

EAST INDIA (FINANCIAL STATEMENT).

RETURN to an Address of the Honourable The House of Commons,
dated 9 May 1901 ;—for,

“ COPY of the INDIAN FINANCIAL STATEMENT for 1901–1902, and of the Proceedings
of the Legislative Council of the Governor-General thereon.”

India Office,
10 May 1901. }

ARTHUR GODLEY,
Under Secretary of State for India.

(*Sir Henry Fowler.*)

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GOVERNMENT OF INDIA.
FINANCE AND COMMERCE DEPARTMENT.

FINANCIAL STATEMENT

FOR

1901-1902.



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FINANCIAL STATEMENT FOR 1901-1902.

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FINANCIAL STATEMENT FOR 1901-1902.

PART I. INTRODUCTION.

1. It is my duty to lay before the Legislative Council, statements showing the actual financial results of the year 1899-1900; the results according to Revised Estimates for the year 1900-1901; and the Budget Estimates for the coming financial year 1901-1902.

2. In their briefest form and leaving out Capital, Debt, and Remittance transactions, the figures are as follows:—

		1899-1900 (Accounts).
		£
Revenue . . . . .	.	68,637,164
Expenditure (charged against Revenue) . . . . .	.	65,862,541
	Surplus	2,774,623
		1900-1901 (Revised Estimate).
		£
Revenue . . . . .	.	75,166,000
Expenditure (charged against Revenue) . . . . .	.	73,525,600
	Surplus	1,640,400
		1901-1902 (Budget Estimate).
		£
Revenue . . . . .	.	72,191,900
Expenditure (charged against Revenue) . . . . .	.	71,501,000
	Surplus	690,900

3. Before proceeding to the detailed consideration of the figures composing the above totals, I think it would be well to explain a slight modification of system which we have decided to adopt in our Accounts.

Changes in the form of Accounts.

4. We have had under consideration the advisability of some simplification in the General Statement of Accounts and Estimates of Revenue and Expenditure, and Receipts and Disbursements.

5. It has appeared to us that by submitting this Statement under two heads, separating Ordinary Revenue and Expenditure, from Receipts and Expenditure on Capital Account and Debt and Remittance transactions, the general result will be made clearer to the public.

6. We have therefore, with the consent of the Secretary of State, adopted a form showing, first, all purely Revenue Receipts, and Expenditure charged against the same, and indicating differences between the respective totals as 'surplus' or 'deficit' according to circumstances. We then show separately, Capital Receipts and Expenditure, the Debt and Remittance transactions, and the opening and closing cash balances, including in the proper columns, the surplus or deficit resulting from the difference between Ordinary Revenue and Expenditure.

7. This change is not in itself of great importance, but I think that it offers the advantage of presenting the Accounts, in a more readily intelligible form, and, moreover, that it is technically correct.

FINANCIAL STATEMENT OF THE

8. It would seem expedient to strike a balance at the end of the first section of the Statement, to show as Surplus or Deficit, in the body of the account, the difference between Ordinary Revenue, and Ordinary Expenditure charged against that Revenue, and to make a very marked distinction between the two main heads of the Statement, (1) Ordinary Revenue and Expenditure charged against Revenue and (2) Capital, Debt, and Remittance transactions. The final result of the second section of the Statement is the closing cash balance in hand at the end of the financial year.

9. We have at the same time adopted certain minor changes which I will proceed to indicate.

10. There seems no reason why the comparatively unimportant expenditure on 'Construction of Railways' charged against Revenue, in addition to that under 'Famine Insurance,' should be shown separately in the General Statement, which is designed to exhibit only the leading and important figures. The expenditure under this head is now insignificant in amount and is either 'Provincial' or 'Local.' We have therefore combined it with that under Buildings and Roads, giving to the group the title of 'Other Public Works.'

11. In view of the importance of the heads Post Office, and Telegraph (the figures for which are specially watched by many observers interested in the general and economic progress of a country), we think there will be an advantage in giving a separate line to each of them, even in the General Statement, and, in view of the decision to treat the profits of coinage specially, we think it desirable also to show the Mint figures separately.

12. Further, with the object of bringing together all the entries connected with capital expenditure on Railways and Irrigation Works, we have adopted another change which will, in our opinion, be a distinct improvement. It is to group together under the heading 'Railway and Irrigation Capital not charged to Revenue,' the figures relating to the Capital of Railway Companies, which are at present shown under 'Debt, Deposits and Advances,' and those for the similar direct capital transactions of the Government, which are now shown under the heading 'Expenditure not charged to Revenue.' We shall thus have a perfectly distinct Capital account, with the advantage of showing in one place, the whole capital outlay on railways, whether by Government, or through Companies.

13. Being convinced of the value and improving position of the Government property in railways, we are anxious that the Railway Accounts should be readily understood by the investing public, and we consider the changes relating to railway accounting, now proposed, as a step in the direction of attaining desired simplicity, in a somewhat complicated technical question of accounting.

Accounts, 1899-1900.

14. The closing of the Accounts of the financial year 1899-1900 shows an improvement in Actual Receipts of £712,164 over the Original Estimates and £104,764 over the Revised Estimate, as submitted by my predecessor last year.

15. The differences between the Original and Revised Estimates were explained by Mr. Dawkins last March, and the differences between the items of Revenue in the Revised Estimate and those of the final Accounts are insignificant and call for no special remarks. I need only mention that the final Accounts show an improvement of £123,545 in Railway Receipts, with the result that Railway Revenue Accounts brought out a net profit of £76,756.

16. In Expenditure charged against Revenue the final Accounts show an increase of £559,341 as compared with the Original Estimate, and a decrease of £117,059 as compared with the Revised Estimate, the largest item in the latter being a decrease of £144,374 under 'Army.'

Revised Estimate, 1900-1901.

17. The difference between the original and the revised Estimate of Receipts is very considerable, the increase amounting to £5,010,200; but, of this increase, a sum of approximately £2,900,000 comes under the head of Mint, and is balanced by a correspondingly large increase under the same head in Expenditure. These considerable differences are due to the large coinage of rupees, which could not be foreseen; but, deducting the sum due to this cause, we still have to account for an increase of Revenue exceeding £2,100,000.

18. It is certainly very gratifying to note that, in spite of all the troubles of the past year, every main head of Receipts except Land Revenue shows a more or less important increase.

19. The most notable augmentations are:—under Opium, about £572,000, due to the high price of opium; £106,000 in Salt, due to increasing consumption, although under this head we have cause to be dissatisfied with the Burma returns; £138,000 in Excise; £190,000 in Customs, a certain sign of consuming capacity and therefore of progressive well-being; £86,000 from Telegraphs, partly due to exceptional circumstances connected with Famine and partly to the increasing demand for news owing to the wars in South Africa and China, and the fatal illness of the late Queen-Empress; £965,000 in Railway Receipts, partly due to the large movement of food-stuffs for famine requirements and partly to increased mileage and general development; £208,000 under Irrigation; and finally an increase of £130,000 under Military Department Receipts, which is purely fortuitous, and represents the value of Military Stores sent abroad and debited to the Home Government. The totals of the items I have mentioned account for an increase in Receipts of about £2,395,000.

20. Against this satisfactory increase in the great majority of items of Revenue we have to record a heavy deficiency, as between the Revised and original Estimates of Land Revenue, amounting to £382,900. This is the only main heading of Revenue which shows a fall-off and the unfortunate result tabulated is sufficiently accounted for by the severity and prolongation of famine in some of the western and central districts.

21. When we turn to Expenditure, we find that the total of the Revised Estimate exceeds that of the original Budget Estimate by about £3,530,000. But here again we must make a reduction of about £2,900,000 under 'Mint,' the amount of the net profit on coinage to be credited to the Gold Reserve Fund, and consequently we have only to account for between £600,000 and £700,000 of increased Expenditure, above the original Estimate.

22. The most important item of increase in Expenditure is under the group 'Famine Relief and Insurance,' which amounts to about £876,000. This unfortunately needs no explanation. The next in importance is an increase of £323,000 under 'Railway Revenue Account,' but this augmentation was due to, and more than compensated for, by increased traffic yielding the larger Revenue already indicated. The charge under 'Interest' also exceeds the Budget Estimate by about £200,000 and Miscellaneous Civil Charges by £74,500.

23. On the other hand, 'Other Public Works' decreased by about £118,000, out of which about £42,000 is to be attributed to reduced expenditure on Military Works, and 'Army Services' cost less than anticipated by about £1,185,000, the saving being chiefly due to the absence of troops in China and South Africa. There was also a decrease of £124,000 under Salaries and Expenses of Civil Departments, and finally, the differences in the Accounts under Provincial Deficits and Surpluses increased the expenditure as shown in the Statement by £576,400.

24. The grand result indicated by the Revised as compared with the Original Estimate for 1900-1901 is to increase the originally estimated surplus of £160,300 to a fairly assured surplus of £1,640,400.

Budget Estimate, 1901-1902.

25. We may now turn to the consideration of the Budget for the coming financial year.

26. It will be observed that, if the abnormal receipt under 'Mint,' included in last year's Estimates, is omitted, the difference between the totals of Receipts, according to the Revised Estimates of the closing year, and the Estimates for 1901-1902, now presented, is very small, and amounts only to an anticipated increase of Revenue of £71,900 in the coming year.

27. Under certain heads, however, the differences are considerable and demand attention.

28. Land Revenue is estimated to produce £474,800 more than last year, and in view of improved prospects throughout the greater part of India, this Estimate is unlikely to prove too sanguine, although, until we are sure of a favourable monsoon, the most moderate Estimates may be suddenly and hopelessly falsified.

29. The only other main heading of Revenue which is expected to yield an important increase is 'Railways,' where Receipts are expected to exceed those of last year by £331,400. The anticipated increase is chiefly due to the inclusion of gross instead

of net Receipts from the Great Indian Peninsula Railway for 12 months in the coming year, as against 9 months only in the closing year, and also, to some extent, to increased mileage opened to traffic.

30. Besides the above-noted increases, variations in the items included under 'Other Heads' are estimated to produce, on balance, an additional £183,400, the more important improvements being £160,800 in Provincial Rates, and £62,600 in Tributes from Native States.

31. Other minor improvements make up the total increase of Revenue, as compared with the Revised Estimate for 1900-1901, to £1,086,500.

32. Against these improvements we have, however (always excluding Mint), to note a considerable reduction under various important heads. Opium is estimated to yield £589,300 less than last year, since it would not be prudent to count on the continuation of the abnormally high prices which have lately prevailed. Customs are estimated at £136,100 less, the most important variation in detail being a lower Estimate for imports of Sugar, the duties on the extraordinarily large importation of which have abnormally swelled our Receipts during the past year. Irrigation Receipts necessarily fluctuate with the increase or decrease of the demands of agriculturists for water, and are higher in bad seasons; we therefore anticipate for next year a smaller return by £127,400.

33. The above are the more important heads of decrease, and other minor variations account for, approximately, a further £161,800, making up the total of items of decrease to £1,014,600.

34. I now turn to Expenditure, which as a total, and again excluding 'Mint,' shows an increase of £1,131,900 reduced to £923,500 by the differences under the Provincial Deficits and Surpluses.

35. The total increase under various heads is £4,446,900, of which £2,062,100 is for Army Services, £728,400 for 'Other Public Works,' and £652,400 for Railway Revenue Account. Concerning these three items I shall have some remarks to make when I deal specially with Military and Public Works Expenditure. Other heads including 'Direct Demands on Revenue,' £161,600, 'Salaries and Expenses of Civil Departments,' £493,200, and Miscellaneous Civil Charges, £123,900, make up the total figure of increase above indicated.

36. Expenditure in all directions has been so greatly and necessarily restricted during the period of financial distress that, now that we may fairly estimate for an improvement in Revenue and a very important diminution of Charges for Famine Relief, we have been glad to show some comparative liberality in meeting urgent administrative demands. The Famine Charges, including £250,100 for Reduction or Avoidance of Debt, are taken at £3,245,000 less than for the past financial year.

37. We have examined the more important figures of the Budget. I will now endeavour to sum up the situation.

38. Our estimate of Revenue and Expenditure chargeable against Revenue closes with a surplus of £690,900. This surplus we carry forward to the second part of our Statement dealing with Capital Account and including Deposits, Remittances and Advances.

39. Our total Estimate for Capital Expenditure (not chargeable to Revenue) on Railways and Irrigation amounts to £5,395,600, of which sum £2,019,400 is for State Railways and £2,709,500 for the Account of Railway Companies, the balance being for Irrigation Works. In addition to the above, we have to find £301,900 for discharging Temporary Debt, and also to provide for other minor Capital Expenditure amounting to £944,500, including an over-payment in India of £330,200 on account of Secretary of State's Bills, and we finally arrive at a gross total of Capital requirements amounting to £6,642,000.

40. To meet this outlay, we have, in addition to our surplus of £690,900, a sum of £1,663,400 raised by Railway Companies. We further anticipate procuring £2,240,000 by addition to our Permanent Debt, of which sum we contemplate raising two crores of rupees in India, £502,500 from addition to the Unfunded Debt, and £111,200 from repayment of Loans and Advances.

41. These sums amount in the aggregate to £5,208,000, and the balance required to meet the total Capital Expenditure of £6,642,000 is found by a reduction of £1,434,000 in our Closing Balances in India and England.

The final result will be a Closing Balance on March 31, 1902, of £10,500,327 in India and £2,605,943 in England.

42. The present intention of the Secretary of State is to draw bills amounting to £16,500,000 during the course of the coming year. I have omitted this figure from both sides of the account I have summarised.

43. There is a point in connection with our Treasury operations which is perhaps likely to be the object of remark, or question, and on which I think it may be well to give some explanation beforehand. I refer to the fact that, whilst our Estimates show a comparatively large cash balance in hand in India, at the end of the coming financial year, we nevertheless announce our intention of adding to our permanent indebtedness by raising a loan in India during the course of the year.

44. The necessity obliging us to take this course arises from the fact that during the earlier part of the financial year our Revenue collections are very small, as compared with monthly expenditure, and our balances gradually diminish, until in November, they fall so low that we have to calculate our ways and means and assure our supplies with great care, so as to tide over the critical period till the last four months of the financial year, when Revenue Receipts begin to pour in.

45. It will be understood then, that it is the anticipated condition of our resources in the month of November which necessarily fixes the amount of our borrowings without regard to the possibility of a relative plethora of cash in our Treasuries, three or four months later.

46. The Government of India is at a great disadvantage in this respect, owing to the non-existence of any financial institution sufficiently strong to be able at all times to provide such funds, for short terms, as may be required to satisfy the temporary needs of the Treasury.

Government Balances with the Presidency Banks.

47. It has, I believe, often been urged that the relatively high rates of discount prevailing in the busy winter season from December to the end of March are due to the low figures of Government balances with the Presidency Banks, during those months.

48. I give below the figures showing these balances during the last four years. They are as follows :—

	1897. R	1898. R	1899. R	1900. R	1901. R
January	2,84,69,815	3,10,74,779	3,22,88,586	2,83,49,286	3,31,13,363
February	3,00,23,776	3,22,51,227	3,30,81,480	3,01,62,613	3,09,44,761
March	3,77,40,338	3,27,96,275	3,16,44,816	2,64,87,648	
December	2,88,20,840	2,92,33,557	2,73,30,372	2,74,96,162	

49. I think that, although special circumstances reduced these balances last year, the above quoted figures show that the Government of India is not unmindful of the advantage to the business community of placing comparatively large balances at their disposal, during the busy season.

50. In my general summary which includes under various main heads, the different items of Provincial Finance, I have not discussed any details of this branch of accounts, as I have nothing to add to, or to explain in, the very clear statement on this head, prepared by Mr. Finlay with his usual ability and industry and to which I would specially invite attention. This statement is to be found in Section VI, Part II of this Financial Statement.

Expenditure on the Army and Public Works.

51. In all countries in the world, the greatest drain on financial resources and in some respects the most difficult to justify, is that caused by the combined heavy demands for military requirements and for public works.

52. But our whole existence depends on proper provision for the defence of our frontiers, and without continual expenditure on public works, the development of communications so absolutely necessary for economic progress, could never be realised, whilst the large sums spent on irrigation are more than justified by the magnificent results obtained from this class of expenditure, yielding, as a rule, not only direct and immediate profit, but also providing for the sustenance of millions, who would otherwise be included among the sufferers from recurring droughts.

53. As regards military expenditure, although we have granted very large sums for the improvement of our military position as regards defence, every additional item which has been agreed to, has not only been most jealously scrutinised in the Finance Department, but has also been submitted to the close examination of the Governor General in Council.

54. The lessons derived from the war in South Africa could not be neglected. It was our responsible duty to take them to heart, and we have done our best under the guidance of the military advisers to Government to profit by them.

55. Fortunately, the savings realised in our general military expenditure owing to the temporary absence of our troops in South Africa and China have enabled us to provide for a portion of the urgent needs of the army without adding to our general burdens; for the rest, we have done what is for the moment in our power, but we cannot yet say that our task is completed.

56. The following figures show the Net Military Expenditure during the last few years :—

	£
1898-99 Accounts	15,385,042
1899-1900 "	14,165,743
1900-1901, Revised	14,239,100
1901-1902, Budget	16,345,500

57. The increase in the estimates for the coming year is very considerable. Items classed as new expenditure amount to about 142 lakhs charged under Army in addition to about 18 lakhs connected therewith, charged to Military Works. Of this total, amounting to, approximately, 160 lakhs, about 127 lakhs are non-recurring, and 33 lakhs recurring. It includes, among other heads, provision for the expenditure of 94 lakhs on artillery, rifles, ammunition and ordnance stores; approximately 8½ lakhs for the establishment of the gun-carriage factory at Jubbulpore and the cordite factory in the Neilgherries; and 21½ lakhs for the establishment of an efficient transport service, including the purchase of animals.

58. The expenditure on factories for manufacturing munitions of war in India, will not only have the effect of increasing our military independence, but also the highly satisfactory result, from the economic point of view, of substituting expenditure in India for expenditure abroad, of increasing the productive power of the country, and of training a large body of mechanics and other skilled artisans.

59. As regards expenditure on public works, we have given our special attention to rendering existing railways more efficient, by the provision of additional rolling stock and other requirements for their satisfactory and profitable working. We have also set aside a large sum for expenditure on irrigation works as a protection from famine. The grant under this head for the coming year amounts to one crore and is the same as that sanctioned last year, whilst in considerable excess of the sums allotted in the immediately preceding years for the same purpose. But we are convinced that the money will be well spent.

60. The following figures show the comparative capital expenditure on public works, during the last few years, classed under the more important heads, and the programme for expenditure in 1901-1902 :—

	R
1898-99—	
Railways	8,84,21,189
Irrigation	65,35,482
	<u>9,49,56,671</u>
1899-1900—	
Railways	8,96,77,803
Irrigation	89,69,400
	<u>9,86,47,203</u>
1900-1901 (Revised Estimate)—	
Railways	8,30,75,000
Irrigation	90,08,000
	<u>9,20,83,000</u>
Programme, 1901-1902—	
Capital expenditure on open lines	4,59,97,000
Ditto " lines under construction	4,59,47,000
Ditto new lines only recently commenced	1,13,00,000
Ditto Irrigation	1,00,00,000
	<u>TOTAL 11,32,44,000</u>
<i>Classification.</i>	
Capital expenditure for Railway Construction—	
To be raised by Government	2,22,86,000
Ditto Companies	8,09,58,000
	<u>TOTAL 10,32,44,000</u>

61. I think that after consideration of the above figures showing comparative capital expenditure, I should invite special attention to the comparative net results of the working of our railway system. The following figures give the net deficit or surplus since 1897-98:—

1897-98.	1898-99.	1899-1900.	1900-1901 (Revised Estimate).	1901-1902 (Budget Estimate).
£ -709,304	£ -620,165	£ +76,756	£ +156,200	£ -164,800

62. In noting the relatively unsatisfactory estimate of net results for the coming year, it must be borne in mind that the traffic of last year, due to transport of famine supplies, was exceptionally large, and that we have now made specially large provision for repairs, renewals of rolling stock, and other improvements to be charged against next year's revenue.

63. Further, I must point out that, if we take only the figures of traffic receipts, £18,427,600—and those of working expenses £8,655,300,—the results anticipated for the coming year, are somewhat better than those for the year 1900-1901, and show a net profit (thus calculated) of £9,772,300 as against £9,701,600 last year. The final estimated falling-off is due to an increase of expenditure under the heads of Interest and Annuities, in connection with new construction and the purchase of the Great Indian Peninsula Railway. These are temporary drawbacks, and the decrease in net revenue is temporary as the lines under construction will add to revenue when opened for traffic.

64. It is unnecessary for me to enter into further details concerning expenditure under the two heads I have now been discussing, since it is the main principles guiding such expenditure, and the possibility of satisfying recognised requirements, which alone concern the Finance Department. Questions of detail lie outside the province of that Department and are the immediate concern of the Honourable Members of Council at the head of the Military and Public Works Departments.

Results of the Famine.

65. During the past financial year this great Indian Empire has been suffering from an appalling calamity, quite unprecedented, I think, in the recent history of any country on the globe's surface. Not only have we been the victims of a famine of extraordinary severity, the inevitable outcome of the early cessation of the rains in the year 1899, but to the consternation of all men, responsible for, or interested in, the welfare of the millions of agricultural population, the coming of the periodical rains, required to refresh the thirsty soil and restore the fecundity of mother-earth, was so delayed last season, that the trials of the long suffering populations were prolonged in the most distressing and unexpected manner. But this was not all. In addition to the calamity of famine, the plague pestilence is still with us, and the terrible list of its victims is daily to be counted in the official returns from the plague-stricken districts. And this too weighs heavily on the resources of the country.

66. The Government of India has followed with the keenest anxiety the course and results of these awful afflictions, so entirely beyond its control, and it has recognised with profound admiration the splendid spirit with which millions of sufferers have faced the calamities from which they were powerless to escape.

67. The suffering condition of our fellow-subjects has been brought home to us, in the most incisive manner, through the continued and heart-rending appeals for assistance which have reached the Government of India. It is however my duty, and a happy duty, to state that, under the instructions of the Secretary of State and the Government of India, all such appeals have been considered by the Departments concerned, in a most liberal spirit, and no single appeal examined in that spirit by the competent authorities, has remained unsatisfied. The national purse and national credit have been freely placed at the disposal of all whose genuine distress might, it was hoped, be relieved by the prompt expenditure of money.

