000	18,54,000
6. Burma	5,31,738	6,03,974	6,35,179	6,92,000	7,17,000	7,52,000
7. Bihar and Orissa	4,73,448	4,73,647	4,52,239	5,98,000	5,86,000	7,06,000
8. Central Provinces	7,37,743	7,81,288	8,34,255	11,76,000	8,65,000	10,17,000
9. Assam	2,84,524	2,33,082	2,82,892	3,16,000	3,24,000	3,81,000
TOTAL	75,44,046	80,16,251	81,83,429	1,16,40,000	92,42,000	1,13,27,000
TOTAL INDIA . R	84,53,304	89,42,597	91,15,018	1,29,65,000	1,03,99,000	1,25,40,000
Equivalent in Sterling £	563,554	596,173	607,668	864,300	693,300	836,000
England . . . £	2,631	1,328	3,947	2,000	3,900	6,800
TOTAL . £	566,185	597,501	611,615	866,300	697,200	842,800

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	1,28,632	1,55,342	1,77,036	2,18,000	1,77,000	3,28,000
2. Delhi	100	...	...	...	...	...
3. Baluchistan	4,042	2,260	4,252	4,000	4,000	4,000
4. North-West Frontier	1,993	2,450	772	6,000	10,000	11,000
TOTAL	1,34,767	1,60,052	1,82,060	2,28,000	1,91,000	3,43,000
Provincial.						
1. Madras	1,19,810	1,70,924	1,98,249	2,20,000	1,79,000	1,99,000
2. Bombay	1,17,134	1,52,129	1,78,517	1,90,000	2,00,000	1,90,000
3. Bengal	71,678	1,01,156	1,16,197	1,05,000	1,35,000	1,55,000
4. United Provinces	1,80,094	1,98,213	2,42,510	3,13,000	2,96,000	2,55,000
5. Punjab	1,72,827	2,27,457	2,50,060	2,41,000	3,86,000	6,74,000
6. Burma	14,112	16,026	24,733	15,000	18,000	19,000
7. Bihar and Orissa	18,242	25,674	31,486	35,000	35,000	70,000
8. Central Provinces	1,10,341	1,10,759	1,27,160	1,27,000	1,25,000	1,40,000
9. Assam	9,256	14,582	15,669	66,000	40,000	89,000
TOTAL	8,13,494	10,16,920	11,84,611	13,12,000	14,14,000	17,91,000
TOTAL INDIA . R	9,48,261	11,76,972	13,66,671	15,40,000	16,05,000	21,34,000
Equivalent in sterling £	63,217	78,465	91,111	102,700	107,000	142,300

EXPENDITURE.

(*a*) *Imperial* (*India and England*).

Revised, 1917-18. 128. The Revised estimate for 1917-18 is less than the Budget by R1·39 lakhs. Part of the saving is due to an assignment of R1 lakh made to the Punjab Provincial revenues by transfer from an allotment from the wheat profits included in the Budget for direct Imperial expenditure by the Agricultural Adviser. There will also be a lapse in the North-West Frontier Province in the provision for outlay from the wheat profits and in the grant for the creation of a separate Veterinary Department. *Budget, 1918-19.* The Budget estimate for 1918-19 is more than the Revised for the current year by R·99 lakh. The grant for the Veterinary Department has been repeated in the North-West Frontier Province and provision made for the expenditure of the unspent balance of the share of the wheat profits allotted to that province.

(*b*) *Provincial.*

Revised, 1917-18. 129. The total Revised estimate for 1917-18 is less than the Budget by R23·98 lakhs. Of this decrease, R17·94 lakhs occurs in the allotments made from the profits of the wheat scheme, the local Governments concerned expecting to spend R4·26 lakhs only in the current year against a Budget provision of R22·20 lakhs. Unimportant lapses are also expected in the ordinary grants in several provinces. *Budget, 1918-19.* The Budget estimate for 1918-19 exceeds the Revised for the current year by R20·85 lakhs of which R9·84 lakhs represent increased expenditure proposed from the unspent balance of the wheat profits. Special allotments have also been made in almost all the provinces from ordinary Provincial resources for the expansion of the operations of the agricultural and allied departments.

REVENUE.

(*a*) *Imperial.*

Revised, 1917-18. 130. The Revised estimate for 1917-18 does not differ materially from the Budget. *Budget, 1918-19.* The Budget estimate for 1918-19 provides for an anticipated supply of serum to Egypt and the Soudan; part of the increase in the Budget for 1918-19 as compared with the current year's Revised is also due to the fact that supplies to Government Departments of products of the Bacteriological laboratory at Muktesar are now charged for.

(*b*) *Provincial.*

Revised, 1917-18. 131. The increases in the Revised estimate for 1917-18 as compared with the Budget and in the Budget for 1918-19 as compared with the current year's *Budget, 1918-19.* Revised occur mainly in the Punjab in connection with a scheme for the sale of wheat seed to cultivators through the Agricultural Department.

XXI B AND 26 B.—SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	41,42,629	38,85,573	34,89,836	41,70,000	38,51,000	37,81,000
2. Delhi	8,500	2,775	3,659	1,000	3,000	1,000
3. Baluchistan	6,903	10,024	12,507	13,000	13,000	25,000
4. North-West Frontier	8,889	8,479	16,052	9,000	11,000	11,000
5. Other Provinces	34,554	36,620	35,899	37,000	34,000	37,000
TOTAL	42,01,475	39,43,471	35,57,953	42,30,000	39,12,000	38,55,000
Provincial.						
1. Madras	9,68,100	10,27,401	12,28,215	15,55,000	14,01,000	17,77,000
2. Bombay	1,49,990	1,52,064	1,64,418	3,17,000	2,93,000	3,63,000
3. Bengal	5,16,108	4,47,690	4,69,606	5,83,000	6,60,000	19,60,000
4. United Provinces	86,787	1,11,509	1,18,013	1,01,000	96,000	1,01,000
5. Punjab	1,01,133	1,39,277	1,48,452	1,75,000	1,55,000	1,57,000
6. Burma	80,931	73,712	99,953	82,000	92,000	1,01,000
7. Bihar and Orissa	25,936	21,634	28,732	26,000	43,000	32,000
8. Central Provinces	68,995	79,172	93,969	1,17,000	1,41,000	1,93,000
9. Assam	84,227	87,599	77,020	84,000	78,000	89,000
TOTAL	20,82,207	21,40,058	24,23,378	30,40,000	29,59,000	47,73,000
TOTAL INDIA . R	62,83,682	60,83,529	59,81,331	72,70,000	68,71,000	86,28,000
Equivalent in Sterling £	418,912	405,568	398,756	484,700	458,100	575,200
England (mainly stores) . £	34,815	26,490	40,424	52,500	43,400	57,300
TOTAL . £	453,727	432,058	439,180	537,200	501,500	632,500

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	1,40,748	1,17,564	1,09,082	1,16,000	93,000	1,09,000
2. Delhi	4,677	938	2,384	1,000	5,000	5,000
3. Baluchistan	214	8	24	...	...	...
4. North-West Frontier	283	135	468	...	...	...
TOTAL	1,45,922	1,18,645	1,11,958	1,17,000	98,000	1,14,000
Provincial.						
1. Madras	8,67,866	11,13,461	13,35,311	17,61,000	15,60,000	17,21,000
2. Bombay	46,128	36,465	38,875	1,27,000	1,50,000	1,28,000
3. Bengal	4,61,291	6,04,849	12,60,469	7,81,000	26,10,000	19,09,000
4. United Provinces	21,263	22,119	21,645	23,000	22,000	21,000
5. Punjab	7,159	27,245	30,676	30,000	34,000	34,000
6. Burma	2,177	3,993	29,912	5,000	6,000	6,000
7. Bihar and Orissa	2,837	2,874	1,443	2,000	2,000	2,000
8. Central Provinces	28,184	26,608	24,792	28,000	29,000	30,000
9. Assam	9,594	11,409	17,966	2,000	10,000	3,000
TOTAL	14,46,499	18,49,023	28,11,089	27,59,000	44,23,000	38,54,000
TOTAL INDIA . R	15,92,421	19,67,668	29,23,047	28,76,000	45,21,000	39,68,000
Equivalent in Sterling £	106,161	131,178	194,870	191,700	301,400	264,500
England . . . £	624	557	678	700	900	1,000
TOTAL . £	106,785	131,735	195,548	192,400	302,300	265,500

Details of expenditure shown against "Imperial" in the preceding table.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
(a) Scientific—						
i. Survey of India .	23,84,144	21,73,009	18,18,854	24,08,000	19,91,000	19,79,000
ii. Geological Survey	2,64,322	2,40,809	1,73,234	2,40,000	2,34,000	2,36,000
iii. Meteorological Survey . .	4,54,563	4,32,342	4,31,807	4,39,000	4,21,000	4,22,000
iv. Archæological Survey .	3,37,503	3,09,368	3,17,591	2,71,000	3,51,000	3,06,000
v. Zoological Survey	...	...	46,480	1,03,000	90,000	1,00,000
vi. Central Museum .	1,41,049	1,34,001	93,010	84,000	44,000	46,000
vii. Other items . .	93,592	67,723	70,676	75,000	76,000	80,000
(b) Labour and Emigration—						
Emigration and other charges .	4,984	21,123	17,178	19,000	21,000	19,000
(c) Statistics—						
i. Bureau of Commercial Intelligence, and other charges . .	1,71,530	1,92,508	1,98,551	1,84,000	2,06,000	1,94,000
ii. Census . .	2,510	2,007	2,121	2,000	2,000	2,000
(d) Miscellaneous—						
i. Imperial Library	44,462	45,723	45,639	73,000	73,000	46,000
ii. Examinations .	51,224	45,782	47,602	49,000	47,000	50,000
iii. Chief Inspector of Explosives .	79,825	87,808	82,777	88,000	81,000	85,000
iv. Acetone Factory .	...	...	...	40,000	...	...
v. Inspector of Mines	1,12,728	1,25,498	1,23,471	1,36,000	1,35,000	1,40,000
vi. Controller of Patents . .	32,231	36,462	40,384	42,000	40,000	42,000
vii. Actuary to Government of India .	22,641	22,315	24,519	24,000	24,000	25,000
viii. Wheat Commissioner . .	...	...	...	...	50,000	74,000
ix. Other items .	4,167	6,993	29,559	4,000	26,000	9,000
TOTAL R	42,01,475	39,43,471	35,57,953	42,30,000	39,12,000	38,55,000

132. The figures of expenditure shown against "Other Provinces" in the table on the preceding page represent outlay incurred in the several provinces in connection with ethnographical survey and census operations, as well as the cost of the Archæological Department in Burma.

EXPENDITURE.

(a) *Imperial—India and England.*

Revised, 1917-18.

133. The total expenditure in 1917-18 will be less than the Budget by R1·54 lakhs. Savings are anticipated in the grant for the Survey of India (R4·17 lakhs) owing to a larger programme of work undertaken for other Departments and a consequent curtailment in the operations chargeable to this head, and in the outlay on stores in England (R1·36 lakhs). Part of the saving will be absorbed by the cost of the Wheat Commissioner and his establishment and special archæological expenditure. The increase of R1·51 lakhs in the Budget for 1918-19 as compared with the Revised for the current year is due to a higher provision for the purchase of stores in England.

Budget, 1918-19

(*b*) *Provincial.*

134. The total Revised estimate for 1917-18 falls short of the Budget by R·81 lakh. A special expenditure of R1·32 lakhs is anticipated in Bengal on the purchase of quinine in Java in order to replenish the stocks which have fallen low, but it will be more than covered by savings in ordinary grants in several provinces, mainly Madras and Bengal. The Budget estimate for 1918-19 is taken at R18·14 lakhs more than the Revised for the current year. Provision is made in Bengal for a further expenditure of R11·93 lakhs on the purchase of quinine in Java. Apart from this expenditure the excess in the Budget for 1918-19 over the Revised amounts to R7·53 lakhs, the bulk of which occurs in Bengal and Madras. Allotments have been made for the development of industries in the former province and in the latter for increased expenditure on industrial schools, for the establishment of a large soap factory and for minor increases in expenditure on other objects.

Revised, 1917-18.

Budget, 1918-19.

Revenue.

(*a*) *Imperial.*

135. The figures show little variation.

(*b*) *Provincial.*

136. The Revised estimate for the current year exceeds the Budget by R16·64 lakhs. An improvement of R18·29 lakhs is anticipated in Bengal owing to larger sales of sulphate of quinine for which there has been a heavy demand from the public and the Military Department, but there will be a decline of R2·01 lakhs in Madras, mainly in the same item of receipt. The Budget estimate for 1918-19 provides for a decrease of R5·69 lakhs as compared with the Revised for the current year. A decline is anticipated in Bengal from the high revenue obtained in the currrent year, but provision has been made for normal scale of receipts from quinine and for proceeds from the sale of soap in Madras.

Revised, 1917-18.

Budget, 1918-19.

27.—TERRITORIAL AND POLITICAL PENSIONS.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. India General .	1,14,693	1,01,560	1,04,826	1,17,000	1,00,000	1,16,000
2. Delhi . . .	55,684	47,698	45,462	45,000	45,000	45,000
3. Baluchistan . .	43,632	36,768	40,088	38,000	40,000	42,000
4. North-West Frontier	60,278	57,670	59,933	61,000	61,000	61,000
5. Madras . . .	3,13,673	3,09,757	3,08,126	3,14,000	2,91,000	2,90,000
6. Bombay . .	5,06,921	4,71,049	4,64,510	4 79,000	4,56,000	4,60,000
7. Bengal . .	7,45,598	7,21,388	7,25,551	7,23,000	7,21,000	7,20,000
8. United Provinces .	7,02,312	7,70,124	7,89,285	7,78,000	7,41,000	7,82,000
9. Punjab . . .	73,494	2,24,463	70,686	76,000	71,000	71,000
10. Burma . .	1,50,766	1,31,916	1,23,034	1,26,000	1,23,000	1,27,000
11. Bihar and Orissa .	30,670	69,803	47,415	54,000	77,000	53,000
12. Central Provinces .	1,68,752	1,78,338	1,74,837	1,78,000	1,75,000	1,77,000
13. Assam . . .	4,592	7,343	7,570	8,000	8,000	8,000
TOTAL INDIA . ₹	29,71,065	31,27,877	29,61,273	29,97,000	29,09,000	29,52,000
Equivalent in Sterling £	198,071	208,525	197,418	199,800	193,900	196,800
England . £	10,550	10,550	10,550	10,600	10,600	10,600
TOTAL . £	208,621	219,075	207,968	210,400	204,500	207,400

137. The variations are unimportant.

28.—CIVIL FURLOUGH AND ABSENTEE ALLOWANCES.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
India . . . R	9,018	11,692	22,642	23,000	25,000	20,000
Equivalent in Sterling £	601	780	1,509	1,500	1,800	1,300
England . . £	359,838	235,054	251,007	260,000	194,000	194,000
TOTAL . £	360,439	235,834	252,516	261,500	195,800	195,300

138. Almost the whole of the expenditure recorded under this head is incurred in England. Leave allowances of officers paid in India are charged to the same head as their salaries, and the small sums shown against India represent leave allowances of officers lent to Foreign States, etc.

139. The Revised estimate for 1917-18 is less than the Budget by £65,700 owing to the number of officers on leave out of India being less than anticipated. The Budget estimate for 1918-19 practically repeats the Revised for the current year.

Revised, 1917-18.

Budget, 1918-19.

XXII AND 29.—SUPERANNUATION.

EXPENDITURE.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18. Budget.	1917-18. Revised.	Budget, 1918-19.
Imperial.						
1. India General	12,58,489	12,24,674	12,48,756	12,56,000	13,11,000	12,52,000
2. Delhi	1,77,034	1,96,313	2,05,131	1,75,000	1,84,000	2,04,000
3. Baluchistan	30,695	32,778	35,870	49,000	36,000	39,000
4. North-West Frontier	1,70,864	1,76,011	1,76,962	1,78,000	1,85,000	1,95,000
5. Other Provinces	1,03,652	99,598	94,401	94,000	97,000	98,000
TOTAL	17,40,734	17,29,374	17,61,120	17,52,000	18,13,000	17,88,000
Provincial.						
1. Madras	33,83,557	33,08,215	33,22,796	34,65,000	33,75,000	35,65,000
2. Bombay	38,24,933	38,59,390	39,32,784	39,27,000	41,27,000	43,10,000
3. Bengal	31,98,648	31,41,809	33,01,098	34,11,000	34,02,000	35,30,000
4. United Provinces	36,11,280	35,97,913	37,47,233	38,76,000	38,83,000	40,16,000
5. Punjab	22,61,743	23,15,418	24,24,463	26,68,000	25,80,000	27,20,000
6. Burma	10,72,693	10,97,040	11,42,758	11,70,000	12,23,000	12,86,000
7. Bihar and Orissa	9,21,218	10,02,672	10,08,155	10,66,000	10,06,000	10,06,000
8. Central Provinces	8,88,283	9,61,856	10,30,669	10,83,000	11,17,000	11,43,000
9. Assam	3,08,095	3,35,677	3,41,042	3,45,000	3,27,000	3,45,000
TOTAL	1,94,70,450	1,96,19,990	2,02,50,998	2,10,11,000	2,10,40,000	2,19,21,000
TOTAL INDIA ₹	2,12,11,184	2,13,49,364	2,20,12,118	2,27,63,000	2,28,53,000	2,37,09,000
Equivalent in Sterling £	1,414,079	1,423,291	1,467,475	1,517,500	1,523,500	1,580,600
England £	2,065,655	2,046,992	2,008,225	2,018,000	1,989,000	1,991,000
TOTAL £	3,479,734	3,470,283	3,475,700	3,535,500	3,512,500	3,571,600

REVENUE.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18. Budget.	1917-18. Revised.	Budget, 1918-19.
Imperial.						
1. India General	3,87,694	3,55,112	3,91,438	3,76,000	3,53,000	3,63,000
2. Delhi	3,923	3,756	3,645	4,000	4,000	4,000
3. Baluchistan	5,099	5,458	4,798	5,000	7,000	8,000
4. North-West Frontier	21,324	20,089	26,956	23,000	28,000	28,000
5. Other Provinces	10,19,025	10,52,668	10,30,325	10,34,000	10,62,000	10,72,000
TOTAL	14,37,065	14,37,083	14,57,162	14,42,000	14,54,000	14,75,000
Provincial.						
1. Madras	1,05,362	1,21,255	1,26,996	1,23,000	1,23,000	1,20,000
2. Bombay	4,55,430	4,53,041	4,59,812	4,33,000	4,68,000	4,68,000
3. Bengal	58,567	54,583	59,011	56,000	56,000	56,000
4. United Provinces	89,365	98,638	1,06,055	1,20,000	93,000	1,00,000
5. Punjab	82,867	1,01,870	89,572	80,000	90,000	90,000
6. Burma	18,283	23,692	23,704	20,000	26,000	24,000
7. Bihar and Orissa	31,838	31,716	40,058	40,000	46,000	46,000
8. Central Provinces	1,78,420	2,27,244	2,32,931	2,28,000	2,54,000	2,60,000
9. Assam	5,259	6,232	5,877	6,000	6,000	6,000
TOTAL	10,25,391	11,18,271	11,43,516	11,06,000	11,62,000	11,70,000
TOTAL INDIA ₹	24,62,456	25,55,354	26,00,678	25,48,000	26,16,000	26,45,000
Equivalent in Sterling £	164,164	170,357	173,379	169,900	174,400	176,300
England £	49,071	43,570	46,486	46,200	39,600	38,100
TOTAL £	213,235	213,927	219,865	216,100	214,000	214,400

140. The figures of Imperial revenue shown against "Other Provinces" represent the receipts of certain abolished funds, the assets and liabilities of which were taken over by the Government, as well as the subscriptions paid by members of the Indian Civil Service for securing certain pensionary benefits for their families. The charges on account of such pensions as well as of the pensions of the abolished funds are recorded in the accounts as Imperial expenditure.

EXPENDITURE.

(*a*) *Imperial—India and England.*

141. The expenditure in the current year will be less than the Budget by ₹3·74 lakhs, the decrease occurring in England in the pensions of retired officers of the Uncovenanted Service and in the annuities and pensions payable from the Indian civil, military and medical funds. The Budget estimate for 1918-19 closely follows the Revised for the current year. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

142. The Revised estimate for 1917-18 does not differ materially from the Budget, a rise in payments in Bombay owing to an increase in the amounts of new pensions sanctioned being set off by lapses in some other provinces. The Budget estimate for 1918-19 provides for the normal growth of the retired list. *Revised, 1917-18.* *Budget, 1918-19.*

REVENUE.

(*a*) *Imperial.*

143. The decrease of ₹·87 lakh in the Revised estimate for the current year as compared with the Budget occurs in England and is due to smaller payment of leave allowances and a consequent reduction in the recoveries of subscriptions towards the Indian Civil Service family pensions. The Budget estimate for 1918-19 closely follows the Revised for the current year. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

144. The variations are unimportant.

XXIII AND 30.—STATIONERY AND PRINTING.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. Central Stationery Office	2,32,764	2,46,159	2,58,897	2,61,000	2,61,000	2,63,000
2. Stationery purchased for Central stores.	41,38,635	42,46,143	54,16,264	62,83,000	83,33,000	76,40,000
3. Government Presses (mainly Calcutta, Simla and Delhi)	17,98,939	19,74,654	21,05,774	20,90,000	22,26,000	22,74,000
4. Other charges	9,390	8,771	7,257	8,000	8,000	8,000
5. *Deduct*—Value of supplies to Local Governments and Administrations and to Postal and Telegraph Department, etc.	—49,10,865	—49,78,824	—50,71,168	—53,56,000	—59,42,000	—63,86,000
6. Delhi	11,256	16,173	14,167	15,000	14,000	16,000
7. Baluchistan	2,513	1,518	1,792	3,000	2,000	3,000
8. North-West Frontier	1,12,161	1,08,548	1,19,722	1,22,000	1,23,000	1,35,000
TOTAL	13,94,793	16,23,142	28,52,705	34,26,000	50,25,000	39,53,000
Provincial.						
1. Madras	14,79,937	14,84,731	12,91,963	15,75,000	14,22,000	14,63,000
2. Bombay	15,84,087	12,43,301	14,71,781	12,80,000	13,90,000	17,22,000
3. Bengal	12,69,717	13,01,451	12,91,585	13,29,000	14,34,000	14,38,000
4. United Provinces	9,78,237	9,89,632	9,10,169	11,28,000	9,13,000	10,50,000
5. Punjab	7,70,683	7,64,981	7,02,966	8,47,000	7,77,000	8,15,000
6. Burma	7,29,399	6,89,804	6,75,068	6,85,000	6,91,000	8,41,000
7. Bihar and Orissa	5,55,141	6,58,811	6,59,629	6,43,000	7,41,000	7,73,000
8. Central Provinces	4,01,092	3,70,289	3,37,940	3,56,000	3,88,000	4,13,000
9. Assam	1,69,788	1,78,528	1,64,963	1,71,000	1,69,000	1,83,000
TOTAL	78,88,081	76,81,528	75,06,064	80,14,000	79,25,000	86,98,000
TOTAL INDIA ₹	92,82,874	93,04,670	1,03,58,769	1,14,40,000	1,29,50,000	1,26,51,000
Equivalent in Sterling £	618,859	620,311	690,584	762,700	863,300	843,400
England { Stores £	105,818	103,703	109,933	89,100	107,000	97,000
England { Other charges £	7,589	7,030	6,521	9,500	11,500	11,500
TOTAL £	732,266	731,044	807,038	861,300	981,800	951,900

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	4,68,362	4,85,460	4,39,243	2,96,000	3,79,000	3,82,000
2. Delhi	4,479	4,937	2,804	4,000	8,000	8,000
3. Baluchistan	71	363	144	...	1,000	...
4. North-West Frontier	23,666	17,730	23,759	23,000	29,000	29,000
5. Other Provinces	1,90,986	1,06,617	1,48,612	1,89,000	1,44,000	1,66,000
TOTAL	6,87,564	5,65,107	6,14,562	5,12,000	5,61,000	5,85,000
Provincial.						
1. Madras	1,26,551	1,24,084	1,23,057	1,23,000	1,47,000	1,25,000
2. Bombay	1,24,721	1,32,827	1,47,989	1,27,000	1,70,000	1,70,000
3. Bengal	1,49,604	1,33,395	1,49,799	1,38,000	1,31,000	1,22,000
4. United Provinces	1,54,113	1,61,901	1,57,624	1,67,000	1,76,000	1,67,000
5. Punjab	79,627	81,573	1,13,076	1,14,000	85,000	93,000
6. Burma	47,328	48,153	46,962	50,000	55,000	50,000
7. Bihar and Orissa	30,478	21,895	26,913	25,000	26,000	27,000
8. Central Provinces	57,202	62,554	55,990	43,000	52,000	52,000
9. Assam	6,718	5,511	4,534	5,000	5,000	5,000
TOTAL	7,76,342	7,71,893	8,25,944	7,92,000	8,47,000	8,11,000
TOTAL INDIA ₹	14,63,906	13,37,000	14,40,506	13,04,000	14,08,000	13,96,000
Equivalent in Sterling £	97,594	89,134	96,034	86,900	93,800	93,100

EXPENDITURE.

(*a*) *Imperial—India and England.*

145. The total Imperial expenditure in 1917-18, exclusive of the charges of the commercial departments, is likely to exceed the Budget provision by R18·97 lakhs, the rise being due mainly to a larger purchase of stationery to meet an increased demand and higher prices. A small excess is also anticipated in the outlay on the Government presses. The Budget estimate for 1918-19 provides for some reduction of the expenditure on stationery. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

146. The Revised estimate for 1917-18 is less than the Budget by R·89 lakh as the result of variations in several provinces, mainly in the cost of stationery supplied from central stores. The Budget estimate for 1918-19 provides for sanctioned establishments and for an increase in the outlay on stationery in all provinces owing to continued high prices. *Revised, 1917-18.* *Budget, 1918-19.*

REVENUE.

147. The Imperial revenue shown against "Other Provinces" represents recovery of the value of stationery supplied to railways and to municipalities and other local bodies. The Revised estimate of Imperial revenue for 1917-18 provides for an increase in the recoveries for supplies of stationery with reference to present prices. The figures do not otherwise show any important variation.

XXIV AND 31.—EXCHANGE.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18.		Budget, 1918-19.
				Budget.	Revised.	
Revenue . . ₹	25,942	11,13,815	16,70,564	...	1,50,00,000	...
Equivalent in Sterling £	1,729	74,254	111,371	...	1,000,000	...
Expenditure . . ₹	...	...	...	...	...	...
Equivalent in Sterling £	...	...	...	...	...	...

148. This head normally records the comparatively small sums which have to be brought to account owing to the fact that the remittances from India to England by means of council bills and transfers, and the remittances in the opposite direction by sterling bills and transfers, are not effected exactly at the rate of 16 pence to the rupee. It may be mentioned that any gain derived from remittances on account of the Gold Standard Reserve is credited to the Reserve and not to general revenues.

Revised, 1917-18.

149. During the current year, Council drafts have been sold by the Secretary of State at fixed rates, which stood at 1*s.* $4\frac{1}{4}$*d.* per rupee in the case of immediate telegraphic transfers and 1*s.* $4\frac{5}{32}$*d.* per rupee in the case of deferred transfers and bills till the close of August, when they were raised to 1*s.* 5*d.* and 1*s.* $4\frac{29}{32}$*d.* respectively. These high rates realised by the Secretary of State for drafts on India result in a gain of ₹1,63 lakhs from exchange, apart from a small sum (₹6·45 lakhs) creditable to the Gold Standard Reserve. The rate of 1*s.* 5*d.* per rupee has also been adopted in the latter part of the year for postal and money order transactions with countries having a sterling exchange, for recoveries in respect of funds supplied in India on behalf of Colonial Governments, and some other miscellaneous transactions. There will be a further gain of about ₹40 lakhs from these sources. On the other hand, a loss of ₹20 lakhs is anticipated from the provision of funds for political and military expenditure in Persia. It has also been decided to adjust under this head by deduction from the gain by exchange the actual loss sustained on some of our rupee coinage by reason of high silver prices. This loss, which arises when the outturn in rupees is less than the purchase price of the silver *plus* the cost of coinage, is estimated for the current year at ₹33 lakhs, the net gain from exchange thus amounting to ₹1,50 lakhs. In the Budget estimate for the next year no provision is made, following usual practice, for either a gain or a loss from exchange.

Budget, 1918-19.

XXV AND 32.—MISCELLANEOUS.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1 Remittance charges mainly in connection with movements of Government funds	5,27,011	4,76,511	8,64,201	6,36,000	7,94,000	7,46,000
2. Special Commissions of enquiry	3,23,849	81,815	3,02,976	1,98,000	3,92,000	1,61,000
3. Charges arising out of the War adjusted in the Civil Department	1,15,204	9,61,419	17,65,720	6,04,000	8,18,000	7,28,000
4. Other charges:						
(*a*) in Delhi	88,170	42,081	63,041	1,00,000	57,000	1,07,000
(*b*) in the N.-W. Frontier Province	46,078	68,803	40,978	40,000	39,000	54,000
(*c*) elsewhere	15,73,432	5,55,300	7,65,777	6,23,000	19,13,000	8,96,000
Total	26,73,744	21,85,929	38,02,693	22,01,000	40,13,000	26,92,000
Provincial.						
1. Madras	4,19,234	4,72,977	4,29,201	4,38,000	4,41,000	13,81,000
2. Bombay	6,20,129	7,84,861	4,51,138	6,62,000	5,39,000	7,36,000
3. Bengal	4,38,208	6,38,467	2,47,836	11,09,000	3,37,000	9,14,000
4. United Provinces	2,26,402	3,31,628	2,35,345	6,16,000	2,22,000	12,31,000
5. Punjab	4,43,698	3,66,504	5,26,596	11,75,000	14,76,000	20,94,000
6. Burma	4,85,695	5,00,527	4,93,191	4,79,000	4,84,000	4,88,000
7. Bihar and Orissa	1,40,776	1,32,347	1,35,589	2,53,000	2,35,000	2,56,000
8. Central Provinces	1,62,041	1,55,930	1,31,932	1,84,000	1,74,000	4,57,000
9. Assam	4,23,223	5,22,429	5,16,300	5,66,000	4,66,000	5,10,000
Total	33,59,406	39,05,570	31,67,128	54,82,000	43,74,000	80,67,000
TOTAL INDIA . R	60,33,150	60,91,499	69,69,821	76,83,000	83,87,000	1,07,59,000
Equivalent in Sterling £	402,210	406,100	464,655	512,200	559,200	717,300
England . . £	128,114	66,339	206,395	38,300	441,000	28,000
TOTAL . £	530,324	472,439	671,050	550,500	1,000,200	745,300

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	20,78,670	5,03,774	7,83,302	*80,22,000	1,18,45,000	1,05,93,000
2. Delhi	45,390	39,675	3,45,231	1,87,000	1,88,000	1,04,000
3. Baluchistan	14,992	5,507	7,292	5,000	12,000	5,000
4. North-West Frontier	1,19,089	1,46,320	1,58,418	1,24,000	1,57,000	1,54,000
5. Other Provinces	4,43,531	7,11,401	17,02,425	5,04,000	11,82,000	6,99,000
TOTAL	27,01,672	14,06,677	29,96,668	88,42,000	1,33,84,000	1,15,55,000
Provincial.						
1. Madras	2,24,891	3,59,256	3,43,096	3,12,000	3,04,000	3,12,000
2. Bombay	1,02,969	1,22,590	2,42,862	1,08,000	1,47,000	1,31,000
3. Bengal	6,71,057	6,65,208	7,51,242	6,58,000	6,96,000	6,81,000
4. United Provinces	4,20,445	4,61,010	4,59,889	4,59,000	4,79,000	4,77,000
5. Punjab	4,17,971	4,29,630	5,29,774	5,46,000	6,04,000	6,38,000
6. Burma	74,187	1,70,546	1,00,464	87,000	90,000	91,000
7. Bihar and Orissa	4,03,161	3,12,355	3,07,033	2,38,000	3,21,000	2,73,000
8. Central Provinces	2,07,555	2,18,586	2,48,788	1,88,000	2,51,000	2,15,000
9. Assam	25,770	43,674	54,311	44,000	39,000	45,000
TOTAL	25,54,006	27,82,885	30,37,459	26,40,000	29,91,000	28,63,000
TOTAL INDIA . R	52,55,678	41,89,562	60,34,127	1,14,82,000	1,63,75,000	1,44,18,000
Equivalent in Sterling £	350,378	279,304	402,275	765,500	1,091,700	961,200
England . . £	14,814	22,869	17,985	174,500	200,400	26,500
TOTAL . £	365,192	302,173	420,260	940,000	1,292,100	987,700

* Includes R75 lakhs on account of freight-tax which was shown in the Budget estimate for 1917-18 under "XXVI—State Railways—Gross Traffic Receipts."

150. Charges in connection with the remittance of Government treasure are Imperial in all provinces; so is the discount paid, or the premium levied, in connection with the sale of bills at treasuries and currency offices to facilitate trade remittances of funds. Extraordinary items of revenue realised, or of expenditure incurred, under this head in the various provinces are also treated as Imperial, if they exceed ₹10,000 in amount. The proceeds of the freight tax on goods traffic by railways and inland steam vessels imposed in March 1917 are shown under Miscellaneous as Imperial receipts.

EXPENDITURE.

(*a*) *India—Imperial.*

Revised, 1917-18.

151. The Revised estimate for 1917-18 exceeds the Budget by ₹18·12 lakhs. A payment of ₹10·02 lakhs was made to the Mysore Durbar in respect of the surplus revenues of the Bangalore Assigned Tract for past years in consequence of a recalculation of education and sanitation charges in that area; provision for the payment was made in the Revised estimate for 1916-17, but it was deferred to the current year. An expenditure of ₹3·92 lakhs is expected on account of special commissions of enquiry, *viz.*, the Industrial Commission, the Calcutta University Commission, the Sedition Committee, the Coal Committee, the Public Works Reorganisation Committee, and the conferences on English teaching in secondary schools and agricultural education. Charges for the remittance of treasure will show a rise of ₹1·58 lakhs owing to heavy demands for rupees for trade purposes and military requirements, and the movements of coin thereby necessitated. Expenses on the repatriation of hostile aliens and on the transport "Golconda" and other miscellaneous items connected indirectly with the war will cause an excess of ₹2·14 lakhs over the Budget, while an outlay of ₹1·60 lakhs will be entailed in connection with the Secretary of State's visit. On the other hand, the bulk of the reserve provision of ₹1·15 lakhs for unforeseen charges in Baluchistan and Delhi, which was provided in the Budget under Miscellaneous, has been appropriated to meet sanctioned outlay under other heads of account.

Budget, 1918-19.

152. The Budget estimate for 1918-19 provides for some reduction in the charges for remittance of treasure; for miscellaneous expenditure connected with the war likely to be incurred in the ensuing year; for the probable outlay of the commissions of enquiry mentioned in the preceding paragraph; and for normal expenditure on other items. A reserve provision of ₹·50 lakh has been entered in Delhi for unforeseen requirements.

(*b*) *India—Provincial.*

Revised, 1917-18.

153. The Revised estimate for 1917-18 is less than the Budget by ₹11·08 lakhs. The decrease is mainly due to the record under other heads of account of most of the expenditure incurred against the lump grants for grain compensation allowance and against the various other reserves which were included in the Budget estimates of several provinces under Miscellaneous; and to a lapse in the allotment for relief of distress in Bengal and for gratuitous relief in Assam. On the other hand there have been special charges in Bengal in connection with the write-off of loans (₹1·45 lakhs) and in the Punjab (₹8·19 lakhs) on account of grants to district boards in connection with a scheme of consolidated grants, the Budget provision for which was included under Civil Works.

Budget, 1918-19.

154. The Budget estimate for 1918-19 provides generally for normal charges and for the usual reserves for unforeseen expenditure in most provinces. In Bengal, the Central Provinces and the United Provinces, lump allotments have again been made for grain compensation charges, and in the last province for other indirect famine expenditure also. A special allotment of ₹2 lakhs has been made in the same province for a contribution to the Kumaon District Board on account of profits from the Kumaon forests which are intended to be applied to the benefit of the inhabitants of the locality.

(c) *England.*

155. The increase in the Revised estimate of the current year as compared with the Budget represents mainly the value of stores lost in transit between England and India. The Budget estimate for 1918-19 makes no provision for possible losses.

REVENUE.

(a) *India—Imperial.*

156. The Revised estimate for 1917-18 exceeds the Budget by R45·42 lakhs. The Revised includes a receipt of R96·55 lakhs from the freight-tax on goods carried by railways and inland steam vessels imposed in March 1917, for which a provision of R75 lakhs was included in the Budget under "State Railways : gross traffic receipts." There has also been a special receipt of R20·60 lakhs in connection with the acquisition of gold imported into India at the rate of R14-8 per £, the gain arising from the sale of raw gold in Bombay in the early part of the year and the provision of rupee credits in India in favour of Japanese merchants in return for a transfer of raw gold held in Bombay on behalf of the Bank of England. Apart from these special transactions, the increase occurs mainly in the special receipts from the sale of town sites in the Punjab, and in the receipts from the sales of bills owing to an increased demand for remittances of funds. The Budget estimate for 1918-19 provides for a growth of R4·02 lakhs in the proceeds of the freight-tax and for normal receipts in other respects. *Revised, 1917-18.* *Budget, 1918-19.*

(b) *India—Provincial.*

157. The total revenue in 1917-18 is likely to exceed the Budget estimate by R3·51 lakhs. The increase occurs in the credits to revenue on account of unclaimed deposits and under sale-proceeds of lands and houses in several provinces. The Budget estimate for 1918-19 provides generally for normal receipts. *Revised, 1917-18.* *Budget, 1918-19.*

(c) *England.*

158. The increase in the Revised estimate for 1917-18 as compared with the Budget is due to compensation received from the owners of a vessel, which collided with another carrying a cargo of wheat shipped by Government, and to large recoveries on account of inspection of stores by the Store Department of the India Office for other Government Departments. The Budget estimate for 1918-19 omits the former item as well as the special receipt in the current year from the profits of the wheat scheme. *Revised, 1917-18.* *Budget, 1918-19.*

33 TO 36.—FAMINE RELIEF AND INSURANCE.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18. Budget.	1917-18. Revised.	Budget, 1918-19.
INDIA.						
Famine Relief { Imperial	26,43,201	9,61,881	21,11,427	6,33,000	74,000	4,54,000
Famine Relief { Provincial	15,55,076	1,58,539	7,02,827	2,11,000	24,000	1,52,000
Construction of Protective Railways	—19,669	—2,896	—7,146	—8,000	1,000	—8,000
Construction of Protective Irrigation Works	72,46,125	74,19,436	49,87,016	60,24,000	52,85,000	59,41,000
Reduction or Avoidance of Debt	33,01,723	63,79,580	71,88,879	78,64,000	95,95,000	83,02,000
TOTAL INDIA R	1,47,26,456	1,49,16,540	1,49,83,003	1,47,24,000	1,49,79,000	1,48,41,000
Equivalent in Sterling £	981,764	994,436	998,867	981,600	998,600	989,400
ENGLAND.						
Construction of Protective Irrigation Works.	18,236	5,564	1,133	18,400	1,400	10,600
TOTAL INDIA AND ENGLAND	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Revised, 1917-18.

159. The expenditure in the current year under the head Famine Relief is now estimated at R·98 lakh, the principal items being an outlay of (1) R·50 lakh in the Punjab in connection with fodder concessions, and (2) R·21 lakh in Bihar and Orissa and R·20 lakh in Assam on relief operations in certain districts.

160. The amount available for famine insurance in 1917-18 accordingly amounts to R149·02 lakhs of which R53·07 lakhs will be spent on protective works and R95·95 lakhs will be appropriated for the reduction or avoidance of debt.

Budget, 1918-19.

161. In the Budget estimate for 1918-19 provision has been made as usual for a total grant of R150 lakhs under this group head. Out of this amount, a sum of R6·06 lakhs will be required to meet expenditure debitable to the head Famine Relief in connection mainly with fodder concessions in the Punjab, and R60·92 lakhs have been allotted for the construction of protective works. The remainder, *viz.*, R83·02 lakhs, will be utilised for the avoidance of debt.

Construction of Protective Railways.

162. The small *minus* figure entered in the Budget estimate for 1918-19 represents the excess in the sale-proceeds of surplus stores of the Dharmapuri-Hosur extension of the Morappur-Dharmapuri Railway over the outlay during the year. The small outlay in the Revised estimate for 1917-18 arises from a reduction in the sales of stores.

Construction of Protective Irrigation Works.

Revised, 1917-18.

163. In the Budget estimate for 1917-18 an allotment of R63 lakhs was made for outlay on Protective Irrigation works, the whole amount being met from the Famine Insurance grant. The probable expenditure, according to the Revised estimate, will amount to R53·06 lakhs owing mainly to slower progress of work on the Nira Right Bank canal in Bombay, the Tandula canal and certain tank projects in the Central Provinces and the Tribeni canal in Bihar and Orissa. The entire outlay will be recorded in the Famine Relief and Insurance section of the accounts.

164. In the Budget estimate for 1918-19, the allotment for Protective Irrigation works is taken at R61 lakhs, the whole amount being met from the Famine Insurance grant. The distribution of the grant of R61 lakhs is given in the table below. *Budget, 1918-19.*

	1917-18.		Budget, 1918-19.
	Budget.	Revised.	
1. Madras:	R	R	R
(i) Mopad project	2,10,000	1,87,000	1,85,000
(ii) Other projects	67,000	61,000	43,000
2. Bombay:			
(i) Godaveri Canal	64,000	45,000	20,000
(ii) Chankapur Tank	55,000	16,000	37,000
(iii) Pravara river project	8,88,000	9,12,000	10,52,000
(iv) Nira Right Bank Canal	21,19,000	17,06,000	19,26,000
(v) Other projects, etc.	1,74,000	82,000	1,65,000
3. Bengal	1,000	1,000	5,000
4. United Provinces:			
(i) Barwar Lake and Canal	1,87,000	65,000	88,000
(ii) Betwa Canal	16,000	13,000	23,000
(iii) Ghaggar Canal	3,75,000	5,51,000	63,000
(iv) Bhatkhara Tank	...	2,000	1,37,000
(v) Other projects, etc.	1,22,000	82,000	1,24,000
5. Bihar:			
(i) Tribeni Canal	2,16,000	1,06,000	2,13,000
(ii) Other projects, etc.	9,000	13,000	2,000
6. Central Provinces:			
(i) Tandula Canal	10,41,000	8,72,000	8,96,000
(ii) Tank projects	7,81,000	4,67,000	5,15,000
(iii) Other projects, etc.	1,28,000	1,18,000	1,69,000
7. Minor administrations	7,000	7,000	8,000
8. Reserve provision	...	...	4,29,000
Deduct—Allowance for possible lapses in grants	*2,00,000*	...	...
TOTAL	63,00,000	53,06,000	61,00,000

XXVI to XXVIII and 38 to 41—RAILWAY REVENUE ACCOUNT.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18.		Budget, 1918-19.
				Budget.	Revised.	
STATE RAILWAYS—						
	R	R	R	R	R	R
Gross Receipts	54,15,77,506	57,26,42,888	62,94,69,001	62,00,89,000*	68,41,08,000	70,50,08,000
Deduct—						
Working Expenses	29,52,87,164	29,53,00,146	29,96,86,445	31,35,00,000	31,00,00,000	34,56,64,000
Surplus profits paid to Companies, etc.	1,03,63,467	90,57,411	1,15,56,624	1,17,00,000	1,4 00,000	1,60,00,000
Net Receipts	23,59,26,875	26,82,85,331	31,82,25,932	29,48,89,000	35,92,08,000	34,33,44,000
Net Revenue equivalent at R15=£1	£ 15,728,458	£ 17,885,689	£ 21,215,062	£ 19,659,200	£ 23,947,200	£ 22,889,600
Interest and capital redemption charges—						
Interest on Debt	7,814,441	7,923,670	7,660,850	8,034,400	7,729,400	7,834,300
Annuities in purchase of Railways	3,357,665	3,357,691	3,357,650	3,357,700	3,357,700	3,357,600
Sinking Funds	199,554	208,893	323,647	230,000	333,600	242,800
Interest chargeable against Companies on advances	97,773	98,953	98,472	98,300	98,400	98,600
Interest on Capital deposited by Companies	1,986,467	2,131,862	2,225,940	2,275,000	2,264,700	2,188,700
	13,455,900	13,721,069	13,666,559	13,996,000	13,783,800	13,722,000
Net Result	2,272,558	4,164,620	7,548,503	5,663,200	10,163,400	9,167,600
Other Receipts	70,691	91,414	98,735	93,800	104,400	94,100
Other Charges	185,215	180,596	165,363	151,400	93,000	60,000
Net Result	—114,524	—89,182	—66,628	— 57,600	11,400	34,100
TOTAL NET RESULT	2,158,034	4,075,438	7,481,875	5,605,600	10,174,800	9,201,700
Redemption of capital from revenue	898,776	929,426	961,160	994,013	994,013	1,028,026
STATISTICS—						
State Railways—						
Capital Expenditure to March 31st—						
Expenditure by Government†	236,266,689‡	237,571,142	239,446,931	242,091,142	242,971,131	246,925,731
Expenditure by Companies	29,078,860‡	28,794,278	28,900,629	29,386,878	29,026,929	29,524,829
Outlay on the East Indian Railway from Debentures raised by the Company	14,587,268	18,046,847	18,046,847	18,046,847	18,046,847	18,046,847
Outlay on the South Indian Railway by the Company	3,809,060	3,809,060	3,809,060	3,809,060	3,809,060	3,059,060
Outlay on the Bombay, Baroda and Central India Railway by the Company	1,080,697	1,093,364	1,093,364	1,093,364	1,093,364	1,093,364
Outlay on the Great Indian Peninsula Railway by the Company	3,253,158	3,253,158	3,253,158	3,253,158	3,253,158	3,253,158
TOTAL	288,075,732	292,567,849	294,549,989	297,680,419	297,700,489	301,902,989
Miles open on the 1st April	26,106	26,369	26,433	26,580	26,572	26,612

*Excludes R75 lakhs on account of Freight Tax, which was originally included in the Budget estimate under this head. It is now shown under the head "XXV—Miscellaneous—Freight Tax."

