

EAST INDIA (FINANCIAL STATEMENT).

RETURN to an Address of the Honourable The House of Commons,
dated 17 April 1890:—*for*,

“COPY of the INDIAN FINANCIAL STATEMENT for 1890-91, and of the
PROCEEDINGS of the LEGISLATIVE COUNCIL of the GOVERNOR GENERAL
thereon.”

India Office,
17 April 1890.}

J. A. GODLEY,
Under Secretary of State for India.

(*Sir George Balfour.*)

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COPY of the INDIAN FINANCIAL STATEMENT for 1890-91, and of the PROCEEDINGS of the LEGISLATIVE COUNCIL of the GOVERNOR GENERAL thereon.

FINANCIAL STATEMENT FOR 1890-91.

PART I.

IMPERIAL REVENUE AND EXPENDITURE.

PRELIMINARY.

1. THE Financial Statement for the coming year has been divided into two Parts: Part I. deals with the financial position of the Government of India, and takes into account only the Imperial Revenue and Expenditure as distinguished from that which is Provincial or Local; Part II. contains an explanation of the Indian Budget as a whole. This change has been made with the object of presenting an outline of the financial position which will be sufficient for the ordinary reader. Such an outline will be found in Part I. Those who desire fuller information will find it in the second Part of the Statement.

SECTION I.—ACCOUNTS OF 1888-89.

2. Since the last Financial Statement was made, the Accounts of the year 1888-89 have been finally closed. They show a surplus of Rx. 37,000.

The Budget Estimate of that year, framed in March 1888, showed a deficit of Rx. 698,000. The Revised Estimate of the year, framed in March 1889, showed a reduced deficit of Rx. 201,700; the Accounts, as I have just said, show that the year has closed with a surplus of Rx. 37,000.

The improvement in the financial position during 1888-89 is satisfactory, but the important question of to-day is the position of the finances during the current and the coming year.

SECTION II.—FINANCIAL POSITION OF 1889-90 AND 1890-91.

3. The Estimate of the current year, as framed in March last, showed a surplus of Rx. 106,300.

The Revised Estimate, if compiled in the same way as the Budget Estimate, would now show a surplus of Rx. 2,733,200, and the Estimate of the coming year would show a surplus of Rx. 304,900. Certain special arrangements are proposed which will affect the surplus of 1889-90 and of 1890-91, but it will be convenient to keep these arrangements out of sight until it has been explained now it happens that the Budget surplus of the current year has grown into Rx. 2,733,200, while the Estimate of the year 1890-91, if compiled on the same basis, would show a surplus of only Rx. 304,900. Indian finance is subject from year to year to disturbing causes which have a serious temporary effect; and for this reason a surplus in any year can no more be said to prove that the

finances are in a sound state, than a deficit in a single year can be held to prove that their condition is unsound. It is important that it should be clearly understood whether the high or low surplus, or, it may be, deficit, of any year is due to permanent or temporary causes, and I shall endeavour to explain to what extent the improvement in the financial position is due to lasting influences and to what extent it is only temporary.

4. In the first place I propose to offer a few remarks on the subject of Exchange, so as to clear that question out of the way at the beginning. I have seen it stated that the improvement in the current year is largely or mainly due to the rise in the rate of Exchange. This is not the case. The rate of Exchange taken in the Budget Estimate was 1 s. 4·38*d.* = one rupee. Although the rate of Exchange is now considerably higher than that rate, it was lower during a large portion of the year, and the average rate of Exchange for the whole year 1889-90 is now taken at only 1 s. 4·552*d.* per rupee. The rise is therefore only slightly greater than one-sixth of a penny per rupee. The rate of Exchange affects so many of our transactions that it would be a difficult and tedious task to calculate precisely the amount of improvement which a rise of one-sixth of a penny per rupee has produced. For present purposes it will be sufficient to put the improvement at Rx. 200,000 in round numbers. In the explanation I am about to give I shall distribute this improvement of Rx. 200,000 among the several heads affected.

5. Although the improvement in the position has not been mainly due to the rise in Exchange, the cessation of the long-continued fall in the gold value of the rupee has been a most welcome relief to the finances. From 1873 to 1890 there have only been two other years (1879-80 and 1883-84) in which the actual rate of Exchange exceeded or was equal to the rate taken in the Budget, and the average yearly fall from 1873-74 to 1889-90 has been '36 of a penny per rupee, or more than twice the rise in the current year.

Although the cessation of the hitherto continuous fall in the value of the rupee measured in gold has greatly improved the financial position for the time being, the uncertainty as to the future relations of the precious metals constitutes a very serious danger, and one which it would be worth our while to make great sacrifices to escape. The future of the Currency question appears to rest at the present time in the hands of the United States of America.

6. The chief improvement in the current year appears under the head of Opium. There is an increase of Rx. 286,400 in Opium Revenue; there is a decrease of Rx. 708,800 in Opium Expenditure. The total improvement under Opium is consequently Rx. 995,200. In the Budget Estimate the price of Bengal opium was taken at Rs. 1,070 a chest. It has proved to be Rs. 1,136; this accounts for the improvement in Opium Revenue, an improvement which I regret to say is not likely to be maintained during the coming year, as the price of Bengal opium at this month's sale was only Rs. 1,040 a chest, though the market price has since risen.

The decrease in Expenditure is due to a poor crop of Bengal opium. The total crop of Bengal opium is purchased by Government at a fixed price per seer. A good crop means heavy expenditure in the purchase of opium; a poor crop means a saving in expenditure. The quantity of opium produced in any season does not immediately affect the quantity of opium which is sold, as some time elapses before the new crop comes into the market, and Government maintains a reserve with the object of equalizing the quantity sold from year to year. As it happens, the bad crop of the year has not done us material injury, because the reserve of opium was very high and is still sufficient. The improvement under Opium in the current year must be considered as merely temporary. In a series of years we shall no doubt get average crops, and the present selling price of opium is much below the average price of the year about to close.

7. In addition to the improvement under Opium, there has been, during the current year, a very satisfactory increase of revenue under what is known as the other Principal Heads of Revenue, which include Land Revenue, Salt, Excise, Stamps, Provincial Rates, Customs, Assessed Taxes, Forests, Registration, and Tributes from Native States. This increase is partly Imperial, partly Provincial, partly Local.

The large improvement in Revenue which is shown under the Principal Heads of Civil Revenue (excluding Opium) is of a permanent nature, or in other words we can safely reckon on obtaining the same increase in future years. If there is any falling-off under some heads, it will be balanced by increase under other heads. This improvement amounts to Rx. 766,500 on Imperial account, and is mainly due to an increase of Rx. 298,400 under Land Revenue, of Rx. 149,600 under Salt, of Rx. 79,100 under Excise, of Rx. 31,500 under Stamps, of Rx. 69,600 under Customs, and of Rx. 112,700 under Forests.

The improvement under Opium and the growth of Revenue under the other Principal Heads account in all for an improvement of Rx. 1,761,700 in 1889-90, of which more than 40 per cent. is a permanent increase of the public revenue, the rest being temporary.

8. On Special Defences, there has been a reduction of expenditure amounting to Rx. 344,500, which merely represents postponement of charges which will be incurred hereafter, and under interest not charged against Railways and Canals there has been a net improvement of Rx. 230,900. The improvement in the net interest charge is due to the high rate of interest obtained by the Secretary of State on that portion of his cash balance which he was able to invest, to the saving from the issue of a loan of two crores very nearly at par last year as compared with the estimated charge for the issue of a loan of two and a-half crores at a discount, to the rise in Exchange, and to other causes.

There has also been a net improvement of Rx. 118,600 under Army, notwithstanding the expenditure on the Chin-Lushai Expedition, and of Rx. 73,900 in the Railway Account. Under all other heads there is a net improvement of Rx. 97,300. The total net improvement of the year is Rx. 2,626,900.

9. The explanation of the large surplus in 1889-90 may then be briefly stated as follows: in the current year Opium has given a net improvement of Rx. 995,200; other Principal Heads of Revenue have given an improvement of Rx. 766,500; Special Defences show a reduction of expenditure amounting to Rx. 344,500; Interest gives an improvement of Rx. 230,900. All other heads give a further net improvement of Rx. 289,800. The total net improvement of the year is Rx. 2,626,900; and, adding the Budget surplus of Rx. 106,300, the surplus with which the year is expected to close is estimated at Rx. 2,733,200. Of this net improvement of Rx. 2,626,900, about Rx. 200,000 has been caused by the rise in Exchange, which has favourably affected Revenue and Expenditure under various heads. As the Accounts almost invariably show a better result than the Revised Estimate, I have little doubt that this surplus will be found to have been exceeded when the accounts of the year are finally closed.

10. We are now in a position to explain in a few words why the surplus of 1890-91 is so small as compared with that of 1889-90. In the first place, we lose the temporary increase from Opium to which I have just referred; the loss on this account is actually Rx. 992,400; in the next place, we receive in 1889-90 a special contribution from Local Governments of Rx. 490,000; there is no such contribution in 1890-91; in the third place the Budget Estimate of net Military Expenditure in 1890-91 shows an increase over the Revised Estimate of no less than Rx. 611,000. On these three accounts—Opium, Contributions from Local Governments, and Military Expenditure—the financial position of 1890-91 is worse than that of 1889-90 by no less than Rx. 2,093,400. Adding to this a net falling-off under Interest of Rx. 113,400, and an increase of expenditure amounting to Rx. 133,900 under Special Defences, we get a falling-off of Rx. 2,340,700. The surplus of 1889-90 being Rx. 2,733,200, this deterioration of Rx. 2,340,700 would of itself be sufficient to cause the large surplus of 1889-90 to be replaced by a surplus of Rx. 392,500. It so happens that under all other heads there is a net deterioration of Rx. 87,600, which reduces the surplus to Rx. 304,900.

11. Although the net deterioration under the heads to which I have just referred is only Rx. 87,600, there are considerable fluctuations under particular heads. Thus the increase of revenue under Principal Heads, excluding Opium, is no less than Rx. 171,500, of which nearly Rx. 100,000 is due to the raising of the

the duty on imported spirit and the imposition of a duty on beer brewed in India. There is also a moderate increase of net revenue from Railways and Irrigation, while there is an increase in expenditure of Rx. 85,000 on account of the coming Census, and a reduction in Miscellaneous Receipts of Rx. 53,500.

12. The increased expenditure on the Army in 1890-91 is due to the purchase of magazine rifles and ammunition for them, to the cost of 21 more batteries of 12-pr. breech-loading guns, to the purchase of machinery for making ammunition for the guns in India, and to the provision of Rx. 200,000 for the Chin-Lushai Expedition, and of Rx. 60,000 to complete the arrangements for prompt mobilisation of the 1st Army Corps. The total cost on the accounts I have stated is no less than Rx. 1,361,300.

13. Summing up the whole case, and putting aside all matters of minor importance, it may be said that in 1889-90 we have a large surplus, owing to a temporary improvement under Opium, to a general growth of revenue which will be maintained and will affect future years, to short expenditure on Special Defences, and in connection with the Army, to reduction in the Interest charge, to improvement in the Railway Revenue Account, and to a rise in the rate of Exchange. In 1890-91 we have only a moderate surplus, because we lose the temporary improvement under Opium, because we no longer receive the special contribution of Rx. 490,000 from Local Governments, because there are special demands in connection with the equipment of the Army, and because there is an increase in the net Interest charge, as well as an increase in the expenditure on Special Defences.

SECTION III.—PROPOSALS IN CONNECTION WITH THE GRANT FOR FAMINE RELIEF AND INSURANCE.

14. It will be seen from what I have just said that the estimates for next year would have shown a very considerable surplus, but for the heavy and special demands that have fallen on them in connection with the Army. These special demands come to no less than Rx. 1,361,300, exclusive of a provision of Rx. 892,300 on account of Special Defences. It is reasonably certain that there will be special demands of a somewhat similar nature in 1891-92, but it is not probable that they will be so heavy as in the coming year. Nor are the finances of 1891-92 exposed to any special dangers, so far as can now be seen, other than those vicissitudes which must always attend Indian finance. On the other hand, we may look forward during 1890-91 to the normal growth of revenue. There are, therefore, strong grounds for holding that in 1891-92 we shall at least find ourselves in a position of comparative ease, with a surplus in hand, moderate in amount, but sufficient to allow of some improvement in financial conditions.

15. In view of this comparatively favourable prospect, the Government of India has decided to anticipate the future to some extent, and to take immediate steps for the partial restoration of the Famine Grant. This can be done by measures which I shall now explain; but in the first place I propose to refer briefly to the nature of the Famine Grant and its history.

The policy of strengthening the finances in connection with Famine was originally adopted in order to protect the country against the financial effects of Famine. It was calculated that Famine would cost, either directly in expenditure intended to relieve distress, or indirectly through loss of revenue, no less than Rx. 15,000,000 every ten years; and it was therefore decided that in ordinary years the Government should take measures for providing a surplus of Rx. 1,500,000. This surplus would be used either to reduce debt directly by buying up and cancelling public obligations, or to indirectly reduce debt by diminishing borrowing.

16. It has been sometimes assumed that the object of this policy was the provision of funds for the actual relief in time of famine of persons who were in distress, and it was argued that, when the money so provided was no longer available, the people could not be relieved in case of famine, and must perish. This was not the case. Whether a surplus exists or not, the Government recognises its obligations in case of famine, and the actual amount of cash in the treasury is regulated from time to time by considerations which are quite independent

independent of the absorption or maintenance of the Famine Grant. The objects which the Famine Grant is intended to secure are purely financial. So long as it is maintained, we have in ordinary years a surplus of Rx. 1,500,000; and this surplus of Rx. 1,500,000 in ordinary years will, it may reasonably be hoped, balance the deficits which must occur from time to time in a country of which the financial conditions are so uncertain. The policy of maintaining a surplus in ordinary years was devised with special reference to the injurious effect on the finances which is produced by famine, but in practice it is an insurance against temporary financial disaster of any kind, because to strengthen the finances by creating a surplus has precisely the same effect, whatever may be the object of those who take measures to strengthen them. In any case the finances are strengthened and are able to better meet any special demands on them.

17. The misapprehension as to the nature and effects of the Famine Grant seems to have arisen, to some extent, from the manner in which the policy was carried out in years subsequent to its first adoption. The Famine surplus was intended, in the first instance, to operate in the direction of reducing debt. At a subsequent period it was decided to use one-half of it for the construction of Railways and Canals which would protect the country from famine. I think this was, under the circumstances of the case, a wise and prudent measure, but it was a slight departure from the objects of the original policy. These were, as I have said, purely financial. In so far as the Protective Canals and Railways, constructed from the Famine Grant, returned a fair profit, or lessened the cost of relieving famine, in so far the original purpose of strengthening the finances was maintained. In so far as they failed to return this profit, the original purpose was departed from. On the other hand, it was an important consideration that the construction of these Railways and Canals might have the effect of mitigating famine to the extent of preserving human life, which would otherwise have been lost.

18. The Government of India was willing in past years to go further in the direction of using the Famine Grant for the construction of Protective Works than was actually done, and would have appropriated it to meet any loss that might arise on Protective Railways constructed by means of borrowed money. In 1886 the Secretary of State did actually agree that the interest charge on the Indian Midland and the Bengal-Nagpur Railways should be a charge against the Famine Grant. These Railways were held to be of importance for the protection of the country against famine, and it was only on the understanding I have stated that their construction was sanctioned. The decision of the Secretary of State is contained in a Despatch which is published as an Appendix to this Statement. This matter has somewhat fallen out of sight in recent years, because, shortly after the decision of the Secretary of State was given, the financial difficulties of the Government became so great that the Famine Grant was practically abolished for the time, and there was no special reason for calling attention to the fact that a portion of it went to meet the loss on the Indian Midland and Bengal-Nagpur Railways.

19. The Government of India and the Secretary of State have, however, always attached importance to the maintenance of the Grant for Famine Relief and Insurance. If the Indian finances show bare equilibrium in normal years, the deficits of bad years can only be met by borrowing; such borrowing must in time lead to a large growth of debt incurred for non-productive purposes. The provision of what is really a yearly surplus of Rx. 1,500,000 is the most effective means of preventing the growth of debt of this character.

20. The manner in which it is proposed to partially restore the Famine Grant at once will now be explained.

We receive this year a special contribution of Rx. 490,000 from Local Governments. This transaction is carried out by debiting the amount to the balances of Local Governments and crediting it to the Government of India. It is practically the same thing to all parties, whether the transaction is carried out this month or next month. The credit is therefore postponed till next month, and the effect on the finances is to diminish our surplus of this year by Rx. 490,000, and to increase that of next year by an equal amount.

After this change is made, there will be a surplus of Rx. 2,243,200 in 1889-90, and of Rx. 794,900 in 1890-91. In both these years a certain amount of expenditure is already shown under the Grant for Famine Relief and Insurance, partly on account of the construction of Protective Canals and partly for relief of distress. Of the surplus of 1889-90, a sum of Rx. 433,500 will be utilised to raise the total Famine Grant to Rx. 600,000; of the surplus of 1890-91 a sum of Rx. 524,500 will be utilised to raise the Famine Grant of that year to a like amount. The surplus of the Revised Estimate will then stand at Rx. 1,809,700, and the surplus of the Budget Estimate of 1890-91 will be Rx. 270,400.

The amount provided to meet the net charge on account of the Indian Midland Railway and the Bengal-Nagpur Railway is Rx. 458,100 in 1889-90, and Rx. 432,800 in 1890-91.

The final result, then, of the policy which the Government of India has decided to adopt is, that in the current year we have provided, in all, Rx. 1,058,100 (Rx. 600,000 *plus* Rx. 458,100) on account of the Famine Grant, that in the coming year we have provided Rx. 1,032,800 (Rx. 600,000 *plus* Rx. 432,800) on the same account, and that we have, nevertheless, a surplus of Rx. 1,809,700 in 1889-90, and of Rx. 270,400 in 1890-91; these surpluses are available for the reduction of borrowing, and will, in practice, be used for that purpose.

The sums provided under the Grant for Famine Relief and Insurance, *plus* the sums that go to meet the net charge on the Indian Midland and Bengal-Nagpur Railways, together with the surpluses of the current and coming years, amount to Rx. 4,171,000 in the aggregate, so that, practically, the Famine Grant has been more than restored for the years 1889-90 and 1890-91, as we have in the two years a sum of Rx. 4,171,000 available for the purposes for which the policy of the yearly grant of Rx. 1,500,000 for Famine Relief and Insurance was adopted.

SECTION IV.—PRACTICAL RESULTS OF THE POLICY NOW ADOPTED.

21. The general effect on our borrowing of the surpluses of 1889-90 and 1890-91, which amount to Rx. 2,080,100, and of the sums now set aside for Reduction of Debt, amounting to Rx. 958,000, making Rx. 3,038,100 in all, is shown by the following facts:—

The Government of India has arranged to spend in 1890-91 the sum of Rx. 3,750,000 on the construction of Railways and Canals, not chargeable against Revenue.

Under ordinary circumstances we must have borrowed largely in the open market on this account. As our balances now stand, we expect to be able to find this sum of Rx. 3,750,000 in addition to Rx. 907,000, on account of loans to be made by Government for local purposes, without raising a loan this year. This result is mainly due to the existence of the sum of Rx. 3,038,100, to which I have just referred, which enables us to avoid borrowing a like amount, and in this way effects a permanent saving of about Rx. 120,000 yearly in interest. To this extent the finances of the country have been strengthened.

22. A further advantage of the improvement that has occurred in the financial position is that it is unnecessary at the present time to revise the financial relations between the Imperial Government and the Provincial Governments. The present contracts can be left to run their course, and the relations between the Local and Imperial Governments can be settled in 1892, and included in the contracts that will then be made.

SECTION V.—FINANCIAL PROSPECTS IN THE FUTURE.

23. In the Statement of last year I made the following remarks on the financial position of the Government of India: "My deliberate conclusion is, that, while there is every need for economy and for husbanding our revenue, there is no ground for despondent or pessimist views. Unless some unforeseen disaster occurs, there is every reason to hope that the lapse of two or three years

years will show a decided improvement in the financial position of the Government of India. It is true that the surplus which we have been able to show in the Estimates is only Rx. 106,300, but the Estimates have been framed with great moderation, and, if the Indian revenues continue to exhibit their usual elasticity, and no unforeseen disaster occurs, I anticipate that the Financial Statement of 1890-91 will show decided improvement." These remarks were not universally accepted; those who had previously taken a pessimist view of Indian finance were not prepared to admit that there were signs of improvement. The progress made in the current year, however, confirms the soundness of the opinion I expressed in March last. Only twelve months have elapsed since I ventured to make that prophecy, and the signs of improvement are unmistakeable.

In 1889-90 and 1890-91 we have partially restored the grant for Famine Relief and Insurance; we have a large surplus in 1889-90, and a moderate surplus in 1890-91, after making provision for altogether special demands for the equipment of the Army. Although the coming year is unlikely to prove so prosperous from a financial point of view as 1889-90, I look forward, in the absence of unforeseen disaster, to still further improvement in 1891-92.

24. But my remarks regarding the signs of improvement in the finances had another effect, which I did not anticipate at the time. It was assumed in some quarters that I was of opinion that the financial position was in all respects thoroughly satisfactory, and that the Government of India might at once with safety enter upon schemes which their promoters held would have the best effects on the country, but which certainly involved very heavy expenditure at the outset. Nothing was further from my intention than to convey any such impression, or to give the slightest encouragement to those who wish to mortgage the future of our finances for the sake of entering upon hazardous speculations.

I said last year that there were signs of improvement. I say now that my forecast has been borne out by the facts of the year about to close, and that there are good grounds for expecting further improvement in the coming year; but I fully recognise that we have difficulties of no slight magnitude still to meet, that the finances are exposed to many dangers, and that unforeseen disaster might for a time upset our calculations. There is every need for caution and for economy, and I should greatly regret if anything I now say, or have said in the past, conveyed the impression that the Government of India is in a position to embark on a policy of adventure of any description.

PART II.

IMPERIAL, PROVINCIAL, AND LOCAL FINANCE.

SECTION I.—ACCOUNTS OF 1888-89.

In the Revised Estimates of 1888-89, prepared in March last, the Revenue of that year was taken at Rx. 81,585,500, and the Expenditure, including outlay on Special Defence Works, at Rx. 81,787,200, the net result being an anticipated deficit of Rx. 201,700.

As the accounts were compiled, it was seen that the year would close with a small surplus, and this fact was brought to notice in the Financial Statement presented to Parliament by the Under Secretary of State for India.

2. The actual figures of the Accounts for 1888-89, as now finally closed, are: Revenue, Rx. 81,696,678, and Expenditure, Rx. 81,659,660, showing a surplus of Rx. 37,018. The following statement compares the Actuals for 1888-89 with the Revised Estimate, and complete details will be found in the

Appropriation Audit Report published in the "Gazette of India" of 8th March 1890.

	1888-89.		Accounts, Better.	Accounts, Worse.
	Revised Estimate.	Accounts.		
REVENUE.				
India (Imperial, Provincial, and Local) - - - Rx.	81,106,100	81,212,210	106,110	—
England - - - £.	327,200	330,631	3,431	—
Exchange - - - Rx.	152,200	153,837	1,637	—
TOTAL - - - Rx.	81,585,500	81,696,678	111,178	—
EXPENDITURE.				
India—				
Imperial - - - Rx.	37,651,100	37,556,716	94,384	—
Provincial and Local - - Rx.	21,897,300	21,863,169	34,131	—
Adjustment of Provincial and Local surplus - - - Rx.	+203,100	+285,118	—	82,018
England - - - £.	15,041,500	14,983,221	58,279	—
Exchange - - - Rx.	6,994,200	6,971,436	22,764	—
TOTAL - - - Rx.	81,787,200	81,659,660	127,540	—
DEFICIT - - - Rx.	201,700	—	} 238,718	—
SURPLUS - - - Rx.	—	37,018		

It will be seen from the figures in this statement that, compared with the Estimate framed in March 1889, there was an improvement in the Total Revenue in India (Imperial, Provincial, and Local) of Rx. 106,110, and a saving in the Total Expenditure in India of Rx. 128,515. The sum of these two amounts, less the increase of Rx. 82,018 in the Provincial adjustment, or Rx. 152,607, represents the net Imperial improvement in the Indian portion of the Accounts of 1888-89, excluding Exchange; adding to this figure the net improvement in England, and also the improvement in Exchange, we get a total improvement of Rx. 238,718, which accounts for the difference between the deficit of Rx. 201,700 expected in the Revised Estimate, and the surplus of Rx. 37,018 with which the accounts of the year have closed. It may be mentioned that the increase in the Provincial adjustment means that the surplus of Provincial and Local Revenue over Provincial and Local Expenditure was more by Rx. 82,018 than was anticipated when the Revised Estimate was prepared.

3. The increases of Revenue result chiefly from improved receipts aggregating Rx. 234,700 under State Railways, Irrigation, and Army, counterbalanced by a falling-off in Land Revenue of Rx. 185,896, due to scanty harvests in some provinces and to suspensions. Of the saving of Rx. 94,384 in Imperial Expenditure, Rx. 50,528 occurred under Opium and Rx. 27,409 under Army. There was an excess of Rx. 45,440 under Guaranteed Railways, chiefly due to a change in the date of payment of surplus profits, which brought into the accounts of the year expenditure which, under the previous practice, would have fallen into the following year. The reduction in Provincial and Local Expenditure occurred principally under Land Revenue, Police, and Education, and the gain in the English Account was chiefly due to reduced expenditure under Army and Special Defence Works.

4. The

4. The difficulties which stand in the way of preparing in March an accurate Estimate of the Revenue and Expenditure of the year which is about to close have been explained more than once, but I do not think that attention has been specially called to the remarkable fact that the Actuals almost invariably show better results than the Revised Estimate.

In every year since and including 1882-83, the Accounts have shown an improvement over the Revised Estimates. For 1882-83 the improvement was Rx. 646,800; for 1883-84 it was Rx. 1,116,100; for 1884-85 it was Rx. 566,500; for 1885-86 it was Rx. 89,100; for 1886-87 it was Rx. 177,900; for 1887-88 it was Rx. 987,900; for 1888-89, as I have just explained, it was Rx. 238,700.

The explanation is simple. The latest figures of receipts and disbursements under the different heads can always be obtained from the Treasuries. Under certain heads the Treasury receipts and issues correspond closely with the Revenue and Expenditure, and, if we know the Receipts and Issues to the end of February, or even of January, and the head be one under which transactions occur with regularity throughout the year, we have no difficulty in calculating with great precision the probable Revenue and Expenditure of the remaining portion of the year.

But in other cases transactions do not proceed with the same regularity throughout the year, and the receipts and issues of the Treasuries afford a very imperfect guide. Such heads are Land Revenue, Public Works of all kinds, and the expenditure under the head of Army. For Public Works and Army the receipts and issues at the Treasuries are only an imperfect guide to the Revenue and Expenditure.

In the case of the important heads I have just mentioned, as well as of others, we have to depend on the judgment of local officers, and, on the whole, the forecasts of these officers are marked by caution. No officer, apparently, will estimate for more revenue than he feels sure he will obtain, and every officer puts down the very maximum of expenditure which he may possibly incur. The inevitable result is that in nine cases out of ten the total Revenue of the year exceeds, and the total Expenditure of the year falls short of, the amounts that have been entered in the Revised Estimate.

5. There was also a saving in expenditure not charged against Revenue. The Capital Expenditure on Railways was Rx. 1,178,111 and on Productive Irrigation Works Rx. 459,890, against Rx. 1,364,800 and Rx. 493,000 provided in the Revised Estimate, the saving being Rx. 186,689 and Rx. 33,110 respectively. The former was chiefly due to reduced expenditure in England on stores for Railways. These reductions do not, of course, affect the surplus of the year 1888-89, which, as stated before, was Rx. 37,018, after including in the expenditure the sum of Rx. 789,595 spent on Special Defence Works.

SECTION II.—REVISED ESTIMATES OF 1889-90 AND BUDGET ESTIMATES OF 1890-91.

6. The Budget Estimate of Revenue for the current year was Rx. 82,935,300, and of Expenditure Rx. 83,469,800. Of the latter, Rx. 640,800 was chargeable to accumulated Provincial and Local balances, and not against the revenue of the year. The expenditure chargeable against revenue was therefore Rx. 82,829,000, and the resulting surplus was estimated at Rx. 106,300.

The surplus is now expected to be Rx. 1,809,700, and the following table shows how much of it is due to increase of Revenue and how much to decrease of Expenditure:—

	Budget Estimate.	Revised Estimate.	Revised Estimate + Better — Worse than Budget.
	Rx.	Rx.	Rx.
Revenue - - - -	82,935,300	84,636,300	+ 1,701,000
Expenditure - - - -	83,469,800	82,474,100	+ 995,700
Provincial Deficit - - - -	—640,800	+ 352,500	—993,300

7. The improvement of Rx. 1,701,000 in Revenue occurs mainly under Land Revenue, Opium, Salt, Stamps, Excise, Provincial Rates, Customs, Assessed Taxes, Forest, Interest, Miscellaneous, State Railways, and Irrigation, while there is a considerable falling-off in receipts from Exchange, and a heavy one under Guaranteed Railways, owing to the great and sudden diminution of traffic on the Great Indian Peninsula Line. The contribution of Rx. 490,000 from Provincial to Imperial revenues, for which credit was taken in the Budget Estimate of 1889-90, has also been transferred, for reasons explained in Part I., to the Estimates of 1890-91. It will be understood that this transaction has no effect on the total revenue of the year; what is lost by the Imperial Government being gained by the Local Governments. The main increases and decreases in Revenue are as follows:—

Better than Estimate.	—	Worse than Estimate.	—
	Rx.		Rx.
Land Revenue - - - -	425,600	Exchange - - - -	73,900
Opium - - - -	286,400	Guaranteed Railways - - -	460,000
Salt - - - -	162,600		
Stamps - - - -	101,000		
Excise - - - -	110,100		
Provincial Rates - - - -	87,800		
Customs - - - -	68,900		
Assessed Taxes - - - -	51,800		
Forests - - - -	176,800		
Interest - - - -	133,500		
Miscellaneous - - - -	98,400		
State Railways - - - -	256,800		
Irrigation - - - -	96,000		

8. The decrease in expenditure is mainly due to the rise in the rate of Exchange, and to less expenditure under Opium production and manufacture, Interest, Police, Education, Working Expenses of State Railways, Surplus profits of Guaranteed Railways, and Defence works. The chief increases of expenditure occur under Marine, Famine Relief and Insurance, Miscellaneous, Railway Expenditure, and Irrigation. The meaning of the large excess under Famine Relief and Insurance is that the improvement in the financial position has enabled the Government to take measures for gradually restoring the Famine Insurance Grant, which has been in abeyance since 1885-86.

The Budget Estimate of net expenditure in England was 14,956,100 *l.*, and the Exchange on it, Rx. 6,954,500; the Revised Estimate of that expenditure is 14,751,200 *l.*, and the Exchange on it, Rx. 6,638,000. In the Budget the rate of Exchange was taken at 1 *s.* 4'38 *d.* = 1 rupee; in the Revised it is taken at 1 *s.* 4'552 *d.* = 1 rupee (145 rupees = 10 *l.*)

The following table shows the principal variations from the Estimate of Expenditure:—

Better than Estimate.	—	Worse than Estimate.	—
	Rx.		Rx.
Opium - - - -	708,800	Marine - - - -	92,600
Interest - - - -	96,900	Famine Relief and Insurance -	507,000
Police - - - -	58,800	Miscellaneous Railway Ex-	72,700
Education - - - -	51,000	penditure - - - -	
State Railways—Working Ex-		Irrigation - - - -	94,600
penses - - - -	78,400		
Surplus Profits of Guaranteed			
Companies - - - -	182,100		
Defence Works - - - -	344,500		

Provincial deficit less (owing partly to postponement to 1890-91 of special contribution of Rx. 490,000 made by Local Governments) - - - -

Rx.
993,300

9. The

9. The Budget Estimate of 1890-91 is framed for Revenue Rx. 84,932,100 and Expenditure 85,419,400, of which Rx. 757,700 is chargeable against Provincial and Local balances. The expenditure chargeable to Revenue is therefore Rx. 84,661,700, and the estimated surplus is Rx. 270,400.

The following table compares the Revenue and Expenditure as estimated at an interval of a year:—

	Budget Estimate, 1889-90.	Budget Estimate, 1890-91.	Budget 1890-91 + better — worse than Budget 1889-90.
	Rx.	Rx.	Rx.
Revenue - - - -	82,935,300	84,932,100	+ 1,996,800
Expenditure - - - -	83,469,800	85,419,400	— 1,949,600
Provincial deficit - - -	— 640,800	— 757,700	+ 116,900
Surplus - - -	+ 106,300	+ 270,400	+ 164,100

10. As explained last year, the extension of railways and the changes in their status involve considerable additions annually to both Revenue and Expenditure. In 1889-90 the gross transactions of the Oudh and Rohilkhand Railway came on both sides of the Estimates, whereas, while it was a guaranteed line, only the net earnings were shown as Revenue and the interest charged as Expenditure. In 1890-91 a re-arrangement of the same nature is necessary, as from the 31st December 1890 it is expected that the South Indian Railway will become a State line. In 1890-91 Railway Revenue is estimated higher by Rx. 464,900 than it was a year ago, and Railway Expenditure Rx. 304,800 higher. The transfer of the Provincial contribution mentioned above adds Rx. 490,000 to the Imperial Revenue of the year, though, as explained above, it does not mean that the total revenues are increased by that amount. The further improvement in Revenue occurs mainly under Land Revenue, Salt, Stamps, Excise, Provincial Rates, Customs, Forests, Interest, and Irrigation, while lower receipts than those estimated a year ago are expected under Opium, Exchange, and Guaranteed Railways. The following statement indicates generally in what respect the position has changed in the course of twelve months:—

Better than Budget Estimate of 1889-90.	—	Worse than Budget Estimate of 1889-90.	—
	Rx.		Rx.
Land Revenue - - - -	482,700	Opium - - - - -	56,700
Salt - - - - -	203,600	Exchange - - - - -	83,800
Stamps - - - - -	75,400	Guaranteed Railways - - -	218,000
Excise - - - - -	117,200		
Provincial Rates - - - -	91,400		
Customs - - - - -	142,700		
Forest - - - - -	144,800		
Interest - - - - -	55,700		
State Railways - - - - -	678,800		
Irrigation - - - - -	145,700		

11. The very large increase in the Estimates of Expenditure is mainly the result of the following variations:—

Less than Budget Estimate of 1889-90.	—	More than Budget Estimate of 1889-90.	—
	Rx.		Rx.
Opium - - - - -	59,500	Land Revenue collection -	84,300
Interest - - - - -	62,300	Minor Departments (chiefly Census) - - - - -	79,400
Guaranteed Railways, surplus Profits - - - - -	81,000	Salaries and Expenses of Civil Departments other than minor Departments - -	226,200
Defence Works - - - - -	210,600	Stationery and Printing -	82,100
		Famine Relief and Insurance	499,500
		Railways (excluding surplus Profits) - - - - -	385,800
		Irrigation - - - - -	124,700
		Civil Works - - - - -	234,900
		Army - - - - -	530,400

The rate of Exchange has been taken at 1 s. 4'552 d., as in the Revised Estimate.

The Estimates of both years are examined in detail in the remaining paragraphs of this section.

LAND REVENUE.

12. The Estimates are—

	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.	Increase of Revised Estimate over Budget Estimate of 1889-90.	Increase of Budget Estimate, 1890-91, over Revised Estimate, 1889-90.
	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue (including Land Revenue due to Irrigation) - - - -	24,021,100	24,486,700	24,562,500	465,600	75,800
Expenditure - - - - -	3,629,100	3,632,900	3,713,400	3,800	80,500
NET - - - - -	20,392,000	20,853,800	20,849,100	461,800	— 4,700

With the exception of the districts directly administered by the Government of India, in which a small decrease is anticipated, and Assam, where the original Estimate has undergone no alteration, all Provinces participate in the improvement of Rx. 465,600 in Revenue expected in the Revised Estimate of 1889-90. Of this improvement, Rx. 142,600, or nearly 31 per cent., has been contributed by Burma, in the proportion of Rx. 70,900 by Lower and Rx. 71,700 by Upper Burma. With the restoration of order, cultivation has greatly extended, and assessments and collections are being made with more regularity. It may also be mentioned that Rx. 20,000 of the increase in Upper Burma represents the first instalment of rent paid by the Ruby Mines Company for its lease. After Burma, the greatest increase is expected from the temporarily-settled zemindari provinces, namely, the Central Provinces, the North-Western Provinces and Oudh, and Punjab, which, between them, account for an improvement of Rx. 125,900, or 27 per cent. of the whole. In these Provinces the settlements are falling in, and fresh settlement operations, the effect of which

is

is reflected in the gradual increase in the revenue demand, are in active progress. Of the remaining increases, Bombay furnishes Rx. 76,100, due to large sales of waste lands, the introduction of revised settlements, and a favourable season; Madras finds Rx. 69,500, and Bengal Rx. 55,000, most of which represents the recovery of arrears.

13. The Estimate of Revenue for next year provides for a further increase of Rx. 75,800, towards which Upper Burma contributes Rx. 54,000 and Lower Burma Rx. 50,000. In Bengal there is a decrease of Rx. 37,100, and in Bombay of Rx. 37,200, the explanation of which is that there have been special and non-recurring receipts in the current year, as explained above.

It should be mentioned that it is possible that the failure of the winter rains in Upper India, and the scanty north-east monsoon in Madras, may to some extent interfere with the realisation of these estimates.

14. The increase of the Revenue demand in one year from Rx. 24,021,100 to Rx. 24,562,500 or by Rx. 541,400 is remarkable, as hitherto the growth of this branch of revenue has been slow, and has scarcely responded to the large outlay incurred by Government on canals and railways. The relation of the settlements now in progress in the three temporarily-settled Provinces of Northern India to the improvement in the revenue will be seen from the following statement, which contrasts the revenue demand of 1890-91, as measured by the Budget Estimate of that year, with the revenue demand of four years ago, ascertained from the average receipts of the three years 1884-85 to 1886-87:—

	Demand of 1886.	Demand of 1890-91.	Increase of 1890-91.
	Rx.	Rx.	Rx.
Central Provinces	612,700	665,300	+52,600
Punjab	2,148,500	2,286,900	+138,400
North-Western Provinces and Oudh	5,812,200	5,935,000	+122,800

The figure Rx. 122,800 does not represent the full measure of increase in the North-Western Provinces and Oudh, for in two of the years (1884-85 and 1886-87) from which the demand of 1886 is calculated, the receipts were unusually high. The figures, however, sufficiently illustrate the effect, now beginning to be felt, of the revision of the settlements.

15. The total of the Revised Estimate of Expenditure agrees very closely with that of the original Estimate, the difference between them being only Rx. 3,800; but the following important variations are noticeable in the details. An increase of Rx. 12,900 is provided for in Upper Burma to meet additional expenditure on surveys of (what used to be) Royal lands, and of Rx. 36,300 in Madras owing to the introduction of a revised scale of allowances to Subordinate Revenue Officers; while a decrease of Rx. 17,800 is expected in Bombay. For 1890-91 the estimate is framed for an increase of Rx. 80,500, which is distributed among all Provinces except the North-Western Provinces and Oudh, where the expenditure is expected to be less by Rx. 6,300. The principal increases occur in the Central Provinces, Upper and Lower Burma, Bengal, and Punjab, and, except in Bengal, where the excess arises from revision of establishments, are due generally to the extension of survey and settlement operations.

OPIUM.

16. The following are the figures :—

	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
	Rx.	Rx.	Rx.
Revenue - - - -	8,260,000	8,546,400	8,203,300
Expenditure - - - -	2,364,300	1,655,500	2,304,800
Net - - - -	5,895,700	6,890,900	5,898,500

The net receipt in the current year is expected to exceed the Estimate made a year ago by no less than Rx. 995,200. Of this sum, Rx. 286,400 represents improvement in Revenue, and Rx. 708,800 saving in Expenditure. The increase in Revenue is entirely due to the high average price obtained at the Calcutta sales. The estimated average was 1,070 rupees a chest, whereas, till the sale held in February, the price was always much higher. The highest figure was reached in September, when the price realised was 1,215 rupees a chest, and the lowest in the present month, when it was 1,040 rupees. The average price of the year was 1,136 rupees.

These violent fluctuations indicate how difficult it is to make any satisfactory estimate, and it may be noted that, so long as the number of chests sold is maintained at the present figure, a difference of 100 rupees a chest in the price of Bengal opium represents a difference of Rx. 570,000 in revenue.

The revenue from the pass duty on Malwa opium was estimated at Rx. 1,953,000 on 30,000 chests. The general course of the weighments has coincided with our expectations, but owing to a slackness recently observed the estimate of revenue has been reduced to Rx. 1,850,000.

The expenditure charged under Opium is - except to a very inconsiderable extent - incurred in Bengal. The estimate is based on the forecasts of produce of the standing crop rendered by the Opium Agents in January and February, and it amounted to Rx. 2,358,800 for an expected production of 58,800 chests. Almost immediately after the publication of the Financial Statement, it was reported that, in consequence of unfavourable weather, the produce would be far short of the Estimate. The actual production has been 38,305 chests, and the saving in expenditure will be Rx. 708,800.

In view of the low prices that prevail at present and the prospect of better crops in Malwa and China, it has been decided to adopt 1,060 rupees as the estimate of the average price for Bengal opium next year.

Owing to the favourable crop expected in the current season in Central India, the estimate for receipts from pass duty on Malwa Opium has been placed higher than the sum taken for the Revised Estimate, namely, at Rx. 1,950,000 as against Rx. 1,850,000.

Turning to the Expenditure, the Opium Agents give, as their latest estimate of production, opium sufficient to make about 55,000 chests. The estimated expenditure has been taken at Rx. 2,300,000.

Before last year's manufacture, the reserve on 31st December 1890 was estimated at the inconveniently large figure of 51,505 chests. The short crop of last year has largely reduced the reserve. Assuming the forecast of the current year's crop to be fulfilled, the reserve will stand as follows :—

	Chests.
On 31st December 1890 - - - - -	31,010
„ „ 1891 - - - - -	29,010

SALT.

17. The Estimates are—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Revenue - - - -	8,029,900	8,192,500	8,233,500
Expenditure - - - -	462,000	420,900	453,000

The consumption of salt up to the latest date (28th February) for which returns have been received, is compared below (in thousands of maunds) with the consumption in the same period of the previous three years:—

	1886-87.	1887-88.	1888-89.	1889-90.
Bengal and Orissa - - -	8,963	8,824	8,596	8,241
Madras - - - - -	6,073	6,051	6,074	6,217
Bombay - - - - -	6,635	6,789	6,124	6,800
Sind - - - - -	205	211	211	221
Northern India - - -	6,227	6,204	6,117	6,631
TOTAL - - - -	28,103	28,079	27,122	28,110
Burma - - - - -	1,249	1,841	253	1,060

18. The figures in the following statement give the consumption in thousands of maunds (excluding Burma), for the four years previous to the present one, for the period 1st April to 28th February, and 1st to 31st March, and also for the whole year, of salt on which duty at the full rate, Rs. 2-8 a maund, was paid:—

INDIA (BURMA EXCLUDED).			
	From 1st April to 28th February.	From 1st to 31st March.	Whole Year.
1885-86 - - - - -	27,100	2,689	29,789
1886-87 - - - - -	28,103	2,973	31,076
1887-88 - - - - -	28,079	2,360	30,439
1888-89 - - - - -	27,122	2,703	29,825
1889-90 - - - - -	28,110	2,900	Estimate 31,010

The yearly totals differ materially from those shown in paragraph 78 of the Financial Statement of 1889-90, which dealt with consumption only, and did not therefore distinguish between salt paying varying rates of duty. The salt produced at the Kohat mines across the Indus is taxed at 8 annas only on each 102 lbs., which is equal to 6·4 annas a maund of 82½ lbs.; and the incidence of the British share of the duty on the salt produced in the Mandi State and imported under treaty into British territory, is 5 annas a maund. The aggregate consumption of both these descriptions was about 775,000 maunds

in 1888-89. Clearly, for the purpose of testing the estimate of revenue by the progress of consumption, this lightly-taxed salt must be separated from the salt which bears the full duty. The Estimate for 1889-90, as shown above, should be increased by 800,000 maunds, as representing the consumption of the Kohat and Mandi salt, for the purpose of ascertaining the consumption of the whole of India.