68. Such has been the spirit guiding our action, and it now falls to my duty to state the cost of our gigantic undertaking.

69. To count it with any approximation to accuracy is impossible, for it is not the direct expenditure of money which alone is involved: there has been an expenditure of life, health and energy of the numerous Government servants, both European and Native, who have nobly done their duty in facing the storm: in addition to the direct cost, of gratuitous famine relief and relief works, of remissions of taxation, of agricultural

loans, of loans to assist afflicted Native States, of provision of medical assistance, and of special payments to famine officers, there has also been the indirect cost of loss of revenue, both as regards land revenue and miscellaneous taxes, and the incalculable, but probably still greater future cost of checked economic development.

70. We can fairly count the direct cost; the indirect cost must necessarily escape accurate calculation.

The following are the principal items of direct loss and expenditure:—

	R
Famine relief	6,33,76,000
Remissions and Suspensions of Land Revenue and Provincial Rates	1,47,16,000
Compensation for dearness of provisions and other charges	66,03,000
TOTAL	8,46,95,000

In addition to the above, we have provided:—

	R
Loans to Native States	4,11,00,000
Special Agricultural Advances	1,42,00,000
TOTAL	5,53,00,000

This is an appalling total, but the calamity was also appalling. And the tale is not yet told. Expenditure will continue in the coming year. Already we have been called upon to provide approximately a crore for direct famine expenditure in the coming year, chiefly in Bombay, and we have been obliged to allot 164½ lakhs as grants-in-aid to Provincial Revenues, to restore financial equilibrium, thrown out of balance by famine and plague requirements.

71. It has been a serious and responsible task to meet all these heavy demands, but, thanks to the recuperative power of the country, directly due to the frugal habits and industry of the people, the task has been accomplished, and the Government of India can say with no inconsiderable satisfaction, that, with the aid of the ruled, the Rulers have done their duty, and the results have been such as to leave a memorable record in the history of mankind.

Countervailing Duties.

72. The countervailing duties on bounty-fed sugar came into practical effect in May 1899, and consequently we have not yet had two years' experience of their working. Two years is too short a period to permit of the formation of a definite opinion as to the effect of these duties, and considering also the abnormal conditions of plague and famine which have prevailed during the whole time, I think that it would be very premature to draw definite conclusions from the statistics of recent imports of sugar.

73. The general question of the sugar trade and industry is, however, one of such wide-spread interest, that it may be useful to invite attention to the figures showing the imports of sugar into India, during the last four years, classified according to the countries of origin.

74. I may call attention to the fact that the United Kingdom, and the interested British Colonies, the Straits Settlements, Hongkong and Mauritius, appear to have had their full proportionate share in the remarkable increase of importation into India, during the expiring financial year. It is also interesting to note that the greatest relative advance in the supply of sugar has been made by Germany, although that country is far from having recovered the predominant position which she occupied at the beginning of the period under review. Among foreign countries Austria-Hungary still keeps the lead, as an exporter of sugar to India, but does not come within measurable distance of Mauritius.

75. I may mention that the net receipts from the countervailing duties amounted to Rs. 17,555 in the eleven months of the last financial year, during which the extra duties were in force, and to Rs. 15,29,552 during the first ten months of the current financial year. We may reasonably hope to encash 17 or 18 lakhs from this source before the close of this year, and it is perhaps not an unsatisfactory reflection that this addition to our Revenue has been realised at the expense of the European tax-payers, taxed by their respective Governments to provide the bounties which enable foreign sugar refiners to sell their sugar in India, at prices below prime cost.

76. The fact is that the Government of India has added 17 lakhs to its resources by taking for Revenue purposes, the approximate difference between cost price, and the

artificially maintained selling price of bounty-fed imported sugars, whilst the Indian consumer pays no more for his sugar than he would have to pay if the bounty system were abolished.

Imports of Sugar into British India by sea from other Countries.

	1897-98.		1898-99.		1899-1900.		1900-1901. (Ten months.)	
	Cwt.	R	Cwt.	R	Cwt.	R	Cwt.	R
<i>Refined.</i>								
United Kingdom	46,384	8,64,618	35,565	7,42,288	65,424	11,45,888	97,090	15,82,124
Austria-Hungary	945,745	1,04,45,039	1,003,737	1,08,48,842	777,821	85,37,821	929,104	1,10,15,378
Germany	1,203,309	1,27,88,053	413,971	43,38,134	60,526	6,10,514	288,229	33,57,206
Mauritius	1,406,047	1,50,60,098	1,793,607	1,85,56,504	1,417,115	1,53,04,869	1,748,141	1,93,41,498
Egypt	44,274	4,66,630	1,261	12,968	6,977	84,743	34,691	4,03,423
Ceylon	48,965	5,54,082	2,117	23,626	16,813	1,91,203	8,281	97,809
China—Hongkong	291,175	33,48,381	185,682	20,98,496	316,975	36,55,145	454,384	53,61,030
Java	140,485	17,54,857	162,500	17,02,398	190,553	18,54,091	200,247	20,13,143
Straits Settlements	74,357	8,13,005	75,656	8,87,364	79,999	8,96,142	132,992	14,84,994
Other Countries	34,653	3,93,167	30,814	3,21,640	3,789	54,458	31,127	3,37,352
TOTAL	4,235,394	4,70,87,930	3,764,910	3,95,32,320	2,935,992	3,23,34,904	3,930,786	4,49,93,957
<i>Unrefined.</i>								
Mauritius*	371,069	7,50,277	310,504	6,24,539	356,231	7,18,466	357,666	7,31,444
Ceylon	656	2,688	510	2,154	289	1,253	119	304
Java	...	...	...	...	67,635	7,06,282	...	...
Straits Settlements	555	3,513	1,551	10,883	667	5,104	3,695	24,560
Other Countries	56	386	24	93	48	290	101	609
TOTAL	373,236	7,56,864	312,589	6,37,669	424,870	14,31,395	361,581	7,56,917

* The imports from Mauritius classed under unrefined sugar are molasses.

Exchange and Coinage.

77. The course of exchange throughout the financial year, ending on the 31st of this month, has been remarkably steady, and I may with satisfaction repeat the statement made by my predecessor, on this question, last March, namely, that the object of Government, the maintenance of a stable exchange, has been realised during the past year; and I may add that this stability has been maintained by following lines already laid down and without involving the necessity of any further special measures or serious effort on our part:—

The average rate for Council Drafts, throughout the twelve months now drawing to a close, has been 15'979*d*.

The maximum, reached in the month of December, was 16'037*d*.

The minimum, in the month of August, was 15'933*d*.

78. What has been done as regards the sale of Council Drafts and the coinage of rupees (and to the latter question I will return more particularly) has been done in accordance with a general policy of limiting, as far as possible, the action of Government, in exchange matters, to following and satisfying the demands of the market. I believe this to be the proper safe policy. It has been suggested that such a policy should be firmly established by legislative enactment, but I am not convinced that any enactment would give greater security than now exists for continuity of guiding principle. I fear that any possible form of enactment would bind our hands in an undesirable manner, in questions of detail, and on general grounds, it is desirable to avoid frequent recourse to legislation on exchange and currency questions.

79. During the past year there has been no hesitation to sell Council Drafts and Telegraphic Transfers to meet demands, although during the slack season of trade sales were shorter, whilst later on the Secretary of State found himself obliged to increase his offers of Bills so as to compete with the export of sovereigns which were being largely despatched to India, by parcel post, for conversion into rupees, at our mints and treasuries.

80. We have, without legislation, established a Gold Reserve Fund into which will be paid all profits of coinage accruing since the beginning of the closing financial year, and that Fund will serve as a guarantee for the conversion into gold, if required, of the rupee token coinage with which, to meet positive requirements, we have supplied the public so largely.

81. The great strain on our resources, due to disastrous famine, forced us to use for current requirements, the profits of coinage during the past calendar year, but since January 1, 1901, we have commenced paying our further profits directly into the Gold Reserve Fund, and the amount thus paid in, already amounts to £800,000, to which a further sum of £400,000 will almost immediately be added, on account of coinage profits in March.

82. As regards the profits from April 1 to December 31, 1900, amounting to about £1,730,000, these will be paid into the Gold Reserve Fund as our resources may permit, and it is our earnest desire to expedite such payments as much as possible. A special source will become available for these payments, by the reimbursement of the large advances to Native States and takavi loans provided by Government, in connection with famine necessities. The advances made to Native States alone amount to over four crores of rupees.

83. I may here state that it is the intention of Government to invest, from time to time, in British Consols or other Sterling Securities, the sums which may be accumulated in the Gold Reserve Fund.

84. With regard to the control of coinage operations, I think that a practical rule of conduct is to be found in maintaining as closely as possible, a sufficient sum in rupees in the Currency Reserve, to meet all demands which experience shows may reasonably be anticipated, and, for the present, we may hold in sovereigns, the balance of our Currency Reserve exclusive of the ten crores invested in Rupee Paper.

85. This is what we have resolved to do, and although we have not yet been able to accumulate in our Currency Reserve the full sum in rupees which it is in our opinion desirable to maintain, the failure to secure this accumulation is due solely to the limited capacity of our mints and to their inability to turn out rupees as quickly as they have been required to meet an extraordinary and unprecedented demand.

86. I submit a statement showing the results of our rupee coinage operations during the past financial year :—

Amount of Rupees, coined 1900-1901.

1900.									1901.		TOTAL FOR 11 MONTHS.
April.	May.	June.	July.	August.	September.	October.	November.	December.	January.	February.	
67,70,538	86,95,312	1,26,47,856	74,38,228	88,28,057	1,45,95,261	1,59,72,707	1,54,65,446	1,60,30,063	2,44,35,608	1,99,01,678	15,07,80,754

Of the above total coinage exceeding 15 crores, 3 crores and 23 lakhs were coined for, and issued to, Native States.

The monthly outturn for account of the Government of India varies considerably, but this variation must not be taken as an index of the opinion of Government as regards requirements, for the coinage of rupees for our own requirements has been hampered by the fact that our mints have been under obligations to coin, besides rupees for our own needs, both dollars for the Colonies, and rupees for Native States, and, as regards the latter operation, no one will dispute the great advantages from every point of view of having a uniform currency circulation throughout the Indian Empire. This desirable end we now appear to be in a fair way of attaining, and apart from the advantages of securing a uniform currency, we were bound, at no matter what inconvenience to ourselves, to fulfil our contracts to Native States. We have, however, taken such measures as were possible to increase the capacity of our mints, with the result of reaching an average monthly outturn exceeding two crores of rupees in the last two months for which we have the returns.

The figures of the Table submitted, show a total coinage for 11 months (the figures for March are not yet available) exceeding 15 crores, and for the 12 months of the financial year we shall presumably reach approximately 17 crores, of which between 13 and 14 crores constitute an addition to the rupee currency of British India. This is an enormous and surprising addition, but we have not allowed ourselves to be tempted by the large possible profits of the operation. We have not gone beyond supplying possible demands, and we have taken adequate precautions to insure the realizable value of this extraordinary addition to our token currency. I believe that what we have done has been both necessary and safe.

87. On this question I may point out that the figures of outturn show conclusively that there has been no hesitation on the part of Government to take every possible measure to provide all the necessary circulating medium which current demand has indicated as required for the business of the country.

88. To sum up, I may say that we have endeavoured, and will endeavour, to regulate the sale of Council Drafts in accordance with trade demands; that we have endeavoured, and will endeavour, to maintain a stock of rupees in our Currency Reserve sufficient to satisfy all reasonably to-be-anticipated demands, and even if such demands continue beyond reasonable anticipation, we still hope to maintain and improve our position. Finally, we shall accumulate from coinage profits a substantial gold reserve, independent of the Currency Reserve, and we shall from time to time invest the gold accumulated in Sterling Securities.

89. I venture to hold that this system which we have adopted in accordance with a deliberate policy, is as nearly automatic as any that could be devised, and I think that there are practical difficulties in the way of any attempt to stereotype such a system by legislative enactment.

90. First, I may observe that the effects of legislation are necessarily so restrictive that, though they may enforce automatic action under one set of conditions, they inevitably limit automatic action if those conditions are changed. Thus, under existing conditions, and with due regard to the present average circulation of notes, we may think that we ought to keep a certain amount of rupees in the Currency Reserve, and that we can afford to hold a certain number of sovereigns in the same fund. But the circulation of currency notes may increase or diminish (I hope and anticipate the former), and the general requirements for rupee currency may also increase or diminish; if such changes of condition occurred, what would be our position if the proportion of rupees to sovereigns in the Currency Reserve were fixed by law?

91. We have fixed this proportion in our own minds, but, if the conditions on which our estimate is based should change, we are quite prepared to change the proportion which we have temporarily accepted as our guide. This, as we now stand, can be done immediately without recourse to legislative enactment, and without that undesirable disturbance of the public mind, which legislation on such delicate questions is liable to produce.

92. In concluding my remarks on this subject, I think it will be of interest to state what is our position to-day as regards note circulation, rupees and silver bullion in the Currency Reserve, gold in the Currency Reserve, and gold in the Gold Reserve Fund.

The figures on March 7, were as follows:—

Notes in circulation	R28,09,15,765
Rupees in the Currency Reserve	" 5,87,12,865
Value of silver bullion in the Currency Reserve	" 1,78,48,764
Gold in the Currency Reserve	£ 16,956,946
Gold in the Gold Reserve Fund	£ 800,000
Total silver	R7,65,61,629
Total gold	£ 7,756,946

Circulation of Currency Notes.

93. The Government of India some time ago addressed inquiries to the Local Governments, Presidency Banks, and Chambers of Commerce, soliciting their opinion as to the best method of increasing the circulation of currency notes.

94. I think that this is a very important question, and that the entire banking and commercial community will admit that it is desirable, if possible, to increase the circulation of notes. But the problem how best to do so, without incurring undesirable risks and expenditure, bristles with difficulties.

95. I cannot say that the numerous valuable communications, which we have received from the authorities whom we have consulted, have gone very far towards furnishing a definite solution of the problem, for the divergency of the opinions offered is remarkable. Difficulties, of which we were already aware, are emphasised, and the only general conclusion to be drawn is, that it is practically impossible to take any heroic measures; that we can only safely venture on some very limited experiment; and that it will take a very long time for important results to be achieved.

96. With reference to this question, I may perhaps say a word regarding the criticisms on the circular of inquiry issued by the Government of India which have appeared freely in the press. It has been stated more than once that it is evident from

the terms of the circular that the Government of India did not know its own mind on the question propounded. I am very willing to admit that, when making the inquiry, the Government of India had arrived at no definite decision as to how best to arrive at a desirable end. But I cannot admit that this is fair ground for hostile criticism.

97. The business public undoubtedly desire that Government should take them into their confidence, and ask their opinions on such important questions. But it seems to me that it would be rather late in the day to ask opinions when we had definitely made up our own minds. I am not deprecating press criticism; on the contrary, if intelligently conducted, as it very frequently is, it is most valuable. But I think that it is not quite logical, both to blame Government for autocratic decisions, as is sometimes done, and also to accuse Government of indecision, when it is seeking the solution of a difficult problem, and asks the opinion of competent advisers.

98. It is unnecessary to recapitulate all the difficulties of this particular question, for they are well known to all who have studied the subject. I will only say that Government recognize as the most serious difficulty to be met, the probable use of notes for large remittances, and the expense of maintaining at out-treasuries a sufficient stock of rupees to cash notes when suddenly presented for large sums. Even with the existing circulation, under existing conditions and limitations as regards encashment, we are not always able to supply rupees to those who present notes and ask for them. I am, however, strongly of opinion that if the use of currency notes became more general, and larger amounts were held in circulation, the percentage of rupees required to meet demands for encashment, would be considerably less than that which is required to-day, when, unfortunately, the circulation of notes is still hampered by the fact, that the holder of the note cannot be assured of converting it into rupees at the Treasury, and is therefore willing, and sometimes obliged, to dispose of his note in the bazar, at a discount. I hope, however, that considerable improvement may gradually be made in this respect, and that before long we may go even further and find ourselves able to adopt some limited measure in the direction of encouraging and increasing the circulation.

99. Before quitting this subject, it may be of interest if I quote some figures showing the tendency to increase in the circulation of notes during the last few years.

I.—Statement showing the gross circulation of paper currency for all India.

	1897-98.	1898-99.	1899-1900.	1900-1901.*
	R	R	R	R
Average	24,24,00,000	25,63,00,000	27,96,00,000	28,79,00,000
Maximum	24,76,00,000	28,20,00,000	29,27,00,000	30,78,00,000
Minimum	22,86,00,000	23,25,00,000	26,26,00,000	27,90,00,000

* Eleven months only.

II.—Statement showing in lakhs the circulation of paper currency excluding amounts held by the Government Reserve Treasuries and by the Presidency Banks at their head offices.

	1897-98.	1898-99.	1899-1900.	1900-1901. †
	R	R	R	R
Average	20,35,00,000	20,79,00,000	23,09,00,000	23,84,00,000
Maximum	21,20,00,000	22,49,00,000	24,41,00,000	25,02,00,000
Minimum	19,44,00,000	19,43,00,000	21,94,00,000	22,85,00,000

† Eleven months only.

100. The above tables show a decided and satisfactory increase in the average note circulation in the hands of the public during the last four years, and I think that the indication thus given by facts, is a sufficient encouragement to persevere in the policy of seeking to augment our note circulation.

Economic Progress.

101. We have reviewed the financial situation in its more important features. We may now turn to the consideration of the economic situation.

102. In my opinion, the question of economic development is one in which those responsible for the financial situation must take the keenest interest. It has always appeared to me that it is comparatively easy for a Government, to take money out of the pockets of the public, provided that those pockets are sufficiently well-filled. Hence, I think that we are specially interested in doing all that is in our power to promote economic progress.

103. I pass to the consideration of certain facts and figures indicative of the economic situation.

104. In dealing with the great question of meeting famine requirements, I have already alluded to the recuperative power of India. The fact that we have been able to meet the extraordinary demands on our resources, due to famine and plague, and that we are to-day able to present a budget showing, notwithstanding the simultaneous serious depression in three such important industries as cotton, tea, and indigo, a distinct and satisfactory increase of revenue obtained without increase of taxation, is in itself the strongest evidence of that recuperative power. But I think that close examination of certain material facts will afford further proof that our belief in this recuperative power is not an idle assumption.

105. We may first consider the more important indications of the figures of revenue returns during the last four years.

106. It was natural and inevitable, that the land revenue in certain provinces should suffer and diminish through the direct influence of the calamities which have befallen us, but, whilst land revenue has necessarily fallen off in some afflicted provinces, in others, more favoured by Providence, the collections have increased with the prosperity of the people. Fortunately too we are not dependent on land revenue alone, and I observe, with some satisfaction, that on the whole, over a series of years, the proportion of land revenue to the total of our resources shows a diminishing tendency.

107. In 1897-98 the proportion of land revenue to general revenue was 26.63 per cent, in 1898-99 27.08 per cent, in 1899-1900 25.07 per cent, in 1900-1901 it will be 23.54 per cent, and the estimates for 1901-1902 result in a proportion of 25.17 per cent.

108. There are certain other sources of revenue, which I trust will, year by year, assume greater importance, and in the returns from which we may find indications of general economic progress. In particular I think that such indications may be noted in the increasing revenue derived from Salt, Customs, and Post Office. The following are the figures under these respective heads:—

	Accounts, 1897-98. R	Accounts, 1898-99. R	Accounts, 1899-1900. R.	Revised, 1900-1901. R
Salt Revenue . . .	8,59,42,250	9,09,98,713	8,77,56,944	8,92,66,000
Customs Revenue—				
Import duties . . .	3,73,51,650	3,59,25,090	3,61,39,583	3,89,65,000
Excise duty on cotton goods . . .	11,61,880	13,72,910	13,36,623	10,88,000
Export duty . . .	72,48,190	1,01,12,130	87,63,905	90,09,000
Land Customs and Miscellaneous . . .	6,51,230	6,11,490	7,66,751	8,00,000
TOTAL . . .	4,64,12,950	4,80,21,620	4,70,06,862	4,98,62,000
Post Office Revenue . . .	1,87,91,630	1,91,40,671	1,96,24,722	2,03,04,000

I think that the Salt revenue returns are particularly encouraging as indicating not only a steadily increasing tendency, but in particular, as showing that even in the past disastrous year of famine and pestilence, the general consuming power of the population, as a whole, not only suffered no diminution, but, on the contrary, showed an improvement over the preceding year.

109. The same considerations apply to the figures of Customs Revenue, though even in a more remarkable manner, for whilst we find a diminution of about 2½ lakhs in the yield of Excise duty on cotton goods, a diminution due to an industrial crisis

and having no connection with the general condition of the country, under all other heads, there was a marked increase, resulting in a total improvement, over the previous year, of nearly 29 lakhs, and producing the highest total figure of revenue recorded by the Customs Department, since the duties on cotton yarns were abolished in 1896.

110. As regards Post Office revenue, the same absolute conclusions cannot be drawn from the fluctuations of revenue as may be fairly assumed in the case of Salt and Customs. Post Office profits are necessarily seriously affected by arbitrary reductions of postage rates, which, however necessary and profitable in the long run, must cause an immediate, though temporary, falling off in receipts.

111. I think, however, that when, as in the case of the Indian Post Office returns, a steady progress of revenue is observable, we are entitled to consider such progress as strong evidence of satisfactory economic development, a development which has not only material, pecuniary results, but is important, as evidence of general moral progress.

112. I have already alluded to the growth of Railway revenues, and, although the task of drawing conclusions from the figures of railway receipts is complicated by the difficulty of distinguishing increase due to increased mileage, from increase due to increased traffic, nevertheless, the actual increase of gross railway receipts affords positive proof of greater movement on the railways, and, in so far, of general development.

113. The most important industry in India and the one directly interesting the innumerable larger proportion of the population is agriculture.

114. The prosperity of the agricultural population, the deepest concern of the Government of India, has, in the last five years, received apparently crushing blows through the unprecedented recurrence of famine. The effect of repeated droughts is indeed far reaching, and the terrible loss of cattle is a most distressing incident of the late famine, which will long make itself felt in Gujarat and other similarly affected districts; but the figures of Land Revenue, which I have quoted, conclusively show that, whilst some unfortunate territories have suffered most severely, others have prospered, with the general result that, as a whole, the agricultural population in the Indian Empire is somewhat better off to-day than it was a year ago.

