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Finance Department

Budget for 1930-31.

CALCUTTA: GOVERNMENT OF INDIA
CENTRAL PUBLICATION BRANCH
1930

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GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

BUDGET FOR 1930-31.

CONTENTS.

PART I.

RAILWAY BUDGET.

PAGE.

Speech of the Hon'ble the Railway Member introducing the Railway Budget for 1930-31 on the 17th February 1930—

Introductory 1

Financial results of 1928-29 1

Revised estimates for 1929-30 1

Budget estimates for 1930-31 4

Capital expenditure 4

Budget of the Railway Revenue and Expenditure of the Governor-General in Council as laid before the Indian Legislature, 1930.—

1.—Statement of the Revenue of the Central Government from Railways in India and England 12

1(*a*).—Statement of Working Expenses of State Railways—Commercial Lines 14

2.—Statement of the Expenditure on Railways charged to the Revenue of the Central Government in India and in England . . . 16

2(*a*).—Contribution from Railway to General Revenues, 1929-30 and 1930-31 18

3.—Statement of Receipts of the Central Government in India and England from Capital contributed by Railway Companies and Indian States towards outlay on State Railways 20

4.—Statement of the Capital Expenditure of the Central Government in India and England on Railways 22

A.—Railway Depreciation Fund 24

B.—Railway Reserve Fund 26

PAGE

Speech by the Hon'ble Mr. T. G. Russell, Chief Commissioner of Railways, in presenting the Railway Budget for 1930-31 in the Council of State on the 17th February 1930 27

Schedule of demands for grants for expenditure of the Central Government on Railways for the year 1930-31 submitted for the vote of the Legislative Assembly 33

Budget of the Railway Revenue and Expenditure of the Governor General in Council as revised since its presentation before the Legislative Assembly and the Council of State 35

Explanatory Memorandum of the Railway Budget for 1930-31—

1928-29—Commercial and Strategic Lines together 51

1929-30—A. Commercial Lines 51

B. Strategic Lines 58

C. Summary of results 58

1930-31—A. Commercial Lines 59

B. Strategic Lines 61

C. Summary 62

Capital Expenditure 62

Appendix I.—Capital Expenditure 65

Appendix II.—Capital Expenditure on State Railways . . . 82

Appendix III.—Gross receipts, working expenses, and net receipts of State Railways 90

PART II.

GENERAL BUDGET.

Speech of the Hon'ble the Finance Member introducing the Budget for 1930-31 in the Legislative Assembly on the 28th February 1930—

Introductory 1

Actual out-turn of 1928-29. 1

Review of the year 1929-30—General Conditions 2

Revised Estimates. 3

Prospects for the year 1930-31—Political conditions 4

Revenue 4

Departmental transactions . . . 5

Expenditure 5

Special new demands 6

Budget proposals 13

Review of Budget proposals . . . 24

Ways and Means 29

General Review of the Economic Situation 35

Conclusion 37

Budget of the Governor General in Council as laid before the Indian Legislature, 1930—

I.—General Statement of the Revenue and Expenditure charged to Revenue of the Central Government in India and in England . 40

II.—General Statement of the Receipts and Disbursements of the Central Government in India and in England 42

PAGE.

A.—Statement of the Revenue of the Central Government in India and in England 44

B.—Statement of the Expenditure charged to Revenue of the Central Government in India and in England 48

C.—Statement of Receipts and Disbursements of the Central Government in India and in England 52

D.—Abstract statement of the Receipts and Disbursements of the Central Government in India and in England 64

The Indian Finance Bill as introduced in the Legislative Assembly on the 28th February 1930 66

Speech of the Financial Secretary in the Council of State on the 28th February 1930 73

Schedule of demands for grants (excluding Railways) for 1930-31 submitted for the vote of the Legislative Assembly 81

Declaration by the Governor General in Council regarding a certain demand refused by the Assembly 83

Notification, dated the 5th April 1930, publishing the Indian Finance Act, 1930 84

Notification, dated the 5th April 1930, publishing the Silver (Excise Duty) Act, 1930 89

Resolution No. F. 1 (1)—B/30, dated the 3rd April 1930, publishing the Budget Statements as revised since their presentation to the Legislative Assembly and the Council of State 91

Explanatory Memorandum by the Financial Secretary on the Budget for 1930-31 . 121

Appendix I.—Statement of *net* revenue and expenditure (excluding transaction relating to the Revenue Reserve and Road Development Funds) 150

Appendix II.—Memorandum on the Military Estimates for 1930-31 . 151

Appendix III.—Statement showing the interest-bearing obligations of the Government of India, outstanding at the close of each financial year 162

Appendix IV.—Statement showing the distribution, as between voted and non-voted, of the gross expenditure of the Central Government as shown in the Budgets presented to the Legislature 163

Appendix V.—*Pro forma* Account of Expenditure on Delhi and the Delhi Province 165

Appendix VI.—Commercial and Financial Statistics 173

PART I.

RAILWAY BUDGET.

Speech of the Railway Member

introducing the

Railway Budget for 1930-31.

1. It is my duty today to present to the House the Railway Budget for the year 1930-31. No change of importance has been made in the form of the statements submitted, and I do not think it is necessary that I should refer to certain minor alterations, especially as they are rather technical in character. The Railway Board's Memorandum contains detailed explanations of the various figures, and in what I say I shall attempt to survey the position on somewhat broader lines. The main burden of the preparation of the Budget has, of course, fallen on the Financial Commissioner, as usual, and I should like to take this opportunity to thank him, the Chief Commissioner and the Members of the Railway Board for the assistance which they have given. While Mr. Parsons was on leave in summer, the post of Financial Commissioner was held by Mr. Rau, and I know the House will pardon me if I acknowledge in a word the competence and energy displayed by the first Indian who has held the office of Financial Commissioner. I should like also to pay my tribute to the Standing Finance Committee who have, as we are accustomed to expect, never failed throughout the year to render valuable assistance in the control of railway finance.

2. May I express the hope that, as in previous years, Honourable Members who give notices of motions for reductions in the Demands will indicate briefly in their notices the questions they wish to raise? It must obviously lighten the task of the Government Members, if they know in advance on what points they will be expected to reply.

Financial results of 1928-29.

3. When I presented the current year's Budget to the House, we expected that the surplus for the year 1928-29 on all lines would be nearly Rs. 9 crores. Both receipts and expenditure fell short of the estimate, but the shortage on the receipt side was the more serious, and the year closed with a net gain from the Railways of less than Rs. 8 crores. The result was that we were able to add Rs. 2½ crores to the reserve after paying the fixed contribution.

Revised estimates for 1929-30.

4. The falling off in traffic receipts in February and March 1929, was unfortunately symptomatic of what was to come, and the financial results of the current year can only be described as disappointing. We budgeted for a total revenue of about 1,06¼ crores and a total expenditure of 95¼ crores, and had this result been achieved, we should have closed the year with a surplus of Rs. 11¼ crores on the commercial lines. We now expect that the actuals will be more than Rs. 4 crores worse than the estimate so that the final surplus is likely to be little more than Rs. 7 crores. There has been a serious decline in the loadings of grain and pulses; oilseeds did well in the first half of the year and badly in the second, and with two exceptions all classes

of traffic have been lower than in the previous year. The two exceptions are cotton and coal. The increase in the cotton traffic appears to be due not to a larger crop, but to the fact that it has moved unusually early, and we must expect a decline in the coming months. The increased traffic in coal, on the other hand, is, I am glad to say, the visible sign of improved conditions in the coal industry and the lifting of the depression which has so long overshadowed it. The increase in the number of coal wagons loaded up to date is 5 per cent. or if the coal carried by the East Indian and Bengal Nagpur Railways is included, 6 per cent. Conditions are now totally different from those prevailing three or four years ago. The large stocks which had accumulated at the coalfields have disappeared, and since May last the railways have been moving the coal as fast as it could be raised to meet an insistent public demand. An important feature of the improved trade conditions is the recovery of India's export trade in coal, and this recovery is unquestionably due in large measure to the admirable work of the Coal Grading Board, of which the Railway Board's Chief Mining Engineer is the Chairman. In November and December last, owing to an abundant rice harvest, there was a serious shortage of labour in the coalfields, and the pressure on supplies became acute. Indeed the maintenance of adequate stocks of coal on the railways became difficult, and had it not been for the existence of the State Railway collieries, it would have been necessary to take steps which might have endangered the export trade. Firms with contracts to supply coal to the railways found themselves unable to supply both the railways and the export market, and as the railways clearly could not be allowed to go short, it would have been necessary to insist on supplies in accordance with the contracts. Actually we were able to avoid any action of that kind by increasing the output of the railway collieries.

5. I do not propose to analyse in detail the causes to which the reduction in earnings should be ascribed. The heavy falling off in grain traffic is clearly due to the unsatisfactory harvests of recent years in Northern India, but under other heads it is not so much that traffic has fallen off heavily as that it has failed to expand to the extent we hoped. India, like other countries, is passing through a period of trade depression due to falling prices, when buyers naturally adopt a cautious policy and goods move slowly. Conditions such as these must inevitably be reflected in the railway traffic returns, and the falling off in traffic might easily have been worse than it is. It must not be forgotten that the reductions in rates and fares made in the last five years were estimated to involve a loss of revenue exceeding Rs. 5 crores in a full year, a loss which we hoped to make good from the expansion of traffic. For the present our hopes have not been realised, for when traffic is inelastic, reductions in rates and fares must inevitably bring down receipts. But there is no ground for despondency, and I do not doubt that when trade conditions improve, our expectations will prove to have been well founded. Our reduced rates for long distance coal announced last year have certainly acted as a stimulus to the coal trade and the lower fares for third class passengers have been accompanied by a growth in traffic. The passenger mile figure has gone up by 5½ per cent. and the passenger earnings this year are likely to exceed those of the previous year by about two-thirds of a crore.

6. On the expenditure side, we budgeted for total working expenses of Rs. 64½ crores, but actually they are likely to be 2¼ crores of rupees higher. Detailed explanations have been given under the various heads in the Railway Board's Memorandum, and I will not attempt to do more than notice the salient points. As the mileage of the Indian Railways increases—and we expect to open 600 miles of line this year—expenses inevitably go up, for the new lines

have to be staffed and more train miles are run. Again, we have begun to spend money on the improvement of service conditions of our lower paid staff, and I shall have more to say on this subject at a later stage. Flood damages have been unusually severe and have helped to swell our repairs and maintenance bill. The stocks of coal on the railways had fallen to a low level in March last, and the raising of them to an adequate figure has increased the expenditure on fuel. Finally, the taking over of the Southern Punjab line from the 1st of January means an apparent increase in working expenses of about a quarter of a crore. I say an apparent increase, for the expenditure on that line was formerly recovered from the Company and the recoveries shown as a 'deduct' entry under working expenses, while from now onwards there will be no recoveries and both receipts and expenses will be increased proportionately.

7. I have mentioned the principal factors which have tended to raise our working expenses, but during the last two years the growth of expenditure has been rapid, and I recognise the obligation resting on those who administer the railways to take all possible measures to keep down expenses and enforce economy in every branch of the administration. This is necessary at all times, but when trade is poor and revenue is inelastic, there is particular need to apply to every proposal, which means higher working expenses, the test whether it ought to be put in force at once, or whether it can be postponed with advantage. It may be, for example, that a workshop could undertake a larger programme of repairs, and that, if it did so, it might in some respects be advantageous to the railway to put the work through quicker, but it may be wholly inadvisable to assent to such a scheme during a year when railway receipts show a downwards tendency. I am far from advocating that false species of economy which postpones necessary expenditure only to be faced by higher costs at a later date. But in present circumstances I feel that working expenses must be watched with a specially vigilant eye, and the Railway Board some months ago drew the attention of Agents to the matter and impressed on them the importance of keeping the financial aspect constantly in mind. Their attention will again be directed to the matter when they meet at Delhi in March. The repair of rolling stock is a branch of railway work in which much may be done to reduce expenditure by constant care and attention, and I am glad to be able to inform the House that both the average cost of standard repairs and the period during which an engine, wagon or carriage is detained in the shops continues to fall. In this region the results achieved by the East Indian Railway are particularly good and deserve special notice.

8. On the expenditure other than working expenses I need not dwell. As compared with 1928-29, interest and depreciation charges are up by Rs. 1,09 lakhs and Rs. 58 lakhs respectively, and the expenditure under surplus profits paid to Indian States and Railway Companies has been swollen by an unexpected throw forward into the current year of the surplus profits payable to the Burma Railways Company for the last nine months of 1928. On the basis of the revised estimates, we expect that at the close of the current year the figures will stand as follow. The total receipts from commercial lines we put at nearly Rs. 1,05 crores, which is Rs. 1¼ crores above the receipts for last year. The expenditure is estimated to be nearly Rs. 98 crores—an increase of Rs. 3¾ crores. The net gain from the commercial lines will then be Rs. 7 crores, out of which the loss on the strategic railways amounting to Rs. 1,81 lakhs has to be met. The balance of Rs. 5,26 lakhs is insufficient to meet the contribution of Rs. 6,12 lakhs to General Revenues, and we shall have to draw on our reserves to the extent of Rs. 86 lakhs.

Budget estimates for 1930-31.

9. The Budget figures for the coming year do not disclose any startling differences from the revised estimates. Our total receipts will, we estimate, amount to nearly Rs. 1,08 crores, a figure which is nearly Rs. 3 crores more than the revised estimates for the current year. The total expenditure we put at nearly Rs. 1,00 crores, an increase of slightly over Rs. 2 crores on the revised estimates. The final result is a net gain to the Railways of nearly Rs. 8 crores, which is about three-quarters of a crore better than the revised estimates of the current year. Out of the surplus, we shall have to meet the net loss on the strategic railways amounting to Rs. 1,80 lakhs and the contribution to general revenues amounting to Rs. 5,74 lakhs. Only a small balance of Rs. 34 lakhs will then remain to be added to the Reserve Fund.

10. One important change, which affects the figures both of receipts and expenditure, deserves special mention, I mean the purchase of the Southern Punjab Railway. Had we not taken advantage of the opportunity to purchase this year, our receipts in 1930-31 would be lower by about Rs. 1,44 lakhs and our working expenses by about Rs. 88 lakhs. It will be seen therefore, that our net receipts will be 56 lakhs higher owing to the completion of the purchase ; and, since our charges for interest on the purchase price are only 37 lakhs, we make a clear profit of 19 lakhs from the transaction. I have thought it worth while to mention the matter in order to make it clear that though the purchase of the line in the current year has meant a heavy drain on our capital resources, it is in itself a most profitable transaction resulting in a substantial increase in our railway revenues.

11. If we eliminate the increase in our traffic receipts ascribable to the purchase of the Southern Punjab Railway (making due allowance for the fact that the purchase affected also the last three months of 1929-30), it will be found that we are budgeting for an increase in gross traffic receipts of only about 2 crores. This, I think, is a reasonable estimate, for while we may fairly hope for a normal year, we are unfortunately not justified at present in anticipating any marked improvement in trade conditions. On the expenditure side, we anticipate an increase of Rs. 1 crore in the charge for interest and two-thirds of a crore under depreciation. Both these charges of course follow automatically from the increase in the capital at charge. For the rest, we expect an increase of three-quarters of a crore under working expenses (excluding depreciation). But here I must remind the House that not only revenue, but expenditure also is increased by the purchase of the Southern Punjab Railway, and if that factor is eliminated, the increase is only a quarter of a crore. That increase I can most conveniently discuss at a later stage. For the moment I will only say that, while we expect fairly substantial increases under Administration and Operation, we believe that these will to some extent be counterbalanced by a reduction under Repairs and Maintenance.

Capital Expenditure.

12. I turn now to the Capital Programme. We expected to spend during the current year Rs. 26½ crores on works the cost of which is debitable to capital, and we now estimate that the actual expenditure will be a little more than Rs. 24 crores. Next year the capital expenditure is placed at Rs. 16¾ crores. These figures show clearly how greatly the position has changed since 1927, when it still seemed possible that funds would be forthcoming to meet all reasonable requirements for railway development. It has now become evident that the most drastic reduction in the capital programme is inevitable, and that in present circumstances there is nothing for

it but to cut our coat according to our cloth. I need hardly say how deeply the Railway Board, and I personally, regret that it should be necessary to call a halt and to postpone the initiation of new projects urgently required to meet the need for improved traffic facilities, knowing as we do how great that need is. But financial exigencies have made retrenchment imperative.

13. How the Railway Board propose to deal with the situation is best explained in their own words, and I make no apology for quoting what is said in paragraph 25 of the Railway Board's Memorandum :

"It has become apparent that owing to existing conditions, not only in India but outside India as well, we are unlikely to obtain funds for capital expenditure on railways in the near future except at rates of interest substantially higher than those at which they have been procurable in the last three or four years. A rise in the rate of interest not only makes some projects either for extensions to the railway system or for improvements to the existing system unremunerative; it also makes it necessary to consider whether it is not wiser to postpone the inception of other projects which, even with a higher rate of borrowing, may still be remunerative, rather than to burden the railways of India with a large volume of indebtedness for money raised at a period of high interest rates. Consequently we have this year, and propose next year, to concentrate almost entirely on pushing schemes already in hand through to completion, so that we may obtain an early return on the money spent on them, and have avoided adding to our commitments at a time when the future is so uncertain by undertaking new schemes "

The Railway Board in the words quoted accurately express the policy laid down by the Government of India, but in one respect I am in a position to supplement what they say. When the scale of development expenditure is for any reason subjected to sudden and drastic curtailment, the danger always is that works in progress may have to be abandoned or postponed for an indefinite period when they are half way to completion, and if that happens, the inevitable consequence is that the money already spent is largely wasted because it cannot come to fruition until long after the due date. I am glad to be able to say that this result will not occur on the Indian railways to-day. In order to bring about the necessary reduction in capital expenditure, it has not been necessary to bring to a standstill important works in progress, and it has sufficed to refrain from the commencement of new projects which would have involved the railways in heavy commitments for future years. That this danger should have been averted is a satisfactory element in a difficult situation, and much credit is due to the Railway Board, and in particular to the Financial Commissioner, Mr. Parsons. But for the fact that, during the last four or five years, constant attention has been given to restricting the magnitude of our future commitments, it would have been impossible to avoid very serious dislocation in our plans.

14. Compulsory abstention from the initiation of new projects provides an opportunity for taking stock of the railway construction programme as a whole and for laying down the broad lines of policy which for the next three or four years we ought to try to follow. It is intended to take full advantage of this opportunity and to consider deliberately the best use which can be made of such funds as are likely to be available during that period. It is in connection with the Capital programme that the operations of the Railway Department chiefly affect the general finances of the Government of India, and in any review of policy the Finance Department must take its full share. The Government of India have decided that, in order that the position may be kept under control and that the best use may be made of all sums available for capital expenditure, the general questions of railway policy in their financial aspect should be brought under review at half-yearly intervals by the Finance and

Railway Members of the Government in consultation—once at the beginning of the Simla season and once at the time of the Agents' Conference in the autumn. I believe that very real advantages will result from this new arrangement and I am sure it will go far to relieve any anxiety felt by Members of this House that the Railway Department is a law unto itself and not amenable to salutary financial control. I ought perhaps to add that, while probably it will be matters connected with the capital programme which will most frequently come under review, that does not by any means exclude from consideration all proposed expenditure on the revenue side which is likely to affect substantially the financial results of the railways.

15. In a year like the present when we are rigidly restricting our capital expenditure, it is natural that there should not be much to say as regards particular projects. Of the works now in progress I need only mention the electrification of the ghat sections of the Great Indian Peninsula Railway and of the suburban railways at Madras, the new Perambur workshops of Madras and Southern Mahratta Railway, and the further prosecution of the Raipur Vizianagram Railway, which will ultimately provide the Central Provinces with a new outlet to the sea at Vizagapatam. The only new work of any magnitude which it is proposed to initiate is the doubling of the East Indian Railway line between Cawnpore and Tundla, which has become a matter of some urgency. A sum of Rs. 20 lakhs has been provided in the next year's Budget for doubling the most congested section between Shikohabad and Tundla. Of the works which we should like to have commenced but are unable to do so, I might perhaps mention the Dacca-Aricha Railway in Eastern Bengal and the branch lines intended to serve the cotton growing tracts north and south of Akola in Berar.

16. Having dealt with the Capital programme, I have in one sense completed my review of the railway finances for the year, but there are one or two matters about which I have hitherto said little or nothing, and to these I must refer before I close. One of them may be dismissed briefly in a sentence or two. In two successive years I was so fortunate as to be able to announce, at the time of the presentation of the Budget, substantial reductions in railway rates and fares. From the figures already given it must have been evident to Members of this House that on this occasion I shall not be able to make any similar announcement. At a time when we are compelled to draw upon the Reserve Fund in order to pay our contribution to General Revenues, it is obvious that we cannot contemplate any further reduction in rates and fares. Our first duty is to ensure the solvency of the railways and reductions which we should like to make in order to facilitate the movement of traffic must await the coming of better times But apart from that, at the present juncture there is a prior claim upon such surpluses and this brings me to the second subject to which I wish to allude.

17. When I presented the Railway Budget last year, I promised that we would set on foot a systematic examination of the service conditions of our lower paid employees in order to ascertain what were the measures most urgently called for in order to bring about an improvement, and I mentioned, amongst matters which required to be examined, not only the rates of pay and wages but also reductions of working hours, the extension of provident fund benefits to classes who do not at present enjoy them, and improvement in housing conditions and so on. In order to make this examination possible, the Assembly agreed, on the recommendation of the

Government of India, to the creation of a new appointment of Member of the Railway Board who would be specially charged with responsibility for all matters connected with the welfare of the enormous staff employed by the railways of India. It is right that I should attempt, however imperfectly, to convey to the House what has been done in order to carry out that promise.

18. Mr. Hayman assumed charge of his duties at the beginning of April last, and since then he must have been, I suppose, the busiest man at the headquarters of the Government of India. His work may be said to have fallen under five principal heads relating to :—

(1) improvement in the service conditions of the staff generally, and in particular of the lowest paid employees ;
(2) the Indianisation of the railway services and the elimination of racial discrimination ;
(3) the revision of the cadres of the superior services and of the methods of recruitment ;
(4) the relations of the railway management with the organisations of workmen, and
(5) the preparation of material, so far as the railways of India are concerned, for the Royal Commission on Labour.

It would take me much too long to attempt to enumerate in detail all the matters which have come up for review under the various heads. That would require a speech to itself, and some of the subjects can only be briefly referred to.

19. Under the head of Indianisation, I should like to mention the special efforts which have been made to bring the Transportation (Power) and the Mechanical Engineering Branches into line with the Civil Engineering and Transportation (Traffic) and Commercial Branches in the matter of Indianisation. A scheme for the training of apprentices has been in force since 1926, but the period of training being six years, it could not provide fully qualified officers until the end of 1932. In order to accelerate progress in this direction, when it became necessary to fill eight vacancies in the Transportation (Power) and Mechanical Engineering branches, it was decided to invite applications both in India and in the United Kingdom specifying the qualifications which represented the minimum which could be considered, in the hope that Indian candidates might be forthcoming who would be likely to develop into efficient officers. The age limit was also relaxed, so that the field of selection might not be limited. The result has been that four Indians have been appointed to the Transportation (Power) Department and three to the Mechanical Engineering Department. Although there were only two vacancies in the latter branch, a third Indian has been appointed as a special probationer in anticipation of the occurrence of a vacancy. It is proposed to continue similar arrangements until 1933 when the scheme for the training of apprentices will bear fruit and provide the requisite number of Indians for these Departments.

20. Under this head I must also refer to the elimination of racial discrimination, but I can only do so briefly. The whole question has been systematically considered and we have now reached a stage when the material has been digested and consultation with the Central Advisory Council is likely to be both helpful and fruitful.

21. I must now turn to the most important head of all, namely the improvement of the service conditions of the lowest paid railway servants,

and here there are several questions which demand more detailed notice. In May last, I received a deputation of the All-India Railwaymen's Federation when a number of important subjects were fully and frankly discussed and our examination of service conditions has proceeded largely on the basis of the representations then made First, I may mention the matter in which we have been able to make the most rapid progress, I mean what is sometimes called security of tenure and which arises out of the complaints of alleged wrongful dismissal or discharge from railway service. This was a matter to which the Federation attached great importance, and a new set of rules has been issued which it is believed will go far to meet the complaints made on this subject. I cannot enter into details now, but copies of the rules have been placed in the Library, and it is my intention also that copies should be supplied to all members of the Central Advisory Council.

22. Next comes the revision of the leave rules. That is a question which has been under consideration since 1924, but it proved impossible, owing to the defective organisation of the Railway Board, to bring the matter to a head until the new Member was appointed. The rules hitherto in force have been defective in two vital particulars. In the first place, the rules applicable to staff taken over with the East Indian, Great Indian Peninsula and Burma Railways when they were acquired by the State were manifestly open to the charge of racial discrimination, and, in the second place, the existing rules in force on the old State Railways are liberal enough in theory but operated in practice to the prejudice of employees in inferior service, owing to the condition that the grant of leave must impose no extra cost on the State. The new leave rules have now been settled and are on the eve of publication.

All new recruits will come under the new rules and those at present in service will be given the option of electing to be brought under them. These rules eliminate the objectionable features involving racial considerations of the existing leave rules on the East Indian, Great Indian Peninsula and Burma Railways.

So far as the inferior servants are concerned, the no extra cost condition is abandoned and the effect will be that a number of daily-rated employees, particularly in the workshops, will be admitted to privileges which they had not previously enjoyed. I may add that instructions will be issued to Agents that where necessary in order to enable inferior servants and other subordinate staff to take the leave admissible under the new rules, additional staff must be recruited in order to form a leave reserve. Here again as soon as the new rules are issued, I shall be glad to place copies in the Library and to furnish copies to members of the Central Advisory Council.

23. Next I would refer to the question of hours of employment and periods of rest, and here my reference must be brief, for the Bill which is intended to secure the application to railway servants in India of the 60 hour week and the weekly rest day provided for in the Washington and Geneva Conventions will come before the Assembly at an early date. Before the details of the scheme could be worked out, an immense amount of spade work has been necessary, the whole burden of which has fallen upon the Labour Member of the Board. The recurring expenditure which the scheme will involve will certainly be not less than Rs. 50 lakhs per annum and may amount to as much as Rs. 60 lakhs. It also necessitates the expenditure of something like Rs. 50 lakhs on the capital side, in order to provide quarters for the additional staff.

24. There are other matters which have come under review under these heads such as improvement in the service conditions of workshop

employees, the acceleration of the payment of monthly wages, and welfare subjects such as education, co-operative credit societies and the staff benefit fund, but the only one upon which I can attempt to enlarge is the revision of the wages of the lower paid staff. This is obviously a question of great importance, but if unnecessary expenditure is to be avoided it also requires the closest and most systematic examination. Mr. Hayman, rightly I think, commenced his investigation on the Calcutta railways, and the principal question which he discussed with the Agents was the wage which should be paid to the lowest unskilled class of labour comprising gangmen, porters, bhistis, watermen, sweepers, etc. After the discussions with the Agents, a detailed scheme was prepared in the first instance for the Eastern Bengal Railway, and in broad outline this has now been approved by the Railway Board, though certain details have still to be worked out. It has taken time to settle, because it was all important in the first case which came under consideration, to lay down the general principles which ought to regulate such matters, for if schemes are adopted without sufficient consideration, there is a very real danger that public money may be wasted. Now that the first scheme has been passed and the general principles laid down, progress should be much more rapid upon other railways.

25. I have attempted, very imperfectly I fear, to give the Assembly some idea of the magnitude and complexity of the problems with which the Labour Member of the Railway Board has had to deal. I wish it had been possible, before the discussion of the Railway Budget, to lay on the table of the House a memorandum giving a full account of all that has been done. It is my intention in any case to submit such a memorandum for the information of the Central Advisory Council, but it was impossible to get it into shape before the presentation of the Railway Budget, since the inevitable result must have been to delay progress in the schemes under consideration, and that had to be avoided at all costs. In winding up this part of my speech, I will only say this, that it is open to any Member of the Legislature to blame the Government of India because these matters were not taken in hand in earnest at an earlier date, and if that charge were made, I should not be too much concerned to reply to it. But if the accusation be that since the new Member of the Railway Board was appointed to deal with all the staff questions there has been any avoidable delay in subjecting them to a scrutiny at once sympathetic and systematic and taking all possible steps to bring about the earliest possible solution, then I would only say that that charge is without foundation and could only be made by those who are unacquainted with the facts. During the last eleven months Mr. Hayman has thrown himself whole-heartedly into the discharge of the important duties which have fallen to his lot. He has given his whole energies unsparingly to their successful accomplishment. I should like to take this opportunity of making clearly known the high value which the Government of India place on the services he has rendered.

26. I turn now to the question of the expenditure involved in giving effect to the various schemes of improvement. In the first place, there is the cost of the additional staff required in order to secure compliance with the Washington and Geneva Conventions and the capital cost of the quarters for that staff. In the second place, there are the schemes for the revision of pay of the lowest paid employees of the railways which must obviously involve extra expenditure, and in the third place, there is the extra staff

which will be needed if the new leave rules are to effect a real as distinct from a normal improvement in service conditions. Very naturally and properly Members of the Assembly may ask what provision has been made in the Budget to cover this expenditure. It will be seen from the Railway Board's Explanatory Memorandum that of a provision of Rs. 28 lakhs under Revenue in the current year's Budget it is not expected that much more than Rs. 18 lakhs will be spent before the 31st of March next and in the Budget for the next year there is provision for Rs. 25 lakhs in all under Revenue and a similar sum under Capital for the construction of quarters. Are these sufficient, it may be asked, to meet the expenditure likely to be incurred ?

27. I may say at once that quite possibly these sums will prove to be insufficient, and I should like to explain to the House the reasons why Government have not included in the estimates a larger provision. One reason is that at the present stage of our enquiries it is not possible to estimate with any accuracy the magnitude of the sums involved. Take for example, the introduction of the new leave rules and the recruitment of additional staff to provide the leave reserve. These rules will apply automatically only to new recruits, and officers already in service will not come under them, unless they elect to do so. We do not know what number of officers may choose the new rules, nor can we tell whether in all cases recruitment of additional staff will be necessary. If, for example, in a workshop the existing staff is redundant having regard to the volume of work to be done, it may be quite possible to introduce the new rules without any increase in expenditure. In the second place, experience has almost invariably shown that when new schemes are being introduced the money is never spent so fast as was originally anticipated, and allowance must be made for that factor. Finally, I must mention the need for economy in the working expenses of the railways to which I alluded at an earlier part in my speech. It would have been quite possible to make larger provisions in the Budget and thereby swell the total working expenses, but this we did not consider advisable. I am anxious to make plain to the Railway Administrations the importance which Government attach to keeping revenue expenditure within bounds. I am inclined to think that an effective means of securing this is to keep the estimate of working expenses on the low side. One point, however, I desire to make clear. If and when we are satisfied that the introduction of well-considered schemes involving expenditure are necessary in order to secure the welfare and contentment of our staff, and if we find that the cost of these schemes cannot be met without raising our working expenses to a higher figure than is set down in the Budget, we shall not hesitate to place supplementary estimates before the Assembly and ask the House to sanction the additional expenditure. I am anxious to make this clear, because when our review of service conditions discloses the fact that there are legitimate grievances, then it is the desire of the Government of India and of the Railway Board that they should be redressed with as little delay as possible.

28. I will not apologise, Mr. President, for dwelling at some length on these matters which so deeply concern the interests of the great body of railway servants in India. It is impossible for me, however, to dilate upon them longer to-day. I desire only, before bringing my speech to a conclusion, to thank the House for the patience with which they have heard me, and if I may, to acknowledge the friendliness and courtesy with which the Members of this House have always listened to what I could tell them about the affairs of our railways.

BUDGET

of the

Railway Revenue and Expenditure of the Governor-General in Council

As laid before the

Indian Legislature, 1930.

RAILWAY DEPARTMENT;
New Delhi, the 17th February 1930.

A. A. L. PARSONS,
Financial Commissioner of Railways.

CONTENTS.

	PAGE.
1.—STATEMENT of the REVENUE of the CENTRAL GOVERNMENT from RAILWAYS in INDIA and ENGLAND	12—13
1 (*a*).—STATEMENT of WORKING EXPENSES of STATE RAILWAYS—COMMERCIAL LINES	14—15
2.—STATEMENT of the EXPENDITURE on RAILWAYS charged to the REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	16—17
2 (*a*).—CONTRIBUTION from RAILWAY to GENERAL REVENUES, 1929-30 and 1930-31	18—19
3.—STATEMENT of RECEIPTS of the CENTRAL GOVERNMENT in INDIA and ENGLAND for CAPITAL CONTRIBUTED by RAILWAY COMPANIES and INDIAN STATES TOWARDS OUTLAY on STATE RAILWAYS	20—21
4.—STATEMENT of the CAPITAL EXPENDITURE of the CENTRAL GOVERNMENT in INDIA and ENGLAND on RAILWAYS	22—23
A.—RAILWAY DEPRECIATION FUND	24
B.—RAILWAY RESERVE FUND	25

1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1928-29.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XI.—State Railways—						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings —						
Upper class . .	4,35,61,638	...	...	4,35,61,638	4 21,00,000	...
Third class . . .	30,36,38,377	...	.	30,36,38,377	31,18,00,000	...
Other coaching traffic earnings.	6,03,19,275	...	...	6,03,19,275	5,57,00,000	...
Goods traffic earnings .	66,89,01,025	...	.	66,89,01,025	66,37,00,000	...
Hire charges and other payments from Railways.	61,05,986	...	.	61,05,986		...
Sundry earnings . .	2,02,43,492	6,43,141	10	2,08,89,643	1,98,53,000	6,43,000
Total earnings .	1,10,27,75,793	6,43,141	10	1,10,34,15,944	1,09,31,53,000	6,43,000
Deduct— Refunds of Revenue collected.	*15,33,254*	...	...	*15,33,254*	*17,70,000*	...
Deduct— Earnings of worked lines.	*7,26,71,239*	...	...	*7,26,71,239*	*6,34,50,000*	...
Earnings of State Railways.	1,02,85,68,301	6,43,141	10	1,02,93,11,451	1,02,79,53,000	6,43,000
Suspense . . .	—25,02,387	...	...	—25,02,387		
Gross receipts of State Railways.	1,02,60,65,913	6,43,140	10	1,02,67,09,064	1,02,79,53,000	6,43,000
Deduct—Working expenses of State Railways.*	*64,36,22,796*	*47,56,464*	*5,340*	*64,83,84,600*	*66,19,66,000*	*53,94,000*
Surplus profits paid to Indian States and railway companies.	*1,59,14,166*	.	..	*1,59,14,166*	*1,51,50,000*	...
Net receipts . . .	36,65,28,951	—41,13,323	—5,330	36,24, 0,298	35,08,37,000	—46,51,000
(b) Strategic lines—						
Gross receipts .	1,66,80,534	...	...	1,66,80,534	1,64,10,000	...
Deduct—Refunds of Revenue collected.	*15,288*	...		*15,288*	*10,000*	...
Working expenses . .	*1,98,60,798*	...	..	*1,98,60,798*	*2,09,73,000*	...
Net receipts . . .	—31,95,552	..	...	—31,95,552	—45,73,000	...
Total net receipts, Commercial and Strategic lines.	36,33,33,399	—41,13,323	—5,330	35,92,14,746	34,62,64,000	—46,51,000
XII.—Subsidized Companies: Government share of surplus profits, etc.	11,64,808	27,18,942	276	38,84,026	16,92,000	45,26,000
XII-A. Miscellaneous Railway Receipts—						
(a) Commercial lines—						
Interest on Depreciation and Reserve Fund balances.	1,04,13,368	...	...	1,04,13,368	1,27,85,000	...
Dividend on investments in branch lines and other Miscellaneous Receipts.	11,57,252	...	...	11,57,252	11,25,000	..
(b) Strategic lines—						
Interest on Depreciation Fund balances.	2,06,558	...	..	2,06,558	3,10,000	
Total receipts .	37,62,75,385	—13,94,381	—5,054	37,43,75,950	36,21,76,000	—1,25,000
Deficit in Railway Revenue transferred from Reserve to meet in full the contribution to General Revenues .	...	..	...	...	86,30,000	...
Total .	37,62,75,385	—13,94,381	—5,054	37,43,75,950	37,08,06,000	—1,25,000

*For details see statement 1 (a).

Government from Railways in India and England.

1929-30.		Increase (+) Decrease (−) as compared with Budget, 1929-30.	Budget Estimate, 1930-31.				Increase (+) Decrease (−) as compared with Revised, 1929-30.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs	Rs	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
..	4,21,00,000	−41,00,000	4,31,00,000	...	..	4,31,00,000	+10,00,000
...	31,18,00,000	−28,75,000	31,76,00,000	..	.	31,76,00,000	+58,00,000
..	5,57,00,000	−36,00,000	5,73,00,000	...	...	5,73,00,000	+16,00,000
...	66,37,00,000	−1,25,50,000	67,87,00,000	...	...	67,87,00,000	+1,50,00,000
...		−68,00,000		...	..	.	...
4,000	2,05,00,000	+10,00,000	2,04,57,000	6,43,000	.	2,11,00,000	+6,00,000
4,000	1,09,38,00,000	−2,89,25,000	1,11,71,57,000	6,43,000	...	1,11,78,00,000	+2,40,00,000
...	*17,50,000*	*+2,50,000*	*17,50,000*	..	...	*17,50,000*	
	6,34,50,000	*−42,75,000*	*5,49,50,000*	.	..	*5,49,50,000*	*−85,00,000*
4,000	1,02,86,00,000	−2,49,00,000	1,06,04,57,000	6,43,000		1,06,11,00,000	+3,25,00,000
.				..	...	...	
4,000	1,02,86,00,000	−2,49,00,000	1,06,04,57,000	6,43,000	...	1,06,11,00,000	+3,25,00,000
37,000	*66,72,97,000*	*+1,55,97,000*	*67,57,91,000*	*50,91,000*	...	*68,08,82,000*	*+1,35,85,000*
...	*1,51,50,000*	*+29,50,000*	*1,22,00,000*		..	*1,22,00,000*	*−29,50,000*
−33,000	34,61,53,000	−4,31,47,000	37,24,66,000	−44,48,000	.	36,80,18,000	+2,18,65,000
...	1,64,10,000	−90,000	1,64,10,000		...	1,64,10,000	...
...	*10,000*	*+10,000*	*10,000*	...		*10,000*	
...	*2,09,73,000*	*+6,73,000*	*2,09,43,000*	..	...	*2,09,43,000*	*−30,000*
..	−45,73,000	−7,73,000	−45,43,000			−45,43,000	+30,000
−33,000	34,15,80,000	−4,39,20,000	36,79,23,000	−44,48,000		36,34,75,000	+2,18,95,000
32,000	62,50,000	+2,50,000	17,68,000	1,32,000	...	19,00,000	−43,50,000
...	1,27,85,000	+2,10,000	1,38,88,000	.	...	1,38,88,000	+11,03,000
...	11,25,000	..	13,30,000	.	...	13,30,000	+2,05,000
	3,10,000	+10,000	4,07,000	.	.	4,07,000	+97,000
−1,000	36,20,50,000	−4,34,50,000	38,53,16,000	−43,16,000	...	38,10,00,000	+1,89,50,000
...	86,30,000	+86,30,000		...	...	...	−86,30,000
−1,000	37,06,80,000	−3,48,20,000	38,53,16,000	−43,16,000	..	38,10,00,000	+1,03,80,000

1(*a*).—Statement of Working Expenses of State

Heads of working expenses.	Accounts, 1928-29.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration . . .	13,41,81,675	43,56,464	5,340	13,85,43,479	13,42,69,000	48,94,000
Repairs and maintenance .	17,57,25,727	...	...	17,57,25,727	18,07,00,000	..
Operation	25,73,48,095	4,00,000	...	25,76,48,095	25,76,60,000	4,00,000
Depreciation	11,60,46,566	...	...	11,60,46,566	12,18,97,000	...
Suspense	−32,44,354	...	...	−32,44,354	..	...
Total .	67,90,57,709	47,56,464	5,340	68,47,19,513	69,45,26,000	52,94,000
Deduct—Share of Worked Lines.	3,63,34,913	.	...	3,63,34,913	3,25,60,000	...
Working Expenses .	64,36,22,796	47,56,464	5,340	64,83,84,600	66,19,66,000	52,94,000

Railways—Commercial Lines.

1929-30.		Increase (+) Decrease (—) as compared with Budget, 1929-30.	Budget Estimate, 1930-31.				Increase (+) Decrease (—) as compared with Revised, 1929-30.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
37,000	13,92,00,000	+17,00,000	13,85,00,000	46,91,000	...	14,32,00,000	+40,00,000
...	18,07,00,000	+97,00,000	17,30,75,000	...	...	17,30,75,000	−76,25,000
...	25,80,60,000	+17,60,000	26,38,60,000	4,00,000	...	26,42,60,000	+63,00,000
...	12,18,97,000	−3,000	12,82,57,000	...	...	12,82,57,000	+63,60,000
...	...	...	...	...	...	...	...
37,000	69,98,57,000	+1,31,57,000	70,37,01,000	50,91,000	...	70,87,92,000	+89,35,000
...	3,25,60,000	−24,40,000	2,79,10,000	...	...	2,79,10,000	−46,50,000
37,000	66,72,97,000	+1,55,97,000	67,57,91,000	50,91,000	...	68,08,82,000	+1,35,85,000

2.—Statement of the expenditure on Railways charged to

Heads of Expenditure.	Accounts, 1928-29.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways:—						
(a) Commercial lines—						
Interest—						
on Government capital at charge	15,96,03,636	10,43,29,536	1,38,796	26,40,71,970	16,82,54,000	10,73,06,000
on capital contributed by Indian States and Companies.	4,03,451	1,46,11,594	27,282	1,50,42,326	4,15,000	1,51,72,000
Total interest, commercial lines	16,00,07,089	11,89,41,130	1,66,077	27,91,14,296	16,86,69,000	12,04,78,000
(b) Strategic lines— Interest on capital at charge	1,41,81,418	...	...	1,41,81,418	1,37,50,000	...
Total interest	17,41,88,557	11,89,41,130	1,66,077	29,32,95,744	18,24,19,000	12,04,78,000
11. Subsidized Companies— Land and subsidy	2,91,370	...	...	2,91,370	7,20,000	...
12. Miscellaneous Railway expenditure—						
Commercial lines	23,37,566	8,26,872	1,064	31,65,502	34,82,000	14,63,000
Strategic lines	29,707	...	...	29,707	80,000	..
Payments to general revenues—						
Contribution*	5,23,19,457	...	...	5,23,19,457	6,11,86,000	...
One-third of the excess of railway surplus over three crores.	..	...	...	..	.	...
Total payment to general revenues	5,23,19,457	...	...	5,23,19,457	6,11,86,000	...
13A—Surplus Railway Revenue transferred to Railway Reserve Fund.	12,57,74,170	...	...	2,57,74,170	...	...
Total	25,49,40,807	11,97,68,002	1,67,141	37,48,75,950	24,78,87,000	12,19,41,000

* For details see Statement 2 (a).

the revenue of the Central Government in India and in England.

1929-30.		Increase (+) Decrease (—) as compared with Budget, 1929-30.	Budget Estimate, 1930-31.				Increase (+) Decrease (—) as compared with Revised, 1929-30.
Exchange.	Total.		India.	England.	Exchange.	Total	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
7,50,000	27,63,10,000	—4,84,000	17,71,13,000	10,94,43,000	...	28,65,56,000	+1,02,46,000
92,000	1,36,79,000	+73,000	4,20,000	1,31,92,000	...	1,36,12,000	—67,000
8,42,000	28,99,89,000	—4,11,000	17,75,33,000	12,26,35,000	...	30,01,68,000	+1,01,79,000
...	1,37,50,000	—3,00,000	1,38,50,000	...	...	1,38,50,000	+1,00,000
8,42,000	30,37,39,000	—7,11,000	19,13,83,000	12,26,35,000	..	31,40,18,000	+1,02,79,000
...	7,20,000	—80,000	6,00,000	...	...	6,00,000	—1,20,000
10,000	49,55,000	—2,00,000	43,48,000	12,32,000	...	55,80,000	+6,25,000
...	80,000	+30,000	50,000	...	...	50,000	—30,000
...	6,11,86,000	...	5,73,57,000	...	...	5,73,57,000	—38,29,000
...	...	—12,86,000	...	..	...	..	...
...	6,11,86,000	—12,86,000	5,73,57,000	...	...	5,73,57,000	—38,29,000
...	...	—3,25,73,000	33,95,000	...	...	33,95,000	+33,95,000
8,52,000	37,06,80,000	—3,48,30,000	25,71,33,000	12,38,67,000	...	38,10,00,000	+1,03,20,000

2 (*a*).—Contribution from Railway to General Revenues, 1929-30.

(Based on actuals, 1927-28.)

	Rs.	Rs.
1. 1 per cent. on capital of 6,62,32,57,749 at charge, commercial lines	...	6,62,32,577
2. (i) Receipts—Commercial lines—		
Gross traffic receipts	1,02,63,32,568	
Subsidised Companies, share of surplus profits	35,60,986	
Interest on Depreciation and Reserve Fund balances	79,85,054	
Dividend on investments in branch lines and other miscellaneous receipts	8,16,714	
		1,03,86,95,602
(ii) Charges— Commercial lines—		
Working expenses	63,29,69,705	
Indian States and Railway Companies' share of surplus profits	1,57,13,502	
Interest—		
On capital at charge	24,41,19,106	
On capital contributed by Indian States and Companies	1,51,86,337	
Land and subsidy	5,32,515	
Miscellaneous railway expenditure	48,11,850	
Contribution at 1 per cent. on capital at charge	6,62,32,577	
		97,95,64,592
(iii) Surplus	...	5,91,30,710
(iv) Contribution of one-fifth of surplus	...	1,18,26,142
3. (i) Total contribution from railway revenues [1 *plus* 2 (iv)]	...	7,80,58,719
Deduct—Loss on strategic lines borne by railway revenues—		
(*i*) Interest on capital of 32,41,78,507	1,34,02,057	
(*ii*) Loss in working	34,70,099	
		1,68,73,756
(ii) Net payment due from railway to general revenues in 1929-30	...	6,11,84,963

2 (*a*).—Contribution from Railway to General Revenues, 1930-31.

(Based on actuals, 1928-29.)

	Rs.	Rs.
1. 1 per cent. on capital of 6,93,73,40,662 at charge, commercial lines	...	6,93,73,407
2. (i) Receipts—Commercial Lines—		
Gross traffic receipts	1,02,67,09,064	
Subsidised Companies' share of surplus profits	38,84,026	
Interest on Depreciation and Reserve Fund balances	1,04,13,368	
Dividend on investments in branch lines and other miscellaneous receipts	11,57,252	
(ii) Charges—Commercial Lines—		1,04,21,63,710
Working expenses	64,83,84,600	
Indian States and Railway Companies' share of surplus profits	1,59,14,166	
Interest—		
On capital at charge	26,40,71,970	
On capital contributed by Indian States and Companies	1,50,42,326	
Land and subsidy	2,91,370	
Miscellaneous railway expenditure	31,65,502	
Contribution at 1 per cent. on capital at charge	6,93,73,407	
		1,01,62,43,841
(iii) Surplus		2,59,20,369
(iv) Contribution of one-fifth of surplus		51,84,074
3. (i) Total contribution from railway revenues [1 *plus* 2 (iv)]		7,45,57,481
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital of 33,10,28,596	1,41,81,448	
(ii) Loss in working	30,18,701	
		1,72,00,149
(ii) Net payment due from railway to general revenues in 1930-31	...	5,73,57,332

3.—Statement of receipts of the Central Government in India and England for State

Heads of Account.	Accounts, 1928-29.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways . . .	14,704	...	...	14,704	...	..

Capital contributed by Railway Companies and Indian States towards outlay on Railways.

1929-30.			Budget Estimate, 1930-31.				
Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1929-30.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1929-30.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	...	—2,65,19,000	...	...	...	...	...

4.—Statement of the Capital Expenditure of the

Heads of Expenditure.	Accounts, 1928-29.				Revised Estimate	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not charged to Revenue :—						
53.—Construction of State Railways :—						
(a) Commercial Lines—						
Open Line Works—						
Rolling Stock . . .				3,06,01,000		
Other Works . . .				12,95,17,490		
New Construction . .				8,79,72,000		
Suspense				—44,81,507		
Purchase of Railways and branch line shares . .				31,17,000		
Deduct—Probable Throw forward				...		
Total .	14,97,41,629	9,68,48,339	1,36,015	24,67,25,983	13,74,99,000	16,93,73,000
(b) Strategic Lines—						
Open Line Works—						
Rolling Stock . . .				4,80,000		
Other Works . . .				15,41,089		
New Construction . . .				48,29,000		
Total .	68,50,089	...	...	68,50,089	40,00,000	...
Total Commercial and Strategic Lines .	15,65,91,718	9,68,48,339	1,36,015	25,35,76,072	14,14,99,000	16,93,73,000
53-C.—Discharge of Debentures . .	...	4,00,00,000	—69,324	3,99,30,676	...	...

Central Government in India and England on Railways.

1929-30.			Budget Estimate, 1930-31.				
Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1929-30.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1929-30.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	6,01,40,000	+19,40,000				3,85,25,000	—2,16,15,000
...	11 58,35,000	—1,23,65.000				8,78,75,000	—2,79,60,000
...	6,75,00,000	—1,87,00,000				5,00,00,000	—1,75,00,000
...	—64,25,000	—5,25,000				—75,00,000	—10,75,000
...	7,10,07.000	+7,40,000				...	—7,10,07,000
...	...	—65,00,000		39,00,000	...	39,00,000	+39,00,000
11,85,000	30,80,57,000	—2,24,10,000	12,14,00,000	4,36,00,000	...	16,50,00,000	—14,30,57,000
...	10,60,000	—8,40,000				8,75,000	—1,85,000
...	13,40,000	+40,000				14,85,000	+1,45,000
...	16,00,000	...				1,40,000	—14,60,000
...	40,00,000	—8,00,000	25,00,000	...	...	25,00,000	—15,00,000
11,85,000	31,20,57,000	—2,32,10,000	12,39,00,000	4,36,00,000	...	16,75,00,000	—14,45,57,000
...	...	—2,65,10,000	...	...	...	...	

A.—Railway Depreciation Fund

	Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30	Budget Estimate, 1930-31.		Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	9,00,82,911	11,50,82,911	11,40,96,631	12,50,96,631	Appropriation from Depreciation Fund.	9,59,84,100	10,50,00,000	11,50,00,000	8,50,00,000
Appropriation to Depreciation Fund.	11,99,97,820	12,60,00,000	12,60,00,000	13,25,00,000	Closing balance.	11,40,96,631	13,60,82,911	12,50,96,631	17,25,96,631
TOTAL .	21,00,80,731	24,10,82,911	24,00,96,631	25,75,96,631	TOTAL .	21,00,80,731	24,10,82,911	24,00,96,631	25,75,96,631

B.—Railway Reserve Fund.

	Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.		Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	15,84,69,810	19,29,83,810	18,42,43,980	17,56,13,980	Appropriation from Reserve Fund.	...	...	86,30,000	...
Appropriation to Reserve Fund.	2,57,74,170	3,25,73,000	...	33,95,000	Closing Balance.	18,42,43,980	22,55,56,810	17,56,13,980	17,90,08,980
TOTAL .	18,42,43,980	23,55,56,810	18,42,43,980	17,90,08,980	TOTAL	18,42,43,980	22,55,56,810	18,42,43,980	17,90,08,980

Speech by the Hon'ble Mr. T. G. Russell, Chief Commissioner of Railways, in presenting the Railway Budget for 1930-31 in the Council of State.

SIR,

In rising to present a statement of the estimated revenue and expenditure of the Governor General in Council for the year 1930-31 in respect of Railways, I must, first of all, crave the Council's indulgence. It must always, I imagine, be a nervous moment for a new Member when he first catches your eye, Sir, and stands up to make his maiden speech. But I venture to submit that the task is still more intimidating when that speech has necessarily to deal with a complicated mass of figures, and this, of course, cannot be avoided in presenting the Railway Budget. I can only say that I shall do my best to be as little wearisome as possible to the Council, and even if I fail in that endeavour, I trust that Honourable Members will overlook the shortcomings of an inexperienced recruit to their ranks.

2. I do not think I need spend much time on the final results of last year, for they are generally known. Our traffic in February and March fell below our expectations, and chiefly for this reason we were able to carry only 2,58 lakhs to our reserve instead of the 3,45 lakhs we had expected. Even so, the balance in the reserve at the beginning of the present year amounted to the satisfactory figure of about 18½ crores. We also put 2,40 lakhs net into the depreciation fund raising the balance in that fund to nearly 11½ crores. This was much what we expected when my predecessor presented last year's statement to the Council.

3. I can now turn to the current year, and I must admit that we have not done as well as we had reason to expect. Our traffic has suffered from the prolonged labour troubles in Bombay and from the heavy floods in certain parts of the country, while the general trade depression has counteracted the stimulating effect for which we had hoped from the reductions of rates and fares during the past two years. It is only owing to our purchase of the Southern Punjab Railway in January last and to the pilgrim traffic to the Kumbh Mela at Allahabad which seems to have surpassed all past records, that we are able to estimate our traffic receipts from commercial lines at 1,02 crores 86 lakhs, which is 80 lakhs above last year's figures. But, even so, we shall be 1,81 lakhs below the original budget figure. The Council will realise that these are estimates prepared when the results of two of the heaviest traffic months are still unknown, and as in these months our earnings may easily vary by 20 lakhs from one week to another, a forecast is extremely difficult. Actually last week our earnings showed signs of improvement, and if this is maintained we may do better than we now think it safe to expect. It is the parcels and goods traffic which have been particularly disappointing. Parcels traffic in prevailing conditions has not responded to the reductions in rates which we introduced in January 1929, and, except for coal and cotton, there have been—or had been up to the 25th of January—substantial decreases in the loadings of most of the principal commodities that we carry. Even with coal, I am afraid, the increase is due more to the fact that railways started the current year with depleted stocks which they had to fill up than to any marked increase in the public demand.

Our working expenses have also been higher than we had reason to expect a year ago. I will not go into certain accounts adjustments which affect the comparative figures; such Honourable Members as may be interested in them will find an explanation of them in our budget memorandum. Briefly, we have had to pay about 18 lakhs for the repair of flood damages and our bill for repairing

and maintaining rolling stock has also risen substantially. I should like to explain, however, that this is not due to any increase in the actual cost of repairs, which is still falling satisfactorily. Taken as a whole, it can be ascribed to the fact that we have found it necessary to repair more locomotives and other rolling stock in the current year in order to keep the stock in first-rate condition, partly because the strikes in the Bengal Nagpur Railway's workshops at Khargpur and in the South Indian Railway's workshops at Negapatam had caused those railways to fall into arrears in their repair programmes.

The increase in our working expenses over the previous year's figure is also partly due to the efforts we are making to improve the conditions in which our lower paid employees work. Honourable Members will find in the budget memorandum a good deal about what we have achieved in this direction in the current year ; it is not as much as we could have wished. We have been delayed to some extent in giving effect to the Washington and Geneva Conventions relating to hours of work and the weekly day of rest by the fact that the Bill which will enable us to deal comprehensively with this matter is still on the legislative anvil. But all our arrangements are ready as soon as that Bill is passed into law for giving effect to its provisions. We are also well advanced with proposals for revising the scales of pay of lower paid staff where on investigation they are found to be too low ; and in fact I hope that we shall be able to issue orders on this point with regard to one of the State-managed railways in the course of the next week or two. But I am sure Honourable Members will recognise that any comprehensive revision means a great deal of detailed investigation to secure that the money is spent where it is really needed, and that this detailed investigation must necessarily take some time. I can, however, assure the House that this matter is being most actively pursued, for within the limits of our means we are anxious to remove any legitimate cause for complaint on the part of our employees that they are under-paid for the work which they do. What we want is a contented staff, and a staff which, because it is contented, is efficient. At the same time it is our duty to see, and we propose to see, that no concession is given to demands which are unreasonable. It must be realised that it is the railway user who foots the bill and we have his interests also to consider. We feel sure that no one would wish that the railway servant should not receive a fair wage, but it must be a fair wage for a fair day's work.

4. I must return to the figures of our revised estimates. We have had to pay in the current year instead of in 1928-29, as we had expected, the surplus profits for the last nine months of the Burma Railways contract to the Company, it is this in the main that has led to an excess of over a quarter of a crore over the budget estimate here. We have also got to find 1,09 lakhs more than in the previous year for interest on the capital invested in railways, and, owing to the development of the railway system and its equipment, to provide 58 lakhs more for depreciation. The final result is that we anticipate total receipts from commercial lines of 1,04 crores 88 lakhs, which is 1,28 lakhs higher than last year's figure, and total charges of 97 crores 81 lakhs, which is 3,74 lakhs higher than last year's figure. If these estimates prove accurate we should be left with a surplus on commercial lines of 7,07 lakhs, of which 1,81 lakhs will be required to meet the loss on strategic lines. Chiefly owing to flood damages, that loss is expected to be some 9 lakhs more than last year. There will be a balance of 5,26 lakhs which will go towards our contribution to general revenues. But the present arrangements are that the fixed contribution is calculated on the results of two years back and 1927-28 was a better year for us than the average. We have therefore to find 6,12 lakhs as our fixed contribution this year, and, on our present estimates, have only 5,26

lakhs with which to meet it. We shall consequently have to draw 86 lakhs from our reserve fund, reducing the balance in the fund at the end of the current year to 17 crores 56 lakhs. Our operations against the depreciation fund are expected to result in an increase of 1,10 lakhs in the balance in the fund, leaving the balance at the end of the year just over 12½ crores. To sum up, I think we may say that though for the reasons I have given, 1929-30 has been a poor year for railways, they have not, considering all the vicissitudes of the year, done too badly and at the end of the year their financial position is still quite sound.

5. It is always difficult to make a satisfactory forecast of what the Railways may expect to do in the succeeding year, for we have, under the present arrangements, to frame that forecast at a time when there is very little to go on ; so much depends on what the monsoon will be like and also on the general state throughout the year of trade and industry. But it is more than usually difficult, I think, to frame reliable estimates for next year in view of the existing trade depression, and of the other conditions prevailing in India to-day which undoubtedly have their repercussions on our traffic. We have assumed, as we usually do, that the monsoon will be normal, and that there may be perhaps some slight recovery in trade ; but while we have tried to avoid undue pessimism, we have not thought it wise to be too optimistic. We are therefore only anticipating a moderate growth in our traffic receipts. We put our gross receipts from commercial lines at 1,07 crores 82 lakhs which is just less than 3 crores above our present revised estimate; but it must be remembered that we shall be getting the whole receipts for a complete year from the Southern Punjab Railway instead of for only 3 months ; and these are estimated at 1,70 lakhs.

Our working expenses we expect to be 68 crores 9 lakhs, which is 1,36 lakhs more than the revised estimate ; but nearly half of this is due to the larger sum which we shall require to put into the depreciation fund. We are providing 25 lakhs for the introduction of further schemes to improve the lot of our lower paid employees in accordance with the policy which I have already explained to the House, and have also to expect a growth of about 12 lakhs in our fuel bill partly because the price of market coal is likely to be higher than it has been the last year or two ; and partly owing to the increased use of electric power on the Great Indian Peninsula Railway. Lastly—I am only attempting to mention some main items in the account, full details of which are in the memorandum—we shall want 65 lakhs more for working expenses of the Southern Punjab Railway, representing the amount which would have been paid by the Company, had it continued in existence. Of the charges other than working expenses I need only mention a further growth of 1,02 lakhs for interest.

To sum up, our budget estimates assume total receipts from commercial lines of 1,07 crores 82 lakhs and total charges of 99 crores 94 lakhs giving us a surplus of 7,88 lakhs. As an indication that our estimates have been prepared on cautious lines I would mention that this figure is lower than the surplus actually obtained in any year since 1923-24, though it is 81 lakhs above our revised estimate for the current year. After paying the loss on strategic lines, which we put at 1,80 lakhs, it will suffice to pay the fixed contribution of 5 crores 74 lakhs to general revenues and will leave a small balance of 34 lakhs for transference to the railway reserve. I shall be dealing in a minute or two with our programme of work which will be financed from capital and the depreciation fund next year ; and will only mention here that the effect of that programme will be to reduce our withdrawals from the fund substantially, so that the balance in the fund at the end of the year will be increased by 4,75 lakhs to 17 crores 26 lakhs.

Before, however, I turn to the programme of works, there are two subjects which I should like to mention to the Council.

6. The subject of improving amenities for passengers, especially third class passengers, continues to receive the special attention of the Railway Board and Railway Administrations. It may interest the Council to detail a few of the measures which have been taken towards this end. The most important question is undoubtedly that of overcrowding in third class carriages. I think the improvement in this respect can best be expressed by a comparison between the number of third class passengers carried six years ago and to-day compared with the accommodation provided in these years. Six years ago the Railways of India transported 545 million third class passengers; during 1928-29 this number had increased to 592 millions, an increase of 8·6 per cent., whereas the seating capacity of third class carriages had increased from 957,000 to 1,088,000, an increase of 14 per cent. The passenger train miles have increased during the same period from 64½ million miles to 83½ million miles, or by about 29 per cent.

It may also be of interest to record that the practice of carrying third class passengers in goods wagons at the time of large melas has practically ceased, at least on all main lines, and even during the Kumbh Mela at Hardwar in 1927 and I believe I am correct in saying at the Kumbh Mela at Allahabad this year, it was found possible to provide passenger stock for all passengers. Since 1st April 1924, 68 additional Indian Refreshment Rooms have been opened, 158 tea and refreshment stalls and 112 vendor shops have been provided. 426 waiting halls have been added and water supply improved at 559 stations. Passenger platforms are being raised at busy passenger stations as far as funds permit and in accordance with a regular programme.

7. The various Standing Committees formed to advise the Railway Board on questions relating to standardization of equipment employed on Indian Railways have continued to meet regularly and do useful work throughout the year. The Locomotive Committee has completed detailed drawings for 13 standard types of broad, metre and 2′ 6″ gauge locomotives and the drawings for three further standard types are nearing completion. Approximately 745 locomotives, to be built to the drawings of the 13 standard types referred to, have already been ordered, of these approximately 340 engines are now in service. The performance of these locomotives is being carefully watched and reports received from all sources regarding their behaviour are considered by the Committee. Such modifications in design as the Committee recommends and which have the Railway Board's approval are embodied in the standard drawings and are thus automatically given effect to on all future locomotives ordered. Generally speaking the new standard types are giving excellent results. When compared with previous types, they show increased speed and hauling capacity, combined with a reduced fuel consumption. The introduction of standard locomotives for use on all State Railways and the inclusion of the locomotive requirements of all railways in one combined call for tenders has resulted in a very large reduction in the number of different types of locomotives ordered each year, with a corresponding increase in the number of engines of each standard type. This policy must ultimately result in a considerable reduction in the first cost of our locomotives. The Locomotive Committee has not confined its attention entirely to the design of new locomotives; it has devoted considerable time to the improvement of existing types, and as a result of it efforts it has been possible to modernise a large number of existing locomotives, by converting them from saturated to superheated steam, with a resultant increase in hauling capacity and reduction in fuel consumption. The Carriage and Wagon Standards Committee has also not been idle; detailed drawings of 39 standard types of broad, metre and 2′ 6″ gauge carriage underframes and

wagons have now been completed and the drawings for 14 further types are nearing completion. To the drawings of the 39 standard types referred to some 6,700 vehicles have been ordered to date, of which approximately 6,400 have either been or will be manufactured in this country. My remarks regarding the standardization of locomotives reducing their first cost apply equally to carriage underframes and wagons. The position is, however, different inasmuch as there are no locomotive builders established in this country, whereas there are several wagon building firms. If we consider the position of the Indian wagon building firms in relation to firms in other parts of the world, it will at once be seen that as a result of standardization the Indian firms will be called upon to build only a limited number of standard types, and should therefore be in a position to introduce mass production methods and so successfully meet foreign competition from firms that normally receive orders for vehicles of every conceivable type from all parts of the world.

The Standing Committee on Standards and Specifications has continued its work of framing specifications and standards for all class of stores in general use on Railways, but owing to shortage of staff, it has only recently been possible to commence the work of drafting and publishing specifications in accordance with the Committee's recommendations. As the purchase of stores in this country is extended the need for the issue of standard specifications for the guidance of local manufacturers and merchants grows more urgent and it is hoped that this work will be well advanced before the close of the next financial year when the New Stores Purchase Rules will be given effect to. Generally the effect of standardization must be to confine our business more and more to the Indian market.

8. The Council will remember that the approved programme for 1929-30 provided for a capital expenditure of 37 crores of rupees, of which 26½ crores was new capital and the balance of 10½ crores was to be drawn from the Depreciation Fund. We now anticipate that we shall spend a total of 35,65 lakhs of which 24,15 lakhs will be new capital. The main cause for the difference between our budget and anticipated expenditure is that we expect to spend 1,42 lakhs less than we anticipated under new construction. This to a great extent is due to the policy we announced last year of concentrating on completing the schemes already in hand before we undertook new schemes, so that we might obtain an early return on the money expended. The most important lines opened during the year were the Trichinopoly-Pudukkottai section of the Trichinopoly-Manamadura Chord, the Raipur-Jhonk section of the Raipur-Vizianagram Railway, the Guntur-Macherla Railway, Myingyan-Myotha section of the Myingyan-Paleik Railway, Natmauk Nyaungdo section of Taungdwingyi Kyaukpodaung Railway and Chandpur Bijnor Muzzampur Narain Railway. In all until the end of January, 21 new lines or sections of new lines had been opened to traffic, and it is anticipated that 5 more will be opened before the end of the present financial year.

As regards open line works, the most important were the opening of the new alignment on the Bhore Ghat on the Great Indian Peninsula Railway, which eliminates the reversing station and thereby increases the loads of goods trains, and the opening of the electric service to Poona on the same line. This when it comes into full operation will give a handsome return on the capital cost through reductions in working expenses.

In framing our capital programme for 1930-31 we have followed the same principles as we did last year, *viz.*, to press on with the completion of works already in hand and so reduce our future commitments. Our budget estimate for this year is a very modest one, and only allows for an expenditure of 25¼ crores, after allowing for a reduction in our stores balances of ¼ of a crore. Of this amount 16¾ crores will be new capital and the remainder will be found from

the Depreciation Fund. But although our programme is a modest one there is one direction in which we have decided not to call a halt. We are making a special provision of 25 lakhs during 1930-31 for expenditure on the construction of quarters, which will be required for the additional staff necessitated by the adoption of the Hours of Work and Rest Rules based on the Washington and Geneva Conventions. This is in addition to the provision made on all the railways, to the extent of 61 lakhs for additions to and improvements in staff quarters for our subordinate staff.

Five crores of rupees will be devoted to the construction of new lines, to be spent, with the exception of 2 lakhs for certain sidings on the East Indian Railway, on lines on which work is already proceeding. Though our programme of new construction has been very much curtailed I do not think there is any need for despondency in this respect. It must be remembered that during the past five years about 2,300 miles of new lines have been opened to traffic, and even if there had been no shortage of funds next year it might have been necessary to call a halt in the rate at which new lines could be constructed. The construction of lines in fresh country may be compared to an advancing army. Just as an army can only advance a certain distance before it becomes necessary to consolidate behind the line, so with railways the construction of branch lines must be limited to the carrying capacity of the main trunk lines, and I feel that the most urgent necessity at the present time is to increase the capacity of our main trunk lines, so that they may keep pace with the traffic offering from branch lines already constructed and which will be constructed as soon as the money market becomes easier. The capacity of a line may be increased in various ways—by electrification, by doubling, by increasing the strength of the track and bridges so that more powerful locomotives hauling heavier trains may run, by increasing the number of crossing stations, by the installation of up-to-date interlocking at wayside stations so that trains may pass through at speed, and in various other directions. Practically all these methods of increasing capacity are reflected in our works programme for next year ; we have provided for the completion of the electrification of the Great Indian Peninsula Railway between Bombay and Poona and Bombay and Igatpuri ; a start will be made on the doubling of the Cawnpore-Tundla section of the East Indian Railway—this section to a very large extent controls the traffic between Calcutta and the North, and in the view of the Railway Board is one of the most urgent works in the programme ; extensive rail renewals are proposed on the main line of the North Western Railway between Delhi and Bhatinda, and on the Great Indian Peninsula Railway between Itarsi and Agra and between Poona and Sholapur, and on the East Coast Line of the Bengal Nagpur Railway. Heavy bridge renewals are programmed on the Bengal Nagpur Railway, the Great Indian Peninsula Railway and the Bombay, Baroda and Central India Railway. These works, though they may not be as spectacular as the construction of new lines, all tend to improve our property and will give an immediate return through savings in operating expenses.

9. I have done my best, Sir, to place before the Council the principal figures of our revised estimate for this year and those of our budget estimate for the year 1930-31. I have at the same time endeavoured to give brief account of our stewardship, and although I have necessarily had to leave out a great many matters which are of public interest and perhaps of particular interest to this Council, I hope I have said enough to show that our general financial position is sound and that there is no need for depression, even if in certain years our earnings fall below our expectations. In conclusion I would like to take the opportunity of bringing to the notice of the Council the valuable service which the Agents, officers and staff of the various Railway Administrations have rendered to the country, and the assistance they have been to the Railway Board in their endeavours to improve efficiency and introduce economies wherever possible.

Schedule of demands for grants for expenditure of the Central Government on Railways for the year 1930-31 submitted for the vote of the Legislative Assembly.

Number of Demand.	Service to which demand relates.	Amount.
		Rs.
	A.—EXPENDITURE FROM REVENUE.	
	Commercial Lines—	
1	Railway Board	12,90,000
2	Inspection	2,50,000
3	Audit	17,75,000
4	Working Expenses : Administration	13,88,50,000
5	Working Expenses : Repairs and maintenance and Operation	41,10,25,000
6	Companies' and Indian States' share of surplus profits and net earnings.	1,22,00,000
9	Appropriation to Depreciation Fund	13,25,00,000
10	Appropriation from Depreciation Fund	8,50,00,000
11	Miscellaneous	17,30,000
12	Appropriation to the Reserve Fund	33,95,000
13	Appropriation from the Reserve Fund	..
	Strategic Lines—	
14	Working Expenses and Miscellaneous	1,63,75,000
	B.—EXPENDITURE CHARGED TO CAPITAL.	
	Commercial Lines—	
7	New Construction	4,98,00,000
8	Open Line Works	11,49,00,000
	Strategic Lines—	
15	New construction and Open Line Works	25,00,000

Note.—These demands were voted by the Assembly in full.

BUDGET*

of the

Railway Revenue and Expenditure of the Governor-General in Council, March 1930.