†The figures against this line include contribution by the Jaipur Darbar towards Capital outlay on the Nagda-Muttra Railway, as follows:—

£	£	£	£	£	£
333,333	400,000	466,667	533,333	533,333	566,667

‡The overdraft of, and advances to, the Bengal-Nagpur Railway Company amounting to £13,451,400 on the 31st December 1910 have been transferred in the accounts of 1914-15, from "expenditure by companies" to "expenditure by Government".

165. The Gross Receipts and Working Expenses of State Railways include the following figures on account of the Jorhat State Railway in Assam. This is the only line the transactions of which are recorded in the Provincial section of the accounts :—

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
	R	R	R	R	R	R
Gross Receipts . . .	1,27,545	1,53,781	1,65,389	1,51,000	1,49,000	1,50,000
Working Expenses . .	1,27,109	1,01,834	1,01,641	1,21,000	1,21,000	1,30,300

Revised, 1917-18.

Gross Receipts.

166 The Budget estimate of Gross Receipts for 1917-18 was taken at R62 crores, exclusive of the receipts from Freight tax, or R20 lakhs lower than the probable receipts of the previous year as then estimated. It was based on the assumption that the reductions effected in passenger train services would result in some diminution of earnings and that the favourable circumstances of the year 1916-17 might not be wholly repeated. Allowance was however made for development of traffic on new lines and extensions of recent construction. The result has proved much more favourable than was anticipated, and the Revised estimate is now placed at R68·25 crores, or R6·25 crores higher than the Budget. This substantial improvement occurs on almost all the principal railways and is attributable mainly to larger receipts from the carriage of troops and military stores, and from wheat and coal traffic. The enhancement of fares and freights and the withdrawal of concessions have also contributed to a certain extent to the exceptionally good earnings of the current year. The balance of the increase in the Revised estimate of gross receipts as shown in the table on the preceding page occurs in the transactions of Railway Sinking Funds in England, and is set off by a corresponding excess in expenditure—*vide* paragraph 172.

Working Expenses.

167. The Revised estimate of Working Expenses for 1917-18 stands at R35 lakhs below the Budget estimate, a remarkable result considering that receipts are expected to exceed the Budget by R6 25 crores. The cause of the reduction is to be found in the increasing difficulty of obtaining railway material from England in consequence of which repairs and renewals of permanent-way and rolling-stock have been considerably restricted.

Surplus Profits.

168. The increase of R32 lakhs in the provision for payment of surplus profits to companies follows on the improvement in their net earnings in the last quarter of the preceding year.

Budget, 1918-19.

Gross Receipts.

169. The Budget estimate of Gross Receipts for 1918-19 is taken at R70·50 crores, or R2·25 crores higher than the Revised estimate of the current year. It is anticipated that the favourable conditions of traffic which have contributed so largely to the earnings of the current year will be fully maintained in the ensuing year and that the enhancements of fares and freights introduced for the most part during 1917 will in 1918-19 affect the receipts of the whole year and consequently add more to the total of receipts than they have done this year. Allowance has also been made for development of traffic and for additional earnings from new lines and extensions.

Working Expenses.

170. The grant for Working Expenses in 1918-19 is more than the Revised for the current year by R356·64 lakhs, the increase being due partly to the larger traffic anticipated and partly to a larger programme of special repairs and renewals than in the current year. It also provides for the temporary enhancement of pay of railway subordinates recently sanctioned.

Surplus Profits.

171. Under Surplus Profits paid to companies there is an increase of R11 lakhs due to the profits earned in the second half of the current year, payment of which will be made next year, being larger than those of the second half of 1916-17.

Interest Charges, etc.

Revised, 1917-18.

172. The decrease under Interest on debt is explained in paragraph 67. The excess under sinking funds is due to the realisation of 4½ per cent. War Loan and consequent purchase of India stock for cancellation.

Budget, 1918-19. The decrease in the total Interest charges in 1918-19 is due to smaller provision under Sinking Funds and Interest on capital deposited by companies.

Other receipts.

173. The receipts shown under this head represent recoveries from the Travancore Durbar of its share of the loss on the Travancore branch of the South Indian Railway; the Government share of the surplus profits of the Rohilkund and Kumaon, Southern Punjab, Amritsar-Patti and Hardwar-Dehra Railways, payable under the terms of their respective contracts, and *Revised, 1917-18.* dividends on certain shares of the Ahmedabad-Dholka Railway allotted to Government in repayment of expenditure incurred by it on behalf of the *Budget, 1918-19.* railway. The improvement of £10,600 on the Budget estimate of receipts in the current year and the decrease of £10,300 provided for in the Budget of 1918-19 are mainly due to variations in the recovery from the Travancore Durbar and in the Government share of surplus profits of the Southern Punjab Railway Company.

Other charges.

174. These consist of cost of land required by certain Companies, the contracts with which provide for the free supply of land wanted for the purposes of the railways undertaken by them, and of miscellaneous items such as surveys and controlling establishments (including the Railway Board). A share of the cost of control is charged to the working expenses of each Railway Company and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The figures are:—

	Accounts, 1916-17.	1917-18.		1918-19.
		Budget.	Revised.	Budget.
Imperial.	₹	₹	₹	₹
1. Subsidised Companies—Land .	24,23,158	19,00,000	10,90,000	4,90,000
2. Miscellaneous Expenditure .	43,657	3,55,000	2,95,000	3,99,000
Provincial.				
1. Subsidised Companies—Land .	13,603	10,000	10,000	10,000
2. Miscellaneous Expenditure .	14	5,000	1,000	1,000
TOTAL . ₹	24,80,432	22,70,000	13,96,000	9,00,000
TOTAL . £	165,363	151,400	93,000	60,000

Revised, 1917-18. *Land.*—A lapse of ₹8·10 lakhs is expected in the Imperial Budget grant for the current year, due chiefly to short outlay on the Bengal and North Western, Mymensingh Bhairab Bazar and Darjeeling Himalayan Railways, to smaller payment of rebate to the Guzerat Railways and to the postponement of acquisition of land for the Chaparmukh Silghat, Tenali Repali and Bengal Duars Railways for which an aggregate provision of ₹·70 lakh was made in the Budget. These decreases have been partly counterbalanced by outlay on *Budget, 1918-19.* certain Railways for which no Budget provision was made. The principal allotments made in 1918-19 are for the Bengal and North-Western Railway and for the payment of rebate to the Guzerat Railways.

Revised, 1917-18. *Miscellaneous Expenditure.*—The Revised estimate for 1917-18 shows a small lapse of ₹·60 lakh. The Budget for 1918-19 is made up as follows:— *Budget, 1918-19.*

	₹
Allotment for surveys	5,84,000
Charges for Railway Board and other establishments .	14,59,000
Less Recoveries from Railway Companies on account of cost of supervision	*16,44,000*
TOTAL .	3,99,000

XXIX—XXX AND 42, 42-A and 43.—IRRIGATION.

IRRIGATION.	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
MAJOR WORKS.	R	R	R	R	R	R
Revenue { Direct Receipts .	4,13,77,353	4,10,69,852	4,51,68,395	4,45,83,000	4,50,37,000	4,63,88,000
Revenue { Land Revenue .	2,50,17,962	2,66,05,805	2,74,06,628	2,78,73,000	2,78,88,000	2,88,21,000
Expenditure { Working Expenses .	1,93,40,897	2,06,23,801	2,02,67,917	2,08,69,000	2,11,25,000	2,20,35,000
Expenditure { Interest .	1,92,62,258	1,98,60,762	1,93,89,288	2,09,64,000	1,98,08,000	2,02,24,000
NET REVENUE IN INDIA . . R	2,77,92,160	2,71,91,094	3,29,17,818	3,06,23,000	3,19,92,000	3,29,50,000
Equivalent in Sterling £	1,852,811	1,812,740	2,194,521	2,041,500	2,132,800	2,196,600
Expenditure in England (mainly Interest) . £	125,379	127,299	120,585	128,600	120,800	121,000
NET REVENUE . £	1,727,432	1,685,441	2,073,936	1,912,900	2,012,000	2,075,600
CONSTRUCTION OF PROTECTIVE WORKS . £	59,863	12,632	...	...	...	...
MINOR WORKS.						
Receipts—Direct . .	38,19,224	40,10,525	47,59,342	44,23,000	46,95,000	45,97,000
Expenditure . .	1,49,28,446	1,32,28,564	1,17,76,139	1,37,50,000	1,32,48,000	1,48,51,000
NET EXPENDITURE IN INDIA . . . R	1,11,09,222	92,18,039	70,16,797	93,27,000	85,53,000	1,02,54,000
Equivalent in Sterling £	740,615	614,536	467,787	621,800	570,200	683,500
Expenditure in England £	253	290	437	...	...	400
NET EXPENDITURE £	740,868	614,826	468,224	621,800	570,200	683,900
STATISTICS OF MAJOR WORKS.						
Capital Outlay to March 31 . . . R	61,68,30,309	63,68,47,834	64,92,86,966	66,56,63,881	65,99,42,000	67,28,45,000
Equivalent in Sterling £	41,122,020	42,456,523	43,285,798	44,377,592	43,996,100	44,856,800

General Result.

Major Irrigation.

Minor Irrigation.

175. Taking India as a whole, the net revenue derived from Major Irrigation works in 1917-18 will exceed the Budget forecast by £99,100 (R14·86 lakhs). There will be a rise of R4·54 lakhs in the Direct Receipts and of R·15 lakh in the share of Land Revenue. There will also be a saving of R10·17 lakhs in the expenditure, *viz.*, a reduction of R12·73 lakhs in the interest charges, partly counterbalanced by an increase of R2·56 lakhs under Working Expenses. A further improvement of £63,600 (R9·55 lakhs) is expected in the net revenue in 1918-19. This allows for a rise of R22·84 lakhs in the gross revenue, made up of an increase of R13·51 lakhs in the Direct Receipts and of R9·33 lakhs in the share of Land Revenue. But a higher provision of R9·10 lakhs has been made for Working Expenses and there will also be a large growth of R4·19 lakhs in the interest charges. The net result under Minor Irrigation works in 1917-18 is better than the Budget estimate by £51,600 (R7·74 lakhs), the result of an increase of R2·72 lakhs in revenue and a saving of R5·02 lakhs in expenditure. The estimate for next year provides for a fall of R·98 lakh in the receipts and for a rise of R16·09 lakhs in expenditure.

176. The figures for Land Revenue due to Irrigation have already been examined in paragraphs 12 and 13 along with those for Land Revenue proper. The details of the other heads are exhibited in the following tables.

XXIX AND 42.—MAJOR WORKS.

Direct Receipts.

IRRIGATION.	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. North-West Frontier	8,24,856	8,11,044	9,61,716	13,11,000	12,09,000	13,34,000
2. United Provinces .	2,68,,03	5,46,513	4,86,060	4,29,000	4,07,000	4,95,000
3. Burma . .	11,14,152	13,90,045	13,53,255	17,18,000	16,10,000	16,55,000	
4. Central Provinces .	98,812	97,982	1,31,820	2,06,000	1,60,000	2,48,000
Total .	23,06,523	28,45,584	29,32,851	36,64,000	33,86,000	37,32,000
Divided and Provincial.						
1. Madras . .	3,00,299	2,94,368	3,11,537	3,01,000	3,20,000	3,20,000
2. Bombay . .	16,85,235	16,11,897	16,81,144	16,05,000	14,38,000	17,87,000
3. Bengal . . .	2,53,9.2	2,78,079	2,89,732	2,68,000	2,96,000	2,82,000
4. United Provinces .	99,87,724	95,14,391	97,07,939	90,82,000	98,40,000	95,11,000
5. Punjab . .	2,43,97,210	2,38,05,079	2,7.,15,784	2,71,03,000	2,72,07,000	2,81,66,000
6. Bihar and Orissa .	24,46,400	27,20,454	25,29,408	25,00,000	25,50,000	26,00,000
Total	3,90,70,830	3,82,24,268	4,22,35,544	4,09,19,000	4,16,51,000	4,26,56,000
TOTAL ₹	4,13,77,353	4,10,69,852	4,51,68,395	4,45,83,000	4,50,37,000	4,63,88,000
Equivalent in Sterling £	2,758,490	2,737,991	3,011,227	2,972,200	3,002,500	3,092,500

WORKING EXPENSES.

Imperial.						
1. India General .	...	...	...	...	...	2,02,000
2. North-West Frontier	3,44,400	6,23,431	6,49,518	6,95,000	6,25,000	6,54,000
3. United Provinces .	4,46,691	4,72,541	4,78,631	5,00,000	5,67,000	5,92,000
4. Burma . . .	9,30,825	5,90,691	5,64,569	7,50,000	6,10,000	6,26,000
5. Central Provinces .	77,880	87,118	1,17,227	2,15,000	2,15,000	2,80,000
Total .	18,05,796	17,73,781	18,09,945	21,60,000	20,17,000	23,54,000
Divided and Provincial.						
1. Madras . .	25,16,067	22,36,368	19,69,410	22,50,000	21,90,000	23,00,000
2. Bombay . .	15,26,155	15,79,263	15,58,474	16,55,000	18,00,000	18,74,000
3. Bengal . . .	2,57,700	1,96,022	1,85,804	1,70,000	1,66,000	2,70,000
4. United Provinces .	30,17,065	29,70,190	29,46,801	30,42,000	30,08,000	30,57,000
5. Punjab . .	87,97,090	1,03,50,778	1,03,46,287	1,00,96,000	1,03,60,000	1,06,55,000
6. Bihar and Orissa .	14,21,024	15,17,399	14,51,696	14,96,000	15,64,000	15,25,000
Total .	1,75,35,101	1,88,50,020	1,84,57,972	1,87,09,000	1,91,08,000	1,96,81,000
TOTAL INDIA ₹	1,93,40,897	2,06,23,801	2,02,67,917	2,08,69,000	2,11,25,000	2,20,35,000
Equivalent in Sterling £	1,289,398	1,374,920	1,351,194	1,391,300	1,408,300	1,469,000

DIRECT RECEIPTS.

(a) *Imperial.*

177. The Revised estimate for 1917-18 is less than the Budget by R2·78 lakhs. The decrease is mainly due to the receipts from the Upper Swat River Canal in the North-West Frontier Province and the Twante Canal in Burma, both of which were recently opened for irrigation, not having been as favourable as anticipated. The Budget estimate for 1918-19 provides for a development of irrigation in these provinces and on the canals in the United Provinces and Central Provinces, and is R3·46 lakhs higher than the Revised for the current year. *Revised, 1917-18.* *Budget, 1918-19.*

(b) *Divided and wholly Provincial.*

178. The rise of R7·32 lakhs in the Revised estimate for the current year as compared with the Budget is due mainly to a large increase in the area under irrigation in the United Provinces (R7·58 lakhs) during both the *rabi* and the *kharif* seasons. An improvement of R1·04 lakhs is also expected in the Punjab, an increase in the revenue from the Upper and Lower Bari Doab Canals due to the same cause being partly counterbalanced by a decline in the receipts from the Sirhind and Upper Jhelum canals owing in the former case to the damage done to the *kharif* crop by excessive rains. The receipts in Bombay will, on the other hand, fall short of the Budget by R2·27 lakhs owing to a postponement of collections to the next year. *Revised, 1917-18.*

179. The Budget estimate for 1918-19 is based generally on the demand for *rabi* irrigation in the current year and on normal requirements in connection with the next year's *kharif*. Increases of R9·49 and R3·49 lakhs are expected in the Punjab and Bombay owing to an expected development of irrigation in the former case from the projects recently completed and in the latter to the collection of revenue thrown forward from the current year, but there will be a fall of R3·29 lakhs in the United Provinces in consequence of an anticipated reduction in the demand for canal water for the *rabi* cultivation in the current year. *Budget, 1918-19.*

WORKING EXPENSES.

(a) *Imperial.*

180. The total expenditure in 1917-18 is likely to fall short of the Budget provision by R1·43 lakhs. The saving occurs mainly in the expenditure on the Twante canal in Burma in consequence of a reduced demand for irrigation. A minor lapse in the North-West Frontier (R·70 lakh) is nearly set off by an excess in the United Provinces (R·67 lakh). *Revised, 1917-18.*

181. The Budget estimate for 1918-19 is R3·37 lakhs more than the Revised for the current year. It provides for normal charges in all the provinces and includes a reserve provision of R2·02 lakhs for unforeseen requirements. *Budget, 1918-19.*

(b) *Divided and wholly Provincial.*

182. The Revised estimate for 1917-18 will exceed the Budget by R3·99 lakhs. There will be an increase of R2·64 lakhs in the Punjab and of R1·45 lakhs in Bombay owing to extensive repairs necessitated by an abnormal rainfall, and larger establishment charges in consequence of a revision of the method of allocating them between the revenue and capital heads. A minor excess in Bihar and Orissa will be met from savings in Madras and the United Provinces. *Revised, 1917-18.*

183. The Budget estimate for 1918-19 provides for extensions and improvements of irrigation works in almost all provinces and is R5·73 lakhs more than the Revised estimate for the current year. *Budget, 1918-19.*

42A.—EXPENDITURE ON PROTECTIVE IRRIGATION WORKS IN ADDITION TO THAT CHARGED UNDER FAMINE RELIEF AND INSURANCE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
India . . R	8,97,948	1,89,478	...	...	...	...
Equivalent in Sterling £	59,863	12,632	...	...	...	...

184. No supplementary expenditure on protective irrigation works is anticipated under this head either in the current or the next year, as explained in paragraphs 163 and 164.

XXX AND 43.—MINOR WORKS AND NAVIGATION.

Revenue.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	14,597	16,907	15,172	29,000	23,000	32,000
2. Delhi	837	1,384	2,599	3,000	4,000	1,600
3. Baluchistan	64,769	21,784	79,709	38,000	57,000	44,000
4. Punjab	9,28,866	8,89,685	9,59,765	9,42,000	10,75,000	9,71,000
Total	10,09,069	9,29,760	10,57,245	10,12,000	11,59,000	10,48,000
Divided and Provincial.						
1. Madras	2,28,844	2,59,506	2,79,490	2,54,000	2,97,000	2,73,000
2. Bombay	3,76,968	3,86,511	3,46,939	3,75,000	3,50,000	3,75,000
3. Bengal	5,35,916	6,80,544	8,34,377	8,10,000	8,37,000	8,10,000
4. United Provinces	1,88,426	1,98,639	2,85,386	2,49,000	2,81,000	2,62,000
5. Punjab	53,117	67,070	63,246	96,000	1,24,000	1,03,000
6. Burma	13,02,403	14,23,781	16,90,753	15,00,000	15,30,000	16,00,000
7. Bihar and Orissa	72,583	67,098	70,828	70,000	72,000	72,000
8. Central Provinces	51,898	47,616	59,074	57,000	45,000	54,000
9. Assam	...	...	72,004	...	...	...
Total	28,10,155	30,80,765	37,02,097	34,11,000	35,36,000	35,49,000
TOTAL ₹	38,19,224	40,10,525	47,59,342	44,23,000	46,95,000	45,97,000
Equivalent in Sterling £	254,615	267,368	317,289	294,900	313,000	306,500

Expenditure.

Imperial.						
1. India General	52,022	71,792	62,434	4,33,000	82,000	1,63,000
2. Delhi	1,198	1,043	1,593	1,000	...	1,000
3. Baluchistan	3,02,477	2,84,076	2,93,454	1,36,000	1,67,000	1,61,000
4. North-West Frontier	43,475	33,282	39,457	49,000	49,000	50,000
5. Punjab	9,98,049	9,11,895	8,07,631	8,67,000	8,40,000	9,31,000
Total	13,97,221	13,02,088	12,04,569	14,86,000	11,38,000	13,06,000
Divided and Provincial.						
1. Madras	44,09,655	38,17,049	35,70,915	41,00,000	42,35,000	42,25,000
2. Bombay	31,69,245	30,89,517	24,97,981	31,22,000	27,81,000	32,69,000
3. Bengal	27,61,008	22,96,494	20,04,123	22,43,000	22,92,000	27,02,000
4. United Provinces	5,02,805	4,01,417	3,28,489	2,76,000	3,64,000	6,93,000
5. Punjab	1,82,198	2,02,446	2,63,712	3,55,000	3,03,000	1,95,000
6. Burma	11,94,795	11,62,984	12,24,578	12,29,000	14,50,000	17,15,000
7. Bihar and Orissa	3,37,090	2,83,550	2,47,981	3,43,000	2,18,000	3,09,000
8. Central Provinces	9,06,729	5,77,173	3,81,718	5,56,000	4,29,000	4,55,000
9. Assam	67,700	95,846	073	40,000	38,000	42,000
Total	1,35,31,225	1,19,26,476	1,05,71,570	1,22,64,000	1,21,10,000	1,35,45,000
TOTAL INDIA ₹	1,49,28,446	1,32,28,564	1,17,76,139	1,37,50,000	1,32,48,000	1,48,51,000
Equivalent in Sterling £	995,230	881,904	85,076	916,600	883,200	990,000
England £	253	290	437	...	...	400
GRAND TOTAL £	995,483	882,194	785,513	916,600	883,200	990,400

REVENUE.

(a) *Imperial.*

Revised, 1917-18. 185. The Revised estimate for 1917-18 exceeds the Budget by R1·47 lakhs owing mainly to more extended irrigation in the Punjab than anticipated.

Budget, 1918-19. The Budget estimate for 1918-19 provides for normal receipts.

(b) *Divided and Provincial.*

Revised, 1917-18. 186. The total Revised estimate for 1917-18 exceeds the Budget by R1·25 lakhs. The increase is distributed in small amounts over all provinces except Bombay and the Central Provinces.

Budget, 1918-19. The Budget for 1918-19 does not differ materially from the Revised for the current year.

EXPENDITURE.

(a) *Imperial—India and England.*

Revised, 1917-18. 187. The Budget estimate of the current year included a grant of R3·45 lakhs in aid of special expenditure entailed by the recommendations of the Irrigation Commission. R·25 lakh out of this grant is being spent on certain minor projects in Baluchistan, while R·50 lakh has been allotted to the Government of the United Provinces for tank restoration works and placed at its credit by an assignment of Imperial revenue (*vide* paragraph 229). The balance of the special grant will lapse. With petty variations in the grants for Imperial expenditure in other provinces, the Revised estimate for the current year is expected to fall short of the Budget by R3·48 lakhs.

Budget, 1918-19. 188. The Budget estimate for 1918-19 exceeds the current year's Revised by R1·74 lakhs. Provision for new works has been curtailed as far as possible. Allowance has been made in the Punjab for the regrant of a lapse in the current year, and a reserve of R·57 lakh has been entered to meet expenditure which cannot be foreseen at present.

(b) *Divided and Provincial.*

Revised, 1917-18. 189. The Revised estimate for 1917-18 falls short of the Budget by R1·54 lakhs. Lapses in grants are anticipated in Bombay, Bihar and Orissa, the Central Provinces and the Punjab. The savings in these provinces will be partly absorbed by expenditure on tank restoration works in the United Provinces which is being financed largely by a special assignment from Imperial revenues (*vide* paragraph 187) and by outlay on unforeseen works in Burma, Madras and Bengal.

Budget, 1918-19. 190. The Budget estimate for 1918-19 is taken at R14·35 lakhs more than the Revised for the current year. Provision has generally been made for sanctioned establishments, for necessary repairs and for urgent works. Allotments have been made for capital works in the Madaripur Bhil route, for the creation of a spill in the Bidyadhari river and for schemes for flood protection in Bengal (R6·62 lakhs), for the formation of a reserve depôt for tools and machinery in the United Provinces (R3·31 lakhs), for dredging operations in the Irrawaddy delta in Burma (R3 lakhs) and for the construction of a distributary for the Tribeni canal in Bihar and Orissa. A reduction in expenditure of R1·08 lakhs is anticipated in the Punjab owing to the completion of certain projects now in hand.

44.—CONSTRUCTION OF RAILWAYS CHARGED TO PROVINCIAL REVENUES.

		Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
					Budget.	Revised.	
Provincial.							
Assam . .	₹	6,887	18,950	33,060	23,000	10,000	10,000
	£	459	1,263	2,204	1,500	700	700

191. The charges represent capital outlay in connection with the Jorhat Railway and are unimportant in character.

XXXI and 45.—CIVIL WORKS.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General .	27,82,721	23,36,211	21,00,250	30,23,000	21,19,000	32,77,000
2. Delhi . . .	19,37,563	17,59,694	18,15,313	14,10,000	19,99,000	15,88,000
3. Baluchistan . .	11,02,585	8,80,280	9,48,939	9,57,000	9,97,000	9,89,000
4. North-West Frontier	32,21,382	25,56,806	24,26,106	27,62,000	24,99,000	25,90,000
5. Other Provinces .	53,74,058	47,99,736	30,97,615	50,04,000	31,00,000	39,92,000
Total .	1,44,18,309	1,23,32,727	1,03,88,223	1,31,56,000	1,07,14,000	1,24,36,000
Provincial.						
1. Madras . .	1,03,04,790	87,00,566	79,75,704	84,02,000	82,90,000	86,40,000
2. Bombay . .	1,13,51,206	85,70,316	75,13,171	98,14,000	99,23,000	1,33,65,000
3. Bengal . .	1,24,73,724	89,34,903	64,39,725	77,95,000	83,02,000	97,37,000
4. United Provinces .	70,16,110	73,14,591	65,85,308	62,52,000	63,03,000	65,44,000
5. Punjab . .	91,62,795	65,46,792	49,80,610	67,30,000	54,72,000	76,39,000
6. Burma . . .	1,16,36,015	88,97,194	82,77,693	1,10,23,000	93,71,000	1,09,99,000
7. Bihar and Orissa .	99,64,909	88,43,005	69,74,458	86,13,000	77,41,000	92,20,000
8. Central Provinces .	79,43,260	68,95,387	60,45,394	74,19,000	69,39,000	81,83,000
9. Assam . . .	54,64,048	39,69,319	32,63,485	36,92,000	30,89,000	35,04,000
Total .	9,19,16,857	6,86,72,073	5,80,55,548	6,91,40,000	6,54,80,000	7,78,31,000
TOTAL INDIA ₹	10,63,35,166	8,10,04,800	6,84,43,771	8,22,96,000	7,61,44,000	9,02,67,000
Equivalent in Sterling £	7,089,011	5,400,320	4,562,918	5,486,400	5,076,200	6,017,800
England . . . £	87,739	50,144	53,413	56,900	45,600	39,200
TOTAL . £	7,176,750	5,450,464	4,616,331	5,543,300	5,121,800	6,057,000

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General .	81,416	1,12,225	1,02,080	80,000	1,41,000	87,000
2. Delhi . . .	2,41,780	2,55,017	—56,940	2,62,000	1,47,000	1,57,000
3. Baluchistan . .	48,113	48,783	46,868	45,000	58,000	48,000
4. North-West Frontier	1,65,444	1,68,004	1,68,095	1,59,000	1,75,000	1,74,000
5. Other Provinces .	2,52,849	2,73,358	3,29,183	3,08,000	3,36,000	3,01,000
Total .	7,89,602	8,57,387	5,90,186	8,54,000	8,57,000	7,67,000
Provincial.						
1. Madras . . .	4,08,800	6,02,615	5,13,010	3,72,000	4,66,000	4,39,000
2. Bombay . .	4,15,001	4,00,240	4,97,111	3,19,000	5,07,000	3,84,000
3. Bengal . . .	7,09,243	6,18,546	8,57,456	5,89,000	6,30,000	6,24,000
4. United Provinces .	4,62,612	4,85,038	4,80,810	4,61,000	5,16,000	4,67,000
5. Punjab . . .	4,04,724	3,60,841	4,21,242	3,85,000	3,89,000	3,77,000
6. Burma . . .	3,23,611	3,52,829	3,50,497	3,41,000	3,51,000	3,60,000
7. Bihar and Orissa .	3,74,440	3,99,375	4,36,731	4,70,000	4,80,000	5,05,000
8. Central Provinces .	2,61,873	3,14,089	3,05,746	3,09,000	3,62,000	4,67,000
9. Assam . . .	1,73,375	1,69,556	1,87,798	1,78,000	2,25,000	1,84,000
Total .	35,33,679	37,03,129	40,50,401	34,24,000	39,26,000	38,07,000
TOTAL INDIA . ₹	43,23,281	45,60,516	46,40,587	42,78,000	47,83,000	45,74,000
Equivalent in Sterling £	288,219	304,035	309,373	285,200	318,900	304,900

192. The Imperial revenue and expenditure shown against "Other Provinces" represent the transactions in connection with the buildings of the various departments, *e.g.*, Salt, Customs, etc., the receipts and charges of which are wholly Imperial.

EXPENDITURE.

(*a*) *Imperial—India and England.*

Revised, 1917-18.

193. The total expenditure in 1917-18 is expected to fall short of the Budget by R26·12 lakhs. Of this decrease, R20 lakhs are nominal, being due to the transfer to the Army head of the expenditure on the Acetone factory for which provision was included in the Budget under Civil Works. The further saving of R6·12 lakhs under this head is due to a credit for sale-proceeds of sites acquired in past years for a new Currency office in Madras and to the partial lapse of the reserve provision of R8·30 lakhs included in the Budget. The balance of this allotment has been utilised for the provision of further temporary accommodation in Delhi; for a grant to the Delhi Municipality for the extension and improvement of the western part of the city; and for the acquisition and development of certain estates in Simla.

Budget, 1918-19.

194. In 1918-19 the total Imperial grant has been fixed at R90 lakhs, exclusive of R7·09 lakhs allotted for expenditure in the Civil Department, mostly in the several minor administrations, and of sums aggregating R33·15 lakhs to be spent by the administrations of the North-West Frontier Province (R25 lakhs) and Baluchistan (R8·15 lakhs). The total Budget for 1918-19 is more than the Revised estimate for 1917-18 by R16·26 lakhs and less than the Budget grant for the latter year by R9·86 lakhs. The grants for ordinary expenditure have been kept as low as possible in view of the present financial situation.

195. The purposes to which the grant of R90 lakhs mentioned in the preceding paragraph will be applied are shown below :—

	In lakhs of rupees.	
(*a*) Ordinary grants—		
(1) Establishment and Miscellaneous charges	12·60	
(2) Repairs	22·10	
(3) Works in progress	16·13	
(4) New works :—		
(*a*) costing up to R5,000	7·49	
(*b*) costing more than R5,000	8·17	
(5) Payments in England for stores, furlough allowances, etc.	5·88	
(6) Reserve for Archæological expenditure	1·00	
(7) Reserve for other unforeseen expenditure	4·89	
		78·26
(*b*) Delhi Province—		
(1) Civil Buildings—Works in progress	0·29	
(2) „ New Works :—		
(*a*) costing up to R5,000	0·31	
(*b*) costing more than R5,000	0·49	
(3) Communications	0·62	
(4) Miscellaneous public improvements	0·13	
(5) Repairs	6·81	
(6) Establishment and Tools and Plant	1·94	
(7) Archæological expenditure	0·33	
(8) Reserve for unforeseen expenditure	0·82	
		11·74
		90·00

196. The Budget grant for 1918-19 proposed for Baluchistan does not differ materially from the Revised estimate for 1917-18. The grant for the North-West Frontier Province is taken at R·91 lakh more than the Revised.

(*b*) *India—Provincial.*

Revised, 1917-18.

197. The total Revised estimate for 1917-18 is less than the Budget by R37·10 lakhs. The Budget provided for an outlay of R12 lakhs on Civil Works from the special Imperial assignments made in recent years for Education, Sanitation and other beneficent services, but the total expenditure of this class in the current year to be recorded under Civil Works is now estimated at about R23 lakhs. Eliminating this special expenditure as well as the Budget provision made for it, the Revised estimate under Civil Works falls short of the corresponding Budget grant by about R48 lakhs. Of this a decrease of R7·03 lakhs in the Punjab is nominal, being due to a change in the method of adjustment of grants to District Boards for special purposes, these being now classified under Miscellaneous instead of Civil Works. There is also a reduction of about R4 lakhs in Madras owing to a credit from the supply of stores to the Military Department. The balance of the saving is due to ordinary lapses in grants distributed over all provinces except Bombay, Bengal and the United Provinces. The saving is largest in Burma and Assam, the main item in the former province being a lapse of R2·50 lakhs in the provision for the acquisition of a site for the Rangoon University. The aggregate saving would have been larger but for increased grants made to local bodies in Madras, Bombay and Bengal.

Budget, 1918-19.

198. The table below compares the details of the grants for 1918-19 in the various provinces so far as settled at present with the probable expenditure in the current year.

REVISED 1917-18.

[Lakhs of Rupees.]

Provinces.	Grants to		Outlay in the Public Works Department on			Other items.	Total.
	Local Boards and Municipalities.	Other local bodies.	Original works.	Repairs.	Establishment charges.		
1. Madras	26·85	·01	31·74	11·45	12·85	...	82·90
2. Bombay	20·18	...	38·14	23·66	14·70	2·55	99·23
3. Bengal	9·72	1·50	32·25	26·55	12·00	1·00	83·02
4. United Provinces	4·15	...	18·34	26·91	11·80	1·83	63·03
5. Punjab	3·80	...	20 38	20·40	8·20	1·94	54·72
6. Burma	10·32	...	28·50	36·58	16·72	1·39	93·71
7. Bihar and Orissa	13·51	...	41·30	11·10	9·75	1·75	77·41
8. Central Provinces	4·93	...	31·30	21·63	10·39	1·14	69·39
9. Assam	1·80	...	5·79	14·69	7·03	1·58	30·89
Total	95·46	1·51	247·74	192·97	103·44	13·18	654·30

BUDGET, 1918-19.

[Lakhs of Rupees.]

Provinces.	Grants to		Outlay in the Public Works Department on			Other items.	Total.
	Local Boards and Municipalities.	Other local bodies.	Original Works.	Repairs.	Establishment charges.		
1. Madras	25·70	·01	30·94	10·46	13·24	6·05	86·40
2. Bombay	18·45	...	71·65	25·25	16·10	2·20	133·65
3. Bengal	10·67	1·50	44·18	28·00	12·00	1·02	97·37
4. United Provinces	3·85	...	21·25	27·00	11·21	2·13	65·44
5. Punjab	5·58	...	36·83	21·00	8·36	4·62	76·39
6. Burma	12·23	...	33·25	40·50	16·32	7·69	109·99
7. Bihar and Orissa	13·70	...	55·11	11·50	9·23	2·66	92·20
8. Central Provinces	5·55	...	42·13	20·52	12·00	1·63	81·83
9. Assam	1·63	...	9·54	16·41	6·51	·95	35·04
Total	97·36	1·51	344·88	200·64	104·97	28·95	778·31

199. The Budget estimate for 1918-19 exceeds the Revised for the current year by R124·01 lakhs. The increase is distributed over all the provinces, but is largest in Bombay (R34·42 lakhs). Allotments aggregating R7 lakhs have been made for outlay on civil works from the special Imperial assignments made in recent years.

200. The total provision for original works in 1918-19 has been taken at R97·14 lakhs more than the probable expenditure in the current year. Provision has been made for a considerable expansion of outlay on buildings and communications in Bombay and the Punjab; for progress of work in connection with the Bankipore buildings and the Indian Lunatic Asylum and for the acquisition of a site for the Patna University in Bihar and Orissa; for expenditure connected with the partition of the districts of Midnapore and Mymensingh in Bengal; for regrant of lapses in the current year in Burma and the Central Provinces; and in the last-mentioned province for the acquisition of a site for the Nagpur University and a building for the Arts College at Amraoti.

201. The total provision for grants to local boards and municipalities in 1918-19 is about R2 lakhs more than the similar expenditure in 1917-18, as the result of minor variations in all provinces. The Budget estimate in Bombay includes an allotment of R10 lakhs for grants to local bodies from the extra revenue which will be obtained from a change in the system of sales of country spirit—*vide* paragraph 32. Of the provision under grants to local bodies R1·50 lakhs represent the grant from Imperial revenues to the Calcutta Improvement Trust.

202. The Budget grants for repairs and establishment charges are generally based on normal requirements and sanctioned scales. Provision has been made in Burma for a grant to District Cess Funds in the wolfram area for the upkeep of roads, and in the Central Provinces for a third circle of superintendence and the re-opening of a division. The Budget under the head "Other items" includes a reserve provision of R5 lakhs in Burma; the increase in Madras as compared with the Revised estimate for 1917-18 is due to the latter including credits from the supply of stores to the Military Department.

REVENUE.

(*a*) *Imperial.*

203. The Revised estimate for 1917-18 does not differ materially from the Budget, a decrease of R1·15 lakhs in Delhi owing to the receipts of the Imperial Delhi Committee being adjusted in reduction of capital outlay being set off by receipts from the sale of buildings in other minor administrations. The Budget estimate for 1918-19 provides for normal receipts.

Revised, 1917-18.

Budget, 1918-19.

(*b*) *Provincial.*

204. The Revised estimate for 1917-18 shows a rise of R5·02 lakhs over the Budget estimate, due to larger receipts on account of the Government share of the surplus profits of the Shahadara-Saharanpur Light Railway in the United Provinces and to increase in the sale-proceeds of old materials and tools and plant and miscellaneous items of revenue in Bombay and Madras. The Budget estimate for 1918-19 provides generally for normal receipts; provision has been made in the Central Provinces for a contribution of R1·50 lakhs expected from the public for the King Edward's College, Amraoti.

Revised, 1917-18.

Budget, 1918-19.

XXXII and 46.—ARMY.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		1918-1919, Budget.
				Budget.	Revised.	
EXPENDITURE.						
INDIA—	R	R	R	R	R	R
Effective Services—						
Administration	64,64,083	50,70,067	57,48,817	60,70,810	63,33,000	66,28,800
Military Accounts	28,28,910	25,20,017	26,20,842	26,03,440	27,35,000	27,38,050
Regimental Pay, etc.	10,88,36,245	7,99,57,421	7,72,27,057	7,70,22,420	8,02,64,000	8,29,91,860
Supply and Transport	3,12,17,805	2,47,25,419	2,91,17,776	3,20,03,000	3,39,94,000	3,48,04,080
Veterinary	3,75,784	1,74,025	1,72,784	1,73,610	1,80,000	1,70,240
Clothing	20,59,547	24,53,604	42,37,239	26,14,360	26,65,000	20,42,000
Remounts	52,12,080	45,99,756	44,62,466	45,77,480	57,68,000	43,85,680
Medical Services	53,53,407	28,06,736	30,12,527	32,64,970	32,26,000	31,66,310
Medical Stores	3,34,215	4,92,279	6,19,833	6,82,990	13,57,000	13,40,630
Ordnance	1,01,46,288	89,30,346	1,18,71,030	1,87,86,510	1,51,26,000	1,79,92,030
Ecclesiastical	4,08,819	3,75,208	3,96,759	3,78,190	3,99,000	4,03,700
Education	10,04,196	5,66,320	5,65,931	6,01,990	6,61,000	7,03,280
Compensation for Food, etc.	52,56,955	35,84,000	34,00,920	12,37,000	7,99,000	7,47,000
Miscellaneous Services	3,48,63,084	10,11,32,874	11,31,78,446	12,66,40,000	13,50,40,000	15,96,43,000
Indian Munitions Board	...	...	55,019	...	21,15,000	21,86,280
Hutting	1,86,651	2,61,600	2,56,912	2,00,000	3,03,000	2,00,000
Conveyance by Road, River, and Sea	7,98,532	5,91,653	9,65,231	7,05,040	8,45,000	8,33,970
Conveyance by Rail	48,67,594	58,83,294	1,09,80,704	1,04,99,570	1,26,88,000	1,20,00,000
Cantonments	14,47,274	14,06,228	17,37,917	19,35,620	20,67,000	12,08,090
Unadjusted Expenditure	39,308	—12,49,349	—1,75,481	...	...	...
TOTAL R	22,17,00,777	24,42,81,498	27,04,52,729	28,49,97,000	30,65,65,000	33,41,83,000
Non-effective Services— R	1,10,06,881	1,17,29,048	1,28,45,207	1,64,80,000	1,45,48,000	1,60,71,000
TOTAL INDIA R	23,27,07,658	25,60,10,546	28,32,97,936	30,14,77,000	32,11,13,000	35,02,54,000
Equivalent in sterling £	15,513,844	17,067,369	18,886,529	20,098,500	21,407,600	23,350,300
ENGLAND—	£	£	£	£	£	£
Effective Services—						
Payments to War Office for British Forces	930,620	929,251	930,700	930,700	930,700	930,700
Furlough Allowances, etc., of British Forces	78,603	15,182	14,941	23,000	30,000	30,000
Consolidated Clothing Allowances of British Soldiers	24,700	6,848	1	...	...	...
Furlough Allowances, Indian Service	265,259	143,393	190,062	187,000	187,000	187,000
Indian Troop Service	85,206	556,904	277,010	282,300	299,000	272,300
Other Heads	142,741	51,074	31,677	54,500	36,500	40,500
Clothing Stores	90,438	111,797	108,039	105,900	110,000	110,000
Ordnance and Miscellaneous Stores	479,481	319,175	1,152,872	835,000	2,020 200	166,700
Medical Stores	94,501	104,511	182,705	141,800	120,000	161,700
Remount Stores	...	...	...	...	3,200	3,200
Supply and Transport Stores	61,901	88,414	83,000	96,000	83,000	83,000
Mechanical Transport Stores	...	...	165,439	158,800	158,800	160,000
Military Farms Stores	11,470	12,943	25,428	16,400	24,000	31,100
Operations in Persian Gulf (Stores)	18,572	...	...	...	...	...
Aviation Stores	...	60,000	...	169,000	100,000	203,300
North-West Frontier, 1914	...	...	29,638	...	...	...
Stores taken to India with Troops	17,254	8,315	...	...	...	...
TOTAL £	2,300,746	2,407,537	3,191,512	3,000,400	4,102,400	2,379,500
Non-effective Services—						
Payments to War Office for British Forces	946,073	864,473	676,073	600,000	680,400	576,100
Pensions, Indian Service	1,374,339	1,301,993	1,236,154	1,230,000	1,190,000	1,170,000
Other Heads	201,557	251,528	269,785	287,000	285,000	315,000
TOTAL £	2,521,969	2,417,994	2,181,962	2,117,000	2,155,400	2,061,100
TOTAL ENGLAND £	4,822,715	4,825,831	5,373,474	5,117,400	6,257,800	4,440,600
TOTAL EXPENDITURE £	20,336,559	21,893,200	24,260,003	25,215,900	27,665,400	27,790,900
RECEIPTS.						
India	R 1,12,24,641	R 90,00,890	R 1,17,70,562	R 1,02,35,000	R 1,24,33,000	R 1,29,01,000
Equivalent in sterling £	£ 748,309	£ 600,059	£ 784,704	£ 682 300	£ 823.900	£ 860,100
England £	347,882	339,884	330,814	304,000	282.300	284,000
TOTAL RECEIPTS £	1,096,191	939,943	1,115,518	986 300	1,111.200	1,144,100
TOTAL NET EXPENDITURE £	19,240,368	20,953,257	23,144,485	24,229,600	26 554,200	26,646,800

205. The preceding statement indicates that the net expenditure under the Army head during the current year is likely to exceed the Budget estimate of R36,34·43 lakhs (£24,229,600) by R3,48·70 lakhs (£2,324,600), made up of R1,74·38 lakhs (£1,162,500) in India and R1,74·32 lakhs (£1,162,100) in England. *Revised, 1917-18, compared with Budget, 1917-18.*

206. The following are the principal causes involving additional expenditure in India, which could not be foreseen when the Budget was framed in March last:—

	Lakhs of rupees.	£ Sterling.
(1) Additional expenditure on account of "War—India," chiefly in connection with port defences, mine-sweeping operations, and the North-West Frontier and Aden operations .	1,26·22	841,500
(2) Grant of increased pay to British soldiers .	55·50	370,000
(3) Increased Ordnance expenditure in connection with various measures, *e.g.*, increased scale of practice ammunition for Mobile Artillery and extension of the steel furnaces at the Ishapore Factory, etc.	15·03	100,200
(4) Increased railway charges	21·88	145,900
(5) Expenditure on account of the Indian Munitions Board	21·15	141,000
(6) Extended dairy farm operations	14·14	94,200
(7) Larger travelling allowances and contingencies	15·50	103,300
(8) Larger purchase of horses and mules in connection with Machine Gun Squadrons, etc. .	11·50	76,700
(9) Increased expenditure in connection with the re-organisation of Mechanical Transport Companies, Motor Ambulance Convoys, etc.	8·68	57,900
(10) Acquisition of land for the Ishapore Ordnance Factory	6·12	40,800
(11) Larger regimental pay and allowances on account of 5 additional Cavalry Brigade Signal Troops, reorganisation of Signal Companies, formation of Machine Gun Companies and Squadrons, additional Aeroplane flights, etc. .	16·35	109,000
	3,12·07	2,080,500

Other items account for an increase of about R36 lakhs (£240,000), making a total increase of about R3,48 lakhs (£2,320,000).