115. *Prima facie*, this is certainly an astonishing conclusion, but if the whole situation be examined it is perfectly natural and logical. Bengal, the Punjab and Madras show by the land revenue returns that they have been doing well, Assam has held its own, and Burma, favoured with a magnificent rice crop, was able to export its staple produce, on the most profitable terms, to feed the famished peoples of Western and Central India, and is in a condition of remarkable prosperity. Further it may here be mentioned that the unprecedented transport of food-stuffs on the railways, swelled Railway Receipts, and contributed a useful addition of Revenue wherewith to meet the demands of famine sufferers.

116. Two special branches of agricultural industry, indigo and tea, are unfortunately now passing through a serious crisis. Indigo is being hard pushed by the competition of a foreign chemical product, and the easily made profits of former days have become a thing of the past. But, when the first stages of consideration and research have already revealed that there has been room for economy in administration, that superior crops can be raised by manuring, scientific rotation and selection of seed, and that the actual product of the vats can be increased up to 30 per cent by the use of the 'blower,' there would appear to be reasonable hope for a return to more prosperous days.

117. The history of the tea industry in India has been a very chequered one, alternating between periods of great prosperity and the deepest depression, and it may, therefore, be hoped that the present crisis, which seems to be generally attributed to over-production, may in its turn be succeeded by a renewed period of prosperity.

118. Manufacturing industries still hold but a very small proportionate place in the economy of India, but their importance is increasing and there is every reason to desire that it should increase. The cotton industry, the most important hitherto, is unfortunately passing through a period of considerable depression, and in some quarters it is held that the introduction of spinning high numbers will be necessary to secure a full revival.

119. Cotton is, however, the only manufacturing industry which appears to be in even temporary difficulties, and the rapid increase in the number of important factories and workshops during the last few years is really remarkable and most encouraging.

120. I may cite a few examples of industrial development.

121. In the year 1895 there were 350 cotton factories including spinning and weaving mills, and there were 586 such factories in 1899. The number of engineering

workshops and foundries, including railway workshops, rose from 72 in 1895 to 82 in 1899, and jute mills and presses from 62 to 82. Rice mills numbered 65 in 1895 as against 84 in 1899, and sugar factories 9 in 1895 as against 14 in 1899.

122. The imports of machinery and mill-work and of iron and steel, also afford important indications of progress. These have, as might have been expected, been recently adversely affected by the serious depression in the cotton industry, by far the most important manufacturing interest in the country. Nevertheless, if we take into consideration the natural effects of this special depression during the last two years, it is most satisfactory to find that the average value of imports of machinery and mill-work during the last five years, has surpassed that of the previous quinquennial period, by, approximately, 75 lakhs, equivalent to an increase of nearly 30 per cent.

123. Perhaps, however, the most satisfactory statistics are those showing the production and export of coal during the last few years. The exports of coal, which only amounted to 222,380 tons in the year 1897, reached 490,490 tons in 1900, and there appears every reason to anticipate further progressive development in this direction.

124. As regards the total output of coal, in 1897 it was 4,063,127 tons, whilst in 1899 it reached 5,089,392 tons, showing an increase in two years of about 25 per cent, and the figures so far available for the subsequent period, show that progress is being well maintained.

125. Other interesting figures bearing on the question of economic welfare are to be found in the statistics of the Savings Banks and Provident Institutions.

126. Between 1895-96 and 1899-1900 the balance at the credit of depositors increased by R1,88,111 notwithstanding the two disastrous periods of famine with which the country was afflicted during this short term of years.

127. As regards the condition of trade, as apart from industry, it is rather difficult to fix on any special figures from which to generalise or draw sound conclusions. I give, however, below, a table showing the value of exports and imports, exclusive of treasure and Government stores, during the last four financial years, and for ten months of the current year. This table shows a slight falling off in exports during the year 1899-1900, amounting, however, to less than 4 per cent, but taking all the figures of both export and import together, the total value of trade is only about 1 per cent less than for 1898-99, and considerably in excess of the preceding years tabulated. Considering the numerous disadvantages under which the export trade has been labouring since the recommencement of famine, I think that on the whole these figures indicate commercial strength, and a generally satisfactory situation.

	1896-97.	1897-98.	1898-99.	1899-1900.	1900-1901. Ten months, 1st April to 31st January.
	R	R	R	R	R
Total Imports	71,79,38,293	69,26,66,625	68,38,03,412	70,71,18,634	62,06,92,778
Exports (including re-exports)	1,03,91,42,972	97,53,72,730	1,12,72,14,730	1,08,97,61,873	86,98,70,628
Total Exports and Imports	1,75,70,81,265	1,66,80,39,355	1,81,10,18,142	1,79,68,80,507	1,49,05,63,406
Excess Exports over Imports	32,12,04,679	28,27,06,105	44,34,11,318	38,26,43,239	24,91,77,850

128. Another point connected with the question of the general trade situation, and which affects traders very closely, is the bank rate for the use of money.

129. The annexed Table shows the rate of the Bank of Bengal month by month, since January 1897, and it will be observed that since August 1898, a fairly uniform tendency has prevailed, and that a maximum rate of 8 per cent has rarely been reached and never passed. I think that an 8 per cent rate during the busiest season of the year is no serious hindrance to business in India, although, if we could reduce our normal maximum to 6 per cent, it would be an advantage. But we must remember that if the rate of interest in India were brought down to the low averages prevailing in Western Europe, there would no longer be any temptation to capital to seek investment so far afield.

130. In connection with this question I may point out that, according to the figures tabulated, there is much less relation, in India, between the volume of trade and the rate of interest than would naturally be supposed.

131. It will be observed from the subjoined Table that, whilst a 7 per cent rate existed concurrently with the comparatively small exports during October and November 1897, no higher rate was induced by the comparatively large exports in the first three

months of 1899; and that, whilst a 10 per cent rate was maintained in April 1897, when the value of exports was below average, a 5 per cent rate sufficed for the large exports of October 1900.

132. These figures would seem to indicate that the rate of discount, and therefore the demand for loanable capital, has been at times, more dependent on speculation and the nervous apprehensions of traders, than on the real requirements of trade.

133. The consideration of these figures leads me to hope, that provided our money markets do not become the victims of speculators (and to avoid this we must rely on the prudence and good sense of the banking community), we are now reaching a more permanently stable monetary condition, than that which existed three or four years ago.

134. A factor tending in this direction is, I think, to be found in the development of communications and increasing facilities of credit, which must tend to prolong the seasons for export of such staples as rice, jute, cotton and seeds, and thus facilitate the financing of the trade.

Statement showing the value of Merchandise exported from India during the years 1897, 1898, 1899 and 1900 with the Bengal Bank's maximum published rate of interest and the rate of Council Bills for the same period.

Months.	1897.			1898.			1899.			1900.			1901.		
	Value of exports.	Rate* for Council Bills.	Rate of interest.	Value of exports.	Rate* for Council Bills.	Rate of interest.	Value of exports.	Rate* for Council Bills.	Rate of interest.	Value of exports.	Rate* for Council Bills.	Rate of interest.	Value of exports.	Rate* for Council Bills.	Rate of interest.
	₹	Pence per rupee.	Per cent.	₹	Pence per rupee.	Per cent.	₹	Pence per rupee.	Per cent.	₹	Pence per rupee.	Per cent.	₹	Pence per rupee.	Per cent.
January	8,73,04,851	15-189	10	8,34,52,781	16-002	11	10,21,81,221	16-087	7	10,32,92,817	16-160	8	10,43,47,203	16-031	7
February	9,82,61,163	15-241	10	8,70,68,863	15-920	12	10,07,42,555	16-077	7	9,79,89,343	16-098	8	10,35,00,000	15-954	8
March	10,25,04,193	15-066	10	8,94,31,556	15-874	12	11,14,04,069	16-019	7	9,01,30,031	16-011	8			
April	7,22,02,871	15-009	10	9,53,28,942	15-959	12	9,21,95,847	15-935	7	8,03,05,815	15-978	6			
May	8,09,19,905	14-455	10	10,85,85,324	15-961	11	9,20,44,648	15-979	6	9,17,46,214	15-987	6			
June	7,19,85,838	14-648	10	9,42,65,289	15-888	11	8,67,89,268	15-934	5	7,95,87,619	15-884	5			
July	7,62,03,383	15-031	7	9,62,28,911	15-801	8	9,73,36,326	15-934	5	7,49,66,216	15-911	4			
August	7,17,54,950	15-494	5	8,90,21,171	15-899	4	8,78,49,348	15-972	4	7,69,67,938	15-933	4			
September	6,57,94,038	15-814	6	8,09,44,965	15-966	5	8,11,85,607	16-079	6	7,14,77,871	15-951	5			
October	7,46,14,910	—(1)	7	8,26,62,148	15-987	5	8,77,16,005	16-135	8	10,38,06,652	15-833	5			
November	8,88,93,382	—(1)	7	8,05,72,895	15-954	5	8,19,98,412	16-118	7	8,89,31,218	15-963	4			
December	8,20,47,750	15-100	9	8,52,74,230	16-007	6	9,15,78,640	16-049	7	9,78,67,151	16-037	7			
TOTAL	97,34,86,734	...	...	1,10,28,40,088	...	...	1,11,30,34,946	...	...	1,05,70,68,888	...	...	

(1) No bills were drawn in these months on account of the famine.

* Average rate.

† Approximate.

Conclusion.

135. I may now endeavour to sum up the general situation.

136. It has been shown that our economic situation, on which our financial situation depends, is, notwithstanding checks in certain directions where it has been prejudicially affected by known causes, on the whole good: that, wherever not prejudiced by such special, and it may be anticipated, temporary difficulties, it is progressive, and that the evidences of general recuperative power are many and satisfactory.

137. At the same time, in a country where the returns of Revenue depend so largely upon meteorological conditions impossible to foresee or to control, it behoves us to frame our Estimates with great caution. This we have done, and still our Estimates of Revenue Receipts show an increase of over £2,000,000 above those framed by my predecessor for the closing financial year, and if we remove from the Account the purely fortuitous receipt of, approximately, £3,000,000 on account of Mint operations, they are slightly in excess of the realisations of 1900-1901.

138. It is indeed fortunate that we are able to present such satisfactory figures, for, as already stated, we are not yet free from the charges and consequences of famine.

139. It has been our first care to afford relief from the financial prostration affecting so many Provinces, where not only necessary Balances have been exhausted, but where also, stern need for the strictest economy has most unduly curtailed expenditure necessary to meet many primary needs of society, such as public works, education, medical

requirements, and administrative improvements. We have been as liberal in this direction as prudence permitted, and have made grants-in-aid to Provincial Revenues amounting in the aggregate to 164½ lakhs.

140. In addition to this abnormal charge on our Revenues, we must devote one crore of rupees from the Famine Insurance Grant to direct famine expenditure in the still afflicted districts, and to this again, as a consequence of the lessons of the South African War, is added a large sum for Army Services, increasing the estimated charge on this account by £876,500 above the sum sanctioned for 1900-1901.

141. These large extraordinary charges, amounting together to over £2,600,000, are, however, more than balanced by an estimated reduction, as compared with last year, of £3,245,000 in general famine expenditure, and by the exercise of strict economy where permissible, we are finally able to show a surplus of £690,900 to be carried forward to Capital Account and to reduce by so much the amount which we shall be obliged to borrow for railway construction and irrigation works, on the prosecution of which we are so largely dependent both for general economic progress and for protection from the direct and indirect effects of recurring famine.

142. In conclusion I may say that the Estimates for 1901-1902 are of good promise, and that, unless our reasonable anticipations are falsified by an unprecedented recurrence of serious disasters, we are entitled to look forward with some confidence to the future, and to hope for the early dawn of a period of considerable prosperity."

March 20, 1901.

E. FG. LAW.

PART II.

BEING A MEMORANDUM BY THE FINANCIAL SECRETARY EXAMINING THE DETAILS OF THE ACCOUNTS AND ESTIMATES.

Section I.—The Accounts of 1899-1900.

143. The surplus of the year in the Accounts was £2,774,623, being larger by £221,823 than that anticipated when the Revised Estimate was framed in March last. *1899-1900. General Result.*

144. The variations between the figures finally entering into the Accounts and those taken in the Budget and Revised Estimates of the year are fully explained in the Appropriation Report published in the *Gazette of India* of the 16th instant.

145. The following is a general comparison of the Revised Estimates with the Accounts of the year:— *1899-1900. Statement of the gross figures.*

	Revised.	Accounts.	Accounts, better.	Accounts, worse.
	£	£	£	£
REVENUE.				
India	68,284,700	68,373,621	88,921	...
England	247,700	263,543	15,843	...
TOTAL	68,532,400	68,637,164	104,764	...
EXPENDITURE.				
India—				
Imperial, Provincial, and Local	49,681,200	49,675,915	5,285	...
Adjustment of Provincial and Local Surplus or Deficit	—199,000	—206,220	7,220	...
NET	49,482,200	49,469,695	12,505	...
England	10,497,400	16,392,846	104,554	...
TOTAL	65,979,600	65,862,541	117,059	...
SURPLUS	2,552,800	2,774,623	221,823	...

146. The increase in the Revenue in India occurred under Railway Revenue, which improved to the extent of £123,492, and Stamps, under which the increase was £33,776, distributed over all the Provinces. The other heads yielded rather less than the Revised Estimate, the larger decreases being, Land Revenue £35,744—in Madras, Bombay, and the Central Provinces—, Salt £28,637—in Madras and Bombay—, Customs £19,509, Provincial Rates £15,717, Irrigation £15,338—chiefly in the Punjab—, Forest £8,275, and Interest £2,119. *1899-1900. Revenue in India.*

147. The actual expenditure in India was, on the whole, very slightly less than the Revised Estimate. The largest decrease was one of £103,617 under Army, and the largest increase of £31,438 in Minor Irrigation Works, and of £21,701 in Famine Relief. *1899-1900. Expenditure in India.*

148. The increase in Sterling Revenue occurred under Interest and Army. The decrease in Sterling Expenditure occurred chiefly under Army Stores, £24,474; Marine Subsidy to the Admiralty, £14,600, owing to the postponement of a payment to the Admiralty pending settlement of a doubtful point; Sundry Marine items, £15,339; Telegraph stores, £6,108; Interest, £11,314; Pension Fund payments, £7,981; Military furlough allowances and pay of British Forces during the voyage to India, £10,355; Indian Troop Service, £5,006. *1899-1900. Revenue and Expenditure in England.*

Section II.—The Revised Estimate of 1900-1901.

1900-1901.
Statement of the
gross figures.

149. The following is a general comparison of the Budget Estimate with the Revised Estimate of 1900-1901 :—

		Budget.	Revised.	Revised, better.	Revised, worse.
		£	£	£	£
REVENUE.					
India	:	69,978,300	74,951,900	4,973,600	---
England	:	177,500	214,100	36,600	---
TOTAL		70,155,800	75,166,000	5,010,200	---
EXPENDITURE.					
India—					
Imperial, Provincial, and Local.	:	53,297,100	56,324,300	---	3,027,200
Adjustment of Provincial and Local	:				
Surplus or Deficit.	:	—550,600	+25,800	---	576,400
NET		52,746,500	56,350,100	---	3,603,600
England	:	17,249,000	17,175,500	73,500	---
TOTAL		69,995,500	73,525,600	---	3,530,100
SURPLUS		160,300	1,640,400	1,480,100	---

1900-1901.
General features.

150. An entirely novel feature of this year is to be noticed in the enormous receipts and charges under Mint. The new receipts are the profits on the very large coinage of rupees which has been undertaken this year, and the new charges represent the transfer of the net profit to the Gold Reserve Fund, the Government, as is explained elsewhere in this Statement, having decided to hold the profit on any coinage of rupees which occurs in any year in the Reserve Fund, instead of allowing it to swell the surplus of the year. For comparison of the figures of this year with those of previous years, a deduction of about $4\frac{1}{2}$ crores of rupees, or £3,000,000, has to be made from both sides of the account.

The Estimates were framed on the assumption that the monsoon would be normal, and would bring its priceless rain at the normal date. It was somewhat late throughout India; and in Bombay the quantity of rain and the dates on which it fell were so unsuitable that the continuance of famine relief till the next monsoon is necessary in that Province. In consequence, the Estimate of the Expenditure on Famine Relief—a very liberal one on the assumption made—has proved insufficient and has had to be increased by nearly £880,000, and the collections of Land Revenue and Provincial Rates, and of Tributes from Native States affected by famine will fall short of the Estimate by £474,000. On the other hand, there are savings in connection with the despatch of troops to China and the continued absence of the troops in Africa, which including the reductions connected with that absence in payments in England may be taken at about £900,000, as well as other savings on the Military Estimates. The high prices of Opium have increased the Opium receipts by over £500,000. The net Railway earnings yield another increase of about the same amount: this being largely due to special famine traffic. Irrigation shows an increase of about £180,000. And other heads of Revenue have also improved considerably in spite of the famine. The net result is an improvement of nearly a million-and-a-half sterling, which raises the surplus of the year from the nominal amount taken in the Budget Estimate to the substantial amount of £1,640,400.

151. The Mint receipts and charges being omitted, there is an increase in Revenue in India of R3,25,19,000 or £2,167,900, and an increase in Expenditure in India of R10,54,000 or £70,200. Of this net improvement of R3,14,65,000 or £2,097,700, the sum of R2,28,19,000 or £1,521,300 is in the Imperial Section of the Accounts, and R86,46,000 or £576,400 in the Provincial-Local Section. In England the Revenue exceeds the Budget Estimate by £36,600, while the Expenditure is less by £73,500, the whole sterling improvement being £110,100. This sum being added to the improvement in the Imperial Section in India

gives an increase in the surplus of £1,631,400. The deduction of £151,300, which is the increase in the net expenditure of the Mints, yields the improvement in the surplus of £1,480,100 shown in the table in paragraph 149.

152. The important decreases of Revenue in India are :—

	R
Land Revenue	57,43,000
Provincial Rates	7,69,000
Tributes	6,02,000

1900-1901.
Decreases of
Revenue in India.

These are all caused by the intensification of the famine in consequence of the delay in the monsoon.

153. Larger suspensions and remissions are expected to reduce the collections to the following extents :—

	Land Revenue. R	Provincial Rates. R
In Bombay	49,28,000	4,18,000
„ the Punjab	10,65,000	1,95,000
„ the Central Provinces	12,75,000	2,83,000

1900-1901.
Land Revenue.
Provincial Rates.

There are also small decreases in Madras, the North-Western Provinces, and Assam, and a small increase in Bengal: these are ordinary variations, the reduction in Assam being, however, caused by floods in September last. Burma, as usual, yields a large increase, amounting this year to ₹19,55,000 under Land Revenue, and ₹50,000 under Provincial Rates.

154. The present famine affected not only districts of British India, but also many important Native States. The States have, with the assistance of Government officers, combated the famine in a most creditable way, and have borne the expenditure. To enable them to do this, however, very many have required help in the shape of loans, which have been freely granted as will be seen from a reference to the figures in paragraph 242. In some cases also the payment of tribute by the States has been suspended, and the receipts under this head of Revenue have accordingly fallen short of the Budget Estimate.

1900-1901.
Tributes.

155. The important increases of Revenue in India are :—

	R
Opium	85,82,000
Salt	15,90,000
Stamps	11,45,000
Excise	20,65,000
Customs	28,49,000
Forest	13,62,000
Post Office	4,96,000
Telegraph	12,00,000
Mint	4,20,85,000
Marine	5,89,000
State Railways, Gross Receipts 1,43,32,000 }	1,44,94,000
Guaranteed Railways, Net Receipts 1,62,000 }	
Irrigation, Major Works	26,84,000
Army	20,71,000

1900-1901.
Increases of
Revenue in
India.

156. The receipts from the pass duty on the exports of Malwa Opium in Bombay are expected to yield a small increase of ₹2,00,000 above the Budget Estimate. But almost the whole of the increase in Opium Revenue occurs in Bengal, ₹83,75,000. The chief cause is that the average price realised at the monthly sales has been ₹1,361 a chest, whereas the price assumed in the Budget Estimate was ₹1,200: on the 44,400 chests taken as for sale in the Estimate, this rise in price yields an improvement of ₹71,48,400. The sales in the last three months of the year were also increased by 900 chests, the receipts from which at the actual average rate of the year amount to ₹12,24,900.

1900-1901.
Opium.
Receipts.

157. Salt is the one head of Revenue in Burma which fails to give indications of the great prosperity of that Province; and the Burma Salt Revenue is expected this year to fall short of the Budget Estimate by ₹2,27,000. The Government of India has for some years been in correspondence with the Local Government in the hope of removing the causes which so strangely cause this exception to the general rule in Burma; but the results have not as yet produced any effect visible in figures.

1900-1901.
Salt Revenue.

In all other Provinces the Salt Revenue shows a satisfactory improvement over the Budget Estimate: the increases being —

	R
Bombay	7,30,000
Northern India Salt Department	3,92,000
Bengal	3,77,000
Madras	3,18,000

1900-1901.
Stamp Revenue.

158. The Stamp Revenue has declined appreciably in the Punjab and the Central Provinces, and to a small extent in Assam and Bombay, but has developed to a remarkable extent in the other Provinces, the increases being —

	R
North-Western Provinces and Oudh	6,50,000
Madras	3,16,000
Bengal	3,00,000
Burma	2,00,000

1900-1901.
Excise Revenue.

159. The improvement in Excise Revenue has been still greater, and it is distributed over all the Provinces except Bombay—where the decline which began last year has continued with the result of a fall of R5,85,000 below the Budget Estimate—and in the Punjab—where the moderate increase over the previous year which the Budget Estimate anticipated will not be quite reached. The decline which began three years ago in Madras has now ceased. The larger increases are:—

	R
Bengal	7,00,000
Madras	7,64,000
Burma	5,00,000
North-Western Provinces and Oudh	5,50,000

1900-1901.
Customs Revenue.

160. The Customs Revenue shows a small decline in Madras, but a large improvement in the other three Maritime Provinces, the improvement on the whole amounting to the very large sum of R28,49,000.