RAILWAY DEPARTMENT;
New Delhi, the 1st March 1930.

A. A. L. PARSONS,
Financial Commissioner of Railways.

CONTENTS.

	PAGES.
1.—STATEMENT of the REVENUE of the CENTRAL GOVERNMENT from RAILWAYS in INDIA and ENGLAND	36—37
1 (*a*).—STATEMENT of WORKING EXPENSES of STATE RAILWAYS—COMMERCIAL LINES	38—39
2.—STATEMENT of the EXPENDITURE on RAILWAYS charged to the REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	40—41
2 (*a*).—CONTRIBUTION from RAILWAY to GENERAL REVENUES, 1929-30 and 1930-31	42—43
3.—STATEMENT of RECEIPTS of the CENTRAL GOVERNMENT in INDIA and ENGLAND for CAPITAL CONTRIBUTED by RAILWAY COMPANIES and INDIAN STATES TOWARDS OUTLAY on STATE RAILWAYS	44—45
4.—STATEMENT of the CAPITAL EXPENDITURE of the CENTRAL GOVERNMENT in INDIA and ENGLAND on RAILWAYS	46—47
A.—RAILWAY DEPRECIATION FUND	48
B.—RAILWAY RESERVE FUND	49

* Published with Government of India, Finance Department, Resolution No. F. 1(1)-B.—30, dated the 3rd April 1930.

1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1928-29.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XI.—State Railways—						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings :—						
Upper class . .	4,35,61,638	...	...	4,35,61,638	4,21,00,000	...
Third class . . .	30,36,38,377	...	...	30,36,38,377	31,18,00,000	...
Other coaching traffic earnings.	6,03,19,275	...	...	6,03,19,275	5,57,00,000	...
Goods traffic earnings .	66,89,01,025	...	...	66,89,01,025	66,37,00,000	...
Hire charges and other payments from Railways.	61,05,986	...	...	61,05,986	...	...
Sundry earnings . .	2,02,43,493	6,43,140	10	2,08,89,643	1,98,53,000	6,43,000
Total earnings .	1,10,27,72,794	6,43,140	10	1,10,34,15,944	1,09,31,53,000	6,43,000
Deduct— Refunds of Revenue collected.	*15,33,254*	...	...	*15,33,254*	*17,50,000*	...
Deduct— Earnings of worked lines.	*7,26,71,239*	...	...	*7,26,71,239*	*6,34,50,000*	...
Earnings of State Railways.	1,02,85,68,301	6,43,140	10	1,02,93,11,451	1,02,79,53,000	6,43,000
Suspense . . .	—25,02,387	...	...	—25,02,387	.	...
Gross receipts of State Railways.	1,02,60,65,914	6,43,140	10	1,02,67,09,064	1,02,79,53,000	6,43,000
Deduct—Working expenses of State Railways.*	*64,36,22,796*	*47,56,464*	*5,340*	*64,83,84,600*	*66,19,65,000*	*52,94,000*
Surplus profits paid to Indian States and railway companies.	*1,59,14,166*	...	...	*1,59,14,166*	*1,51,50,000*	...
Net receipts . . .	36,65,28,952	—41,13,324	—5,330	36,24,10,298	35,08,37,000	—43,51,000
(b) Strategic lines—						
Gross receipts .	1,66,80,534	...	...	1,66,80,534	1,64,10,000	...
Deduct—Refunds of Revenue collected.	*15,288*	...	...	*15,288*	*10,000*	...
Working expenses . .	*1,98,60,798*	...	...	*1,98,60,798*	*2,09,73,000*	...
Net receipts . . .	—31,95,552	...	...	—31,95,552	—45,73,000	...
Total net receipts, Commercial and Strategic lines.	36,33,33,400	—41,13,324	—5,330	35,92,14,746	34,62,64,000	—46,51,000
XII.—Subsidized Companies : Government share of surplus profits, etc.	11,64,808	27,18,942	276	38,84,026	16,02,000	45,26,000
XII-A.—Miscellaneous Railway Receipts—						
(a) Commercial lines—						
Interest on Depreciation and Reserve Fund balances.	1,04,13,368	...	...	1,04,13,368	1,27,85,000	...
Dividend on investments in branch lines and other Miscellaneous Receipts.	11,57,252	...	...	11,57,252	11,25,000	...
(b) Strategic lines—						
Interest on Depreciation Fund balances.	2,06,558	...	...	2,06,558	3,10,000	...
Total receipts .	37,62,75,386	—13,94,382	—5,054	37,43,75,950	36,21,76,000	—1,25,000
Deficit in Railway Revenue transferred from Reserve to meet in full the contribution to General Revenues .	...	...	...	...	86,30,000	...
Total .	37,62,75,386	—13,94,382	—5,054	37,43,75,950	37,08,06,000	—1,25,000

*For details see statement 1 (a).

Government from Railways in India and England.

1929-30.		Increase (+) Decrease (−) as compared with Budget, 1929-30.	Budget Estimate, 1930-31.				Increase (+) Decrease (−) as compared with Revised, 1929-30.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	4,21,00,000	−41,00,000	4,31,00,000	...	...	4,31,00,000	+10,00,000
...	31,18,00,000	−28,75,000	31,76,00,000	...	...	31,76,00,000	+58,00,000
...	5,57,00,000	−36,00,000	5,73,00,000	...	...	5,73,00,000	+16,00,000
...							
...	66,37,00,000	−1,25,50,000	67,87,00,000	...	..	67,87,00,000	+1,50,00,000
...		−8,00,000	...	..	...	...	...
...							
4,000	2,05,00,000	+10,00,000	2,04,57,000	6,43,000	...	2,11,00,000	+6,00,000
4,000	1,09,38,00,000	−2,89,25,000	1,11,71,57,000	6,43,000	...	1,11,78,00,000	+2,40,00,000
...	*17,50,000*	*+2,50,000*	*17,50,000*	...	...	*17,50,000*	...
...	*6,34,50,000*	*−42,75,000*	*5,49,50,000*	...	...	*5,49,50,000*	*−85,00,000*
4,000	1,02,80,00,000	−2,49,00,000	1,06,04,57,000	6,43,000	.	1,06,11,00,000	+3,25,00,000
...	...			...	. .	...	. .
4,000	1,02,80,00,000	−2,49,00,000	1,06,04,57,000	6,43,000	...	1,06,11,00,000	+3,25,00,000
37,000	*66,72,97,000*	*+1,55,97,000*	*67,57,91,000*	*50,91,000*	...	*68,08,82,000*	*+1,35,85,000*
...	*1,51,50,000*	*+26,50,000*	*1,22,00,000*	..	...	*1,22,00,000*	*−29,50,000*
−33,000	34,61,53,000	−4,31,47,000	37,24,66,000	−44,48,000	...	36,80,18,000	+2,18,65,000
...	1,64,10,000	−90,000	1,64,10,000	...	...	1,64,10,000	...
...	*10,000*	*+10,000*	*10,000*	.	...	*10,000*	...
...	*2,09,73,000*	*+6,73,000*	*2,09,43,000*	...	...	*2,09,43,000*	*−30,000*
...	−45,73,000	−7,73,000	−45,43,000	...	...	−45,43,000	+30,000
−33,000	34,15,80,000	−4,39,20,000	36,79,23,000	−44,48,000	...	36,34,75,000	+2,18,65,000
32,000	62,50,000	+2,50,000	17,68,000	1,32,000	...	19,00,000	−43,50,000
...	1,27,85,000	+2,10,000	1,38,88,000	...	...	1,38,88,000	+11,03,000
...	11,25,000	...	13,30,000	...	...	13,30,000	+2,05,000
...	3,10,000	+10,000	4,07,000	...	...	4,07,000	+97,000
−1,000	36,20,50,000	−4,34,50,000	38,53,16,000	−43,16,000	...	38,10,00,000	+1,89,50,000
...	86,30,000	+86,30,000	...	..	...	.	−86,30,000
−1,000	37,06,80,000	−3,48,20,000	38,53,16,000	−43,16,000	...	38,10,00,000	+1,03,20,000

1(*a*).—Statement of Working Expenses of State

Heads of working expenses.	Accounts, 1928-29.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration . . .	13,41,81,675	43,56,464	5,340	13,85,43,479	13,42,69,000	48,94,000
Repairs and maintenance .	17,57,25,727	...	...	17,57,25,727	18,07,00,000	...
Operation	25,72,48,095	4,00,000	...	25,76,48,095	25,76,60,000	4,00,000
Depreciation	11,60,46,566	...	...	11,60,46,566	12,18,97,000	...
Suspense	−32,44,354	...	...	−32,44,354	...	...
Total .	67,99,57,709	47,56,464	5,340	68,47,19,513	69,45,26,000	52,94,000
Deduct—Share of Worked Lines.	*3,63,34,913*	...	...	*3,63,34,913*	*3,25,60,000*	...
Working Expenses .	64,36,22,796	47,56,464	5,340	64,83,84,600	66,19,66,000	52,94,000

Railways—Commercial Lines.

1929-30.		Increase (+) Decrease (—) as compared with Budget, 1929-30.	Budget Estimate, 1930-31.				Increase (+) Decrease (—) as compared with Revised, 1929-30.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
37,000	13,92,00,000	+17,00,000	13,85,09,000	46,91,000	...	14,32,00,000	+40,00,000
...	18,07,00,000	+97,00,000	17,30,75,000	...	...	17,30,75,000	—76,25,000
...	25,80,60,000	+17,60,000	26,38,60,000	4,00,000	...	26,42,60,000	+62,00,000
...	12,18,97,000	—3,000	12,82,57,000	...	...	12,82,57,000	+63,60,000
...	...	...	...	...	...	...	...
37,000	69,98,57,000	+1,31,57,000	70,37,01,000	50,91,000	...	70,87,92,000	+89,35,000
...	3,25,60,000	—24,40,000	2,79,10,000	...	...	2,79,10,000	—46,50,000
37,000	66,72,97,000	+1,55,97,000	67,57,91,000	50,91,000	...	68,08,82,000	+1,35,85,000

2.—Statement of the expenditure on Railways charged to

Heads of Expenditure.	Accounts, 1928-29.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways:—						
(a) Commercial lines—						
Interest—						
on Government capital at charge .	15,96,03,638	10,43,29,536	1,38,796	26,40,71,970	16,82,54,000	10,73,06,000
on capital contributed by Indian States and Companies.	4,03,451	1,46,11,593	27,282	1,50,42,326	4,15,000	1,31,72,000
Total interest, commercial lines . .	16,00,07,089	11,89,41,129	1,66,078	27,91,14,296	16,86,69,000	12,04,78,000
(b) Strategic lines— Interest on capital at charge . .	1,41,81,418	...	...	1,41,81,418	1,37,50,000	...
Total interest .	17,41,88,537	11,89,41,129	1,66,078	29,32,95,744	18,24,19,000	12,04,78,000
11. Subsidized Companies— Land and subsidy . . .	2,91,370	...	...	2,91,370	7,20,000	...
12. Miscellaneous Railway expenditure—						
Commercial lines	23,37,566	8,26,872	1,064	31,65,502	34,82,000	14,63,000
Strategic lines . . .	29,707	...	...	29,707	80,000	...
Payments to general revenues—						
Contribution*	5,23,19,457	...	...	5,23,19,457	6,11,86,000	...
One-third of the excess of railway surplus over three crores.	...	...	...	...	...	...
Total payment to general revenues .	5,23,19,457	...	...	5,23,19,457	6,11,86,000	...
12A—Surplus Railway Revenue transferred to Railway Reserve Fund.	2,57,74,170	...	...	2,57,74,170	...	...
Total .	25,49,40,807	11,97,68,001	1,67,142	37,48,75,950	24,78,87,000	12,19,41,000

* For details see Statement 2 (a).

the revenue of the Central Government in India and in England.

1929-30.		Increase (+) Decrease (−) as compared with Budget, 1929-30.	Budget Estimate, 1930-31.				Increase (+) Decrease (−) as compared with Revised, 1929-30.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
7,50,000	27,03,10,000	−4,84,000	17,71,13,000	10,94,43,000	...	28,65,56,000	+1,02,46,000
92,000	1,36,79,000	+73,000	4,20,000	1,31,92,000	...	1,36,12,000	−67,000
8,42,000	28,99,89,000	−4,11,000	17,75,33,000	12,26,35,000	...	30,01,68,000	+1,01,79,000
...	1,37,50,000	−3,00,000	1,38,50,000	...	...	1,38,50,000	+1,00,000
8,42,000	30,37,39,000	−7,11,000	19,13,83,000	12,26,35,000	..	31,40,18,000	+1,02,79,000
...	7,20,000	−80,000	6,00,000	...	...	6,00,000	−1,20,000
10,000	49,55,000	−2,00,000	43,48,000	12,52,000	...	55,50,000	+6,25,000
...	80,000	+30,000	50,000	...	...	50,000	−30,000
...	6,11,86,000	...	5,73,57,000	...	...	5,73,57,000	−38,29,000
...	...	−12,86,000	...	...	...	...	...
...	6,11,86,000	−12,86,000	5,73,57,000	...	...	5,73,57,000	−38,29,000
...	...	−3,25,73,000	33,95,000	...	...	33,95,000	+33,95,000
8,52,000	37,06,80,000	−8,46,20,000	25,71,33,000	12,38,67,000	...	38,10,00,000	+1,03,30,000

2 (*a*).—Contribution from Railway to General Revenues, 1929-30.

(Based on actuals, 1927-28.)

	Rs.	Rs.
1. 1 per cent. on capital of 6,62,32,57,749 at charge, commercial lines	...	6,62,32,577
2. (i) Receipts—Commercial lines—		
Gross traffic receipts	1,02,63,32,568	
Subsidised Companies, share of surplus profits	35,60,366	
Interest on Depreciation and Reserve Fund balances	79,85,954	
Dividend on investments in branch lines and other miscellaneous receipts . .	8,16,714	
(ii) Charges—Commercial lines—		1,03,86,95,602
Working expenses	63,29,09,005	
Indian States and Railway Companies' share of surplus profits . . .	1,57,13,502	
Interest—		
On capital at charge	24,41,19,106	
On capital contributed by Indian States and Companies	1,51,86,337	
Land and subsidy	5,32,515	
Miscellaneous railway expenditure	48,11,850	
Contribution at 1 per cent. on capital at charge	6,62,32,577	
		97,95,64,892
(iii) Surplus	...	5,91,30,710
(iv) Contribution of one-fifth of surplus	...	1,18,26,142
3. (i) Total contribution from railway revenues [1 *plus* 2 (iv)]	...	7,80,58,719
Deduct—Loss on strategic lines borne by railway revenues—		
(*i*) Interest on capital of 32,41,78,507	1,34,02,657	
(*ii*) Loss in working	34,70,099	
		1,68,72,756
(ii) Net payment due from railway to general revenues in 1929-30	...	6,11,85,963

2 (*a*).—Contribution from Railway to General Revenues, 1930-31.

(Based on actuals, 1928-29.)

	Rs.	Rs.
1. 1 per cent. on capital of 6,93,73,40,682 at charge, commercial lines	...	6,93,73,407
2. (i) Receipts—Commercial Lines—		
Gross traffic receipts	1,02,67,09,064	
Subsidised Companies' share of surplus profits	38,84,026	
Interest on Depreciation and Reserve Fund balances	1,04,13,368	
Dividend on investments in branch lines and other miscellaneous receipts . .	11,57,252	
(ii) Charges—Commercial Lines—		1,04,21,63,710
Working expenses	64,83,84,600	
Indian States and Railway Companies' share of surplus profits	1,59,14,166	
Interest—		
On capital at charge	26,40,71,970	
On capital contributed by Indian States and Companies	1,50,42,326	
Land and subsidy	2,91,370	
Miscellaneous railway expenditure	31,65,502	
Contribution at 1 per cent. on capital at charge	6,93,73,407	
		1,01,62,43,341
(iii) Surplus		2,59,20,369
(iv) Contribution of one-fifth of surplus		51,84,074
3. (i) Total contribution from railway revenues [1 *plus* 2 (iv)]		7,45,57,481
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital of 33,10,28,596	1,41,81,448	
(ii) Loss in working	30,18,701	
		1,72,00,149
(ii) Net payment due from railway to general revenues in 1930-31	...	5,73,57,332

3.—Statement of receipts of the Central Government in India and England for State

Heads of Account.	Accounts, 1928-29.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways . . .	14,704	...	...	14,704	...	..

Capital contributed by Railway Companies and Indian States towards outlay on Railways.

1929-30.		Increase (+) Decrease (—) as compared with Budget, 1929-30.	Budget Estimate, 1930-31.				Increase (+) Decrease (—) as compared with Revised, 1929-30.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	...	—2,65,19,000	...	...	...	...	...

4.—Statement of the Capital Expenditure of the

Heads of Expenditure.	Accounts, 1928-29.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not charged to Revenue :—						
53.—Construction of State Railways :—						
(a) Commercial Lines—						
Open Line Works—						
Rolling Stock . . .				3,06,01,000		
Other Works . . .				12,95,17,490		
New Construction . .				8,79,72,000		
Suspense				—44,81,507		
Purchase of Railways and branch line shares . .				31,17,000		
Deduct—Probable Throw forward				...		
Total .	14,97,41,629	9,68,48,339	1,36,015	24,67,25,983	13,74,99,000	16,93,73,000
(b) Strategic Lines—						
Open Line Works—						
Rolling Stock . . .				4,80,000		
Other Works . . .				15,41,089		
New Construction . . .				48,29,000		
Total .	68,50,089	..	...	68,50,089	40,00,000	...
Total Commercial and Strategic Lines .	15,65,91,718	9,68,48,339	1,36,015	25,35,76,073	14,14,99,000	16,93,73,000
53-C.—Discharge of Debentures . .	...	4,00,00,000	—69,324	3,99,30,676	...	...

Central Government in India and England on Railways.

1929-30.			Budget Estimate, 1930-31.				
Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1929-30.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1929-30.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	6,01,40,000	+19,40,000				3,85,25,000	—2,16,15,000
...	11,58,35,000	—1,23,65,000				8,78,75,000	—2,79,60,000
...	6,75,00,000	—1,87,00,000				5,00,00,000	—1,75,00,000
...	—64,25,000	—5,25,000				—75,00,000	—10,75,000
...	7,10,07,000	+7,40,000				...	—7,10,07,000
...	...	—65,00,000		39,00,000	...	39,00,000	+39,00,000
11,85,000	30,80,57,000	—2,34,10,000	12,14,00,000	4,36,00,000	...	16,50,00,000	—14,30,57,000
...	10,60,000	—8,40,000				8,75,000	—1,85,000
...	13,40,000	+40,000				14,85,000	+1,45,000
...	16,00,000	...				1,40,000	—14,60,000
...	40,00,000	—8,00,000	25,00,000	...	...	25,00,000	—15,00,000
11,85,000	31,20,57,000	—2,32,10,000	12,39,00,000	4,36,00,000	...	16,75,00,000	—14,45,57,000
...	...	—2,65,19,000	...	...	...	...	

A.—Railway Depreciation Fund

	Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.		Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	9,00,82,911	11,50,82,911	11,40,96,631	12,50,96,631	Appropriation from Depreciation Fund.	9,59,84,100	10,50,00,000	11,50,00,000	8,50,00,000
Appropriation to Depreciation Fund.	11,99,97,820	12,60,00,000	12,60,00,000	13,25,00,000	Closing balance	11,40,96,631	13,60,82,911	12,50,96,631	17,25,96,631
TOTAL .	21,00,80,731	24,10,82,911	24,00,96,631	25,75,96,631	TOTAL .	21,00,80,731	24,10,82,911	24,00,96,631	25,75,96,631

B.—Railway Reserve Fund.

	Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.		Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance	15,84,69,810	19,29,83,810	18,42,43,980	17,56,13,980	Appropriation from Reserve Fund.	...	...	86,30,000	...
Appropriation to Reserve Fund.	2,57,74,170	3,25,73,000	...	33,95,000	Closing Balance.	18,42,43,980	22,55,56,810	17,56,13,980	17,90,08,980
TOTAL	18,42,43,980	22,55,56,810	18,42,43,980	17,90,08,980	TOTAL	18,42,43,980	22,55,56,810	18,42,43,980	17,90,08,980

Explanatory Memorandum of the Railway Budget for 1930-31.

1928-29.

Commercial and Strategic Lines together.

Our first duty is to place before the Legislature the final result of last year's working as compared with the forecast we made in February last. We then hoped to end the year with a gain from commercial lines of 10,71 lakhs, and expected, after meeting the loss of 1,80 lakhs on strategic lines and contributing 5,46 lakhs to general revenues, to increase our reserve by 3,45 lakhs. The actual results were unfortunately not so good. The last two months of the year brought us considerably less traffic than we had hoped for, and our receipts from all sources fell to 105,90 lakhs, a hundred and forty five lakhs less than our revised estimate. But, partly because the surplus profits on account of the Burma Railways which were taken over by the State on the 1st January 1929 were not paid till the beginning of the current year, and partly owing to a decrease in miscellaneous railway expenditure our total charges were also less than the revised estimates by 35 lakhs; and the final result was a net gain from commercial and strategic lines together of 7,81 lakhs. This enabled us to pay our fixed contribution of 5,23 lakhs to general revenues, and to increase our reserve by 2,58 lakhs to 18,42 lakhs at the beginning of the current year.

The expenditure incurred from the Depreciation Fund (9,60 lakhs) was 10 lakhs more than we had provided for, but was still 2,40 lakhs below the amount that was paid into the Fund during the year from revenue in accordance with the rules of the Fund. With this addition, the balance at the credit of the Fund at the end of the year stood at 11,41 lakhs.

1929-30.

A.—Commercial Lines.

2. We turn now to the current year. So far as we can see at present, our total gain from commercial lines will be nearly 2½ crores less than last year. We give below, as usual, a statement comparing the principal figures of the revised estimates for commercial lines with the figures of the budget estimate and of 1928-29, but we should first explain that we have decided in the course of the current year to make a slight change in our accounting for hire charges and payments from one railway to another, which alters the form of our estimates to some extent. Hitherto, a railway which, on the results of the year as a whole had a net credit, showed it as a receipt and conversely a railway which had a net debit took it as an item of operating expenses. The procedure we have now adopted, with the concurrence of the Auditor General, of taking all such items into our working expenses

account is simpler and more logical. If our budget estimate had been framed on these lines, 68 lakhs would have been dropped from both our receipts and our expenditure on this account ; and, for purposes of comparison, we present the figures in the statement below after making the necessary corrections in the figures for 1928-29 and in the budget estimate for 1929-30.

(Figures in lakhs of rupees.)

	Actuals, 1928-29.	1929-30.	
		Budget.	Revised.
Gross traffic receipts	1,02,21	1,04,82	1,03,04
Deduct—Refunds of revenue	15	15	18
Total	1,02,06	1,04,67	1,02,86
Government share of profits, etc., from subsidised companies.	39	60	63
Interest on Depreciation and Reserve Fund balances	1,04	1,26	1,28
Dividends on investment in Branch lines and other miscellaneous receipts.	11	11	11
Total Receipts	1,03,60	1,06,64	1,04,88
Working expenses (including depreciation)	64,23	64,49	66,73
Surplus profits paid to Indian States and Railway Companies.	1,59	1,25	1,51
Interest charges	27,91	29,04	29,00
Miscellaneous charges	34	60	57
Total Charges	94,07	95,38	97,81
Gain from Commercial lines	9,53	11,26	7,07

3. In our budget estimates for 1929-30, we assumed that there would be a moderate increase of traffic which would bring us in 120 lakhs more than our revised estimate of receipts in 1928-29. But, as has been explained, the revised estimate itself proved to be optimistic, and in addition our expectations of a larger revenue in the current year than in 1928-29 are, so far as we can at present foresee, unlikely to be realised in full. The main factor which accounts for this is of course, the general trade depression in the country, which has resulted in the reduction in rates and fares introduced in the last two years not leading to the increased traffic which we had reason to expect. The prolonged labour unrest in Bombay and the extraordinarily heavy floods in various parts of the country this year have also adversely affected our total earnings. It is only owing to the increased receipts expected in the last quarter of the year from our purchase of the Southern Punjab Railway on the 1st January and to the pilgrim traffic to

the Kumbh Mela at Allahabad that we are able to place our estimate of traffic receipts as much as 80 lakhs above last year's figures. The details of our estimate are as follow :—

(Figures in lakhs of rupees.)

	Actuals, 1928-29.	1929-30. Budget.	1929-30. Revised.
Passenger earnings	34,72	36,09	35.39
Other coaching traffic earnings	6,03	5,93	5,57
Goods earnings	66,89	67,62	68,37
Other earnings	2,09	1,95	2,05
Total	1,09,73	1,11,59	1,09,38
Deduct—			
Refunds of revenue	15	15	18
Worked lines	7,27	6,77	6,34
Suspense	—25	..	..
Net Total	1,02,06	1,04,67	1,02,86

4. During the last two years, with the intention of encouraging travelling and particularly long distance travelling, considerable reductions have been made in 3rd class passenger fares on most railways, but the result from the point of view of railway earnings has not been all that was expected. Passenger earnings are still below the high figure of 35,73 lakhs which we reached in 1927-28. They fell by over a crore in 1928-29, but it is satisfactory to note that we are now gaining ground and we expect that our earnings this year will be two-thirds of a crore higher than last year. The actual number of passengers carried in the first seven months of 1929-30 has been 11 million higher than in the corresponding period of the previous year—an increase of just over 3 per cent. The passenger-miles show, however, a larger increase of 5½ per cent. from 12,076 million to 12,756 million, and the average lead per passenger has increased from 33·92 miles to 34·76 miles. The increased traffic which we could have normally hoped for from the stimulus of lower fares has materialised, though not to an extent sufficient to make up the loss on the reduced fares ; but we are confident that in the near future we shall see our expectations of an increase of net revenue realised. Our other coaching traffic receipts are down by 46 lakhs, or nearly 8 per cent. This is explained by the reductions in our rates for parcels and luggage introduced in January 1929.

Passenger earnings.

5. It is in goods earnings that we have been most disappointed. Our present anticipations are that we shall get fifty-two lakhs less than last year, instead of the seventy-three lakhs more that we would obtain if our budget estimates were reached. Partly again, this is the result of our reduction in rates on certain commodities from which we have not derived an immediate benefit. Up to the end of October 1929, our receipts from goods traffic were

Goods earnings.

forty-seven lakhs lower than for the corresponding period last year. There was, however, no actual diminution of traffic, though no growth to speak of. The tonnage we carried was 600,000 tons higher, an increase of less than 1 per cent. If we turn to the ton-mile figure for the period, which is a more accurate measure of the traffic, we find that the difference dwindles to vanishing point. This year's figure is 27 million higher, an increase of less than one-quarter of one per cent.

With the exception of coal and coke, and, to a certain extent, cotton, the traffic in the principal commodities we carry has been less than last year. To take two examples, up to the 25th January, we loaded 66,500 fewer wagons with grains and pulses—a decrease of 9 per cent and 14,000 fewer with oil seeds —a decrease of 6 per cent. There have also been decreases in our loadings of miscellaneous wagons which are the best general indication of the condition of internal trade. Jute arrivals at Calcutta from 1st July to 25th January have also shown a decline—the tonnage has decreased from 742,000 tons to 715,000 tons.

There was an increase of 46,500 wagons loaded with coal and coke apart from wagons loaded by the Bengal Nagpur and the East Indian Railways for their own use ; but it is difficult to ascribe this mainly to the reduction in rates which was made this year. For some railways began this year with severely depleted stocks, and the increased traffic is partly due to their replenishment. Under cotton, however, there has been a satisfactory increase of 11,500 in the wagons loaded.

6. The present estimates of working expenses are compared in the following table with the budget figures, and those of 1928-29 :—

(Figures in lakhs of rupees.)

	Actuals, 1928-29.	1929-30. Budget.	1929-30. Revised.
Administration	13,85	13,75	13,92
Repairs and Maintenance	17,57	17,10	18,07
Operation	25,15	24,95	25,81
Depreciation	11,61	12,19	12,19
Suspense	—32	..	..
Total	67,86	67,99	69,99
Deduct—			
Worked lines	3,63	3,50	3,26
Net working expenses	64,23	64,49	66,73

7. The expenditure which is brought to account under the head Administration ' is likely to be only 7 lakhs higher than it was in 1928-29, although we now expect that our open line mileage will be increased by 600 miles. Last year however special gratuities to workmen on the South

Indian and the Bombay, Baroda and Central India Railways in connection with the transfer of their workshops cost us about 35 lakhs; and but for this the increase would have been more noticeable.

In the budget of the current year the Legislative Assembly agreed to give us sums of 28 lakhs under revenue and 30 lakhs under capital for schemes to ameliorate the service conditions of the lower paid employees on railways, and we feel it incumbent on us to explain the extent to which this money has been spent. The table below shows the probable expenditure by the various railways from these allotments in the current year.

(Figures in lakhs.)

Railway.	Revenue.	Capital.
Assam Bengal	1·18	..
Bengal Nagpur	2·76	..
Bengal and North Western	1·55	·63
Bombay, Baroda and Central India	2·70	..
Burma	1·03	..
Eastern Bengal	1·33	..
East Indian	·50	1·00
Great Indian Peninsula	2·44	..
Madras and Southern Mahratta	·78	..
North Western	2·25	5·81
South Indian	1·21	..
Minor railways	·39	·9
Total	18·12	7·53

Though the progress naturally varies from railway to railway, it will be seen that we have been able to make a fair start with the expenditure from revenue, and we should have been able to do a good deal more, if it had been possible to pass in the September session the Bill introduced in the Assembly for the purpose of giving effect to the Washington and Geneva Conventions on railways. We are sanguine enough to hope that the Bill will be passed into law in the current session, and all our arrangements are now complete for instructing railway administrations, as soon as this has been done, to proceed with the recruitment of the additional staff required. Apart from the steps which we have taken to give effect to the Washington and Geneva Conventions, schemes for revising the wages of lower paid employees of the railways, where they are shown to be inadequate, have been engaging our constant attention during the year. Much of the revenue expenditure incurred from the allotments aggregating 28 lakhs is on schemes of this kind, but we recognise that much still remains to be done; and in fact our investigations of many other proposals for improving the service conditions of lower paid staff are now so near to completion that we should be able to advance still more rapidly in this direction in 1930-31, if we are granted by the Assembly the further sums for this purpose for which we are asking in next year's budget.

Except on the North-Western Railway we have not been able so far to spend any large sum from capital on the provision of extra quarters. This is partly due to the fact that we must await the passing of the Bill now before the Assembly which will enable us to give effect to the Washington and Geneva Conventions. It is also partly due to the fact that the North-Western Railway had plans and estimates already prepared and were therefore in a better position than other railways to make rapid progress.

Repairs and Maintenance.

8. The cost of repairs and maintenance of our works and rolling-stock during 1929-30 is likely to be half a crore higher than in the previous year. Eighteen lakhs of this excess is under 'Way and Works', which is exactly the amount we have had to spend this year on repairs to damages caused by floods. Last year's figure was, however, inflated by a charge to revenue of nearly sixteen lakhs on the Great Indian Peninsula Railway owing to the abandonment of the old alignment at Bhore Ghat; on the other hand, during the current year, we have had, on the Bengal Nagpur Railway, to make payments of about six lakhs which were really due for payment last year. Taking everything into account, we can fairly claim to have maintained an additional 600 miles of line at very small additional cost.

On repairs to rolling-stock, we expect to spend twenty-six lakhs more than in 1928-29. Seven and a half lakhs of this excess is on the South Indian Railway, where repairs were in arrear owing to the strike last year. The Great Indian Peninsula Railway is responsible for fourteen lakhs, of which a large part is due to specially heavy repairs being required to light type engines retained in service owing to a delay in the receipt of heavier engines; there has also been an increase in the number of electric locomotives and rolling-stock in use. The Bengal Nagpur Railway also has been making special efforts to overtake its arrears of repairs. Its workshops have been reorganised and they are now in a position to increase their outturn. The East Indian Railway on the other hand expects to spend ten lakhs less, but will do a larger volume of work for a smaller figure of cost. The cost of repairs on this railway has fallen to a remarkable extent. Comparing the figures for November 1929 with those of the previous year, we find that the cost of a standard locomotive repair has fallen from Rs. 10,173 to Rs. 8,860, and of a passenger four-wheeler carriage repair from Rs. 702 to Rs. 593. Taking next a metre gauge railway, the Burma Railways, the cost of a standard locomotive repair has fallen in the same period from Rs. 17,186 to Rs. 13,360, of a carriage repair from Rs. 1,325 to Rs. 409, and of a wagon repair from Rs. 371 to Rs. 196. We have not indeed been able to achieve such striking results on every railway: to take a converse case, the cost of a carriage repair on the Great Indian Peninsula Railway has risen by Rs. 300, as a result of the fact that this is the third year after the general overhaul given to coaching stock on the introduction of the repair schedule in the workshops, and although steps have been taken to spread these general overhauls more evenly, a periodical increase in the cost of repairs is inevitable. On the whole, however, we can say that the cost of repairs per unit of rolling-stock going through the shops is still coming down. Taking all railways together, a broad gauge locomotive repair cost us Rs. 10,298 in November 1929 against Rs. 10,700 in the previous year and the average number of days an engine was in the shops decreased from 62 to 54. The cost of a broad gauge carriage repair increased slightly from Rs. 651 to Rs. 668, but that of a metre gauge carriage repair came down from Rs. 501 to Rs. 362. The time of detention was in both cases about a week less.

Under Miscellaneous charges again, there has been a change of accounting procedure which renders comparison with previous years difficult. In the past, the expenditure on account of renewals and replacements of non-wasting assets, and the credits for material released from renewals and replacements of all assets have in some Companies' railways been taken to the head 'Renewals and Replacements' in their accounts, the net figure at debit of which is transferred, in the Government accounts, to Depreciation Fund at the end of the year. This does not accord with the rules of the Depreciation Fund and is not in consonance with the principles on which it was started. Contributions to the Fund are made from revenue only for wasting assets, and expenditure on the renewal or replacement of non-wasting assets, ballast for example, is expected to be made from the ordinary revenue of the year. Again, the annual contribution from revenue to the Fund is designed to meet the full original cost of the asset and consequently the sale or scrap value of released materials has to be credited to revenue. It was consequently decided to adopt the correct procedure, which is already in force in State-managed railways, on all railways. The change affects only the Government accounts, and not the accounts, nor the surplus profits, of the companies. It has had the result, however, this year of reducing our expenditure on repairs and maintenance by eighteen lakhs, and increasing the expenditure from the Depreciation Fund to a corresponding extent. Against this saving should be set an extraordinary charge of ten lakhs due to our writing off to revenue the cost of the recently dismantled Aden Railway less the amount already contributed on this account from revenue to the Depreciation Fund since its inception.

Operation.

9. Our cost of operation is likely to be 66 lakhs higher than last year. The greater part of it is of course in connection with the engagement of additional station and running staff to man the new lines that have been opened, and for the additional staff that we have had to recruit in our endeavours to give effect to the Geneva and Washington Conventions. Fuel charges will probably increase by fifteen lakhs. The increase is entirely under electric power and is mainly due to the electrification of the Great Indian Peninsula Railway line from Bombay to Poona. Our expectations of a considerable reduction in our fuel bill have not been realised, mainly on account of increased freight and handling charges. Some railways have had to increase their depleted stocks, and our hopes of a large decrease in expenditure to follow reduced freights have not been realised. The increase in freight charges is, however, not a real increase in net expenditure, as it has its counterpart in increased receipts.

10. Finally, the amounts we recover from Companies and Indian States whose lines we work for them, are expected to be 37 lakhs lower than last year. This is a direct consequence of the lower share of our receipts attributable to these lines and is, in great measure, explained by our taking over the Southern Punjab Railway from the 1st January 1930.

11. We need not explain in great detail the remaining charges against our revenue. The surplus profits paid to Indian States and Railway Companies are lower by eight lakhs. Though the Burma Railways were taken over by the State from 1st January 1929, the surplus profits for the nine months of 1928-29 were paid only during the current year. We had not provided for this as we had expected that they would be paid in the previous year; hence the excess over the budget estimate of 1,25 lakhs. Interest and depreciation charges depend on our total capital at charge, and naturally increase from year to year. During the current year there has been a growth of 1,09 lakhs under interest and 58 lakhs in the amount annually set aside from revenue towards depreciation.

B.—Strategic Lines.

12. *Strategic Lines.*—The usual figures are given in the statement below :—

(Figures in lakhs of rupees.)

	Actuals, 1928-29.	1929-30. Budget.	1929-30. Revised.
Gross traffic receipts	1,67	1,65	1,64
Interest on balances of Depreciation Fund	2	3	3
Total Receipts	1,69	1,68	1,67
Working expenses (including depreciation)	1,98	2,03	2,10
Interest charges	1,42	1,40	1,37
Miscellaneous	1	1	1
Total Charges	3,41	3,44	3,48
Net loss in working	1,72	1,76	1,81

There is a slight increase under working expenses owing to flood damages and to expenditure incurred on giving effect to the Washington and Geneva Conventions, funds for which had been provided in lump under commercial lines.

C.—Summary of results.

13. Our total receipts from commercial lines seem thus likely to amount to 1,04,88 lakhs or 1,28 lakhs higher than last year's figure. Our charges are likely to amount to 97,81 lakhs or 3,74 lakhs higher than last year. If these estimates prove correct, we shall be left with a surplus, from commercial lines, of 7,07 lakhs—2,46 lakhs less than the surplus of last year and 4,19 lakhs less than what we expected when the budget estimate was drawn up. Of this surplus, 1,81 lakhs will be required to meet the loss on strategic lines. The balance of 5,26 lakhs is insufficient to meet the fixed contribution that we have to pay to general revenues which is based on the results of 1927-28—a particularly good year for railways—and amounts to 6,12 lakhs. In order to pay this we shall have to draw to the extent of 86 lakhs on our previously accumulated reserves.

On these estimates the balance in the reserve at the end of the current year will then be reduced to 17,56 lakhs. Withdrawals from the Depreciation Fund in the current year are expected to be 11,50 lakhs against the payment of 12,60 lakhs into the fund and the balance should therefore be increased by 1,10 lakhs to 12,51 lakhs.

1930-31.

A.—Commercial Lines.

14. The following statement compares the principal figures of the estimates for next year for commercial lines with the revised estimates of the current year :—

(Figures in lakhs of rupees.)

	Revised, 1929-30.	Budget, 1930-31.
Gross traffic receipts	1,03,04	1,06,29
Deduct—refunds of revenue	18	18
Total	1,02,86	1,06,11
Government share of profits, etc., from subsidised companies	63	19
Interest on balances of depreciation and reserve funds	1,28	1,39
Dividends on investment in branch lines and other miscellaneous receipts.	11	13
Total Receipts	1,04,88	1,07,82
Working expenses (including depreciation)	66,73	68,09
Surplus profits paid to Indian States and Railway companies	1,51	1,22
Interest charges	29,00	30,02
Miscellaneous charges	57	61
Total Charges	97,81	99,94
Gain from commercial lines	7,07	7,88

Gross traffic receipts.

15. The estimates for gross traffic receipts assume that 1930-31 will be a normal year, giving us a moderate increase in both passenger and goods traffic. The estimates of earnings are compared in more detail with the revised estimates of the current year in the following statement :—

(Figures in lakhs of rupees.)

	Revised, 1929-30.	Budget, 1930-31.
Passenger earnings	35,39	36,07
Other coaching traffic earnings	5,57	5,73
Total	40,96	41,80
Goods earnings	66,37	67,87
Other earnings	2,05	2,11
Total	1,09,38	1,11,78
Deduct—		
Refunds of revenue	18	18
Worked lines	6,34	5,49
Net total	1,02,86	1,06,11

In arriving at these figures, we assume an increase from 20,900 million to 21,300 million in passenger miles and from 20,900 million to 21,370 million in ton-miles of goods carried.

16. The only item that requires further explanation is the last one. The decrease in the share of gross receipts attributable to lines worked by us for Companies and Indian States is due to the fact that, by the purchase of the Southern Punjab Railway on the 1st January 1930, it has ceased to be a worked line. The receipts of the line for the whole year 1930-31 belong to us, whereas in 1929-30 they were ours for only three months.

Other receipts.

17. There is little to say about other receipts. The growth in our interest receipts is not as large as usual because even though we now expect to be able to add a small sum to our reserve fund at the end of 1930-31, the result of the two years 1929-30 and 1930-31 together is a reduction of over half a crore in our balances. The Depreciation Fund is growing steadily, however, and to a certain extent makes up for the fall in the balances of the reserve fund. In the second place, our budget estimate of the Government share of profits in subsidized companies is 44 lakhs lower than the current year. This is again due to our acquisition of the Southern Punjab Railway. The amount credited in the current year as our share of the profits was what was earned for the period of 21 months ending 31st December 1929. In the next year, of course, there will be no receipts on this account.

Working expenses.

18. The estimates of working expenses are compared with the figures of the revised estimates of this year in the following table :—

(Figures in lakhs of rupees.)

	Revised, 1929-30.	Budget, 1930-31.
Administration	13,92	14,32
Repairs and Maintenance	18,07	17,31
Operation	25,81	26,42
Depreciation	12,19	12,83
Total	69,99	70,88
Deduct—Worked lines	3,26	2,79
Net working expenses	66,73	68,09

Against additional traffic receipts amounting to 3,25 lakhs have to be set, if our estimates prove to be correct, an increase of only 1,36 lakhs in our total working expenses, nearly half of which (64 lakhs) is due to our appropriation from revenue to the Depreciation Fund being higher as a result of the increase in the capital value of the property.

Administration.

19. We shall require forty lakhs more next year under the head 'Administration'. Of this, ten lakhs represents the provision which we are making, together with fifteen lakhs under 'Operation' for improving the service conditions of lower paid railway employees. The balance is required for the working of 600 miles of new lines expected to be opened in the current year, and about 300 miles next year.

Repairs and Maintenance.

20. Repairs and maintenance, it is expected, will cost us 76 lakhs less than this year in spite of the increased mileage. We are expecting slight savings in the repairs and maintenance charges of rolling stock. The rest of the reduction can be ascribed to the fact that the current year's expenditure has been swollen by floods and other abnormal occurrences such as the dismantlement of the Aden Railway.

Operation.

21. We expect the cost of operation to exceed the present year's estimate by sixty-one lakhs. Of this fifteen lakhs are part of the total provision of twenty-five lakhs that we are making next year for improving the service conditions of lower paid employees. Owing partly to the necessity of recruiting additional men on account of the additional mileage which will be opened to traffic and partly to the extra staff that is likely to be required as a result of the Washington and Geneva Conventions, we expect we shall require about thirty-one lakhs more for staff. We have also provided for a slight increase of twelve lakhs under 'Fuel' mainly under electric power, the use of which is being extended further on the Great Indian Peninsula Railway, where the main line is being electrified to Igatpuri; and partly because we now anticipate that the price of coal will be rather higher. Finally, mainly owing to the purchase of the Southern Punjab Railway, forty-seven lakhs less are likely to be recovered on account of the lines worked by us for other parties.

Other Charges.

22. The capital expenditure incurred in the current year results in an increase of sixty-four lakhs in the estimated appropriation from revenue for depreciation in accordance with the rules of the Fund, and for the same reason, we expect an increase of 1,02 lakhs under 'Interest charges'. Surplus profits payable to companies and Indian States will be twenty-nine lakhs less mainly because no payment will be made on account of the Burma Railways Miscellaneous charges differ only to a very small extent. Half of the additional four lakhs required is due to the proposed extension of audit on Company-managed railways.

B.—Strategic Lines.

23. The figures of the revised estimate and the budget estimate for next year are given in the following table. They are practically the same as the current year's figures :—

(Figures in lakhs of rupees.)

	Revised, 1929-30.	Budget, 1930-31.
Gross receipts	1,64	1,64
Interest on balances of depreciation fund	3	4
Total receipts	1,67	1,68
Working expenses (including depreciation)	2 10	2,09
Interest charges	1,37	1,38
Miscellaneous	1	1
Total charges	3,48	3,48
Net loss in working	1,81	1,80

C.—Summary.

24. The final result of the estimates which we have now explained in detail is as follows. We expect total receipts from commercial lines of 1,07,82 lakhs or 2,94 lakhs more than in the current year. Our total charges are put at 99,94 lakhs, 2,13 lakhs more than this year ; and on these estimates we hope to obtain a surplus from commercial lines of 7,88 lakhs or 81 lakhs more than we are expecting this year. This surplus is, except for this year, the lowest we have had since 1923-24, but, if our anticipations are realised, we shall be able to pay our contribution to general revenues without having again to draw on our reserves. The contribution for 1930-31 is, lower than that for the current year, being based on the results of 1928-29 which was not so good for railways as the previous year. Of the surplus of 7,88 lakhs, 1,80 lakhs are required to meet the prospective loss on strategic lines, and of the balance of 6,08 lakhs, 5,74 lakhs will be paid to general revenues under the convention, and a small balance will be left of 34 lakhs to be transferred to the railway reserve.

If our anticipations are realised, the balance in the reserve at the end of 1930-31 will be 17,90 lakhs or fifty-two lakhs less than the balance with which we started the current year. Owing to our restricted programme of works during 1930-31, withdrawals from the Depreciation Fund will be comparatively low, three crores less than in the current year. Against an appropriation of 13,25 lakhs from revenue, we shall require to spend only 8,50 lakhs, and the balance in the Fund will be increased by 4,75 lakhs to 17,26 lakhs.

Capital Expenditure.

25. We obtained last February a total grant from the Assembly of 37 crores (exclusive of 7·03 crores required for the purchase of the Southern Punjab Railway) for expenditure on our programme of works of which 26½ crores was capital expenditure and the balance of 10½ crores was to be drawn from the depreciation fund. We now expect to spend in 1929-30, 35,65 lakhs (of which 24,15 lakhs will be capital expenditure), or 1,35 lakhs less than we originally anticipated. Apart from book adjustments between capital and depreciation fund accounts the main difference is under new construction on which we now expect to spend 1,42 lakhs less than was originally provided ; and on this point we would wish to make our position perfectly clear. It has become apparent that owing to existing conditions, not only in India but outside India as well, we are unlikely to obtain funds for capital expenditure on railways in the near future except at rates of interest substantially higher than those at which they have been procurable in the last three or four years. A rise in the rate of interest not only makes some projects either for extensions to the railway system or for improvements to the existing system unremunerative ; it also makes it necessary to consider whether it is not wiser to postpone the inception of other projects which, even with a higher rate of borrowing, may still be remunerative, rather than to burden the railways of India with a large volume of indebtedness for money raised at a period of high interest rates. Consequently we have this year, and propose next year, to concentrate almost entirely on pushing schemes already in hand through to completion, so that we may obtain an early return on the money spent on them, and have avoided adding to our commitments at a time when the future is so uncertain by undertaking new schemes. It is chiefly due to the adoption of this policy that we

1929-30.

now expect to spend 1,42 lakhs less than was originally provided for new construction. Even so, 500 miles of line have already been opened to traffic in 1929-30 and we expect to open 100 miles more by the end of the year.

1930-31.

26. In framing our programme of work for next year, we have followed the same principle. The programme is therefore a very modest one, and the total amount that we propose to spend (after allowing for a reduction of three quarters of a crore in stores balances) is twenty-five and a quarter crores. Of this amount eight and a half crores will be found from the depreciation fund, and the balance of sixteen and three quarter crores will be capital expenditure. Five crores will be devoted to the construction of new lines, but except for two lakhs for collieries' sidings on the East Indian Railway, the amount will be entirely spent on lines on which work is already proceeding. Railway administrations hope to open only 300 miles of new line in 1930-31, but this is not an index of the work that will be done ; it only means that the work they are doing will mostly come to fruition in a later year. The expenditure we expect to incur on improvements of our railway system is similarly in the main for works in progress. Apart from the heavy programme of relaying and re-sleepering that has to be carried on if we are to carry our traffic safely, efficiently and economically, the only new work of any magnitude on which we are embarking is the doubling of the line between Cawnpore and Tundla. Steps to increase the capacity of this section are now a matter of urgency, and we have provided twenty lakhs for doubling the most congested section between Shikohabad and Tundla. Of the more important works in progress which receive a large share of the money we are able to provide next year the principal is the new Perambur Workshops of the Madras and Southern Mahratta Railway for which fifty-four lakhs are needed. There is also a considerable amount of expenditure on electrification—over half a crore on the Great Indian Peninsula Railway where the present electrification will then be practically completed, and fifteen lakhs on the South Indian Railway which will take us half way through what we contemplate doing at present.

We desire also to call attention to a provision of 25 lakhs we are making in 1930-31 for expenditure on the construction of quarters necessitated by the adoption of the Hours of Work and Rest Rules based on the Washington and Geneva Conventions. This is in addition to the provision made on all railways to the extent of sixty-one lakhs for additions to and improvements in staff quarters for our subordinate staff.

The comparatively heavy relaying and re-sleepering programme that we are contemplating next year combined with the reduction in the new lines we are taking up for construction will inevitably result in the return of large quantities of old rails and sleepers to stock, thus inflating our stores balances temporarily. Notwithstanding this, we expect to reduce our balances by 75 lakhs. We have recently had an investigation carried out by two experienced officers with the object of reducing our purchases of stores during the year. Chiefly by the substitution of stores obtained locally for stores imported from abroad, with the natural consequence of reducing the normal balances which they have to hold of these stores, railways have undertaken to reduce their expenditure on the purchase of stores to a very large extent ; and we hope that our stores balances at the end of 1930-31 will be down to fifteen and three-quarter crores.

Last year we reduced considerably the over allotments for capital expenditure that we had been in the habit of making for some years past, as we found that, in view of the growth in the capacity of railways to carry on the work

in their programmes, such a system was not conducive to an efficient control of expenditure. For next year we have made no over-allotments at all. But our past experience has been that rolling-stock and more particularly locomotives and boilers included in the programme of one year are not all delivered and paid for in that year, and on as accurate a calculation as we are in a position to make so long beforehand, we have assumed that sixty-seven lakhs of the expenditure on rolling-stock in the 1930-31 programme will be thrown forward to 1931-32, and have deducted this amount from the sums for capital expenditure and expenditure from the depreciation fund in 1930-31 which we are asking the Assembly to authorise.

Conclusion.

27. Finally we wish to acknowledge our indebtedness to the members of the Standing Finance Committee for Railways for the assistance which they have given us throughout the year.

T. G. RUSSELL,
Chief Commissioner of Railways.

A. A. L. PARSONS,
Financial Commissioner of Railways.

NEW DELHI ;
The 1st March 1930.

APPENDIX I.

CAPITAL EXPENDITURE.

The total capital expenditure and expenditure from the Depreciation Fund on State-owned railways in the three years 1928-29 to 1930-31 is set out in the table below :—

	Actuals, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
England—				
Sterling payments. £	10,263,625	12,920,025	12,702,975	3,772,500
Converted into rupees at 1s. 6d. to the rupee. Rs.	13,68,48,339	17,22,67,000	16,93,73,000	5,03,00,000
Exchange . . Rs.	66.691	..	11,85,000	..
Total England . Rs.	13,69,15,030	17,22,67,000	17,05,58,000	5,03,00,000
Probable throw forward Rs.	..	20,00,000	..	67,00,000
Net England . Rs.	13,69,15,030	17,02,67,000	17,05,58,000	4,36,00,000
India—				
Payments in India Rs.	25,25,76,718	27,95,00,000	25,64,99,000	20,89,00,000
Probable savings Rs.	..	95,00,000	..	..
Net India . Rs.	25,25,76,718	27,00,00,000	25,64,99,000	20,89,00,000
Total England and India Rs.	38,94,91,748	44,02,67,000	42,70,57,000	25,25,00,000

The distribution of the above between Capital and Depreciation Fund is as follows :—

Capital . . .	29,35,07,748	34,17,67,000	31,20,57,000	17,14,00,000
Probable throw forward . .	..	65,00,000	..	39,00,000
Net Capital .	29,35,07,748	33,52,67,000	31,20,57,000	16,75,00,000
Depreciation Fund .	9,59,84,000	11,00,00,000	11,50,00,000	8,78,00,000
Probable throw forward . . .	..	50,00,000	..	28,00,000
Net Depreciation Fund	9,59,84,000	10,50,00,000	11,50,00,000	8,50,00,000

2. The statement below gives a comparison of the allotments made for open lines and lines under construction during the same period (*viz*, 1928-29 to 1930-31) under commercial and strategic lines separately :—

(Figures in thousands of rupees.)

	Actuals, 1928-29.	Revised Estimates, 1929-30.	Budget Estimates, 1930-31.
Commercial.			
Purchase price of :—			
Burma Railways	3,99,31		
Mirpur Khas Jhudo Railway	11,48		
Southern Punjab Railway	..	7,05,57	
Purchase of branch line shares	19,69	4,50	..
Open lines (including rolling stock) — Capital	15,56,38	16,95,50	11,89,00
Open lines (including rolling stock) — Dep. Fund	*9,30,37*	*11,34,00*	*8,53,25*
Total — Capital	19,86,86	24,05,57	11,89,00
Total — Dep. Fund	*9,30,37*	*11,34,00*	*8,53,25*
Deduct—Probable throw forward — Capital	..	..	39,00
Deduct—Probable throw forward — Dep. Fund	..	..	*28,00*
Net open lines (Commercial) — Capital	19,86,86	24,05,57	11,50,00
Net open lines (Commercial) — Dep. Fund	*9,30,37*	*11,34,00*	*8,25,25*
Lines under construction :—			
(*a*) started in previous years	8,79,72	6,75,00	4,97,87
(*b*) started in current year			2,13
Total—Capital	8,79,72	6,75,00	5,00,00
Total Commercial — Capital	28,66,58	30,80,57	16,50,00
Total Commercial — Dep. Fund	*9,30,37*	*11,34,00*	*8,25,25*
Total	37,96,95	42,14,57	24,75,25
Strategic.			
Open lines (including rolling stock) — Capital	20,21	24,00	23,60
Open lines (including rolling stock) — Dep. Fund	*29,47*	*16,00*	*24,75*
Lines under construction :—			
(*a*) started in previous years	48,29	16,00	1,40
(*b*) started in current year			
Total Strategic — Capital	68,50	40,00	25,00
Total Strategic — Dep. Fund	*29,47*	*16,00*	*24,75*
Total Commercial and Strategic Lines — Capital	29,35,08	31,20,57	16,75,00
Total Commercial and Strategic Lines — Dep. Fund	*9,59,84*	*11,50,00*	*8,50,00*
Total	38,94,92	42,70,57	25,25,00

3. The distribution of the total budget grant of 25¼ crores for 1930-31 is as follows :—

(Figures in thousands of rupees.)

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
State Railways managed by the State.						
Burma Railways—						
New Construction—						
Kayan Thongwa . .	..	..	..	10	..	10
Taungdwingyi Kyaukpadaung.	..	..	..	3,13	..	3,13
Myingyan Natogyi Paleik	..	..	..	4,47	..	4,47
Nyaunglebin Madauk .	..	..	..	80	..	80
Sagaing Bridge . .	..	..	..	50,00	..	50,00
Open Line Capital .	10,20	41,55	51,75	..	..	..
Open Line Dep. Fund .	*1,89*	*32,11*	*34,00*	..	..	..
Total Capital .	**10,20**	**41,55**	7	**58,50**	.	**58 50**
Total Dep. Fund .	*1,89*	*32,11*	*34,00*	..	..	..
Eastern Bengal Railway—						
New Construction—						
Baruipur Lakshmikantapur.	..	..	..	25	..	25
Abdulpur Nawabganj .	..	..	..	2,00	..	2,00
Kalukhali Kamarkhali Bhateapara.	..	..	..	19,25	..	19,25
Dacca Aricha . . .	..	..	..	2,00	..	2,00
Tangla Belsiri . .	..	..	..	15,00	..	15,00
Open Line Capital .	49,00	60,75	1,09,75	..	..	..
Open Line Dep. Fund .	*21,82*	*62,93*	*84,75*	..	..	..
Total Capital .	**49,00**	**60,75**	**1,09,75**	**38,50**	..	**38,50**
Total Dep. Fund .	*21,82*	*62,93*	*84,75*	..	..	..
East Indian Railway—						
New Construction—						
Central Indian Coalfields .	..	..	..	13,75	..	13,75
Calcutta chord . .	..	..	..	45,57	..	45,57
Lucknow Sultanpur Zafarabad.	..	..	..	50,00	..	50,00
Unao Madhoganj . .	..	..	..	9,09	..	9,09
Chandpur Bijnor Muazzampur Narain.	..	..	..	96	..	96
South Karanpura Colliery sidings in Sounda Sayal	..	..	..	..	2,13	2,13
Open Line Capital	81,05	1,25,95	2,07,00	..	..	..
Open Line Dep. Fund .	*95,47*	*87,03*	*1,82,50*	..	..	..
Total Capital .	**81,05**	**1,25,95**	**2,07,00**	**1.19,37**	**2,13**	**1,21,50**
Total Dep. Fund	*95,47*	*87,03*	*1,82,50*	..	..	

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
Great Indian Peninsula Railway—						
New construction—						
Darwha Pusad	..	..	..	14,50	..	14,50
Open Line . Capital	55,20	1,62,80	2,18,00	..	..	..
Open Line . Dep. Fund	*22,99*	*56,01*	*79,00*			
Total . Capital	**55,20**	**1,62,80**	**2,18,00**	**14,50**	..	**14,50**
Total . Dep Fund	*22,99*	*56,01*	*79,00*			
North-Western Railway— Commercial lines —						
New construction—						
Chiniot Kushab	..	..	..	25,00	..	25,00
Kalabagh Bridge	..	..	..	5,40	..	5,40
Chak Jhumra Chiniot	..	..	..	1,60	..	1,60
Sind Left Bank Feeders	..	..	..	36,00	..	36,00
Open Line . Capital	31,45	86,30	1,17,75	..	..	..
Open Line . Dep. Fund	*46,30*	*84,70*	*1,31,00*			
Total . Capital	**31,45**	**86,30**	**1,17,75**	**68,00**	..	**68,00**
Total . Dep. Fund	*46,30*	*84,70*	*1,31,00*			
North Western Railway (Strategic Lines)—						
New construction—						
Zhob Valley Railway Extension	..	..	..	1,40	..	1,40
Open Line . Capital	8,75	14,85	23,60	..	..	..
Open Line . Dep. Fund	*11,43*	*13,32*	*24,75*			
Total . Capital	**8,75**	**14,85**	**23,60**	**1,40**	..	**1,40**
Total . Dep. Fund	*11,43*	*13,32*	*24,75*			
State Railway Collieries	..	2,30	2,30	..	..	..
Total State Lines managed by the State. Capital	**2,35,65**	**4,94,50**	**7,30,15**	**3,00,27**	**2,13**	**3,02,40**
Total State Lines managed by the State. Dep. Fund	*1,99,90*	*3,36,10*	*5,36,00*			
TOTAL	**4,35,55**	**8,30,60**	**12,66,15**	**3,00,27**	**2,13**	**3,02,40**

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
State Railways managed by Companies or Indian States—						
Assam Bengal Railway—						
New construction—						
Sibsagar Road Khowang	..	..	..	23	..	23
Furkating Badulipara Jorhat	..	..	..	37	..	37
Karimgunj Longai Valley	..	..	..	10	..	10
Netrokona Mohangunj	..	..	..	77	..	77
Feni Belonia	..	..	..	58	..	58
Shaistagunj Balla	..	..	..	1,05	..	1,05
Senchoa Mairabari	..	..	..	1,79	..	1,79
Chittagong Fatikchari (Nazirhat)	..	..	..	1,50	..	1,50
Chittagong Duhazari	..	..	..	15,36	..	15,36
Open Line Capital	30,25	12,75	43,00	..	..	..
Open Line Dep. Fund.	*3,36*	*9,89*	*13,25*	..	..	..
Total Capital	**30,25**	**12,75**	**43,00**	**21,75**	..	**21,75**
Total Dep. Fund.	*3,36*	*9,89*	*13,25*	..	..	..
Bengal Nagpur Railway—						
New construction—						
Tumsar Tirodi Conversion	..	..	..	5,50	..	5,50
Raipur Vizianagram	..	..	..	1,00,00	..	1,00,00
Open Line Capital	18,40	72,60	91,00	..	..	..
Open Line Dep. Fund.	*30,59*	*62,91*	*93,50*	..	..	..
Total Capital	**18,40**	**72,60**	**91,00**	**1,05,50**	..	**1,05,50**
Total Dep. Fund.	*30,59*	*62,91*	*93,50*	..	..	..
Bezwada Railway. Capital	..	20	20	..	..	..
Bezwada Railway. Dep. Fund.	..	..	..	..	..	..
Bengal and North-Western Railway (Tirhut Section)—						
New construction—						
Mashrak Thawe	..	..	..	7,50	..	7,50
Open Line. Capital	12,75	5,00	17,75	..	..	..
Open Line. Dep. Fund.	*10,50*	*12,00*	*22,50*	..	..	..
Total Capital	**12,75**	**5,00**	**17,75**	**7,50**	..	**7,50**
Total Dep. Fund	*10,50*	*12,00*	*22,50*	..	..	..

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
Bombay, Baroda and Central India Railway—						
Open Line . Capital .	27,85	86,15	1,14,00	..	..	..
Open Line . Dep. Fund .	*20,81*	*61,19*	*82,00*	..	..	..
Total . Capital .	**27,85**	**86,15**	**1,14,00**	..	..	..
Total . Dep. Fund .	*20,81*	*61,19*	*82,00*	..	..	..
Dronachellam Kurnool Railway—						
Open Line . Capital .	..	9,00	9,00	..	..	..
Open Line . Dep. Fund .	..	..	..	..	..	..
Jodhpur Railway Capital .	..	**50**	**50**	..	..	..
Open Line Dep. Fund.	*15*	*60*	*75*	..	..	..
Madras and Southern Mahratta Railway—						
New construction—						
Coconada Kotipalli .	..	..	..	2,05	..	2,05
Guntur Macherla . .	..	..	..	3,20	..	3,20
Open Line . Capital .	20,00	75,00	95,00	..	..	..
Open Line . Dep. Fund .	*31,95*	*38,30*	*70,25*	..	..	..
Total . Capital .	**20,00**	**75,00**	**95,00**	**5,25**	..	**5,25**
Total . Dep. Fund .	*31,95*	*38,30*	*70,25*	..	..	..
Rohilkund and Kumaon Railway—						
Open Line . Capital .	..	..	..	..	..	..
Open Line . Dep. Fund .	*1,86*	*2,39*	*4,25*	..	..	..
South Indian Railway—						
New construction—						
Shoranur Nilambur .	..	..	..	—21	..	—21
Virudhunagar Tenkasi .	..	..	..	51	..	51
Madura Bodinayakanur .	..	..	.	1,68	..	1,68
Villupuram Trichinopoly .	..	..	..	4,06	..	4,06
Dindigul Pollachi . .	..	..		3,32	..	3,32
Cuddalore Vriddhachalam	..	..	..	1,00	..	1,00
Mayavaram Tranquebar .	..	..	..	96	..	96

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
South Indian Railway—*concld.*						
New construction—concld.						
Trichinopoly Manamadura	..	..	..	20,00	..	20.00
Polachi Palghat . .	..	..	..	12,68	..	12,68
Salem Attur Vriddhachalam	..	..	..	15,00	..	15,00
Open Lines { Capital .	49,10	62,90	1,12,00	..	..	..
{ Dep. Fund	*18,56*	*36,94*	*55,50*	..	..	..
Total { Capital .	**49,10**	**62,90**	**1,12,00**	**59,**	..	**59,00**
{ Dep. Fund	*18,56*	*36,94*	*55,50*	..	..	..
Total State Railways managed by Companies or Indian States { Capital .	**1,58,35**	**3,24,10**	**4,82,45**	**1,99,00**	..	**1,99,00**
{ Dep. Fund	*1,17,78*	*2,24,22*	*3,42,00*	..	..	..
Total .	**2,76,13**	**5,48,32**	**8,24,45**	**1,99,00**	..	**1,99,00**
Total all State Railways. { Capital .	**3,94,00**	**8,18,60**	**12,12,60**	**4,99,27**	**2,13**	**5,01,40**
{ Dep. Fund	*3,17,68*	*5,60,32*	*8,78,00*	..	..	..
Deduct—Probable throw forwards. { Capital .	39,00	..	39,00	..	..	..
{ Dep. Fund	*28,00*	..	*28,00*	..	..	..
Total { Capital .	..	..	**11,73,60**	**4,99,27**	**2,13**	**5,01,40**
{ Dep. Fund	..	..	*8,50,00*	..	..	..
Grand Total .				**25,25,00**		

NOTE.—Figures in italics represent expenditure from the depreciation fund.

Open Line Works.

4. *Engineering, structural and other works.*—The following is the distribution of the expenditure proposed, among the various classes of works comprised in this group :—

	Capital.	Depreciation Fund.	Crores. Total.
(1) Track	2·31	3·96	6·27
(2) Bridges	·83	·71	1 54
(3) Traffic facilities	1·62	·27	1·89
(4) Workshops and Loco sheds . . .	1·33	·35	1 68
(5) Staff quarters	·86	·05	·91
(6) Welfare Works	·27	·03	·30
(7) Electric installations	·16	·01	·17
(8) Signalling and interlocking . . .	·27	·03	·30
(9) Electrification of track . . .	·70	·01	·71
(10) Removal of infringements . . .	·07	·02	·09
(11) Other Works	·35	·14	·49
(12) Ferries.	03	·02	·05
(13) Collieries	·14	..	·14
(14) Suspense	—·75	..	—·75
Total .	8·19	5·60	13·79

(1) and (2). *Tracks and Bridges.*—The general policy mentioned in the memorandum of last year of strengthening and improving the tracks and bridges is still being pursued and all the principal railways have provided for considerable expenditure on the renewals of rails, sleepers and girders.

Among the more important of the bridges that it is proposed to strengthen or rebuild are included the Roopnarayan bridge on the Bengal Nagpur Railway, the Nerbudda bridge on the Great Indian Peninsula Railway and the Adamwahan and Kotri bridges on the North Western Railway main line to Karachi.

Among the important relaying programmes is that in the Coalfields area on the East Indian Railway where it is proposed to start with relaying the track with 115 lb. rails for which a provision of 38½ lakhs (17½ lakhs capital and 21 lakhs depreciation fund) has been made in 1930-31. On the same railway 15½ lakhs (6½ lakhs capital and 9 lakhs depreciation fund) has been provided for 90 lb. relaying between Jhajha and Moghal Sarai. On the North Western Railway it is proposed to spend 21 lakhs (9¾ lakhs capital and 11¼ lakhs depreciation fund) on relaying with 90 lb. rails the greater portion of which will be on the Southern Punjab line, between Delhi and Bhatinda, recently taken over from the Company. On the Great Indian Peninsula Railway, the work of relaying between Itarsi and Agra will be continued and a provision of 35 lakhs (20 lakhs capital and 15 lakhs depreciation fund) has been made in 1930-31.

There are two important schemes of doubling and quadrupling included in the budget for increasing capacity by doubling :—

(1) Doubling of the line between Ishurdi and Abdulpur on the Eastern Bengal Railway main line which is required in connection with the opening of the Abdulpur-Nawabganj branch. For this a provision of 6 lakhs has been made in 1930-31 and it is proposed to complete the work in 1931-32 ; and

(2) Doubling of the line between Cawnpur and Tundla on the East Indian Railway main line—a work of considerable magnitude which will take 3 years to complete. It is proposed to make a start in 1930-31 and a provision of 20 lakhs (17·41 lakhs capital and 2·40 lakhs depreciation fund) has been made.

(3) *Traffic facilities.*—The remodelling of station yards in order to provide increased capacity and facilities is of as important a nature as the strengthening of track and bridges and doubling and considerable sums of money are being devoted for this purpose. Amongst the important schemes in this connection which will be current in 1930-31 are :—

(Figures in lakhs.)

Name of schemes.	Capital.	Depreciation Fund.	Total.
Cawnpore remodelling (East Indian Railway) .	7·97	4·72	12·69
Dum Dum (Eastern Bengal Railway) in connection with the junction of the Calcutta Chord Railway	5·96	..	5·96
Trichinopoly Junction and Fort Station (South Indian Railway)	7·30	1·00	8·30
Erode (South Indian Railway)	9·00	1·10	10·10
Tondiarpet marshalling yard and connected facilities (Madras and Southern Mahratta Railway) .	6·78	·42	7·20

(4) *Workshops, Station and other buildings.*—The more important of the works included in the programme are shown below :—

(Figures in lakhs.)

	Estimate.	Approximate outlay to end of 31st March 1930.	Provision for 1930-31.
Jamalpur shops foundry (East Indian Railway)	5·05 *1·00*	*Nil.*	5·05 *1·00*
Dohad shops (Bombay, Baroda and Central India Railway)	75·23 *5 04*	19·41 *·02*	27·99 *·42*
Trichinopoly shops (South Indian Railway)	336·85 *10·86*	315·57 *11·05*	5·70 —*·10*
Perambur shops (Madras and Southern Mahratta Railway)	203·63 *31·43*	135·57 *9 91*	44·18 *19·02*
Bombay Central Station (Bombay, Baroda and Central India Railway)	140·28 ..	135·01 *·11*	5·26 ..

NOTE.—Figures in italics show expenditure from the Depreciation Fund.

No important new work is to be taken in hand in the current year. The Golden Rock workshops at Trichinopoly on the South Indian Railway will be completed in all respects in 1931-32. The Bombay, Baroda and Central India Railway workshops at Dohad continue to make good progress. A large allotment is proposed for the Madras and Southern Mahratta Railway workshops at Perambur which it is hoped to complete in 1931-32.

Bombay Central Station is well on its way to completion and it is hoped to open it shortly.

(5) *Staff quarters.*—Below is given a table showing distribution of the proposed expenditure for carrying on the policy of providing, as far as possible good dwellings in healthy surroundings for a large proportion of the staff.

(Figures in lakhs.)

Railways.	Officers' Quarters.		Other Quarters.		Total.
	Provision to complete bungalows under construction.	Provision for new bungalows.	Provision to complete bungalows under construction.	Provision for new quarters.	
Assam Bengal	.. ..	.. ..	1·00 ..	2·20 *·02*	3·20 *·02*
Bengal Nagpur.	·10 ..	.. ..	·84 *·32*	3·56 *·68*	4·50 *1·0*
Bengal and North Western	.. ..	.. ..	·50 ..	1·92 ..	2·42 ..