In Burma an import of about 1,150,000 maunds is indicated by the latest figures. The estimate of consumption in Burma of locally-produced salt is placed, by the most competent authorities, at about 560,000 maunds.

19. It was explained in the Financial Statements for 1888-89 and 1889-90 that the increase in the duty in January 1888 was followed by a general falling-off in the revenue. But it is not clear that there was a decrease in salt actually consumed proportional to the reduction in the quantity of salt cleared for consumption. It is certain that to some extent the dealers in salt deferred making new purchases, on which the higher rate of duty had to be paid, until they had exhausted the stocks on which the lower duty had been paid, and had secured the profit to be obtained by selling them at a price which was increased in full proportion to the increase in the duty.

20. The following figures from Burma, where the duty was raised from 3 annas to 1 rupee a maund from the 19th January 1888, are, for imported salt only:—

	To 28th February.	From 1st to 31st March.	TOTAL.
1884-85 - - - - -	1,594	93	1,687
1885-86 - - - - -	954	169	1,123
1886-87 - - - - -	1,249	325	1,574
1887-88 - - - - -	1,841	90	1,931
1888-89 - - - - -	253	61	314
1889-90 - - - - -	1,060	90	Estimate 1,150

The decline following on the rise in the duty is remarkable, but the explanation is simple. Very large importations had been made towards the end of the previous year, some knowledge or suspicion of the intention of Government to raise the duty having probably been circulated, and the stocks were therefore abnormally large. Local manufacture also received a stimulus from the increase of the import duty; for the duty on locally-manufactured salt is light, and is levied by means of a half-yearly fee, and until July last year, when this fee was doubled, the local manufacturer had a substantial advantage over the importer of salt. These two circumstances combined to reduce the apparent consumption of imported salt in Burma to a very low level. A revival in the demand for imported salt, which was doubtless due to the approaching exhaustion of the imported stocks, set in about the commencement of the current financial year. The competition of locally-produced salt was also regulated by the doubling of the fee. The question of the measures to be taken for equalising the incidence of the duty on locally-made and imported salt is one of importance. The question is surrounded by difficulties, as the manufacture of salt in Burma is carried on at places and under conditions which practically render any effective check on production impossible. A specially qualified officer of the Northern India Salt Department was deputed last year to investigate the matter on the spot, and his report is now under consideration.

21. In Northern India also there was a pause in consumption in the year following the increase of duty, but the reduction was so slight that it was probably caused by the action of holders of stocks. In the present year there has been a substantial increase, the consumption of both Sambhar salt and the rock salt of the Punjab mines having been large.

In Madras, in 1888-89, prices rose to a high level, the rise being ascribed, at least in part, to a combination of manufacturers. Partial resumption of manufacture by the State was begun, and prices have since fallen, while consumption shows a satisfactory increase.

22. The only province in which consumption has not fully recovered is Bengal, and there the imposition of the increased duty has not been the only cause of the falling-off, which is largely attributable to the increase in price resulting from the action of the English Salt Syndicate and the higher level of freights. The average maximum prices in Calcutta of Liverpool salt (exclusive of duty) have been as follows, per 100 maunds, since January 1888:—

	1888.	1889.	1890.
	Rs.	Rs.	Rs.
January	88.2	97.8	102
February	149.	96.25	97
March	154.25	94.25	
April	138.75	94.	
May	137.4	90.	
June	133.5	92.2	
July	94.63	94.25	
August	94.	94.4	
September	74.25	99.75	
October	83.	111.83	
November	91.25	105.75	
December	96.75	105.6	

Before January 1888 the average highest price varied between 61 and 72 rupees; prices rose after the increase of the duty to a high point, falling again to almost their normal level; but the formation of the Salt Syndicate raised them towards the end of the year, and they have remained high ever since. The increase in price (exclusive of duty) may be taken to be from four to five annas a maund.

The falling-off in the imports into Bengal does not, however, imply an equivalent falling-off in consumption. Both Sambhar salt and rock salt from the Punjab mines have found a market in a wider zone in Bengal, since the increased price of Liverpool salt has enabled them to compete with it lower down the railway line. The competition would have been more active and effective but for the action of the East Indian and Oudh and Rohilkhand Railway lines in raising the rate of freight. The question of these higher rates of freight is under consideration.

23. The Revised Estimate provides for a consumption in India (excluding Burma) of—

	Maunds.
Fully taxed Salt	31,010,000
Lightly taxed Salt (about)	800,000
TOTAL	31,810,000

This is the figure with which those of paragraph 78 of last year's Financial Statement are comparable. The figures are continued up to 1890-91, below—

	Consumption of Salt, in Maunds.
1882-83	28,720,000
1883-84	29,338,000
1884-85	31,348,000
1885-86	30,606,000
1886-87	32,200,000
1887-88	31,186,000
1888-89	30,600,000
1889-90 Estimate	31,810,000
1890-91 "	31,930,000

FINANCIAL STATEMENT OF THE

The Revised Estimate also takes into account a consumption in Burma of—

	Maunds.
Imported Salt - - - - -	1,150,000
Locally-made Salt - - - - -	560,000
TOTAL - - -	1,710,000

The Budget Estimate of Revenue is Rx. 8,233,500, or Rx. 41,000 in excess of the Revised, and provides for an increased consumption of about 200,000 maunds in India and Burma.

The estimates of expenditure for both years are on a higher scale than previously, principally in Burma, Bengal, and Madras. In Burma, the imposition of fees, at higher rates, on locally made salt, involves a proportionate increase in the commission payable on collections. In Bengal, provision has been made for payments on account of new scales of an improved type. In Madras, the opening of new salt works, on account of Government, will involve increased expenditure.

STAMPS.

24. The Estimates are—

	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
	Rx.	Rx.	Rx.
Revenue - - - - -	3,959,500	4,060,500	4,034,900
Expenditure - - - - -	134,300	134,700	143,100
Net - - -	3,825,200	3,925,800	3,891,800

The Revenue promises to be better than the Estimate by Rx. 101,000, the improvement being contributed by Burma (Upper and Lower), Assam, the North-Western Provinces and Oudh, Madras, and Bombay. The increases in the North-Western Provinces and Oudh and Madras are considerable, namely, Rx. 25,000 and Rx. 35,000, and the slight falling away in the Estimated Revenue of 1890-91 is due to the fact that it is not thought desirable to reckon on these increases being maintained.

The variations in the expenditure are unimportant, and are mainly due to the charges in England. A larger quantity of Stamps is to be supplied in 1890-91, and this accounts for the increased charge.

The question has been a good deal discussed in recent years, whether the revenue derived from the sale of court-fee stamps did or did not greatly exceed the cost of the administration of civil justice. An inquiry was undertaken in 1886 with the view of ascertaining and putting beyond question what the true facts are. The result of this inquiry was published in a resolution in the "Gazette of India" of the 11th January last, in which it was shown that including all India there was a yearly loss of Rx. 125,100, and that instead of surpluses there were deficits in every province except (1) Bengal, and (2) Madras, where the receipts and charges were practically equal.

EXCISE.

25. The Estimates are -

	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
	Rx.	Rx.	Rx.
Revenue - - - - -	4,727,300	4,837,400	4,844,500
Expenditure - - - - -	154,200	154,200	172,600
NET - - - - -	4,573,100	4,683,200	4,671,900

In the current year the improvement in Revenue is Rx. 110,100, and the Revenue is better than the Estimate in all provinces except Bengal, where the decrease is Rx. 30,000, and in Upper Burma, where it is Rx. 13,400. The large increases occur in Madras, Rx. 60,000, and Lower Burma, Rx. 31,400.

The Excise question has been discussed at great length in the collection of papers published in the "Gazette of India" of 1st March, and nothing more need be said on the subject in this place. It was to be expected that the changes in system which are being made in Bengal would be attended at first with some loss of revenue, though the falling-off is also largely due to bad seasons. The falling-off in Upper Burma is due to the fact that the estimate first made was a mere conjecture. The revenue officers had no facts to guide them, and they framed their estimates too high.

The rapid advance in the Madras Revenue is worthy of notice. It is due to better management, to an efficient preventive service, to the gradual and systematic enhancement of the rate of taxation, which has now in some districts reached the tariff rate, and to the extension of the Bombay system of taxing the trees from which toddy for consumption or manufacture into spirit is drawn. In Lower Burma the increase is due to raising the duty on spirits locally manufactured.

The estimate of Revenue for 1890-91 varies only slightly from the Revised Estimate. A decrease is expected in Bombay owing to a partial modification of the method hitherto followed in fixing the "minimum guarantee," and a further increase is expected in Madras and Lower Burma.

The Expenditure is increasing mainly in Bengal and Madras. In Bengal the re-establishment of central distilleries under proper supervision, with a considerable strengthening of the Excise establishments, accounts for the growth of expenditure. In Madras, as the tree-tax system extends, the preventive establishment necessarily expands also.

PROVINCIAL RATES.

26. The Estimates are—

	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, Better + than Budget Estimate of 1889-90.	Budget Estimate, 1890-91, Better + than Revised Estimate of 1889-90.
	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - - - -	3,258,000	3,345,800	3,349,400	+87,800	+3,800
Expenditure - - - - -	60,500	54,900	43,500	+5,600	+11,400
NET - - - - -	3,197,500	3,290,900	3,305,900	+93,400	+15,000

The rates and cesses credited under this head are assessed at varying percentages on Land Revenue; and, as a large increase in Land Revenue is estimated for in both years, the Estimates of the rates necessarily respond. This is the general explanation of the increase, but the following special items deserve notice. In Madras an increase of Rx. 52,400 is expected, the bulk of which is due to the fact that the original Estimate, which was prepared on a consideration of the actual receipts of past years, was too low. In the North-Western Provinces and Oudh, the Patwari cess promises to produce Rx. 6,300 more than the Estimate.

The variations in the Estimates of Expenditure are comparatively trifling, and the only point which requires notice is, that in the Punjab, the discontinuance, with effect from 1st October 1889, of the payment of fees to patwaris for the collection of the rates and cesses, causes a reduction of Rx. 7,500 in the Revised Estimate; and of a further sum of Rx. 9,300 in the Budget Estimate for 1890-91. It must also be borne in mind that the Expenditure recorded under this head represents only the cost of collection of the cesses.

CUSTOMS.

27. The Estimates are—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Revenue - - - - -	1,418,400	1,487,300	1,561,100
Expenditure - - - - -	138,300	134,500	138,600
Refunds - - - - -	49,400	48,700	44,000

The Revised Estimate provides for an improvement of Rx. 68,900 over the Budget, most of which is contributed by Burma. In Bengal the estimate will not be realised.

28. For the ten months ending 31st January the receipts from import duty and their distribution among the dutiable articles have been:—

	1886-87.	1887-88.	1888-89.	1889-90.
	Rx.	Rx.	Rx.	Rx.
Arms, &c. - - - - -	18,500	18,200	20,200	19,500
Malt Liquor - - - - -	8,600	10,400	12,700	13,900
Spirit - - - - -	350,900	375,800	405,500	408,100
Wines, &c. - - - - -	38,500	42,500	41,100	40,200
Petroleum - - - - -	-	-	97,100	131,200
TOTAL - - - - -	410,500	446,900	576,600	607,900

In the export revenue there has been a considerable increase in the ten months of the present year. The figures are:—

	Rx.
1886-87 - - - - -	411,000
1887-88 - - - - -	453,000
1888-89 - - - - -	363,000
1889-90 - - - - -	458,000

This increase is due to the unusually large export of rice from Burma, the export

export of rice from Bengal having declined materially in consequence of high prices following on unsatisfactory crops.

29. In the Estimate for 1890-91 the continuance of the favourable conditions of the current year is not fully reckoned on, though a recovery is looked for in Bengal. The increase estimated for is wholly due to the additional revenue which will be yielded by the enhanced tax on imported spirits. At 5 rupees a gallon, the average net receipts from the duty on spirits are about Rx 480 000. We therefore estimate the additional revenue, due to the increase of the duty by 1 rupee, at about Rx. 92,500. The reasons which have influenced the Government in deciding to raise the duty have been explained in introducing the Bill to amend the Tariff Act, and in this place it will suffice to give a very brief recapitulation of them.

The reasons are:—

- (1). On general grounds, it is desirable to increase, within reasonable limits, the cost to the consumer of intoxicating liquors, by increasing the duty on them.
- (2). It is an accepted principle of Excise administration in India to endeavour to gradually raise the duty on spirits made in India to the Tariff Rate, which practically sets a limit to the increase. It has been found possible in some places to increase the duty to the Tariff Rate, so that the occasion for a further increase of that rate has arrived.
- (3). It is hoped that the increase may check the increasing import of cheap deleterious foreign spirit.
- (4). The increased duty will make a substantial addition to the public revenue.

The Estimates of expenditure and refunds are fairly constant and call for no remarks.

ASSESSED TAXES.

30. The Estimates are—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Revenue - - - -	1,515,300	1,567,100	1,558,700
Expenditure - - - -	28,800	28,000	31,200

The Revised Estimate provides for an increase in Revenue of Rx. 51,800, to which all Provinces contribute except the districts directly administered by the Government of India. The chief increases are, Rx. 11,300 in the Punjab, due to revision of assessments, and Rx. 10,000 in Madras, to realisation of arrears.

The variations of the receipts from year to year are necessarily small, and the Budget for 1890-91 virtually repeats the Revised Estimate for 1889-90.

The variations in the Estimate of Expenditure are trifling, the increase occurring in Bengal, and representing provision for a separate assessing establishment.

The net collections amounted to Rx. 1,477,514 in 1888-89, or more by 0.81. D Rx. 94,706

Rx. 94,706 than the collections of the previous year. The following table shows how this increase is distributed:—

	Income Tax Collections, 1886-87.	Income Tax Collections, 1887-88.	Income Tax Collections, 1888-89.	Percentage of Total Collections, 1888-89.	Increase (+) or Decrease (-) in 1888-89, com- pared with 1887-88.
	Rx.	Rx.	Rx.		Rx.
India - - - - -	122,406	133,874	139,787	9.4	+5,913
Central Provinces - - - - -	39,836	40,348	42,464	2.9	+2,116
Burma - - - - -	16	29	50,036	3.4	+50,007
Assam - - - - -	19,905	22,661	22,232	1.5	-439
Bengal - - - - -	333,626	364,122	381,648	25.8	+17,526
North-Western Provinces and Oudh	213,639	213,963	218,150	14.8	+4,187
Punjab - - - - -	105,652	106,639	113,271	7.7	+6,632
Madras - - - - -	138,674	162,658	164,877	11.1	+2,219
Bombay - - - - -	303,756	338,514	345,049	23.4	+6,535
TOTAL - - - - -	1,277,510	1,382,808	1,477,514	100	+94,706

More than half of the total increase occurred in Burma, to portions of which the tax was extended from 1st April 1888. Leaving that Province out of account, the collections in India show an increase of Rx. 44,699, or 3.23 per cent., of which rather more than a third occurred in Calcutta.

FORESTS.

31. The following statement shows the present state of the Forest Revenue:—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Revenue - - - - -	1,269,600	1,446,400	1,414,400
Expenditure - - - - -	801,300	815,700	847,900
Surplus - - - - -	+468,300	+630,700	+566,500

The increase of gross Revenue indicated in the Revised Estimate is Rx. 176,800, of which the greater part is due to an exceptionally favourable season for floating down timber, and to rising prices, in Upper and Lower Burma, the improvement having produced Rx. 45,100 in Upper, and Rx. 91,500 in Lower Burma. Bombay shows an advance of Rx. 17,100, due to increased operations, and the North-Western Provinces, the Punjab, and Bengal, between them contribute an additional revenue of about Rx. 19,300, due to sale of railway sleepers in the first Province, supply of fuel for railways in the second, and improved sales of timber in the third.

The increased expenditure involved by these more active operations is expected to be only Rx. 14,400. The surplus for the current year is expected to be Rx. 73,700 better than that of 1888-89, which was about Rx. 157,000 higher than that of any previous year.

The Budget Estimate of Revenue is Rx. 32,000 less than the sum expected in the current year. There is a general increase in all Provinces except Burma, where the falling-off means that the continuance of the exceptionally favourable conditions of the current year cannot be reckoned on. The proportion of expenditure to income has fallen from 59 per cent. in 1888-89 to 56 per cent. in the current year.

INTEREST ON DEBT.

32. The Estimates are—

	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
Receipts - - - - -	Rx. 734,200	Rx. 867,700	Rx. 789,900
Expenditure - - - - -	4,358,600	4,262,300	4,296,300
Net - - - - -	3,624,400	3,394,600	3,506,400

The explanation of the expected increase in the receipts in the current year is that the Secretary of State has had control of a high cash balance, and has been able to invest a large portion of it temporarily at a high rate of interest. The explanation of the reduction in the expenditure is (1) that the Budget provided for a loan in India of 2½ crores at a discount, whereas a loan of only 2 crores was raised at about par; (2) that no temporary loans were required in England; (3) that a loan of only 3,500,000 £. was raised in sterling, in place of one of 3,750,000 £. anticipated at the time the Budget was framed; (4) because the charges transferred from this head to the Railway Revenue Account for interest on advances to Companies were larger than anticipated, on account of advances being made at earlier dates; and (5) because the rate of Exchange on the sterling payments is better than the Estimate.

33. The following figures show in thousands of £ the amount of the sterling debt of the Government of India at the end of each year from 1881-82, the amount of interest paid during the year, and the distribution of the total amounts between ordinary debt and that held on account of railways—

	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90. Revised.	1890-91. Budget.
Sterling Debt—										
Ordinary Account - - -	58,620	59,094	56,910	56,758	60,207	65,714	65,826	66,184	65,881	65,681
Railway Account - - -	9,522	9,492	11,199	12,513	13,600	18,614	18,514	28,850	32,350	38,745
TOTAL - - -	68,142	68,586	68,109	69,271	73,807	84,328	84,340	95,034	98,231	104,426
Interest—										
Ordinary Account - - -	2,512	2,481	2,442	2,610	2,429	2,597	3,365	2,662	2,402	2,482
Railway Account - - -	353	348	312	353	366	566	552	632	914	988
TOTAL - - -	2,865	2,829	2,754	2,963	2,795	3,163	3,917	3,294	3,316	3,470
Interest Receipts—										
Ordinary Account - - -	56	24	30	35	9	41	66	135	134	62

It will be seen from these figures that in nine years the debt on ordinary account has increased by 7,261,000 £., while the railway debt has increased by 29,223,000 £. The addition to the ordinary debt really represents the cost of railway construction, the Public Works loans in 1885-86 and 1886-87 having been raised in England; but, as the transfer from ordinary to railway account is always made in the Indian portion (that is, the rupee portion) of the accounts, whether the debt is created in England or India, the amounts raised in England have been added to the ordinary sterling debt, while a corresponding reduction has been made in the ordinary rupee debt. The conversion of 53,261,820 £. 4 per cent. into 3½ per cent. stock resulted in a net saving of 266,310 £. a year.

Of the total increase in the railway portion of the sterling debt, a sum of 3,500,000 £. has been raised in the current year under the Oude and Rohilkund Railway Purchase Act for making advances to Railway Companies; and

it is proposed to raise a similar loan of 1,700,000 l. next year. The practice is obviously economical, as the Secretary of State can borrow at less than 3 per cent., while the companies have to pay higher rates for their debentures. The rest of the increase in the nine years represents the purchase money paid for the Oude and Rohilkund and South Indian Railways, and the redemption of liabilities incurred by the acquisition of the Scinde Punjab and Delhi, the Eastern Bengal, and the East Indian Railways. It will thus be seen that the greater portion of the increase to the debt is only nominal, having been incurred to extinguish existing liabilities which were shown in the Railway Revenue Account under other heads than Interest on Debt. The charges on account of interest have correspondingly increased, but there has been a much larger reduction under other heads, notably under interest payable to Guaranteed Companies.

34. The following are the details of the debt in India :—

Thousands of Rx.

	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90, Revised.	1890-91, Budget.
Permanent Debt—									
Ordinary Account - -	35,770	35,993	21,633	14,459	8,234	10,693	11,457	9,869	6,083
Railway Account - -	54,919	57,198	71,551	78,245	84,420	87,397	89,422	92,890	96,640
Special Loans - - -	1,953	1,809	1,799	1,782	1,782	1,781	1,781	1,780	1,780
Service Funds, &c. - -	951	1,000	1,056	1,082	1,137	1,179	1,227	1,275	1,326
Savings Banks - - -	3,744	4,017	4,722	5,116	5,896	6,721	7,664	7,631	7,890
TOTAL - - -	97,337	100,017	100,761	100,684	101,409	107,771	111,551	113,445	113,719

A large portion of the public debt has been incurred for the purpose of advancing funds on easy terms to municipalities and other public bodies, and to native states. Rx. 6,250,000 of it also represents the investment of the currency reserve. The following figures show the net charge in India on account of interest on ordinary account, as well as the interest on the capital expenditure on Railways and Irrigation Works :—

Thousands of Rx.

	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.		1890-91.
								Budget.	Revised.	
Charged to Interest on Debt	1,719	1,517	1,371	1,137	737	662	811	803	779	697
Recovered - - -	670	820	668	687	614	653	643	690	673	700
Net Charge - - -	1,049	697	703	450	123	9	168	113	106	-3
Interest on Railways	1,621	1,785	1,959	2,182	2,423	2,558	2,692	2,779	2,770	2,891
Interest on Irrigation Works	816	805	932	965	993	1,018	1,041	1,065	1,061	1,083
TOTAL - - -	2,437	2,680	2,891	3,147	3,416	3,576	3,733	3,844	3,831	3,974

The net charge on ordinary account in 1887-88 was unusually low, partly because about Rx. 90,000 of the charges remained unpaid at the end of the year and were paid in the following years, and partly because about Rx. 40,000 were received during the year on account of arrears of interest on the Kidderpore Dock loan. The singular and interesting fact which this statement reveals, is that there is now an actual net receipt on account of the ordinary rupee debt. In other words, the interest on the investments held on account of Government, and on the advances made to public bodies and others by Government, exceeds the interest payable on that portion of the rupee debt which is not actually represented by railways and irrigation works.

POST OFFICE, TELEGRAPH, AND MINT.

35. The net result of the working of these three *quasi-Commercial* Departments will be apparent from the following figures :—

	1888-89.	1889-90.		1890-91, Budget.
		Budget.	Revised.	
Post Office—	Rx.	Rx.	Rx.	Rx.
Revenue - - - -	1,281,540	1,244,000	1,304,300	1,386,200
Expenditure - - - -	1,342,452	1,402,800	1,366,100	1,419,900
NET - - - -	- 60,912	- 54,800	- 61,800	- 33,700
Telegraph Capital Account—				
Receipts - - - -	1,191	—	—	—
Expenditure - - - -	158,858	180,100	157,000	222,300
NET - - - -	- 157,667	- 180,100	- 157,000	- 222,300
Telegraph Revenue Account—				
Revenue - - - -	740,957	752,100	768,300	793,200
Expenditure - - - -	545,234	582,300	562,900	578,200
NET - - - -	195,723	169,800	205,400	215,000
Mint—				
Revenue - - - -	221,138	228,600	267,100	244,000
Expenditure - - - -	99,967	103,100	119,100	108,200
NET - - - -	121,171	125,500	148,000	135,800

These figures do not profess to give a complete account of the profit and loss of the Departments, but merely show the difference between the revenue and expenditure as recorded in the accounts and estimates. As regards the Post Office, the somewhat unfavourable result of the current year is mainly due to a change in the system of accounting. Hitherto it has been the practice to credit as revenue, (1) the cost of postage stamps sold by treasuries to postmasters, whether disposed of to the public within the year or not, and (2) all postage due on articles remaining undelivered at the end of the year, by debit to advances. In future only the sum received for stamps actually sold to the public and postage actually realised will be credited as revenue of the year. The effect of this change has been to reduce the revenue of the current year by about Rx. 41,000.

The Revenue Account of the Telegraph Department indicates a gradual expansion of traffic and a slowly increasing surplus. The increase in the capital expenditure is due to the contemplated construction of new lines, most of which are necessitated by the extension of railway communications.

The imports and coinage of silver during the three closing months of the current year will be very heavy. This large coinage, and the higher gain on the copper coinage resulting from the reduced price of copper, account for the improvement shown under Mint.

CIVIL DEPARTMENTS.

36. The Estimates of the several heads which fall into this group are compared below :—

	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.	Revised Estimate, 1889-90, Better + Worse — than Budget Estimate of 1889-90.	Budget Estimate 1890-91, Better + Worse — than Revised Estimate of 1889-90.
	Rx.	Rx.	Rx.	Rx.	Rx.
Receipts - - - -	1,464,200	1,518,700	1,521,500	+ 54,500	+ 2,800
Salaries and Expenses -	13,291,200	13,282,500	13,595,800	+ 8,700	— 314,000
Net Expenditure -	11,827,000	11,763,800	12,075,300	+ 63,200	— 311,500

The improvement in Revenue does not call for special notice, as, with few exceptions, it results from a number of minor variations.

The Revised Estimate of Expenditure approximates closely in the aggregate to the original Estimate for 1889 90, but the following variations call for a few words of explanation :—

	Expenditure less.	Expenditure more.
	Rx.	Rx.
18. General Administration - -	25,800	—
20. Police - - - - -	58,800	—
21. Marine - - - - -	—	92,600
22. Education - - - - -	51,000	—
25. Political - - - - -	—	37,000
TOTAL - - - - -	+ 135,600	— 129,600

Of the improvement under Administration, Rx. 16,600 is the result chiefly of economies effected in the offices of the Government of India, and Rx. 13,400 occurs in England and Exchange. The smaller expenditure under Police is almost entirely due to savings in the district executive force and special police charges in Burma, rendered possible by the restoration of order and decrease of crime in that Province. The considerable increase in Marine expenditure is due to provision having been made for the purchase of a steamer for the Andamans and a steam launch for the port officer, Calcutta, to the payment of the balance of the purchase money of a steamer to replace the "Undaunted," and to a large supply of stores from England. The improvement under Education is distributed in small amounts over all Provinces, and the increase under Political is chiefly due to the payment of arrears of subsidy to the Amir of Afghanistan.

37. The increase of expenditure provided for in the Budget Estimate for 1890-91 is expected under all heads except Marine, where the absence of provision for the special items of expenditure referred to above results in a reduction of Rx. 55,400 from the amount provided in the Revised Estimate. The following are the principal items of increase: Courts of Law, Rx. 51,300, owing chiefly to provision having been made for additional judicial establishments in Burma and in Bengal; Jails, Rx. 35,300; Police, Rx. 63,000, of which 29,300 is provided in Lower Burma principally on account of additional police to be entertained in place of men under training; and the balance in the Punjab, Madras; and Bombay, as the result of revision of establishments, contemplated or in progress;

gress; Education, Rx. 92,400, in consequence generally of an increase in the number of Government Schools and in the grants-in-aid to private Educational Institutions in all Provinces; and Scientific and other Minor Departments, Rx. 64,100, resulting almost entirely from the provision for the forthcoming Census.

MISCELLANEOUS.

38. The Estimates are as follows:—

	1888-89, Accounts.	1889-90.		1890-91, Budget.	Increase (+) or Decrease (—) of Revised, as compared with Budget Estimates, 1889-90.	Increase (+) or Decrease (—) of Budget, 1890-91, as compared with Revised Estimates, 1889-90.
		Budget.	Revised.			
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - -	1,793,000	1,340,300	1,325,500	1,243,000	—14,800	+82,500
Expenditure - -	4,684,000	4,823,200	4,848,700	4,945,400	+25,500	+96,700

The variations in Revenue occur mainly in the receipts under Exchange, which were Rx. 951,500 in 1888-89, and are estimated at Rx. 527,300 and Rx. 453,400 in the Budget and Revised Estimates of 1889-90, and Rx. 443,500 in the Budget Estimate of 1890-91. It has been explained in previous years that these receipts accrue almost entirely in connection with the capital transactions of the Subsidised Railways, the most important of which are the Southern Mahratta, Indian Midland, and Bengal-Nagpur Railways. The gradual falling-off in the receipts is due to the smaller capital expenditure on these railways, some of which have already been completed and others are approaching completion. Excluding Exchange, the revenue under this group amounted to Rx. 841,300 in 1888-89, and is estimated at Rx. 813,000 and Rx. 872,100 in the Budget and Revised Estimates of 1889-90, and at Rx. 799,500 in the Budget Estimate of 1890-91. The balance of the deposits of the Military Orphan Fund having been exhausted in 1888-89, the credit which used to be taken to revenue from this balance on account of the net payments made for the Fund, ceased in that year, and accounts for a falling-off of about Rx. 35,000. In the current year, however, this falling-off has been more than compensated by special receipts, of which the principal are, a fine of Rx. 20,000 from a Karen chief, and a recovery of Rx. 21,900 from the Bombay Port Trust on account of their non-interest-bearing debt, which represents the value of land purchased and buildings constructed from revenue, and taken over by the Trust.

The increase in expenditure is chiefly attributable to increasing superannuation allowances, and to increased demands for stationery and printing, following on the growth of public business, and the multiplication of public offices.

FAMINE RELIEF AND INSURANCE.

39. The Estimates are:—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Famine Relief - - - - -	20,500	100,000	10,500
Construction of Protective Irrigation Works.	80,000	74,000	65,000
Reduction of Debt - - - - -	- - - - -	433,500	524,500
TOTAL - - - - -	100,500	607,500	600,000

FINANCIAL STATEMENT OF THE

In the Budget Estimate for the current year Rx. 20,000 were provided for the relief of the scarcity in Behar. When the Estimates were prepared, it was not thought that the scarcity in Ganjam would be of a nature to require expenditure on direct relief. It is well known that in both districts the scarcity turned out to be more serious than was at first anticipated Rx. 50,000 were spent on direct relief operations in Behar, and the same sum in Madras. An outlay of Rx. 32,500 was also incurred on the Rushikuliya Canal, and helped to alleviate the distress in Ganjam. Most of the rest of the outlay on the irrigation works charged to this head represents the cost of construction of the Nira Canal in Bombay. Next year's grants provide for further progress on the two works mentioned above, and a precautionary provision of Rx. 10,000 is made for direct relief in Bengal.

It has been explained elsewhere that the great improvement in the financial outlook has enabled the Government to take steps for the gradual restoration of the Famine Insurance Grant, and no detailed explanation is therefore required of the entries against Reduction of Debt.

RAILWAY FINANCE.

40. The extent to which the Indian Budget is influenced by the condition of railway traffic and construction will be apparent from the following figures:—

	REVENUE.				EXPENDITURE.		
	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.		Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.		Rx.	Rx.	Rx.
	16,686,200	16,503,000	17,151,100	India - - -	10,503,400	10,273,000	10,727,900
	200	200	200	England - - -	5,803,900	5,609,600	5,717,200
	100	100	100	Exchange - - -	2,605,800	2,524,300	2,572,800
Loss on the Railway Account - - -	2,626,600	1,003,000	1,866,500				
TOTAL - - -	18,713,100	18,406,900	19,017,900	TOTAL - - -	18,713,100	18,406,090	19,017,900

Of the various items of revenue which enter into the Estimates, Land Revenue alone furnishes a larger contribution to the Treasury than the gross railway revenue; and the expenditure on the working of railways, and in paying the interest on the money spent in constructing them, is second only to that incurred on the Army.

41. For the current year, the Revised Estimate compares with the Budget as follows:—

RECEIPTS.

	Budget.	Revised.	Better + Worse —.
	Rx.	Rx.	Rx.
State Railways (gross Traffic Receipts)	13,103,500	13,360,300	+ 256,800
Guaranteed Railways (net Traffic Receipts).	3,560,000	3,100,000	— 460,000
Subsidised Companies (Repayment of advances of interest).	23,000	43,000	+ 20,000
TOTAL - - -	16,686,500	16,503,300	— 183,200

EXPENDITURE.

	Budget.	Revised.	Better + Worse—.
	Rx.	Rx.	Rx.
State Railways - - - - -	14,454,000	14,310,700	+143,300
Guaranteed Railways (Surplus Profits, Land and Supervision, and Interest)	4,089,100	3,866,900	+222,200
Subsidized Companies - - - - -	87,500	74,100	+13,400
Miscellaneous Railway Expenditure -	82,500	155,200	-72,700
NET - - - - -	- - - - -	- - - - -	+306,200

The receipts are therefore expected to be Rx. 183,200 worse, and the expenditure Rx. 306,200 better, than the estimate, the whole of the deterioration in Receipts and most of the improvement in Expenditure appearing against "Guaranteed Railways." Low earnings of course mean that low surplus profits have to be paid; in other words, that a part of the loss of Revenue comes back to us in the shape of reduction of Expenditure.

42. *State Railways, Traffic Receipts, and Working Expenses.*—The most marked variations from the receipts as originally estimated occur on the following lines:—

	Rx.	
North Western Railway - - - - -	265,000	} better.
Eastern Bengal - - - - -	75,000	
Rajputana-Malwa - - - - -	60,000	
Oudh and Rohilkhand - - - - -	45,000	
Toung-hoo-Mandalay - - - - -	42,500	
Tirhoot - - - - -	40,000	} worse.
Indian Midland - - - - -	180,000	
Bengal-Nagpur - - - - -	52,500	
Southern Mahratta - - - - -	25,000	

and the working expenses are heavier on the—

	Rx.
North Western Railway, by - - - - -	50,000
Rajputana-Malwa - - - - -	47,500
Toung-hoo-Mandalay - - - - -	23,500
Burma - - - - -	22,500
Bengal-Nagpur - - - - -	21,000

but fall short of the Estimate on the—

Indian Midland, by - - - - -	132,500
East Indian - - - - -	75,000
Sindia - - - - -	14,600

The large increase in the receipts on the North Western Railway is due to a very favourable grain traffic. The Rajputana-Malwa line has carried more grain and cotton, and the Eastern Bengal Railway an exceptional quantity of jute. The failure to realise the estimates in the case of the three State lines leased to Companies is due partly to the conjectural nature of the estimates, as there were no data available for framing them; and partly to various sections of the lines not having been opened to traffic as early as anticipated.

Heavy traffic leads to increased working expenses, and this is the explanation generally of the increased expenditure. The original estimate for the East Indian Railway provided for a larger renewal of locomotives than was made; and the saving on the Sindia line is due to the fact that the provision made for the settlement of a long-outstanding claim preferred by the Bombay

Baroda and Central India Railway was not utilised, as the claim is yet under consideration.

43. *Guaranteed Railways.*—As already explained, the failure of the estimate of receipts and also most of the saving in expenditure have occurred in connection with the guaranteed lines. The falling-off occurs almost entirely on the Great Indian Peninsula Railway, the gross receipts being now estimated at Rx. 510,000 below the Budget figure. This is due mainly to a decrease in the wheat traffic, resulting from (1) poor crops in the localities served by the Railway, (2) a reduced demand for export owing to favourable crops in Europe and America, and (3) unusually large exports from the Punjab. There was also a falling off in the linseed traffic, and in the carriage of materials for Railway construction, owing to the completion of the Indian Midland line.

The Madras Railway has, without any sensible increase in its expenditure, improved its receipts by Rx. 70,000 over the Estimate.

44. *Miscellaneous Railway Expenditure.*—The increase from Rx. 82,500 to Rx. 155,200 is principally due to the cost of material for a few miles of an experimental railway (the Abt) with a rack rail, and also to a large outlay on surveys, among which may be mentioned the Bikanir Desert Survey, the East Coast Survey, the Hyderabad-Umarkot Survey, Surveys in the Shan Hills, and on the Chindwin, and also on the North-West Frontier.

CAPITAL EXPENDITURE.

45. *Construction of State Railways (not charged against Revenue).*—The Budget Estimate provided for an outlay of Rx. 3,562,000. The present estimate is for Rx. 3,066,200, or a reduction of Rx. 495,800. The greater portion of the reduction occurs in the sterling expenditure in England, which is now expected to be less than the estimate by 236,500 £. No progress has been made on the Peshawar-Jamrud or Barakar lines or on the Kistna Bridge, for which Rx. 200,000 were provided in the Estimates. The year's record of construction is as follows:—

The Assam-Bihar Railway, the Tounghoo-Mandalay Railway, the Sind-Sagar Railway, and the Chenab Bridge, have been practically completed; considerable progress has been made with the Villapuram-Dharmaveram line, and with the Chaman Tunnel and extension. The Mu Valley line has been commenced, and the Jammu-Kashmir line is in progress.

BUDGET ESTIMATE, 1890-91.

46. The Budget Estimate for 1890-91 compares with the Revised Estimate of the current year as follows:—

RECEIPTS.

	Revised, 1889-90.	Budget, 1890-91.	Better + Worse—.
	Rx.	Rx.	Rx.
State Railways (gross Traffic Receipts)	13,360,300	13,777,300	+417,000
Guaranteed Railways (net Traffic Receipts) - - - -	3,100,000	3,342,000	+242,000
Subsidized Companies (Repayment of advances of interest) - - -	43,000	32,100	—10,900
TOTAL - - -	16,503,300	17,151,400	+648,100

EXPENDITURE.

	Revised, 1889-90.	Budget, 1890-91.	Better+ Worse—.
	Rx.	Rx.	Rx.
State Railways - - - - -	14,310,700	14,841,900	—531,200
Guaranteed Railways (Surplus Profits, Land and Supervision, and Interest).	3,866,900	4,012,700	—145,800
Subsidized Companies - - - - -	74,100	52,000	+ 22,100
Miscellaneous Railway Expenditure -	155,200	111,300	+ 43,900
TOTAL - - - Rx.	18,406,900	19,017,900	—611,000

An increase of Rx. 648,100 in receipts and of Rx. 611,000 in expenditure is, therefore, estimated for, the net improvement being Rx. 37,100.

47. *State Railways, Traffic Receipts, and Working Expenses.*—The chief improvements in receipts are expected on the following lines:—

	Rx.
South Indian (owing to change of status) - - - - -	132,500
Midland - - - - -	130,000
Bengal-Nagpur - - - - -	102,500
Southern Mahratta - - - - -	70,000
Oudh and Rohilkhand - - - - -	35,000
Burma - - - - -	30,000
Toung-hoo-Mandalay - - - - -	22,500
East Indian - - - - -	10,000
Villapuram-Guntakal (Nellore Branch) - - - - -	7,100

and the only material falling-off on the

North Western - - - - -	165,000
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The improvement in the Midland and Bengal-Nagpur lines is anticipated for the reason that the former will be completely open for traffic throughout the year, and the latter for a portion of it. The estimates are, however, to some extent conjectural, and it is well to bear in mind that the results of the current year have not accorded with the anticipations on which the estimates were framed a year ago. The completion of the Southern Mahratta system explains the expected increase of Rx. 70,000 on that line. The traffic on the Oudh and Rohilkhand line is developing in a satisfactory manner, and both the Burma lines have done remarkably well and promise to continue to do so. The following figures for the Upper Burma line have some interest:—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Receipts - - - - -	115,000	157,500	180,000
Working Expenses - - - - -	100,000	123,500	180,000
Net - - - - -	15,000	34,000	50,000

The improvement on the Villapuram-Guntakal (Nellore Branch) line is not altogether real, as, owing to the change of status of the South Indian Railway, through which agency this line is at present worked, the receipts will be adjusted monthly instead of half-yearly, thus throwing the transactions of 15 months into the accounts of 1890-91. A falling-off on the North Western line

line of Rx. 165,000 is expected; in the current year the grain traffic has been unusually heavy, and with the failure of the winter rains in the Punjab its continuance on the same scale cannot be looked for.

In Working Expenses the increase is estimated at Rx. 300,300, and may be stated generally to be proportionate to the increased traffic expected.

The addition to the Interest charge is Rx. 230,900. This, of course, represents the interest on the additional outlay on construction and on the additional capital deposited by the assisted companies during the year.

48. *Guaranteed Railways.*—In consequence of its change of status on 31st December 1890, the net earnings of the South Indian line for nine months only come into the Estimates. On the Madras and Bombay Baroda and Central India lines slight increases aggregating Rx. 20,000 are expected. The increase of Rx. 242,000 is due to the more favourable view taken of the prospects of the Great Indian Peninsula line. The partial collapse of the traffic, and the special reasons for it, have already been alluded to. A recovery set in in November, and, as it is understood that the wheat crop in the Central Provinces is a fair one, there is reason to hope that the improvement may be maintained. The Estimate provides for gross earnings at Rx. 4,000,000, and working expenses at Rx. 1,960,000, giving net earnings of Rx. 2,040,000, and a net increase of Rx. 260,000. The following figures show that with ordinary conditions this is not a sanguine estimate:—

Net earnings (actual)—

		Rx.
	1886-87	2,114,300
	1887-88	2,142,400
	1888-89	2,209,100
Budget Estimate	- } 1889-90	2,270,000
Revised Estimate		
Budget	- 1890-91	2,040,000

The Surplus Profits and Interest are more by Rx. 145,800 than in the current year; the greater portion of which is the consequence of the higher estimate of earnings, and the rest of additional capital outlay on which interest has to be paid.

49. Under Miscellaneous Railway Expenditure the improvement of Rx. 43,900 is nominal, as the current year bears the exceptional charge for the Abt experimental material. The provision of Rx. 111,300 is for surveys.

Before leaving the subject of Railway Revenue and Expenditure, it is desirable to call attention to the magnitude of the transactions, and to the impossibility of framing a close estimate of the probable traffic earnings. The Budget Estimates for the current year promise to be fulfilled within an inconsiderable margin; but this is not because each estimate has proved a good one: on the contrary, the variations from expectation, on the Great Indian Peninsula line in particular, and on the Midland and Bengal-Nagpore in a less degree, indicate the perplexing nature of the task. This liability to fluctuation in the net earnings of our great railway system adds one more cause of uncertainty to those which already affect Indian finance.

CAPITAL EXPENDITURE.

50. The provision in 1890-91 for construction of railways not charged to Revenue is Rx. 362,000 less than the original provision of the current year, thus:—

	India.	England.	Exchange.	TOTAL.
	Rx.	£.	Rx.	Rx.
1889-90	1,697,100	1,273,000	591,900	3,562,000
1890-91	1,960,200	855,000	384,800	3,200,000

The

The works on the Chaman Extension, for which a heavy grant was made in 1889-90, are now far advanced, and require a very much smaller grant in 1890-91 to provide for their completion. The Chenab bridge is practically completed. The Sind-Pishin, Sind-Sagar, and Assam-Bihar Railways, and the Mandalay Extension, on which considerable sums were expended during the past year, are now finished, and the expenditure next year will be restricted to requirements which the exigencies of traffic or safe working may prove to be necessary.