The duties on silver are declining. They yielded in 1899-1900 over 24 lakhs: the Budget Estimate took for them 20½ lakhs: they are now expected to yield this year only 14½ lakhs. The duties on Arms, on Liquors, on Chemicals and Drugs, and on Cotton Goods also show decreases, of smaller amounts. Those on Metals, on Oils, on Manufactured Articles and on Raw Materials and Unmanufactured Articles and the Rice Export Duties show substantial increases. But the most remarkable figures are those connected with the large imports of sugar: there are increases in the Countervailing Sugar Duties of 11½ lakhs, and in the Duties on Articles of Food and Drink (including, and mainly in, the ordinary duty on Sugar) of 12 lakhs.

1900-1901.
Forest Revenue.

161. The increase under Forest occurs in Burma, R9,57,000; Bombay, R3,31,000; Bengal, R1,51,000; the North-Western Provinces and Oudh, R90,000; Madras, R1,31,000; and Assam, R35,000. There are decreases of R2,83,000 in the Punjab and of R72,000 in the Central Provinces.

1900-1901.
Post Office Receipts.

162. The Post Office Receipts increase every year with the development of the Department: the increase this year is rather above the normal.

1900-1901.
Telegraph Receipts.

163. As explained in paragraphs 51 and 88 of Part II of the last Financial Statement, the increase of Telegraph Receipts in 1899-1900 was abnormally large in consequence of the use of telegrams connected with war and famine, and it was anticipated that the high level reached in that year would not be maintained. But similar causes have continued to act and the receipts are expected to exceed the Budget Estimate by 12 lakhs.

1900-1901.
Mint Receipts.

164. As mentioned in paragraph 150 above, the enormous increase in the Mint Receipts is one which does not affect the surplus of the year as it is counter-balanced by a corresponding entry on the Expenditure side. The need for further coinage of rupees arose towards the end of last financial year: about a crore of rupees were coined in the last two months of it, and when the last Financial Statement issued it had been decided to coin another crore in the opening months of 1900-1901. The profits on the coinage of these two sums amounted to about 32 lakhs in each year. The Indian Currency Committee had

recommended that any profit on the coinage of rupees should not be credited as Revenue, but should be kept in gold as a special reserve entirely apart from the Paper Currency Reserve and the ordinary Treasury balances. When the Government of India considered the report in August 1899, it did not seem probable that the need for the coinage of additional rupees would occur for some time, and a decision on that recommendation was deferred. When the need for coinage arose somewhat suddenly in consequence of the very large imports of gold in the latter part of 1899-1900, the necessary communications with the Secretary of State regarding the recommendation and the method of giving effect to it had not been made. The profits on the coinage of the amounts above mentioned were accordingly treated in March last in ordinary course as Revenue. The orders of the Secretary of State have since been obtained: the principle of the recommendation has been accepted; and it has been decided to continue to show the profits as Mint Revenue, but to show the net profits as Expenditure, crediting the amount to the Gold Reserve Fund, for remittance to England for investment in sterling securities: the remittance will be made either by actual shipment of the gold, or, if there is a sufficient demand, by the sale of Council Bills in excess of the amount required for the regular disbursements in London. This decision has effect from April 1900, the small credit to Revenue in the Accounts of 1899-1900 being left undisturbed. The coinage in the current year has far exceeded the crore mentioned in the last Financial Statement: the profits on the coinage of the year, shown as Mint Receipts, are expected to amount to ₹4,58,30,000 and the net profits, shown as Mint Expenditure and transferred to the credit of the Gold Reserve Fund for ultimate remittance to England, to ₹4,39,50,000. The difference between the two amounts is due to the fact that in calculating the net profits the cost of remittance of gold to London and silver to India, the cost of coinage, and incidental expenses connected with the transactions are taken into account. The whole of the last-named amount is not immediately available for remittance and investment in sterling securities. The enormous demands on the Treasury balances in the earlier part of the year caused by the famine in the way of direct expenditure on famine relief, of indirect expenditure and reduction of revenue, of agricultural advances, and of loans to Native States affected by famine, compelled the Government of India to use the profits on the coinage up to the end of December in aid of the general balances in order to keep the borrowing of the year within the amount which there was a prospect of raising on reasonable terms. The profits on the coinage from January 1901 are being transferred in sovereigns to the Gold Reserve Fund month by month as the coinage proceeds: the amount for the three months, January to March, is estimated at 180 lakhs or £1,200,000; and that sum is held in gold in India pending remittance for investment. The net profit on the coinage of the year transferred to the credit of the Gold Reserve Fund being ₹4,39,50,000, and the portion held in gold ready for remittance being ₹1,80,00,000, there will remain on March 31, 1901, a balance of ₹2,59,50,000 or £1,730,000 not yet converted into gold: that balance will be converted into gold for remittance gradually as the Government of India is able to provide the money out of surplus receipts. It is hoped that this may be possible in February or March 1902 in respect of the larger part of the balance. The profits on all coinage in 1901-1902 and future years will be transferred in sovereigns to the Gold Reserve Fund month by month according to the coinage of the month.

165. The bulk of the increase in the Marine Receipts represents recoveries in connection with the employment of Royal Indian Marine vessels on the service of His Majesty's Imperial Government. The Pilotage Receipts in Bengal and the Coast Light Receipts in Burma have also increased. 1900-1901.
Marine Receipts.

166. The Railway Revenue in 1899-1900 showed an exceptionally large improvement, so much so that in the Budget Estimate of 1900-1901 it was considered prudent to assume that the high figure of the previous year would not be maintained. The results have been much more favourable than that cautious anticipation, and the Budget Estimate will be exceeded by the very large amount shown in paragraph 155. To this improvement practically every railway in the country contributes, with the one exception of the North Western Railway, the receipts of which are expected to fall short by 41 lakhs. The 1900-1901.
Railway Earnings.

causes are general development and exceptionally heavy traffic connected with the famine.

1900-1901.
Irrigation
Revenue.

167. The increase in Irrigation Revenue occurs mainly in the North-Western Provinces and the Punjab, larger areas having been irrigated during both the *rabi* and *kharif* seasons, and the development of irrigation from the Chenab Canal having been rapid.

1900-1901.
Army Receipts.

168. The increase in Army Receipts represents recoveries from His Majesty's Government of the cost of stores and animals sent to China.

1900-1901.
Increase of
Expenditure
in India.

169. The important increases of Expenditure in India are :—

	R
Mint	4,43,55,000
Jails	9,06,000
Miscellaneous	8,31,000
Famine Relief	1,32,33,000
State Railways	60,91,000
Irrigation Major Works	5,36,000

1900-1901.
Mint Charges.

170. The reason for the very large increase in the Mint charges has been explained in paragraph 164 above.

1900-1901.
Jail Expenditure.

171. With the exception of Burma, the Central Provinces (in which the estimate was specially high), and Assam, all the Provinces show considerable excesses over the Budget Estimate for expenditure in Jails. The Bengal Government increased its expenditure on Jail manufactures; and the Superintendent of Port Blair had to make an exceptional purchase of provisions; but the general causes of the excesses are that the Jail population was larger and the prices of food higher than anticipated, both being connected with the famine.

1900-1901.
Miscellaneous
Expenditure.

172. The charges for the remittance of coin have been very high in every Province, the lowness of the rupee balances having necessitated frequent remittances: the excess of these charges over the Budget Estimate amounts to R2,49,000.

The cost, R59,000, of the Famine Commission and another Commission of Inquiry was not provided for in the Budget Estimate.

But more than half of the increase in the Miscellaneous Expenditure is connected with the famine. As explained in paragraph 241, very large allotments for agricultural advances in the famine-stricken Provinces were sanctioned. Among other concessions connected therewith the Government of India gave the Local Governments authority to write off as irrecoverable half the amounts of some of the advances in cases in which they thought that desirable. The Bombay Government estimates that R2,70,000 and the Central Provinces Government that R2,60,000 will be so written off this year. These charges appear under this head.

1900-1901.
Famine Relief
Expenditure.

173. The causes for the increase in Famine Relief Expenditure are those mentioned in paragraph 150 above.

1900-1901.
Railway
Expenditure.

174. The increase in the Working Expenses of Railways was necessitated by the larger traffic, which earned the still larger increase in Revenue mentioned above.

1900-1901.
Irrigation
Expenditure.

175. The larger part, R4,04,000, of the increase in the Working Expenses of Irrigation Major Works occurs in the Punjab. It was required to repair damages caused by floods and to meet larger collection charges for the increased Revenue. Special repairs of flood damages caused smaller increases in Madras and the North-Western Provinces.

1900-1901.
Decreases of
Expenditure in
India.

176. The important decreases of Expenditure in India are :—

	R
3.—Land Revenue	6,41,000
Education	5,29,000
Political	19,82,000
Scientific and Minor Departments	6,29,000
Construction of Railways charged to Provincial and Local Revenues	10,05,000
Subsidized Railways, Land	8,85,000
Military Works	10,09,000
Army	1,25,98,000

177. The diminution in the charges under 3.—Land Revenue is distributed over all the Provinces except Bombay, in which there is an increase of Rs 4,000 caused by sanctions during the year to schemes for the division and demarcation of waste land in Sind. The decrease may be said to be generally due to the tendency of Local Governments to make fuller provision in the Budget Estimate for payment of salaries and other charges than is actually required.

1900-1901.
Land Revenue
Charges.

178. The same general explanation applies to the decrease under Education, which is distributed over all the Provinces except Madras.

1900-1901.
Education
Expenditure.

179. The main decreases in Political Expenditure are the following:—

1900-1901.
Political
Expenditure.

A provision of two lakhs was made in the Estimate for the purchase of Hastings House, Calcutta, which was then in contemplation. The purchase has since been completed: the payment will be made as soon as the legal formalities have been complied with: it is doubtful whether it will be made before or after April 1, but, when made, it will be charged to the head 45.—Civil Works.

The expenditure this year on the Tochi Militia will be less than the Estimate by nearly two lakhs.

The charges on the Punjab Frontier,—the Khyber, Kohat, Chitral and Gilgit,—will be less than the Estimate by over a lakh.

His Highness the Amir of Afghanistan draws his subsidy at irregular intervals, and this year it is expected that there will be on March 31 undrawn arrears of about 20 lakhs, and that the payments to him will be less than the Budget Estimate by about 15 lakhs.

180. The reduction under Scientific and Minor Departments is distributed over all the Provinces. A large part of it is due to the general cause mentioned in paragraph 177 in regard to Land Revenue Expenditure. Only two items need be mentioned; a decrease of over a lakh in Survey Expenditure and a decrease of three quarters of a lakh in the expenditure on aluminium manufactures in the Madras School of Arts, the last being more than counterbalanced by decreased receipts from the sale of the ware.

1900-1901.
Expenditure on
Scientific and
Minor
Departments.

181. The decrease under Construction of Railways charged to Provincial and Local Revenues is due to a change in the programme for the construction of the extension of the Mayaveram-Mutupet Railway, a local charge of the Tanjore District Board. The construction is to be spread over three years instead of two, and the expenditure is consequently less than in the Budget Estimate by about 10 lakhs.

1900-1901.
Construction
of Railways
charged to Provin-
cial and Local
Revenues.

182. Provision to the extent of 5½ lakhs was made in the Estimate for the purchase of land for the Tilgaon-Sylhet, Akhaura-Bhairab Bazaar, the Chandipur Taki and the Bezwada-Masulipatam Branch Railways. The schemes have not yet arrived at the stage requiring the purchase of land, and nothing has been spent on them this year. The expenditure on land for other branch railways has also been less than the provision made.

1900-1901.
Subsidised
Railways—Land.

183. The reduction in the Expenditure in India on Military Works represents partly a transfer of Expenditure from India to England and partly the usual lapses which always occur under this head.

1900-1901.
Military Works
Expenditure.

184. There are, as usual, a large number of variations between the Budget and the Revised Estimates of Military Expenditure. But the large decrease, of a crore-and-a-quarter, is mainly due to the absence of troops in China and the prolonged absence of troops in South Africa: the saving caused by the absence of the China Contingent till the end of this year is estimated at 40 lakhs, the additional saving caused by the absence of Indian troops in Africa after September last, at 39½ lakhs, and the expenditure on the purchase of local stores to replace those issued to the absent contingents will be less by 21 lakhs than the credits for the issues. In addition, the cost of food supplies has been less than the Estimate by nearly 15 lakhs; and the grants under several heads have proved higher than the actual requirements by over 40 lakhs. The savings would have been much larger had it not been decided, in consideration of the savings from the absence of troops, to sanction new Military Expenditure, aggregating 64 lakhs, of which 12 lakhs will be spent in India: it was also necessary to incur expenditure exceeding 13 lakhs in chartering transports to carry troops to England.

1900-1901.
Army
Expenditure.

1900-1901.
Revenue in
England.

185. There is an increase in the Revenue in England of £36,600 due to larger temporary investments of the cash balances and higher rates of interest which raised the Interest receipts above the Budget Estimate by £41,000.

1900-1901.
Expenditure in
England.

186. The expenditure in England is expected to be less than the Budget Estimate by £73,500. The Interest charges are increased by £143,000, the discount on the issue of £3,000,000 stock, and by £78,000, the increased interest payable in the year in consequence of that issue and on India Bills. Some of the India Bills were issued for six months and replaced within the year by Bills for twelve months, involving an interest charge for eighteen months; and the rates payable on the Bills were also higher than anticipated. On the other hand, the payment on account of the annuities in purchase of the Great Indian Peninsula Railway will be £53,200 less than estimated, and the Army Expenditure less by £345,700, due chiefly to the dislocation of the arrangements for the Indian Reliefs owing to the despatch of troops to South Africa, which caused reductions in the cost of the Troop Service and in the furlough allowances and pay during voyage of British Forces serving in India.

Section III.—The Budget Estimate of 1901-1902.

1901-1902.
Statement of the
gross figures.

187. The following is a general comparison of the Budget Estimate of 1901-1902 with that of 1900-1901:—

	1900-1901.	1901-1902.	1901-1902, better.	1901-1902, worse.
	£	£	£	£
REVENUE.				
India	69,978,300	71,795,300	1,817,000	...
England	177,500	396,600	219,100	...
TOTAL	70,155,800	72,191,900	2,036,100	...
EXPENDITURE.				
India—				
Imperial, Provincial and Local	53,297,100	53,539,700	...	242,600
Adjustment of Provincial, and Local Surplus or Deficit	—550,600	—182,600	...	368,000
NET	52,746,500	53,357,100	...	610,600
England	17,249,000	18,143,900	...	894,900
TOTAL	69,995,500	71,501,000	...	1,505,500
SURPLUS	160,300	690,900	530,600	...

1901-1902.
General features.

188. Though famine expenditure unhappily will not cease next year, it is expected to amount to only about one crore of rupees, as compared with the Budget Estimate for 1900-1901 of over five crores: the Famine Insurance Grant will, however, be maintained at the fixed sum of one crore-and-a-half: so that the saving on this account affecting the surplus will amount to only 3½ crores. The Revenue next year is estimated to exceed the Budget Estimate of 1900-1901 by about two crores, the Railway earnings being taken net. On the other hand, the Expenditure Grants for next year have been largely increased. New expenditure to improve the efficiency of the Army has been sanctioned to the extent of over a crore-and-a-half: large increases of Imperial expenditure under other heads have been sanctioned; and grants-in-aid of Provincial Revenues, aggregating 164½ lakhs, have been made to Local Governments to enable them to incur expenditure from Provincial Revenues.

A surplus of a little over a crore of rupees has been retained and devoted to increasing the capital expenditure on the construction of Railways and Irrigation Works.

189. In India an increase in total Revenue of ₹2,72,54,000 or £1,817,000 and an increase in total Expenditure of ₹36,40,000 or £242,600, are estimated. The improvement of ₹2,36,14,000 or £1,574,400 is divided thus, after the transfer from Imperial to Provincial of the grants-in-aid of ₹1,64,43,000 or £1,096,200, explained in paragraph 266: in the Imperial Sections of the Accounts ₹1,80,95,000 or £1,206,400, and in the Provincial-Local Section ₹55,19,000 or £368,000. The Revenues in England are estimated to exceed the last Budget Estimate by £219,100, and the Expenditure in England to exceed by £894,900, being an increase in net Sterling Expenditure of £675,800. The net improvement in the Imperial Section is, therefore, £530,600, which raises the surplus to £690,900.

190. The only important decreases in Revenue in India are:—

	R.	<u>1901-1902.</u> Decreases in Revenue in India.
Mint	36,05,000	
Army	20,66,000	

and both of these are for the most part nominal rather than real.

191. The larger part of the decrease under Mint is due to the omission of any provision for profits on coinage next year, whereas a sum of 32 lakhs was entered in the last Budget Estimate. This omission does not mean that the Government of India expects that there will be no coinage of rupees in the coming year. On the contrary, it is certain that there will be some; but the Government is unable now to form any reliable estimate of the amount; and, as under the decision explained in paragraph 164, the item will not affect the surplus of the year, it has been thought best to make no entry either for the receipts or for the charge on the transfer of the net profits to the Gold Reserve Fund.

The issues of copper coin during the famine having been large, it is expected that there will be no net issue in the coming year. This causes a decrease on the "Gain on copper coinage" of 4 lakhs, the amount taken for the head in the Budget Estimate of 1900-1901.

192. The decrease in Army Receipts is due to the absence of any provision for recoveries from His Majesty's Government of the value of horses sent to South Africa.

193. The following are the more important increases of Revenue in India:—

	R	<u>1901-1902.</u> Increases of Revenue in India.
Land Revenue	13,79,000	
" due to Irrigation	6,62,000	
Salt	13,92,000	
Stamps	11,98,000	
Excise	22,16,000	
Provincial Rates	16,43,000	
Customs	8,08,000	
Forest	9,84,000	
Interest	8,25,000	
Telegraph	4,50,000	
Railway Earnings—	R	
State +2,24,48,000	}	
Guaranteed —30,99,000	}	
	1,93,49,000	

194. The restriction of the famine to the one Province of Bombay accounts for the increases in Land Revenue and Provincial Rates.

In Bombay we have to face a further decline, and the Estimates allow for a falling-off in the collections of ₹47,00,000 under Land Revenue including that due to Irrigation.

In the North-Western Provinces and Oudh a decrease of ₹11,44,000 is expected: there were considerable arrear collections from the earlier famine to be collected this year. In Madras also a smaller diminution of ₹2,10,000 has been taken.

In all other Provinces there are substantial increases.

It may be mentioned that in Bombay, the Central Provinces and the Punjab, the Government of India substantially reduced the estimates proposed by the Local Governments. The Estimates of other Local Governments were accepted.

1901-1902.
Salt Revenue.

195. The progress of the Revenue in the present year fully justifies the increase anticipated in Salt Revenue. The Estimate is for a total somewhat less than the probable collections this year.

1901-1902.
Customs Revenue.

196. The same remarks apply to Customs Revenue. In this case the reduction below the probable collections of this year is substantial, as it was not considered prudent to assume that the very high level of the duties on some articles of the import tariff will be maintained next year. In particular the duties on sugar (ordinary duty and additional countervailing duty) are taken more than 15 lakhs lower than the probable collections this year.

1901-1902.
Stamps and
Excise Revenues.

197. Under Stamps and Excise, the Estimates assume that the improvement attained this year will be maintained next year, with a further improvement under Excise in the two Provinces—Bombay and the Central Provinces—where the receipts this year are abnormally low.

1901-1902.
Forest Revenue.

198. The increase in Forest Revenue represents the usual increase under the head.

1901-1902.
Interest Receipts.

199. The interest on the very large loans made to Native States this year accounts for ₹7,38,000 of the increase in Interest Receipts; and an increase in the overdrawn Capital of Railway Companies for the remainder.

1901-1902.
Telegraph
Receipts.

200. The increase in Telegraph Receipts represents the normal progress of the Department moderately estimated.

1901-1902.
Railway
Earnings.

201. The Estimate for net Railway earnings has been taken slightly above the amount of the probable earnings this year. It is assumed that the normal increase will not much more than counterbalance the absence of the specially heavy traffic connected with the famine.

1901-1902.
Decreases in
Expenditure in
India.

202. The following are the more important decreases in Expenditure in India:—

	₹
Famine Relief	3,99,14,000
Construction of Railways charged to Provincial and Local Revenues	6,30,000
Guaranteed Railway, Surplus Profits	9,33,000

1901-1902.
Famine Relief
Expenditure.

203. Bombay is the only Province in which large famine expenditure is required next year. The Estimate of the Local Government is for ₹99,91,000. The Chief Commissioner of the Central Provinces thinks that some small relief will be required before the rains come next year in one pergana of the Balaghat District, and also possibly in an adjacent corner of the Seoni District, and in one or two remote localities in other parts of the Province; and one lakh has been entered for the Central Provinces.

1901-1902.
Construction of
Railways from
Provincial and
Local Revenues.

204. As explained in paragraph 181 above, the expenditure under this head is Local Expenditure for the extensions of the Mayaveram-Mutupet Railway by the Tanjore District Board. The estimated expenditure next year is ₹12,30,000, of which ₹5,88,000 will be charged to the loan which the Board has raised, and the remainder to this head against the Revenues of the Board.

1901-1902.
Payment of
Surplus Profits to
Guaranteed
Railway
Companies.

205. The Great Indian Peninsula Railway having been acquired by the State, no payments of its surplus profits will be made next year; and the payments to the Bombay, Baroda and Central India Railway Company are expected to be less than in the Budget Estimate for 1900-1901.

206. The following are the more important increases in Expenditure in 1901-1902.
India:—

	R	<u>Increases in Expenditure in India.</u>
3.—Land Revenue	10,07,000	
Post Office	6,74,000	
Telegraph	6,96,000	
Law and Justice, Courts	5,04,000	
Police	17,56,000	
Education	7,11,000	
Medical	6,08,000	
Political	12,21,000	
Scientific and Minor Departments	13,32,000	
Miscellaneous	23,67,000	
Protective Irrigation Works	6,37,000	
Railways, Working Expenses	1,00,02,000	
„ Interest on Debt	10,77,000	
„ Interest on Capital deposited by Companies	5,31,000	
Irrigation, Working Expenses	5,54,000	
„ Interest on Debt	3,91,000	
Minor Irrigation Works	6,31,000	
Military Works	16,65,000	
Civil Works	79,66,600	
Army	53,37,000	

207. Practically every Province shows an increase in Land Revenue 1901-1902.
Expenditure. The returning prosperity of the Provincial Revenues of most Provinces and the grants-in-aid made from Imperial Revenues, enable the Local Governments to undertake new expenditure. Land Revenue Expenditure.