Railways.	Officers' Quarters.		Other Quarters.		Total.
	Provision to complete bungalows under construction.	Provision for new bungalows.	Provision to complete bungalows under construction.	Provision for new quarters.	
Dhone Kurnool.	..	.	..	·50	·50
	..	..	..	..	..
Bombay, Baroda and Central India.	..	..	6·35	10·20	16·55
	..	..	*·45*	*·55*	*1·00*
Burma . .	..	..	2·80	5·00	7·80
	..	..	*·06*	*·24*	*·30*
Eastern Bengal.	..	..	..	6·00	6·00
	..	..	..	..	..
East Indian .	..	..	7·01	12·24	19·25
	..	..	..	*1·12*	*1·12*
Great Indian Peninsula.	..	..	3·35	4·28	7·63
	..	..	..	*·20*	*·20*
Madras and Southern Mahratta.	..	..	1·92	1·20	3·12
	..	..	..	..	..
North Western.	..	..	..	12·79	12·79
	..	..	..	*1·20*	*1·20*
South Indian .	..	.	..	2·20	2·20
	..	..	..	..	..
Jodhpur . .	..	..	..	·08	·08
	..	..	..	..	..
Total .	·10	..	23·77	62·17	86·04
	..	..	*·83*	*4·01*	*4·84*

NOTE.—Figures in italics represent expenditure from the depreciation fund.

The total amount includes provision of Rs. 25 lakhs for additional quarters required in order that the Washington and Geneva Conventions may be given effect to.

(7) *Electrification of lines and stations.*—The suburban lines electrification in the Bombay area both on the Bombay, Baroda and Central India and the Great Indian Peninsula Railways have been completed. As regards the main line electrification of the Great Indian Peninsula Railway the Kalyan Power House has been practically completed and opened and the first instalment of electric working on the main line between Kalyan and Poona was brought into use on 5th November 1929. The remaining portion between Kalyan and Igatpuri is expected to be ready for opening at the end of March 1930. The provision made of Rs. 55 lakhs for this latter work is for completion of the power house and track equipment and includes additional electric locomotives required. The whole scheme is expected to be finally completed in 1931-32. A provision of nearly 15 lakhs has been made for the electrification of the Madras suburban lines of the South Indian Railway and it is

anticipated that this work will be completed in 1931-32. The project for the electrification of the Calcutta suburban railways is still under consideration. The most difficult problem in this connection is the means by which it will be possible to connect the East Indian Railway at Howrah with the Eastern Bengal Railway at Sealdah.

5. *Amenities for passengers.*—The statement below shows the expenditure proposed in 1930-31 by the different railways on the various categories under which these amenities are usually subdivided.

(Figures in thousands.)

Railways.	Water supply.	Waiting rooms and halls.	Indian refreshment rooms.	Booking facilities.	Latrines and sanitary arrangements.	Raised platforms.	Additions and betterments to lower class carriages.	Total.
1. Assam Bengal . .	46	27	34	10	16	..	6,38	7,71
2. Bengal Nagpur . .	10	30	10	..	..	..	2,77	3,27
3. Bengal and North Western.	..	4	11	..	..	..	3,41	3,56
4. Bombay Baroda and Central India.	2	1	20	1,20	50	1,10	7,84	10,87
5. Burma . . .	10	1,00	..	..	5	5	3,58	4,78
6. Eastern Bengal . .	10	36	..	8	1	45	23,79	24,79
7. East Indian . .	2,13	1,64	23	.	55	2 36	27,09	34,00
8. Great Indian Peninsula	..	1,27	13	1,16	10	1.65	14,08	18,39
9. Madras and Southern Mahratta.	23	56	1,12	..	41	..	5,33	7.65
10. North Western . .	1,38	2,01	56	80	82	45	1,20	7,22
11. South Indian . .	23	1,00	39	60	78	1.31	7,15	11,46
TOTAL .	4,75	8,46	3,18	3,94	3,38	7,37	1,02,62	1,33,70

6. *Rolling Stock.*—The programmes of railway administrations contemplate the following expenditure on account of rolling stock during 1930-31.

	Capital	Depreciation Fund.	Total.
			Lakhs.
Additional stock	199·00	..	199·00
Improvements, renewals and replacements	195·00	317·68	512·68
Total .	394·00	317·68	711·68

Of this the amounts below are for completion of works sanctioned in previous year's programmes :—

	Lakhs.
Capital	105·50
Depreciation Fund	67·72
Grand total .	173·22

Specific allotments set apart for

	Broad Gauge.				Metre
	Additions.	Renewals.		Total.	Additions.
	Capital.	Capital.	Depreciation Fund.	Capital.	Capital.
I.—Locomotives—					
(a) Engines and Tenders .	..	33,93	63,46	33,93	19,06
(b) Boilers . . .	..	5,77	24,94	5,77	75
(c) Electric Headlights for Locomotives . .	6,02	1,12	2	7,14	62
(d) Superheating of Locomotives . .	..	11,06	14,59	11,06	..
(e) Miscellaneous expenditure . . .	..	—11,66	11,68	—11,66	..
II.—Coaching Stock—					
(a) I and II Class . .	7,96	4,66	3,40	12,62	3,29
(b) Inter and III Class .	8,13	2,99	1,37	11,12	20,16
(c) Other composite coaches . . .	30,80	16,32	11,40	47,12	37,47
(d) Conversion from gas to electricity . .	2,00	..	..	2,00	..
(e) Miscellaneous expenditure . . .	2,76	..	..	2,76	44
III.—Goods Stock—					
(a) General Service .	..	18,18	28,77	18,18	6,00
(b) Other types . .	3,68	9,80	7,71	13,48	9,60
(c) Miscellaneous expenditure . . .	61	—11,68	11,80	—11,07	..
Total .	61,96	80,49	1,79,14	1,42,45	98,28

various new items as shown below :—

(Figures in thousands of rupees.)

Gauge.			Narrow Gauge.				Grand Total.	
Renewals.		Total.	Additions.	Renewals.		Total.		
Capital.	Depreciation Fund.	Capital.	Capital.	Capital.	Depreciation Fund.	Capital.	Capital.	Depreciation Fund.
10,11	16,45	29,17	..	..	..	..	63,10	79,91
60	5,57	1,35	..	23	70	23	7,35	31,21
95	3	1,57	..	..	..	..	8,71	5
1,37	2,91	1,37	..	..	..	..	12,43	17,50
..	..	..	..	7,74	4,93	7,74	—3,92	16,61
89	1,23	4,17	..	16	10	16	16,95	4,73
3,00	5,31	23,17	1,32	11	13	1,43	35,72	6,81
5,90	7,11	43,37	1,84	—17	1,16	1,67	91,86	19,07
..	..	..	..	..	..	..	2,00	..
96	2,80	1,40	..	..	..	..	4,16	2,80
8,03	18,03	14,93	2,61	..	..	2,61	35,72	46,80
1,42	4,28	11,02	69	..	..	69	25,19	11,99
..	8	..	..	..	..	..	—11,07	11,88
33,24	63,80	1,31,52	6,46	8,07	7,02	14,53	2,88,50	2,49,96

The programme authorised by the Railway Board at the time of the preparation of the budget for 1930-31 provides for the construction of new units of stock shown in the table below, all of which, however, will not necessarily be completed and be available for use before the 31st March 1931.

	Broad Gauge.			Metre Gauge.		
	Additions No.	Renewals No.	Total No.	Additions No.	Renewals No.	Total No.
1. Locomotive engines	..	38	38	30	57	87
2. Coaching vehicles (in terms of four-wheelers)—						
(a) I and II class	32	24	56	34	33	67
(b) Inter and III class . .	42	26	68	162	110	272
3. Goods wagons (in terms of four-wheelers) . .	..	1,043	1,043	223	728	951

NOTE.—The figures in this paragraph are exclusive of Inter and III class composite coaches to be built with luggage, brakes, postal compartments, and restaurant cars, multiple coaches, etc. The figures for goods stock represent the number intended for the carriage of goods for the general public and exclude all special types of goods stock, such as oil tanks, rail and timber trucks, sheep vans, ballast wagons, motor vans, store vans, etc.

The following statement shows for the broad and metre gauge lines, the details of the new units of coaching and goods stock in terms of four-wheeler units included in the programme for 1930-31 which will be constructed as *additions* to the authorised stock of the railways :—

Railways.	I and II Class coaching vehicles.		Inter and III Class coaching vehicles.		Goods wagons. General Service
	Broad Gauge.	Metre Gauge.	Broad Gauge.	Metre Gauge.	Metre Gauge.
North Western . . .	..	..	..	..	..
Bengal and North-Western .	..	..	..	..	..
Eastern Bengal . . .	..	14	24	60	..
Great Indian Peninsula .	..	..	..	..	..
Burma	..	9	..	..	..
Bombay, Baroda and Central India	20	6	16	..	..
South Indian . . .	10	..	..	30	73
Madras and Southern Mahratta . . .	2	..	2	24	..
Assam Bengal . . .	..	5	..	48	150
Total .	32	34	42	162	223

NOTE.—The above figures exclude composite coaches having compartments for classes other than those specified.

New construction.

7. A complete list of new lines, whether under construction or likely to be commenced during the year 1930-31, for which the allotment of 5·01 crores proposed for new construction is intended, is given in the demands for grants for new construction of commercial and strategic lines. The total mileage of these new lines excluding that of the lines to be opened this year aggregates 1,041 miles. The additions to the several main systems are indicated in the tabulated statement below :—

Railway system.	Lines in progress.	Lines the construction of which has been sanctioned but not yet commenced.	Unsanctioned lines.	Total.
Assam Bengal	55	..	..	55
Bengal Nagpur	158	..	..	158
Bengal and North Western	40	..	..	40
Bombay, Baroda and Central India	..	..	..	..
Burma	16	..	..	16
Eastern Bengal	54	117	..	171
East Indian	209	..	..	209
Great Indian Peninsula	43	..	..	43
Madras and Southern Mahratta	..	..	..	..
North Western	53	120	..	173
South Indian	176	..	..	176
Total	804	237	..	1,041

8. It is expected that about 600 miles of railway will be opened in the current year and about 300 miles in 1930-31. The details are as follow :—

Lines opened and to be opened in 1929-30.

Name of project.	*No. of miles.*
Assam Bengal Railway—	
Thakurakona-Mohanganj section of Netrokona Mohanganj)	11
Feni-Belonia	17
Shaistagunj-Balla	17
Chittagong Nazirhat	23
Bombay, Baroda and Central India Railway—	
Boriavi Vadtal	4
Jambusar Kavi Extension	18
Samni Dehej	25
Burma Railways—	
Nyaunglebin-Madauk	11
Natmauk-Nyaungdo section of Taungdwingyi Kyaukpadaung	36
Myingyan-Natogyi Paleik	69
Eastern Bengal Railway—	
Banmankhi Behariganj section of Purnea Murliganj	17
Kurigram temporary terminus to Kurigram permanent station	1
Rampur-Boalia Nawabganj section of Abdulpur Nawabganj	32
East Indian Railway—	
Bijuri-Manendragarh section of Central India Coalfields	10
Chandpur-Bijnor Muazzampur Narain	37
Great Indian Peninsula Railway—	
Kusba-Fatehabad Bah section of Agra Bah	21
Bengal Nagpur Railway—	
Raipur Khariar Road Station (District No. 4) of Raipur Parbatipur section of Raipur Vizianagram	84
Madras and Southern Mahratta Railway—	
Cocanada-Kotipalli	27
Guntur-Macherla	80

Lines opened and to be opened in 1929-30—*contd*

Name of project.	*No.* of *miles.*
North Western Railway—	
Jassar-Dera Baba Nanak section of Amritsar Narowal	6
South Indian Railway—	
Salem Metur Dam	23
Trichinopoly Pudukkottai section of Trichinopoly Mana-Madura	33
Total	602

Lines expected to be opened in 1930-31.

Assam Bengal Railway—	
Senchoa-Mairabari	30
Chittagong-Duhazari	25
Bengal and North Western Railway—	
Mashrak Thawe	40
Bombay, Baroda and Central India Railway—	
Vasad-Katana	26
Burma Railways—	
Nyaungdo-Kyaukpadaung section of Taungdwingyi-Kyauk-padaung	11
East Indian Railway—	
Unao-Madhoganj	47
Jhagrakhund and Chirmiri sidings of Central India. Coal-fields	13
North Western Railway—	
Mahrabpur Padidan section of Sind Left Bank Feeders	44
South Indian Railway—	
Trichinopoly Manamadura	61
Total	297

APPENDIX II.

Capital expenditure on State Railways.

[Figures in thousands of rupees.]

Railways.	Accounts, 1928-29.	To end of 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.	To end of 1930-31.
Open Lines.					
State Railways managed by State—					
Aden (Commercial) . .	—9	14,04	..	..	14,04
Burma	54,16	28,76,71	1,25,00	51,75	30,53,46
Eastern Bengal . .	98,74	46,55,31	1,60,00	1,09,75	49,25,06
East Indian . .	3,42,90	1,34,10,30	2,06,00	2,07,00	1,38,23,30
Great Indian Peninsula .	3,94,39	1,11,36,05	3,63,00	2,18,00	1,17,17,05
North Western . .	2,22,92	97,71,23	2,15,00	1,17,75	1,01,03,98
Strategic Lines . .	20,21	28,28,09	24,00	23,60	28,75,69
Stores transactions . .	—94	2,35,83	..	..	2,35,83
Abandoned projects . .	..	32,26	..	..	32,26
Total State Railways managed by State . .	11,32,29	4,49,59,82	10,93,00	7,27,85	4,67,80,67
State Railways managed by Companies or Indian States—					
Assam Bengal . . .	38,82	20,02,88	41,00	43,00	20,86,88
Bengal Nagpur . .	45,90	69,20,47	1,55,00	91,00	71,66,47
Bengal and North-Western (Tirhut) . . .	12,21	9,24,92	9,00	17,75	9,51,67
Bezwada Extension . .	17	17,49	15	20	17,84
Bombay, Baroda and Central India . .	1,04,35	70,02,40	1,55,00	1,14,00	72,71,40
Dronachellam Kurnool Railway Extension . .	..	..	35	9,00	9,35
Jodhpur Hyderabad .	1,61	71,36	1,00	50	72,86
Madras and Southern Mahratta . . .	1,07,75	52,94,58	1,41,00	95,00	55,30,58
Rohilkund and Kumaon (Lucknow Bareilly) .	75	1,55,89	—1,00	..	1,54,89
South Indian . . .	1,25,20	29,63,94	1,22,00	1,12,00	31,97,94
Total State Railways managed by Companies or Indian States . .	4,36,76	2,53,53,93	6,23,50	4,82,45	2,64,59,88

APPENDIX II—*contd*

(Figures in thousands of rupees.)

Railways.	Accounts, 1928-29.	To end of 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.	To end of 1930-31.
Brought forward . .	4,36,76	2,53,53,93	6,23,50	4,82,45	2,64,59,88
Open Lines—*concld.*					
State Railway Collieries .	7,54	97,56	3,00	2,30	1,02,86
Total Open Lines .	15,76,59	7,04,11,31	17,19,50	12,12,60	7,33,43,41
Lines under Construction.					
State Railways managed by State—					
Burma Railways—					
Alon-Saingbyin . .	25	14,69	..	..	14,69
Pyinmana Taungdwingyi	37	70,85	10	..	70,95
Segyi Ye U . . .	9	13,85	..	..	13,85
Pegu Kayan . .	32	54,24	10	..	54,34
Heho Shevenyaung .	3,27	26,39	20	..	26,59
Mandalay Madaya .	40	13,25	..	..	13,25
Taungdwingyi Kyaukpadaung . . .	14,39	77,75	14,00	3,13	94,88
Sagaing Bridge . .	20,11	30,31	25,80	50,00	1,06,11
Myingyan Natogyi Paleik	17,20	45,84	19,00	4,47	69,31
Kayan Thongwa . .	2,72	13,00	1,40	10	14,50
Nyaunglebin Madauk .	5,33	9,56	3,00	80	13,36
Taungdwingyi-Minbu Pakokku—					
(*a*) Taungdwingyi Patanago . . .	22,33	29,61	26,40	..	56,01
(*b*) Patanago Malun Pakokku . . .					
Total .	**86,78**	**3,99,34**	**90,00**	**58,50**	**5,47,84**

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

Railways.	Accounts, 1928-29.	To end of 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.	To end of 1930-31.
Lines under Construction —*contd.*					
State Railways managed by State—*contd.*					
Eastern Bengal Railway—					
Baruipur Lakshmikantapur	11,75	17,51	8,00	25	25,76
Dinajpur Ruhea	6,32	26,05	50	..	26,55
Tangla Belsiri	..	..	3,00	15,00	18,00
Dacca Aricha	1,05	1,05	2,00	2,00	5,05
Kalukhali-Kamarkhali Bhateapara	2,95	3,86	13,00	19,25	36,11
Nawabganj Abdulpur	32,03	58,80	20,00	2,00	80,80
Purnea Murliganj including Behariganj Branch	15,32	21,18	9,50	..	30,68
Total	**69,42**	**1,28,45**	**56,00**	**38,50**	**2,22,95**
East Indian Railway—					
Central Indian Coalfields	64,00	3,70,99	25,00	13,75	4,09,74
South Karanpura colliery sidings in Sounda Sayal etc.	..	..	..	2,13	2,13
Calcutta Chord	54,63	1,44,62	62,50	45,57	2,52,69
Rikhikesh Road Rikhikesh	18	18,25	..	..	18,25
Lucknow Sultanpur Zafarabad	8,33	8,33	27,10	50,00	85,43
Unao-Madhoganj	8,32	8,32	17,40	9,09	34,81
Chandpur-Bijnor Muazzampur Narian Branch	14,04	14,64	8,00	96	23,60
Total	**1,49,50**	**5,65,15**	**1,40,00**	**1,21,50**	**8,26,65**

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

Railways.	Accounts, 1928-29.	To end of 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.	To end of 1930-31.
Lines under Construction—*contd.*					
State Railways managed by State—*concld.*					
Great Indian Peninsula Railway—					
Agra Bah	9,54	28,47	20	..	28,67
Kurla Trombay	..	7,90	..	..	7,90
Darwha-Pushad	1,98	3,12	10,90	14,50	28,52
Kartal Kamasin	1,73	2,17	20	..	2,37
Nasik Belapur Sheogaon	1,17	1,17	5	..	1,22
Khamgaon-Chikli	83	1,00	80	..	1,80
Hiwar—khed-Akot-Akola Bassim (late Khandwa Hingoli)	1,38	1,38	1,60	..	2,98
Amraoti Narkhed	1,02	1,02	40	..	1,42
Total	**17,65**	**46,23**	**14,15**	**14,50**	**74,88**
North Western Railway—					
Amritsar Narowal	5,25	64,87	—2,60	..	62,27
Kangra Valley	97,61	2,73,16	26,50	..	2,99,66
Shahdara Narowal	42	28,14	5	..	28,19
Jassar-Shakargarh					
Chak Amru	—72	15,87	5	..	15,92
Rohtak Gohana Panipat	—1,15	24,70	10	..	24,80
Lyallpur Jaranwala	1,28	15,46	5	..	15,51
Chak Jhumra Chiniot	13	18,72	35	1,60	20,67
Khushab Chiniot	31,44	81,01	28,50	25,00	1,34,51
Lyallpur Chanawala	13,15	13,15	5,00	..	18,15
Sind Left Bank Feeders	2,43	2,43	24,30	36,00	62,73
Batala Beas	11,02	14,25	1,70	..	15,95
Kalabagh Bridge	16,70	20,32	14,00	5,40	39,72
Strategic Lines	48,29	4,82,19	16,00	1,40	4,99,59
Total	**2,25,85**	**10,54,27**	**1,14,00**	**69,40**	**12,37,67**
Total State Railways managed by State	**5,49,20**	**21,93,44**	**4,14,15**	**3,02,40**	**29,09,99**

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

Railways.	Accounts, 1928-29.	To end of 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.	To end of 1930-31.
Lines under Construction—*contd.*					
State Railways managed by Companies or Indian States—					
Assam Bengal Railway—					
Sibsagar Road Khawang	—18	31,59	10	23	31,92
Furkating Badulipara Jorhat	2,60	30,80	50	37	31,67
Karimganj Longai Valley	4,46	30,12	85	10	31,07
Netrakona Mohanganj	9,34	17,58	1,10	77	19,45
Habiganj Shaistaganj Balla	11,13	15,89	4,30	1,05	21,24
Senchoa Mairabari	9,07	12,39	7,10	1,79	21,28
Feni Belonia	6,40	9,22	4,00	58	13,80
Chittagong Nazirhat	7,88	10,88	8,00	1,50	20,38
Chittagong Dhuazari	93	93	19,75	15,36	36,04
Megna bridge at Bhairab	..	..	30	..	30
Total	**51,63**	**1,59,40**	**46,00**	**21,75**	**2,27,15**
Bengal Nagpur Railway—					
Raipur Parvatipur	83,05	2,04,61	94,00	1,00,00	3,98,61
Tumsar Road Tirodi	14,02	33,96	6,00	5,50	45,46
Guttitangar Branch	—22	2,04	..	..	2,04
Kedla Colliery Branch	—34	..	..	..	..
Total	**96,51**	**2,40,61**	**1,00,00**	**1,05,50**	**4,46,11**

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

Railways.	Accounts, 1928-29.	To end of 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.	To end of 1930-31.
Lines under Construction—*contd.*					
State Railways managed by Companies or Indian States—*contd.*					
Bengal and North-Western Railway—					
Mashrak Tawe . .	1,04	1,04	10,00	7,50	18,54
Total .	1,04	1,04	10,00	7,50	18,54
Bombay, Baroda and Central India Railway—					
Jambusar Kavi . .	2,31	5,85	—5,85	..	..
Vasad Katana . .	7,21	7,33	12,85	..	20,18
Samni Dehej . .	2,62	6,84	2,73	..	9,57
Boriavi Vadtal . .	1,09	1,82	—1,83	.	—1
Thasra-Virpur . .	1	1	10	..	11
Total	13,24	21,85	8,00	..	29,85
Madras and Southern Mahratta Railway—					
Nidadavolu Narasapur .	22,32	69,31	10	..	69,41
Cocanada Kotepalli .	11,32	28,51	11,60	2,05	42,16
Gudivada Bhimavaram .	7,81	38,97	1,70	..	40,67
Hotgi Sholapur . .	1	7,61	..	..	7,61
Kannivihalli Swamihalli	36	5,76	20	..	5,96
Guntur-Gurzala-Macherla	13,75	30,72	13,40	3,20	47,32
Total .	55,57	1,80,88	27,00	5,25	2,13,13

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

Railways.	Accounts, 1928-29.	To end of 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.	To end of 1930-31.
Lines under Construction —*contd.*					
State Railways managed by Companies or Indian States —*contd.*					
South Indian Railway—					
Villupuram Trichinopoly	23,25	1,91,37	5,00	4,06	2,00,43
Virudunagar Tenkasi .	51	68,82	1,70	51	71,03
Shoranur Nilambur .	3,39	79,33	70	—21	79,82
Dindigul Pollachi . .	11,08	78,60	40	3,32	82,32
Trichinopoly Manamadura. . . .	52,44	71,25	26,55	20,00	1,17,80
Mayavaram Tranquebar	11,51	19,36	1,50	96	21,82
Madura Bodinayakanur	14,19	52,28	90	1,68	54,86
Vriddhachalam Cuddalore	3,16	25,12	75	1,00	26,87
Salem Attur Vriddhachallam . . .	22,67	22,81	27,00	15,00	64,81
Pollachi Palghat . .	1,50	1,50	20,00	12,68	34,18
Salem Mettur Dam .	11,30	12,13	1,50	..	13,63
Arantangi Manamadura.	75	1,04	...	..	1,04
Total .	1,55,75	6,23,61	86,00	59,00	7,68,61

APPENDIX II—*concld.*

(Figures in thousands of rupees.)

Railways.	Accounts, 1928-29.	To end of 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.	To end of 1930-31.
Lines under Construction—*concld.*					
State Railways managed by Companies or Indian States—*concld.*					
Nizam's Guaranteed State Railways—					
Dhone (Dronachalam) Kurnool Extension .	5,07	15,46	—15	..	15,31
Total State Railways managed by Companies or Indian States . . .	3,78,81	12,42,85	2,76,85	1,99,00	17,18,70
Total Lines under Construction . .	9,28,01	34,36,29	6,91,00	5,01,40	46,28,69
Total Open Lines and Constructions .	25,04,60	7,38,47,60	24,10,50	17,14,00	7,79,72,10
Purchase of railways and branch lines shares .	4,30,48	4,63,35	7,10,07	..	11,73,42
Deduct—Probable throw forward .	..	..	..	39,00	39,00
Total Capital Expenditure .	29,35,08	7,43,10,95	31,20,57	16,75,00	7,91,06,52

APPENDIX III.

Gross receipts, working expenses, and receipts of State Railways.

Gross Receipts.

(Figures in thousands of rupees.)

State Railways.	Accounts.					Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.		
Open mileage at end of year	*M.* 27,324	*M.* 27,430	*M* 28,001	*M.* 28,426	*M.* 29,451	*M.* 30,053	*M.* 30,350
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
State Railways managed by the State.							
Burma	4,29,89	4,93,82	4,62,69	5,06,63	4,96,38	5,00,00	5,25,00
Eastern Bengal	5,99,16	6,33,87	6,77,12	7,08,20	7,08,98	7,20,00	7,50,00
East Indian	20,90,57	19,92,11	19,77,51	20,66,85	20,41,85	19,75,00	20,00,00
Great Indian Peninsula	15,29,68	14,79,90	14,80,21	15,22,67	15,43,99	15,30,00	15,50,00
North-Western—Commercial Lines	15,39,35	13,78,33	14,18,69	14,99,84	14,31,69	14,31,00	15,34,00
Strategic Lines	1,59,87	1,64,07	1,53,45	1,60,40	1,66,65	1,64,00	1,64,00
State Railways managed by Companies or Indian States.							
Assam Bengal	1,44,14	1,64,51	1,76,28	2,05,22	2,07,56	2,10,00	2,25,00
Bengal Nagpur	8,39,16	8,39,99	8,22,29	9,17,45	9,14,14	9,60,00	9,75,00
Bombay, Baroda and Central India	12,39,54	12,25,95	11,35,35	11,45,28	11,96,98	11,50,00	11,75,00
Madras and Southern Mahratta	7,92,89	8,19,23	8,12,55	8,65,90	9,22,87	9,20,00	9,50,00
South Indian	5,14,78	5,44,12	5,48,91	5,80,67	5,63,24	6,40,00	6,75,00
Other Railways	2,25,53	2,34,10	2,38,93	2,44,61	2,39,41	2,50,00	2,52,00
Total	1,01,04,56	99,70,00	99,03,98	1,04,23,72	1,04,33,74	1,04,50,00	1,07,75,00

APPENDIX III—*contd.*

Working Expenses.

(Figures in thousands of rupees.)

State Railways.	Accounts.					Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.		
State Railways managed by the State.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Burma	2,53,53	2,74,77	2,82,51	2,89,60	3,01,52	3,16,53	3,26,37
Eastern Bengal	4,26,71	4,64,18	4,45,39	4,59,64	4,75,11	4,74,56	4,80,20
East Indian	13,02,84	12,22,71	12,02,37	12,15,10	12,28,09	12,67,62	12,83,80
Great Indian Peninsula	9,11,81	10,68,03	10,42,39	9,91,02	10,17,61	10,33,66	10,60,69
North-Western—Commercial Lines	9,52,44	8,96,09	9,64,47	10,01,21	10,10,18	10,60,07	11,35,47
Strategic Lines	1,95,76	1,80,14	1,86,71	1,94,66	1,98,61	2,09,73	2,09,43
State Railways managed by Companies or Indian States.							
Assam Bengal	90,96	88,93	95,92	1,07,87	1,10,30	1,35,69	1,39,42
Bengal Nagpur	5,15,72	5,25,36	4,74,21	5,63,74	6,79,31	6,87,15	6,98,50
Bombay, Baroda and Central India	6,70,85	7,51,90	7,14,10	7,10,78	6,87,98	7,24,50	7,44,85
Madras and Southern Mahratta	4,34,98	4,77,09	4,54,60	5,17,32	4,65,22	4,95,60	5,07,57
South Indian	2,82,57	3,16,51	2,93,80	3,53,48	3,18,98	3,57,50	3,74,82
Other Railways	1,10,44	1,07,61	1,24,12	1,08,44	1,09,51	1,20,09	1,15,13
Difference between the actual expenditure from Depreciation Fund and the contribution to the Fund in company managed railways.	1,80,47	68,64	1,59,13	11,49	80,03	..	..
Total	63,29,08	64,41,96	64,39,72	65,24,35	66,82,45	68,82,70	70,76,25
Miscellaneous items not distributed between railways.							
(*a*) Expenditure on writing off difference between book and market value of stores	—38,29	..	..	..	..	..	..
(*b*) Provision for improvement of service conditions of lower paid employes	..	..	..	..	..	..	25,00
(*c*) Credits for returned materials	..	..	..	..	..	..	—83,00
Grand Total	62,90,79	64,41,96	64,39,72	65,24,35	66,82,45	68,82,70	70,18,25

APPENDIX III—*concld.*

Net Receipts.

(Figures in thousands of rupees.)

State Railways.	Accounts.					Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
	1924-25.	1925-26.	1926-27.	1927-28.	1928 29.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
State Railways managed by the State.							
Burma . . .	1,76,36	2,19,05	1,80,18	2,17,03	1,94,86	1,83,47	1,98,63
Eastern Bengal .	1,72,45	1,69,69	2,31,73	2,48,56	2,33,87	2,45,44	2,69,80
East Indian . .	7,87,73	7,69,40	7,75,14	8,51,75	8,13,76	7,07,38	7,16,20
Great Indian Peninsula . . .	6,17,87	4,11,87	4,37,82	5,31,65	5,26,38	4,96,34	4,89,31
North Western—Commercial lines .	5,86,91	4,82,24	4,54,22	4,98,63	4,21,51	3,70,93	3,98,53
Strategic lines .	—35,89	—16,07	—33,26	—34,26	—31,96	—45,73	—45,43
State Railways managed by Companies or Indian States.							
Assam Bengal .	53,18	75,58	80,36	97,35	97,26	74,31	85,58
Bengal Nagpur .	3,23,44	3,14,63	3,48,08	3,53,71	2,34,83	2,72,85	2,76,50
Bombay, Baroda and Central India .	5,68,69	4,74,05	4,21,25	4,34,50	5,09,00	4,25,50	4,30,15
Madras and Southern Mahratta . .	3,57,91	3,42,14	3,57,95	3,48,58	4,57,65	4,24,40	4,42,43
South Indian . .	2,32,21	2,27,61	2,55,11	2,27,19	2,44,26	2,82,50	3,00,18
Other Railways .	1,15,09	1,26,49	1,14,81	1,36,17	1,29,90	1,29,91	1,36,87
Difference between the actual expenditure from Depreciation Fund and the contribution to the Fund in company managed railways .	—1,80,47	—68,64	—1,59,13	—11,49	—80,03	..	..
Total .	37,75,48	35,28,04	34,64,26	38,99,37	37,51,29	35,67,30	36,98,75
Miscellaneous items*	38,29	..	..	..	..	..	58,00
Grand Total .	38,13,77	35,28,04	34,64,26	38,99,37	37,51,29	35,67,30	37,56,75

* For details see pages 90—91.

PART II.

GENERAL BUDGET.

Speech of the Finance Member

Introducing the

Budget for 1930-31.

INTRODUCTORY.

The Honourable Sir George Schuster (Finance Member): In presenting my budget proposals this year, I intend to depart to some extent from the procedure which has been followed hitherto and to confine my explanations of the past, current and prospective conditions, as far as possible, to a broad descriptive statement, leaving the great mass of detail of figures to be supplied in the Explanatory Memorandum which will be circulated to Honourable Members together with a copy of my speech. Nevertheless, it is necessary to give a good many figures in order to explain the situation and I am afraid that I have so many important matters to propound that it will not be possible for me to be very brief.

Actual out-turn of 1928-29.

2. Honourable Members will recollect that, in reviewing the position last year, I said that the main question for consideration, in deciding our policy was whether the gap caused by the final remission of the provincial contributions in 1927 had been filled, or whether the time had come to recognise that it had not been filled and that it would be necessary to find some new source of revenue. In dealing with the revised estimates for 1928-29, I pointed out that the results for the year had been, or were likely to be, improved by a number of fortuitous circumstances, that is to say, a throwforward of land customs revenue from the preceding year and an abnormal anticipation of salt revenue owing to speculation. I indicated that, had it not been for these fortuitous circumstances, we should have had to anticipate a deficit in 1928-29; and I therefore thought that it was clear that the gap, to which I have referred, had not been filled in that year. Subsequent events have reinforced that conclusion. There was, in fact, a serious deterioration under several headings in the last two months of 1928-29, on top of which came an exceptional item, namely, a heavy drop in the amount which could be credited to revenue from the Gold Standard Reserve, due to the necessity for writing down the securities as a result of the raising of the Bank of England rate to 5½ per cent. in the middle of February last. This last item did not, of course, represent a realised loss and will, in fact, be more than made good by extra receipts in the current year As a result of these factors, the year 1928-29 actually closed with a deficit of 1,06 lakhs instead of with the surplus of 30 lakhs anticipated in my revised estimates last year The exceptional items of deterioration to which I have referred, may be regarded as counterbalancing, to some extent, the special favourable items which I mentioned last year, so that, on the whole the results of 1928-29 now appear more nearly in their true colours.

3. What this result has meant to us is that, instead of being able to make an addition of 30 lakhs to the balance of 74 lakhs standing to the credit of the Revenue Reserve Fund, the whole of that balance had to be drawn upon and we were left with an uncovered deficit of 32 lakhs.

REVIEW OF THE YEAR 1929-30.

General conditions.

4. Turning now to the results for the current year 1929-30, though I can see no cause for anything like permanent pessimism for the future, there are many things which have increased the difficulties of the present. Failure of rains in some places, excessive rains with serious flood damage in others, combined with political uncertainties which have had an unsettling effect on commerce and industry, have been factors special to India, while, at the same time, India has suffered from the general disturbance to world conditions caused mainly by the unprecedented Stock Exchange speculations in the United States followed by the sudden and sensational collapse in October. The speculation was accompanied by a huge demand for money to finance Stock Exchange transactions at high rates of interest which attracted a flow of capital from all countries on a scale which has hitherto been unknown. The collapse seems likely to result in a period of business stagnation in America, which has already produced a serious fall in the prices of all commodities. While the effect of these events on monetary conditions in India has been apparent throughout the year under review, the effect of the fall in prices on trade and production is only now beginning to be felt. I propose to revert later to general economic conditions in India. At the present stage, it is only necessary to give a brief review of the actual trade conditions in the first nine months of this year.

5. The visible balance of India's trade, including private imports of treasure, for the nine months ended the 31st December 1929 was 41·62 crores against 39·76 crores in 1928 and 33·07 crores in 1927. Exports of Indian merchandise, however, show a deterioration of about 8½ crores as compared with last year which is accounted for by a large drop under jute yarns and manufactures (3·38 crores), jute raw and waste (2·71 crores), wheat (1·46 crores), barley (1·58 crores) and hides and skins (1·39 crores). Rice exports, on the other hand, have been considerably more encouraging and show an improvement of 2·51 crores, while exports of cotton are also slightly better than last year (·22 crores).

6. Imports of foreign merchandise also show a considerable drop as compared with last year (4·54 crores) which is shared by cotton yarns and manufactures (2·11 crores), other yarns, manufactures and textile fabrics (2 crores), iron and steel and manufactures thereof (1·39 crores). It is satisfactory to note that imports of rice which amounted to 1·49 crores in the first nine months of last year fell to 7 lakhs during the same months of the current year, although imports of wheat increased from 1·75 crores to 3·64 crores.

7. Despite the fact that the fall in the exports is about twice that in imports, the visible balance of trade has actually risen, as net private imports of treasure also fell by 6·38 crores to 18·12 crores which is the lowest figure touched since 1922-23.

Revised estimates.

8. The unfavourable factors to which I have referred, have, of course, been reflected in our budgetary results, but, on the whole, we have been fortunate in the sense that we have had certain special wind-falls, as a result of which I can anticipate that the accounts for 1929-30 will close without showing a deficit. In the first place, we have found ourselves, as a result of the facts which I have already explained, without any balance to the credit of the Revenue Reserve Fund and, therefore, unable from this source to make good the deficit of 90 lakhs which, as Honourable Members will recollect, I had anticipated for the current year. Apart from this, the results to date indicate, on balance, a deterioration as compared with the budget estimate. While Taxes on Income, Salt and net Opium receipts indicate a probable improvement of 1,12 lakhs, there are deteriorations under Customs (55 lakhs), Miscellaneous payments (52 lakhs), Railways (13 lakhs), Posts and Telegraphs (50 lakhs) and other heads (8 lakhs). I must here mention that the items affecting Interest—that is to say, taking into account outgoings and receipts together—only show a net deterioration of 3 lakhs; but the deterioration would have been considerably larger if we had not had exceptionally large receipts from interest on the Gold Standard Reserve. The high rates of interest prevailing for money during the first nine months of the year, combined with an appreciation in the value of our investments from the low point to which they had, as I have already explained, been written down on the 31st March 1929, have combined to give us an altogether exceptional figure under this heading. Our receipts, in fact, exceeded the budget estimate by 74 lakhs. I shall refer to this matter again.

Deficit averted by a wind-fall.

9. The result from all the figures which I have given, is a net deterioration of 66 lakhs as compared with the budget estimate, and this, combined with the original deficit of 90 lakhs, which, as explained, cannot be covered, as expected, by a transfer from the Revenue Reserve Fund, brings us to a total deficit of 1,56 lakhs. As against this, however, we can balance a special wind-fall, because we are able to bring into account a large sum held by us at credit of the German Liquidation Account under the Treaty of Versailles, which, as a result of decisions arrived at at the Hague Conference, will now accrue to the Government of India. By a curious coincidence, this amount is 1,56 lakhs and exactly balances the deficit previously disclosed. On this basis, therefore, the year 1929-30 will close with an even balance.

Gap not fully filled.

10. I do not, however, wish to give a misleading picture and we must fully realise that several exceptional receipts—apart from this special wind-fall—have contributed to the result. I have already alluded to the exceptionally high item for receipts under the heading of interest on the Gold Standard Reserve, and, in addition to this, there are several items which can hardly be regarded as normal. I would refer specially to the sugar import duty on which we anticipate a receipt of 8·35 crores as against the budget estimate of 7 crores, and jute export duty, which at 4·71 crores, is 50 lakhs above what I consider to be a safe and normal figure. Further, the revised estimate for Taxes on Income includes a special wind-fall of 30 lakhs as the net result of certain judgments in the Privy Council. I refer to these matters, because, in any review of the position undertaken for the purpose

of considering future policy, it is necessary to eliminate exceptional items of this kind. If, on this basis, we examine the position since the final remission of the provincial contributions, we find that in 1927-28 there was an actual deficit of 2,21 lakhs; in 1928-29 a deficit of 1,06 lakhs; while, for 1929-30, the figures which I have given sufficiently clearly explain the position. These results indicate that, taking into account the unavoidable increase in expenditure, and even making allowances for the present depressed trade conditions, the gap caused by the remission of the provincial contributions has not, on a normal estimate of revenue and expenditure, been fully filled.

PROSPECTS FOR THE YEAR 1930-31.

11. I must now turn to the prospects for the next year—1930-31, so arranging my statement as to indicate, as clearly as I can, the main framework of the problem with which we have to deal. I will start with certain preliminary explanations. First, on a matter of detail, in the figures which I am now going to give to the House, I shall eliminate receipts on account of the two-anna petrol tax which are off-set by the block grant on the other side to the Road Development Fund. Secondly, in my forecast for next year I am not taking into account the possible effects on revenue of serious disturbance or the practice of civil disobedience Even if we could consent to the assumption that the threats of such action will be realised (which, of course, we cannot do), it would be impossible to estimate its effects. Nevertheless, I cannot avoid taking some account of the reaction of the attitude of certain political leaders and parties on business conditions in the country, for, to some extent, that reaction is already an established reality. A serious blow has been given to confidence, both within India and outside it, by the doctrines preached in December last at Lahore and since then throughout the country. In saying this, I refer not only to the threat of repudiation of debts—which I am convinced that no responsible Indians take seriously—but also to the general programme of civil disobedience and the attitude of hostility to the British connection and British interests. It is not for me, in a financial speech, to express views as regards this policy or the ideals which underlie it. I only wish to refer to the inevitable economic results.

Political conditions.

12. Translating this view into a practical appreciation of the budgetary prospects for next year, I am forced to the conclusion that, even allowing for a reasonable good monsoon, the prospects of trade cannot be regarded as very bright. World conditions are against us and the chances that business in India can develop favourably in spite of these adverse factors, are very seriously reduced by the blow to confidence in new enterprise which has been given by the conduct to which I have referred.

13. Adopting this appreciation of the position, my forecast as regards the main headings of revenue would be as follows:

Revenue.

Customs.—I am allowing for a net deterioration, exclusive of the Road Fund receipts, of 1,09 lakhs as compared with the budget estimate of the current year, and of 42 lakhs as compared with the revised estimate. The total estimate for Customs, exclusive of the Road Fund receipts, is thus put at 49·30 crores.

Taxes on Income.—I expect we shall collect 17·30 crores, which is 70 lakhs more than the current year's budget figure, though only 20 lakhs more than the revised estimate.

Salt.—I have assumed a receipt of 7·05 crores which again is 70 lakhs more than the original estimate of the current year. This latter, as explained in my last budget speech, was abnormally low as a result of speculation.

Opium.—Compared with the budget for 1929-30, next year is expected to show a drop of 33 lakhs in receipts as a result of the ten-year programme, and of 7 lakhs in payments—a net diminution of 26 lakhs.

14. The net result is that, so far as the main heads of general revenue are concerned, there will, on the basis of existing taxes, be a net growth of no more than 5 lakhs as compared with the budget estimate of the current year.

Departmental transactions.

15. Turning to departmental transactions this House is already aware that the contribution from the Railways to general revenues is likely to be less satisfactory than in recent years. The total is estimated at 5·74 crores, as compared with the budget figure last year of 6 25 crores, showing a net deterioration of 51 lakhs. In *Posts and Telegraphs*, prospects for next year are likewise unsatisfactory. It is necessary to anticipate a deficit of 48 lakhs on the Indian Posts and Telegraphs Department and of 8 lakhs on the Indo-European Telegraph Department. Taking into account the capital expenditure charged to revenue, the net deterioration as compared with the budget estimate of the current year is 48 lakhs.

16. It will be seen, therefore, that, on the results of the two large Commercial Departments of the Government, the Railways and the Posts and Telegraphs Department, we have to anticipate a total deterioration of 99 lakhs as compared with the budget estimate for 1929-30.

Expenditure.

17. I will now turn to the main heads of expenditure. In dealing with this, I intend, throughout my remarks, to draw a distinction between normal administrative outgoings and those other heads such as Debt Services, where we have to meet either charges for the service of our loans or make provision for redemption or security. Expenditure of this sort falls in a different category, for the charge for service of the loans is unavoidable, while to provide money for security provisions cannot be criticised as extravagance but is, on the contrary, a thing to be commended as sound and prudent finance.

Administrative expenditure.

18. Having drawn the distinction between these two kinds of expenditure, I will turn to examine the former, namely, the whole field of normal administrative expenditure. It is on our action in this field that I expect and, indeed, desire Honourable Members to turn their most critical scrutiny. There is a general demand for retrenchment and economy on the one side, and, on the other there is the persistent and insistent pressure for increased expenditure on particular projects, such as improvement of conditions of service, education, hospitals, and sanitary arrangements, agricultural endowment, police measures, roads, etc., and very often those who press most vehemently for retrenchment in general, are among the strongest supporters of particular proposals for new expenditure. I shall deal later

with the general position as regards an economy survey and the possibilities of retrenchment. For my present purpose, I merely wish to give some indication of the total amount of new demands for which, after most careful scrutiny and rigid exclusion of everything that is not necessary, we have thought it essential to provide. In what I have now to say, I shall be comparing the budget estimates for next year with the budget estimates for 1929-30, because it is in this way that I can most clearly present the problem.

Increments.

19. In the first place, there are the normal increments in rates of pay for the existing staff of Government officials. Now that a time-scale basis has been adopted in practically all Departments, this is an inevitable commitment, and, unfortunately, we have not yet approached anything like the peak figure. It is very difficult to frame an exact statement of the yearly increase due to this cause; but I am satisfied, after careful investigation, that a fairly reasonable estimate of the total increase under this heading, as compared with the budget estimates in the current year, is 25 lakhs.

Special new demands.

20. Apart from this, there are a number of new demands of a special nature which are of sufficient interest for me to call the attention of the House to them:

	Lakhs.
Census Operations	11

This requires no special explanation. It is expenditure which has regularly to be undertaken every ten years and is not a normal annual charge.

Grant to Aligarh University	5

This grant is made in accordance with the undertaking which has already been given by Government in this Assembly.

Recurrent Grant for Agricultural Research	5

This is the first year in which this grant figures in the budget estimates. This money is to be devoted to special schemes for agricultural research and is additional to the annual expenditure of about 2½ lakhs which is also included, to its full extent, in the budget this year to meet the charges of administrative staff.

Special Fund for financing measures for the encouragement of Sugar Cultivation	10

This is an item to which I have special pleasure in making reference, as it represents a first step in a definite constructive policy by the Central Government, taken up as a sequel to the recommendations of the Agricultural Commission. It is to be hoped that this, combined with other measures included in my budget proposals, will have a definite and far-reaching effect on the agricultural production of India and the material prosperity of cultivators in the sugar-growing districts.

Banking Enquiry	7

This requires no special explanation as the circumstances are familiar to Honourable Members. There was no corresponding provision in the Budget for 1929-30, although I had to ask for a supplementary grant for the current year. I will only take this occasion for saying that I have great hopes that the Banking Enquiry may represent

Lakhs.

the first chapter in a long story of development of India's resources under the leadership of Indians. Much valuable work has already been achieved and, in time, the country will come to appreciate the work of, and express gratitude to, those on the Provincial and Central Committees who have taken the lead in this work. I do not wish myself now to select any particular names for mention; but I should like to express general satisfaction and gratitude for the whole-hearted co-operation which I have received. My Honourable friend Mr. Kelkar, in the course of his speech in the budget debate last year, told me that the spirit of co-operation was dead. I ventured, on that occasion, to express my disbelief in this dictum, and I am glad to be able to say that my experience during the last twelve months has supported my view. As I have said on many occasions, I do not expect that any striking and spectacular measures can be produced immediately as a result of this Enquiry. But I do hope and I most sincerely believe that a strong and steady movement will be started as a result of the interest evoked by the Enquiry and the education of public opinion which the reports will produce. As a result of this Enquiry, we shall have a simultaneous survey of conditions throughout India of a kind which has never before been achieved, and I am certain that this survey will throw into high light the field for work to improve conditions, while, from the recommendations which will be made, we shall get valuable help as to the nature of the work to be undertaken. I have great hopes also that, from the Provincial Committees and from the Central Committee, there may spring up some form of permanent organisation for keeping watch on the field for action, learning lessons from the development which takes place and proposing new measures from time to time as the need for these becomes apparent.

I have been told sometimes that the procedure adopted has been cumbersome and unbusinesslike; but I have been very gratified to find that, as the result of the Enquiry and the interest taken in it have become clear, those who criticised at the beginning have tended to change their view. Possibly, viewed as an act in one of the late chapters in the history of an old and experienced bureaucracy, there may be something of an amateur and unbusinesslike nature in the procedure which we have chosen. But I prefer to regard it not in this light but as an act in the first chapter of a new volume in the history of India's constitutional and social evolution. Doubtless, mistakes have been made and doubtless, much of the work may prove to be of an amateur and inexperienced nature; but, if mistakes have been made, they will be mistakes from which further experience will be gained, and nearly all of those who gain experience on the various committees in this Enquiry will remain in the country and be capable, in their further public service, of giving to the country the value of that experience.

The next special item to which I come is the *Royal Commission on Labour* for which the increase over the budget provision in the current year is 5

This again is a subject well-known to the Assembly, and again it is an enquiry which, one may hope, will produce results of lasting value to the country and of great benefit to the wage-earning classes.

Lakhs.

A further item of special interest is a provision for the next instalment in the programme for developing the *Territorial Force* in India of. 5

This grant will provide for a further instalment in the current programme, and will mean, principally, the improvement of training facilities for existing units and the raising of two new urban Companies.

The largest item of special new expenditure to which I now come is that on measures to be taken for the development of *Civil Aviation*, the total of which, including many non-recurring items, amounts to ... 24·5

The policy which has been adopted in this matter is now well-known and the Government's plans have been fully discussed and considered in the Standing Finance Committee. In framing their policy, the Government have endeavoured to meet the wishes of the non-official representatives in this House, and I would only take this occasion to remark that the greater part of the expenditure which we are now undertaking, particularly that for the provision of ground organisation and meteorological facilities, is really forced on us by our international obligations.

Apart from the above items, I will select for special mention the following:

Lakhs.

Further instalment of the programme of medical and public health improvements in centrally administered areas ... ... 3·5

Broadcasting ... ... 2·7

Special repairs to flood damages in the North-West Frontier Province 5

Andamans reclamation (increase in grant made in 1929-30) ... 5

Mechanical extraction of timber in the Andamans 2

Forest conservancy in the North-West Frontier Province ... 1·5

New staff and equipment for the Imperial Department of Agriculture ... ... 1·5

Agricultural development in Baluchistan ... ... ·5

Appointment of Indian Trade Commissioners overseas and strengthening of the superior staff of the High Commissioner for India, London ... ... ·5

The total of the above items is roundly 95

To this must be added a sum for miscellaneous new items of ... 26

These, together with the sum of 25 lakhs to which I referred at the beginning as representing the increase on account of increments of pay, bring the total of the new expenditure, for which we have to make provision in the budget, to 1,46

21. I have risked wearying the House in giving these details, because I have been anxious this year to place before Honourable Members a full picture of the problem which we really have to meet, and I have thought that, by analysing and selecting the new items of expenditure, I should enable them to understand the case more clearly than can easily be done by a scrutiny of the very complicated volume in which the Demands for Grants are set out. The items to which I have referred are those in regard to which, as I have said already, the Government's policy as regards economy is chiefly to be tested.

Interest payment.

22. I must turn now to those headings of expenditure which fall into the other class, and I would refer chiefly to the Government's debt obligations. I shall first deal with ordinary interest payments.

Lakhs.

Interest on Ordinary Debt shows an increase of ... ... 46 partly as a result of larger treasury bill transactions, and partly because larger provision has been made for the cost of conversion operations.

Interest on Other Obligations, including provision for cash certificates on the basis which has hitherto been adopted, shows an increase of ... 61

of which 15 represents higher rates of interest to be allowed on Provident Fund balances and 21 is accounted for by higher borrowing rates.

Receipts from the Gold Standard Reserve.

23. Interest receipts are put at the same figure as in the budget estimate for the current year, 3·45 crores, and here I would explain that we propose, in future, to adopt a more conservative system as regards the Gold Standard Reserve interest. We propose, in fact, to treat £1,600,000 as the standard figure of revenue. If, in any year, the actual receipts exceed this sum, one-half of the surplus will be added to revenue and one-half will be transferred to an Equalisation Fund, which Fund will be available to be drawn upon to make the receipts up to the standard figure of £1,600,000 in any subsequent year in which they fall below that level. It is, I am glad to say, possible to make a start by putting a balance in this Fund immediately. The actual receipts for 1929-30 are estimated at £2,400,000, and out of this sum it is proposed to make a start by placing £100,000 to the credit of the Equalisation Fund. For the coming year, we estimate the receipts at £1,700,000, so that, acting on the rule which I have stated, we propose to include £1,650,000 in the budget estimates of revenue and to transfer the balance of £50,000 to the Equalisation Fund. I am convinced that this proposal represents a great improvement in our system and is in accord with principles of sound finance. The fluctuations which have occurred in the past have been of so wide a nature as to be embarrassing to the budgetary position and to create a misleading impression as to our general revenues. I need only quote the example of the last two years. For 1928-29 the ultimate figure was £1,243,000, while for 1929-30, as I have already stated, the revised estimates put the receipts at no less than £2,400,000. As I have already explained, the figure which we are now

taking gives us the same total of interest receipts as in the Budget for the current year, and, therefore, allowing for the increases in interest payments, the net deterioration under the general head of Interest is 1,07 lakhs.

Bonus on cash certificates.

24. I now come to the subject of the special provision to meet our liability in regard to Post Office Cash Certificates. Honourable Members are so familiar with this subject that I need not go into great detail. The amount which we calculate as likely to be payable next year in respect of bonuses is 1 crore. But this, Honourable Members are well aware, is something much less than the liability which will actually accrue during the year. The total balance remaining in the hands of the Government from receipts from Cash Certificates will amount, at the close of the current year, to 35¼ crores, so that the provision of 1 crore represents less than 3 per cent. on this. I have carefully calculated what the full amount of the liability, which will accrue during the next year, will be, and it comes to a figure of 1,88 lakhs. If, therefore, we are to make full provision for this accruing liability, we ought to find another 88 lakhs for the purpose, and it must be remembered that this will only cover the liability accruing during the year and will include no provision for meeting the liability which has already accrued. I have come to the conclusion that this accrued liability must be regarded now as part of the Government's debt and that, having regard to the provision which we make annually for reduction or avoidance of debt, the situation in regard to this is not unsound. But I feel no hesitation in saying that the time has come when we ought to make full provision for the liability which, in future, will annually accrue. Therefore, I have to provide for this new charge of 88 lakhs.

Reduction or Avoidance of Debt.

25. I next come to the provision for reduction or avoidance of debt. As Honourable Members will recollect, I stated in my budget speech last year, that I proposed to bring this under review in accordance with the arrangements originally fixed and I promised to take representatives of this House into my confidence before making any change. In accordance with this undertaking, I have communicated on two occasions with the leaders of the non-official parties in the House. On the first occasion, I asked whether they had any suggestions to make, and to this request I received no response. On the second occasion, I informed them that, after my own consideration of the matter, I had come to the conclusion that our arrangements in this respect were so closely connected with the arrangements for the Railway Convention that I thought that the two reviews ought to be undertaken concurrently with one another. My reason for this view is shortly as follows.

Connection with Railway Convention.

26. According to the present Convention, the Government receive, in addition to the refund of the actual interest which the Government have themselves to pay on loans raised for Railway purposes, a contribution, which, although it is made up of various elements, may be regarded as a percentage on the capital advanced to the Railways. Looked at in this way, it represents the distribution of even less than 1¼ per cent. on the Government debt, which forms the basis of the present provision

for reduction or avoidance of debt. In fact, I think it is, on broad lines, correct to regard the one as balancing the other, and we shall arrive at a truer picture of what the Government draw from the Railways if we realise that, in fact, the Government get no profit but apply practically all that they receive, apart from a refund of their own interest payments, for the amortisation of their capital. When, therefore, the contribution falls below a certain figure, the Government, if they made up their accounts on a profit and loss basis, would actually show a net loss on the year. This is not the occasion for me to examine the justice or otherwise of this arrangement, but I think that what I have said is enough to show that the two arrangements are closely inter-connected. I may say that, when I represented this close inter-connection to the leaders of the various parties, the response, so far as I received any, appeared to me to indicate a general agreement with my view that the two Conventions must be considered together. I feel, moreover, most strongly, on general grounds, that this is not the time when, keeping in view our credit in the world, we ought to attempt any substantial diminution in our provision for reduction or avoidance of debt. Anything that savours of a "raid" on a public Sinking Fund is normally,—and, I think, quite rightly,—viewed with disfavour. I hope, therefore, that I shall have general agreement from Honourable Members that it is better to leave this provision substantially untouched and to bring it under review at the time of the general revision of finances including a re-distribution of the sources of revenue as between the Central Government and the Provinces, which must be a sequel to the proposals of the Constitutional revision which will shortly be before us.

Changes in Debt Redemption provisions.

27. I have, however, thought it justifiable to introduce two small changes in our present system. In the first place, we are now regularly in receipt of certain annual payments on account of Reparations. These have hitherto been added to the provision for reduction or avoidance of debt. But, on the view which I have taken above, this provision is at present adequate by itself, and I do not think that there is any justification for increasing it by the adventitious addition of Reparation receipts. I feel the more justified in adopting this view for the next year, because I propose next year, for the first time, to make adequate provision for our accruing liability in respect of cash certificates. This means that a receipt of 32 lakhs which would otherwise have been added to the provision for reduction or avoidance of debt will be available for other purposes and I think we may regard it as earmarked against the provision which I am making for the Post Office cash certificates.

28. The second change which I am proposing is of a minor nature. I have found that, in regard to the sterling debt incurred since the 31st March 1923, the rupee equivalent on which the percentage for reduction or avoidance of debt is based, is still reckoned on an exchange rate of 1*s*. 4*d*. I am proposing that the conversion should be made at the present statutory rate which is obviously the correct basis. This makes a difference of 12 lakhs. Even allowing for these two changes, the increase in the provision for reduction or avoidance of debt is 27 lakhs, the total amount standing at 6 crores as compared with 5·73 crores included in the budget estimates for 1929-30.

29. I can now recapitulate the position in order to show the problem with which I have to deal in balancing the Budget next year. Comparing our position with that provided for in the budget estimates of 1929-30, I have to provide for the following items of deterioration:

Summary.

	Lakhs.
Deterioration in the main Commercial Departments, Railways and Road and Telegraphs	99
Essential new services and demands	1,46
Net addition to interest on dead-weight debt	1,07
Special provision for bonus on Post Office cash certificates	88
Increase in provision for reduction or avoidance of debt	27
To these items must be added the budget deficit of 1929-30	90
This gives us a total of	5,57
Against which the net improvement on the main revenue heads is only	5
There is thus a total gap to be filled of	5,52

The problem before us is how to fill this gap.

30. In the first place, I must make clear the principles on which I have endeavoured to act this year in dealing with expenditure demands. I have set before myself two guiding rules. The first is that no new administrative expenditure shall be admitted which is not either essential or productive; the second, that whatever new expenditure is admitted on these grounds must be balanced by corresponding economies. There must, in fact, be no *net* increase in the normal outgoings of the Government. These rules have been followed in my proposals.

Restrictions on new expenditure.

Lakhs.

31. In stating my problems, I have shown that the essential additions for new services and demands amount to 1,46

Reductions effected.

and, according to my rule just stated, this must be balanced by corresponding economies. Actually, as a result of the elimination of certain previous non-recurring items and of other variations, there is an economy in the civil estimates, of 62

and, on top of this, I am providing for a reduction of military expenditure of 80

that is to say, the net military grant, apart from expenditure on the Territorial Force, will be reduced from 55 crores to 54·20.

These two reductions together account for 1,42 lakhs against the new expenditure of 1,46 and I have thus been able to comply, within a very narrow margin, with the rule which I had set myself.

32. This is, in broad outline, a true presentation of the picture, though I have, for the sake of brevity, omitted a mass of minor confusing details. I might present the same picture in another way so as to provide Honourable Members with a cross check on my statement. They will find, from an examination of the budget estimates, the following net changes in the main heads of normal outgoings:

Civil Administration	+60
Other Direct Demands on the Revenue	+3
Miscellaneous	+10
Civil Works (other than Road Fund)	—3
Or a total increase of	70
Against which may be put the reduction in Military expenditure of	80

Military expenditure.

33. I must, at this stage, say a few words on this last item which, I am sure, Honourable Members will view with considerable satisfaction. The actual arrangement which I have been able to make with the Army authorities on this subject requires special explanation. This House will recollect that, in the course of my budget speech last year, I explained that, in order to enable the Army to carry through their plan of re-equipment, a programme had been arranged, providing for a stabilised military budget (exclusive of the expenditure on the Territorial Force) at a net figure of 55 crores for the four years beginning 1928-29 and ending 1931-32. According to this programme, we should have before us two more years at 55 crores, with the prospect of a reduction at the end of that period when the programme of re-equipment is completed. In the budgetary proposals which I am now presenting, we are taking advantage immediately of part of the ultimate reduction. This is made possible because the Army authorities have been able to agree to spread the programme of re-equipment, which remains to be carried out, over a period of three years instead of two. This means that instead of getting 55 crores in each of the next two years, to be followed by a drop in the third year, they are to work on a basis of getting 54·20 crores for each of the next three years, after which a further substantial drop is anticipated.

34. The net result is that, although we are not departing from the original programme of re-equipment, we are distributing the burden in a way which is fairer to the tax-payer of today and we are actually realising now a substantial part of the economy which was ultimately hoped for. I trust that Honourable Members will be gratified by this definite sign that Army expenditure is really to be reduced.

35. I may now turn back to my main problem. The two items of savings to which I have referred amounted to 1,42 lakhs. This reduces the gap of 5,52 lakhs, which I have to find funds to fill, to 4,10 lakhs. This can only be done by finding new sources of revenue and it is to my plan for achieving this purpose that I must now turn.

Budget Proposals.

36. The sum required is substantial and the provision of funds to meet it has been, as Honourable Members will readily recognise, a matter for prolonged and anxious thought. I believe, however, that it can be found

by measures which not only will not impose an oppressive burden on any class, but will, in their indirect results, actually stimulate the country's economic development. The measures which I shall propose include changes—reductions as well as increases—in the customs duties affecting rice, cotton piece-goods, kerosene, sugar and silver, supplemented by a small change in the income-tax.

Reduction in export duty on rice.

37. I will start with a proposal for reduction of duty. I am proposing—and I feel sure that the House will welcome this proposal—a reduction in the export duty on rice by one-quarter, that is to say, from three annas a maund to two annas three pies a maund. There has been, as the House knows, a world-wide fall in the price of rice and the present time is therefore opportune for giving some help to the cultivator in Burma who has been a sufferer from this fall in prices. My proposal will remove the disparity, which at present exists, between our export duty on rice and that imposed by Siam, one of Burma's principal competitors in the trade. This proposal will cost us 30 lakhs; a larger sacrifice of revenue from this source could not, in present circumstances, be justified. Although Burma which is mainly interested, is far from us, I hope that this plan will commend itself to the House and be regarded both as an act of justice and a step in the right direction. It means, however, that the gap which I have to fill is increased to 4,40 lakhs.

Increase in import duty on cotton piece-goods.

38. I must now explain my proposals for raising the necessary new revenue, and I will make a start with the most difficult question which we have had to consider—the cotton duties. Here two motives come into play—first, the provision of revenue; second, assistance to the Indian cotton mill industry. Our line of action must take into account both these motives, and though I, as Finance Member, am not directly concerned with the second, which properly falls within the province of my Honourable Colleague, the Commerce Member, it has been decided by the Government of India that I should take this opportunity to announce the whole of the Government's proposals.

Difficulties involved in protective measures.

39. Action taken for the provision of revenue is a straight-forward matter, but the consideration of protective measures raises much more serious difficulties. Let me state, as briefly as I can, how these difficulties have appeared to us.

40. There is, of course, at the outset, the obvious problem of reconciling the interests of producer and consumer. Measures of protection must be so designed as to be effective for their purpose with the minimum interference as regards prices to the consumer.

41. But, apart from this, there are certain special difficulties in the present case. In the first place, the whole question of protection of the cotton industry was investigated by the Tariff Board a comparatively short time ago, but the case which has now been presented on behalf of the mill-owners claims a measure of protection greatly in excess of anything recommended by the Tariff Board. In these circumstances, a further enquiry might reasonably be considered desirable. But, as against this, we are told (and it is a fact which we cannot dispute) that the case is urgent, and that, if action is to be effective, it ought not to be delayed.

42. In the second place, the conditions affecting the industry are not identical throughout India. Bombay is at once the most important centre of the cotton mill industry, and the centre more seriously menaced by foreign competition. At other centres, the average profits of the mills are nowhere high in relation to the capital invested in them, but throughout the world the industry is passing through a period of depression, and low profits are not a valid ground for special assistance.

43. In the third place, as was pointed out by the Tariff Board, the increasing competition from the up-country mills is one of the most important factors contributing to the depression in Bombay. Therefore, whatever measure of assistance is accorded to the industry as a whole, it is likely to be ineffective in ensuring permanent recovery to Bombay, unless the industry there seizes the opportunity afforded by that assistance to reorganise itself and increase its efficiency.

44. Moreover, there is another aspect of this question in which the public and the Government are greatly interested. Bombay has been the scene, during the last two years, of a prolonged and exhausting struggle between capital and labour. Without pronouncing judgment on either side or anticipating the views which may be expressed by the Royal Commission on Labour which is now sitting, it is fair to say that there can be no permanent restoration of prosperity to the Bombay industry unless the relations between labour and capital can be improved and all the conditions affecting labour brought up to a higher standard. These two considerations have, in the present case, a special significance, for, Government are being asked to take emergency measures, not to protect an industry in the early stages of its development until it can find its feet, but rather to save an industry (or, more accurately, one important section of it) which is suffering from a special deterioration or atrophy.

45. Although the report of the Fiscal Commission admits that protective measures are justifiable in such circumstances, the Government feel that emergency action, not immediately preceded by a Tariff Board enquiry, ought to be taken only if it can be shown that inaction might inflict grave injury on the national welfare. They feel also that, if such emergency action is taken, a special responsibility far more serious than any that exists when the protection of an infant industry is in question, rests upon them, as trustees for the public, to take all possible steps to ensure that the assistance given will be utilised to the full. In such cases, it might sometimes be possible to make the adoption of protective measures conditional on effective reorganisation by the industry itself. But here the urgency of the situation creates a special difficulty. If action is to be effective, it must be immediate, and if the Government were to insist on certain steps being taken as a condition precedent to any measures of assistance to the industry, these measures might come too late. Nevertheless, this aspect of the matter cannot be ignored and I shall refer to it again.

46. I think that, in these remarks, I have sketched, in broad outline, the main framework of the problem which concerns us.

Conclusions reached.

47. The conclusions which we reached fall under two heads; first, that, in view of the revenue position, a general increase in the revenue duty from 11 per cent. to 15 per cent. was justified, secondly, that while this increase in revenue duty must have an important protective effect, it might be justifiable to supplement it by some special protective measures, provided that, having

regard to the special circumstances to which I have called attention, such measures were limited in duration, and also limited to purposes necessary to meet the immediate needs of Bombay. In fact, it would not be justifiable at this juncture, as regards protective measures, to attempt more than to erect a temporary shelter under which the Bombay industry can reorganise itself, and after a reasonable period, for this purpose, it will be necessary to have a Tariff Board enquiry to consider future policy, and, in particular, how the Bombay industry has reacted to the assistance given.

48. I refer again later to the precise significance of this purpose, but, at this stage in my account, I must turn to one aspect of the matter on which I have not yet touched. It is, of course, too well known to need remark that, in all public comments on policy as regards cotton duties, the possible reactions on British interests are always prominently mentioned, and that we as a Government are often suspected of undue solicitude on this account. Having regard to the long and troubled history of the cotton duties in India, and to the public interest in the matter, it has been our desire to put before this House as full and frank a statement as possible. Let me make it clear at the outset that the fiscal autonomy convention is a reality, and that decisions on matters of this kind are left to the Government of India, and it is on this basis that our deliberations have proceeded throughout. But, in the final stages, there has been addressed to us a communication, not by the Secretary of State, but by His Majesty's Government, to reconsider the position.

Message by His Majesty's Government.

49. In this message, His Majesty's Government asked us to take into account both the reactions of our proposals in India and their serious effects in England, effects which they felt sure that neither we nor the Legislature would desire to create. To this we replied that, though we were deeply impressed by a message of this nature, we nevertheless felt bound to adhere to our main proposals. We pointed out the following considerations: first, that we needed revenue; secondly, that customs is our chief source of revenue; thirdly, the duty on cotton piece-goods now stood below the level of the general revenue tariff; fourthly, Indian industry was suffering from a deep depression and the Bombay mills were approaching a desperate position which might affect the whole future of this important centre of Indian commerce and finance. We recognised and deplored the possibility of serious effects in England, but we stated we felt clearly bound to put India's interests first. At the same time, we realised how important it was to India, from the political point of view, to take account of British opinion, and that, quite apart from this, we were of course concerned at this time to avoid unnecessary injury to British interests. We stated that, after careful consideration, we had decided that we could not modify the general application of the 15 per cent. revenue duty, but that we should be prepared to propose to the Assembly that, as regards any additional and temporary protective measures, their application might be limited to non-British goods, and that, in these circumstances, there should be imposed, in addition to the 15 per cent.

Temporary protective measures.

revenue duty, a 5 per cent. protective duty with a minimum of 3½ annas per lb. on plain grey goods, against all cotton piece-goods from outside the United Kingdom, this protective duty to be in force for three years only, and an undertaking to be given that we should have its effects examined by the Tariff Board before the end of this period.

Significant precedent.

50. We explained that, in placing this proposal before the Assembly we should point out that, so far as we are aware, this is the first occasion on which the considered opinion of the Cabinet has been conveyed in this form to the Government of India and that we were impressed by the significance of the precedents so established.

Decision to rest with Assembly.

51. We informed His Majesty's Government that it would not be right for us to ask the Assembly to commit themselves to Imperial Preference as a principle, but merely to adopt a particular course which, in our judgment, was consistent with India's interests at a critical juncture when much might depend on India's response to the British Government's appeal. We also stated that we shou'd have to make it plain to the Assembly that, while there were grounds for treating plain grey goods specially, we could not, in any circumstances, agree, for the emergency purpose which we had in view, to an additional protective duty of 5 per cent. on all classes of piece-goods irrespective of country of origin, since the immediate benefit to the Indian producer would be wholly incommensurate with the burden imposed on the Indian consumer. Finally, we made it clear that, in a matter of this kind, after frankly stating our conclusions, we should desire to put our carefully considered views before the Legislative Assembly with whom the final decision must rest.

52. That is how the matter stands, and it is on this basis that our proposals are now put forward. I have thought it right, frankly to put the position before Honourable Members in this way. Indeed, whatever our proposals had been, we could have consented to no other course, for we feel that it is essential, at this transitional stage of the constitution, that there should be full confidence, wherever possible, between the Government and the Legislature. There are certain points with reference to what has passed between ourselves and the British Government, and to the attitude which we adopted, on which I desire to give a further explanation.

Fiscal autonomy convention.

53. We felt, in fact, that this method of approach from the British Government had a special significance. It affords striking evidence that the fiscal autonomy convention has become an integral part of the constitution, and that, even when British interests are most profoundly affected by tariff changes in India, the intervention of the British Government is restricted to representation and appeal. Complete freedom was accorded to the Government of India to take the final decision in whatever manner they thought right for India. It appeared to us that, subject to our paramount duty of considering Indian interests first, no Government of India could ignore such an appeal, for, to any statesmanlike view, it must be clear that India must be vitally interested in maintaining a spirit of co-operation with Great Britain. We felt, moreover, on every ground, that no member of any Government of India, be he British or Indian, would desire to introduce measures likely to inflict serious injury on British interests unless such measures were necessary for India's own development.