On the other hand, there have been considerable decreases amounting to about R47 lakhs (£313,000), of which the most important are smaller Army non-effective charges in India, lower food charges, smaller exchange compensation allowance payments, and smaller expenditure on the European section of the Indian Defence Force. The amount (£703,000) provided in the Budget as a reserve must also be set off against the increased expenditure, which has been partly met from this source: and finally there has been an improvement in receipts of R22 lakhs (£146,600), of which the chief items are R10$\frac{1}{3}$ lakhs for departmental charges on supplies furnished by the Indian Munitions Board and R12$\frac{1}{2}$ lakhs on account of larger sales of dairy produce, partly counterbalanced by smaller receipts under other heads.

With regard to (2) above, the concession follows the increase of pay sanctioned at Home and has effect from the 29th September 1917.

In respect of (4), railway charges, which prior to the war averaged less than £300,000 a year, have been steadily rising. The actual expenditure in 1916-17 exceeded £700,000, and in the current year it is expected that the Budget provision of R105 lakhs (£700,000) will be exceeded by nearly R22 lakhs (£145,900). As explained in paragraph 218 of the memorandum explaining the details of the estimates for 1917-18, Indian revenues bear the cost of all movements of troops, animals, stores, etc., within Indian limits, other than movements to seaports for despatch overseas, which are debitable to the Imperial Government.

In connection with (5), it may be observed that while the outlay on the Indian Munitions Board is £141,000, about half of this sum is recouped in the way of departmental charges on supplies issued by the Board.

207. The increase of £1,162,100 at Home includes £900,000 on completing the supply of rifles and ammunition. The balance is chiefly made up of larger purchases of stores and increased payments to the War Office on account of retired pay of British forces for service in India, due to an overestimate of the recoveries to be made from the War Office on account of war pensions, which are taken in reduction of the former charges.

Budget, 1918-19, compared with Revised, 1917-18.

208. The net Budget estimate for 1918-19 under the Army head amounts to R39,97·02 lakhs (£26,646,800), or R13·89 lakhs (£92,600) more than the estimated net expenditure in the current year. This increase is represented by a larger provision of R2,86·73 lakhs (£1,911,500) in India and smaller provision of R2,72·84 lakhs (£1,818,900) at Home.

Budget, 1918-19, compared with Revised, 1917-18.

209. The Indian increase is chiefly due to :—

	Lakhs of rupees.	£ Sterling.
(1) Reserve for unforeseen charges	2,96·53	1,976,900
(2) Larger provision for increased pay to British soldiers	59·25	395,000
(3) Provision in connection with the scheme for expansion of ordnance factories	37·50	250,000
(4) Larger provision for "war" non-effective charges (there is a corresponding decrease in the Home payments)	15·00	100,000
	4,08·28	2,721,900

These increases are partly counterbalanced by the following decreases :—

	Lakhs of rupees.	£ Sterling.
(5) Smaller provision under "War-India," chiefly owing to heavy expenditure in 1917-18 on active operations on the North-West Frontier.	74·34	495,600
(6) Smaller provision for purchase of horses and mules	14·70	98,000
(7) Smaller provision for exchange compensation allowance	10·41	69,400
(8) Exclusion of provision in 1918-19 for Ordnance expenditure incurred in 1917-18 on account of practice ammunition for mobile artillery units, extension of the steel furnaces of the Ishapore Branch of the Gun and Shell Factory, etc.	13·98	93,200
(9) Smaller provision for railway charges	6·88	45,900
	120·31	802,100

210. The saving at Home is mainly made up of a decrease of £104,300 in non-effective payments to the War Office, chiefly owing to larger recoveries for "war" pensions and gratuities payable in India and by the India Office on behalf of the War Office; of £26,700 in Indian Troop Service payments—the payments in 1917-18 included certain arrear charges; and of £1,700,200 on stores. In 1917-18, heavy payments amounting to £1,450,000 are being made for rifles and ammunition, which mainly account for the lower figure for stores in 1918-19.

Budget, 1918-19, compared with Budget, 1917-18.

211. Compared with the current year's Budget of £24,229,600, the net Army expenditure in the coming year's Budget, which is placed at £26,646,800, shows an increase of £2,417,200. This is represented by an increase of £3,074,000 in the Indian provision and a decrease of £656,800 in the Home provision. These variations have been already explained in the preceding paragraphs, which compare the Revised for 1917-18 with the Budget for that year, and the Budget for 1918-19 with the Revised for 1917-18.

XXXIII AND 46-A.—MARINE.

		Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18. Budget.	1917-18. Revised.	1918-19, Budget.
EXPENDITURE.							
India	₹	36,89,687	72,07,696	40,85,438	46,95,000	49,29,000	52,53,000
Equivalent in sterling .	£	245,979	480,513	272,362	313,000	328,600	350,200
England	£	217,391	265,000	421,318	525,500	408,000	610,100
Total	£	463,370	745,513	693,680	838,500	736,600	960,300
RECEIPTS.							
India . .	₹	29,71,715	33,48,942	54,75,072	39,12,000	45,15,000	46,29,000
Equivalent in sterling .	£	198,115	223,263	365,005	260,800	301,000	308,600
England . . .	£	...	...	22	...	...	...
Total	£	198,115	223,263	365,027	260,800	301,000	308,600
NET EXPENDITURE	£	265,255	522,250	328,653	577,700	435,600	651,700

212. The expenditure in India during 1917-18 is expected to be ₹2·34 lakhs more than the Budget, owing mainly to larger expenditure on stores and machinery. But for a reduction of ₹8·74 lakhs owing to readjustment of war charges provisionally compiled as Marine expenditure in 1916-17, the increase would have been about ₹11 lakhs over the Budget. Taking the improvement of ₹6·03 lakhs in receipts into account, the net expenditure in India becomes ₹4 lakhs, or ₹3¾ lakhs less than the ₹7¾ lakhs included in the Budget. *Revised, 1917-18, compared with Budget, 1917-18.*

The decrease of £117,500 at Home is due chiefly to the lapse of the provision (£143,500) made for the construction of vessels; this, however, is merely a postponement, not a reduction, of expenditure. A credit of £13,600 afforded by the War Office for a dredger taken over by them further reduces the expenditure in 1917-18. The decrease is partly counterbalanced by increased expenditure on miscellaneous stores demanded by India.

213. The provision for next year, India and Home combined, is ₹32·42 lakhs (£216,100) in excess of the estimated net expenditure of £435,600 in 1917-18. Provision is again being made for the construction of the Marine vessels which could not be proceeded with in 1917-18. This accounts for £132,800 of the increase, while an additional sum of £54,700 has been allowed for imported stores from Home. *Budget, 1918-19, compared with Revised, 1917-18.*

XXXIV and 47—MILITARY WORKS.

		Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18. Budget.	1917-18. Revised.	1918-19, Budget.
ORDINARY.							
EXPENDITURE.							
India . .	₹	97,77,511	89,40,517	1,77,00,844	1,07,40,000	1,84,45,000	1,35,25,000
Equivalent in sterling .	£	651,834	596,035	1,180,056	716,000	1,229,600	901,700
England .	£	27,059	27,745	48,847	14,000	37,000	5,000
TOTAL	£	678,893	623,780	1,228,903	730,000	1,266,600	906,700
RECEIPTS.							
India . .	₹	12,05,734	11,78,015	14,31,014	12,00,000	13,50,000	12,00,000
Equivalent in sterling .	£	80,382	78,534	95,401	80,000	90,000	80,000
England .	£	...	...	...	...	...	...
TOTAL	£	80,382	78,534	95,401	80,000	90,000	80,000
Net expenditure, Ordinary .	£	598,511	545,246	1,133,502	650,000	1,176,600	826,700
SPECIAL DEMANDS.							
EXPENDITURE.							
India . .	₹	46,27,989	33,01,067	51,31,599	63,41,000	86,50,000	1,29,87,000
Equivalent in sterling .	£	308,533	220,071	342,107	422,700	576,700	865,800
England .	£	8,645	7,015	23,528	6,000	29,000	9,000
TOTAL	£	317,178	227,086	365,635	428,700	605,700	874,800
TOTAL NET EXPENDITURE	£	915,689	772,332	1,499,137	1,078,700	1,782,300	1,701,500

Revised, 1917-18, compared with Budget, 1917-18.

214. *Expenditure, Ordinary Demands.*—Many urgent measures necessitated by the war have been undertaken and in the aggregate account for an increase of ₹80½ lakhs (£536,600). Among the more important items may be instanced the provision of accommodation for No. 44 British General Hospital at Deolali, costing about ₹18½ lakhs; the provision of a new water supply at the same station, costing about ₹6½ lakhs; and the Acetone Factory at Nasik, involving an expenditure of about ₹12¼ lakhs.

Special Demands.—Here, too, a considerable increase is anticipated, *i. e.*, of about ₹26½ lakhs (£177,000) over the budget allotment of about ₹64½ lakhs. An extra allotment of ₹10 lakhs (over the budget provision of ₹15 lakhs) has been made for improvements to frontier roads; the installation of electric lights in No. 44 British General Hospital, Deolali, will cost ₹2 lakhs; the

construction of additional buildings at Simla to provide accommodation for the Army Headquarters offices and the Indian Munitions Board accounts for about ₹2½ lakhs; accommodation for a Gurkha Battalion at Almora will cost ₹1½ lakhs; the construction of certain works required at the Army Clothing Factory, Shahjahanpur, involves ₹1¼ lakhs; additional funds to the extent of ₹1 lakh have also been allotted for the supply of poles and frames for mosquito curtains to all regimental ranks of regular British and Anglo-Indian units; and ₹1½ lakhs more have been granted for the reconstruction of Indian troops' lines.

215. *Expenditure—Ordinary Demands.*—For 1918-19, ₹136 lakhs (£906,700) have been allotted against ₹109½ lakhs in the current year. The principal cause of the increase is due to provision for accommodation for mechanical transport companies and armoured cars, for installation of electric lights and fans in barracks and hospitals, and for heavier repairs. *Budget, 1918-19, compared with Budget, 1917-18.*

Special Demands.—The allotment for 1918-19 amounts to about ₹131¼ lakhs (£874,800); the most important measures provided for are—

₹15 lakhs for Indian troops' lines, against ₹13 lakhs in the current year's Budget.

₹40 lakhs for frontier roads, against ₹25 lakhs likely to be spent in the current year.

₹8 lakhs for electric installations in barracks and hospitals for British troops; ₹2 lakhs have also been provided for this purpose under the ordinary head for works costing half a lakh and under.

₹10 lakhs for improvements to British troops' hospitals in various stations in India.

₹20 lakhs for improvements to Indian troops' hospitals.

About ₹33¾ lakhs have been provided for new works, and the balance for works in progress.

47A.—SPECIAL DEFENCES.

Expenditure.		Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	1918-1919, Budget.
India . . .	₹	65,149	83,941	2,10,806	1,55,000	1,55,000	...
Equivalent in Sterling .	£	4,343	5,596	14,054	10,300	10,300	...
England . . .	£	9,260	7,918	4,482	3,700	100	...
Total .	£	13,603	13,514	18,536	14,000	10,400	...

216. The variation in 1917-18 is unimportant.

This head has, with the approval of the Secretary of State, been abolished with effect from 1st April 1918, and any future expenditure and past readjustments will be included under the head "Military Works."

SCHEDULE.

217. In the Budget of 1917-18, a sum of ₹285·20 lakhs (£1,901,300) was included for "Schedule" measures. The probable expenditure is now estimated at ₹4,95·37 lakhs (£3,302,500), or an increase of ₹2,10·17 lakhs (£1,401,200)—about £763,000 in England and £638,000 in India. The increase in England

includes £900,000 over and above the budget provision of £550,000 on account of new rifles and ammunition, and a lapse of £157,100 owing to postponement of the construction of the Marine vessels already mentioned, including a credit for a dredger taken over by the War Office. The increase in India includes £370,000 on account of increased pay to British troops, and ₹23 lakhs (£154,000) on Military Works, *e.g.*, frontier roads.

The Schedule system is still largely in abeyance under the special circumstances of the war.

218. The Schedule for 1918-19 has been fixed at £2,171,800. The grant of increased pay to British troops in India alone accounts for £765,000. India's liability in connection with the expansion of Ordnance factories accounts for £250,000. For grant of pay of temporary rank to British officers of the Indian Army, £60,000 have been provided. For completion of the two Marine vessels about £133,000 have been allotted. Increased provision has been made for military works in progress, including £267,000 for frontier roads and £200,000 for improvements to British and Indian troops' hospitals at various stations in India.

MILITARY SERVICES: SUMMARY.

		Accounts, 1914-1915.	Accounts, 1915-16.	Accounts, 1916-1917.	1917-1918.		1918-1919, Budget.
					Budget.	Revised.	
EXPENDITURE—							
India . .	₹	25,08,67,994	27,55,43,767	31,04,26,623	32,34,08,000	35,32,92,000	38,20,19,000
Equivalent in Sterling .	£	16,724,533	18,369,584	20,695,108	21,560,500	23,552,800	25,468,000
England .	£	5,085,070	5,133,509	5,871,649	5,666,600	6,731,900	5,064,700
Total Expenditure	£	21,809,603	23,503,093	26,566,757	27,227,100	30,284,700	30,532,700
RECEIPTS—							
India . .	₹	1,54,02,090	1,35,27,847	1,86,76,648	1,53,47,000	1,82,98,000	1,87,30,000
Equivalent in Sterling .	£	1,026,806	901,856	1,245,110	1,023,100	1,219,900	1,248,700
England .	£	347,882	339,884	330,836	304,000	282,300	284,000
Total Receipts .	£	1,374,688	1,241,740	1,575,946	1,327,100	1,502,200	1,532,700
NET EXPENDITURE	£	20,434,915	22,261,353	24,990,811	25,900,000	28,782,500	29,000,000

Revised, 1917-18.

219. The Budget for 1917-18 included a net provision of £25·9 million. The present estimate raises this figure nearly by £2·9 million. This increase may be briefly ascribed to the continuance of war conditions necessitating the purchase of rifles and ammunition, the grant of increased pay to British troops, the adoption of measures for the protection of our frontier and sea coasts, the improvement of frontier roads, and the construction of hospitals.

Budget, 1918-19.

220. For the ensuing year, £29 million has been fixed as the net Military Budget grant, which is only £217,500 more than the anticipated expenditure in 1917-18. It is assumed that war conditions will continue; and the Budget includes a "reserve" for unforeseen demands of £1,977,000, as against £703,000 in the current year's Budget. This latter amount was completely utilised within a few months of the opening of the financial year.

TRANSFERS BETWEEN IMPERIAL AND PROVINCIAL.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18.		Budget, 1918-19.
				Budget.	Revised.	
Transfers from Imperial to Provincial—						
1. (*a*) Recurring assignments under the terms of the Provincial Settlements, including permanent additions subsequently made to them, with the exception of special recurring grants for Education and Sanitation	1,16,20,000	1,40,83,000	1,42,62,000	1,40,42,000	1,40,78,000	1,42,50,000
(*b*) Recurring assignments from Provincial to Imperial in connection with the 1916-17 scheme of taxation .	...	...	—91,90,000	—91,97,000	—1,45,62,000	—1,47,97,000
2. Special recurring grants for—						
(*i*) Education . . .	1,14,29,000	1,14,50,000	1,14,80,000	1,43,10,000	1,43,40,000	1,71,90,000
(*ii*) Sanitation . . .	36,.0,000	36,70,000	36,73,000	36,73,000	36,73,000	36,73,000
3. Assignments in connection with the scheme for the incidence of famine relief expenditure (*vide* paragraph 54 of Financial Statement for 1907-1908)	29,24,000	24,70,000	14,78,000	...	...	..
4. Non-recurring grants—						
(*i*) Under the terms of the Provincial settlements .	4,36,000	11,27,000	...	...	...	...
(*ii*) For Education .	11,87,000	2,37,000	2,66,000	1,44,000	3,10,000	2,13,000
(*iii*) For Sanitation .	5,50,000	2,20,000	2,67,000	...	4,55,000	...
(*iv*) For medical relief, agriculture and allied objects	...	...	...	22,20,000	23,20,000	...
(*v*) For public works expenditure and discretionary outlay . . .	15,00,000	...	...	...	...	...
(*vi*) Other items . .	39,09,000	32,07,000	22,05,000	26,59,000	19,63,000	23,15,000
Total Transfers .	3,72,25,000	3,64,64,000	2,44,41,000	2,73,51,000	2,25,77,000	2,28,44,000

(*a*) *Recurring assignments excluding special grants for Education and Sanitation.*

221. The increase of ₹·36 lakh in the Revised estimate of the current year as compared with the Budget is made up as follows :— *Revised, 1917-18.*

(Lakhs of rupees.)

(1) Increase in assignment to the United Provinces for loss of excise revenue on account of reduction of duty on rum issued to troops from distilleries in the province . .	+1·39
(2) Increase in the Punjab Government's share of sale-proceeds of sites for shops and residences in certain towns in that province (these receipts are credited in the Imperial section of the accounts, but the Local Government is entitled to a moiety)	+0·52
(3) Reduction in assignment to Madras in connection with the remission of the village service cess in proprietary estates due to slower progress in the resumption of *inam* lands of village servants.	—1·57
(4) Minor adjustments of a recurring nature	+·02
Total .	+·36

Budget, 1918-19.

222. The Budget estimate for 1918-19 exceeds the Revised for the current year by R1·72 lakhs. The increase is due to the following causes:—

	Lakhs of rupees.
(1) Increase in assignment to Madras in connection with the remission of the village service cess in proprietary estates, due to progress in the resumption of *inam* lands of village servants	+1·26
(2) Petty adjustments of a recurring nature	+·46
Total .	+1·72

(b) Recurring assignments from Provincial to Imperial in connection with the 1916-17 scheme of taxation.

Revised, 1917-18.

Budget, 1918-19.

223. The increases of (*a*) R53·65 lakhs in the Revised estimate over the Budget for the current year and (*b*) R2·35 lakhs in the Budget for 1918-19 over the Revised for 1917-18 relate to the revision of income-tax rates introduced in 1916. The head Income-tax is divided equally between Imperial and Provincial revenues, but as the taxation referred to was imposed for Imperial purposes, an assignment is taken from the provinces equivalent to the yield of the new taxation which is credited to the Provincial revenues under the ordinary division. The amounts of the assignments vary therefore with reference to the latest estimates of the proceeds of the taxation which are credited in the first instance as Provincial revenue. The increase in the assignments is distributed among the provinces as follows;—

	Lakhs of rupees.	
	1917-18.	1918-19.
Madras	+6·00	—2·00
Bombay	+25·70	+2·80
Bengal	+14·00	+2·00
United Provinces	+2·00	...
Punjab	+1·68	—·18
Burma	+1·50	...
Bihar and Orissa	+1·27	—·27
Central Provinces	+1·00	...
Assam	+·50	...
Total .	+53·65	+2·35

(c) Special recurring grants for Education.

Revised, 1917-18.

224. The small increase of R·30 lakh in the Revised estimate for the current year as compared with the Budget is due to a recurring assignment to the Punjab for the maintenance and equipment of science laboratories in the Islamia College, Lahore, sanctioned from the undistributed balance of the recurring appropriation of R154 lakhs made from Imperial revenues in recent years for the improvement of education (see paragraph 101).

Budget, 1918-19.

225. The increase of R28·50 lakhs in the Budget estimate for 1918-19 over the Revised for 1917-18 relates to the recurring appropriation of R30 lakhs which it has been decided to make from Imperial revenues from the year 1918-19 for the development of primary education (*vide* paragraph 103). The grant of R28·50 lakhs will be distributed among the

provinces as follows, the balance of R1·50 lakhs being reserved for direct Imperial expenditure or for future distribution :—

	Lakhs of rupees.
Madras	5·50
Bombay	4·00
Bengal	5·50
United Provinces	4·50
Punjab	2·00
Burma	1·50
Bihar and Orissa	3·00
Central Provinces	1·50
Assam	1·00
Total	28·50

(*d*) *Non-recurring assignments for Education.*

226. The following contributions will be paid for Provincial expenditure from the undistributed balance of the recurring appropriation of R154 lakhs made from Imperial revenues in recent years for educational expenditure :— *Revised, 1917-18.* *Budget, 1918-19.*

	Lakhs of rupees. 1917-18.	1918-19.
(1) Additional grant to the Dacca University	1·00	1·00
(2) Contribution in aid of research work by Dr. Sir J. C. Bose	·34	·38
(3) Grant to the Hindu University, Benares	1·00	...
(4) Contribution for the Government training class at Sanawar (in the Punjab)	·50	·50
(5) Contribution for a training college for male teachers of the domiciled community in Madras	·25	·25
(6) Contribution to an institution for married Hindu ladies in Bombay	·01	...
Total	3·10	2·13

(*e*) *Non-recurring grants for Sanitation.*

227. The following allotments have been sanctioned during the current year from the undistributed balance of the special recurring appropriation of R51 lakhs made from Imperial revenues in recent years for the improvement of sanitation :— *Revised, 1917-18.*

	Lakhs of rupees.
(1) To the United Provinces, for sanitary improvement of the pilgrim route to Badrinath and Kedarnath	1·00
(2) To the Punjab, in connection with certain sanitary measures	1·20
(3) To Bengal for water-supply in Midnapore	1·00
(4) To Bombay (·75) and the Central Provinces (·60) for the relief of congestion in certain areas	1·35
Total	4·55

(*f*) *Non-recurring grants for Agriculture and allied objects.*

228. The increase of R1 lakh in the Revised estimate for the current year as compared with the Budget represents an assignment to the Punjab from the profits of the wheat scheme of 1916 by transfer from an allotment made in the Budget for expenditure by the Agricultural Adviser to the Government of India—*vide* paragraph 128. *Revised, 1917-18.*

(g) *Miscellaneous non-recurring grants.*

Revised, 1917-18. *Budget, 1918-19.*

229. The following are the details of the miscellaneous non-recurring grants which will be given in the two years :—

	Lakhs of rupees. 1917-18.	1918-19.
(1) Contribution to meet provincial expenditure in Burma and Assam in connection with the North-East Frontier	17·72	21·91
(2) Further assignment to Bihar and Orissa in respect of cost of High Court buildings at Bankipur .	1·08	1·25
(3) Assignment to Bihar and Orissa for the European Lunatic Asylum at Ranchi (in addition to ₹10 lakhs given in 1913-14)	1·43	·70
(4) Grant to the United Provinces for tank restoration works, out of the special provision made in the Imperial Budget under Minor Irrigation Works for the improvement of irrigation . . .	·50	...
(5) Yearly instalments of the contribution to the Calcutta Improvement Trust for a period of 60 years from 1911-12	1·50	1·50
(6) Grant to the Chittagong Port in aid of dredging and revetment operations for the period of the war	·75	·75
(7) Assignment to Madras for a period of five years on account of a sugarcane station . . .	·19	·44
(8) Miscellaneous adjustments, representing mainly refund of expenditure undertaken on behalf of the Imperial Government or of Provincial revenue erroneously credited as Imperial . .	—3·54	—3·40
Total .	19·63	23·15

CAPITAL EXPENDITURE ON RAILWAYS AND IRRIGATION AND OTHER WORKS NOT CHARGED TO REVENUE.

RAILWAY CONSTRUCTION.

Revised, 1917-18.

230. In the Budget for 1917-18, a sum of R540 lakhs was allotted for expenditure on railway construction for which the Government of India undertake financial responsibility. During the course of the year an addition of R150 lakhs to meet the cost of the Dalbandin Mirjawa Extension was sanctioned, thus raising the total grant to R690 lakhs. The expenditure of the year is now estimated at R472·45 lakhs or R217 55 lakhs less than the grant. The lapse is due to the expenditure on the Dalbandin Mirjawa Extension not having progressed as rapidly as was expected, to the difficulties attendant on the supply of material from England, and to special credits anticipated from the supply of railway stores, etc., to the Military Department. For 1918-19 a grant of R630·35 lakhs has been provided, of which R198·62 lakhs is for rolling stock; allowing for a credit of R27 lakhs anticipated in the next year from the supply of stores for war purposes, the effective grant for capital outlay during the next year amounts to R657·35 lakhs.

Budget, 1918-19.

231. The distribution of the total expenditure on Railway construction between State and Companies' agency in each of the three years from 1916-17 to 1918-19 is as follows:—

		1916-1917. Accounts.	1917-1918. Budget.	1917-1918. Revised.	1918-1919. Budget.
1. 48.—State Railways—Construction.					
(*a*) India	R	2,33,05,410	3,44,56,000	3,62,45,000	4,41,22,000
	£	1,553,694	2,297,100	2,416,300	2,941,400
(*b*) England	£	318,654	927,100	607,100	763,000
Total	£	1,872,348	3,224,200	3,023,400	3,704,400
2. Capital Account of Indian Railway Companies.					
(*a*) India	R	—32,13,090	—42,11,000	—48,01,000	—45,52,000
	£	—214,206	—280,700	—320,000	—303,400
(*b*) England	£	320,557	656,500	446,300	801,300
Total	£	106,351	375,800	126,300	497,900
Total of Programme	£	1,978,699	3,600,000	3,149,700	4,202,300

The following outlay in England on account of purchased lines worked by Companies is included in the Indian figures under outlay on State lines:—

654,950	1,336,400	429,200	929,300

232. The details of the Budget grant for 1918-19 are shown below ;—

[Lakhs of rupees.]

	Open Lines.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
I. 48.—State Railways—Construction—					
State Railways -					
1. North-Western :—					
(i) Main line	72·93	27·23	100·16	...	...
(ii) Laki-Pezu Tank	...	·43	·43	...	...
(iii) Nushki-Dalbandin	...	·50	·50	...	...
(iv) Dalbandin-Mirjawa	...	...	...	70.00	...
(v) Tank Murtaza Extension	...	...	...	5 01	...
2. Eastern Bengal System :—					
Open line	25·02	36·25	61·27	...	...
3. Oudh and Rohilkhand :—					
Main line	·73	7·52	8·25	...	...
4. Aden Railway	·14	1·98	2·12	...	...
5. Jodhpur-Hyderabad (British Section)	...	·32	·32	...	...
Remittance lines.					
6. Assam-Bengal :—					
(i) Open line	25·08	14·19	39·27	...	...
(ii) Bhairab Bazar-Tangi (Open Section)	...	1·08	1·08	...	...
(iii) " " " (Re-alignment at Bhairab-Bazar).	...	·76	·76	...	...
7. Bengal-Nagpur :—					
(i) Main line	20·62	39·98	60·60	...	...
(ii) Parvatipur-Singapur Road	...	...	...	·15	...
8. Bezwada Extension	...	·43	·43	...	...
9. Bombay, Baroda and Central India :—					
Main line	21·78	21·92	43·70	...	...
10. Burma Extensions :—					
(i) Open line	·50	·50	1·00	...	...
(ii) Southern Shan States	...	1·00	1·00	...	...
11. Dhone-Kurnool	...	·05	·05	...	...
12. East Indian :—					
Open line	1·31	66·16	67·47	...	...
13. Great Indian Peninsula System :—					
(i) Main line	1·00	63·22	64·22	...	...
(ii) Itarsi-Nagpur, etc.	...	...	...	3·00	...
(iii) Agra-Delhi Chord	...	1·64	1·64	...	...
(iv) Bhopal	...	·64	·64	...	...
(v) Harbour Branch Extension	...	...	...	2·00	...
(vi) Cawnpur-Banda	...	2·75	2·75	...	...
(vii) Baran-Kotah	...	1·00	1·00	...	...
14. South Indian System—					
(i) Main line	5·53	16·03	21·56	...	...
(ii) Coonoor-Ootacamund	·09	·30	·39	...	...
(iii) Tinnevelly-Quilon—British Section	·03	·01	·04	...	...
(iv) Do. Native State Section	·03	·02	·05	...	...
15. Tirhoot and extensions :—					
Open line	...	89	·89	...	...
16. Anticipated credits for stores issued in 1917-18 to Expeditionary forces	...	—27·00	—27·00	...	...
17. Reserve	...	20·92	20·92	...	...
	174·79	300·72	475·51	80·16	...
II.—Capital Account Outlay of Indian Railway Companies :—					
1. Burma	6·39	12·18	18·57	...	...
2. Lucknow-Bareilly	...	1·56	1·56	...	...
3. Madras and Southern Mahratta :—					
Open line	17·44	37·11	54·55	...	...
	23·83	50·85	74·68	...	...
Total	198·62	351·57	550·19	80·16	...

The bulk of the restricted programme grant for 1918-19 will be devoted to the improvement of open lines of railway.

283. The figures in the table in paragraph 231 do not include the expenditure on Protective Railways met from the Famine Insurance grant, nor that on Branch Line Companies. Including this outlay, and also some small expenditure from Provincial revenues, the total expected outlay on railway construction in the three years ending 1918-19 is as follows :—

	Accounts, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	₹	₹	₹
Total as in table in paragraph 231 . .	3,96,80,485	4,72,45,000	6,30,35,000
Famine Protective lines . . .	—7,146	1,000	—3,000
Branch lines	99,63,631	59,32,000	20,07,000
Provincial State line	33,060	10,000	10,000
Grand total in rupees .	3,96,70,030	5,31,88,000	6,50,44,000
Grand total in sterling at ₹15 to the £ .	2,644,669	3,545,900	4,336,300

CONSTRUCTION OF PRODUCTIVE IRRIGATION WORKS.

234. The figures are—

	Accounts, 1916-17.	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
Total in Rupees	76,81,248	90,00,000	55,86,000	70,00,000
Equivalent in Sterling . .	512,083	600,000	3,72,400	466,700

Revised, 1917-18.

235. The expenditure in 1917-18 is expected to fall short of the Budget by R34·14 lakhs. There will be a lapse of about R16 lakhs in the allotments for works in operation, owing to the credit to the Twante Canal project in Burma of the cost of certain dredgers taken over by His Majesty's Government for war requirements and to smaller outlay on the permanent head works of the Ganges Canal in the United Provinces and the Upper Bari Doab Canal in the Punjab; partly set off by increased expenditure on the Upper Swat River Canal in the North-West Frontier Province. There will also be a saving of about R14½ lakhs in the grant for works under construction, due to slower progress of work on the Toludur project in Madras owing to scarcity of labour, difficulty in obtaining steel materials and untimely rains and on the Mahanadi and the Wain Ganga Canals in the Central Provinces. The whole of the reserve provision of R3½ lakhs included in the Budget will lapse.

Budget, 1918-19.

236 The Budget grant for 1918-19 has been fixed at Rs. 70 lakhs or about R14 lakhs more than the probable expenditure in 1917-18, with reference to the financial situation and after due consideration of the requirements of the various canals under construction most of which are nearing completion. The following table shows the distribution of expenditure in 1917-18 and the grant for 1918-19 :—

Name of Project.	Expenditure in 1917-18.	Expenditure in 1918-19.
	R	R
Works in operation—		
Upper Swat River Canal	6,49,000	3,33,000
Kabul River Canal	1,04,000	96,000
Godavari Delta System	1,78,000	2,21,000
Kistna Delta System	1,41,000	83,000
Cauvery Delta System	72,000	25,000
Eastern Nara Works	31,000	1,78,000
Eastern Jumna Canal	39,000	52,000
Ganges Canal, including Mat and Hathras branches and permanent headworks . .	4,86,000	—1,26,000
Upper Bari Doab Canal	45,000	1,24,000
Sirhind Canal	35,000	1,00,000
Lower Chenab Canal	3,50,000	4,48,000
Lower Jhelum Canal	2,00,000	7,64,000
Upper Jhelum Canal	10,42,000	2,10,000
Upper Chenab Canal	5,90,000	3,20,000
Lower Bari Doab Canal	6,90,000	4,80,000
Twante Canal	—15,17,000	39,000
Works under construction—		
Toludur Project	1,44,000	2,34,000
Ye-u Canal	4,11,000	6,25,000
Mahanadi Canal	11,65,000	19,12,000
Wain Ganga Canal	4,41,000	4,10,000
Other Projects	2,90,000	3,84,000
Reserve Provision	...	88,000
TOTAL R .	55,86,000	70,00,000
Equivalent in Sterling £ .	372,400	466,700

Of the total grant of ₹70 lakhs, about ₹32 lakhs will be allotted to canals under construction; about ₹37 lakhs will be devoted to the completion and development of canals in operation, and a small sum of ₹1 lakh will be held in reserve to meet unforeseen requirements.

237. The figures mentioned above do not include expenditure on Protective Irrigation Works, whether financed from the Famine Insurance grant or from ordinary revenues outside that grant. Including this outlay, and also some small expenditure on works which were originally classed as productive but have since ceased to belong to that class, the total expected outlay on the construction of irrigation works in the three years ending 1918-19 is as follows :—

	Accounts, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	₹	₹	₹
Outlay on Productive Irrigation Works . .	76,81,248	55,86,000	70,00,000
Outlay on Protective Irrigation Works met from Famine Insurance grant.	46,91,536	50,51,000	57,97,000
Outlay on Protective Irrigation Works outside the Famine Insurance grant.	...	...	...
Other outlay from ordinary revenues . .	66,348	18,000	1,06,000
Total ₹ .	1,24,39,132	1,06,55,000	1,29,03,000
Equivalent in Sterling £	829,275	710,300	860,200

INITIAL OUTLAY ON THE NEW CAPITAL AT DELHI.

238. The figures are :—

	Accounts, 1916-17.	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
Total in Rupees . . .	36,64,453	40,00,000	37,60,000	40,00,000
Equivalent in Sterling . . £	244,297	266,700	250,700	266,700

Revised, 1917-18.

239. The expenditure in the current year will amount to R37·60 lakhs or R2·40 lakhs less than the Budget. The distribution of the expenditure now anticipated is as follows :—

	(In lakhs of R.)
(1) Works Expenditure	32·92
(2) Establishment and miscellaneous charges	4·68
Total .	37·60

Of the works expenditure about R3 lakhs are being spent on preliminary work; R5½ lakhs on the purchase of tools and plant and other stores; about R5 lakhs on sanitation; and about R17½ lakhs on work on the Government House and the Secretariat and the construction of certain residential buildings.

Budget, 1918-19.

The provisional distribution of the Budget estimate of R40 lakhs in 1918-19 is given below—

	(In lakhs of R)
(1) Works expenditure	35·67
(2) Establishment and miscellaneous charges	4·33
TOTAL .	40·00

Of the grant of R35·67 lakhs for works outlay, R4 lakhs will be devoted to preliminary work and the further purchase of tools and plant and other stores. A sum of R6 lakhs will be spent on sanitation and R21 lakhs will be applied mainly to the construction of buildings on which work has already been commenced.

INDIA'S FINANCIAL CONTRIBUTION TO THE WAR.

240. The entry of £100 million in the Revised estimate for 1917-18 relates to the contribution made by India to His Majesty's Government towards the cost of the European war. It is made up of (*a*) £35,139,000 being the proceeds of the Indian war loan of 1917 (inclusive of cash certificates) paid to His Majesty's Government in cash and (*b*) £64,861,000 representing the amount of the British war debt which India has taken over in respect of the balance of the contribution—*vide* paragraph 253 and note (*c*) to the table in paragraph 243.

WAYS AND MEANS.

HOME TREASURY.

241. The bulk of the payments made in England on account of the Government of India consist normally of expenditure chargeable to the Indian revenues; and if such payments represented the only transactions, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways and irrigation works, however, necessitates heavy borrowing, and when practicable, a large portion of the money required is raised in England, either direct or through the agency of Companies. A further complication is introduced by the practice under which all payments made in England to Railway Companies working purchased lines, for purchase of stores and other capital purposes, as well as all moneys raised by them, and paid into the Home treasury, are brought to account under the appropriate heads in this country and are treated in the Home accounts and estimates as remittances to or from India, respectively. Operations connected with the Gold Standard and Paper Currency Reserves, and with the replacement of one particular form or item of direct or indirect debt by another, also largely swell the receipts and charges of the Home treasury without affecting ordinarily the general Ways and Means programme.

242. The items mentioned in the preceding paragraph constitute the bulk of the transactions of the Home treasury in normal years. The conditions created by the war have led to certain abnormal transactions which have affected the Ways and Means position to a continually increasing extent from 1915-16 onwards and will continue to affect it next year. Large sums are being received in England from the Imperial Government and the East African Protectorate in repayment of expenditure incurred on their behalf in India. These indirect remittances from India have very largely increased the resources of the Home treasury and removed the need for direct remittances by Councils to finance its requirements.

243. The following are the details of the transactions appearing in the Budget and Revised estimates of the Home treasury for 1917-18 and in the Budget estimate of 1918-19.

	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
RECEIPTS.	£	£	£
British Government 5 per cent. War Loan taken over by India	...	64,861,000	...
Capital raised and deposited by Railway Companies—			
For Capital outlay	2,000	7,400	2,000
*For discharge of debentures	3,531,400	...	...
Deposits and Advances—			
Gold Standard Reserve	29,069,600	33,584,300	28,008,300
*Paper Currency Reserve	46,000 000	79,267,000	91,479,300
*Paper Currency Reserve Depreciation Fund	618,000	1,224,300	1,481,000
*War transactions: Recoveries from War Office	1,226,000	2,458,000	1,774,400
Special Reserve	...	...	13,998,100
Other items	813,900	696,000	751,400
Remittance Account between England and India—			
Railway transactions (capital)	1,260.000	...	...
Ditto (capital advance)	6.500	40,000	6,500
War transactions: Recoveries from War Office	42,385.000	68,667,000	73,834,000
" recoveries from other authorities	2,786,000	4,830,700	6,020.000
Other transactions	2.090,000	15,064,000	5,347,500
Total Receipts, excluding Council Bills and Loans	129,788,400	270,699,700	222,702,500
DISBURSEMENTS.			
Excess of Expenditure over Revenue	24,343,400	24,375,500	20,482,300
Capital Expenditure not charged to Revenue—			
Outlay on State Railways, Irrigation Works and Delhi	953.100	615,200	791,700
Outlay of Railway Companies	658,500	453,700	803,300
*Payments to Railway Companies for discharge of debentures	3,531,400	1,082,500	2,374,900
Permanent Debt discharged	500,000	500,200	(c) 20,500,000
India's Financial Contribution to the War—			
Payments to His Majesty's Exchequer in respect of monies raised by Debt created in India	...	(c) 35,139,000	...
British Government 5 per cent. War Loan taken over by India	...	64,861,000	...
Deposits and Advances—			
Gold Standard Reserve	29,069.600	33,585,700	28,008,300
*Paper Currency Reserve	46,000,000	79,267,000	91,479,300
*Paper Currency Reserve Depreciation Fund	618.000	1,224,300	1,481,000
Special Reserve	...	20,000,000	13,998,100
*War transactions—outlay recoverable from War Office	1,226,000	2,465.000	1,767,400
Other transactions	472,500	590,500	828,200
Remittance Account between England and India—			
Payment of Indian War loan to the Lords Commissioners of His Majesty's Treasury	10,000,000	...	...
Railway transactions (capital)	1,260,000	500,000	250,000
Ditto (capital advance and revenue)	1,391,700	517,600	984,600
War transactions—outlay recoverable from War Office	4,281.500	6,767,000	5,834.000
Purchase of silver	2,758,000	13,500,000	12,000,000
Other transactions	2,789,500	6,124.300	19,871.100
Total Disbursements	129,853,200	291,568,500	221,454,200
NET DISBURSEMENTS	64,800	20,868,800	—1,248,300
Financed as follows—			
Council Bills	...	25,258,000	...
Reduction of cash balance	64,800	—4,389,200	—1,248,300
Total	64,800	20,868,800	—1,248,300
Opening Balance	(a) 11,419 600	(b) 11,391,900	(a) 15,781,100
Closing Balance	(b) 11,354,800	(a) 15,781,100	(a) 17,029,400

*The heads marked with an asterisk appear on both the receipt and payment sides. As the receipt and corresponding disbursement in each case are generally equal, they do not affect the Ways and Means of the year to any material extent.

(a) Of these amounts £6,000,000 represents funds of the Gold Standard Reserve.

(b) Of this amount £6,001,400 represents funds of the Gold Standard Reserve.

(c) The proceeds of the Indian War Loan of 1917-18 amounting to £35,139,000 have been paid to His Majesty's Government in part payment of India's contribution to the war and appear under the head "India's Financial Contribution to the War." India has assumed liability for British war debt in respect of the balance of the contribution, *viz.*, £64,861,000, and this amount is shown as debt incurred by *per contra* charge to the contribution head. The proceeds of the Indian War Loan to be floated in 1918-19 will be paid to His Majesty's Government in discharge of part of the British war debt taken over, and the estimated proceeds, *viz.*, £20 million, appear therefore under the head "Discharge of debt."

Revised, 1917-18.

244. The table in paragraph 243 shows that there will be a net disbursement of £20,868,800 from the Home Treasury in 1917-18, and that the receipts from Council Bills drawn against treasury balances in India will amount to £25,258,000. There will thus be a surplus of Council bill drawings over the net disbursements amounting to £4,389,200, and this will go to raise the cash balance of the Home treasury from £11,391,900 at the beginning of the year to £15,781,100 at its end. The transactions of the Home treasury in the current year include, however, the following special items:—

(*i*) There will be a net recovery of £63,954,000 from His Majesty's Government on account of disbursements connected with war requirements made on their behalf in India, and a sum of £2,776,700 will be recovered on the same account from the East African Protectorate and the Commonwealth of Australia.

(*ii*) A sum of £35,139,000 representing the actual receipts from the Indian war loan inclusive of post office cash certificates will be paid to His Majesty's

Government in part liquidation of India's contribution of £100 million towards the cost of the war.

(*iii*) In view of the large transfer of cash balances from India to England by outlay on behalf of His Majesty's Government and the payment of Council bills, and the large volume of temporary debt which it has been necessary to incur in India to meet these disbursements, the Secretary of State has decided to constitute a special reserve by the investment of £20 million from his cash balances in Treasury Bills or other short-term securities of the British Government.

(*iv*) There will also be a payment of £13,500,000 on account of silver purchases for the Government of India.

245. The foregoing items result in a net payment of £1,908,300, and eliminating this amount the net disbursements from the Home Treasury will stand at £18,960,500 against £28,196,300 the corresponding estimate adopted in the Budget for the current year. This improvement of £9,235,800 is the net result of the following variations from Budget anticipations:—

	£
(*i*) Increased recovery in respect of money orders issued on India by other countries. (The issues of money orders on India have been on an abnormal scale owing to the difficulties in effecting remittances through the ordinary channels in consequence of the present exchange position)	5,293,000
(*ii*) Recovery in respect of funds supplied from India to Ceylon and Jeddah consisting mainly of funds provided for the purchases of tea for the War Office in Ceylon and for the purchase of food-stuffs in India by the Ceylon Government. (These transactions were not anticipated in the Budget)	1,470,300
(*iii*) Proceeds of British Treasury Bills deposited in London on account of subscriptions to the Indian War Loan	1,004,000
(*iv*) Larger realisation of opium revenue in England (some countries which obtain opium from India having been permitted to pay for it in London)	676,400
(*v*) Increased recovery in respect of coinage executed in India for Egypt	564,400
(*vi*) Savings in total grants for capital expenditure on railways, irrigation works and Delhi (inclusive of the net outlay of the various railway companies)	1,455,300
(*vii*) Improvement under miscellaneous deposit and remittance transactions inclusive of petty variations in other items	354,900
Total increase in receipts or decrease in outgoings	10,818,300
(*viii*) Discharge of debentures of railway companies	1,582,500
Net improvement	9,235,800

246. The principal items working up to the improvement of £354,900 under miscellaneous deposit and remittance transactions are: (*a*) an increase in the recoveries for advances in India on account of Protectorates, His Majesty's ships on the East India station, etc. (£468,000); and (*b*) larger receipts from the liquidation of hostile firms (£350,000); partly set off by (*c*) a fall in the receipts from the employment of enemy ships (£276,000); and (*d*) payment to His Majesty's Government in respect of the surplus revenue of the occupied territories in Mesopotamia (£350,000).