The Expenditure on the Villupuram-Guntakal Railway, under construction on behalf of the State by the South Indian Railway, will still be high, and provision to the extent of Rx. 968,600 has been made in the Estimates. It is expected that 160 miles of this line will be sufficiently far advanced to be open for traffic about January next.

During the current year the Mu Valley Railway, the Durbhunga-Bairagnia Branch of the Tirhoot State Railway, and an extension of the Sind-Sagar Railway from Mianwali to Mari, were sanctioned, and work on them is now in progress. The grants allotted to these projects in 1890-91 are Rx. 500,000, Rx. 75,400, and Rx. 195,000, respectively. The allotments to the two last-named projects provide for their completion during the coming year.

Provision to the extent of Rx. 250,000 is made for either the Panchpara-Ganjam or East Coast project now under investigation. Other important grants are, Rx. 63,600 for improving the gradients on the North Western Railway, between Jhelum and Rawalpindi, and Rx. 62,800 for completing the reserve of material which it has been decided to maintain for future possible extensions of the frontier railways.

51. The following figures show the rate at which railways have been constructed at the cost, or on the responsibility, of the Government since 1880:—

Date.	Number of Miles Open.
31st March 1880 - - - - -	8,382
” 1881 - - - - -	9,134
” 1882 - - - - -	9,437
” 1883 - - - - -	9,748
” 1884 - - - - -	10,188
” 1885 - - - - -	10,824
” 1886 - - - - -	11,173
” 1887 - - - - -	12,000
” 1888 - - - - -	12,915
” 1889 - - - - -	13,648
” 1890 (Revised Estimate) - -	14,437

Between March 1880 and March 1890 the number of miles open has increased from 8,382 to 14,437, or by more than 72 per cent.

The following Table gives the Total Capital outlay on Railway Construction up to date:—

	State Railways.	State Railways constructed through the agency of Companies.	Guaranteed Lines.	Total.	Annual Progress.
To end of—	Rx.	Rx.	Rx.	Rx.	Rx.
1879-80 - - - - -	28,007,395	—	96,829,969	124,837,364	—
1880-81 - - - - -	67,224,824	—	66,348,478	133,573,102	8,735,738
1881-82 - - - - -	70,569,867	—	67,021,756	137,591,623	4,018,521
1882-83 - - - - -	72,800,428	468,270	67,431,448	140,700,146	3,108,523
1883-84 - - - - -	76,653,281	704,155	68,769,369	146,126,805	5,426,659
1884-85 - - - - -	81,389,391	3,126,906	69,904,427	154,420,724	8,293,919
1885-86 - - - - -	90,863,111	4,775,059	67,883,682	163,521,852	9,101,128
1886-87 - - - - -	108,456,220	7,915,378	57,046,325	173,417,923	9,896,071
1887-88 - - - - -	110,788,941	12,979,680	57,694,898	181,463,519	8,045,596
1888-89 - - - - -	111,989,453	18,097,843	58,313,774	188,401,070	6,937,551
1889-90, Revised - - -	124,329,814	20,284,543	49,499,263	194,113,620	5,712,550
1890-91, Budget - - -	127,534,564	22,631,443	50,281,163	200,447,170	6,333,550

IRRIGATION.

52. The Irrigation revenue makes satisfactory progress. The figures are:—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Revenue - - - - -	1,889,300	1,985,300	2,035,000
Expenditure - - - -	2,614,700	2,709,300	2,739,400
Net - - - - -	-725,400	-724,000	-704,400

It must be recollected that these figures include the transactions classed as "minor works," as well as the revenue transactions of the productive or "major works." The broad distinction between the two classes is that the capital cost of minor works is charged against Revenue, while the cost of construction of major works is charged to Debt. The distinction is not absolute, for there are works classed as "major works" on which there has been large capital expenditure from Revenue, that is, charged against the grant for Famine Insurance. In the current year most of the improvement in revenue arises through the extension of irrigation in the Punjab, and is mainly due to the approaching completion of the distributaries of the Sirhind Canal. In 1890-91 the increase is shared between the Punjab and the North Western Provinces, the former contributing Rx. 58,700 more than the estimate of a year ago, and the latter Rx. 21,300. Extension of distributaries and an advance in popular favour are the general explanation of the increase in both cases. There is, however, a special influence in the case of the North Western Provinces. It may be recollected that in 1886 the irrigation from the Lower Ganges Canal system was stopped by the collapse of the Nadrai aqueduct. The reconstruction of the aqueduct has now been completed, and therewith a large area is again brought within reach of canal water.

53. *Construction of Irrigation Works (not charged against Revenue).*—The Estimates are—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
	527,500	401,900	550,000

The reduction of the Estimate from Rx. 527,500 to Rx. 401,900 in the current year is due to the postponement of the construction of the Jhelum Canal. The conversion of the Chenab Inundation Canal into a perennial Canal has taken the place of the Jhelum project for the present.

In 1890-91 the outlay will be almost entirely in the Punjab (Rx. 191,200), Madras (Rx. 130,000), and the North-West Provinces and Oudh (Rx. 105,000). In the Punjab, the Chenab and Sirsa Canals will be proceeded with; the outlay in Madras represents the progress on the Perriar project, and in the North-Western Provinces it is distributed over the Ganges and Jumna Canals.

It may be mentioned that it has been arranged to apply a fixed sum of Rx. 550,000 from loan funds to construction for each of the next few years, in addition to construction charged under "minor works" and against the Famine Grant.

BUILDINGS AND ROADS.

54. This head comprises both Military and Civil Works. The Estimates are:—

Receipts.

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Military and Civil Works - - -	603,700	649,200	589,400

Expenditure.

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
Military Works - - - - -	1,157,400	1,158,000	1,160,700
Civil Works - - - - -	4,325,000	4,281,400	4,558,600

In the revised Estimate the expected improvement in revenue, Rx. 45,500, is almost entirely due to the sale of the Barakur iron-works to a Company. The price was Rx. 45,000, which was received and credited in the current year.

The military works expenditure is composed of a grant of Rx. 1,000,000, which has been regularly made for several years, plus Rx. 150,000 for Burma, with an addition for exchange on the small English expenditure.

55. By far the greatest portion of the civil works expenditure is provincial and local. The Imperial share is only Rx. 822,500 in the revised Estimate, and a large part of this, namely, Rx. 304,000, represents the cost of the progress made during the year in equipping Upper Burma with jails, court-houses, and roads. The expenditure classified as local, that is, incurred mainly through the agency of district and local boards, amounts to Rx. 1,493,300, and is not far short of the sum spent by provincial governments.

The provincial expenditure is largely determined by the state of the provincial balances. The increase in the total grant for civil works is considerable, but it only means that local Governments have abundant balances, and, having arranged their programmes for utilising their surplus funds, are now carrying them out. Provincial expenditure on civil works was estimated at a high figure in the Budget of the current year, but a considerably higher provision is made for next year. The figures are:—

	Budget, 1889-90.	Budget, 1890-91.	Increase.
	Rx.	Rx.	Rx.
Provincial Civil Works Outlay - -	1,970,900	2,221,900	+251,000

ARMY.

56. The Estimates are:—

Receipts.

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
India and England - - - - -	944,600	1,022,100	982,600

Expenditure.

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
India - - - - -	15,107,000	14,950,000	14,806,000
England - - - - -	4,005,300	4,126,600	4,620,100
Exchange - - - - -	1,862,400	1,837,000	2,079,000
TOTAL - - -	20,974,700	20,983,600	21,505,100

The increase in the revised Estimate of receipts represents increased sales of stores to civil hospitals and dispensaries and to the forces engaged in the Sikkim and Chin-Lushai Expeditions.

Notwithstanding the heavy outlay on the Chin-Lushai Expedition, the revised Estimate of expenditure in India is expected to be appreciably less than the Budget grant for the year. The main causes of this somewhat unexpected result are the following: considerable economies have been effected in the Upper Burma charges; the rate of exchange for the conversion of the pay of British troops is $\frac{1}{2}$ *d.* better than that provided in the Budget; and the actual strength of the Army was less than that provided for.

In the English expenditure there is a considerable increase, but it is an increase which will give relief to the Estimates of future years. A special payment of 150,000 *l.* to the War Office has been provided for on account of arrears of what are technically described as "Home Charges on account of British troops serving in India—effective," and a provision of 70,000 *l.* on the same account has been made in the Estimates of 1890-91. These charges represent the amount payable by India on account of the raising and equipment of the British Army in India; the method of assessing them has been under discussion for many years, and is at present being considered by a Committee over which Lord Northbrook presides. It is understood that the payment of this 220,000 *l.* will extinguish, or almost extinguish, all liabilities on this account other than current ones.

57. It will be noticed that in 1890-91 there is a decrease of expenditure in India, but a very large increase in the English expenditure. The decrease in India, however, requires explanation. The Estimates of both 1889-90 and 1890-91 include provision for considerable expenditure of a special and temporary nature. The decrease expected in 1890-91 is not a decrease in the ordinary charges for the Army, but merely means that the Estimates are burthened with a smaller sum for exceptional services. Next year shows an improvement over the current one in the following respects:—

- (a.) Better exchange for payment of British troops, *i.e.*, 1 *s.* 5 *d.* in place of 1 *s.* 4 *d.*
- (b.) Less expenditure on commissariat requirements.
- (c.) Reduced provision on account of troops in Sikkim.
- (d.) Reduced expenditure in Upper Burma.
- (e.) Reduction in mobilisation charges.

The aggregate improvement on these accounts is not far short of Rx. 700,000, so that for purposes of comparison the ordinary charges included in the Budget Estimate of 1889-90 may be reckoned at about Rx 14,400,000 as compared with the actual Estimate of Rx. 15,107,000 in all. The Budget of 1890-91 provides for an expenditure of Rx. 14,806,000, and the difference between that figure and Rx. 14,400,000, or Rx. 406,000, may be taken roughly as the measure of the special charges to be met in the coming year. The greater portion of this is due to a provision of Rx. 200,000 made for operations in the Chin-Lushai country, Rx. 60,000 for mobilisation, and the rest to numerous causes, of which may be mentioned (1) extra grants for Volunteer Corps, and (2) the disbandment of certain Madras Regiments, and the substitution for them of corps for local service in Burma.

58. The increase in the English charges is very great, namely, 614,800 l., and practically represents the cost of re-arming the British troops throughout with the new rifle, and of supplying 21 more batteries of 12-pounder breech-loading guns. The increase in the estimated cost of ordnance stores over the actual cost in 1888-89 is no less than 745,600 l. [945,800—200,200]. The re-arming of the army is a reform that had to be undertaken sooner or later, and which could not safely be postponed. The increase in the Home charges is thus not permanent, but incidental and temporary, and we may hope for some reduction in liabilities in the Budget of 1891-92.

SPECIAL DEFENCES.

59. The Estimates are :—

	Budget, 1889-90.	Revised, 1889-90.	Budget, 1890-91.
	Rx.	Rx.	Rx.
	1,102,900	758,400	892,300

In the current year the expenditure is much below the grant in both India and England. The grant for India was Rx. 545,000, and the lapse is expected to be no less than Rx. 139,000. The lapse on the English grant, due to the slower supply of heavy ordnance and stores than was reckoned on, is 137,800 l., and the resulting saving in Exchange Rx. 67,700. The grant for next year is Rx 425,800 for India, the highest expenditure in India in one year hitherto having been Rx. 447,800.

SECTION III.—PROGRESS IN UPPER BURMA.

60. The recent financial progress of Upper Burma may appropriately be noticed.

The following statement shows the revenue and expenditure as they were estimated in the Budget Statements of 1888-89 and 1889-90, and as they are estimated in 1890-91 :—

REVENUES.

	1888-89.	1889-90.	1890-91.
	Rx.	Rx.	Rx.
Civil Revenue	547,000	755,200	901,100
State Railway Receipts	- - -	115,000	180,000
TOTAL	547 000	870,200	1,081,100

COUNCIL BILLS.

Throughout the current year the demand for remittances from England to India has been strong, and it is expected that the Secretary of State will sell bills for a considerably larger amount than that anticipated. The excess drawing gives a corresponding relief to next year, in which the drawings would otherwise have been unusually high, in consequence of the large increase in the net expenditure in England.

DEBT INCURRED, AND CAPITAL RECEIPTS FROM, AND ADVANCES MADE TO, RAILWAY COMPANIES.

It was explained in paragraph 95 of last year's Financial Statement that the Secretary of State proposed to borrow, under the powers conferred by the Oude and Rohilkund Railway Purchase Act, for the purpose of advancing funds to the "Aided" Railway Companies, and that provision had been made for a loan of 3,750,000 *l.* for this purpose. Soon after the Financial Statement was issued, it was found that the requirements of the Railway Companies had been over-estimated, and that a loan of 3,500,000 *l.* would be sufficient. It will be understood that this sum provides for Capital outlay by the Companies (Southern Mahratta, Indian Midland, Bengal-Nagpur, and Bengal Central) receiving the advances, both in England and India. Three per cent. stock for this amount was accordingly issued in May 1889 at a premium of 1 *l.* 1 *s.* 5 *d.* per cent. The large increase in the amount received from Companies is due chiefly to 600,300 *l.* raised by the Great Indian Peninsula Railway Company, and 583,200 *l.* by the Indian Midland Railway Company, which, it was expected, would be raised in 1888-89. The issues to Companies in England on Capital Account were over-estimated; the Revised Estimate of 2,258,200 *l.* on this account includes 600,000 *l.* for discharge of debentures, the balance representing purchase of stores, &c.

62. The following is the Secretary of State's Budget Estimate of Ways and Means for 1890-91:—

<i>Net Receipts.</i>		<i>£.</i>
Council Bills - - - - -	- - - - -	14,989,000
Permanent debt for advances to companies and discharge of Oude and Rohilkund Railway debentures - - - - -	- - - - -	2,200,000
Permanent debt for the purchase of the South Indian Railway - - - - -	- - - - -	3,200,000
Capital Receipts from railway companies - - - - -	- - - - -	2,732,300
Deposits and advances - - - - -	- - - - -	2,200
Add Opening Balance - - - - -	- - - - -	4,503,833
TOTAL - - - - -	£.	27,627,833
<i>Net Outgoings.</i>		
Excess of expenditure over revenue - - - - -	- - - - -	15,074,300
Capital expenditure of Government in England - - - - -	- - - - -	857,800
Permanent Debt—Discharge of the Oude and Rohilkund railway debentures - - - - -	- - - - -	500,000
Issues to railway companies on capital account - - - - -	- - - - -	4,045,600
Capital charge involved in redemption of liabilities - - - - -	- - - - -	3,200,000
On account of remittances from India - - - - -	- - - - -	1,197,200
Add Closing Balance - - - - -	- - - - -	2,152,433
TOTAL - - - - -	£.	27,627,333

The most important feature of this Estimate is the provision for the proposed purchase of the South Indian Railway. The terms have not yet been finally settled, but it should be noted that in the case of this Company the purchase can only be effected under the contract by actual payment, and not by an annuity. Under the contract, the Secretary of State has to pay the equivalent of the mean market value of the share capital of the Company during the three years ending on the 1st March 1890, and to accept the liability for the debentures

debentures and debenture stock issued by the Company, which now amounts to 1,495,000 *l.* But, as it is proposed that the management of the Railway, after its acquisition by the State, shall be entrusted to a Company which will provide a small portion of the capital, it will not be necessary to provide for the redemption of the whole existing share capital. It is accordingly proposed to raise only 3,200,000 *l.* on account of the purchase, although the capital of the Company amounts to 3,208,952 *l.*, the mean value of which, according to the terms of the contract, would be about 4,200,000 *l.* The entries on account of the transfer of liability of the debentures and debenture stock are omitted from both sides of the abstract account given above. They appear on both sides of the account in Statement C. of the Appendix. The Secretary of State also proposes to raise a loan of 2,200,000 *l.* for advances to Railway Companies in India and England under the Oude and Rohilkund Railway Purchase Act, and for the discharge of debentures for 500,000 *l.* of the Oude and Rohilkund Railway. Of the payments to companies on Capital Account, 1,804,300 *l.* represents discharge of debentures. He also proposes to draw 14,989,000 *l.* by Council Bills during the year. It should be understood that, in stating these as the present intentions of the Secretary of State, no sort of pledge is given that he will adhere to the programme thus explained, and that the amounts to be raised by bills or by loans may be varied from time to time as may seem expedient.

WAYS AND MEANS—INDIA.

63. The Ways and Means Estimate of India is as follows:—

	1889-90.		1890-91.
	Budget.	Revised.	Budget.
NET RECEIPTS.			
1. Excess of revenue in India over the expenditure charged against it - - -	22,016,900	23,198,900	22,998,100
2. Public Loan - - - - -	2,500,000	2,000,000	—
3. Increase of Unfunded Debt—mostly savings bank deposits - - - - -	629,700	14,100	309,600
4. Appropriation from revenue for reduction of debt - - - - -	—	433,500	524,500
5. For remittance to Secretary of State - - - - -	1,112,300	891,400	1,179,400
Add Opening Balance - - - - -	12,900,901	13,305,189	14,596,889
	39,158,901	39,843,089	39,608,489
NET OUTGOINGS.			
6. Expenditure charged to Provincial Balances - - - - -	640,800	—352,500	757,700
7. Capital Expenditure of Government in India - - - - -	2,224,600	1,961,900	2,506,100
8. Loans to Municipalities, &c. - - - - -	827,700	709,900	907,000
9. Other Items - - - - -	170,400	—552,500	—177,700
10. Issues on Capital Account to Railway Companies - - - - -	1,221,400	985,800	887,200
11. Council Bills. <i>Sterling Account</i> - - - - -	14,690,900	15,509,300	14,921,900
12. Ditto - - <i>Exchange</i> - - - - -	6,829,800	6,984,300	6,712,200
Add Closing Balance - - - - -	12,553,301	14,506,889	13,094,089
	39,158,901	39,843,089	39,608,489

The headings in *italics* are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

64. In the Budget Estimate provision was made for a loan of Rx. 2,500,000 in India. By the 29th June, on which date the notification calling for tenders was issued, the partial failure of the opium crop was known, and the consequent saving in expenditure was assured. The Revenue receipts also indicated an improvement over the estimate. Under these circumstances it was determined to reduce the amount of the loan offered for subscription to Rx. 2,000,000. This was taken up at an average rate of Rs. 99-14-11.5 per 100 rupees, yielding Rx. 1,998,697.

In 1890-91 it is not proposed to raise any loan in India, notwithstanding a contemplated capital expenditure on railways and canals of Rs. 3,750,000. The large surplus expected in the current year, both on Imperial and Provincial Account, and the provision made under famine insurance for reduction of debt in both years, which appears against item No. 4 in the Statement above, will enable us, we hope, to avoid borrowing in 1890-91. This is the present intention of the Government, but full liberty is reserved to modify this intention to any extent that circumstances may require.

SAVINGS BANKS.

65. The influences which determined Government to reduce the limits of deposits in Savings Banks were mentioned in paragraph 101 of last year's Financial Statement. It was to be expected that for the first year the effect of this change would be marked, as deposits, which at the date of change were in excess of the new maximum (Rs. 2,000), had to be reduced below that sum before further sums could be received to credit of the same account. The effect of the change of rule will be evident from the following figures:—

YEAR.	Net Addition to Deposits in the Year (Cash).	Interest.	Total Net Addition.
	Rx.	Rx.	Rx.
1887-88	+656,300	+224,000	+880,300
1888-89	+685,200	+261,800	+947,000
1889-90	-320,500	+281,500	-39,000
1890-91	-34,400	+288,800	+254,400

The objections which might be taken to an alteration of rule which leads to such results are obvious. But it was impossible for the Government to continue a system under which the sum held at call had approached to an amount nearly equal to the minimum cash balance necessary for the discharge of public business, and which promised to further increase at the rate of nearly a crore a year.

LOANS TO MUNICIPALITIES AND PRESIDENCY CORPORATIONS.

66. The net figures for local loans in 1889-90 and 1890-91 are Rx. 709,900 and Rx. 907,000, of which Rx. 300,000 and Rx. 370,000 represent the balances of the advances made by Local Governments under the system described in paragraphs 114 to 118 of last year's Financial Statement. Judged from the demands made by Local Governments, the system has proved very acceptable to them.

In the current year a total sum of Rx. 420,000 will be advanced to the Port Commissioners on account of the Kidderpore Docks, and in 1890-91 a sum of Rx. 553,200. The Bombay Port Trust only asks for Rx. 20,000, and that in the current year.

The advances made to these two Corporations on account of the Docks will stand thus:—

	Calcutta.	Bombay.
	Rx.	Rx.
Up to 1888-89	1,377,600	848,600
Advanced in 1889-90	420,000	20,000
„ 1890-91	553,200	—
TOTAL	2,350,800	868,600

67. Owing to the favourable nature of the year, the closing balance on 31st March 1890, which was estimated at Rx. 12,553,000 a year ago, is now expected to be Rx. 14,597,000, notwithstanding provision for an increase of Secretary of State's drawings of 818,400 *l.* In 1890-91 provision is made for payments of Secretary of State's Bills to the extent of 14,922,000 *l.*, and the year is expected to close with a balance of Rx. 13,094,000.

SECTION V.—SUMMARY.

68. The principal features in this Statement are:—

(a.) The Accounts for 1888-89 have closed with a surplus of Rx. 37,018, after including in the Expenditure Rx. 789,595 spent on Defence Works.

(b.) The Revised Estimates of 1889-90 show a surplus of Rx. 1,809,700, after restoring the Famine Grant to Rx. 600,000 (or Rx. 1,058,100 including the net charge on the revenues on account of the Protective Railways constructed through the Agency of Companies), and postponing the contribution of Rx. 490,000 from Provincial resources, for which credit was taken in the Budget Estimate, to 1890-91. All the main Revenue heads have contributed to this improvement. The saving in Opium expenditure, owing to a scanty crop, is Rx. 708,800. The Estimate of Exchange, which was taken in the Budget at 1 *s.* 4·38 *d.* = R.1, is placed at 1 *s.* 4·552 *d.* = R.1, and yields a saving of about Rx. 200,000. Rx. 758,400 spent on Defence Works are included in the Expenditure.

(c.) The Budget Estimates show a surplus of Rx. 270,400. Exchange is taken at 1 *s.* 4·552 *d.* as in the Revised Estimate. Extra taxation has been imposed on imported spirits, and Indian brewed beer has been made subject to the same tax as is levied on imported beer, the expected addition to the revenues being estimated at about Rx. 100,000. Credit has been taken for the contribution of Rx. 490,000 from Provincial Revenues, originally estimated for as a receipt of 1889-90. The Famine Relief and Insurance Grant has been maintained at Rx. 600,000. Including the net charge on the revenues on account of the Protective Railways, the grant is Rx. 1,032,800. Army Expenditure is unusually heavy, being estimated at about Rx. 1,203,300 more than the expenditure in 1888-89, chiefly owing to the contemplated re-armament to be carried out next year. The Estimate of Expenditure includes Rx. 892,300 for Defence Works. In view of the heavy charges that fall on the revenues of the year in connection with the re-armament, the result is considered satisfactory.

(d.) The Capital outlay on Railways and Irrigation Works is estimated at Rx. 3,468,100 in 1889-90, and at Rx. 3,750,000 in 1890-91.

(e.) The Secretary of State proposes to sell 14,989,000 *l.* of Council Bills; also to borrow 5,400,000 *l.* for purchase of the South Indian Railway, for making advances to Companies engaged in constructing Railways for the State, and for paying off debentures. This announcement is accompanied by the usual reserve that, though these are the present intentions of the Secretary of State, he will remain entirely at liberty to vary the amounts to be raised by bills or by loans as he may find occasion.

(f.) Although the Estimates provide for a Capital outlay of Rx. 3,750,000 on Railways and Canals, and for Rx. 907,000 to be advanced to Port Commissioners and Local Governments for local purposes, it is not expected that a loan will be necessary in India in 1890-91. It is mainly owing to the partial restoration of the Famine Insurance Grant, and the high cash balances resulting from the surplus of 1889-90, and the estimated surplus of 1890-91, that the Government expects to be able to find funds for the Capital outlay on Public Works without having recourse to borrowing. No pledge is, however, given that Government will not borrow in India during the year.

(g.) The warning against desponding and pessimist views in connection with Indian Finance given last year is justified by the course of events. Further improvement in the financial position is anticipated, but prudence and economy are needed to meet the dangers and difficulties of the future.

D. Barbour.

Calcutta, 21 March 1890.

GOVERNMENT OF INDIA FOR 1890-91.

A P P E N D I C E S.

APPENDIX I.

DESPATCH from Her Majesty's Secretary of State for India to the Government of India, No. 378, dated 17th December 1885.

IN my Despatch of the 10th instant, No. 367, I authorised your Government to charge against the Famine Insurance Grant the amount payable during the next five years as interest on capital raised by Companies for the purpose of constructing any of the lines which are mentioned by your Government as being, in your opinion, needed for the protection of the country against famine, but which you are not at present able to construct through State agency.

2. It was not my intention thereby in any way to interfere with the new form of account suggested in my Despatch of the 27th of August, No. 237, by which all charges on account of the working expenses and interest payable for railways are to be collected into one group, apart from the capital expenditure on the construction of such works.

3. I have accordingly to request that the interest mentioned in the first paragraph of this Despatch may be placed under the head of Railways (Expenditure on Revenue Account); and that under Famine Relief and Insurance a note may be appended, stating that there is a further sum (to be specified), which has been charged under the head of Railways, for interest paid to Companies formed for the construction of lines calculated to protect the country against famine.

TELEGRAM from the Government of India to Her Majesty's Secretary of State for India, dated 5th March 1890.

PLEASE refer to paragraph 3 of your Lordship's Financial Despatch, No. 378, dated 17th December 1885. We suggest that in future the net charge on the revenues, *i.e.*, interest less net earnings, on account of Protective Railways constructed through the agency of Companies, namely, the Indian Midland and the Bengal-Nagpur Railways, be shown in the note under the head "Famine Relief and Insurance," instead of interest. Please telegraph reply as quickly as possible.

TELEGRAM from Her Majesty's Secretary of State for India to the Government of India, dated 6th March 1890.

YOUR Telegram in the Finance Department, dated 5th March last, regarding note under the head Famine Relief and Insurance. I agree to your proposal.

APPENDIX II.

ACCOUNTS AND ESTIMATES.

ACCOUNTS	- - - - -	1888-89.
REVISED ESTIMATES	- - - - -	1889-90.
BUDGET ESTIMATES	- - - - -	1890-91.

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GENERAL STATEMENT of the ACCOUNTS and ESTIMATES of the
GOVERNMENT OF INDIA,

	For Detail, <i>vide</i> Statement.	R E C E I P T S.			
		Accounts, 1888-89.	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
REVENUE:					
Principal Heads of Revenue:		<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>
Land Revenue - - - - -		23,016,404	23,391,700	23,817,300	23,874,400
Opium - - - - -		8,562,319	8,260,000	8,546,400	8,203,300
Salt - - - - -		7,675,634	8,029,900	8,192,500	8,233,500
Stamps - - - - -		3,927,088	3,959,500	4,060,500	4,034,900
Excise - - - - -		4,705,346	4,727,300	4,837,400	4,844,500
Other Heads - - - - -	A.	8,333,970	8,575,400	8,970,700	9,005,300
TOTAL, PRINCIPAL HEADS - - -	„	56,220,761	56,943,800	58,424,800	58,195,900
Interest - - - - -	„	841,822	734,200	867,700	789,900
Post Office, Telegraph, and Mint - - -	„	2,244,826	2,328,700	2,339,700	2,423,400
Receipts by Civil Departments - - - -	„	1,507,961	1,464,200	1,518,700	1,521,500
Miscellaneous - - - - -	„	1,792,778	1,340,300	1,325,500	1,243,000
Railways - - - - -	„	15,520,696	16,686,500	16,503,300	17,151,400
Irrigation - - - - -	„	1,900,718	1,889,300	1,985,300	2,035,000
Buildings and Roads - - - - -	„	604,753	603,700	649,200	589,400
Receipts by Military Departments - - -	„	1,062,363	944,600	1,022,100	982,600
TOTAL REVENUE - - - - -	-	81,696,678	82,935,300	84,636,300	84,932,100
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net incurred) - - - -	C.	13,487,881	5,871,400	5,077,400	6,359,000
Unfunded Debt (net incurred) - - - -	„	990,374	629,700	14,100	309,600
Deposits and Advances (net) - - - - -	„	—	—	891,700	710,200
Loans and Advances by Provincial Govern- ments.	„	5,468	—	—	—
Remittances (net) - - - - -	„	—	43,800	732,200	—
Secretary of State's Bills drawn - - -	„	14,262,859	14,689,900	15,400,900	14,989,000
TOTAL RECEIPTS - - - - -	-	110,443,260	104,170,100	106,752,600	107,299,900
Balance on 1st April—India - - - - -	-	13,883,701	12,900,001	13,305,189	14,596,889
England - - - - -	-	5,900,697	3,849,797	3,259,933	4,503,833
GRAND TOTAL - - - - -	-	130,227,058	120,919,898	123,317,722	126,400,622

REVENUE and EXPENDITURE, and RECEIPTS and DISBURSEMENTS, of the
in INDIA and in ENGLAND.

	For Detail, vide Statement.	DISBURSEMENTS.			
		Accounts, 1888-89.	Budget Estimate, 1889-90.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
EXPENDITURE:					
Direct Demands on the Revenues - - - -	B.	<i>Rx.</i> 9,737,896	<i>Rx.</i> 9,730,000	<i>Rx.</i> 9,014,500	<i>Rx.</i> 9,775,500
Interest - - - - -	"	4,712,259	4,358,600	4,262,300	4,296,300
Post Office, Telegraph, and Mint - - - -	"	2,146,511	2,268,300	2,205,100	2,328,600
Salaries and Expenses of Civil Departments -	"	13,013,543	13,291,200	13,282,500	13,596,800
Miscellaneous Civil Charges - - - - -	"	4,884,376	4,823,200	4,848,700	4,945,400
Famine Relief and Insurance - - - - -	"	78,386	100,500	607,500	600,000
Construction of Railways (charged against Revenue, in addition to that under Famine Insurance) - - - - -	"	22,401	10,200	5,900	4,800
Railway Revenue Account - - - - -	"	17,754,088	18,713,100	18,406,900	19,017,900
Irrigation - - - - -	"	2,622,964	2,614,700	2,709,300	2,739,400
Buildings and Roads - - - - -	"	5,310,732	5,482,400	5,439,400	5,717,300
Army Services - - - - -	"	20,301,841	20,974,700	20,933,600	21,505,100
Special Defence Works - - - - -	"	789,595	1,102,900	758,400	892,300
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL - - - - -	-	81,374,542	83,469,800	82,474,100	85,419,400
<i>Add.</i> —Provincial Surpluses, that is, portion of Allotments to Provincial Governments not spent by them in the year - - - -	End of B.	+ 343,140	+ 24,600	+ 385,100	+ 7,700
<i>Deduct.</i> —Provincial Deficits, that is, portion of Provincial Expenditure defrayed from Provincial Balances - - - - -	"	— 58,022	— 665,400	— 32,600	— 765,400
TOTAL EXPENDITURE charged against REVENUE - - - - -	-	81,659,660	82,829,000	82,826,600	84,661,700
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works	End of B.	1,638,001	4,089,500	3,468,100	3,750,000
Capital Charge involved in Redemption of Liabilities	-	10,336,049	—	—	4,695,000
DEBT, DEPOSITS, AND ADVANCES:					
Deposits and Advances (net) - - - - -	C.	354,414	19,700	—	—
Loans to Native States and Presidency Corpo- rations, &c. (net Advances) - - - - -	"	572,446	463,600	409,000	537,000
Loans and Advances by Provincial Governments	"	—	364,100	300,000	370,000
Capital of Railway Companies (net Payments) -	"	4,031,539	3,763,100	1,703,100	2,200,500
Remittances (net) - - - - -	"	39,455	—	—	18,000
Secretary of State's Bills paid - - - - -	"	15,030,972	14,690,900	15,509,300	14,921,900
TOTAL DISBURSEMENTS - - - - -	-	113,662,536	106,219,900	104,217,000	111,154,100
Balance on 31st March—India - - - - -	-	13,305,189	12,553,301	14,596,889	13,094,089
England - - - - -	-	3,250,933	2,146,697	4,503,833	2,152,433
GRAND TOTAL - - - - -	-	130,227,658	120,919,898	123,317,722	126,400,622
Revenue - - - - -	-	81,696,678	82,935,300	84,636,300	84,992,100
Expenditure chargeable thereon - - - - -	-	81,659,660	82,829,000	82,826,600	84,661,700
Surplus (+) or Deficit (—) - - - - -	-	+ 37,018	+ 106,300	+ 1,809,700	+ 270,400

E. Gay,
Comptroller General.

E. J. Sinkinson,
Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

HEADS OF REVENUE.	ACCOUNTS, 1888-89.					REVISED	
	India.		England.	Exchange.* 1 s. 4-379 d.	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
PRINCIPAL HEADS OF REVENUE :	<i>Rx.</i>	<i>Rx.</i>	<i>£.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>
I.—Land Revenue	14,016,863	8,999,541	-	-	23,016,404	14,726,800	9,090,500
II.—Opium	8,562,319	-	-	-	8,562,319	8,546,400	-
III.—Salt	7,649,281	26,353	-	-	7,675,634	8,156,900	35,600
IV.—Stamps	1,145,628	2,781,460	-	-	3,927,088	1,186,900	2,873,600
V.—Excise	3,443,988	1,261,358	-	-	4,705,346	3,622,000	1,215,400
VI.—Provincial Rates	554	3,053,700	-	-	3,054,254	600	3,345,200
VII.—Customs	1,318,009	14,175	-	-	1,332,784	1,472,100	15,200
VIII.—Assessed Taxes	899,073	621,867	-	-	1,520,940	899,400	667,700
IX.—Forest	691,084	657,963	-	-	1,349,047	749,000	697,400
X.—Registration	166,951	164,761	-	-	331,712	174,400	172,300
XI.—Tributes from Native States	745,233	-	-	-	745,233	777,400	-
Total	38,639,583	17,581,178	-	-	56,220,761	40,311,900	18,112,900
XII.—Interest	555,704	87,546	135,477	63,035	841,822	585,600	87,400
POST OFFICE, TELEGRAPH, AND MINT :							
XIII.—Post Office	1,275,483	6,057	-	-	1,281,540	1,297,900	6,400
XIV.—Telegraph	717,343	434	16,632	7,739	742,148	744,000	500
XV.—Mint	221,097	-	28	13	221,138	267,100	-
Total	2,213,923	6,491	16,660	7,752	2,244,826	2,309,000	6,900
RECEIPTS BY CIVIL DEPARTMENTS :							
XVI.—Law and Justice { Courts	23,173	308,134	-	-	336,307	23,000	325,300
{ Jails	30,687	228,617	-	-	259,304	43,300	232,500
XVII.—Police	22,513	330,484	-	-	352,997	30,900	336,300
XVIII.—Marine	93,207	118,559	-	-	211,766	73,700	115,900
XIX.—Education	2,045	210,076	-	-	212,121	1,500	201,200
XX.—Medical	1,116	56,846	2,711	1,261	61,934	700	55,200
XXI.—Scientific and other Minor Departments.	5,941	65,866	1,177	548	73,532	5,800	68,400
Total	183,682	1,318,592	3,888	1,809	1,507,961	178,900	1,334,800
MISCELLANEOUS :							
XXII.—Receipts in aid of Superannuation, &c.	196,653	40,481	104,707	48,718	390,559	181,500	39,100
XXIII.—Stationery and Printing	23,059	44,706	-	-	68,305	26,700	43,200
XXIV.—Exchange	951,453	-	-	-	951,453	453,400	-
XXV.—Miscellaneous	82,212	294,045	4,193	1,951	382,401	133,500	292,000
Total	1,253,977	379,232	108,900	50,669	1,792,778	795,100	374,300
RAILWAYS :							
XXVI.—State Railways (Gross Receipts)	10,289,054	1,537,729	230	107	11,827,120	11,690,200	1,669,800
XXVII.—Guaranteed Companies (Net Traffic Receipts).	3,650,808	-	-	-	3,650,808	3,100,000	-
XXVIII.—Subsidised Companies (Repayment of Advances of Interest).	42,768	-	-	-	42,768	48,000	-
Total	13,982,630	1,537,729	230	107	15,520,696	14,833,200	1,669,800
IRRIGATION :							
XXIX.—Major Works: Direct Receipts	408,058	593,744	-	-	1,061,802	535,500	615,500
Portion of Land Revenue due to Irrigation.	671,041	-	-	-	671,041	669,400	-
XXX.—Minor Works and Navigation	35,501	132,374	-	-	167,875	36,500	128,400
Total	1,174,600	726,118	-	-	1,900,718	1,241,400	743,900
BUILDINGS AND ROADS :							
XXXI.—Military Works	42,544	-	-	-	42,544	40,400	-
XXXII.—Civil Works	12,144	511,411	26,380	12,274	562,209	49,900	521,900
Total	54,688	511,411	26,380	12,274	604,753	90,300	521,900
RECEIPTS BY MILITARY DEPARTMENTS :							
XXXIII.—Army: Effective	940,908	-	32,884	15,301	989,183	901,400	-
Non-effective	64,078	-	6,212	2,890	73,180	56,600	-
Total	1,005,076	-	39,096	18,191	1,062,363	958,000	-
TOTAL REVENUES	59,063,923	22,148,287	330,631	153,837	81,696,678	61,303,400	22,851,900

* The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, the Exchange thereon calculated in accordance with the average rate obtained for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1889-90.			Increase + Decrease — of Revised, a- compared with Budget Estimate, 1889-90	BUDGET ESTIMATE, 1890-91.					Increase + Decrease — of Budget, 1890-91, as compared with Budget, 1889-90.	Increase + Decrease — of Budget, 1890-91, as compared with Revised Estimate, 1889-90.
England.	Exchange.* 1 s. 4.552 d.	TOTAL.		India.		England.	Exchange.* 1 s. 4.552 d.	TOTAL.		
				Imperial.	Provincial and Local.					
£.	Rx.	Rx.	Rx.	Rx.	£.	Rx.	Rx.	Rx.		
-	-	23,87,300	+ 425,600	15,303,700	8,570,700	-	-	23,874,400	+ 482,700	+ 57,100
-	-	8,546,400	+ 286,400	8,203,300	-	-	-	8,203,300	- 56,700	- 343,100
-	-	8,192,500	+ 162,800	8,200,500	33,000	-	-	8,233,500	+ 203,600	+ 41,000
-	-	4,060,500	+ 101,000	1,180,300	2,854,600	-	-	4,034,900	+ 75,400	- 25,600
-	-	4,837,400	+ 110,100	3,626,800	1,217,700	-	-	4,844,500	+ 117,200	+ 7,100
-	-	3,345,800	+ 87,800	600	3,348,800	-	-	3,349,400	+ 91,400	+ 3,600
-	-	1,487,300	+ 68,900	1,546,400	14,700	-	-	1,561,100	+ 142,700	+ 73,800
-	-	1,567,100	+ 51,800	896,600	662,100	-	-	1,558,700	+ 43,400	- 8,400
-	-	1,446,400	+ 176,800	722,000	692,400	-	-	1,414,400	+ 144,800	- 32,000
-	-	346,700	+ 15,600	173,900	171,600	-	-	345,500	+ 14,400	- 1,200
-	-	777,400	- 5,600	776,200	-	-	-	776,200	- 6,800	- 1,200
-	-	58,424,800	+ 1,481,000	40,630,300	17,565,300	-	-	58,195,900	+ 1,252,100	- 228,900
134,300	60,400	867,700	+ 133,500	597,600	102,400	62,000	27,900	789,900	+ 55,700	- 77,800
-	-	1,304,300	- 43,700	1,379,200	7,000	-	-	1,386,200	+ 88,200	+ 81,900
16,400	7,400	768,300	+ 16,200	769,300	400	16,200	7,300	793,200	+ 41,100	+ 24,900
-	-	267,100	+ 38,500	244,000	-	-	-	244,000	+ 15,400	- 23,100
16,400	7,400	2,339,700	+ 11,000	2,392,500	7,400	16,200	7,300	2,423,400	+ 94,700	+ 83,700
-	-	348,300	+ 21,500	23,400	318,400	-	-	341,800	+ 15,000	- 6,500
-	-	275,800	+ 5,700	38,000	251,300	-	-	289,300	+ 19,200	+ 13,500
-	-	367,200	+ 21,200	22,400	335,700	-	-	358,100	+ 12,100	- 9,100
-	-	189,600	+ 4,900	76,500	115,900	-	-	192,400	+ 7,700	+ 2,800
-	-	202,700	- 9,700	1,200	203,200	-	-	204,400	- 8,000	+ 1,700
2,600	1,200	59,700	+ 3,500	700	57,000	2,600	1,200	61,500	+ 5,300	+ 1,800
800	400	75,400	+ 7,400	5,000	68,600	300	100	74,000	+ 6,000	- 1,400
3,400	1,600	1,518,700	+ 54,500	167,200	1,350,100	2,900	1,300	1,521,500	+ 57,300	+ 2,800
104,100	46,800	371,500	- 43,600	178,600	41,200	98,700	44,400	362,900	- 52,200	- 8,600
-	-	69,900	+ 4,300	27,500	45,300	-	-	72,800	+ 7,200	+ 2,900
-	-	453,400	- 73,900	443,500	-	-	-	443,500	- 83,800	- 9,900
3,600	1,600	430,700	+ 98,400	81,600	278,600	2,600	1,100	363,800	+ 31,500	- 66,900
107,700	48,400	1,325,500	- 14,800	731,200	365,100	101,200	45,500	1,243,000	- 97,300	- 82,500
200	100	13,360,300	+ 256,800	12,060,000	1,717,000	200	100	13,777,300	+ 673,800	+ 417,000
-	-	3,100,000	- 460,000	3,342,000	-	-	-	3,342,000	- 218,000	+ 242,000
-	-	43,000	+ 20,000	32,100	-	-	-	32,100	+ 9,100	- 10,900
200	100	16,503,300	- 183,200	15,434,100	1,717,000	200	100	17,151,400	+ 464,900	+ 648,100
-	-	1,151,000	+ 60,900	546,300	627,600	-	-	1,173,900	+ 83,800	+ 22,900
-	-	669,400	+ 40,000	688,100	-	-	-	688,100	+ 58,700	+ 18,700
-	-	164,900	- 4,900	41,000	132,000	-	-	173,000	+ 3,200	+ 8,100
-	-	1,985,300	+ 96,000	1,275,400	759,600	-	-	2,035,000	+ 145,700	+ 49,700
-	-	40,400	+ 1,500	38,000	-	-	-	38,000	- 900	- 2,400
25,500	11,500	608,800	+ 44,000	11,700	504,900	24,000	10,800	551,400	- 13,400	- 57,400
25,500	11,500	649,200	+ 45,500	49,700	504,900	24,000	10,800	589,400	- 14,300	- 69,800
35,700	16,100	953,200	+ 74,700	866,200	-	30,000	13,500	908,700	+ 30,200	- 44,500
8,500	3,800	68,900	+ 2,800	60,800	-	9,000	4,100	73,900	+ 7,800	+ 5,000
44,200	19,900	1,022,100	+ 77,500	926,000	-	39,000	17,000	982,600	+ 38,000	- 39,500
331,700	149,300	84,636,300	+ 1,701,000	62,204,000	22,372,100	245,500	110,500	84,932,100	+ 1,906,800	+ 295,800

FINANCIAL STATEMENT OF THE

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1888-89.					REVISED	
	India.		England.	Exchange. 1s. 4-379 d.	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
DIRECT DEMANDS ON THE REVENUES :	<i>Rx.</i>	<i>Rx.</i>	<i>£.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>
1.—Refunds and Drawbacks - - - -	152,174	76,444	- - -	- - -	228,818	167,400	71,600
2.—Assignments and Compensations - -	549,218	937,017	- - -	- - -	1,486,235	575,400	976,000
Charges in respect of Collection, viz. :							
3.—Land Revenue - - - - -	259,098	3,254,063	584	272	3,513,957	304,100	3,327,900
4.—Opium (including Cost of Production)	2,596,772	- - -	773	360	2,597,905	1,653,900	- - -
5.—Salt (including Cost of Production) -	410,257	2,341	260	121	412,979	410,800	9,800
6.—Stamps - - - - -	9,221	94,136	47,265	21,992	154,172	— 12,000	96,700
7.—Excise - - - - -	101,341	36,420	123	57	137,941	114,800	39,100
8.—Provincial Rates - - - - -	- - -	59,383	- - -	- - -	59,383	- - -	54,900
9.—Customs - - - - -	48,377	85,343	121	50	133,897	48,700	85,700
10.—Assessed Taxes - - - - -	15,196	11,932	- - -	- - -	27,128	14,600	13,400
11.—Forest - - - - -	386,476	402,019	2,392	1,113	792,000	373,300	439,900
12.—Registration - - - - -	97,173	96,508	- - -	- - -	193,681	96,800	96,000
Total - - - - -	4,606,801	5,055,606	51,518	23,971	9,737,896	3,747,800	5,211,000
INTEREST :							
13.—Interest on Debt* other than that charged to Railways and Irrigation Works.	326,798	47,390	2,662,056	1,238,609	4,274,853	278,800	53,300
14.—Interest on other Obligations - - -	434,662	2,341	275	128	437,406	444,200	2,900
Total - - - - -	761,460	49,731	2,662,331	1,238,737	4,712,259	723,000	55,600
POST OFFICE, TELEGRAPH, AND MINT :							
15.—Post Office - - - - -	1,106,403	111,286	85,146	39,617	1,342,452	1,148,000	113,300
16.—Telegraph - - - - -	559,558	453	98,330	45,751	704,092	572,100	500
17.—Mint - - - - -	89,118	- - -	7,404	3,445	99,967	102,300	- - -
Total - - - - -	1,755,079	111,739	190,880	88,813	2,146,511	1,822,400	113,800
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS :							
18.—General Administration - - - - -	593,342	798,077	241,412	112,325	1,745,156	590,300	814,600
19.—Law and Justice { Courts - - - - -	83,812	2,609,501	641	298	2,694,252	94,100	2,608,400
{ Jails - - - - -	158,187	675,998	- - -	- - -	834,183	164,700	687,900
20.—Police - - - - -	880,736	2,673,558	- - -	- - -	3,754,294	934,300	2,951,900
21.—Marine (including River Navigation)	276,424	151,863	102,364	47,628	578,284	345,600	169,100
22.—Education - - - - -	15,200	1,276,871	1,085	504	1,293,660	15,600	1,285,500
23.—Ecclesiastical - - - - -	156,050	7	545	254	156,856	159,200	- - -
24.—Medical - - - - -	33,076	729,174	6,813	3,170	772,233	36,200	735,600
25.—Political - - - - -	659,555	53,013	29,772	13,853	756,193	633,100	52,200
26.—Scientific and other Minor Departments	252,361	148,478	18,891	8,762	428,432	253,900	144,300
Total - - - - -	3,108,743	9,316,543	401,463	186,794	13,013,543	3,227,000	9,449,500
MISCELLANEOUS CIVIL CHARGES :							
27.—Territorial and Political Pensions - -	516,905	- - -	18,257	8,495	543,657	527,900	- - -
28.—Civil Furlough and Absentee Allowances	1,180	- - -	216,503	100,735	318,418	1,600	- - -
29.—Superannuation Allowances and Pensions	86,778	665,716	1,612,200	750,129	3,114,823	88,300	700,000
30.—Stationery and Printing - - - - -	57,126	388,802	53,535	24,909	524,372	100,500	394,100
31.—Exchange - - - - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
32.—Miscellaneous - - - - -	128,198	203,414	35,184	16,370	383,106	55,000	186,800
Total - - - - -	790,127	1,257,932	1,935,679	900,638	4,884,376	773,300	1,280,900
FAMINE RELIEF AND INSURANCE :							
33.—Famine Relief - - - - -	- - -	7,799	- - -	- - -	7,799	- - -	100,000
34.—Construction of Protective Railways -	- - -	- - -	- - -	- - -	- - -	74,000	- - -
35.—Construction of Protective Irrigation Works	70,537	- - -	- - -	- - -	70,537	433,500	- - -
36.—Reduction of Debt - - - - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Total* - - - - -	70,537	7,799	- - -	- - -	78,336	507,500	100,000
Carried forward - - - - -	11,092,747	15,799,350	5,241,871	2,438,953	34,572,921	10,801,000	16,210,800

	ACCOUNTS, 1888-89.			
	India.	England.	Exchange.	TOTAL.
The "Interest on Debt" is distributed as follows :-	<i>Rx.</i>	<i>£.</i>	<i>Rx.</i>	<i>Rx.</i>
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	374,188	2,662,056	1,238,609	4,274,853
Under Railway Revenue Account	2,692,498	631,812	293,971	3,618,281
Under Irrigation	1,040,717	- - -	- - -	1,040,717
TOTAL - - - - -	4,107,403	3,293,868	1,532,580	8,933,851

* See foot-note to Statement A., p. 52.