54. It is, of course, obvious that these proposals will evoke very considerable comment and will be subjected to the closest and most critical scrutiny. This we shall welcome, but I would, at the same time, appeal

to all Honourable Members to exercise this scrutiny in a calm and judicial spirit before they pronounce any final judgment. It is for them to consider whether they can accept what I have indicated as the guiding principles underlying our proposals, and whether these proposals do, in fact, meet India's immediate needs, while being, at the same time, calculated to further her interests in the widest sense. It will not suffice to keep in view only those factors which, in ordinary times, might be held decisive, for the times are not ordinary. Within a few months, the representatives of India will meet the representatives of Great Britain to discuss, in the fullest and frankest way, the future of this great country, and much must depend on the spirit in which they meet. I would ask Honourable Members to give full thought to the grave importance of these wider considerations. It is obvious that any gesture of friendship which India can spontaneously and without compulsion make to the British Government in their own present grave industrial troubles, is bound to strike a responsive note. For our part, our conviction is that, if our proposals are examined without prejudice, they will be found to be better adapted to India's needs than any other scheme we could put forward, and I must explain shortly our reasons for thinking so.

Wider considerations.

55. In the first place, what we are aiming at in our present measures, is not to settle the policy as regards protection of the cotton industry for the distant future. We are concerned only with providing a temporary shelter under which the industry, especially in Bombay, may firmly establish its position in respect of the business for which it is already equipped. Our measures are energency measures designed to take immediate effect, to give immediate relief, and an immediate stimulus, so that the Bombay industry may reorganise itself and start again with restored health and a new lease of life on its normal course of development.

56. There is therefore no relevancy for our present purpose in contentions that, taking a long view, the Bombay industry requires to organise itself for the manufacture of the finer goods, and that our present proposals will not help in this direction. Whether such a view is right or not, it could not be translated into the immediate effect which is so necessary. It must, in fact, take many years before the local industry could organise itself to undertake the manufacture of the finer qualities of goods. Incidentally, I may point out that the raising of the import duty from 11 per cent. to 15 per cent. will give very considerable help in this direction; but that is outside the purpose of the emergency measures.

57. Looked at from this point of view, it has appeared to us that our proposals do exactly meet the needs of the case. The imposition, in addition to the increase in the normal duty, of a special additional protective duty against non-British goods, of a 5 per cent. all-round surcharge, combined with the minimum of 3½ annas per lb. on plain grey goods, must operate effectively in just that portion of the field where competition is most severely felt. A study of the statistics makes it abundantly clear that it is not competition from British goods which is now being severely felt, nor has Bombay lost any business recently as a result of such competition.

58. In the second place, I must, on behalf of the Government of India, make it clear that we could not feel justified in imposing for revenue purposes a higher duty than 15 per cent. and that, so far as the protective

measures are concerned, it is only if their scope is limited, in the way that we propose, that we could agree to carry them so far. As I pointed out at the outset, we cannot disregard the interests of the consumer and it is contrary to all sound principles to impose a protective duty, putting a heavy burden on the consumer, if the benefit to the producer must be small or negligible. For the period covered by the purpose of our emergency measures, the production in India of those classes of goods which form the great bulk of the imports from the United Kingdom, must be very small, and, therefore, an additional 5 per cent. duty on these goods would put a burden on the consumer without a corresponding benefit to the industry which we have in view. On the other hand, on those classes of goods to which the protective duties will apply, internal competition will increasingly tend to restrict any effect on the interests of the consumer. On these grounds, we hold that our proposals combine the maximum benefit to the industry with the minimum burden on the consumer.

Interests of consumer.

59. I need not elaborate the further arguments which have been dealt with in our telegram, but I must, before leaving this part of the subject, emphasise again one vital point which we have made. We do not, and in fact, we could not, ask this Assembly to commit themselves, at this stage, to accepting the principle of Imperial Preference. We ask them to regard this proposal merely as a special measure designed to meet the immediate emergency. It is, acting in this spirit, that we propose that the special protective duties shall be imposed for a period of three years only, and that, at a convenient date before the termination of this period, their effect, and the whole position of the industry, shall be re-examined in a Tariff Board enquiry.

Re-examination by Tariff Board.

60. Lest it may be argued that such an enquiry should have preceded our proposals, I must explain that we gave our careful consideration to this point and decided that, quite apart from the urgency of the need for action, a further investigation by the Tariff Board at the present juncture was not advisable. It is the special duty of the Board to investigate facts and arrive at findings thereon. But owing to the labour disputes of 1928 and 1929, it is more than doubtful whether any material for investigation, beyond that available to the Tariff Board of 1926, exists. Again, conditions in the Bombay mill industry have, since 1926, been examined by the Tariff Board, the Fawcett Committee, and the Pearson Court of Enquiry, while trade conditions have recently been investigated by Mr. Hardy. In these circumstances, we felt that the proper time for a further enquiry by the Tariff Board will come when some progress in reorganisation and rationalisation has been made by the industry in Bombay, and the prospects of ultimate success or failure of the industry can be assessed.

61. There is one more point left for me to deal with in conclusion. I have already referred to the special duty which the Government feel to be imposed upon them in this case to satisfy themselves that effective use will be made of the assistance given, and that attention should be directed particularly to the improvement of labour conditions. We recognise that the ultimate failure or success of the mill industry in Bombay

Use of assistance by millowners.

must depend entirely upon the extent to which the millowners utilise the present opportunity in order to improve their efficiency and labour conditions, and that, if full use is not made of this opportunity, the position of the industry may be no better at the expiry of the period of three years than it is to-day. We have already addressed the Bombay Millowners' Association on this subject and have impressed upon them the urgent necessity of working out schemes which may re-establish the industry on a firm basis. Although it has not been possible for us to lay down the lines on which the reorganisation should proceed, or to prescribe the particular measures which should be taken, we propose, now that our policy has been declared, to enter immediately into consultation with the Government of Bombay on this subject, which is their primary concern. It appears to us right that some method should be devised whereby the force of public opinion may be brought to bear effectively upon the situation. At the same time, it is our desire to give the Association all the assistance in our power in order to ensure that the examination of the various problems may be thorough and adequate, and that it may be carried out with the aid of the best expert advice available whether in India or in other countries. Apart from technical assistance, it seems clear that some drastic financial reorganisation and some rationalisation of the methods of manufacture is necessary if the Bombay industry is to be put on a permanent foundation of prosperity. On this subject I cannot at present say more than this—that we are prepared to examine what is required in this direction and to consider whether any form of Government intervention is possible or appropriate. This aspect of the problem is one of great difficulty and I do not propose to lengthen my speech by enlarging further upon it at this stage.

Hand-loom industry.

62. I would add, in conclusion, that, although I have spoken chiefly of Bombay, we have also the other industry of India in view and we particularly hope that the measures which we propose will be of real benefit to the hand-loom industry throughout the country-side.

Increase in revenue.

63. We estimate that the net increase in revenue from our proposals, allowing in full for the protective effect, will be 1,25 lakhs. The proposal to increase the revenue duty will be included in the Finance Bill, while a special Bill will be introduced by my Honourable Colleague, the Commerce Member, containing the protective proposals.

Increase in excise and reduction in import duty on kerosene.

64. My next proposal is to increase the excise duty on kerosene from 1 anna to 1 anna 6 pies per gallon, coupled with a reduction in the import duty from 2½ annas to 2 annas 3 pies. This combined proposal is expected to give us an extra 35 lakhs. At present, there is a difference of 1½ annas per gallon between the excise duty and the import duty on kerosene and the effect of the proposal now made will be to reduce that difference by one-half. In framing our proposals regarding kerosene in this form, we have kept two objects in mind: first and principally, we have desired, simultaneously with getting more revenue, to make a change which should, at the least, ensure that the price of ordinary kerosene to the consumer is not increased, while secondly, we have felt that prudence and justice demanded that we should not make too sudden and drastic a change in the conditions of the indigenous

industry, having regard particularly to the position of the smaller companies. Moreover, too drastic a change might hamper further development. In reducing the margin by one-half we have thought that we have gone as far as it would be wise to go, at least as a first step. It means that the marginal duty in favour of the indigenous industry will be reduced from about 18¾ per cent. to 9⅜ per cent.

Increase in import duty on sugar.

65. The next proposal which I have to mention is an all-round increase, in the import duty on sugar, of Rs. 1½ per cwt. I am not proposing any change in the existing classification, so that the effect of the proposal will be that sugar of 23 Dutch Standard and above, which at present pays duty at the rate of Rs. 4½ per cwt., will pay duty at Rs. 6 per cwt.; sugar below 23 Dutch Standard but not inferior to 8 Dutch Standard will pay at Rs. 5½ per cwt., instead of at Rs. 4, and sugar below 8 Dutch Standard and sugar candy, which at present pay at 25 per cent. *ad valorem*, will be subject to a composite duty of 25 per cent. *ad valorem plus* Rs. 1½ per cent. The duty on these lower grade sugars has, it is true, little significance for the revenue, since imports are at present very small, but it is desirable to keep a due correspondence between the different grades in order to prevent the substitution of lower for higher grade sugars. Molasses, which is dutiable at 25 per cent. *ad valorem*, will remain subject to duty at that rate and will be treated separately from sugar, since its use is mainly as a raw material for industries and, in fact, a Tariff Board enquiry as regards its treatment as a raw material used in the manufacture of denatured spirit, is already in progress.

66. The increased duty on sugar should yield 1,80 lakhs; but, in estimating its effect upon the consumer it is necessary to bear in mind that the world price of sugar is exceptionally low. The average landed cost of sugar in India from April to December last was no more than Rs. 8·6 per cwt., whereas the average for the previous six years has been Rs. 12·25 per cwt., a difference of about Rs. 3½ as compared with the proposed increase of Rs. 1½. Thus, even the comparatively large increase now proposed should not at present be seriously felt by the consumer. Ultimately it may,—and probably must,—have some protective significance; but, for the present, it must be regarded primarily as a revenue-producing measure. I would, however, remind Honourable Members that an increase in the production of sugar is one of the most valuable opportunities available for improving India's agricultural production, and that, with this possibility in view, we are proposing a special grant this year of 10 lakhs (to be continued, if necessary, in subsequent years) for the encouragement of sugar research and sugar production. These two proposals must be considered together, and their possible reactions fully appreciated. It may interest the House to know that duties on sugar, at about the level which we now propose, are in force in most European countries. What we are now proposing amounts to a duty of 9*s*. per cwt. The present import duty on sugar elsewhere is as follows:

	s.	*d.*
England	11	8
U. S. A.	10	3
Germany	12	7
France	8	6
Austria	12	0
Australia	9	4

Increase in income-tax and super-tax.

67. I next propose to obtain an additional 70 lakhs by a small change in the rates of income-tax and super-tax. I hope that the House will agree that, when we are seeking new sources of revenue, it should not all be raised by indirect taxation, but that some direct taxation is justified so that the burden may be equitably spread. At the same time, I recognise that this is not a suitable period for imposing any heavy additional burdens which would be felt in industry or commercial enterprise. Our proposal, therefore, is that, on personal incomes of Rs. 15,000 and upward, the income-tax rates shall be raised by 1 pie in the rupee, and a corresponding increase shall be made in the super-tax in all grades, other than the flat rate of super-tax on companies. The additional yield from income-tax is estimated at 56 lakhs and that from super-tax at 14 lakhs. It has been brought to my notice that, owing to certain features of our income-tax system—particularly the deduction of tax at source, an alteration in the rates might, in certain cases, be taken into account twice in the first year when a change in rates is made. I shall see that the necessary steps are taken to avoid this result.

68. In referring to income-tax, I wish to mention some other changes which I hope shortly to bring under consideration. If the normal economic progress of India is maintained during the next twelve months, it ought to be possible for us to enter on next year in a stronger financial position. I hope then to be able to make a start in introducing the principle of allowing business losses incurred in any one year to be carried forward to the next year. I also hope to be able to remove the present double super-tax on companies, so far as that affects genuine trust and finance companies. Both these changes ought to be beneficial to the progress of business enterprise, and it will be my settled purpose so to regulate taxation as to remove, when opportunity offers, any imposts which may be said to have a hampering effect on such enterprise.

69. The total yield of the taxes which I have now mentioned amounts to 4,10 lakhs, so that I am still left with 30 lakhs to find. I consider, however, in the special circumstances now prevailing, that it is on every ground desirable to have some margin of safety, taking into account the uncertain prospects which we have before us, and taking into account also the paramount importance, to which I have already referred, of improving our credit by displaying a strong financial position to the world.

Import duty on silver

70. It is with this and other objects in mind that I propose to re-introduce the import duty of 4 annas per ounce on silver. I have, however, purposely kept this proposal till the end, for, in putting it before the House, I want to make quite clear certain conditions which will, I think, generally commend themselves to the public.

71. An import duty on silver is a familiar feature in the history of Indian fiscal policy. Prior to 1910, silver bullion and coin other than coin of the Government of India, were included in the general tariff schedule of articles liable to an import duty of 5 per cent. *ad valorem*, and in that year, the rate was raised to 4 annas per ounce. During the war, the import of silver was prohibited, and after the war, in pursuance of the recommendation of the Babington-Smith Committee, the duty was removed at the same time as the prohibition of import. The Committee advocated the removal of duty mainly on account of the strong feeling in India that it was an obstacle to the establishment of a world market for

silver in Bombay and placed the Indian consumer of silver at a disadvantage in comparison with the consumer in other countries. I have given full weight to these objections, but circumstances are different today. It is proposed to meet the former objection by allowing a full rebate of the duty on re-export of any silver which has been imported and has paid duty. As to the latter objection, we feel now that there is a strong counterbalancing advantage in taking a step which will have the immediate effect of improving the internal price of a commodity in which the savings of the masses are to a considerable extent invested. The recent fall in the price of silver has, in fact, put an entirely new aspect on the matter.

72. Apart from this, there is another important new factor in the situation, in that the Government, owing to their possession of surplus stocks of silver and the erection of the new refinery at Bombay, have got into the position of being themselves important "producers" of silver. Our proposal, therefore, has the new incidental advantage of providing Government with a protected market for their own produce. Having said as much as this, however, I must say more in order to avoid the creation of any misunderstanding. I feel that it is important that the masses of India, who invest so large an amount of money in silver should realise that silver is only an ordinary commodity, liable to fluctuations in price, just as other commodities are. It has no sacred properties which make it immune from these vicissitudes, and although the Government, in taking these measures, have in mind, as one of the main advantages, an improvement in the internal value of silver, we should, in the long run, be doing a very poor service to the population of India if we allowed it to be supposed that the Government have the power definitely to maintain prices at a particular level. It is far better that the people should generally appreciate the realities of the situation in this respect. At the same time, the Government do recognise the importance of the interests involved owing to the position of silver in India, as, in some respects, a store of value and while they must, as holders of a surplus commodity which they desire to sell, reserve freedom of action, I am prepared to assure this Assembly that, in exercising that discretion, the Government will not go to the market unless they are advised that as in the past, the market will not be appreciably affected by their operations.

Sales of silver

73. If there is any danger of the world's production of silver exceeding the consuming capacity of all markets, then, of course, there must be a tendency to falling prices. Only the combined action of producers and holders can prevent this. The Government of India, holding as they do surplus stocks, which, in the public interest they consider that they ought to realise, cannot fairly be asked to do more than other producers; but I am prepared, on behalf of the Government of India as important holders or producers, to say that, if the other interests concerned show any desire to consider the possibility of joint action for the regulating of sales in order to meet the world's demand, the Government of India would willingly co-operate. Further than this we cannot in the public interest go, but what I have said amounts to a carefully considered and important proposal, and it is for the other producing interests to consider if they will make any response. In the meanwhile, I think I may say with confidence that, at the present level of prices, the imposition of the duty which we propose is not likely to have any serious effect on the consumption of silver in India.

74. While our reasons for imposing the duty are, as I have explained, of a special nature, I am also prepared to say that special circumstances will govern our intentions as to the disposal of the revenue produced. We must, as I made clear, regard the proceeds primarily, at the present stage, as a reinforcement of the general financial position of the Government; but, if our estimates as regards the other heads of revenue are realised, and there is a surplus resulting from the imposition of the silver duty, then I am prepared to say that we have a very special purpose in mind for the application of that surplus. We regard this duty, principally in fact, as a measure which will give us a margin of revenue from which we shall be able to make a distribution to provinces after the forth-coming statutory revision to give them the funds which they require for nation-building services. Though it will not be for the Central Government to dictate to the provinces how such contributions should be applied, there will be an opportunity for discussing this matter when the whole distribution of the sources of revenue is considered, and I think I can say with confidence that additional funds are chiefly required by the provinces for such purposes as economic and agricultural development and primary education. If, pending the further allocation of revenue to the provinces which I have in view, any surplus is actually realised, then, of course, any proposal for its expenditure will be submitted to this Assembly.

Application of surplus, if any, from silver duty.

75. It is on these grounds that I have stated that our proposals in regard to the silver duty must be regarded in a very special light. We propose to include, in our budget figures, a revenue of 1 crore, as a conservative estimate.

76. On this assumption, our budget estimates provide for a surplus of 70 lakhs of revenue over expenditure. As the budget proposals other than those relating to income-tax and super-tax will have effect forthwith, the current year's revenues will also benefit to the extent of 35 lakhs, which amount accordingly appears as a revenue surplus in the revised estimates.

Final result.

Review of Budget Proposals.

77. It is of course obvious to me that these proposals will be subjected to the most searching scrutiny, and the question which will be asked on all sides is whether there is any justification for imposing so heavy an additional burden of taxation.

Justification for new taxation.

78. Before this question is put, I would ask Honourable Members to pause and consider carefully what item of taxation in my proposals does not offer at least some indirect advantages. I venture to say that, with perhaps the sole exception of the income-tax proposals, such advantages will be found. But that is not by itself a sufficient answer, and it is necessary to examine the position further, and attempt to frame some interpretation of the symptoms of the present financial conditions. For, if the short-fall of revenue is merely the result of temporary combination of abnormal circumstances, then one must hesitate to impose the full corresponding burden of permanent taxation,

Is present condition permanent?

and it might be justifiable to adopt temporary expedients. If, on the other hand, there is a permanent and unavoidable shortage of revenue, then the position must be tackled boldly in order to establish, before it is too late, a sound foundation.

79. In order to judge whether the present condition is permanent or not, there are two main aspects to be examined, that is to say, one must ask, on the one hand, whether the expenditure required this year is abnormally high and capable, either now or in future years, of reduction, and, on the other hand, whether the revenue anticipated is below the normal expectation owing to special circumstances which are unlikely to be repeated.

Growth of expenditure.

80. As to expenditure, I have already drawn the distinction between actual administrative outgoings on the one hand, and, on the other, such items as interest on debt and those provisions which do not represent actual outgoings in cash, but which are required, on principles of sound finance, as reserves against established or accruing liabilities. I will deal first with administrative expenditure. In regard to this I have, during the past year, in accordance with an undertaking which I gave to the Assembly in my last budget speech, conducted in the Finance Department a close scrutiny and survey of the growth of expenditure during the past five years. Reports have been prepared for each Department and these have been circulated to members of the Standing Finance Committee. A good deal remains to be done in the way of completing the details of this Enquiry, but I have gone far enough to come to the conclusion that, for various reasons,

Provisional conclusion.

we cannot count on being able to find any *substantial* margin for reduction in the cost of the civil administration of the Central Government. In fact, with all the new services and heads which are being pressed for consideration, it is only by the exercise of the most rigid control that we shall be able to keep the growth of expenditure within bounds. The possibility, therefore, of cutting down administrative expenditure, does not, in my opinion, afford any substantial ground for postponing the imposition of taxation to meet the present deficit. But by accepting this conclusion, I do not imply that the search for possibilities of reducing our present scale of expenditure must be abandoned. It has, in fact, been decided by Government—and the proposal has recently been reported by me to the Standing Finance Committee—to appoint an officer on special duty to continue the examination in further detail. It is, in my opinion,

Further investigation.

necessary to carry out a very close detailed investigation of the causes which have led in the past, and are still leading, to a steady increase in expenditure. Those Members of this Assembly who have sat with me on the Standing Finance Committee are fully aware of the difficulties in this matter. Applications are made in a particular case for improvement of conditions of pay in particular offices. A good case is made out and the improvement, involving perhaps by itself only a moderate increase in expenditure, is approved. But one move leads to another and it is inevitably found that other sections of Government staff, claiming to be working in similar conditions, again press that a similar improvement shall be accorded to them. These claims are difficult to resist, and, moreover, it must be remembered that the control does not lie entirely in the hands of the Central Government. It often happens that a particular claim is pressed in order to afford to members of some branch

of a Central Government Department, conditions equally favourable with those prevailing for men in the service of the Provincial Governments working under similar conditions and in the same place. But the time has come for a comprehensive review of the whole situation, so that we may ascertain what claims on these grounds are likely to be pressed in future and that we may, if possible, fix, in consultation with the Local Governments, certain uniform principles from which there can be no departure. Apart from such special cases, the Government have become committed in the past years, to time-scale systems of pay, the full effects of which were not perhaps appreciated at the time when they were granted. These put upon us definite and unavoidable commitments, and I have already indicated that the normal rate of increase under this heading amounts to something like 25 lakhs per annum.

81. It is important that we should know where we stand in this matter and also when it is likely that the peak of this increase will be reached and what the figure of Government expenditure at that point will be. It is this kind of question which justifies the special appointment to which I have referred, for, the time is coming when, as part of the constitutional reforms which we shall have to consider, it will be necessary to re-arrange the distribution of heads of revenue between the Central Government and the Provincial Governments. When that time comes, it is essential that we should be able to assess, with some accuracy, what our own future commitments are likely to be.

Possibilities of retrenchment.

82. These remarks cover one kind of growth in expenditure. But I shall be asked whether, even admitting that this kind of growth is inevitable, it is not possible to make large cuts in the number of appointments and in the amount of the personnel employed. This, indeed, is a subject which will come within the purview of the special examination which we propose. But I should be deceiving this Assembly if I were to hold out any expectation of large economies in this direction. I doubt whether it is adequately realised to what an extent the gradual development of the present form of constitution is placing increased work on the shoulders of the officials of the Central Government, and I do not think it is an exaggeration to say that there is not a single Department of the Government of India in which those occupying the higher appointments are not at present overworked. Indeed, I think it far more likely that, as representative institutions grow and sessions of the Legislative Assembly become longer, it will be necessary to divide up some of the existing Departments and create new appointments for their representation in this Assembly.

83. I may, however, again be asked whether there is not a possibility of a different form of economy in the shape of elimination of certain services. At the time of the last big retrenchment movement, certain accessory services were largely cut down, particularly Scientific Departments and such minor departments as the Statistical Branch. My reply to such a question would again be that, unfortunately, it is only too likely that the move will be in the other direction. We are, in fact, at present faced with the need for meeting the demands of a large number of new services. Honourable Members are only too familiar with some of these. The development of agricultural research, for example, is an entirely new demand, as also is that of civil aviation. The former is one which may be fruitful of great benefit to the country; the latter is necessary unless

India is to lose her place among the civilised nations of the world. Moreover, it brings in its train other needs such as the development of meteorology and wireless organisation. Again, if we look back on the cuts that were made during the last retrenchment campaign, I think it will be generally admitted, as proved by experience, that, in some respects at least, the economy has not been worth the sacrifice. In advancing this opinion, I have particularly in mind the Statistical Branch; and there, as some Honourable Members know, we have, in response to a far-seeing demand which has been pressed by various influential Members of this House, started on a course which will, I hope, provide those statistics for the gauging of the country's economic conditions which it so badly needs. Public opinion generally seems to be awakening to the desire that the Government of India should adopt a far more active and constructive economic policy than it has followed in the past, and that, in many matters, the Central Government should take upon themselves the responsibility of giving a lead and assistance to the Provincial Governments. This is a desire with which I most heartily sympathise, and it would, in my opinion, be false economy to resist it.

84. Lastly, I would impress on Honourable Members one consideration which has been brought before me very vividly in the course of my work in the Finance Department The Central Government are directly responsible for the administration of certain areas, and I am afraid that one cannot resist the conclusion that the standard of services provided for in those areas, has, in many respects, been allowed to fall behind that prevailing in the neighbouring areas under Provincial Administrations. This is not a state of affairs which the Central Government can view with equanimity, and I feel convinced that there are considerable arrears to be made up in this direction.

85. For all these reasons, I have myself regretfully come to the conclusion, which I have already stated, namely, that, however energetically and ruthlessly the search for economies is carried out,—and I shall myself welcome any measures for the conduct of such a search,—there is not room for any *substantial* reduction in the civil expenditure of the Central Government.

Debt Services.

86. If I turn now to those other kinds of expenditure to which I have referred, namely, those measures for the support of sound financial principles and the provision of adequate reserves against our obligations, I could not honestly put before this Assembly proposals less adequate than those which I have framed. It is, in my view, of vital importance that, at this stage in India's constitutional development, when we stand at the threshold of a now constitutional advance, nothing should be done which would suggest to the outside world that India's credit will be less carefully preserved in the future than in the past. India must be above suspicion in this respect, and in the end, I am convinced that this will prove sound economy and, by improving the country's credit, help materially to reduce the burden of interest which it will have to pay.

Revenue position.

87. If I turn now to the revenue side of the picture,—the second of the two aspects which need examination,—it may be said that the estimates which I have presented, do imply, first, the expectation of a set-back in the tax revenue,

or, rather a halt in the normal rate of its growth as evidenced in the results of the last seven years, and, secondly, a very decided worsening in the position of the Commercial Departments of the Railways and Posts and Telegraphs. I am prepared to admit that it is quite arguable that, on the revenue side, the picture which I am presenting, is abnormal and likely to be improved in future years. But, for many reasons, I feel sure that it will be unwise to allow such an argument to prevent the introduction of new taxes sufficient to meet the situation as I have to present it today.

Necessity for fresh taxation.

88. I have many reasons for this conclusion, some of which I may state shortly as follows. In the first place, some of our present sources of revenue are likely to disappear, and, in the case of others, reductions may become desirable. The following special cases may be quoted: As regards opium, we are already committed to the disappearance of this revenue after 1935, and it is essential to find new sources of revenue to replace it. As regards the export duty on rice, I have already indicated in my proposals for this year that this, at its present level, may be a burden on the proper economic life of the country and further reductions may become desirable. It is possible that economic conditions may alter the justification for other forms of export duties as, for example, on jute, while, as regards income-tax, if again we put first the need for removing burdens which hamper the economic development of the country, I should myself welcome the opportunity of being able to introduce certain changes, as, for example, the introduction of provisions for allowing trading losses to be carried forward beyond the year in which they have occurred and the abolition of double super-tax on holding companies. Again, new needs for expenditure are constantly likely to press upon us and I have already referred to some of the new services which are now being developed.

Larger margin necessary.

89. Yet another consideration is this We have, in my opinion, been working, in the past three years, with a dangerously low margin. In a country like India, subject to great risks of loss of revenue from failure of rains or from floods, it is desirable to have some margin of revenue over expenditure from which a reserve can be built up in reasonably good years. Memories are short, and although the last two monsoons have, in places, been unfavourable, it is many years since India has suffered from a real failure of the monsoon.

Needs of the provinces.

90. The last consideration to which I have to call attention, is one which bears most weight in my own mind. We have got to prepare for the probability—indeed, I think I may say, the certainty—that the next stage in constitutional development will need provision of more money for the provinces and that, in some form or other, the Central Government must be prepared to relinquish part of its own sources of revenue. After all, it is in the hands of the Provincial Governments that the real nation-building services lie, and the two great needs for India are agricultural development and, as a necessary condition of its success, the increase of a really effective form of primary education. Of all the tasks, the responsibility for which my present office lays upon me, that which I take most seriously is the duty of finding revenue in order that those provinces, which are at present handicapped by financial difficulties, may make a great start forward in developing the services which the country really needs. I believe that,

in the new taxes which I have proposed, I have opened the way, if things go well, without putting any burden on the economic life of the country or subjecting to hardship any particular class, to create a margin which will enable us, as soon as the constitutional reforms are settled, to give a fair measure of assistance to the Provincial Governments in the next chapter of their history.

WAYS AND MEANS.

91. I will now turn to a review of the ways and means position for the current year and the next, a summary of which is given below in the usual form:—

Summary.

(In crores of rupees.)

	Revised, 1929-30.	Budget, 1930-31.
Liabilities.		
Railway capital outlay (construction)	24·15	16·75
Purchase of Railways	7·06	..
Other capital outlay	1·93	3·97
Provincial transactions	9·47	7·93
Discharge of permanent debt (net)	25·36	18·34
Contraction against treasury bills	6·86	..
Contraction against silver	2·94	..
Other transactions	3·96	1·86
Total	81·73	49·35
Resources.		
Revenue surplus	·35	·70
Rupee loan (net)	35·47	23·50
Sterling loan (net)	7·92	..
Treasury bills with public	20·00	—4·00
India Bills	8·00	..
Post Office cash certificates and savings bank	5·94	6·20
Other unfunded debt	8·10	3·16
Appropriation for reduction, etc., of debt	5·85	5·90
Depreciation and Reserve Funds	99	5·27
Reduction of cash balances	—10·89	8·62
Total	81·73	49·35

92. The gross proceeds of the rupee loan in the current year amounted to about 35½ crores of which 22¼ crores represented conversion of bonds maturing from 1930 to 1932. This substantial reduction in the amount of the loans maturing in the near future has considerably improved the position for next three years, but the actual cash received in subscription to the loan was 13¼ crores only, *i.e.*, 4¾ crores less than the total new loan provided for in the budget. As I anticipated at this time last year, it was necessary to resort to external borrowing on a considerable scale. Sterling bills for £6 millions in each case were issued in London in May and December. The former issue matured in February and in order to place ourselves in funds to meet them, short-term bonds for £6 millions were issued early in

Current year.

Sterling borrowings.

February. The total net amount of funds raised during the year in England has thus amounted to about £12 millions. I must deal briefly with the conditions in which the issue of the short-term bonds was undertaken and the reasons underlying Government's action. Honourable Members will have been fully aware from the general review of the Government's policy as regards capital expenditure and borrowing which I gave in my budget speech last year, that I had arrived at the conclusion that external borrowing would be necessary. I then explained how and why, in future, it would be necessary that the rate of capital expenditure should be more nearly balanced than had been the case in the past five years by the increase of our capital resources in the form of fixed loans. It was therefore desirable, in any case, to raise a sterling loan as early as possible after the summer. Conditions, however, were then very unfavourable owing to the position in New York and the existence of a bank rate of 6½ per cent. in London and we thought that we should gain by waiting for cheaper money rates. When the New York boom collapsed, the anticipated easing of money commenced, but, by that time, political anxieties had begun to dominate the position in the London market for Indian securities. I need not give a long account of these events which must be still fresh in the minds of all Honourable Members. I need only say that the nervousness of London investors was intensified by the attitude adopted at the Congress meeting at Lahore in December. Therefore, while our anticipations that money conditions would become more favourable were realised the adverse effects of political reactions counterbalanced the advantage obtained. The facts, however, had to be faced, and as during the year Government had to meet the greater portion of the £5¼ millions for the purchase of the Southern Punjab Railway and about £7½ millions for other railway capital expenditure, we felt that, in spite of the unfavourable conditions, we should not be justified in financing this capital expenditure entirely by temporary borrowing in the form of India bills. We considered, indeed, that some more permanent borrowing was, according to sound financial principles, essential.

93. In saying this, I wish to emphasise that our power to issue bills in the London market is in the nature of a reserve which ought to be kept available to meet temporary shortages of sterling resources. Prudent finance demands that this reserve power should be utilised as little as possible for financing permanent capital expenditure. By the issue of two-year bonds with the option of extension for a third year, we have obtained accommodation for a period sufficient to allow for the passing of the present political uncertainty and have, at the same time, avoided the burden to the Indian taxpayer, of floating a long-term loan in particularly unfavourable conditions; conditions which, I hope, will prove to be of a temporary nature. In the meanwhile, I am glad to say that the success of this operation, even though the terms were onerous, had a very good effect on our credit in London.

94. The combined amount of the above borrowings corresponds roughly with the budget forecast, but owing to events which it was impossible to foresee, it was necessary to supplement our resources by large issues of treasury bills in India. In the first place, contraction of the currency to the extent of 6·86 crores against cancellation of rupee treasury bills and 2·94 crores against silver withdrawn for sale depleted our resources by nearly 10 crores.

Currency operations.

95. Without entering into a long exposition, I wish to explain briefly, and in very elementary terms, the real significance of these currency operations. There is much misunderstanding on these subjects, which is fostered by the peculiar position of the Government of India and the combination of roles which they have to play. In the first place, it is Government themselves who have to do the work and, therefore, as happens in all countries, they are blamed for every untoward occurrence—as some of the Honourable Members opposite would soon find out if—as they hope, and as I often wish they could,—they were to change places with us. But apart from this common experience, the Government are not only the currency authority but are themselves the chief operators in the remittance market. When there are difficulties as regards exchange, which would be expressed in other countries by a tendency to export gold, that is expressed in India by difficulties for the Government to effect remittance, and when we take action to protect the currency position, which in other countries would be regarded as quite normal, it is represented here as artificial manipulation of exchange by Government in order to meet their own remittance needs. That appearance induces an unduly hostile type of criticism.

96. Then again, let us consider the internal currency position. If, as has happened in the current year, prices fall and the country requires less currency, and if, on top of that, large quantities of redundant silver currency are returned from hoards, the currency authority must meet the situation by cancelling currency. Otherwise, an inflated condition exists, internal prices would keep unduly high in relation to external prices, and internal rates for money unduly low. The result would be that the natural flow of exports, which is necessary to maintain the country's balance of trade, would be restricted and a very unhealthy situation dangerous to stability of currency would be set up. When currency becomes redundant and has to be cancelled, the profits of the currency authority diminish, for, all issues of currency, whether it be silver currency the bullion value of which is less than its face value, or notes for which the authority merely has to bear the cost of printing, bring profits; and the less the amount of currency outstanding, the less the profit. But when we as a Government, in our functions as currency authority, have to cancel currency and thus submit to a corresponding loss of profit, we are accused of pursuing a policy ruinous to the country's interests because we appear as borrowing money at interest in the form of treasury bills and then destroying it by contraction. In actual fact, however, the loss thus incurred only represents a loss of the profit which we would have made if the country had needed the extra supplies of currency.

97. Some of our critics, however, will say that we have carried this process unnecessarily far and that, in contracting currency, we have not only incurred this loss ourselves but have starved the commercial world in its needs for currency. Of this, as I have, on recent occasions, frequently explained, there is no evidence. Actually, since the beginning of the last busy season, say, from the 1st December, 1928, to the 30th November, 1929, the net contraction was 15·89 crores and the net reduction of notes in circulation was only 2·48 crores. The reason for this small effect of our operation on the note issue is that very large quantities of rupees have been returned. When rupees are returned, notes are automatically issued against them, and if these rupees have come not from active circulation but from hoards, a corresponding inflation would, in fact, have taken place. These

have been the actual facts this year, and the proof of the pudding lies in the eating. In spite of the contraction of currency, all the evidence shows that the currency needs of the country have been fully met so far as it was healthy to do so. In support of this contention, I need merely point to the fact that the Imperial Bank's cash, which is the real index of the adequacy of the currency, is considerably higher than it was at this time last year, although no expansion of the currency has been effected this busy season. This shows clearly that the contraction of the currency has not been excessive.

98. While this necessary contraction of 10 crores to which I have referred, counterbalanced part of our borrowings, other factors have contributed further to worsen our ways and means position. The chief cause has come from the Railways. As a result of the falling off in railway receipts and the increase of working expenses, the Railway Reserve Fund will have to be drawn upon to the extent of 86 lakhs to meet the contribution to general revenues, whereas an addition of 3,26 lakhs to the Reserve Fund was provided for in the Budget, while the addition to the Depreciation Fund is now expected to be one crore less than was anticipated. As against this, it was possible to effect a saving of 2,32 lakhs in railway capital expenditure, but, even allowing for this, there is a deterioration of nearly 3 crores under Railways. Borrowings by the Provinces are now expected to exceed the Budget by about 2¼ crores, and, in view of the heavy disbursements in April in London and in India the closing balance will stand at a figure 9 crores higher than provided for in the budget estimate. For these reasons, the revised estimate provides for an increase from 4 crores to 24 crores in the amount of treasury bills outstanding with the public, of which I would remark again that 9 crores is represented by increased treasury balances.

Next year.

99. In my last budget speech, I dealt at length with the railway capital expenditure and envisaged the possibility of a drastic reduction in 1930-31 in order that the credit of the Government might not be over-strained. The purpose thus indicated has been fulfilled, and as the House knows, we are allowing 16¾ crores only for railway capital expenditure, *i.e.*, 7·4 crores less than the revised estimate for the current year. It must be noted that the real reduction in new railway capital expenditure sanctioned is actually larger than these figures indicate, as 2·35 crores of the programme for 1930-31 really form part of the sanctioned programme for 1929-30. Allowing for this, the programmes for the two years compare as follows:

	Crores.
1929-30	26·50
1930-31	14·40
Reduction	12·10

This comparison brings out more clearly the drastic nature of the curtailment effected.

100. With this provision for railway capital expenditure, our borrowing programme for 1930-31 is, so far as new money is concerned, a very modest one. So far as sterling operations are concerned, I assume that the £6 million India Bills falling due in December will be renewed; but, if conditions are favourable, this floating debt will be funded. As regards

India. I estimate that a loan of 23½ crores will be required, of which 7·4 crores only will be new money and the remainder, namely, 16·1 crores will be utilised for redeeming outstanding loans, principally 1930 Bonds. This provides for reducing the amount of outstanding treasury bills from 24 crores at the close of the current year to 20 crores at the close of the next. I anticipate no difficulty in carrying out this programme without disturbing the market for Government securities, and, if conditions improve, it may be possible, to fund a larger amount of the floating debt than I have assumed in my present calculations. On looking back on these proposals, I feel justified in saying that provided only that political disturbances do not upset either conditions in India or confidence in England, our borrowing programme is of such a nature that we could confidently look forward to a general appreciation in Government securities.

Home Remittances.

101. A year ago, it was estimated that we should require to remit £35¼ millions to London in 1929-30. Throughout the year the exchange position has been difficult. India, like most other countries in the world, was affected adversely by the high money rates consequent upon the attraction of funds to New York to finance the speculative boom on the Stock Exchange and by the fall in prices and general trade depression which followed the collapse of this boom. In addition, the uncertain political outlook has led to the export of capital on a considerable scale. As a result, our power to effect remittances to London has been temporarily curtailed and we now estimate that the total remittance through the market in the current year will amount to £19 millions only. This will suffice, with the help of the sterling borrowings referred to above and the transfer of £9½ millions already effected through the Paper Currency Reserve, to enable the Secretary of State to close the year with a balance of £6·8 millions. Assuming that the £6 million India bills falling due in December 1930 will be removed, the amount required to be remitted to London next year is estimated to be about £31·8 millions. This figure includes £3·3 millions for capital expenditure on railways as compared with £7·5 millions in the current year and £2·4 millions for repayment of debt (capital portion of railway annuities, etc.)

102. I should, of course, make it clear that the entire ways and means programme outlined above can only be considered as tentative and subject to modification in the light of the actual circumstances of the time.

Prices of Government securities.

103. Following the practice of previous years, I quote the market prices of certain typical rupee securities of the Government of India:

	Market price on the 20th February.															
	1923.		1924.		1925.		1926.		1927.		1928.		1929.		1930.	
	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.
5 per cent tax-free loan, 1945-55 ..	89	8	97	12	97	15	101	4	107	2	106	11	103	15	100	0
3½ per cent. loan ..	58	0	65	14	66	9	71	6	77	7	76	1	72	6	64	1

104. The fall in prices since last year may be ascribed to a number of causes. Some would no doubt attribute chief importance to the magnitude of the Government's own needs. I explained this aspect of the situation very fully in my speech last year. It is clear now, in retrospect, that from

1925 to the beginning of 1928, the full effects of the capital expenditure programme launched by the Government were not felt. Such expenditure as was incurred was met very largely from reserves, while the expenditure itself had not got fully under weigh. When once expenditure got going at the full rate, and had to be met not from reserves but by fresh borrowing, it was obvious that the price of Government securities must come down from the high peak to which they had climbed. I gave a clear indication of this in my speech last year and also explained that, while I felt it necessary to curtail capital expenditure, it would not be possible to give effect to this at once without great economic loss, because so much work was already in progress and commitments such as the purchase of the Southern Punjab Railway had already been undertaken. I made it quite clear, however, that it was my intention to put on the brake as soon as possible, and, in the meanwhile, I endeavoured to settle the terms of our rupee loan last year on such a basis that it would represent a rock-bottom price from which a steady appreciation might be expected as a result of the curtailment of future borrowings. I think we may at least congratulate ourselves on the fact that, in spite of all the unfavourable developments which have since occurred, last year's rupee loan only stands about one point below the issue price. If it had not been for two unfavourable factors over which we had no control, I am certain that last year's loan would now be standing at a handsome premium.

105. What, then, are these factors? There has been, first, the wave of dear money which swept over the world culminating in a 6½ per cent. bank rate in England, which made it necessary to tighten money rates in India in order to protect our currency position. And, secondly, there has come upon us a new difficulty in the fall of our sterling securities due to the fears felt in London as to the future political stability of India. I have already said that I believe these fears to be entirely unjustified, but their results are unfortunately realities which we have to face. Any fall in our sterling securities creates serious difficulties which must re-act on the local situation. Either of these two last factors would have upset the rupee security market quite apart from our own borrowing operations.

106. Honourable Members will ask: "What of the future?" And I must answer this question in relation to each of the three factors which I have mentioned. As to the first, our own demands on the market, I have already given a clear answer. We only expect to ask the public to give us about 7·4 crores of new money next year. If we had only to consider our domestic monetary conditions, I would say with confidence that our troubles were over and that we could anticipate a steadily rising market in our Government securities.

107. As to the second factor, the rates for money prevailing in the world, we can again look with confidence to the future. I need only say that, in my view, everything points to a period of cheaper money for some time to come.

108. As to the third factor, I am afraid I can speak with much less certainty. What we have to expect from the operation of this factor depends mainly upon the action of the leaders of public opinion in this country, as represented by Honourable Members of this Assembly and those outside. If there is clear evidence that such leaders are facing their responsibilities

and are determined to oppose all revolutionary movements and to co-operate in a course of peaceful and orderly evolution, disclaiming those threats of unconstitutional action and repudiation of debt which we have so recently heard, then I am quite certain that the outside world will regain confidence in India and that we shall advance once more to our former high level of credit. But, if a contrary course is taken, then, it will be impossible to avoid unfavourable reactions on India's economic development. There must be a lack of that confidence which is so necessary to the initiation of new enterprises, and it is almost certain that a flow of capital from India will continue. Speaking on behalf of the Government, we have done all in our power to create a strong and healthy financial position, and I think what I have already said has demonstrated the effectiveness of our action in this direction. If the insidious lack of confidence continues to sap our foundations, we shall, as a Government, do our best to protect them and shall not hesitate to take strong financial measures for that purpose. But this will mean that our energies and resources will have to be devoted to defence rather than to constructive new enterprise and that the hopeful prospect of an all-round recovery, which would bring prosperity in so many directions and for which, so far as lies in our power, we have created all the necessary conditions, will be unattainable The future in this respect lies in the hands of leaders of non-official opinion in India. The responsibility rests with them and not with the Government

109. I do not propose to lengthen my present remarks by going into further detail now regarding figures of India's debt. Among the papers which will be circulated will be found a statement prepared in the same form as was introduced last year, with explanatory notes

General Review of the Economic Situation.

110. Before I conclude, I must make a few short observations on the general economic situation. I was taken to task, in the course of the budget debates last year, for devoting insufficient attention to the general position of the masses of the country; but I must point out that my main task in a budget speech is to explain particular financial proposals and it is impossible for me to cover the whole work of Government. Moreover, it must be remembered that the main field for work in nation-building services comes within the sphere of the Provincial Governments and I cannot roam at large over this field without exceeding my own functions. Nevertheless, the effect on the general well-being of the country must be at the root of all our financial policy and I think that, if my proposals this year are carefully and impartially studied, it will be found that this has been throughout their main purpose and intention. I am afraid the time is now short and my remarks on this part of the subject must be very brief. I have dealt recently with various aspects of the situation in a speech to the Federation of Indian Chambers and I trust that Honourable Members will do me the honour of reading this speech. It is very obvious at present that India is suffering from a general wave of depression. It is also obvious that, apart from this special depression, there is great room for improvement in the standard of living of the masses of the country and of general economic production. It is necessary to make a clear distinction between these two conditions. The first is temporary and not special to India. It is mainly produced by causes over which the

Wave of depression.

Government have no control. The second is one which demands the constant and urgent attention of all the forces of society, public and private alike. As to the first, I hope, in the course of the debate, to have an opportunity more fully to express my views. I only wish to emphasise at present that I think that the depth of the depression is exaggerated in comparison with the very special period through which the country passed in the years 1924-25 and 1925-26. If we examine the trend of economic events in India since the end of the War, we find that the volume of imports and exports has, on the whole, shown a steady progression with two exceptional periods, first, as regards imports in 1920-21 and, secondly, as regards exports in 1924-25 and 1925-26. As regards prices, while the prices of imports have tended steadily to decline, those of exports, for various world causes, tended to rise during the period from 1921 to 1924. Since then, world prices for Indian imports and exports have steadily declined. The point of time at which the general rise in the prices of India's exports culminated coincided with an exceptional period for the volume of agricultural production, and this produced, in the two special years 1924-25 and 1925-26, to which I have referred, an exceptional peak of prosperity. Public opinion as to the course of Indian trade and general conditions, tends, I think, at present, to be framed too much with reference to this special period, and though I do not wish to minimise the effects of the present depression. I think that, if our view is cast back along a longer period of India's history, we shall find that the present conditions are not, in comparison, so black as they are sometimes painted and that the general economic course of the country has been one of steady advance. The cause of the continued fall in world prices for India's chief imports and exports since 1925-26 is somewhat obscure. It would appear to be world-wide, as, on the basis of 100 for 1926, the Index numbers of general prices in the United Kingdom, the United States and India are 92·2, 96·8 and 95·3 respectively for 1929. While a fall has thus taken place in all the three areas that for India lies between those for the United Kingdom and the United States. This world-wide fall in prices has been put down by some to general over-production, both of raw materials and industrial products, throughout the world. It is known that large scale mass production has been developing throughout the world during the last few years and that tropical and sub-tropical areas have extended their output of raw materials. There are others who would give, as a further reason for the general world-wide fall in prices, the insufficient production of gold for the general requirements of the world as a whole.

Fall in prices.

111. Unfortunately, the fall did not end with 1929. Conditions in America, to which I have already referred above, have led to a large recession in business activity all over the world. The immediate out-look is uncertain. Manufacturers and dealers are using up their stock of raw materials and refusing to enter into fresh commitments until they see how far this recession is likely to go. The result is that the fall in the prices of primary products, which was a feature of the year 1929, has been accelerated. India has been particularly hard hit by this world development. Since the 1st January the price of cotton has fallen by about 15 per cent. and the price of wheat by about 12 per cent. while the prices of other staple products such as jute and rice show no signs of recovery from the low level which they reached during the year 1929. It would be rash to attempt to say when the tide will turn, but there are signs in America

The out-look.

that the trade recession will not be so severe as was anticipated, and it looks as if prices are now so low that the world will soon begin to take more interest in the products of India and be prepared to enter into commitments for the future. There is reason to hope, therefore, that a recovery from the present economic depression will not be long delayed.

112. Whatever the reasons for the fall and whatever the future prospects, it is clear that the condition of the agricultural classes of India must be seriously affected, and it may be that, in order to maintain their position, they have to part with an undue proportion of their own production. Measures of immediate relief are difficult, but the main lines of the policy which should be pursued seem clear. In the first place, and above everything, it is necessary to stimulate and improve the agricultural production of the country and, as a supplement to this, to put the poorer agricultural classes into a position in which they can retain a greater proportion of their own produce for their own subsistence. In the second place, it is desirable to encourage industrial development provided that this can be done in conjunction with, and as a supplement to, the agricultural life of the country. In the third place—and this is a minor matter but still one of very great importance—the whole country urgently needs the provision of better methods for the study of its own economic conditions than are at present available.

Lines of policy.

113. I venture to say that, if the significance of all the proposals to which I have referred in this speech, is examined, it will be found that steps are being taken in all these directions. I shall hope to enlarge further on this subject in the later stages of the debate, and not encroach further upon the time available this evening.

Conclusion.

114. Before concluding, I should like to emphasise again what I regard as the main features of my budget proposals.

Main features of the budget.

First, all additional expenditure on normal increments and new services, including the large agricultural grants and such important new services as civil aviation, is being balanced by economies,—mainly on military expenditure.

Secondly, principles of financial soundness are being doubly reinforced. No financial weak spots are being left as regards debt redemption and the Cash Certificate liability, while I have provided for a margin of safety in case events next year prove unfavourable. We can thus face the most stringent scrutiny of financial critics with confidence.

Thirdly, we are making a substantial start towards a constructive economic policy and opening the way for beneficial expenditure. If the year proceeds without abnormal disturbances to trade or civil security, we shall have money at our disposal to increase our resources for these purposes, and having prepared these foundations, the Central Government next year ought to be in a position either to initiate important schemes themselves or to provide additional revenue for the Provincial Governments to give them the power for a more generous effort to this end.

Fourthly, although substantial new revenue is to be raised, the measures which I have proposed are so designed as to reduce restrictions on economic action and to lighten, rather than increase, the burden on the poorest classes. This is directly the case as regards the reduction of the rice export duty and of the import duty on kerosene, while all except one of the other measures ought to have indirect beneficial effects. I have, moreover, indicated various directions in which, with the normal proceeds of our new resources, I hope to remove certain hampering impediments to the business activities of the country.

Fifthly, we have, in our proposals affecting cotton, made a determined effort to remedy a special malady from which the industrial life of the country is suffering, and by restoring health to one important centre, to improve the general condition of the country.

Sixthly, we have made a determined effort, by a proper control of capital expenditure, to give a chance for recuperation of the country's credit, so that, with strength restored, a healthy growth, proportioned to our resources, may be once more resumed.

115. I would ask Honourable Members to give all these points impartial consideration and to read into my proposals their future promise no less than their present performance.

116. I may possibly be criticised for seeking to raise more revenue than appears to be immediately needed for actual outgoings, but I hope that what I have said will have convinced at least a majority of this Assembly, first, of the paramount importance of creating reserves to strengthen our resources and credit at this present critical juncture in India's history, and, secondly, for preparing the way for a more generous allocation, to the Provinces, of sources of revenue for nation-building services. It has often been said that the Reforms introduced after 1919 have failed to achieve their full effect owing to lack of adequate funds in the hands of the Provincial Governments. I am desirous of doing all in my power to prepare for better success in the next step.

117. Of one thing I feel certain—that, whether my particular proposals are popular or not, and whether or not they are open to criticism in detail, the main purpose which I have in mind is the right purpose, and that the future will prove the truth of this contention. A Finance Member has to suffer the slings and arrows of criticism for his immediate actions, and, perhaps in very rare cases, to receive some meed of praise if Providence brings good times in his tenure of office. But his own efforts should really be judged by their more lasting results, and I can hope with confidence that, if my present proposals are accepted, my successor, from whatever quarter he may come, will, in the future, look back to me with gratitude for having proposed these drastic measures at this stage. For the present, it is my purpose, as, I hope, it will also be that of this Assembly, to make clear to all concerned that, whatever political clouds may be hanging over us, or whatever political changes may be in store, it will ever be the determination of the Government of India to keep Indian finance firmly secured on an unshakeable foundation. (Applause.)

GEORGE SCHUSTER.

The 28th February 1930.

BUDGET

of the

Governor-General in Council

as laid before the

Indian Legislature, 1930.

FINANCE DEPARTMENT,
New Delhi, the 28th February 1930.

A. C. McWATTERS,
Secretary to the Govt. of India.

CONTENTS.

	PAGES.
I.—GENERAL STATEMENT of the REVENUE and EXPENDITURE charged to REVENUE of the CENTRAL GOVERNMENT, in INDIA and in ENGLAND	40—41
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	42—43
A.—STATEMENT of the REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	44—47
B.—STATEMENT of the EXPENDITURE charged to REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	48—51
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	52—63
D.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	64—65

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

	For details, *vide* Statement.	Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	49,28,00,804	51,21,77,000	51,03,09,000	54,47,81,000
Taxes on Income	,,	16,70,33,999	16,59,60,000	17,10,06,000	17,99,78,000
Salt	,,	7,59,92,742	6,24,04,000	6,72,19,000	7,04,83,000
Opium	,,	3,26,50,423	3,05,57,000	3,08,27,000	2,71,80,000
Other Heads	,,	2,23,85,302	2,22,07,000	2,28,02,000	2,30,86,000
TOTAL PRINCIPAL HEADS .		79,08,72,270	79,44,25,000	80,20,63,000	84,55,08,000
Railways: Net Receipts (as per Railway Budget)		37,48,75,950	40,55,00,000	37,00,80,000	38,10,00,000
Irrigation: Net Receipts . . .	A	9,40,323	13,40,000	12,75,000	14,25,000
Posts and Telegraphs: Net Receipts .	,,	7,41,351	57,73,000	7,99,000	21,52,000
Interest Receipts	,,	2,80,03,036	3,45,64,000	4,32,78,000	3,45,31,000
Civil Administration	,,	1,00,93,520	1,12,25,000	1,13,06,000	1,06,44,000
Currency and Mint	,,	2,88,32,728	3,05,77,000	2,85,51,000	2,89,15,000
Civil Works	,,	17,04,637	18,45,000	24,35,000	26,17,000
Miscellaneous	,,	89,47,427	85,44,000	92,21,000	86,11,000
Military Receipts	,,	3,39,37,451	3,48,71,000	3,97,77,000	3,62,08,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments . .	,,	3,99,749	...	.	...
Extraordinary Items	,,	1,04,62,030	1,19,69,000	1,90,23,000	32,00,000
TOTAL REVENUE .		1,28,98,10,475	1,34,06,33,000	1,32,84,08,000	1,35,48,11,000
DEFICIT .		31,54,002	...	...	...
TOTAL .		1,29,29,64,477	1,34,06,33,000	1,32,84,08,000	1,35,48,11,000

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

	For details, *vide* Statement.	Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
		Rs.	Rs.	Rs.	Rs.
Expenditure—					
Direct Demands on the Revenue .	B	4,02,12,795	4,50,43,000	4,12,99,000	4,35,57,000
Forest and other Capital outlay charged to Revenue . . .	„	3,62,465	7,88,000	5,21,000	6,33,000
Railways : Interest and Miscellaneous Charges (as per Railway Budget) .	„	32,25,56,493	34,30,28,000	30,94,94,000	32,36,43,000
Irrigation	„	22,24,830	22,66,000	30,36,000	25,71,000
Posts and Telegraphs	„	81,63,816	81,20,000	81,11,000	93,73,000
Debt Services	„	15,62,43,872	15,59,88,000	16,51,88,000	17,81,58,000
Civil Administration	„	11,43,51,316	12,66,74,000	12,68,72,000	13,26,59,000
Currency and Mint	„	71,61,822	71,02,000	74,39,000	77,66,000
Civil Works	„	1,59,28,196	2,59,35,000	2,63,25,000	2,81,06,000
Miscellaneous	„	4,05,92,852	4,06,93,000	4,58,39,000	4,16,87,000
Military Services	„	58,49,37,451	58,58,71,000	59,07,77,000	57,97,08,000
Miscellaneous adjustments between the Central and Provincial Governments	„	1,08,059	...	...	...
Extraordinary Items	„	1,20,510	2,25,000	7,000	50,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,29,29,64,477	1,34,06,33,000	1,32,49,08,000	1,34,78,11,000
SURPLUS		...	...	35,00,000	70,00,000
TOTAL .		1,29,29,64,477	1,34,06,33,000	1,32,84,08,000	1,35,48,11,000

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

	For details, *vide* Statement.	Receipts.			
		Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	...	...	35,00,000	70,00,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards outlay on State Railways (as per Railway Budget)	C	14,794	2,65,19,000	...	...
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	28,01,90,740	22,12,02,000	19,81,13,000	[4 66,00,000
Floating Debt (net incurred)	"	3,62,25,000	...	23,35,30,000	...
Unfunded Debt (net incurred)	"	8,40,95,296	10,23,34,000	14,04,26,000	9,36,53,000
Deposits and Advances (net)	"	...	6,58,81,000	...	5,57,80,000
Railway Depreciation and Reserve Funds as per Railway Budget (net)	"	4,97,87,890	5,35,73,000	23,70,000	5,08,95,000
TOTAL DEBT, DEPOSITS AND ADVANCES.		45,02,98,926	44,29,90,000	57,44,39,000	24,69,27,000
Remittances (net)	C	75,66,103	1,08,000	7,42,000	4,95,000
TOTAL RECEIPTS	...	45,78,79,823	46,96,17,000	57,86,81,000	25,44,22,000
Opening Balance—India	...	9,16,10,089	11,73,63,089	9,20,46,097	17,79,20,097
Opening Balance—England	...	7,54,87,402	7,29,96,402	6,99,36,668	9,30,41,668
TOTAL	...	62,49,77,314	65,99,76,491	74,06,63,765	52,53,83,765

Central Government, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
		Rs.	Rs.	Rs.	Rs.
Deficit	C	31,54,002	...	...	...
Railway, Irrigation, Posts and Telegraphs and other Capital outlay not charged to Revenue—					
Capital outlay on Security Printing Press	C	—4,75,524	45,000	23,000	45,000
Construction of State Railways (as per Railway Budget)	,,	25,35,76,072	33,52,07,000	31,20,57,000	16,75,00,000
Discharge of Debentures (as per Railway Budget)	,,	3,99,30,676	2,63,19,000	...	...
Construction of Irrigation Works	,,	36,040	1,99,000	2,53,000	1,01,000
Capital outlay on Posts and Telegraphs	,,	53,33,185	68,13,000	52,13,000	68,71,000
Capital outlay on Vizagapatam Port	,,	29,23,364	40,00,000	34,50,000	34,20,000
Capital outlay on Light-houses and Light-ships	,,	...	8,000	...	...
Currency Capital outlay	,,	3,37,011	52,000	1,58,000	1,88,00
Initial expenditure on New Capital at Delhi	,,	36,64,623	71,66,000	67,74,000	51,84,000
Payment of commuted value of pensions	,,	36,09,034	31,17,000	35,24,000	33,59,000
Capital outlay on Bombay Land Scheme	,,	...	...	...	2,05,22,000
Total Capital Account Disbursements		30,89,34,484	38,31,86,000	33,14,52,000	20,71,90,000
Debt, Deposits and Advances—					
Floating Debt (net discharged)	C	...	94,75,000	...	4,00,00,000
Deposits and Advances (net)	,,	1,79,98,367	...	2,27,59,000	...
Total Debt, Deposits and Advances		1,79,98,367	94,75,000	2,27,59,000	4,00,00,000
Loans and Advances by the Central Government (net Advances)	C	12,72,24,050	6,24,28,000	6,97,24,000	6,73,62,000
Balances of Provincial Governments (net)	,,	56,83,646	2,58,11,000	4,57,67,000	2,61,13,000
Total Disbursements	...	46,20,94,549	48,09,00,000	46,97,02,000	34,06,65,000
Closing Balance India	...	9,20,46,097	11,56,88,089	17,79,20,097	12,70,94,097
Closing Balance England	...	6,99,36,668	6,33,88,402	9,30,41,668	5,67,24,668
Total	...	62,40,77,314	65,99,76,491	74,06,63,765	52,53,83,765

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1928-29.				Revised Estimate,		Item No.
	India.	* England.	Exchange.	Total.	India.	* England.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue—							
I.—Customs	40,28,00,804	...	...	40,28,00,804	51,02,09,000	...	1
II.—Taxes on Income	16,70,40,768	—6,762	—7	16,70,33,699	17,10,02,000	4,000	2
III.—Salt	7,59,02,704	38	...	7,59,02,742	6,72,10,000	...	3
IV.—Opium	3,26,59,416	7	...	3,26,59,433	3,08,27,000	...	4
V.—Land Revenue	38,31,605	...	...	38,31,605	39,91,000	2,000	5
VI.—Excise	52,71,614	...	...	52,71,614	53,87,000	...	6
VII.—Stamps	30,81,791	...	...	30,81,791	28,04,000	...	7
VIII.—Forest	25,97,165	93	...	25,97,258	29,34,000	...	8
IX.—Registration	1,61,924	...	...	1,61,924	1,60,000	...	9
X.—Tributes from Indian States	74,41,110	...	...	74,41,110	74,34,000	...	10
Total	79,08,78,901	—6,624	—7	79,08,72,270	80,20,57,000	6,000	11
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept—Gross Receipts	17,96,143	...	...	17,96,143	23,19,000	...	12
Deduct—Working Expenses	*8,58,062*	*221*	...	*8,58,283*	*10,48,000*	...	13
Net Receipts	9,38,081	—221	...	9,37,860	12,71,000	...	14
XIV.—Works for which no Capital Accounts are kept	2,463	...	...	2,463	4,000	...	15
Total	9,40,544	—221	...	9,40,323	12,75,000	...	16
Posts and Telegraphs—							
XV.—Posts and Telegraphs—Indian Posts and Telegraphs Department—Gross Receipts	11,03,65,308	...	...	11,03,65,308	11,20,15,000	...	17
Deduct—Working Expenses	*10,87,52,615*	*7,29,898*	*1,219*	*10,94,83,732*	*11,02,36,000*	*7,60,000*	18
Net Receipts	16,12,693	—7,29,898	—1,219	8,81,576	17,79,000	—7,60,000	19
Indo-European Telegraph Department—Gross Receipts	15,27,576	13,02,887	2,830	28,93,293	11,95,000	14,00,000	20
Deduct—Working Expenses	*28,67,187*	*1,66,026*	*302*	*30,33,515*	*26,38,000*	*1,81,000*	21
Net Receipts	—13,39,611	11,96,861	2,528	—1,40,222	—14,43,000	12,19,000	22
Total	2,73,082	4,66,963	1,309	7,41,354	3,36,000	4,59,000	23
Debt Services—							
XVI.—Interest	91,36,183	1,88,43,864	23,039	2,80,03,036	91,05,000	2,39,36,000	24
Carried over	80,12,28,660	1,93,03,982	24,241	82,05,56,983	81,27,73,000	3,44,01,000	25

* Sterling converted into Rupees at £1=Rs. 13⅓.

Government, in India and in England.

Item No.	1929-30. Exchange.	1929-30. Total.	Increase (+) Decrease (—) as compared with Budget, 1929-30.	Budget Estimate, 1930-31. India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1929-30.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	...	51,02,09,000	—10,68,000	54,47,81,000	...	...	54,47,81,000	+3,45,72,000
2	...	17,10,06,000	+50,46,000	17,99,78,000	...	...	17,99,78,000	+89,72,000
3	...	6,72,19,000	+37,55,000	7,04,83,000	...	...	7,04,83,000	+32,64,000
4	...	3,08,27,000	+2,70,000	2,71,80,000	...	...	2,71,80,000	—36,47,000
5	...	39,93,000	+72,000	40,17,000	...	...	40,17,000	+24,000
6	...	53,87,000	+4,43,000	53,82,000	...	...	53,82,000	—5,000
7	...	28,94,000	+30,000	28,84,000	...	...	28,84,000	—10,000
8	...	29,34,000	—66,000	32,45,000	...	...	32,45,000	+3,11,000
9	...	1,60,000	+1,000	1,60,000	...	...	1,60,000	...
10	...	74,34,000	+40,000	73,98,000	..	...	73,98,000	—36,000
11	...	80,20,63,000	+70,28,000	84,55,08,000	...	...	84,55,08,000	+4,34,45,000
12	...	23,19,000	+ 54,000	23,83,000	...	...	23,83,000	+63,000
13	...	10,48,000	—1,19,000	9,61,000	...	...	9,61,000	—87,000
14	...	12,71,000	— 65,000	14,21,000	...	...	14,21,000	+1,50,000
15	...	4,000	...	4,000	...	...	4,000	...
16	...	12,75,000	—65,000	14,25,000	...	...	14,25,000	+1,50,000
17	...	11,20,15,000	—39,82,000	11,50,85,000	...	...	11,50,85,000	+30,70,000
18	5,000	11,10,01,000	—7,05,000	11,19,72,000	7,29,000	...	11,27,01,000	—17,00,000
19	—5,000	10,14,000	—47,77,000	31,13,000	—7,29,000	...	23,84,000	+13,70,000
20	10,000	26,05,000	—2,03,000	11,90,000	12,80,000	...	24,70,000	—1,35,000
21	1,000	28,20,000	+96,000	25,50,000	1,52,000	...	27,02,000	+1,18,000
22	9,000	—2,15,000	—1,07,000	—13,60,000	11,28,000	...	—2,32,000	—17,000
23	4,000	7,99,000	—49,74,000	17,53,000	3,99,000	...	21,52,000	+13,53,000
24	2,37,000	4,92,78,000	+87,14,000	1,07,33,000	2,37,98,000	...	3,45,31,000	—87,47,000
25	2,41,000	84,74 15,000	+1,13,13,000	85,94,19,000	2,41,97,000	...	88,36,16,000	+3,63,01,000

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1928-29.				Revised Estimate,		Item No.
	India.	England.	Exchange.	Total.	India.	England.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	80,12,28,660	1,93,03,982	24,341	82,05,56,983	81,27,73,000	3,44,01,000	
Civil Administration—							
XVII.—Administration of Justice	3,53,364	1,742	3	3,55,103	3,16,000	...	1
XVIII.—Jails and Convict Settlements	3,48,327	...	...	3,48,227	3,53,000	...	2
XIX.—Police	5,37,453	...	...	5,37,453	4,71,000	1,000	3
XX.—Ports and Pilotage	31,41,940	640	—2	31,42,578	23,51,000	...	4
XX(1).—Light houses and Light ships					13,18,000	...	
XXI.—Education	2,11,942	68	...	2,12,010	2,03,000	...	5
XXII.—Medical	3,14,619	518	1	3,15,138	3,02,000	...	6
XXIII.—Public Health	3,56,785	...	...	3,56,785	3,71,000	...	7
XXIV.—Agriculture	21,28,796	...	...	21,28,796	23,23,000	...	8
XXV.—Industries	36,367	17	...	36,384	34,000	..	9
XXVI.—Miscellaneous Departments	14,70,450	8,603	15	14,79,128	17,27,000	13,000	10
XXVI-A.—Indian Stores Department	11,81,918	...	...	11,81,918	15,24,000	...	11
Total	1,00,81,861	11,648	11	1,00,93,520	1,12,92,000	14,000	12
Currency and Mint—							
XXVII.—Currency	2,23,15,553	21,44,574	2,184	2,44,62,311	2,19,98,000	27,12,000	13
XXVIII.—Mint	43,70,414	3	...	43,70,417	38,22,000	...	14
Total	2,66,85,967	21,44,577	2,184	2,88,32,728	2,58,20,000	27,12,000	15
Civil Works—							
XXX.—Civil Works	17,04,637	...	...	17,04,637	24,35,000	...	16
Miscellaneous—							
XXXIII.—Receipts in aid of Superannuation	16,02,374	4,31,854	887	20,35,115	15,93,000	4,41,000	17
XXXIV.—Stationery and Printing	38,47,375	39,394	39	38,86,708	39,07,000	38,000	18
XXXV.—Miscellaneous	20,84,754	9,38,488	2,362	30,25,604	20,17,000	12,15,000	19
Total	75,34,503	14,09,736	3,288	89,47,427	75,16,000	16,94,000	20
Military Receipts—							
XXXVI.—Army—							
Effective	1,77,19,923	35,02,477	4,427	2,12,26,827	1,99,73,000	33,36,000	21
Non-effective	17,85,539	35,36,263	5,295	53,27,097	27,38,000	67,47,000	22
	1,95,05,462	70,98,740	9,722	2,66,13,924	2,27,11,000	1,00,83,000	23
XXXVII.—Marine	13,60,708	2,397	1	13,63,106	15,87,000	6,000	24
XXXVIII.—Military Engineer Services	59,60,421	...	...	59,60,421	53,19,000	...	25
XXXVIII.-A—Transfers from Military Reserve Fund	...	...	...	...	...	...	
Total	2,68,26,591	71,01,137	9,723	3,39,37,451	2,96,17,000	1,00,89,000	26
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
XXXIX-A.—Miscellaneous adjustments between the Central and Provincial Governments	3,09,749	...	...	3,09,749	...	...	27
Extraordinary items—							
XL.—Extraordinary Receipts	...	30,42,166	4,978	30,47,144	1,56,15,000	33,84,000	28
XL-A.—Transfers from Revenue Reserve Fund	74,14,886	...	...	74,14,886	...	...	29
Total	74,14,886	30,42,166	4,978	1,04,62,030	1,56,15,000	33,84,000	30
Railway Revenues as per Railway Budget	37,62,75,386	—13,94,382	—5,054	37,48,75,950	37,08,06,000	—1,25,000	31
TOTAL REVENUE	1,25,81,52,140	3,16,18,864	39,471	1,28,98,10,475	1,27,58,74,000	5,21,69,000	32

*Sterling converted into Rupees at £1 =Rs. 13⅓.