208. The Expenditure on the Post Office and Telegraph increases every year. The increases next year are above the normal amounts as reforms and improvements are contemplated in both Departments. 1901-1902. Post Office and Telegraph Expenditure.

209. Improvement in the efficiency of the Police is a pressing need throughout India, and necessitates increased expenditure in every Province. But the main item of the large increase under this head occurs in Burma, ₹12,44,000. It is proposed to make a large increase to the Military Police in order to release detachments of the Army from frontier stations in Burma. 1901-1902. Police Expenditure.

210. All Local Governments provide for increased Expenditure on Education, that being one of the objects to which it is desired to allot larger grants. 1901-1902. Education Expenditure.

211. The largest increase in Medical Expenditure occurs in Bengal, ₹5,09,000, the cause being plague prevention: smaller increases occur in the Punjab, the North-Western Provinces and Oudh, and Burma: there are decreases in Bombay, the Central Provinces, and Madras. 1901-1902. Medical Expenditure.

212. The cause of the increase in Political Expenditure is a provision of 15 lakhs made for arrears of His Highness the Amir of Afghanistan's subsidy. Ordinarily provision is made only for a full year's subsidy, on the assumption that the arrears at the beginning and end of the year will be about the same. But the large arrears outstanding this year rendered a departure from the ordinary rule advisable for next year's Estimate. 1901-1902. Political Expenditure.

213. The Census causes the increase under Scientific and Minor Departments. The amount entered in the Budget Estimate of this year on this account was ₹7,32,000, and the provision for next year is ₹18,10,000, making a total of ₹25,42,000. Other increases have also been allowed under this head by the Government of India and Local Governments. 1901-1902. Expenditure on Scientific and Minor Departments.

214. The increase in Miscellaneous Expenditure is mainly due to the remission of the recovery of the famine loans mentioned in paragraph 172 above: the Bombay Government provides ₹13,75,000, and the Chief Commissioner, Central Provinces, ₹6,00,000 on this account. 1901-1902. Miscellaneous Expenditure.

Fuller provision has also been made for remittance charges.

1901-1902.
Expenditure on
Protective Irriga-
tion Works.

215. Every effort is being made to push on the construction of Irrigation Works which promise to afford protection against famine, and the Estimates provide for expenditure on all the schemes which are likely to be ready for the commencement of work next year.

1901-1902.
Railway Working
Expenses.

216. The increase in the Working Expenses of Railways is required to earn the increased Revenue.

1901-1902.
Irrigation
Expenditure.

217. The increase in the Working Expenses of Irrigation Works is necessary to maintain and work the new canals on which Capital Expenditure is being incurred.

1901-1902
Railway and
Irrigation
Interest Charges.

218. The increase in the Railway and Irrigation interest charges is the interest on the new Capital Expenditure.

1901-1902.
Expenditure,
Minor Irrigation
Works.

219. The importance of Minor Irrigation Works as a subsidiary preventive of famine, is recognised by increased expenditure both from Imperial and Provincial Funds.

1901-1902.
Civil Works
Expenditure.

220. The restriction of expenditure in recent years has been specially felt in the case of Public Works; and the position now admits of largely increased expenditure both by the Imperial and Provincial Governments to provide some of the new buildings and communications which are everywhere required. Of the total increase of ₹79,66,000, the sum of ₹26,65,000 is in the Imperial Section, ₹47,50,000 in the Provincial Section, and ₹5,51,000 in the Local Section. Of the Provincial increase a portion may be diverted to other heads by Local Governments. When the grants-in-aid of 164½ lakhs, mentioned in paragraph 188, were made, additions, aggregating ₹25,63,000, being the amount available after raising the closing Provincial balances of the year to the prescribed minimum for each Province, were made by the Government of India to the Provincial grants for 45.—Civil Works, the Local Governments being at liberty either to spend the additions on Public Works or to reappropriate them for other expenditure.

1901-1902.
Army Expenditure.

221. The Budget Estimate of this year provided for savings of ₹38,50,000 in consequence of the absence of troops in South Africa: the troops are still absent in Africa and other troops have been sent to China: it is probable that they will be absent for a part of next year; but it was not considered sufficiently certain that they will be absent for any prolonged period to justify the Government in taking credit for the savings in the Estimate. The Estimate of this year also provided for savings in consequence of the absence of three Native Regiments in Ceylon, Singapore, and Mauritius. As new regiments have been raised to replace these as well as two other new regiments required for service outside India, making five in all, there is no similar saving in next year's Estimate. This causes an increase of ₹8,85,000. On the other hand, the fall in prices admits of a decrease of 40 lakhs in the grant for the cost of food supplies, and the absence of special provision to replace horses sent to South Africa reduces the estimate for the purchase of remounts by ₹29,37,000. The net result of these figures is a decrease in the Army Expenditure from accidental causes of ₹22,02,000.

The addition of that sum to the increase of ₹53,37,000, shown in paragraph 206, gives a total increase of ₹75,39,000 to be explained. This is mainly the portion incurred in India of the new Expenditure for increasing the efficiency of the Army, aggregating about 160 lakhs, which the Government of India, with the approval of the Secretary of State, has recently sanctioned. The remainder appears on the Home Estimates under Army ₹520,800, see paragraph 223 below, and in the Military Works Grant ₹17,75,000.

1901-1902.
Revenue in
England.

222. The Estimate of Sterling Revenue exceeds the Budget Estimate for the current year by £219,100. This is caused by the contributions to be paid by His Majesty's Imperial Government in consequence of the recommendations of the Royal Commission on Indian Expenditure, namely, £130,000 towards the cost of the transport of Troops, and £100,000 towards the Military charges for Aden. On the Expenditure side payments to His Majesty's Imperial Government, amounting to about £27,500, are to be withheld, raising the total relief to Indian Revenues, as a result of the Commission, to £257,500.

223. There is an increase in Sterling Expenditure of £894,900.

The permanent loans of this year and next and a rise in the rate of interest for temporary loans increase the interest charges by £136,900. There is a net increase in the interest and annuity payments connected with the Great Indian Peninsula Railway of £163,900, caused by the purchase of the Railway. Further receipts of capital cause a further increase in the interest payments on Railway Capital. The Army Expenditure shows an increase of £520,800, mostly under Ordnance Stores.

1901-1902.
Expenditure in
England.

Section IV.—Statements comparing the figures of the Estimates under the more important heads of Revenue and Expenditure with those of past years.

LAND REVENUE.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
REVENUE (including that due to Irrigation)—	R	R	R	R	R	R
India General	14,86,540	14,89,725	11,23,642	12,39,000	12,23,000	16,59,000
Central Provinces	66,77,540	87,39,102	57,60,049	60,00,000	47,25,000	80,67,000
Burma	2,64,62,700	2,80,72,302	2,97,60,093	2,96,55,000	3,16,10,000	3,19,10,000
Assam	59,61,230	62,84,108	62,80,533	63,49,000	62,00,000	64,75,000
Bengal	3,97,82,190	4,04,47,854	4,12,01,234	4,09,00,000	4,12,00,000	4,12,86,000
North-Western Provinces and Oudh	5,71,96,780	6,75,46,330	6,58,10,585	6,55,88,000	6,54,82,000	6,44,67,000
Punjab	2,51,08,920	2,63,20,213	2,28,53,763	2,51,96,000	2,42,00,000	2,80,10,000
Madras	5,61,28,780	5,75,23,953	5,47,47,204	5,91,20,000	5,86,64,000	5,89,14,000
Bombay	4,76,79,120	4,82,57,124	4,05,91,344	4,78,04,000	4,30,92,000	4,31,04,000
TOTAL	26,64,83,800	28,46,80,711	26,81,28,447	28,18,51,000	27,63,96,000	28,38,92,000
Shown under XXIX.—Irrigation	96,47,380	1,00,87,584	1,00,52,606	1,06,71,000	1,09,59,000	1,13,33,000
Shown under I.—Land Revenue	25,68,36,420	27,45,93,127	25,80,75,841	27,11,80,000	26,54,37,000	27,25,59,000
EXPENDITURE—						
India—						
District Administration	1,94,40,420	1,87,44,040	1,92,02,199	1,96,97,000	1,95,66,000	1,99,42,000
Other Charges	2,24,21,510	2,17,82,693	2,20,19,206	2,34,02,000	2,28,92,000	2,41,64,000
TOTAL	4,18,61,930	4,05,26,733	4,12,21,405	4,30,99,000	4,24,58,000	4,41,06,000
England—	£	£	£	£	£	£
Other Charges	901	1,255	645	600	400	600

224. The effect of the famines are apparent in these figures. It will be observed that the total Revenue is taken for next year at an amount slightly below the Revenue realised in 1898-99. It was considered prudent to frame the total estimate cautiously in view of the expediency of leniency in Provinces just recovering from famine.

FINANCIAL STATEMENT OF THE

OPIUM.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
INDIA.						
Revenue—	R	R	R	R	R	R
Bengal—Sale of Opium	3,99,10,480	4,16,38,180	5,09,14,354	5,32,80,000	6,16,39,000	5,28,00,000
Bombay—Pass Fees	96,69,850	1,32,89,500	1,27,46,250	1,27,54,000	1,29,56,000	1,30,00,000
Excise Opium and other Revenue	22,17,390	23,25,620	23,69,127	23,63,000	23,84,000	23,40,000
TOTAL	5,17,97,720	5,72,53,300	6,60,29,731	6,83,97,000	7,69,79,000	6,81,40,000
Expenditure—						
Payments to Cultivators, including purchase of Opium	2,15,72,470	2,14,33,650	2,35,16,902	2,40,00,000	2,45,00,000	2,40,00,000
Other Charges	22,89,740	22,76,040	23,60,322	25,38,000	23,38,000	25,38,000
TOTAL	2,38,62,210	2,37,09,690	2,58,77,224	2,65,38,000	2,68,38,000	2,65,38,000
ENGLAND.						
Other Charges	£ 1,853	£ 1,545	£ 2,006	£ 1,600	£ 2,100	£ 2,600
Statistics—						
Bengal—						
Chests sold	39,000	39,450	41,700	44,400	45,300	48,000
Average Price	₹1,023	₹1,055	₹1,221	₹1,200	₹1,361	₹1,100
Chests produced	45,500	44,075	51,719	...	52,443	...
Chests in Balance, March 31	36,080	40,696	50,715	...	57,858	...
Reserve, December 31	339	6,830	10,096	17,415	17,406	21,849
Bombay—						
Chests passed for export	17,432½	24,000	25,492½	25,508	25,912	26,000
Rate of duty	₹600 & 500	₹500	₹500	₹500	₹500	₹500

225. As stated in paragraph 156, the prices realised at the sales of Bengal Opium in the present year have been high. The fluctuations in these prices being large from year to year and the state of affairs in China at present being such as to add a special element of uncertainty to this always uncertain head of Revenue, the Budget Estimate does not assume a continuance of these specially high prices, but takes the average price for next year at the moderate amount of ₹1,100 a chest. The price assumed in the Budget Estimate of this year was ₹1,200. The difference of ₹100 causes a decrease in the Estimate of next year as compared with that of this year of ₹44,40,000, most of which is counter-balanced by an increase in the quantity to be sold. The quantity of Bengal Opium taken as to be sold next year exceeds that taken in the Budget Estimate of this year by 3,600 chests yielding an increase, at the assumed price of ₹1,100 a chest, of ₹39,60,000. The monthly quantity to be sold up to December next has been finally fixed; the quantity to be sold in the remaining three months of the financial year will be fixed in June when the outturn of the poppy crop is known: for Budget purposes it is assumed that the present monthly quantity will continue till the end of the year.

The outturn of the crop in the current year was above the average, and the payments to the cultivators consequently exceeded the Budget Estimate by five lakhs. Next year provision is, as usual, made for an average crop.

The exports of Malwa Opium from Bombay in the current year are expected slightly to exceed those of the year 1899-1900 on which the Budget Estimate was based; and a continuance of this small improvement is assumed in the Estimate for next year.

SALT.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
REVENUE.	₹	₹	₹	₹	₹	₹
Northern India (a)	1,94,78,100	2,04,07,302	1,94,65,699	1,95,58,000	1,99,50,000	1,97,32,000
Burma (b)	15,67,440	15,81,548	15,36,685	15,87,000	13,60,000	14,50,000
Bengal (b)	2,46,33,150	2,51,23,488	2,57,94,382	2,53,23,000	2,57,00,000	2,67,00,000
Madras (a)	1,72,69,610	1,99,84,130	1,85,50,392	1,85,88,000	1,89,06,000	1,90,86,000
Bombay (a)	2,29,93,950	2,39,02,245	2,24,09,786	2,26,20,000	2,33,50,000	2,31,00,000
TOTAL	8,59,42,250	9,09,98,713	8,77,56,944	8,76,76,000	8,92,66,000	8,90,68,000
CHARGES.	₹	₹	₹	₹	₹	₹
India	47,30,150	46,53,139	49,65,747	52,96,000	50,64,000	54,14,000
England	₤ 468	₤ 253	₤ 640	₤ 200	₤ 500	₤ 700

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

226. As explained in paragraph 157, the Salt Revenue has improved considerably this year in spite of the famine, and there is every reason to expect that the greater part of the improvement will be maintained next year. The estimate for next year is a moderate estimate of what is now the normal Revenue from Salt.

The increase in expenditure occurs in Madras, where the Local Government is largely increasing its purchases in pursuance of the policy adopted in its Salt Administration. Those purchases will yield a return in future years.

STAMPS.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
REVENUE.	₹	₹	₹	₹	₹	₹
Court Fees and Plain Paper	3,30,53,760	3,34,43,390	3,40,81,047	3,41,63,000	3,44,44,000	3,45,46,000
Commercial and other Stamps	1,45,60,340	1,36,26,220	1,39,08,324	1,39,95,000	1,48,16,000	1,47,68,000
Other Revenue	7,56,330	9,06,890	9,92,780	8,53,000	8,96,000	8,95,000
TOTAL	4,83,70,430	4,79,76,500	4,89,82,151	4,90,11,000	5,01,56,000	5,02,09,000
CHARGES.	₹	₹	₹	₹	₹	₹
India	9,79,980	9,47,390	9,50,619	10,13,000	10,88,000	11,09,000
England (Stores)	₤ 35,844	₤ 35,296	₤ 37,914	₤ 25,300	₤ 30,000	₤ 32,100

227. This head of Revenue has regained its normal position of improvement, and yields a considerable increase this year, which, it is estimated, will be maintained in the coming year.

FINANCIAL STATEMENT OF THE
EXCISE.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
REVENUE.	R	R	R	R	R	R
Bengal	1,27,47,750	1,34,27,050	1,39,65,275	1,40,00,000	1,47,00,000	1,47,00,000
North-Western Pro- vinces	45,14,960	56,84,850	63,69,842	63,50,000	69,00,000	67,50,000
Madras	1,46,19,450	1,36,77,420	1,34,13,799	1,29,36,000	1,37,00,000	1,37,00,000
Bombay	1,09,49,960	1,14,59,070	1,06,38,737	1,07,85,000	1,02,00,000	1,03,00,000
Other Provinces	1,20,62,420	1,32,05,830	1,35,11,472	1,32,19,000	1,38,55,000	1,40,56,000
TOTAL	5,48,94,540	5,74,34,220	5,78,99,125	5,72,90,000	5,93,55,000	5,95,06,000
CHARGES.	R	R	R	R	R	R
India	24,02,710	24,30,140	24,22,627	26,23,000	24,52,000	26,31,000
England	£ 123	£ ...	£ ...	£ ...	£ 100	£ ...

228. The decline in Excise Revenue anticipated in the Budget Estimate of this year in consequence of the famine has occurred in Bombay to more than the extent taken, and in the Central Provinces to nearly the extent taken. But there have been much larger increases in other Provinces. For next year it is estimated that the level of this year will be maintained in other Provinces, and that in Bombay and the Central Provinces there will be some recovery, there being signs of improvement in the later months of the present year in both these Provinces.

PROVINCIAL RATES.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
REVENUE.	R	R	R	R	R	R
District Local Funds	2,26,97,310	2,38,92,880	2,26,73,416	2,36,80,000	2,31,69,000	2,43,78,000
Provincial Cesses, in- cluding Famine In- surance	64,17,310	66,84,340	66,14,490	66,45,000	66,54,000	70,14,000
Village Service and Patwaris	67,83,990	72,06,980	67,96,679	73,61,000	71,07,000	78,52,000
Other Cesses	13,34,290	14,37,230	13,97,166	15,10,000	14,97,000	15,95,000
TOTAL	3,72,32,900	3,92,21,430	3,74,81,751	3,91,96,000	3,84,27,000	4,08,39,000
Charges	5,25,300	5,57,370	5,31,917	6,66,000	5,17,000	7,56,000

229. All Local Governments, except Bombay, expect increases of Revenue under this head next year.

CUSTOMS.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
	R	R	R	R	R	R
IMPORT DUTIES—						
Arms, Ammunition, and Military Stores	3,57,280	3,47,390	3,08,447	3,28,000	2,91,000	2,93,000
Liquors—Spirits .	60,60,880	63,66,060	64,91,422	} 71,45,000	70,37,000	70,61,000
Other sorts	5,52,240	5,86,610	5,63,822			
Articles of Food and Drink .	38,70,630	35,36,810	32,08,450	32,26,000	44,31,000	35,81,000
Countervailing Sugar duties . . . .	...	...	8,51,750	7,66,000	19,08,000	12,08,000
Chemicals, Drugs, Medicines, etc. .	10,69,330	10,77,070	10,01,257	11,14,000	9,93,000	10,60,000
Silver Bullion and Coin	43,38,990	28,67,800	24,32,265	20,63,000	14,54,000	15,00,000
Other Metals and Manufactures of Metals	22,24,240	19,85,530	17,09,047	19,98,000	20,94,000	21,35,000
Oils	55,60,150	48,59,460	44,45,273	45,66,000	49,85,000	47,53,000
Manufactured Articles	43,65,910	49,87,900	52,35,344	52,33,000	56,15,000	52,61,000
Raw Materials and Unmanufactured Articles	9,94,800	8,46,550	6,51,671	8,68,000	11,82,000	11,15,000
Cotton Goods . .	79,57,200	84,63,910	92,40,837	91,05,000	89,75,000	87,74,000
TOTAL IMPORT DUTIES	3,73,51,650	3,59,25,090	3,61,39,583	3,64,12,000	3,89,65,000	3,67,41,000
Excise Duty on Cotton Goods	11,61,880	13,72,910	13,36,623	11,44,000	10,88,000	12,56,000
EXPORT DUTIES—						
Chiefly Rice . .	72,48,190	1,01,12,130	87,63,905	87,25,000	90,09,000	90,08,000
LAND CUSTOMS AND MISCELLANEOUS	6,51,230	6,11,490	7,66,751	7,32,000	8,00,000	8,16,000
GRAND TOTAL	4,64,12,950	4,80,21,620	4,70,06,862	4,70,13,000	4,98,62,000	4,78,21,000
Charges	21,13,790	21,48,440	23,06,176	23,53,000	24,32,000	24,65,000

230. The above table shows a most satisfactory increase in the Customs Revenue. The most striking feature is the very large increase this year in the duties on sugar. The additional countervailing duties yield 11½ lakhs more than the Budget Estimate and 10½ lakhs more than the actuals of 1899-1900. The ordinary five per cent duty on sugar appears under the head "Articles of Food and Drink" in which the increase is over 12 lakhs, nearly all of it being in the duty on sugar. The imports of sugar having been so abnormally large this year, it is not considered prudent to assume that these very large receipts will continue next year: the amount for the countervailing duty is, therefore, taken in the Budget Estimate of next year 7 lakhs lower than the Revised Estimate of this year, and that for "Articles of Food and Drink" 8½ lakhs less.

The duties on silver have declined considerably: we have not assumed any substantial recovery next year.

The duties on Oils, Manufactured Articles, and Raw Materials all show substantial increases, which we estimate to retain only partially next year.

The Export duties on rice show an increase of nearly 3 lakhs, which we estimate to retain next year, with the great restriction in the famine-stricken area.

FINANCIAL STATEMENT OF THE

On the other hand, there are declines, not serious, in the duties on Arms, Liquors, Chemicals, and Cotton Goods.

ASSESSED TAXES.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
	R	R	R	R	R	R
Deduction by Govern- ment from Salaries, Pensions, and Interest payments	44,44,940	43,62,540	43,84,515	43,70,000	44,87,000	44,66,000
Other Collections	1,45,09,710	1,48,59,370	1,51,19,901	1,52,07,000	1,51,33,000	1,50,93,000
TOTAL	1,89,54,650	1,92,21,910	1,95,04,416	1,95,77,000	1,96,20,000	1,95,59,000
Charges	3,22,780	3,28,120	3,32,364	3,44,000	3,36,000	3,64,000

231. The decrease of the Estimate for next year below the Revised Estimate for this year is due to the purchase by the Government of the Great Indian Peninsula Railway: the income-tax on the surplus profits of that Railway Company, now disappears.