* The following further sums, which are included under XXVI. and 38 State Railways, are chargeable to the grant for Famine Relief and Insurance, as representing the net charge on the Revenues on account of Protective railways constructed through the agency of Companies :-

	Accounts, 1888-89.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
Indian Midland Railway - - - - -	<i>Rx.</i> 210,886	<i>Rx.</i> 214,600	<i>Rx.</i> 181,900
Bengal Nagpur Railway - - - - -	219,296	243,500	250,900
TOTAL - - - - -	430,182	458,100	432,800

REVENUES of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1889-90.			Increase + Decrease— of Revised as compared with Budget Estimate, 1889-90.	BUDGET ESTIMATE, 1890-91.					Increase + Decrease— of Budget, 1890-91, as compared with Budget, 1889-90.	Increase + Decrease— of Budget, 1890-91, as compared with Revised Estimate, 1889-90.
England.	Exchange.† 1 s. 4'552 d.	TOTAL.		India.		England.	Exchange.† 1 s. 4'552 d.	TOTAL.		
				Imperial.	Provincial and Local.					
£.	Rx.	Rx.	Rx.	Rx.	Rx.	£.	Rx.	Rx.	Rx.	
-	-	239,000	+ 17,900	153,900	65,700	-	-	219,600	- 1,500	- 19,400
-	-	1,551,400	+ 10,000	568,300	946,700	-	-	1,513,000	- 28,400	- 38,400
600	300	3,632,900	+ 3,800	341,100	3,371,100	800	400	3,713,400	+ 84,300	+ 80,500
1,100	500	1,655,500	- 708,800	2,303,900	-	600	300	2,304,800	- 59,500	+ 649,300
200	100	420,000	- 41,100	445,300	7,600	100	-	453,000	- 9,000	+ 32,100
34,500	15,500	134,700	+ 400	-12,300	97,800	39,700	17,900	143,100	+ 8,800	+ 8,400
200	100	154,200	-	128,700	43,800	100	-	172,600	+ 18,400	+ 18,400
-	-	54,900	- 5,600	-	43,500	-	-	43,500	- 17,000	- 11,400
100	-	134,500	- 3,800	50,000	88,300	200	100	138,800	+ 300	+ 4,100
-	-	28,000	- 800	18,100	15,100	-	-	31,200	+ 2,400	+ 3,200
1,700	800	815,700	+ 14,400	391,900	452,200	2,600	1,200	847,900	+ 46,600	+ 52,200
-	-	192,800	- 1,900	97,900	96,900	-	-	194,800	+ 100	+ 2,000
38,400	17,300	9,014,500	- 715,500	4,482,800	5,228,700	44,100	19,900	9,775,500	+ 45,500	+ 761,000
2,402,300	1,081,000	3,815,400	- 87,600	174,700	66,700	2,482,300	1,117,000	3,840,700	- 62,300	+ 25,300
300	100	446,900	- 8,700	452,900	2,300	300	100	455,600	-	+ 8,700
2,402,600	1,081,100	4,262,300	- 96,300	627,600	69,000	2,482,600	1,117,100	4,296,300	- 62,300	+ 34,000
72,300	32,500	1,366,100	- 36,700	1,182,900	114,200	84,700	38,100	1,419,900	+ 17,100	+ 53,800
101,600	45,700	719,900	- 42,500	586,000	500	147,600	66,400	800,500	+ 38,100	+ 80,600
11,600	5,200	119,100	+ 16,000	98,200	-	6,900	3,100	108,200	+ 5,100	- 10,900
185,500	83,400	2,205,100	- 63,200	1,867,100	114,700	239,200	107,600	2,328,600	+ 60,300	+ 123,500
240,800	108,400	1,754,100	- 25,800	605,600	812,000	242,600	109,200	1,769,400	- 10,500	+ 15,300
4,200	1,900	2,708,600	- 13,900	107,300	2,648,700	2,700	1,200	2,759,900	+ 37,400	+ 51,300
-	-	852,600	+ 10,800	173,700	714,200	-	-	887,900	+ 46,100	+ 35,200
-	-	3,886,200	- 58,800	925,300	3,023,900	-	-	3,949,200	+ 4,200	+ 63,000
110,300	49,600	674,600	+ 92,600	315,900	147,000	107,800	48,500	619,200	+ 37,200	- 53,400
1,600	700	1,303,400	- 51,000	21,700	1,371,600	1,700	800	1,395,800	+ 41,400	+ 92,400
500	200	159,900	- 4,100	166,800	-	300	100	167,200	+ 3,200	+ 7,300
6,600	3,000	781,400	- 10,800	37,000	763,200	7,000	3,100	810,300	+ 18,100	+ 28,900
23,200	10,500	719,000	+ 37,000	640,000	57,300	23,300	10,500	731,100	+ 49,100	+ 12,100
30,700	13,800	442,700	+ 15,300	308,400	181,000	25,800	11,600	506,800	+ 79,400	+ 64,100
417,900	188,100	13,282,500	- 8,700	3,301,700	9,698,900	411,200	185,000	13,596,800	+ 305,600	+ 314,300
10,000	8,600	555,500	+ 32,700	511,100	-	12,500	5,600	529,200	+ 6,400	- 26,300
204,700	92,100	298,400	- 28,600	1,600	-	217,000	97,700	316,300	- 10,700	+ 17,900
1,631,000	734,000	3,153,300	+ 6,000	86,400	712,700	1,645,000	740,300	3,184,400	+ 37,100	+ 31,100
46,000	20,700	561,300	+ 34,800	137,000	401,100	48,600	21,900	608,600	+ 82,100	+ 47,300
26,500	11,900	280,200	- 19,400	50,500	212,900	30,000	13,500	306,900	+ 7,300	+ 26,700
1,927,200	867,300	4,848,700	+ 25,500	786,600	1,323,700	1,053,100	879,000	4,945,400	+ 122,200	+ 96,700
-	-	100,000	+ 79,500	-	10,500	-	-	10,500	- 10,000	- 89,500
-	-	74,000	- 6,000	65,000	-	-	-	65,000	- 15,000	- 9,000
-	-	433,500	+ 433,500	524,500	-	-	-	524,500	+ 524,500	+ 91,000
-	-	607,500	+ 507,000	589,500	10,500	-	-	600,000	+ 499,500	- 7,500
4,971,600	2,237,200	34,220,600	- 351,200	11,655,300	16,448,500	5,139,200	2,308,600	35,542,600	+ 970,800	+ 1,322,000
REVISED ESTIMATE, 1889-90.				BUDGET ESTIMATE, 1890-91.						
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.			
Rx.	£.	Rx.	Rx.	Rx.	£.	Rx.	Rx.			
832,100	2,402,300	1,081,000	3,815,400	241,400	2,482,300	1,117,000	3,840,700			
2,789,900	914,100	411,400	4,096,400	2,891,000	988,400	444,800	4,324,200			
1,691,100	-	-	1,691,100	1,083,200	-	-	1,083,200			
4,163,100	3,316,400	1,492,400	8,971,900	4,215,600	3,470,700	1,561,600	9,248,100			

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1888-89.					REVISED	
	India.		England.	Exchange.*	TOTAL	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
	Rx.	Rx.	£	Rx.	Rx.	Rx.	Rx.
Brought forward - - -	11,092,747	15,799,350	5,241,871	2,438,953	34,572,921	10,801,000	16,210,300
37.—CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	-	22,401	-	-	22,401	-	5,900
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses - -	5,241,911	817,345	-	-	6,059,256	5,948,200	817,500
Interest on Debt - - -	2,216,121	456,962	631,812	293,971	3,598,866	2,273,600	476,500
Annuities in purchase of Railways - -	-	-	1,688,558	785,657	2,474,215	-	-
Interest chargeable against Companies on Advances.	-	-	-	-	-	-	-
Interest on Capital deposited by Companies	19,703	-	634,482	295,214	949,399	19,400	-
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	614,540	-	-	-	614,540	467,900	-
Interest - - -	6,671	-	2,097,388	1,255,048	3,959,107	10,200	-
40.—Subsidised Companies: Land, &c.	13,612	14,439	-	-	28,071	59,500	14,600
Advances of Interest - - -	-	-	-	-	-	-	-
41.—Miscellaneous Railway Expenditure - -	54,398	16,236	-	-	70,634	136,200	19,000
Total - - -	8,166,976	1,904,982	5,652,240	2,629,890	17,754,088	8,915,000	1,358,000
IRRIGATION:							
42.—Major Works: Working Expenses - -	58,547	363,129	-	-	721,676	353,600	370,700
Interest on Debt - - -	532,517	503,200	-	-	1,040,717	543,300	512,800
43.—Minor Works and Navigation - - -	307,465	552,555	376	175	860,571	340,600	582,900
Total - - -	1,198,529	1,423,884	376	175	2,622,964	1,242,500	1,465,800
BUILDINGS AND ROADS							
44.—Military Works - - - - -	1,092,979	-	10,392	4,835	1,108,206	1,134,800	-
45.—Civil Works - - - - -	745,071	3,312,552	98,891	46,012	4,202,526	655,200	3,458,900
Total - - -	1,838,050	3,312,552	109,283	50,847	5,310,732	1,790,000	3,458,900
ARMY SERVICES:							
46.—Army: Effective - - - - -	13,932,872	-	1,756,958	817,482	16,507,312	14,042,200	-
Non effective - - - - -	879,719	-	1,989,247	925,563	3,794,529	907,800	-
Total - - -	14,812,591	-	3,746,205	1,743,045	20,301,841	14,950,000	-
SPECIAL DEFENCE WORKS:							
47.—Special Defence Works - - - - -	447,823	-	233,246	108,526	789,595	406,000	-
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	37,556,716	21,663,169	14,983,221	6,971,436	81,374,542	38,104,500	22,439,400
<i>Add.</i> —Portion of Allotments to Provincial Governments not spent by them in the Year - - - - -	-	+343,140	-	-	+285,118	-	+385,100
<i>Deduct.</i> —Portion of Provincial Expenditure defrayed from Provincial Balances - - - - -	-	-58,022	-	-	-	-	-32,600
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - - -	-	22,148,287	-	-	81,659,660	-	22,851,900

	ACCOUNTS, 1888-89.			
	India.	England.	Exchange (charged against Revenue).	TOTAL.
	Rx.	£	Rx.	Rx.
EXPENDITURE NOT CHARGED TO REVENUE:				
Capital Outlay on Railways and Irrigation Works:				
48.—State Railways: Construction - - - - -	46,876	772,021	359,214	1,178,111
49.—Irrigation Works - - - - -	438,506	4,357	2,027	459,890
TOTAL - - -	500,382	776,378	361,241	1,638,001
50.—CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES.	-	10,336,049	-	10,336,049

* See foot-note to Statement A, p. 52.

REVENUES of INDIA, in INDIA and in ENGLAND—continued.

ESTIMATE, 1889-90.				BUDGET ESTIMATE, 1890-91.						Increase + Decrease — of Budget, 1890-91, as compared with Budget, 1889-90.	Increase + Decrease — of Budget, 1890-91, as compared with Revised Estimate, 1889-90.
England.	Exchange.* 1 s. 4'552 d.	TOTAL.	Increase + Decrease — of Revised, as compared with Budget Estimate, 1889-90.	India.		England.	Exchange.* 1 s. 4'552 d.	TOTAL.			
£.	Rx.	Rx.	Rx.	Imperial.	Provincial and Local.	£.	Rx.	Rx.	Rx.	Rx.	
4,971,600	2,237,200	34,220,600	— 351,200	11,655,300	16,448,500	5,130,200	2,308,600	35,542,600	+ 970,800	+1,322,000	
-	-	5,900	— 4,300	-	4,800	-	-	4,800	— 5,400	— 1,100	
-	-	6,795,700	— 78,400	6,235,000	861,000	-	-	7,096,000	+ 221,900	+ 300,300	
861,500	387,700	3,999,700	— 22,100	2,380,000	491,600	865,400	389,400	4,126,400	+ 104,600	+ 126,700	
1,687,800	759,500	2,447,300	— 25,300	-	-	1,690,600	760,800	2,451,400	— 21,200	+ 4,100	
52,600	23,700	76,300	+ 7,000	-	-	123,000	55,400	178,400	+ 109,100	+ 102,100	
670,600	301,700	991,700	— 24,500	19,400	-	669,200	301,100	989,700	— 26,500	— 2,000	
-	-	467,900	— 182,100	569,000	-	-	-	569,000	— 81,000	+ 101,100	
2,337,100	1,051,700	3,399,000	— 40,100	8,600	-	2,369,000	1,066,100	3,443,700	+ 4,600	+ 44,700	
-	-	74,100	— 13,400	37,000	15,000	-	-	52,000	— 35,500	— 22,100	
-	-	155,200	+ 72,700	88,000	23,300	-	-	111,300	+ 28,800	— 43,900	
5,609,600	2,524,300	18,406,900	— 306,200	9,337,000	1,390,900	5,717,200	2,572,800	19,017,900	+ 304,800	+ 611,000	
-	-	724,300	+ 32,400	360,000	368,800	-	-	728,800	+ 36,900	+ 4,500	
-	-	1,061,100	— 4,000	564,900	518,300	-	-	1,083,200	+ 18,100	+ 22,100	
700	300	923,900	+ 66,200	305,400	617,400	3,200	1,400	927,400	+ 69,700	+ 3,500	
700	300	2,709,300	+ 94,600	1,230,300	1,504,500	3,200	1,400	2,739,400	+ 124,700	+ 30,100	
16,000	7,200	1,158,000	+ 600	1,126,200	-	23,800	10,700	1,160,700	+ 3,300	+ 2,700	
115,400	51,900	4,281,400	— 43,600	625,300	3,781,100	103,600	46,600	4,556,600	+ 231,600	+ 275,200	
131,400	59,100	5,439,400	— 43,000	1,751,500	3,781,100	127,400	57,300	5,717,300	+ 234,900	+ 277,900	
2,071,800	932,300	17,046,300	— 39,100	13,911,500	-	2,488,100	1,119,600	17,519,200	+ 433,800	+ 472,900	
2,054,800	924,700	3,887,300	— 2,000	894,500	-	2,132,000	959,400	3,985,900	+ 96,600	+ 98,600	
4,126,600	1,857,900	20,933,600	— 41,100	14,806,000	-	4,620,100	2,079,000	21,505,100	+ 530,400	+ 571,500	
243,000	109,400	758,400	— 344,500	425,800	-	321,700	144,800	892,300	— 210,600	+ 133,900	
15,082,900	6,787,300	82,474,100	— 995,700	39,205,000	23,129,800	15,919,800	7,163,900	85,419,400	+1,949,600	+2,945,300	
-	-	+ 385,100	-	-	+ 7,700	-	-	+ 7,700	-	-	
-	-	— 32,600	-	-	—765,400	-	-	—765,400	-	-	
-	-	82,826,600	-	-	22,372,100	-	-	84,661,700	-	-	
REVISED ESTIMATE, 1889-90.				BUDGET ESTIMATE, 1890-91.							
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.				
Rx.	£.	Rx.	Rx.	Rx.	£.	Rx.	Rx.				
1,563,300	1,036,500	466,400	3,066,200	1,960,200	855,000	384,800	3,200,000				
398,000	2,300	1,000	401,900	545,900	2,800	1,300	550,000				
1,961,900	1,038,800	467,400	3,468,100	2,506,100	857,800	386,100	3,750,000				
-	-	-	-	-	4,695,000	-	4,695,000				

FINANCIAL STATEMENT OF THE

C. — STATEMENT of RECEIPTS and DISBURSEMENTS other than REVENUE

	ACCOUNTS, 1888-89.			REVISED ESTIMATE, 1889-90.			BUDGET ESTIMATE, 1890-91.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
REVENUE (from Statement A.) -	<i>Rs.</i> 81,212,210	<i>£.</i> 330,631	81,542,841	<i>Rs.</i> 84,155,300	<i>£.</i> 231,700	84,487,000	<i>Rs.</i> 84,576,100	<i>£.</i> 245,500	84,821,600
Exchange added to Revenue -	153,837	-	153,837	149,300	-	149,300	110,500	-	110,500
Total - - -	81,366,047	330,631	81,696,678	84,304,600	331,700	84,636,300	84,686,600	245,500	84,932,100
PERMANENT DEBT INCURRED:									
<i>Sterling Debt:</i>									
3½ per Cent. India Stock -	-	4,030,678	-	-	-	-	-	-	-
3 per Cent. India Stock -	-	6,921,049	-	-	3,500,000	-	-	5,400,000	-
Debenture and Debenture Stock.	-	3,415,000	-	-	661,000	-	-	1,495,000	-
<i>Rupee Debt:</i>									
4 per Cent. Rupee Loan -	3,000,000	-	-	2,000,000	-	-	-	-	-
Stock Notes - - -	2,073	-	-	-	-	-	-	-	-
Total - - -	3,002,073	14,366,727	17,368,800	2,000,000	4,161,000	6,161,000	-	6,895,000	6,895,000
Net - - -	-	-	13,487,881	-	-	5,077,400	-	-	6,359,000
UNFUNDED DEBT:									
Treasury Notes - - -	933	-	-	1,300	-	-	1,000	-	-
Deposits of Service Funds -	128,454	-	-	129,200	-	-	131,600	-	-
Savings Bank Deposits - -	5,343,103	-	-	3,271,600	-	-	3,462,300	-	-
Total - - -	5,472,490	-	5,472,490	3,402,100	-	3,402,100	3,594,900	-	3,594,900
Net - - -	-	-	990,374	-	-	14,100	-	-	309,600
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	343,140	-	-	385,100	-	-	7,700	-	-
Appropriation for reduction of Debt.	-	-	-	433,500	-	-	524,500	-	-
Excluded Local Funds - -	700,998	-	-	656,900	-	-	649,200	-	-
Political and Railway Funds -	254,877	-	-	242,500	-	-	273,200	-	-
Departmental and Judicial Deposits.	18,861,523	-	-	14,086,500	-	-	13,794,800	-	-
Advances - - - - -	9,679,831	5,137	-	10,769,200	4,500	-	8,978,200	7,100	-
Suspense Accounts - - -	165,053	-	-	32,300	-	-	11,300	-	-
Exchange on Remittance Accounts (net).	-	-	-	113,500	-	-	833,900	-	-
Miscellaneous - - - -	379,513	-	-	75,400	700	-	71,700	-	-
Total - - -	25,384,935	5,137	25,390,072	26,788,900	5,200	26,794,100	25,144,500	7,100	25,151,600
Net - - -	-	-	0	-	-	891,700	-	-	710,200
Carried forward - - -	115,225,545	14,702,495	-	116,495,600	4,497,900	-	113,426,000	7,147,600	-

and EXPENDITURE of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND.

	ACCOUNTS, 1888-89.			REVISED ESTIMATE, 1889-90.			BUDGET ESTIMATE, 1890-91.		
	India.	England.	TOTAL.	India,	England.	TOTAL.	India.	England.	TOTAL.
	<i>Rs.</i>	<i>£.</i>		<i>Rs.</i>	<i>£.</i>		<i>Rs.</i>	<i>£.</i>	
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement B.).	59,419,885	14,983,221	74,403,106	60,603,900	15,082,900	75,686,800	62,335,700	15,919,800	78,255,500
Exchange, charged as Expenditure	6,971,436	-	6,971,436	6,787,300	-	6,787,300	7,163,900	-	7,163,900
<i>Add.</i> —Provincial Surpluses, transferred to "Deposits."	343,140	-	343,140	385,100	-	385,100	7,700	-	7,700
<i>Deduct.</i> —Provincial Deficits, charged against "Deposits."	-58,022	-	-58,022	-32,600	-	-32,600	-765,400	-	-765,400
Total - - -	66,676,439	14,983,221	81,659,660	67,743,700	15,082,900	82,826,600	68,741,900	15,919,800	84,661,700
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	500,382	776,378	-	1,061,900	1,038,800	-	2,506,100	857,800	-
Capital Charge involved in Redemption of Liabilities.	-	10,336,049	-	-	-	-	-	4,695,000	-
<i>Add.</i> —Exchange on Expenditure not charged to Revenue.	361,241	-	-	467,400	-	-	386,100	-	-
Total - - -	861,623	11,112,427	11,974,050	2,429,300	1,038,800	3,468,100	2,892,200	5,552,800	8,445,000
PERMANENT DEBT DISCHARGED:									
<i>Starting Debt:</i>									
India 5 per Cent. Stock	-	18	-	-	2,600	-	-	-	-
India 3½ per Cent. Debentures	-	-	-	-	661,000	-	-	-	-
India 4 per Cent. Stock	-	3,667,608	-	-	300,000	-	-	-	-
Oudh and Rohilkund Railway Debentures.	-	-	-	-	-	-	-	500,000	-
<i>Ruppes Debt:</i>									
5½ per Cent. Loans	300	-	-	-	-	-	-	-	-
5 per Cent. Loans	150	-	-	-	-	-	-	-	-
4½ per Cent. Loans	210,915	-	-	31,000	-	-	21,000	-	-
4 per Cent. Loans	210	-	-	50,700	-	-	12,000	-	-
Provincial Debentures	-	-	-	36,100	-	-	3,000	-	-
Stock Notes	1,718	-	-	2,200	-	-	-	-	-
Total - - -	213,293	3,667,628	3,880,919	120,000	963,600	1,083,600	36,000	500,000	536,000
Net - - -	-	-	0	-	-	0	-	-	0
UNFUNDED DEBT:									
Special Loans	221	-	-	500	-	-	500	-	-
Treasury Notes	82	-	-	-	-	-	-	-	-
Deposits of Service Funds	81,295	-	-	82,000	-	-	82,100	-	-
Savings Bank Deposits	4,400,518	-	-	3,305,500	-	-	3,202,700	-	-
Total - - -	4,482,116	-	4,482,116	3,388,000	-	3,388,000	3,285,300	-	3,285,300
Net - - -	-	-	0	-	-	0	-	-	0
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	58,022	-	-	32,600	-	-	765,400	-	-
Excluded Local Funds	678,468	-	-	681,300	-	-	678,400	-	-
Political and Railway Funds	348,131	-	-	256,100	-	-	283,000	-	-
Departmental and Judicial Deposits.	13,694,114	-	-	14,213,200	-	-	13,724,900	-	-
Advances	9,483,433	5,346	-	10,596,700	3,100	-	8,926,700	4,900	-
Suspense Accounts	85,539	-	-	30,500	-	-	17,100	-	-
Exchange on Remittance Accounts (net).	512,798	-	-	-	-	-	-	-	-
Miscellaneous	878,574	61	-	88,600	300	-	41,000	-	-
Total - - -	25,799,079	5,407	25,744,486	25,899,000	3,400	25,902,400	24,436,500	4,900	24,441,400
Net - - -	-	-	354,414	-	-	0	-	-	0
Carried forward - - -	97,972,550	29,768,681	-	99,580,000	17,088,700	-	98,391,900	21,977,500	-

FINANCIAL STATEMENT OF THE

C.—STATEMENT of RECEIPTS and DISBURSEMENTS other than REVENUE and

	ACCOUNTS, 1888-89.			REVISED ESTIMATE, 1889-90.			BUDGET ESTIMATE, 1890-91.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		Rx.	£.		Rx.	£.	
Brought forward - - -	115,225,545	14,702,495	-	116,495,600	4,497,900	-	113,426,000	7,147,600	-
Loans to Native States and Presidency Corporations, &c. Net - - -	92,983	-	92,983	111,300	-	111,300	97,200	-	97,200
Loans and Advances by Provincial Governments. Net - - -	203,446	-	203,446	199,700	-	199,700	220,700	-	220,700
Capital Receipts from Railway Companies: On account of Subscribed Capital. Repayments - - -	-	1,705,701	-	-	1,536,700	-	-	2,732,300	-
Total - - -	1,412,915	13,890	-	1,278,400	4,200	-	1,230,600	-	-
Net - - -	1,412,915	1,719,591	3,132,506	1,278,400	1,540,900	2,819,300	1,230,600	2,732,300	3,962,900
Remittances: Inland Money Orders - - -	12,781,372	-	-	14,285,700	-	-	15,385,700	-	-
Other Departmental Accounts	494,507	-	-	630,600	-	-	659,500	-	-
Net Receipts by Civil Treasuries from— Post Office - - - - -	1,056,076	-	-	247,700	-	-	473,000	-	-
Guaranteed Railways - - -	3,654,820	-	-	3,504,200	-	-	3,624,800	-	-
Net Receipts from Civil Treasuries by— Telegraph - - - - -	233	-	-	14,100	-	-	1,700	-	-
Marine - - - - -	242,490	-	-	298,900	-	-	256,900	-	-
Military - - - - -	13,367,798	-	-	19,569,400	-	-	13,445,800	-	-
Public Works - - - - -	2,787,517	-	-	1,786,300	-	-	1,859,000	-	-
Remittance Account between England and India. Total - - -	1,228,277	155,363	-	1,020,900	182,100	-	1,303,300	194,300	-
Net - - -	35,613,900	155,363	35,769,353	35,357,800	182,100	35,539,900	37,009,700	134,300	37,144,000
SECRETARY OF STATE'S BILLS DRAWN	-	14,262,859	14,262,859	-	15,400,900	15,400,900	-	14,989,000	14,989,000
TOTAL RECEIPTS - - -	152,548,879	30,840,308	-	153,442,800	21,621,800	-	151,984,200	25,003,200	-
Opening Balance - - -	13,883,701	5,900,697	-	13,305,189	3,259,933	-	14,596,889	4,503,833	-
GRAND TOTAL - - -	166,432,580	36,741,005	-	166,747,989	24,881,733	-	166,581,089	29,507,033	-

Fort William, Department of Finance and Commerce,
21 March 1890.

E. W. Kellner,
Deputy Comptroller General.

D.—ACCOUNT of PROVINCIAL and LOCAL SAVINGS charged to REVENUE, and held

PROVINCIAL AND

Note.—These Balances do not include the Balances

	India.	Central Provinces.	Burmah.	Assam.
ACCOUNTS, 1888-89.				
Balance at end of 1887-88 (a) - - -	Rx. 12,544	Rx. 271,955	Rx. 200,188	Rx. 78,624
Added in 1888-89 - - - - -	-	38,676	8,278	26,317
Spent in 1888-89 - - - - -	622	-	-	-
Balance at end of 1888-89 - - -	11,922	310,631	208,466	104,941
REVISED ESTIMATE, 1889-90.				
Balance at end of 1888-89 (by Accounts)	11,922	310,631	208,466	104,941
Added in 1889-90 - - - - -	-	-	{ (b) 700 }	10,900
Spent in 1889-90 - - - - -	700	31,900	{ (c) 44,200 }	-
Balance at end of 1889-90 - - -	11,222	278,731	253,366	115,841
BUDGET ESTIMATE, 1890-91.				
Balance at end of 1889-90 (by Revised Estimate).	11,222	278,731	253,366	115,841
Added in 1890-91 - - - - -	-	-	-	-
Spent in 1890-91 - - - - -	300	84,300	{ (b) 7,200 }	42,500
Balance at end of 1890-91 - - -	10,922	194,431	216,266	73,341

(a) See Appropriation Report, Abstract D. (b) Upper Burma. (c) Lower Burma.

EXPENDITURE of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND—continued.

	ACCOUNTS, 1888-89.			REVISED ESTIMATE, 1889-90.			BUDGET ESTIMATE, 1890-91.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rr.	£.		Rr.	£.		Rr.	£.	
Brought forward - - -	97,972,550	29,768,681	-	99,580,000	17,088,700	-	99,391,900	21,977,500	-
Loans to Native States and Presidency Corporations, &c. Net - - -	665,429	-	665,429	521,200	-	521,200	634,200	-	634,200
	-	-	572,446	-	-	409,900	-	-	537,000
Loans and Advances by Provincial Governments. Net - - -	197,978	-	197,978	499,700	-	499,700	590,700	-	590,700
	-	-	0	-	-	300,000	-	-	370,000
Payments to Railway Companies on Capital Account: For discharge of Debentures For Expenditure - - -	4,719,964	200 2,443,881	-	2,264,200	600,000 1,658,200	-	2,117,800	1,804,300 2,241,300	-
Total - - -	4,719,964	2,444,081	7,164,045	2,264,200	2,258,200	4,522,400	2,117,800	4,045,600	6,163,400
Net - - -	-	-	4,031,539	-	-	1,703,100	-	-	2,200,500
Remittances : Inland Money Orders - - -	12,758,144	-	-	14,285,700	-	-	15,385,700	-	-
Other Local Remittances - - -	40,816	-	-	-	-	-	-	-	-
Other Departmental Accounts - - -	498,680	-	-	630,900	-	-	659,700	-	-
Net Payments into Civil Treasuries by— Post Office - - -	1,049,698	-	-	247,700	-	-	473,000	-	-
Guaranteed Railways - - -	3,654,820	-	-	3,504,200	-	-	3,624,800	-	-
Net Issues from Civil Treasuries to— Telegraph - - -	659	-	-	14,100	-	-	1,700	-	-
Marine - - -	237,343	-	-	298,900	-	-	256,900	-	-
Military - - -	13,362,487	-	-	13,469,400	-	-	13,445,800	-	-
Public Works - - -	2,798,852	-	-	1,196,300	-	-	1,859,000	-	-
Remittance Account between England and India. Total - - -	139,001	1,268,310	-	129,500	1,031,000	-	123,900	1,331,500	-
Net - - -	34,540,498	1,268,310	35,808,808	33,776,700	1,031,000	34,807,700	35,830,500	1,331,500	37,162,000
	-	-	39,455	-	-	0	-	-	18,000
SECRETARY OF STATE'S BILLS PAID.	15,030,972	-	15,030,972	15,509,300	-	15,509,300	14,921,900	-	14,921,900
TOTAL DISBURSEMENTS -	153,127,391	33,481,072	-	152,151,100	20,377,900	-	153,487,000	27,354,600	-
Closing Balance - - -	13,305,189	3,259,933	-	14,506,889	4,503,833	-	13,094,089	2,152,433	-
GRAND TOTAL - - -	166,432,580	36,741,005	-	166,747,989	24,881,733	-	166,581,089	29,507,033	-

E. Gay,
Comptroller General.

E. J. Sinkinson,
Secretary to the Government of India.

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL CONTRACTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Rr. 553,034	Rr. 396,893	Rr. 376,817	Rr. 1,117,462	Rr. 782,034	Rr. 3,789,351
-	47,149	30,177	130,720	61,823	343,140
57,400	-	-	-	-	58,022
495,634	444,042	406,794	1,248,182	843,857	4,074,469
495,634	444,042	406,794	1,248,182	843,857	4,074,469
92,700	83,400	39,800	82,600	30,800	385,100
-	-	-	-	-	32,600
588,334	527,442	446,594	1,330,782	874,657	4,426,969
588,334	527,442	446,594	1,330,782	874,657	4,426,969
-	7,700	-	-	-	7,700
31,000	-	47,300	223,100	299,800	765,400
557,334	535,142	399,294	1,107,682	574,857	3,669,269

E. Gay,
Comptroller General.

E. J. Sinkinson,
Secretary to the Government of India.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

NET REVENUE.						
ACCOUNTS, 1888-89.						
	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	
	Rx.	Rx.	Rx.	Rx.	Rx.	
Land Revenue	23,016,404	46,147	22,970,257	3,513,957	19,456,300	
Opium	8,562,319	49	8,562,270	2,597,905	5,964,365	
Salt	7,675,634	45,337	7,630,297	412,979	7,217,318	
Stamps	3,927,088	43,761	3,883,327	154,172	3,729,155	
Excise	4,705,346	26,406	4,678,940	137,941	4,540,999	
Provincial Rates	3,054,254	16,880	3,037,374	59,383	2,977,991	
Customs	1,392,784	30,923	1,361,861	133,897	1,227,964	
Assessed Taxes	1,520,940	16,298	1,504,642	27,128	1,477,514	
Forest	1,349,047	1,863	1,347,184	792,000	555,184	
Registration	381,712	954	380,758	193,681	187,077	
Tributes from Native States	745,233	-	745,233	-	745,233	
	56,220,761	228,618	55,992,143	8,023,043	47,969,100	
Deduct,—Assignments and Compensations	-	-	-	-	1,486,235	
TOTAL NET REVENUE					46,482,865	

NET EXPENDITURE.			
ACCOUNTS, 1888-89.			
	Gross Expenditure.	Receipts.	Net Expenditure.
	Rx.	Rx.	Rx.
Interest	4,712,259	841,822	3,870,437
Post Office, Telegraph, and Mint	2,146,511	2,244,826	-98,315
Civil Departments	13,013,543	1,507,961	11,505,582
Miscellaneous Civil Charges	4,884,376	1,792,778	3,091,598
Famine Relief and Insurance	78,336	-	78,336
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	22,401	-	22,401
Railway Revenue Account	17,754,088	15,520,696	2,233,392
Irrigation	2,622,964	1,900,718	722,246
Buildings and Roads	5,310,732	604,753	4,705,979
Army Services	20,301,841	1,062,363	19,239,478
Special Defence Works	789,595	-	789,595
Provincial and Local Surpluss and Deficits	71,636,646 + 343,140 - 58,022	25,475,917	46,160,729 + 285,118
TOTAL NET EXPENDITURE			46,445,847
Surplus (+) or Deficit (-)			+ 37,018
			46,482,865

E.— STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

NET REVENUE.

REVISED ESTIMATE, 1889-90.					BUDGET ESTIMATE, 1890-91.				
Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
23,817,300	54,400	23,762,900	3,632,900	20,130,000	23,874,400	42,200	23,832,200	3,713,400	20,118,800
8,546,400	100	8,546,300	1,655,500	6,890,800	8,203,300	100	8,203,200	2,904,800	5,898,400
8,192,500	35,200	8,157,300	420,900	7,736,400	8,233,500	36,500	8,197,000	453,000	7,744,000
4,060,500	45,000	4,015,500	134,700	3,880,800	4,034,900	45,300	3,989,600	143,100	3,846,500
4,837,400	29,000	4,808,400	154,200	4,654,200	4,844,500	27,200	4,817,300	172,600	4,644,700
3,345,800	7,900	3,337,900	54,900	3,283,000	3,349,400	7,400	3,342,000	43,500	3,298,500
1,487,300	48,700	1,438,600	134,500	1,304,100	1,561,100	41,000	1,517,100	138,600	1,378,500
1,567,100	15,300	1,551,800	28,000	1,523,800	1,558,700	13,900	1,544,800	91,200	1,513,600
1,446,400	2,500	1,443,900	815,700	628,200	1,414,400	1,900	1,412,500	847,900	564,600
346,700	900	345,800	192,800	153,000	345,500	1,100	344,400	194,800	149,600
777,400	-	777,400	-	777,400	776,200	-	776,200	-	776,200
58,424,800	239,000	58,185,800	7,224,100	50,961,700	58,195,900	219,600	57,976,300	8,042,900	49,933,400
-	-	-	-	1,551,400	-	-	-	-	1,513,000
-	-	-	-	48,410,300	-	-	-	-	48,420,400

NET EXPENDITURE.

REVISED ESTIMATE, 1889-90.			BUDGET ESTIMATE, 1890-91.		
Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
4,262,300	867,700	3,394,600	4,296,300	789,900	3,506,400
2,205,100	2,339,700	— 134,600	2,328,600	2,423,400	— 94,800
13,282,500	1,518,700	11,763,800	13,596,800	1,521,500	12,075,300
4,848,700	1,325,500	3,523,200	4,945,400	1,243,000	3,702,400
607,500	-	607,500	600,000	-	600,000
5,900	-	5,900	4,800	-	4,800
18,406,900	16,503,300	1,903,600	19,017,900	17,151,400	1,866,500
2,709,300	1,985,300	724,000	2,739,400	2,035,000	704,400
5,439,400	649,200	4,790,200	5,717,300	589,400	5,127,900
20,933,600	1,022,100	19,911,500	21,505,100	982,600	20,522,500
758,400	-	758,400	892,300	-	892,300
73,459,600	26,211,500	47,248,100	75,543,900	26,736,200	48,907,700
+ 385,100	-	+ 352,500	+ 7,700	-	-
- 32,600	-	-	- 765,400	-	- 757,700
-	-	47,600,600	-	-	48,150,000
-	-	+ 1,809,700	-	-	+ 270,400
-	-	49,410,300	-	-	48,420,400

E. Gay,
Comptroller General.

E. J. Sankinson,
Secretary to the Government of India.

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APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1881-82.	1882-83.	1883-84.	
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	
Surplus	3,595,451	674,837	1,879,707	1
Deficit				2
Capital Expenditure on Public Works not charged against Revenue.*	2,784,519	4,661,124	3,574,105	3
Net Public Debt Incurred	— 466,895	3,086,791	3,062,953	4
Net Public Debt incurred, including capital transactions with Guaranteed Railway and other Companies.	— 952,204	4,683,410	2,219,364	5
Value of commodities exported, excluding Gold and Silver	81,968,000	63,485,000	88,176,000	6
Value of commodities imported, excluding Gold and Silver	49,113,000	52,096,000	55,279,000	7
Excess of Exports over Imports, excluding Gold and Silver	32,855,000	31,389,000	32,897,000	8
Net Imports of Gold	4,844,000	4,031,000	5,463,000	9
Net Imports of Silver	5,379,000	7,480,000	6,405,000	10
TOTAL Net Imports of Gold and Silver	10,223,000	12,411,000	11,868,000	11
Excess of Exports over Imports, including Gold and Silver	22,632,000	18,978,000	21,029,000	12
Grand Total Value of Imports and Exports of all kinds	143,430,001	150,076,000	157,344,000	13
Secretary of State's Bills, &c., sold (rupees)	<i>Rs.</i> 22,21,09,350	<i>Rs.</i> 18,58,56,593	<i>Rs.</i> 21,62,15,462	14
Sterling equivalent received	£. 18,412,429	£. 15,120,521	£. 17,599,805	15
Silver coined at the Indian Mints	2,186,275	6,508,457	3,663,400	16
Maximum price of an oz. Troy standard silver in London	52½	52½ (June)	51½ (Feb.)	17
Minimum ditto ditto	50½ (July)	50 (Dec.)	50½ (May and June)	18
Average exchange upon Secretary of State's Bills, &c., sold per rupee.	1 s. 7-895 d.	1 s. 7-525 d.	1 s. 7-336 d.	19
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.	1 s. 8 d.	1 s. 8 d.	1 s. 7½ d.	20
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	9 (Feb.)	10 (April)	9 (Mar.)	21
Minimum ditto ditto	4 (June)	4 (Sept.)	5	22
Maximum rate of discount at the Bank of England	6 (Feb.)	5 (Sept.)	4	23
Minimum ditto ditto	2½ (throughout first half-year).	3 (March)	3	24
Maximum Money Balances of the three Presidency Banks	<i>Rs.</i> 6,097,600 (July)	<i>Rs.</i> 6,712,300 (Oct.)	<i>Rs.</i> 5,556,700 (Aug.)	25
Minimum ditto ditto	3,546,700 (Dec.)	3,424,200 (April)	3,167,100 (Jan.)	26
Maximum price in Calcutta of Government 4 per cent. Rupee Securities.	106-6 (July)	102-4 (Feb.)	101-1 (April)	27
Minimum ditto ditto	99-8 (Aug.)	99 (Oct.)	94-8 (Feb.)	28
Maximum amount outstanding on London Register of Rupee Securities enfaced for interest drafts.	<i>Rs.</i> 21,525,400 (Feb.)	<i>Rs.</i> 21,420,700 (Feb.)	<i>Rs.</i> 21,405,500 (May)	29
Minimum ditto ditto	19,013,600 (April)	21,059,000 (Aug.)	20,626,200 (Aug.)	30
Maximum price in London of 4 per cent. (Rupee) Securities, in gold.	87 (July)	85½ (May)	81½ (April)	31
Minimum ditto ditto	82½ (Sept.)	75½ (Dec.)	77½ (Jan.)	32
Maximum price in London of India 3½ per cent. stock	104½ (May)	102½ (Jan.)	103½ (Nov.)	33
Minimum ditto ditto	99½ (Oct.)	99 (July)	101½ (June)	34
Maximum price in London of India 3 per cent. Stock				35
Minimum ditto ditto				36
Maximum Government Paper Currency outstanding	<i>Rs.</i> 14,225,600 (Aug.)	<i>Rs.</i> 16,254,400 (Nov.)	<i>Rs.</i> 14,485,700 (Oct.)	37
Minimum ditto ditto	12,855,800 (April)	14,199,900 (April)	12,109,100 (Jan.)	38
Number of Savings Banks	361	4,587	5,553	39
Number of Depositors in Savings Banks	114,942	148,470	203,901	40
Amount deposited in Savings Banks	<i>Rs.</i> 3,272,649	<i>Rs.</i> 3,616,405	<i>Rs.</i> 4,005,930	41
Average of each deposit	28	24	20	42
Net addition to deposits	82,715	349,756	389,525	43

* Excludes Capital charge involved in redemption of Liabilities.

APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	Revised Estimate, 1889-90.	Budget, 1890-91.
	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>
1			178,427		37,018	1,809,700	270,400
2	386,446	2,801,726		2,028,832			
3	4,226,613	5,275,364	5,670,484	2,784,824	1,638,001	3,468,100	3,750,000
4	1,193,924	3,584,979	9,727,538	5,435,799	13,487,881	5,077,400	6,358,000
5	801,966	7,735,903	9,043,165	4,861,672	9,456,342	6,374,300	4,153,500
6	83,255,000	83,881,000	83,470,000	90,544,000	97,048,000	—	—
7	55,703,000	55,656,000	61,777,000	65,005,000	69,440,000	—	—
8	27,552,000	28,225,000	26,693,000	25,539,000	27,609,000	—	—
9	4,672,000	2,763,000	2,177,000	2,992,000	2,814,000	—	—
10	7,246,000	11,607,000	7,156,000	9,229,000	9,247,000	—	—
11	11,918,000	14,370,000	9,833,000	12,221,000	12,061,000	—	—
12	15,634,000	13,855,000	17,300,000	13,318,000	15,548,000	—	—
13	154,817,000	156,123,000	163,021,000	170,979,000	182,119,000	—	—
14	<i>Rx.</i> 17,10,22,119	<i>Rx.</i> 13,53,25,369	<i>Rx.</i> 16,70,03,150	<i>Rx.</i> 21,81,23,093	<i>Rx.</i> 20,89,91,221		
15	£ 13,758,909	£ 10,292,692	£ 12,136,279	£ 15,358,577	£ 14,262,859	£ 15,400,900	£ 14,989,000
16	5,794,232	10,285,567	4,616,537	10,784,425	7,282,255	—	—
17	51 (April)	50½ (May)	47½ (Jan.)	45½ (Dec.)	44½ (Sept.)	44½ (Jan.)	—
18	48½ (Feb.)	46½ (Jan.)	42 (Aug.)	43 (Mar.)	41½ (May)	41½ (May)	—
19	1 s. 7'308 d.	1 s. 6'254 d.	1 s. 5'441 d.	1 s. 4'898 d.	1 s. 4'379 d.	1 s. 4'552 d.	1 s. 4'552 d.
20	1 s. 7½ d.	1 s. 7½ d.	1 s. 6½ d.	1 s. 6 d.	1 s. 5 d.	1 s. 4½ d.	1 s. 5 d.
21	11 (April and May)	9 (May)	8 (June, July, Feb. and March)	9 (April and May)	(12 Feb. & Mar.)	11 (Feb. and Mar.)	—
22	3 (Nov. and Dec.)	4 (From July to Jan.)	5 (Nov., Dec., & Jan.)	3 (Oct. to Dec.)	4 (May to Sept.)	4 (June July & Oct.)	—
23	5 (Nov., Dec. & Jan.)	4 (Dec.)	5 (Dec. and Jan.)	4 (Sept. to Jan.)	5 (Oct. to Jan.)	6 (Jan. and Feb.)	—
24	2 (June to Sept.)	2 (May to Nov.)	2 (April & May)	2 (April to Aug.)	2 (April & May)	2½ (April to July)	—
25	<i>Rx.</i> 5,731,200 (Nov.)	<i>Rx.</i> 6,486,800 (Dec.)	<i>Rx.</i> 4,594,600 (June)	<i>Rx.</i> 3,595,900 (Feb. & Mar.)	<i>Rx.</i> 4,385,500 (June)	<i>Rx.</i> 4,164,800 (June)	—
26	2,991,900 (May)	3,638,800 (May)	3,296,500 (Sept.)	2,861,500 (Dec.)	2,791,900 (Nov.)	2,856,900 (Nov.)	—
27	101-12 (June)	99-14 (July)	98-2 (Sept.)	100 (Oct.)	101-1 (Sept.)	100-10 (July)	—
28	94-12 (March)	91-12 (May)	95 (Feb.)	95-4 (April)	96-6 (Jan.)	96-3 (Jan.)	—
29	<i>Rx.</i> 21,008,000 (May)	<i>Rx.</i> 20,562,400 (April)	<i>Rx.</i> 19,710,300 (Oct.)	<i>Rx.</i> 20,816,000 (March)	<i>Rx.</i> 21,878,500 (Oct.)	<i>Rx.</i> 21,970,300 (Nov.)	—
30	20,594,300 (Feb.)	19,179,300 (Jan.)	19,056,290 (Mar.)	18,919,500 (Oct.)	20,978,300 (April)	21,611,400 (Feb.)	—
31	82½ (May)	78½ (July)	73½ (Nov.)	70½ (Sept.)	69½ (Sept.)	70½ (Jan.)	—
32	74 (March)	71½ (Jan.)	65½ (Aug.)	67 (April)	65½ (May)	66½ (Sept.)	—
33	107½ (Sept.)	102½ (Aug.)	102 (May)	108 (Mar.)	103½ (Mar.)	109½ (May)	—
34	97½ (Mar.)	97 (April)	100½ (Sept.)	100½ (Sept.)	104 (Oct.)	106½ (Dec.)	—
35	96½ (Sept.)	91½ (Feb.)	90 (April)	99½ (Mar.)	100½ (Feb.)	102 (Aug.)	—
36	88½ (Mar.)	85 (July)	85 (Feb.)	87½ (April)	96 (May)	90 (April)	—
37	<i>Rx.</i> 15,762,700 (Nov.)	<i>Rx.</i> 15,713,500 (Oct.)	<i>Rx.</i> 14,678,200 (Nov.)	<i>Rx.</i> 18,910,300 (Nov.)	<i>Rx.</i> 18,055,300 (July)	<i>Rx.</i> 16,667,700 (Nov.)	—
38	12,342,500 (April)	13,017,000 (April)	13,779,400 (April)	13,903,200 (May)	14,829,800 (Feb.)	15,406,500 (Dec.)	—
39	5,860	6,198	6,230	6,152	6,237	—	—
40	243,268	263,106	289,277	332,176	383,471	—	—
41	<i>Rx.</i> 4,687,082	<i>Rx.</i> 5,081,183	<i>Rx.</i> 5,795,240	<i>Rx.</i> 6,675,571	<i>Rx.</i> 7,622,544	—	—
42	19	10	20	20	20	—	—
43	681,152	394,101	714,066	880,322	940,973	—	—

APPENDIX III.—continued.

TABLE II.—SEA-BORNE TRADE for the YEAR. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

No.	EXPORTS.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.
1	Cotton—					
	Raw:					
	Quantity - - - - - Cwt.	5,066,057	4,189,718	5,432,648	5,374,542	5,331,536
	Value - - - - - R s .	13,286,367	10,777,204	13,468,429	14,412,842	15,045,648
	Average declared value { Annas	As. 3 9	As. 3 8	As. 3 6	As. 3 10	As. 4 -
	per lb. - - - - - { Pence, at average exchange -	4.53	4.18	3.81	4.05	4.09
	Twist and Yarn:					
	Quantity - - - - - Lbs.	65,897,183	78,241,771	91,804,244	119,451,375	128,906,764
	Value - - - - - R s .	2,441,101	2,755,252	3,336,861	4,077,886	5,207,100
	Average declared value per lb. - - - - - Annas	As. 5 11	As. 5 8	As. 5 10	As. 5 9	As. 6 6
	Other Manufactures:					
	Value - - - - - R s .	896,929	880,258	945,644	1,150,542	1,167,464
	Average declared value { Grey or unbleached - - - - - Annas	As. 1 9	As. 1 9	As. 1 10	As. 1 10	As. 1 11
	per yard - - - - - { Coloured, printed, or dyed - - - - - "	As. 4 10	As. 3 9	As. 4 7	As. 4 5	As. 4 7
	Percentage of manufactures on whole value exported - - - - -	20.08	25.22	24.13	26.62	29.76
2	Opium:					
	Quantity - - - - - Chests	86,578	87,956	95,839	90,096	87,789
	Value - - - - - R s .	10,882,606	10,735,518	11,077,669	10,067,764	10,508,081
	Average declared value per chest - - - - - Rupees	1,257	1,221	1,156	1,117	1,197
3	Jute:					
	Raw and manufactured—Value - - - - - R s .	6,205,238	5,486,171	6,021,672	7,786,739	10,468,631
	Average declared value { Rupees	5 9 1	5 9 6	5 13 10	6 4 3	7 7 9
	of raw jute per cwt. { Shillings, at average exchange -	8.96	8.50	8.52	8.82	10.21
	Percentage of manufactures on whole value exported - - - - -	24.88	20.61	19.13	22.43	24.56
4	Seeds:					
	Quantity - - - - - Cwt.	18,250,688	17,280,147	15,866,604	16,060,400	15,569,978
	Value - - - - - R s .	10,745,203	9,948,350	9,198,560	9,885,024	9,561,756
	Average declared value { Rupees	5 9 10	5 13 1	5 15 9	5 13 8	5 15 8
	of linseed, per cwt. - { Shillings, at average exchange -	9.03	8.85	8.70	8.24	8.16
5	Rice and Paddy:					
	Quantity - - - - - Cwt.	22,051,592	28,222,595	26,879,272	28,534,057	23,144,641
	Value - - - - - R s .	7,192,198	9,247,126	8,836,827	9,291,686	7,915,409
	Average declared value { Rupees	3 4 6	3 4 9	3 5 -	3 4 5	3 7 2
	of husked rice, per cwt. { Shillings, at average exchange -	5.28	5.01	4.81	4.61	4.71
6	Wheat:					
	Quantity - - - - - Cwt.	15,830,754	21,060,519	22,263,320	13,538,169	17,610,081
	Value - - - - - R s .	6,309,140	8,002,350	8,625,864	5,562,373	7,522,676
	Average declared value { Rupees	3 15 9	3 12 -	3 14 -	4 1 9	4 4 4
	per cwt. - - - - - { Shillings, at average exchange -	6.41	5.78	5.63	5.79	5.83
7	Tea:					
	Quantity - - - - - Lbs.	64,162,055	68,784,249	78,702,857	87,514,505	97,011,112
	Value - - - - - R s .	4,044,759	4,306,133	4,727,992	5,174,440	5,267,315
	Average declared value { Annas	As. 10 1	As. 10 -	As. 9 7	As. 9 6	As. 8 8
	per lb. - - - - - { Shillings, at average exchange -	1.01	.95	.87	.84	.74
8	Hides and Skins:					
	Quantity - - - - - No.	29,164,677	32,376,309	31,860,787	30,914,151	32,357,166
	Value - - - - - R s .	4,934,340	5,334,602	5,149,218	4,852,382	4,743,546
	Percentage of dressed or manufactured on whole value exported - - - - -	42.07	43.91	45.40	52.07	55.11
9	Indigo:					
	Quantity - - - - - Cwt.	154,629	132,495	138,396	139,644	142,447
	Value - - - - - R s .	4,068,900	3,783,160	3,691,677	3,890,649	3,948,594
	Average declared value { Rupees	263 2 3	285 8 6	266 11 11	278 9 9	277 3 1
	per cwt. - - - - - { Sterling, at average exchange £.	21.17	21.72	19.38	19.62	18.92
10	Coffee:					
	Quantity - - - - - Cwt.	328,317	371,027	370,458	273,775	365,299
	Value - - - - - R s .	1,245,506	1,348,395	1,502,251	1,529,680	1,884,243
	Average declared value { Rupees	37 15 -	36 5 6	40 8 10	55 14 -	51 9 4
	per cwt. - - - - - { Shillings, at average exchange -	61.05	55.28	58.94	78.68	70.41
11	Wool:					
	Raw and manufactured—Value - - - - - R s .	831,919	953,069	985,484	1,086,404	1,090,858
	Average declared value { Annas	As. 6 -	As. 6 -	As. 6 2	As. 6 6	As. 7 1
	of raw wool per lb. { Pence, at average exchange -	7.24	6.85	6.72	6.86	7.25
12	Silk:					
	Raw and manufactured—Value - - - - - R s .	792,354	661,835	802,443	860,107	807,238
	Average declared value { Rupees	2 15 4	2 4 11	3 - 11	2 15 4	2 7 1
	of raw silk per lb. - { Shillings, at average exchange -	4.76	3.51	4.44	4.17	3.93
13	Teak Wood:					
	Quantity - - - - - Cubic Tons	47,556	50,076	23,946	40,446	52,609
	Value - - - - - R s .	532,129	550,515	223,154	367,274	575,263
	Average declared value { Rupees	111 14 4	109 15 -	93 3 1	90 12 11	109 5 7
	per cubic ton - - - - - { Sterling, at average exchange £.	9.00	8.36	6.77	6.39	7.46
14	Sugar:					
	Value - - - - - R s .	546,069	525,412	504,803	465,829	550,339
15	Oils:					
	Value - - - - - R s .	534,041	395,563	458,812	471,055	430,306
16	Saltpetre:					
	Quantity - - - - - Cwt.	451,917	402,174	397,572	386,396	420,503
	Value - - - - - R s .	425,000	370,200	376,091	364,016	401,801
	Average declared value { Rupees	9 6 6	9 3 3	9 7 4	9 6 9	9 8 11
	per cwt. - - - - - { Shillings, at average exchange -	15.14	14.00	13.75	13.27	13.04
17	Lac:					
	Value - - - - - R s .	599,399	588,286	520,169	501,888	401,078

APPENDIX III.—continued.

TABLE II.—Sea-borne Trade for the Year, &c.—continued.

No.	IMPORTS.	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - - Lbs.	45,801,397	45,914,126	49,014,194	51,543,277	62,587,342
	Value - - - - - Rz.	3,360,540	3,172,178	3,318,404	3,582,033	3,746,983
	Average declared value per lb. (Pence, of average exchange)	11-74	11-05	10-83	11-12	11-4
	Other Manufactures:					
	Value - - - - - Rz.	21,207,106	21,124,848	25,853,827	23,930,241	27,773,247
	TOTAL COTTON GOODS—Gross Imports - Rz.	24,567,646	24,297,026	29,172,231	27,512,274	31,520,230
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - Lbs.	958,419	1,032,610	1,319,248	1,058,963	1,601,596
	Value - - - - - Rz.	65,516	66,303	81,446	69,345	111,514
	Other Manufactures:					
	Value - - - - - Rz.	1,183,088	1,368,715	1,490,700	1,648,312	1,705,167
	Total Re-exports - Rz.	1,248,604	1,435,018	1,571,846	1,717,657	1,816,681
	TOTAL COTTON GOODS—Net Imports - Rz.	23,319,042	22,862,008	27,600,385	25,794,617	29,703,549
2	Metals - - - - - Value Rz.	4,978,577	4,986,307	4,845,736	5,575,392	4,406,283
3	Railway plant and rolling stock - - - - - "	2,830,082	4,317,565	3,327,832	3,826,264	3,693,939
4	Silk (Raw and Manufactured) - - - - - "	2,020,917	1,830,960	2,177,111	2,918,139	2,588,105
5	Machinery and mill-work - - - - - "	1,570,824	1,057,833	1,429,764	1,860,583	2,409,737
6	Oils - - - - - "	1,229,497	961,130	*1,408,430	1,486,791	2,072,825
7	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - - Tons	713,972	770,517	740,155	821,026	843,743
	Value - - - - - Rz.	1,199,739	1,249,710	1,258,793	1,599,593	1,921,831
	Average declared value per ton (Rupees)	16-8	16-22	17-01	19-47	22-76
	(Shillings, at average exchange)	27-03	24-67	24-72	27-42	31-09
8	Sugar - - - - - Value Rz.	2,140,838	1,458,097	2,080,540	2,113,617	1,790,939
9	Woollen Manufactures - - - - - "	1,326,669	1,463,023	1,660,905	1,823,358	1,712,548
10	Provisions - - - - - "	1,103,321	1,191,881	1,179,474	1,504,436	1,588,103
11	Liquors - - - - - "	1,360,280	1,387,143	1,474,643	1,506,667	1,508,962
12	Apparel - - - - - "	890,923	956,097	1,001,848	1,156,1-2	1,156,469
13	Salt:					
	Quantity - - - - - Tons	412,839	363,088	416,592	421,897	308,810
	Value - - - - - Rz.	649,233	596,048	768,987	795,521	882,130
	Average declared value per ton (Rupees)	15-73	16-42	18-46	18-77	22-12
	(Shillings, at average exchange)	25-31	24-97	26-83	26-43	30-19
14	Spices - - - - - Value Rz.	602,165	718,678	663,815	931,518	855,228

TABLE III.—SEA-BORNE TRADE for the first ELEVEN MONTHS of the Year. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.
	Rz.	Rz.	Rz.	Rz.	Rz.
Value of commodities Exported, excluding gold and silver	74,380,930	79,157,402	81,366,106	86,405,227	92,290,489
Value of commodities Imported, excluding gold and silver	50,404,672	58,020,666	58,544,193	63,363,187	62,702,304
EXCESS EXPORTS - - - Rz.	23,976,258	23,127,736	22,821,913	23,042,040	29,588,095
Net Imports of silver	10,180,734	6,158,858	8,061,245	7,049,504	9,064,276
Net Imports of gold	2,369,208	1,730,585	2,951,713	2,300,924	4,431,692
TOTAL NET IMPORTS of Gold and Silver - - Rz.	12,549,942	7,889,443	11,012,958	9,350,428	13,495,968
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS - - - Rz.	139,521,800	146,442,972	153,822,459	162,375,711	172,008,909

APPENDIX III.—continued.

TABLE III.—Sea-borne Trade for the first Eleven Months of the Year, &c.—continued.

No.	EXPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1885 86.	1886-87.	1887-88.	1888-89.	1889-90.
1	Cotton, Raw :					
	Quantity - - - - Cwt.	3,387,909	4,536,417	4,657,287	4,343,723	5,069,912
	Value - - - - - Rs.	8,786,171	11,226,193	12,332,010	12,209,711	14,737,932
	Average value per lb. - - - Rs.	- 3 8	- 3 6	- 3 9	- 4 -	- 4 2
	Cotton Manufactures—					
Twist and Yarn :	Quantity - - - - Lbs.	69,489,658	82,676,694	103,729,341	115,742,920	129,797,600
	Value - - - - - Rs.	2,445,421	3,018,559	3,717,994	4,670,186	5,271,136
	Average value per lb. - - - Rs.	- 5 8	- 5 10	- 5 9	- 6 5	- 6 6
Other Manufactures—Value - - - Rs.	805,155	865,600	1,043,887	1,089,368	923,993	
	TOTAL COTTON (Raw and Manufactured) } Rs.	12,036,747	15,110,352	17,093,891	17,969,265	20,933,031
2	Jute (Raw and Manufactured) Value Rs.	5,016,489	5,430,353	7,259,139	9,722,431	10,692,867
3	Seeds :					
	Quantity - - - - Cwt.	15,760,875	14,849,048	15,077,602	14,602,851	14,559,630
	Value - - - - - Rs.	9,029,893	8,500,881	8,789,736	8,956,138	9,818,981
	Average value per cwt. - - - Rs.	5 11 8	5 12 7	5 13 3	6 2 2	6 12 -
4	Opium :					
	Quantity - - - - Chests	80,382	88,070	82,613	79,069	79,417
	Value - - - - - Rs.	9,822,278	10,191,881	9,232,336	9,460,586	9,483,369
	Average value per chest - - - Rs.	1,221 15 2	1,157 4 -	1,117 8 8	1,196 8 -	1,194 2 -
5	Rice and Paddy :					
	Quantity - - - - Cwt.	21,408,823	20,587,925	22,411,006	17,551,552	21,785,531
	Value - - - - - Rs.	7,133,649	6,968,866	7,409,021	6,101,814	8,325,427
	Average value per cwt. - - - Rs.	3 5 4	3 6 2	3 4 11	3 7 7	3 13 2
6	Wheat :					
	Quantity - - - - Cwt.	20,216,118	21,659,241	13,031,489	16,826,208	13,407,061
	Value - - - - - Rs.	7,685,963	8,373,563	5,348,318	7,165,307	5,616,613
	Average value per cwt. - - - Rs.	3 12 10	3 13 10	4 1 9	4 4 2	4 3 -
7	Tea :					
	Quantity - - - - Lbs.	67,827,916	77,543,424	86,891,319	95,823,643	100,815,411
	Value - - - - - Rs.	4,245,219	4,665,307	5,137,612	5,209,695	5,150,257
	Average value per lb. - - - Rs.	- 10 -	- 9 8	- 9 6	- 8 8	- 8 2
8	Hides and Skins :					
	Quantity - - - - Cwt.	963,103	875,558	770,128	757,970	712,347
	Value - - - - - Rs.	4,659,631	4,561,806	4,291,598	4,273,509	4,104,798
	Average value per cwt. - - - Rs.	48 6 1	52 1 8	55 11 7	56 6 1	57 10 -
9	Indigo :					
	Quantity - - - - Cwt.	126,044	123,902	129,018	133,055	147,159
	Value - - - - - Rs.	3,629,759	3,472,657	3,638,526	3,740,382	3,665,578
	Average value per cwt. - - - Rs.	287 15 7	269 6 5	282 - 3	281 1 10	249 1 4
10	Wool (Raw and Manufactured) Value Rs.	853,955	917,475	992,513	1,005,639	1,125,579
11	Coffee :					
	Quantity - - - - Cwt.	273,609	294,071	210,142	285,559	170,036
	Value - - - - - Rs.	975,846	1,125,480	1,183,220	1,426,314	1,050,870
	Average value per cwt. - - - Rs.	35 10 8	38 4 4	56 4 11	49 15 2	61 12 10
12	Sugar - - - - Value Rs.	463,269	470,272	424,369	473,890	905,810
13	Silk (Raw and Manufactured) „ Rs.	602,723	702,303	763,774	713,041	814,385
14	Teak Wood :					
	Quantity - - - - Cubic Tons	47,480	21,607	36,409	48,476	65,733
	Value - - - - - Rs.	524,417	200,158	323,902	531,616	704,931
	Average value per cubic ton - - - Rs.	110 7 2	92 10 2	88 15 5	109 10 8	107 3 10
15	Oils - - - - Value Rs.	352,454	406,925	417,470	381,316	507,776
16	Lac - - - - „ Rs.	529,711	458,583	458,524	353,398	410,716
17	Saltpetre :					
	Quantity - - - - Cwt.	370,623	350,257	349,351	387,800	367,240
	Value - - - - - Rs.	340,199	329,148	329,515	369,517	357,642
	Average value per cwt. - - - Rs.	9 2 10	9 6 4	9 6 11	9 8 5	9 11 10

APPENDIX III.—continued

TABLE III.—Sea-borne Trade for the first Eleven Months of the Year, &c.—continued.

No.	I M P O R T S.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1885-86.	1886-87.	1887-88.	1888-89.	1889-90.
1	COTTON—					
	Twist and Yarn :					
	Quantity - - - - Lbs.	41,088,974	43,504,229	46,098,900	48,244,135	41,803,272
	Value - - - - - Rs.	2,852,513	2,960,518	3,189,532	3,446,025	3,152,378
	Average value per lb. - - - Rs.	- 11 1	- 10 11	- 11 1	- 11 5	- 12 1
	Ditto - in sterling, at average exchange.	1s. - 2/8 d.	1s.	11 1/4 d.	11 1/4 d.	1s. - 1/4 d.
	Other Manufactures - Value Rs.	18,973,701	23,578,344	21,593,462	25,234,768	23,682,711
	TOTAL COTTON GOODS—					
	Gross Imports - - - } Rs.	21,826,214	26,538,862	24,782,994	28,680,793	26,835,089
	Re-exports—					
	Twist and Yarn :					
	Quantity - - - - Lbs.	1,008,115	1,252,289	910,704	1,523,894	1,132,137
	Value - - - - - Rs.	61,632	76,695	53,858	105,981	81,041
	Average Value per lb. - - - Rs.	- 9 9	- 9 10	- 10 4	- 11 1	- 11 5
	Other Manufactures - Value Rs.	1,267,783	1,351,181	1,481,772	1,537,878	1,615,814
	Total Re-exports - - - Rs.	1,329,415	1,427,876	1,540,630	1,643,859	1,696,855
	TOTAL COTTON GOODS—					
	Net Imports - - - } Rs.	20,496,799	25,110,986	23,242,364	27,036,934	25,138,234
2	Metals - - - - - Value Rs.	4,502,923	4,262,191	4,952,260	3,946,321	5,439,082
3	Silk (Raw and Manufactured) - "	1,732,387	2,000,908	2,688,346	2,399,490	2,645,054
4	Railway Plant and Rolling Stock. "	3,854,058	3,117,919	3,322,923	3,504,251	2,623,812
5	Oils - - - - - "	821,644	1,235,681	1,337,586	1,889,829	2,374,903
6	Machinery and Millwork - "	979,235	1,252,302	1,649,658	2,184,992	2,289,343
7	Sugar - - - - - "	1,379,888	1,059,382	1,848,829	1,581,145	1,933,833
8	Woollen Manufactures - - - "	1,380,880	1,581,179	1,719,112	1,619,654	1,508,591
9	Provisions - - - - - "	1,104,391	1,081,645	1,389,890	1,472,321	1,491,663
10	Liquors - - - - - "	1,264,426	1,317,005	1,349,099	1,374,460	1,337,960
11	Coal (excluding Coke and Patent Fuel) :					
	Quantity - - - - - Tons	679,475	648,051	708,509	756,732	507,019
	Value - - - - - Rs.	1,097,144	1,766,688	1,367,428	1,726,981	1,214,470
	Average Value per Ton - - - Rs.	16 2 4	16 0 7	19 4 9	22 13 2	21 6 10
12	Apparel - - - - - Value Rs.	871,117	909,646	1,055,797	1,053,751	1,109,107
13	Spices - - - - - "	659,516	608,298	845,118	755,248	799,192
14	Salt :					
	Quantity - - - - - Tons	332,291	379,617	411,158	364,424	347,530
	Value - - - - - Rs.	542,266	695,205	760,708	805,274	754,468
	Average Value per Ton - - - Rs.	16 5 1	18 5 1	18 8 -	22 1 7	21 11 4

APPENDIX III.—continued.

TABLE IV.—WHOLESALE PRICES of TYPICAL COMMODITIES in GOLD and SILVER in London and Calcutta in December in each Year.

(Prices of March 1873 = 100.)

In LONDON— (Prices quoted from the London "Economist"):	Measured in Gold.								Measured in Silver.*							
	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1889.
Scotch pig-iron (warrants)	41	36	36	35	37	37	35	50	49	42	43	45	48	49	50	68
Coals, Hetton, Wallsend (London).	54	54	52	51	51	49	51	63	65	63	62	66	67	66	71	86
Copper, Chili bars - -	73	65	54	45	43	95	87	55	87	76	64	58	56	127	121	75
Straits tin - - - -	64	58	52	64	69	115	68	67	76	68	62	81	89	153	95	92
Wheat - - - - -	74	70	57	55	61	56	55	55	88	82	68	69	80	74	78	75
Flour, town-made - -	71	67	54	53	56	54	61	57	85	78	65	68	71	73	85	78
Beef, inferior - - -	97	97	98	75	75	75	67	87	116	113	117	95	97	100	95	119
Cotton, No. 40, mule twist	70	69	70	64	60	62	65	64	84	81	83	82	77	84	91	88
Wool, Southdown hogs -	59	61	52	51	59	55	54	59	71	71	63	65	76	73	75	80
Sugar, foreign Muscovado	62	64	44	60	42	53	53	45	74	75	52	77	55	75	75	61
Coffee - - - - -	74	83	66	65	86	102	101	112	88	97	79	83	111	136	142	153
Saltpetre - - - - -	90	87	81	78	77	77	77	78	108	102	97	100	99	103	107	107
Gold - - - - -	-	-	-	-	-	-	-	-	119	117	119	127	130	134	140	137
Silver - - - - -	84	85	84	79	77	75	71	73	-	-	-	-	-	-	-	-
In CALCUTTA—(Prices quoted from the "Calcutta Price Current"):																
Grey shirtings (8½ lbs.) - - - - -	-	-	-	-	-	-	-	-	75	74	76	80	81	79	81	76
Mule twist, white, good, No. 40 - - -	-	-	-	-	-	-	-	-	75	75	72	71	62	72	75	74
" " Turkey red, No. 40 (12 lbs.) - -	-	-	-	-	-	-	-	-	55	65	58	57	58	58	57	57
" " Orange, No. 40—60 - - - - -	-	-	-	-	-	-	-	-	80	82	78	73	75	86	85	85
Copper, sheathing - - - - -	-	-	-	-	-	-	-	-	79	77	65	58	65	90	91	69
Iron, flat, bolt, bar, and square - - -	-	-	-	-	-	-	-	-	60	62	54	50	53	59	65	79
Spelter, hard - - - - -	-	-	-	-	-	-	-	-	125	79	84	97	109	128	107	144
Hides, buffalo, slaughtered - - - - -	-	-	-	-	-	-	-	-	87	72	71	77	80	69	74	Nom.
Indigo, good - - - - -	-	-	-	-	-	-	-	-	101	116	103	110	72	82	93	76
Jute, picked - - - - -	-	-	-	-	-	-	-	-	96	164	110	118	131	153	192	192
Lac dye, fine - - - - -	-	-	-	-	-	-	-	-	27	-	-	-	-	-	-	-
Shell lac, fine orange - - - - -	-	-	-	-	-	-	-	-	80	98	56	59	56	68	76	102
Linseed, fine, bold, clean - - - - -	-	-	-	-	-	-	-	-	86	95	95	101	98	94	112	115
Rice, Ballam - - - - -	-	-	-	-	-	-	-	-	109	138	139	176	106	118	147	165
Silk, raw, Cossimbazar - - - - -	-	-	-	-	-	-	-	-	78	66	60	73	89	64	76	87
Ten, good Souchong - - - - -	-	-	-	-	-	-	-	-	59	64	55	64	55	50	52	50
Wheat, Doodiah - - - - -	-	-	-	-	-	-	-	-	84	85	66	72	81	76	87	81
Gold - - - - -	-	-	-	-	-	-	-	-	115	112	119	122	123	131	135	131

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX III—continued.

TABLE V.—STATEMENT showing the true Financial Results to the REVENUES of India of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES.

	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.		1890-91.
						Budget Estimate.	Revised Estimate.	Budget Estimate.
	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.
Open Mileage at end of official year.	4,528	* 3,921	3,896	3,912	† 3,241	3,219½	3,241	3,241
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Gross Traffic Receipts - - -	7,606,685	7,809,537	7,280,512	7,241,465	7,403,415	6,917,500	6,475,000	6,662,000
Working Expenses - - -	4,128,385	4,084,462	3,633,396	3,604,795	3,752,607	3,357,500	3,375,000	3,320,000
Percentage of Working Expenses on Receipts - - -	54.27	52.30	49.91	49.78	50.68	48.54	52.12	49.83
Net Traffic Receipts - - -	3,478,300	3,725,075	3,647,116	3,636,670	3,650,808	3,560,000	3,100,000	3,342,000
Net gain by the remittance to England of Capital Receipts and Disbursements in India at the contract rates of exchange, instead of at the average yearly rates obtained for the Secretary of State's bills - - -	1,036	—	—	—	—	—	—	—
TOTAL Revenue - - -	3,479,336	3,725,075	3,647,116	3,636,670	3,650,808	3,560,000	3,100,000	3,342,000
Gross Guaranteed Interest paid in India - - - - Rx.	29,650	49,767	10,648	25,595	6,672	30,100	10,200	6,600
Gross Guaranteed Interest paid in London - - - - £.	3,217,240	3,180,735	2,696,076	2,694,920	2,697,388	2,327,000	2,337,100	2,369,000
Total Guaranteed Interest (sterling payments converted at the average exchange of the year) -	4,028,654	4,231,707	3,721,864	3,852,947	3,959,108	3,439,100	3,399,000	3,443,700
Surplus paid to Railway Companies - - - -	431,495	397,129	534,598	662,622	570,195	612,500	436,100	530,000
Land and Supervision - - -	61,457	79,553	66,235	51,436	44,344	37,500	31,800	39,000
Interest on Revenue Balances -	1,865	1,419	1,827	2,265	3,288	—	—	—
Net Loss on Receipts and Disbursements of Capital in India, calculated in the same way as the gain - - - -	—	48,006	115,343	78,683	86,909	92,010	131,200	93,300
TOTAL Expenditure - Rx.	4,523,471	4,757,814	4,439,867	4,647,953	4,663,844	4,181,110	3,998,100	4,106,000
Net Expenditure from the Public Treasury - - - -	1,044,135	1,032,739	792,751	1,011,283	1,013,036	621,110	898,100	764,000
Net Revenue - - - -	—	—	—	—	—	—	—	—

* The Scinde, Punjab, and Delhi Railway, 691 miles, was purchased by the State on 1st January 1886, and the mileage is shown under State Railways.

† The Oude and Rohilkund Railway, 692 miles, was purchased by the State on 1st January 1889, and the mileage is shown under State Railways.

APPENDIX III.—continued.

TABLE VI.—ACTUAL CAPITAL EXPENDITURE ON STATE RAILWAYS, &c.—continued.

RAILWAYS.	Accounts, 1888-89.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.	To End of 1890-91.	Sanctioned Outlay.	Balance remaining Unspent.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Brought forward - - -	2,554,075	3,052,005	8,784,050	101,432,194	108,504,350	{ 7,072,364 —208
LINES UNDER SURVEY.						
Hindupur Extension Survey - - -	370	—2,100	300	2,191	2,191	—
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES.						
Sindia - - - - -	—920,975	—	—	—	—	—
Katni-Umaria - - - - -	—485,681	—	—	—	—	—
Ranaghat-Bhagwangola - - - - -	60	—	—	30,244	30,244	—
Southern Mahratta - - - - -	—	—	—	* 52,707	52,707	—
Bellary-Kistna - - - - -	331	700	—	1,655,596	1,655,596	—
Bilaspur-Etawah - - - - -	—	—	—	7,514	7,514	—
Vizagapatam Raipur - - - - -	—	—	—	24,504	24,504	—
TOTAL - - -	—1,406,265	700	—	1,770,565	1,770,565	—
Stores and Reserve - - - - -	52,332	— 82,065	165,400	199,969	199,969	—
Nagpur-Chhattisgarh Depreciation Account -	—	103,500	—	103,500	103,500	—
GRAND TOTAL - - -	1,200,512	3,072,050	8,899,750	103,508,419	110,580,575	{ 7,072,364 —208
Distributed as under :—						
Capital Expenditure on Public Works (not charged against Revenue):						
State Railways—Construction -	1,178,111	3,066,200	8,895,000	94,662,191	—	—
Famine Relief and Insurance :						
Protective Railways - - - - -	—	—	—	2,933,979	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance) - - -	22,401	5,850	4,750	5,912,249	—	—
TOTAL as above - - -	1,200,512	3,072,050	8,899,750	103,508,419	—	—

* Represents depreciation on works and stores allowed by Government on transfer to the Company.

APPENDIX III.—continued.

TABLE VII.—CAPITAL EXPENDITURE ON IRRIGATION—MAJOR WORKS, in 1888-89, and ESTIMATED EXPENDITURE on such Works in 1889-90, 1890-91, and to the End of 1890-91, &c.

	Accounts, 1888-89.	Revised Estimate, 1889-90.	Budget Estimate, 1890-91.	TOTAL Actual and Estimated Outlay to End of 1890-91.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be Spent.
IRRIGATION WORKS.						
CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.						
<i>Bengal.</i>						
*Orissa Canals - - - - -	62,344	32,500	45,668	2,431,896	3,110,213	678,317
*Midnapore Canal - - - - -	266	3,000	2,632	832,233	832,233	—
*Hidgellee Tidal Canal - - - - -	-	6,300	31,000	216,849	256,464	31,615
*Sone Canals - - - - -	14,845	11,100	15,700	2,555,269	2,788,870	233,601
<i>North Western Provinces and Oudh.</i>						
*Ganges Canal - - - - -	6,282	7,784	13,845	2,683,632	2,923,442	239,810
*Lower Ganges Canal - - - - -	93,716	67,858	79,983	3,168,459	3,272,332	103,873
*Agra Canal - - - - -	4,558	3,835	4,487	850,543	871,670	21,127
*Eastern Jumna Canal - - - - -	8,699	12,423	6,685	322,442	344,191	21,749
<i>Punjab.</i>						
Western Jumna Canal - - - - -	16,840	7,100	2,700	1,060,558	1,078,050	17,492
Bari Doab Canal - - - - -	14,324	10,000	17,200	1,593,986	1,579,860	—14,126
Sirhind Canal (State outlay) - - - - -	29,243	8,100	4,930	2,246,571	2,226,440	—20,131
Chenab Canal - - - - -	56,335	60,000	100,000	466,541	998,500	531,959
*Sirsa Branch Canal (State outlay) - - - - -	-	14,400	52,670	67,070	289,269	222,199
<i>Madras.</i>						
Godavari Delta System - - - - -	9,519	7,521	4,200	1,087,796	1,108,933	21,137
Kistna Delta System - - - - -	52,849	51,097	42,800	928,149	1,391,978	463,829
Sangam Anicut System - - - - -	6,880	5,020	3,200	300,008	306,500	6,492
Periyar Project - - - - -	59,293	75,000	78,200	239,592	542,500	302,908
<i>Bombay.</i>						
Desert Canal - - - - -	3,764	390	-	121,832	123,479	1,647
Begari Canal - - - - -	-	-	-	162,561	162,561	—
Eastern Nara Works - - - - -	7,645	8,940	10,766	517,411	527,670	10,259
†Mutha Canals - - - - -	4,139	3,263	4,100	609,306	605,324	—3,982
Other projects - - - - -	17,340	18,727	65,904	3,311,273	—	—
	468,881	414,358	£86,670	25,773,977	—	—
<i>Deduct,—Outlay incurred from ordinary revenues - - - - -</i>	8,991	12,458	36,670	5,484,507	—	—
TOTAL - - -	459,890	401,900	550,000	20,289,470	—	—
FAMINE RELIEF AND INSURANCE.						
PROTECTIVE IRRIGATION WORKS.						
<i>North Western Provinces and Oudh.</i>						
Betwa Canal - - - - -	3,279	2,700	2,570	397,847	425,141	27,294
<i>Punjab.</i>						
Swat River Canal - - - - -	4,677	7,000	2,000	346,928	354,581	7,653
<i>Madras.</i>						
Rushikulya Project - - - - -	26,072	32,500	35,000	174,049	260,139	86,090
<i>Bombay.</i>						
Nira Canal - - - - -	36,083	30,982	23,700	486,284	487,938	1,654
Other projects - - - - -	426	818	1,730	410,816	—	—
	70,537	74,000	65,000	1,815,924	—	—
<i>Deduct,—Other outlay incurred from ordinary revenues - - - - -</i>	-	-	-	285,434	—	—
TOTAL - - -	70,537	74,000	65,000	1,530,490	—	—
GRAND TOTAL - - -	530,427	475,900	615,000	21,819,960	—	—

* These works are constructed on the financial responsibility of the respective local governments.
† The further expenditure on this work will be met from ordinary revenues.

APPENDIX III.—continued.

TABLE VIII.—GROSS RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS, of GUARANTEED and STATE RAILWAYS, for Five Years ending 1888-89, with REVISED ESTIMATES for 1889-90, and BUDGET ESTIMATES for 1890-91.