Government, in India and in England—*contd.*

Item No.	1929-30. Exchange.	1929-30. Total.	Increase (+) Decrease (−) as compared with Budget, 1929-30.	Budget Estimate, 1930-31. India.	Budget Estimate, 1930-31. * England.	Budget Estimate, 1930-31. Exchange.	Budget Estimate, 1930-31. Total.	Increase (+) Decrease (−) as compared with Revised, 1929-30.
	Rs.. 2,41,000	Rs. 84,74,15,000	Rs. +1,13,13,000	Rs. 85,94,19,000	Rs. 2,41,97,000	Rs. ...	Rs. 86,36.16,000	Rs. +3,62,01,000
1	...	3,16,000	—45,000	3,13,000	...	...	3,13,000	—3,000
2	...	3,53,000	+2,000	4,03,000	...	...	4,03,000	+50,000
3	...	4,72,000	+35,000	4,80,000	...	...	4,80,000	+8,000
4	...	23,51,000	+91,000	24,42,000	...	...	24,42,000	+91,000
5	...	13,18,000	+2,27,000	12,85,000	...	...	12,85,000	—33,000
6	...	2,03,000	+19,000	3,05,000	...	...	2,05,000	+3,000
7	...	3,03,000	—77,000	5,95,000	...	...	5,95,000	+2,93,000
8	...	3,71,000	—98,000	3,79,000	...	...	3,79,000	+8,000
9	...	29,22,000	—1,73,000	24,08,000	...	...	24,08,000	+86,000
10	...	34,000		29,000	...	...	29,000	—5,000
11	..	17.40,000	+3,13,000	15,62,000	4,000	...	15,66,000	—1,74,000
		15.24,000	—1,83,000	5,39.000	...	...	5,39,000	—9,85,000
12	...	1,13,06,000	+81,000	1,06,40,000	4,000	...	1,06,44,000	—6,62,000
13	19,000	2,47,29,000	—19,56,000	2,36,35,000	16,32,000	...	2,52,67,000	+5,38,000
14	...	38,22,000	—70,000	36,48,000	...	...	36,48,000	—1,74,000
15	19,000	2,85,51,000	—20,26,000	2,72,83,000	16,32,000	...	2,89,15,000	+3,64,000
16	...	24,35,000	+5,90,000	26,17,000	...	...	26,17,000	+1,82,000
17	3,000	20,36,000	+72,000	15,71,000	3,59,000	.	19,30,000	—1,06,000
18	...	39,45,000	+14,000	37,86,000	35,000	..	38,21,000	—1,24,000
19	8,000	32,40,000	+5,91,000	14,09,000	14,51,000	...	28,60.000	—3,80,000
20	11,000	92,21,000	+6,77,000	67,66,000	18,45,000		86,11,000	—6,10,000
21	24 000	2,33,33,000	+8,85,000	1,75,12,000	29,12,000	...	2,04,24,000	—29,09,000
22	47,000	95,32,000	+57,37.000	18,74,000	50,53,000	...	69,27,000	—26,05,000
23	71,000	3,28,65,000	+66,22,000	1,93,86,000	79,65,000	...	2,73,51,000	—55,14,000
24	...	15,93,000	+2,31,000	21,36,000	...	...	21,36,000	+5,43,000
	...	53,19,000	—19,47,000	41,14,000	...	...	41,14,000	—12,05,000
25	...	...	...	26,07,000	...	...	26,07,000	+26,07,000
26	71,000	3,97,77,000	+49,06,000	2,82,43,000	79,65,000	...	3,62,08,000	—35,69,000
27	...	...	...	...	...	...	...	...
28	24,000	1,90,23,000	+1,60,23,000	...	32,00,000	...	32,00,000	—1,58,23,000
29	...	...	—89,69,000	...	...	...	...	...
30	24,000	1,90,23,000	+70,54,000	...	32,00,000	...	32,00,000	—1,58,23,000
8	—1,000	37,06,80,000	—3,48,30,000	38,53,16,000	—43,16,000	...	38,10,00,000	+1,03,20,000
33	3,65,000	1,32,84,08,000	—1,23,25,000	1,32,02,84,000	3,45,27,000	...	1,35,48,11,000	+2,64,03,000

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	Accounts, 1928-29				Revised	Item No.
	India.	*England.	Exchange.	Total.	India.	
	Rs.	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues—						
1.—Customs	91,58,120	2,00,658	303	93,59,081	99,26,000	1
2.—Taxes on income	67,45,348	1,50,326	241	68,95,915	71,31,000	2
3.—Salt	1,22,35,370	90,177	130	1,23,25,677	1,26,87,000	3
4.—Opium	53,65,969	1,29,071	228	54,95,268	47,77,000	4
5.—Land Revenue	11,89,494	12,529	31	12,02,054	10,89,000	5
6.—Excise	15,02,978	4,800	7	15,07,785	16,74,000	6
7.—Stamps	1,09,482	...	...	1,09,482	63,000	7
8.—Forest	31,19,246	1,68,850	239	32,88,335	31,83,000	8
9.—Registration	29,198	...	...	29,198	30,000	9
Total	3,94,55,205	7,56,411	1,179	4,02,12,795	4,05,30,000	10
Forest and other Capital outlay charged to Revenue—						
3A.—Capital outlay on Salt Works	57,776	...	...	57,776	1,21,000	11
7A.—Capital outlay on Central Stamp Store	1,07,952	...	...	1,07,952	...	12
8A.—Forest Capital outlay	1,96,737	...	...	1,96,737	3,71,000	13
Total	3,62,465	...	...	3,62,465	4,92,000	14
Irrigation, etc., Revenue Account—						
14.—Works for which Capital accounts are kept—						
Interest on Debt	12,21,077	...	...	12,21,077	12,25,000	15
15.—Other Revenue Expenditure	6,69,058	83,122	235	7,52,415	15,95,000	16
Total	18,90,135	83,122	235	19,73,492	28,20,000	17
Irrigation, etc., Capital Account (charged to Revenue)—						
16.—Construction of Irrigation, etc., Works—						
Financed from Ordinary Revenues.	2,51,338	...	..	2,51,338	1,58,000	18
Posts and Telegraphs Revenue Account—						
17.—Posts and Telegraphs—						
Interest on Debt—						
Indian Posts and Telegraphs Department	62,65,133	...	...	62,65,133	66,19,000	19
Indo-European Telegraph Department	5,37,448	..	...	5,37,448	5,52,000	20
Total	68,02,581	..	..	68,02,581	71,71,000	21
Posts and Telegraphs Capital Account (charged to Revenue)—						
18.—Capital outlay on Posts and Telegraphs—						
Indian Posts and Telegraphs Department	13,12,114	...	...	13,12,114	9,50,000	22
Indo-European Telegraph Department	44,446	4,667	8	49,121	—15,000	23
Total	13,56,560	4,667	8	13,61,236	9,35,000	24
Debt Services—						
19.—Interest on Ordinary Debt	20,82,19,791	17,85,47,020	2,08,866	38,69,75,677	21,05,76,000	25
Deduct—Amount chargeable to—						
Railways	*17,57,90,367*	*10,43,29,536*	*1,38,796*	*27,82,58,699*	*18,20,04,000*	26
Irrigation	*12,21,077*	...	..	*12,21,077*	*12,25,000*	27
Posts and Telegraphs	*69,61,542*	...	...	*69,61,542*	*73,50,000*	28
Other heads	*14,72,953*	...	...	*14,72,953*	*16,91,000*	29
Provincial Loans Fund	*5,87,78,074*	.	...	*5,87,78,074*	*6,18,97,000*	30
Remainder chargeable to Ordinary Debt	—3,40,03,522	7,42,17,484	70,070	4,02,84,032	—4,35,91,000	31
20.—Interest on other Obligations	6,15,61,768	1,80,762	310	6,17,42,840	6,85,74,000	32
21.—Reduction or Avoidance of Debt	5,42,17,000	...	...	5,42,17,000	5,73,87,000	33
Total	8,17,75,246	7,43,98,246	70,380	15,62,43,872	8,23,70,000	34
Carried over	13,18,93,530	7,52,42,446	71,802	20,72,07,778	13,44,76,000	35

* Sterling converted into Rupees at £1 = Rs. 13⅓

of the Central Government, in India and in England.

Item No.	Estimate, 1929-30.			Increase (+) Decrease (—) as compared with Budget, 1929-30.	Budget Estimate, 1930-31.				Increase (+) Decrease (—) as compared with Revised, 1929-30.
	* England.	Exchange.	Total.		India.	* England.	Exchange.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	1,42,000	1,000	1,40,69,000	+87,000	96,36,000	1,78,000	..	98,14,000	—2,55,000
2	1,45,000	1,000	72,47,000	+9,000	74,58,000	1,31,000	...	75,89,000	+3,42,000
3	99,000	1,000	1,27,87,000	—2,86,000	1,30,80,000	87,000	...	1,31,67,000	+3,80,000
4	1,32,000	1,000	49,10,000	—21,91,000	63,65,000	92,000	...	64,57,000	+15,47,000
5	1,000	...	10,90,000	—65,000	10,31,000	5,000	...	10,36,000	—54,000
6	5,000	...	16,79,000	+21,000	17,54,000	5,000	.	17,59,000	+80,000
7	29,000	...	92,000	+5,000	65,000	...	...	65,000	—27,000
8	2,10,000	2,000	33,95,000	—2,34,000	34,04,000	2,36,000	...	36,40,000	+2,45,000
9	...	...	30,000		30,000	...	...	30,000	
10	7,63,000	6,000	4,12,99,000	—26,44,000	4,28,23,000	7,34,000		4,35,57,000	+22,58,000
11	...	...	1,21,000	—2,64,000	1,82,000	...	...	1,82,000	+61,000
12	...	...	...	.	...	..	..	..	...
13	29,000	..	4,00,000	—63,000	4,51,000	..	.	4,51,000	+51,000
14	29,000	...	5,21,000	—3,67,000	6,33,000	..		6,33,000	+1,12,000
15	...	..	12,25,000	—3,000	12,38,000		...	12,38,000	+13,000
16	58,000		16,53,000	+8,83,000	8,73,000	77,000		9,50,000	—7,03,000
17	58,000	...	28,78,000	+8,80,000	21,11,000	77,000	...	21,88,000	—6,90,000
18	...	...	1,58,000	—1,10,000	3,83,000	...	..	3,83,000	+2,25,000
19	...	...	66,19,000	+45,000	72,29,000	...	...	72,29,000	+6,10,000
20	...	...	5,52,000	—5,000	5,86,000	...	..	5,86,000	+34,000
21	...	...	71,71,000	+40,000	78,15,000	...	...	78,15,000	+6,44,000
22	...	...	9,50,000	—50,000	14,90,000		...	14,90,000	+5,40,000
23	5,000	...	—10,000	+1,000	—37,000	5,000	...	- 32,000	—22,000
24	5,000	...	9,40,000	—49,000	14,53,000	5,000	...	14,58,000	+5,18,000
25	18,91,58,000	13,22,000	40,10,56,000	+1,12,14,000	21,96,33,000	18,78,96,000	...	40,75,29,000	+64,73,000
26	*10,73,06,000*	*7,50,000*	*29,00,60,000*	+7,84,000	*19,09,63,000*	*10,94,43,000*	...	*30,04,06,000*	—1,03,46,000
27	...	...	*12,35,000*	+3,000	*12,38,000*	...	...	*12,38,000*	—13,000
28	...	...	*78,50,000*	—51,000	*79,93,000*	...	...	*79,93,000*	—6,43,000
29	...	...	*16,91,000*	+6,89,000	*20,80,000*	..	...	*20,80,000*	—3,89,000
30	...	...	*6,18,97,000*	+1,92,000	*6,52,29,000*	...	...	*6,52,29,000*	—33,32,000
31	8,18,52,000	5,72,000	3,88,33,000	+1,27,81,000	—4,78,70,000	7,84,53,000	..	3,05,83,000	—82,50,000
32	3,91,000	3,000	6,89,68,000	—36,89,000	8,65,60,000	9,85,000	...	8,75,51,000	+1,85,83,000
33	...	...	5,73,57,000	+1,08,000	6,00,24,000	...	...	6,00,24,000	+26,67,000
34	8,22,43,000	5,75,000	16,51,88,000	+92,00,000	9,57,20,000	7,94,38,000	..	17,51,58,000	+1,29,70,000
35	8,30,98,000	5,81,000	21,81,55,000	+70,50,000	15,39,38,000	8,02,54,000	...	23,41,92,000	+1,60,37,000

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1928-29. India.	* England.	Exchange.	TOTAL.	REVISED India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	13,18,93,530	7,53,42,446	71,802	20,72,07,778	13,44,76,000	
Civil Administration—						
22.—General Administration	1,37,58,678	49,77,265	7,167	1,87,43,110	1,47,86,000	1
23.—Audit	92,80,036	3,59,800	624	96,40,460	98,66,000	2
24.—Administration of Justice	14,44,576	52,957	79	14,95,612	14,26,000	3
25.—Jails and Convict Settlements	34,72,376	41,484	43	35,13,803	40,99,000	4
26.—Police	71,73,925	1,88,746	240	73,62,911	74,12,000	5
27.—Ports and Pilotage	}				23,98,000	
27 (1).—Lighthouses and Lightships	} 35,74,127	2,98,665	549	38,73,341	15,18,000	6
28.—Ecclesiastical	23,83,630	8,41,875	1,411	32,31,916	23,50,000	7
29.—Political	1,44,12,167	14,13,268	2,568	1,58,28,003	1,44,14,000	8
29-A.—Frontier Watch and Ward	2,53,20,190	1,16,960	229	2,54,37,479	2,67,08,000	9
30.—Scientific Departments	81,27,835	11,65,388	1,009	92,94,232	84,29,000	10
31.—Education	44,49,200	87,624	116	45,36,940	51,78,000	11
32.—Medical	28,40,786	2,33,263	418	30,74,467	29,74,000	12
33.—Public Health	17,47,057	1,53,269	192	19,00,518	19,73,000	13
34.—Agriculture	28,59,189	1,16,138	195	29,75,522	46,16,000	14
35.—Industries	6,90,430	22,871	23	7,13,324	2,40,000	15
36.—Aviation	5,20,753	16,546	16	5,37,315	19,48,000	16
37.—Miscellaneous Departments	10,57,472	2,31,951	224	12,79,547	14,68,000	17
37-A.—Indian Stores Department	18,74,083	38,645	88	19,13,816	20,17,000	18
TOTAL	10,39,89,410	1,03,46,715	15,191	11,43,51,316	11,34,30,000	19
Currency and Mint—						
38.—Currency	33,70,534	9,11,068	1,120	42,82,722	36,57,000	20
39.—Mint	25,65,026	3,13,643	431	28,79,100	27,37,000	21
TOTAL	59,35,560	12,24,711	1,551	71,61,822	63,94,000	22
Civil Works—						
41.—Civil Works	1,58,20,035	1,08,013	148	1,59,28,196	2,62,38,000	23
Miscellaneous—						
43.—Famine—						
A.—Famine Relief	...	...	...	...	...	24
44.—Territorial and Political Pensions	26,94,786	1,17,925	202	28,12,913	31,52,000	25
45.—Superannuation Allowances and Pensions	11,27,508	2,32,90,093	34,513	2,44,52,084	27,10,000	26
46.—Stationery and Printing	50,56,884	5,60,600	841	56,18,325	48,42,000	27
47.—Miscellaneous	57,97,206	15,49,759	2,756	73,49,221	71,56,000	28
TOTAL	1,46,76,384	2,55,17,847	38,312	4,02,32,543	1,78,80,000	29
Miscellaneous capital outlay charged to Revenue—						
45-A.—Commuted value of pensions financed from Ordinary Revenue	3,60,309	...	...	3,60,309	9,15,000	30
Military Services—						
48.—Army—						
Effective	36,49,32,850	8,04,61,090	1,00,753	44,54,94,693	35,68,57,000	31
Non-effective	3,53,95,189	4,88,36,630	68,525	8,43,00,344	3,54,03,000	32
	40,03,28,039	12,92,97,720	1,69,278	52,97,95,037	39,22,60,000	33
49.—Marine	53,94,373	27,88,130	4,410	81,86,803	53,84,000	34
50.—Military Engineer Services	4,39,79,394	3,69,266	214	4,43,48,874	4,59,96,000	35
50-A.—Transfers to Military Reserve Fund	26,06,737	...	...	26,06,737	33,95,000	36
TOTAL	45,23,08,443	13,24,55,106	1,73,902	58,49,37,451	44,70,35,000	37
Contributions and miscellaneous adjustments between Central and Provincial Governments—						
51-A.—Miscellaneous adjustments between the Central and Provincial Governments.	1,08,059	...	...	1,08,059	...	38
Extraordinary Items—						
52.—Extraordinary Payments	1,20,510	...	...	1,20,510	7,000	39
52-I.—Transfers to Revenue Reserve Fund	...	...	...	...	...	40
TOTAL	1,20,510	...	...	1,20,510	7,000	41
Railway Expenditure as per Railway Budget	20,36,21,350	11,97,68,001	1,67,143	32,35,56,493	18,67,01,000	42
TOTAL EXPENDITURE CHARGED TO REVENUE	93,78,33,590	38,46,62,839	4,68,048	1,29,29,64,477	93,30,56,000	43

* Sterling converted into Rupees at £1 = Rs. 13⅓.

of the Central Government, in India and in England—*contd.*

Item No.	Estimate, 1929-30.			Increase (+) Decrease (—) as compared with Budget, 1929-30.	Budget Estimate, 1930-31.				Increase (+) Decrease (—) as compared with Revised, 1929-30.
	* England.	Exchange.	Total.		India.	* England.	Exchange.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	8,80,98,000	5,81,000	21,81,55,000	+70,50,000	15,39,38,000	8,02,54,000	..	23,41,92,000	+1,60,37,000
1	77,67,000	55,000	2,26,08,000	+5,06,000	1,52,92,000	56,63,000	...	2,09,55,000	—16,53,000
2	3,29,000	2,000	1,01,97,000	+70,000	1,01,98,000	3,47,000	...	1,05,45,000	+3,48,000
3	1,10,000	1,000	15,37,000	+47,000	14,41,000	1,08,000	...	15,49,000	+12,000
4	69,000	1,000	40,79,000	—82,000	47,92,000	45,000	...	48,37,000	+7,58,000
5	1,82,000	1,000	75,95,000	—64,000	78,96,000	1,87,000	.	80,83,000	+4,88,000
6	2,55,000	2,000	25,85,000	—23,000	25,02,000	2,98,000	...	28,00,000	+2,15,000
7	...	...	13,18,000	+2,27,000	12,85,000	...	...	12,85,000	—33,000
8	8,53,000	6,000	32,09,000	—47,000	23,97,000	8,47,000	...	32,44,000	+35,000
9	14,75,000	10,000	1,58,99,000	+3,23,000	1,60,67,000	13,42,000	...	1,74,09,000	+15,10,000
10	1,61,000	1,000	2,68,10,000	—6,90,000	2,77,24,000	1,14,000	...	2,78,38,000	+10,28,000
11	11,34,000	8,000	95,71,000	+1,18,000	80,10,000	13,88,000		99,98,000	+4,27,000
12	65,000	...	52,43,000	—51,000	62,51,000	74,000	...	63,25,000	+10,82,000
13	2,12,000	2,000	31,88,000	+44,000	31,50,000	1,87,000	...	33,37,000	+1,49,000
14	1,40,000	1,000	31,14,000	—48,000	19,09,000	1,37,000	...	20,46,000	— 68,000
15	1,63,000	1,000	47,80,000	—86,000	49,07,000	1,83,000	...	51,50,000	+3,70,000
16	46,000	...	2,86,000	—8,000	2,59,000	56,000	...	3,15,000	+29,000
17	2,43,000	2,000	21,93,000	—2,40,000	26,42,000	5,34,000	...	31,76,000	+9,83,000
18	1,08,000	1,000	15,77,000	+2,77,000	26,41,000	1,41,000	...	27,82,000	+12,05,000
19	66,000	...	20,83,000	—75,000	9,29,000	56,000		9,85,000	—10,98,000
	1,33,48,000	94,000	12,68,72,000	+1,98,000	12,09,52,000	1,17,07,000	..	13,26,59,000	+57,87,000
20	9,16,000	6,000	45,79,000	—2,76,000	50,07,000	65,000	...	50,72,000	+4,93,000
21	1,22,000	1,000	28,60,000	+6,13,000	25,88,000	1,06,000	...	26,94,000	—1,66,000
22	10,38,000	7,000	74,39,000	+3,37,000	75,95,000	1,71,000	...	77,66,000	—3,27,000
23	86,000	1,000	2,63,25,000	+3,90,000	2,79,85,000	1,21,000	...	2,81,06,000	+17,81,000
24	1,000	...	1,000	+1,000					—1,000
25	1,31,000	1,000	32,84,000	+51,000	31,51,000	1,20,000	...	32,71,000	—13,000
26	2,39,03,000	1,67,000	2,67,80,000	+22,56,000	20,70,000	2,24,56,000	..	2,45,26,000	—22,54,000
27	9,12,000	6,000	57,60,000	+6,97,000	48,32,000	5,70,000	..	54,02,000	—3,58,000
28	19,20,000	14,000	90,99,000	+12,56,000	61,08,000	17,95,000	...	79,03,000	—11,96,000
29	2,68,76,000	1,88,000	4,49,24,000	+48,61,000	1,61,61,000	2,49,41,000	.	4,11,02,000	—88,22,000
30	...	...	9,15,000	+2,85,000	5,85,000	...	...	5,85,000	—3,30,000
31	8,95,67,000	6,26,000	44,70,50,000	+3,13,000	35,54,20,000	8,13,44,000	..	43,67,64,000	—1,02,86,000
32	4,96,54,000	3,47,000	8,54,04,000	+17,33,000	3,57,01,000	4,97,13,000	...	8,54,14,000	+10,000
33	13,92,21,000	9,73,000	63,24,54,000	+20,76,000	39,11,21,000	13,10,57,000		52,21,78,000	—1,02,76,000
34	30,47,000	22,000	84,53,000	+1,31,000	60,75,000	29,57,000	...	90,32,000	+5,79,000
35	4,76,000	3,000	4,64,75,000	—7,98,000	4,80,56,000	4,42,000	...	4,94,98,000	+20,23,000
36	...		33,95,000	+33,95,000	...	...		...	—33,95,000
37	14,27,44,000	9,98,000	59,07,77,000	+49,06,000	44,52,52,000	13,44,56,000	...	57,97,08,000	—1,10,69,000
38	...	...	...	..	..	..	...	...	...
39	...	...	7,000	—2,18,000	50,000	...	...	50,000	+43,000
40	...	..	7,000	—2,18,000	50,000	...		50,000	+43,000
41	...	..							
42	12,19,41,000	8,52,000	30,94,94,000	—3,35,34,000	19,07,76,000	12,58,67,000		32,66,43,000	+1,41,49,000
43	38,91,31,000	27,21,000	1,32,40,08,000	—1,57,25,000	97,22,94,000	37,55,17,000	...	1,34,78,11,000	+2,29,03,000

C.—Statement of Receipts and Disbursements of the

	Accounts, 1928-29.		
	India.	England. *	Total.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,25,81,52,140	3,16,18,864	1,28,97,71,004
Exchange added to Revenue	39,471	...	39,471
Total	1,25,81,91,611	3,16,18,864	1,28,98,10,475
Railway Capital not charged to Revenue—			
As per Railway Budget	14,794	...	14,794
Public Debt Incurred—			
Permanent Debt—			
Sterling Debt—			
6 per cent. Bonds 1932-33	..	..	
5½ per cent. Stock	...	16,83,246	
4½ per cent. Stock	...	12,30,64,592	
Rupee Debt—			
New Rupee Loan	..	...	
4½ per cent. Bonds, 1934	25,98,05,600	..	
Do. Loan, 1955-60	9,05,69,700	...	
5 per cent. Bonds, 1935	...	...	
Do. Loan 1939-44	..	..	
3½ per cent. Loans	13,15,500	...	
Total	35,16,90,800	12,47,47,838	47,64,38,638
Floating Debt—			
Treasury Bills—			
Issued to Public	22,38,00,000	...	
Issued to Paper Currency Reserve	70,44,10,000	...	
India Bills	..	8,00,00,000	
Temporary Loans	23,50,00,000	...	
Total	1,16,32,10,000	8,00,00,000	1,24,32,10,000
Carried over	2,77,31,07,265	23,63,66,702	

* Sterling converted into Rupees at £1 = Rs. 13⅓.

Central Government, in India and in England—*contd.*

Revised Estimate, 1929-30.			Budget Estimate, 1930-31.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,27,58,74,000	5,21,69,000	1,32,80,43,000	1,32,02,84,000	3,45,27,000	1,35,48,11,000
3,65,000	...	3,65,000	...	...	...
1,27,62,39,000	5,21,69,000	1,32,84,08,000	1,32,02,84,000	3,45,27,000	1,35,48,11,000
...	...	...	...	...	..
...	7,92,00,000		...	2,62,000	
...	17,90,000		...	19,04,000	
...	18,22,000		...	19,21,000	
...	...		23,50,00,000	...	
...	...		...	...	
...	...		..	...	
8,10,49,000	...		...	...	
29,14,23,000	...		...	...	
4,80,000	...		8,55,000	...	
37,29,52,000	8,28,12,000	45,57,64,000	23,58,55,000	40,87,000	23,99,42,000
53,11,00,000	...		40,00,00,000	...	
61,25,90,000	...		34,50,10,000	...	
...	16,00,00,000		...	8,00,00,000	
12,00,00,000	...		...	...	
1,26,36,90,000	16,00,00,000	1,42,36,90,000	74,50,10,000	8,00,00,000	82,50,10,000
2,91,28,81,000	29,49,81,000		2,30,11,49,000	11,86,14,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1928-29.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Brought forward .	2,77,31,07,205	23,63,66,702	
Unfunded Debt—			
Deposits of Service Funds . . .	9,87,535	32,95,037	
Post Office Cash Certificates . . .	4,90,76,385	...	
Savings Bank Deposits	35,82,82,502	...	
Total .	40,83,46,422	32,95,037	41,16,41,459
Deposits and Advances—			
Provincial Loans Fund	18,95,93,013	...	
Posts and Telegraphs Depreciation Fund .	40,11,332	...	
Deposits of Local Funds—			
District Funds	16,76,71,432	...	
Other Funds	10,19,82,570	...	
Sinking Funds for Central Loans . .	1,53,69,015	...	
Other appropriations for Reduction or Avoidance of Debt	4,06,13,000	...	
Sinking Fund Investment Account . .	2,63,76,044	...	
Sinking Funds for loans granted to local bodies	3,95,661	...	
Gold Standard Reserve	...	65,32,35,244	
Paper Currency Reserve . . .	...	34,43,27,960	
Deposits of Branch Line Companies . .	5,96,826	...	
Road Development Fund . . .	4,50,000	...	
Post Office Cash Certificate Bonus Fund .	...	...	
Departmental and Judicial Deposits .	94,60,81,619	...	
Advances	27,67,75,466	2,90,889	
Discount Sinking Fund . . .	17,88,000	...	
Suspense	58,80,767	5,96,646	
Exchange on Remittance Accounts . .	16,72,683	...	
Miscellaneous	5,00,411	1,52,86,075	
Military Reserve Fund	26,06,737	...	
Total .	1,78,23,64,606	1,01,37,36,814	2,79,61,01,420
Railway Depreciation and Reserve Funds as per Railway Budget . . .	14,57,71,990	...	14,57,71,990
Carried over .	5,10,95,90,223	1,25,33,98,553	

* Sterling converted into Rupees at £1 = Rs. 13½.

Central Government, in India and in England—*contd.*

Revised Estimate, 1929-30.			Budget Estimate, 1930-31.		
India.	†England.	Total.	India.	†England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,91,28,81,000	29,49,81,000		2,30,11,49,000	11,86,14,000	
9,59,000	37,34,000		9,52,000	15,52,000	
7,25,00,000	..		7,00,00,000	...	
37,27,41,000	5,67,33,000		38,75,31,000	...	
44,62,00,000	6,04,67,000	50,66,67,000	45,84,83,000	15,52,000	46,00,35,000
31,04,78,000	...		16,94,36,000	...	
42,43,000	...		45,86,000	...	
16,95,86,000	...		17,11,45,000	..	
10,41,71,000	...		10,27,21,000	...	
1,60,20,000	...		2,13,00,000	...	
4,37,83,000	...		4,20,49,000	...	
12,95,000	..		...	..	
4,12,000	...		4,28,000	...	
...	72,09,65,000		..	77,00,40,000	
...	38,51,72,000		...	13,06,68,000	
4,00,000	...		8,00,000	...	
1,04,39,000	...		1,08,00,000	..	
...	...		88,00,000	..	
91,84,08,000	...		92,32,69,000	...	
32,34,83,000	1,58,000		27,99,85,000	1,19,000	
29,27,000	...		46,06,000	...	
6,43,81,000	—14,67,000		8,01,72,000	7,51,000	
24,64,000	..		...	...	
14,72,000	1,50,06,000		47,45,000	1,48,11,000	
33,95,000	...		...	...	
1,97,73,57,000	1,11,98,34,000	3,09,71,91,000	1,82,48,72,000	91,63,89,000	2,74,12,61,000
12,60,00,000	...	12,60,00,000	13,58,95,000	...	13,58,95,000
5,46,24,38,000	1,47,52,82,000		4,72,03,99,000	1,03,65,57,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1928-29.		
	India.	England *	Total.
	Rs.	Rs.	Rs.
Brought forward	5,10,95,90,223	1,25,33,98,553	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund	...	...	
Other Loans and Advances	82,70,618	...	
Total	82,70,618	...	82,70,618
Remittances—			
Remittances within India—			
Inland Money Orders	97,69,08,112	...	
Other Local Remittances	25,11,440	...	
Other Departmental Accounts	646	...	
Net Receipts by Civil Treasuries from—			
Railways	4,09,77,298	..	
Posts and Telegraphs	74,93,621	...	
Net Receipts from Civil Treasuries by—			
Army, Marine and Military Engineer Services	38,65,76,205	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	...	97,26,000	
Sale of Silver	...	3,45,89,687	
Other transactions	2,72,22,707	3,76,93,351	
Remittances from India for financing Home Treasury	...	41,08,00,000	
Transfers through the Paper Currency Reserve	6,91,99,983	...	
Total	1,51,08,90,012	49,28,09,038	2,00,36,99,050
Balances of Provincial Governments	3,09,07,480	...	3,09,07,480
Total Receipts	6,65,96,58,333	1,74,62,07,591	
Opening Balance	9,16,10,089	(a) 7,54,87,402	
GRAND TOTAL	6,75,12,68,422	1,82,16,94,993	

* Sterling converted into Rupees at £1 = Rs. 13⅓.

(a) Of this amount, £ 4,028 represents the funds of the Gold Standard Reserve.

Central Government, in India and in England—*contd.*

Revised Estimate, 1929-30.			Budget Estimate, 1930-31.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,46,24,38,000	1,47,52,82,000		4,72,03,99,000	1,03,65,55,000	
7,00,99,000	...		...	...	
88,51,000	...		88,53,000	...	
7,89,50,000	...	7,89,50,000	88,53,000	...	88,53,000
98,74,00,000	...		99,89,00,000	...	
3,70,000	...		2,84,000	...	
3,36,58,000	...		3,16,66,000	...	
3,55,83,000	...		10,07,05,000	...	
1,28,02,000	...		58,67,000	...	
38,25,87,000	...		38,52,23,000	...	
...	77,04,000		...	77,20,000	
...	5,02,12,000		...	66,68,000	
1,75,24,000	3,77,87,000		1,72,74,000	2,87,48,000	
...	25,40,00,000		...	42,40,00,000	
5,06,00,000	12,66,68,000		66,68,000	...	
1,52,05,24,000	47,63,71,000	1,99,68,95,000	1,54,95,87,000	46,71,36,000	2,01,37,23,000
..	...	...	1,49,48,000	...	1,49,48,000
7,06,19,12,000	1,95,16,53,000 (b)		6,29,07,87,000	1,50,36,91,000 (b)	
9,20,46,097	6,99,36,668		17,79,20,097	9,30,41,668	
7,15,39,58,097	2,02,15,89,668		6,46,87,07,097	1,59,67,32,668	

(b) Of this amount, £3,042 represents the funds of the Gold Standard Reserve.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1928-29.		
	India.	*England.	Total.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	92,78,33,590	36,46,62,839	1,29,24,96,429
Exchange charged as Expenditure	4,68,048	...	4,68,048
Total	92,83,01,638	36,46,62,839	1,29,29,64,477
Irrigation, Posts and Telegraphs and other Capital outlay not charged to Revenue—			
Security Printing Press	—4,75,524	...	—4,75,524
Irrigation, etc., Works	36,040	...	36,040
Posts and Telegraphs	42,79,865	10,53,320	53,33,185
Vizagapatam Port	26,33,543	2,89,821	29,23,364
Light-houses and Light Ships	...	...	.
Currency	2,94,959	42,055	3,37,014
Initial Expenditure on New Capital at Delhi	32,01,737	4,62,886	36,64,623
Payment of Commuted value of Pensions	36,09,034	...	36,09,034
Bombay Land Scheme	...	...	...
Total	1,35,79,654	18,48,082	1,54,27,736
Railway Capital not charged to Revenue—			
As per Railway Budget	15,66,58,409	13,68,48,339	29,35,06,748
Public Debt Discharged—			
Permanent Debt—			
Sterling Debt—			
7 p. c. Stock	..	15,220	
State Railway annuities	...	1,92,28,689	
Do. Do. Sinking Funds	...	26,66,667	
Liabilities in respect of British War Loan (1929-47)	...	75,22,551	
Rupee Debt—			
6 p. c. Bonds, 1930	...	...	
Do. Do. 1931	...	...	
Do. Do. 1932	...	..	
Other 6 p. c. Bonds	17,53,900	...	
5½ p. c. War Bonds, 1928	16,32,04,050	..	
Other 5½ p. c. War Bonds	2,80,175	...	
5 p. c. Loan, 1945-55	...	...	
4 p. c. Terminable Loan	34,700	...	
5 p. c. Loan, 1939-44	...	...	
Other Loans	15,41,946	...	
Total	16,68,14,771	2,94,33,127	19,62,47,898
Carried over	1,26,53,54,472	53,27,92,387	

*Sterling converted into Rupees at £1 = Rs. 13½.

Central Government, in India and in England—*contd.*

Revised Estimate, 1929-30.			Budget Estimate, 1930-31.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
93,30,56,000	38,91,31,000	1,32,21,87,000	97,22,94,000	37,55,17,000	1,34,78,11,000
27,21,000	...	27,21,000	...	...	...
93,57,77,000	38,91,31,000	1,32,49,08,000	97,22,94,000	37,55,17,000	1,34,78,11,000
23,000	...	23,000	45,000	...	45,000
2,53,000	...	2,53,000	1,01,000	...	1,01,000
45,18,000	6,95,000	52,13,000	60,44,000	8,27,000	68,71,000
30,00,000	4,50,000	34,50,000	33,00,000	1,20,000	34,20,000
—3,36,000	3,36,000	...	—5,44,000	5,44,000	...
1,19,000	39,000	1,58,000	1,88,000	...	1,88,000
62,71,000	5,03,000	67,74,000	49,41,000	2,13,000	51,84,000
35,24,000	...	35,24,000	33,59,000	...	33,59,000
...	...	...	2,05,22,000	...	2,05,22,000
1,73,72,000	20,23,000	1,93,95,000	3,79,56,000	17,34,000	3,96,90,000
14,26,84,000	16,93,73,000	31,20,57,000	12,39,00,000	4,36,00,000	16,75,00,000
...	...		...	...	
...	1,98,95,000		...	2,05,85,000	
...	26,67,000		...	26,67,000	
...	78,92,000		...	82,85,000	
13,51,06,000	...		15,50,00,000	..	
3,94,62,000	...		...	..	
4,85,60,000	...		...	..	
5,20,000	...		3,00,000	...	
15,50,000	...		7,50,000	...	
1,29,000	...		1,50,000	...	
13,00,000	...		...	...	
8,000	...		5,000	...	
...	...		46,00,000	...	
5,62,000	...		10,00,000	...	
22,71,97,000	3,04,54,000	25,76,51,000	16,18,05,000	3,15,37,000	19,33,42,000
1,32,30,30,000	59,09,81,000		1,29,59,55,000	45,23,88,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1928-29.		
	India.	England. *	Total.
	Rs.	Rs.	Rs
Brought forward	1,26,53,54,172	53,27,92,387	
Floating Debt—			
Treasury Bills—			
Issued to Public	25,97,25 000	...	
Do. Paper Currency Reserve	63,22,60,000	..	
India Bills	..	8,00,00,000	
Temporary Loans	23,50,00,000	...	
Total	1,12,69,85,000	8,00,00,000	1,20,69,85,000
Unfunded Debt—			
Special Loans	36,689	...	
Deposits of Service Funds	13,55,073	35,728	
Post Office Cash Certificates	3,30,26,312	...	
Savings Bank Deposits	29,30,92,361	..	
Total	32,75,10,435	35,7.8	32,75,46,163
Deposits and Advances—			
Provincial Loans Fund	18,95,03,074	...	
Posts and Telegraphs Depreciation Fund	2,94,460	...	
Deposits of Local Funds—			
District Funds	16,04,21,410	...	
Other Funds	10,19,06,126	...	
Sinking Funds for Central Loans	.	...	
Sinking Fund Investment Account	4,16,04,750	...	
Gold Standard Reserve		65,32,48,391	
Paper Currency Reserve		34,13,27,960	
Deposits of Branch Line Companies	6,95.977	..	
Road Development Fund	..	...	
Departmental and Judicial Deposits	92,92,84,886	.	
Advances	27,36,30,133	2,31,852	
Discount Sinking Fund	1,19,29,322	...	
Gain or loss on revaluation, sale, transfer, etc. of assets of the Paper Currency Reserve	3,41,82,483	..	
Suspense	3,92,03,791	8,04,246	
Miscellaneous	11,43,465	1,52,72,575	
Revenue Reserve Fund	74,14,886	...	
Military Reserve Fund	..	...	
Total	1,80,02,14,763	1,01,38,85,024	2,81,40,99,787
Railway Depreciation and Reserve Funds as per Railway Budget	9,59,84,100	...	9,59,84,100
Carried over	4,61,60,48,770	1,62,67,13,139	

* Sterling converted into Rupees at £1 = Rs. 13⅓.

Central Government, in India and in England—*contd.*

Revised Estimate, 1929-30.			Budget Estimate, 1930-31.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,32,30,30,000	59,09,81,000		1,29,59,55,000	45,23,88,000	
33,10,50,000	...		44,00,00,000	...	
65,91,10,000	...		34,50,10,000	...	
...	8,00,00,000		...	8,00,00,000	
12,00,00,000	...		...	...	
1,11,01,60,000	8,00,00,000	1,19,01,60,000	78,50,10,000	8,00,00,000	86,50,10,000
37,000	...		37,000	...	
13,71,000	1,01,000		14,02,000	1,82,000	
4,30,00,000	...		4,60,00,000	...	
29,10,66,000	3,06,66,000		29,26,95,000	2,60,67,000	
33,54,74,000	3,07,67,000	36,62,41,000	34,01,34,000	2,62,49,000	36,63,83,000
31,02,49,000	...		16,97,47,000	...	
1,75,000	...		1,82,000	...	
17,07,91,000	...		17,13,03,000	...	
10,43,71,000	...		10,32,21,000	...	
13,19,000	...		43,71,000	...	
1,61,37,000	...		1,69,29,000	...	
...	72,09,65,000		...	77,00,40,000	
...	38,51,72,000		...	13,06,68,000	
3,50,000	...		5,50,000	...	
48,65,000	...		91,30,000	...	
93,48,67,000	...		92,98,28,000	...	
32,57,73,000	1,46,000		28,05,12,000	1,19,000	
1,77,59,000	...		...	...	
6,38,00,000	...		...	...	
4,72,59,000	8,56,000		8,07,33,000	7,30,000	
2,000	1,50,94,000		...	1,48,11,000	
...	...			...	
...	...		26,07,000	...	
1,99,77,17,000	1,12,22,33,000	3,11,99,50,000	1,76,91,13,000	91,63,68,000	2,68,54,81,000
12,36,30,000	...	12,36,30,000	8,50,00,000	...	8,50,00,000
4,89,00,11,000	1,82,29,81,000		4,27,52,12,000	1,47,50,05,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1928-29.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward .	4,61,60,48,770	1,62,67,13,139	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund .	11,14,08,000	...	
Other Loans and Advances . . .	2,40,86,668	...	
Total .	13,54,94,668	...	13,54,94,668
Remittances—			
Remittances within India—			
Inland Money Orders	97,45,85,666	...	
Other Local Remittances . . .		...	
Other Departmental Accounts . .	1,14,268	...	
Net Payments into Civil Treasuries by—			
Railways	4,23,56,401	...	
Posts and Telegraphs	78,09,053	...	
Net Issues from Civil Treasuries to—			
Army, Marine and Military Engineer Services	38,50,04,963	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	97,26,000	...	
Sale of Silver	3,45,89,687	...	
Other transactions	4,26,92,849	1,92,54,077	
Remittances from India for financing Home Treasury	41,08,00,000	...	
Transfers through the Paper Currency Reserve	.	6,91,99,983	
Total .	1,90,76,78,887	8,84,54,060	1,99,61,32,947
Balances of Provincial Governments	...	3,65,91,126	3,65,91,126
Total Disbursements .	6,65,92,22,325	1,75,17,58,325 (b)	
Closing Balance .	9,20,46,097	6,99,36,668	
GRAND TOTAL .	6,75,12,68,422	1,82,16,94,993	

*Sterling converted into Rupees at £1 = Rs. 13⅓.

(b) Of this amount, £3,042 represents the

Central Government, in India and in England—*concld.*

Revised Estimate, 1929-30.			Budget Estimate, 1930-31.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,89,00,11,000	1,82,39,81,000		4,27,52,12,000	1,47,50,05,000	
11,90,21,000	...		5,32,25,000	...	
2,96,53,000	...		2,29,90,000	...	
14,86,74,000	...	14,86,74,000	7,62,15,000	...	7,62,15,000
98,69,00,000	...		99,84,00,000	...	
2,09,000	...		3,36,000	...	
3,35,77,000	...		3,16,19,000	...	
3,55,83,000	...		10,07,05,000	...	
1,28,02,000	...		58,67,000	...	
38,25,87,000	...		38,52,23,000	...	
77,04,000	...		77,20,000	...	
5,02,12,000	...		66,68,000	...	
3,77,87,000	1,75,24,000		2,87,48,000	1,72,74,000	
25,10,00,000	...		42,10,00,000	...	
12,66,68,000	5,06,00,000		...	66,68,000	
1,92,80,29,000	6,81,24,000	1,99,61,53,000	1,98,92,86,000	2,39,42,000	2,01,32,28,000
93,24,000	3,64,43,000	4,57,67,000	...	4,10,61,000	4,10,61,000
6,97,60,38,000	1,92,85,48,000 (*b*)		6,34,07,13,000	1,54,00,08,000 (*b*)	
17,79,20,097	9,30,41,668		12,79,94,097	5,67,24,668	
7,15,39,58,097	2,02,15,89,668		6,46,87,07,097	1,59,67,32,668	

funds of the Gold Standard Reserve.

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

Revenue and Expenditure.	Accounts, 1928-29.		Revised Estimate, 1929-30.		Budget Estimate, 1930-31.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue—						
Customs	18,24,41,723	...	50,01,40,000	...	53,49,67,000	...
Taxes on Income	16,01,38,084	...	16,37,59,000	...	17,23,89,000	...
Salt	6,36,67,065	...	5,44,32,000	...	5,73,16,000	...
Opium	2,71,64,155	...	2,59,17,000	...	2,67,23,000	...
Other Heads	1,62,48,448	...	1,65,16,000	...	1,65,56,000	...
TOTAL	75,06,59,475	...	76,07,64,000	...	80,19,51,000	...
Forest and other Capital Outlay charged to Revenue	...	3,62,465	...	5,21,000	...	6,33,000
Irrigation	...	12,84,507	...	17,61,000	...	11,46,000
Railways	5,23,19,437	...	6,11,86,000	...	5,73,57,000	...
Posts and Telegraphs	...	74,22,462	...	73,12,000	...	71,21,000
Debt Services	...	12,82,40,836	...	12,19,10,000	...	14,36,27,000
Civil Administration	...	10,43,57,796	...	11,55,66,000	...	12,20,15,000
Currency and Mint	2,16,70,906	...	2,11,12,000	...	2,11,49,000	...
Civil Works	...	1,42,23,559	...	2,38,90,000	...	2,54,89,000
Miscellaneous	...	3,16,45,425	...	3,66,18,000	...	3,30,76,000
Military Services	...	55,10,00,000	...	55,10,00,000	...	54,35,00,000
Provincial Contributions and Miscellaneous adjustments between Central and Provincial Governments.	2,91,690	...	...	...	...	...
Extraordinary Items	1,03,41,520	...	1,90,16,000	...	31,50,000	...
TOTAL	83,52,83,048	83,84,37,050	86,20,78,000	85,85,78,000	88,36,07,000	87,66,07,000

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*concld.*

Revenue and Expenditure.	Accounts, 1928-29.		Revised Estimate, 1929-30.		Budget Estimate, 1930-31.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus or deficit	...	31,54,002	35,00,000	...	70,00,000	...
Capital Account—						
Capital outlay on Security Printing Press	...	—4,75,524	...	23,000	...	45,000
Railway Capital not charged to Revenue	14,794	29,35,06,748	...	31,20,57,000	...	16,75,00,000
Construction of Irrigation Works	...	36,040	...	2,53,000	...	1,01,000
Capital outlay on Posts and Telegraphs	...	53,23,185	...	52,13,000	...	68,71,000
Capital outlay on Vizagapatam Port	...	29,23,364	...	34,50,000	...	34,20,000
Capital outlay on Light houses and Light ships	...	...	...	...	...	...
Currency Capital outlay	...	3,57,011	...	1,58,000	...	1,88,000
Initial expenditure on New Capital at Delhi	...	36,64,623	...	67,74,000	...	51,84,000
Payment of commuted value of pensions	...	30,09,034	...	35,24,000	...	33,59,000
Capital Outlay on Bombay Land Scheme	...	...	...	...	...	2,05,32,000
Debt, Deposits, Advances and Remittances—						
Permanent Debt	28,01,90,740	...	19,81,13,000	...	4,66,00,000	...
Floating Debt	3,62,25,000	...	23,35,30,000	...	...	4,00,00,000
Unfunded Debt	8,40,95,296	...	14,04,26,000	...	9,36,52,000	...
Deposits and Advances	3,17,89,523	...	...	2,03,89,000	10,66,75,000	...
Loans and Advances by Central Government	...	12,72,24,050	...	6,97,24,000	...	6,73,62,000
Remittances	75,66,103	...	7,42,000	...	4,95,000	...
Balances of Provincial Governments	...	56,83,046	...	4,57,07,000	...	2,61,13,000
Opening Balance	16,70,97,491	...	16,19,82,765	...	27,09,61,765	...
Closing Balance	...	16,19,82,765	...	27,09,61,765	...	18,47,18,765
TOTAL	60,69,78,947	60,69,78,947	73,82,93,765	73,82,93,765	52,53,83,765	52,53,83,765

THE INDIAN FINANCE BILL.

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 28TH FEBRUARY, 1930.

A Bill further to amend the Sea Customs Act, 1878, to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, and further to amend the Indian Paper Currency Act, 1923, and the Indian Finance Act, 1926.

VIII of 1878. VIII of 1894. VI of 1898. XII of 1922. X of 1923. XIX of 1926

WHEREAS it is expedient further to amend the Sea Customs Act, 1878, to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, and further to amend the Indian Paper Currency Act, 1923, and the Indian Finance Act, 1926; it is hereby enacted as follows:—

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1930.

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(*3*) Sections 3 and 5 shall remain in force only up to the 31st day of March 1931.

VIII of 1878. Amendment of section 42, Act VIII of 1878.

2. In section 42 of the Sea Customs Act, 1878, after the words "seven-eighths" the words "or, in the case of silver bullion, the whole" shall be inserted.

XII of 1882. Fixation of salt duty.

3. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of April, 1930, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

VIII of 1894. Amendment of Schedules II and III to Act VIII of 1894.

4. The amendments specified in the First Schedule to this Act shall be made in Schedules II and III to the Indian Tariff Act, 1894.

VI of 1898. Postal rates.

5. With effect from the 1st day of April, 1930, the schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

Income-tax and super-tax.

6. (*1*) Income-tax for the year beginning on the 1st day of April, 1930, shall be charged at the rates specified in Part I of the Third Schedule.

(*2*) The rates of super-tax for the year beginning on the 1st day of April, 1930, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule. XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as determined, for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922. XI of 1922.

Amendment of section 5, Act XII of 1922.

7. In the proviso to section 5 of the Indian Finance Act, 1922, for the words "one anna" the words "one anna and six pies" shall be substituted. XII of 1922.

Amendment of section 19, Act X of 1923.

8. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1930" the figures "1931" shall be substituted. X of 1923.

Repeal of section 7, Act XIX of 1926.

9. With effect from the 1st day of April, 1930, section 7 of the Indian Finance Act, 1926, shall be repealed. XIX of 1926.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 4 and 7 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918. XVI of 1918.

SCHEDULE I.

Amendments to be made in Schedules II and III to the Indian Tariff Act, 1894.

[*See Section 4.*]

1. In Item No. 19 of Schedule II, the words " nickel, bronze, and copper " shall be omitted.

2. In Item No. 20 of Schedule II, the words " and silver ", in both places where they occur, shall be omitted.

3. For Item No. 34 of Schedule II, the following shall be substituted, namely :—

			Rs. A.
"34	SUGAR, excluding confectionery (*see* No. 124)—		
	(1) Sugar, crystallised or soft 23 Dutch Standard and above.	Cwt. . .	6 0
	(2) Sugar, crystallised or soft inferior to 23 Dutch Standard but not inferior to 8 Dutch Standard.	Cwt. . .	5 8
	(3) Sugar, below 8 Dutch Standard and sugar candy.	*Ad valorem* .	25 per cent. *plus* one Rupee and eight annas per cwt.
	(4) Molasses . .	*Ad valorem* .	25 per cent. "

4. In Item No. 40 of Schedule II, for the words " six pies " the words " three pies " shall be substituted.

5. After Item No. 43B of Schedule II, the following heading and item shall be inserted, namely :—

" METALS.

43 B B	SILVER BULLION and coin, not otherwise specified, and silver sheets and plates which have undergone no process of manufacture subsequent to rolling.	Ounce . .	Four annas."

6. Item No. 45 of Schedule II shall be omitted.

7. In Item No. 4 of Schedule III, for the figures " 0 3 " the words " Two annas and three pies " shall be substituted.

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

[*See section 5.*]

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[*See section 7.*]

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

SCHEDULE III.

[*See section 6.*]

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(1) When the total income is less than Rs. 2,000	*Nil.*
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000.	Nine pies in the rupee.
(5) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000.	Ten pies in the rupee.
(6) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna and one pie in the rupee.
(7) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and four pies in the rupee.
(8) When the total income is Rs. 40,000 or upwards	One anna and seven pies in the ruppee.
B. In the case of every company and registered firm, whatever its total income.	One anna and seven pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess.	One anna and one pie in the rupee.
(*b*) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company, for every rupee of the first fifty thousand rupees of such excess.	One anna and one pie in the rupee.
(*c*) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the second fifty thousand rupees of such excess.	One anna and seven pies in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess	Two annas and one pie in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess	Two annas and seven pies in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess	Three annas and one pie in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess	Three annas and seven pies in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess	Four annas and one pie in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess	Four annas and seven pies in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess	Five annas and one pie in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess	Five annas and seven pies in the rupee.
(*x*) for every rupee of the remainder of the excess	Six annas and one pie in the rupee.

STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is to continue certain provisions of the Indian Finance Act, 1929, which would otherwise cease to have effect from the 1st April 1930 ; to levy an import duty on silver subject to a full drawback ; to raise the import duties on sugar and cotton piece-goods ; to raise the export duty and reduce the import duty on kerosene : to reduce the export duty on rice ; to increase the rates of income-tax and super-tax in certain grades ; and to enable Reparation receipts to be appropriated to revenue. The new measures have been explained at length in my budget speech. The following is a brief explanation of the individual provisions.

2. Clauses 3 and 5 provide for the continuance, for a further period of one year, of the rates of salt duty and postage prescribed by the Indian Finance Act, 1929, while clause 8 provides for the credit to revenue, till the 31st March 1931, of interest on securities forming part of the Paper Currency Reserve.

3. Clause 4 provides for the following alterations in customs tariff :—

(i) Levy of an import duty of 4 annas an ounce on silver bullion and coin as specified in Schedule I, with a full drawback in the case of re-exports, which is provided by clause 2. This is expected to yield Rs. 1 crore in 1930-31.

(*ii*) Increase of the import duty on all kinds of sugar and sugar candy, but not molasses, by Re. 1-8-0 per cwt. In the case of sugar below 8 Dutch Standard and sugar candy, this will mean the levy of a composite duty of 25 per cent. *ad valorem* plus Re. 1-8-0 per cwt. This is calculated to yield Rs. 1,80 lakhs in 1930-31.

(*iii*) Increase in the import duty on cotton piece-goods from 11 per cent. to 15 per cent. *ad valorem*, which is expected to bring in Rs. 1,25 lakhs next year.

(*iv*) Reduction in the import duty on kerosene from 2½ annas to 2¼ annas a gallon. This is coupled with the increase in the corresponding excise duty from 1 anna to 1½ annas a gallon which is provided for in clause 7. While the latter measure will yield an additional 50 lakhs, the former will cost Rs. 15 lakhs in 1930-31, but will help generally to keep down the price.

(*v*) Reduction in the export duty on rice from 3 annas to 2¼ annas a maund which will cost Rs. 30 lakhs to Government next year but is designed to remove the disparity, which at present exists, between the Indian export duty and that imposed by Siam.

4. Clause 6 provides for the continuance for another year of the rates of income-tax and super-tax prescribed by the Indian Finance Act, 1929, with an increase of a pie in the rupee in rates of

(*i*) income-tax on incomes of Rs. 15,000 and upwards, and

(*ii*) super-tax with the exception of companies' super-tax.

This addition is expected to yield a revenue of Rs. 70 lakhs in 1930-31.

5. Clause 9 seeks to repeal section 7 of the Indian Finance Act, 1926, which requires that Reparation receipts subject to certain reductions should be appropriated for the reduction or avoidance of public debt. The repeal will release the receipts for revenue purposes. The amount which will be so released in 1930-31 will be Rs. 32 lakhs.

The 28th February, 1930. GEORGE SCHUSTER.

Speech of the Financial Secretary in the Council of State on the 28th February 1930.

THE HONOURABLE SIR ARTHUR McWATTERS (Finance Secretary): Sir, I rise to present the statement of the estimated revenue and expenditure of the Governor General in Council for the year 1930-31 in respect of subjects other than Railways. Sir, it is six years since I first had the honour to present the Budget of the Government of India in this House, and I am glad in more ways than one to find myself back after an interval in the same position, and particularly because it enables me, I think, more easily to present to the House the picture of the present day in its proper perspective. The retrospect of the last few years is unusually important on the present occasion, because the main problem which presents itself is whether the gap which has been caused by the remission of the provincial contributions in 1927 has been made up or not, and it is a study of the last few years which enables us to obtain the basic position of the present day.

I will begin with a short account of the year 1928-29 of which we now have the final accounts. It was estimated a year ago that that year would close with a small surplus of 30 lakhs, but it was made clear at the time that this was due to certain fortuitous circumstances, the most important of which were a throw-forward of the land customs revenue and anticipatory collections of salt revenue due to speculation. Actually the accounts show that the position is a good deal worse, owing mainly to shortage in collection of customs during February and March 1929 and also because as a result of the raising of the Bank of England rate to 5½ per cent. in February 1929 we had to revalue our securities in the Gold Standard Reserve at a lower rate than we had expected, and we were able to obtain as revenue a much smaller sum from this source. But the result is that we really now obtain a picture of the year 1928-29 more in its true colours, and the result is, instead of a surplus of 30 lakhs, a deficit of 106 lakhs, and instead of being able to add 30 lakhs to the revenue reserve fund which stood at 74 lakhs at the beginning of the year, the whole of the revenue reserve fund has been absorbed in meeting the deficit and we are left with an uncovered deficit for that year of 32 lakhs.

I now pass to the current year. It is within the knowledge of every Member of this House that we have had in the current year a number of factors to deal with which have been extremely difficult. There have been factors both in India and outside. In India we have had shortage of rain in some areas and floods in others, but, more important than all, we have had an atmosphere of political uncertainty which has placed an obstacle in the way of commercial enterprise and has made itself felt in our financial position at every turn. When these clouds blow away, as we all trust and expect that they will in the near future, the financial position of the country will be immeasurably improved. As regards external factors, by far the most important was the orgy of speculation which took place in the stock exchanges of the United States of America which resulted in the flow of large amounts of capital from all over the world to America at extremely high rates of interest. It was followed in October by a sensational collapse as a result of which there has been prolonged business depression in America which has contributed to the great fall in commodity prices everywhere. In India we have felt the effect of the monetary conditions all through the year and now we are beginning to feel more and more the effect of the great fall in world prices. As a matter of fact, if you take the first nine months of the current year, the balance of trade in India's favour has been considerably more than in the

two preceding years. But if you look at the figures in detail, we shall see that exports declined by 8½ crores while imports declined by 4½ only. And the balance of trade in India's favour was due solely to there being smaller imports of treasure. Turning to our revised estimates for the year, we have first of all the fact that there is no revenue reserve fund available to meet the deficit of 90 lakhs which was provided for in the Budget. We have to add to that a further deterioration, taking all our heads together, of 66 lakhs which would point to a deficit in the current year of 156 lakhs. The position would have been very much worse but for two exceptional circumstances. The first again was the Gold Standard Reserve, where owing to very high rates of interest in the course of the year, we were able to obtain much larger receipts to revenue on this occasion and the second was the phenomenal imports of sugar from which we expect to earn no less than 835 lakhs of revenue which means 135 more than we budgeted for. Our accounts, as a matter of fact, will not show either a surplus or a deficit because we are enabled to take to revenue a large amount—156 lakhs in fact—which was lying in suspense in the German Liquidation Account. As a result of the arrangements recently arrived at at the Hague we are now enabled to take that sum to revenue so that the year will close on the figures I have given without either a surplus or a deficit. But if we look back over the last three years, in the year 1927-28 there was a deficit of 221 lakhs, in the year 1928-29 as I have stated there was a deficit of 106 lakhs, and in the current year there would have been a deficit of 156 lakhs, if there had not been these exceptional receipts from the German Liquidation Account. I think the conclusion is inevitable that the gap which was caused by the remission of contributions in 1927 has not yet been made up. And this brings me to the Budget for the coming year.

Budgeting as we had to do in the conditions which I have just described and which are still continuing, we have not been able to take an unduly optimistic view. We have, in fact, budgeted with what I should call moderate caution. Taking our main sources of taxation we estimate that after allowing for the reduction in our opium revenue which declines as the House knows from year to year, we expect to get an increase of 5 lakhs only from these main sources. But it is when we come to consider the main commercial departments—the Posts and Telegraphs and the Railways—that a serious deterioration has to be allowed for. From the Railways under the operation of the Convention we shall get in the next year 51 lakhs less than was budgeted for in the current year. As regards the Posts and Telegraphs, the experience of the current year has shown us that they have been running on a substantial loss and we have had to allow 48 lakhs less than in the current year's Budget. So that on these two heads alone, we anticipate a deterioration of 99 lakhs. I now come to the expenditure side. Government's expenditure can be clearly divided into two main classes. The first is our normal administrative expenditure, where we have some choice at any rate between economy and retrenchment on the one hand or a forward policy on the other. And the principle which the Honourable the Finance Member has followed in preparing this Budget has been to admit only such new items as are either essential or productive, and even then only to admit them if they can be counterbalanced by corresponding economies elsewhere. The House will no doubt have followed the proceedings of the Standing Finance Committee and they will have been able to obtain a very fair idea of the type of expenditure which we have admitted. There is, first of all, of course, an unavoidable growth in the pay of our establishments owing to normal increments. As Members know, most of our establishments are now on time scales of pay and we have not yet reached the

peak. As regards other items, I should like to mention a few which, I think, will interest the House. First of all, there is the obligatory item of 11 lakhs for the census for which preparations have to be made this year. There is 7 lakhs to be provided for the Banking Enquiry Committee ; an additional 5 lakhs for the Labour Commission. Then there is a big item of 24½ lakhs for civil aviation. But I should like to point out here that the greater part of the ground organisation and the meteorological services which come within this grant were really inevitable in any case if we were to fulfil our international obligations. And it is impossible not to contemplate large expenditure on civil aviation if the country is not to lag behind in this modern development. Then, there is another item which I think would interest the House—a grant of 5 lakhs to the Aligarh University, which is in accordance with promises which have been made to the Legislature. We have for the first time in the Budget the recurring grant of 5 lakhs to the Agricultural Research Council, in addition to the 2½ lakhs on their establishment expenses, and there is one extra item in the same connection to which I want to draw special attention,—we have allowed 10 lakhs for special measures for the production of sugar and sugar research. There is also an additional 5 lakhs in addition to the previous 10 lakhs that has been allowed in previous years for carrying out further the schemes of the Territorial Force Committee. Besides these there are a large number of items dealing with administration in the areas under the Central Government, nearly all of which are of a beneficial or productive character, such as reclamation in the Andamans, timber extraction in the Andamans, forest conservancy in the North-West Frontier Province, agriculture in Baluchistan, and so on, and I think that the description I have given of some of these main items is sufficient to show the House how far they fulfil the criteria which the Finance Member has laid down. The total amount of new items included in the Budget is Rs. 146 lakhs and we have been able to effect economies practically corresponding to this, first of 62 lakhs in Civil Administration, which represents of course in a large measure non-recurring items of the previous year which no longer will be included in the present year's Budget and secondly of a reduction in the Military Budget of Rs. 80 lakhs. This requires a little explanation. As the House knows, the Military Budget is a contract Budget of 55 crores for a period of years of which two more are still to run. This arrangement was made in order to allow of the carrying out of certain schemes of reorganisation and re-equipment. It has been arranged now with His Excellency the Commander-in-Chief that the contract Budget will extend over three years more instead of two, but at a rate Rs. 80 lakhs lower than the previous 55 crores. I think that this is eminently satisfactory. It will not in any way prevent the carrying out of the schemes of reorganisation and re-equipment but it will be fairer to the tax-payer of to-day and it also does point the way to the ultimate economies which we hope to make when the contract period comes to an end.

I now turn to the second class of expenditure connected mainly with our debt services and financial security. This expenditure is not in the same category as the other class. It is not a question between economy and extravagance. The expenditure is either obligatory or else it is accepted solely with the object of improving our credit. There are one or two items under this head to which I want to draw special attention. First of all, there is the Interest on our ordinary debt. Here, partly as a result of larger sales of Treasury Bills and partly because we have to allow for larger conversion operations, we have an increase over the current year's Budget of Rs. 46 lakhs. As regards Interest on other obligations, which includes the amounts that we have to set aside for meeting the bonuses on cash certificates and paying interest on

Provident Funds, and items of that kind, we have to allow an extra 61 lakhs. Interest on Provident Funds, I may mention, has recently been increased to 5 per cent. These two items account for an increased expenditure of 107 lakhs. At this point I should like to mention our Interest receipts. The figure in the Budget for Interest receipts will be the same as in the current year's Budget, but we are introducing an important change of procedure in connection with the Gold Standard Reserve to which I have already referred twice this afternoon. The receipts from the Gold Standard Reserve have been so erratic that the House will realise that they seriously disturb our Budget estimating. In the year 1928-29 we got £1,240,000, in the current year it is £2,400,000 and next year we expect to get £1,700,000. What we are proposing to do is to institute an Equalisation Fund. The basic figure will be £1,600,000 which represents 4 per cent. on £40,000,000. Any amount that is received in excess of the £1,600,000 will be taken half to revenue and half to the Fund so that it may be utilised in later years if the revenue from the Gold Standard Reserve comes below the figure of £1,600,000. We are able to make a start this year by taking £100,000 from the current year to this Fund and that was allowed for in the figures which I gave the House just now. In the coming year we hope to put aside £50,000 to the Fund.

Another very important matter which I shall refer to is in connection with the accrued liability on cash certificates. In several of the recent Budget speeches it has been admitted that we are not making adequate provision for meeting the accrued liability on cash certificates. We only set aside each year sufficient to meet the actual payments falling due. We are setting aside for that purpose a crore this year. But when the House realises that the total amount of cash certificates outstanding is over 35 crores, it will be seen that this is scarcely 3 per cent. We have therefore decided that we should make a beginning in setting aside adequate sums to meet the accrued liability. We do not propose to provide for the accrued liability of past years because we consider that the very adequate sums which are provided for reduction and avoidance of debt are sufficient to cover the past. But for the coming year and the future we propose to set aside enough to cover the real accruing liability and this for the Budget year will require an extra 88 lakhs which we have included in the Budget.

Finally, there is the question of reduction or avoidance of debt. Here we are making two changes. On sterling debt incurred since the 31st March, 1923, we take 1/80th to the provision for reduction and avoidance of debt, but we have hitherto been calculating that 1/80th in rupees at 1*s.* 4*d.* We are now making the calculation at the proper ratio of 1*s.* 6*d.* and thereby we shall save 12 lakhs. The second point is this, that under the Finance Act of 1926, we have been adding to the provision for reduction and avoidance of debt the amounts which are received under the Dawes Scheme from Germany. We consider, especially in view of the fact that we are making such ample provision for the accrued liability on cash certificates, that we need no longer add this amount to the ordinary provision for reduction and avoidance of debt. Rs. 32 lakhs is the figure in the Budget for Reparations. Even after taking out of the redemption provision 12 lakhs and 32 lakhs above referred to, we still provide 6 crores which is actually 27 lakhs more than in the current year.

The figures which I have now given to the House enable us to take stock of the position. As compared with the Budget of the current year there is a gap to be made up of 320 lakhs and to that we have to add the deficit of the year, 90 lakhs, so that the gap to be made up is 410 lakhs. This is the figure

which I would ask the House to bear in mind. The first question that we have to ask ourselves obviously is whether we are justified in asking the Legislature to make up the whole of this amount by new taxation or not. We have to consider it from two points of view, from the point of view of the revenue and the point of view of expenditure. If it were true that the short fall in revenue was merely temporary or if it were true that we can in the near future make substantial reductions in expenditure, it could legitimately be argued that we need not make up the whole of this amount by new taxation. If, however, we look at the revenue position, it is true, I think, that we may in the future hope for improved receipts from the commercial departments, Posts and Telegraphs and the Railways. But we have on the other hand the certainty of losing some other sources of revenue. Opium exports is one. There are also export duties of various kinds several of which, I think, are likely to be threatened. In connection with income-tax too, the Finance Member has already announced that he is desirous, if the financial position permitted it, to make certain changes in income-tax which would be for the benefit of commerce and industry ; particularly he would be glad to adopt the principle of allowing business losses to be carried forward. Apart from this, I think it is certainly true that we have for some years past been running on a very narrow margin. India is a country subject to climatic vicissitudes and it is years since we had a bad monsoon. Taking the expenditure side, Government intend to pursue economy wherever they can. We have, as the House knows, agreed to the appointment of a specially experienced officer to assist the Finance Department next year to help us to pursue the search for economy. But I think we should be deluding ourselves if we did not take into account the fact that there are many new services, services of importance and of value, which are being and will be pressed upon us ; for instance, civil aviation ; then there is agricultural research ; and it is I am sure the desire of the whole country that Government should embark on a forward economic policy. More important than all, we are at a stage in India's history when it is almost certain that as a result of constitutional reforms there will be large additional expenditure necessary for developing the provinces and I think that the Central Government will have to face the position in the fairly near future of having to give up some of its sources of revenue. Taking all these circumstances into account Government have come to the conclusion without any doubt whatever that we should make up this gap by taxation and make it up fully, so as to arrive at a position in which the finances of the Government of India will be above suspicion.

But before I tell the House what our proposals for taxation are there is one proposal which we have to make which acts in the direction of increasing the deficit. It is a proposal which the House will welcome. We propose to reduce the export duty on rice by one quarter, that is, from three annas a maund to two annas three pies a maund. We regard this proposal at the present moment as particularly opportune, because the price of rice has fallen very seriously and the cultivator in Burma has been very hard hit. The proposal we are making has the effect of removing the disparity which exists at present between our export duty and the export duty which is levied by Siam, which is one of Burma's principal rivals. We shall lose by this proposal 30 lakhs, so that the figure which has to be made up is now 440 lakhs. I now come to our proposals for taxation. First of all a duty on cotton piece-goods. If this was merely a matter of obtaining additional revenue it is a fairly straightforward business, and so far as this is concerned, our proposal is to increase the tariff on cotton piece-goods from 11 to 15 per cent. to bring it up to the level of the general tariff. But there is also the question of protection for

the industry, and particularly the industry in Bombay, and here Government after very careful consideration have come to the view that in the circumstances existing in Bombay it is essential that some temporary protection should be given. I do not wish to say very much on this subject because the Honourable the Finance Member in another place on behalf of the Honourable the Commerce Member is making a very full and considered statement on this subject to which I would refer Honourable Members. But we have in framing our protective proposals kept two things in mind. One is that the protection should be purely temporary and that before the end of the period there should be an inquiry by a Tariff Board. Secondly, that the protection should so far as possible be confined to what is actually required ; that in the interests of the consumer we should not give more protection or a different kind of protection than what is necessary. So our protective proposals are these, that for a period of three years, during which there will be an inquiry by a Tariff Board, there will be an extra five per cent. *ad valorem* levied on imported piece-goods, and there will be a three and a half annas per pound minimum specific duty on ordinary grey goods. Both these duties will be levied on all goods except those coming from the United Kingdom. I wish to explain quite clearly to the House that we are not asking them to accept the principle of Imperial preference. The duty is a temporary duty and there will be an inquiry by a Tariff Board ; but we have kept in mind the interests of the consumer and we ask the Legislature to consider impartially these proposals on their merits and with the Legislature the decision will rest. What we shall obtain from these cotton duties is estimated at 125 lakhs. The proposal for increasing the tariff from 11 to 15 per cent. will be included in the Finance Bill in the ordinary way, and the protective proposals will be included in a separate Bill which will be introduced by the Commerce Member.

The second item which we have selected for taxation is sugar. We propose an all-round increase in the import duty on sugar of one rupee eight annas per cwt. We do not propose to make any change in the existing classification, that is to say, sugar of 23 Dutch standard and above which at present pays Rs. 4-8-0 per cwt. will pay Rs. 6 ; sugar below 23 Dutch standard which at present pays Rs. 4 per cwt. will pay Rs. 5-8-0, and sugar below 8 Dutch standard and sugar candy which at present pays 25 per cent. *ad valorem* will pay a composite duty of 25 per cent. plus Rs. 1-8-0 per cwt. We thus retain due correspondence between the different kinds of sugar. I might add that molasses, which is at present classed along with low grade sugar and pays 25 per cent. will continue to pay 25 per cent. duty, because it must be regarded as in a different category from sugar being used mainly for industrial purposes. These sugar duties we estimate will give us 180 lakhs. But in estimating the effect of this fairly heavy increase on the consumer it has to be borne in mind that the price of sugar at the present time is exceptionally low. The landed price actually is lower than it has been at any time in the last ten years, so that we do not expect that this duty at present will have very much effect on the consumer. It must ultimately have some protective significance and perhaps in this there is some benefit because in the production of sugar we have one of the most valuable sources of increasing agricultural production in India and it is appropriate I think that in this same Budget we find a proposal to give the special grant of 10 lakhs which I mentioned before for improving the cultivation of sugar and sugar research.

The next item is kerosene. We propose to increase the excise duty on kerosene from one anna a gallon to one and a half annas a gallon, and at the same time to reduce the import duty from two and a half annas a gallon to

two and a quarter annas a gallon. This will give us 35 lakhs. The proposal has been framed in this form mainly for two reasons. First of all, because by the combined reduction of the import duty at the same time that the excise is increased we shall secure that the price of ordinary kerosene to the poor man is, if not reduced, at any rate not increased ; and secondly, we think that by reducing the disparity which exists at present between the excise and import duty by one half we are going as far as is wise or fair at the present moment to the indigenous oil companies, particularly the smaller companies, and we shall not be likely to retard production.