FOREST.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
	R	R	R	R	R	R
India—						
Revenue	1,73,95,140	1,85,98,680	1,85,31,380	1,78,33,000	1,91,95,000	1,88,17,000
Expenditure	99,51,680	97,95,850	1,07,90,296	1,11,43,000	1,11,20,000	1,13,87,000
NET	74,43,460	88,02,830	77,41,084	66,90,000	80,75,000	74,30,000
Equivalent in Ster- ling	£ 496,231	£ 586,855	£ 516,072	£ 445,900	£ 538,300	£ 495,300
Expenditure in Eng- land	£ 4,172	£ 7,421	£ 10,822	£ 9,000	£ 1,900	£ 1,200
NET REVENUE	492,059	579,434	505,250	436,900	536,400	494,100

232. The net Revenue from Forests is recovering, though it is still a good deal below the amount obtained in 1898-99.

INTEREST RECEIPTS.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
	R	R	R	R	R	R
India	84,06,810	1,01,46,264	83,47,226	92,60,000	89,31,000	1,00,85,000
England	£ 20,190	£ 29,867	£ 49,334	£ 10,000	£ 51,000	£ 10,000

INTEREST EXPENDITURE.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
	R	R	R	R	R	R
Interest on Debt—						
India	3,81,97,240	3,90,61,132	3,90,27,597	4,11,00,000	4,08,50,000	4,25,30,000
<i>Deduct</i> charged to—						
Irrigation	1,28,42,490	1,31,26,938	1,34,51,236	1,38,49,000	1,38,27,000	1,42,40,000
Railways	4,07,90,090	4,29,27,622	4,50,90,125	4,64,37,000	4,65,82,000	4,77,36,000
Balance charged to Interest	-1,54,35,340	-1,69,93,428	-1,95,13,764	-1,91,86,000	-1,95,59,000	-1,94,46,000
Equivalent in sterling	£	£	£	£	£	£
England	-1,029,023	-1,132,895	-1,300,918	-1,279,100	-1,303,900	-1,296,400
TOTAL	1,850,192	1,672,971	1,593,353	1,602,500	1,798,700	1,722,700
Interest on other Obligations—	£	£	£	£	£	£
On Savings Bank Balances converted at R15 = £1	218,029	215,282	223,203	234,500	232,000	243,100
Other items	125,459	129,295	131,542	124,800	131,900	133,600
TOTAL	2,193,680	2,017,548	1,948,098	1,961,800	2,162,600	2,099,400
Debt outstanding; March 31—	£	£	£	£	£	£
Sterling	123,274,680	124,268,605	124,144,401	130,689,705	133,566,801	134,566,801
Rupee Debt—	R	R	R	R	R	R
4 per cent	5,19,62,040	5,07,61,960	4,95,61,850	4,80,61,960	4,83,61,850	4,71,61,850
3½ per cent	93,93,70,300	95,14,12,400	95,15,04,900	98,10,78,400	98,15,04,900	1,00,15,04,900
3 per cent	10,97,23,500	11,07,05,100	11,07,05,700	11,07,05,100	11,07,05,700	11,07,05,700
Other Debt	1,59,00,500	1,36,67,520	1,29,74,560	1,33,51,520	1,27,24,560	1,25,24,560
Savings Bank Balances	10,55,67,340	10,79,12,020	11,14,00,631	11,35,40,020	11,63,66,631	12,31,45,631

233. The explanations required regarding the Interest figures are given in paragraphs 185, 186, 199, and 218. The Revised Estimate for this year anticipates a net receipt of Savings Banks Deposits, apart from interest, of 9½ lakhs instead of the net withdrawal of 20 lakhs taken in the Budget Estimate. And the Estimate for next year takes credit for a net receipt of 20 lakhs.

FINANCIAL STATEMENT OF THE
POST OFFICE.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
India—	R	R	R	R	R	R
Revenue . . .	1,87,91,630	1,91,40,671	1,95,24,722	1,98,03,000	2,03,04,000	2,00,74,000
Expenditure . . .	1,56,19,620	1,55,86,694	1,63,13,233	1,72,04,000	1,69,81,000	1,78,78,000
NET REVENUE IN INDIA . . .	31,72,010	35,53,977	33,11,489	26,04,000	33,23,000	21,96,000
Equivalent in sterling . . .	£ 211,467	£ 236,932	£ 221,433	£ 173,500	£ 221,500	£ 146,300
Net expenditure in England . . .	107,165	111,013	95,365	100,700	97,400	98,000
TOTAL NET REVENUE	+104,302	+125,919	+126,068	+72,800	+124,100	+48,300

234. The decrease in the Estimate of Revenue for next year is due to intended reductions in the rates for parcels, inland and foreign, expected to involve for the first year a loss of revenue of about six lakhs of rupees. The normal increase partly counterbalances this reduction.

TELEGRAPH.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
India—	R	R	R	R	R	R
Revenue Accounts . . .						
Revenue . . .	1,30,28,230	1,06,96,792	1,23,93,431	1,20,00,000	1,32,00,000	1,24,50,000
Expenditure . . .	68,63,160	70,08,805	73,88,866	75,41,000	78,40,000	81,37,000
NET . . .	61,65,070	36,87,987	50,04,565	44,59,000	53,60,000	43,13,000
Equivalent in sterling . . .	£ 411,005	£ 245,865	£ 333,638	£ 297,300	£ 357,300	£ 287,600
Net expenditure in England . . .	81,093	62,492	71,142	73,800	59,100	63,900
	+329,912	+183,373	+262,496	+223,500	+298,200	+223,700
Capital Expenditure—						
India (converted at R15 = £1) . . .	54,437	54,828	61,479	64,200	38,600	70,900
England . . .	96,127	92,430	95,126	166,600	177,500	192,000
	150,564	147,258	156,605	230,800	216,100	262,900
TOTAL NET REVENUE	179,348	36,115	105,891	-7,300	82,100	-39,200

235. The increase in Revenue having been abnormally large this year, and being due to special causes, the estimate for next year, though in excess of the Budget Estimate of this year, is $7\frac{1}{2}$ lakhs less than the Revised Estimate. Increased expenditure is necessary to enable the Department to cope with the increasing traffic.

MINT.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
India—						
Revenue . . .	18,20,440	7,79,115	51,76,185	40,92,000	4,61,77,000	4,87,000
Expenditure . . .	8,02,730	10,80,762	7,98,216	7,35,000	4,50,90,000	7,74,000
NET REVENUE . . .	10,17,710	-3,01,647	43,77,969	33,57,000	10,87,000	2,87,000
Equivalent in sterling . . .	£ 67,847	£ -20,110	£ 291,865	£ 223,800	£ 72,500	£ -19,100
Net expenditure in England . . .	5,293	3,603	2,682	2,900	10,600	16,900
TOTAL NET REVENUE	62,554	-23,713	289,183	220,900	61,900	-36,000

236. The very important changes affecting this head have been fully explained in paragraph 164.

CIVIL DEPARTMENTS.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
INDIA.						
General Administration	1,58,80,160	1,58,14,295	1,59,60,801	1,59,42,000	1,62,19,000	1,61,84,000
Law and Justice. { Courts . . .	3,13,24,810	3,07,27,343	3,12,13,533	3,18,53,000	3,18,87,000	3,23,57,000
{ Jails . . .	1,11,87,030	1,02,88,204	1,02,60,188	1,10,13,000	1,19,19,000	1,11,47,000
Police . . .	4,23,28,550	4,17,95,480	4,27,62,727	4,39,63,000	4,36,82,000	4,57,19,000
Marine . . .	34,47,620	33,60,546	30,88,823	36,29,000	35,58,000	37,55,000
Education . . .	1,57,86,630	1,59,56,775	1,62,64,003	1,68,77,000	1,63,48,000	1,75,88,000
Ecclesiastical . . .	17,35,790	16,97,403	17,07,796	18,20,000	17,18,000	18,43,000
Medical . . .	1,32,89,520	1,60,12,347	1,39,93,722	1,41,53,000	1,40,90,000	1,47,61,000
Political . . .	89,57,600	86,60,466	1,04,68,139	1,03,88,000	84,06,000	1,16,09,000
Scientific and Minor Departments . . .	49,47,060	52,23,538	52,83,680	68,19,000	61,90,000	81,51,000
TOTAL INDIA	14,88,84,770	14,95,36,397	15,10,03,412	15,64,57,000	15,40,17,000	16,31,14,000
ENGLAND.	£	£	£	£	£	£
General Administration	257,745	252,496	320,023	254,200	255,400	252,400
Marine . . .	213,853	204,787	327,970	341,100	364,600	288,600
Other heads . . .	72,871	60,461	67,701	63,700	77,800	43,600
TOTAL ENGLAND	544,469	517,744	715,694	659,000	697,800	584,600

237. The only variation in these figures requiring notice which has not been explained in earlier paragraphs is the reduction in the Marine Expenditure in England. This is due to the completion of the construction of the R. I. M. vessel *Hardinge*, on account of which heavy payments have been made in the last two years.

FINANCIAL STATEMENT OF THE
MISCELLANEOUS CIVIL CHARGES.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
INDIA.						
Territorial and Political Pensions	42,78,710	41,36,446	39,83,365	40,41,000	39,21,000	39,45,000
Civil Furlough and Absentee Allowances	7,630	15,949	9,660	9,000	8,000	9,000
Superannuation Allowances and Pensions	1,04,85,950	1,06,59,923	1,10,86,006	1,12,52,000	1,13,85,000	1,16,46,000
Stationery and Printing Exchange	63,89,830	64,19,119	67,92,810	67,40,000	68,60,000	69,76,000
Miscellaneous	19,28,780	21,40,491	23,67,536	21,30,000	29,61,000	44,97,000
TOTAL INDIA	2,30,90,900	2,33,71,928	2,54,53,617	2,41,72,000	2,51,84,000	2,70,73,000
ENGLAND.						
Civil Furlough and Absentee Allowances	187,640	259,009	282,881	247,500	252,500	252,500
Superannuation Allowances and Pensions	1,901,744	1,942,917	1,965,402	1,987,500	1,962,200	1,983,000
Other Heads	90,702	84,309	107,341	87,600	115,000	92,100
TOTAL ENGLAND	2,180,086	2,286,235	2,355,624	2,322,600	2,329,700	2,327,600

238. Political pensions are decreasing slowly : Superannuation Allowances and Pensions are increasing steadily with additions to the pension list : Stationery and Printing Charges must increase with the growing needs of the administration of the country. The large increases in Miscellaneous Expenditure have been explained in paragraphs 172 and 214. As regards Exchange, it may be explained that the entries under the head XXIV.—Exchange or 31.—Exchange represent (1) the difference between the net Sterling Expenditure at 1s. 4d. the rupee and the actual average rate of the year, and (2) the difference between the amounts of remittances between England and India at the rate of 1s. 4d. the rupee and the rate at which the sums are brought to account under various contracts with Railway Companies and others. In the Revised Estimate of this year the transactions result in a small entry on the Expenditure side : next year they result in a larger entry on the Revenue side.

FAMINE RELIEF AND INSURANCE.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
Famine Relief	5,32,56,080	4,00,541	3,11,23,771	5,00,25,000	6,33,76,000	1,01,11,000
Construction of Protective Railways . . . . .	...	69,03,526	...	...	...	...
Construction of Protective Irrigation Works	3,75,170	1,16,695	3,58,946	5,00,000	2,99,000	11,37,000
Reduction or Avoidance of Debt . . . . .	...	44,52,378	...	...	...	37,52,000
TOTAL	5,36,31,250	1,18,73,140	3,14,82,717	5,05,25,000	6,36,75,000	1,50,00,000
Net charge on account of the Bengal-Nagpur and the Indian Midland Railways shown in the Railway Revenue Account	35,29,480	31,26,860	44,3,987	20,56,000	...	...
TOTAL EXPENDITURE CHARGEABLE TO THE FAMINE GRANT	5,71,60,730	1,50,00,000	3,19,26,704	5,25,81,000	6,36,75,000	1,50,00,000

239. The direct expenditure on Famine Relief is distributed among the Provinces thus :—

	Actuals, 1899-1900.	Budget Estimate, 1900-1901.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
	R	R	R	R
India, chiefly Ajmer . .	15,09,965	17,54,000	21,12,000	20,000
Central Provinces . .	1,54,49,192	1,80,00,000	2,86,32,000	1,00,000
Bengal	13,724	4,68,000	3,02,000	...
North-Western Pro- vinces and Oudh . .	69,657	2,00,000	41,000	...
Punjab	23,51,547	37,26,000	24,39,000	...
Madras	32,764	10,25,000	2,01,000	...
Bombay	1,16,41,072	2,48,52,000	2,95,31,000	99,91,000
England converted into Rupees at R15 = £1	55,750	...	1,18,000	...
TOTAL	3,11,23,771	5,00,25,000	6,33,76,000	1,01,11,000

240. The following table gives an estimate of the indirect expenditure and loss of revenue :—

	1899-1900, Accounts.	1900-1901, Revised.	1901-1902, Budget.
	R	R	R
<i>Loss of Revenue—</i>			
Land Revenue	1,90,85,000	1,30,27,000	41,50,000
Provincial Rates	17,28,000	16,89,000	1,35,000
Other Heads	47,02,000	27,22,000	8,70,000
	<u>2,55,15,000</u>	<u>1,74,38,000</u>	<u>51,55,000</u>
<i>Deduct—Net Gain of—</i>			
Railway Revenue	79,82,000	40,00,000	...
Irrigation	11,14,000	...	...
	<u>1,64,19,000</u>	<u>1,34,38,000</u>	<u>51,55,000</u>
<i>Increase of Expenditure—</i>			
Compensation for dearness of provisions and other charges	40,88,000	66,03,000	3,58,000
Total estimated cost of famine in addition to the charge under 33.—Famine Relief . .	<u><u>2,05,07,000</u></u>	<u><u>2,00,41,000</u></u>	<u><u>55,13,000</u></u>

241. The Budget allotments for increased agricultural advances connected with the famine were about 20 lakhs this year: additional allotments, aggregating 122 lakhs, were sanctioned during the year. The increase on this account in the Estimate of next year amounts to about 30 lakhs, chiefly in Bombay.

242. The loans to Native States to help them in dealing with famine relief in their territories have far exceeded the provision of 75 lakhs mentioned in paragraph 135 of Part II of the last Financial Statement. The loans actually sanctioned during the year amount to the large total of over four crores of rupees. This includes the large loan of two crores to the Hyderabad State, about a crore advanced to the Berar Administration, 68 lakhs to Bombay States, and 38 lakhs to Rajputana States.

FINANCIAL STATEMENT OF THE
RAILWAY REVENUE ACCOUNT.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
	R	R	R	R	R	R
STATE RAILWAYS—						
Gross Receipts	19,0445,247	19,61,39,693	21,97,98,346	23,86,86,000	25,30,18,000	26,11,34,000
Working Expenses	9,20,12,021	9,98,52,913	10,72,17,062	11,98,28,000	12,59,19,000	12,98,30,000
	£	£	£	£	£	£
Net Revenue equivalent at R15 = £1	6,562,215	6,419,119	7,505,419	7,923,900	8,473,300	8,753,600
Interest and other Charges—						
India converted at R15 = £1	2,730,395	2,872,834	3,016,834	3,108,400	3,114,600	3,230,400
England	3,687,127	3,711,690	3,741,444	4,599,600	4,556,600	5,443,200
Net Result	144,693	—165,405	747,141	215,900	802,100	80,000
GUARANTEED RAILWAYS—						
Net Traffic Receipts converted at R15 = £1	1,467,595	2,055,115	1,997,215	1,191,600	1,202,400	985,000
Surplus Profits, In- terest and other Charges—						
India converted at R15 = £1	90,075	270,962	351,959	200,900	210,000	131,700
England	2,154,784	2,162,525	2,172,336	1,590,300	1,589,500	1,015,100
Net Result	—777,264	—378,372	—617,080	—599,600	—597,100	—161,800
Other Receipts	9,926	29,439	27,407	27,500	25,900	33,700
Other Charges	86,659	105,827	80,712	129,200	74,700	116,700
STATISTICS—						
State Railways—						
Capital Expenditure to March 31—						
Expenditure by Government	98,257,493	101,571,314	104,019,530	110,910,114	111,209,630	113,272,230
Expenditure by Companies	29,611,183	31,503,812	33,291,657	35,385,951	35,230,057	37,371,357
Outlay on the East Indian Railway from Debentures raised by the Company	1,550,000	1,550,000	2,557,917	4,158,000	4,333,817	5,583,817
Outlay on the South Indian Railway by the Company	...	...	...	50,000	250,000	975,000
Outlay on the Great Indian Peninsula Railway by the Company	...	...	...	...	...	300,000
TOTAL	129,418,676	134,625,126	139,869,104	150,504,065	151,023,504	157,502,404
Miles open * on April 1	15,378	15,582	16,643	17,136	17,136	19,305
Guaranteed Rail- ways—						
Miles open on April 1	2,588	2,588	2,588	2,627	2,612*	1,305

* Includes the mileage of the Great Indian Peninsula Railway as it was a Guaranteed Railway for the first three months of the year.

243. The Revised Estimate of net receipts on State Railways in 1900-1901 is higher than the Budget Estimate by R82,41,000 or £549,400. The improvement is a very general one though it is most marked in the case of the East Indian, Rajputana-Malwa, Indian Midland and Great Indian Peninsula Railways. It is due to a general development of traffic, to increased open mileage, and to heavy traffic in food stuffs consequent on famine.

244. The net receipts from State Railways in 1901-1902 are estimated at Rs 42,05,000 or £280,300 more than the Revised Estimate for 1900-1901. This increase is due to the inclusion, under this head, of the transactions of the Great Indian Peninsula Railway for the whole year, whereas this year it was a State Railway for nine months only: to large additions to the open mileage: to the consequent development of traffic; and to an expected return to normal conditions on the North-Western Railway, the only Railway on which there was an important decline in earnings this year. The increase in working expenses is due to increased traffic which causes in the other side the increase in earnings and to provision having been made for heavier repairs and renewal of rolling stock. The increase in interest and other charges in India is due to the progress of Capital outlay, and in England chiefly to provision having been made for a full year's interest and annuity payments in respect of the Great Indian Peninsula Railway as against only a half-year's payments provided for in the Revised Estimate.

245. The Revised Estimate of net receipts from Guaranteed Railways is Rs 1,62,000 or £10,800 higher than the original Estimate, due almost entirely to an improvement in traffic on the Great Indian Peninsula Railway during the first three months of the year, during which period this line continued to be classed under this head. The Budget Estimate of net receipts for 1901-1902 is Rs 32,61,000 or £217,400 lower than the Revised Estimate for the current year and is due to the exclusion of the transactions of the Great Indian Peninsula Railway, which are now shown under "State Railways."

246. The decrease in the Budget Estimate of surplus profits and other charges for 1901-1902, as compared with the Revised Estimate for 1900-1901, is due to the Great Indian Peninsula Railway having become a State Railway.

IRRIGATION.

IRRIGATION.	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
MAJOR WORKS.	R	R	R	R	R	R
Revenue { Direct Re- ceipts .	2,37,77,440	2,21,29,300	2,36,77,938	2,30,74,000	2,57,58,000	2,34,43,000
{ Land Reve- nue .	96,47,380	1,00,87,584	1,00,52,606	1,06,71,000	1,09,59,000	1,13,33,000
Expendi- { Working - ture { Expenses	89,21,190	94,03,929	99,71,283	98,91,000	1,04,27,000	1,04,45,000
{ Interest .	1,28,42,490	1,31,26,938	1,31,51,236	1,38,49,000	1,38,27,000	1,42,40,000
NET	+1,16,61,140	+96,86,017	+1,03,08,025	+1,00,05,000	+1,24,63,000	+1,00,91,000
MINOR WORKS.						
Receipts—Direct .	22,73,820	24,13,856	22,67,383	23,49,000	24,91,000	25,22,000
Expenditure .	96,77,170	94,03,466	1,05,29,591	1,07,67,000	1,05,35,000	1,13,07,000
STATISTICS OF MAJOR WORKS.						
Capital Outlay to March 31 .	32,63,98,030	33,31,93,752	34,26,13,013	35,31,57,720	35,19,94,013	36,32,74,013

247. The Revised Estimate of receipts from Major Works is higher than the Budget Estimate by Rs 29,72,000. The increase is due to the larger demand for water from the canals in the North-Western Provinces and Oudh and the Punjab, in consequence of a failure of the rains, as well as to the development of irrigation from the Chenab Canal and the opening of the Jamrao Canal in Sind. The increase in the receipts from Minor Works occurs also in the North-Western

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Provinces and Oudh and the Punjab, and is due to the same cause. The increased Revenue of 1900-1901 caused an increase in the collection charges, and damages by floods rendered special repairs necessary in the Punjab and Madras. The Budget Estimate of direct receipts from Major Works anticipates a decrease of Rs 23,15,000. Seasonable rainfall has considerably reduced the area irrigated by the canals in Upper India during the present *rabi* season, except by the Chenab Canal, in the revenue of which an increase of Rs 5,05,000 is expected. The increase in the indirect receipts is due to the further development of irrigation from the Chenab and Jamrao Canals.

248. The financial results obtained during 1898-99 and 1899-1900 from Irrigation Works, for which Capital and Revenue Accounts are kept, are given below:—

	1898-99.	1899-1900.
	R	R
MAJOR WORKS.		
<i>Capital Outlay—</i>		
Direct and Indirect		
{ During the year	70,71,840	97,06,074
{ To end of year	34,83,46,160	35,80,52,223
<i>Revenue Account—</i>		
Gross Revenue	3,26,50,990	3,41,68,793
Maintenance and Working	1,04,74,020	1,10,50,414
Net Revenue	2,21,76,970	2,31,18,379
Interest	1,31,26,950	1,34,50,962
Net Profit	90,50,020	96,67,417
Percentage of net Revenue of the year on the Capital Outlay to end of the year	6'37	6'46
MINOR WORKS.		
<i>Capital Outlay—</i>		
Direct and Indirect		
{ During the year	6,85,160	10,00,482
{ To end of year	5,36,09,630	5,45,95,085
<i>Revenue Account—</i>		
Gross Revenue	58,44,310	53,23,076
Maintenance and Working	27,58,610	32,81,905
Net Revenue	30,85,700	20,41,171
Percentage of net Revenue of the year on the Capital Outlay to end of the year	5'75	3'74

The figures in this table are taken from the administrative accounts. In the case of Minor Works interest on the Capital Outlay is not charged, as the Capital Expenditure is incurred from Revenue.