	ACCOUNTS.					Revised	Budget
	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	Estimate, 1889-90.	Estimate, 1890-91.
GUARANTEED RAILWAYS.							
Open mileage at beginning of year	Miles. 4,636	Miles. 4,528	Miles. * 3,921	Miles. 3,896	Miles. 3,912	Miles. † 3,241	Miles. 3,241
<i>Gross Receipts.</i>							
Eastern Bengal	Rr. 82,325	Rr. 716,965	Rr. 794,264	Rr. 821,527	Rr. 861,715	Rr. 920,000	Rr. 925,000
Madras	423,774	450,440	512,196	506,398	551,270	576,000	437,000
South Indian	1,221,595	1,318,202	1,848,618	1,227,163	1,300,698	1,200,000	1,300,000
Bombay, Baroda, and Central India	3,514,397	3,654,192	3,971,682	3,884,601	4,208,148	3,690,000	4,000,000
Great Indian Peninsula	617,653	571,517	656,787	701,776	—	—	—
Oude and Rohilkund	1,129,986	1,054,234	—	—	—	—	—
Scinde, Punjab, and Delhi	—	—	—	—	—	—	—
TOTAL	7,606,685	7,809,637	7,280,512	7,241,465	7,403,415	6,475,000	6,662,000
<i>Working Expenses.</i>							
Eastern Bengal	85,153	—	—	—	—	—	—
Madras	424,121	439,380	504,611	513,922	498,676	515,000	515,000
South Indian	281,615	297,325	346,208	372,378	382,017	396,000	295,000
Bombay, Baroda, and Central India	550,449	543,498	562,972	520,158	559,640	555,000	550,000
Great Indian Peninsula	1,779,690	1,850,110	1,987,344	1,842,185	1,999,032	1,910,000	1,960,000
Oude and Rohilkund	307,793	367,453	362,263	356,162	318,242	—	—
Scinde, Punjab, and Delhi	699,664	597,096	—	—	—	—	—
TOTAL	4,128,385	4,084,462	3,633,396	3,604,796	3,762,607	3,375,000	3,320,000
<i>Net Traffic Receipts.</i>							
Eastern Bengal	—2,828	—	—	—	—	—	—
Madras	292,844	321,572	289,653	307,605	363,039	405,000	410,000
South Indian	142,259	153,115	166,990	134,020	169,253	180,000	142,000
Bombay, Baroda, and Central India	671,146	774,704	780,641	707,005	740,956	735,000	750,000
Great Indian Peninsula	1,734,707	1,804,082	2,114,308	2,142,416	2,209,115	1,780,000	2,040,000
Oude and Rohilkund	209,840	204,464	295,524	—	—	—	—
Scinde, Punjab, and Delhi	430,332	467,138	—	—	—	—	—
TOTAL	3,478,300	3,725,075	3,647,116	3,636,670	3,650,808	3,100,000	3,342,000
STATE RAILWAYS.							
Open mileage at beginning of year	Miles. 5,632	Miles. (a) 6,966	Miles. 7,227	Miles. 8,081	Miles. 8,979	Miles. (b) 10,407	Miles. 11,196
<i>Gross Receipts.</i>							
East Indian	Rr. 4,310,425	Rr. 4,703,587	Rr. 4,707,202	Rr. 4,603,216	Rr. 4,471,119	Rr. 4,470,300	Rr. 4,400,300
Rajputana-Malwa	1,399,592	1,666,023	1,688,259	1,688,296	1,903,833	1,940,000	1,925,000
Cawnpore-Achnera	92,930	95,819	130,092	—	—	—	—
Sindia	36,833	39,408	39,183	45,739	37,800	7,100	—
Bhopal	1,281	2,843	3,505	4,976	5,612	7,900	12,500
Warilha Coal	67,822	64,820	74,742	78,021	88,442	82,000	71,000
Bengal-Nagpur	136,239	147,349	131,760	137,477	163,617	217,500	320,000
Katni-Umaria	—	—	3,326	8,126	—	—	—
Umaria Colliery	1,572	2,224	6,873	11,447	17,822	25,500	36,000
Burma	216,640	233,565	291,663	331,041	314,241	350,000	380,000
Toung-hoo-Mandalay	—	—	—	—	31,901	157,500	180,000
Jorhat	—	—	—	—	—	—	—
Cherra-Companygunj	383	3,624	3,911	4,968	5,984	6,000	6,000
	—	—	226	1,220	620	1,200	1,200
Eastern Bengal:							
Eastern Bengal	463,346	455,598	537,136	—	—	—	—
Northern Bengal	216,620	233,920	262,401	—	—	—	—
Kaunia-Dhurla	15,676	12,911	14,543	968,431	1,070,589	1,145,000	1,150,000
Dacca	2,559	12,723	27,997	—	—	—	—
Tirhoot	124,972	128,026	159,921	180,606	170,854	220,000	225,000
Nalhati	7,638	7,890	8,654	9,405	10,459	10,100	10,100
Patna-Gya	51,793	51,760	53,645	52,987	49,895	51,900	51,500
Bengal Central	—	54,129	34,575	75,538	72,389	74,500	77,000
Oude and Rohilkund	—	—	—	—	174,788	785,000	820,000
Benares Branch	—	—	—	175	700	—	—
Indian Midland	—	—	9,234	30,563	108,154	320,000	450,000
Dildarnagar-Ghazipur	4,073	4,650	4,738	4,833	4,604	—	—
Bareilly-Pilibhit	899	8,393	10,126	9,558	9,350	11,000	11,000
Lucknow-Sitapur-Seramsu	—	—	1,666	14,305	25,428	31,400	37,500
North Western	1,126,401	1,808,224	2,373,245	2,188,185	2,573,180	2,865,000	2,700,000
Amritsar-Pathankot	19,958	28,985	7,320	7,350	8,738	10,100	11,200
Jammu-Kashmir	—	—	—	—	—	—	—
South Indian	—	—	—	—	—	—	—
Vilupuram-Guntakal	—	—	—	—	—	—	—
Vilupuram-Guntakal-Nellore Branch	—	—	—	—	—	—	—
Bellary-Kistna	—	—	—	4,845	23,566	25,400	32,500
Dhond and Manmad	20,427	22,082	23,376	22,784	25,545	24,900	25,000
Southern Mahratta	33,244	102,818	182,317	326,423	399,808	415,000	465,000
Mysore	—	—	37,401	51,481	59,014	98,600	123,000
Beavada Extension	—	—	—	—	—	7,500	9,000
TOTAL	8,351,931	9,890,211	10,829,027	10,871,926	11,827,120	13,360,300	13,777,300

* The Scinde, Punjab, and Delhi Railway, 691 miles, was purchased by the State on 1st January 1886, and the mileage is shown under State Railways.
† The Bellary Branch of the Madras Railway, 33 miles in length, having been transferred to the Southern Mahratta Railway, the mileage is shown under State Railways.
‡ The Oude and Rohilkund Railway, 692 miles, was purchased by the State on 1st January 1889, and the mileage is shown under State Railways.
§ Net Receipts.
¶ The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.
(a) Includes one-fifth the length of the Bhopal Railway and the whole length of the Sind, Punjab, and Delhi Railway.
(b) Includes the length of the Oude and Rohilkund Railway.

APPENDIX III.—continued.

TABLE VIII.—RECEIPTS AND EXPENSES OF RAILWAYS, &c.—continued.

	ACCOUNTS					Revised	Budget
	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.	Estimate, 1889-90.	Estimate, 1890-91.
STATE RAILWAYS—continued.							
<i>Working Expenses.</i>							
East Indian	Rx. 1,820,235	Rx. 1,882,269	Rx. 1,721,762	Rx. 1,662,581	Rx. 1,689,946	Rx. 1,650,000	Rx. 1,640,000
Rajputana-Malwa	772,169	897,238	899,803	} 907,164	970,424	1,025,000	1,012,500
Cawnpore-Achnera	68,492	79,222	80,728				
Sindia	19,573	19,440	19,472	21,322	17,703	3,403	14,500
Bhopal	1,746	8,731	2,558	4,457	4,977	7,900	11,000
Wardha Coal	47,603	51,694	59,627	68,028	61,323	57,000	55,900
Bengal-Nagpur	80,480	94,705	80,370	86,760	127,058	166,000	220,000
Katni-Umaria	-	-	-	8,600	-	-	-
Umaria Colliery	-	9,265	2,538	2,634	20,363	22,500	28,000
Burma	134,468	174,769	173,250	175,841	189,676	202,500	206,000
Toungthoo-Mandalay	-	-	-	-	32,645	123,500	130,000
Jorhat	725	4,229	5,376	6,441	5,707	6,000	8,800
Cherra-Companygunj	-	-	2,361	3,716	2,116	2,800	2,200
Eastern Bengal:							
Eastern Bengal	197,262	998,637	326,752	} 481,139	490,105	505,000	510,000
Northern Bengal	162,031	149,034	141,174				
Kaunia-Dhuria	11,980	11,019	11,229				
Dacca	707	18,458	28,689				
Tirhoot	96,847	91,558	98,583	106,156	96,254	95,500	100,000
Nalhati	7,218	6,878	6,711	6,192	8,541	7,600	8,000
Patna-Gya	29,826	27,179	27,898	24,613	23,786	24,800	24,500
Bengal Central	-	54,713	43,351	67,611	51,147	47,000	54,000
Oudh and Rohilkhand	-	-	-	-	54,568	} 350,000	360,000
Benares Branch	-	-	-	69	80		
Indian Midland	-	-	8,199	20,098	69,512	217,500	280,000
Dildarnagar-Ghazipur	2,737	2,486	2,461	2,245	2,195	-	-
Bareilly-Fillibhit	1,355	6,113	7,675	6,766	6,592	7,500	7,500
Lucknow-Sitapur-Seramau	-	-	1,207	14,998	18,153	20,800	22,500
North Western	600,255	645,651	1,316,886	1,633,629	1,742,526	1,830,000	1,830,000
Amrit-ar-Pathankot	17,535	24,171	2,218	-	-	-	-
Jumna-Kashmir	-	-	-	-	-	-	82,500
South Indian	-	-	-	-	-	-	10,000
Vilupuram-Guntakal	-	-	-	9,154	27,060	18,500	25,000
Vilupuram-Guntakal-Nellore Branch	-	-	-	8,519	-	-	-
Bellary-Kistna	-	-	-	-	-	-	-
Dhond and Manmad	33,188	81,302	125,596	222,132	298,965	312,500	355,000
Southern Mahratta	-	-	20,144	42,426	47,744	87,000	96,500
Mysore	-	-	-	-	-	5,800	6,500
Bezvada Extension	-	-	-	-	-	-	-
Exchange	38,795	-	-	-	-	-	-
TOTAL	4,145,614	4,833,411	5,219,889	5,594,187	6,059,266	6,795,700	7,096,000
<i>Net Traffic Receipts.</i>							
East Indian	2,481,190	2,821,318	2,985,440	2,940,635	2,781,173	2,820,300	2,840,300
Rajputana-Malwa	627,423	767,785	789,956	} 791,142	933,409	915,000	912,500
Cawnpore-Achnera	24,438	16,697	49,364				
Sindia	17,201	19,968	19,711	24,417	19,377	3,700	-14,500
Bhopal	465	1,088	949	519	535	-	1,500
Wardha Coal	20,219	13,226	15,116	9,993	27,119	25,000	16,000
Bengal-Nagpur	55,759	52,644	51,390	50,717	36,459	51,500	100,000
Katni-Umaria	-	-	-	738	-	-	-
Umaria Colliery	193	7,041	1,276	8,813	2,541	3,000	8,000
Burma	62,172	68,818	114,413	155,200	124,365	147,500	175,000
Toungthoo-Mandalay	-	-	-	-	644	34,000	50,000
Jorhat	342	605	1,465	1,473	257	-	200
Cherra-Companygunj	-	-	2,135	2,496	1,496	1,400	1,000
Eastern Bengal:							
Eastern Bengal	266,084	156,951	210,384	} 477,292	580,484	640,000	640,000
Northern Bengal	84,597	84,886	131,227				
Kaunia-Dhuria	3,696	1,962	3,314				
Dacca	1,852	5,735	702				
Tirhoot	28,125	36,468	61,338	74,850	74,600	124,500	125,000
Nalhati	425	1,203	1,043	3,213	1,918	2,500	2,100
Patna-Gya	21,968	24,571	25,747	28,374	26,108	27,300	27,000
Bengal Central	-	584	8,776	7,927	21,242	27,600	23,000
Oudh and Rohilkhand	-	-	-	-	120,230	} 435,000	460,000
Benares Branch	-	-	-	108	620		
Indian Midland	-	-	1,035	10,465	38,642	102,500	170,000
Dildarnagar-Ghazipur	1,946	2,214	2,277	2,588	2,409	-	-
Bareilly-Fillibhit	486	2,280	2,451	2,792	2,758	3,500	3,500
Lucknow-Sitapur-Seramau	-	-	449	3,307	7,275	10,800	15,000
North Western	526,146	962,573	1,056,359	554,656	830,664	1,035,000	870,000
Amritsar-Pathankot	2,423	4,814	9,538	7,350	8,738	10,100	11,200
Jumna-Kashmir	-	-	-	-	-	-	50,000
South Indian	-	-	-	-	-	-	5,000
Vilupuram-Guntakal	-	-	-	-	-	-	7,500
Vilupuram-Guntakal-Nellore Branch	-	-	-	4,309	3,494	6,900	-
Bellary-Kistna	-	-	-	2,338	-	-	-
Dhond and Manmad	20,427	22,062	33,376	22,734	25,545	24,900	25,000
Southern Mahratta	61	21,516	56,721	104,285	100,841	102,500	130,000
Mysore	-	-	17,257	9,055	11,270	11,500	25,500
Bezvada Extension	-	-	-	-	-	1,700	2,500
Exchange	38,795	-	-	-	-	-	-
TOTAL	4,206,317	5,056,800	5,609,138	5,277,739	5,767,864	6,564,600	6,681,300

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX III.—continued.

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES, and NET EARNINGS of IRRIGATION—
MAJOR WORKS, for Five Years ending 1888 89, with REVISED ESTIMATE for 1889-90, and
BUDGET ESTIMATE for 1890-91.

	ACTUALS.					Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
	1884-85.	1885-86.	1886-87.	1887 88.	1888-89.		
DIRECT RECEIPTS :	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>
Orissa Canals - - - - -	14,358	20,735	17,961	22,304	24,351	26,500	28,000
Midnapore Canal - - - - -	25,796	26,249	23,419	23,438	25,180	26,500	25,000
Hidgellee Tidal Canal - - - - -	4,351	5,245	5,440	4,186	5,517	4,100	6,000
Sone Canals - - - - -	86,247	106,264	91,843	60,395	84,389	87,300	86,000
Ganges Canal - - - - -	291,662	194,967	220,926	197,254	213,014	210,000	215,640
Lower Ganges Canal - - - - -	169,434	135,688	105,666	106,614	123,382	136,000	136,930
Agra Canal - - - - -	79,190	46,689	61,338	48,148	46,622	54,000	61,380
Eastern Jumna Canal - - - - -	79,374	61,034	69,864	70,305	71,154	71,100	68,670
Betwa Canal - - - - -	-	-	2,070	3,057	7,313	8,000	7,480
Western Jumna Canal - - - - -	160,237	82,635	83,898	135,366	90,170	108,500	119,000
Chenab Canal - - - - -	-	-	-	25	3,768	10,000	10,000
Bari Doab Canal - - - - -	105,421	118,887	129,138	126,141	139,232	140,000	140,000
Sirhind Canal - - - - -	3,249	13,467	35,491	69,900	113,233	146,500	150,000
Swat River Canal - - - - -	-	25	2,672	10,326	22,753	24,000	24,000
Godavari Delta System - - - - -	9,601	10,738	10,601	12,431	10,653	11,500	10,650
Kistna Delta System - - - - -	3,300	3,522	3,791	4,394	4,609	4,550	4,600
Sangam Anicut System - - - - -	-	-	-	86	142	40	180
Desert Canal - - - - -	2,865	2,158	3,735	3,697	7,037	5,088	4,340
Begari Canal - - - - -	3,456	3,131	4,544	2,549	5,007	3,992	3,186
Eastern Nara Works - - - - -	1,804	1,872	1,772	1,599	1,681	1,898	2,005
Mutha Canals - - - - -	14,069	15,055	18,340	18,953	21,640	20,830	21,830
Nira Canal - - - - -	-	24	274	768	1,029	2,670	3,170
Other projects - - - - -	20,612	16,388	17,041	29,020	39,776	47,992	46,869
TOTAL - - -	1,075,026	864,773	909,624	950,061	1,061,802	1,151,000	1,173,900
PORTION OF LAND REVENUE DUE TO IRRIGATION :							
Ganges Canal - - - - -	44,301	44,301	44,301	44,301	44,301	44,301	44,301
Lower Ganges Canal - - - - -	20,783	20,783	20,783	20,783	20,959	20,959	20,959
Eastern Jumna Canal - - - - -	22,154	22,153	22,153	22,154	22,153	22,153	22,153
Western Jumna Canal - - - - -	5,832	5,833	5,832	5,140	5,275	5,500	2,200
Bari Doab Canal - - - - -	27,557	34,250	60,497	37,526	40,469	40,000	40,000
Godavari Delta System - - - - -	160,678	173,695	178,140	183,853	195,920	199,215	203,015
Kistna Delta System - - - - -	101,609	110,592	113,667	132,273	142,362	145,825	150,765
Sangam Anicut System - - - - -	-	3,970	5,824	8,041	8,541	11,305	14,250
Desert Canal - - - - -	10,834	9,389	6,072	8,254	11,030	13,510	14,050
Begari Canal - - - - -	20,386	23,651	19,377	19,391	25,223	28,514	29,414
Eastern Nara Works - - - - -	17,880	19,039	22,753	28,020	34,586	37,763	41,276
Mutha Canals - - - - -	-	345	476	468	562	-	-
Nira Canal - - - - -	-	-	6	31	44	-	-
Other projects - - - - -	33,804	95,296	98,552	93,318	120,828	100,319	105,785
TOTAL - - -	485,818	562,607	597,469	602,555	671,041	669,364	688,168
TOTAL REVENUE :							
Orissa Canals - - - - -	14,358	20,735	17,961	22,304	24,351	26,500	28,000
Midnapore Canal - - - - -	25,796	26,249	23,419	23,438	25,180	26,500	25,000
Hidgellee Tidal Canal - - - - -	4,351	5,245	5,440	4,186	5,517	4,100	6,000
Sone Canals - - - - -	86,247	106,264	91,843	60,395	84,389	87,300	86,000
Ganges Canal - - - - -	335,963	239,268	265,227	241,555	257,315	254,301	259,941
Lower Ganges Canal - - - - -	190,217	156,471	126,449	127,397	144,341	156,959	157,889
Agra Canal - - - - -	79,190	46,689	61,338	48,148	46,622	54,000	61,380
Eastern Jumna Canal - - - - -	101,528	83,187	92,017	92,459	93,307	93,253	90,823
Betwa Canal - - - - -	-	-	2,070	3,057	7,313	8,000	7,480
Western Jumna Canal - - - - -	160,069	88,468	89,730	140,506	95,445	114,000	121,200
Chenab Canal - - - - -	-	-	-	25	3,768	10,000	10,000
Bari Doab Canal - - - - -	132,978	153,137	189,635	163,667	179,701	180,000	180,000
Sirhind Canal - - - - -	3,249	13,467	35,491	69,900	113,233	146,500	150,000
Swat River Canal - - - - -	-	25	2,672	10,326	22,753	24,000	24,000
Godavari Delta System - - - - -	170,279	184,433	188,741	196,284	206,573	210,715	213,665
Kistna Delta System - - - - -	104,909	114,114	117,458	136,667	147,031	150,975	155,365
Sangam Anicut System - - - - -	-	3,970	5,824	8,127	8,683	11,345	14,410
Desert Canal - - - - -	13,099	11,547	9,807	11,951	18,067	18,598	18,390
Begari Canal - - - - -	23,842	20,782	23,921	21,940	30,320	32,606	32,606
Eastern Nara Works - - - - -	19,684	20,911	24,525	29,619	36,267	39,601	43,281
Mutha Canals - - - - -	13,752	14,710	17,804	18,490	21,078	20,830	21,830
Nira Canal - - - - -	-	24	268	737	985	2,670	3,170
Other projects - - - - -	54,733	111,684	115,593	122,338	160,004	148,311	151,644
TOTAL - - -	1,540,844	1,427,380	1,507,293	1,553,516	1,732,843	1,820,364	1,802,068

APPENDIX III.—continued.

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES and Net Earnings of Irrigation, &c.—continued.

	ACTUALS.					Revised Estimate, 1889-90.	Budget Estimate, 1890-91.
	1884-85.	1885-86.	1886-87.	1887-88.	1888-89.		
	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>
WORKING EXPENSES:							
Orissa Canals - - - - -	31,573	34,258	50,193	48,131	38,717	44,350	43,100
Midnapore Canal - - - - -	22,317	20,935	22,637	24,007	20,035	21,000	21,600
Hidgellée Tidal Canal - - - - -	3,689	4,862	2,284	6,490	7,535	3,300	4,900
Sone Canals - - - - -	60,396	55,237	58,146	71,731	75,522	75,000	72,300
Ganges Canal - - - - -	92,009	86,026	85,535	88,300	91,931	84,779	92,538
Lower Ganges Canal - - - - -	82,154	81,327	79,186	86,397	96,850	94,805	85,420
Agra Canal - - - - -	26,565	26,313	28,337	24,478	24,113	26,699	24,903
Eastern Jumna Canal - - - - -	19,164	18,128	20,562	19,266	25,467	25,204	24,018
Betwa Canal - - - - -	-	208	6,995	8,295	10,444	10,630	10,050
Western Jumna Canal - - - - -	44,177	47,834	48,869	55,527	47,536	45,300	53,500
Chenab Canal - - - - -	-	-	-	5,733	7,835	10,000	10,000
Bari Doab Canal - - - - -	47,289	52,014	55,781	49,665	56,561	58,100	58,500
Sirhind Canal - - - - -	14,022	21,276	23,071	34,537	53,647	60,000	60,000
Swat River Canal - - - - -	-	2,372	5,243	8,375	8,745	10,400	10,000
Godavari Delta System - - - - -	50,476	56,486	48,594	51,680	52,221	48,392	49,800
Kistna Delta System - - - - -	27,691	29,413	32,514	32,663	32,299	34,702	34,300
Sangam Anicut System - - - - -	-	468	2,577	4,369	4,170	4,566	5,400
Desert Canal - - - - -	3,149	2,848	4,075	4,041	2,718	3,181	2,890
Begari Canal - - - - -	5,835	5,042	5,300	6,126	6,452	6,308	5,870
Eastern Nara Works - - - - -	6,488	6,467	6,443	5,474	8,393	7,391	6,900
Mutha Canals - - - - -	6,831	6,120	6,838	6,034	6,246	6,911	6,800
Nira Canal - - - - -	-	1,256	1,822	1,673	1,716	2,551	4,250
Other projects - - - - -	26,098	34,210	31,771	34,615	42,523	40,731	41,761
TOTAL - - - - -	571,423	593,150	626,773	677,607	721,676	724,300	728,800
NET REVENUE:							
Orissa Canals - - - - -	-17,215	-13,523	-32,232	-25,827	-14,366	-17,850	-15,100
Midnapore Canal - - - - -	3,479	5,264	782	-569	5,145	5,500	3,400
Hidgellée Tidal Canal - - - - -	662	383	3,156	-2,304	-2,018	800	1,100
Sone Canals - - - - -	25,851	51,027	33,697	-11,336	8,867	12,300	13,700
Ganges Canal - - - - -	243,354	153,242	179,692	153,255	165,384	169,522	167,403
Lower Ganges Canal - - - - -	108,063	75,144	47,263	41,000	47,491	62,154	72,469
Agra Canal - - - - -	52,625	20,376	33,001	23,670	22,509	27,301	36,477
Eastern Jumna Canal - - - - -	82,364	65,059	71,455	73,193	67,840	68,049	66,805
Betwa Canal - - - - -	-	-208	-4,925	-5,238	-3,131	-2,630	-2,570
Western Jumna Canal - - - - -	121,892	40,634	40,861	84,979	47,909	68,700	67,700
Chenab Canal - - - - -	-	-	-	-5,708	-4,067	-	-
Bari Doab Canal - - - - -	85,689	101,123	133,854	114,002	123,140	121,900	121,500
Sirhind Canal - - - - -	-10,773	-7,809	12,420	35,363	59,586	86,500	90,000
Swat River Canal - - - - -	-	-2,347	-2,571	1,951	14,008	13,600	14,000
Godavari Delta System - - - - -	118,803	127,947	140,147	144,604	154,352	162,323	163,865
Kistna Delta System - - - - -	77,218	84,701	84,944	104,004	114,732	115,673	121,065
Sangam Anicut System - - - - -	-	3,502	3,247	3,758	4,513	6,779	9,010
Desert Canal - - - - -	10,550	8,699	5,732	7,910	15,349	15,417	15,500
Begari Canal - - - - -	18,007	21,740	18,621	15,814	23,868	26,198	26,730
Eastern Nara Works - - - - -	13,196	14,444	18,082	24,145	27,874	32,210	36,381
Mutha Canals - - - - -	6,921	8,590	11,026	12,456	14,832	13,919	15,030
Nira Canal - - - - -	-	-1,232	-1,554	-936	-731	119	-1,080
Other projects - - - - -	27,735	77,474	83,822	87,723	118,081	107,580	109,883
TOTAL - - - - -	960,421	834,230	880,520	875,909	1,011,167	1,096,064	1,133,268

APPENDIX III.—continued.

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDISED RAILWAYS.

TABLE X.—ABSTRACT of BUDGET ESTIMATES of CAPITAL TRANSACTIONS of GUARANTEED and SUBSIDISED RAILWAYS, 1889-90 and 1890-91.

RAILWAYS.	AMOUNT IN RUPEES.			AMOUNT OF EXCHANGE.			AMOUNT IN POUNDS STERLING.		
	1889-90.		Budget, 1890-91.	1889-90.		Budget, 1890-91.	1889-90.		Budget, 1890-91.
	Budget.	Revised.		Budget.	Revised.		Budget.	Revised.	
GUARANTEED RAILWAYS.									
RECEIPTS.	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>£.</i>	<i>£.</i>	<i>£.</i>
Madras - - - - -	22,00,000	23,75,000	23,00,000	1,83,000	1,98,000	1,92,000	201,700	217,700	210,800
South Indian - - - - -	18,50,000	21,25,000	16,50,000	77,000	89,000	60,000	177,300	203,600	158,100
Bombay, Baroda, and Central India -	23,50,000	25,50,000	24,00,000	1,96,000	2,12,000	2,00,000	215,400	233,800	220,000
Great Indian Peninsula - - - - -	70,00,000	68,00,000	70,00,000	5,83,000	5,67,000	5,83,000	641,700	623,300	641,700
TOTAL - - - - -	1,34,00,000	1,38,50,000	1,33,50,000	10,39,000	10,66,000	10,44,000	1,236,100	1,278,400	1,230,600
ADVANCES.									
Madras - - - - -	20,00,000	19,50,000	19,50,000	1,67,000	1,63,000	1,63,000	183,300	178,700	178,700
South Indian - - - - -	11,50,000	11,50,000	9,50,000	48,000	48,000	40,000	110,200	110,200	91,000
Bombay, Baroda, and Central India -	15,50,000	13,00,000	14,75,000	1,29,000	1,08,000	1,23,000	142,100	119,200	135,200
Great Indian Peninsula - - - - -	49,00,000	38,50,000	50,00,000	4,08,000	3,21,000	4,17,000	449,200	352,900	458,300
TOTAL - - - - -	96,00,000	82,50,000	93,75,000	7,52,000	6,40,000	7,43,000	884,800	761,000	863,200
NET RECEIPTS.									
Madras - - - - -	2,00,000	4,25,000	3,50,000	16,000	35,000	29,000	18,400	39,000	32,100
South Indian - - - - -	7,00,000	9,75,000	7,00,000	29,000	41,000	29,000	67,100	93,400	67,100
Bombay, Baroda, and Central India -	8,00,000	12,50,000	9,25,000	67,000	1,04,000	77,000	73,300	114,600	84,800
Great Indian Peninsula - - - - -	21,00,000	29,50,000	20,00,000	1,75,000	2,46,000	1,66,000	192,500	270,400	183,400
TOTAL - - - - -	38,00,000	56,00,000	39,75,000	2,87,000	4,26,000	3,01,000	351,300	517,400	367,400
SUBSIDISED RAILWAYS.									
RECEIPTS.									
Gain on Remittances to India :									
Southern Mahratta - - - - -	-	-	-	85,000	1,73,000	93,000	-8,500	-17,300	-9,300
Mysore - - - - -	-	-	-	5,000	750	12,000	-500	-75	-1,200
Indian Midland - - - - -	-	-	-	9,78,000	3,34,000	3,80,000	-97,800	-33,400	-38,000
Bengal Central - - - - -	-	-	-	-	1,400	900	-	-140	-90
Bengal-Nagpur - - - - -	-	-	-	5,71,000	4,82,000	8,98,000	-57,100	-48,200	-89,800
Rohilkhand-Kumaon - - - - -	-	-	-	-	1,400	-	-	-140	-
TOTAL - - - - -	-	-	-	16,39,000	9,92,550	13,83,900	-163,900	-99,255	-138,390
WITHDRAWALS.									
Southern Mahratta, including Bellary-Kistna.	21,62,000	19,12,000	13,31,000	3,60,000	3,18,670	2,21,830	180,200	159,333	110,917
Mysore - - - - -	9,00,000	12,60,000	6,23,000	2,25,000	3,15,000	1,55,750	67,500	94,500	46,725
Indian Midland - - - - -	40,47,000	38,92,000	20,17,000	8,09,400	7,78,400	4,03,400	323,760	311,300	161,360
Bengal Central - - - - -	2,03,000	2,45,000	3,50,000	58,000	70,000	1,00,000	14,500	17,500	25,000
Bengal-Nagpur - - - - -	1,08,98,000	1,05,86,000	92,65,000	24,70,000	24,43,000	21,38,000	822,800	814,300	712,700
Rohilkhand-Kumaon - - - - -	-	1,00,000	8,50,000	-	30,000	2,55,000	-	7,000	59,500
TOTAL - - - - -	1,80,10,000	1,79,95,000	1,44,36,000	39,22,400	39,55,070	32,73,980	1,408,760	1,403,993	1,116,202
Net Withdrawals - - - - -	1,80,10,000	1,79,95,000	1,44,36,000	22,83,400	29,62,520	18,90,080	1,572,660	1,503,248	1,254,592
GUARANTEED AND SUBSIDISED RAILWAYS.									
Net Withdrawals - - - - -	1,42,10,000	1,23,95,000	1,04,61,000	19,96,400	25,36,520	15,89,080	1,221,360	985,848	887,192

ABSTRACT of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the Provisions of the Act of Parliament, 24 & 25 Vict. c. 67.

The Council met at Government House on Friday, the 21st. March 1890.

PRESENT :

His Excellency the Viceroy and Governor General of India, G.C.M.G., G.M.S.I., G.M.I.E., presiding.
 His Excellency the Commander in Chief, Bart., V.C., G.C.B., G.C.I.E., R.A.
 The Honourable A. R. Scoble, Q.C., C.S.I.
 The Honourable Sir C. A. Elliott, K.C.S.I.
 The Honourable P. P. Hutchins, C.S.I.
 The Honourable Sir D. M. Barbour, K.C.S.I.
 The Honourable Syud Ameer Hossein, C.I.E.
 The Honourable Rájá Durga Charn Laha, C.I.E.
 The Honourable G. H. P. Evans.
 The Honourable Maung Ón, C.I.E., A.T.M.
 The Honourable Muhammad Ali Khan.
 The Honourable R. J. Crosthwaite.
 The Honourable Sir Alexander Wilson, Knt.
 The Honourable F. M. Halliday.
 The Honourable Rao Bahádúr Krishnaji Lakshman Nulkar, C.I.E.

INDIAN TARIFF ACT, 1882, AMENDMENT BILL.

The Honourable Sir DAVID BARBOUR moved for leave to introduce a Bill to amend the Indian Tariff Act, 1882. He said :—

“The object of this Bill is to raise the rate of duty on imported spirit from five rupees to six rupees a gallon of the strength of London proof. Some time ago the Secretary of State for India requested the Government of India to consider the expediency of enhancing the import duty on spirits. It was pointed out that in recent years the rates of duty on spirit manufactured in India had been increased in a higher proportion than the duty on imported spirit; while the duty on the latter had been raised from four rupees a gallon, the amount at which it was fixed in 1875, to only five rupees a gallon, with a proportionate reduction for strength below London proof, the enhancement of the rates of duty on country spirits had been in many places very considerable. It was said that, ‘in order to restore the ratio that used to exist between the duty on imported spirit and the duty on Indian spirits, the rate of duty would have to be increased considerably.’ It was also urged, ‘that an enhancement of the duties on imported spirits would be an important step towards increasing the price of, and the revenue from, strong drink, and also towards restricting the consumption. It would also, moreover, pave the way for further increases of the still-head duties in towns and populous tracts.’ The Government of India consulted the Local Governments and Administrations on the question. With the exception of Assam and the North Western Provinces and Oudh, the authorities consulted have been generally in favour of an increase. Both the Chief Commissioner of Assam and the Lieutenant Governor of the North Western Provinces consider that there is no such competition between imported and country spirit as to call for an increase in the import duty. But in Assam the circumstances of the country have not as yet permitted the imposition of rates of duty on country spirit levied according to quantity and strength; while in the North Western Provinces and Oudh the rate of duty is exceptionally low, though the Local Government is now considering the propriety of raising the rate. These facts sufficiently account for the opinions that have been received from Assam and the North Western Provinces. All other Governments are in favour of an increase. The following is an extract from the report

report of the Madras Board of Revenue, which is fully endorsed by the Government of Madras:—

‘The incidence of duty on country spirit, that is, the excise duty *plus* the vend rents, in almost every large town in the Presidency and in many rural tracts, is already greater than the present tariff rate, *Rs. 3 8 a.* at 30 degrees under proof; and it will be practically impossible before long to raise the rate of excise duty any higher. In the interests, therefore, of the local distilling trade, in the hope of keeping cheap and inferior European spirits out of the country, and in the interests of temperance, in order that there may be scope for raising the excise duty and thereby decreasing consumption, the Board recommend an increase in the tariff rate of duty.’

‘The Government of Bengal states that low class European spirit competes considerably with country liquor, and recommends an increase in the tariff rate chiefly with reference to that inferior class of imported spirit, on the ground that ‘it is, if not absolutely deleterious, certainly less wholesome than either country spirit or country rum.’ It is on the two considerations above stated that the Government of India has decided that it is desirable to increase the rate of duty as proposed in this Bill. The first of them is a consequence of the excise policy which has been followed by the Government of India, of restricting the consumption of spirits as much as possible by the imposition of high rates of duty. This has been carried so far that any further progress in the same direction is, in some provinces, difficult or impossible without increasing the tariff rate on imported spirits. It is also obviously a sound policy to increase the rate of duty on specially injurious kinds of spirit. In regard to the amount of the increase of duty the Local Governments differed in their proposals; rates varying from six rupees to seven rupees per gallon were suggested. The Government of India has decided that an increase to six rupees will be sufficient for the present.

‘An increase in the rate of duty on perfumed spirit from *Rs. 7 8 a.* to eight rupees follows necessarily on the increase in the rate for ordinary spirit. The rate of duty on spirit in England is *10s. 4d.* a gallon of the strength of London proof. This is considerably more than the rate of six rupees a gallon which it is now proposed to place on spirit imported into this country, and the classes which consume imported spirit in this country are at least as well able to pay a high rate of duty as the classes which consume the same quality of spirit in England.’

The Motion was put and agreed to.

The Honourable Sir DAVID BARBOUR also introduced the Bill.

The Honourable Sir DAVID BARBOUR also applied to His Excellency the President to suspend the Rules for the conduct of business. He said:—

‘My object in so applying is, that I may be able to move that the Bill be taken into consideration at once, and passed to-day, if the Council should be of opinion that it ought to be passed. This is a course which can only be justified in a case of urgency, but I submit that the present case is one of urgency. If any delay takes place, large quantities of spirit will be taken out of bond, or imported, and particular individuals will be able to make an undue profit at the cost of the public and of the public revenues. There need be no hesitation in dealing with the matter at once, on the ground that persons who have made contracts for the sale of liquor at a certain price, but have not yet paid the duty, will suffer hardship; because in an Act passed last year, VIII. of 1889, provision was made to enable the seller in such case to add the additional duty to the contract price.’

His Excellency the PRESIDENT said:—

‘The course which the Honourable Sir David Barbour asks me to adopt is one which has been taken before on similar occasions when a clear case of urgency arose. From what has fallen from the Honourable Member, I have no hesitation in saying that a sufficient case has been made out, and I therefore suspend the Rules.’

The Honourable Sir DAVID BARBOUR moved that the Bill be taken into consideration.

The Motion was put and agreed to.

The Honourable Sir DAVID BARBOUR then moved that the Bill be passed. The Motion was put and agreed to.

EXCISE ACT, 1881, AND BENGAL EXCISE ACT, 1878,
AMENDMENT BILL.

The Honourable Sir DAVID BARBOUR also moved that the Bill to amend the Excise Act, 1881, and the Bengal Excise Act, 1878, be taken into consideration. He said :—

“ I may say at once that no objection to this Bill has been raised by anybody, either in respect of the principle of the Bill, which aims at the taxation of Indian-brewed beer, or in respect of the amount of duty to be imposed. Certain suggestions regarding it have been received from persons who are interested in it in their capacity as brewers. These suggestions can be satisfactorily dealt with by executive order, but in respect of one of them legislation is desirable. I refer to the proposal to allow a drawback of the duty when Indian-brewed beer is exported to foreign countries. This is obviously a reasonable suggestion, and I propose to slightly amend the Bill, so as to place Indian beer on the same footing in this respect as Indian spirits.”

The Motion was put and agreed to.

The Honourable Sir DAVID BARBOUR also moved that the Bill, with the amendment already referred to, be passed. He said :—

“ Although the present Bill does not materially affect the finances, it will, I think, be convenient that I should now give a brief sketch of the general financial position. The usual Financial Statement is published to-day, and full details will be found in it.”

* * * * *

[Sir D. Barbour then gave a brief summary of the Statement, as printed in Part I., see pages 1 to 46.]

The Honourable Mr. EVANS said :—

“ I have to suggest to the Council to consider whether there is any particular urgency in regard to the passing of this Bill. There may be difficulty in discussing the Budget Statement if the Bill is passed now.”

His Excellency the PRESIDENT said :—

“ It will probably be convenient to adjourn at this stage till this day week, and resume the discussion on it when the Council meets again.”

The Council adjourned to Friday, the 28th March 1890.

S. Harvey James,
Secretary to the Government of India,
Legislative Department.

Fort William,
27 March 1890.

The Council met at Government House on Friday, the 28th March 1890.

PRESENT :

His Excellency the Viceroy and Governor General of India, G.C.M.G.,
G.M.S.I., G.M.I.E., presiding.
His Honour the Lieutenant Governor of Bengal, K.C.S.I., C.I.E.
The Honourable A. R. Scoble, Q.C., C.S.I.
The Honourable Sir C. A. Elliott, K.C.S.I.
The Honourable P. P. Hutchins, C.S.I.
The Honourable Sir D. M. Barbour, K.C.S.I.
The Honourable Syud Ameer Hossein, C.I.E.
The Honourable Rájá Durga Charn Laha, C.I.E.
The Honourable G. H. P. Evans.
The Honourable Maung Ón, C.I.E., A.T.M.
The Honourable Muhammad Ali Khan.
The Honourable R. J. Crosthwaite.
The Honourable Sir Alexander Wilson, Kt.
The Honourable F. M. Halliday.
The Honourable Rao Bahádur Krishnaji Lakshman Nulkar, C.I.E.

EXCISE (MALT LIQUORS) BILL.

The Motion before the Council was that the Bill to amend the Excise Act, 1881, and the Bengal Excise Act, 1878, be passed with the following section added thereto, namely :—

“ Drawback of Excise-duty on Export of Malt Liquor.”

“ 9. The provisions of Section 150 of the Sea Customs Act, 1878, with respect to the allowance of a drawback of excise-duty paid on spirit manufactured in British India, and exported to a foreign port, and with respect to the regulation of the drawback by the quantity of such spirit, shall apply also, so far as they can be made applicable, to fermented liquor made in British India from malt, and so exported, and to the drawback of the excise-duty paid on such liquor.”

The Honourable RAO BAHADUR KRISHNAJI LAKSHMAN NULKAR said :—

“ My Lord,—Owing to the shortness of the interval between the presentation and the date fixed for discussion of the Financial Statement, I am unable to submit anything like a full review of that document. I hope that in future a longer interval and the concession of the privilege of interpellation may place us in a better position for a more satisfactory treatment of the important subject of Indian finance. On the present occasion I intend to content myself by submitting for consideration such observations as a cursory study of the Statement suggest themselves. To begin with the Home Charges, one is struck with the meagreness of information given in the accounts, which show nothing beyond two vague entries of ‘ Bills drawn by the Secretary of State,’ and paid. An Indian Budget must be considered incomplete without full and detailed information of the Home Charges, together with the bills preferred and paid between the War Office and the India Office, together with claims on account of charges for troops lent by either country to the other for active service. I would earnestly press for adoption in future this improved mode of preparing the annual Budget in this country, the necessary materials being duly obtained from the Secretary of State.

“ Closely connected with the subject of Home Charges is the question of loss by exchange on payments which have to be made in England in sterling. The present uncertainty of conditions and rules of local recruitment of the Indian subordinate services has given rise to extraordinary claims on behalf of a class of members of those services, founded on race distinction, to have their rupee pensions paid in England in sterling, at a rate of exchange more favourable than the market-rate of the day. Distinct promises and conditions of service made

at the time of recruitment must, of course, be faithfully fulfilled; but it is difficult to understand how foreign British-born subjects, after claiming equality of treatment and eligibility for employment in India along with the natives, can, after retirement, justly advance a claim to have their pensions, originally fixed in rupees, paid in England in sterling, at favourable rates of exchange, simply on the ground that they are foreigners by race, and prefer to live in Europe. It is a peculiar misfortune of India that these questions of race distinction should be allowed to crop up with almost the regularity of periodicity, even half a century after all such distinctions had been abolished by Act of Parliament. The Act of 1870, which tried to bring into existence and bolster up a fiction called the Statutory Civil Service of India, is responsible for unsettling the minds of the people by legalising a race distinction in a manner which satisfied nobody, which practically created rather an arbitrary inter-race distinction, and which introduced into the exercise of patronage the elements of birth and race partiality, which soon became a public scandal. Let me not be misunderstood. I have nothing to say personally against the body of public servants called the Statutory Civil Service. I have no doubt that it consists of members as good and worthy as it was possible to secure under the circumstances. But it has to be remembered that none of them, however able or talented, can possibly escape the taint which must inevitably attach to a faulty system of recruitment based on the wrong principle of the service for the men, and not men for the service. The Public Service Commission dealt with this Statutory Service exhaustively, and exposed its mischievous effects on the public as well as on personal interests concerned. The Commission recommended its abolition, and advised a well-marked division of the public services of India into two parts; one to be exclusively recruited for in England, and the other in India; the distinction of race, creed, or colour, being rigidly discarded from both. The interests of the indigenous races in the local service were safeguarded by the condition of a sufficiently long recent residence, and the possession by all candidates of a really competent knowledge of the vernaculars, fully equal to that of a well-educated native. There was to be no distinction of pay, pension, or other conditions, in either of the two services based on race distinction. Had that recommendation been adopted in its integrity, such claims as those now preferred on behalf of what is styled the 'Uncovenanted Service,' but which really consists of the European portion of that branch, would have no leg to stand upon, and the Indian Treasury would be saved from any such preposterous demands. The Secretary of State, however, was unwilling to go up to Parliament, whose sanction to the new scheme was necessary; and the result is a continued adherence to the most mischievous anomaly and demoralisation which the Parliamentary Act of 1870 had brought into existence. This state of things will certainly satisfy no legitimate interest; and the late Despatch of the Secretary of State has already had the result of renewed agitation in favour of simultaneous examination in India for the Indian Covenanted Civil Service, from which I for one am not now inclined to entirely withhold my sympathy, from a certain point of view. However, financially speaking, I do not see how claims for exceptional treatment in the matter of pensionary payments in sterling at a favoured rate, based on race distinction, on behalf of members of the ruling race, are to be successfully resisted now or in future, so long as the legalised race qualification newly created in 1870 remains in force. The honourable Member for Finance had, therefore, better allow this new disturbing element to have its due weight in his future calculations of 'loss by exchange,' because, among other things, the personal interests of the European members of the Uncovenanted Service claiming the favoured treatment have an ever-increasing Parliamentary influence to support their side.