In view of the fact that we are proposing such substantial indirect taxation we consider it only fair that there should be some direct taxation, and we are therefore proposing a small increase in the rates of income-tax and super-tax. We are framing the proposals deliberately so as to avoid throwing any handicap on industry and commerce, and therefore our proposal is an increase of one pie in the rupee on incomes of Rs. 15,000 and upwards and a similar increase of one pie in the rupee on super-tax of all grades, with the exception of the flat rate of super-tax on companies which will not be touched. We expect to get from this Rs. 56 lakhs from income-tax and Rs. 14 lakhs from super-tax, making 70 in all. The taxes which I have described to the House so far give exactly 410 lakhs and if it had not been for the proposed reduction by a quarter of the rice duty, the deficit would have been covered. But as there is still Rs. 30 lakhs outstanding, and also for other reasons, we have another proposal to make, which is the last. We propose to reintroduce the duty of 4 annas an ounce on silver. The silver duties have a long history in the Indian tariff. Up to the year 1910 silver paid duty at the ordinary tariff rate of 5 per cent. In 1910 the duty of 4 annas an ounce was first introduced and it was maintained at that rate until the outbreak of the war when the import of silver was prohibited. After the war as a result of the recommendations of the Babington-Smith Committee at the time when the prohibition on import of silver was removed, the duty was also removed. The Babington-Smith Committee advocated its removal mainly for two reasons, first, because there was a fairly strong feeling that the existence of the duty operated to prevent the creation of a free silver market in Bombay, and, secondly, they thought it unfair to the consumer of silver in India and put him at a disadvantage with the consumer of silver in other countries. We propose to meet the first of these objections now by allowing a full rebate on re-export of silver which has paid duty. In the past a drawback of 7/8ths only was allowed, but we have been able to make administrative arrangements which will allow full rebate to be given now. As regards the second, we consider that the sensational fall in the price of silver which has reached a point lower, I think, than at any time in the last century has completely altered the position. Silver is a commodity in which the masses of the country very largely keep their store of value and we think it is in their interests to raise the internal value of silver at the present time. The silver duty at a very conservative estimate will give us a crore, so that if all our proposals for taxation are accepted, we should end the year with a surplus of 70 lakhs, and this would put us in a position not merely to face bad times with equanimity if our anticipations turn out to be optimistic, but if times are good it should provide us with a substantial reserve to meet the heavy obligations which we anticipate under the reformed constitution. I should also add that as the changes in the tariff which will be contained in the Finance Bill will take effect from to-morrow under the Provisional Collection of Taxes Act, we shall obtain in the current year an extra 35 lakhs, so that the current year will close with a surplus of 35 lakhs and the Budgetwith a surplus of 70.

I should now like to say a few words about Ways and Means, which are really the critical test of our finances. I will confine myself to the prospects of the coming year. We have, as the House knows, made considerable reduction in the capital programme of Railways, but even so we are allowing for a fairly substantial figure of 16¾ crores which includes 2 1/3 crores of the sanctioned programme of the current year. We have other capital obligations of nearly 4 crores and the capital required for Provincial Governments is nearly 8. We have to meet permanent debt maturing which amounts to 18 crores 84 lakhs including 15 crores and 77 lakhs of the 1930 bonds which come due for payment in India this year ; so that our total liabilities are 49 crores 35 lakhs. To meet this we have as assets the provision for reduction or avoidance of debt, we have our net takings under cash certificates, we have our depreciation and reserve funds and we have worked down as usual our balances to the normal minimum. The result is, assuming that the 6 million Sterling Bills which were raised in England this year will be provided for by some form of sterling borrowing in the course of the next year and allowing also for reduction in the Treasury Bills outstanding of 4 crores from 24 crores to 20 crores, we shall have to raise a loan in India of 23½ crores, of which, however, 7·4 crores only will be new money, since the greater part of the rest is covered by the 1930 bonds which I have just mentioned. It is also important to take into account the fact that we shall be returning to the market 4 crores of Treasury Bills, so that I think this position is not one which need cause us any concern and it should not have a depressing effect upon the security market. As regards remittances, we have had to remit to England this year 35¼ millions. We expect to meet this firstly by remittances through the market of 19 millions. We have also undertaken certain sterling borrowing in London and we have already remitted through the Paper Currency Reserve 9½ millions. Next year we have to remit 3½ millions less, that is, 31¾ millions. The actual method by which that remittance will be made it is of course impossible at the present moment to say, but it is a slightly smaller obligation than we have had in the current year.

In conclusion, Sir, I should like to re-emphasise very shortly what appear to me some of the main principles inherent in this Budget. There is first of all the principle which the Honourable the Finance Member had laid down with regard to civil expenditure, that he has admitted no expenditure except those items which are essential or are of a productive nature, and even then only when they can be covered by corresponding economies ; that as regards expenditure on our financial security and credit, we have not hesitated doubly to reinforce that credit. I should point out particularly the extra provision we are making for cash certificates, the full amount we are allowing for the reduction and avoidance of debt and the introduction of the Equalisation Fund for the Gold Standard Reserve ; and particularly I should point out the fact that we are asking the House to agree to the full amount of new taxation required to cover our liabilities with an adequate margin. Thirdly, as regards that taxation itself, I think that there is not a single item in it, with the exception of the income-tax and super-tax increase, which does not carry with it some corresponding advantages. In fact, I shall be surprised if I do not find support for everyone of those items from different quarters of this House. I think, Sir, that the Honourable the Finance Member has presented a Budget of unassailable strength, a Budget which will add confidence and which will increase the credit of this country both here and abroad. We are told that it is not in mortals to *command* success, but I think we will all agree that the Honourable Sir George Schuster has done all that financial foresight could do to *deserve* it. (Loud applause.)

Schedule of demands for grants for expenditure of the Central Government (excluding Railways) for the year 1930-31 submitted for the vote of the Legislative Assembly.

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.
†	**A.—Expenditure charged to Revenue.**		Rs.
16	Customs	Customs	77,57,000
17	Taxes on Income	Taxes on Income	71,99,000
18	Salt	Salt	88,31,000
19	Opium	Opium	63,69,000
20	Stamps	Stamps	1,000
21	Forest	Forest	8,39,000
22	Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works.	Works for which capital accounts are kept, Miscellaneous Irrigation Expenditure, Construction of Irrigation, etc., Works.	20,26,000
23	Indian Posts and Telegraphs Department (including Working Expenses).	Posts and Telegraphs	11,34,04,000
24	Indo-European Telegraph Department (including Working Expenses).		20,33,000
25	Interest on Debt and Reduction or Avoidance of Debt.	Interest on Ordinary Debt	1,35,33,000
26	Interest on Miscellaneous Obligations	Interest on other Obligations	47,37,000
27	Staff, Household and allowances of the Governor General.	General Administration	4,97,000
28	Executive Council		91,000
29	Council of State		1,22,000
30	Legislative Assembly and Legislative Assembly Department.		7,47,000
31	Foreign and Political Department		8,62,000
32	Home Department		7,11,000
33	Public Service Commission		92,000
34	Legislative Department		3,57,000
35	Department of Education, Health and Lands.		6,22,000
36	Finance Department		11,59,000
37	Separation of Accounts from Audit		16,00,000
38	Commerce Department		3,57,000
39	Army Department		5,47,000
40	Department of Industries and Labour		5,15,000
41	Central Board of Revenue		2,04,000
42	Payments to Provincial Governments on account of Administration of Agency subjects.		1,25,000
43	Audit	Audit	92,72,000
44	Administration of Justice	Administration of Justice	58,000
45	Police	Police	1,93,000
46	Ports and Pilotage	Ports and Pilotage	11,69,000
47	Lighthouses and Lightships	Lighthouses and Lightships	12,64,000
48	Survey of India	Scientific Departments	32,84,000
49	Meteorology	,, ,,	18,00,000
50	Geological Survey	,, ,,	2,74,000
51	Botanical Survey	,, ,,	2,84,000
52	Zoological Survey	,, ,,	1,92,000
53	Archæology	,, ,,	16,33,000
54	Mines	,, ,,	1,72,000
55	Other Scientific Departments	,, ,,	3,32,000
56	Education	Education	15,72,000
57	Medical Services	Medical	6,89,000
58	Public Health	Public Health	11,87,000
59	Agriculture	Agriculture	32,46,000
60	Civil Veterinary Services	,,	7,82,000
61	Industries	Industries	2,00,000
62	Aviation	Aviation	26,24,000
		Carried over	20,55,59,000

† Demands Nos. 1—15 relate to expenditure on Railways.

Schedule of demands for grants for expenditure of the Central Government (excluding Railways) for the year 1930-31 submitted for the vote of the Legislative Assembly—*concld.*

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.
			Rs.
	Brought forward .		20,55,59,000
	A.—Expenditure charged to Revenue—*concld.*		
63	Commercial Intelligence and Statistics .	Miscellaneous Departments . . .	3,21,000
64	Census	,, ,, . . .	3,34,000
65	Emigration—Internal	,, ,, . . .	38,000
66	,, External	,, ,, . . .	2,03,000
67	Joint-Stock Companies	,, ,, . . .	1,37,000
68	Miscellaneous Departments . . .	,, ,, . . .	5,91,000
69	Indian Stores Department . . .	Indian Stores Department . . .	9,03,000
70	Currency	Currency	49,27,000
71	Mint	Mint	25,49,000
72	Civil Works	Civil Works	2,74,65,000
73	Superannuation Allowances and Pensions	Superannuation Allowances and Pensions.	40,40,000
74	Stationery and Printing . . .	Stationery and Printing . . .	51,34,000
75	Miscellaneous	Miscellaneous	22,52,000
76	Refunds		62,32,000
77	North-West Frontier Province . .		1,06,35,000
78	Baluchistan		33,19,000
79	Delhi		44,48,000
80	Ajmer-Merwara		15,52,000
81	Andamans and Nicobar Islands . .	Distributed over respective heads of account.	49,26,000
82	Rajputana		5,55,000
83	Central India		5,80,000
84	Hyderabad		3,36,000
85	Expenditure in England—Secretary of State for India		17,66,000
86	Expenditure in England—High Commissioner for India		25,64,000
Non-voted.	Ecclesiastical, Political, etc. . . .		...
	TOTAL .		29,28,66,000
	B.—Expenditure charged to Capital.		
87	Capital outlay on Security Printing .	Capital outlay on Security Printing.	45,000
88	Forest Capital outlay	Capital outlay on Forests . . .	1,000
89	Irrigation	Construction of Irrigation Works .	94,000
90	Indian Posts and Telegraphs . . .	Capital outlay on Posts and Telegraphs.	69,61,000
91	Indo-European Telegraphs		1,000
92	Capital outlay on Currency Note Press .	Currency Capital outlay not charged to Revenue.	1,88,000
93	Capital outlay on Vizagapatam Harbour	Capital outlay on Vizagapatam Port .	34,18,000
94	Capital outlay on Lighthouses and Lightships	Capital outlay on Light houses and Lightships.	1,000
95	Commuted value of Pensions . . .	Payment of Commuted Value of Pensions.	27,00,000
96	New Capital at Delhi	Initial Expenditure on New Capital at Delhi.	1,00,08,000
	TOTAL .		2,34,17,000
	C.—Disbursements of Loans and Advances.		
97	Interest-free advances		94,56,000
98	Loans and advances bearing interest .		7,62,15,000
	TOTAL .		8,56,71,000
	GRAND TOTAL .		40,19,54,000

Declaration by the Governor General in Council under Section 67-A(7) of the Government of India Act regarding a certain demand refused by the Assembly.

In pursuance of Section 67-A(7) of the Government of India Act, the Governor General in Council is pleased to declare that the following demand which has been refused by the Legislative Assembly is essential to the discharge of his responsibilities :—

Demand.	Amount.
	Rs.
39.—Army Department	5,46,999

A. C. McWATTERS,

The 15th March 1930. *Secretary to the Government of India.*

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

New Delhi, the 5th April 1930.

The following Act* of the Indian Legislature received the assent of the Governor General on the 28th March, 1930, and is hereby promulgated for general information :—

ACT NO. XV OF 1930.

An Act further to amend the Sea Customs Act, 1878, to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, and further to amend the Indian Paper Currency Act, 1923, and the Indian Finance Act, 1926.

VIII of 1878. VIII of 1894. VI of 1898. XII of 1922. X of 1923. XIX of 1926.

WHEREAS it is expedient further to amend the Sea Customs Act, 1878, to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, and further to amend the Indian Paper Currency Act, 1923, and the Indian Finance Act, 1926 ; It is hereby enacted as follows :—

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1930.

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(*3*) Sections 3, 4A and 5 shall remain in force only up to the 31st day of March, 1931.

VIII of 1878.

Amendment of section 42, Act VIII of 1878.

2. In section 42 of the Sea Customs Act, 1878, after the words "seven-eighths" the words "or, in the case of silver bullion, the whole" shall be inserted.

XII of 1882.

Fixation of salt duty.

3. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of April, 1930, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

*The Finance Bill was passed in this form by the Legislative Assembly on the 24th March 1930 and by the Council of State on the 27th *idem*, the only changes made in the Bill being the insertion of clause 4-A, and the consequential alteration in Clause 1(*3*).

4. The amendments specified in the First Schedule to this Act shall be made in Schedules II and III to the Indian Tariff Act, 1894. VIII of 1894

Amendment of Schedules II and III to Act VIII of 1894.

Amendment of Schedule II, Act VIII of 1894.

4A. In Schedule II to the Indian Tariff Act, 1894,— VIII of 1894.

(*a*) after Item No. 43BB, as inserted by section 4, and under the head " METALS ", the following item shall be inserted, namely :—

" 43BBB	SILVER PLATE, silver thread and wire (including so-called gold thread and wire mainly made of silver), silver leaf and silver manufactures, all sorts not otherwise specified.	*Ad valorem*	38 per cent. "

(*b*) in part VI, under the head " METALS " the Item which reads " SILVER PLATE, silver thread and wire, silver leaf and silver manufactures, all sorts not otherwise specified ", together with its serial number, shall be omitted.

5. With effect from the 1st day of April, 1930, the schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

Postal rates.

6. (*1*) Income-tax for the year beginning on the 1st day of April, 1930, shall be charged at the rates specified in Part I of the Third Schedule.

Income-tax and super-tax.

(*2*) The rates of super-tax for the year beginning on the 1st day of April, 1930, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule. XI of 1922.

(*3*) For the purposes of the Third Schedule, " total income " means total income as determined, for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922. XI of 1922.

7. In the proviso to section 5 of the Indian Finance Act, 1922, for the words "one anna" the words "one anna and six pies" shall be substituted. XII of 1922.

Amendment of section 5, Act XII of 1922.

8. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures " 1930 " the figures " 1931 " shall be substituted. X of 1923.

Amendment of section 19, Act X of 1923.

9. With effect from the 1st day of April, 1930, section 7 of the Indian Finance Act, 1926, shall be repealed. XIX of 1926.

Repeal of section 7, Act XIX of 1926.

SCHEDULE I.

Amendments to be made in Schedules II and III to the Indian Tariff Act, 1894.

[*See Section 4.*]

1. In Item No. 19 of Schedule II, the words " nickel, bronze, and copper " shall be omitted.

2. In Item No. 20 of Schedule II, the words " and silver ", in both places where they occur, shall be omitted.

3. For Item No. 34 of Schedule II, the following shall be substituted, namely :—

			Rs. A.
"34	SUGAR, excluding confectionery (*see* No. 124)—		
	(1) Sugar, crystallised or soft 23 Dutch Standard and above.	Cwt. . .	6 0
	(2) Sugar, crystallised or soft inferior to 23 Dutch Standard but not inferior to 8 Dutch Standard.	Cwt. . .	5 8
	(3) Sugar, below 8 Dutch Standard and sugar-candy.	*Ad valorem* .	25 per cent. *plus* one rupee and eight annas per cwt.
	(4) Molasses . . .	*Ad valorem* .	25 per cent. "

4. In Item No. 40 of Schedule II, for the words " six pies " the words " three pies " shall be substituted.

5. After Item No. 43B of Schedule II, the following heading and item shall be inserted, namely :—

" METALS.

43 BB	SILVER BULLION and coin, not otherwise specified, and silver sheets and plates which have undergone no process of manufacture subsequent to rolling.	Ounce . .	Four annas."

6. Item No. 45 of Schedule II shall be omitted.

7. In Item No. 4 of Schedule III, for the figures " 0 3 " the words " Two annas and three pies " shall be substituted.

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

[*See section 5.*]

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[*See section 7.*]

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

SCHEDULE III.

[*See section 6.*]

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(1) When the total income is less than Rs. 2,000	*Nil.*
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000.	Nine pies in the rupee.
(5) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000.	Ten pies in the rupee.
(6) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna and one pie in the rupee.
(7) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and four pies in the rupee.
(8) When the total income is Rs. 40,000 or upwards	One anna and seven pies in the rupee.
B. In the case of every company and registered firm, whatever its total income.	One anna and seven pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess.	One anna and one pie in the rupee.
(*b*) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company, for every rupee of the first fifty thousand rupees of such excess.	One anna and one pie in the rupee.
(*c*) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the second fifty thousand rupees of such excess.	One anna and seven pies in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess	Two annas and one pie in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess	Two annas and seven pies in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess	Three annas and one pie in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess	Three annas and seven pies in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess	Four annas and one pie in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess	Four annas and seven pies in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess	Five annas and one pie in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess	Five annas and seven pies in the rupee.
(*x*) for every rupee of the remainder of the excess . . .	Six annas and one pie in the rupee.

L. GRAHAM,

Secy. to the Govt. of India.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

New Delhi, the 5th April 1930.

The following Act* of the Indian Legislature received the assent of the Governor General on the 4th April, 1930, and is hereby promulgated for general information :—

ACT NO. XVIII OF 1930.

An Act to provide for the imposition and collection of an excise duty on silver.

WHEREAS it is expedient to impose an excise duty on silver and to provide for the collection thereof ; It is hereby enacted as follows :—

Short title and extent.

1. (*1*) This Act may be called the Silver (Excise Duty) Act, 1930.

(*2*) It extends to the whole of British India.

Definition.

2. In this Act "silver works" means any place where silver is extracted from ore.

Imposition and collection of an excise duty on silver.

3. (*1*) There shall be collected at every silver works on all silver produced in such works, which is issued out of the premises of such works on and after the 17th day of March, 1930, a duty at the rate of four annas on each ounce.

(*2*) If any duty payable under sub-section (*1*) is not paid within the time fixed by a notice issued in accordance with any rules made in this behalf under this Act, it shall be deemed to be an arrear, and the authority to which such duty is payable may, in lieu thereof, recover any sum not exceeding double the amount of the duty unpaid which such authority may in its discretion think it reasonable to require.

(*3*) Any arrear of duty, or any sum recoverable in lieu thereof under sub-section (*2*), shall be recoverable as an arrear of income-tax in any manner prescribed in section 46 of the Indian Income-tax Act, 1922. XI of 1922.

Issue of silver from silver works.

4. (*1*) No person shall issue any silver out of the premises of any silver works except in accordance with the provisions of rules made under section 6 regulating such issue, or, until such rules are made, in accordance with the general or special orders of the Local Government.

(*2*) Whoever contravenes any such rule or order shall be punishable with fine which may extend to one thousand rupees or to a sum double the amount of the duty on any silver issued in contravention of such rule or order, whichever is greater.

---

*The Bill as introduced was passed by the Legislative Assembly on the 31st March 1930 and by the Council of State on the 3rd April 1930.

Application of the provisions of Act VIII of 1878 to the excise duty on silver.

VIII of 1878.

5. The Governor General in Council may, by notification in the Gazette of India, declare that any of the provisions of the Sea Customs Act, 1878, relating to the levy of and exemption from customs duties, drawback of duty, warehousing, offences and penalties, confiscation, and the procedure relating to offences and appeals shall, with such modifications and alterations as he may consider necessary or desirable to adapt them to the circumstances, be applicable in regard to like matters in respect of the duty on silver imposed by section 3.

Power to make rules.

6. (*1*) The Governor General in Council may, by notification in the Gazette of India, make rules—

(*a*) imposing on owners of silver works the duty of furnishing returns and keeping records and books, prescribing the form of such returns, records and books and the particulars to be contained therein, and the manner in which the same are to be verified, and all such other conditions thereof as may be necessary ;

(*b*) providing for the regulation of the issue of silver out of the premises of silver works ;

(*c*) providing for the assessment of the duty, the issue of notices requiring payment, the authority to whom the duty shall be payable, and for the recovery of arrears ;

(*d*) providing for the inspection of silver works ; and

(*e*) generally, for carrying into effect the provisions of this Act.

(*2*) Such rules may provide that any breach thereof shall be punishable with fine which may extend to five hundred rupees :

Provided that the breach of any rule made under clause (*b*) of sub-section (*1*) shall be punishable with the penalty prescribed in sub-section (*2*) of section 4.

L. GRAHAM,

Secy. to the Govt. of India.

No.F. 1(1)-B./30.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

New Delhi, the 3rd April 1930.

RESOLUTION.

The statements relating to the Revised estimates for 1929-30 and the Budget estimates for 1930-31, which were presented to the Legislative Assembly and the Council of State on the 17th and the 28th February 1930, have been reconsidered with reference to the reductions made by the Legislative Assembly in the demands for grants, the action taken by the Governor General in Council in respect thereto, and the course of legislation since the latter date. The changes made are explained below and revised statements are now published as usual for general information.

2. The following reductions were made by the Legislative Assembly in the demands presented to them :—

Demand.	Amount.
	Rs.
36.—Finance Department	100
39.—Army Department	5,46,999*
Ditto	1
77.—North-West Frontier Province . . .	100

Of these, the Governor General in Council has, under Section 67-A(7) of the Government of India Act, decided that the amount marked with an asterisk is essential to the discharge of his responsibilities.

The remaining alterations result in a reduction of the expenditure in 1930-31 by Rs. 201, but as the estimates are in round thousands of Rupees, they remain unaffected by these alterations.

3. On the other hand, the insertion of clause 4A in the Indian Finance Bill and the passing of the Silver (Excise Duty) Bill will have the effect of raising the Customs revenue for the year 1930-31 by Rs. 1 lakh and Rs. 15 lakhs respectively, so that the revenue surplus as well as the closing cash balance for the year, as shown in the statements presented to the Legislature, has now been increased by Rs. 16 lakhs.

A. C. McWATTERS,

Secretary to the Government of India.

BUDGET

of the

Governor-General in Council,

April 1930.

FINANCE DEPARTMENT,
New Delhi, the 3rd April 1930.

A. C. McWATTERS,
Secretary to the Govt. of India

CONTENTS.

	PAGES.
I.—GENERAL STATEMENT of the REVENUE and EXPENDITURE charged to REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	94—95
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	96—97
A.—STATEMENT of the REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	98—101
B.—STATEMENT of the EXPENDITURE charged to REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	102—105
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	106—117
D.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	118—119

I.—General Statement of the Revenue and Expen liture charged to

	For details, *vide* Statement.	Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	49,28,00,804	51,21,77,000	51,03,09,000	54,63,81,000
Taxes on Income	,,	16,70,33,969	16,59,60,000	17,10,06,000	17,99,78,000
Salt	,,	7,59,92,743	6,34,64,000	6,72,19,000	7,04,83,000
Opium	,,	3,26,59,423	3,05,57,000	3,08,27,000	2,71,80,000
Other Heads	,,	2,23,85,302	2,22,67,000	2,28,02,000	2,30,86,000
TOTAL PRINCIPAL HEADS		79,08,72,270	79,44,25,000	80,20,63,000	84,71,08,000
Railways: Net Receipts (as per Railway Budget)		37,48,75,950	40,55,00,000	37,06,80,000	38,10,00,000
Irrigation: Net Receipts	A	9,40,323	13,40,000	12,75,000	14,25,000
Posts and Telegraphs: Net Receipts	,,	7,41,354	57,73,000	7,99,000	21,52,000
Interest Receipts	,,	2,80,03,036	3,45,64,000	4,32,78,000	3,45,31,000
Civil Administration	,,	1,00,93,520	1,12,25,000	1,13,06,000	1,06,44,000
Currency and Mint	,,	2,88,32,728	3,05,77,000	2,85,51,000	2,89,15,000
Civil Works	,,	17,04,637	18,45,000	24,35,000	26,17,000
Miscellaneous	,,	89,47,427	85,14,000	92,31,000	86,11,000
Military Receipts	,,	3,39,37,451	3,48,71,000	3,97,77,000	3,62,08,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments	,,	3,99,749	...	...	...
Extraordinary Items	,,	1,04,62,030	1,19,69,000	1,90,23,000	32,00,000
TOTAL REVENUE		1,28,98,10,475	1,34,06,33,000	1,32,84,08,000	1,35,64,11,000
DEFICIT		31,54,002	...	...	...
TOTAL		1,29,29,64,477	1,34,06,33,000	1,32,84,08,000	1,35,64,11,000

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

	For details, *vide* Statement.	Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
		Rs.	Rs.	Rs.	Rs.
Expenditure –					
Direct Demands on the Revenue	B	4,02,12,795	4,50,43,000	4,12,99,000	4,35,57,000
Forest and other Capital outlay charged to Revenue	,,	3,62,405	7,88,000	5,21,000	6,33,000
Railways : Interest and Miscellaneous Charges (as per Railway Budget)	,,	32,25,50,403	34,30,28,000	30,94,94,000	32,36,43,000
Irrigation	,,	22,24,830	22,66,000	30,36,000	25,71,000
Posts and Telegraphs	,,	81,63,816	81,20,000	81,11,000	92,73,000
Debt Services	,,	15,62,43,872	15,59,88,000	16,51,88,000	17,61,58,000
Civil Administration	,,	11,43,51,316	12,66,74,000	12,68,72,000	13,20,59,000
Currency and Mint	,,	71,61,822	71,02,000	74,30,000	77,66,000
Civil Works	,,	1,59,28,196	2,59,35,000	2,63,25,000	2,81,06,000
Miscellaneous	,,	4,05,92,852	4,06,93,000	4,58,39,000	4,16,87,000
Military Services	,,	58,49,37,451	58,58,71,000	59,07,77,000	57,97,08,000
Miscellaneous adjustments between the Central and Provincial Governments	,,	1,08,059	...	...	...
Extraordinary Items	,,	1,20,510	2,25,000	7,000	50,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,29,29,64,477	1,34,06,33,000	1,32,49,08,000	1,34,78,11,000
SURPLUS		...	...	35,00,000	86,00,000
TOTAL		1,29,29,64,477	1,34,06,33,000	1,32,84,08,000	1,35,64,11,000

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

	For details, *vide* Statement.	Receipts.			
		Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	...	...	35,00,000	86,00,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards outlay on State Railways (as per Railway Budget)	C	14,794	2,65,19,000	...	...
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	28,01,90,740	22,12,02,000	19,81,13,000	4,66,00,000
Floating Debt (net incurred)	,,	3,62,25,000	...	23,35,30,000	...
Unfunded Debt (net incurred)	,,	8,40,95,296	10,23,34,000	14,04,26,000	9,36,52,000
Deposits and Advances (net)	,,	...	6,58,81,000	...	5,57,80,000
Railway Depreciation and Reserve Funds as per Railway Budget (net)	,,	4,97,87,890	5,35,73,000	23,70,000	5,08,95,000
TOTAL DEBT, DEPOSITS AND ADVANCES.		45,02,98,926	44,29,90,000	57,44,39,000	24,69,27,000
Remittances (net)	C	75,66,103	1,08,000	7,42,000	4,95,000
TOTAL RECEIPTS	...	45,78,79,823	46,96,17,000	57,81,81,000	25,60,22,000
Opening Balance—India	...	9,16,10,089	11,73,63,089	9,20,46,097	17,79,20,097
Opening Balance—England	...	7,54,87,402	7,29,96,402	6,99,36,668	9,30,41,668
TOTAL	...	62,49,77,314	65,99,76,491	74,06,63,765	52,60,83,765

Central Government, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1928-29.	Budget Estimate, 1929-30.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
		Rs.	Rs.	Rs.	Rs.
Deficit	C	31,54,002	...	...	...
Railway, Irrigation, Posts and Telegraphs and other Capital outlay not charged to Revenue—					
Capital outlay on Security Printing Press	C	—4,75,534	45,000	23,000	15,000
Construction of State Railways (as per Railway Budget)	,,	25,35,76,072	33,52,67,000	31,20,57,000	16,75,00,000
Discharge of Debentures (as per Railway Budget)	,,	3,99,30,676	2,65,19,000	...	...
Construction of Irrigation Works	,,	36,040	1,99,000	2,53,000	1,01,000
Capital outlay on Posts and Telegraphs	,,	53,33,185	68,13,000	52,13,000	68,71,000
Capital outlay on Vizagapatam Port	,,	29,23,364	40,00,000	34,50,000	34,20,000
Capital outlay on Light-houses and Light-ships	,,	...	8,000	...	...
Currency Capital outlay	,,	3,37,011	52,000	1,58,000	1,58,000
Initial expenditure on New Capital at Delhi	,,	36,64,623	71,66,000	67,74,000	51,84,000
Payment of commuted value of pensions	,,	36,09,034	31,17,000	35,24,000	33,59,000
Capital outlay on Bombay Land Scheme	,,	...	...	...	2,05,22,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS		30,89,34,484	38,31,86,000	33,14,52,000	20,71,90,000
Debt, Deposits and Advances—					
Floating Debt (net discharged)	C	..	94,75,000	...	4,00,00,000
Deposits and Advances (net)	,,	1,79,98,367	...	2,27,59,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES		1,79,98,367	94,75,000	2,27,59,000	4,00,00,000
Loans and Advances by the Central Government (net Advances)	C	12,72,24,050	6,24,28,000	6,97,24,000	6,73,62,000
Balances of Provincial Governments (net)	,,	56,83,646	2,58,11,000	4,57,67,000	2,61,13,000
TOTAL DISBURSEMENTS	...	46,29,94,549	48,09,00,000	46,97,02,000	34,06,65,000
Closing Balance: India	...	9,20,46,097	11,56,88,089	17,79,20,097	12,95,94,097
Closing Balance: England	...	6,99,36,668	6,33,88,402	9,30,41,668	5,67,24,668
TOTAL	...	62,49,77,314	65,99,76,491	74,06,63,765	52,69,83,765

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1928-29.				Revised Estimate,		Item No.
	India.	England.	Exchange.	Total.	India.	England.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue—							
I.—Customs	49,28,00,504	...	...	49,28,00,804	51,02,09,000	...	1
II.—Taxes on Income	16,70,40,768	—6,762	—7	16,70,33,999	17,10,02,000	4,000	2
III.—Salt	7,59,92,704	38	...	7,59,92,742	6,72 19,000	...	3
IV.—Opium	3,26,59,416	7	...	3,26,59,433	3,08,27,000	...	4
V.—Land Revenue	38,31,605	...	...	38,31,605	39,91,000	2,000	5
VI.—Excise	52,71,614	...	...	52,71,614	53,87,000	...	6
VII.—Stamps	30,81,791	...	...	30,81,791	28,94,000	...	7
VIII.—Forest	25,97,165	93	...	25,97,258	29,34,000	...	8
IX.—Registration	1,61,924	...	...	1,61,924	1,60,000	...	9
X.—Tributes from Indian States	74,41,110	...	...	74,41,110	74,34,000	...	10
Total	79,08,78,901	—6,624	—7	79,08,72,270	80,20,57,000	6,000	11
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept—Gross Receipts	17,96,143	...	...	17,96,143	23,19,000	...	12
Deduct—Working Expenses	*8,58,062*	*221*	...	*8,58,283*	*10,48,000*	...	13
Net Receipts	9,38,081	—221	...	9,37,860	12,71,000	...	14
XIV.—Works for which no Capital Accounts are kept	2,463	...	...	2,463	4,000	...	15
Total	9,40,544	—221	...	9,40,323	12,75,000	...	16
Posts and Telegraphs—							
XV.—Posts and Telegraphs—Indian Posts and Telegraphs Department—Gross Receipts	11,03,65,308	...	...	11,03,65,308	11,20,15,000	...	17
Deduct—Working Expenses	*10,87,52,615*	*7,29,898*	*1,219*	*10,94,83,732*	*11,02,36,000*	*7,60,000*	18
Net Receipts	16,12,693	—7,29,898	—1,219	8,81,576	17,79,000	—7,60,000	19
Indo-European Telegraph Department—Gross Receipts	15,27,576	13,62,887	2,830	28,93,293	11,95,000	14,00,000	20
Deduct—Working Expenses	*28,67,187*	*1,66,026*	*302*	*30,33,515*	*26,38,000*	*1,81,000*	21
Net Receipts	—13,39,611	11,96,861	2,528	—1,40,222	—14,43,000	12,19,000	22
Total	2,73,082	4,66,963	1,309	7,41,354	3,36,000	4,59,000	23
Debt Services—							
XVI.—Interest	91,36,133	1,88,43,864	23,039	2,80,03,036	91,05,000	2,39,36,000	24
Carried over	80,12,28,660	1,93,03,982	24,341	82,05,56,983	81,27,78,000	3,44,01,000	25

* Sterling converted into Rupees at £1=Rs. 13⅓.

Government, in India and in England.

Item No.	1929-30. Exchange.	1929-30. Total.	Increase (+) Decrease (—) as compared with Budget, 1929-30.	Budget Estimate, 1930-31. India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1929-30.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	...	51,02,09,000	—19,68,000	54,63,81,000	...	...	54,63,81,000	+3,61,72,000
2	...	17,10,06,000	+50,46,000	17,93,78,000	...	...	17,99,78,000	+89,72,000
3	...	6,72,19,000	+27,55,000	7,04,83,000	...		7,04,83,000	+32,64,000
4	...	3,08,27,000	+2,70,000	2,71,90,000	..	.	2,71,90,000	—36,47,000
5	...	19,93,000	+72,000	19,17,000	...	...	19,17,000	+24,000
6	...	58,87,000	+4,43,000	53,84,000	.	...	53,84,000	—5,060
7	...	28,94,000	+36,000	28,84,000	.	..	28,84,000	—10,000
8	...	29,34,000	—66,000	32,45,000	...	...	32,45,000	+3,11,000
9	...	1,60,000	+1,000	1,60,000	..	...	1,60,000	..
10	...	74,34,000	+49,000	73,98,000	..	...	73,98,000	—36,000
11	...	80,20,63,000	+76,38,000	84,71,08,000	...	...	84,71,08,000	+4,50,45,000
12	...	23,19,000	+54,000	23,82,000	...	...	23,82,000	+63,000
13	...	*10,48,000*	—1,19,000	*9,61,000*	.	...	*9,61,000*	+87,000
14	...	12,71,000	—65,000	14,21,000	...	...	14,21,000	+1,50,000
15	...	4,000	...	4,000		...	4,000	...
16	...	12,75,000	—65,000	14,25,000	..	...	14,25,000	+1,50,000
17	...	11,20,15,000	—30,82,000	11,50,85,000	...	.	11,50,85,000	+30,70,000
18	*5,000*	*11,10,01,000*	—7,95,000	*11,19,72,000*	*7,29,000*	...	*11,27,01,000*	—17,00,000
19	—5,000	10,14,000	—17,77,000	31,13,000	—7,29,000	...	23,84,000	+13,70,000
20	10,000	26,05,000	—2,03,000	11,90,000	12,80,000	...	24,70,000	—1,35,000
21	*1,000*	28,29,000	+96,000	*25,50,000*	*1,52,000*	.	27,02,000	+1,18,000
22	9,000	—2,15,000	—1,97,000	—13,60,000	11,28,000	...	—2,32,000	—17,000
23	4,000	7,99,000	—49,74,000	17,53,000	3,00,000	...	21,53,000	+1,53,000
24	2,37,000	1,52,78,000	+87,14,000	1,07,53,000	2,37,98,000	...	3,45,51,000	—87,47,000
25	2,41,000	84,74,15,000	+1,13,13,000	86,10,19,000	2,41,97,000	...	88,52,16,000	+3,78,01,000

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1928-29.				Revised Estimate,		Item No.
	India.	* England.	Exchange.	Total.	India.	* England.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	81,12,28,660	1,93,03,982	24,341	82,05,56,983	81,27,73,000	3,44,01,000	
Civil Administration—							
XVII.—Administration of Justice	3,53,764	1,742	—3	3,55,103	3,16,000	..	1
XVIII.—Jails and Convict Settlements	3,48,227	...	...	3,48,227	3,53,000	...	2
XIX.—Police	5,37,453	...	...	5,37,453	4,71,000	1,000	3
XX.—Ports and Pilotage	31,41,941	640	—2	31,42,578	23,51,000	...	4
XX(1).—Light houses and Light ships					13,18,000	...	5
XXI.—Education	2,11,942	68	...	2,12,010	2,03,000	...	6
XXII.—Medical	3 14,619	518	1	3,15,138	3,02,000	...	7
XXIII.—Public Health	3,56,785	...	...	3,56,785	3,71,000	...	8
XXIV.—Agriculture	21,28,796	...	...	21,28,796	23,23,000	...	9
XXV.—Industries	36,367	17	...	36,384	34,000	..	10
XXVI.—Miscellaneous Departments	14,70,450	8,663	15	14,79,128	17,27,000	13,000	11
XXVI-A.—Indian Stores Department	11,81,918	.	...	11,81,918	15,24,000	...	12
Total	1,00,81,861	11,648	11	1,00,93,520	1,12,92,000	14,000	13
Currency and Mint—							
XXVII.—Currency	2,23,15,553	21,44,574	3,184	2,44,62,311	2,19,98,000	27,12,000	14
XXVIII.—Mint	43,70,414	3	..	43,70,417	38,22,000	..	15
Total	2,66,85,967	21,44,577	2,184	2,88,32,728	2,58,20,000	27,12,000	16
Civil Works—							
XXX.—Civil Works	17,04,637	.	..	17,04,637	24,35,000	...	17
Miscellaneous—							
XXXIII.—Receipts in aid of Superannuation	16,02,374	4,31,854	887	20,35,115	15,92,000	4,41,000	18
XXXIV.—Stationery and Printing	38,47,275	30,394	39	38,86,708	39,07,000	38,000	19
XXXV.—Miscellaneous	20,84,754	9,38,488	2,362	30,25,604	20,17,000	12,15,000	20
Total	75,34,403	14,00,736	3,288	89,47,427	75,16,000	16,94,000	21
Military Receipts—							
XXXVI.—Army—							
Effective	1,77,19,923	35,62,477	4,427	2,12,86,827	1,99,73,000	33,36,000	22
Non-effective	17,85,539	35,36,363	5,295	53,27,097	27,38,000	67,47,000	23
	1,95,05,462	70,98,740	9,722	2,66,13,924	2,27,11,000	1,00,83,000	24
XXXVII.—Marine	13,60,708	2,397	1	13,63,106	15,87,000	6,000	25
XXXVIII.—Military Engineer Services	59,60,421	...	...	59,60,421	53,19,000	...	26
XXXVIII.-A—Transfers from Military Reserve Fund		...	...	...	...	...	27
Total	2,68,26,591	71,01,137	9,723	3,39,37,451	2,96,17,000	1,00,89,000	28
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
XXXIX-A.—Miscellaneous adjustments between the Central and Provincial Governments	3,99,749	...	...	3,99,749	...	...	29
Extraordinary items—							
XL.—Extraordinary Receipts	...	30,42,166	4,978	30,47,144	1,56,15,000	33,84,000	30
XL-A.—Transfers from Revenue Reserve Fund	74,14,886	...	...	74,14,886	...	...	31
Total	74,14,886	30,42,166	4,978	1,04,62,030	1,56,15,000	33,84,000	32
Railway Revenues as per Railway Budget	37,62,75,386	—13,94,382	—5,054	37,48,75,950	37,68,06,000	—1,25,000	33
TOTAL REVENUE	1,25,81,52,140	3,16,18,864	39,471	1,28,98,10,475	1,27,58,74,000	5,21,69,000	34

*Sterling converted into Rupees at £1 =Rs. 13⅓.

Government, in India and in England—*contd.*

Item No.	1929-30. Exchange.	1929-30. Total.	Increase (+) Decrease (−) as compared with Budget, 1929-30.	Budget Estimate, 1930-31. India.	Budget Estimate, 1930-31. * England.	Budget Estimate, 1930-31. Exchange.	Budget Estimate, 1930-31. Total.	Increase (+) Decrease (−) as compared with Revised, 1929-30.
	Rs. 2,41,000	Rs. 84,74,15,000	Rs. +1,13,13,000	Rs. 86,10,19,000	Rs. 2,41,97,000	Rs. ...	Rs. 88,52,16,000	Rs. +3,78,01,000
1	...	3,16,000	−45,000	3,13,000	...	...	3,13,000	−3,000
2	...	3,53,000	+2,000	4,03,000	...	...	4,03,000	+50,000
3	...	4,72,000	+35,000	4,80,000	...	.	4,80,000	+8,000
4	...	23,51,000	+61,000	24,12,000	...	...	24,12,000	+91,000
5	...	13,18,000	+2,27,000	12,85,000	...	...	12,85,000	−33,000
6	...	2,03,000	+19,000	2,05,000	...	...	2,05,000	+2,000
7	...	3,07,000	−77,000	5,95,000	...	...	5,95,000	+2,93,000
8	...	3,71,000	−98,000	3,79,000	...	...	3,79,000	+8,000
9	...	23,22,000	−1,73,000	24,08,000	...	..	24,08,000	+86,000
10	...	34,000	...	29,000	...	...	29,000	−5,000
11	...	17,40,000	+3,13,000	15,62,000	4,000	...	15,66,000	−1,74,000
12	..	15,24,000	−1,83,000	15,39,000	..		5,39,000	−9,85,000
13	...	1,13,06,000	+81,000	1,06,40,000	4,000	..	1,06,44,000	−6,62,000
14	19,000	2,47,29,000	−19,56,000	2,36,35,000	16,32,000	...	2,52,67,000	+5,38,000
15	...	38,22,000	−70,000	36,48,000	.	...	36,48,000	−1,74,000
16	19,000	2,85,51,000	−20,26,000	2,72,83,000	16,32,000	.	2,89,15,000	+3,64,000
17	...	24,35,000	+5,90,000	26,17,000	...	...	26,17,000	+1,82,000
18	3,000	20,36,000	+72,000	15,71,000	3,59,000	.	19,30,000	−1,06,000
19	...	39,45,000	+14,000	37,86,000	35,000	...	38,21,000	−1,24,000
20	8,000	32,40,000	+5,91,000	14,09,000	14,51,000	..	28,60,000	−3,80,000
21	11,000	92,21,000	+6,77,000	67,66,000	18,45,000		86,11,000	−6,10,000
22	24,000	2,53,33,000	+8,85,000	1,75,12,000	29,12,000		2,04,24,000	−29,09,000
23	47,000	95,32,000	+57,37,000	18,74,000	50,53,000	...	69,27,000	−26,05,000
24	71,000	3,28,65,000	+66,22,000	1,93,86,000	79,65,000	...	2,73,51,000	−55,14,000
25	...	15,93,000	+2,31,000	21,36,000	...	...	21,36,000	+5,43,000
26	...	53,19,000	−19,47,000	41,14,000	...	..	41,14,000	−12,05,000
27	.	..	...	26,07,000	...	..	26,07,000	+26,07,000
28	71,000	3,97,77,000	+43,66,000	2,82,43,000	79,65,000	...	3,62,08,000	−35,69,000
29	...	...	...	...	...	...	..	...
30	24,000	1,90,23,000	+1,60,23,000	...	32,00,000	...	32,00,000	−1,58,23,000
31	..	..	−89,69,000	...	..	..	...	...
32	24,000	1,90,23,000	+70,54,000	...	32,00,000	...	32,00,000	−1,58,23,000
33	−1,000	37,06,80,000	−3,48,20,000	38,53,16,000	−43,16,000	...	38,10,00,000	+1,03,20,000
34	3,65,000	1,32,84,08,000	−1,22,25,000	1,32,18,84,000	3,45,27,000	...	1,35,64,11,000	+2,80,03,000

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	Accounts, 1928-29. India.	* England.	Exchange.	Total.	Revised India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenue—						
1.—Customs	91,5[illegible],120	2,00,678	303	93,59,081	93,26,000	1
2.—Taxes on Income	67,45,348	1,50,316	241	68,95,915	71,31,000	2
3.—Salt	1,22,35,370	90,177	130	1,23,25,677	1,26,87,000	3
4.—Opium	53,65,969	1,29,071	228	54,95,268	47,77,000	4
5.—Land Revenue	11,89,494	[illegible],529	31	12,02,054	10,89,000	5
6.—Excise	15,02,978	4,800	7	15,07,785	16,74,000	6
7.—Stamps	1,09,482			1,09,482	63,000	7
8.—Forest	31,19,246	1,68,850	239	32,88,335	31,83,000	8
9.—Registration	29,198	...	...	29,198	30,000	9
TOTAL	3,94,55,205	7,56,411	1,179	4,02,12,795	4,05,30,000	10
Forest and other Capital outlay charged to Revenue—						
3A.—Capital outlay on Salt Works	57,776	...	...	57,776	1,21,000	11
7A.—Capital outlay on Central Stamp Store	1,07,052	..	..	1,07,052	..	12
8A.—Forest Capital outlay	1,96,737	...	..	1,96,737	3,71,000	13
TOTAL	3,62,465	..	...	3,62,465	4,92,000	14
Irrigation, etc., Revenue Account—						
14.—Works for which Capital accounts are kept—						
Interest on Debt	12,21,077	...	...	12,21,077	12,35,000	15
15.—Other Revenue Expenditure	6,69,058	83,122	235	7,52,415	15,95,000	16
TOTAL	18,90,135	83,122	235	19,73,492	28,30,000	17
Irrigation, etc., Capital Account (charged to Revenue)—						
16.—Construction of Irrigation, etc., Works—						
Financed from Ordinary Revenues.	2,51,338	..	..	2,51,338	1,58,000	18
Posts and Telegraphs Revenue Account—						
17.—Posts and Telegraphs—						
Interest on Debt—						
Indian Posts and Telegraphs Department	62,65,133	.	...	62,65,133	66,19,000	19
Indo-European Telegraph Department	5,37,448	.	...	5,37,448	5,52,000	20
TOTAL	68,02,581	..	...	68,02,581	71,71,000	21
Posts and Telegraphs Capital Account (charged to Revenue)—						
18.—Capital outlay on Posts and Telegraphs—						
Indian Posts and Telegraphs Department	13,12,114	...	...	13,12,114	9,70,000	22
Indo-European Telegraph Department	11,446	4,667	8	49,121	—15,000	23
TOTAL	13,56,560	4,667	8	13,61,235	9,35,000	24
Debt Services—						
19.—Interest on Ordinary Debt	20,52,10,791	17,85,47,020	2,08,866	38,39,75,677	21,05,76,000	25
Deduct—Amount chargeable to—						
Railways	*17,37,90,367*	*10,43,29,736*	*1,38,796*	*27,82,58,899*	*18,20,04,000*	26
Irrigation	*12,21,077*			*12,21,077*	*12,35,000*	27
Posts and Telegraphs	*69,61,542*		...	*69,61,542*	*73,50,000*	28
Other heads	*14,72,263*	...	...	*14,72,263*	*16,91,000*	29
Provincial Loans Fund	*5,87,78,074*	...	..	*5,87,78,074*	*6,18,97,000*	30
Remainder chargeable to Ordinary Debt	—3,40,03,522	7,42,17,484	70,070	4,02,84,032	—4,05,91,000	31
20.—Interest on other Obligations	6,15,61,768	1,80,762	310	6,17,42,840	6,85,74,000	32
21.—Reduction or Avoidance of Debt	5,42,17,000	...	..	5,42,17,000	5,73,87,000	33
TOTAL	8,17,75,246	7,42,98,246	70,380	15,62,43,872	8,53,70,000	34
Carried over	13,18,93,530	7,52,42,446	71,862	20,72,07,778	13,44,76,000	35

* Sterling converted into Rupees at £1 = Rs. 13⅓.

of the Central Government, in India and in England.

Item No.	Estimate, 1929-30.			Increase (+) Decrease (—) as compared with Budget, 1929-30.	Budget Estimate, 1930-31.				Increase (+) Decrease (—) as compared with Revised, 1929-30
	* England.	Exchange.	Total.		India.	* England.	Exchange.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs	Rs.	Rs.	Rs.	Rs.
1	1,42,000	1,000	1,40,69,000	+57,000	96,36,000	1,78,000	..	98,14,000	—2,55,000
2	1,45,000	1,000	77,47,000	+9,000	74,58,000	1,31,000	...	75,89,000	+3,12,000
3	99,000	1,000	1,27,87,000	—2,86,000	1,30,50,000	87,000	...	1,31,67,000	+3,80,000
4	1,32,000	1,000	49,10,000	—21,91,000	63,65,000	92,000	...	64,57,000	+15,47,000
5	1,000	...	10,90,000	—65,000	10,31,000	5,000	...	10,36,000	—54,000
6	5,000	...	16,79,000	+31,000	17,74,000	5,000	...	17,79,000	+80,000
7	29,000	...	92,000	+5,000	65,000	...	..	65,000	—27,000
8	2,10,000	2,000	33,95,000	—2,24,000	34,04,000	2,36,000	..	36,40,000	+2,45,000
9	...	...	30,000		30,000	...	...	30,000	
10	7,63,000	6,000	4,12,99,000	—26,14,000	4,28,33,000	7,34,000		4,35,67,000	+22,68,000
11	...	...	1,21,000	—2,04,000	1,82,000	...	...	1,82,000	+61,000
12	..	...	...		...		...	...	...
13	29,000	...	4,00,000	—63,000	4,51,000	..	..	4,51,000	+51,000
14	29,000	...	5,21,000	—2,67,000	6,33,000	...		6,33,000	+1,12,000
15	...	...	13,25,000	—3,000	12,28,000	...	...	12,28,000	+ 3,000
16	58,000	.	16,53,000	+8,83,000	8,73,000	77,000		9,50,000	—7,03,000
17	58,000	...	29,78,000	+8,80,000	21,01,000	77,000	.	21,78,000	—6,80,000
18	...	...	1,58,000	—1,10,000	3,83,000	...	..	3,83,000	+2,25,000
19	...	...	66,19,000	+45,000	72,29,000	.	...	72,29,000	+6,10,000
20	...	...	5,52,000	—5,000	5,86,000	...	..	5,86,000	+34,000
21	.	...	71,71,000	+40,000	78,15,000	...	.	78,15,000	+6,44,000
22	..	...	9,50,000	—70,000	14,90,000		...	14,90,000	+5,40,000
23	5,000	...	—10,000	+1,000	—37,000	5,000	..	—32,000	—22,000
24	5,000	...	9,40,000	—19,000	14,53,000	5,000	. .	14,58,000	+5,18,000
25	18,01,58,000	13,22,000	40,10,56,000	+1,12,14,000	21,96,33,000	18,78,96,000	...	40,75,29,000	+64,73,000
26	*10,73,06,000*	*7,50,000*	*29,00,60,000*	+7,54,000	*19,09,63,000*	*10,94,43,000*	...	*30,04,06,000*	—1,03,17,000
27	...	...	*12,25,000*	+3,000	*12,38,000*	...	...	*12,38,000*	—13,000
28	...	...	*73,50,000*	—51,000	*79,93,000*	..	...	*79,93,000*	—6,43,000
29	...	...	*16,91,000*	+6, 9,000	*20 80,000*	.	...	*20,80,000*	—3,89,000
30	...	...	*6,18,97,000*	+1,92,000	*6,52,29,000*	...	...	*6,52,29,000*	—33,32,000
31	8,18,52,000	5,72,000	3,88,33,000	+1,27,81,000	—4,78,70,000	7,84,53,000	...	3,05,83,000	—82,50,000
32	3,91,000	3,000	6,89,68,000	—36,89,000	8,65,66,000	9,85 000	...	8,75,51,000	+1,85,83,000
33	...	...	5,73,87,000	+ 1.08,000	6,00,24,000	..	..	6,00,24,000	+26,37,000
34	8,22,43,000	5,75,000	16,51,88,000	+92,00,000	9,87,20,000	7,94,38,000	.	17,81,58,000	+1,29,70,000
35	8,30,98,000	5,81,000	21,81,55,000	+70,50,000	15,39,83,000	8,02,54,000	...	23,41,92,000	+1,60,37,000

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	Accounts, 1928-29. India.	England.*	Exchange.	Total.	Revised India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	13,18,93,530	7,52,42,446	71,802	20,72,07,778	13,44,76,000	
Civil Administration—						
22.—General Administration	1,37,58,678	49,77,365	7,167	1,87,43,110	1,47,86,000	1
23.—Audit	92,50,036	3,59,800	624	96,40,460	98,66,000	2
24.—Administration of Justice	14,42,576	52,957	79	14,95,612	14,26,000	3
25.—Jails and Convict Settlements	34,72,376	41,484	43	35,13,803	40,09,000	4
26.—Police	71,73,925	1,88,746	240	73,62,911	74,12,000	5
27.—Ports and Pilotage	25,74,127	2,98,665	549	28,73,341	22,98,000	6
27 (1).—Lighthouses and Lightships					15,18,000	
28.—Ecclesiastical	23,86,630	8,41,875	1,411	32,31,916	23,50,000	7
29.—Political	1,44,12,167	14,13,268	2,568	1,58,28,003	1,14,14,000	8
29-A.—Frontier Watch and Ward	2,53,20,290	1,16,990	229	2,54,37,479	2,67,08,000	9
30.—Scientific Departments	81,27,835	11,65,388	1,009	92,94,232	84,29,000	10
31.—Education	44,49,200	87,624	116	45,36,940	51,78,000	11
32.—Medical	28,40,786	2,33,263	418	30,74,467	29,74,000	12
33.—Public Health	17,47,057	1,53,269	192	19,00,518	19,73,000	13
34.—Agriculture	28,50,189	1,16,138	195	29,75,522	43,16,000	14
35.—Industries	6,90,430	22,871	23	7,13,324	2,40,000	15
36.—Aviation	5,20,753	16,546	16	5,37,315	19,48,000	16
37.—Miscellaneous Departments	10,57,372	2,21,951	224	12,79,547	14,08,000	17
37-A.—Indian Stores Department	18,74,083	38,645	88	19,12,816	20,17,000	18
Total	10,39,89,410	1,03,46,715	15,191	11,43,51,316	11,34,30,000	19
Currency and Mint—						
38.—Currency	33,70,534	9,11,068	1,120	42,82,722	30,57,000	20
39.—Mint	25,65,026	3,13,643	431	28,79,100	27,37,000	21
Total	59,35,560	12,24,711	1,551	71,61,822	63,94,000	22
Civil Works—						
41.—Civil Works	1,58,20,035	1,08,013	148	1,59,28,196	2,62,38,000	23
Miscellaneous—						
43.—Famine—						
A.—Famine Relief	..	..	..	..	..	24
44.—Territorial and Political Pensions	26,94,786	1,17,925	202	28,12,913	31,52,000	25
45.—Superannuation Allowances and Pensions	11,27,508	2,32,90,063	34,513	2,44,52,084	27,10,000	26
46.—Stationery and Printing	50,56,584	5,60,000	841	56,18,325	48,42,000	27
47.—Miscellaneous	57,97,206	15,49,259	2,756	73,49,221	71,56,000	28
Total	1,46,76,084	2,55,17,847	38,312	4,02,32,543	1,78,60,000	29
Miscellaneous capital outlay charged to Revenue—						
45-A.—Commuted value of pensions financed from Ordinary Revenue	3,60,300	...	...	3,60,300	9,15,000	30
Military Services—						
48.—Army—						
Effective	36,40,32,850	8,04,61,090	1,00,753	44,54,94,693	35,68,57,000	31
Non-effective	3,53,95,589	1,88,36,620	68,525	8,43,00,344	3,54,03,000	32
	40,03,28,039	12,92,97,720	1,69,278	52,97,95,037	39,22,60,000	33
49.—Marine	52,91,273	27,88,150	4,410	81,86,803	53,84,000	34
50.—Military Engineer Services	4,39,79,394	3,69,266	214	4,43,48,874	4,59,96,000	35
50-A.—Transfers to Military Reserve Fund	26,06,737	...	...	26,06,737	33,95,000	36
Total	45,23,08,443	13,24,55,106	1,73,902	58,49,37,451	44,70,35,000	37
Contributions and miscellaneous adjustments between Central and Provincial Governments—						
51-A.—Miscellaneous adjustments between the Central and Provincial Governments.	1,08,059	..	...	1,08,059	...	38
Extraordinary Items—						
52.—Extraordinary Payments	1,20,510	...	...	1,20,510	7,000	39
52-I.—Transfers to Revenue Reserve Fund	..	...	...	..	...	40
Total	1,20,510	...	...	1,20,510	7,000	41
Railway Expenditure as per Railway Budget	20,26,21,350	11,97,68,001	1,67,142	32,25,56,493	18,67,01,000	42
Total Expenditure charged to Revenue	92,78,33,590	36,46,62,839	4,68,048	1,29,29,64,477	93,30,56,000	43

* Sterling converted into Rupees at £1 = Rs. 13⅓.

of the Central Government, in India and in England—*contd.*

Item No.	Estimate, 1929-30.			Increase (+) Decrease (—) as compared with Budget, 1929-30.	Budget Estimate, 1930-31.				Increase (+) Decrease (—) as compared with Revised, 1929-30.
	* England.	Exchange.	Total.		India.	* England.	Exchange.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	8,30,98,000	5,81,000	21,81,55,000	+70,50,000	15,39,38,000	8,02,54,000	...	23,41,92,000	+1,60,37,000
1	77,67,000	55,000	2,26,08,000	+5,06,000	1,52,92,000	56,63,000	...	2,09,55,000	—16,53,000
2	3,29,000	2,000	1,01,97,000	+70,000	1,01,98,000	3,47,000	...	1,05,45,000	+3,48,000
3	1,10,000	1,000	15,37,000	+47,000	14,41,000	1,08,000	...	15,49,000	+12,000
4	69,000	1,000	40,79,000	—82,000	47,92,000	45,000	...	48,37,000	+7,58,000
5	1,82,000	1,000	75,95,000	—64,000	78,96,000	1,87,000	...	80,83,000	+4,88,000
6	2,85,000	2,000	25,55,000	—23,000	25,02,000	2,98,000	...	28,00,000	+2,15,000
	...	...	13,18,000	+2,27,000	12,85,000	...	...	12,85,000	—33,000
7	8,53,000	6,000	32,09,000	—47,000	23,97,000	8,47,000	...	32,44,000	+35,000
8	14,75,000	10,000	1,58,99,000	+3,23,000	1,60,67,000	13,42,000	...	1,74,09,000	+15,10,000
9	1,61,000	1,000	2,65,10,000	—6,90,000	2,77,24,000	1,14,000	...	2,78,38,000	+10,28,000
10	11,34,000	8,000	95,71,000	+1,18,000	86,10,000	13,88,000		99,98,000	+4,27,000
11	65,000	...	52,43,000	—51,000	62,51,000	74,000	...	63,25,000	+10,82,000
12	2,12,000	2,000	31,88,000	+44,000	31,50,000	1,87,000	...	33,37,000	+1,49,000
13	1,40,000	1,000	21,14,000	—48,000	19,09,000	1,37,000	...	20,46,000	— 68,000
14	1,63,000	1,000	47,80,000	—86,000	49,67,000	1,83,000	...	51,50,000	+3,70,000
15	49,000	...	2,86,000	—8,000	2,59,000	56,000	...	3,15,000	+29,000
16	2,43,000	2,000	21,93,000	—2,40,000	26,42,000	5,34,000	...	31,76,000	+9,83,000
17	1,08,000	1,000	15,77,000	+2,77,000	26,41,000	1,41,000	...	27,82,000	+12,05,000
18	66,000	...	20,83,000	—75,500	9,29,000	56,000		9,85,000	—10,98,000
19	1,33,45,000	94,000	12,68,72,000	+1,98,000	12,09,52,000	1,17,07,000	..	13,26,59,000	+57,87,000
20	9,16,000	6,000	45,79,000	—2,76,000	50,67,000	65,000	...	50,72,000	+4,93,000
21	1,22,000	1,000	28,60,000	+6,13,000	25,88,000	1,06,000	...	26,94,000	—1,66,000
22	10,38,000	7,000	74,39,000	+3,37,000	75,95,000	1,71,000	..	77,66,000	+3,27,000
23	86,000	1,000	2,63,25,000	+3,90,000	2,79,85,000	1,21,000	...	2,81,06,000	+17,81,000
24	1,000	...	1,000	+1,000	...	...	..	...	—1,000
25	1,31,000	1,000	32,84,000	+51,000	31,51,000	1,20,000	..	32,71,000	—13,000
26	2,39,05,000	1,67,000	2,67,80,000	+22,56,000	20,70,000	2,24,56,000	...	2,45,26,000	—22,54,000
27	9,12,000	6,000	57,60,000	+6,97,000	48,32,000	5,70,000	...	54,02,000	—3,58,000
28	19,29,000	14,000	90,90,000	+15,56,000	61,08,000	17,95,000	..	79,03,000	—11,86,000
29	2,68,76,000	1,88,000	4,49,24,000	+48,61,000	1,61,61,000	2,49,41,000	...	4,11,02,000	—38,22,00
30	...	...	9,15,000	+2,85,000	5,85,000	...	..	5,85,000	—3,30,000
31	8,95,67,000	6,26,000	44,70,50,000	+3,13,000	35,54,20,000	8,13,44,000	...	43,67,64,000	—1,02,86,000
32	4,93,54,000	3,47,000	8,54,04,000	+17,33,000	3,57,01,000	4,97,13,000	...	8,54,14,000	+10,000
33	13,92,21,000	9,73,000	53,24,54,000	+20,76,000	39,11,21,000	13,10,57,000		52,21,78,000	—1,02,76,000
34	30,47,000	22,000	84,53,000	+2,31,000	60,75,000	29.57,000	...	90,32,000	+5,79,000
35	4,76,000	3,000	4,64,75,000	— 7,96,000	4,80,56,000	4,43,000	...	4,84,98,000	+20,23,000
36	..		33,95,000	+34,95,000	..	...	..	..	—33,95,000
37	14,27,44,000	9,98,000	59,07,77,000	+49,06,000	44,52,52,000	13,44,56,000	...	57,97,08,000	—1,10,69,000
38	...	...	...	...	..	...	...	..	...
39	...	...	7,000	—2,18,000	50,000	...	...	50,000	+43,000
40	...	...	...	...	..		...	...	..
41	...	...	7,000	—2,18,000	50,000	...	..	50,000	+43,000
42	12,19,41,000	8,52,000	30,94,94,000	—3,35,34,000	19,07,76,000	12,38,67,000	...	32,36,43,000	+1,41,49,000
43	38,91,31,000	27,21,000	1,32,49,08,000	—1,57,26,000	97,22,94,000	37,55,17,000	...	1,34,78,11,000	+2,29,03,000

C.—Statement of Receipts and Disbursements of the

	Accounts, 1928-29.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,25,81,52,140	3,16,18,864	1,28,97,71,004
Exchange added to Revenue	39,471	...	39,471
Total	1,25,81,91,611	3,16,18,864	1,28,98,10,475
Railway Capital not charged to Revenue—			
As per Railway Budget	14,794	...	14,794
Public Debt Incurred—			
Permanent Debt—			
Sterling Debt—			
6 per cent. Bonds 1932-33	...	...	
5½ per cent. Stock	...	16,83,246	
4½ per cent. Stock	...	12,30,64,592	
Rupee Debt—			
New Rupee Loan	...	...	
4½ per cent. Bonds, 1934	25,98,05,600	...	
Do. Loan, 1955-60	9,05,69,700	...	
5 per cent. Bonds, 1935	...	...	
Do. Loan 1939-44	...	...	
3½ per cent. Loans	13,15,500	...	
Total	35,16,90,800	12,47,47,838	47,64,38,638
Floating Debt—			
Treasury Bills—			
Issued to Public	22,38,00,000	...	
Issued to Paper Currency Reserve	70,44,10,000	...	
India Bills	...	8,00,00,000	
Temporary Loans	23,50,00,000	...	
Total	1,16,32,10,000	8,00,00,000	1,24,32,10,000
Carried over	2,77,31,07,205	23,63,66,702	

* Sterling converted into Rupees at £1 = Rs. 13⅓.

Central Government, in India and in England—*contd.*

Revised Estimate, 1929-30.			Budget Estimate, 1930-31.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,27,58,74,000	5,21,69,000	1,32,80,43,000	1,32,18,84,000	3,45,27,000	1,35,64,11,000
3,65,000	...	3,65,000	...	...	...
1,27,62,39,000	5,21,69,000	1,32,84,08,000	1,32,18,84,000	3,45,27,000	1,35,64,11,000
...	...	...	...	...	...
...	7,92,00,000		...	2,62,000	
...	17,90,000		...	19,04,000	
...	18,22,000		...	19,21,000	
...	...		23,50,00,000	...	
...	...		...	...	
...	...		...	...	
8,10,49,000	...		...	...	
29,14,23,000	...		...	...	
4,80,000	...		8,55,000	...	
37,29,52,000	8,28,12,00	45,57,64,000	23,58,55,000	40,87,000	23,99,42,000
53,11,00,000	...		40,00,00,000	...	
61,25,90,000	...		34,50,10,000	...	
...	16,00,00,000		...	8,00,00,000	
12,00,00,000	...		...	...	
1,26,36,90,000	16,00,00,000	1,42,36,90,000	74,50,10,000	8,00,00,000	82,50,10,000
2,91,28,81,000	29,49,81,000		2,30,27,49,000	11,86,14,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1928-29.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward .	2,77,31,07,205	23,63,66,702	
Unfunded Debt—			
Deposits of Service Funds . . .	9,87,535	32,95,037	
Post Office Cash Certificates . . .	4,90,76,385	...	
Savings Bank Deposits	35,82,82,502	...	
Total .	40,83,46,422	32,95,037	41,16,41,459
Deposits and Advances—			
Provincial Loans Fund	18,95,93,043	...	
Posts and Telegraphs Depreciation Fund .	40,11,332	...	
Deposits of Local Funds—			
District Funds	16,76,71,432	...	
Other Funds	10,19,82,570	...	
Sinking Funds for Central Loans . .	1,53,69,015	...	
Other appropriations for Reduction or Avoidance of Debt	4,06,13,000	...	
Sinking Fund Investment Account . .	2,63,76,044	...	
Sinking Funds for loans granted to local bodies	3,95,661	...	
Gold Standard Reserve	..	65,32,35,244	
Paper Currency Reserve . . .	...	34,43,27,960	
Deposits of Branch Line Companies . .	5,96,826	...	
Road Development Fund	4,50,000	...	
Post Office Cash Certificate Bonus Fund .	...	...	
Departmental and Judicial Deposits .	94,60,81,619	...	
Advances	27,67,75,466	2,90,889	
Discount Sinking Fund	17,88,000	...	
Suspense	58,80,767	5,96,646	
Exchange on Remittance Accounts . .	16,72,683	...	
Miscellaneous	5,00,411	1,52,86,075	
Military Reserve Fund	26,06,737	...	
Total .	1,78,23,64,606	1,01,37,36,814	2,79,61,01,420
Railway Depreciation and Reserve Funds as per Railway Budget . . .	14,57,71,990	...	14,57,71,990
Carried over .	5,10,95,00,223	1,25,33,98,553	

* Sterling converted into Rupees at £1 = Rs. 13½.

Central Government, in India and in England—*contd.*

Revised Estimate, 1929-30.			Budget Estimate, 1930-31.		
India.	†England.	Total.	India.	†England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,91,28,81,000	29,49,81,000		2,30,27,49,000	11,86,14,000	
9,59,000	37,34,000		9,52,000	15,52,000	
7,25,00,000	...		7,00,00,000	...	
37,27,41,000	5,67,33,000		38,75,31,000	...	
44,62,00,000	6,04,67,000	50,66,67,000	45,84,83,000	15,52,000	46,00,35,000
31,04,78,000	...		16,94,36,000	...	
42,43,000	...		45,86,000	...	
16,95,86,000	...		17,11,45,000	...	
10,41,71,000	...		10,27,21,000	...	
1,60,20,000	...		2,13,00,000	...	
4,37,83,000	...		4,20,49,000	...	
12,95,000	...		...	...	
4,12,000	...		4,28,000	...	
...	72,09,65,000		..	77,00,40,000	
...	38,51,72,000		...	13,06,68,000	
4,00,000	...		8,00,000	...	
1,04,39,000	...		1,08,00,000	...	
...	...		88,00,000	...	
91,84,08,000	...		92,32,59,000	...	
32,34,83,000	1,58,000		27,99,85,000	1,19,000	
29,27,000	...		46,06,000	...	
6,43,81,000	—14,67,000		8,01,72,000	7,51,000	
24,64,000	...		...	...	
14,72,000	1,50,06,000		47,45,000	1,48,11,000	
33,95,000	...		...	...	
1,97,73,57,000	1,11,98,34,000	3,09,71,91,000	1,82,48,72,000	91,63,89,000	2,74,12,61,000
12,60,00,000	...	12,60,00,000	13,58,95,000	...	13,58,95,000
5,46,24,38,000	1,47,52,82,000		4,72,19,99,000	1,03,65,55,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1928-29.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Brought forward .	5,10,95,90,223	1,25,33,98,553	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund .	...	...	
Other Loans and Advances . .	82,70,618	...	
Total	82,70,618	...	82,70,618
Remittances—			
Remittances within India—			
Inland Money Orders	97,69,08,112	...	
Other Local Remittances . .	25,11,440	...	
Other Departmental Accounts . .	646	...	
Net Receipts by Civil Treasuries from—			
Railways	4,09,77,298	...	
Posts and Telegraphs . . .	74,93,621	...	
Net Receipts from Civil Treasuries by—			
Army, Marine and Military Engineer Services	38,65,76,205	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	...	97,26,000	
Sale of Silver	...	3,45,89,687	
Other transactions	2,72,22,707	3,76,93,351	
Remittances from India for financing Home Treasury	...	41,08,00,000	
Transfers through the Paper Currency Reserve	6,91,99,983	...	
Total .	1,51,08,90,012	49,28,09,038	2,00,36,99,050
Balances of Provincial Governments	3,09,07,480	...	3,09,07,480
Total Receipts	6,65,96,58,333	1,74,62,07,591	
Opening Balance . . .	9,16,10,089	7,54,87,402 (a)	
GRAND TOTAL .	6,75,12,68,422	1,82,16,94,993	

* Sterling converted into Rupees at £1 = Rs. 13⅓.

(a) Of this amount, £ 4,028 represents the funds of the Gold Standard Reserve.