BUILDINGS AND ROADS.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
EXPENDITURE.						
India—	R	R	R	R	R	R
Military Works	1,05,95,397	1,13,26,765	1,20,71,699	1,15,09,000	1,05,00,000	1,31,74,000
Civil Works, Imperial	30,21,205	40,89,677	34,69,912	40,62,000	42,11,000	67,27,000
Civil Works, Provincial	2,25,80,177	2,49,41,915	2,81,23,260	2,80,81,000	2,84,20,000	3,28,31,000
Civil Works, Local	1,56,40,103	1,60,53,002	1,65,02,152	1,72,60,000	1,65,68,000	1,78,11,000
TOTAL INDIA	5,18,36,882	5,64,11,359	6,01,67,023	6,09,12,000	5,96,99,000	7,05,43,000
England—	£	£	£	£	£	£
Military Works	69,633	52,531	31,782	13,400	39,000	16,800
Civil Works	80,866	99,013	91,735	88,600	92,600	95,200
TOTAL ENGLAND	150,499	151,574	123,517	102,000	131,600	112,000
RECEIPTS.						
India	R					
	62,26,319	65,91,962	61,77,332	62,48,000	62,94,000	62,22,000
England	£					
	28,911	30,519	29,058	27,300	25,500	25,600

249. The expenditure on Imperial Military Works in India is expected to be less than the Budget Estimate by ₹10,09,000, while that in England has been increased by ₹3,84,000. The grant of the year was increased by ₹2,20,000 transferred from the Military Estimates for expenditure on certain mobilization works, but a lapse of ₹7,48,000 on the total grant is anticipated. A special addition of ₹17,75,000 has been made to the Budget grant for 1901-1902: this is part of the large new expenditure mentioned in paragraph 221, as having been sanctioned to increase the efficiency of the Army. It is given for the following purposes:—

	R
The new Cordite Factory (in addition to 2 lakhs provided from the ordinary grant)	6,00,000
The new Gun Carriage Factory (in addition to 2 lakhs from the ordinary grant)	2,20,000
Mounted Infantry Schools	2,50,000
Accommodation for a third Howitzer Battery	5,00,000
Coast Defence Electric Lights	75,000
A new Small Arms Factory	50,000
Accommodation for increase in personnel of the Sub-Marine Mining Establishment in India	80,000

250. The expenditure on Imperial Civil Works during 1900-1901 is expected to be more than the Budget Estimate by ₹1,49,000; the increase being due to special grants having been sanctioned during the year for the Military Secretariat, Calcutta, and for the purchase of a site for the Bagdad Residency. The Budget grant for 1901-1902 is higher than that for 1900-1901 by ₹26,65,000, special grants having been allotted for new public offices at Calcutta, Simla, Chittagong, and Bangalore, and a further contribution having been made towards the Simla Extension project. The expenditure on Provincial Civil Works during 1900-1901 is expected to be more than the Budget Estimate by ₹3,39,000, while that on Local Civil Works is expected to be less than the Budget Estimate by ₹6,92,000. The Provincial Budget Estimates for 1901-1902 exceed those of the

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present year by the large amount of ₹47,50,000. This is possible in consequence of the returning prosperity of most of the Provinces and of the special contributions made from Imperial as mentioned in paragraph 188.

The Budget grant for 1901-1902 for Local Civil Works is slightly in excess of that for 1900-1901, as in Bengal and Madras it has been found possible to devote additional funds to the construction of roads and other works.

ARMY SERVICES.

EXPENDITURE.	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
INDIA—						
<i>Effective Services—</i>	R	R	R	R	R	R
Regimental Pay and Allowances	8,27,82,180	8,13,00,170	7,85,49,869	7,86,35,000	7,18,33,000	8,35,47,000
Commissariat	3,74,75,520	3,62,16,420	3,73,06,113	4,45,91,000	3,95,07,000	4,29,32,000
Ordnance	85,20,060	82,71,720	74,33,281	88,68,000	69,46,000	1,16,17,000
Other Heads	6,56,23,780	3,97,70,180	2,99,59,440	3,19,93,000	3,32,14,000	3,13,27,000
	19,44,01,540	16,55,58,490	15,32,48,703	16,40,87,000	15,15,00,000	16,94,23,000
<i>Non-effective Services</i>	92,23,850	93,32,840	91,15,539	91,79,000	91,68,000	91,80,000
TOTAL INDIA	20,36,25,390	17,48,91,330	16,23,64,242	17,32,66,000	16,06,68,000	17,86,03,000
ENGLAND—						
<i>Effective Services—</i>	£	£	£	£	£	£
Payments to War Office in respect of British Forces serving in India	729,719	764,400	739,423	700,000	700,000	760,000
Furlough Allowances and Pay during Voyage of British Forces serving in India	98,390	107,875	93,645	108,000	55,000	108,000
Furlough Allowances of Officers of the Indian Service	195,800	203,833	217,265	230,000	193,000	230,000
Indian Troop Service	228,944	276,556	130,794	250,000	80,800	250,000
Other Heads	49,388	29,813	58,285	41,000	47,000	39,600
<i>Stores for India—</i>						
Clothing	177,184	190,574	138,215	204,600	191,000	216,700
Ordnance and Miscellaneous	269,377	281,890	189,874	643,800	626,000	1,148,000
Other Heads	80,580	65,284	71,237	103,000	79,300	62,500
	1,829,382	1,920,225	1,638,733	2,230,400	1,972,100	2,814,800
<i>Non-effective Services—</i>						
Payments to War Office for Retired Pay, etc., of British Forces for services in India	506,847	527,523	556,901	569,000	553,200	600,000
Pay and Pensions of Non-effective and Retired Officers of the Indian Service	1,771,591	1,756,045	1,725,197	1,710,000	1,690,000	1,670,000
Other Heads	136,407	138,111	140,108	148,300	146,700	143,700
	2,414,845	2,421,679	2,422,206	2,427,300	2,389,900	2,413,700
TOTAL ENGLAND	4,244,227	4,341,904	4,060,944	4,707,700	4,362,000	5,223,500
RECEIPTS—						
India	R 80,93,320	R 83,87,271	R 95,38,586	R 99,11,000	R 1,13,82,000	R 78,45,000
England	£ 46,402	£ 57,133	£ 83,577	£ 43,500	£ 35,300	£ 266,800

251. With regard to the Expenditure in 1900-1901, it may be mentioned that from the large savings that have accrued by the absence of the Indian Contingents in South Africa and China, the Government of India has sanctioned special new expenditure with the object of improving the efficiency of the Army. Among the more important of these measures are the following:—

Purchase of six batteries of German guns and an additional 20,000 Lee-Enfield rifles at a cost of £262,000.

300 artillery horses have been procured for £18,000.

The equipment of four general hospitals of the Field Army has been completed at a cost of £9,000.

£10,000 have been incurred for 10 miles of light tramway material and for railway sidings and water-supply arrangements at rest-camps.

£24,000 have been spent on light railway material.

The acquisition of land for tactical instruction has cost £6,000.

The grant of compensation to Australian shippers of horses has cost £10,000, and bounties to British soldiers extending their colour service has involved an expenditure of £15,000.

£12,000 have been spent on account of the addition of a howitzer battery to the Field Artillery in India, and £7,000 on temporarily increasing the Native Army reserves.

The total cost of all these measures exceeds £425,000.

With regard to the Expenditure of next year, those causes of increase may first be stated which are beyond the control of the Government of India. In the Budget for next year it has been assumed that there will be no savings owing to the despatch of troops out of India without replacement, and as compared with the current year's Budget there will be an increase of £316,000 on this account. The rise in price of metals and home stores accounts for an increase of about £100,000. The abatement of famine in many parts of the country gives, on the other hand, a reduction of £267,000, so that the net addition to the expenditure due to unavoidable causes may be approximately taken at £149,000.

The Government of India has also deemed it necessary to sanction several measures involving new expenditure for the improvement of the efficiency of the Army. Foremost comes the re-armament of the Native Army, for which £395,000 have been provided. £105,000 have been set aside for the reorganisation of the Transport Service.

The purchase of 81 maxim guns for the Field Army and coast defences will cost about £34,000, and the purchase of new 10-pr. guns for mountain batteries in India will cost £27,000.

The addition of two howitzer batteries to the Field Army and of one company of Royal Garrison Artillery accounts for an increase of £79,000.

The formation of five schools for mounted infantry in India will involve an expenditure of £43,000, while £26,000 represent the increase due to the addition of one British officer per regiment of Native Infantry in India and of eight officers for the Commissariat-Transport Department.

Provision has also been made for the following:—

Two 6" B. L. guns for the re-armament of Choki Point battery, £11,000; purchase of 18 machine guns of different patterns for trial, £8,000; provision of Grenfell sights for the Field Artillery, £8,000; improvement of the equipment of field batteries and ammunition column units in India, £18,000; provision of cordite ammunition for 6" B. L. guns of coast defences, £8,000; for increasing the popularity and improving the efficiency of the Volunteer Forces in India, £7,000; Bandolier equipment for the Field Army, £13,000; augmentation of the submarine mining establishments, £7,000; and the purchase of 294 horses for the artillery, £25,000.

The total cost of the measures involving new expenditure exceeds £944,000, in addition to £118,000 provided in the Military Works Estimates.

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Section V.—Capital Expenditure on Railways and Irrigation Works not charged to Revenue.

RAILWAY CONSTRUCTION.

252. The expenditure on Railway Construction for which the Government of India undertakes any financial responsibility or gives any direct guarantee will be R8,30,75,000 in the current year and R10,32,44,000 in 1901-1902, the amount having been R8,96,77,803 in 1899-1900 and R7,30,84,000 in the Budget Estimate of this year. The distribution of the total expenditure on Railway Construction between State and Companies' Agency in each of the three years from 1899-1900 to 1901-1902 is as follows :—

	1899-1900, Accounts.	1900-1901, Revised Estimate.	1901-1902, Budget - Estimate.
<i>Expenditure in England.</i>			
	£	£	£
1. State Lines	605,337	648,000	1,478,000
2. Old Guaranteed Railways	678,000	337,200	510,500
3. Extensions of ditto	62,865	117,700	50,000
4. Other Guaranteed or Assisted Railways	866,742	788,400	1,076,400
TOTAL	2,212,944	1,891,300	3,114,900
<i>Equivalent in rupees of Expenditure in England.</i>			
	R	R	R
1. State Lines	90,80,060	97,20,000	2,21,70,000
2. Old Guaranteed Railways at contract rates	95,39,622	43,87,000	70,22,000
3. Extensions of ditto at prescribed rates	9,42,992	17,63,000	7,50,000
4. Other Guaranteed or Assisted Railways at contract rates	1,25,43,200	1,18,21,000	1,61,58,000
TOTAL	3,21,05,874	2,76,91,000	4,61,00,000
<i>Expenditure in India.</i>			
1. State Lines	4,33,47,940	3,94,16,000	4,22,46,000
2. Old Guaranteed Railways (net repayments)	—52,25,032	—14,97,000	—26,91,000
3. Extensions of ditto (ditto)	32,68,819	—3,89,000	20,50,000
4. Other Guaranteed or Assisted Railways	1,48,55,890	1,73,99,000	1,51,12,000
5. Branch Lines on firm guarantee	13,24,312	4,55,000	4,27,000
TOTAL INDIA	5,75,71,929	5,53,84,000	5,71,44,000
TOTAL OF PROGRAMME	8,96,77,803	8,30,75,000	10,32,44,000

253. The figures in the above table do not include the expenditure of Branch Line Companies not in receipt of a direct guarantee, nor that of other Companies whose transactions are outside the Government accounts. Including this expenditure and also the expenditure from Provincial and Local Revenues and from loans raised by Local Boards on local lines, the total expenditure on Railway Construction in the three years may be stated as follows :—

	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
	R	R	R
Total as in table in paragraph 252	8,96,77,803	8,30,75,000	10,32,44,000
Branch lines not on firm guarantee	37,63,193	5,80,000	3,92,000
Railways outside Government accounts	54,14,500	37,15,000	53,62,000
Provincial and Local State lines	35,345	2,73,000	12,36,000
GRAND TOTAL	9,88,90,841	8,76,43,000	11,02,34,000

254. The following are the details of the Expenditure on State lines :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
	R	R	R
<i>Expenditure by State Agency—</i>			
Open lines—			
North Western	35,08,520	51,78,000	62,83,000
Frontier Railway Reserve	-9,884	-2,000	...
Peshawar Railway do. . . . .	...	-2,31,000	...
Oudh and Rohilkhand	15,23,774	9,76,000	15,30,000
Eastern Bengal	32,11,945	26,56,000	42,85,000
Warora Colliery	-57,939	-52,000	-10,000
East Coast	8,60,239	7,40,000	3,81,000
Stores transactions	-5,80,350	-2,48,000	1,80,000
Umaria Colliery	-9,38,457	...	...
Hyderabad-Shadipalli . . . . .	...	24,000	1,53,000
TOTAL	75,17,848	90,41,000	1,28,02,000
Lines under construction—			
Teesta Bridge	8,91,531	4,50,000	22,000
Cooch Behar-Santrabari	2,66,575	4,000	...
Godavari Bridge	20,49,480	4,00,000	...
Indus Bridge	1,23,401	-25,000	11,000
Kaunia-Dhubri	3,63,154	17,05,000	22,00,000
Shadipalli-Jodhpur Frontier	9,42,349	3,98,000	5,000
Ghaziabad-Moradabad	37,88,129	19,16,000	4,21,000
Nowshera-Dargai	7,45,974	7,69,000	16,000
Agra Delhi Chord	31,982	12,000	...
Khushalgarh-Kohat . . . . .	...	4,60,000	20,00,000
Eastern Bengal Railway, doubling line and Extension of Chitpore terminus . . . . .	...	...	20,00,000
Hyderabad-Rahuki . . . . .	...	...	13,000
TOTAL	92,42,575	60,89,000	66,88,000
<i>Expenditure by Agency of Companies—</i>			
Open lines—			
East Indian Railway (including extensions)	1,98,82,502	1,69,70,000	1,87,50,000
Rajputana-Malwa	11,50,566	27,44,000	21,24,000
Tirhoot	8,41,476	20,00,000	5,00,000
Bhopal	49,882	50,000	2,50,000
Dhond and Manmad	1,04,430	33,000	2,00,000
South Indian	5,34,698	3,75,000	12,00,000
Guntakal-Mysore Frontier	-231	6,000	...
Palampur-Deesa . . . . .	...	...	4,000
Wardha Coal . . . . .	...	...	5,000
Great Indian Peninsula . . . . .	...	40,21,000	10,58,000
TOTAL	2,25,63,323	2,61,09,000	2,40,91,000
Lines under construction—			
Assam- { Land	36,082	75,000	10,000
Bengal { Construction	99,17,357	7,22,000	82,90,000
{ Chittagong jetties	2,01,069	-15,000	45,000
Hajipur-Katihar extension	24,36,442	30,88,000	20,46,000
Madura-Pamban	1,90,750	15,72,000	35,00,000
Tinnevely-Quilon—British section	3,22,554	7,00,000	20,00,000
Ditto —Native State section . . . . .	...	15,95,000	49,44,000
TOTAL	1,31,04,254	78,07,000	2,08,35,000
GRAND TOTAL	5,24,28,000	4,91,36,000	6,44,16,000

FINANCIAL STATEMENT OF THE

255. The following are the details of the expenditure on the Old Guaranteed Companies and their extensions :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
	R	R	R
Bombay, Baroda and Central India Railway .	41,49,383	13,98,000	28,00,000
Great Indian Peninsula Railway	—4,26,226	5,04,000	...
Great Indian Peninsula Railway Extensions .	31,96,455	—15,77,000	...
Madras Railway	5,91,433	9,88,000	15,31,000
Madras Railway Extensions	10,15,356	29,51,000	28,00,000
TOTAL .	85,26,401	42,64,000	71,31,000

256. The details of the figures under other Guaranteed or Assisted Railways are the following :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
	R	R	R
Asam-Bengal . . . . .	...	83,78,000	...
Bengal Central	1,07,764	2,50,000	1,50,000
Bengal-Nagpur	1,75,049	10,17,000	1,02,51,000
Bengal-Nagpur Extensions	1,68,95,945	70,87,000	72,00,000
Burma Railways	78,14,726	97,85,000	96,74,000
Indian Midland (including Saugor-Katni)	19,47,492	17,29,000	31,00,000
Lucknow-Bareilly	—2,969	3,74,000	2,95,000
Mysore	1,76,822	2,20,000	2,00,000
Southern Mahratta	2,84,261	3,80,000	4,00,000
TOTAL .	2,73,99,090	2,92,20,000	3,12,70,000

257. The details of the Expenditure on Branch lines having a direct guarantee are :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
	R	R	R
Brahmaputra-Sultanpur	6,87,176	3,80,000	2,70,000
Hardwar-Dehra	6,37,136	75,000	1,57,000
TOTAL .	13,24,312	4,55,000	4,27,000

258. The following are the details of Branch lines without a guarantee :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
	R	R	R
Ahmedabad-Parantij	—4,256	...	32,000
Mymensingh-Jamalpur	3,46,050	2,50,000	1,23,000
South Behar	9,82,172	55,000	—8,000
Tapti Valley	24,39,227	2,75,000	2,45,000
TOTAL .	37,63,193	5,80,000	3,92,000

259. The Railways outside Government Accounts shown above are the following :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
	R	R	R
Bengal and North-Western Railway Extensions	35,01,900	4,12,000	11,60,000
Kalka-Simla . . .	7,09,000	8,17,000	24,04,000
Bengal Dooars . . .	12,03,600	24,86,000	17,98,000
TOTAL	54,14,500	37,15,000	53,62,000

260. The expenditure on the Provincial and Local State lines is distributed as follows :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
	R	R	R
Jorhat and Cherra-Companyganj lines . . .	3,488	3,000	6,000
Mayavaram-Mutupet . . .	27,001	2,70,000	12,30,000
Hyderabad-Shadipalli . . .	4,856	...	...
TOTAL	35,345	2,73,000	12,36,000

IRRIGATION CONSTRUCTION.

261. The figures are :—

Accounts, 1899-1900.	Budget, 1900-1901.	Revised, 1900-1901.	Budget, 1901-1902.
R	R	R	R
89,69,400	1,00,00,000	90,08,000	1,00,00,000

The expenditure during the current year will probably fall short of the Budget Estimate by R9,92,000. The progress of works has been slower than anticipated in all Provinces except Madras. In order to provide for an adequate rate of progress on the large projects, now in hand, the Budget Grant for 1901-1902 has been fixed at R1,00,00,000 as in the current year.

262. The following table shows the projects included in the programme of this and next year, and the amounts to be spent on each :—

NAME OF PROJECT.	Expenditure in	
	1900-1901.	1901-1902.
	R	R
Mandalay canal	9,00,000	7,00,000
Shwebo "	1,44,000	8,00,000
Bari Doab "	2,50,000	5,57,000
Chenab "	7,50,000	7,35,000
Jhelum "	33,97,000	24,98,000
Desert "	3,33,000	3,97,000
Jamrao "	9,25,000	5,61,000
Other projects	23,09,000	37,52,000
TOTAL	90,08,000	1,00,00,000

Section VI.—Provincial Finance.

263. In view especially of the grants-in-aid of Provincial Revenues, aggregating 164½ lakhs, which have been mentioned more than once in this Statement, it is proposed in this Section to give some figures and explanations relating to the Provincial Revenues and Expenditure of the several Provinces.

FINANCIAL STATEMENT OF THE

264. The current Provincial Settlements were arranged in 1897, to have effect for the five years 1897-93 to 1901-1902. In estimating the figures for each Settlement the Provincial heads of Revenue and Expenditure are taken at amounts representing the normal Revenue and Expenditure at the stage of growth existing at the time, future increases of Expenditure being left to be met from future increases of Revenue. A fixed adjustment is made, either by deduction or by addition, of the amount required to place the Revenue in equilibrium with the Expenditure. The following table shows for each Province the Estimate of the Settlement, the opening Provincial balance on April 1, 1897, the Revenue and Expenditure in each year since 1897-98, and the closing balance of each year:—

	Estimate for the Settlement of 1897-99 to 1901-1902.	ACCOUNTS.			Revised, 1900-1901.	Budget, 1901-1902.
		1897-98.	1898-99.	1899-1900.		
CENTRAL PROVINCES—	R	R	R	R	R	R
Balance on April 1, 1897	...	...	...	...	...	...
Total Revenue, including adjustments	84,35,000	89,85,000	88,10,000	83,47,000	93,16,000	1,06,24,000
Total Expenditure	84,35,000	89,85,000	86,87,000	84,70,000	93,16,000	98,24,000
Closing Balance	...	...	1,23,000	...	...	8,00,000
BURMA—						
Balance on April 1, 1897	...	31,22,000	...	...	...	...
Total Revenue, including adjustments	2,93,81,000	3,15,97,000	3,41,00,000	3,47,29,000	3,61,96,000	3,63,24,000
Total Expenditure	2,93,81,000	2,93,03,000	2,99,85,000	3,21,15,000	3,53,79,000	3,85,53,000
Closing Balance	...	48,16,000	89,31,000	1,15,45,000	1,23,62,000	1,01,33,000
ASSAM—						
Balance on April 1, 1897	...	9,44,000	...	...	...	...
Total Revenue, including adjustments	66,43,000	71,62,000	89,34,000	71,53,000	70,98,000	74,74,000
Total Expenditure	66,43,000	76,18,000	80,67,000	79,68,000	72,86,000	72,87,000
Closing Balance	...	4,88,000	13,55,000	5,40,000	3,52,000	5,39,000
BENGAL—						
Balance on April 1, 1897	...	39,54,000	...	...	...	...
Total Revenue, including adjustments	4,43,49,000	4,65,69,000	4,74,76,000	4,73,90,000	4,82,87,000	4,81,43,000
Total Expenditure	4,43,49,000	4,96,01,000	4,52,81,000	4,66,89,000	4,79,01,000	5,03,47,000
Closing Balance	...	9,22,000	31,17,000	38,18,000	42,04,000	20,00,000
NORTH-WESTERN PROVINCES AND OUDH—						
Balance on April 1, 1897	...	...	...	...	...	...
Total Revenue, including adjustments	3,42,62,000	3,52,97,000	3,77,81,000	3,64,77,000	3,69,29,000	3,58,29,000
Total Expenditure	3,42,62,000	3,52,97,000	3,44,95,000	3,57,23,000	3,64,05,000	3,81,79,000
Closing Balance	...	...	32,86,000	40,40,000	45,64,000	22,14,000
PUNJAB—						
Balance on April 1, 1897	...	5,23,000	...	...	...	...
Total Revenue, including adjustments	1,90,28,000	1,95,58,000	2,07,00,000	1,87,24,000	2,02,98,000	2,28,55,000
Total Expenditure	1,90,28,000	1,95,81,000	1,95,16,000	2,03,78,000	2,02,98,000	2,18,55,000
Closing Balance	...	5,00,000	16,54,000	...	...	10,00,000
MADRAS—						
Balance on April 1, 1897	...	22,95,000	...	...	...	...
Total Revenue, including adjustments	3,10,61,000	3,16,20,000	3,36,38,000	3,14,94,000	3,24,65,000	3,60,31,000
Total Expenditure	3,10,61,000	3,31,97,000	3,20,31,000	3,32,52,000	3,29,43,000	3,41,20,000
Closing Balance	...	7,18,000	23,25,000	5,67,000	89,000	20,00,000
BOMBAY—						
Balance on April 1, 1897	...	17,66,000	...	...	...	...
Total Revenue, including adjustments	4,16,53,000	4,26,96,000	4,60,23,000	4,24,32,000	4,59,67,000	4,86,12,000
Total Expenditure	4,16,53,000	4,39,92,000	4,50,19,000	4,39,36,000	4,59,67,000	4,66,12,000
Closing Balance	...	5,00,000	15,04,000	...	...	20,00,000

265. The circumstances of the years during which the present Settlement has been current have been of an abnormal character, and have affected Provincial Revenues most unfavourably. The famine of 1895 and 1897 affected the North-Western Provinces and Oudh, the Central Provinces, and Bombay most severely, Madras, Bengal, and the Punjab seriously, and Burma slightly. The famine of 1899 and 1900 has affected Bombay and the Central Provinces most severely, the Punjab very seriously, and some of the other Provinces slightly. Assam, though unaffected by either famine, suffered very severely from the great earthquake of June 1897. All Provinces have had to incur heavy expenditure on plague preventive measures.