" Among the items of Imperial Revenue, there are two which challenge attention at the outset, namely, salt and abkari. As regards the first, I wish to draw the attention of your Lordship's Government to the extreme hardship and privation from which the great bulk of the Indian population suffers, in consequence of the enhancement of the salt duty which was sanctioned two years ago. I am no believer in statistical conclusions either way, when they are based solely on a comparison between issues or exports and imports of salt within short corresponding periods. A better and more trustworthy proof of the privations

privations to which the poor are reduced in parts of India is furnished by the new laws which have had to be passed preventing the use of salt-earth, and similar substances, for edible salt, because men do not resort to such extreme devices unless they are hard pressed to do so by the high rate which the salt tax has now reached. I would, therefore, press upon the favourable consideration of Government the paramount necessity of reducing the salt duty to a considerable extent at an early date, simply as a measure of relief of poor humanity. Even if we had not been blessed with a considerable surplus this year, I should have felt it a duty to bring this matter to notice, with a view to afford the required relief even by a re-adjustment of the taxes.

“ One branch of the department of revenue which appears to me to have developed a side of popular demoralisation is the Indian Abkari Department. In the face of the voluminous records recently published with the view of proving several positions taken up by Government in defence against complaints made by temperance movements, and in other quarters, it is not my intention to enter into a controversy on either side. The important question which ought to engage attention is not whether spirituous liquor was known to the people of India before the advent of the British into the country, nor yet whether a larger or smaller quantity is now poured down the native throat, as compared with what was consumed 10, 15, or 30 years ago. These are not, in my humble opinion, questions very pertinent to the issues to be decided. The real question is whether the sense of shame, the homage which hypocrisy pays to virtue, has been gradually rubbed off from the character of our working classes, who form the great bulk of the consumers of country liquor, and consequently the backbone of the Abkari-revenue. The manner in which the contracts are sold, the public and hitherto respectable localities in which liquor-shops are allowed to be opened, and half-tipsy people permitted to infest native thoroughfares, added to the prevalence of the belief, right or wrong, that the habit of drinking is not looked down upon by the ruling class; such are among the real causes, under the operation of which all sense of shame or feeling of the necessity of concealment has disappeared, and the free and open use of intoxicating liquors is becoming more and more fashionable without any immediate prospect of diminution, unless indeed the municipalities bestir themselves, and, with the earnest and energetic help of district officers, insist upon the removal of all liquor-shops to places far away from public thoroughfares and respectable localities, and have them placed under strict police surveillance to prevent intoxicated persons prowling about the streets at dusk. With such measures to ensure respectful and temperate behaviour on the part of the people who frequent the liquor shops, the present demoralisation is bound to diminish to a considerable extent, and may even disappear from among the more respectable working classes by a gradual change of fashion. In that event, the Abkari-revenue must also suffer a corresponding diminution. Even admitting the many errors of facts or statistics into which the temperance movement here and in England is believed to have fallen regarding the actual working of the Indian Abkari Department, I am hopeful that careful and persistent efforts to show up the fashionable character which the habitual use of intoxicating drinks has assumed in India within the last twenty years, under the ægis of a State department, are destined ultimately to win the day in this important controversy; and therefore the time may yet come when the honourable Member in charge of the Financial Department will have to count upon the Abkari-revenue becoming one of the uncertain and decreasing items of income, and to plan his annual estimates accordingly. Indeed, the signs of a better policy in this respect on the part of Government are not entirely absent from the papers recently published, as distinguished from the previous state of things, which is aptly described in a note by the compiler of a Provincial Revenue Handbook,* attached to the section ‘Moral Principles’ which were to underlie a wise administration of the Abkari department under the orders quoted in that chapter. He states:—

‘The following excellent orders have never been cancelled, but it is needless to say that they are not now acted upon, if indeed they ever were.’

“As regards the policy of segregation I have just alluded to, I may mention a custom which was handed down from the time of the Ameers of Sind, according to which all women following a certain immoral profession had to live in a separate

* Bombay, 3rd Edition, 1884, page 293.

separate street by themselves at a respectful distance from the towns. To my personal knowledge, this salutary custom continued to prevail in many towns for at least twenty years after the British conquest of that province. I am unable to say whether the principle of the liberty of the subject has prevailed against the old state of things, and the persons concerned have since been allowed to live and commingle with other citizens in the midst of the towns of that interesting province. Abstract principles of such liberty cannot be always suddenly transplanted from the West into the East without danger, in supersession of salutary checks against vice to which the people are accustomed from time immemorial; and there is no doubt that the free, public, and fashionable use of intoxicants under a Government revenue monopoly is one of such abstract principles, entirely unsuited to the present condition of the masses in India. It will be noted that I make a distinction between the working classes who mainly patronise the Government liquor shops, and the better educated classes among whom it is complained that intemperate habits are on the increase. I do not attribute this latter phenomenon to the Abkari policy of Government, and entirely agree with the dismal explanation of it contained in the papers lately published.

“There are other matters, such as the necessity to raise the minimum for income-tax, the actual working of the provincial contracts, with a stricter adherence to the policy of refunds to Provincial Governments on the return of better times, and some other heads of the Budget, which call for notice, but there was no time for me to take them up and be ready to discuss them at this meeting; nor is it perhaps to be regretted, because the time at our disposal is limited at this very end of the Session, and there are many honourable Members who, I believe, are also going to address the Council.”

The Honourable SIR ALEXANDER WILSON said:—

“My Lord,—There is a general feeling of satisfaction that the anticipations of my honourable friend Sir David Barbour as regards the financial position of the country have been realized.

“The statement which he placed before the Council last week shows that not only in the past year have the finances been found on a sound and profitable basis, but it also holds out a greater measure of hopefulness for the future.

“While congratulating the honourable Member on this happy state of affairs, I concur very fully in those prudential remarks with which he closed his introductory statement last week.

“No doubt, when a ‘surplus budget’ is declared, there is a popular expectation of some corresponding reduction in taxation.

“But the disappointment on this occasion will, I feel sure, be tempered with the appreciation of the wisdom of the policy which declines in the first flush of prosperity to part with any of the resources of the State.

“We have only to look back a few years to realize the fallacy of the assumption that a surplus in any one year, as in 1882, means a continuance of prosperous times, or that it can be used to make a temporary reduction of the public burdens without a danger of again subjecting the country to a period of difficulty such as we have now happily left behind us.

“The statement we are asked to discuss to-day is at once clear and convincing, and, as far as I can learn, commands universal confidence and approbation.

“I will not attempt to enter into any analysis of the figures, but I congratulate the Finance Department on the improved form in which these figures have been placed before us.

“From what the comparatively short time has permitted me to see, they give a full and comprehensive summary of the financial position in a manner alike intelligible and convenient for reference.

“The exposition of the policy in regard to the grant for famine relief will be welcomed by those who have, somewhat unreasonably I think, come to the conclusion that the provision hitherto made in this direction had been done away with; but doubts are entertained whether, under the exceptionally favourable circumstances, the Government are justified in retaining the contribution from the Local Governments and applying it to this purpose.

“Fortunately

“ Fortunately for the country, scarcity has not in any marked degree for some time past pressed upon the people. The great progress which has been made in opening up communication has provided a means of distributing the food resources of the country, which is in itself an insurance against a repetition of the horrors of famine experienced in the past.

“ If we have not heard so much of famine of late years, it is not because risk of short or partial rainfall, and consequent scarcity of food grain, has disappeared, but that the people have now the means of meeting such a contingency and supplying their own needs from the resources of more fortunate parts of the country.

“ In the statement now before the Council, figures are given showing the number of miles of railway open to have increased from 8,382 miles in 1880 to 14,437 miles in 1890, or by more than 72 per cent. in ten years; and, though India is not yet, as regards railways, in the position sketched out by Lord Mayo, we must admit that the progress made has been a protection against the effects of scarcity over particular and special areas.

“ I have read with much interest the remarks under the head of Railway Finance; and, while I acknowledge that much valuable information is given therein, I regret to find no defined policy put forward by the Government with regard to the future construction of railways.

“ I quite recognise the difficulty, in the face of ever-changing circumstances, of laying down any hard-and-fast line of action; but I submit that the time has come when Government should be prepared to say what part it will take in the future.

“ A glance at the figures shows that railways occupy no insignificant position in the Revenue Accounts of India. If the Government are prepared to go on with the development and extension of railways and branch railways throughout the Empire, I do not think that the modest allotment of $6\frac{1}{4}$ crores as provided for in the Budget will go far to keep pace with the requirements of the country. And, on the other hand, if Government is not prepared to go on with the work, I think it is incumbent that it should throw the field more widely open to private enterprise, on such terms as may seem just and reasonable.

“ I would solicit for this subject the careful consideration of the Government of India; for, though the remarks of my honourable friend on the currency question were exceedingly guarded, should any settlement of the relations between silver and gold be arrived at, and the uncertainty of exchange be thus modified, there would be no lack of capital offering for the extension and development of railways in India.

“ Without some defined policy being laid down, however, I fear that the patience of promoters and capitalists is likely to be exhausted before any of the schemes proposed are adopted, and meanwhile the trade requirements of the country are unsatisfied.

“ There is one other point I would like to touch upon, which, from all mention of it having been omitted in the statement before us, must, I presume, have been considered by my honourable friend to have been conclusively dealt with last year, and that is the management and disposition of the Government balances.

“ Mr. Steel, who occupied with far more ability the position I have now been called upon to fill, expressed as his own opinion an entire concurrence with the views then enunciated by the honourable Finance Minister, that these balances should not be made available to the public in the furtherance of trade.

“ To what was then stated by the Honourable Mr. Steel, with which I quite agree, I may now add that I have the authority of the Committee of the Bengal Chamber of Commerce to say that that body supports the action of your Lordship's Government, and is not prepared to advocate a policy which would bring the Government into the money market by making its reserves available for commercial purposes.

“ I hold that it is the interest of the country that large supplies of bullion be attracted here, and the only way to secure this is to permit the ordinary laws of supply and demand to operate.

“ If Government balances be placed at the disposition of trade, the banks will prefer

prefer to work on borrowed money rather than bring out specie to redress the balance of trade.

"If the banks expect a fall in exchange, they will naturally keep as much as possible of their funds in England. We may then see a situation when the Government balances are depleted, when the exchange banks have no money here, and when war, famine, or other causes, may cause Council drafts to be stopped.

"If such a conjunction should arise, the only recourse would be to bring out silver if it were available. Meantime, merchants would be unable to cash their bills, there would be a suspension of cash payments, and a general panic would be inevitable."

The Honourable Mr. EVANS said:—

"My Lord,—I congratulate the Government on a result so far better than could be looked for.

"To find a surplus of Rx. 2,733,000, after estimates for one of Rx. 106,000, is indeed good fortune.

"The Government will, I think, have the approval of the public in their general schemes for the disposal of the surplus.

"Considering the casual character of the portion of the surplus attributable to Opium and some other sources, and the heavy demands of the immediate future, and the necessity for providing for the recurrence of famine, no remission of taxation could, I think, be reasonably asked for.

"The revenues appear to have been well and carefully administered, and the outlook is very hopeful compared with that of later years, after allowing for the changes and chances of Indian Finance.

"The expenditure for the Army and Special Defences for the coming years, over Rx. 2,253,000 (two millions and a quarter), is very heavy, so heavy that it might, had it been necessary, have properly been spread over more than one year. But our first duty to this country is to defend it, and to have our Army and defences in such a state that no foe is likely to attack us. The expenditure, heavy as it is, I think necessary for future safety. Defence takes precedence even of development; and, if the expense is necessary, and if we can afford to meet it with the current revenue of the year, there is no reason why we should not do so, and many reasons why we should.

"Next, it is proposed to spend Rx. 3,750,000 on railways and canals not chargeable to revenue, that is, works for the development of the country which are ordinarily constructed with borrowed capital, and it is further proposed to avoid borrowing this year by devoting the surplus of the past and coming years to this purpose; and it is proposed to lend Rx. 900,000 to local bodies without borrowing.

"I am sure the Council will be glad if the honourable Member in charge of the Public Works can inform them which of the works are productive and likely to pay, and which are constructed for defence or relief of famine and are unproductive works.

"Subject to the remarks I am about to make, the use of the surplus to diminish borrowing, and thus to strengthen the finances, seems wise and statesmanlike.

"But, excellent as the general scheme of the Budget is, providing for the two cardinal points of defence and development, there is one thing against which I most strongly protest, and in this protest I shall, I believe, express a large body of outside opinion.

"This is the manner in which the contribution of Rx. 490,000 levied from the local governments is dealt with.

"This sum was demanded by the Government of India and given by the local governments, under a complete, though innocent and excusable, mistake of fact.

"When the mistake was discovered, the money should, so far as I can see, have been handed back at the first opportunity, unless some adequate political necessity could be shown for its retention.

"It is retained without a word of explanation.

"The local governments can speak for themselves, so far as they are represented

sented here: I speak for the public, for whom and for whose service the local governments held those funds.

"Those funds in the hands of the local governments were applicable to provincial improvements, improvements in the police and in the administration of justice and other matters which touch the daily life of the people.

"They are now diverted from this purpose to Imperial purposes, at a time when the Imperial finances are in a state of unusual prosperity with a hopeful outlook, and at a time when the finances of this province at least are straitened and overburdened.

"It is necessary I should remind the Council of the principles of Provincial Government. The local administration is in the hands of the local governments. They have to provide the people with protection for their persons and property by means of police and criminal courts, and with redress for civil wrongs and enforcement of debts and contracts by the machinery of civil justice. To enable them to discharge these and the other manifold duties of local government, they have allotted to them by a five years' provincial contract certain heads of local revenue, including the whole of the receipts from the administration of justice and a certain percentage of some of the sources of Imperial revenue.

"The allotment is made on the principle of producing an exact equilibrium between expenditure and receipts at the date of the contract; whatever they can save during these five years by economy in administration, or by the expansion of their allotted sources of revenue, they are at liberty to spend in the improvement of their administration and the development of the province.

"This is the only means they have of providing money for reforms and improvements. They are obliged to keep a minimum balance; in the case of Bengal, I believe 20 lakhs. These sources of revenue and the savings from them were guaranteed to the Provinces and the Provincial Governments by the contract of the Government of India for five years from 1887 to 1892.

"But bad times came on the Government of India. The Budget Estimate framed in 1888 for 1888-89 showed a deficit of Rx. 698,000. The Revised Estimate of that year, framed in March 1889, showed a deficit of Rx. 201,700, even after imposing additional taxation. It was only by revising the Provincial contracts before their time, or, in other words, repudiating them, or by getting a contribution from the local governments, that a deficit on the Budget of 1889-90 could be avoided.

"This latter alternative was decided on, though I understand the former had been sanctioned by the Secretary of State in view of the supposed financial embarrassment of the Government.

"I am not raising any objection to the principle that, when there is Imperial necessity, all other considerations must be set aside.

"It was on these grounds and under these circumstances that the demand was made and complied with. Rx. 100,000 (ten lakhs) was the contribution of Bengal, small in amount, but, like the widow's mite, all that she had in the way of disposable surplus.

"How straitened the finances of Bengal have been this year, owing to a bad financial year, and the loss of this disposable balance, His Honour can tell you better than I. I can only vouch for the outward and visible signs of poverty, ruthless economy, and starving of all departments; all the symptoms of a painful attempt to make both ends meet. How near they have met I do not know.

"Now, the question is a plain one. Would the Government of India have taken this contribution had they known the real outturn of the year, if they had known that they would have a surplus of over two millions for Imperial purposes without it? There can be only one answer: an emphatic 'No.'

"Then why do they keep it when the mistake is discovered? Is there any necessity? None. It is so little wanted for this year that it is actually cut out of the accounts, leaving a surplus of Rx. 2,243,000 for this year, and an estimated surplus of Rx. 304,900 for 1890-91.

"This surplus of 1890-91 is arrived at after providing for an extraordinary expenditure of over two millions and a quarter for Army and special defence purposes.

"But it is proposed to leave this Rx. 490,000 to increase the surplus of 1890-91 from Rx. 304,000 to Rx. 794,000, for the purpose of partially restoring

the Famine Grant in that year, by transferring Rx. 524,500, that is, this unfortunate Rx. 490,000 plus Rx. 34,500, from the former surplus to the heading of 'Famine Grant' in 1890-91, so as to bring up this heading to Rx. 600,000. A part of the large surplus of the present year is treated in the same manner, that is, Rx. 433,000 is removed from the heading 'Surplus' and inserted under the heading 'Famine Grant,' and labelled 'For the reduction of debt.' I have looked carefully at the result of moving these figures from the heading 'Surplus' into the heading 'Famine Grant.' To my uninstructed eye the result is '*nil*.'

"The whole of the surplus of both years is devoted to the reduction of debt by diminishing borrowing.

"These two sums of Rx. 433,000 and Rx. 524,000, after having been taken out of the surplus and exhibited as 'Famine Grant,' are expended in exactly the same way as if this had been left to appear as surplus. This and the surplus are applied to the construction of railways and canals not chargeable to revenue, in order to avoid a loan. I can find in the transactions only words and no reality, and the so-called 'Famine Grant' in these years appears to be nothing more than a phrase. The result is that the Rx. 490,000 is practically carried on with the surplus of next year, and dealt with in the same way as the rest of the surplus.

"After the lucid exposition in the Financial Statement of the real meaning and object of what has been variously called 'The Famine Insurance Fund' and the 'Famine Grant,' I had hoped we might have dispensed with these misleading terms.

"The Honourable Member has made it plain that there never was intended to be any 'Fund' or 'Grant' in the strict sense of the words, and that all that was determined on was to estimate, wherever possible, for a special surplus of Rx. 1,500,000 in each year, which was to be applied in reduction of debt or in avoiding borrowing, or on works which tended to prevent famine, and to provide this special surplus before any ordinary surplus available for the remission of taxation could be considered as reached; this was based on a calculation that famine, on the average, would lead to a loss and a consequent borrowing of Rx. 15,000,000 in every ten years.

"This is sound and wise policy, and must command general approval.

"Why this principle should be obscured by the use of misleading terms is not clear. I presume it is to avoid the appearance of a surplus. A misleading phrase may sometimes be practically useful, though it should be avoided if possible. I fear I incur a charge of presumption in criticising the statement of one who is a master of the science of finance, which I profess no knowledge of.

"But the Financial Member has conclusively shown that, taking the two years 1889-90 and 1890-91 together, the Government have more than done their duty in this respect; for they propose to apply, on the two years taken together, Rx. 4,171,000, for the purposes for which the policy of a yearly special surplus of Rx. 1,500,000 was adopted.

"That is, they have proposed to apply to these purposes over Rx. 4,000,000 instead of 3,000,000 in the two years.

"Thus, if they gave back the contribution of Rx. 490,000 to the local governments, they would still have applied over three millions and a half to the purposes intended by the words 'Famine Grant.'

"The conclusion seems to be irresistible that there is no justification to be found on the face of the Financial Statement for the retention of the contribution, but a demonstration that it is unnecessary. If so, the first principles of justice call for its refund to the local governments.

"There is another important point, the taxation of litigants in the civil courts, which I must call the attention of the Council to.

"The Financial Member has given some figures in the Resolution of the 11th of January last. I accept these figures with the same reserve as they are offered. Taking them as correct, what do they show? They show that the administration of civil justice in India costs Rs. 2,14,27,000, over two crores and 14 lakhs, or Rx. 2,140,000.

"Of

“Of this, all but the small sum of Rs. 12 lakhs, Rx. 120,000, is obtained by taxation of the litigants.

“There is a separate provincial machinery for the administration of justice in each Province. The result is that the Bengal litigants are taxed 14 lakhs more than the total cost of civil justice in that Province. Justice in Bengal pays its own way and contributes 14 lakhs to the general revenues.

“In Madras the litigants pay for the machinery, but yield no surplus. In Bombay the litigants contribute two-thirds of the cost, and the General Finances contribute the rest, 10 lakhs. In other Provinces the litigants contribute a certain amount of the cost, and the Government the rest. The net result, as I said, was that the litigants contributed Rx. 2,000,000 and odd, and the general public only Rx. 120,000.

“A number of serious questions arises on this state of facts—

“(1.) Are the litigants unduly taxed?

“In the Statement of Objects and Reasons of Act XXVI. of 1867, we find the following statement:—

‘It is not contended that the expenditure on courts of justice should be met in full by a tax on such individuals of the community as alone resort to the Courts, because it is manifest that all classes of the community have a more or less direct interest in the administration of justice, especially of justice in the criminal courts. But it is only reasonable that those who resort to the courts should contribute a larger proportion than the general public, to the support of them as institutions by which they more than others are immediately benefited.’

“In 1870, in the debate on the motion for leave to introduce a Bill which became Act VII. of 1870, Sir H. S. Maine said:—

‘The true doctrine was that the litigants and the general tax-payers should each contribute something. Nobody denied that the litigants benefited by the Courts, and nobody would deny that the rest of the community derived some advantages. What the proportion paid by each should be was a question not of theory but of experience, to be equitably settled by Government as trustee for all.’

“The time has now come when the civil litigants over the Empire contribute the whole cost less 12 lakhs, while Madras litigants contribute the whole cost in their Province, and Bengal litigants 14 lakhs more than the whole cost in Bengal.

“The question is a serious one, and, in view of hopeful financial prospects in future, I bring it before the Government for their consideration.

“(2.) Why do Bombay litigants contribute two-thirds only, and why does Bombay show a deficit of 10 lakhs and Bengal a surplus of 14?

“Is it that the Bombay establishment and expenditure is extravagant, or that the Bengal establishment is starved?

“There is something here that demands inquiry, and there ought to be a Commission of Inquiry.

“(3.) Taking the provincial judicial system as separate, it is clear that Bengal litigants, who pay so much, have special claims to have an efficient administration of justice; but the complaints on all sides are long and loud. I drew the attention of the Council to this in my remarks on the Budget last March.

“I do not desire to weary the Council by going over the same ground again. The provision of 30 Munsifs (less than half the number demanded by the High Court) has proved wholly inadequate to work off the arrears.

“The litigants of Bengal who pay more than the whole cost cannot get their cases tried. The zamindars whom the Government sells up remorselessly when they do not pay by the sunset of the appointed day cannot obtain the necessary facilities for the recovery of their rents. The Munsifs are terribly overworked, and there is much sickness among them in consequence. They still try cases in ill-ventilated huts. A commission was appointed. The report is not out, but it is evident there must be an increase of Munsifs or an increase of summary powers.

“The rent-suits, though small in amount, involve issues momentous to the parties and to the community. What is apparently a suit for arrears of rent may involve vital questions as to area and rates of rent. The High Court has refused,

and I think rightly, to allow these suits to be decided summarily like small cause court cases.

“ It is no doubt right to have a full inquiry before making permanent arrangements, but adequate temporary arrangements should have been made. They have not been made.

“ The ministerial officers of the court are too few and under-paid. Much of the business is carried on gratis by apprentices or ‘ hangers-on ’ who hope to succeed to places.

“ This produces irregularity and delay and suspicion of unfairness.

“ That a Province where the litigants pay all the costs of civil justice and yield a surplus of 14 lakhs to general revenue can get no better administration of justice than this is, to say the least, unsatisfactory. This state of things has grown up gradually, and is not the fault of the present Government or of any one here present, nor can it be removed by a stroke of the pen. What I complain of is that prompt measures have not been taken to alter this state of things, which was originally pointed out by the High Court, I think, in 1887. I trust no time will now be lost ; but nothing can be done by the Provincial Government without funds.

“ A word as to the Home Charges.

“ I am not one of those who hope to get rid of them, or to prevent their being very heavy. That is unavoidable in the present state of things, and I see no remedy for it. But I wish I could feel that the charges on the other side of the water were subject to the same rigid scrutiny as those on this side.

“ The transport charges are very heavy. I am not certain that the charges made by English Departments for the repair of transport ships would be allowed if they had to pass the scrutiny of our Public Works Member. I should like to see the expenses of the India Office submitted to a scrutiny as close as that of our recent Finance Commission.

“ I am glad to see that we are getting to the end of the charges mentioned in paragraph 56 of the statement as ‘ Arrears of Home Charges on account of British Troops in India—effective.’

“ If my memory serves me, this was a retrospective demand of two millions sterling made by the War Office, or some other English Department, on India some years ago, which has hampered us in our years of depression. I think it was stoutly resisted by the Indian Government, and that the weakness (if any) was on the other side of the water. I am glad to learn we are getting to the end of it.

“ The finances of India are administered with a single-minded desire for the welfare of the country, but mistakes and shortcomings are inevitable, and those who are mainly concerned with Imperial problems which occupy the foreground of their thoughts may profit by being reminded that the bulk of the people look mainly to the concerns of their own daily life. Those concerns are mainly in the hands of the Provincial Governments, and any appeal to subordinate Provincial objects to Imperial ones, except in cases of great emergency, is to most people like an appeal to subordinate the present life to dim hopes of a future one. Their first prayer is for daily bread.

“ I do not ask the Imperial Government to neglect Imperial matters. I only ask them not to lose sight of our present necessities in pursuit of possibly higher objects.”

The Honourable Sir CHARLES ELLIOTT said :—

“ I am glad to have the figures at hand which enable me to answer the question which has been directly put to me by my honourable friend Mr. Evans, and I will also take the opportunity of replying to the remarks which fell from the honourable Sir Alexander Wilson, who inquired whether it is possible for the Government of India to make any statement of its policy in regard to railways. First, with regard to the Honourable Mr. Evans’s questions as to the manner in which it is proposed to appropriate the 375 lakhs which will be devoted to the construction of canals and railways during the year 1890-91. The first item in that expenditure consists of 55 lakhs devoted to canals. These are mostly large irrigation works in the Punjab, the North-Western Provinces, and Madras. In the Punjab there are two great canals in progress—the Sirsa Project,

Project, which is a branch of the West Jumna, and the Chenab Canal. Both of these works will open out large tracts of dry land which are extremely fertile if only water can be supplied. And I venture to say there is hardly any item of our expenditure which will be so remunerative as expenditure on canals in the Punjab. In the North-Western Provinces the work in hand is chiefly the extension of the distributaries of the Lower Ganges Canal, which have long been held in suspense in consequence of the failure of the Nadrai Aqueduct. In Madras the chief works they have in hand are that great engineering work, the Periyar irrigation scheme, and also the extension of the distributaries of the Godavari system. These are the main objects on which will be concentrated the expenditure of 55 lakhs, and I only wish that we could grant a larger amount of money to be spent under this head.

“Deducting 55 lakhs from 375, we are left with 320 lakhs for railway expenditure, which may be divided into three heads, namely, expenditure which is continuous, expenditure which is obligatory, and expenditure which is optional. The continuous expenditure, which recurs year after year, is the grant of 70 lakhs for what is called Open Line Capital on State Railways, that is, for extensions and improvements which the increase of traffic requires on State lines. These are improvements rather than extensions. Hardly any new mileage is added to the railway system by this expenditure. Taking 70 lakhs from 320 lakhs, 250 lakhs remain for the construction of new lines of railway. Of this, about 184 lakhs will be obligatory expenditure in 1890-91, that is, will be devoted to works which we have begun and must finish. The principal one is the Villapuram-Guntakal line in Madras. The completion of this line will, we hope, take place about April 1891, or soon after. This is the last of the more important of those great famine protective lines which were set agoing originally by the Report of the Famine Commission, and were taken up and brought into a regular programme in Sir Theodore Hope's time, and have all now been carried out with this exception. About 50 lakhs must be spent on military lines which we have begun and shall complete this year. We also propose to spend 50 lakhs upon the extension of the railway system in Burma, and here I may say that nothing has ever been more remunerative than the construction of the Toungoo-Mandalay Railway, which was opened about this time last year. It has not only paid its working expenses but also the interest upon the capital laid out, which, I believe, can be said of no other railway in its first year. There is good reason to hope that the extension we are now carrying out in the Mu Valley will also prove remunerative; but, whether it does so or not, the construction of this line will be of the highest importance for the development of Upper Burma, and in providing for its military and administrative necessities. The Government of India propose to make this a continuous item of expenditure, and to set aside 50 lakhs every year for railway purposes in Upper Burma.

“This leaves us with only 66 lakhs out of 320 lakhs, for optional expenditure during the current year on new schemes. The programme for expenditure under this head is not absolutely settled. There are a number of projects before the Government of India, on which survey work is now going on. Until these surveys are completed and the estimated cost worked out, we cannot say with entire certainty which of these lines will be taken up first, or second, or third. We shall be guided very much by the survey reports, in our arrangement of them according to their urgency and probable remunerativeness. As far, however, as we can see, it seems probable that we shall be able to start the East Coast Line after the rains, and possibly some other lines may be taken up; but it would be premature at present to say what will be done.

“The schemes before the Government of India which are now under survey are chiefly connected with the different sections of the rival lines which have been proposed to run between Benares and Calcutta, and for the purpose of straightening the Bengal-Nagpur line and bringing it more directly to Calcutta, instead of carrying the whole of the produce of the Central Provinces round by Assensole. The surveys of all these lines are expected to be completed and the reports to be sent in in the course of the rains; and before the working season begins the Government ought to be in a position to say which of these lines should be taken up.

“As, however, my honourable friend's question probably was meant to extend beyond

beyond the year now opening, and to refer to subsequent years also, it will be well to mention that what I have called the obligatory expenditure on lines now in hand will be reduced year after year, and a larger margin left for what may be called optional expenditure on new schemes for commercial railways which we hope to take up. As compared with the 66 lakhs of the present year, we expect in 1891-92 to have rather more than 200 lakhs, and about 300 lakhs in the two years succeeding, to devote to these objects. With these sums it is hoped we shall make substantial and satisfactory progress.

“ This leads me to one of the two remarks touching my department which fell from my honourable friend Sir Alexander Wilson, who said that the sum of 6½ crores set down for expenditure on railway construction in the present year is a smaller sum than is compatible with a satisfactory rate of progress in future years. His reference was apparently to the table given in the 51st paragraph of the Financial Statement. It will be observed that the details of expenditure are given in that table under three heads—(1) the construction of State railways by the State; (2) the construction of State railways in the hands of companies; and, (3) the extension and improvement of guaranteed lines. This last head—the development of guaranteed railways—is of the same nature as the ‘Open Line Capital,’ which I have explained already. It meets new wants as they arise, and provides for the opening out of new stations, the increase of sidings, the larger supply of buildings and quarters, water-supply, workshops, and so on. But it does not correspond to any increase of mileage in railway construction. The figures show that on the construction of State railways we have spent during the last 11 years 73½ crores; but, out of that, 34 crores and 40 lakhs have been spent in the purchase of four lines, the Eastern Bengal Railway, the Scinde Punjab and Delhi, the Oude and Rohilkund Railway, and the South Indian Railway. That leaves 38 crores and 90 lakhs spent on actual construction, which, divided into eleven years, is almost exactly 3½ crores a year. This is slightly more than what we intend to spend in the coming year, namely, 3 crores and 20 lakhs, but considerably less than what we hope to spend the next year after, or 4 crores; and in the two years following, if all goes well, our Finance Minister hopes to be able to make a grant of 4½ crores for railway construction. So that, as far as State railways are concerned, the progress of construction will, for the immediate future, be accelerated, and not retarded.

“ The second column of the table in paragraph 51 shows the expenditure on State railways constructed through the agency of companies; it amounts to 22 crores in the last seven years, or about 3 crores a year. These sums have chiefly gone to the three large companies—the South Malhatta, the Indian Midland, and the Bengal-Nagpur—which were started about seven years ago. These lines were designed to traverse the areas which were most in need of protection from famine, and the Bengal-Nagpur Railway was intended to open out the most fertile part of the whole of India—the Chhattisgarh plateau—so as to enable food, which had hitherto been landlocked, to be exported for the consumption of the people. These railways were placed in the hands of companies with a guarantee upon the capital—in the one case of 3½ per cent. and a share in the net earnings, and in the other two cases a guarantee of 4 per cent. with a share of the surplus profits. Thus, we have spent on an average, in the last 11 years, 6½ crores a year—3½ crores through the State, and 3 crores through guaranteed companies. But these guaranteed companies have now done their work, and the main question of importance is whether the system of guarantees should be continued, or revived in the same form, or under any modification or disguise.

“ To answer this question would be to answer Sir A. Wilson’s inquiry as to what the railway policy of this Government is; and it can hardly be expected of me at this brief notice to give a full and exhaustive statement of it. But it may be useful to touch briefly on some of the most important heads of our policy. Looking at the system of employing guaranteed companies of the old class, however much we may admit that the creation of these companies was justified by the fact that it would hardly have been possible for the State at that time to have raised the whole of this capital on its own credit, it cannot be denied that it is not economical to raise money at 3½ or 4 per cent., through the agency of companies, when it can be raised by the State at 3 per cent., as is the case now. Therefore, it is not the policy of Government to encourage the
creation

creation of any more companies on terms corresponding to those I have just mentioned, by which the capital raised by the shareholders, while subject to no risk, is secure of receiving a larger rate of interest than capital would receive which was lent to the Secretary of State on the security of the Government of India. If we can borrow at 3 per cent., it seems unnecessary to go to a company to ask it to borrow for us at $3\frac{1}{2}$ or 4 per cent. Companies created on these terms have been called efforts of 'private enterprise;' but I think it will be admitted that this term cannot properly be applied to cases where the capital is supplied on a direct or virtual guarantee of receiving a larger rate of interest than we need to offer in the open market. There is, however, another form of private enterprise which thoroughly deserves the name. I can refer to two companies which afford an admirable example of genuine private enterprise, where the shareholders have put down their capital without any direct guarantee from the State, trusting only to the productiveness of the country, and to economy in building and good management in working the lines. The Bengal and North West Railway Company is the earliest instance of private enterprise of this kind, in which the shareholders raised the capital, and constructed, and are now working, the line. The next development was that afforded by the Delhi-Kalka Company, which only constructs the line, and leaves the East Indian Railway Company to work it, the shareholders receiving a fixed proportion, 50 per cent., of the gross earnings. Private enterprise of this kind the Government of India is anxious to encourage to the largest possible extent, subject to certain broad principles which must govern the selection of projects, and the sanction without which they cannot be started. It would be impossible to allow promoters to come up to Government with possibly ill-digested schemes in their hands, and to obtain leave to run a line here, or run a line there; it is essential that the scheme should be subjected to careful examination as to which was most likely to be useful and remunerative, and to fulfil all commercial and administrative wants. It is necessary carefully to criticise these schemes, and to apply to them certain broad principles which have been laid down after elaborate discussion. I shall mention here the four chief principles.

"The first of them is, that we object to a multiplicity of companies, and aim at having a few large companies rather than many small ones. It is easy to understand how desirable a thing it is that the staff which manages a railway should be fully employed, and not have a system of only 300 or 500 miles to work when it is capable of managing 1,000. The Delhi-Kalka Railway is an instance of an undertaking which, if it were going to depend on its own staff for its working, would be too small for economical management; it was a wise policy in the shareholders to arrange that it should be worked by the East Indian Railway Company.

"The second principle laid down is that of territorial jurisdiction. Every railway which has been started should have a prior right of supplying the whole of the tract which it serves. It cannot be tolerated that another company should be permitted, if it finds a small and profitable tract of country adjoining that railway, to construct a branch or feeder line, alien in interest to the main line. The first choice should be given to the railway which serves that tract; and, as far as possible, every railway system should have its area marked out, and every development and extension within that area should be carried out by the trunk line.

"The third principle relates to the very vexed question of the gauge. It was laid down by the Parliamentary Committee of 1878 that the metre gauge should not be introduced into a broad-gauge country, unless the probable traffic is so light that it would not pay to construct a broad gauge. This, however, is a principle which is difficult of application. Hardly any project of a new railway could be considered, and, as a matter of fact, hardly any project has been considered, as to which arguments could not be used, and have not been used, in favour of one or other gauge. The question has been very much discussed, and our object has been, as far as possible, to fix the areas to which the metre-gauge and the broad-gauge system should respectively be confined. As regards the metre gauge, we have one tract in the south and south-west of India where the Southern India and Southern Mahratta Companies (both metre-gauge lines) are in possession, and there it is but natural that any extensions now made should be of that gauge. Similarly,

north of the Gogra, we have the Bengal and North West Railway, the Tirhoot, and Northern Bengal Railways; and there, too, the metre gauge has been established. But on the great central part of the peninsula of India there has been considerable admixture of the two gauges, and the feeling has grown in strength that the break of gauge involved in this admixture is a serious evil, and will be more and more an evil as traffic increases. Very strong and valid reasons will be required to get over this objection to the extension of the metre gauge, or the construction of new metre-gauge lines within this central area. The question is still under consideration, but we hope we shall be able to lay down definite rules as to the tracts of country to which the broad gauge should be entirely confined, so that, when a new project comes up for sanction, the question of the gauge should be eliminated, and we should no longer have first of all to fight out the dispute on what gauge it is to be constructed.

“The fourth principle is one which is somewhat akin to that which I mentioned first, the objection to the multiplication of small companies. It is, that a company should not be allowed to take up only the best and most remunerative part of a large scheme. It should not, so to speak, be allowed to occupy the neck of the bottle, and compel the traffic of a whole tract to pass over it, without giving it any assistance. It must take the whole scheme, and not select a part of it. As an instance of what I mean, I may refer to a project which begins to assume a somewhat prosperous appearance, the railway from Chittagong to Assam. Several promoters have seen that the southern portion of that country, between Sylhet and Chittagong, will probably prove profitable, because it runs through populous and productive tracts of country. But everyone can see that the northern portion must be very much less productive, and the Government of India has steadily refused to give to those promoters the southern portion alone unless they agree to take the northern portion also.

“These four broad principles are the most important of those which have been laid down by the Government of India for its guidance. And the railway policy of the Government may be briefly described as a policy of carrying out the extension of the railway system, subject to these principles, and mainly in two ways; first, by pushing on the construction of new lines through the Railway Department of the Government with State funds; and, secondly, by giving all possible encouragement to genuine private enterprise, using the term in the manner and with the limitations which I have already described.”

The Honourable RĀJĀ DURGA CHARN LAHA said:—

“I spoke last year, on an occasion similar to this, rather despondingly of the future, not knowing what might arise to disturb the financial equilibrium in such a vast concern as the Government of India. Happily, however, not only no such disturbance occurred, but almost every source of revenue showed improvement beyond expectation, and I am glad that the honourable Finance Minister has thus been enabled to produce a most successful balance sheet.

“He said last year that his deliberate conclusion was that, while there was every need for economy and for husbanding the revenue, there was no ground for despondent or pessimist views. ‘Unless some unforeseen disaster occurs,’ he added, ‘there is every reason to hope that the lapse of two or three years will show a decided improvement in the financial position of the Government of India.’ His anticipations, I am happy to find, have to a great extent been realised this year; and, with his decided expression of opinion as to the need for economy and for husbanding the resources, it would be unnecessary on my part to ask him to continue his watchfulness in these respects in the future, as he has so ably done in the past.

“The honourable Finance Minister proposes to partially restore the Famine Grant, and has stated the importance which is attached by the Government of India and the Secretary of State to the maintenance of such a provision. To my mind the name ‘Famine Grant’ is a misnomer. It is this name which has misled the public mind. People naturally thought that the object of the grant

grant was the provision of funds for the actual relief in time of famine of persons who were in distress. This has never been the exclusive object of the grant, as I can testify from my personal knowledge, having been at one time one of the Commissioners connected with the fund. When the policy of strengthening the finances in connection with famine was originally adopted, it was intended to employ a portion of the surplus every year in the direction of reducing debt. This policy was slightly changed in subsequent years, and it was decided that one-half of the grant should be devoted to the construction of railways and canals which would protect the country from famine, and the other half applied to the reduction of public debt. There was a further departure from the original policy when it was determined that the grant should be appropriated to meet loss arising from protective railways, and that the interest charge on certain railways should also be a charge against the grant. All this shows that the views regarding the grant have been constantly changing, and there is no wonder that there should be misapprehensions in the public mind regarding its nature and effects. The complaints which have been frequently made regarding its misappropriation have arisen from such misapprehensions, and it would be as well to remove the cause in which they had their origin. The main object being simply reduction of debt and construction of protective works, where is the necessity for calling the present appropriation of the surplus by the name of 'Grant for Famine Relief and Insurance?' So far as I understand it, it is nothing but a reserve fund. 'In practice,' to use the words of the Finance Minister, 'it is an insurance against temporary financial disaster of any kind.' I should, therefore, think that, if a name must be given to it, I would suggest that it should be called simply a 'Reserve Fund.' If the Finance Minister would, in a prosperous year, lay by Rs. 1,500,000, and apply a certain portion of this amount to the reduction of public debt, and the balance to the construction of protective works, the object aimed at would be attained without creating mistaken ideas in the public mind. If at times of financial difficulties no surplus could be reserved for this purpose, or if public exigencies required that the grant should be employed in a different direction, no valid complaints could then be made for misappropriation of a grant which, under an inappropriate name, has so long misled the public.

"It is very satisfactory to note that there has been a large improvement, under some of the principal heads of Civil Revenue, of a permanent nature. The increase shown under Land Revenue can be always depended upon as certain and safe. It is a matter for rejoicing that all provinces participate in this improvement. Burma is contributing her share, and the Central Provinces, the North Western Provinces and Oudh, and the Punjab, are showing large increases. The system of periodical settlements in these provinces accounts for this improvement, and I observe that fresh settlement operations are showing increase of revenue. Without entering into the question as to the advantages or disadvantages of periodic settlements as compared with a permanent settlement, I am bound to say that great caution ought to be exercised by settlement officers in assessing land. Some of them are carried away by the idea that a revised settlement carries with it a necessity for an increase of revenue, and in the name of improvement great hardship is sometimes inflicted on landholders in the shape of over-assessment of their estates. It is certainly a source of satisfaction that there should be increase under Land Revenue, because this is a source of income from which elements of uncertainty can to a great extent be eliminated; but, whenever I hear of a large and rapid improvement, I feel a certain amount of doubt as to whether this has been effected without inflicting hardship on the landed classes.

"The Estimates of income, I find, have been prepared with moderation. Nothing approaching to any certainty, however, can be said regarding Opium and Exchange. They are subject to such fluctuations that it is extremely difficult to make any satisfactory estimate regarding them. Opium has been taken at 1,060 rupees per chest, and Exchange at 1 s. 4.552d. These I consider safe figures, and, however great the fluctuations may be, the net results, in all probability, will be satisfactory.

"I must recognise the immense difficulty of preparing a Budget Statement for a country like this, where the financial conditions are constantly fluctuating.

The one before this honourable Council appears, however, to have been framed with great care and judgment, from data to which no exception could be taken, and I congratulate the honourable Finance Member on the marked success which has attended his financial management of the empire.

"It is too early yet to speak of any remission of taxation. There will be time enough next year to think of it, if the position of affairs continues to be prosperous."

"The Honourable SYUD AMEER HOSSEIN said:—

"My Lord, one cannot but rejoice at the hopeful condition of the Budget that is before us. I entirely share the satisfaction which has been expressed thereat by the exponents of public opinion in this country, and I must congratulate the honourable Finance Minister upon his careful management of this very important department of the State, no less than on his masterly exposition and happy forecast of the financial position of the empire.

"It will, no doubt, be gratifying to your Excellency's Government to have already been able partially to restore the Famine Grant, with the prospect of the complete restoration within no immeasurable distance of time. Indeed, by the light of the explanation which occurs in paragraph 20 of the Financial Statement, one may not unreasonably expect that the Famine Grant for the years 1889-90 and 1890-91 will be more than restored by the end of the next financial year.