Central Government, in India and in England—*contd.*

Revised Estimate, 1929-30.			Budget Estimate, 1930-31.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,46,24,38,000	1,47,52,82,000		4,72,19,99,000	1,03,65,55,000	
7,00,99,000	...		...	...	
88,51,000	...		88,53,000	...	
7,89,50,000	...	7,89,50,000	88,53,000	...	88,53,000
98,74,00,000	...		99,89,00,000	...	
3,70,000	...		2,84,000	...	
3,36,58,000	...		3,16,66,000	...	
3,55,83,000	...		10,07,05,000	...	
1,28,02,000	...		58,67,000	...	
38,25,87,000	...		38,52,23,000	...	
...	77,04,000		...	77,20,000	
...	5,02,12,000		...	66,68,000	
1,75,24,000	3,77,87,000		1,72,74,000	2,87,48,000	
...	25,40,00,000		...	42,40,00,000	
5,06,00,000	12,66,68,000		66,68,000	...	
1,52,05,24,000	47,63,71,000	1,99,68,95,000	1,54,65,87,000	46,71,36,000	2,01,37,23,000
...	...	...	1,49,48,000	...	1,49,48,000
7,06,19,12,000	1,95,16,53,000 (*b*)		6,29,23,87,000	1,50,36,91,000 (*b*)	
9,20,46,097	6,99,36,668		17,79,20,097	9,30,41,668	
7,15,39,58,097	2,02,15,89,668		6,47,03,07,097	1,59,67,32,668	

(*b*) Of this amount, £3,043 represents the funds of the Gold Standard Reserve.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1928-29.		
	India.	*England.	Total.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	92,78,33,590	36,16,62,839	1,29,24,96,429
Exchange charged as Expenditure	4,68,048	...	4,68,048
Total	92,83,01,638	36,16,62,839	1,29,29,64,477
Irrigation, Posts and Telegraphs and other Capital Outlay not charged to Revenue—			
Security Printing Press	—4,75,524	...	—4,75,524
Irrigation, etc., Works	36,040	...	36,040
Posts and Telegraphs	42,79,865	10,53,320	53,33,185
Vizagapatam Port	26,33,543	2,89,821	29,23,364
Lighthouses and Lightships	...	...	...
Currency	2,94,959	42,055	3,37,014
Initial Expenditure on New Capital at Delhi	32,01,737	4,62,886	36,64,623
Payment of Commuted value of Pensions	36,09,034	...	36,09,034
Bombay Land Scheme	...	...	...
Total	1,35,79,654	18,48,082	1,54,27,736
Railway Capital not charged to Revenue—			
As per Railway Budget	15,66,58,409	13,68,48,339	29,35,06,748
Public Debt Discharged—			
Permanent Debt—			
Sterling Debt—			
7 p. c. Stock	...	15,220	
State Railway annuities	...	1,92,28,689	
Do. Do. Sinking Funds	...	26,66,667	
Liabilities in respect of British War Loan (1929-47)	...	75,22,551	
Rupee Debt—			
6 p. c. Bonds, 1930	...	...	
Do. Do. 1931	...	...	
Do. Do. 1932	...	...	
Other 6 p. c. Bonds	17,53,900	...	
5½ p. c. War Bonds, 1928	16,32,04,050	...	
Other 5½ p. c. War Bonds	2,80,175	...	
5 p. c. Loan, 1945-55	...	...	
4 p. c. Terminable Loan	34,700	...	
5 p. c. Loan, 1939—44	...	...	
Other Loans	15,41,946	...	
Total	16,68,14,771	2,94,33,127	19,62,47,898
Carried over	1,26,53,54,472	53,27,92,387	

*Sterling converted into Rupees at £1 = Rs. 13⅓.

Central Government, in India and in England—*contd.*

Revised Estimate, 1929-30.			Budget Estimate, 1930-31.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
93,30,56,000	38,91,31,000	1,32,21,87,000	97,22,94,000	37,55,17,000	1,34,78,11,000
27,21,000	...	27,21,000	...	...	...
93,57,77,000	38,91,31,000	1,32,49,08,000	97,22,94,000	37,55,17,000	1,34,78,11,000
23,000	...	23,000	45,000	...	45,000
2,53,000	...	2,53,000	1,01,000	...	1,01,000
45,18,000	6,95,000	52,13,000	60,44,000	8,27,000	68,71,000
30,00,000	4,50,000	34,50,000	33,00,000	1,20,000	34,20,000
—3,36,000	3,36,000	...	—5,44,000	5,44,000	...
1,19,000	39,000	1,58,000	1,88,000	...	1,88,000
62,71,000	5,03,000	67,74,000	49,41,000	2,43,000	51,84,000
35,24,000	...	35,24,000	33,59,000	...	33,59,000
...	...	...	2,05,22,000	...	2,05,22,000
1,73,72,000	20,23,000	1,93,95,000	3,79,56,000	17,34,000	3,96,90,000
14,26,84,000	16,93,73,000	31,20,57,000	12,39,00,000	4,36,00,000	16,75,00,000
...	...		...	...	
...	1,98,95,000		...	2,05,85,000	
...	26,67,000		...	26,67,000	
...	78,92,000		...	82,85,000	
13,51,06,000	...		15,50,00,000	...	
3,94,62,000	...		...	...	
4,85,60,000	...		...	...	
5,20,000	...		3,00,000	...	
15,50,000	...		7,50,000	...	
1,29,000	...		1,50,000	...	
13,00,000	...		...	...	
8,000	...		5,000	...	
...	...		46,00,000	...	
5,62,000	...		10,00,000	...	
22,71,97,000	3,04,54,000	25,76,51,000	16,18,05,000	3,15,37,000	19,33,42,000
1,32,30,30,000	59,09,81,000		1,29,59,55,000	45,23,88,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1928-29.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward	1,26,53,54,472	53,27,92,387	
Floating Debt—			
Treasury Bills—			
Issued to Public	25,97,25,000	...	
Do. Paper Currency Reserve	63,22,60,000	...	
India Bills	...	8,00,00,000	
Temporary Loans	23,50,00,000	...	
Total	1,12,69,85,000	8,00,00,000	1,20,69,85,000
Unfunded Debt—			
Special Loans	36,689	...	
Deposits of Service Funds	13,55,073	35,728	
Post Office Cash Certificates	3,30,26,312	...	
Savings Bank Deposits	29,30,92,361	...	
Total	32,75,10,435	35,728	32,75,46,163
Deposits and Advances—			
Provincial Loans Fund	18,95,03,074	...	
Posts and Telegraphs Depreciation Fund	2,94,460	...	
Deposits of Local Funds—			
District Funds	16,94,21,410	...	
Other Funds	10,19,06,126	...	
Sinking Funds for Central Loans	...	...	
Sinking Fund Investment Account	4,16,04,750	...	
Gold Standard Reserve	...	65,32,48,391	
Paper Currency Reserve	..	34,43,27,960	
Deposits of Branch Line Companies	6,95,977	...	
Road Development Fund	...	...	
Departmental and Judicial Deposits	92,92,84,886	...	
Advances	27,36,30,133	2,31,852	
Discount Sinking Fund	1,19,29,322	...	
Gain or loss on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve	3,41,82,483	...	
Suspense	3,92,03,791	8,04,246	
Miscellaneous	11,43,465	1,52,72,575	
Revenue Reserve Fund	74,14,886	...	
Military Reserve Fund	...	...	
Total	1,80,02,14,763	1,01,38,85,024	2,81,40,99,787
Railway Depreciation and Reserve Funds as per Railway Budget	9,59,84,100	...	9,59,84,100
Carried over	4,61,60,48,770	1,62,67,13,139	

* Sterling converted into Rupees at £1 = Rs. 13⅓.

Central Government, in India and in England—*contd.*

Revised Estimate, 1929-30.			Budget Estimate, 1930-31.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,32,30,30,000	59,09,81,000		1,29,59,55,000	45,23,88,000	
33,10,50,000	...		44,00,00,000	...	
65,91,10,000	...		34,50,10,000	...	
...	8,00,00,000		...	8,00,00,000	
12,00,00,000	...		...	...	
1,11,01,60,000	8,00,00,000	1,19,01,60,000	78,50,10,000	8,00,00,000	86,50,10,000
37,000	...		37,000	...	
13,71,000	1,01,000		14,02,000	1,82,000	
4,30,00,000	...		4,60,00,000	...	
29,10,66,000	3,06,66,000		29,26,95,000	2,60,67,000	
33,54,74,000	3,07,67,000	36,62,41,000	34,01,34,000	2,62,49,000	36,63,83,000
31,02,49,000	...		16,97,47,000	...	
1,75,000	...		1,82,000	...	
17,07,91,000	...		17,13,03,000	...	
10,43,71,000	...		10,32,21,000	...	
13,19,000	...		43,71,000	...	
1,61,37,000	...		1,69,29,000	...	
...	72,09,65,000		...	77,00,40,000	
...	38,51,72,000		...	13,06,68,000	
3,50,000	...		5,50,000	...	
48,65,000	...		91,30,000	...	
93,48,67,000	...		92,98,28,000	...	
32,57,73,000	1,46,000		28,05,12,000	1,19,000	
1,77,59,000	...		...	...	
6,38,00,000	...		...	...	
4,72,59,000	8,56,000		8,07,33,000	7,30,000	
2,000	1,50,94,000		...	1,48,11,000	
...	...			...	
...	...		26,07,000	...	
1,99,77,17,000	1,12,22,33,000	3,11,99,50,000	1,76,91,13,000	91,63,68,000	2,68,54,81,000
12,36,30,000	...	12,36,30,000	8,50,00,000	...	8,50,00,000
4,89,00,11,000	1,82,39,81,000		4,27,52,12,000	1,47,50,05,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1928-29.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward .	4,61,60,48,770	1,62,67,13,139	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund .	11,14,08,000	...	
Other Loans and Advances . . .	2,40,86,668	...	
Total .	13,54,94,668	...	13,54,94,668
Remittances—			
Remittances within India—			
Inland Money Orders	97,45,85,666	...	
Other Local Remittances . . .	...	...	
Other Departmental Accounts . .	1,14,268	...	
Net Payments into Civil Treasuries by—			
Railways	4,23,56,401	...	
Posts and Telegraphs	78,09,053	...	
Net Issues from Civil Treasuries to—			
Army, Marine and Military Engineer Services	38,50,04,963	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	97,26,000	...	
Sale of Silver	3,45,89,687	...	
Other transactions	4,26,92,849	1,92,54,077	
Remittances from India for financing Home Treasury	41,08,00,000	...	
Transfers through the Paper Currency Reserve	..	6,91,99,983	
Total .	1,90,76,78,887	8,84,54,060	1,99,61,32,947
Balances of Provincial Governments	...	3,65,91,126	3,65,91,126
Total Disbursements .	6,65,92,22,325	1,75,17,58,325 (b)	
Closing Balance .	9,20,46,097	6,99,36,668	
GRAND TOTAL .	6,75,12,68,422	1,82,16,94,993	

*Sterling converted into Rupees at £1 = Rs. 13⅓.

(b) Of this amount, £3,042 represents the

Central Government, in India and in England—*concld.*

Revised Estimate, 1929-30.			Budget Estimate, 1930-31.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,89,00,11,000	1,82,39,81,000		4,27,52,12,000	1,47,50,05,000	
11,90,21,000	...		5,32,25,000	...	
2,96,53,000	...		2,29,90,000	...	
14,86,74,000	...	14,86,74,000	7,62,15,000	...	7,62,15,000
98,69,00,000	...		99,84,00,000	...	
2,09,000	...		3,36,000	...	
3,35,77,000	...		3,16,19,000	...	
3,55,83,000	...		10,07,05,000	...	
1,28,02,000	...		58,67,000	...	
38,25,87,000	...		38,52,23,000	...	
77,04,000	...		77,20,000	...	
5,02,12,000	...		66,68,000	...	
3,77,87,000	1,75,24,000		2,87,48,000	1,72,74,000	
25,40,00,000	...		42,40,00,000	...	
12,66,68,000	5,06,00,000		...	66,68,000	
1,92,80,29,000	6,81,24,000	1,99,61,53,000	1,98,92,86,000	2,39,42,000	2,01,32,28,000
93,24,000	3,64,43,000	4,57,67,000	...	4,10,61,000	4,10,61,000
6,97,60,38,000	1,92,85,48,000 (*b*)		6,34,07,13,000	1,54,00,08,000 (*b*)	
17,79,20,097	9,30,41,668		12,95,94,097	5,67,24,668	
7,15,39,58,097	2,02,15,89,668		6,47,03,07,097	1,59,67,32,668	

funds of the Gold Standard Reserve.

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

Revenue and Expenditure.	Accounts, 1928-29.		Revised Estimate, 1929-30.		Budget Estimate, 1930-31.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue—						
Customs	48,34,41,723	...	50,01,40,000	...	53,65,67,000	...
Taxes on Income	16,01,32,084	...	16,37,59,000	...	17,23,89,000	...
Salt	6,36,67,065	...	5,41,32,000	...	5,73,16,000	...
Opium	2,71,64,155	...	2,59,17,000	...	2,07,23,000	...
Other Heads	1,62,48,448	...	1,65,16,000	...	1,65,56,000	...
Total	75,06,59,475	...	76,07,64,000	...	80,35,51,000	...
Forest and other Capital Outlay charged to Revenue	...	3,62,465	...	5,21,000	...	6,33,000
Irrigation	...	12,54,507	...	17,61,000	...	11,46,000
Railways	5,23,19,457	...	6,11,86,000	...	5,73,57,000	...
Posts and Telegraphs	...	74,22,462	...	73,12,000	...	71,21,000
Debt Services	...	12,82,40,836	...	12,19,10,000	...	14,36,27,000
Civil Administration	...	10,42,57,796	...	11,55,66,000	...	12,20,15,000
Currency and Mint	2,16,70,906	...	2,11,12,000	...	2,11,49,000	...
Civil Works	...	1,42,23,559	...	2,38,90,000	...	2,54,89,000
Miscellaneous	...	3,16,45,425	...	3,66,18,000	...	3,30,76,000
Military Services	...	55,10,00,000	...	55,10,00,000	...	54,35,00,000
Provincial Contributions and Miscellaneous adjustments between Central and Provincial Governments.	2,91,690	...	...	...	...	...
Extraordinary Items	1,03,41,520	...	1,90,16,000	...	31,50,000	...
Total	83,52,83,048	83,84,37,050	86,20,78,000	85,85,78,000	88,52,07,000	87,66,07,000

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*concld.*

Revenue and Expenditure.	Accounts, 1928-29.		Revised Estimate, 1929-30.		Budget Estimate, 1930-31.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus or deficit	...	31,54,002	35,00,000	...	86,00,000	..
Capital Account—						
Capital outlay on Security Printing Press	...	—4,75,524	...	23,000	...	45,000
Railway Capital not charged to Revenue	14,794	29,35,06,748	...	31,20,57,000	...	16,75,00,000
Construction of Irrigation Works	...	36,040	...	2,53,000	...	1,01,000
Capital outlay on Posts and Telegraphs	...	53,33,185	...	52,13,000	...	68,71,000
Capital outlay on Vizagapatam Port	...	20,23,364	...	34,50,000	...	34,20,000
Capital outlay on Light houses and Lightships	...	...	...	...	...	...
Currency Capital outlay	...	3,37,014	...	1,58,000	...	1,88,000
Initial expenditure on New Capital at Delhi	...	36,64,623	...	67,74,000	...	51,84,000
Payment of commuted value of pensions	...	36,09,034	...	35 24,000	...	33,59,000
Capital outlay on Bombay Land Scheme	...	...	...	...	...	2,05,22,000
Debt, Deposits, Advances and Remittances—						
Permanent Debt	28,01,90,740	...	19,81,13,000	...	4,66,00,000	...
Floating Debt	3,62,25,000	...	23,35,30,000	...	...	4,00,00,000
Unfunded Debt	8,40,95,296	...	14,04,26,000	...	9,36,52,000	...
Deposits and Advances	3,17,89,523	...	...	2,03,89,000	10,66,75,000	...
Loans and Advances by Central Government	...	12,72,24,050	...	6,97,24,000	...	6,73,62,000
Remittances	75,66,103	...	7,42,000	...	4,95,000	...
Balances of Provincial Governments	...	56,83,646	...	4,57,67,000	...	2,61,13,000
Opening Balance	16,70,97,491	...	16,19,82,765	...	27,09,61,765	...
Closing Balance	...	16,19,82,765	...	27,09,61,765	...	18,63,18,765
Total	60,69,78,947	60,69,78,947	73,82,93,765	73,82,93,765	52,69,83,765	52,69,83,765

Explanatory Memorandum

by the

Financial Secretary.

(Unless otherwise stated, the amounts in the tables are in lakhs of rupees and the expressions "last year", "current year", and "next year" stand for the financial years 1928-29, 1929-30, and 1930-31 respectively.)

The following table compares the total recorded revenue and expenditure of the Government of India in the year 1928-29 with the budget and revised estimates for the year :—

	Budget.	Revised.	Accounts.
Revenue	1,29,64·75	1,31,19·67	1,28,98·10
Expenditure	1,29,59·69	1,31,19·67	1,29,29·64
Surplus +, Deficit— . . .	+5·06	..	—31·54

The figures of revenue and expenditure, however, include transfers from and to the Revenue Reserve Fund. The totals, exclusive of such transfers, compare as follows :—

	Budget.	Revised.	Accounts.
Revenue	1,29,64·75	1,31,19·67	1,28,23·95
Expenditure	1,29,59·69	1,30,90·04	1,29,29·64
Surplus +, Deficit— . . .	+5·06	+29·63	—1,05·69

2. Thus the deterioration in the revenue position, as compared with the revised estimate, is 1,35·32 lakhs which is more than accounted for by a short-fall of revenue from Customs (76 lakhs) and Interest (78 lakhs) in the last two months of the year.

3. As regards Customs, the decrease in receipts in February and March was unexpected, the receipts for the latter month actually falling below those for February, which is almost unprecedented. The following table of net receipts indicates that this exceptional result to some extent represented a throw-forward into the current year :—

	1926.	1927.	1928.	1929
January	4,42	4,20	4,48	4,84
February	3,88	3,94	4,00	4,12
March	4,58	4,22	4,24	4,06
April	3,94	3,72	3,94	4,54
May	3,74	3,51	3,67	4,17

4. As regards Interest, the deterioration relates entirely to receipts from the Gold Standard Reserve. The extent of the fluctuations on this account will be clear from the following figures :—

	£
Actuals, 1926-27	1,947,864
„ 1927-28	1,833,936
Revised, 1928-29	1,844,400
Actuals, „	1,242,870
Budget, 1929-30	1,760,100
Revised, „	2,400,000
Budget, 1930-31	1,700,025

The reduction in 1928-29 did not represent a real loss of revenue, but was accounted for by the depreciation in the current market value of the securities held in the Reserve, which followed the rise in the Bank of England rate on the 7th February 1929 from 4½ to 5½ per cent. In order to guard the budgetary position against such wide fluctuations in future, it has been decided to institute an Equalisation Fund as explained in paragraph 23 of the Finance Member's budget speech.

5. The following statement compares the actual revenue and expenditure of the Central Government with the revised estimates from 1921-22 onwards. The figures again are exclusive of transfers from and to the Revenue Reserve Fund which have been brought together in paragraph 6.

Year.	Revised estimate.			Actuals.			Actual outturn better +, worse—, than Revised estimate.
	Revenue.	Expenditure.	Surplus (+) Deficit (—).	Revenue.	Expenditure.	Surplus (+) Deficit (—).	
1921-22	1,13,15 42	1,41,94·52	—28,79·20	1,15,21·50	1,42,86·52	—27,65·02	+1,14·18
1922-23	1,20,70·17	1,37,95·52	—17,25·35	1,21,41·29	1,36,43·05	—15,01·76	+2,23·59
1923-24	1,31,96·04	1,29,89·97	+2,06·07	1,33,16·63	1,30,77·63	+2,39·00	+32·93
1924-25	1,34,82·26	1,30,82·68	+3,99·58	1,38,03·92	1,32,35·66	+5,68·26	+1,68·68
1925-26	1,31,35 25	1,30,04·87	+1,30·38	1,33,32·98	1,30,01·80	+3,31·18	+2,00·80
1926-27	1,29,97·48	1,27,15·44	+2,82·04	1,31,70·00	1,28,74·37	+2,95·63	+13·59
1927-28	1,26,05·25	1,27,73·98	—1,68·73	1,25,04·80	1,27,26·28	—2,21·48	—52·75
1928-29	1,31,19·67	1,30,90·04	+29·63	1,28,23·95	1,29,29·64	—1,05·69	—1,35·32

6. The transactions relating to the Revenue Reserve Fund were as follows :—

Year.	Transactions.	Closing balance.
1926-27	+2,95·63	2,95·63
1927-28	—2,21·48	74·15
1928-29	—74·15	..

There is thus no balance in the Fund at present.

7. The broad results of our estimating for the current year and the next as detailed in the budget statements, are as follows :—

	Budget, 1929-30.	Revised, 1929-30.	Budget, 1930-31.
Revenue	1,34,06·33	1,32,84·08	1,35,64·11
Expenditure	1,34,06·33	1,32,49·08	1,34,78·11
Surplus	..	35·00	86·00

8. The above totals, however, include the following special items :—

	Budget, 1929-30.	Revised, 1929-30.	Budget, 1930-31.
Revenue.			
(i) Transfer from Revenue Reserve Fund	89·69	..	..
(ii) Appropriation of the balance at credit of the German Liquidation Account (*vide* paragraph 52)	..	1,56·15	..
(iii) Net effect of changes in taxation (*vide* paragraphs 12 and 19)	..	35·00	4,96·00
(iv) Revenue from excise duty on motor-spirit to be credited to the Road Development Fund	83·30	95·00	1,08·00
Expenditure.			
(v) Transfer of (iv) above to the Road Development Fund	83·30	95·00	1,08·00

9. If we omit these special items, we have the following totals which bring out the position more clearly :—

	Budget, 1929-30.	Revised, 1929-30.	Budget, 1930-31.
Revenue	1,32,33·34	1,29,97·93	1,29,60·11
Expenditure	1,33,23·03	1,31,54·08	1,33,70·11
Surplus +, Deficit —	—89·69	—1,56·15	—4,10·00

10. Thus, *excluding the special items*, the revised estimate for the current year is worse than the budget by 66 lakhs ; while the budget estimate for next year is worse than the revised estimate by 2,54 lakhs and worse than the budget for 1929-30 by 3,20 lakhs. The main variations are summarised in the three tables below :—

(*i*) *Revised, 1929-30 compared with Budget, 1929-30.*

	Better.	Worse.
Customs	..	67
Taxes on Income	50	..
Salt	37	..
Opium (net)	25	..
Interest receipts	87	..
Interest on Ordinary Debt	..	1,28
Interest on Other Obligations	37	..
Miscellaneous payments	..	52
Railways (net)	..	13
Posts and Telegraphs (net)	..	50
Other heads (net)	8	..
Total	2,44	3,10
Net	..	66

(ii) Budget, 1930-31 compared with Revised, 1929-30.

	Better.	Worse.
Customs	..	42
Taxes on Income	20	..
Salt	33	..
Opium (net)	..	52
Interest receipts	..	87
Interest on Ordinary Debt	82	..
Interest on Other Obligations	..	1,86
Reduction or Avoidance of Debt	..	26
Civil Administration	..	58
Miscellaneous payments	42	..
Railways (net)	..	38
Military (net)	75	.
Other heads (net)	..	17
Total	2,52	5,06
Net	..	2,54

(iii) Budget, 1930-31 compared with Budget, 1929-30.

	Better.	Worse.
Customs	—	1,09
Taxes on Income	70	..
Salt	70	..
Opium (net)	..	26
Interest on Ordinary Debt	..	46
Interest on other Obligations	..	1,49
Reduction or Avoidance of Debt	—	27
Civil Administration	..	60
Railways (net)	—	51
Post and Telegraphs (net)	..	48
Military (net)	75	..
Other heads (net)	..	19
Total	2,15	5,35
Net	..	3,20

11. In Appendix I will be found the figures of *net* revenue and expenditure for each year from 1923-24 onwards, arranged in a convenient form different from that of the main budget statements and exhibiting Departmental transactions separately from Civil transactions. The details of the railway figures embodied in the budget statements have been explained already in a separate memorandum. Those relating to the military heads will be found in Appendix II. For the rest, the details are given in the following paragraphs.

CUSTOMS.

	Revenue (Receipts *less* Refunds.)	Expenditure.	Net revenue.
1926-27	47,38·11	81·27	46,56·84
1927-28	48,21·42	84·82	47,36·60
1928-29	49,28·01	93·59	48,34·42
1929-30 Budget	51,21·77	99·82	50,21·95
1929-30 Revised . . .	51,02·09	1.00·69	50,01·40
1930-31 Budget	54,63·81	98·14	53,65·67

12. The revenue estimates include the *net* proceeds expected to accrue from the alterations in tariff which have been approved by the Legislature and summarised below:—

	Revised, 1929-30.	Budget, 1930-31.
(i) Levy of import duty on silver at 4 annas an ounce subject to a full draw-back on re-export	+9	+1,00
(ii) Increase in the import duty on all kinds of sugar and sugar candy by Re. 1—8—0 per cwt.	+15	+1,80
(iii) Increase in the import duty on cotton piece-goods from 11 per cent. *ad valorem* to the rates specified in the foot-note* below .	+10	+1,25

*Cotton piece-goods—		
(*a*) plain grey, that is, not bleached or dyed in the piece, if imported in pieces containing any length of more than nine yards which is not divided by transverse woven headings;		
(i) of British manufacture . . .	*ad valorem*	15 per cent. or 3½ annas per pound, whichever is higher.
(ii) not of British manufacture . .	*ad valorem*	20 per cent. or 3½ annas per pound, whichever is higher.
(*b*) others—		
(i) of British manufacture . . .	*ad valorem*	15 per cent.
(ii) not of British manufacture . .	*ad valorem*	20 per cent.

	Revfsed, 1929-30.	Budget, 1930-31.
(iv) Increase in the excise duty on kerosene from 1 anna to 1½ annas a gallon . .	+4	+50
(v) Reduction in the import duty on kerosene from 2½ annas to 2¼ annas a gallon . .	—1	—15
(vi) Reduction in the export duty on rice from 3 annas to 2¼ annas a maund . . .	—2	—30
(vii) Increase, from 30 per cent. to 38 per cent. *ad valorem*, in the import duty on silver plate, silver thread and wire (including so-called gold thread and wire mainly made of silver), silver leaf and silver manufactures.	..	+1
(viii) Levy of an excise duty at 4 annas an ounce on silver produced in India . . .	..	+15
Net	+35	+4,26

The estimates, also include 95 lakhs in 1929-30 and 1,08 lakhs in 1930-31, being the anticipated proceeds of the enhancement, from 4 annas to 6 annas a gallon, of the import and excise duties on motor-spirit, which will be credited to the Road Development Fund by *per contra* debit to the Civil Works head.

13. If the special items mentioned in the preceding paragraph are excluded, the revenue figures will stand as follows :—

Budget, 1929-30	50,38·47
Revised, ,, ...	49,72·09
Budget, 1930-31	49,29·81

14. The revised estimate, as thus corrected, falls short of the original budget by nearly 67 lakhs, and this, notwithstanding a large improvement of 1,35 lakhs under sugar, conditions relating to the import of which still continue to be very favourable ; of 70 lakhs under jute the greater portion of which represents a throw-forward from last year; of 32 lakhs under land customs which likewise mostly represents arrear collections relating to the customs line re-established between Kathiawar and British India in July 1927 ; and 24 from the excise duty on motor-spirit exclusive of the share to be credited to the Road Development Fund. The more important decreases are:

Tobacco	50
Cotton peice-goods	65
Yarns and textile fabrics	35
Protective special duties on iron and steel	67
Government stores	32

15. The budget estimate of revenue next year, as corrected above, is less than the revised estimate by 42 lakhs only, despite the fact that, in the circumstances explained in the previous paragraph, the former allows for reductions of 75, 50 and 27 in the receipts from sugar, jute, and land

customs respectively. It is particularly difficult to frame an accurate estimate of sugar duty as will be apparent from the following figures :—

	Budget.	Revised.	Actuals.
1921-22	2,35	6,87	6,51
1922-23	6,25	4,65	4,41
1923-24	5,00	3,85	3,32
1924-25	4,55	5,55	5,77
1925 26	5,10	6,40	6,48
1926 27	5,70	6,95	7,01
1927-28	6,70	6,70	6,51
1928-29	7,10	7,80	7,77
1929-30	7,00	8,35	
1930-31	7,60		

It is true that the budget estimate for the current year has largely been exceeded, but it is not improbable that this is, to some extent at any rate, at the expense of next year. The more important increases which have been taken into account are 20 lakhs under cotton piece-goods and 26 lakhs under motor-spirit again exclusive of the Road Fund share.

16. The revised estimate of expenditure for 1929-30 includes a payment of 4·04 lakhs to the Army Department for their property at Strand Road, Calcutta, on which it is proposed to build a new Customs House.

17. The details are as follows:—

	Accounts, 1926-27.	Accounts, 1927-28.	Accounts, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
REVENUE.						
SEA CUSTOMS.						
IMPORTS.						
Non-protective Special Duties.						
Liquors—						
(*a*) Ale, Beer, Porter, Cider and other fermented Liquors	19·48	22·26	21·98	23·55	24·05	24·80
(*b*) Spirits and Liquers	2,26·64	2,18·92	2,14·90	2,19·00	2,19·00	2,19·00
(*c*) Wines	15·19	14·80	15·11	15·45	14·65	14·50
Sugar, all sorts	7,00·72	6,51·19	7,77·20	7,00·00	8,50·00	9,40·00
Tobacco	1,90·77	2,17·13	2,58·48	2,60·00	2,10·00	2,20·00
Coal, coke and patent fuel	·86	1·60	·95	1·97	1·18	1·33
Tin, block	..	8·20	6·15	7·73	7·78	7.73
Mineral oils	1,29·29	1,78·92	1,93·60	1,88·19	1,88·19	1,74·19
Trms, Ammunition and Military Stores	7·95	7·31	6·12	7·13	6·23	6·46
Silver bullion and coin	..	..	..	..	9·00*	1,00·00*

*These are *net* figures and allow for estimated draw-backs.

	Accounts, 1926-27.	Accounts, 1927-28.	Accounts, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
REVENUE—*contd.*						
SEA CUSTOMS—*contd.*						
IMPORTS—*contd.*						
Artificial silk yarn and thread	..	7·91	10·43	13·85	7·85	10·05
Cotton yarn and thread	36·45	41·45	45·80	42·55	45·60	46·80
Cotton piece-goods	6,21·04	6,25·17	6,04·49	6,40·00	5,85,00	7,20·00*
Silk mixture	5·43	7·26	8·02	7·97	7·49	8·50
Matches	89·18	53·72	25·28	25·00	15·30	10·00
Match Splints and Veneers						
Portland Cement (excluding white Portland cement)	9·06	9·96	11·53	10·90	10·35	10·35
Other Articles	·37	·40	2·66	2·96	3·44	10·82
Duty at 2½ per cent.						
Machinery (including Locomotive Engines and tenders)	38·17	22·58	..	..	..	..
Other articles	·55	·54	·34	·48	·24	·24
Duty at 10 per cent.						
Metals—Iron and Steel	42·82	51·09	46·41	50·00	45 50	47·50
Railway plant and rolling stock	24·41	28·94	20·16	25·50	23 00	23·00
Other articles	1·06	1·07	·54	·99	·28	·28
Duty at 15 per cent.						
Articles of Food and Drink (excluding sugar and vinegar)	1,74·89	1,82·09	1,80·75	2,02·70	1,74 70	1,80·70
Raw materials and articles mainly unmanufactured	65·17	78·85	79·06	86·14	75·50	78·34
Articles wholly or mainly manufactured—						
(*a*) Cutlery, hardware, implements and instruments	1,31·52	1,37·47	1,45·67	1,53·50	1,41·00	1,46·00
(*b*) Metals, other than Iron and Steel	96·84	81·81	82·76	88·37	76·87	79·87
(*c*) Yarns and textile fabrics (other than cotton manufactures)	1,68·49	1,82·88	1,74·82	1,89·62	1,54·12	1,62·00
(*d*) Pneumatic rubber tyres and tubes	33·90	29·59	33·10	37·50	38·00	41·50
(*e*) All other articles wholly or mainly manufactured	4,15·91	4,14·58	4,13·11	4,18·00	4,36·50	4,36 50
Miscellaneous	62·46	64·71	64·34	64·05	63·55	64·05
Duty at 20 per cent.						
Motor cars and cycles	1,04·95	89·58	1,02·14	1,21·00	1,03·00	1,08·00
Duty at 30 per cent.						
Silk piece-goods and other manufactures of silk	78·34	88·21	87·60	99·22	80·90	87·70
Other articles	1,04·78	96·02	1,00·92	1,04·50	1,08·00	1,02 00

*This has been shown here for the present for the sake of convenience despite the tariff alterations mentioned in the foot-note to paragraph 12.

	Accounts, 1926-27.	Accounts, 1927-28.	Accounts, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
REVENUE—*concld.*						
SEA CUSTOMS—*concld.*						
IMPORTS—*concld.*						
Protective Special Duties.						
Iron and Steel (*a*) Liable to additional duties .	2,76·93	2,96·48	2,62·45	2,96·50	2,29·00	2,45 00
Iron and Steel (*b*) Not liable to additional duties .						
Paper and Stationery . . .	23·52	25·34	28·10	27·86	30·11	29·86
Government stores.						
Articles liable to protective duties—						
Iron and Steel (*a*) Liable to additional duties .						
Iron and Steel (*b*) Not liable to additional duties .						
Paper and Stationery . . .	94·27	1,08·14	67·10	89·93	58 05	47·52
Railway plant and rolling stock (non-protective) . . .						
Others						
TOTAL IMPORTS .	39,96·41	40,46·17	40,92 07	42,22·11	40,43·43	44,04·59
Export duties— (*a*) Hides and skins, raw . .	30·84	37·33	36·83	37·74	37·90	38·40
(*b*) Jute (raw and manufactured)	3,95·06	4,59 97	4,21·99	4,00·54	4,70·52	4,20 52
(*c*) Rice.	1,16·68	1,06·54	99·45	1,16·85	1.14·87	96·26
(*d*) Tea	50·96	1·33	..	..	..	..
(*e*) Government Stores . .	·04	·03	·01	..	..	·01
Sea Customs—Miscellaneous . .	9·80	14·43	13 37	14·31	13·01	13·41
Land Customs	22·41	27·80	98·84	75·57	1,07·22	80·33
Excise Duty on Cotton Manufactures	·37	..	..	.	..	..
Excise Duty on Motor Spirit . .	96·40	1,21·23	1·55·03	2,49·33	2,85 00	3,24·00
Excise Duty on Kerosene . .	1,04·70	97·18	92·35	98 58	1,02·80	1,50·18
Excise Duty on Silver . . .	..	..	..	..	..	15 0
Warehouse and wharf rents and Miscellaneous . . .	6·87	5·68	5·80	5·04	5·57	5·90
TOTAL RECEIPTS . .	48,30·54	49,17·69	50·21·74	52,20·37	51,80·32	55,48·60
Deduct—Refunds . .	*92·43*	*96·27*	*87·73*	*98·60*	*78·23*	*84·79*
TOTAL REVENUE .	47,38·11	48,21·42	49·28·01	51,21·77	51,02·09	54,63·81
EXPENDITURE.						
India	79·72	82·90	91·58	97·94	99·26	96·36
England	1·16	1·91	2·01	1·88	1·42	1·78
Exchange	·39	·01	..	..	·01	..
Total .	81·27	84·82	93·59	99·82	1,00·69	98·14

TAXES ON INCOME.

	Revenue. (Receipts *less* refunds and Provincial Governments' share of Income-tax revenue).	Expenditure.	Net revenue.
1926-27 . . .	15,64·97	61·76	15,03·21
1927-28 . . .	15,06·39	65·56	14,40·83
1928-29 . . .	16,70·34	68·96	16,01·38
1929-30 Budget . .	16,59·60	72·38	15,87·22
1929-30 Revised .	17,10·06	72·47	16,37·59
1930-31 Budget . .	17,99·78	75·89	17,23·89

18. The revised estimate of revenue, which is about 50 lakhs better than the original budget, includes a special wind-fall of nearly 30 lakhs representing the net receipts accruing to Government as a result of certain recent Privy Council decisions.

19. The revenue estimates for next year, include the following new receipts which are expected to be realised as a result of the following changes in the rates of taxation which have been accepted by the Legislature :—

Increase of one pie in the rupee in the rates of income-tax on incomes of Rs 15,000 and upwards	56
Increase of one pie in the rupee in the rates of super-tax with the exception of companies' super-tax . . .	14
Total .	70

20. In addition, the budget estimate allows for an increase of 20 lakhs over the current year's revised estimate. It is true that the wind-fall referred to in paragraph 18 will not re-appear and also that next year we shall have the full effect of the concessions to Provident Funds, etc. But refunds are expected to be considerably smaller than in the current year and the recent legislation relating to bogus companies should make it possible to collect super-tax on some income which now escapes.

21. The following tables give the usual details :—

	Accounts, 1926-27.	Accounts, 1927-28.	Accounts, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
REVENUE.						
EXCESS PROFITS DUTY.						
1. Madras	·16	..	..	..	..	..
2. Bombay	·01	..	..	..	..	..
3. Bengal	·01	·01	·01	·01	·01	·01
TOTAL .	·18	·01	·01	·01	·01	·01

	Accounts, 1926-27.	Accounts, 1927-28.	Accounts, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
REVENUE—*contd.*						
SUPER-TAX.						
1 India	2·17	2·57	2·94	2·81	3·30	3·30
2. Baluchistan	·22	·23	·12	·22	·15	·16
3. N.-W. Frontier	·98	·82	·97	·41	1·19	·81
4. Madras	19·21	19·59	20 90	22·00	23·00	23·00
5. Bombay	78·62	83·22	79·83	90·00	97 00	88·00
6. Bengal	2,45·95	1,89·14	2,55·10	2 50·60	2,75·50	2,84 50
7. United Provinces	15·15	15·88	19·74	18·70	21·40	21·20
8. Punjab	6·27	9·11	7 82	8·45	5 97	4·17
9. Burma	64·56	65·04	56·54	60·00	51·00	52·00
10. Bihar and Orissa	20·80	6·47	49·22	14·83	6·00	33·00
11. Central Provinces	8·23	3·37	4·95	7·00	7·00	7·73
12. Assam	3·34	3·27	3·59	3·00	2 73	2·57
TOTAL	4,65 50	3.98·71	5,01·72	4 78·02	4,94·24	5,20·44
INCOME-TAX.						
1. India General—						
Civil	31·71	35·25	41·74	38·63	45·41	47·99
Non-Civil Departments	58·82	64·36	66·58	66·74	68·57	69·05
2. Delhi	11·21	11·57	10·40	10·99	9·71	10·41
3. Baluchistan	1·60	1·62	1·76	1·61	1·65	1·65
4. North-West Frontier	9·38	9·87	9·56	8·83	9·02	8·70
5. Madras	1,29·24	1,34·51	1,34·45	1,43·00	1,42·00	1,48·00
6. Bombay	2,74·46	2.80·84	2.93·84	2,86·97	3.27·00	3,22·00
7. Bengal	3,56·00	3,25·50	3,91·98	3,76·77	3 97·86	4,16·98
8. United Provinces	61·68	68·68	73·21	72·20	77·72	80·72
9. Punjab	67·42	69·79	65·31	70·15	63·43	61·15
10. Burma	1,87·05	1,95·71	1,76·62	1,86·56	1.69·60	1,78·10
11. Bihar and Orissa	43·09	40·68	50·75	43·95	47·95	48·00
12. Central Provinces	37·06	34·56	36·87	37·74	38·35	41·35
13. Assam	19·78	19·68	20·36	19·90	19·51	18·52
14. Coorg	·24	·21	·22	·22	·23	·23
TOTAL	12,88·74	12,92·83	13.73·65	13,64·26	14,18·01	14,52·85
MISCELLANEOUS.						
1. India	..	..	·03	..	..	..
2. Madras	..	·02	·06	·02	·04	·04
3. Bombay	..	05	·01	·03	..	..
4. Bengal	..	..	..	..	·01	·01
5. United Provinces	..	·11	·05	..	..	..
6. Punjab	..	·01	·06	..	·06	·06
7. Burma	..	·02	·08	..	·05	·05
8. Bihar and Orissa	..	·02	·01	·05	·05	·06
9. Central Provinces	..	·02	·09	·02	·07	·07
10. Assam	..	..	·01	..	..	..
11. England	..	..	..	..	·05	..
TOTAL	..	·25	·40	·12	·33	·29
Total Receipts from Taxes on Income	17,54·42	16.91·80	18,75·78	18,42·41	19,12·59	19,73·59
Deduct—Refunds—						
India	*1,48·78*	*1,48 82*	*1,70·96*	*1,49·46*	*1,70·32*	*1,43·92*
England	*5·47*	*·34*	*·07*	..	*·01*	..
Exchange	*1·87*	..	..	..	..	..
TOTAL REFUNDS	*1,56·12*	*1,49·16*	*1,70·13*	*1,49·46*	*1,70·33*	*1,43·92*
Deduct—Share of Provincial Governments in Income-tax revenue under the Devolution Rules	*33·33*	*36·25*	*35·31*	*33·35*	*32·20*	*29·89*
Total Revenue of the Central Government	15,64·97	15,06·39	16,70·34	16,59·60	17,10·06	17,99·78
EXPENDITURE.						
India	60·67	64·81	67·46	71·27	71·01	74·58
England	·81	·75	1·50	1·11	1·45	1·31
Exchange	·28	..	..	..	·01	..
TOTAL	61·76	65·56	68·96	72·38	72·47	75·89
Distributed as follows—						
Payments to Provincial Governments	2 50	2·58	1·90	·33	·30	·24
Direct expenditure of Central Government	59·26	62·98	67·06	72·05	72·17	75·65

Amount of income-tax revenue payable to Provincial Governments.

	Accounts, 1926-27.	Accounts, 1927-28.	Accounts, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
Madras . .	4·64	5·94	5·48	7·27	6 00	6·00
United Provinces	..	..	..	..	·71	·80
Punjab . .	4·02	4·83	4·02	4·05	2 59	1 01
Burma . .	14·32	14·94	12·21	12·25	11·27	10·95
Bihar and Orissa	3·25	3·20	4·74	3·15	4 50	4·50
Central Provinces	2·18	1·72	2·23	1·63	1·63	1·63
Assam . .	4·92	5 62	6 63	5·00	5 50	5·00
TOTAL .	33·33	36·25	35·31	33·35	32·20	29·89

22. The following table shows the distribution, by Provinces, of the net revenue of the Central Government from super-tax and income-tax, after deducting refunds and the share payable to Provincial Governments under the Devolution Rules :—

	Accounts, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
Madras	1,31	1,43	1,45	1,50
Bombay	3,18	3,37	3,78	3,69
Bengal	6,15	5,91	6,37	6,70
United Provinces . . .	90	88	95	98
Punjab	61	71	63	61
Burma	1,85	1,96	1,64	1,83
Bihar and Orissa . . .	91	53	43	71
Central Provinces . . .	33	37	37	42
Assam	15	16	13	14
Minor Administrations and Non-Civil Departments . .	1.31	1,28	1,35	1,39
TOTAL .	16,70	16,60	17,10	18,09

SALT.

	Revenue (Receipts *less* Refunds).	Expenditure (including Capital Expenditure charged to Revenue).	Net Revenue.
1926-27	6,69·81	1,24·76	5,45·05
1927-28	6,63·18	1,27·01	5,36·17
1928-29	7,59·93	1,23·83	6,36·10
1929-30 Budget . . .	6,34·64	1,33·98	5,00·66
1929-30 Revised . . .	6,72·19	1,29·08	5,43·11
1930-31 Budget . . .	7,04·83	1,33·49	5,71·34

23. Despitethe fact that last year's revenues benefited to the extent of about 60 lakhs at the expense of this year as a result of the speculation at Sambhar, the revised estimate for 1929-30, which is based on the latest actuals, is only 28 lakhs less than what may be considered to be a normal figure under this head, *viz.*, 7 crores. The budget estimate for next year provides for this normal receipt *plus* about 5 lakhs on account of the increase which has been recently made in the price of Government salt at the Northern India sources.

24. The relevant details are given below :—

—	Accounts, 1926-27.	Accounts, 1927-28.	Accounts, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
REVENUE.						
Northern India (*a*)	1,58·32	1 66·93	2,47·19	1,11·42	1,44 29	1,77·00
Madras (*a*)	1,43·12	1.44 64	1,47·65	1 48·43	1,46·70	1,48·35
Bombay (*a*)	1,59·72	1.55·25	1,59 20	1.63 09	1,64 75	1,63·32
Bengal (*b*)	1,77·45	1,64 50	1,76 90	1,79 93	1,85 94	1,85·93
Burma (*b*)	34·24	36·53	34 86	36 51	35 47	35·67
Bihar and Orissa	..	01	·01	·01	01	01
Assam	·01	·01	01	·01	01	·01
TOTAL RECEIPTS	6,72·86	6 67·87	7,65 82	6 39·40	6,77·17	7,10·29
Deduct—Refunds	*3·05*	*4·69*	5 89	*4·76*	*1 98*	*5·46*
TOTAL REVENUE	6,69·81	6 63 18	7,59·93	6 34 64	6,72 19	7,04·83
EXPENDITURE.						
Cost of salt purchased by Government	12·90	10·31	7·03	10·58	9 06	12·06
Assignments and compensations	38·18	41·03	39 49	40·39	39 70	38·36
Interest	3 89	4 03	4·97	4·74	4 39	5·11
Depreciation	2·66	3·64	2 92	2·99	2 82	2·80
Other charges	61·68	65·92	67 94	70·98	70 90	72·47
Capital Outlay on salt works	4·80	·59	·58	3·25	1 21	1·82
Total India	1,24·11	1,25 43	1,22 93	1,32·93	1,28·08	1,32 62
England	·48	1·57	·90	1·05	99	·87
Exchange	·17	·01	..		·01	..
TOTAL	1,24·76	1.27·01	1,23·83	1,33·98	1,29·08	1,33·49

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.

OPIUM.

—	Provision and medical opium.	Excise opium and miscellaneous (*less* refunds).	Total revenue (Receipts *less* refunds).	Purchase of opium.	Other charges.	Total expenditure.	Net revenue.
1926-27	3,51·49	81·65	4,33·14	85·98	14·46	1,00·44	3,32·70
1927-28	3,15·99	78·53	3,94·52	74·08	12·93	87·01	3,07·51
1928-29	2,57 08	69·51	3,26·59	42·44	12·51	54·95	2,71·64
1929-30 Budget	2,34·28	71·29	3,05·57	58·97	12·04	71·01	2,34·56
1929-30 Revised	2,32 76	75·51	3,08·27	36·96	12·14	49·10	2,59·17
1930-31 Budget	2,00·15	71·65	2,71·80	53·35	11·22	64·57	2,07·23

25. The revenue from opium is derived mainly from exports of what is called provision opium to foreign countries, and from the sale to Provincial

Governments of excise opium for internal consumption in India. The latter is sold to Provincial Governments at a fixed price based on the cost of production, and retailed by them to licensed vendors at rates fixed by them which vary from Province to Province. Opium is exported to foreign countries only after the prescribed import certificate from the Government of the importing country is produced. The entire quantity is now exported under the system of direct sales to Foreign and Colonial Governments, that of auction sales in Calcutta to traders for export to foreign countries having been stopped with effect from the 7th April 1926.

26. The exports of provision opium in the current year are expected to amount to 5,500 chests, but will drop to 4,687 chests next year under the arrangement whereby they have to be extinguished not later than the 31st December 1935. This mainly accounts for the fall of 36 lakhs in the budget estimate of revenue for 1930-31.

27. The revised estimate of expenditure in the current year shows a saving of 22 lakhs owing to poorer out-turn. Next year's expenditure, however, assumes more normal conditions.

OTHER PRINCIPAL HEADS OF REVENUE AND DIRECT DEMANDS ON THE REVENUE.

	Revenue.	Expenditure.	Net revenue.
1926-27	2,17·50	56·52	1,60·98
1927-28	2,29·99	54·99	1,75·00
1928-29	2,23·85	61·37	1,62·48
1929-30 Budget	2,22·67	65·49	1,57·18
1929-30 Revised	2,28·02	62·86	1,65·16
1930-31 Budget	2,30·86	65·30	1,65·56

28. These comprise Land Revenue, Excise, Stamps, Forest, Registration and Tributes from Indian States. The improvement in the revised estimate of net revenue for 1929-30, as compared with the original budget, is largely due to an increase in excise revenue (4·43 lakhs) and a decrease in forest expenditure (2·34 lakhs). In 1930-31, both revenue and expenditure under the Forest head are expected to go up by about 2½ lakhs leaving the net revenue under these heads at practically the same figure as in the revised estimate.

IRRIGATION.

	Revenue (Receipts *less* Working expenses).	Expenditure (including Capital expenditure charged to Revenue).	Net expenditure.
1926-27	10·25	15·50	5·25
1927 28	9·06	17·39	8·33
1928-29	9 40	22·25	12·85
1929-30 Budget	13·40	22·66	9·26
1929-30 Revised	12·75	30·36	17·61
1930-31 Budget	14·25	25·71	11·46

29. The current year's revised estimate of expenditure includes a special adjustment of 9 23 lakhs with certain Provincial Governments on account of the Central Government's share of irrigation, leave salaries and pensions which were wholly debited to the former in the past. Next year's estimate includes Rs. 80,000 only for certain *new* drainage works in the North-West Frontier Province.

POSTS AND TELEGRAPHS.

	Accounts, 1926-27.	Accounts, 1927-28.	Accounts, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
INDIAN POSTS AND TELEGRAPHS DEPARTMENT.						
GROSS RECEIPTS	10,53·04	10,82·71	11,03 65	11,59·97	11,20 15	11,50 85
WORKING EXPENSES—						
India	9,83·39	10,46·78	10,87·53	10,94·28	11,02·36	11,19·72
England	5·45	6·73	7·30	7·78	7·60	7·29
Exchange	1·86	·02	·01	..	·05	..
TOTAL	9,90·70	10,53·53	10,94·84	11,02·06	11,10·01	11,27·01
NET RECEIPTS	62·34	29·18	8·81	57·91	10·14	23·84
EXPENDITURE CHARGED TO REVENUE—						
Interest	52·09	55·33	62·65	65·74	66·19	72·29
NET REVENUE	10·25	—26·15	—53·84	—7·83	—56·05	—48·45
CAPITAL OUTLAY CHARGED TO REVENUE—						
India	17·62	15·78	13·12	10 00	9·50	14·90
England	..	..	..	..	..	..
Exchange	..	..	..	..	..	..
TOTAL	17·62	15·78	13·12	10·00	9·50	14·90
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India	22·97	36·59	46·40	56·91	47·55	62·32
England	8·39	12·86	9·67	12·27	5·80	7·47
Exchange	2·93	·08	·02	..	·04	..
TOTAL	34 29	49·53	56·09	69·18	53·39	69·79
INDO-EUROPEAN TELEGRAPH DEPARTMENT						
GROSS RECEIPTS—						
India	17·72	18·42	15·27	16·04	11·95	11·90
England	15·84	15·61	13·63	12·94	14·00	12·80
Exchange	5·40	·03	·03	..	·10	..
TOTAL	38·96	34·06	28·93	28·98	26·05	24·70
WORKING EXPENSES—						
India	29·34	30·16	28·67	27·66	26·38	25·50
England	·98	1·62	1·66	1·50	1·81	1·52
Exchange	·33	..	..	..	·01	..
TOTAL	30·65	31·78	30·33	29·16	28·20	27·02
NET RECEIPTS	8·31	2·28	—1·40	—·18	—2·15	—2·32
EXPENDITURE CHARGED TO REVENUE—						
Interest	5·16	5·13	5·37	5·57	5·52	5·86
NET REVENUE	3·15	—2·85	—6·77	5·75	—7·67	—8·18
CAPITAL OUTLAY CHARGED TO REVENUE—						
India	·86	2·45	·44	—·16	—·15	—·37
England	·06	·05	·05	·05	·05	·05
Exchange	·02	..		..	..	..
TOTAL	·94	2·50	·49	—·11	—·10	—·32
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India	—3·17	—3·53	—3 62	—2·12	—2·42	—1·88
England	1·10	·87	·86	1·07	1·15	·80
Exchange	·37	·01	..	..	·01	..
TOTAL	—1·70	—2 65	—2·76	—1·05	—1·26	—1·08

30. The above statement shows the position of both the Indian Posts and Telegraphs Department and the Indo-European Telegraph Department at a glance. The figures appearing as 'Net Revenue' show, in both cases, the profit or loss on the working of the Departments. The figures relating to the Indian Department, however, are inclusive of the following estimated losses on the non-commercial activities of the Wireless Branch :—

Actuals, 1928-29	6·28
Budget, 1929-30	8·00
Revised, 1929-30	7·00
Budget, 1930-31	8·00

31. In the Indian Department, the larger loss of about 56 lakhs in the current year is the combined result of a drop of 40 lakhs in gross receipts owing to a retardation in the normal growth of revenue, and of an increase of 8 lakhs in working expenses due to the under-estimation of the cost of the revisions of pay and other concessions granted to the staff in recent years. The loss next year is now expected to be 48 lakhs.

32. The Indo-European Department also shows a falling revenue, but efforts are being made to reduce working expenses as far as possible, so that the net results are somewhat better than they would otherwise have been.

33. The interest chargeable to both the Departments has been included throughout with reference to the value of the recently constructed block account as at the 31st March 1925 and the capital outlay subsequently incurred, after taking into account capital receipts, as also the profit or loss on the annual working on a commercial basis.

34. The losses on the working, combined with the capital expenditure charged to revenue, involve a draft on the revenues of the Central Government to the following extent :—

Budget, 1929-30	23·69
Revised, 1929-30	73·32
Budget, 1930-31	71·85

INTEREST RECEIPTS.

	Accounts, 1928-29.	Budget, 1929-30.	Revised, 1929-30.	Budget, 1930-31.
India	91·36	88·98	91·05	1,07·33
England . Interest on temporary investment of cash balances, etc.	22·72	21·98	32·69	17·98
England . Excess over £40 millions in the Gold Standard Reserve	1,65·72	2,34·68	3,06·67	2,20·00
Exchange	·23	..	2·37	..
TOTAL	2,80·03	3,45·64	4,32·78	3,45.31

35. The improvement in next year's estimate of Indian receipts is mainly due to larger recoveries from the Bahawalpur Durbar (10 lakhs) and from the Bengal Nagpur and South Indian Railway Companies (5 lakhs).

36. The receipts in England are as estimated by the Secretary of State on the basis of the information available regarding the volume and composition of the Home balances, the prevailing interest rates, etc. The total receipts from the Gold Standard Reserve have been shown in paragraph 4. The above estimates assume the following distribution :—

	Revised, 1929-30.	Budget, 1930-31.
	£	£
Credit to revenue	2,300,025	1,650,000
Transfer to Equalisation Fund . . .	99,975	50,025

On this basis, there will be £150,000 in the Fund at the close of next year, exclusive of interest, which can be drawn upon in any future year, if necessary, to bring the year's receipts up to the basic figure of £1,600,000.

INTEREST PAYMENTS.

	Accounts, 1928-29.	Budget, 1929-30.	Revised, 1929-30.	Budget, 1930-31.
Interest on Ordinary Debt—				
Gross payments—				
India	20,82·20	20,83·74	21,05·76	21,06·33
England	17,85·47	18,14·68	18,91·58	18,78·96
Exchange	2·09	..	13·22	.
Total .	38,69·76	38,98·42	40,10·56	40,75·29
Deduct—Amounts charged to—				
Railways	27,82·59	29,08·44	29,00·60	30,04·06
Irrigation	12·21	12·28	12·25	12·38
Posts and Telegraphs . .	69·62	72·99	73·50	79·93
Other heads . . .	14·72	23·30	16·91	20·80
Provincial Loans Fund .	5,87·78	6,29·89	6,18·97	6,52·29
Total deductions .	34,66·92	36,37·90	36,22·23	37,69·46
Total Interest on Ordinary Debt (net) . . .	4,02·84	2,60·52	3,88·33	3,05·83
Interest on Other Obligations—				
Bonus on Post Office Cash Certificates . . .	60·15	1,10·00	72·50	1,88·00
Post Office Savings Bank Deposits . . .	97·86	1,07·63	1,00·42	1,10·46
Provident Funds . .	2,38·18	2,67·62	2,59·41	2,97·50
Service Funds . . .	10·07	11·49	12·34	13·25
Fixed Deposits of Provincial Governments . .	17·00	13·50	24·22	23·50
Famine Relief Fund . .	19·47	13·82	15·61	13·25
Reserve and Depreciation Funds	1,11·29	1,35·71	1,38·49	1,52·48
Other items . . .	63·41	66·80	66·69	77·07
Total .	6,17·43	7,26·57	6,89·68	8,75·51
Total Interest payments . .	10,20·27	9,87·09	10,78·01	11,81·34

37. Details of payments of Interest on Ordinary Debt will be found in the volume of Demands for Grants. The payments are, as usual, affected by the nature and extent of the ways and means operations. It is necessary to mention, however, that the discount on the current year's rupee loan *viz.*, 118·21 lakhs, and the premium on bonds converted in the same connection *viz.*, 59·38 lakhs, will both be charged to revenue over the periods of currency of the two issues.

38. The savings of 37 lakhs in 1929-30 under Interest on Other Obligations, are due to smaller payments of bonus on cash certificates, the discharges having diminished after the rate was improved in August 1929. For 1930-31, a provision of 1,88 lakhs has been made, representing the full liability for the year. Of this it is expected that only 1 crore will be actually paid, so that the balance of 88 lakhs will be transferred to a special fund, which will be known as the Post Office Cash Certificate Bonus Fund and can be drawn upon in any future year to the extent to which the actual payments may happen to be in excess of the provision made for the year. The interest on Provident Funds also includes a special addition of about 15 lakhs on account of the increase, from 4¾ per cent. to 5 per cent., in the rate of interest which it has been decided to allow on the balances held in the Funds with effect from the beginning of next year.

39. The total interest charges have varied as follows in recent years :—

Actuals, 1923-24	15,97
„ 1924-25	14,90
„ 1925-26	13,37
„ 1926-27	11,77
„ 1927-28	10,57
„ 1928-29	10,20
Revised, 1929-30	10,78
Budget, 1930-31	11,81

40. It will be seen from the above figures that while there was a steady reduction from 1923-24 to 1928-29, there has been an increase since then. This is explained partly by the variations in the Government's borrowing rate and partly also by the fact that insufficient provision had been made in the past in respect of the liability for bonus on cash certificates. The following table will make the position clear :—

Year.	Approximate borowing rate in India.	Balance held at close of the year on account of cash certificates.	Bonus paid or provided for from revenue.
1923-24	6 per cent.	8,42	28
1924-25	5¾ „	13,12	16
1925-26	5½ „	20,96	16
1926-27	4¾ „	26,68	16
1927-28	4¾ „	30,70	23
1928-29	5 „	32,30	60
1929-30	5½ „	35,25	73
1930-31		37,65	1,88

Of the increase of 1,61 lakhs in the aggregate net interest payments in 1930-31 over the 1928-29 figure, the bonus on cash certificates alone accounts for 1,28 lakhs.

APPROPRIATION FOR REDUCTION OR AVOIDANCE OF DEBT.

41. Under the scheme of debt redemption adopted by the Government of India for the five years 1925-26 to 1929-30, the annual charge against the revenues of India for the purpose of making provision for the reduction or avoidance of debt consists of—

(*a*) a sum of 4 crores, and

(*b*) such additional sum as is equal to one-eightieth of any excess shown in the total of the debt outstanding on the 31st of March of the preceding year over the total outstanding on the 31st March 1923, sterling debt being converted into rupees at Rs. 15 per £ for this purpose.

It has been decided that, pending further consideration of the scheme along with the Railway Convention, the provision for the year 1930-31 should be made on the same lines, except that, for the purposes of (*b*) above, sterling debt should be converted into rupees at Rs. 13⅓ per £. This will result in a saving of about 12 lakhs next year.

42. On this basis, the estimates for the two years work out as follows:—

	Revised, 1929-30. (In lakhs of rupees, sterling amounts being converted at Rs. 15 per £.)		Budget, 1930-31. (In lakhs of rupees, sterling amounts being converted at Rs. 13⅓ per £.)	
	31st March 1923.	31st March 1929.	31st March 1923.	31st March 1930.
Rupee Debt exclusive of Treasury Bills in the Paper Currency Reserve	3,61,42	3,94,73	3,61,42	4,29,31
Sterling Debt	3,63,95	4,50,05	3,23,51	4,14,89
Unfunded Debt { India	62,50	1,27,31	62,50	1,38,38
Unfunded Debt { England	6	64	6	3,55
Capital value of the liabilities undergoing redemption by way of Terminable Railway Annuities	91,97	80,03	81,74	69,15
	8,79,90	10,52,76	8,29,23	10,55,28
Deduct—				
Discount included above but separately provided for { India	..	5,80	..	6,98
Discount included above but separately provided for { England	8,23	12,66	7,32	11,25
Advances to Provincial Governments other than those representing pre-Reform Irrigation debt	24,89	74,91	24,89	79,84
	33,12	93,37	32,21	98,07
NET	8,46,78	9,59,39	7,97,02	9,57,21
Excess over outstanding debt on 31st March 1923		1,12,61		1,60,19
$\frac{1}{80}$th of above		1,40·76		2,00.24
Add basic provision		4,00		4,00
TOTAL		5,40·76		6,00·24

43. Under the provisions of section 7 of the Indian Finance Act, 1926, the figure for 1929-30 has to be increased further by the amount of Reparation receipts, *viz.*, 33·11 lakhs. But, as these provisions have been repealed by section 9 of the Indian Finance Act, 1930, no addition need be made on this account with effect from 1930-31. The estimates under this head will accordingly stand at 5,73·87 lakhs in 1929-30 and 6,00·24 lakhs in 1930-31.

44. These figures include the following specific items :—

	Revised, 1929-30.	Budget, 1930-31.
Sinking fund provision for 5 per cent. rupee loans	1,36·04	1,79·75
Capital portion of railway annuities . . .	2,00·34	2,05·85
Railway sinking funds	26·86	26·67
Capital portion of liabilities assumed in respect of British 5 per cent. War Loan, 1929—47 . .	79·47	82·85
Reparation receipts	33·11	..
TOTAL .	4,75·82	4,95·12

45. The sums provided from revenue on this account from year to year are indicated below. The increase in the seven years ending the 31st March 1931 is only about 57 per cent. of the savings in interest on dead-weight debt during the same period (*vide* paragraph 39).

1923-24	3,62
1924-25	3,78
1925-26	4,97
1926-27	4,97
1927-28	5,04
1928-29	5,42
1929-30	5,74
1930-31	6,00

CIVIL ADMINISTRATION.

		Revenue.	Expenditure.	Net expenditure.
1926-27		86·05	11,13·44	10,27·39
1927-28		98·69	11,20·78	10,22·09
1928-29		1,00·93	11,43·51	10,42·58
1929-30	Budget	1,12·25	12,66·74	11,54·49
	Revised	1,13·06	12,68·72	11,55·66
1930-31	Budget	1,06·44	13,26·59	12,20·15

46. The revised estimates for the current year under this group head are practically the same as in the original budget. The budget estimates for 1930-31, however, show, as compared with the revised, a decrease of about 7 lakhs in revenue and an increase of 58 lakhs in expenditure. The

former is more apparent than real as it has been occasioned by an alteration in the method of adjusting certain recoveries made by the Indian Stores Department, which has reduced the figures on both sides by about 11 lakhs. In any case, the net deterioration is 65 lakhs. The details of the estimates of expenditure will be found in the Demands for Grants. The more important items which account for the deterioration, have been mentioned in paragraph 20 of the Finance Member's budget speech.

CURRENCY AND MINT.

	Revenue.	Expenditure.	Net revenue.
1926-27	4,15·51	76 37	3,39·14
1927-28	2,77·46	87·67	1,89·79
1928-29	2,88·33	71·62	2,16·71
1929-30 Budget	3,05·77	71·02	2,34·75
1929-30 Revised	2,85 51	7: 39	2,11·12
1930-31 Budget	2,89·15	77·66	2,11·49

47. The estimates of receipts under this group largely depend upon the transactions connected with the securities in the Paper Currency Reserve and are subject to wide fluctuations. The present estimates of net revenue for both years are practically the same.

CIVIL WORKS.

	Revenue.	Expenditure.	Net expenditure.
1926-27	15·79	1,89·74	1,73·95
1927-28	16·07	1,58·48	1,42·41
1928-29	17·04	1,59 28	1,42·24
1929-30 Budget	18 45	2,59·35	2,40·90
1929-30 Revised	24·35	2,63·25	2,38·90
1930-31 Budget	26·17	2,81·06	2,54·89

48. The increase in revenue occurs partly in the Delhi Province and partly at Calcutta and Bombay where rent on mint buildings (about 2½ lakhs) is being adjusted under this head by *per contra* debit to the Mint head. Next year's estimate also includes a special receipt of 3·72 lakhs from the Government of Bengal in respect of the sale of premises nos. 5 and 6, Government Place, Calcutta.

49. The expenditure figures for 1929-30 and 1930-31 in the above table include the transfers to the Road Development Fund specified in paragraph 8. Excluding these, we have the following estimates of gross expenditure :—

Budget, 1929-30	1,76·05
Revised, 1929-30	1,68·25
Budget, 1930-31	1,73·06

Next year's figure is actually lower than the budget estimate for the current year although it includes about 5 lakhs for special repairs necessitated by flood damages.

MISCELLANEOUS.

	Revenue.	Expenditure.	Net expenditure.
1926-27	60·01	3,96·16	3,36·15
1927-28	52·46	3,75·31	3,22·85
1928-29	89·47	4,05·93	3,16·46
1929-30 Budget	85·44	4,06·93	3,21·49
1929-30 Revised	92·21	4,58 39	3,66·18
1930-31 Budget	86·11	4,16·87	3,30·76

50. The revised estimate of revenue includes a special receipt of 4·30 lakhs representing the proceeds from the disposal of leases of premises at Grosvenor Gardens. The budget for 1930-31 includes another special receipt of £60,000 or 8 lakhs from His Majesty's Government towards the expenses of the Indian Statutory Commission out of which, however, it has been decided to refund 2·83 lakhs to Provincial Governments towards their share of the expenses.

51. The revised estimate of expenditure is swollen to the extent of (i) 22 lakhs by arrear adjustments of leave salaries and pensions erroneously debited to Provincial Governments in the past and (ii) 14 lakhs by similar adjustments of pensions of military officers in respect of civil employment. It also includes an additional provision of 4 lakhs for the Labour Commission and 5 lakhs for the Banking Enquiry Committee. The budget for next year provides 7 lakhs each for these Enquiries and excludes the special adjustments, but includes the usual Reserve of 5 lakhs at the disposal of the Finance Department.

EXTRAORDINARY ITEMS.

	Accounts, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
Receipts—				
India	74·15	89·69	1,56·15	..
England	30·42	30·00	33·84	32·00
Exchange	·05	..	·24	..
TOTAL . .	1,04·62	1,19·69	1,90·23	32·00
Payments—				
India	1·21	2·25	·07	·50
England	..	..	..	..
Exchange	..	..	..	..
TOTAL . .	1·21	2·25	·07	·50

52. The Indian credit in the budget for 1929-30 represented the estimated transfer from the Revenue Reserve Fund, which, in the circumstances explained in paragraph 6, is no longer possible. The similar credit in the revised estimate represents the sum held at credit of the German Liquidation Account which, as stated in paragraph 9 of the Finance Member's budget speech, will accrue to the Government of India. The credits in England in 1929-30 consist mainly of Reparation receipts (33·11 lakhs), the balance of nearly a lakh, representing receipts on account of enemy ships transferred to revenue from suspense. The credits in England next year entirely represent Reparation receipts.

EXCHANGE.

53. From the 1st April 1920 to the 31st March 1927, the accounts were prepared on the basis of the rate of 2*s.* per rupee for the conversion of rupee transactions into sterling and *vice versa*. The sterling value of the rupee, however, stood at a lower level in recent years. In consequence of this variation from the 2*s.* rate, large sums were brought to account as credits or debits on account of exchange in respect of transactions involving remittances of funds to and from the Secretary of State. *These were purely book-keeping transactions.* Under that system, there was an accounts 'gain' by exchange when the Home remittances through the market were less than the amounts required by the Secretary of State for his aggregate net disbursements owing to the latter having been financed partly from other sources, *e.g.*, a sterling loan floated in London. Similarly, there was an accounts 'loss' when the remittances were greater in order to meet the demands of trade. These 'gains' and 'losses' fluctuated within very wide limits as will be seen from the following statement of balances at the end of each of the financial years from 1919-20 onwards :—

Credit +, Debit —.

31st March 1920	+5,23
„ „ 1921	—22,85
„ „ 1922	—11,48
„ „ 1923	+5,47
„ „ 1924	+8,55
„ „ 1925	+5,40
„ „ 1926	+1,31
„ „ 1927	+12,44
„ „ 1928	+12,69
„ „ 1929	+12,86

54. The procedure for the allocation of exchange gains and losses was as follows. All exchange gains and losses arising in respect of remittance transactions were recorded in the first instance under a suspense head; the portion

attributable to the revenue and capital accounts in respect of outlay incurred in England was calculated every month on the basis of the average of the daily telegraphic transfer rates from Calcutta on London and transferred to these accounts, and the portion relating to the expenditure of Provincial Governments was similarly debited to the Provincial Governments concerned; and it was considered, with reference to the circumstances of each year, whether the balance remaining under the suspense head after these transfers were made should be written off to revenue or *kept in suspense against the possibility of opposite results in succeeding years.*

55. The above procedure is still in force except that 1*s.* 6*d.* is now taken in place of the old 2*s.* rate. The present estimates, however, assume an average of 1*s.* 5$\frac{7}{8}$*d.* in 1929-30 and 1*s.* 6*d.* in 1930-31.

56. The transactions in the current year are expected to be as follows :—

Gross loss on remittance transactions. ..		13·46
Deduct transfers to		
Revenue	23·56	
Capital	11·99	
Provinces	2·55	
	———	38·10
Net gain		24·64

On this basis, the balance at credit of the Exchange head will be 13·11 crores. The question of the final adjustment of this book credit is under consideration.

WAYS AND MEANS.

Home Treasury.

57. The bulk of the payments made in England on account of the Government of India consists of expenditure chargeable to the Indian revenues and has normally to be met by direct remittance of funds from India. The capital outlay on the construction of railways, however, sometimes necessitates heavy borrowing and a large portion of the money required has, when necessary, been raised in England, either direct or through the agency of Companies. 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, further swell the receipts and charges of the Home Treasury without affecting ordinarily the general ways and means programme. Recoveries are also effected by the Secretary of State against drawings of the Iraq administration on India. These recoveries represent, in effect, remittances from India to finance the Home Treasury and reduce the amount of direct remittances which would otherwise be necessary.