247. The total drawings of Council bills on India in 1917-18 are expected to amount to £35,336,600. Of this sum, £25,258,000 will be utilised, as already stated, to meet the disbursements of the Home treasury; while £1,420,000 will be appropriated as a remittance on behalf of the Gold Standard Reserve of the coinage profits which have accrued to the Reserve in India, and £8,658,600 as a remittance of the Paper Currency Reserve. The total figure mentioned for Council bill drawings and the appropriation to the Paper Currency Reserve include a sum of £1,371,100 which was placed at the disposal of certain firms in the early part of the current year in connection with purchases of wheat for the Royal Commission.

The cash balance of the Home treasury at the end of 1917-18, exclusive of the sum held on account of the Gold Standard Reserve, is now estimated at about £9·8 million against a Budget forecast of £5·4 million.

1917-18 Capital raised and deposited by Railway Companies.

248. The details of the transactions in respect of capital raised and deposited by Railway Companies are as follows :—

	Budget, 1917-18.	Revised, 1917-18.
RECEIPTS.	£	£
(a) *Subscribed Capital*—		
To discharge Debentures—		
Assam-Bengal Railway	297,000	...
Bengal-Nagpur Railway	2,154,400	...
Madras and Southern Mahratta Railway	1,005,000	...
Rohilkund and Kumaon Railway	75,000	...
	3,531,400	...
(b) *Miscellaneous*—		
Transfer fees, etc.	2,000	7,400
TOTAL RECEIPTS	3,533,400	7,400
ISSUES.	£	£
For discharge of Debentures	3,531,400	1,082,500
For Capital outlay, *i.e.*, Stores, Establishment Charges, etc.	658,500	453,700
TOTAL	4,189,900	1,536,200

249. The Budget estimate provided for the renewal or replacement by fresh capital of £3,531,400 debentures of the Assam-Bengal, Bengal-Nagpur, Madras and Southern Mahratta and Rohilkund and Kumaon Railway Companies. Of these, debentures to the value of £2,448,900 have been renewed, and the remainder of the value of £1,082,500 will be discharged from funds supplied by the Secretary of State.

1917-18. Railway remittances.

250. The following are the details of the Railway remittance transactions. As already explained, they occur almost wholly in connection with the capital account of the purchased lines worked by companies :—

	Budget, 1917-18.	Revised, 1917-18.
RECEIPTS.	£	£
Debenture Capital—		
South Indian Railway	1,260,000	...
Miscellaneous—		
Transfer fees, etc.	6,500	40,000
Total	1,266,500	40,000
ISSUES.		
Advances for purchase of stores—		
East Indian Railway	376,200	146,900
South Indian Railway	154,400	68,600
Bengal and North-Western Railway	42,700	40,900
Great Indian Peninsula Railway	455,300	115,700
Bombay, Baroda and Central India Railway (including Rajputana-Malwa Railway)	314,300	97,100
TOTAL	1,342,900	469,200
Discharge of Debentures—		
South Indian Railway	1,260,000	500,000
Miscellaneous payments—		
East Indian Railway : rental paid to South Behar Railway Company	30,000	30,000
Rohilkund and Kumaon Railway : Interest on Debenture Stock allocated to State works	18,800	18,400
TOTAL ISSUES	2,651,700	1,017,600

251. The Budget estimate contemplated the replacement by fresh capital of £1,260,000 debentures of the South Indian Railway Company maturing during the year. Debentures of the value of £760,000 have been renewed and the balance of the value of £500,000 will be discharged before the close of the year.

252. In accordance with the Budget programme £500,000 India bonds have been discharged in the current year. There has also been a small discharge of India 4 per cent. stock of the value of £200.

253. The contribution of £100 million by India towards the cost of the war is recorded separately as "India's financial contribution to the war" and is made up of £35,139,000 paid in cash to His Majesty's Government in respect of actual receipts from the Indian war loan inclusive of post office cash certificates, and debt of the 5 per cent. British war loan (1929-47) to the value of £64,861,000 for which India has assumed liability. The latter amount is shown *per contra* as debt incurred during the year.

254. The Budget estimate provides for a net receipt of £1,248,300. It includes however the following special items :— *Budget, 1918-19.*

(1) Payment of £20 million to His Majesty's Government from the proceeds of the second Indian war loan to be floated in 1918-19.

(2) Payments amounting to £12 million for the purchase of silver.

(3) A payment of £16,347,000 for the purchase of British Treasury bills for the Paper Currency Reserve with a view to afford assistance to the Indian treasury balances.

(4) A recovery of £71,300,000 from His Majesty's Government on account of disbursements in India on their behalf connected with war requirements and a similar recovery of £2,720,000 from the East African Protectorate.

255. Eliminating these items, the net disbursements in the Budget estimate for 1918-19 amount to £24,424,700 against the corresponding figure of £18,960,500 in the Revised estimate for the current year. The deterioration of £5,464,200 arises from the following variations :—

	£
(*i*) Increase in grants for capital expenditure on railways, irrigation works and Delhi (inclusive of the net outlay of the various railway companies) . .	1,031,600
(*ii*) Larger discharge of debentures of railway companies	1,042,400
(*iii*) Reduction in receipts in respect of money orders issued on India by other countries (it is assumed that the issue of these money orders will be on a smaller scale during the next year) . . .	3,705,000
(*iv*) Allowance for the special receipts in the current year in connection with the deposit of British Treasury Bills for subscriptions to the Indian War loan .	920,000
(*v*) Absence in 1918-19 of the special receipts in the current year in connection with the supply of funds to Ceylon, Jeddah, etc.	1,470,300
(*vi*) Increase in special expenditure in Persia necessitated by war conditions about	1,000,000
(*vii*) Net deterioration under miscellaneous deposit and remittance transactions	188,100
Total increase in outgoings or decrease in receipts .	9,357,400
(*viii*) Decrease in net expenditure charged to revenue .	3,893,200
Net deterioration	5,464,200

256. The details working up to the increase of £1,897,900 in the net payments to Railway Companies shown in the table in paragraph 243 are given below :—

	Revised, 1917-18.	Budget, 1918-19.
	£	£
RECEIPTS—		
Capital deposits by Railway Companies—		
For capital outlay	7,400	2,000
For discharge of debentures	...	...
Remittance account between England and India—		
Railway transactions	40,000	6,500
Total receipts	47,400	8,500
DISBURSEMENTS—		
Capital expenditure not charged to Revenue—		
Outlay of Railway Companies	453,700	803,300
Payments for discharge of debentures	1,082,500	2,374,900
Remittance account between England and India—		
Railway transactions	1,017,600	1,234,600
Total disbursements	2,553,800	4,412,800
NET DISBURSEMENTS	2,506,400	4,404,300
Increase	1,897,900	

Loans, 1918-19.

257. Provision has been made in the Budget for the discharge of £500,000 India Bonds, and for a reduction of the amount of British War Loan (1929-47) taken over by India by £20 million by payment to His Majesty's Government of the proceeds of the war loan to be floated in India in 1918-19.

258. The net receipt of £1,248,300 in 1918-19, will go to raise the cash balances of the Home Treasury which are estimated to stand at the end of 1918-19 at £17,029,400 inclusive of £6,000,000 held on behalf of the Gold Standard Reserve.

1917-18 and 1918-19

Gold Standard Reserv.

259. The following are the details of the transactions of the Gold Standard Reserve in England :—

	1917-18.		1918-19.
	Budget.	Revised.	Budget.
	£	£	£
RECEIPTS.			
(*a*) Dividends on investments, discount on Treasury bills, interest on loans at short notice, etc.	1,697,500	1,702,300	1,472,400
(*b*) Remittance from India through Council Bills	...	1,420,000	...
(*c*) Exchequer Bonds, British Treasury bills and Colonial Government securities, etc., paid off	27,372,100	30,462,000	26,535,900
Total	29,069,600	33,584,300	28,008,300
CHARGES.			
Investments made	29,069,600	33,585,700	28,008,300

260. The following statement shows the transactions and balances of the fund in the two years in England and India taken together :—

	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
	£	£	£
OPENING BALANCE—			
(*a*) Invested (cost price)	25,677,100	25,652,500	28,776,200
(*b*) Uninvested—			
(1) Gold held in India	18,400	103,000	...
(2) Cash in the Home treasury placed at short notice	6,000,000	6,001,400	6,000,000
(3) Balance due from Treasury balances in India	100,000	181,400	...
	31,795,500	31,938,300	34,776,200
CLOSING BALANCE—			
(*a*) Invested (cost price)	27,374,600	28,776,200	30,248,600
(*b*) Uninvested—			
(1) Gold held in India	118,400	...	...
(2) Cash in the Home treasury placed at short notice.	6,000,000	6,000,000	6,000,000
	33,493,000	34,776,200	36,248,600
Difference between opening and closing balances representing net income in the year and made up as follows: —			
(1) Interest, etc., on investments in England (*vide* paragraph 259)	1,697,500	1,702,300	1,472,400
(2) Gain by exchange on Council Bills appropriated to the Reserve	...	43,000	...
(3) Profit on new coinage credited to the Reserve	...	1,092,600	...
TOTAL	1,697,500	2,837,900	1,472,400

261. The following is a summary of the figures relating to Council Bills and the Sterling Debt of Government and of Railway Companies (omitting transfer fees, etc.), included in the estimates for 1917-18 and 1918-19 :— *1917-18 and 1918-19. Summary of Debt transactions and Capital account of Railway Companies.*

	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
RECEIPTS.	£	£	£
Council Bills	...	25,258,000	...
British Government 5 per cent. War Loan taken over by India	...	64,861,000	...
Receipts on account of the Subscribed Capital of Railway Companies	3,531,400	...	...
Receipts on account of the Debenture Capital of Railway Companies working purchased Railways	1,260,000	...	...
OUTGOINGS.			
Permanent Debt discharged	500,000	500,200	20,500,000
India's Financial Contribution to the War	...	100,000,000	...
Discharge of Railway Companies' Debentures (inclusive of Debentures of Companies working purchased lines)	4,791,400	1,582,500	2,624,900

No provision is made for Council bill drawings in the Budget estimate for the next year ; trade demands for remittances to India will have to be financed by special measures.

INDIA.

262. The following is a summary of the Estimates of Ways and Means in India during 1917-18 and 1918-19 :—

	Budget Estimate, 1917-1918.		Revised Estimate, 1917-1918.		Budget Estimate, 1918-1919.	
	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.
Receipts.	R	£	R	£	R	£
1. Excess of Revenue over Expenditure charged to Revenue	36,71,81,000	24,478,800	45,13,06,000	30,087,100	34,59,57,000	23,063,800
2. Capital raised through Companies towards outlay on State Railways	...	...	—75,00,000	—500,000	—37,50,000	—250,000
3. Capital contributed by Native States towards outlay on State Railways	10,00,000	66,700	10,00,000	66,700	5,00,000	33,300
4. Unfunded Debt incurred—						
(a) Post Office Cash Certificates.	...	...	9,00,00,000	6,000,000	...	...
(b) Savings Bank deposits (net)	2,89,01,000	1,926,700	5,42,48,000	3,616,500	1,82,30,000	1,215,300
5. Appropriation for Reduction or Avoidance of Debt	78,64,000	524,200	95,95,000	639,700	83,02,000	553,400
6. Other Deposits and Remittances (net)—						
(a) War Stores—Suspense	11,86,000	79,100	—80,13,000	—534,200	1,48,000	9,900
(b) Other Transactions	—1,95,000	—13,000	—5,24,37,000	—3,495,800	5,26,99,000	3,513,400
7. Remittance account between England and India—						
(a) Transfers through Currency	...	...	...	...	24,52,05,000	16,347,000
(b) Purchase of Silver	6,28,60,000	4,190,700	20,00,00,000	13,333,300	19,42,36,000	12,949,100
(c) Transactions of Railway Companies (net) excluding debenture capital	2,07,78,000	1,385,200	71,64,000	477,600	1,46,72,000	978,100
Total Receipts excluding loans	48,95,75,000	32,638,400	74,53,63,000	49,690,900	87,61,99,000	58,413,300
Disbursements.						
8. Capital Expenditure not charged to Revenue—						
(a) State Railways and Irrigation Works	4,32,91,000	2,886,100	4,18,11,000	2,787,400	5,08,97,000	3,393,100
(b) Initial expenditure on new Capital at Delhi	37,75,000	251,700	36,58,000	243,900	37,95,000	253,000
(c) Outlay by Companies (net)	—42,11,000	—280,700	—48,01,000	—320,100	—45,52,000	—303,400
9. Permanent Debt discharged (net)	12,50,000	83,300	4,56,22,000	3,041,500	56,60,000	377,300
9(a). Temporary Debt discharged (net)	50,00,000	333,300	50,00,000	333,300	4,00,00,000	2,666,700
*10. Provincial surpluses (—) or deficits (+)	14,67,000	97,800	—2,75,65,000	—1,837,700	—19,70,000	—131,400
11. Imperial and Provincial Loans (net)	—22,51,000	—150,100	—89,00,000	—593,300	—10,25,000	—68,300
12. Remittance account between England and India—						
(a) Capital raised by Railway Companies (net)	...	...	—75,00,000	—500,000	—37,50,000	—250,000
(b) War Office transactions (net)	54,75,00,000	36,500,000	94,50,00,000	63,000,000	102,00,00,000	68,000,000
(c) Transactions on behalf of authorities † other than the War Office (net)	4,07,45,000	2,716,400	8,41,12,000	5,607,500	7,76,50,000	5,176,700
(d) Other transactions (net)	—47,08,000	—313,900	12,99,05,000	8,660,300	2,42,37,000	1,615,800
‡13. Council Bills	70,00,000	466,700	37,33,15,000	24,887,700	2,90,00,000	1,933,300
Total Disbursements	63,88,58,000	42,590,600	1,57,96,57,000	105,310,500	123,99,42,000	82,662,800
Net Disbursements	14,92,83,000	9,952,200	83,42,94,000	55,619,600	36,37,43,000	24,249,500
Financed as follows:						
Permanent Debt incurred	10,50,00,000	7,000,000	11,43,68,000	7,624,500	30,00,00,000	20,000,000
Temporary Debt incurred	...	...	73,83,67,000	49,224,500	...	...
Reduction of (+) or addition to (—) Treasury Balances	4,42,83,000	2,952,200	—1,84,41,000	—1,229,400	6,37,43,000	4,249,500
Total	14,92,83,000	9,952,200	83,42,94,000	55,619,600	36,37,43,000	24,249,500
Opening Balance	22,71,40,000	15,142,700	22,93,98,000	15,293,200	24,78,39,000	16,522,600
Closing Balance	18,28,57,000	12,190,500	24,78,39,000	16,522,600	18,40,96,000	12,273,100

* Head (10) represents expenditure defrayed by reduction of Provincial balances.

† These include other Departments of His Majesty's Government than the War Office, the Commonwealth of Australia and the East African Protectorate.

‡ The figures shown under head (13) differ from those given in the Home Treasury Ways and Means statement, as Bills drawn by the Secretary of State towards the end of one year are paid in India in the next. The figures of the present statement represent payments in India.

1917-18 Main features of Budget estimates

263. In the Budget estimate for 1917-18, the cash balance in the Indian treasuries on the 1st April 1917 was taken at R22,72 lakhs. It was estimated that (1) the net Imperial revenue in India would amount to R36,72 lakhs, (2) there would be a net receipt of R2,89 lakhs under Unfunded debt, (3) a sum of R79 lakhs would be available from the Famine Insurance grant for the avoidance of debt, (4) a net receipt of R22 lakhs would accrue in connection with Imperial and Provincial loans, (5) the remittance and capital transactions of

railway companies would result in a net credit of R2,08 lakhs and (6) the miscellaneous deposit and remittance transactions inclusive of capital contributed by Native States for the construction of State Railways would bring in a net receipt of R67 lakhs.

On the other hand, provision was made for: (1) a recoverable outlay of R54,75 lakhs in connection with the war on behalf of the War Office and a further outlay of R4,07 lakhs on behalf of the Ministry of Munitions, the Commonwealth of Australia and the East African Protectorate, (2) a net expenditure of R15 lakhs from Provincial balances, (3) capital expenditure in India on railways (inclusive of outlay by companies) and canals to the extent of R3,91 lakhs, (4) an outlay of R38 lakhs on the construction of the new capital at Delhi, (5) the discharge of R12 lakhs of permanent, and R50 lakhs of temporary, debt, and (6) a small payment of R70 lakhs on account of Council bills.

The total payments mentioned above aggregate R64,58 lakhs, against a total receipt of R43,37 lakhs; the net disbursement was to be met to the extent of R10,50 lakhs from the proceeds estimated to be received in the current year of the Indian war loan floated on the 15th March 1917, and to the extent of R6,28 lakhs from silver received from the Secretary of State for coinage. The balance of R4,43 lakhs was to be found by a reduction of the Indian cash balance which would stand at the end of 1917-18 at R18,29 lakhs.

1917-18. Main features of Revised Estimate.

264. The results, according to the Revised estimate, show considerable variations from this forecast. The year opened with a cash balance which was only R22 lakhs more than the Budget forecast; the receipts in the year 1916-17 from the Indian war loan were R1½ crores more than anticipated and there was an improvement of over R3 crores in the revenue account, Imperial and Provincial, as compared with the Revised estimate (see paragraph 7); but these improvements were largely set off by a deterioration in other transactions, mainly disbursements by the Military Department. The recoverable war expenditure has risen very heavily during the current year, and there has also been an acute demand for private remittances of funds to India by Council bills. The difficulties in effecting remittances to India through the ordinary channels have led to an abnormal issue of money orders on India by foreign countries and we have had to provide large sums in India to meet disbursements on behalf of other countries, mainly America and Ceylon, from circumstances arising out of the war. On the other hand, the receipts from the War Loan including cash certificates have far exceeded anticipations, and a considerable sum has been obtained from the issue of Treasury Bills. The Secretary of State has also sent a larger remittance in the form of silver than the small sum taken into account in the Budget, and there has been a very satisfactory improvement in the revenue account, Imperial as well as Provincial. With these additions to our resources, it will be possible to meet the recoverable war expenditure in full and in addition direct remittances to the Home treasury to the extent of R37,33 lakhs and to close the year with a balance of R24,78 lakhs. The receipts which we are obtaining from Treasury Bills in the closing months of the year account for this large balance, and the surplus will be fully required for the ways and means operations of the coming year.

265. The net disbursements on account of outlay recoverable from the Home Government (inclusive of sums disbursed on behalf of the East African Protectorate and the Commonwealth of Australia) are now estimated at R1,02,91 lakhs against the Budget forecast of R58,92 lakhs and Council bill payments from Treasury balances will total R37,33 lakhs against R70 lakhs only assumed in the Budget. The proceeds from the War Loan inclusive of cash certificates which were taken in the Budget at R10,50 lakhs will amount to R47,27 lakhs; and a sum of R47,00 lakhs will be received from Treasury Bills inclusive of a temporary loan of R4,00 lakhs from the Bank of Bombay. Eliminating these transactions, there will be a net receipt in India of R47,82 lakhs according to the Revised estimate against the corresponding figure of R44,60 lakhs in the Budget. The improvement of R3,22 lakhs is the net result of the following variations. For the purposes of this analysis, *pro formâ* adjustments relating to the cancellation of debt in connection with conversion operations

and purchases for the sinking fund for the Indian War Loan 1929-47 have been left out of account as they have no effect on ways and means; also a similar adjustment in connection with the transfer to Government of securities belonging to provident funds of railway companies.

[In lakhs of Rupees.]

(1) Improvement in the combined revenue account of the Imperial and Provincial Governments . . .	11,82
(2) Addition to cash balances on account of larger purchase of silver by the Secretary of State	13,71
(3) Increase in amount available from the Famine Insurance grant for the avoidance of debt	17
(4) Reduction of Irrigation capital outlay owing mainly to the credit of the cost of certain dredgers taken over by His Majesty's Government	20
(5) Increase in net recoveries of Imperial and Provincial loans	67
(6) Increase in net receipts in connection with miscellaneous deposit and remittance transactions	99
Total increase in receipts or decrease in outgoings .	27,06
(7) Credits placed at disposal of Federal Reserve Bank of New York	4,00
(8) Deterioration under Savings Banks Deposits owing mainly to withdrawals for investment in war loan . . .	1,58
(9) Increased debits to the war stores suspense head representing cost of military stores and equipment charged to suspense pending allocation to forces or to Indian requirements	3,92
(10) Reduction in net credits on account of remittance and capital transactions of railway companies, owing mainly to a decrease in the capital expenditure which is incurred in England and is passed on to India for adjustment in the Indian accounts	1,36
(11) Larger discharge of debt (representing two instalments of the Gwalior loan of 1887 payment of which was postponed since the outbreak of the war) . .	24
(12) Larger payments of money orders issued by foreign countries on India	7,43
(13) Cost of coinage executed in India for the Egyptian Government	89
(14) Supplies of funds to Ceylon and Jeddah (mainly for the purchase of tea for the War Office in Ceylon and for the purchase of foodstuffs on behalf of the latter in India) .	1,91
(15) Debits in connection with adjustment of value of Treasury bills deposited in England for subscriptions to the Indian War Loan and larger opium revenue realised in England	2,51
Total decrease in receipts or increase in outgoings .	23,84
Net improvement .	3,22

266. The increase of R99 lakhs in the net receipts in connection with the miscellaneous deposit and remittance transactions in the above analysis results from a number of variations, the more important of which are mentioned below. There will be an aggregate credit of R3,32 lakhs under the suspense head during the current year owing to the adjustment as recoverable expenditure of outlay on stores and on the South Persia Rifles which was actually incurred in 1916-17 but could not be accounted for in that year. On the other hand, there will be a large deterioration owing to increased cash balances held by Military disbursing officers in consequence of an expansion in the area of operations and by officers of the Railway and Postal Departments owing to the closing days of March being holidays. The net transactions of local and municipal

funds will also be considerably worse owing to withdrawals for investment in the war loan.

1917-18, Rupee loans.

267. The total receipts from the Indian War Loan, subscriptions for which were invited from the 15th of March 1917, amounted to R44,29 lakhs inclusive of R4,38 lakhs from the post office section of the loan and R1,66 lakhs tendered in London in the form of British Treasury bills. Of this sum, R6,02 lakhs were realised in 1916-17, the receipts in the current year thus amounting to R38,27 lakhs. The total subscriptions were distributed among the different issues of the loan as follows:—

	(In lakhs of rupees.)
5 per cent. war loan, 1929-47	12,54
5½ „ war bonds, 1920	19,80
5½ „ „ 1922	11,95
	44,29

The gross receipts from cash certificates, the issue of which was also announced in March last, amounted to R10 crores. Certificates of the value of R1 crore are expected to be encashed during the current year, the net receipts thus amounting to R9,00 lakhs.

1918-19-Main features of Budget estimates.

268. In 1918-19 the net Imperial revenue is estimated at R34,60 lakhs; a sum of R83 lakhs will be available from the famine insurance grant for the avoidance of debt; the remittance and capital transactions of Railway companies are likely to result in a net credit of R1,46 lakhs; net receipts of R1,82 lakhs and R10 lakhs are anticipated in connection with Unfunded debt and Imperial and Provincial loans; it is estimated that there will be an addition of R20 lakhs to Provincial balances; and a sum of R4,00 lakhs will be received from the Federal Reserve Bank of New York in repayment of the credits placed at its disposal in the current year. On the other hand, provision has been made (1) for a recoverable outlay of R1,02,00 lakhs to be incurred on behalf of the War Office and of R7,76 lakhs on behalf of other authorities, (2) for payment of the annual instalment of R12 lakhs in repayment of the Gwalior loan of 1887; (3) for capital expenditure of R4,64 lakhs on railways and canals and of R38 lakhs on Imperial Delhi; (4) for repayment of the temporary loan of R4,00 lakhs taken from the Bank of Bombay in the current year; (5) for the payment of Council bills which remained unpaid at the end of the current year amounting to R2,90 lakhs; and (6) for net disbursements on account of miscellaneous deposit and remittance transactions amounting to R1,53 lakhs, the chief item being payment of money orders issued by foreign countries on India. It is assumed that these will be in excess of the normal issues, though on a smaller scale than in the current year.

The total amount of funds required by the Government of India next year, on the assumption that fresh Treasury Bills will be issued in that year in place of those of the value of R43 crores which will fall due for repayment, therefore aggregates R1,23,33 lakhs, while the receipts at its disposal amount only to R43,01 lakhs.

269. The deficiency of R80,32 lakhs will be found in the following manner:—

	(In lakhs of rupees.)
(1) By credits from silver purchased by the Secretary of State .	19,42
(2) By proceeds from new Indian War Loan (inclusive of cash certificates) to be floated in 1918-19 provisionally estimated at	30,00
(3) By special remittance from the Secretary of State through the Paper Currency Reserve	24,52
(4) By reduction of cash balances	6,38
Total .	80,32

The cash balances in India at the end of 1918-19 will thus stand at R18,41 lakhs.

1917-18 and 1918-19.

270. The following table gives details of the transactions of Savings Banks and Provident Funds during a series of years, and the estimated transactions for 1917-18 and 1918-19:—

Post Office Savings Banks, etc.

Year.	Net additions to deposits, cash.	Interest.	Total addition.
1907-08	14,86,000	53,50,000	68,36,000
1908-09	—26,22,000	54,63,000	28,41,000
1909-10	51,82,000	57,20,000	1,09,02,000
1910-11	1,05,06,000	60,82,000	1,65,88,000
1911-12	1,95,69,000	67,79,000	2,63,48,000
1912-13	1,68,26,000	73,79,000	2,42,05,000
1913-14	2,37,05,000	84,07,000	3,21,12,000
1914-15	—8,35,53,000	78,82,000	—7,56,71,000
1915-16	57,38,000	70,96,000	1,28,34,000
1916-17	1,35,61,000	77,07,000	2,12,68,000
1917-18 (Revised)	4,39,98,000	95,71,000	5,35,69,000
1918-19 (Budget)	71,93,000	1,01,93,000	1,73,86,000

271. There will be a net withdrawal of R55 lakhs from Postal Savings Banks in the current year against a net deposit of R75 lakhs assumed in the Budget estimate, the deterioration being due to withdrawals for investment in the war loan. The Budget estimate for 1918-19 anticipates neither a net deposit into nor a withdrawal from these Banks, but provides for a growth of R72 lakhs in the deposits in the various Provident Funds for Government servants and in the similar funds of railway companies recently taken over by Government.

H. F. HOWARD.

The 22nd March 1918.

Appendix I.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

Prefatory Note.

I.—Scope of pro formâ account.

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Comptroller General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay.* The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure.*

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the reconstruction of the accommodation of the troops already there had long been recognised as pressing. Similarly, the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in this city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the pro formâ account and the regular accounts.

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "51—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "48—State Railways."

Item 1 of Part I of *pro formâ* account.

Item 3 (*b*), *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Comptroller General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "45—Civil Works." Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e.g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXXI—Civil Works."

Item 2, *ibid.*

Item II, *ibi*

Items 1 and I of Part II of *pro formâ* account.

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or, secondly, as departmental expenditure chargeable to the Department in which it is incurred.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations, and are eventually published separately, like the figures for Coorg and Baluchistan, in an appendix to the Civil Estimates. But as the Civil Estimates are not published till late in the year, a special arrangement has been made by which the figures for the Delhi province under each major head are separately shewn in the various sections of the Financial Secretary's memorandum. It will be noted that any grants which may be specially given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and, consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

Items 3 (*a*) and III of Part I of *pro formâ* account.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department, neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 4 to 7 and I and IV of Part I, and Items 2 and 3 and II to V of Part II of *pro formâ* account.

Item I of Part I.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure in Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads "XXV—Miscellaneous" and "XXXI—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

EXPENDITURE.	Actuals to end of 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
1. DELHI PROJECT: Capital outlay on permanent Delhi chargeable to Head "51" (for details see Statement I-A)	2,25,44	37,60	40,00
2. Temporary Delhi*	54,33	...	...
3. Initial expenditure of non-Civil Departments :—			
(*a*) Military services †	55,44	6,84	10,00
(*b*) Railways ‡	5,27	7	3
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	1,26	...	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	2,03	...	...
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi	1,68	42	44
7. Miscellaneous items §	3,20	59	53
TOTAL	3,48,65	45,52	51,00
Total Expenditure to end of 1918-19		4,45,17	
Net expenditure to end of 1918-19		4,42,67	

RECEIPTS.	Actuals to end of 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move ‖	...	...	...
II.—Non-recurring receipts on account of Temporary Works	2	...	...
III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi ‖	...	...	...
IV.—Miscellaneous items	1,00	74	74
TOTAL	1,02	74	74
Total receipts to end of 1918-19		2,50	

*NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

†NOTE 2.—The expenditure included under item 3 (*a*) is that relating to the formation of the new Cantonment. Its details are as follows :—

	To end of 1916-17.	1917-18.	1918-19.
Acquisition of land	13,10	—	—
Cost of buildings	37,92	5,81	10,00
Establishment charges	3,09	87	
Tools and Plant	1,33	16	
TOTAL	55,44	6,84	10,00

‡NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nangal Raya.

§NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Delhi Audit Office and the cost of temporary establishments employed in the Secretariats in connection with the change of Capital.

‖NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the prefatory note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus in 1913-14 to 1916-17 the Government of Bengal, by moving their offices into the vacated Imperial buildings in Calcutta, saved R2,75,000, partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.	Receipts.	Actuals, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
1. Expenditure of Delhi Province * . .	36,86	38,84	34,11	I.—Revenues of Delhi Province*	18,41	20,43	19,92
2. Compensatory assignment to Punjab Provincial revenues in respect of extra expenditure incurred in administering territories which have been transferred from the old Delhi district to the districts of Rohtak and Gurgaon . .	13	13	13	II.—Assignment from Punjab Provincial revenues to Imperial on account of the creation of the new Province of Delhi, with effect from the 1st October 1912† .	1,91	1,91	1,91
3. Miscellaneous items .	8	9	8	III.—Saving under Calcutta house allowances‡ .	39	40	41
				IV.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices § . .	2,50	2,50	2,50
Total expenditure .	37,07	39,06	34,32	V.—Miscellaneous items .	3	3	3
Net expenditure .	13,83	13,79	9,55	Total receipts .	23,24	25,27	24,77

* NOTE 1.—The details of this item are given in Statement II-A.

† NOTE 2.—This assignment represents the amount by which the Provincial outlay on the Delhi area exceeded the Provincial revenue obtained therefrom prior to the constitution of the Imperial enclave, *i.e.*, the net expenditure incurred on the area of which the Local Government has now been relieved.

‡ NOTE 3.—The figures shown against item III will be subject to increase as additional offices are successively transferred from Calcutta to Delhi.

§ NOTE 4.—The figure shown against item IV is a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been larger owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I.-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part 1 of pro formâ *account.*

[Figures in thousands of Rupees.]

Items.	Actuals up to end of 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
A.—Salaries and allowances—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers*	2,04	...	...
(ii) Non-gazetted officers	14	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers*	16,06	3,06	4,10
(ii) Non-gazetted officers	6,77	2,25	2,27
(*c*) Other officers employed on the Project—			
(i) Gazetted officers*	2,37	15	22
(ii) Non-gazetted officers	1,06	23	24
B.—Travelling allowances of Officers and Establishment—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers*	23	...	...
(ii) Non-gazetted officers	2	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers*	1,35	31	32
(ii) Non-gazetted officers	64	16	17
(*c*) Other officers employed on the Project—			
(i) Gazetted officers *	11	2	3
(ii) Non-gazetted officers	5	...	...
C.—Supplies, Services and Contingencies—			
(*a*) Preliminary Investigation	51	...	...
(*b*) Public Works and Electrical officers employed on the Project	1,13	27	27
(*c*) Other officers employed on the Project	28	5	5
Deduct—Percentages :—			
(*i*) Debit to head "45 Imperial Civil Works"	...	—51	—1,04
(*ii*) Share of cost of Land Acquisition	...	—1,34	—88
(*iii*) Establishment chargeable to other Departments	...	...	—5
D.—Works Expenditure—			
(i) Buildings—			
(1) Government House	8,19	1,99	4,50
(2) Secretariat	14,29	5,31	2,52
(3) Other buildings	28,44	10,38	14,00
(ii) Communications	4,73	1,62	2,00
(iii) Miscellaneous Public Improvements	2,14	70	1,00
(iv) Electric Light and Power	...	...	...
(v) Irrigation	...	...	...
(vi) Sanitation including water-supply, drainage and sewage	6	4,77	6,00
(vii) Purchase of tools and plant	31,63	1,70	75
(viii) Stock and Suspense	18,51	3,75	...
(ix) Miscellaneous items	46,20	2,90	3,25
(x) Maintenance during construction	6,90	2,57	2,95
Railway Diversion	...	...	3,00
Add—Minus reserve	...	—1,59	—3,20
E.—Acquisition of land	35,47	3	—1,37
F.—Other Miscellaneous expenditure	6	...	...
Deduct.—Receipts on Capital Account treated as reduction of expenditure.	—3,94	—1,18	—1,10
Total	2,25,44	37,60	40,00

* NOTE.—The town planners and other experts are included under this head.

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[Figures in thousands of Rupees.]

Receipts.				Expenditure.			
Major heads of Account.	Actuals, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.	Major heads of Account.	Actuals, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
I.—Land Revenue . .	3,48	3,43	3,73	1. Refunds and Drawbacks . .	11	16	11
II.—Opium . . .	20	1	20	2. Assignments and Compensations	5	5	5
IV.—Stamps . . .	3,54	3,80	3,79	3. Land Revenue . . .	1,04	1,12	1,05
V. Excise . . .	2,50	3,20	3,20	6. Stamps	7	6	6
				7. Excise	9	13	12
VII.—Customs . . .	1	15	15	10. Income Tax . . .	2	3	3
VIII.—Income Tax . . .	4,32	4,78	4,77	12. Registration	7	8	7
X.—Registration . .	24	27	27	18. General Administration* .	1,16	1,04	1,06
XII.—Interest . . .	33	32	31	19-A. Courts of Law . . .	1,57	1,60	1,48
XVI-A.—Courts of Law . .	26	20	20	19-B. Jails . .	78	78	80
XVI-B.—Jails . . .	29	28	28	20. Police	3,77	4,16	4,10
XVII.—Police . . .	8	7	6	22. Education	1,83	1,98	2,06
				23. Ecclesiastical . . .	14	17	20
XIX.—Education . . .	16	16	16	24-A. Medical	1,84	2,14	2,47
				24-B. Sanitation	2,72	2,17	70
XXA.—Medical . . .	1	2	1	25. Political	1	2	1
				26-A. Agriculture . . .	11	13	12
XXIB.—Scientific and Miscellaneous Departments.	2	5	5	26-B. Scientific and Miscellaneous Departments.	4	3	1
				27. Territorial and Political Pensions.	45	45	45
XXII.—Receipts in aid of Superannuation, etc.	4	4	4	29. Superannuation and Retired allowances.	2,05	1,84	2,04
XXIII.—Stationery and Printing	8	8	8	30. Stationery and Printing .	14	14	16
XXV.—Miscellaneous . .	3,45	1,88	1,04	32. Miscellaneous . . .	63	57	1,07
				43. Minor Irrigation Works and Navigation.	2	...	1
XXX.—Minor Irrigation Works and Navigation.	2	4	1	45. Civil Works . . .	16,61	18,62	14,48
XXXI.—Civil Works . .	—57	1,47	1,57	Do. Viceregal Estates in Delhi.	1,54	1,87	1,40
Total Receipts .	18,41	20,43	19,92	Total Expenditure .	36,86	38,84	34,11

* This excludes the proportionate cost of the Delhi Audit Office relating to the Delhi Project which is included in Part I of the *Pro formâ* account under '7—Miscellaneous items'.

Appendix II.

ESTIMATE OF REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA FOR THE YEAR 1918-1919.

No. 1.—ACCOUNT showing the ESTIMATED REVENUE (Imperial and Provincial) compared with the

HEADS OF REVENUE.	INDIA, GENERAL.			N.-W. FRONTIER PROVINCE.			MADRAS		
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	
Principal Heads of Revenue:	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs	Rs.	
Land Revenue	21,94,478	21,05,000	22,19,000	21,40,627	22,58,000	22,70,000	5,98 08,637	6,04,68,000	1
Opium	27,584	29,000	29,000	53,427	56,000	64,000	4,90,681	5,20,000	2
Salt	2,54,11,204	3,48,12,000	55,01,000	...	...	...	1,28,65,839	1,61,36,000	3
Stamps	8,62,757	8,83,000	8,69,000	7,05,227	7,33,000	7,47,000	1,55,89,277	1,55,00,000	4
Excise	24,95,302	31,57,000	31,62,000	3,58,716	4,23,000	4,70,000	3,72,02,608	4,04,21,000	5
Provincial Rates	456	1,000	1,000	3,048	1,000	1,000	...	...	6
Customs	27,186	35 000	35,000	...	...	...	1,07,85,575	1,18,34,000	7
Income Tax	46,48,308	54,95,000	55,86,000	2,60,447	2,95,000	3,00,000	60,10,433	85,97,000	8
Forest	12,09,319	11,83,000	11,89,000	2,40,985	3,29,000	3,75,000	45,96,126	53,45,000	9
Registration	46,519	52,000	52,000	49,307	52,000	50,000	24,70,160	24,90,000	10
Tributes from Native States	19,47,897	20,12,000	20,04,000	...	...	...	44,96,519	44,97,000	11
Total	3,88,71,010	4,97,64,000	2,06,47,000	38,11,784	41,47,000	42,77,000	15,43,15,855	16,58,08,000	12
Interest	44,56,261	56,43,000	60,00,000	36,462	35,000	47,000	11,97,657	12,00,000	13
Posts and Telegraphs	6,22,98,544	6,66,64,000	7,04,94,000	...	...	...	...	...	14
Mint	33,82,683	27,42,000	15,79,000	...	...	...	...	...	15
Receipts by Civil Depts.:									
Law and Justice:									
Courts of Law	2,39,332	1,89,000	1,06,000	2,05,258	2,28,000	2,28,000	11,38,856	11,28,000	16
Jails	6,67.715	7,89,000	7,94,000	49,203	39,000	39,000	5,69,398	7,74,000	17
Police	57,193	52,000	51,000	24,450	44,000	32,000	5,19,980	5,38,000	18
Ports and Pilotage	...	...	...	...	...	...	1,313	...	19
Education	77,840	76,000	82,000	1,51,370	25,000	25,000	3,54,148	3,64,000	20
Medical	8,205	18,000	7,000	726	1,000	1,000	1,42,059	1,63,000	21
Sanitation	1,00,087	1,80,000	1,50,000	...	...	...	17,485	14,000	22
Agriculture	1,81,288	1,81,000	3,32,000	772	10,000	11,000	1,98,249	1,79,000	23
Scientific and Miscellaneous Depts.	1,11,490	98 000	1,14,000	468	...	...	13,85,311	15,60,000	24
Total	14,43,150	15,83,000	16,36,000	4,32,247	3,47,000	3,36,000	43,26,799	47,20,000	25
Miscellaneous:									
Receipts in aid of Superannuation, etc.	3,99,881	3,64,000	3,75,000	26,956	28,000	28,000	2,55,814	2,46,000	26
Stationery and Printing	4,42,191	3,88,000	3,90,000	23,759	29,000	29,000	1,41,339	1,67.000	27
Exchange	16,70,564	1,50,00,000	...	...	...	...	...	...	28
Miscellaneous	11,35,825	1,20,45,000	1,07,02,000	1,58,418	1,57,000	1,54,000	4,12,463	3,79,000	29
Total	36,48,461	2,77,97,000	1,14,67,000	2,09,133	2,14,000	2,11,000	8,09,616	7,92,000	30
Railways:									
State Railways (Gross Receipts)	62,75,80,697	68,23,51,000	70,48,50,000	...	...	...	...	...	31
Deduct—Working Expenses	*29,95,84,804*	*30,98,79,000*	*34,55,34,000*	...	...	...	...	...	32
,, Surplus profits paid to Companies, etc.	*1,15,56,624*	*1,49,00,000*	*1,60,00,000*	...	...	...	...	...	33
Net Receipts	31,64,39,269	35,75,72,000	34,33,16,000	...	...	...	...	...	34
Subsidized Companies (Government share of surplus Profits and Repayment of Advances of Interest)	4,37,631	5,10,000	2,42,000	...	...	...	...	...	35
Total	31,68,76,900	35,80,82,000	34,35,58,000	...	...	...	...	...	36
Irrigation:									
Major Works: Direct Receipts	...	...	...	9,61,716	12,09,000	13,34,000	3,11,537	3,20,000	37
Portion of Land Revenue due to Irrigation	...	...	...	64,563	74,000	77,000	1,02,08,047	1,03,49,000	38
Minor Works and Navigation	82,308	61,000	45,000	...	...	...	2,79,490	2,97,000	39
Total	82,308	61.000	45,000	10,26,279	12,83,000	14,11,000	1,07,99,074	1,09,66,000	40
Other Public Works:									
Civil Works	19,462	2,25,000	2,22,000	1,68,995	1,75,000	1,74,000	5,26,156	4,87,000	41
Military Receipts:									
Army: Effective	1,05,14,895	1,11,87,000	1,16,52,000	...	...	...	...	...	42
Non-effective	12,55,667	12,46,000	12,49,000	...	...	...	...	...	43
Marine	54,75,072	45,15,000	46,29 000	...	...	...	...	...	44
Military Works	14,31,014	13,50,000	12,00,000	...	...	...	...	...	45
Total	1,86,76,648	1,82,98,000	1,87,30,000	...	...	...	...	...	46
TOTAL REVENUE	44,97,55,427	53,08,59,000	47,43,78,000	56,84,900	62,01,000	64,56,000	17,19,75,157	18,39,73,000	47

in each of the PROVINCES of *British India*, and in *England*, for 1918-1919
Results of 1916-1917 and 1917-1918.