"My Lord, it will be in the recollection of your Excellency that last year, from my place in this Council, I addressed a prayer for the relief of such taxpayers of all denominations under the Income Tax Act whose annual income varies from 500 rupees to 1,000 rupees. I fully explained how hard the tax pressed on these poor people. That prayer did not meet with a favourable response, and I should have hesitated much before I could gather courage to renew my appeal; but, with the present Financial Statement before me, and the happy augury for the future, I once more venture to renew my application. It is particularly encouraging to note the following paragraph in the Financial Statement:—

'There are, therefore, strong grounds for holding that in 1891-92 we shall, at least, find ourselves in a position of comparative ease, with a surplus in hand, moderate in amount, but sufficient to allow of some improvement in financial conditions.'

"I sincerely hope that no unforeseen event or adverse circumstance may overtake these expectations, and the surplus of the coming year may grow with the same leaps and bounds as in the present year. In the full belief in the justice of the cause I have undertaken to advocate, and in the moderation of my request, I earnestly implore that your Excellency's Government will be pleased to grant the relief I have asked for, by taking an early opportunity to exempt all annual income below 1,000 rupees from the operation of the income tax law."

His Honour the LIEUTENANT GOVERNOR said:—

"I have to join the general chorus of congratulation to the honourable the Financial Member on the successful Budget which he has laid before the Council, and on the exceeding lucidity with which he has explained it; but I hope he will not take it ill if I introduce the little rift in the lute upon one single point, in which I am glad to find that I have already been, to a very great extent, discounted by the honourable Mr. Evans. I need not tell you that I refer to the contributions, the enforced benevolences, which were taken from the Provincial Governments during the current year. It is scarcely necessary I should remind the Council of the state of affairs which led to this contribution. This time last year the expectations founded upon the regular Estimates of the year then current, and upon the Budget Estimates of the year which is now closing, were both rather sad. It was supposed that it was difficult to make both ends meet, and a sum of nearly 50 lakhs had to be levied by contributions from the Provincial Governments, and even including that contribution the estimated surplus was only Rx. 106,000. Well, under the circumstances, the Local Governments were called upon to contribute, and they did contribute. The share of the Bengal Government was 10 lakhs, and,

and, as I had occasion to say, it was contributed with very great difficulty. Our contract had not proved a very profitable one, that is to say, we have had extreme difficulties to contend with in Bengal. We have spent large sums of money in famine expenses, and our receipts, specially in the department of excise, have diminished very considerably: and the result is, we were able only with considerable difficulty, by refusing the most reasonable requests, by, as my honourable friend said, starving the administration, to show in our Budget the necessary surplus which the Secretary of State does not allow us to fall below, namely, 20 lakhs. In other words, we have had nothing absolutely to spend upon any fresh developments, or anything beyond the maintenance of things as they are. It was no doubt perfectly right and proper that, in the state of affairs as they were then described, the Local Governments all round should be called upon to assist the Imperial Government. I think it was generally accepted, and I do not know whether there was a dissentient voice; but it was just and proper only because the state of affairs in which the Government of India stood financially seemed to be a very grave and difficult one. Now, the whole forecast of that period has been happily dispelled. Instead of a nominal surplus of Rx. 106,000, we look forward to an actual surplus of 2½ millions. Under these circumstances I certainly should have expected that the first thing which would occur to my honourable friend in charge of the finances would be to consider, 'ought we not to give back the money we have taken from the Provincial Governments?' I find in his Budget statement nothing which shows this, nothing to show that the idea of restitution had ever come under his consideration; on the contrary, the whole amount is deliberately retained to swell a surplus already so large that for very decency it is spread over two years, and the money is to be devoted to reviving the policy of what is called the Famine Grant, and partly to assist in paying in one year for the very large cost of re-arming the army. Now, what I venture to say is that, had the state of things which exists now been known a year ago, had my honourable friend known that he would have this huge surplus, and that, so far from wanting to make both ends meet, it would seem difficult to dispose of the surplus, I feel sure it would never have occurred to him to ask for this contribution from the Local Governments, because, though it is perfectly right that those Governments should contribute in times of grave crisis to the Imperial Government, yet it must be admitted that to take a contribution under any circumstances from a Provincial Government during the period of contract cuts at the basis on which that contract system is founded. The theory of the contract is, that certain charges and receipts are made over to a Local Government in such a way as to balance each other; and, if the Government by good management or other circumstances succeeds in saving anything on one side, it is at liberty to devote that sum to developing and improving its administration on the other. Consequently, when under the stress of necessity the Imperial Government comes down upon the Local Government and takes away its small accumulations, it breaks down the whole object for which this contract system was established. It takes away from the Local Government all impulse for accumulating its reserves, when it finds that, as soon as it has done that, the money is spent upon some other purpose with which it has no concern. Therefore, I think I may say without hesitation, that it would not have occurred to the honourable the Financial Member, had the circumstances as they now are been foreseen a year ago, to have asked for this contribution; and, if that is so, there is no reason why the money, which was taken under one set of circumstances, should not under another set be now returned, and that that which was taken under a misapprehension, which is now made clear, restored. It may be said that there will be inconvenience in doing this. I am not, of course, in the best position to judge of the force of this argument, but I think that, so far as the money devoted to the Famine Grant is concerned, the inconvenience is not very serious. As to the Famine Grant: here I may be allowed to offer my congratulations to the honourable the Finance Member for having done much to dissipate the absurd ideas, which still float about occasionally in the press, as to the meaning and history of the Grant, and to render it impossible for any one to talk hereafter about malversation and misappropriation, as if the money was put into a separate purse. I fully appreciate the policy of devoting, in times of surplus, sums of money both to diminishing debt and also to expenditure upon unproductive

ductive but protective railways. Still I do not think that, when a sum of four millions is so devoted, there should be much difficulty in restoring the half million which was substantially received from the Local Governments. I can only ask the honourable Member to recollect that the loss of the sum which was contributed by my Government is a very serious deficiency indeed, and puts us to grave inconvenience. It prevents us from doing much that we ought to do. We want every rupee we can collect, for, as matters stand, we are prevented by our poverty from answering the complaint of the high court as to the paucity of judges and the want of judicial establishments. We are prevented from improving the police in the way the Government of India have asked us to improve it, and are unable even to maintain our necessary public works in a proper state of repair. I can only therefore ask the honourable Member to consider the possibility of restoring to us the contribution which we have made, and I can assure him that it will be an important boon at least to the Government over which I preside.

“There was another point which was alluded to by the Honourable Mr. Evans, and on which I should be glad if I were able to give him the information he wants. It was in reference to the Commission which was appointed to inquire into the sufficiency of munsifs and judicial establishments. The Commission was divided into two parts, one to inquire into the sufficiency of munsifs, and the other into the needs of judicial establishments. The report on the first point was sent in to the high court a few months ago, but has not yet come to me, and the inquiry into the other is still going on, and is not yet complete. It is, therefore, out of my power to give any information as to what has been recommended, but I can assure him that we shall be quite ready to carry out any recommendations that may be approved and may be financially feasible, without any avoidable delay.”

The Honourable Mr. HUTCHINS said :—

“The Honourable Mr. Evans was good enough to inform me that he would again draw attention, as he did last year, to the obligation which attaches to the Government to supply more tribunals to cope with the ever-increasing litigation of Bengal. I have, therefore, on this occasion brought with me the resolution on the subject which the Government of India issued early in March of last year. At that time the high court had reported that a large number of additional courts were required, as many as 66 munsifs and six subordinate judges. Their representations had been referred to the Local Government, and his Honour had questioned the conclusiveness of the statistical argument by which the high court supported its demand,

‘and, while not withholding his concurrence from the view that some increase in the civil judicial staff was necessary, has called attention to the expense which would be entailed by increasing the staff in proportion to the “progressive fecundity of litigation,” and to the necessity to which this consideration pointed of devising some other methods of coping with the increased judicial business of the country.’

“The letter containing these remarks bears date 24th October 1888, that is to say, some months before the conference at which it was decided, among other things, that the existing contracts should not be interfered with and that Bengal should contribute to Imperial funds a lump sum of 10 lakhs. I took up this financial objection first, and the resolution deals with it in these terms :—

‘The first question was of a preliminary character, namely, the question whether, in point of fact, substantial grounds existed for the apprehension felt by the Bengal Government that the provision of courts in proportion to the growth of legal business would throw upon the provincial revenues an undue financial burden. An examination of this matter has satisfied His Excellency in Council that there is at the present time no substantial basis for any such apprehension in Bengal. An addition to the number of courts in proportion to the work to be done has hitherto been beneficial to the provincial finances in Bengal, while it has also been advantageous to the people; and the Governor General in Council sees in the circumstances disclosed in this correspondence no reason to think that, for some time to come at all events, this state of things should not continue. Apart from this consideration, however, it is, in the opinion of the Government of India, the duty of the Local Government to provide as many courts as may be proved to be necessary for the disposal of the business brought before them.’

In other words, we came to the conclusion that probably every additional court would go far to pay its expenses, and that, whether this may be so or not, whatever number of courts is really required must be supplied. It will be
evident,

evident, therefore, that it was no mere financial consideration which stood in the way of an immediate concession of all that the high court demanded; but, after examining the grounds upon which that demand was based, I was not satisfied that there was not in many districts a considerable waste of judicial power, and that their necessities, as the resolution puts it,

‘could not be met more economically by investing the existing or even in some cases a less number of courts with extended or more summary powers, or by dividing the time of subordinate or additional judges between two or more districts.’

“I was not without experience in such matters, as I had been through a very similar phase of controversy in the Madras Presidency; and I found that in many places in Bengal ordinary small causes were still tried with all the elaborate procedure applicable to regular suits, that the statutory power to confer higher jurisdiction on selected munsifs had never been exercised, and that the power to authorise the summary disposal, as small causes, of suits relating to rent had also remained a dead letter. I am quite aware that, as my honourable friend has stated, some rent suits may raise difficult questions, but at all events in many of the districts the great majority are of the simplest character possible. This was just one of the questions which the Commissioner was appointed to consider, are there no districts in which rent-suits can safely be tried as small causes and with a summary procedure?”

“In these circumstances the Government of India could not but admit that his Honour had some ground for hesitating to accept the high court’s estimate of actual requirements; and we resolved to appoint a special officer of experience, selected by the court, to aid the chief justice and judges by carrying out that detailed scrutiny of the position and wants of different districts for which their Lordships themselves could not possibly find time, having regard to their other arduous and important functions. Meanwhile, and as his Honour explained last year, as a provisional arrangement, simply to keep down arrears pending the inquiry, we sanctioned the continuous employment first of 30 additional munsifs and three subordinate judges, and subsequently of six more munsifs, besides four subordinate judges for different temporary periods. In other words, we have given 36 munsifs and seven subordinate judges against the high court’s estimate of 66 munsifs and six subordinate judges, and against the Lieutenant-Governor’s offer of 33 munsifs and five subordinate judges as the utmost to which he could see his way to consent.

“I regret quite as much as the Honourable Mr. Evans that the final settlement of this matter is still in abeyance. The Report of the special officer was submitted to the high court in November last, but, as I have already observed, their Lordships’ ordinary work is of a very engrossing character, and the Report raises a number of local questions. Pending their consideration of the Report, and pending the submission of the remarks which I have reason to expect the high court will make on the necessity of large expenditure on court buildings and other accessories, I cannot discuss the matter further; but I may mention that the Report so far justifies our anticipations, that, although it seems to me to have been framed on liberal lines, it calculates the present need to be 52 munsifs and three subordinate judges, against the original estimate of 66 munsifs and six subordinate judges, although it includes five munsifs for places at which the high court, writing in August 1887, had not considered that further assistance was necessary. If then the Report is accepted by the high court, 16 new munsifs will be required, and the immediate additional cost will be about 7,000 rupees monthly, a great part, if not the whole, of which will be met by additional fees on the new suits instituted. The honourable Member has remarked on the inefficiency of the subordinate establishments. As has been explained by his Honour, the same Commissioner with an executive officer has been ordered to examine into this matter also; but I do not think his report has yet been submitted. All I can say is, that no one can possibly feel more strongly than myself, as every one in Madras well knows, that judicial establishments ought to be strengthened and made as effective as possible. My honourable friend also suggested that we might have allowed more than the 36 munsifs, in the interval pending consideration of the Report. I am, however, glad to say that arrears have not increased in this interval, but rather the reverse. So at least I gathered from the Report at a first and somewhat cursory perusal.

“ Perhaps I may add a few more words with reference to what has fallen from the Honourable Mr. Nulkar on the subject of uncovenanted pensions. The Government of India has all along consistently maintained (1) that the Uncovenanted Service has no legal ground whatever for demanding sterling pensions, and (2) that, if they have any equitable ground for complaint, their grievances ought to be laid before Parliament, and, if necessary, investigated by a Select Committee. The absolute correctness of our opinion on the legal merits of the case has now been admitted on all sides. It would be obviously improper for any member of the Government of India at the present time to enter into any discussion of the other grounds on which the claim now stands. These are *sub judice*, and before long will be fully heard and considered by an impartial Parliamentary Committee. I have no doubt that the honourable Member's observations will be read by every member of the Committee, and will receive from them all the consideration which they may be thought to deserve. The honourable Member made some further remarks on the result of the Public Service Commission, but I did not quite see how they were appropriate to this occasion; indeed, I rather think they were out of order. For that reason I do not propose to discuss that subject at present, but will content myself with saying that I think the instructions received from the Secretary of State will bring about, tentatively and by degrees, very nearly the same state of things which the Commission desired to introduce by an alteration of the law.”

The Honourable Sir DAVID BARBOUR said:—

“ The Honourable Mr. Nulkar has complained of the very limited information given in the Financial Statement regarding the Home expenditure, which is under the direct control of the Secretary of State. He has said that the information given in the Statement is confined to two vague entries of ‘ Bills drawn by the Secretary of State ’ and ‘ paid. ’ In this there is some misapprehension. The information given in the Financial Statement regarding the Home expenditure is precisely as full as the information given regarding the expenditure in India. If the Honourable Mr. Nulkar will turn to Statement B., he will find the whole of the English expenditure classified under the very same heads under which the Indian expenditure is classified. It is quite true that neither the Indian nor the English expenditure is set out in great detail in the Financial Statement, but it was never intended that this should be done, and it would be very inconvenient to do so. As it is, the Financial Statement is sufficiently bulky and complex, and I should be sorry to do anything that would add to the difficulty of mastering it. But, though I cannot undertake to set out either the Indian or the English accounts in detail in the Financial Statement, it is, of course, essential that full information on the subject should be available for the public. As matters now stand, such information is available. The Indian accounts will be found in detail in the Finance and Revenue Accounts of the Government of India, a book commonly known as the Yellow Book, published every year, and comprising nearly 250 pages of printed matter of foolscap size. The accounts and estimates of the Home expenditure, which are presented to Parliament and are published as a Parliamentary Paper, contain complete information regarding the revenue and expenditure in England. They are published in May of each year, and are received in this country in June or July. They are quite as voluminous as the whole of the present Financial Statement, and they can be consulted by anybody who takes an interest in them.

“ Another complaint made by the Honourable Mr. Nulkar is that he has not had sufficient time to study the Financial Statement so as to criticise it effectively. The object of the Financial Statement is to explain the general financial position, to set forth the financial policy of Government, and to indicate the nature of any changes which it is proposed to make, and which have a bearing on the finances. It does not profess to set forth the accounts in full detail, or to contain complete information on every branch of the administration. For criticising the general financial position and policy of Government, and the expediency of any new measures which it is proposed to take, a week's study of the Statement appears to me ample, and more than ample. But of course it is not sufficient to enable a person who is new to the subject

subject to master the whole question of the Home charges. The question of the adjustment between the Indian and the English Governments of charges in connection with the portion of the British Army employed in India is excessively complicated and difficult, and the literature of the subject is very extensive. Many Committees have dealt with this question in the past; it has repeatedly been the subject of lengthy correspondence between the Government of India and the Secretary of State, and it is continually under discussion by the India Office, the War Office, and the Treasury.

“ I should be glad if the Honourable Mr. Nulkar could find time to go into the question thoroughly; but for any proper discussion it is necessary that he should be thoroughly acquainted with the question beforehand, and not begin the study at the last moment when the Financial Statement is presented. It is needless to say that it would be a very acceptable result, if his labours should lead to a material reduction of the charges made against India on account of the portion of the British Army employed in India. The question has been discussed again and again by men of great ability and special knowledge of the subject during the last 30 years. Since 1879, a Commission has been considering it under the presidency of Lord Northbrook, whose presence on the Committee is a guarantee that the interests of India are not being neglected.

“ The Honourable Mr. Evans has referred to certain arrear charges which we have had to meet on account of British troops. I am speaking from recollection merely, but I do not think these charges arose in the way in which he supposes. I do not think it is the case that a change was made in the mode of calculating the charge, that the change was applied retrospectively, and that consequently we were called upon to pay in respect of years of which the accounts had been closed.

“ I believe the arrears arose in this way. The calculations by which the charges are determined are extremely complicated. It was impossible to determine the amount of these charges before the close of the years to which they referred. Consequently, the India Office only paid certain sums on account, and when the calculations were completed it was found that the sums paid on account did not suffice to meet the charges. In this way the arrears arose. What the Honourable Mr. Nulkar has said this year, and what the Honourable Mr. Evans has said both this year and last year, show that a considerable interest is taken in the Home charges. The question of the adjustments on account of British troops employed in India is one of the most difficult with which I have ever had to deal; but I will look through the correspondence, and, if I find that there is any correspondence or other papers that might with advantage be made public, I will propose, with your Excellency's permission, that they be published in the ‘ Gazette of India.’

“ The Honourable Mr. Evans and the Honourable Sir Steuart Bayley have urged with much ingenuity and great earnestness that the contribution of 10 lakhs given by Bengal should be restored. It is probably true, as they urge, that, if we could have foreseen last year that 1889-90 would end with a considerable surplus, we should not have asked for these contributions; but I do not think it necessarily follows that they should now be restored. In the first place, the value to the Bengal Government of the 10 lakhs which it contributed appears to me to be exaggerated. It was not a contribution of 10 lakhs yearly, but of 10 lakhs once for all, or say 1,000,000 of rupees. Bengal contains about 70,000,000 of inhabitants, and I really do not think that an addition to the resources of the Bengal Government of a sum of one rupee for every 70 inhabitants would have added so much to the welfare and happiness of the people as appears to be supposed. The total amount is less than one pice per head of population, and I do not think that the loss of such a sum could materially affect the well-being of the people or the efficiency of the administration. In particular, I do not think that the Bengal Government has been prevented from carrying out the recommendations of the High Court by the want of this money. I have always understood that the question of money did not stand in the way, and that the recommendations were not adopted fully and at once, because it was not admitted that the whole of the changes proposed were necessary, I may be mistaken, but the question would assume an entirely new aspect if it were understood that the recommendations were just and proper in every way, and that they had not been completely carried out, simply because there was no money.

“ But, whether the amount be great or small, the question is really one of principle, and as such I am content to deal with it.

“ I am afraid that in politics memories are short and gratitude not common. I would ask the Council to recall what was the position some 16 months ago. It was then not a question of exacting a contribution once for all, but of tearing up the existing contracts, demanding a yearly contribution from each local government, and introducing a system under which the local governments would be called on to contribute, as a matter of course, in case of need, to the wants of the Government of India, while the Government of India was to be in the comfortable position of deciding for itself when the period of need had arrived. Strong objections to this change were raised by the local governments. As a compromise, it was arranged that the local government should pay certain sums once for all, and that the other questions should stand over for future discussion and settlement. All prospect of any such interference with local governments as was proposed 16 months ago has now disappeared. I am glad that this is the case, and I think the local governments have gained greatly thereby. I think we may fairly look on the payment made by Bengal as a payment made by way of compromise, and not as a payment made under a misapprehension. By that compromise local governments have obtained very great advantages. The representatives of these governments should recollect that they have not been deprived of their share of the recent prosperity. Their revenues have increased, and they are no longer in danger as regards their contracts. Bengal is the only government whose finances, so far as I am aware, are not in a flourishing position; but I would ask the Bengal Government to recollect that the payment it had to make was comparatively light, much smaller than that of Madras or Bombay, and that Bengal is the most lightly-taxed province in the empire.

“ I look upon the gradual strengthening of the local government as the most important of the future reforms in Indian administration. It is in my opinion an evil of the first magnitude when the provincial contracts are interfered with, and I hope no such interference will ever take place, except on grounds of clear necessity. I do not wonder that local governments object to such interference, and it would be a portent of evil omen when they ceased to do so, because it would show that they had ceased to take an interest in the provinces committed to their charge. And as I am opposed to any hasty interference with local governments, so I am opposed to any reversal of such interference when it has once taken place. The exaction of a contribution from a local government is too serious a matter to be lightly undertaken when the Government of India is in want, and as lightly reversed when things take a turn for the better.

“ It must also be recollected that, if we had returned their contributions to local government, we could not have taken credit in 1890-91 for the sum of Rx. 490,000, which has just enabled us to restore partially the famine grant in that year. I think this is a consideration to which weight must be attached. It was very desirable to make a beginning in this matter, and thereby formally commit Government to the carrying out, as soon as possible, of a policy which has met with general approbation.

“ The Honourable Mr. Evans expressed some diffidence as to his judgment on matters of finance. I think this was unnecessary. I have never known anybody who more clearly apprehended the fact that the famine grant was simply a surplus, and I have never known the case stated more accurately, or as clearly as he stated it to-day. I unreservedly accept his argument on this point, but at the same time I do not agree with him in holding that the famine grant ought to disappear, and that we should simply show a large surplus. A somewhat similar opinion was expressed by the Honourable Rájá Durga Charn Laha when he said that the famine grant should be simply called a reserve fund or grant, to be drawn on whenever the difficulties of the Government of India rendered it expedient to do so.

“ The Honourable Rájá Durga Charn Laha speaks from experience of the nature of the famine grant, and his opinion has great weight with me.

“ In principle I accept the soundness of his argument, and of that of the Honourable Mr. Evans, but there are certain infirmities of human nature which, in practice, make it expedient to maintain the famine grant. If we showed a large surplus every year, I am afraid we could not resist the attacks that would

be

be made on it. The most convincing arguments would be brought forward to show that this or that proposed scheme for expenditure was of the most valuable character, and sooner or later, and probably sooner rather than later, the surplus would be eaten away.

“And, if we called the famine grant a reserve fund, and acknowledged that it might be broken into when difficulties arose, I am afraid difficulties would be of very common occurrence, and might even be created for the purpose of getting hold of the money. It seems to me that the safest and only method of safeguarding our surplus is to call it a famine grant, and in this way to ensure that its absorption shall not be effected, except as a deliberate act of State policy, which will attract public attention, and must be justified by very strong arguments.

“For this reason I am opposed to any change in the existing practice.

“In the Financial Statement I used the following words:—

“‘There are, therefore, strong grounds for holding that in 1891-92 we shall at least find ourselves in a position of comparative ease, with a surplus in hand, moderate in amount, but sufficient to allow of some improvement in financial conditions.’

“It has been assumed in some quarters that these words foreshadowed a remission of taxation in 1891-92. I am sorry to dispel so pleasing an illusion, but I think it necessary to say that, to the best of my judgment, we shall not be in a position to remit taxation in 1891-92.

“The words I have quoted refer to the possibility of our being able to maintain in 1891-92 the partial restoration of the famine grant which has been carried out this year, and it may be to go a little further in the same direction. It is known to the members of this Council that the special credit of Rx. 490,000 which we are to receive in 1890-91 will not be forthcoming in 1891-92; and, in order to maintain in 1891-92 the famine grant at the amount fixed for 1890-91, there must be an improvement within 12 months of Rx. 490,000, while, in order to raise the famine grant in 1891-92 to the full amount of Rx. 1,500,000, there must be a further improvement of Rx. 467,200. The total improvement required to admit of the famine grant being raised to its full amount in 1891-92 is, consequently, Rx. 957,200. I doubt if the improvement will be so much, and in any case it would be rash in the extreme to assume that the improvement will exceed this amount, and yet, unless the improvement materially exceeds Rx. 957,200, there can be no remission of taxation in 1891-92.

“I am afraid that the state of things I have just described would of itself be fatal to the appeal so earnestly made by the Honourable Syud Ameer Hossein, that all incomes below 1,000 rupees should be exempted from the income tax; but apart from this aspect of the question I should like to make a few remarks on the merits of the case. In the first place, I would observe that the Government of India has not got an inexhaustible treasury on which it can draw at discretion for the purpose of remitting taxation. If taxation is remitted for one class, either an equal amount of taxation must be imposed on some other class, or a class which would otherwise have been relieved must continue to bear its burden. Judging by the standard of this country, I cannot admit that persons having an income of from 500 rupees to 1,000 rupees are poor people, in the sense of being people who ought to be relieved from moderate taxation on the ground of their extreme poverty. Their income is from 40 rupees to 80 rupees a month, and I am afraid that that is a comparatively good income in this country. The question, then, becomes a very simple one. Is it desirable to raise the assessable minimum of income and to retain the salt-tax at its present figure; in other words, should we relieve the men whose incomes range from 40 rupees to 80 rupees a month, and throw the burden on men whose incomes range from 4 rupees to 8 rupees a month? There can, I think, be but one answer to such a question, and, highly as I value the opinion of my honourable friend, I am afraid the proposal he makes is not within the range of practical politics at the present time.

“There is, however, one good argument in favour of the course he suggests. To raise the limit to 1,000 rupees would avoid the necessity of making a very great number of assessments without proportionately reducing the revenue. I quite admit the force of this argument, and can only regret that other considerations prevent the Government from looking on it as conclusive.

“ There is another point on which I desire to offer a word of explanation. It has been alleged that certain information leaked out of the Government offices in connection with the Financial Statement, and that unscrupulous persons took unfair advantage of the information which they had acquired by improper means. There can be no doubt that information has more than once leaked out of Government offices, but it is most difficult to prevent this from happening. More than one newspaper has published information which was improperly obtained and which it knew to be improperly obtained, and I am afraid that there does not exist in some quarters a very high sense of honour in such matters. In the present case it has been alleged that information was improperly obtained regarding the fact that there would be no loan in India next year, and regarding the proposal to raise the rate of duty on imported spirits. Taking the second of these matters in the first place, I wish to mention that the proposal to raise the rate of duty was made a good many months ago by the Secretary of State. The question was considered by all the Local Governments and their responsible advisers in such matters, and rumours of the proposal found their way into the Press. When a proposal has to be discussed by every Local Government in India and by the officials subordinate to each Government, I am afraid there is not much chance of preserving complete secrecy. I first noticed the rumours in a paper published at Lahore. But much harm was not done, because it had not then been decided at what date the duty would be raised, or whether it would be raised at all or not. The decision to raise the duty at once was only arrived at quite recently. It had to be communicated to the Secretary of State, and the amount of revenue expected had to be entered in the estimates, but special precautions to ensure secrecy were taken. I cannot say if they were completely successful, but I have ascertained from the Collector of Customs that very little spirit was taken out of bond before the duty was raised. In fact, only one firm appears to have withdrawn spirit largely just before the duty was raised. The amount so withdrawn was 1,498 gallons, but, as there were 26,121 gallons of spirit, excluding liqueurs, in bond at the time, it would seem that the secret was not badly kept. I cannot say whether the firm in question received information unfairly or not. It may have had such information, or it may have noticed the rumour that appeared in the Press long before, and have withdrawn the spirit on speculation. Assuming that it received information unfairly, the loss of revenue is about 1,500 rupees. I regret that even this amount of revenue should be lost owing to underhand practices; but, considering that the change in the rate of duty will bring in nine lakhs yearly, that rumours of a proposed increase of duty had appeared in the Press some months ago, and that we might have lost the extra duty on the whole of the spirit in bond, which would have amounted to about 26,000 rupees in Calcutta alone, I think we have some reason to congratulate ourselves on the result.

“ In the case of the loan it was more difficult to preserve the secret. The high cash balances naturally attracted the attention of speculators to the matter; and a speculator who had been paying attention to the state of the Secretary of State's drawings, to the high cash balance, and to the published accounts of revenue and expenditure, could have inferred, with some confidence, that either there would be no loan in India or that it would be a small one. The calculation by which it is finally decided whether a loan is necessary or not is an intricate one, in the preparation of which a number of officers take part. When a decision has been come to on the question, it is necessary to make the proper entries in the estimates. The estimates pass through a number of hands, and have to be printed, and consequently information may be given by any one of a number of officers, if anybody is so dishonourable as to be willing to do so. I do not, however, think that much harm, if any, was done in the present case, as the decision not to borrow was come to only a short time before the fact was publicly announced, and I apprehend that dealers in Government paper are rather cautious in their dealings just before the Financial Statement is issued, while those who speculate at such a time do so with their eyes open to the risks they run. I can only say that, if the charge of giving information for purposes of speculation is brought home to any official, he will not be given an opportunity of betraying the trust reposed in him a second time.”

His

His Excellency the PRESIDENT said:

“ We have again taken advantage of the passing of a small and comparatively unimportant measure affecting the Imperial finances, in order to give honourable Members an opportunity of considering and criticising the general financial policy of the Government of India. It will be in the recollection of the Council that, when 12 months ago a similar opportunity was contrived, I was able to state that, in our opinion, the time had come when the right of discussing the Budget should be secured to the Legislative Council, and when the exercise of that right should no longer depend upon casual facilities such as we have been able to afford this year and last. I stated that this view was shared by Her Majesty's Government, and that the Secretary of State had expressed his concurrence in our proposal that there should be an annual instead of an occasional discussion of the Budget in Council. I added that this subject appeared to us, and also to Her Majesty's Government, to be closely connected with another, namely, the propriety of giving to Members of the Legislative Council of the Government of India, under proper safeguards, the right of addressing questions to the Government upon matters of public interest, and I stated that this subject also was engaging our attention and that of the Secretary of State. Since I made this announcement, steps have been taken to make good the assurance which I was then able to give. I was not without hopes that the legislation necessary for the purpose of carrying out these important constitutional changes might have been passed last year, and that we might ere now have been engaged in the task of considering the regulations under which these newly-acquired rights might be exercised. The Secretary of State was fully prepared to introduce the measure during the Parliamentary Session of 1889. Honourable Members, however, are aware of the difficulties which attend Imperial legislation, and cannot have been surprised, even if they were disappointed, to find that the attempt to pass a Councils Bill during the Session of 1889 was abandoned. A Bill is, as honourable Members are aware, now before Parliament. It contains provisions which will be effectual for the purpose of redeeming the pledges given last year, and I earnestly trust that it may become law before the Session terminates. This is, I need not say, not a proper occasion for discussing the other provisions of the Bill, with which honourable Members are no doubt familiar—provisions which affect the composition of this and of the Provincial Legislative Councils. I venture, however, to express my hope that too much credence will not be attached to the wholly unauthorised rumours which are circulated from time to time, in regard to the attitude of the present Government of India towards this most important constitutional question. For the opinions expressed by us in the correspondence which the Secretary of State has thought proper to lay before Parliament we accept the fullest responsibility. For other opinions confidently attributed to us, but not, so far as I am aware, disclosed in any statement of our views, official or unofficial, which has been given to the public, we disclaim all responsibility.

“ I will only add that I earnestly trust that even those who would themselves desire to see a scheme more ambitious and far-reaching than that of the Secretary of State adopted by the Government of India and by Her Majesty's Government, will not, for that reason, allow themselves to be led to disparage unjustly the measure which has lately been passed by the House of Lords, a measure which I honestly believe marks one of the greatest advances which has been made for many years past in the direction of a liberal reform of our institutions.

“ It will not be necessary for me to take up the time of the Council with any lengthened observations upon the financial statement of the honourable Member. I feel sure that I am only expressing the opinion of my colleagues when I say that we have listened to it with feelings of much satisfaction. I should be sorry to allow myself to be drawn into an over-sanguine estimate of our financial situation in the future. Such anticipations are always dangerous; they are particularly dangerous in India, a country in which a portion, at all events, of the population can never be regarded as wholly beyond the reach of disasters involving the financial position of the Government for the time being. I think, however, that we may, without erring in this respect, say that our present situation is eminently hopeful, and that signs are not wanting to show that

that we are at last emerging from that series of lean years through which we have travelled with so much anxiety of late. The steady increase in the volume of our trade, in the amount of the receipts from most of our railways, and in our income from land revenue and from the principal heads of taxation, all point to the approach of a time when we shall have less cause for anxiety than we have had for some time past.

“The proposals of the honourable the financial Member are simple and intelligible. There is no occasion for seeking new sources of Imperial revenue. The measure now before us, which adds a comparatively insignificant sum to our income, is to be justified on political, rather than on financial grounds.

“Some complaint has been made of us because we have not at once taken advantage of the first symptoms of returning prosperity in order to remit taxation. Those by whom this complaint is made can, I venture to think, not have thoroughly realised our position. The Honourable Mr. Nulkar referred to the reduction of the Salt Duty and to the question of raising the minimum at which incomes are liable to be taxed. The reduction of the Salt Duty by 8 annas to 2 rupees, the rate at which it stood until the beginning of 1888, would involve a sacrifice of revenue to the extent of about Rx. 1,500,000. The raising of the taxable minimum of incomes from 500 rupees to 1,000 rupees would cost us about Rx. 300,000. It might perhaps have been possible for us to reduce taxation under one or other of these heads, and yet to make both ends meet in the financial year upon which we are about to enter. I hope, however, it will not be contended in this room that it is the duty of the Government of India at once to remove taxation, merely because it happens for the moment to have at its command resources which would permit it to adopt such a course. The removal of an existing tax is very nearly as serious a matter as the imposition of a new one. A Government has no right to abandon revenue, until it has a reasonable certainty that, at all events as far as it is able to foresee the future, it will be able to dispense with that revenue. A policy which would impose taxes one year and remove them the next because there was a break in the clouds, with the prospect of being compelled to re-impose them immediately afterwards, is not worthy of the name of a policy, and would be fatal not only to the stability of our finances but to the comfort and convenience of the public. We are, I believe, not yet in a position permanently to abandon revenue to the extent involved in any of the above proposals. It may be that the time will come when we shall be able to consider them favourably, and when that time comes the honourable the financial Member will no doubt bear in mind the recommendations to which we have listened. That time has, however, not come yet.

“I venture, however, to go further, and to say that, even if our prospects were better assured than I believe them to be, even if we were in no doubt as to the future of exchange, even if our income from opium were less precarious than it unfortunately is, the honourable the financial Member deserves to be supported in his determination to give the first place, not to small remissions of taxation, but to the restoration of the annual provision which, under the arrangement come to 12 years ago, it was decided to make as a national insurance against famine. It has always seemed to me that that was an eminently sound and prudent policy, in pursuance of which the Government of India determined to make every year a fixed provision for the purpose of enabling the country to meet the recurrent strain to which its finances have from time to time been exposed from failure of crops, involving failure of revenue or direct expenditure in relief. It is not necessary for me to add to what the honourable Member has said in regard to the misconceptions into which the public mind has fallen—misconceptions which, I am afraid, have not been yet entirely removed—in regard to the nature of this arrangement and the uses to which the funds provided under it may legitimately be put. I wish, however, to express my adhesion to the principle upon which the honourable Member has acted, and to say that I think with him that, now that we find ourselves able to dispose of surplus revenues, our first duty is to use them for the purpose of restoring the annual famine grant. I trust that nothing may occur to prevent those who are responsible for the Government of India from henceforth giving effect to the wise intentions of our predecessors, and so regulating the income and expenditure of the Imperial Government that the
pressure

pressure of the bad years may always be to some extent relieved out of the affluence of the good. It was only in consequence of exceptional pressure, only because its poverty, and not its will, consented, that the Government of India found itself constrained during the last few years to cease from making this annual provision; and, considering the nature of the taxation to which it had become necessary to resort, I do not think it will seriously be argued that, in preferring a temporary suspension of the arrangements for insurance against famine to the imposition of additional taxation, Lord Dufferin's Government did not exercise a wise choice. Our first duty, now that we find ourselves face to face with a more promising condition of affairs, is to revert to the sound policy instituted by our predecessors, and to endeavour in each year to provide out of our current revenues a substantial sum to be applied towards the alleviation of the permanent financial liabilities of the State. I trust that a considerable portion at all events of the sum thus appropriated may be applied to the construction of railways which, under less fortunate circumstances, might have remained unbuilt, or for which it might have been necessary to provide capital out of borrowed funds; railways the construction of which will not only bring a direct return to the national exchequer, but also afford increased security to a part of the people of this country against risk from famine. I was not able to follow exactly the argument of the Honourable Mr. Evans, which had reference rather to the manner in which this portion of the accounts was shown. I venture, however, to think that, if we have regard to the essence of the transaction, we are entitled to say that, by thus applying our revenues either in diminution of existing debt, or in avoiding the necessity of adding to it, we shall permanently strengthen our finances, and, in the truest sense of the word, make provision for insurance against famine.

"Of the duties which the Government of India owes to the taxpayers of the country, the duty of, as far as possible, avoiding an increase of the national indebtedness is one of the most binding. Whatever may be our apprehensions with regard to the future, we have at least the consolation of knowing that the indebtedness of India has, up to the present, been kept within the most moderate limits, and that the burden of that indebtedness is fortunately tending to diminish, and not to increase. I do not know whether honourable Members have had time to refer to the extremely interesting paragraph which appears under the heading of 'Interest on debt' at page 25 of the Statement which lies upon the table. If they have done so, they will no doubt have observed the following facts, which appear to me to deserve special attention:—

"Our total indebtedness in sterling at the end of the present year amounts in round numbers to 98 millions sterling, of which no less than 32 millions was borrowed on account of railways and other profitable enterprises. When we remember that, of the 66 millions which remain, between 40 and 50 millions were incurred at the time of the Mutiny, we shall, I think, congratulate ourselves that the obligations which we have inherited are not heavier.

"Turning from the sterling debt to our indebtedness in rupees, it appears from the statistics given at page 26 that by far the greater portion of that debt, or Rs. 96 millions out of Rs. 113 millions, is represented by railways and irrigation works. Of the interest for which we shall be liable next year, and which will amount altogether to Rs. 4,671,000, Rs. 4,000,000 in round numbers are chargeable to interest on railways and irrigation works: in other words, considerably more than three-quarters of the whole of our rupee debt represents expenditure upon remunerative enterprises, for which the State obtains a fair return, or for which, at all events, we have valuable assets to show. The balance, which may be stated in round numbers at Rs. 700,000, represents the ordinary rupee debt of India. This, however, includes sums which have from time to time been advanced by the Government of India to public bodies, or sums held by the Government as currency investments. The amount annually recovered from the persons or corporations to whom money has thus been advanced has, year after year, tended to bear a larger proportion to that for which the Government of India has itself been liable; and this increase has gone on until the amount so recovered, which in 1882-83 represented little more than one-third of the total charge for interest, will, in the year upon which we are about to enter, actually exceed the total charge which we shall have to meet.

“These are facts to which, amid much that is doubtful and precarious, we can look with unqualified satisfaction. Whatever be the trials which may await us in the future, whatever be the strain to which in years to come our financial resources may be subjected from war, or scarcity, or failure of revenue, we shall be able to encounter that strain in proportion as we have during years of peace and sufficiency strengthened our finances and refrained from adding to the burden of our public liabilities.

“In another respect the accounts of the year which has just come to a close must be most gratifying to us. I refer to the proof which they afford of the continuous and rapid improvement of the recently acquired Province of Upper Burma. The revenue of the province, which has doubled during the last three years, now exceeds a crore of rupees; it is said to be collected without difficulty, and the Chief Commissioner reports that he has every reason to believe that it will continue to expand. Other indications are equally favourable. The receipts from the Upper Burma railway are highly satisfactory, and will, we expect, exceed the working expenses by Rs. 50,000 next year. It may perhaps be interesting to honourable Members to know that the only item of Burmese revenue which does not tend to increase is that derived from excise, the diminution of which we shall, no doubt, look upon with tolerant eyes. The country is rapidly settling down; in fact, if we exclude from consideration the operations in progress in the Chin-Lushai country, there has been no employment of troops, except in the district of Magwe and on the Wuntho border, where there has always been a certain amount of turbulence. Concurrently with the general return of the population to peaceful pursuits, there has been a rapid falling-off in serious crime and in the number of admissions to jail. These have, I learn from Sir Charles Crosthwaite, fallen from 2,500 in the month of May last to 1,500 in the month of December. This fortunate state of things has enabled the Chief Commissioner to recommend a decrease in the Military Police Force employed in the country, and there is little doubt that further reductions will prove practicable before long. I ventured last year to cite, as an indication of the improvement which the country was undergoing, the increase in the number of households under assessment to the Thathameda or house tax. The number of those thus assessed has, I understand, increased by nearly 30,000 in the past 12 months, an increase which, although partly explained by the closer supervision exercised by the local authorities, is certainly due in the main to the manner in which families at one time either absent from the country or in hiding, are now settling down peaceably in their homesteads. Considering that little more than four years have passed since Upper Burma became a part of the British Empire, we are, I think, justified in regarding with satisfaction the state of things which I have described.

“I wish, before I leave off, to say a very few words with regard to another item of expenditure; I mean that incurred on our military operations against the Chin-Lushai tribes. The amount spent in connection with this during the past year was certainly larger than we had any reason to anticipate. I feel, however, no doubt that the money thus laid out, as well as whatever additional expenditure may be incurred during the coming year, will prove to have been well spent. The British occupation of Upper Burma has entirely changed the character of our relations with the inhabitants of the mountainous Alsatia which lies between Burma and Chittagong. It would have been absolutely impossible for us, now that it is flanked on each side by British territory, to allow the tribes which inhabit it to continue the lawless and predatory existence which they have till now followed. The operations which, as far as the present season is concerned, are now coming to a close, do not deserve to be classed amongst the ordinary punitive expeditions which have, I regret to say, been so common upon the frontiers of India, expeditions which, for any permanent results achieved by them, might in many cases as well never have taken place. We are satisfied that, in the case of the Chin-Lushai country, the establishment of through communications from the Burmese to the Bengal side, and also with Assam, the construction of roads and of lines of telegraph, together with the exhibition of strength which has resulted from the combined operations of the different columns employed, will effect the permanent pacification of these inaccessible tracts. Should this prove to be the case, the 50 lakhs, at the cost of which this result will have been obtained (I include the amounts taken in the accounts of this year, and that provided in the Budget for 1890-91), will certainly

certainly not have been thrown away. In considering this point it is worth while to bear in mind the expenditure which has been already incurred in these regions, I will not say entirely without effect, but without anything approaching to such a result as that for which we have now a right to look. I find, on reference to the official records, that the Lushai expedition of 1871-72 cost over 22 lakhs, and the Naga expedition of 1879-80, 17½ lakhs, while an expenditure of nearly five lakhs was incurred on a punitive expedition against the Lushai tribes in 1888. The operations now in progress, which have been carried out with the greatest skill and courage by the officers entrusted with their direction, and which, but for the large amount of sickness experienced by our troops in a singularly malarious country, have been conducted at scarcely any cost in casualties, will, there is every reason to believe, prevent the recurrence of outbreaks such as those which provoked the expeditions to which I have just referred, and will, once for all, convince these lawless tribes that it is for their own advantage to adopt peaceful pursuits and to cease from molesting their neighbours."

The Motion was put and agreed to.

The Council adjourned *sine die*.

S. Harvey James,
Secretary to the Government of India,
Legislative Department.

Fort William,
14 April 1890.