58. The following is a summary of the estimated transactions of the Home Treasury :—

[In millions of £]

	Budget, 1929-30.	Revised, 1929-30.	Budget, 1930-31.
RECEIPTS.			
1. Discount on loans raised in previous years brought to account as debt incurred .	·27	·27	·31
2. Portion of purchase price of Southern Punjab Railway withheld under terms of contract (net)	..	1·96	—1·96
3. Remittances between England and India—			
(a) Recoveries on account of drawings by Iraq administration on India . .	·60	·58	·58
(b) Sale of silver.	·20	3·76	·50
(c) Other transactions	·88	1·52	·86
Total Receipts, excluding direct remittances and loans	1·95	8·09	·29
DISBURSEMENTS.			
4. Excess of Expenditure of the Central Government over Revenue . . .	25·24	25·27	25·57
5. Disbursements on behalf of Provincial Governments	2·65	2·73	3·08
6. Capital Expenditure not charged to Revenue—			
(a) Outlay on State Railways . .	7·50	7·45	3·27
(b) Capital charge involved in the purchase of Railways . . .	5·27	5·25	..
(c) Other items	·15	·15	·13
Discharge of Debt	2·28	2·28	2·37
8. Deposits and Advances	—·10	—·09	—·10
TOTAL DISBURSEMENTS .	42·99	43·04	34·32
NET DISBURSEMENTS . .	41·04	34·95	34·03
Remittances from India (net) . .	35·05	24·75	31·30
New Loan (less discount) . . .	5·27	5·94	..
India Bills (net)	..	6·00	..
Reduction (+) or increase (—) of cash balance	+·72	—1·74	+2·73
Opening Balance	5·47	5·24	6·98
Closing Balance	4·75	6·98	4.25

59. Out of the purchase price of the Southern Punjab Railway, *viz.*, £5·25 millions—*vide* item 6(*b*), £3·29 millions only have been actually paid in 1929-30, the remainder of £1·96 millions being held in our balances as unfunded debt which will be discharged early next year. This explains the entries against item 2.

60. Item 3 (*a*) has already been explained in paragraph 57. Normally, item 3 (*c*) relating to 'Other transactions' is almost entirely made up of recoveries from the Governments of Hong-Kong, the Straits Settlements and Siam in respect of opium supplied from India under agreement, the other indirect remittances to and fro practically balancing one another.

61. The amount shown under the head 'Discharge of Debt' includes the provision for railway sinking funds, the capital portion of railway annuities and the equated instalments in repayment of the war loan liability. These payments are made out of the provision for reduction or avoidance of debt—*vide* paragraph 44.

62. The remittance programme, as estimated, is as follows :—

	(In millions of £.) Revised, 1929-30.	Budget, 1930-31.
Purchase of Sterling . . .	19·05	31·80
Transfers through Paper Currency Reserve .	9·50	..
	28·55	31·80

The net figures shown in paragraph 58 take into account the transfer of sale-proceeds of silver—*vide* item 3 (*b*)—to the Paper Currency Reserve. The programme is only illustrative. The actual amount of remittance must, like the form, necessarily depend upon circumstances.

63. The sterling debt incurred in 1929-30 is as follows :—

(*i*) In May 1929, nine months' India Bills for £6 millions.

(*ii*) In December 1929, twelve months' India Bills for £6 millions.

(*iii*) In February 1930, 6 per cent. Bonds, 1932-33, issued at 99, for £6 millions.

Of these, (*i*) has been repaid, while (*ii*) will be outstanding at the close of the current year and it has been assumed, for the purposes of the budget, that an identical amount will be outstanding at the close of next year as well.

64. The Gold Standard Reserve usually stands at £40 millions, any excess resulting from investments, etc., being transferred to Revenue or to the Equalisation Fund as the case may be—*vide* paras. 4 and 36. The receipts and charges in the two years are as follows :—

	(In millions of £.) Revised, 1929-30.	Budget, 1930-31.
Dividends, interest, etc.	1·57	1·80
Investments realised	52·40	55 90
TOTAL	53·97	57 70
Investments made	51·57	56·00
Appropriation to Revenue	2·30	1·65
Transfer to Equalisation Fund . . .	·10	·05
TOTAL . . .	53·97	57·70

INDIA

65. The following is a summary of the estimates of ways and means in India during 1929-30 and 1930-31 :—

(In crores of rupees.)

	Budget, 1929-30.	Revised, 1929-30.	Budget, 1930-31.
RECEIPTS.			
1. Excess of Revenue of the Central Government over Expenditure charged to Revenue	33·65	34·05	34·96
2. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net)	·60	2·95	2·40
(b) Savings Bank deposits (net)	9·51	8·12	9·43
3. Appropriation for reduction or avoidance of debt	5·97	5·85	5·90
4. Gain on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve (net)	—·23	—6·38	..
5. Railway Reserve and Railway and Posts and Telegraphs Depreciation Funds	5·76	·64	5·53
6. Post Office Cash Certificate Bonus Fund	..	..	·88
7. Miscellaneous Deposits and Remittances (net)	1·35	—·05	—1·59
TOTAL RECEIPTS	56·61	45·18	57·51
DISBURSEMENTS.			
8. Capital Expenditure not charged to Revenue—			
(a) State Railways	16·50	14·27	12·39
(b) Posts and Telegraphs	·55	·45	·61
(c) Delhi	·66	·63	·49
(d) Bombay Land Scheme	..	..	2·05
(e) Other items	·73	·66	·65
9. Revenue Reserve Fund	·90	..	..
10. Permanent Debt discharged (net)	·22	22·67	16·10
11. Floating Debt discharged (net)	·95	—15·35	4·00
12. Loans by the Central Government—			
(a) To Provincial Loans Fund	4·63	4·89	5·32
(b) Other Loans	1·61	2·08	1·41
13. Remittances between England and India—			
(a) Remittances from India for financing Home Treasury	46·73	33·01	41·73
(b) Drawings by the Iraq administration recoverable in England	·80	·77	·77
(c) Other transactions (net).	1·45	7·05	1·81
14. Balances of Provincial Governments	—·95	·93	—1·49
TOTAL DISBURSEMENTS	74·78	72·06	85·84
NET DISBURSEMENTS	18·17	26·88	28·33
New Loan (less discount and primium on Conversion)	18·00	35·47	23·50
Reduction (+) or increase (—) of cash balance	+·17	—8·59	+4·83
Opening Balance	11·74	9·20	17·79
Closing Balance	11·57	17·79	12·96

66. Item 8 (*d*) represents a payment which is expected to be made to the Government of Bombay for reclaimed land at Colaba to be taken over for the use of the Military Department. The payment, when made, will be utilised by the Bombay Government for the repayment of the advances taken by them in 1923-24. This will, accordingly, reduce the amount of the Central Government's advances to the Provincial Loans Fund and will not affect the ways and means position as a whole.

The estimates of Provincial Governments' transactions—*vide* items 12 (*a*) and 14—are based on the assumption that the net drawings from the Central Government in India and England, including those in the shape of advances through the Provincial Loans Fund, will be 9½ crores in the current year and 8 crores in the next. The latter figure allows for the repayment just referred to.

67. The result of the current year's rupee loan is summarised below for reference :—

(In crores of rupees.)

	5 per cent. Loan, 1939-44.	5 per cent. Bonds, 1935.	Total.
Subscriptions in cash .	8,98·51	4,23·44	13,21·95
Subscriptions in the form of Indian treasury bills .	32·51	5·30	37·81
Subscriptions in the form of			
1930 Bonds . .	10,38·66	3,81·75	14,20·41
1931 ,, . .	4,21·26	..	4,21·26
1932 ,, . .	5,23·29	..	5,23·29
Total nominal value .	29,14·23	8,10·49	37,24·72

68. The amount of the new loan now estimated for next year has been shown separately at 23½ crores. The estimate provides for the conversion or discharge of 15½ crores of the 6 per cent. Bonds, 1930 of which there are 15·77 crores outstanding ; and also for the net discharge of 60 lakhs of other debt including 46 lakhs of the 5 per cent. Loan, 1939-44 to be purchased out of the Depreciation Fund—*vide* details in Statement C. The new money required in the shape of Permanent Debt in India will thus be 7·4 crores only. The figure is, however, again illustrative only and the actual amount and other details will depend upon the circumstances of the time.

69. The balances of treasury bills will be as follows :—

(In crores of rupees).

	31st March 1929.	31st March 1930.	31st March 1931.
With the public . .	4	24	20
In the Paper Currency Reserve . . .	39·15	34·50	34·50

70. The figures regarding India's debt have been given in Appendix III in the same form as they were exhibited last year. In introducing this form, the Finance Member explained the difficulties of compiling a statement which gives a complete picture of the situation and pointed out some of the special factors which tend to confuse the picture. The figures for the year ending the 31st March 1930 bring out clearly a factor which was not mentioned last year.The balance of total interest-bearing obligations not covered by assets on the 31st March 1930 shows an increase of 6·41 crores over the balance on the 31st March 1929. Neglecting various balancing items, this increase may be attributed to the book loss, on the sale of silver, which is placed at 6·38 crores(*vide* item 4). Government, in their capacity as currency authority, have actually strengthened their position by the sale of silver as they have obtained liquid assets in exchange for assets which were frozen, but as the silver in the form of rupees was valued in the Paper Currency Reserve at Re. 1 per standard tola, the sale involved either a decrease in the note circulation or an increase in the rupee securities in this Reserve corresponding to the difference between the bullion value and the currency value of the rupees sold. In either case, the net effect on the ordinary Government accounts was an increase in the unproductive debt. For this reason, the increase in the current year in the balance of interest-bearing obligations not covered by assets does not represent any real deterioration in the debt position.

The $\frac{31st\ March}{3rd\ April}$ *1930.*

A. C. McWATTERS.

APPENDIX I.

Statement of *net* revenue and expenditure (excluding transactions relating to the Revenue Reserve and Road Development Funds).

[In lakhs of rupees).

——	Actuals.						Revised, 1929-30.	Budget, 1930-31.
	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.		
NET REVENUE (REVENUE *LESS* CORRESPONDING EXPENDITURE INCLUDING CAPITAL EXPENDITURE CHARGED TO REVENUE).								
Civil.								
Customs . . .	38,98	44,98	46,96	46,57	47,36	48,30	49,06	52,58
Taxes on Income . .	17,61	15,41	15,27	15,03	14,41	16,01	16,38	17,24
Salt	8,65	6,12	5,01	5,45	5,35	6,36	5,43	5,71
Opium	1,66	1,44	2,04	3,33	3,07	2,72	2,59	2,07
Other principal heads .	2,13	1,53	1,52	1,59	1,63	1,59	1,61	1,61
Currency and Mint .	2,14	3,28	3,94	3,39	1,90	2,17	2,11	2,11
Provincial Contributions, etc	8,84	8,74	6,08	5,13	3	3	..	..
Extraordinary . .	—81	2,54	38	57	—4	29	1,90	31
Total, Civil . .	79,20	84,04	81,20	81,06	73,71	77,47	79,08	81,63
Railways . . .	6,44	6,78	5,49	6,01	6,28	5,23	6,12	5,74
Total net revenue .	85,64	90,82	86,69	87,07	79,99	82,70	85,20	87,37
NET EXPENDITURE (EXPENDITURE *LESS* CORRESPONDING REVENUE).								
Civil.								
Irrigation . . .	6	11	8	5	8	13	17	11
Debt Services . .	14,17	15,27	14,12	12,66	11,99	12,82	12,19	14,36
Civil Administration .	8,65	9,39	9,87	10,28	10,22	10,43	11,56	12,20
Civil Works . . .	1,33	1,65	1,48	1,74	1,42	1,38	1,44	1,47
Miscellaneous . .	3,52	3,89	3,71	3,36	3,23	3,16	3,66	3,31
Total, Civil .	27,73	30,31	29,26	28,09	26,94	27,92	29,02	31,45
Posts and Telegraphs .	—71	—80	—1,88	5	47	74	73	71
Military . . .	56,23	55,63	56,00	55,97	54,79	55,10	55,10	54,35
Total net expenditure .	83,25	85,14	83,38	84,11	82,20	83,76	84,85	86,51
Surplus (+), Deficit (—) .	+2,39	+5,68	+3,31	+2,96	—2,21	—1,06	+ 5	+86

APPENDIX II.

Memorandum on the Military Estimates for 1930-31.

The Military Estimates for 1930-31 have been prepared in the same form as those for 1929-30. These follow a cash system of estimates and accounts which was readopted in 1927-28 in place of the elaborate system of cost accounts which was previously in force.

2. Since 1922-23 substantial reductions have been effected in the expenditure on the military services. The actual net expenditure as shewn in the final accounts or as estimated, where the accounts are not yet closed, is indicated in the following statement :—

	Rs. (Crores.)
1922-23	65·27
1923-24	56·23
1924-25	55·63
1925-26	56·00
1926-27	55·97
1927-28	54·79
1928-29	55·.0
1929-30 (Budget Estimate)	55·10
1929-30 (Revised Estimate)	55·10
1930-31 (Budget Estimate)	54·35

3. The Indian Retrenchment Committee, after their exhaustive examination of every aspect of military administration, recommended that the net budget for 1923-24 should be fixed at Rs. 57¾ crores, subject to such addition as would be necessary on account of the delay which must necessarily ensue in carrying out the proposed changes, and in order to meet special expenditure in Waziristan, etc. In their final review of military expenditure, they envisaged further large automatic savings and they considered that, in subsequent years, expenditure would be susceptible of reduction to Rs. 57 crores and ultimately to Rs. 50 crores provided a further fall in prices took place. The expenditure in the year 1923-24 showed an actual reduction to Rs. 56·23 crores, largely due to the rapidity with which retrenchments were effected under the orders of His Excellency the Commander-in-Chief ; and thus the first stage of Rs. 57 crores mentioned by the Retrenchment Committee was passed in the first year.

4. The figure of Rs. 56·23 crores for the year 1923-24 included heavy expenditure on gratuities to demobilised officers and in Waziristan, but these abnormal items were counterbalanced by credits from the proceeds of sale and utilisation of surplus stores. The budget for the year 1923-24 allotted a net sum of 62 crores for military services. This was reduced in the budget for 1924-25 to 60¼ crores, but by the time when the budget for 1925-26 was under consideration, the actual effect of the retrenchment operations, which it had been difficult to gauge in advance, had become apparent, and it was possible to reduce the budget provision for 1925-26 to Rs. 56·25 crores net

Further reductions have been made in subsequent budgets. The following table brings out the results achieved from 1922-23 at a glance :—

Net expenditure on Military Services.

(In crores of rupees.)

—	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
Budget Estimate .	67·75	62·00	60·25	56·25	54 88	54·92	55·10	55·10	54·35
Revised Estimate .	67·09	59·74	56·33	56·28	55·55	54·92	55·10	55·10	
Actual expenditure.	65·27	56·23	55·63	56·00	55·97	54 79	55·10	..	

5. In each year from 1923-24, the expenditure is well below the Retrenchment Committee's figure of Rs. 57 crores. It will be realised that, with the heavy commitments for expenditure in England which are provided for in the Military estimates, a considerable part of the reduction below Rs. 57 crores is attributable to the present rate of exchange, the Retrenchment Committee having worked on a basis of 1*s.* 4*d.* = 1 Re. ; but certain additions have been made to the Military Budget of which the Retrenchment Committee did not take cognisance, *i.e.*, the provision of over half-a-crore of rupees for the revision of pay and grant of free passages to officers of the Army, and the transfer to Military estimates from the civil estimates of certain expenditure estimated in 1930-31 at Rs. 41 lakhs which is more properly accounted for under the former. The transfers which have been taken into account in the Budget for 1930-31 are shown below :—

(Thousands of rupees.)

(1) Payments to Telegraph Department for care of Army stores	30
(2) Customs duty	24,20
(3) Printing and Stationery	16,00
(4) Payments from the compassionate fund to personnel employed in the Military Department	15
(5) Payments to the Public Works Departments, Delhi, for rent of buildings	1,55
	42,20

On the other hand, the following items have been transferred from the military to the civil estimates :—

(1) Establishment of the Deputy Financial Adviser, Royal Air Force	43
(2) Establishment of the Budget Section, Military Finance .	42
(3) Charges for the Nepal escort	49
(4) Charges for the Perim Light-House and Coal Depots at Basidu and Bushire	24
	1,58
Net debit to military	40,62

6. In the memorandum on Military Estimates for 1929-30, it was stated that beginning with the year 1928-29 and ending with the year 1931-32, the military budget has been stabilised each year at a figure of 55 crores to which will be added the amount required to give effect to measures arising out of the recommendations of the Shea Committee on the Territorial Forces. It has since been decided that the period of the stabilised military budget should be extended by one year, *i.e.*, to end with the year 1932-33 and the figure of 55 crores should be reduced to 54·20 crores. Thus the amount allotted for military expenditure in each year of the stabilised budget beginning with 1930-31 will be 54·20 crores *plus* the amount allotted for expansion of the Territorial Force which in 1930-31 amounts to Rs. 15 lakhs. Any savings which may accrue within the total amount granted for military expenditure will be carried to a suspense account "Military Reserve Fund" which may be drawn upon for expenditure in later years. This arrangement has been adopted in order to enable the military authorities, firstly, to carry out a programme of mechanisation and modernisation of equipment necessitated by recent developments in military organisation, and, secondly, to repair certain deficiencies in equipment.

In accordance with this arrangement the revised estimates for 1929-30 stand at 55·10 crores and the budget estimate for 1930-31 at 54·35 crores. It was found possible in the current year to allot a sum of about 2·30 crores for expenditure on the military programme referred to above and it is anticipated that after meeting the normal charges for the maintenance of the military services in 1930-31 about 2 crores will be available for the same purpose.

7. The following is a brief summary of the main points affecting the major heads of the estimates. The variations in detail will be found described against each head in the volume of detailed estimates.

Part A-I.—Pay and allowances and Miscellaneous cash expenditure on the Fighting Services.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . . .	20,00,84	13,98	19,86,86
Budget, 1929-30 . . .	19,10,29	10,55	18,99,74
Revised, 1929-30 . . .	19,48,00	11,43	19,36,57
Budget, 1930-31 . . .	18,80,65	11,24	18,69,41

This most important head in the Army Estimates records the pay and other cash charges in the fighting units constituting the Standing Army in India.

The decrease in the estimates for 1930-31 as compared with the estimates of 1929-30 is due mainly to reduction of 25 lakhs in the pay charges of British troops owing to new recruits being on reduced rates of pay and 10 lakhs on account of disbandment of two Indian infantry battalions being surplus to requirements. The principal causes which contributed to the decrease as compared with the Revised estimate, 1929-30, are reduction in pay charges of British troops, 37 lakhs; disbandment of two Indian infantry battalions, 10 lakhs; smaller payments for leave allowances paid by non-military departments, 10 lakhs (Revised allows for large arrear payments); and less expenditure in England and on exchange thereon, 6 lakhs.

8. *Part A-II.*—Administrative Services.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . . .	6,67,42	12,35	6,55 07
Budget, 1929-30 . . .	7,03,51	11,14	6,92,37
Revised, 1929-30 . . .	6,84,91	12,11	6,72,80
Budget, 1930-31 . . .	7,35,47	12,01	7,23,46

The main charges compiled under this head are pay and allowances of the personnel of the Administrative Services.

The increase in the estimate for 1930-31 is due mainly to larger provision of reserves or grants for special measures which are eventually distributed to the heads under which expenditure is incurred and to transfer of provision for certain expenditure hitherto debited to other heads.

9. *Part A-III.*—Manufacturing Establishments.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . . .	3,36,37	3,21	3,33,16
Budget, 1929-30 . . .	3,34,95	3,55	3,31,40
Revised, 1929-30 . . .	3,24,22	3,88	3,20,34
Budget, 1930-31 . . .	2,90,71	4,01	2,86,70

Under this head are recorded the expenses of Medical Store Depots, Bakeries, Butcheries, Ordnance and Clothing Factories, Grass Farms and Dairy Farms which are all treated as producing and manufacturing formations in the Army.

The decrease in budget, 1930-31, is mainly due to reduced demands on factories, consequent on reduction in the working stocks in Arsenals and depots.

10. *Part A-IV.*—Army Headquarters, Staff of Commands, etc.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . . .	2,05,24	4	2,05,20
Budget, 1929-30 . . .	2,11,46	..	2,11,46
Revised, 1929-30 . . .	2,08,53	2	2,08,51
Budget, 1930-31 . . .	2,15,39	6	2,15,33

The increase in budget estimate, 1930-31 is the result of a re-organisation of Indian Army Service Corps appointments at Army, Command and District Headquarters by corresponding reduction in the Indian Army Service Corps and larger provision for furlough allowances and leave and deputaton salaries to be paid in England.

11. *Part A-V.*—Purchase and Sale of Stores, Equipment and Animals.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . . .	6,31,21	1,50,06	4,81,15
Budget, 1929-30 . . .	6,49,30	1,55,81	4,93,49
Revised, 1929-30 . . .	6,33,41	1,53,20	4,80,21
Budget, 1930-31 . . .	5,75,36	1,52,61	4,22,75

The decrease in budget estimate, 1930-31 is due to smaller requirements for working stock, to a fall in the rates, disbandment of two Indian infantry battalions, re-organisation of Animal Transport and smaller outlay on mechanical transport vehicles.

12. *Part A-VI.*—Special Services.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . . .	—8	13	—21
Budget, 1929-30 . . .	14	..	14
Revised, 1929-30 . .	15	..	15
Budget, 1930-31 . . .	12	..	12

The charges compiled under this head are for the extra expenditure incurred on troops on the Tibet frontier. The actuals for 1928-29 became a *minus* figure owing to a credit from His Majesty's Imperial Government adjusted as deduction from expenditure.

13. *Part A-VII.*—Transportation, Conservancy, Hot Weather Establishments and Miscellaneous Charges and Receipts.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . . .	3,31,84	31,44	3,00,40
Budget, 1929-30 . . .	3,88,79	40,76	3,48,03
Revised, 1929-30 . . .	3,45,04	50,62	2,94,42
Budget, 1930-31 . . .	3,34,87	22,60	3,12,27

The decrease in budget estimate, 1930-31 is due mainly to a decrease of 13 lakhs in the contribution to His Majesty's Government for the administration of Aden and to elimination of provision for certain special measures made under this head in the budget estimate of 1929-30.

14. *Part A-VIII.*—Non-effective charges and receipts.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . .	8,40,79	53,27	7,87,52
Budget, 1929-30 . . .	8,34,22	37.95	7,96.27
Revised, 1929-30 . . .	8,51,65	95,32	7,56,33
Budget, 1930-31 . . .	8,51,76	69,27	7,82,49

As compared with the budget estimate for 1929-30 the increase in Revised, 1929-30 and Budget, 1930-31 is mainly due to fewer casualties among pensioners larger number of admissions to pensions and increased expenditure under pensions capitalised. The increased receipts in revised estimate, 1929-30 and budget estimate, 1930-31 represent mostly recoveries of arrears in connection with pension adjustments.

15. *Total Part A.*

(In thousand of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . . .	59,13,63	2,64,48	47,49,15
Budget, 1929-30 . . .	50,32,66	2,59,76	47,72,90
Revised, 1929-30 . . .	49,95,91	3,26,58	46,69,33
Budget, 1930-31 . . .	48,84,33	2,71,80	46,12,53

16. *Part B.*—Auxiliary and Territorial Forces.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . . .	80,45	8	80,37
Budget, 1929-30 . . .	92,95	..	92,95
Revised, 1929-30 . . .	88,59	11	88,48
Budget, 1930-31 . . .	96,39	5	96,34

The provision for 1930-31 includes Rs. 15 lakhs as against Rs. 10 lakhs in the current year for the Territorial Forces to cover the recommendations on the Shea Committee to which Government have decided to give effect. In addition to the provision made here expenditure is incurred under the Army and Military Engineering heads for stores and works for these forces which is calculated at about 22 lakhs.

17. *Part C.*—Royal Air Force.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . . .	2,03,87	1,58	2,02,29
Budget, 1929-30 . . .	2,40,67	2,67	2,38,00
Revised, 1929-30 . . .	2,40,04	1,96	2,38,08
Budget, 1930-31 . . .	2,41,06	1,66	2,39,40

There is little change in the estimate, which provides for a further instalment of the re-equipment of squadrons.

18. *Total Army.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . . .	52,97,95	2,66,14	50,31,81
Budget, 1929-30 . . .	53,03,78	2,62,43	50,41,35
Revised, 1929-30 . . .	53,24,54	3,28,65	49,95,89
Budget, 1930-31 . . .	52,21,78	2,73,51	49 48,27

19. *Marine.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . . .	81,87	13,63	68,24
Budget, 1929-30 . . .	82,22	13,62	68,60
Revised, 1929-30 . . .	84,53	15,93	68,60
Budget, 1930-31 . . .	90,32	21,36	68,96

The variation in net expenditure is inconsiderable. The increase in gross expenditure and receipts is due mainly to larger expenditure on account of

development in connection with re-organisation to be met from the sale proceeds of the Kidderpore Dockyard. The amount which will be credited to Marine receipts in 1930-31 is estimated at Rs. 16½ lakhs as against 8½ lakhs included in budget estimate, 1929-30.

20. *Military Engineer Services.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . .	4,43,48	59,60	3,83,88
Budget, 1929-30 . . .	4,72,71	72,66	4,00,05
Revised, 1929-30 . . .	4,64,75	53,19	4,11,56
Budget, 1930-31 . . .	4,84,98	41,14	4,43,84

The increase in gross expenditure is due to provision for buildings at Wana and to normal increase in maintenance charges and to other new works undertaken in connection with maintenance and storage of mobilisation reserves for the Army. The decrease in receipts is due to smaller credits anticipated from the Land Sales Suspense Account. To this account are credited all realisations from the disposal of lands and buildings surplus to requirements.

21. *Transfers to or from Military Reserve Fund.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1928-29 . . .	26,07	..	26,07
Budget, 1929-30 . . .	..	..	..
Revised, 1929-30 . . .	33,95	..	33,95
Budget, 1930-31 . . .	..	26,07	—26,07

This head was opened as a result of the stabilisation of military budget estimates whereby any savings in one year may be transferred to a suspense head for utilisation in a future year. The saving is charged to military expenditure by credit to a suspense account " Military Reserve Fund " and when the money is taken out in a future year to meet expenditure the "Military Reserve Fund" is debited and the Military Estimates are credited. The saving credited to the suspense account in 1928-29 was Rs. 26·07 lakhs. It is anticipated that a further sum of Rs. 33·95 lakhs will be credited to the account in 1929-30.

In the estimates for 1930-31 a credit of Rs. 26·07 lakhs has been taken by transfer from the suspense account "Military Reserve Fund."

22. Statements are appended to this Memorandum which give actual and estimated gross and net expenditure figures from 1926-27 under Army Marine, Military Engineer Services, Transfers to or from Military Reserve Fund and also the totals. The figures for Army for 1926-27 cannot be classified under the new heads adopted from 1927-28.

23. If Honourable Members desire any further information on the details of the Military Budget, they are invited to obtain it by personal request to the Financial Adviser, Military Finance.

NEW DELHI :
The 28th February 1930.

A. MACLEOD,
Financial Adviser, Military Finance.

ARMY.

	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
EXPENDITURE.						
India—						
Part A.—Standing Army.						
Effective Services.	R	R	R	R	R	R
Pay and allowances and Miscellaneous cash expenditure of the fighting services		16,11,88,376	16,19,21,337	15,56,96,000	15,88,78,000	15,34,70,000
Administrative services		5,92,54,415	6,38,77,053	6,63,18,000	6,39,16,000	6,92,55,000
Manufacturing establishments		2,72,38,658	2,67,80,484	2,61,21,000	2,45,23,000	2,27,63,000
Army Headquarters, Staff of Commands, etc.		2,02,10,412	1,94,66,467	2,00,78,000	1,95,97,000	2,03,13,000
Purchase and sale of stores, equipment and animals		3,70,15,920	4,95,20,975	5,12,45,000	4,70,88,000	4,52,11,000
Special services		87,594	—25,122	14,000	14,000	13,000
Transportation, conservancy, anti-malarial measures, hot weather establishments and miscellaneous		3,02,50,740	2,51,01,348	2,76,41,000	2,34,18,000	2,34,39,000
TOTL—*EFFECTIVE* R		33,53,06,115	34,56,42,442	34,71,13,000	33,74,34,000	33,34,62,000
Non-Effective Services.						
Non-effective charges R		3,40,42,279	3,54,30,985	3,40,41,000	3,57,15,000	3,56,71,000
Part B.—Auxiliary and territorial forces—Effective R		82,68,784	80,41,524	92,95,000	88,59,000	96,39,000
Part C.—Royal air force { Effective R		1,05,61,900	1,13,46,637	1,07,84,000	1,11,90,000	1,23,19,000
Part C.—Royal air force { Non-Effective R		1,284	23,720	29,000	35,000	30,000
R		1,05,63,184	1,13,70,366	1,08,13,000	1,12,25,000	1,23,49,000
Deduct—						
(1) Probable savings in connection with the introduction of new measures		...	..	*62,50,000*	...	...
(2) Lump cut for under-spending		..	...	..		...
TOTAL INDIA. { Effective R	41,51,71,950	35,41,36,799	36,50,33,603	36,09,42,000	35,74,83,000	35,54,20,000
TOTAL INDIA. { Non-Effective R	4,66,10,496	3,40,43,563	3,54,63,714	3,40,70,000	3,57,50,000	3,57,01,000
	46,17,82,446	38,81,80,362	40,04,97,317	39,50,12,000	39,32,33,000	39,11,21,000
		£	£	£	£	£
EXPENDITURE.						
England—						
Part A.—Standing Army.						
Effective Services						
Pay and allowances and miscellaneous cash expenditure of the Fighting Services		2,778,223	2,862,189	2,649,975	2,694,150	2,669,625
Administrative services		376,973	289,858	302,475	315,125	321,000
Manufacturing establishments		700,819	514,218	553,050	592,425	473,100
Army Headquarters, Staff of Commands, etc.		74,549	79,320	80,100	94,200	92,025
Purchase and sale of stores, equipment and animals		684,109	1,020,041	1,026,375	1,218,975	924,375
Carried over { £		4,614,673	4,765,629	4,611,975	4,942,875	4,481,025
Carried over { R	46,17,82,446	38,81,80,362	40,04,97,317	39,50,12,000	39,32,33,000	39,11,21,000

ARMY—*contd.*

		Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
Brought forward	R	46,17,82,446	38,81,80,382	40,04,97,317	39,50,12,000	39,32,33,000	39,11,31,000
	£		4,611,673	4,705,679	4,611,975	4,911,575	4,481,025
Special services	£		17,106	1,256		75	...
Transportation, conservancy, anti-malarial measures, hot weather establishments and miscellaneous	£		491,349	606,238	842,850	831,450	753,600
TOTAL—*EFFECTIVE*	£		5,123,128	5,373,123	5,454,825	5,774,400	5,234,625
Non-Effective Services.							
Non-effective charges	£		3,597,854	3,647,917	3,702,575	3,708,750	3,712,875
Part C.—Royal Air Force—Effective	£		455,854	661,459	977,550	941,125	866,175
Non-Effective	£		15,800	14,800	16,500	15,300	15,600
TOTAL, PART C			471,654	676,259	994,050	958,425	881,775
	£	9,068,842	9,192,596	9,697,329	10,152,450	10,441,575	9,829,275
TOTAL ENGLAND—Effective	R	6,14,87,393	7,43,86,426	8,04,61,090	8,57,65,000	8,95,67,000	8,13,44,000
TOTAL ENGLAND—Non-Effective	R	3,52,01,033	4,81,81,529	4,88,36,630	4,96,01,000	4,96,54,000	4,97,13,000
	R	9,66,88,426	2,25,67,955	12,92,97,720	13,53,66,000	13,92,21,000	13,10,57,000
TOTAL EXPENDITURE—Effective	R	47,66,59,843	42,85,23,235	44,54,94,093	44,67,07,000	44,70,50,000	43,67,64,000
TOTAL EXPENDITURE—Non-Effective	R	8,18,11,539	8,22,25,092	8,43,00,344	8,36,71,000	8,54,04,000	8,54,14,000
	R	55,84,70,872	51,07,48,317	52,97,95,037	53,03,78,000	53,24,54,000	52,21,78,000
REVENUE.							
India—Effective	R	3,10,66,459	41,08,003	1,77,24,350	1,95,04,000	1,99,97,000	1,75,12,000
India—Non-Effective	R	19,72,526	16,21,854	17,90,834	17,22,000	27,85,000	18,74,000
India—TOTAL	R	3,30,38,985	57,29,857	1,95,15,184	2,12,26,000	2,27,82,000	1,93,86,000
England	£	369,771	349,197	532,405	376,275	756,225	597,375
Effective	R	25,79,797	26,10,057	35,62,477	29,44,000	33,36,000	29,12,000
Non-Effective	R	11,18,415	20,45,907	35,30,263	30,73,000	67,47,000	50,53,000
TOTAL	R	36,97,713	46,55,964	70,98,740	50,17,000	1,00,83,000	79,65,000
TOTAL REVENUE—Effective	R	3,36,45,756	67,18,060	2,12,86,827	2,24,48,000	2,33,33,000	2,04,24,000
TOTAL REVENUE—Non-Effective	R	30,90,941	36,67,761	53,27,097	37,95,000	95,32,000	69,27,000
TOTAL REVENUE—TOTAL	R	3,67,36,697	1,03,85,821	2,66,13,924	2,62,43,000	3,28,65,000	2,73,51,000
NET EXPENDITURE—India	R	42,87,43,461	33,54,50,505	38,09,82,153	37,37,86,000	37,04,51,000	37,17,35,000
NET EXPENDITURE—England	R	9,29,90,714	11,79,11,991	12,21,98,980	13,03,49,000	12,91,38,000	12,30,92,000
Effective	R	44,30,13,587	42,18,05,165	43,42,07,866	42,42,59,000	42,37,17,000	41,63,40,000
Non-Effective	R	7,87,20,588	7,85,57,331	7,89,73,247	7,98,76,000	7,58,72,000	7,84,87,000
TOTAL	R	52,17,34,175	50,03,62,496	50,31,81,113	50,41,35,000	49,95,89,000	49,48,27,000

MARINE.

		Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
EXPENDITURE.							
India	R	46,15,097	47,20,159	53,98,683	52,92,000	54,06,000	60,75,000
England	£	191,749	218,736	209,109	2,19,750	228,525	2,21,775
	R	19,17,484	29,16,481	27,88,120	29,30,000	30,47,000	29,57,000
Total Expenditure	R	65,33,481	76,36,640	81,86,803	82,22,000	84,53,000	90,32,000
REVENUE.							
India	R	15,81,888	14,75,272	13,60,709	13,62,000	15,87,000	21,36,000
England	£	...	...	180	...	450	...
	R	...	...	2,397	...	6,000	...
Total Revenue	R	15,81,888	14,75,272	13,63,106	13,62,000	15,93,000	21,36,000
NET EXPENDITURE. India	R	30,34,109	32,44,887	40,37,974	39,30,000	38,19,000	39,39,000
England	R	19,17,484	29,16,481	27,85,723	29,30,000	30,41,000	29,57,000
TOTAL	R	49,51,593	61,61,368	68,23,697	68,60,000	68,60,000	68,96,000

MILITARY ENGINEER SERVICES.

		Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
EXPENDITURE.							
India	R	4,37,57,596	4,46,85,677	4,39,74,608	4,69,57,000	4,59,99,000	4,80,56,000
England	£	40,194	24,320	27,695	23,550	35,700	33,150
	R	4,01,940	3,24,259	3,69,266	3,14,000	4,76,000	4,42,000
TOTAL	L	4,41,59,536	4,50,09,936	4,43,43,874	4,72,71,000	4,64,75,000	4,84,98,000
REVENUE.							
India	R	1,11,49,479	35,88,219	59,60,421	72,66,000	53,19,000	41,14,000
NET EXPENDITURE. India	R	3,26,08,117	4,10,97,458	3,80,19,187	3,96,91,000	4,06,80,000	4,39,42,000
England	R	4,01,940	3,24,259	3,69,266	3,14,000	4,76,000	4,42,000
TOTAL	R	3,30,10,057	4,14,21,717	3,83,88,453	4,00,05,000	4,11,56,000	4,43,84,000

TRANSFERS TO OR FROM MILITARY RESERVE FUND.

		Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
EXPENDITURE.							
India	R	...	...	26,06,737	...	33,95,000	...
England	R						
Total Expenditure	R			26,06,737	...	33,95,000	...
REVENUE.							
India	R			...	...	...	26,07,000
England	R			...	..	...	
Total Receipts	R				...	...	26,07,000
NET EXPENDITURE. India	R			26,06,737	...	33,95,000	—26,07,000
NET EXPENDITURE. England	R			...	...	...	
NET EXPENDITURE. Total	R			26,06,737	...	33,95,000	—26,07,00 0

TOTAL MILITARY SERVICES: SUMMARY.

		Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	1929-30. Budget.	1929-30. Revised.	Budget, 1930-31.
EXPENDITURE.							
India	R	51,01,56,039	43,75,86,198	45,24,82,345	44,72,61,000	44,80,33,000	44,52,52,000
England	£	9,900,785	9,435,652	9,934,133	10,395,750	10,705,800	10,084,200
	R	9,90,07,850	12,58,08,695	13,24,55,106	13,86,10,000	14,27,44,000	13,44,56,000
Total Expenditure	R	60,01,63,889	56,33,94,893	58,49,37,451	58,58,71,000	59,07,77,000	57,97,08,000
REVENUE.							
India	R	4,57,70,352	107,93,348	2,68,36,314	2,98,54,000	2,96,88,000	2,82,43,000
England	£	369,771	349,197	532,585	376,375	756,675	5,97,375
	R	36,97,712	46,55,964	71,01,137	50,17,000	1,00,89,000	79,65,000
Total Receipts	R	4,04,68,064	1,54,49,312	3,39,37,451	3,48,71,000	3,97,77,000	3,62,08,000
NET EXPENDITURE. India	R	46,43,85,687	42,67,92,850	42,50,46,031	41,74,07,000	41,83,45,000	41,70,09,000
NET EXPENDITURE. England	R	9,53,10,138	12,11,52,731	12,53,53,969	13,35,93,000	13,26,55,000	12,64,91,000
NET EXPENDITURE. Total	R	55,96,95,825	54,79,45,581	55,10,00,000	55,10,00,000	55,10,00,000	54,35,00,000

APPENDIX III.

Statement showing the interest-bearing obligations of the Government of India, outstanding at the close of each financial year.

—	31st March 1923.	31st March 1924.	31st March 1925.	31st March 1926.	31st March 1927.	31st March 1928.	31st March 1929.	31st March 1930.
INTEREST-BEARING OBLIGATIONS.				(In crores of rupees.)				
In India—								
Loans (*a*)	339·83	358·81	370·38	368 29	374·44	372·25	390 73	405·31
Treasury Bills in the hands of the public	21·59	·12	..	..	..	7·59	4·00	24·00
Treasury Bills in the Paper Currency Reserve	49·65	49·65	49·65	49·65	41·47	31·94	39·15	34·50
Other Obligations—								
Post Office Savings Banks	23·20	24·79	25·64	27·23	29·51	32·67	34·49	37·48
Cash Certificates	3·13	8·42	13·12	20·96	26·68	30·70	32·30	35·25
Provident Funds, etc	36·17	39·00	42·39	46·36	51·02	55·82	60·52	65·65
Depreciation and Reserve Funds	..	..	9·08	15·45	20·10	25·48	31·09	31·77
Provincial Balances (*b*)	2·86	4·17	4 83	11·87	10·49	10·48	10·43	10·17
Total Loans, etc.	411·07	410·58	420·03	417 94	415·91	411·78	433·88	463·81
Total Other Obligations	65·36	76·38	95·06	121·87	137·80	155·15	168·83	180·32
Total in India	476·43	486·96	515·09	539·81	553·71	566·93	602·71	644·13
				(In millions of £.)				
In England.—								
Loans (*a*)	222·92	214·53	263·39 (*c*)	266·35 (*c*)	265·09	272·32	283·31	289·04
War Contribution	19·71	19·27	18·81	18·32	17·81	17·28	16·72	16·13
Capital value of liabilities undergoing redemption by way of terminable railway annuities	61·31	60·10	58 84	57·53	56·19	54·79	53·35	51·86
India Bills	..	..	.	..	..	..	..	6·00
Provident Funds, etc.	·04	·13	·16	·21	·27	·19	·43	2·66
Total in England	303·98	324·03	341·20	342·41	339·36	344·58	353·81	365·69
				(In crores of rupees.)				
Equivalent at 1*s*. 6*d*. to the Rupee	405·31	432·04	454·93	456·55	452·48	459·44	471·75	487 59
Total Interest-bearing obligations	881·74	919·00	970·02	996·36	1,006·19	1,026·37	1,074·46	1,131·72
INTEREST-YIELDING ASSETS—								
Capital advanced to Railways	517·22	537·02	578·05 (*d*)	605·61 (*f*)	635·46	668·60	700·69	731·90
Capital advanced to other Commercial Departments.	19·43	20·07	22·00	17·77	19·16	20·73	21·81	23·05
Capital advanced to Provinces	87·49	97·56	106·43	114·60	120 17	126·34	137·52	142·45
Capital advanced to Indian States and other interest-bearing loans	8·90	8·93	10·16	11·84	12·11	13·91	15·49	17·57
Total Interest-yielding assets	633·04	663·58	716·64	749·82	786·90	829·58	875·51	914·97
Cash, bullion and securities held on Treasury account	44·80	50·47	57·35	51·96	37·48	24·26	28·34	39·78
Balance of total interest-bearing obligations not covered by above assets	203·90	204·95	196·03	194·58	181·81	172·53	170·61	177·02

(*a*) These figures represent the nominal amounts of loans outstanding and also include comparatively small amounts of expired loans which do not bear interest.

(*b*) The figures represent those portions of provincial balances which bear interest either because they form part of the old Famine Insurance Fund or the present Famine Relief Fund or because they have been placed with the Government of India on fixed deposit.

(*c*) Includes the liability assumed by the Secretary of State for East Indian Railway Debenture Stock, aggregating £18½ millions, on the termination of the contract with that Railway on the 1st January 1925. It therefore does not represent any increase in the foreign indebtedness of the country as a whole.

(*d*) Includes 27 07 crores on account of the liability referred to in (*c*) above.

(*e*) Includes the liability assumed by the Secretary of State for the Great Indian Peninsula Railway Debenture Stock, aggregating £3½ millions, on the termination of the contract with that Railway on the 1st July 1925. *Vide* also last sentence under (*c*) above.

(*f*) Included 4·88 crores on account of the liability referred to in (*e*) above.

APPENDIX IV.

Statement showing the distribution, as between voted and non-voted, of the gross expenditure of the Central Government as shown in the Budgets presented to the Legislature.

[In lakhs of rupees.]

	1928-29.				1929-30.				1930-31.			
	Voted.	Non-voted.	Total.	Percentage of voted to total.	Voted.	Non-voted	Total.	Percentage of voted to total	Voted.	Non-voted.	Total.	Percentage of voted to total.
Expenditure charged to revenue.	96,12	1,13,87	2,09,99*	48	1,00,16	1,16,66	2,16,82*	46	1,01,23	1,19,36	2,20,59*	46
Expenditure not charged to revenue	30,05	1,36	34,41	87	36,04	2 81	3 ,85	9	19,06	2,19	21,25	9
Total Expenditure both charged and not charged to revenue.	1,26,17	1,18,23	2,44,40	52	1,36.20	1,19,47	2.55.67	53	1,20,29	1,21,55	2,41,84	50

*These figures have been arrived at as follows :—

Expenditure as per Budget Statement . .	1,29,60	1,34,06	1,34,78
Add—Working expenses of—			
(*a*) Railway Department	66,31	68,47	71,40
(*b*) Posts and Telegraphs	11,13	11,21	11,54
(*c*) Irrigation . .	9	8	10
Add—Refunds . .	2,86	2,43	2,69
Recoveries included in Civil Works Demand	..	5	8
	2,09,99	2,16,82	2,20,59

APPENDIX V.

PRO FORMA 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 Auditor 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.

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 construction of the accommodation for 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 the city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance.

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.

Item 1 of Part I of *pro formâ* account.

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 "57—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 "53—State Railways."

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 Auditor General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "41—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 "XXX—Civil Works".

Item 2, *ibid.*

Item II, *ibid.*

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 Central area are brought to account in the same way as in the case of other minor administrations It will be noted that any grants which may be specially given from Central 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 administrati »

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 heads Army and Military Engineer Services, 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 Posts and Telegraphs 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.

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 on 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 "XXXV—Miscellaneous" and "XXX—Civil Works", and the *pro formâ* account will take credit only for actual Central 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 obtain 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.]

Items 4 to 7 and I and IV of Part I, and Items 2 and II to IV of Part II of *pro formâ* account.

Item I of Part I.

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 FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of rupees.]

Expenditure.	Actuals to end of 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.	Receipts.	Actuals to end of 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
1. DELHI PROJECT: Capital outlay on Permanent Delhi chargeable to Head "57" (for details see Statement I-A)	13,42,91	69,47	51,84	I.—Receipts on account of Central buildings vacated by the Government of India or attached offices in consequence of the move (*a*)‖. . .	20,15	1,42	57
2. Temporary Delhi * .	54,33	...	...				
3. Initial expenditure of non-Civil Departments:—							
(*a*) Military services † .	1,11,75	1,77	34				
(*b*) Railways ‡ . .	1,05,86	3,14	2,00				
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi .	1,36	...	...	II.—Non-recurring receipts on account of Temporary Works . .	2	...	...
5. Cost of withdrawal to Delhi of Central offices previously located at Calcutta or elsewhere .	7,52	1,57	2,10	III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi‖	...	...	...
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 . .	9,41	47	55	IV.—Miscellaneous items .	8,46	...	...
7. Miscellaneous items § .	11,22	65	69				
TOTAL .	16,44,36	77,07	57,52	TOTAL .	28,63	1,42	57
Total expenditure to end of 1930-31 . . .		17,78,95		Total receipts to end of 1930-31 . . .		30,62	
Net expenditure to end of 1930-31		17,48,33					

* 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 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
Acquisition of land	13,20		...
Cost of buildings	89,72	1,76	34
Establishment charges	6,77	1	...
Tools and plants	2,06	...	...
TOTAL .	1,11,75	1,77	34

‡ NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nangal Raya. They include transactions on account of Delhi New Capital Railway Works.

§ NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Office of the Accountant General, Central Revenues, (Audit Staff, Delhi Experiments) and the cost of temporary establishments employed in the Secretariats in connection with the change of Capital.

‖ NOTE 5.—These heads 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 from 1913-14 to 1922-23 the Government of Bengal, by moving their offices into the vacated Central buildings in Calcutta, saved Rs 7,69,860 partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation. With effect from 1923-24 rent is being recovered from the Local Government for the occupation of Central buildings at Calcutta and the receipts are being shown under head I.

(*a*) Includes Rs. 19 lakhs on account of value of premises No. 3, Koilaghat Street sold to E. B. Railway and as 20,000 on account of rent receipts.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of rupees.]

Expenditure.	Actuals, 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.	Receipts.	Actuals, 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
1. Expenditure of Delhi Province* . .	1,05,14	1,13,10	1,24,20	I.—Revenue of Delhi Province* . .	43,00	14,62	45,88
2 Miscellaneous items .	...	...	...	II.—Saving under Calcutta house allowances . .	19	18	18
				III.—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 .	1,05,14	1,13,10	1,24,20	IV.—Miscellaneous items . . .	46	46	46
Net expenditure .	58,90	65,34	75,78	Total receipts .	46,74	47,76	48,82

* NOTE 1.—The details of this item are given in Statement II-A.

‡ NOTE 2.—The figure shown against item III 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 large 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 I of *pro formâ* account.

[Figures in thousands of rupees.]

Items.	Actuals to end of 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
A.—Pay and allowances—			
(*a*) Preliminary Investigation—			
(i) Gazetted Government servants*	2,04	...	...
(ii) Non-gazetted Government servants	14	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted Government servants*	1,09,01	5,49	5,26
(ii) Non-gazetted Government servants	86,24	8,93	10,25
(*c*) Other officers employed on the Project—			
(i) Gazetted Government servants*	5,90	16	14
(ii) Non-gazetted Government servants	5,71	38	41
B.—Travelling allowances of Officers and Establishment—			
(*a*) Preliminary Investigation—			
(i) Gazetted Government servants*	23	...	..
(ii) Non-gazetted Government servants.	2	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted Government servants*	9,30	48	59
(ii) Non-gazetted Government servants.	5,68	42	56
(*c*) Other officers employed on the Project—			
(i) Gazetted Government servants*	76	3	3
(ii) Non-gazetted Government servants.	55	4	4
C.—Supplies, Services and Contingencies—			
(*a*) Preliminary investigation	51	...	...
(*b*) Public Works and Electrical officers employed on the Project	8,18	66	70
(*c*) Other officers employed on the Project	48	1	2
Total A, B and C	2,34,75	16,60	18,00
Deduct—Credits from other heads of accounts	*62,11*	*5,30*	*9,27*
Net total A, B and C (carried over)	1,72,64	11,30	8,73

*Note.—The town planners and other experts are included under this head.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part I of *pro formâ* account—*contd.*

[Figures in thousands of rupees.]

Items.	Actuals to end of 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
Net total A, B, C. (brought forward) .	1,72,64	11,30	8,73
D.—Works Expenditure—			
(i) Buildings—			
(*a*) Government House . . .	1,47,51	21,55	9,25
(*b*) Secretariats	1,81,97	2,77	1,65
(*c*) Other buildings	2,30,24	34,01	36,29
(*d*) Legislative Chambers . . .	82,71	5 32	1,61
(ii) Communications	29 75	73	1 21
(iii) Miscellaneous Public Improvements .	20,91	84	1,08
(iv) Electric Light and Power . . .	59,98	4,13	4,43
(v) Irrigation	41,26	33	1,20
(vi) Sanitation including water supply, drainage and sewage	1,14.29	2.27	4 67
(vii) Purchase of tools and plant . . .	94,19	30	68
(viii) Stock and Suspense	25,13	—1.88	—3,00
(ix) Miscellaneous items	90,8-	52	66
(x) Maintenance during construction . .	87,65	4,11	2,37
(xi) Railway diversion	13,79	...	...
E.—Acquisition of land	34,15	2	...
F.—Other Miscellaneous expenditure . . .	6	...	3,01
G.—*Minus* Unallotted Reserve	...	—6,73	—11,00
Deduct—Receipts on Capital Account. . .	*84,20*	*10,12*	*11,09*
TOTAL .	13,42,91	69,47	51,84

STATEMENT II-A.

Revenue and Expenditure of Delhi and Delhi Province.

[Figures in thousands of rupees.]

Receipts.				Expenditure.			
Major Heads of Account.	Actuals, 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.	Major Heads of Account.	Actuals, 1928-29.	Revised Estimate, 1929-30.	Budget Estimate, 1930-31.
I.—Customs . . .	...	...	...	2. Taxes on Income . .	66	69	84
II.—Taxes on Income .	10,40	9,71	10,41	5. Land Revenue . . .	58	64	64
				6. Excise	3,08	3,70	3,08
IV.—Opium . . .	...	...	...	7. Stamps	32	9	9
V.—Land Revenue . .	3,49	2,45	2,41	8. Forests	9	10	10
				9. Registration. . . .	4	4	4
VI.—Excise . . .	9,46	8,62	8,63	15. Miscellaneous Irrigation Expenditure.	2	4	5
VII.—Stamps . . .	7,19	7,21	7,21	19. Interest	14,54	12,31	12,31
				22. General Administration .	3,71	3,82	4,43
IX.—Registration . .	49	46	46	23. Audit	25	28	31
XIV.—Irrigation works for which no Capital Account is kept .	1	2	2	24. Administration of Justice .	2,50	2,73	2,77
				25. Jails and Convict Settlements	1,41	1,46	1,58
XVI.—Interest . . .	22	15	17	26. Police	9,51	9,87	11,40
XVII.—Administration of Justice	51	51	51	28. Ecclesiastical . . .	18	21	21
				29. Political	9	12	20
XVIII.—Jails and Convict Settlements . .	16	11	14	31. Education	9,19	9,65	10,13
				32. Medical	5,32	5,65	5,43
XIX.—Police	28	24	27	33. Public Health . . .	1,96	2,03	1,92
XXI.—Education . . .	50	48	47	34. Agriculture	52	65	70
				35. Industries	25	29	35
XXII.—Medical . . .	19	14	21	37. Miscellaneous Departments .	3	4	4
XXIII.—Public Health . .	12	8	8	38. Currency	16	15	20
XXIV.—Agriculture . . .	5	5	5	41. Civil Works—Delhi Province.	38,91	46,91	52,33
XXV.—Industries . . .	9	7	5	Civil Works—Viceregal Estates, Delhi	1,56	2,17	4,82
XXVI.—Miscellaneous Departments . . .	12	12	12	44. Territorial and Political Pensions	49	51	51
XXX.—Civil Works . .	7,26	12,21	12,55	45. Superannuation Allowances and Pensions . . .	3,12	3,23	3,23
XXXIII.—Receipts in aid of Superannuation .	39	28	28	46. Stationery and Printing .	2	5	4
XXXIV.—Stationery and Printing	3	7	7	47. Miscellaneous . . .	3,64	3,89	4,05
XXXV.—Miscellaneous . .	2,13	1,64	1,57	60B. Commuted value of pensions	2,39	1,78	1,80
Total .	43,09	44,62	45,68	Total .	1,05,14	1,13,10	1,24,20

Appendix VI.

COMMERCIAL AND FINANCIAL STATISTICS.

Appen

COMMERCIAL AND

	1921-22.	1922-23.	1923-24.	1924-25.
	Rs.	Rs.	Rs.	Rs.
Recorded revenue compared with recorded expenditure excluding capital expenditure not charged to Revenue—				
Surplus	..	..	2,38,99,758	5,68,25,698
Deficit	27,65,01,700	15,01,76,392	..	..
Capital Expenditure on Railways and Irrigation works not charged to Revenue.	22,97,57,115	18,45,67,524	20,80,11,576	13,46,94,254
Capital charge involved in the purchase of Railways.	..	..	..	..
Capital outlay on the Posts and Telegraphs Department not charged to Revenue.	81,61,617	65,62,006	75,21,560	1,17,55,881
Capital outlay on Light-houses and Light-ships.	..	..	..	..
Capital outlay on Vizagapatam Port and Security Printing not charged to Revenue.	..	..	..	..
Initial Expenditure on New Capital at Delhi.	1,35,27,418	1,84,79,432	1,54,73,652	1,42,18,868
Commuted value of pensions not charged to Revenue.	..	..	..	..
Currency Capital outlay . .	..	..	..	..
Outlay on Bombay Land Scheme .	..	..	..	..
Net Public Debt incurred . .	49,19,30,108	25,61,19,053	17,67,00,540	9,62,96,934
Value of commodities exported, excluding Gold and Silver.	2,48,65,80,000	3,16,07,20,000	3,63,37,60,000	4,00,24,30,000
Value of commodities imported, excluding Gold and Silver.	2,82,59,80,000	2,46,19,20,000	2,37,18,40,000	2,53,36,40,000
Excess of Exports over Imports, excluding Gold and Silver.	(c)—33,94,00,000	69,88,00,000	1,26,19,20,000	1,46,87,90,000
Net Imports of Gold .	†—2,86,40,000	41,19,10,000	29,18,70,000	73,92,60,000
Net Imports of Silver .	15,09,60,000	18,35,40,000	18,69,80,000	20,07,40 000
TOTAL NET IMPORTS OF GOLD AND SILVER.	12,23,20,000	59,54,50,000	47,88,50,000	94,00,00,000
Excess of Exports over Imports including Gold and Silver.	(c)—46,17,20,000	10,33,50,000	78,30,70,000	52,87,90,000
Net Imports of Currency Notes* .	..	1,01,70,000	1,64,60,000	3,00,000
Excess of Exports over Imports including Gold, Silver and Currency Notes.	(c)—46,17,20,000	9,31,80,000	76,66,10,000	52,84,90,000
Council Bills and Purchase of sterling (a)	..	2,640,026	21,838,705	40,770,162
Rupee Equivalent thereof . .	..	3,84,77,840	31,45,48,173	55,38,97,524
Silver coined at the Indian Mints .	1,60,86,638	62,75,446	50,00,791	33,25,394

*Recorded from

†Represents net

(a) Includes remittances of the

(b) Figures for 11 months

(c) Net

(d) Net

dix VI.

FINANCIAL STATISTICS.

1925-26.	1926-27.	1927-28.	1928-29.	1929-30 Revised.	1930-31 Budget.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,31,18,187	..	..	..	35,00,000	86,00.000
..	..	..	31,54,002	..	..
19,23,53,255	27,22,07,907	32,48,48,928	25,36,12,112	24,22,43,000	16,76,01,000
3,42,73,880	..	..	3,99,30,676	7,00,67,000	..
2,23,54,139	32,59,130	46,87,947	53,33,185	52,13,000	68,71,000
..	..	..	..	..	..
81,16.371	48,36,320	19,28,440	24,47,840	34,73,000	34,65,000
99,06,184	61,63,117	46,57,782	36,64,623	67,74,000	51,84,000
..	28,85,222	44,26,219	36,09,034	35,24,000	33,59,000
..	8,66,401	12,94,577	3,37,014	1,58,000	1,88,000
..	..	20,74,500	..	..	2,05,22,000
—4,03,60,226	—4,86,34,295	+2,44,27,984	+31,64,15,740	+43,16,43,000	+66,00,000
3,86,81,20,000	3,11,05,00,000	3,30,26,40,000	3,39,15,10,000	(*b*)2,90,76,80,000	
2,36,00,10,000	2,40,81,80,000	2,61,52,40,000	2,63,39,80,000	(*b*)2,28,12,60,000	
1,50,81,10,000	70,23,20,000	68,74,00,000	75,75,30,000	(*b*)62 64,20,000	
34,85,50,000	19,40,00,000	18,10,00,000	21,20,00,000	(*b*)13,27,60,000	
17,12,40,000	19,86,80,000	13,83,60,000	9,77,00,000	(*b*)7,72,70,000	
51,97,90,000	39,26,80,000	31,93,60,000	30,97,00,000	(*b*)21,00,30,000	
98,88,20,000	30,96,40,000	36,80,40,000	44,78,30,000	(*b*)41,63,90,000	
(*d*)—33,00,000	5,20,000	(*d*)—17,70,000	(*d*)—2,90,000	(*d*)—17,20,000	
99,16,20,000	30,91,20,000	36,98,10,000	44,81,20,000	(*b*)41,81,10,000	
46,316,500	2,115,000	28,325,000	30,810,000	19,050,000	31,800,000
61,23,87,682	2,81,70,088	37,77,30,264	41,02,18,228	25,40,00,000	42,40,00,000
30,73,478	50,49,436	10,25,926	52,66,573	(*b*) ..	

April 1922.
exports of gold.
Currency Department.
(Aprilto February).
imports.
exports.

COMMERCIAL AND

	1921-22.	1922-23.	1923-24.	1924-25.
Maximum price in pence of an oz. troy standard Silver in London.	43⅜ (27th Sept.).	37⅛ (22nd May).	34 1/16 (3rd and 5th Jan., 13th and 14th Feb.).	36 1/16(9th Oct.).
Minimum price in pence of an oz. troy standard Silver in London.	32½ (28th Feb. & 2nd Mar.).	30⅜ (15th Dec.).	30 11/16 (13th July).	31½ (29th Dec.).
Average Exchange per rupee upon Secretary of State's Bills sold and sterling purchased.	..	1s. 4·448d.	1s. 4·534d.	1s. 6·028d.
Average of the daily telegraphic transfer rates from Calcutta on London.	1s. 3·85d.	1s. 3·76d.	1s. 4·46d.	1s. 5·51d.
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments.	1s. 3⅛d., 1s., 3⅛d., 1s. 8⅛d., 1s. 4d., 1s. 4⅛d., 1s. 5d., and 1s. 5⅛d.	1s. 3⅛d., 1s. 3⅛d., 2s. 3⅛d., 1s. 4d., and 1s. 4⅛d.	1s. 4d., 1s. 4⅛d., 1s. 4⅛d., 1s. 5d., and 1s. 5⅛d.	1s. 4⅛d., 1s. 5d., 1s. 5⅛d., 1s. 5⅛d. and 1s. 6d.
Maximum rate of discount on loans on demand at the Imperial Bank of India.	8 (16th Feb. to 31st Mar.).	8 (1st to 26th Apr. and from 11th Jan. to 31st Mar).	9 (14th Feb. to 31st Mar).	9 (1st to 9th Apr).
Minimum rate of discount on Loans on demand at the Imperial Bank of India.	5 (2nd June to 14th Dec.).	4 (6th July to 25th Oct.).	4 (28th June to 14th Nov.).	4 (31st July to 20th Aug.).
Maximum rate of discount at the Bank of England.	7 (1st Apr. to 1st Mar.).	4½ (1st to 12th Apr.).	4 (5th July to 31st Mar.).	5 (5th to 31st Mar.).
Minimum rate of discount at the Bank of England.	4½ (16th Feb. to 31st Mar.).	3 (13th July to 31st Mar.).	3 (1st Apr. to 4th July).	4 (1st Apr. to 4th Mar.).
Maximum Government balance at the Imperial Bank of India. Rs.	25,87,46,000 (31st July).	33,19,07,090 (28th July).	29,74,54,000 (20th July).	32,18,07,000 (31st July).
Minimum Government balance at the Imperial Bank of India. Rs.	5,34,64,000 (18th Nov.).	8,22,54,000 (10th Nov.).	6,22,69,000 (6th Nov.).	7,42,62,000 (31st Dec).
Maximum price in Calcutta of 5 per cent. War loan, 1929-47.	87	88—8	93—10	94—14
Minimum price in Calcutta of 5 per cent. War Loan, 1929-47.	78	81—8	87—12	92—14
Maximum price in Calcutta of 5 per cent. Income-tax free loan, 1945-55.	89	93—8	98—14	99—8
Minimum price in Calcutta of 5 per cent. Income-tax free loan, 1945-55.	80	87	93—2	97
Maximum price in Calcutta of Government 3½ per cent. Rupee Securities.	62 (30th & 31st May).	61—4 (22nd and 23rd Mar.).	63—3 (8th Ma.)	68—6 (10th July).
Minimum price in Calcutta of Government 3½ per cent. Rupee Securities.	55-8 (from 11th Mar.).	55—8 (1st to 17th Apr).	61 (3rd to 5th Apr.).	63—4 (18th Sept-).
Maximum price in Calcutta of 3 per cent. Rupee Securities.	53 (31st May and 1st June).	52—8 (22nd and 23rd Mar.).	57—12 (8th Mar.).	58—10 (10th July)
Minimum price in Calcutta of 3 per cent. Rupee Securities.	47 (1st to 4th Apr.).	47—12 (1st to 18th Apr).	51—14 (3rd to 5th Apr.).	53—8 (18th Sept.)

FINANCIAL STATISTICS—*contd.*

1925-26.	1926-27.	1927-28.	1928-29.	1929-30 Revised.	1930-31 Budget.
33 7/16 (5th Sept.).	30⅛ (5th May).	27 (6th Dec.)	28¼ (21st May).	25 5/16 (2nd and 11th Apr.).	
30¼ (19th and 22nd Mar.).	24¼ (20th Oct).	24 5/16 (8th, 11th and 22nd Aug.).	25 6/16 (16th Feb).	18 6/16 (5th Mar.)	
1*s.* 6·15*d.*	1*s.* 6·02*d.*	1*s.* 5·997*d.*	1*s.* 6·02*d.*	1*s.* 5⅛*d.*	
1*s.* 6·08*d.*	1*s.* 5·902*d.*	1*s.* 5·93*d.*	1*s.* 5·97*d*	1*s.* 5⅛*d.*	
1*s.* 6*d.*, 1*s.* 6¼*d.*	1*s.* 5¼*d.*, 1*s.* 6*d.* and 1*s.* 6¼*d.*	1*s.* 6*d.*	1*s.* 6·7.	1*s.* 6*d.*	
7 (1st Apr. to 20th May).	7 (10th Feb. to 31st Mar.).	7 (1st Apr. to 1st June, 22nd Dec to 31st Mar.).	8 (14th Feb. to 31st Mar.).	8 (1st to 10th Apr.).	
4 (3rd July to 27th Sept.).	4 (10th June to 31st Dec.).	4 (28th July to 7th Sept.).	5 (19th July to 14th Nov.).	5 (6th June to 9th Oct.)	
5 (1st Apr. to 4th Aug. and 3rd Dec. to 31st Mar.).	5 (throughout the year.)	5 (1st to 20th Apr.).	5¼ (7th Feb. to 31st Mar.).	6¼ (26th Sept. to 30th Oct.).	
4 (2nd Oct. to 2nd Dec.).	..	4¼	4¼ (1st Apr. to 6th Feb.).	3¼ (from 20th Mar.).	
28,96,31,000 (29th May).	36,41,13,000 (30th July).	19,97,33,000 (1st Apr.).	17,20,73,000 (24th Aug.).	20,65,73,000 (28th June).	
4,29,57,000 (11th Dec.).	3,85,92,000 (17th Dec.).	3,05,09,000 (7th Oct.).	3,71,10,000 (6th Apr.).	5,88,61,000 (7th June.)	
97—4	102—6	101—11.	100—8.	99—4	
94—13	99—14	100—4.	99—2.	94—12	
101—7	110—4	108—13.	106—11.	103—12	
98—13	104—9	105—13.	103—4.	100	
73—8 (27th Mar.).	79—1 (15th Dec.).	79—5 (29th Apr.).	75—10 (21st and 22nd June).	72—5 (10th May).	
67—10 (5th May)	74—6 (1st Apr.).	74—6 (9th Dec.).	71—14 (27th Feb. and 1st Mar).	63—15 (19th Feb.)	
63—14 (25th Mar.).	67—14 (15th to 21st Dec.).	67—14 (29 Apr.).	64—12 (2nd to 5th Apr., 10th Apr. 14th to 25th June).	61—15 (10th May.)	
57—15 (15th to 18th May).	63—8 (1st and 6th Apr.).	63—14 8th Dec.).	60—13 (19th, to 21st Mar.).	54—13 (19th Feb.).	

COMMERCIAL AND

	1921-22.	1922-23.	1923-24.	1924-25.
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts Rs.	7,80,08,000 (Feb.)	10,50,48,000 (Nov.).	10,80,92,000 (Oct.).	10,20,98,000 (Apr.)
Minimum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts Rs.	6,36,80,000 (Apr.)	9,68,19,000 (May).	10,06,94,000 (Mar.).	9, 69, 36,000 (Mar.).
Maximum price in London of 3½ per cent. Rupee Securities in Gold £	42½	39	45	49½
Minimum price in London of 3½ per cent. Rupee Securities in Gold £	34½	34	39	45
Maximum price in London of India 3½ per cent. Stock.	63½	69⅜	72½	69⅜
Minimum price in London of India 3½ per cent. Stock.	55½	62½	61½	63
Maximum price in London of India 3 per cent. Stock.	55½	59½	62⅜	59½
Minimum price in London of India 3 per cent. Stock.	47½	53½	52½	54
Maximum price in London of India 2½ per cent. Stock.	46⅜	50⅛	52½	49½
Minimum price in London of India 2½ per cent. Stock.	39½	44½	44½	45
Maximum price in London of 5½ per cent. Stock.	94½	102½	105	103½
Minimum price in London of 5½ per cent. Stock.	89½	93½	99	100
Maximum price in London of 4½ per cent. Stock, 1950-55.	..	88½	93	89½
Minimum price in London of 4½ per cent. Stock, 1950-55.	..	83⅜	82½	85½
Maximum price in London of 4½ per cent. Stock, 1958-68.	..	..	..	..
Minimum price in London of 4½ per cent. Stock, 1958-68.	..	..	..	..
Maximum Government Paper Currency outstanding. Rs.	1,79,71,49,000 (Oct.)	1,82,26,25,000 (Aug.).	1,86,97,61,000 (Jan.).	1,84,19,40,000 (Mar.).
Minimum Government Paper Currency outstanding. Rs.	1,66,43,92,000 (Apr.).	1,71,05,62,000 (May.).	1,70,94,60,000 (May.).	1,71,26,07,000 (June).
Number of Post Office Savings Banks.	10,758	10,780	10,535	10,727
Number of accounts in Post Office Savings Banks.	1,958,324	2,043,502	2,089,314	2,164,473
Amount deposited in Savings Banks Rs.	22,26,24,825	23,19,98,761	24,78,83,170	25,63,94,907
Average of each deposit . Rs.	113·68	113·52	118·64	118·45
Net addition to deposits . Rs.	— 59,96,891	93,73,936	1,58,84,409	85,11,737

FINANCIAL STATISTICS—*concld.*

1925-26.	1926-27.	1927-28.	1928-29.	1929-30 Revised.	1930-31 Budget.
9,48,86,000 (Apr.)	8,59,21,000 (Oct.).	8,73,81,000 (Dec.).	9,08,98,000 (July)	8,71,22,000 (Apr).	
8,41,90,000 (Mar.).	8,19,29,000 (Sept.).	8,09,28,000 (Nov.).	8,23,92,000 (June).	8,43,78,000 (Jan.).	
54¼	57⅛	58	56	53	
49⅛	54¼	55¼	52⅓	47	
69¼	74⅛	73⅝	72½	70	
63¼	67⅛	68	66⅝	55¼	
59¼	63¼	63⅝	62½	60	
54⅛	57¼	59	56½	47	
49⅛	52¼	52	52½	50⅛	
46⅝	48 7/16	49	48¼	40¼	
103	104	103⅛	103¾	102	
99⅛	101	100⅝	100½	96	
91½	93⅞	94¼	95 1/16	91⅝	
85⅞	88¼	89⅝	89⅞	78	
..	..	..	95	91¼	
..	..	..	87	77	
1,93,84,10,000 (Mar.).	2,01,09,29,000 (Sept.).	1,86,28,22,000 (Jan.)	1,92,47,31,000 (Feb.).	1,87,70,73,000 (June).	
1,73,23,07,000 (May).	1,80,03,24,000 (Feb.).	1,69,68,18,000 (June).	1,77,15,84,000 (June).	1,77,23,06,000 (Mar.).	
11,162	11,994	12,326	12,684		
2,317,390	2,518,142	2,606,071	2,020,832		
27,23,14,764	29,50,89,541	32,66,68,188	34,49,07,680		
117·50	117·19	125·34	170·67		
1,59,19,857	2,27,74,777	3,15,78,647	1,82,39,492		

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GOVERNMENT OF INDIA PRESS
1930