		BOMBAY.			BENGAL.			CARRIED FORWARD.		
	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	6,11,38,000	5,11,98,184	5,02,73,000	5,34,79,000	3,08,84,184	2,99,05,000	2,98,64,000	14,62,26,110	14,50,09,000	14,89,70,000
2	6,15,000	9,77,090	10,54,000	12,45,000	4,21,10,915	4,06,13,000	4,16,08,000	4,36,59,697	4,22,72,000	4,35,61,000
3	1,61,80,000	1,80,09,168	1,73,00,000	1,82,00,000	1,34,04,794	1,10,00,000	95,00,000	6,96,91,005	7,91,48,000	4,93,81,000
4	1,59,50,000	97,64,993	1,01,00,000	1,04,00,000	2,41,51,970	2,31,00,000	2,41,00,000	5,10,74,224	5,03,16,000	5,20,66,000
5	4,16,28,000	2,60,50,666	3,04,00,000	3,50,00,000	1,44,44,229	1,55,00,000	1,60,00,000	8,05,51,521	8,99,01,000	9,62,60,000
6	...	...	...	...	1,34,841	1,20,000	1,17 000	1,38,345	1,22,000	1,19,000
7	1,17,75,000	5,28,40,682	6,48,14,000	6,06,98,000	5,04,18,855	7,18,03,000	6,99,11,000	11,40,72,298	14,84,86,000	14 24,19,000
8	85,01,000	1,40,84,568	2,47,16,000	3,13,77,000	1,68,55,428	3,36,00,000	3,00,00,000	4,18,59,184	7,27,03,000	7,57,64,000
9	48,45,000	55,19,177	63,37,000	65,00,000	13,38,779	15,00,000	16,00,000	1,29,04,386	1,46,94,000	1,45,09,000
10	25,50,000	8,37,457	9,10,000	9 30,000	21,48,927	19,60,000	19,60,000	55,52,370	54,64,000	55,42,000
11	44,97,000	13,94,235	13,87,000	13,58,000	67,701	68,000	68,000	79,06,352	79,64,000	79,27,000
12	16,76,79,000	18,06,76,220	20,71,91,000	21,91,87,000	19,59,60,623	22,91,69,000	22,47,28,000	57,36,35,492	65,60,79,000	63,65,18,000
13	13,18,000	24,40,271	25,01,000	23,21,000	18,01,722	17,44,000	16,80,000	99,32,373	1,11,23,000	1,13,66,000
14	...	...	...	...	...	...	...	6,22,98,544	6,66,64,000	7,04,94,000
15	...	69,65,299	52,19,000	40,61,000	...	...	...	1,03,47,982	79,61,000	56,40,000
16	10,79,000	8,26,303	9,00,000	9,35,000	9,21,386	11,07,000	12,23,000	33,31,135	35,52,000	35,71,000
17	6,10,000	3,04,611	3,10,000	3,00,000	12,13,040	14,00,000	13,52,000	28,03,967	33,12,000	30,95,000
18	5,32,000	3,67,773	1,05,000	1,01,000	1,83,633	1,87,000	1,87,000	11,53,029	9,26,000	9,03,000
19	...	1,62,185	1,85,000	2,00,000	12,60,964	10,26,000	10 30 000	14,24,412	12,11,000	12,30,000
20	4,28,000	5,73,245	9,68,000	6,26,000	9,47,392	9,40,000	9,79,000	21,03,995	23,73,000	21 40,000
21	2,35,000	4,20,308	4,70,000	4,80,000	3,73,618	3,90,000	4,05,000	9,44,916	10,42,000	11,28,000
22	14,000	20,075	13,000	16,000	83,937	23,000	18,000	2,21,584	2,30,000	1,98,000
23	1,99,000	1,78,517	2,00,000	1,90,000	1,16,197	1,35,000	1,55,000	6,75,023	7,05,000	8,87,000
24	17,21,000	38,875	1,50,000	1,28,000	12,60,469	26,10,000	19,09,000	27,96,613	44,18,000	38,72,000
25	48,18,000	28,91,842	33,01,000	29,76,000	63,60,636	78,18,000	72,58,000	1,54,54,674	1,77,69,000	1,70,24,000
26	2,48,000	5,94,917	6,10,000	6,12,000	2,52,376	2,53,000	2,56,000	15,29,944	15,01,000	15,14,000
27	1,42,000	1,51,244	1,72,000	1,72,000	1,49,799	1,31,000	1,22,000	9,08,332	8,87,000	8,55,000
28	...	...	...	...	...	...	...	16,70,564	1,50,00,000	...
29	3,77,000	9,08,738	8,30,000	3,72,000	8,32,873	7,62,000	7,09,000	34,48,317	1,41,73,000	1,23,14,000
30	7,62,000	16,54,899	16 12,000	11,56,000	12,35,048	11,46,000	10,87,000	75,57,157	3,15,61,000	1,46,83,000
31	...	...	...	...	...	...	...	62,75,80 697	68,23,51 000	70,48,50,000
32	...	...	...	...	...	...	...	*29,95,84,804*	*30,98,79 000*	*34,55,34,000*
33	...	...	...	...	...	...	...	*1,15,56,624*	*1,49,00,000*	*1,60,00,000*
34	...	...	...	...	...	...	...	31,64,39,269	35,75,72,000	34,33,16,000
35	...	...	...	...	...	...	...	4,87,631	5,10,000	2,42,000
36	...	...	...	...	...	...	...	31,68,76,900	35,80,82,000	34,35,58,000
37	3,20,000	16,81,144	14,38,000	17,87,000	2,89,732	2,96,000	2,82,000	32,14,129	32,63,000	37,23,000
38	1,03,66,000	29,08,903	30,00,000	30,00,000	...	...	...	1,31,81,513	1,34,23,000	1,34,43,000
39	2,73,000	3,46,939	3,50,000	3,75,000	8,34,377	8,37,000	8,10,000	15,43,114	15,45,000	15,03,000
40	1 09,59,000	49,36,986	47,88,000	51,62,000	11,24,109	11,33,000	10,92,000	1,79,68,756	1,82,31,000	1,86,69,000
41	4,50,000	5,24,696	5,35,000	4,12,000	9,73,890	7,35,000	7,26,000	22,13,199	21,57,000	19,84,000
42	...	...	...	...	...	...		1,05,14,895	1,11,87,000	1,16,52,000
43	...	...	...	...	...	...		12,55,667	12,46,000	12,49,000
44	...	...	...	...	...	...		54,75,072	45,15,000	46,29,000
45	...	...	...	...	...	...		14,31,014	13,50,000	12,00,000
46	...	...	...	...	...	...	...	1,86,76,648	1,82,98,000	1,87,30,000
47	18,59,86,000	20,00,90,218	22,51,47,000	23,52,75,000	20,74,56,028	24,17,45,000	23,65,71,000	1,03,49,61,725	1,18,79 25,000	1,13,96,66,000

No. 1—Account showing the Estimated Revenue (Imperial and Provincial) compared with the

HEADS OF REVENUE.	Brought forward.			United Provinces of Agra and Oudh.			Punjab.		
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue:									
Land Revenue	14,62,26,110	14,50,09,000	14,89,70,000	6,45,44,156	6,50,24,000	6,51,05,000	2,85,20,008	2,96,41,000	1
Opium	4,36,59,697	4,22,72,000	4,35,61,000	7,69,187	7,06,000	8,00,000	7,45,844	7,77,000	2
Salt	6,96,91,005	7,91,48,000	4,93,81,000	...	...	...	...	...	3
Stamps	5,10,74,224	5,03,16,000	5,20,66,000	1,29,89,366	1,32,50,000	1,37,00,000	59,82,286	60,75,000	4
Excise	8,05,51,521	8,99,01,000	9,62,60,000	1,34,11,963	1,45,10,000	1,51,00,000	75,86,836	85,26,000	5
Provincial Rates	1,38,345	1,22,000	1,19,000	1,64,613	1,72,000	1,56,000	32,314	34,000	6
Customs	11,40,72,298	14,84,86,000	14,24,19,000	2,22,093	2,70,000	2,71,000	22,895	17,000	7
Income Tax	4,18,59,184	7,27,03,000	7,57,64,000	42,47,326	51,51,000	54,47,000	24,61,856	34,44,000	8
Forest	1,29,04,386	1,46,94,000	1,45,09,000	50,40,932	57,00,000	61,00,000	16,87,800	19,74,000	9
Registration	55,52,370	54,64,000	55,42,000	7,31,341	7,50,000	7,60,000	3,71,489	3,83,000	10
Tributes from Native States	79,06,352	79,64,000	79,27,000	3,21,000	3,21,000	3,21,000	1,46,453	1,44,000	11
Total	57,36,35,492	65,60,79,000	63,65,18,000	10,24,41,977	10,58,54,000	10,77,60,000	4,75,57,781	5,10,15,000	12
Interest	99,32,373	1,11,23,000	1,13,66,000	17,78,373	15,21,000	13,24,000	5,30,248	4,95,000	13
Posts and Telegraphs	6,22,98,544	6,66,64,000	7,04,94,000	...	...	...	...	...	14
Mint	1,03,47,982	79,61,000	56,40,000	...	...	...	...	...	15
Receipts by Civil Depts:									
Law and Justice:									
Courts of Law	33,31,135	35,52,000	35,71,000	8,60,104	8,49,000	8,64,000	6,90,167	7,30,000	16
Jails	28,03,967	33,12,000	30,95,000	3,67,714	3,63,000	3,51,000	4,16,024	6,03,000	17
Police	11,53,029	9,26,000	9,03,000	98,835	1,17,000	1,13,000	2,71,038	2,28,000	18
Ports and Pilotage	14,24,412	12,11,000	12,30,000	...	...	...	...	...	19
Education	21,03,995	23,73,000	21,40,000	6,50,893	7,00,000	7,37,000	5,22,373	5,23,000	20
Medical	9,41,916	10,42,000	11,28,000	95,135	1,13,000	97,000	39,224	44,000	21
Sanitation	2,21,584	2,30,000	1,98,000	40,938	39,000	30,000	1,16,022	1,26,000	22
Agriculture	6,75,023	7,05,000	8,87,000	2,42,510	2,96,000	2,55,000	2,50,090	3,86,000	23
Scientific and Miscellaneous Depts.	27,96,613	44,18,000	38,72,000	21,645	22,000	21,000	30,676	34,000	24
Total	1,54,54,674	1,77,69,000	1,70,24,000	23,77,774	24,99,000	24,68,000	23,35,614	26,74,000	25
Miscellaneous:									
Receipts in aid of Superannuation, etc.	15,29,944	15,01,000	15,14,000	2,94,653	2,87,000	2,93,000	2,18,166	2,24,000	26
Stationery and Printing	9,08,332	8,87,000	8,55,000	2,01,020	2,06,000	2,12,000	1,95,701	1,75,000	27
Exchange	16,70,564	1,50,00,000	...	...	...	...	...	...	28
Miscellaneous	34,48,317	1,41,73,000	1,23,14,000	4,95,276	4,94,000	4,92,000	13,06,155	9,29,000	29
Total	75,57,157	3,15,61,000	1,46,83,000	9,90,949	9,87,000	9,97,000	17,20,022	13,28,000	30
Railways:									
State Railways (Gross Receipts)	62,75,80,697	68,23,51,000	70,48,50,000	...	...	...	...	...	31
Deduct: Working Expenses	*29,95,84,804*	*30,98,79,000*	*34,55,34,000*	...	...	...	...	...	32
" Surplus profits paid to Companies, etc.	*1,15,56,624*	*1,49,00,000*	*1,60,00,000*	...	...	...	...	...	33
Net Receipts	31,64,39,269	35,75,72,000	34,33,16,000	...	...	...	...	...	34
Subsidized Companies (Government share of surplus profits and Repayment of Advances of Interest)	4,37,631	5,10,000	2,42,000	...	...	...	...	...	35
Total	31,68,76,900	35,80,82,000	34,35,58,000	...	...	...	...	...	36
Irrigation:									
Major Works: Direct Receipts	32,44,129	32,63,000	37,23,000	1,01,93,999	1,02,47,000	1,00,06,000	2,77,15,784	2,72,07,000	37
Portion of Land Revenue due to Irrigation	1,31,81,513	1,34,23,000	1,34,43,000	20,64,095	20,64,000	20,64,000	1,19,21,294	1,21,55,000	38
Minor Works and Navigation	15,43,114	15,45,000	15,03,000	3,00,558	3,04,000	2,94,000	10,23,011	11,99,000	39
Total.	1,79,68,756	1,82,31,000	1,86,69,000	1,25,58,652	1,26,15,000	1,23,64,000	4,06,70,089	4,05,61,000	40
Othe Public Works.									
Civil Works	22,13,199	21,57,000	19,84,000	5,16,922	5,86,000	5,07,000	5,07,855	4,76,000	41
Military Receipts:									
Army: Effective	1,05,14,895	1,11,87,000	1,16,52,000	...	...	...	...	...	42
Non-effective	12,55,667	12,46,000	12,49,000	...	...	...	...	...	43
Marine	54,75,072	45,15,000	46,29,000	...	...	...	...	...	44
Military Works	14,31,014	13,50,000	12,00,000	...	...	...	...	...	45
Total	1,86,76,648	1,82,98,000	1,87,30,000	...	...	...	...	...	46
TOTAL REVENUE	1,03,49,61,725	1,18,79,25,000	1,18,86,66,000	12,06,64,647	12,40,62,000	12,54,20,000	9,33,21,609	9,65,49,000	47

in each of the Provinces of *British India*, and in *England*, for 1918-1919,
Results of 1916-1917 AND 1917-1918—*continued*.

		Burma.			Bihar and Orissa.			Carried forward.		
	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	2,87,65,000	4,73 71,220	4,04,60,000	5,47,42,000	1,65,29,355	1,62,58,000	1,58,95,000	30,31,90,849	29.63,92,000	31,34,77,000
2	8,90,000	5,18,502	5,18,000	5,90,000	4,49,259	4,80.000	5,54,000	4,61.42,489	4,47,53,000	4,63,95,000
3	...	27,01,850	29,42.000	30,00,000	266	1,000	1,000	7,23.93,121	8,20,91,000	8,23,82,000
4	61,50,000	36 64,993	32,50.000	35,00,000	73,22,624	76,00,000	78,50,000	8,10,33,493	8,04,91,000	8,32,66,000
5	91,47,000	88,31,324	92,09,000	94,00,000	1,12,26,696	1,20,50,000	1,21,58.000	12,16,08,340	13,41,96,000	14,20,63,000
6	31,000	...	...	...	1,25,009	88,000	1,14,000	4,60.281	4,16,000	4,20,000
7	17,000	1,52,75,528	1,87,52,000	1,89,57,000	1,448	2,000	2,000	12,95,94.262	16,75,27,000	16,16,66,000
8	36,50.000	40,05,618	49,32,000	49,25 000	20,21,417	23,52,000	25,02,000	5,45,55,401	8,85,82,000	9,22,88,000
9	22 58.000	1,23,79,531	1,20,00,000	1,19,00,000	5,29,081	6,70,000	6,50.000	3,25.41,730	3,50,38,000	3,54,17,000
10	3,84,000	2,48,754	1,90.000	2,20.000	6,80,909	6,90,000	7,00,000	75,84.863	74,77,000	76,06,000
11	1,44,000	4,48.099	4,52,000	4,52,000	85,499	86,000	86,000	89,07,403	89,67,000	89,30,000
12	5,14,36,000	9,54,45,419	9,27,05,000	10,76 86,000	3,89,71,563	4,02,77,000	4,05,12,000	85,80,52,232	94,50,30,000	94,39,12,000
13	4,76,000	1 64 513	1,96,000	2,15,000	1,77,903	1,96,000	2,10.000	1,25,83,410	1,35,31,000	1,35,91,000
14	...	...	...	...	...	...	...	6 22,98.544	6,76,64,000	7,04,94,000
15	...	...	...	...	...	...	...	1,03,47,982	79,61,000	56,40,000
16	7,60,000	6,38,635	6,19,000	6,22,000	3,01,846	3,64,000	3,69,000	58,21.887	61,14.000	61,86,000
17	5,96,000	4,08.869	3,86,000	4,37,000	7,88,794	8 57 000	8,82,000	47,85.368	55,21,000	53,61,000
18	1,76,000	5,48.016	4,67,000	4,05.000	35,733	88,000	8,75,000	21,06,651	18,26,000	24,72,000
19	...	4,26,674	3,68,000	4,03.000	...	...	...	18.51.086	15,79,000	16,33,000
20	5,40,000	3,65,741	3,69,000	3.68.000	3,55,634	3,73,000	3,80,000	39.98,636	43,38,000	41,65,000
21	42,000	1,22,585	1,26.000	1,25.000	40,268	47.000	49,000	12,42,123	13,42,000	14,41,000
22	96,000	21,474	14,000	20,000	13,527	16,000	16,000	4,13,545	4,25,000	3,60,000
23	6,74,000	24,733	18,000	19,000	31,486	35,000	70,000	12,23,842	14,40,000	19,00,000
24	34,000	29,912	6,000	6,000	1,443	2,000	2,000	28,80.289	44,82,000	39,35,000
25	29,18,000	25,86,639	23,73,000	24,05,000	15,68,731	17,82,000	26,43,000	2,43,23,432	2,70,97,000	2,74,58,000
26	2,29,000	1,12,493	1,15,000	1,14,000	1,13,466	1,26,000	1,26 000	22,68,722	22,53,000	22,76,000
27	1,93,000	47,739	56,000	51,000	26,913	26,000	27,000	13,79,705	13,50,000	13,38,000
28	...	...	...	...	...	...	...	16,70,564	1,50,00 000	...
29	9,18,000	1,60,901	1,58,000	1,51,000	3,15,036	3,27,000	2,79,000	57,25 685	1,00,81,000	1,41,54,000
30	13,40,000	3,21,133	3,29,000	3,16,000	4,55,415	4,79,000	4 32,000	1,10,44,676	3,46,84,000	1,77,68,000
31	...	...	...	...	...	...	...	62,75,80.697	68,23,51,000	70,48,50,000
32	...	...	...	...	...	...	...	*29,95,84,804*	*30,98,79,000*	*34,55,34,000*
33	...	...	...	...	...	...	...	*1,15,56,624*	*1,49,00,000*	*1,60,00,000*
34	...	...	...	...	...	...	...	31,64,39,269	35,75,72,000	34,33,16,000
35	...	...	...	...	...	...	...	4,37,631	5,10,000	2,42,000
36	...	...	...	...	...	...	..	81,68,76,900	35,80,82,000	34,35,58,000
37	2,81,56,000	13,53,255	16,10,000	16,55,000	25,29,408	25,50,000	26,00,000	4,50,36,575	4,48,77,000	4,61,40,000
38	1,30,50,000	2,23,853	2,40,000	2,58,000	...	...	...	2,74,00,755	2,78,82,000	2,88,15,000
39	10,74,000	16,90,753	15,30,000	16,00,000	70,828	72,000	72,000	46,28,264	46,50,000	45,43,000
40	4,22,80,000	32,67,861	33,80,000	35,13,000	26,00,236	26,22,000	26,72,000	7,70,65,594	7,74,99,000	7,94,98,000
41	4,67,000	3,72,019	3,69,000	3,78,000	4,84,497	5,40,000	5,35,000	40,94,492	41,28,000	38,71,000
42	...	...	...	...	...	...	...	1,05,14.895	1,11,87,000	1,16,52,000
43	...	...	...	...	...	...	...	12,55 667	12,46,000	12,49,000
44	...	...	...	...	...	...	...	54,75,072	45,15,000	46,29,000
45	...	...	...	...	...	...	...	14,31,014	13,50,000	12,00,000
46	...	...	...	...	...	...	...	1 86,76,648	1,82,98,000	1,87,30,000
47	9,89,17,000	10,21,57,584	9,93,52,000	11,45,13,000	4,42,58,345	4,58,96,000	4,70,04,000	1,39,53,63,910	1,55,37,84,000	1,52,45,20,000

No 1.—ACCOUNT showing the ESTIMATED REVENUE (Imperial and Provincial) compared with the

HEADS OF REVENUE.	BROUGHT FORWARD.			CENTRAL PROVINCES AND BERAR.			ASSAM.			
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue:										
Land Revenue	30,31,90,849	29,63,92,000	31,34,77,000	1,98,48,414	1,95,74,000	2,00,54,000	75,79,713	82,01,000	84,47,000	1
Opium	4,61,42,489	4,47,53,000	4,63,95,000	5,77,670	5,90,000	6,92,000	6,79,914	6,85,000	7,90,000	2
Salt	7,23,93,121	8,20,91,000	5,28,82,000	...	...	...	770	1,000	1,000	3
Stamps	8,10,33,493	8,04,91,000	8,32,66,000	41,82,422	42,00,000	43,00,000	14,34,522	14,84,000	15,04,000	4
Excise	12,16,08,340	13,41,96,000	14,20,86,000	1,10,89,102	1,15,50,000	1,19,00,000	55,41,053	54,06,000	57,40,000	5
Provincial Rates	4,60,281	4,16,000	4,20,000	...	...	...	10,578	15,000	18,000	6
Customs	12,95,94,262	16,75,27,000	16,16,86,000	2,93,466	3,50,000	3,50,000	...	1,86,000	2,00,000	7
Income Tax	5,45,95,401	8,85,82,000	9,22,88,000	13,20,815	16,56,000	17,89,000	6,78,282	8,99,000	9,22,000	8
Forest	3,25,41,730	3,50,58,000	3,54,17,000	33,71,578	34,35,000	36,00,000	11,42,622	12,48,000	12,47,000	9
Registration	75 81,863	74,77,000	76,06,000	4,20,903	4,20,000	4,24,000	1,02,962	1,04,000	1,09,000	10
Tributes from Native States	89,07,403	89,67,000	89,30,000	2,28,937	2,49,000	2,39,000	50,100	50,000	50,000	11
Total	85,80,52,232	94,59,30,000	94,30,12,000	4,13,83,307	4,20,24,000	4,33,48,000	1,72,26,516	1,82,79,000	1,90,28,000	12
Interest	1,25,83,410	1,35,31,000	1,35,91,000	2,76,390	2,20,000	1,92,000	58 893	93,000	2,12,000	13
Posts and Telegraphs	6,22,98,544	6,66,64,000	7,04,94,000	...	...	...	...	...	...	14
Mint	1,03,47,982	79,61,000	56,40,000	...	...	...	...	...	...	15
Receipts by Civil Departments:										
Law and Justice:										
Courts of Law	58,21,887	61,14,000	61,86,000	2,57,305	2,75,000	2,80,000	1,42,796	1,37,000	1,43,000	16
Jails	47,85,368	55,21,000	53,61,000	3,05,914	3,16,000	3,42,000	94,383	92,000	90,000	17
Police	21,06,651	18,26,000	24,72,000	43,228	43,000	26,000	1,74,880	1,27,000	97,000	18
Ports and Pilotage	18,51,086	15,79,000	16,33,000	...	...	...	199	...	...	19
Education	39,98,636	43,38,000	41,65,000	2,71,297	2,85,000	3,00,000	2,04,236	2,12,000	2,27,000	20
Medical	12,42,128	13,72,000	14,41,000	7,960	8,000	8,000	6,499	15,000	9,000	21
Sanitation	4,13,545	4,25,000	3,60,000	31,553	36,000	40,000	29,902	36,000	40,000	22
Agriculture	12,23,842	14,40,000	19,05,000	1,27,160	1,25,000	1,40,000	15,669	40,000	89,000	23
Scientific and Miscellaneous Departments	28,80,289	44,82,000	39,35,000	21,792	29,000	30,000	17,966	10,000	3,000	24
Total	2,43,23,432	2,70,97,000	2,74,58,000	10,69,209	11,17,000	11,66,000	6,86,730	6,69,000	6,98,000	25
Miscellaneous:										
Receipts in aid of Superannuation, etc.	23,68,722	22,53,000	22,76,000	2,91,091	3,25,000	3,31,000	40,865	38,000	38,000	26
Stationery and Printing	13,79,705	13,50,000	13,38,000	55,990	52,000	52,000	4,811	6,000	6,000	27
Exchange	16,70,564	1,50,00,000	...	...	...	...	...	...	...	28
Miscellaneous	57,25,685	1,60,81,000	1,41,54,000	2,51,496	2,52,000	2,16,000	56,946	42,000	48,000	29
Total	1,10,44,676	3,46,84,000	1,77,68,000	5,98,577	6,29,000	5,99,000	1,02,622	86,000	92,000	30
Railways:										
State Railways (Gross Receipts)	62,75,80,697	68,23,51,000	70,48,50,000	...	...	...	1,65,389	1,49,000	1,50,000	31
Deduct—										
Working Expenses	*29,95,84,804*	*30,98,79,000*	*34,55,34,000*	...	...	...	*1,01,641*	*1,21,000*	*1,30,000*	32
Surplus profits paid to Companies, etc.	*1,15,56,624*	*1,49,00,000*	*1,60,00,000*	...	...	...	...	...	...	33
Net Receipts	31,64,39,269	35,75,72,000	34,33,16,000	...	...	...	63,748	28,000	20,000	34
Subsidized Companies (Government share of surplus profits and Re-payment of Advances of interest)	4,37,631	5,10,000	2,42,000	...	...	...	...	...	...	35
Total	31,68,76,900	35,80,82,000	34,35,58,000	...	...	...	63,748	28,000	20,000	36
Irrigation:										
Major Works: Direct Receipts	4,50,36,575	4,48,77,000	4,61,40,000	1,31,820	1,60,000	2,48,000	...	...	...	37
Portion of Land Revenue due to Irrigation	2,74,00,755	2,78,82,000	2,88,15,000	5,878	6,000	6,000	...	...	...	38
Minor Works and Navigation	46,28,264	46,50,000	45,43,000	59,074	45,000	54,000	72,004	...	...	39
Total	7,70,65,591	7,74,09,000	7,94,98,000	1,96,767	2,11,000	3,08,000	72,004	...	...	40
Other Public Works:										
Civil Works	40,94,492	41,28,000	38,71,000	3,56,951	4,28,000	5,17,000	1,89,144	2,27,000	1,86,000	41
Military Receipts:										
Army Effective	1,05,14,895	1,11,87,000	1,16,52,000	...	...	...	...	...	...	42
Non-effective	12,55,647	12,46,000	12,49,000	...	...	...	...	...	...	43
Marine	54 75,072	45,15,000	46,29,000	...	...	...	...	...	...	44
Military Works	14,31,014	13,50,000	12,00,000	...	...	...	...	...	...	45
Total	1,86,76 648	1,82,18,000	1,87,30,000	...	...	...	...	...	...	46
TOTAL REVENUE	1,39,58,63,910	1,55,37,84,000	1,53,45,20,000	4,38,31,201	4,46,29,000	4,61,80,000	1,83,99,657	1,93,82,000	2,02,36,000	47

in each of the PROVINCES of *British India*, and in *England*, for 1918-1919,
Results of 1916-1917 and 1917-1918—*continued*.

	TOTAL INDIA.						ENGLAND.			GRAND TOTAL.		
	Rupees.			Rupees converted into £ at R15=£1.								
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	£	£	£	£	£	£	£	£	£
1	33,06,18,976	32,41,67,000	34,19,78,000	22,041,265	21,611,100	22,798,600	...	...	...	22,041,265	21,611,100	22,798,600
2	4,74,00,073	4,60,28,000	4,78,77,000	3,160,005	3,068,500	3,191,800	...	...	...	3,160,005	3,068,500	3,191,800
3	7,23,98,891	8,20,92,000	5,23,83,000	4,826,260	5,472,800	3,492,200	...	...	...	4,826,260	5,472,800	3,492,200
4	8,66,50,437	8,61,75,000	8,50,70,000	5,776,696	5,745,000	5,938,000	...	...	...	5,776,696	5,745,000	5,938,000
5	13,82,38,495	15,11,52,000	15,97,05,000	9,215,899	10,076,800	10,647,000	...	...	...	9,215,899	10,076,800	10,647,000
6	4,70,859	4,31,000	4,38,000	31,391	28,700	29,200	...	...	...	31,391	28,700	29,200
7	12,98,87,728	16,80,63,000	16,22,16,000	8,659,182	11,204,200	10,814,400	...	...	...	8,659,182	11,204,200	10,814,400
8	5,65,94,493	9,11,37,000	9,49,99,000	3,772,967	6,075,800	6,333,200	...	...	...	3,772,967	6,075,800	6,333,200
9	3,70,61,930	3,97,21,000	4,02,64,000	2,470,795	2,648,100	2,684,300	...	...	...	2,470,795	2,648,100	2,684,300
10	81,08,728	80,01,000	81,39,000	540,581	533,400	542,600	...	...	...	540,581	533,400	542,600
11	91,86,440	92,66,000	92,19,000	612,429	617,800	614,600	...	...	..	612,429	617,800	614,600
12	91,66,12,055	1,00,62,33,000	1,00,62,88,000	61,107,470	67,082,200	67,085,900	...	...	...	61,107,470	67,082,200	67,085,900
13	1,29,18,693	1,38,44,000	1,39,95,000	861,246	922,900	933,000	275,258	1,322,400	2,619,600	1,136,504	2,245,300	3,552,600
14	6,22,98,541	6,66,64,000	7,04,94,000	4,153,236	4,444,300	4,699,600	21,371	47,800	83,200	4,174,607	4,492,100	4,782,800
15	1,03,47,982	79,61,000	56,40,000	689,866	530,700	376,000	...	...	...	689,866	530,700	376,000
16	62,21,988	65,26,000	66,09,000	414,799	435,100	440,600	...	...	...	414,799	435,100	440,600
17	51,85,865	59,29,000	57,93,000	345,725	395,200	386,200	...	...	...	345,725	395,200	386,200
18	23,24,759	19,96,000	25,95,000	154,984	133,100	173,000	54	...	...	155,038	133,100	173,000
19	18,51,285	15,79,000	16,33,000	123,419	105,300	108,900	...	...	...	123,419	105,300	108,900
20	44,74,169	48,35,000	46,92,000	298,278	322,300	312,800	...	...	...	298,278	322,300	312,800
21	12,56,587	13,95,000	14,58,000	83,772	93,000	97,200	356	300	300	84,128	93,300	97,500
22	4,75,000	4,97,000	4,40,000	31,667	33,100	29,300	...	...	...	31,667	33,100	29,300
23	13,66,671	16,05,000	21,34,000	91,111	107,000	142,300	...	...	...	91,111	107,000	142,300
24	29,23,047	45,21,000	39,68,000	194,870	301,400	264,500	678	900	1,000	195,548	302,300	265,500
25	2,60,79,371	2,88,83,000	2,93,22,000	1,738,625	1,925,500	1,954,800	1,088	1,200	1,300	1,739,713	1,926,700	1,956,100
26	26,00,678	26,16,000	26,45,000	173,379	174,400	176,300	46,486	39,600	38,100	219,865	214,000	214,400
27	14,40,506	14,08,000	13,96,000	96,034	93,800	93,100	...	...	...	96,034	93,800	93,100
28	16,70,564	1,50,00,000	...	111,371	1,000,000	...	...	...	...	111,371	1,000,000	...
29	60,34,127	1,03,75,000	1,44,18,000	402,275	1,091,700	961,200	17,985	200,400	26,500	420,260	1,292,100	987,700
30	1,17,45,375	3,53,99,000	1,84,59,000	783,059	2,359,900	1,230,600	64,471	240,000	64,600	847,530	2,599,900	1,295,200
31	62,77,46,086	68,25,00,000	70,50,00,000	41,849,739	45,500,000	47,000,000	114,861	107,200	500	41,964,600	45,607,200	47,000,500
32	*29,96,86,445*	*31,00,00,000*	*34,56,64,000*	*19,979,096*	*20,666,600*	*23,044,300*	...	...	...	*19,979,096*	*20,666,600*	*23,044,300*
33	*1,15,56,624*	*1,49,00,000*	*1,60,00,000*	*770,442*	*993,400*	*1,066,600*	...	...	...	*770,442*	*993,400*	*1,066,600*
34	31,65,03,917	35,76,00,000	34,33,36,000	21,100,201	23,840,000	22,889,100	114,861	107,200	500	21,215,062	23,947,200	22,889,600
35	4,37,631	5,10,000	2,42,000	29,175	34,000	16,100	69,560	70,400	78,000	98,735	104,400	94,100
36	31,69,40,648	35,81,10,000	34,35,78,000	21,129,376	23,874,000	22,905,200	184,421	177,600	78,500	21,313,797	24,051,600	22,983,700
37	4,51,68,395	4,50,37,000	4,63,88,000	3,011,227	3,002,500	3,092,500	...	...	...	3,011,227	3,002,500	3,092,500
38	2,74,06,628	2,78,88,000	2,88,21,000	1,827,108	1,859,200	1,921,400	...	...	...	1,827,108	1,859,200	1,921,400
39	47,59,342	46,95,000	45,97,000	317,289	313,000	306,500	...	...	...	317,289	313,000	306,500
40	7,73,34,965	7,76,20,000	7,98,06,000	5,155,624	5,174,700	5,320,400	...	...	...	5,155,624	5,174,700	5,320,400
41	46,40,587	47,83,000	45,74,000	309,373	318,900	304,900	...	...	...	309,373	318,900	304,900
42	1,05,14,895	1,11,87,000	1,16,52,000	700,993	745,800	776,800	292,201	244,300	246,000	993,194	990,100	1,022,800
43	12,55,667	12,46,000	12,49,000	83,711	83,100	83,300	38,613	38,000	38,000	122,324	121,100	121,300
44	54,75,072	45,15,000	46,29,000	365,005	301,000	308,600	22	...	...	365,027	301,000	308,600
45	14,31,014	13,50,000	12,00,000	95,401	90,000	80,000	...	...	...	95,401	90,000	80,000
46	1,86,76,648	1,82,98,000	1,87,30,000	1,245,110	1,219,900	1,248,700	330,836	282,800	284,000	1,575,946	1,502,200	1,532,700
47	1,45,75,94,768	1,61,77,95,000	1,59,08,86,000	97,172,985	107,853,000	106,059,100	877,445	2,071,300	3,131,200	98,050,430	109,924,300	109,190,300

No. 2.—ACCOUNT showing the ESTIMATED EXPENDITURE (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	INDIA, GENERAL.			N.-W. FRONTIER PROVINCE.			MADRAS.		
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues:									
Refunds and Drawbacks	77,939	2,52,000	1,08,000	27,503	23,000	26,000	7,74,583	7,70,000	1
Assignments and Compensations	34,25,420	38,48,000	41,45,000	17,842	18,000	18,000	13,03,177	13,17,000	2
Charges in respect of Collection, *viz.*:									
Land Revenue	7,34,515	7,49,000	7,66,000	6,57,547	6,77,000	7,27,000	1,22,76,233	1,25,17,000	3
Opium (including cost of Production)	6,856	5,000	5,000	...	...		...	...	4
Salt (including cost of Production)	13,90,928	16,67,000	21,76,000	...	...	...	17,86,343	18,11,000	5
Stamps	−13,06,285	−14,00,000	−14,13,000	28,260	25,000	29,000	4,46,380	4,96,000	6
Excise	1,2 ,269	1,28,000	1,51,000	15,548	16,000	16,000	18,16,051	18,15,000	7
Customs	...	...	...	...	...	...	4,30,734	4,33,000	8
Income Tax	3,409	5,000	5,000	903	1,000	4 000	66,159	68 000	9
Forest	10,98,860	10,80,000	13,01,000	1,18,070	1,55,000	1,74,000	28,42,678	29,48,000	10
Registration	16,221	17,000	16,000	12,066	13,000	13,000	13,12,239	13,41,000	11
otal	55 71,162	63,51,000	72,50,000	8,77,739	9,28,000	10,07,000	2,30,54,577	2,35,16,000	12
Interest:									
Interest on Debt	5,33,25,018	9,11,07,000	10,29,77,000	...	...	...	3,28,482	3,52,000	13
Deduct—Amounts chargeable to Railways (*a*)	*6,20,88,181*	*6,34,16,000*	*6,51,65,000*	...	...	...	...	...	14
Deduct—Amounts chargeable to Irrigation	*1 93.89.288*	*1,98,08,000*	*2,02,24,000*	...	...	...	...	...	15
Remainder chargeable on Ordinary Debt	−2,81,52,451	78,83,000	1,75,88,000	...	...	...	3,28,482	3,52,000	16
Interest on other Obligations	85.02,667	1,00,91,000	1,10 22 000	206	...	...	2,22.248	2,55,000	17
Total	−1 96 49 784	1,79,74,000	2,86,10,000	206	...	...	5,50,730	6,07,000	18
Posts and Telegraphs	4 68,40 348	4,90,93,000	5,23,47,000	...	...	...	...	...	19
Mint	12 98,740	11,80,000	10,64,000	...	...	...	...	...	20
Salaries and Expenses of Civil Departments:									
General Administration	70,64,216	72,17,000	70,50,000	3,61,994	3,98,000	4,15,000	20,48,839	22,18,000	21
Law and Justice:									
Courts of Law	5,58,590	4,84,000	4,20,000	6,64,690	6,80,000	7,16,000	85,47,219	86,26,000	22
Jails	22,43,702	22,85,000	22,95,000	3,07,717	3,10,000	3,29,000	15,63,198	16,04,000	23
Police	22,30,781	24,04,000	25,07,000	22,06,427	25,94,000	28,23,000	1,14,74,811	1,17,41 000	24
Ports and Pilotage	...	...	...	...	...	...	37,017	48,000	25
Education	10,18,784	11,03.000	14,28,000	5,17,061	5,83,000	6,97,000	83,17,005	92 26 000	26
Ecclesiastical	2 1 518	2,14 000	2,18,000	53,955	64,000	65,000	3,27,254	3,50,000	27
Medical	9,96,682	10,92.000	11,50,000	1,84,796	1,60.000	1,92,000	17,99 320	22,54 000	28
Sanitation	9.24 245	7,19.000	17,66.000	2 21,002	2,09,000	1,57,000	17,04,832	16,12 000	29
Political	1,15,40 319	2,48,18.000	2,98,60.000	37,09,366	43,70,000	47,85,000	1,45,265	1,88,000	30
Agriculture	8,69,966	10,77,000	10,69,000	61,623	80,000	1,44,000	12,00,524	13,07,000	31
Scientific and Miscellaneous Departments	35,06,002	38,67,000	38,07,000	16,052	11,000	11,000	12,28,215	14,01,000	32
Total	311,24,135	4,52,80,000	5,15,70,000	83,02,683	94,68,000	1,03,34,000	3,83,93,499	4,05,75,000	33
Miscellaneous Civil Charges:									
Territorial and Political Pensions	1,90,326	1,85,000	2,03,000	59,933	61,000	61,000	3,08,126	2,91,000	34
Civil Furlough and Absentee Allowances	4,209	9,000	4,000	...	...	...	7,229	6,000	35
Superannuation Allowances and Pensions	14,89,757	15,31,000	14 95,000	1,76,962	1,85,000	1,95,000	33,48,638	34 04,000	36
Stationery and Printing	15,79,173	31,72,000	19 81 000	1,19,722	1,23,000	1,35,000	16,91,639	22,72 000	37
Miscellaneous	27,27,535	26,78,000	13.88.000	42,425	40,000	55,000	5,05,597	5,68,000	38
Total	59,91,000	75,75,000	50,71,000	3,99,042	4,09,000	4,46,000	58,61,229	65,41,000	39
Famine Relief and Insurance:									
Famine Relief	5,06,061	...	...	...	...	...	6,841	1,000	40
Construction of Protective Railways	−7,146	1,000	−8,000	...	...	...	...	...	41
Construction of Protective Irrigation Works	...	...	4,29,000	...	...	...	2,70,293	2,48,000	42
Reduction or Avoidance of Debt	57,10,293	95,95,000	83,02,000	...	...	...	2,50,000	...	43
Total	62 09 208	95,96,000	87,23,000	...	...	...	5,27,134	2,49,000	44
Carried forward	7,73,84,809	13,70,49,000	15,46,35,000	95,79,670	1 08,05,000	1,17,87,000	6,83,87,169	7,14,88,000	45

	ACCOUNTS, 1916-1917.			
	India	India converted into £ at R15=£1.	England.	TOTAL.
(*a*) Included under the following heads:—	Rs.	£	£	£
State Railways: Interest on Debt	6,18,29,856	4,121,990	3,538,860	7,660,850
Interest chargeable against Companies on Advances	2,58 325	17,222	81.250	98 472
TOTAL	6,20,88,181	4,139,212	3,620,110	7,759,322

in each of the PROVINCES of *British India*, and in *England*, for 1918-1919.
RESULTS OF 1916-1917 and 1917-1918.

		BOMBAY.			BENGAL.			CARRIED FORWARD.		
	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	7,61,000	38,00,271	39,19,000	37,37,000	13,80,133	18,20,000	14,54,000	55,60,429	67,84,000	60,86,000
2	13,38,000	1,06,98,723	1,10,05,000	1,09,75,000	1,74,139	2,16,000	2,53,000	1,56,19,301	1,64,04,000	1,67,29,000
3	1,27,63,000	82,57,931	86,30,000	89,29,000	52,36,901	53,38,000	58,28,000	2,71,63,157	2,79,11,000	2,90,03,000
4	...	...	...	...	24,251	30,000	30,000	31,107	35,000	35,000
5	22,57,000	23,77,595	25,13,000	25,81,000	2,70 347	2,66,000	2,75,000	58,25,213	62,57,000	72,89,000
6	4 52,000	2,59,181	2,88,000	2 96 000	6 26 371	6,84,000	7,37,000	53,907	93,000	1,01,000
7	18,42,000	11,23,723	11 51,000	11,61,000	9,39 493	10,21,000	10,85,000	40,18,084	41,31,000	42,55 000
8	4,49,000	15,60,573	16,95,000	17,51,000	13,35 938	13,18,000	14,07,000	33,27..45	34,46,000	36,07,000
9	68,000	1,79,298	2,09,000	2 45,000	1,62,754	1,83,000	1,88,000	4,12 523	4,66,000	5,10,000
10	30,17,000	25,64,' 82	33 95,000	36,88,0 0	6,19 649	7,30 000	7,59,000	72,43 939	83 08,000	89,30,000
11	13,53,000	3,70,704	3,88 000	3,97,000	11,34,770	11,60,000	11,57,000	28,47,000	29,19,000	29,36,000
12	2,43,00,000	3,06,93,681	3,31,93,000	3,37,60,000	1,19,04,716	1,27,66,000	1,31,64,000	7 21 91 105	7,67,54,000	7,94,81,000
13	3,86,000	6,47,744	5,56,000	4,99,000	5,01,745	4,71,000	4,53,000	5,48,02,989	9,24,86,000	10,43,15,000
14	...	...	...	...	...	...	...	*6,20,88,181*	*6,34,16,000*	*6,51,65,000*
15	..	...	...	...	...	...	...	*1,93,89,288*	*1,98,08,000*	*2,02,24,000*
16	3,86,000	6,47,744	5,56,000	4,99,000	5,01,745	4,71,000	4,53,000	-2,62,74,480	92,62,000	1,89,26,000
17	2,85,000	5,19,640	5,21,000	5,57,000	1,97,192	2,32,000	2,73,000	94,41,953	1,10,99,000	1,21,37,000
18	6 71,000	11,67, 84	10,77,000	10 56 000	6 98 937	7,03 000	7,26,000	—1,72,32,527	2,03,61,000	3,10,63,000
19	...	...	...	...	...	...	...	4,68,10,348	4,90,93,000	5,23,47,000
20	...	10,81,199	11,88,000	12 23,000	...	...	...	23 79,939	23,68,000	22,87,000
21	20,92,000	28,55,714	23,58,000	29,84,000	30,02,782	30,40,000	30,29,000	1,53,33,545	1,56,31,000	1,55,70,000
22	89,13,000	56.15 539	56,80,000	58,98,000	99.20.187	1,00,10,000	1,01,75,000	2,53,06 225	2,54,89,000	2,61,22,000
23	16,03,000	13.24 848	13,65,000	13,97,000	27.96.318	30,64,000	30,03,000	82,45,083	86,28,000	86,27,000
24	1,20,73,000	1,06.16.374	1,06,69,000	1,14,30,000	1,16,57.283	1,22 84 000	1,37,85 000	3,81,85,676	3,96,92,000	4,26,18,000
25	43,000	1.23,771	1,11,000	1,22,000	11,15,029	10,35,000	11,12,000	12,75 8,7	11,94,000	12 77,000
26	1,12 98,000	76 01,881	77,18,000	1,21,42,000	76,87,152	81,14,000	1,03,31,000	2,51,41,883	2,67,44,000	3,58,66,000
27	3,55,000	3,61,023	3,65,000	3,83,000	1,70.542	1,72,000	1,72,000	11,24,292	11,65,000	11 93,000
28	26,34,000	19,17,471	20,30,000	22,91,000	23.36 330	27,75,000	26 86 000	72,32,599	83,11,000	89 53 000
29	14,38,000	4,61,198	8,37,000	24,74,000	3 93,456	6,10,000	11,71,000	37,04,733	39,87,000	70 06 000
30	2,00,000	9,47,111	9,90,000	10,42,000	94 780	3,04,000	3,05,000	1,63 96 871	3,06,70,000	3,61 92,000
31	15,68,000	12,60,166	14,31,000	16,89,000	10,86,600	11,55,000	14,20,000	44,78,879	50,50,000	58 90,000
32	17,77,000	1,64,418	2,93,000	3,63,000	4,71,597	6,62,000	19,62,000	53,86,284	62,34,000	79 20,000
33	4,59,94,000	3,32,59,514	3,44,47,000	4,22,15,000	4,07.32 056	4,32,25,000	4,91,21,000	15,18,11,887	17,29,95,000	19,72,34,000
34	2,90,000	4,64,510	4,56,000	4,60,000	7,25,551	7,21,000	7,20,000	17,48,446	17,14,000	17,34,000
35	6,000	5,421	7,000	5,000	...	...	1,000	16,859	22,000	16,000
36	35,93 000	39,39,301	41,33,000	43,16,000	33.35,138	34,36,000	35,65,000	1,22,89,796	1,26,89,000	1,31,64,000
37	22,63,000	21,17,648	20,73,000	25,62,000	13,72,905	15,84,000	15,88,000	68,81,087	92,24,000	85,29,000
38	15,41,000	9,25.317	11,95,000	13,60,000	4,18,371	5,36,000	10,76,000	46,19.245	50,17,000	54,20,000
39	76,93,000	74,52.197	78,64,000	87,03,000	58,51,965	62,77,000	69,50,000	2,55,55,433	2,86,66,000	2,88,63,000
40	...	55,429	2,000	..	7,14,474	...	...	12,82,805	3,000	...
41	...	...	...	...	...	...	...	—7,146	1,000	—8,000
42	2,28,000	24,92,154	27,40,000	30,41,000	470	1,000	5,000	27,62,917	29,89,000	37,03,000
43	...	3,78,586	...	...	60,000	...	...	63,99,879	95,95,000	83,02,000
44	2,28,000	29,96,169	27,42,000	30,41,000	7,74,944	1,000	5,000	1,04,37,455	1,25,88,000	1,19,97,000
45	7,68,86,000	7,65,80,144	8,05,11,000	8,99,98,000	5,99,62,648	6,29,72,000	6,99,66,000	29,18,94,440	36,28,25,000	40,32,72,000

REVISED ESTIMATE, 1917-1918.				BUDGET ESTIMATE, 1918-1919.			
India.	India converted into £ at R15=£1.	England.	TOTAL.	India.	India converted into £ at R15=£1.	England.	TOTAL.
Rs.	£	£	£	Rs.	£	£	£
6,31,59,000	4,210,600	3,518,800	7,729,400	6,49,03,000	4,326,900	3,507,400	7,834,300
2,57,000	17.200	81,200	98,400	2,62,000	17,400	81,200	98,600
6,34,16,000	4,227,800	3,600,000	7,827,800	6,51,65,000	4,344,300	3,588,600	7,932,900

No. 2.—Account showing the Estimated Expenditure (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	Brought forward.			United Provinces of Agra and Oudh.			Punjab.		
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	
Direct Demands on the Revenues:	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Refunds and Drawbacks	55,60,429	67,84,000	60,86,000	2,84,484	2,86,000	3,14,000	2,04,669	2,42,000	1
Assignments and Compensations	1,56,19,301	1,64,04,000	1,67,29,000	3,31,216	3,37,000	3,28,000	1,00,892	96,000	2
Charges in respect of Collection, viz.:									
Land Revenue	2,71,63,157	2,79,11,000	2,90,03,000	95,69,444	96,55,000	97,76,000	47,29,433	48,10,000	3
Opium (including cost of Production)	31,107	35,000	35,000	1,36,42,549	1,66,72,000	1,87,61,000	...	...	4
Salt (including cost of Production)	58,25,213	62,57,000	72,89,000	...	...	...	...	...	5
Stamps	53 907	93,000	1,01,000	2,58,580	2,90,000	2,87,000	1,76,799	1,90,000	6
Excise	40,18,084	41,31,000	42,55,000	4,86,016	4,87,000	5,10,000	2,31,891	2,42,000	7
Customs	33,27 245	34 46,000	36,07,000	...	...	...	..	...	8
Income Tax	4,12 523	4 66,000	5,10,000	62	...	20,000	26,587	31,000	9
Forest	72,43 939	83,08,000	89,30,000	27,35,915	31,84,000	36,18,000	9,34,662	10,99,000	10
Registration	28,47,000	29,19,000	29,36,000	3,02,871	3,04,000	3,07,000	1,24,082	1,25,000	11
Total	7,21,01,995	7,67,54,000	7,94,81,000	2,76,11,137	3,12,15,000	3,39,21,000	65,29,115	68,35,000	12
Interest:									
Interest on Debt	5,48,02,989	9,24,86,000	10,43,15,000	11,48,619	10,34,000	10,15,000	1,94,291	1,95,000	13
Deduct – Amounts chargeable to Railways	*6,20,88,181*	*6,34,16,000*	*6,51,65,000*	...	...		...	...	14
„ „ Irrigation	*1,93,89,288*	*1,98,08,000*	*2,02,24,000*	...	...		...	...	15
Remainder chargeable on Ordinary Debt	–2,66,74,480	92,62,000	1,89,26,000	11,48,619	10,34,000	10,15,000	1,94,291	1,95,000	16
Interest on other Obligations	94,41,953	1,10,99,000	1,21,37,000	8,75,706	9,09,000	9,56,000	1,64,584	1,85,000	17
Total	–1,72,32,527	2,03,61,000	3,10,63,000	20,24,325	19,43,000	19,71,000	3,58,875	3,80,000	18
Posts and Telegraphs	4,68,40,348	4,90,93,000	5,23,47,000	...	...	...	...	...	19
Mint	23,79,939	23,68,000	22,87,000	...	...	...	...	...	20
Salaries and Expenses of Civil Departments:									
General Administration	1,53,33,545	1,58,31,000	1,55,70,000	22,01,854	22,29,000	22,69,000	16,87,152	16,62,000	21
Law and Justice:									
Courts of Law	2,53,06,225	2,54,89,000	2,61,22,000	67,48,239	66,90,000	67,58,000	44,95,204	44,85,000	22
Jails	82,45,083	86,28,000	86,27,000	23,27,153	22,81,000	24,28,000	17,61,295	19,14,000	23
Police	3,81,85,676	3,96,92,000	4,26,18,000	1,25,18,155	1,26,26,000	1,31,86,000	64,52,125	65,90,000	24
Ports and Pilotage	12,75,817	11,94,000	12,77,000	...	...	...	...	...	25
Education	2,51,41,883	2,67,44,000	3,58,66,000	62,26,532	68,78,000	74,34,000	42,78,524	44,61,000	26
Ecclesiastical	11,24,292	11,65,000	11,93,000	2,46,495	2,38,000	2,56,000	2,44,868	2,43,000	27
Medical	72,32,599	83,11,000	89,53,000	13,61,327	13,80,000	14,14,000	8,03,440	8,90,000	28
Sanitation	37,04,733	39,87,000	70,06,000	13,73,996	15,22,000	15,84,000	8,08,780	9,50,000	29
Political	1,63 96,871	3,96,70,000	3,61,92,000	1,44,372	1,38,000	1,46,000	6,15,273	5,88 000	30
Agriculture	44,78,879	50,50,000	58,90,000	11,90,854	15,18,000	19,40,000	12,41,220	13,39,000	31
Scientific and Miscellaneous Departments	53,86,284	62,34,000	79,20,000	1,13,013	96,000	1,01,000	1,48,452	1,55,000	32
Total	15,18,11,887	17,29,95,000	19,72,34,000	3,44,51,490	3,55,96,000	3,75,16,000	2,25,36,333	2,32,77,000	33
Miscellaneous Civil Charges:									
Territorial and Political Pensions	17,48,446	17,14,000	17,34,000	7,89,285	7,41,000	7,82,000	70,626	71,000	34
Civil Furlough and Absentee Allowances	16,859	22,000	16,000	713	1,000	1,000	...	...	35
Superannuation Allowances and Pensions	1,22,89,796	1,26,89,000	1,31,64,000	37,69,116	39,03,000	40,38,000	24,26,836	25,84,000	36
Stationery and Printing	68,81,087	92,24,000	85,29,000	9,10,169	9,13,000	10,50,000	7,19,808	7,98,000	37
Miscellaneous	46,19,245	50,17,000	54,20,000	3,21,352	3,12,000	13,31,000	5,76,729	15,21,000	38
Total	2,55,55,433	2,86,66,000	2,88,63,000	57,90,635	58,70,000	72,02,000	37,96,059	49,74,000	39
Famine Relief and Insurance:									
Famine Relief	12,82,805	3,000	...	78,443	4,000	6,000	12,51,180	50,000	40
Construction of Protective Railways	—7,146	1,000	—8,000	...	...	...	...	...	41
Construction of Protective Irrigation Works	27,62,917	29,89,000	37,03,000	8,90,183	7,20,000	4,43,000	—	...	42
Reduction or Avoidance of Debt	63,98,879	95,95,000	83,02,000	4,50,000	...	...	1,40,000	...	43
Total	1,04,37,455	1,25,88,000	1,19,97,000	14,18,576	7,24,000	4,49,000	13,91,180	50,000	44
Carried forward	29,18 94,440	36,28,25,000	40,32,72,000	7,12,96,163	7,53,48,000	8,10,59,000	3,46,11,562	3,55,16,000	45

in each of the Provinces of *British India*, and in *England*, for 1918-1919,
Results of 1916-1917 and 1917-1918—*continued*.

		Burma.			Bihar and Orissa.			Carried forward.		
	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	1,89,000	9,00,604	9,22,000	9,01,000	1,07,940	1,00,000	1,13,000	70,58,126	83,34,000	76,03,000
2	1,00,000	200	1,000	1,000	1,01,819	1,07,000	1,07,000	1,61,53,528	1,69,45,000	1,72,65,000
3	55,45,000	68,54,578	65,52,000	69,01,000	32,14,276	33,42,000	34,39,000	5,15,30,888	5,22,70,000	5,46,64,000
4	...	...	...	...	...	...	...	1,36,73,656	1,67,07,000	1,87,96,000
5	...	44,837	45,000	46,000	76,000	76,000	76,000	59,46,050	63,78,000	74,11,000
6	2,03,000	1,00,503	92,000	98,000	1,91,031	2,24,000	2,32,000	7,80,820	8,89,000	9,21,000
7	2,80,000	12,54,379	12,47,000	12,83,000	5,81,814	6,03,000	6,43,000	65,72,184	67,10,000	69,51,000
8	...	7,20,296	7,58,000	7,69,000	14,907	16,000	17,000	40,62,418	42,20,000	43,94,000
9	82,000	49,125	56,000	68,000	45,459	46,000	46,000	5,33,756	5,99,000	7,26,000
10	15,72,000	49,36,588	53,81,000	54,22,000	4,47,972	4,09,000	4,34,000	1,62,99,076	1,83,81,000	1,99,76,000
11	1,30,000	1,08,007	1,06,000	1,05,000	3,79,001	3,74,000	3,94,000	37,60,961	38,28,000	38,72,000
12	80,81,000	1,49,69,117	1,51,60,000	1,55,94,000	51,60,219	52,97,000	55,01,000	12,63,71,493	13,52,61,000	14,25,78,000
13	2,04,000	1,14,457	1,53,000	1,57,000	1,12,863	1,12,000	1,16,000	5,63,73,219	9,39,80,000	10,58,07,000
14	...	...	...	...	...	...	...	*6,20,88,181*	*6,34,16,000*	*6,51,65,000*
								1,93,89,288	*1,98,08,000*	*2,02,24,000*
15	...	...	...	...	...	...	...			
16	2,04,000	1,14,457	1,53,000	1,57,000	1,12,863	1,12,000	1,16,000	—2,51,04,250	1,07,56,000	2,04,18,000
17	2,05,000	1,19,432	1,35,000	1,51,000	1,08,096	1,39,000	1,42,000	1,07,09,771	1,24,67,000	1,35,91,000
18	4,09,000	2,33,889	2,88,000	3,08,000	2,20,959	2,51,000	2,58,000	—1,43,94,479	2,32,23,000	3,40,09,000
19	...	...	...	...	...	...	...	4,68,40,348	4,90,93,000	5,28,47,000
20	...	...	...	...	...	...	...	23,79,939	23,68,000	22,87,000
21	17,24,000	23,50,750	23,87,000	22,82,000	16,92,897	17,42,000	16,99,000	2,32,66,198	2,38,51,000	2,35,44,000
22	47,14,000	50,68,888	49,23,000	49,57,000	41,02,172	42,44,000	42,33,000	4,57,20,228	4,58,31,000	4,67,84,000
23	20,44,000	15,68,263	16,42,000	15,46,000	14,22,827	15,88,000	15,98,000	1,53,24,621	1,60,53,000	1,62,43,000
24	69,49,000	1,37,01,907	1,33,15,000	1,36,03,000	46,98,196	59,72,000	54,59,000	7,55,56,059	7,7[illegible],95,000	8,[illegible],15,000
25	...	16,47,384	16,49,000	16,67,000	6,071	6,000	6,000	29,29,272	28,49,000	29,50,000
26	54,77,000	30,84,334	35,15,000	41,25,000	36,87,173	40,34,000	47,39,000	4,24,18,446	4,56,[illegible]2,000	5,76,41,000
27	2,80,000	1,45,878	1,44,000	1,46,000	34,451	37,000	39,000	17,95,984	18,27,000	19,14,000
28	11,57,000	16,71,842	17,17,000	17,34,000	6,62,646	8,03,000	8,11,000	1,17,32,054	1,31,01,000	1,40,69,000
29	8,18,000	9,03,407	9,14,000	9,15,000	2,54,466	3,14,000	5,42,000	70,45,382	76,87,000	1,05,65,000
30	5,84,000	10,94,813	11,77,000	15,94,000	48,925	60,000	54,000	1,83,00,254	3,26,33,000	3,85,70,000
31	18,54,000	6,35,179	7,17,000	7,52,000	4,52,2[illegible]9	5,86,000	7,06,000	79,97,871	92,10,000	1,11,42,000
32	1,57,000	1,33,861	1,24,000	1,36,000	28,732	43,000	32,000	58,10,342	66,52,000	83,46,000
33	2,57,58,000	3,20,06,006	3,22,24,000	3,31,57,000	1,70,90,995	1,85,29,000	1,99,18,000	25,78,96,711	28,26,21,000	31,28,83,000
34	71,000	1,23,634	1,23,000	1,27,000	47,415	77,000	53,000	27,78,866	27,26,000	27,67,000
35	...	23	...	...	5,047	3,000	3,000	22,642	26,000	29,000
36	27,24,000	11,43,242	12,24,000	12,86,000	10,10,846	10,09,000	10,09,000	2,06,39,836	2,14,09,000	2,22,21,000
37	8,86,000	6,78,410	6,9[illegible],000	8,45,000	6,65,436	7,61,000	7,93,000	98,54,910	1,23,91,000	1,20,53,000
38	21,39,000	5,81,663	5,6[illegible],000	5,63,000	1,81,416	2,80,000	2,93,000	62,82,408	76,95,000	97,46,000
39	57,70,000	25,26,375	26,07,000	28,21,000	19,10,160	21,30,000	21,51,000	3,95,75,662	4,42,47,000	4,68,07,000
40	6,00,000	...	...	...	2,01,826	21,000	...	28,14,254	78,000	6,06,000
41	...	...	...	...	...	...	...	—7,146	1,000	—8,000
42	...	...	...	...	1,02,288	1,19,000	2,15,000	37,55,338	38,28,000	43,61,000
43	...	...	...	...	2,00,000	...	...	71,88,879	95,95,000	83,02,000
44	6,00,000	...	...	...	5,04,114	1,40,000	2,15,000	1,37,51,825	1,35,02,000	1,32,61,000
45	4,06,18,000	4,97,35,887	5,02,79,000	5,21,80,000	2,48,86,447	2,63,47,000	2,80,43,000	47,24,23,999	55,03,15,000	60,51,72,000

No. 2.—Account showing the Estimated Expenditure (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	Brought forward.			Central Provinces and Berar.			Assam.			
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	
Direct Demands on the Revenues:	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Refunds and Drawbacks	70,58,126	83,34,000	76,03,000	80,393	1,00,000	97,000	41,953	52,000	50,000	1
Assignments and Compensations	1,61,53,528	1,69,45,600	1,72,65,000	25,53,883	25,57,000	25,54,000	47,946	53,000	56,000	2
Charges in respect of Collection, viz.:—										
Land Revenue	5,15,30,888	5,22,70,000	5,46,64,000	39,98,035	39,70,000	40,65,000	16,43,845	16,11,000	15,82,000	3
Opium (including cost of Production)	1,86,73,656	1,67,07,000	1,87,96,000	...	...	...	...	...	...	4
Salt (including cost of Production)	59,46,050	63,78,000	74,11,000	..	...	...	849	1,000	1,000	5
Stamps	7 80,820	8 89,000	9,21,000	1,18 406	1,24,000	1,30,000	48,680	51,000	50,000	6
Excise	65,72,184	67,10,000	69,51,000	4,81,576	5,28,000	5,51,000	1,20,539	1,20,000	2,52,000	7
Customs	40,62 448	42,20,000	43,93,000	...	...	...	...	...	...	8
Income Tax	5,33,756	5,99,000	7,26,000	18,235	30,000	42 000	4,689	5,000	5,000	9
Forest	1,62 99,076	1,83 89,000	1,99 76,000	17,68,775	18,66,000	19,25,000	6,76,033	7,41,000	7,29,000	10
Registration	37,60,961	38,28,000	38,72,000	1,27,554	1,60,000	1,60,000	67,906	70,000	75,000	11
Total	12,63,71,493	13,52,61,000	14,25,78,000	91,46,857	93,35,000	95 24,000	26,52,440	27,04,000	28,00,000	12
Interest:										
Interest on Debt	5,63,73,219	9,39,80,000	10,58,07,000	1,77,075	1,54,000	1,48,000	1,16,901	1,66,000	1,45,000	13
Deduct—Amounts chargeable to Railways	*6,20,88,181*	*6,34,16,000*	*6,51,65,000*	...	...	...	...	...	...	14
Deduct—Amounts chargeable to Irrigation	*1,93,89,288*	*1 98,08,000*	*2,02,24,000*	...	...	...	...	...	...	15
Remainder chargeable on Ordinary Debt	—2,51,04,250	1,07,56,000	2,04,18,000	1,77,075	1,54,000	1,48,000	1,16,901	1,66,000	1,45,000	16
Interest on other Obligations	1,07,09,771	1 24,67,000	1,35,91,000	94,008	1,07,000	1,19,000	37,398	42,000	45,000	17
Total	—1,43,94,479	2,32,23,000	3,40,09 000	2,71 083	2,61,000	2,67,000	1,54,299	2,08,000	1,90,000	18
Posts and Telegraphs	4,68,40,348	4,90 93,000	5,23 47,000	...	...	...	...	...	...	19
Mint	23,79,939	23,68,000	22,87,000	...	...	...	...	...	...	20
Salaries and Expenses of Civil Departments:										
General Administration	2,32,66,198	2 38,51,000	2,35,44,000	11,64,963	12,06,000	12,17,000	7,54,806	7,80,000	7,88,000	21
Law and Justice:										
Courts of Law	4,57,20,228	4,58 31,000	4,67,84,000	28,50 990	29 93,000	30,67,000	10,27,425	10,50,000	10,52,000	22
Jails	1,53,24,621	1,60,53,000	1,62,43,000	6 62 816	6 92,000	7,21,000	3,06,686	3,24,000	3,42,000	23
Police	7,55,56 059	7,72 95,000	8,18,15,000	34,72 855	35,65,000	37,00,000	23,33 931	23,27,000	24,82,000	24
Ports and Pilotage	29 29 2,2	28,49 000	29,50,000	...	...	...	65,7:6	66,000	64,000	25
Education	4,24,18 445	4 56,32,000	5,76,41,000	29,96,350	34,37,000	36,89,000	14 39 231	15,97,000	18,35,000	26
Ecclesiastical	17,95,984	18,27,000	19,14,000	1 10 532	1,04,000	1,10,000	18 843	24,000	24,000	27
Medical	1,17,32 054	1,31,91,000	1,40,69,000	7,13 854	8,17,000	9,24,000	5,26 400	5,42,000	5,49,000	28
Sanitation	70,45,382	76 87,000	1,08,65,000	5,90,997	7,91,000	6,31,000	1,42,872	1,91,000	2,12,000	29
Political	1,82,00,...4	3 26 33,000	3,85,70,000	37,665	46,000	45,000	5,67,560	5,54,000	6,07,000	30
Agriculture	79,97,871	92,10,000	1,11,42,000	8,34,255	8,65,000	10,17,000	2,82,892	3,24,000	3,81,000	31
Scientific and Miscellaneous Departments	58,10,342	66,52,000	83,46,000	93,969	1,41,000	1,93,000	77,020	78,000	89,000	32
Total	25,78,96,711	28,26,21,000	31,38,83,000	1,35,29,186	1,46,57,000	1,53,14,000	75,43,422	77,67,000	84,25,000	33
Miscellaneous Civil Charges:										
Territorial and Political Pensions	27,78,866	27,26,000	27,67,000	1,74,837	1,75,000	1,77,000	7,570	8,000	8,000	34
Civil Furlough and Absentee Allowances	22,642	26,000	20,000	...	...	...	...	...	...	35
Superannuation Allowances and Pensions	2,06,39,836	2,11 09,000	2,22,21,000	10,31,240	11,17,000	11,43,000	3,41,042	3,27,000	3,45,000	36
Stationery and Printing	93,54,910	1,23 91,000	1,20,53,000	3,38,479	3,89,000	4,14,000	1,65,380	1,70,000	1,84,000	37
Miscellaneous	62,82,408	76,95,000	97,46,000	1,50,968	2,05,000	4,83,000	5,36,445	4,87,000	5,30,000	38
Total	3,95,76,662	4,42,47,000	4,68,07,000	16 95,524	18,86,000	22,17,000	10,50,437	9,92,000	10,67,000	39
Famine Relief and Insurance:										
Famine Relief	28,14,254	78,000	6,06,000	...	...	...	...	20,000	...	40
Construction of Protective Railways	—7,143	1,000	—8,000	...	...	...	...	...	...	41
Construction of Protective Irrigation Works	37,55,338	38,28,000	43,61,000	12,31,678	14,57,000	15,80,000	...	...	...	42
Reduction or Avoidance of Debt	71,88,879	95,95,000	88,02,000	...	...	...	...	...	...	43
Total	1,37,51,325	1,35,02,000	1,32,61,000	12,31,678	14,57,000	15,80,000	...	20,000	...	44
Carried forward	47,24,23,999	55,03,15 000	60,51,72,000	2,58,74,328	2,75,96,000	2,89,02,000	1,14,00,598	1,16,91,000	1,24,82,000	45

in each of the Provinces of *British India*, and in *England*, for 1918-1919,
Results of 1915-1916 and 1917-1918—*continued*.

	Total India.						England.			Grand Total.		
	Rupees.			Rupees converted into £ at R15=£1.								
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	£	£	£	£	£	£	£	£	£
1	71,80,472	84,86,000	77,50,000	478,698	565,700	516,700	...	...	...	478,698	565,700	516,700
2	1,87,55,357	1,95,55,000	1,98,75,000	1,250,357	1,303,700	1,325,000	...	...	...	1,250,357	1,303,700	1,325,000
3	5,71,72,768	5,78,51,000	6,03,11,000	3,811,518	3,856,700	4,020,700	1,615	2,100	1,500	3,813,133	3,858,800	4,022,200
4	1,36,73,656	1,67,07,000	1,87,16,000	911,577	1,113,800	1,253,100	817	1,400	1,200	912,394	1,115,200	1,254,300
5	59,46,899	63,79,000	74,12,000	396,460	425,300	494,100	1,726	600	2,500	398,186	425,900	496,600
6	9,47,906	10,64,000	11,01,000	63,194	70,900	73,400	110,272	125,000	120,000	173,466	195,900	193,400
7	71,74,299	73,58,000	77,54,000	478,287	490,500	516,900	345	400	200	478,632	490,900	517,100
8	40,62,448	42,20,000	43,95,000	270,830	281,400	292,900	334	200	100	271,164	281,600	293,000
9	5,56,680	6,34,000	7,73,000	37,112	42,300	51,500	...	...	...	37,112	42,300	51,500
10	1,87,43,884	2,09,88,000	2,26,30,000	1,249,592	1,399,200	1,508,700	2,173	600	2,500	1,251,765	1,399,800	1,511,200
11	39,56,421	40,58,000	41,07,000	263,761	270,500	273,800	...	...	...	263,761	270,500	273,800
12	13,81,70,790	14,73,00,000	15,49,02,000	9,211,386	9,820,000	10,326,800	117,282	130,300	128,000	9,328,668	9,950,300	10,454,800
13	5,66,67,195	9,43,00,000	10,61,00,000	3,777,813	6,286,700	7,073,300	5,846,832	9,938,800	9,196,200	9,624,645	16,225,500	16,269,500
14	*6,20,88,181*	*6,34,16,000*	*6,51,65,000*	*4,139,212*	*4,227,800*	*4,344,300*	*3,620,110*	*3,600,000*	*3,588,600*	*7,759,322*	*7,827,800*	*7,932,900*
15	*1,93,89,288*	*1,98,08,000*	*2,02,24,000*	*1,292,620*	*1,320,500*	*1,348,300*	*120,585*	*120,800*	*121,000*	*1,413,205*	*1,441,300*	*1,469,300*
16	—*2,48,10,274*	1,10,76,000	2,07,11,000	—*1,654,019*	738,400	1,380,700	2,106,137	6,218,000	5,486,600	452,118	6,956,400	6,867,300
17	1,08,41,177	1,26,16,000	1,37,55,000	722,746	841,100	917,000	...	...	...	722,746	841,100	917,000
18	—1,39,09,097	2,36,92,000	3,44,66,000	—*931,273*	1,579,500	2,297,700	2,106,137	6,218,000	5,486,600	1,174,864	7,797,500	7,784,300
19	4,68,40,348	4,90,93,000	5,23,47,000	3,122,690	3,272,900	3,489,800	318,697	326,100	441,600	3,441,387	3,599,000	3,931,400
20	23,79,939	23,68,000	22,87,000	158,662	157,500	152,500	8,749	22,000	17,500	167,411	179,800	170,000
21	2,51,85,967	2,58,37,000	2,55,49,000	1,679,065	1,722,500	1,703,300	404,072	500,600	560,200	2,083,137	2,223,100	2,263,500
22	4,95,98,643	4,98,74,000	5,09,03,000	3,306,576	3,324,900	3,393,600	450	1,400	800	3,307,026	3,326,300	3,394,400
23	1,62,94,123	1,70,69,000	1,73,06,000	1,086,275	1,137,900	1,153,700	147	...	...	1,086,422	1,137,900	1,153,700
24	8,13,62,845	8,31,87,000	8,79,97,000	5,424,190	5,545,800	5,866,500	...	200	100	5,424,190	5,546,000	5,866,600
25	29,95,028	29,15,000	30,14,000	199,668	194,300	200,900	...	..	...	199,668	194,300	200,900
26	4,68,54,027	5,05,76,000	6,31,65,000	3,123,602	3,371,800	4,211,000	9,346	12,000	10,500	3,132,948	3,383,800	4,221,500
27	19,25,359	19,55,000	20,48,000	128,357	130,300	136,500	180	400	300	128,537	130,700	136,800
28	1,29,72,308	1,44,60,000	1,55,42,000	864,820	964,000	1,036,100	946	800	800	865,766	964,800	1,036,900
29	77,79,251	86,69,000	1,17,08,000	518,617	577,900	780,500	1,681	1,700	1,500	520,298	579,600	782,000
30	1,89,05,419	3,32,33,000	3,92,22,000	1,260,361	2,215,500	2,614,800	22,082	36,100	17,900	1,282,443	2,251,600	2,632,700
31	91,15,018	1,03,99,000	1,25,40,000	607,668	693,300	836,000	3,947	3,900	6,800	611,615	697,200	842,800
32	59,81,331	68,71,000	86,28,000	398,756	458,100	575,200	40,424	43,400	57,300	439,180	501,500	632,500
33	27,89,69,319	30,50,45,000	33,76,22,000	18,597,955	20,336,300	22,508,100	483,275	600,500	656,200	19,081,230	20,936,800	23,164,300
34	29,61,273	29,09,000	29,52,000	197,418	193,900	196,800	10,550	10,600	10,600	207,968	204,500	207,400
35	22,642	26,000	20,000	1,509	1,800	1,300	251,007	194,000	194,000	252,516	195,800	195,300
36	2,20,12,118	2,28,53,000	2,37,09,000	1,467,475	1,523,500	1,580,600	2,008,225	1,989,000	1,991,000	3,475,700	3,512,500	3,571,600
37	1,03,58,769	1,29,50,000	1,26,51,000	690,584	863,300	843,400	116,454	118,500	108,500	807,038	981,800	951,900
38	69,69,821	83,87,000	1,07,59,000	464,655	559,200	717,300	206,395	441,000	28,000	671,050	1,000,200	745,300
39	4,23,24,623	4,71,25,000	5,00,91,000	2,821,641	3,141,700	3,339,400	2,592,631	2,753,100	2,332,100	5,414,272	5,894,800	5,671,500
40	28,14,254	98,000	6,06,000	187,617	6,500	40,400	...	...	...	187,617	6,500	40,400
41	—7,146	1,000	—8,000	—*476*	100	—500	...	...	...	—*476*	100	—500
42	49,87,016	52,85,000	59,41,000	332,468	352,300	396,100	1,133	1,400	10,600	333,601	353,700	406,700
43	71,88,879	95,95,000	83,02,000	479,258	639,700	553,400	...	...	...	479,258	639,700	553,400
44	1,49,83,003	1,49,79,000	1,48,41,000	998,867	998,600	989,400	1,133	1,400	10,600	1,000,000	1,000,000	1,000,000
45	50,96,98,925	58,96,02,000	64,65,56,000	33,979,928	39,306,800	43,103,700	5,627,904	10,051,400	9,072,600	39,607,832	49,358,200	52,176,300

No. 2.—Account showing the Estimated Expenditure (Imperial and Provincial compared with the

HEADS OF EXPENDITURE.	INDIA, GENERAL.			N.-W. FRONTIER PROVINCE.			MADRAS.		
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward . . .	7,73,84,809	13,70,49,000	15,46,35,000	95,79,679	1,08,05,000	1,17,87,000	6,83,87,169	7,14,88,000	1
Railway Revenue Account.									
State Railways									
Interest on Debt	6,18,29,856	6,31,59,000	6,49,03,000	...	...	...	...	...	2
Annuities in purchase of Railways .	...	...	...	...	...	...	...	...	3
Sinking Funds	...	...	...	...	...	...	...	...	4
Interest chargeable against Companies on advances	2,58,325	2,57,000	2,62,000	...	...	...	...	...	5
Interest on Capital deposited by Companies	8,35,626	8,83,000	9,32,000	...	...	...	...	...	6
Subsidized Companies : Land, etc. .	24,23,158	10,90,000	4,50,000	...	...	...	...	...	7
Miscellaneous Railway Expenditure .	43,657	2,95,000	3,99,000	...	...	...	...	...	8
Total .	6,53,81,062	6,56,84,000	6,69,86,000	...	...	...	...	...	9
Irrigation :									
Major Works :									
Working Expenses	...	...	2,02,000	6,49,518	6,25,000	6,54,000	19,69,410	21,90,000	10
Interest on Debt	—18,08,785	—18,12,000	—18,15,000	8,39,472	8,66,000	8,86,000	28,95,522	29,26,000	11
Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	...	...	...	...	...	...	...	...	12
Minor Works and Navigation . . .	2,95,959	1,69,000	2,19,000	39,457	49,000	50,000	35,71,379	42,41,000	13
Total .	—15,12,826	—16,43,000	—13,94,000	15,28,147	15,40,000	15,90,000	84,39,311	93,57,000	14
Other Public Works :									
Construction of Railways charged to Provincial Revenues . . .	...	...	...	...	...	...	...	...	15
Civil Works	34,88,740	37,52,000	42,83,000	24,26,106	24,99,000	25,90,000	83,60,023	82,80,000	16
Total .	34,88,740	37,52,000	42,83,000	24,26,106	24,99,000	25,90,000	83,60,023	82,80,000	17
Military Services :									
Army .									
Effective	27,04,52,729	30,65,65,000	33,41,83,000	...	...	...	...	...	18
Non-effective	1,28,45,207	1,45,48,000	1,60,71,000	...	...	...	...	...	19
Marine	40,85,438	49,29,000	52,58,000	...	...	...	...	...	20
Military Works	2,28,32,418	2,70,95,000	2,65,12,000	...	...	...	...	...	21
Special Defences (1902)	2,10,806	1,55,000	...	...	...	...	...	...	22
Total .	31,04,26,623	35,32,92,000	38,20,19,000	...	...	...	...	...	23
Total Expenditure .	45,51,77,968	55,81,34,000	60,65,29,000	1,35,33,923	1,48,44,000	1,59,67,000	8,51,86,503	8,91,25,000	24
Add—Portion of Allotments to Provincial Governments not spent by them in the year . .	...	...	...	...	...	...	42,35,704	41,19,000	25
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances . .	...	...	...	...	...	...	...	...	26
Total Expenditure charged to Revenue	45,51,77,968	55,81,34,000	60,65,29,000	1,35,33,923	1,48,44,000	1,59,67,000	8,94,22,207	9,32,44,000	27
Railway, Irrigation and other Capital not charged to Revenue :									
Capital Outlay on Railways and Irrigation Works									
State Railways	2,33,05,410	3,62,45,000	4,41,22,000	...	...	...	...	...	28
Irrigation Works	...	...	88,000	9,29,168	7,23,000	3,54,000	6,07,438	6,20,000	29
Initial Expenditure on New Capital at Delhi	33,36,650	36,58,000	37,95,000	...	...	...	...	...	30
Total .	2,66,42,060	3,99,03,000	4,80,05,000	9,29,168	7,23,000	3,54,000	6,07,438	6,20,000	31

in each of the Provinces of *British India*, and in *England*, for 1918-1919.
Results of 1916-1917 and 1917-1918—*continued*.

		Bombay.			Bengal.			Carried forward.		
	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	7,68,86,000	7,65,80,144	8,05,11,000	8,99,98,000	5,99,62,648	6,29,72,000	6,99,66,000	29,18,94,440	36,-8,25,000	40,32,72,000
2	...	...	...	...	...	...	...	6,18,29,856	6,31,59,000	6,49,03,000
3	...	...	...	...	...	...	...	...	...	...
4	...	...	...	...	...	...	...	...	...	...
5	...	...	...	...	...	...	...	2,58,325	2,57,000	2,62,000
6	...	...	...	...	...	...	...	8,35,626	8,83,000	9,32,000
7	...	...	...	...	6	...	...	24,23,164	10,90,000	4,90,000
8	...	...	...	...	...	...	...	43,657	2,-5,000	3,99,000
9	...	...	...	...	6	...	...	6,53,90,628	6,56,84,000	6,69,86,000
10	23 00,000	15,58,474	18,00,000	18,74,000	1,85,804	1,86,000	2,70,000	43 63,206	48,01,000	53,00,000
11	29,58,000	25,13,564	26,04,000	27,04,000	3,57,987	3,58,000	3,58,000	47,97,460	49,42,000	50,91,000
12	...	...	...	...	...	...	...	...	...	...
13	42,31,000	24,97,981	27,81,000	32,69,000	20,04,123	22,92,000	27,02,000	84,11,899	95,32,000	1,01,71,000
14	94,89,000	65,70,019	71,85,000	78,47,000	25,47,914	28,36,000	33,30,000	1,75,72 565	1,92,75,000	2,08,62,000
15	...	...	...	...	...	...	...	...	...	...
16	89,69,000	84,62,021	1,09,73,000	1 42,44,000	73,98,461	91,42,000	1,0 87,000	3,01,35 351	3,46,46,000	4,08,73,000
17	89,69,000	84,62,021	1,09,73,000	1,42,44,000	73,98,461	91,42,000	1,07 87,000	3,01,35,351	3,46,46,000	4,08,73,000
18	...	...	...	...	...	...	...	27,04,52,729	30,65,65,000	33,41,83,000
19	...	...	...	...	...	...	...	1,28,45,207	1,45,48,000	1,60,71,000
20	...	...	...	...	...	...	...	40,85,433	49,29,000	52,53,000
21	...	...	...	...	...	...	...	2,28,32,443	2,70,95,000	2,65,12,000
22	...	...	...	...	...	...	...	2,10,506	1,55,000	...
23	...	...	...	...	...	...	...	31,04,26,623	35,32,92,000	38,20,19,000
24	9,53,44,000	9,69,24,184	9,86,69,000	11,20,89,000	6,99,09,029	7,49,50,000	8,40,83,000	71,54,19,607	83,57,22,000	91,40,12,000
25	3,34,000	94,27,702	98,40,000	40,06,000	60,44,904	37,88,000	...	1,97,08,31·	1,77,47,000	43,40,000
26	...	...	...	...	...	...	*40,20,000*	...	...	*40,20,000*
27	9,56,78,000	10,10,39,686	10,85,09,000	11,60,95,000	7,59,53,933	7,87,88,000	8,00,63,000	73,51,27,9·7	85,34,69,000	91,43,32,000
28	...	...	...	...	...	...	...	2,33,05,410	3,62,45,000	4,41,22,000
29	6,50,000	2,37,489	1,14,000	1,89,000	...	...	...	17,74,095	14,57,000	12,81,000
30	...	...	...	...	...	...	...	33,36,650	36,58,000	37,95,000
31	6,50,000	2,37,489	1,14,000	1,89,000	...	...	...	2,84,16,155	4,13,60,000	4,91,98,000

No. 2.—Amount showing the Estimated Expenditure (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	Brought forward.			United Provinces of Agra and Oudh.			Punjab.			
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	
	Rs.	Rs.	Rs.	Rs	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward .	29,18,94,440	36,28,25,000	40,32,72,000	7,12,96,163	7,53,48,000	8,10,59,000	3,46,11,562	3,55,16,000	4,06,18,000	1
Railway Revenue Account.										
State Railways :										
Interest on Debt . . .	6,18,29,856	6,31,59,000	6,49,03,000	...	...	...	...	...	...	2
Annuities in purchase of Railways . . .	...	...	...	...	...	...	...	...	...	3
Sinking Funds. . . .	...	...	...	...	...	...	...	...	...	4
Interest chargeable against Companies on Advances .	2,58,325	2,57,000	2,62,000	...	...	...	...	...	...	5
Interest on Capital deposited by Companies . . .	8,35,626	8,83,000	9,32,000	...	...	...	...	...	...	6
Subsidized Companies :										
Land, etc.	24,23,164	10,90,000	4,90,000	8,469	5,000	5,000	16	...	...	7
Miscellaneous Railway Expenditure	43,657	2,95,000	3,09,000	...	...	...	...	...	...	8
Total .	6,53,90,628	6,56,84,000	6,69,86,000	8,469	5,000	5,000	16	...	...	9
Irrigation :										
Major Works :										
Working Expenses . .	43,63,206	48,01,000	53,00,000	34,24,932	35,75,000	36,49,000	1,03,46,287	1,03,60,000	1,06,55,000	10
Interest on Debt . . .	47,97,460	49,42,000	50,91,000	38,56,039	39,03,000	39,32,000	70,03,847	71,18,000	72,14,000	11
Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance . .	...	...	...	...	...	...	...	...	...	12
Minor Works and Navigation	84,11,899	95,32,000	1,04,71,000	3,86,547	4,38,000	7,33,000	10,71,343	11,43,000	11,26,000	13
Total .	1,75,72,565	1,92,75,000	2,08,62,000	76,67,518	79,16,000	83,14,000	1,84,21,477	1,86,21,000	1,89,95,000	14
Other Public Works :										
Construction of Railways charged to Provincial Revenues. . . .	...	...	...	...	...	...	...	...	...	15
Civil Works . . .	3,01,35,351	3,46,46,000	4,08,73,000	72,46,575	70,43,000	75,33,000	52,32,704	60,52,000	85,68,000	16
Total .	3,01,35,351	3,46,46,000	4,08,73,000	72,46,575	70,43,000	75,33,000	52,32,704	60,52,000	85,68,000	17
Military Services :										
Army :										
Effective	27,04,52,729	30,65,65,000	33,41,83,000	...	...	...	...	...	...	18
Non-effective . . .	1,28,45,707	1,45,48,000	1,60,71,000	...	...	...	...	...	...	19
Marine. . . .	40,85,438	49,20,000	52,53,000	...	...	...	...	...	...	20
Military Works . . .	2,28,32,443	2,70,95,000	2,65,12,000	...	...	...	...	...	...	21
Special Defences (1902) . .	2,10,806	1,55,000	...	...	...	...	...	...	...	22
Total .	31,04,26,623	35,32,92,000	38,20,19,000	...	...	...	...	...	...	23
Total Expenditure .	71,54,19,607	83,57,22,000	91,40,12,000	8,62,18,725	9,03,12,000	9,69,11,000	5,82,65,759	6,01,89,000	6,81,81,000	24
Add—Portion of Allotments to Provincial Governments not spent by them in the year .	1,97,08,310	1,77,47,000	48,40,000	87,08,838	52,50,000	8,57,000	59,19,907	67,03,000	1,40,000	25
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances . .	...	...	40,20,000	...	...	...	...	...	...	26
Total Expenditure charged to Revenue . . .	73,51,27,917	85,34,69,000	91,48,32,000	8,99,27,563	9,55,62,000	9,77,68,000	6,41,85,666	6,68,92,000	6,83,21,000	27
Railway, Irrigation and other Capital not charged to Revenue :										
Capital Outlay on Railways, Irrigation and other Works :										
State Railways . .	2,33,05,410	3,62,45,000	4,41,22,000	...	...	...	...	...	...	28
Irrigation Works .	17,74,095	14,57,000	12,81,000	6,56,826	5,97,000	63,000	33,86,415	29,52,000	23,74,000	29
Initial Expenditure on New Capital at Delhi . . .	33,36,650	36,58,000	37,95,000	...	...	...	...	...	...	30
Total .	2,84,16,155	4,13,60,000	4,91,98,000	6,56,826	5,97,000	63,000	33,86,415	29,52,000	23,74,000	31

in each of the Provinces of *British India*, and in *England*, for 1918-1919.
Results of 1916-1917 and 1917-1918—*continued*.

	Burma.			Bihar and Orissa.			Carried over.		
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	4,97,35,387	5,02,79,000	5,21,80,000	2,48,86,447	2,63,47,000	2,80,43,000	47,24,23,999	55,03,15,000	60,51,72,000
2	...	...	...	...	...	...	6,18,29,856	6,31,59,000	6,49,03,000
3	...	...	...	...	...	...	...	...	...
4	...	...	...	...	...	...	...	...	...
5	...	...	...	...	...	...	2,58,825	2,57,000	2,62,000
6	...	...	...	...	...	...	8,35,626	8,83,000	9,32,000
7	...	...	...	...	...	...	24,31,649	10,95,000	4,95,000
8	...	...	...	...	...	...	43,657	2,95,000	3,99,000
9	...	...	...	...	...	...	6,53,99,113	6,56,89,000	6,69,91,000
10	5,64,569	6,10,000	6,26,000	14,51,696	15,64,000	15,25,000	2,01,50,690	2,09,10,000	2,17,55,000
11	8,81,550	9,01,000	9,24,000	19,67,762	19,92,000	19,98,000	1,55,26,058	1,88,50,000	1,91,59,000
12	...	...	...	...	...	...	...	...	...
13	12,24,578	14,50,000	17,15,000	2,47,981	2,18,000	3,09,000	1,13,42,348	1,27,81,000	1,43,54,000
14	26,70,697	29,61,000	32,65,000	36,27,439	37,74,000	38,32,000	5,00,19,696	5,25,47,000	5,52,68,000
15	...	...	...	...	...	...	...	...	...
16	86,96,073	96,58,000	1,11,61,000	71,43,456	79,93,000	96,67,000	5,84,54,159	6,53,92,000	7,78,02,000
17	86,96,073	96,58,000	1,11,61,000	71,43,456	79,93,000	96,67,000	5,84,54,159	6,53,92,000	7,78,02,000
18	...	...	...	...	...	...	27,04,52,729	30,65,65,000	33,41,83,000
19	...	...	...	...	...	...	1,28,45,207	1,45,48,000	1,60,71,000
20	...	...	...	...	...	...	40 85,438	49 29,000	52,53,000
21	...	...	...	...	...	...	2,2-,32 413	2,70,95,000	2,65,12,000
22	...	...	...	...	...	...	2,10,506	1,55,000	...
23	...	...	...	...	...	...	31,04,26,623	35,32,92,000	38,20,19,000
24	6,11,02,157	6,28,98,000	6,66,06,000	3,57,17,342	3,81,14,000	4,15,42,000	95,67,23,590	1,08,72,35,000	1,18,72,52,000
25	34,27,808	...	3048,000	5,00,995	...	...	3,32,65,858	2,97,00,000	83,80,000
26	...	*25,80,000*	...	...	*8,88,000*	*19,19,000*	...	*34 68,000*	*59,39,000*
27	6,45,29,965	6,03,18,000	6,96,49,000	3,62,18,337	3,72,26,000	3,96,23,000	98,99,89,448	1,11,34,67,000	1,18,96,93,000
28	...	...	...	...	...	...	2,83,05,410	3,62,45,000	4,41,22,000
29	4,37,204	−10,76,000	6,57,000	−1,500	...	...	62,53,040	39,30,000	43,75,000
30	...	...	...	...	...	...	33,36,650	36,58,000	37,95,000
31	4,37,204	−10,76,000	6,57,000	−1,500	...	...	3,28,95,100	4,38,33,000	5,22,92,000

No. 3.—Account showing the Estimated Expenditure (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	Brought Forward.			Central Provinces and Berar.			Assam.			
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	47,24,23,999	55,03,15,000	60,51,72,000	2,58,74,828	2,75,96,000	2,89,02,000	1,14,00,598	1,16,91,000	1,24,82,000	1
Railway Revenue Account:										
State Railways: Interest on Debt	6,18,29,856	6,31,59,000	6,49,03,000	...	...	...	...	...	...	2
Annuities in purchase of Railways	...	...	...	...	...	...	...	...	...	3
Sinking Funds	...	...	...	...	...	...	...	...	...	4
Interest chargeable against Companies on advances	2,58,325	2,57,000	2,62,000	...	...	...	...	...	...	5
Interest on Capital deposited by Companies	8,35,626	8,83,000	9,32,000	...	...	...	...	...	...	6
Subsidized Companies: Land, etc.	24,31,619	10,95,000	4,95,000	...	...	...	5,112	5,000	5,000	7
Miscellaneous Railway Expenditure	43,657	2,95,000	3,99,000	...	...	...	14	1,000	1,000	8
Total	6,53,99,113	6,56,89,000	6,69,91,000	...	...	...	5,126	6,000	6,000	9
Irrigation:										
Major Works: Working Expenses	2,01,50,690	2,09,10,000	2,17,55,000	1,17,227	2,15,000	2,80,000	...	...	...	10
Interest on Debt	1,85,26,658	1,88,56,000	1,91,59,000	8,62,630	9,52,000	10,65,000	...	...	...	11
Expenditure on Protective Irrigation works in addition to that charged under Famine Relief and Insurance	...	...	...	...	...	...	...	...	...	12
Minor Works and Navigation	1,13,42,348	1,27,81,000	1,43,54,000	3,81,718	4,29,000	4,55,000	52,073	38,000	42,000	13
Total	5,00,19,696	5,25,47,000	5,[illegible]2,68,000	13,61,575	15,96,000	18,00,000	52,073	38,000	42,000	14
Other Public Works:										
Construction of Railways charged to Provincial Revenues	...	...	...	...	...	...	33 0 0	10,000	10,000	15
Civil Works	5,84,54,159	6,53,92,000	7,78,02,000	67,04,937	76,25,000	89,14,000	32,84,675	31,27,000	35,51,000	16
Total	5,84 54,159	6,53 92,000	7,78,02,000	67,04,937	76,25,000	89,14,000	33,17,735	31,37,000	35,61 000	17
Military Services:										
Army: Effective	27,04,52 72[illegible]	30,65,65 000	33,41,83,000	...	...	...	...	...	...	18
Non-effective	1,28,45,207	1,45,48 000	1,60,71,00[illegible]	...	...	...	...	...	...	19
Marine	40 85,438	49,29 000	52,53,000	...	...	...	...	...	...	20
Military Works	2,23,32,443	2,70,95,000	2,65,12,000	...	...	...	...	...	...	21
Special Defences (1902)	2,10,c06	1,55,000	...	...	...	...	...	...	...	22
Total	31,04,26,623	35,32,92,000	38,20,19,000	...	...	...	...	...	...	23
Total Expenditure	95,67,23,590	1,08,72,35,000	1,18,72,52,000	3,39,40,840	3,68,17,000	3,96,16,000	1,47,75,532	1,48,72,000	1,60,91,000	24
Add—Portion of Allotments to Provincial Governments not spent by them in the year	3,32,65,858	2,97,00,000	83,80,000	25,71,241	9,89,000	...	1,22,434	3,44,000	2 09,000	25
Deduct—Portion of Provincial Expenditure defrayed from Provincial balances	...	*34,68,000*	*59,39,000*	...	...	*6,80,000*	...	...	...	26
Total Expenditure charged to Revenue	98,99,89,448	1,11,34,67,000	1,18,96,93,000	3,65,12,081	3,78,06,000	3,89,86,000	1,48,97,966	1,52,16,000	1,63,00,000	27
Railway, Irrigation and other Capital not charged to Revenue:										
Capital Outlay on Railways, Irrigation and other Works: State Railways	2,3[illegible]05,410	3 62,45,000	4,41,22,000	...	...	...	...	...	...	28
Irrigation Works	62,53,040	39,30,000	43,75,000	13,28,694	16,36,000	24,00,000	...	...	...	29
Initial Expenditure on New Capital at Delhi	33,36 650	36,58,000	37,95,000	...	...	...	...	...	...	30
India's Financial Contribution to the War	...	...	...	...	...	...	...	...	...	31
Total	3 28,95,100	4,88 33,000	5,22,92,000	13,28,694	16,36,000	24,00,000	...	...	...	32

DELHI,

March 22, 1918.

in each of the Provinces of British India, and in England, for 1918-1919,
Results of 1916-1917 and 1917-1918- *concluded.*

	Total India.						England.			Grand Total.		
	Rupees.			Rupees converted into £ at 1s 5=£1								
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs	£	£	£	£	£	£	£	£	£
1	50 96,98 925	58 96 02 000	64,65,56 000	33,979,928	39,336,800	43,103,7 0	5,627,904	10,051,400	9,072,600	39,607,832	49,3 8.200	52,176,300
2	6,18,2 ,856	6,31,59,000	6,49,03,000	4,121,990	4,210,600	4,326,900	3,538,860	3,518,800	3 507,400	7,660,850	7,729,400	7,834,300
3	...	...	...	...	...	...	3,357 650	3,357 700	3,357,600	3 357,650	3,357,700	3,357,600
4	...	...	...	...	...	...	323,647	333,600	242,800	323,647	333,600	242,800
5	2,58,325	2,57,000	2,6 ,000	17,222	17,200	17,400	81,250	81,200	81,200	98,472	98,100	98,600
6	8,35 626	8 83,000	9,32,000	55,708	58,900	62,100	2,170,232	2,205,800	2,126,600	2,225,940	2,264,700	2,188,700
7	24,36,751	11,00,000	5,00,000	162,451	73,300	33, 00	...	...	...	162,451	73,300	33,300
8	43,671	2,96,000	4,00,000	2,912	19,700	26,700	...	...	...	2,912	19,700	26,700
9	6,54,04,239	6,56 95 000	6,69,97,000	4,360,283	4,379,700	4,466,400	9,471,639	9,497,100	9,315,600	13,831,922	13,876,800	13 782,000
10	2,02,67 9.7	2,11,25,000	2 20,35.000	1,351,194	1,408,300	1,469,000	...	...	...	1,351 194	1,408,300	1,469,000
11	1,93,89,285	1,98,08,000	2,02,24,000	1,292,620	1,320,500	1,348,300	120,585	120,800	121,000	1,413,205	1,441,.00	1,469,300
12	...	...	...	...	...	...	...	...	...	...	...	...
13	1,17,76,139	1,32,48,000	1,48,51,000	785,076	883,200	990,000	437	...	400	785,513	883,200	990,400
14	5,14,33,314	5,4 ,81,000	5,71,10,000	3,428,890	3,612,000	3,807,800	121,022	120,800	121,400	3,549,912	3,732,800	3,929,700
15	33 060	10,000	10,000	2 204	700	700	...	...	...	2,204	700	700
16	6,84,43,771	7,61,44,000	9,02,67,000	4,562,918	5,076,200	6,017,800	53,413	45,600	39,200	4,616,331	5,121,800	6,057,000
17	6,84,76,831	7,61,54,000	9,02,77,000	4,565,122	5,076,900	6,018,500	53,413	45,600	39 200	4,618,535	5,122 500	6,057,700
18	27,04,52,729	30,65 65.000	33,41,83 000	18,030,182	20,437,700	22,278,900	3,191,512	4,102,400	2 379,500	21,221 694	24,540,100	24,658,400
19	1,28,15,20,	1,45,48 000	1,60,71,00	856 347	969,900	1,0 1,400	2,.81,962	2,155,400	2,061,100	3 038 309	3,,25 .00	3,132 500
20	40 80,435	49 29 000	52,53,000	272,362	328,600	350,200	421,3 8	408,000	6,0 100	693,080	736 600	356,300
21	2,28 32 445	2,70 95 000	2,65,12,000	1,522,163	1,806,300	1,767,500	72,375	66 000	14,000	1 59 .,538	1,8,2 300	1,781 500
22	2,10,806	1,55,000	...	14,054	10,300	...	4,462	100	...	18,516	10,400	...
23	31,04,26,625	35,32 92,000	38,20,19,000	20,695,108	23,552,800	25,468,000	5,871 649	6,731,900	5,064,700	26,566,757	30 284,700	30,532,700
24	1,00,54,39,962	1,13 89,24,000	1,24,29,59,000	67,029,331	75,928,200	82 863,900	21,145,627	26,446,800	23,618,500	88,174,958	02,37 ,000	106,477,400
25	3,59,59,533	3,10,33,000	85,89,000	2,397,302	2.068,000	572,600	...	...	...	2,397,302	2 068,900	572,600
26	...	*34,68,000*	*66,19,000*	...	*231,200*	*441,200*	...	...	...	...	*231,200*	*441,200*
27	1,04,13 99,495	1,16,64,89,000	1,24,49,29,000	69,426,633	77,765,900	82,995,300	21,145,627	26,446,800	23,613,500	90,572 260	104,212,700	106,608 800
28	2,33 05 410	3,62 45.000	4,41,23 000	1,553,694	2,416,300	2,941,400	318,654	607,100	763 000	1,872 348	3,023,400	3,704,400
29	75 76,734	55,66,000	67,75,000	505,115	371,100	451,700	6,968	1,300	15,000	512,083	372,400	466,700
30	33,36,650	36,58,000	37,95,000	222,443	243,900	253,000	21,854	6,800	13,700	244,297	250,700	266,700
31	...	...	...	...	...	...	...	100,000,000	...	...	100,000,000	...
32	3,42,18,794	4,54,69,000	5,46,92,000	2,281,252	3,031,300	3,646,100	347,476	100, 15,200	791,700	2,628 728	103,646,500	4,437,800

Appendix III.

COMMERCIAL AND FINANCIAL STATISTICS.

Appen

COMMERCIAL AND
TABLE I.—MIS

	1909-1910.	1910-1911.	1911-1912.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works and the Delhi Capital not charged against Revenue—			
Surplus	£ 606,641	£ 3,936,287	£ 3,940,334
Deficit	...	...	...
Capital Expenditure on Railways and Irrigation Works not charged against Revenue*	£ 7,373,966	£ 10,119,093	£ 8,517,915
Ditto charge involved in Redemption of Liabilities	...	£ 5,904,100	...
Initial Expenditure on new Capital at Delhi	...	...	£ 4,992
India's Financial Contribution to the War	...	...	...
Net Public Debt incurred	£ 10,408,347	£ 8,896,956	£ 1,823,173
Net Public Debt incurred, including Capital transactions with Railway Companies	£ 10,747,575	£ 12,654,438	£ 854,140
Value of commodities exported, excluding Gold and Silver ₹	1,87,96,80,000	2,09,96,20,000	2,27,99,00,000
Ditto imported, ditto ditto ₹	1,22,65,10,000	1,33,70,60,000	1,44,05,50,000
Excess of Exports over Imports, excluding Gold and Silver ₹	65,31,70,000	76,25,60,000	83,93,50,000
Net Imports of Gold ₹	21,67,90,000	23,97,90,000	37,76,00,000
Ditto of Silver ₹	9,44,50,000	8,63,00,000	5,33,70,000
TOTAL NET IMPORTS OF GOLD AND SILVER ₹	31,12,40,000	32,60,90,000	43,09,70,000
Excess of Exports over Imports including Gold and Silver ₹	34,19,30,000	43,64,70,000	40,83,80,000
Grand Total value of Imports and Exports of all kinds ₹	3,54,54,20,000	3,90,53,00,000	4,35,89,00,000
Secretary of State's Bills sold (Rupees) ₹	§40,54,12,663(a)	§40,02,50,114(a)	40,37,70,748(a)
Sterling Equivalent received £	§27,096,586(a)	§26,783,303(a)	27,058,549(a)
Silver coined at the Indian Mints ₹	2,17,56,166	2,19,25,112	2,80,74,320
Maximum price in pence of an oz. troy, standard Silver in London	24 1/2 (May)	26 1/4 (October)	27 5/8 (February)
Minimum ditto ditto	23 1/16 (October)	23 11/16 (February)	23 15/16 (July)
Average Exchange upon Secretary of State's Bills sold per rupee	1s. 4·041d.	1s. 4·061 d.	1s. 4·084d.
Fixed rate of Exchange for the adjustment of transactions between the Indian and Imperial Treasuries	1s. 4d.	1s. 4d.	1s. 4d.
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	7 (from 1 to 28 Apl. & 3 to 31 March).	8 (from 23rd Feb. 1911 to 29th Mar. 1911)	8 (from 26th Jan. to 6th Mar.).
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	3 (from 1 July to 20 Sept.).	3 (from 1st July to 21st Sept.).	3 (from 3rd Aug. to 31st Aug.).
Maximum rate of discount at the Bank of England	5 (October 21st to Decr. 8th).	5 (Oct. 20th to Nov. 30th).	4 (from 21st Sept. 1911 to 7th Feb. 1912).
Minimum ditto ditto	2 1/2 (Apl. 1st to October 6th).	3 (June 9th to Sept. 28th and Mar. 9th to Mar. 31st).	3 (from 1st Apl. to 20th Sept. 1911).
Maximum Government balances at the three Presidency Banks ₹	4,58,77,000 (July)	4,10,08,000 (Sept.)	4,48,68,000 (Nov.)
Minimum ditto ditto ₹	3,07,61,000 (Apl.)	3,53,92,000 (June)	3,68,74,000 (Feb.)
Maximum price in Calcutta of Government 3 1/2 per cent Rupee Securities (Guaranteed)	95—5 (24 Aug.)	96—10 (2nd Aug.)	96—14 (9th Dec.)
Minimum ditto ditto	92—12 (4 to 7 Dec.).	93—6 (7th Nov.)	94—12 (3rd & 4th Oct.).
Maximum price in Calcutta of 3 per cent Rupee Securities	82—0 (31 Aug. to 11 Nov.).	82—0 (12th July to 19th Aug. and 15th Feb. to 31st Mar.).	82—0 (1st to 23rd Apl., 5th May to 24th Sept., 27th Sept. to 9th Oct. and 20th Nov. to 31st Mar.).
Minimum ditto ditto	79—12 (27 Nov.)	80—4 (5th Dec.)	81—0 (25th & 26th Sept.)
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts ₹	16,06,78,000 (Oct.)	15,07,31,000 (Apl.)	12,68,10,000 (Apl.)
Minimum ditto ditto ₹	14,81,15,000 (Apl.)	12,78,50,000 (Mar.)	11,73,04,000 (Mar.)
Maximum price in London of 3 1/2 per cent (Rupee Securities in Gold)	63 5/16 (Oct.)	64 9/16 (Feb.)	64 1/8 (Dec.)
Minimum ditto ditto	61 7/8 (Apl.)	62 1/16 (Oct.)	63 1/8 (Oct.)
Maximum price in London of India 3 1/2 per cent Stock	100 1/8 (May)	97 1/8 (Feb.)	96 1/4 (Apl.)
Minimum ditto ditto	95 (March)	92 1/8 (Sept.)	91 (Sept.)
Maximum price in London of India 3 per cent Stock	90 1/2 (Apl.)	84 3/8 (Feb.)	84 3/16 (Apl.)
Minimum ditto ditto	81 1/8 (March)	79 1/2 (Sept.)	78 1/8 (Sept.)
Maximum price in London of India 2 1/2 per cent Stock	76 (Apl.)	70 7/8 (Feb.)	70 1/8 (Apl.)
Minimum ditto ditto	69 (March)	66 (Sept.)	65 1/2 (Sept.)
Maximum Government Paper Currency outstanding ₹	54,40,84,000 (Mar.)	59,16,45,000 (July)	61,36,25,000 (Mar.)
Minimum ditto ditto ₹	43,64,99,000 (Apl.)	49,67,01,000 (Dec.)	54,68,58,000 (Apl.)
Number of Post Office Savings Banks	8,767	8,929	9,502
Number of accounts in Post Office Savings Banks	1,378,916	1,430,451	1,500,834
Amount deposited in Savings Banks ₹	15,86,71,786	16,91,88,224	18,89,85,439
Average of each deposit	115·07	118·28	125·92
Net addition to deposits	63,30,272	1,05,16,438	1,97,97,215

*Excludes capital charge involved in redemption of liabilities.

§ Include remittances of the Gold Standard Reserve.

dix III.

FINANCIAL STATISTICS
CELLANEOUS.

1912-1913.	1913-1914.	1914-1915.	1915-1916.	1916-1917.	1917-1918, Revised.	1918-1919, Budget.
£ 3,107,634	£ 2,312,423	...	...	£ 7,478,170	£ 5,711,600	£ 2,581,500
...	...	£ 1,785,270	£ 1,188,661	...	...	...
£ 10,221,224	£ 11,765,462	£ 11,633,038	£ 5,589,065	£ 2,384,431	£ 3,395,800	£ 4,171,100
...	...	...	...	...	...	...
£ 114,894	£ 447,134	£ 360,361	£ 331,274	£ 244,297	£ 250,700	£ 266,700
...	...	...	...	...	£ 100,000,000	...
£ 2,937,639	£ 118,200	£ 2,727,294	£ 2,379,834	£ 7,711,508	£ 115,168,300	£ —877,300
£ 2,373,391	£ 2,868,044	£ 5,721,108	£ 5,805,528	£ 7,496,346	£ 113,374,300	£ —4,001,300
2,46,21,80,000	2,49,00,70,000	1,82,17,60,000	1,99,48,00,000	2,43,04,70,000	2,10,94,20,000(*b*)	
1,66,63,00,000	1,91,30,80,000	1,44,93,10,000	1,38,16,90,000	1,60,23,60,000	1,52,55,20,000(*b*)	
79,58,80,000	57,69,90,000	37,24,50,000	61,31,10,000	82,81,10,000	58,39,00,000(*b*)	
34,00,10,000	23,32,40,000	7,64,70,000	†—*1,10,90,000*	13,23,50,000	...	
17,19,90,000	13,03,30,000	8,87,20,000	4,83,00,000	18,80,00,000	...	
51,20,00,000	36,35,70,000	16,51,90,000	3,72,10,000	32,03,50,000		
28,38,80,000	21,34,20,000	20,72,60,000	57,59,00,000	50,77,60,000	...	
4,85,31,20,000	4,90,33,80,000	3,54,20,40,000	3,57,82,20,000	4,48,15,30,000	...	
38,49,88,178	§ 46,59,68,715	§ 11,61,88,392	§30,36,57,471(*a*)	§49,04,34,364 (*a*)	§51,28,71,000(*a*)	
25,759,706	§31,200,827	§7,748,112	§20,354,517(*a*)	§32,998,095 (*a*)	§35,336,600(*a*)	
19,53,69,944	13,15,68,537	2,17,95,335	1,62,02,199	30,77,07,327	23,15,69,651	(Provisional.)
29¾ (3rd December).	28 1/16 (22nd September).	27½ (30th Apl.).	28 15/16 (31st March 1916.)	38 7/16 (13th Feby. 1917).	55 (21st to 24th Septr. 1917).	
26 1/16 (25th March)	25 13/16 (1st December).	22½ (13th and 14th Novr.).	22⅞ (5th Aug. 1915.)	28⅝ (10th July 1916).	36 9/16 (13th to 17th April 1917).	
1*s.* 4·058*d.*	1*s.* 4·070*d.*	1*s.* 4·004*d.*	1*s.* 4·087*d.*	1*s.* 4·148*d.*	1*s.* 4·536*d.*	
1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	
8 (from 9th Jan. to 12th Feb.).	7 (1st to 16th Apl. and 13th Nov. 1913 to 18th Mar. 1914).	6(1st to 30th Apl. and 5th Nov. to 31st Dec. 1914 and 1st Jan. to 31st March 1915).	8 (20th Jan. 1916 to 31st March 1916.)	8 (1st to 13th April 1916 and 9th Nov. 1916 to 21st Feb. 1917.)	6 (1st April to 5th Septr. 1917 and 3rd Jany. to 28th Feby. 1918.)	
3 (from 11th July to 11th Sept.).	3 (3rd July to 6th Aug.).	3(9th July to 5th Aug.).	5 (2nd June to 22nd Sept.).	5 (22nd June to 13th Sept.)	5 (6th Septr. 1917 to 2nd Jany. 1918.)	
5 (17th October 1912 to 31st March 1913).	5 (1st to 16th April and from 2nd October 1913 to 7th January 1914).	10 (from 1st to 5th Aug. 1914).	5 (1st Apl. 1915 to 31st Mar. 1916.)	6 (13th July 1916 to 17th Jany. 1917.)	5½ (2nd to 4th April 1917.)	
3 (9th May to 28th August).	3 (29th January to 31st March 1914).	3 (from 1st Apl. to 29th July).		5 (1st April to 12th July 1916.)	5 (5th April 1917 to 28th Feby. 1918.)	
5,65,10,000 (Mar.)	6,18,88,000 (Oct.)	10,12,86,000(Aug.)	8,87,07,000 (Aug.)	10,11,86,000(Mar.)	22,65,24,000(June)	
4,00,35,000 (Apl.)	4,85,95,000 (May)	4,84,03,000(Nov.)	4,42,76,000 (Nov.)	4,84,33,000 (May)	7,37,68,000 (Nov.)	
97—2 (3rd to 6th May).	96—12 (19th and 21st July).	96-1 (from 14th to 15th and 17th to 25th July 1914).	93-2 (5th to 11th June 1915.) (*d*)	82 (7th and 11th to 14th April 1916.)	70 (6th to 14th Sep. and 31st Oct 1917 to 7th Feb. 1918.)	
94—12 (3rd & 6th Jan.).	94—14 (13th & 17th Oct.).	(*d*) 91-8 (13th to 31st March).	79⅛ (23rd Dec. 1915 to 6th Jan. 1916.)	69 (22nd Feb. to 2nd March and 20th to 31st March 1917.)	67 (20th June to 24th Aug. 1917.)	
83—0 (7th May to 14th Oct.).	83—0 (2nd to 4th Sept. 1913 and from 26th Feb. to 31st March 1914).	83 (1st April to 4th Aug. 1914).	80 (1st Apl. to 28th June 1915.)	70 (5th to 20th April 1916.)	60 (6th to 14th Sep. and 31st Oct. to 28th Feb. 1918.)	
82—0 (1st to 24th Apl. & 24th Oct. 1912 to 31st March 1913).	82—0 (1st Apl. to 26th Aug.).	77 (31st Aug. to 3rd Sept. 1914).	67½ (23rd Dec. 1915 to 6th Jan. 1916.)	59 (22nd Feb. to 2nd March and 20th to 31st March 1917.)	57 (20th June to 24th Augt. 1917.)	
11,65,48,000 (Apl.)	11,11,55,000 (Apl.)	9,95,58,000(Apl.)	9,66,98,000 (Apl.)	8,76,76,000 (Apl.)	8,30,42,000(Apl.)	
11,13,78,000 (Jan.)	10,08,74,000(Mar.)	9,73,00,000(Mar.)	8,81,17,000 (Dec.)	8,30,42,000 (Mar.)	7,61,33,000(Jany.)	
64¾ (May)	64⅜ (Feby.)	(*e*) 63¾ (May)	No quotation.	No quotation.	52 (Novr.)	
63 5/16 (Mar.)	63½ (Apl.)	(*e*) 63 (July)			44⅜ (May)	
94 1/16 (Apl.)	93½ (Jan.)	90½ (Apl.)	82⅜ (May).	80¾ (Apl.)	69⅝ (Apl.)	
89 (Mar.)	84 5/16 (Jan.)	80⅜ (Mar.)	(*f*) 80¾ (Apl.)	(*g*)63½ (Dec.)	62¼ (Dec.)	
80¾(Apl.)	80⅝ (Jan.)	77½ (Apl.)	70¼ (Apl.)	69⅜ (Apl.)	59½ (Apl.)	
75 (Mar.)	71¼ (Dec.)	69¼ (Mar.)	(*f*) 69¼ (Apl.)	(*g*)54¼ (Dec.)	53¾ (Dec.)	
67½ (Apl.)	66 1/16 (Feby.)	64 (Apl.)	59⅜ (Apl.)	57½ (April.)	No quotation.	
62 9/16 (Mar.)	59½ (Jan.)	(*e*) 58 (Jan.)	(*f* 57 (May.)	(*g*)4 ½ (Dec.)		
68,97,78,000(Mar.)	69,89,84,000(July)	75,44,53,000(July)	88,06,10,000(July)	86,37,52,000(Nov.	1,14,77,000(Oct.)	
58,33,57,000 (Apl.)	61,79,95,000(Sept.)	59,54,67,000(Feb.)	60,24,42,000 (Apl.)	65,46,90,000 (Apl.	82,72,000 (Apl.)	
9,460	9,824	10,161	10,386	10 421		
1,566,860	1,638,725	1,644,074	1,660,424	1,647,419		
20,61,14,503	23,16,75,467	14,89,26,323	15,32,12,517	16,59,53,401		
131·55	141·38	90·58	92·27	100·73		
1,71,29,064	2,55,60,964	—8,27,49,144	42,86,194	1,27,40,884		

(*a*) Include remittance of the Currency Department.
(*b*) Figures for 11 months (April to February).
(*c*) Official minimum price, 3rd January to 19th March 1915.
(*d*) Buyer's rate.
(*e*) No quotations since August 1914.
(*f*) Official minimum price fixed, 19th March 1915.
(*g*) Official minimum prices were removed in July 1916.

† Represents net exports of gold.

Appendix III—*continued.*

Commercial and Financial Statistics.

Table II.—Capital Expenditure on State Railways in 1916-1917, and Estimated Expenditure on such works in 1917-1918 and 1918-1919, and to end of 1918-1919.

Railways.	To end of 1915-1916.	Accounts, 1916-1917.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.	To end of 1918-1919.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
Open Lines.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Agra-Delhi Chord	1,47,56,190	40,505	74,000	1,64,000	1,50,34,695	...	...	
Aden Tramway	2,88,292	3,33,524	1,25,000	2,12,000	9,58,816	...	...	
Ahmedabad-Dholka (earthwork, etc.)	59,900	...	...	...	59,900	...	...	
Assam-Bengal (Construction)	10,83,31,538	28,00,672	24,62,000	40,96,000	11,76,90,210	...	...	
Ditto (Land)	55,89,061	17,875	15,000	15,000	56,36,936	...	...	
Baran-Kotah	46,47,772	94,924	1,78,000	1,00,000	50,20,696	...	...	
Bengal-Nagpur Railway	24,62,38,883	22,25,710	60,09,000	60,60,000	26,05,33,593	...		
Bezwada Extension	12,46,787	2,285	1,000	43,000	12,93,072	...	...	
Bhopal	40,84,392	10,161	4,000	64,000	41,62,553	...	...	
Bombay, Baroda and Central India	49,95,78,791	20,33,676	27,01,000	43,70,000	50,86,83,467	...	...	
Burma	9,74,12,324	...	...	...	9,74,12,324	...	...	
Burma Railway Extensions	2,20,71,038	*—31,461*	*—73,000*	1,00,000	2,20,66,577	...	...	
Cawnpur-Banda	78,91,973	29,204	70,000	2,75,000	82,66,177	...	...	
Coonoor-Ootacamund	43,02,666	*—39*	13,000	39,000	43,54,627	...	...	
Dharmapuri Hosur Extension	21,38,240	*—7,146*	1,000	*—8,000*	21,24,094	...	...	
Dhone-Kurnool	10,08,669	7,930	3,000	5,000	10,24,599	...	...	
East Indian	55,87,66,165	60,87,463	12,14,000	67,47,000	57,28,14,628	...	...	
Eastern Bengal	35,02,46,216	30,37,696	43,39,000	61,27,000	36,37,49,912	...	...	
Frontier Railway Reserve Material	43,57,294	*—36,27,544*	*—1,00,000*	...	6,29,750	...	...	
Carried over	1,93,30,16,191	1,30,55,435	1,70,36,000	2,84,09,000	1,99,15,16,626	...	...	

Appendix III, Table II—*continued.*

Railways.	To end of 1915-1916.	Accounts, 1916-1917.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.	To end of 1918-1919.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward .	1,93,30,16,191	1,30,55,435	1,70,36,000	2,84,09,000	1,99,15,16,626	...	...	
Open Lines.								
Great Indian Peninsula System . .	43,16,14,905	55,04,203	87,18,000	64,22,000	45,22,59,108	...	...	
Jodhpur-Hyderabad (British Section) .	44,45,252	21,188	1,24,000	32,000	46,22,440	...	...	
Jorhat	10,90,696	33,060	10,000	10,000	11,43,756	...	...	
Lucknow-Bareilly	51,21,139	...	...	...	51,21,139	...	...	
Madras and Southern Mahratta Railway (Madras Section)	15,14,85,845	...	...	...	15,14,85,845	...	...	
North-Western	(a)82,03,16,073	24,01,387	81,85,000	1,00,59,000	84,09,61,460	...	...	(a) Includes Rs. 25,705 on account of the Survey outlay on the Khani Hindubagh Railway brought on to construction account during 1915-16.
Nushki Dalbandin Extension . .	...	74,47,743	15,50,000	50,000	90,47,743	...	...	
Oudh and Rohilkhand	27,71,01,449	5,24,889	3,72,000	8,25,000	27,88,23,338	...	...	
Petroleum Operations, Baluchistan . .	1,19,187	...	...	...	1,19,187	...	...	
Rohilkund and Kumaon Railway (Ganges bridge)	76,416	...	...	...	76,416	...	...	
South Indian	16,86,08,817	*—17,96,672*	5,07,000	21,56,000	16,94,75,145	...	...	
Southern Shan States	1,55,87,886	*—2,36,869*	45,000	1,00,000	1,54,96,017	...	...	
Tinnevelly Quilon (British Section)	43,52,433	19,619	*—4,000*	4,000	43,72,052	...	...	
Ditto (Native State Section)	1,18,25,260	22,107	10,000	5,000	1,18,62,367	...	...	
Tinnevelly Tiruchendur . . .	...	6,30,000	...	...	6,30,000	...	...	
Tirhoot Railway and Extensions . .	8,13,00,449	*—7,94,106*	*—6,07,000*	89,000	7,99,88,343	...	...	
Warora Colliery	10,46,191	*—4,776*	...	...	10,41,415	...	...	
Total Open Lines .	3,90,71,08,189	2,68,27,208	3,59,46,000	4,81,61,000	4,01,80,42,397	...	...	

Appendix III, Table II—*continued.*

Railways.	To end of 1915-1916.	Accounts, 1916-1917.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.	To end of 1918-1919.	Sanctioned Outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines brought forward .	3,90,71,08,189	2,68,27,208	3,59,46,000	4,81,61,000	4,01,80,42,397	...	...	
Lines under construction.								
Aungban Heho	...	...	65,000	...	65,000	...	...	
Bombay Harbour Branch Extension . .	37,05,134	35,420	30,000	2,00,000	39,70,554	52,08,199	12,37,645	
Itarsi-Nagpur and branch to Pench Valley Coalfields	2,69,72,403	3,29,497	1,34,000	3,00,000	2,77,35,900	3,37,05,415	59,69,515	
Parvatipore Singapore Road . . .	2,22,252	10,189	15,000	15,000	2,62,441	40,31,059	37,68,618	
Dalbandin Mirjawa	...	...	1,08,00,000	70,00,000	1,78,00,000	1,76,00,000*	...	*Provisionally sanctioned by the Secretary of State.
Tank Murtaza	...	...	5,20,000	5,01,000	10,21,000	11,40,000	1,19,000	
Total Lines under construction .	3,08,99,789	3,75,106	1,15,64,000	80,16,000	5,08,54,895	...	...	
Total Open Lines, carried over .	3,90,71,08,189	2,68,27,208	3,59,46,000	4,81,61,000	4,01,80,42,397	...	...	

Appendix III, Table II—*continued.*

Railways.	To end of 1915-1916.	Accounts, 1916-1917.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.	To end of 1918-1919.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines, brought forward .	3,90,71,08,189	2,68,27,208	3,59,46,000	4,81,61,000	4,01,80,42,397			
Total Lines under Construction, brought forward	3,08,99,789	3,75,106	1,15,64,000	80,16,000	5,08,54,895			
Lines in abeyance or Transferred to Companies, etc.								
Bellary-Kistna	1,65,78,416	...	...	...	1,65,78,416			
Bilaspur-Etawah	75,132	...	...	...	75,132			
Nagpur-Chhattisgarh (Depreciation Account).	6,57,038	...	...	...	6,57,038			
Ranaghat-Bhagwangola . . .	3,02,450	...	...	...	3,02,450			
Southern Mahratta (Depreciation on works, etc.)	5,27,071	...	...	...	5,27,071			
Umaria Colliery	1,82,672	...	...	...	1,82,672			
Vizagapatam-Raipur	2,45,035	...	...	...	2,45,035			
Total Lines in abeyance, etc. .	1,85,67,814	...	...	...	1,85,67,814			
Stores	53,469	9,08,822	...	...	9,62,291			
Reserve	...	...	...	20,92,000	20,92,000			
Deduct lapse anticipated . . .	...	...	21,48,000	...	21,48,000			
Anticipated credits for stores issued in 1918-19 to the Military Department .	...	...	...	—27,00,000	—27,00,000			
GRAND TOTAL .	3,95,66,29,261	2,81,11,136	4,53,62,000	5,55,69,000	4,08,56,71,397			

Appendix III, Table II—*continued.*

Railways.	To end of 1915-1916.	Accounts, 1916-1917.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.	To end of 1918-1919.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Grand Total, brought forward .	3,95,66,29,261	2,81,11,136	4,53,62,000	5,55,69,000	4,08,56,71,397			
Distributed as under—								
Capital Expenditure on Railways (not charged to Revenue)—								
State Railways —Construction* .	2,89,26,63,812	2,80,85,222	4,53,51,000	5,55,67,000	3,02,16,67,034			
Redemption of Liabilities† . .	90,75,31,543	...			90,75,31,543			
Famine Relief and Insurance—								
Protective Railways . . .	7,87,28,768	*—7,146*	1,000	*—8,000*	7,87,14,622			
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	5,45,35,712	...			5,45,35,712			
Construction of Railways (charged to Provincial Revenues).	74,89,941	33,060	10,000	10,000	75,43,001			
Other Expenditure charged against Revenue.	1,56,79,485	...			1,56,79,485			
Total as above .	3,95,66,29,261	2,81,11,136	4,53,62,000	5,55,69,000	4,08,56,71,397			

* Includes Debentures raised by Companies—

Bombay, Baroda and Central India Railway	1,43,90,464	...	...	...	1,43,90,464
East Indian Railway	27,07,02,709	...	...	...	27,07,02,709
Great Indian Peninsula Railway	4,87,97,364	...	...	...	4,87,97,364
South Indian Railway	5,71,35,901	...	—75,00,000	—37,50,000	4,58,85,901
Capital contributed by the Jaipur Durbar towards outlay on the Nagda Muttra Railway.	60,00,000	10,00,000	10,00,000	5,00,000	85,00,000
Bombay, Baroda and Central India Railway Contribution from Provident Fund and advances by the Home Board.	20,10,000	...	...	...	20,10,000
Total .	39,90,36,438	10,00,000	—65,00,000	—32,50,000	39,02,86,438

† Bombay, Baroda and Central India Railway 18,72,06,696
East Indian Railway 18,05,98,229
Eastern Bengal Railway 3,10,54,458
Great Indian Peninsula Railway 8,88,35,250
Madras and Southern Mahratta Railway 3,21,72,000
North Western Railway 7,36,74,320
Oudh and Rohilkhand Railway 15,50,40,735
South Indian Railway 7,03,88,355
Inland Midland Railway 8,85,61,500
Total . 90,75,31,543

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1916-17, and Estimated Expenditure on such works in 1917-18, and 1918-19, and to the end of 1918-19.

	Actual outlay to end of 1915-16.	Accounts, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.	Total actual and estimated outlay to end of 1918-19.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
PRODUCTIVE WORKS.	R	R	R	R	R	R	R
North-West Frontier Province.							
Upper Swat River Canal	1,87,85,451	9,26,471	6,49,000	3,33,000	2,06,93,922		
Lower ditto	41,90,429	—18,471	—30,000	10,000	41,51,958		
Kabul River Canal*	11,09,833	24,138	1,04,000	96,000	13,33,971		
Madras.							
Godavari Delta System	1,28,66,948	1,21,326	1,78,000	2,21,000	1,33,87,274	1,35,99,126	2,11,852
Kistna Delta System	1,52,10,571	45,398	1,41,000	83,000	1,54,79,969	1,54,95,897	15,928
Penner River Canals System	56,89,202	3,544	11,000	11,000	57,14,746	57,15,872	1,126
Periyar Project	1,02,81,364	12,775	3,000	7,000	1,03,04,139	1,03,10,979	6,840
Cauvery Delta System	40,78,656	57,594	72,000	25,000	42,33,250	42,96,765	63,515
Kurnool Cuddapah Canal	2,27,67,939	1,00,479	12,000	96,000	2,29,76,418	2,30,55,718	79,300
Nagavalli River Project	16,19,049	16,502	12,000	14,000	16,61,551	17,79,469	1,17,918
Divi Island Project	18,78,872	21,360	18,000	20,000	19,38,232	19,87,607	49,375
Lower Coleroon Anicut*	18,69,597	...	...	...	18,69,597		
Toludur Project	6,08,003	2,24,007	1,44,000	2,34,000	12,05,010	29,60,000	17,54,990
Bombay.							
Desert Canal	26,40,891	...	...	...	26,40,891	26,91,689	50,798
Begari Canal	23,72,143	241	28,000	...	24,00,384	24,62,970	62,586
Eastern Nara Works	67,66,264	13,551	31,000	1,78,000	69,88,815	74,89,986	5,01,171
Jamrao Canal	83,70,122	2,14,233	56,000	—5,000	86,35,355	88,60,148	2,24,793
Dad Canal	25,61,185	15,441	—2,000	—5,000	25,69,626	28,95,932	3,26,306
Mutha Canal	75,84,832	33,903	4,000	...	76,22,735	77,51,579	1,28,844
Bengal.							
Midnapur Canal	83,09,132	...	5,000	2,000	83,16,132		
Hijili Tidal Canal	25,50,805	...	...	...	25,50,805		
United Provinces.							
Ganges Canal, including Mat and Hathras Branches	3,58,75,843	6,01,218	4,86,000	—1,26,000	3,68,37,061		
Lower Ganges Canal	3,88,28,768	—2,813	4,000	39,000	3,88,68,955		
Agra Canal	1,14,57,007	—26,232	6,000	31,000	1,14,67,775	1,15,10,045	42,270
Eastern Jumna Canal	48,74,132	4,143	39,000	52,000	49,69,275		
Dun Canal*	13,49,751	—199	9,000	35,000	13,93,552		
Bijnor Canal*	3,13,190	...	...	32,000	3,45,190		
Gorai Canal	6,11,998	1,12,840	53,000	...	7,77,838		
Punjab.							
Western Jumna Canal	1,68,82,347	1,189	12,000	25,000	1,69,20,536		
Upper Bari Doab Canal	2,11,30,492	—30,154	45,000	1,24,000	2,12,69,338		
Lower ditto	2,06,66,964	7,53,309	6,90,000	4,80,000	2,25,90,273		
Sirhind Canal	2,43,45,111	36,549	35,000	1,00,000	2,45,16,660		
Upper Chenab Canal	3,36,24,503	7,37,134	5,90,000	3,20,000	3,52,71,637	3,53,06,583	34,946
Lower ditto	3,10,32,900	5,46,021	3,50,000	4,48,000	3,23,76,921		
Upper Jhelum Canal	4,15,81,296	14,30,288	10,42,000	2,10,000	4,42,63,584		
Lower ditto	1,55,76,640	—33,194	2,00,000	7,64,000	1,65,07,446	1,83,95,782	18,88,336
Indus Inundation Canals	28,93,359	8,616	—2,000	—5,000	28,94,975		
Burma.							
Mandalay Canal	56,62,039	—77,374	—1,000	...	55,83,665	56,83,698	1,00,033
Shwebo Canal	57,19,062	50,648	24,000	24,000	58,17,710	58,25,161	7,451
Mon Canal	54,72,477	16,961	7,000	5,000	55,01,438	55,09,843	8,405
Ye-u Canal	30,40,438	5,16,574	4,11,000	6,25,000	45,93,012	48,76,590	2,83,578
Twante Canal	66,30,132	—69,507	—15,17,000	39,000	50,82,625		
Bihar.							
Orissa Canals	2,64,51,572	9,943	2,000	8,000	2,64,71,515		
Sone Canal	2,59,44,456	6,927	7,000	...	2,59,58,383		
Central Provinces.							
Wainganga Canal	31,01,867	3,78,616	4,41,000	4,10,000	43,31,483		
Mahanadi Canal	52,75,761	9,19,199	11,65,000	19,12,000	92,71,960	96,09,475	2,37,515
Asola Mendha Tank	16,37,211	25,879	30,000	...	16,93,090	17,30,346	37,256
Other Projects	1,69,65,801	18,523	40,000	1,46,000	1,71,70,324		
Reserve	...	...	...	88,000	88,000		
Total Productive Works	54,90,51,405	77,47,596	56,04,000	71,06,000	56,95,09,001		
Carried over	54,90,51,405	77,47,596	56,04,000	71,06,000	56,95,09,001		

* Transferred to "49" from 1st April 1907.

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1916-17, and Estimated Expenditure on such works in 1917-18, and 1918-19, and to the end of 1918-19.—*continued.*

	Actual outlay to end of 1915-16.	Accounts, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.	Total actual and estimated outlay to end of 1918-19.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
	R	R	R	R	R	R	R
Brought forward .	54,90,51,405	77,47,596	56,04,000	71,06,000	56,95,09,001		
PROTECTIVE WORKS.							
Madras.							
Rushikulya Project	46,72,822	1,225	7,000	18,000	46,99,047	47,00,401	1,354
Mopad Project	14,15,355	2,32,382	1,87,000	1,85,000	20,19,737	21,00,753	81,016
Venkatapuram Tank Project . . .	3,44,156	1,872	20,000	...	3,66,028		
Bombay.							
Godaveri Canal	93,55,562	1,65,480	45,000	20,000	95,86,042		
Chankapur Tank	18,24,088	16,974	16,000	37,000	18,94,062	19,41,592	47,530
Nira Canal (including Shetphal Tank) .	60,96,736	...	...	...	60,96,736	64,91,813	3,95,077
Budhihal Tank	4,90,898	138	...	...	4,91,036	13,98,529	9,07,493
Pravara River Project	57,35,112	8,08,545	9,12,000	10,52,000	85,07,657		
Nira Right Bank Canal	92,84,807	14,54,605	17,06,000	19,25,000	1,43,70,412	2,49,71,868	1,06,01,456
United Provinces.							
Betwa Canal (including Dukwa weir) .	79,75,798	14,313	13,000	23,000	80,26,111	80,68,455	42,344
Ken Canal (including Gangao dam) .	57,76,004	69,784	17,000	11,000	58,73,788	59,27,665	53,877
Dassan Canal	46,95,761	43,351	17,000	6,000	47,62,112	48,85,859	1,23,747
Ghaggar Canal	26,12,502	7,02,814	5,51,000	63,000	39,29,316		
Ghori Nadi Scheme	3,90,293	...	...	...	3,90,293		
Majhgawan Tank	3,47,184	21,013	18,000	6,000	3,92,197		
Barwar Lake and Canal . .	1,87,438	27,606	65,000	88,000	3,68,044	3,99,039	30,995
Bhatkhara Tank	57,577	—1,106	2,000	1,37,000	1,95,471	6,53,114	4,57,643
Bihar.							
Tribeni Canal	72,80,915	90,902	1,06,000	2,13,000	76,90,817		
Central Provinces.							
Tandula Canal	59,17,706	6,65,320	8,72,000	8,96,000	83,51,026	95,73,587	12,22,561
Tank Projects	90,69,001	3,45,605	4,67,000	5,15,000	1,03,96,606		
Other Projects.	42,66,714	30,713	30,000	1,73,000	45,00,427		
Reserve	...	...	...	4,29,000	4,29,000		
Total, Protective Works .	8,77,96,429	46,91,536	50,51,000	57,97,000	10,33,35,965		
Grand Total, Major Works .	63,68,47,834	1,24,39,132	1,06,55,000	1,29,03,000	67,28,44,966		
Distributed as under—							
(1) Capital expenditure on Irrigation (not charged to Revenue) . .	53,07,90,462	76,81,248	55,86,000	70,00,000	55,10,57,710		
(2) Protective Irrigation Works . .	8,80,71,113	46,91,536	50,51,000	57,97,000	10,36,10,649		
(3) Other outlay from ordinary revenues	1,79,86,259	66,348	18,000	1,06,000	1,81,76,607		
GRAND TOTAL AS ABOVE .	63,68,47,834	1,24,39,132	1,06,55,000	1,29,03,000	67,28,44,966		

Appendix III—*continued.*

Commercial and Financial Statistics.

Table IV.—Gross traffic receipts, working expenses, and net traffic receipts of State Railways for five years ending 1916-1917, with Revised Estimates for 1917-1918 and Budget Estimates for 1918-1919.

(Omitting 000, except in accounts.)

State Railways.	Accounts.					Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	1912-1913.	1913-1914.	1914-1915.	1915-1916.	1916-1917.		
	M.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	25,200	25,437	26,106	26,369	26,433	26,572	26,612
Gross Traffic Receipts.	R	R	R	R	R	R	R
Imperial.							
Assam-Bengal	66,32,724	70,40,639	68,72,053	67,98,442	68,80,463	73,00	78,00
Aden Tramway	...	...	...	14,472	1,53,579	1,51	1,50
Bengal-Nagpur	4,03,42,071	4,10,31,142	4,07,73,773	4,47,61,637	5,09,20,784	5,56,00	5,50,00
Bezwada Extension	3,84,244	2,94,355	4,39,590	4,58,138	4,89,673	5,00	5,00
Bombay, Baroda and Central India System	6,40,21,332	6,58,93,295	6,37,23,843	6,75,24,858	7,52,69,779	7,85,00	8,25,00
Burma	2,07,76,957	2,23,60,428	2,18,00,784	2,00,98,744	2,21,87,251	2,24,00	2,30,00
Burma Railway Extensions	17,32,205	21,84,418	16,42,874	17,57,133	20,69,109	21,50	24,00
Southern Shan States	16,887	33,020	87,016	3,39,165	3,38,109	4,50	6,00
Eastern Bengal	3,51,18,860	3,73,92,387	3,31,07,555	3,53,38,268	3,70,21,485	3,43,00	3,50,00
East Indian	10,25,72,586	10,17,07,428	10,52,21,592	10,60,08,844	11,02,01,205	11,65,00	11,50,00
Great Indian Peninsula including Indian Midland	7,94,91,613	8,55,08,945	7,77,52,916	9,01,17,305	9,67,50,475	10,58,00	10,54,00
Agra-Delhi Chord	28,98,758	23,09,274	32,06,644	28,84,018	30,47,574	32,00	31,50
Bhopal	9,21,470	7,05,991	5,38,468	6,58,689	7,87,907	9,00	8,00
Baran-Kotah	2,28,678	1,77,507	1,49,969	2,21,240	2,43,097	2,50	2,50
Cawnpore-Banda	...	...	...	4,05,258	3,68,286	4,50	4,00
Jodhpur-Hyderabad (British Section)	13,81,799	13,36,295	10,52,695	11,39,522	13,81,452	18,50	18,00
Lucknow-Bareilly	21,63,009	23,56,789	20,52,756	18,76,076	25,27,080	26,00	25,00
North-Western	8,82,12,116	8,69,96,146	8,19,57,786	8,39,36,357	9,66,56,409	11,90,00	11,20,00
Oudh and Rohilkhand	2,43,64,792	2,40,89,233	2,07,97,699	2,26,21,042	2,61,76,455	2,93,50	2,95,00
Hardwar-Dehra	4,45,053	4,85,846	4,66,506	...	...		
Madras and Southern Maharatta Railway	3,63,50,208	3,81,21,165	3,82,75,086	4,20,29,319	4,68,93,840	5,10,70	5,19,00
Mysore State lines	36,75,718	38,25,763	36,55,498	37,66,070	39,86,015	42,00	42,60
Dhone-Kurnool	1,19,518	1,23,739	1,12,693	1,31,028	1,40,000	1,30	1,40
South Indian	2,75,45,053	2,80,67,080	2,71,60,221	2,93,14,815	3,22,67,342	3,51,70	3,71,00
Tinnevelly-Quilon	8,25,023	9,03,891	8,92,082	9,85,938	10,27,354	11,30	13,00
Tirhoot	99,47,877	1,01,20,998	97,03,502	92,58,479	97,89,074	94,00	95,00
Reserve	...	...	...	...	...	...	2,29,00
Total Imperial	55,01,68,551	56,30,64,774	54,14,43,601	57,24,44,857	62,75,80,697	68,23,51	70,48,50
Provincial.							
Jorhat	1,22,589	1,23,805	1,27,545	1,53,781	1,65,389	1,49	1,50
Total India	55,02,91,140	56,31,88,579	54,15,71,146	57,25,98,638	62,77,46,086	68,25.00	70,50,00
England.							
Bengal-Nagpur	...	...	2,910	3,540	4,590	4	5
East Indian	4,313	3,450	3,450	25,080	9,98,085	9,33	3
Eastern Bengal	...	...	...	1,605	74,175	69	...
Oudh and Rohilkhand	...	...	...	750	34,155	32	...
Scinde Punjab and Delhi	...	...	...	13,275	6,11,911	5,70	...
Total England	4,313	3,450	6,360	44,250	17,22,916	16,08	8
Grand Total	55,02,95,453	56,31,92,029	54,15,77,506	57,26,42,888	62,94,69,002	68,41,08	70,50,08

Appendix III, Table IV—*continued.*

State Railways.	Accounts.					Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	1912-1913.	1913-1914.	1914-1915.	1915-1916.	1916-1917.		
Working Expenses.	₹	₹		₹	₹	₹	₹
Imperial.							
Assam-Bengal	46,68,680	47,66,650	51,49,556	52,58,747	52,42,112	55,28	61,08
Aden Tramway	...	...	...	20,093	1,09,400	1,37	2,97
Bengal-Nagpur	1,84,71,946	1,95,72,889	2,01,71,296	2,21,93,629	2,48,54,230	2,61,52	2,58,28
Bezwada Extension	1,99,979	1,75,732	2,45,505	2,58,429	2,81,452	2,35	2,50
Bombay, Baroda and Central India System	3,24,32,956	3,28,58,674	3,28,96,800	3,29,79,155	3,19,13,142	3,48,25	3,58,00
Burma Railways	1,22,12,069	1,17,88,982	1,23,78,879	1,15,45,605	1,15,02,897	1,14,76	1,37,63
Burma Railway Extensions	10,16,196	11,67,591	11,31,626	10,95,206	10,95,202	11,47	11,98
Southern Shan States	5,325	39,066	81,017	3,17,751	2,82,832	3,88	3,80
Eastern Bengal	2,12,06,460	2,05,40,085	2,20,08,629	2,12,05,545	2,00,85,079	2,00,00	2,24,70
East Indian	3,85,64,371	4,14,09,197	4,07,21,501	4,13,84,866	4,07,26,689	4,07,50	4,28,90
Great Indian Peninsula including Indian Midland	4,52,56,737	5,16,28,941	4,89,41,949	5,10,75,174	5,29,32,189	5,64,00	5,93,00
Agra-Delhi Chord	15,69,585	13,88,240	20,04,897	16,44,874	16,37,296	17,00	17,00
Bhopal	5,06,334	4,27,021	3,36,705	3,78,387	4,22,626	4,60	4,60
Baran-Kotah	1,12,156	88,754	74,301	1,10,620	1,21,549	1,10	1,20
Cawnpore-Banda	...	...	...	2,45,122	2,17,595	2,10	2,20
Jodhpur-Hyderabad (British Section)	6,46,339	6,69,177	6,19,736	6,73,618	7,61,906	8,50	8,25
Lucknow-Bareilly	9,54,123	10,23,699	10,23,291	9,75,409	9,94,176	11,00	10,26
North-Western	4,99,31,758	4,95,69,567	5,14,15,494	4,93,13,607	4,83,45,891	5,09,00	5,67,00
Oudh and Rohilkhand	1,10,46,805	1,17,53,245	1,17,36,780	1,11,94,413	1,14,27,227	1,07,00	1,35,00
Hardwar-Dehra	2,22,526	2,42,673	2,33,253	...	...	...	...
Madras and Southern Mahratta Railway	1,99,49,016	2,15,21,802	2,15,04,612	2,23,26,647	2,42,85,663	2,49,00	2,71,00
Mysore State lines	20,26,874	21,70,848	21,06,654	20,28,447	20,86,945	20,25	22,34
Dhone Kurnool	74,690	78,868	71,918	77,593	84,783	75	80
South Indian	1,47,42,026	1,62,63,531	1,57,56,344	1,46,02,933	1,61,70,522	1,50,00	1,60,50
Tinnevelly-Quilon	4,55,240	5,47,590	6,26,330	5,84,868	6,08,598	8,00	6,40
Tirhoot	38,74,566	38,08,861	39,22,982	37,07,574	33,94,803	40,11	37,17
Reserve	...	...	...	...	...	...	1,28,78
Total Imperial	28,01,46,757	29,35,01,683	29,51,60,055	29,51,98,312	29,95,84,804	30,98,79	34,55,34
Provincial.							
Jorhat	84,546	89,499	1,27,109	1,01,834	1,01,641	1,21	1,30
Grand Total	28,02,31,303	29,35,91,182	29,52,87,164	29,53,00,146	29,96,86,445	31,00,00	34,56,64

Appendix III, Table IV—*concluded.*

State Railways.	Accounts.					Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	1912-1913.	1913-1914.	1914-1915.	1915-1916.	1916-1917.		
Net Traffic Receipts.	R	R	R	R	R	R	R
Imperial.							
Assam-Bengal	19,64,044	22,73,989	17,22,497	15,39,695	16,44,351	17,72	1,692
Aden Tramway	...	...	...	—*5,621*	44,179	14	—*1,47*
Bengal-Nagpur	2,18,70,125	2,14,58,253	2,06,02,477	2,25,68,008	2,60,66,554	2,94,48	2,91,72
Bezwada Extension	1,84,265	1,18,623	1,94,085	1,99,709	2,08,221	2,65	2,50
Bombay, Baroda and Central India System	3,15,88,376	3,30,34,621	3,08,27,043	8,45,45,703	4,33,56,637	4,36,75	4,67,00
Burma Railways	85,64,888	1,05,71,446	94,21.905	85,53,140	1,06,84,354	1,09,24	92,37
Burma Railway Extensions	7,16,009	10,16,827	5,11,248	6,61,926	9,73,907	10,03	12,02
Southern Shan States	11,562	—6,046	5,999	21,414	55,277	62	2,20
Eastern Bengal	1,39,12,400	1,68,52,302	1,10,98,926	1,41,32,723	1,69,36,406	1,43,00	1,25,30
East Indian	6,40,08,215	6,02,98,231	6,45,00,091	6,46,23,978	6,94,74,516	7,57,50	7,21,10
Great Indian Peninsula including Indian Midland	3,42,34,876	3,38,80,004	2,88,10,967	3,00,42,131	4,38,18,286	4,94,00	4,61,00
Agra-Delhi Chord	13,29,173	9,21,034	12,01,747	12,39,144	14,10,278	15,00	14,50
Bhopal	4,15,136	2,78,970	2,01,763	2,80,302	3,65,281	4,40	3,40
Baran-Kotah	1,16,522	88,753	75,668	1,10,620	1,21,548	1,46	1,30
Cawnpore-Banda	...	...	...	1,60,136	1,50,691	2,40	1,80
Jodhpur-Hyderabad (British Section)	7,35,460	6,67,118	4,32,959	4,65,904	6,19,546	10,00	9,75
Lucknow-Bareilly	12,08,886	13,33,090	10,29,465	9,00,667	15,33,804	15,00	14,74
North-Western	3,82,80,358	3,74,26,579	3,05,42,292	3,46,22,750	4,83,10,518	6,81,00	5,53,00
Oudh and Rohilkhand	1,33,17,987	1,23,35,988	90,60,919	1,14,26,629	1,47,49,228	1,86,50	1,60,00
Hardwar-Dehra	2,22,527	2,42,673	2,33,253	...	...	...	...
Madras and Southern Mahratta Railway	1,64,01,192	1,65,99,363	1,67,70,474	1,97,02,672	2,26,08,177	2,61,70	2,48,00
Mysore State lines	16,48,844	16,54,915	15,48,844	17,37,623	18,99,070	21,75	20,26
Dhone-Kurnool	44,828	44,871	40,775	53,435	55,217	55	60
South Indian	1,28,03,027	1,18,03,549	1,14,03,877	1,47,11,882	1,60,96,820	2,01,70	2,10,50
Tinnevelly-Quilon	3,69,783	3,55,801	2,65,752	4,01,070	4,18,756	3,30	6,60
Tirhoot	60,73,311	63,12 187	57,80,520	55,50,905	63,94,271	53,89	57,83
Reserve	...	...	...	...	...	...	1,00,22
Total Imperial	27,00,21,794	26,95,63,091	24,62,83,546	27,72,46,545	32,79,95,893	37,24,72	35,93,16
Provincial.							
Jorhat	38,043	34,306	486	51,947	63,748	28	20
Total India	27,00,59,837	26,95,97,397	24,62,84,032	27,72,98,492	32,80,59,641	37,25,00	35,93,36
England.							
Bengal-Nagpur	...	...	2,910	3,540	4,590	4	5
East Indian	4,313	3,450	3,450	25,080	9,98,085	9,33	3
Eastern Bengal	...	...	...	1,605	74,175	69	...
Oudh and Rohilkhand	...	...	...	750	34,155	32	...
Scinde Punjab and Delhi	...	...	...	13,275	6,11,911	5,70	...
Total England	4,313	3,450	6,360	44,250	17,22,916	16,08	8
Grand Total	27,00,64,150	26,96,00,847	24,62,90,342	27,73,42,742	32,97,82,557	37,41,08	35,93,44

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.- Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1916-17, with Revised Estimates for 1917-18, and Budget Estimates for 1918-19.

	Actuals.					Revised Estimate, 1917-18	Budget Estimate, 1918-19.
	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.		
	R	R	R	R	R	R	R
DIRECT RECEIPTS—							
Lower Swat River canal	6,17,160	6,20,190	6,15,443	6,07,823	5,62,908	6,57,000	6,72,000
Kabul River canal	1,75,901	1,86,660	1,82,373	1,64,918	1,83,783	2,01,000	2,00,000
Godavari Delta system	1,35,736	1,24,184	1,70,251	1,39,319	1,47,538	1,47,000	1,58,000
Kistna „ „	92,605	97,152	86,329	1,03,293	1,12,416	1,15,000	1,12,000
Cauvery „ „	6,441	4,589	4,471	4,913	5,026	9,000	5,000
Penner River canals	3,326	4,734	3,367	4,337	2,705	3,000	3,000
Periyar project	12,234	5,604	7,597	14,541	15,654	16,000	15,000
Rushikulya project	1,456	1,586	3,870	2,993	2,521	2,000	3,000
Lower Coleroon anicut system	2,021	2,435	2,819	2,382	1,673	4,000	2,000
Shatiatope anicut „	574	901	660	855	926	1,000	1,000
Desert canal	96,142	86,359	77,146	93,735	1,13,838	56,000	1,04,000
Begari „	10,723	36,288	39,646	36,134	42,825	35,000	42,000
Eastern Nara works	20,608	18,719	18,708	14,904	18,325	31,000	13,000
Jamrao canal	28,919	57,856	22,614	37,416	45,095	32,000	28,000
Mutha canals	3,59,687	3,91,756	3,89,704	3,67,075	4,27,393	3,60,000	3,68,000
Nira canal	5,04,980	5,42,333	5,88,392	5,54,722	4,95,014	4,08,000	5,08,000
Midnapore canal	2,20,782	2,10,152	2,23,591	2,29,092	2,31,928	2,26,000	2,22,000
Hijili Tidal canal	53,136	36,427	30,371	48,987	57,804	70,000	60,000
Ganges canal (including Hathras Branch)	35,55,282	38,86,390	40,16,206	40,08,030	42,05,711	43,58,000	41,32,000
Lower Ganges canal	23,39,516	29,48,277	34,99,197	31,04,648	26,99,712	28,56,000	28,52,000
Agra canal	7,38,129	8,48,157	8,38,004	8,39,299	11,34,629	8,90,000	7,62,000
Eastern Jumna canal	11,93,475	14,87,717	15,25,253	14,14,917	14,97,457	14,49,000	14,43,000
Dun canal	96,716	1,17,472	1,25,770	1,05,491	1,21,512	1,17,000	95,000
Bijnor canal	34,147	37,073	43,294	42,006	47,484	51,000	31,000
Betwa canal	1,53,476	2,44,791	1,20,145	3,08,820	2,94,236	2,11,000	2,78,000
Western Jumna canal	27,36,295	33,15,029	30,18,745	27,77,563	29,44,574	29,50,000	29,50,000
Upper Bari Doab canal	43,46,274	43,06,606	39,47,124	41,03,892	45,43,416	44,00,000	43,00,000
Sirhind canal	46,01,159	40,52,176	38,95,706	31,38,533	42,21,539	33,75,000	33,50,000
Upper Chenab canal	1,35,559	5,53,602	6,25,236	9,56,871	23,08,947	21,00,000	22,50,000
Lower Chenab canal	92,75,472	84,24,935	84,96,689	84,48,507	87,70,559	84,50,000	85,00,000
Lower Jhelum canal	26,83,017	27,59 425	28,03,381	26,50,220	29,74,283	27,50,000	28,00,000
Indus Inundation canals	2,28,192	2,37,866	1,77,191	1,87,116	2,54,809	2,25,000	2,00,000
Mandalay canal	3,13,630	3,14,862	3,08,443	2,99,621	3,41,377	3,35,000	2,35,000
Shwebo canal	6,19,968	6,73,000	6,26,524	6,72,705	6,46,427	6,70,000	7,00,000
Mon canal	70,301	2,56,060	1,79,185	4,17,719	2,78,297	2,70,000	2,70 000
Twanto Canal	...	...	...	...	87,154	3,35,000	3,50,000
Orissa canals	5,36,487	5,20,053	5,49,374	5,70,240	5,79,993	5,80,000	5,89,000
Sone canal	17,18,503	19,61,859	17,32,223	20,10,113	18,77,145	18,50,000	18,98,000
Other projects	13,94,170	21,16,210	24,42,312	25,86,102	28,71,767	43,33,000	56,35,000
TOTAL	3,91,12,179	4,14,89,485	4,13,77,353	4,10,69,852	4,51,68,395	4,49,23,000*	4,62,71,000*
PORTION OF LAND REVENUE DUE TO IRRIGATION—							
Lower Swat River canal	50,596	50,652	50,683	50,787	50,822	51,000	51,000
† Kabul River canal	10,803	11,875	10,837	10,565	10,912	11,000	11,000
Godavari Delta System	38,98,412	37,64,330	36,61,044	39,03,086	37,36,767	37,38,000	37,38,000
Kistna „ „	33,84,867	34,90,756	33,63,382	33,55,896	32,55,216	32,56,000	32,56,000
Cauvery „ „	10,13,223	9,74,332	9,28,835	9,52,155	8,85,390	8,86,000	8,86,000
Penner River canals	5,85,754	5,38,303	5,46,350	5,66,512	5,58,189	5,95,000	5,95,000
Periyar project	5,65,553	5,68,296	5,62,302	5,79,521	5,22,792	5,53,000	5,53,000
Carried over	95,09,208	93,98,544	91,23,433	94,18,522	90,20,088	90,90,000	90,90,000

* Excluding Civil Officers' figures as under :—

	Revised. R	Budget. R
United Provinces	1,07,000	1,11,000
Punjab	7,000	6,000
Total	1,14,000	1 17,000

† Transferred to '49' from 1st April 1907.

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works for five years ending 1916-17, with Revised Estimates for 1917-18, and Budget Estimates for 1918-19—*continued.*

	Actuals.					Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.		
	R	R	R	R	R	R	R
PORTION OF LAND REVENUE DUE TO IRRIGATION—*contd.*							
Brought forward	95,09,208	93,98,544	91,23,433	94,18,522	90,20,088	90,90,000	90,90,000
Rushikulya Project	1,63,915	1,89,488	1,83,155	1,86,348	1,58,771	1,79,000	1,84,000
† Lower Coleroon anicut system	2,84,214	2,71,658	2,31,723	2,85,977	2,79,655	2,80,000	2,80,000
† Shatiatope anicut „	1,02,813	87,694	1,00,816	1,05,174	1,06,505	1,06,000	1,06,000
Desert canal	2,39,402	2,26,053	2,82,096	2,83,277	3,44,531	3,82,000	3,10,000
Begari „	1,86,310	4,78,371	5,21,982	5,23,830	6,18,472	6,08,000	6,13,000
Eastern Nara Works	6,19,328	5,82,075	6,13,984	6,35,477	6,21,058	6,18,000	6,24,000
Jamrao canal	7,76,269	7,39,999	6,14,236	9,51,780	7,31,782	7,63,000	7,73,000
Mutha canal	*—9,168*	*—11,646*	*—10,293*	*—9,503*	*—11,328*	...	...
Nira canal	*—25,021*	*—26,702*	*—28,662*	*—27,245*	*—24,363*	...	...
Ganges canal	9,52,179	9,62,748	9,35,219	10,07,894	10,30,532	10,30,000	10,30,000
Lower Ganges canal	4,73,573	4,95,868	5,43,619	6,50,478	7,39,647	7,40,000	7,40,000
Eastern Jumna canal	2,53,952	2,53,952	2,53,952	2,53,952	2,53,952	2,54,000	2,54,000
† Dun canal	24,980	24,980	24,980	24,980	24,980	25,000	25,000
† Bijnor canal	14,984	14,984	14,984	14,984	14,984	15,000	15,000
Western Jumna canal	2,22,601	2,21,397	2,09,125	2,30,990	2,08,310	2,25,000	2,20,000
Upper Bari Doab canal	3,38,432	5,91,597	4,52,948	6,16,293	6,68,875	6,50,000	6,00,000
Sirhind Canal	9,722	35,437	18,354	89,551	1,42,791	1,30,000	1,00,000
Upper Chenab canal	...	5,903	2,01,762	61,077	2,54,872	4,00,000	6,00,000
Lower Chenab canal	53,98,437	70,56,188	70,90,846	74,74,480	80,63,027	75,00,000	78,00,000
Lower Jhelum canal	15,37,592	15,47,514	15,62,192	14,72,343	17,64,683	16,00,000	18,00,000
Indus Inundation canals	2,68,036	2,67,940	2,49,221	2,50,227	2,73,500	2,40,000	2,60,000
Mandalay canal	53,341	52,604	52,444	50,120	58,096	61,000	63,000
Shwebo canal	1,17,105	1,26,718	1,19,961	1,29,590	1,21,216	1,34,000	1,45,000
Mon canal	12,156	39,302	27,343	66,065	44,541	45,000	50,000
Other projects	15,49,304	16,32,948	15,28,542	18,59,144	18,92,448	28,63,000	31,39,000
TOTAL	2,30,73,667	2,52,65,614	2,50,17,962	2,66,05,805	2,74,06,628	2,78,88,000	2,88,21,000
TOTAL REVENUE—							
Lower Swat River canal	6,67,756	6,70,842	6,66,126	6,58,610	6,13,730	7,08,000	7,23,000
† Kabul river canal	1,86,704	1,98,535	1,93,210	1,75,483	1,94,695	2,12,000	2,11,000
Godavari Delta System	40,34,148	38,83,514	38,31,295	40,42,405	38,84,300	38,85,000	38,96,000
Kistna „ „	34,77,472	35,87,908	34,49,711	34,59,189	33,67,632	33,71,000	33,68,000
Cauvery Delta System	10,19,664	9,78,921	9,33,306	9,57,068	8,90,416	8,95,000	8,91,000
Penner River canals	5,89,080	5,43,037	5,49,717	5,70,849	5,60,894	5,98,000	5,98,000
Periyar Project	5,77,787	5,73,900	5,69,899	5,94,062	5,38,446	5,69,000	5,68,000
Rushikulya Project	1,65,371	1,91,074	1,87,025	1,89,341	1,61,292	1,81,000	1,87,000
†Lower Coleroon anicut system	2,86,235	2,74,093	2,84,542	2,88,359	2,81,328	2,84,000	2,82,000
†Shatiatope anicut system	1,03,387	88,595	1,01,476	1,06,029	1,07,431	1,07,000	1,07,000
Desert canal	3,35,544	3,12,412	3,59,242	3,77,012	4,58,372	3,88,000	4,14,000
Begari „	1,97,033	5,14,659	5,61,628	5,59,964	6,61,297	6,43,000	6,55,000
Eastern Nara works	6,39,936	6,00,794	6,32,692	6,50,381	6,39,383	6,49,000	6,42,000
Jamrao canal	8,05,188	7,97,855	6,36,850	9,89,196	7,76,377	7,95,000	8,01,000
Mutha canal	3,50,519	3,80,110	3,79,411	3,57,572	4,16,055	3,80,000	3,68,000
Nira canal	4,79,959	5,15,631	5,59,730	5,27,477	4,70,651	4,08,000	5,08,000
Midnapur canal	2,20,782	2,10,152	2,23,591	2,29,092	2,31,928	2,2..,000	2,22,000
Hijili Tidal canal	53,136	36,427	30,371	48,987	57,804	70,000	60,000
Ganges canal (including Hathras Branch)	45,07,461	48,49,138	50,01,425	50,15,924	52,36,243	53,83,000	51,62,000
Lower Ganges canal	28,13,089	34,44,145	39,82,816	37,55,126	34,39,359	35,96,000	36,22,000
Agra canal	7,38,129	8,48,157	8,38,004	8,39,299	11,34,629	8,90,000	7,62,000
Eastern Jumna canal	14,47,427	17,41,669	17,79,205	16,68,869	17,51,409	17,03,000	16,97,000
† Dun canal	1,21,696	1,42,452	1,50,750	1,30,471	1,46,492	1,42,000	1,20,000
Carried over	2,38,17,503	2,53,89,020	2,59,02,022	2,61,90,765	2,60,20,673	2,60,63,000	2,58,64,000

† Transferred to 49, from 1st April 1907.

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1916-17, with Revised Estimates for 1917-18, and Budget Estimates for 1918-19—*continued.*

	Actuals.					Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.		
	R	R	R	R	R	R	R
TOTAL REVENUE—*concld.*							
Brought forward	2,38,17,503	2,53,89,020	2,59,02,022	2,61,90,765	2,60,20,673	2,60,63,000	2,58,64,000
†Bijnor canal	49,131	52,057	58,278	56,990	62,468	66,000	46,000
Betwa canal	1,53,476	2,44,791	1,20,145	3,08,820	2,94,286	2,11,000	2,78,000
Western Jumna canal	29,58,899	35,36,426	32,27,870	30,08,553	31,52,884	31,75,000	31,70,000
Upper Bari Doab canal	46,84,706	48,98,203	44,00,072	47,20,185	52,12,291	50,50,000	49,00,000
Sirhind canal	46,10,881	40,87,613	39,14,060	32,28,084	43,64,330	35,05,000	34,50,000
Upper Chenab canal	1,35,559	5,59,505	8,26,998	10,17,948	25,63,819	25,00,000	28,50,000
Lower Chenab canal	1,46,73,909	1,54,81,123	1,55,87,535	1,59,22,987	1,68,38,586	1,59,50,000	1,63,00,000
Lower Jhelum canal	42,20,609	43,06,939	43,65,573	41,22,563	47,38,966	43,50,000	46,00,000
Indus Inundation canals	4,96,228	5,05,806	4,26,412	4,37,343	5,28,309	4,65,000	4,60,000
Mandalay canal	3,66,971	3,67,466	3,60,887	3,49,741	3,99,473	3,96,000	3,98,000
Shwebo canal	7,37,073	7,99,718	7,46,485	8,02,295	7,67,643	8,01,000	8,45,000
Mon canal	82,457	2,95,362	2,06,528	4,83,784	3,22,838	3,15,000	3,20,000
Twante canal	...	...	...	...	87,154	3,35,000	3,50,000
Orissa canals	5,36,467	5,20,053	5,49,374	5,70,240	5,79,993	5,80,000	5,89,000
Sone canals	17,18,503	19,61,859	17,32,222	20,10,113	18,77,145	18,50,000	18,98,000
Other Projects	29,43,474	37,49,158	39,70,854	44,45,246	47,64,215	71,96,000	87,74,000
TOTAL	6,21,85,846	6,67,55,099	6,63,95,315	6,76,75,657	7,25,75,023	7,28,11,000	7,50,92,000
WORKING EXPENSES—							
Lower Swat River canal	1,61,162	1,57,093	1,42,420	2,00,376	1,31,892	1,27,000	2,00,000
†Kabul River canal	96,918	1,04,830	85,982	1,50,367	1,28,652	61,000	1,16,000
Godavari Delta system	7,13,415	8,11,801	7,99,842	7,13,803	6,42,601	7,57,000	8,71,000
Kistna „ „	6,01,835	7,08,696	8,06,121	6,92,492	5,43,181	6,20,000	5,54,000
Cauvery „ „	1,24,157	1,36,941	1,76,385	1,35,005	1,05,174	1,05,000	95,000
Penner River canals	66,142	76,261	64,794	68,411	74,050	69,000	75 000
Periyar Project	1,33,174	1,60,813	1,14,584	1,27,194	1,15,949	1,13,000	1,18,000
Rushikulaya Project	34,309	65,471	58,261	67,877	63,335	50,000	44,000
†Lower Coleroon anicut system	56,476	59,062	1,41,209	58,257	57,453	57,000	53,000
†Shatiatope anicut system	20,541	32,915	52,811	26,318	28,002	27,000	31,000
Desert canal	1,42,071	1,34,374	1,15,901	90,685	98,239	99,000	1,25,000
Begari canal	2,90,714	2,62,116	1,32,987	1,38,051	1,22,794	1,44,000	2,31,000
Eastern Nara Works	1,79,047	1,82,979	1,61,408	2,02,840	1,85,616	1,90,000	1,69,000
Jamrao canal	3,08,263	3,11,848	3,05,604	3,22,584	3,24,218	4,12,000	3,04,000
Mutha canals	1,08,291	1,08,799	1,13,309	1,39,694	1,56,807	1,75,000	1,47,000
Nira canal	91,881	87,668	1,29,992	1,22,590	1,22,874	1,63,000	1,32,000
Midnapore canal	2,06,943	1,78,785	1,32,336	1,37,172	1,58,613	1,40,000	1,92,000
Hijili Tidal canal	28,774	1,19,004	1,24,864	58,850	27,191	46,000	78,000
Ganges canal	11,10,827	11,91,519	12,14,984	11,92,670	11,94,071	10,19,000	8,35,000
Lower Ganges canal	10,14,594	10,17,056	10,32,134	10,23,669	9,93,404	9,95,000	9,86,000
Agra canal	3,24,778	3,16,625	3,14,546	3,05,337	3,06,046	3,16,000	3,15,000
Eastern Jumna canal	3,62,687	3,59,446	3,71,395	3,64,262	3,43,107	3,50,000	3,40,000
†Dun canal	56,500	49,628	56,821	59,501	81,460	60,000	55,000
†Bijnor canal	28,065	25,788	27,185	24,751	27,322	27,000	19,000
Betwa canal	1,83,789	2,33,008	2,17,639	2,31,528	2,07,676	2,18,000	2,18,000
Western Jumna canal	10,87,704	12,94,029	13,07,508	13,26,245	12,80,062	13,00,000	13,00,000
Upper Bari Doab canal	17,11,363	14,46,549	13,72,589	12,84,560	13,21,218	12,50,000	12,50,000
Sirhind canal	9,92,932	11,39,195	11,21,809	11,58,609	13,05,269	12,00,000	12,00,000
Upper Chenab canal	1,33,163	3,85,400	7,47,390	7,99,400	7,96,944	10,10,000	11,40,000
Lower Chenab canal	24,24,855	21,96,088	21,94,802	31,20,602	25,65,018	23,14,000	23,40,000
Lower Jhelum canal	9,51,611	9,19,689	8,23,556	7,53,848	9,14,193	8,34,000	8,50,000
Carried over	1,37,46,981	1,42,73,476	1,44,62,168	1,50,97,548	1,44,22,431	1,42,49,000	1,44,33,000

† Transferred to 49, from 1st April 1907.

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1916-17, with Revised Estimates for 1917-18, and Budget Estimates for 1918-19—*continued.*

	Actuals.					Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.		
	R	R	R	R	R	R	R
Brought forward	1,37,46,981	1,42,73,476	1,44,62,168	1,50,97,548	1,44,22,431	1,42,49,000	1,44,33,000
WORKING EXPENSES—*concld.*							
Indus Inundation canals	3,92,807	3,64,270	3,98,155	4,25,491	3,78,919	3,50,000	3,40,000
Mandalay canal	89,540	61,411	4,49,555	1,38,004	1,54,504	1,04,000	1,00,000
Shwebo canal	2,31,703	2,70,051	2,77,472	2,57,047	2,44,204	1,80,000	3,13,000
Mon canal	1,26,200	1,14,649	2,09,798	1,95,640	1,58,933	1,70,000	1,41,000
Twante canal	...	...	..	...	6,928	1,56,000	72,000
Orissa canal	4,45,382	5,05,785	5,65,147	4,75,648	4,72,120	4,56,000	4,42,000
Sone canal	7,55,611	7,28,937	6,80,929	7,48,349	7,09,790	8,07,000	8,28,000
Other projects	17,38,382	18,98,066	22,97,673	32,86,074	37,20,088	46,39,000	53,53,000
TOTAL	1,75,26,606	1,82,16,645	1,93,40,897	2,06,23,801	2,02,67,917	2,11,11,000*	2,20,22,000*
NET REVENUE—							
Lower Swat River canal	5,06,594	5,13,749	5,23,706	4,58,234	4,81,838	5,81,000	5,23,000
Kabul River canal	89,786	93,705	1,07,228	25,116	66,043	1,51,000	95,000
Godavari Delta system	33,20,733	30,76,713	30,31,453	33,28,602	32,41,699	31,28,000	30,25,000
Kistna „ „	28,75,637	28,79,212	26,43,590	27,66,697	28,24,451	27,51,000	28,14,000
Cauvery „ „	8,95,507	8,41,980	7,56,921	8,22,063	7,85,242	7,90,000	7,96,000
Penner River canals system	5,22,938	4,66,776	4,84,923	5,02,438	4,86,844	5,29,000	5,23,000
Periyar Project	4,44,613	4,13,087	4,55,315	4,66,868	4,22,497	4,56,000	4,50,000
Rushikulya Project	1,31,062	1,25,603	1,28,764	1,21,464	97,957	1,31,000	1,43,000
Lower Coleroon anicut system	2,29,759	2,15,031	1,43,333	2,30,102	2,23,875	2,27,000	2,29,000
Shatiatope anicut „	82,846	55,680	48,665	79,711	79,429	80,000	76,000
Desert canal	1,93,473	1,75,038	2,43,341	2,86,327	3,60,133	2,89,000	2,89,000
Begari „	—*93,681*	2,52,543	4,28,641	4,21,913	5,38,503	4,99,000	4,24,000
Eastern Nara Works	4,60,889	4,17,815	4,71,284	4,47,541	4,53,767	4,59,000	4,73,000
Jamrao canal	4,96,925	4,86,007	3,31,246	6,66,612	4,52,059	3,83,000	4,97,000
Mutha canals	2,42,228	2,71,311	2,65,602	2,17,878	2,59,258	1,85,000	2,21,000
Nira canal	3,88,078	4,27,963	4,29,738	4,04,887	3,47,777	2,45,000	3,76,000
Midnapur canal	13,839	31,367	90,755	91,920	73,315	86,000	30,000
Hijili Tidal canal	24,362	—*82,577*	—*94,493*	—*9,863*	30,613	24,000	—18,000
Ganges canal (including Hathras Branch).	33,96,634	36,57,619	37,86,441	38,23,254	40,42,172	43,64,000	42,77,000
Lower Ganges canal	17,98,495	24,27,089	29,50,682	27,31,457	24,45,955	26,00,000	26,36,000
Agra canal	4,13,351	5,31,532	5,23,458	5,33,962	8,28,583	5,74,000	4,47,000
Eastern Jumna canal	10,84,740	13,82,223	14,07,810	13,04,607	14,08,302	13,53,000	13,57,000
Dun canal	65,196	92,824	93,929	70,970	65,032	82,000	65,000
Bijnor canal	21,066	26,269	31,093	32,239	35,146	39,000	27,000
Betwa canal	—*30,313*	11,783	—97,494	77,292	86,560	—7,000	60,000
Western Jumna canal	18,71,195	22,42,397	19,20,362	16,82,308	18,72,822	18,75,000	18,70,000
Upper Bari Doab canal	29,73,343	34,51,654	30,27,463	34,35,625	38,91,073	38,00,000	36,50,000
Sirhind canal	36,17,949	29,48,418	27,92,251	20,69,475	30,59,061	23,05,000	22,50,000
Upper Chenab canal	2,396	1,74,105	79,608	2,18,548	17,66,875	14,90,000	17,10,000
Lower Chenab canal	1,22,49,054	1,32,85,035	1,33,92,733	1,28,02,385	1,42,73,568	1,36,36,000	1,39,60,000
Lower Jhelum canal	32,68,998	33,87,250	35,42,017	33,68,715	38,24,773	35,16,000	37,50,000
Indus Inundation canals	1,03,421	1,41,536	28,257	11,852	1,49,390	1,15,000	1,20,000
Mandalay canal	2,77,431	3,06,055	—88,668	2,11,737	2,44,969	2,92,000	2,98,000
Shwebo canal	5,05,370	5,29,667	4,69,013	5,45,248	5,23,439	6,24,000	5,32,000
Mon canal	—43,743	1,80,713	—3,270	2,88,144	1,63,905	1,45,000	1,79,000
Twante canal	...	..	...	...	80,226	1,79,000	2,78,000
Orissa canals	91,085	14,268	—15,773	94,592	1,07,873	1,24,000	1,47,000
Sone canals	9,62,892	12,32,922	10,51,293	12,61,764	11,67,355	10,43,000	10,70,000
Other projects	12,05,092	18,51,092	16,73,181	11,59,172	10,44,127	25,57,000	34,21,000
TOTAL	4,46,59,240	4,85,38,454	4,70,54,418	4,70,51,856	5,23,07,106	5,17,00,000	5,30,70,000

*Excluding Civil Officers' figures as under :—

	Revised.	Budget.
	Rs.	Rs.
United Provinces	14,000	13,000
Punjab	...	...
	14,000	13,000

Appendix III—*continued.*

Table VI.—Capital Account of Subsidized Railways.

Actuals, 1916-1917.

Railways.	Amount in sterling.	Equivalent at Rs. 15=£1.
Subsidized Railways.	£	Rs.
Receipts.		
Capital received in India.		
Amritsar-Patti-Kasur	*—1,266*	*—19,000*
Baripada-Talbond and Panposh-Raipura Extension	32,000	4,80,000
Bombay, Baroda and Central India Railway Branch Lines	410	6,150
Branch lines under the audit of the Government Examiner, East Indian Railway	188,100	28,21,505
Chaparmukh-Silghat	81,250	12,18,757
Dhond-Baramati	*—1,756*	*—26,330*
Hardwar-Dehra	207	3,100
Kalighat-Falta	98,952	14,84,272
Katakhal Lalabazar	11,334	1,70,000
Khulna-Bagerhat	24,667	3,70,000
Mandra-Bhaun	10,334	1,55,000
Murtajapur-Ellichpur	3,933	59,000
Murtajapur-Yeotmal	467	7,000
Mymensingh-Bhairab Bazar	110,000	16,50,000
Mymensingh-Jamalpur-Jagannathganj	666	10,000
Nawshahr Jaijon Extension	...	...
Pachora-Jamner	29,800	4,47,000
Pulgaon-Arvi	16,667	2,50,000
Sara-Serajganj	...	...
Sialkot-Narowal	24,666	3,70,000
Total Receipts	630,431	94,56,454
Withdrawals in India.		
Assam-Bengal	*—99,226*	*—14,88,384*
Bengal-Nagpur	*—136,503*	*—20,47,539*
Burma	24,273	3,64,090
Lucknow-Bareilly	*—24,510*	*—3,67,655*
Madras and Southern Mahratta	21,760	3,26,399
	—214,206	*—32,13,069*
Amritsar-Patti-Kasur	*—534*	*—8,017*
Baripada-Talbond and Panposh Raipura Extension	32,411	4,86,158
Bombay, Baroda and Central India Railway Branch Lines	818	12,273
Branch lines under the audit of the Government Examiner, East Indian Railway	203,766	30,56,488
Chaparmukh-Silghat	85,791	12,86,863
Dhond-Baramati	*—108*	*—1,617*
Hardwar-Dehra	428	6,415
Kalighat-Falta	79,239	11,88,590
Katakhal Lalabazar	3,807	57,102
Khulna-Bagerhat	22,495	3,37,429
Mandra Bhaun	14,573	2,18,591
Murtajapur-Ellichpur	1,900	28,499
Murtajapur-Yeotmal	*—1,021*	*—15,311*
Mymensingh-Bhairab Bazar	95,755	14,36,327
Mymensingh-Jagannathganj	592	8,886
Nawshahr-Jaijon Extension	...	...
Pachora-Jamner	35,309	5,29,629
Pulgaon-Arvi	20,340	3,05,103
Sara-Serajganj	50,053	7,50,797
Sialkot-Narowal	18,628	2,79,426
	664,242	99,63,631
Total Withdrawals	450,036	67,50,542
Net Withdrawals	—180,395	—27,05,912

Appendix III—*continued.*

Table VI.—Capital Account of Subsidized Railways—*continued.*

Revised, 1917-1918.

Railways.	Amount in sterling. (Omitting 00.)	Equivalent at Rs. 15=£1. (Omitting 00 0
	£	Rs.
Subsidized Railways.		
Receipts.		
Capital received in India.		
Amritsar-Patti-Kasur	...	...
Baripada-Talband and Panposh-Raipura	56,6	8,49
Bombay, Baroda and Central India Railway Branch Line	1,7	25
Dhond-Baramati	1	2
East Indian Railway Branch Lines	42,3	6,35
Hardwar-Dehra	4	6
Kalighat-Falta	21,4	3,21
Khulna-Bagerhat	15,0	2,25
Mandra-Bhaun	...	...
Murtajapur-Ellichpur	2,6	39
Murtajapur-Yeotmal		
Mymensingh-Bhairab Bazar	100,2	15,03
Mymensing-Jamalpur-Jagannathganj		
Nawshahr-Jaijon Extension	16,8	2,50
Pachora-Jamner	34,6	5,19
Pulgaon-Arvi	11,3	1,70
Sara-Serajganj		
Sialkot-Narowal	1,3	20
Variations anticipated	5,9	89
Total Receipts	310,2	46,53
Withdrawals in India.		
Assam-Bengal	—19,5	—2,92
Bengal-Nagpur	—281,1	—42,17
Burma	—44,1	—6,62
Lucknow-Bareilly	3,3	50
Madras and Southern Mahratta	21,4	3,20
	—320,0	—48,01
Amritsar-Patti-Kasur	6	9
Baripada-Talband and Panposh-Raipura	58,6	8,80
Bombay, Baroda and Central India Railway Branch	2,1	31
Dhond-Baramati	5	7
East Indian Railway Branch Lines	49,1	7,36
Hardwar-Dehra	5	7
Kalighat-Falta	41,1	6,17
Khulna-Bagerhat	17,2	2,58
Mandra-Bhaun	7	10
Murtajapur-Ellichpur	7,3	1,10
Murtajapur-Yeotmal		
Mymensingh-Bhairab Bazar	140,0	21,00
Mymensingh-Jagannathganj	5	8
Nawshahr-Jaijon Extension	16,7	2,50
Pachora-Jamner	38,7	5,80
Pulgaon-Arvi	11,6	1,75
Sara-Serajganj	—2	—3
Sialkot-Narowal	3,5	53
Variations anticipated	6,9	1,04
	395,4	59,32
Total Withdrawals	75,4	11,31
Net Withdrawals	—234,8	—35,22

Appendix III—*concluded.*

Table VI.—Capital Account of Subsidized Railways—*concluded.*

Budget Estimate, 1918-1919.

Railways.	Amount in sterling. (Omitting 00.)	Equivalent at Rs 15=£1. (Omitting 000.)
Subsidized Railways.	£	Rs.
Receipts.		
Capital received in India.		
Amritsar-Patti-Kasur	9	14
Baripada-Talbond and Panposh-Raipura	40,5	6,07
Bombay, Baroda and Central India Railway Branch Lines	1,9	28
Dhond-Baramati	7	11
East Indian Railway Branch Lines	35,7	5,36
Hardwar-Dehra	1,0	15
Kalighat-Falta	1,5	23
Khulna-Bagerhat	8,3	1,25
Mandea-Bhaun	9	14
Murtajapur-Ellichpur	9,7	1,45
Murtajapur-Yeotmal		
Mymensingh-Bhairab Bazar	13,4	2,00
Mymensingh-Jamalpur-Jagannathganj	1,0	15
Nawshahr-Jaijon	1,7	25
Pachora-Jamner	15,2	2,28
Pulgaon-Arvi	2,5	38
Sara-Serajganj	...	...
Sialkot-Narowal	5,8	87
Variations anticipated	—8,2	—1,24
Total Receipts	132,5	19,87
Withdrawals in India.		
Assam-Bengal	—182,5	—27,38
Bengal-Nagpur	—265,3	—39,80
Burma	25,2	3,78
Lucknow-Bareilly	—5	—7
Madras and Southern Mahratta	119,7	17,95
	—303,4	—45,52
Amritsar-Patti-Kasur	1,9	28
Baripada-Talbond and Panposh-Raipura	40,5	6,07
Bombay, Baroda and Central India Railway Branch Lines	1,9	28
Dhond-Baramati	7	11
East Indian Railway Branch Lines	35,7	5,36
Hardwar-Dehra	1,0	15
Kalighat-Falta	1,5	23
Khulna-Bagerhat	8,3	1,25
Mandea-Bhaun	1,3	20
Murtajapur-Ellichpur	9,7	1,45
Murtajapur-Yeotmal		
Mymensingh-Bhairab Bazar	13,4	2,00
Mymensingh-Jagannathganj	1,0	15
Nawshahr-Jaijon	1,7	25
Pachora-Jamner	15,2	2,28
Pulgaon-Arvi	2,5	38
Sara-Serajganj	1,3	20
Sialkot-Narowal	5,8	87
Variations anticipated	—9,3	—1,39
	133,7	20,07
Total Withdrawals	—169,7	—25,45
Net Withdrawals	—302,2	—45,32

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