To enable the Local Governments to cope with those calamities, it was necessary for the Government of India to come to the aid of Provincial Revenues. The great bulk of the expenditure on famine relief was specially treated as Imperial, and, in addition, the Government of India has in the past four years from 1897-98 to 1900-1901 made the following special grants-in-aid of Provincial Revenues :—

	1897-98.	1898-99.	1899-1900.	1900-1901.
	R	R	R	R
Central Provinces	7,72,000	5,00,000	19,32,000	34,15,000
Assam	8,00,000	16,00,000	...	...
Bengal . . . . .	...	17,00,000	...	...
North-Western Provinces and Oudh .	10,27,000	10,00,000	...	...
Punjab . . . . .	...	5,00,000	95,000	5,98,000
Madras . . . . .	...	16,96,000	3,49,000	...
Bombay	12,18,000	43,75,000	34,37,000	64,79,000

These amounts are included in the total Provincial Revenues of the several years in the table in paragraph 264, a fact for which allowance must be made in drawing any deductions as to the progress of Provincial Revenues in the period.

266. The strain thrown on Provincial Revenues has been so great that these grants of the past have not been sufficient to place all the Provinces in a satisfactory financial position, or to enable them to undertake even a moderate portion of the many useful measures involving expenditure which want of funds have compelled them to postpone. The evil of excessive economy, hampering the progress of the numerous and vital interests for which Provincial Revenues are allotted, is so great that the Government of India has decided to devote a considerable portion of the anticipated Imperial surplus of 1901-1902 to giving further aid to Provincial Revenues. The following grants-in-aid are accordingly provided in the Estimates of next year :—

	R
Central Provinces	26,89,000
Assam	2,00,000
Punjab	12,40,000
Madras	32,14,000
Bombay	91,00,000
TOTAL	1,64,43,000

These amounts also are included in the total Revenues for the year 1901-1902 in the table in paragraph 264.

267. The grants are to be devoted, first, to restoring the closing balance to the minimum prescribed for each Province, and, in the second place, to increasing the grants for Provincial Expenditure. The effect of raising the balance to the minimum will be to allow the Local Governments to devote all their current Revenues to Expenditure.

268. The following is a short account of the present financial condition of each Province, from which the reasons for making the grants will be apparent.

CENTRAL PROVINCES.

269. This small Province has been severely tried during the whole of the period under review, having suffered from two very serious famines almost in succession, the first of which had been preceded by three or four distinctly unfavourable seasons. The estimates of expenditure next year after elimination of the special expenditure of 6 lakhs mentioned in paragraph 214, are all moderate, and could not be further restricted. The grant-in-aid required to avoid a *minus* closing balance was ₹16,64,000: this has been increased to ₹26,89,000 which, after restoring the Provincial closing balance to the prescribed minimum of 8 lakhs, admitted of an increase of ₹2,25,000 to the grant proposed by the Chief Commissioner under 45.—Civil Works, raising that grant to ₹19,45,000, as compared with ₹15,00,000, the amount taken for the head in the Settlement in 1897.

The Revenues, without the special grants-in-aid, have every year been below the standard of 1897, and the expenditure has been restricted so as to prevent its increasing above that standard at anything like the normal rate of increase.

BURMA.

270. The Provincial Revenues of Burma are in a most prosperous condition. The Revenues have increased very much above the standard of 1897, and the Lieutenant-Governor is in the fortunate position of finding difficulty in usefully spending all the funds at his disposal. The Settlement estimate for 45.—Civil Works was ₹53,47,000: the grant for 1901-1902 is ₹88,00,000. There is no question of this Province requiring aid from Imperial Revenues.

ASSAM.

271. The large cost of repairing the damages caused by the earthquake constitutes the sole reason for Assam requiring aid from Imperial Revenues. The Provincial Revenues show a fairly satisfactory increase over the standard of 1897, and similar increases of expenditure have been possible.

The estimates, as submitted by the Chief Commissioner, resulted in a closing balance slightly above the prescribed minimum of 5 lakhs; but to secure that result he had restricted the grant for Civil Works $2\frac{1}{2}$ lakhs below what he considered to be required for the proper continuance of the work of repairing earthquake damages. A grant-in-aid of ₹2,00,000 was made, and the grant under 45.—Civil Works was increased by ₹2,50,000 to ₹16,05,000, as compared with the Settlement estimate of ₹14,35,000.

BENGAL.

272. This Province has quite recovered from the effects of the famine, and has entered on what promises to be a period of prosperity. The Revenues have increased considerably above the standard of 1897, and the expansion of Expenditure (after 1897-98, in which year the expenditure on Famine Relief increased the Provincial Expenditure) has not yet kept pace with the improvement; and the opening balance of 1901-1902 will be ₹22,04,000 in excess of the prescribed minimum of 20 lakhs. But the Bengal Government proposes, and has been allowed, to spend, in addition to the current Revenues, the whole of this excess

next year, so that the closing balance will be just the minimum. The Settlement estimate for 45.—Civil Works was ₹32,44,000: the grant for 1901-1902 is ₹48,64,000. Bengal stands in no need of aid from Imperial Revenues.

NORTH-WESTERN PROVINCES AND OUDH.

273. The position of this Province is very similar to that of Bengal, and the same remarks apply, except that the Provincial Revenues were not able to bear any part of the famine expenditure in 1897-98, and the increases above the standard have not been quite so great as in Bengal. The opening balance of 1901-1902 will be ₹25,64,000 in excess of the prescribed minimum of 20 lakhs, and the Local Government proposes to spend next year almost the whole of the excess in addition to the current Revenues. The Settlement estimate for 45.—Civil Works was ₹27,80,000: the grant for 1901-1902 is ₹48,62,000. The Revenue for next year has been cautiously estimated. This Province also stands in no need of Imperial assistance.

PUNJAB.

274. The Punjab Provincial finances have been very seriously crippled by the two famines, in spite of the very great restrictions in expenditure which the Local Government effected in view of the calamities. In the first year of the new Settlement the Revenues increased slightly above the standard of 1897, but there has been practically no further increase since: the Local Government in view of the very favourable prospects of the present season takes a sanguine view and estimates for a large increase of Revenue next year, and it is to be hoped that its anticipation will prove correct, though that is the most doubtful of all the figures in this Financial Statement. The Provincial balances have been exhausted. The estimates proposed by the Local Government for next year resulted in a surplus of ₹6,59,000—an amount insufficient to raise the balance to the prescribed minimum of 10 lakhs—and the Local Government, in view of the urgent need for larger expenditure, asked permission to spend the surplus instead of devoting it to building up again the Provincial balance. The grant-in-aid for this Province was fixed at ₹12,40,000—an amount which will enable the Local Government to spend all the current Revenues and close the year with the prescribed minimum. The Settlement estimate for 45.—Civil Works was ₹27,40,000: the grant for 1901-1902 is ₹37,33,000.

MADRAS.

275. The Provincial Revenues in Madras have increased moderately above the standard of 1897, but the Expenditure has increased in a greater proportion; and the financial position is consequently unsatisfactory. On the estimates, as submitted by the Madras Government, the grant-in-aid required to avoid a *minus* closing balance next year was ₹6,14,000 and it was decided to make a special grant-in-aid of ₹32,14,000—an amount which will enable the Local Government to spend over 13 lakhs in addition to the current Revenues and to close the year with the prescribed minimum of 20 lakhs. The Settlement estimate for 45.—Civil Works was ₹22,00,000: the grant for 1901-1902 is ₹34,05,000.

BOMBAY.

276. The two famines have hopelessly disorganised the Provincial finances of Bombay: special grants from Imperial have been required in every one of the four years of the current Settlement; and, unlike all other Provinces, an era of more hopeful future prospects has not yet dawned on Bombay: we must wait for the next monsoon before we can look forward to any improvement in its Provincial finances. In addition to bearing as Imperial, as in the past, all the direct famine expenditure in 1901-1902, it was necessary to make a grant-in-aid of ₹62,48,000 to avoid a *minus* closing balance. The Government of India decided to increase this grant to 91 lakhs, which admits of an addition of 8½ lakhs to the very restricted grant for 45.—Civil Works proposed in view of the need for economy by the Local Government, and will still enable it to close the year with the prescribed minimum of 20 lakhs, provided that the estimates are realised. In the presence of severe famine it is difficult to say with confidence that the estimates will be realised, but they have been framed with caution. The Settlement estimate for 45.—Civil Works was ₹51,66,000: the grant for 1901-1902 is ₹36,17,000.

Section VII.—Ways and Means.

HOME TREASURY.

277. The following are the details of the transactions of the Home Treasury in the Budget and Revised Estimates for 1900-1901 and in the Budget Estimates for 1901-1902:—

	Budget, 1900-1901.	Revised, 1900-1901.	Budget, 1901-1902.
RECEIPTS.			
	£	£	£
Council Bills	16,440,000	13,500,000	16,500,000
Permanent Debt incurred	5,922,400	8,922,400	1,000,000
Temporary Debt	5,000,000	5,500,000	5,000,000
Capital Receipts from Railway Companies—			
(a) for discharge of debt	1,774,200	177,800	2,166,400
(b) „ expenditure	1,766,500	1,198,800	1,612,600
Deposits and Advances (net)	2,500	—58,900	71,600
Remittances from India—			
(a) Net Recoveries in connection with the war in South Africa and the China Expeditionary Force . . . . .	...	1,386,300	304,000
(b) Release of gold held on Currency account in England (net)	500,000	1,500,000	...
(c) Gold received from India (net sale-proceeds) . . . . .	...	3,988,000	500,000
Add—Opening Balance	2,223,668	3,330,943	3,717,543
TOTAL	33,629,268	39,445,343	30,872,143
OUTGOINGS.			
Excess of Expenditure over Revenue	17,071,500	16,961,400	17,747,300
Capital Outlay on State Railways and Irrigation Works	913,500	654,800	1,483,900
Redemption of Railway Liabilities	5,922,400	5,922,400	...
Issues to Railway Companies on Capital Account—			
(a) for discharge of debt	1,774,200	177,800	2,166,400
(b) „ expenditure	1,463,600	1,246,400	1,639,500
Temporary Debt discharged	4,500,000	5,000,000	5,000,000
Remittances to India—			
(a) Railway Companies' Remittances (net)	—370,000	—562,000	28,400
(b) Family and other Remittances (net)	332,500	294,000	200,700
(c) Purchase of Silver . . . . .	...	6,033,000	...
Add—Closing Balance	2,021,568	3,717,543	2,605,943
TOTAL	33,629,268	39,445,343	30,872,143

1900-1901.
Home Treasury
Ways and Means.

278. In framing the Budget Estimates of the current year it was assumed that the cash balance in the Home Treasury on the 1st of April 1900 would be £2,223,668, and that the Secretary of State would sell Bills on India to the extent of £16,440,000 during the year. The Estimate also provided for the release of £500,000 of the gold held on Currency account in the Bank of England, and for a net addition of £500,000 to the Temporary Debt by the issue of India Bills. The issue of a permanent Sterling Loan was not contemplated, but the raising in England of funds for the expenditure of Railway Companies was expected to result in a net receipt by the Secretary of State of £672,900. With these several receipts and a reduction of £202,100 in the cash balance of the Home Treasury, it was intended that the Secretary of State should meet the net disbursements in England on account of Government Expenditure and Miscellaneous Family and other Remittances which in March last were estimated at £18,315,000.

The actual cash balance on the 1st April 1900 was higher than that taken in the Budget Estimate of the current year by £1,107,275. Of this improvement, a sum of £663,600 was due to the repayments by the Imperial Government on account of Indian Expenditure in connection with the war in South Africa having been larger than was assumed in the Revised Estimate. There was also a decrease of £376,653 in the net disbursements of the Home Treasury as compared with the Revised Estimate of 1899-1900, and the receipts from the sale of Council Bills were higher by £67,022.

The large increase of the Famine Expenditure in India during the current year and the heavy demands for famine loans to Native States and to agriculturists, in excess of the liberal provision made on these accounts in the Budget Estimate, imposed a severe strain on the Indian treasury balances, and it was found necessary to restrict the drawings of the Secretary of State. The Revised Estimate of Council Bills is now placed at £13,500,000 or less than the amount entered in the Budget Estimate by £2,940,000. A decline of £158,500 in the net receipts by the Secretary of State on account of the Capital of Railway Companies is also anticipated in the Revised Estimate of 1900-1901. On the other hand, the net disbursements at the Home Treasury for Government Expenditure and the deposit and ordinary remittance transactions of the year are estimated to be less than the Budget by £345,900, and it is expected that the recoveries from the Imperial Government on account of the charges incurred in India in connection with the war in South Africa and the China Expeditionary Force will amount to £1,386,300. Nothing was entered on the latter account in the Budget Estimate as the long continuance of field operations in South Africa was doubtful, and the expedition to China was not contemplated when the estimates were framed.

The heavy demands for rupees in India have necessitated large purchases of silver, and the payments in England on this account are now estimated at £6,033,000. To cover these payments, gold to the extent of about four millions has been remitted from India in instalments from October 6, 1900, to March 9, 1901, £3,983,000 being entered as the receipts during the current year by the sale in England of the gold remitted; and the gold held in London on April 1, 1900, on account of the Currency Department, £1,500,000, has been released. Of the latter amount, £500,000 were entered in the Budget Estimate; the improvement in the receipts of the Home Treasury due to this cause is, therefore, £1,000,000.

The only payment of gold to the Bank of England on Currency account during the current year has been a sum of £100,000, which was set apart and held under the Act, VIII of 1900, in December 1900. This amount was a few weeks later released to be used for the purchase of silver, and at present no reserve of gold is held in England on account of the Indian currency note circulation.

The result of the several variations from the Budget Estimate above explained is a reduction of £2,411,300 in the balances of the Home Treasury during the current year. When it was known that there would be so large a reduction, it became necessary to raise a public loan in England, and in July last the Secretary of State invited tenders for India 3 per cent Stock for £3,000,000. The loan was issued at the fixed price of 95½ per cent; the applications received amounted to over five million pounds sterling.

The closing cash balance of the current year is now estimated at £3,717,543, or higher than that taken in the Budget Estimate by £1,695,975, being the difference between the reduction in the balances of £2,411,300 above explained and the sum of the public loan of £3,000,000, and of the increase of £1,107,275 in the cash balance on the 1st of April 1900.

279. The Budget programme provided for the issue of £5,000,000 of India Sterling Bills, of which £4,500,000 were in renewal of Temporary Debt the liability for which would fall within the current financial year. An addition to the Temporary Debt of £500,000 has been made as contemplated in the Budget Estimate. But of the Bills issued in September 1900 a sum of £500,000 was borrowed for a period of six months, and the liability for discharge falls, therefore, within the present financial year. A further issue of £500,000 in renewal of these Bills has, therefore, been made, raising the gross amount issued and

1900-1901.
Temporary
Sterling Loans.

FINANCIAL STATEMENT OF THE

discharged during 1900-1901 to £5,500,000 and £5,000,000, respectively. The results of these Temporary Loans have been as follows:—

Month of Issue.	Amount tendered.	Amount accepted.		Average rate of interest per cent per annum.
	£	£		£ s. d.
June 1900 .	5,588,000	2,000,000	for twelve months.	3 6 2
September „ .	6,290,000	1,000,000	ditto	3 16 7
		500,000	for six months.	3 16 2
November „ .	4,545,000	1,000,000	for twelve months.	3 17 9
March 1901 .	4,547,000	1,000,000	ditto	3 12 0

The rates of interest payable on the temporary loans continue to rule high. The stringency in the London Money Market accounts for this as well as for the low price at which the India Stock was issued.

280. The net issues to Railway Companies in England during 1900-1901 are now estimated at £47,600 against a net receipt of £302,900 taken in the Budget Estimate, or an increase of £350,500 in the net outgoings: The usual details are as follow:—

RECEIPTS.	Budget.	Revised.
	£	£
<i>Subscribed Capital—</i>		
(a) State Lines	2,363,500	773,500
(b) Guaranteed Lines	1,174,200	600,000
Miscellaneous	3,000	3,100
TOTAL	3,540,700	1,376,600
ISSUES.		
<i>For Discharge of Debentures—</i>		
(a) State Railways	1,200,000	45,000
(b) Guaranteed Railways	574,200	132,800
<i>For Stores, Establishment Charges, etc.—</i>		
(a) State Railways	703,400	789,700
(b) Guaranteed Railways	760,200	456,700
TOTAL	3,237,800	1,424,200

The decrease of £2,164,200 in the receipts on account of Subscribed Capital is made up as follows:—

Debentures renewed instead of being replaced by fresh Capital—	£
Bengal-Nagpur Railway	155,000
Indian Midland Railway	1,000,000
Madras Railway	321,400
Bombay, Baroda and Central India Railway	120,000
	1,596,400
Receipts on account of Capital, less by—	
Bengal Central Railway	20,000
Bengal-Nagpur Railway	45,000
Indian Midland Railway	370,000
Bombay, Baroda and Central India Railway	112,000
Madras Railway	20,800
	567,800
TOTAL	2,164,200

The conditions obtaining in the London Money Market led to the postponement, as far as possible, of the raising of fresh Capital by Railway Companies.

281. The bulk of the decrease of £217,200 in the Revised Estimate of drawings for expenditure on stores, etc., is caused by the withdrawals on account of the Great Indian Peninsula Railway, after the purchase of the undertaking, having been shown under the Remittance Account between England and India instead of under the Capital Account of Railway Companies as provided for in the Budget Estimate.

282. The following are the details of the remittance transactions of Railway Companies working State lines in India to whom advances are made in England for the purchase of stores, etc., against adjustments in India by debit to the Railway accounts:—

	Budget. £	Revised. £
<i>Advances for Purchase of Stores—</i>		
East Indian Railway	1,000,000	839,900
Rajputana-Malwa Railway	90,000	154,300
South Indian Railway	62,000	100,000
Bengal and North-Western Railway	130,000	172,800
Great Indian Peninsula Railway . . . . .	...	199,700
TOTAL	1,282,000	1,466,700
East Indian Railway Debentures (net)	1,600,000	1,775,500
South Indian Railway Debentures	50,000	250,000
Transfer fees, etc.	2,000	3,200
TOTAL	1,652,000	2,028,700
Net Remittance from India	370,000	562,000

The Budget Estimate provided for the issue of £2,199,700 of Debentures by the East Indian Railway Company, of which £599,700 were for the discharge or exchange of Debentures expiring in February 1901. The Company issued £1,000,000 of Debenture Stock in April last, which realised £951,300; a further issue, in the last quarter of the year, of £926,000 realised £850,200: the bulk of the Debentures which it was intended to discharge have been renewed and only £26,000 will be discharged. The South Indian Railway Company have issued £200,000 of Debentures in excess of the amount entered in the Budget Estimate, to meet the expenditure on the Madura-Paumben and the Tinnevely-Quilon Railways.

The aggregate advances for purchase of stores is expected to exceed the Budget Estimate by £184,700. This is due to the Budget provision for withdrawals by the Great Indian Peninsula Railway having been made under the Capital Account of Railway Companies as already explained in paragraph 281.

283. The Family and Other Remittances are now expected to result in a net ^{1900-1901.} payment of £294,000, or £38,500 less than the amount entered in the Budget ^{Family and Othe.} Estimate. The repayments in England of advances of various kinds made in ^{Remittances.} India will be larger, and the disbursements on account of Indian money orders and remittances by the Administrators General less, than was anticipated in March last.

284. The net disbursements at the Home Treasury on account of Govern- ^{1901-1902.} ment Expenditure and the Ordinary Remittance, Deposit and Railway Companies' ^{Home Treasury} transactions are estimated at £19,415,600 during 1901-1902. Of this, it is pro- ^{Ways and Means} posed to provide £16,500,000 by the sale of Bills on India, and £1,000,000 by the issue of India Stock. The balance of £1,915,600 will be met in the following way, namely:—

- (1) £500,000 of the sum spent by the Secretary of State in the purchase of silver this year will be reimbursed to the Home Treasury by a further remittance of gold from India of that amount.

FINANCIAL STATEMENT OF THE

(2) It is estimated that a sum of £304,000 will be recovered from the Imperial Government on account of the expenditure incurred in India in connection with the China Expeditionary Force and the war in South Africa.

(3) The cash balance of the Home Treasury will be drawn upon to the extent of £1,111,600. As stated in paragraph 278, the balance on the 1st April 1901 is estimated at £3,717,543. The reduction of this amount taken in the Budget Estimate provides for a closing cash balance of £2,605,943 on the 31st March 1902.

1901-1902.
Temporary Loans.

285. No increase to the Temporary Debt is contemplated, but it is proposed to issue India Bills for £5,000,000 during 1901-1902 to replace Bills of a corresponding amount which will fall due.

286. The Budget programme of the Secretary of State's drawings on India and of the transactions in connection with the Government Sterling Debt is announced with the usual reservation, and no pledge is given that it will be adhered to.

INDIA.

287. The following is a summary of the Estimates of Ways and Means in India during 1900-1901 and 1901-1902:—

	1900-1901.				1901-1902.	
	BUDGET ESTIMATE.		REVISED ESTIMATE.		BUDGET ESTIMATE.	
	Rupee figures.	Equivalent in £ at R15 = £1.	Rupee figures.	Equivalent in £ at R15 = £1.	Rupee figures.	Equivalent in £ at R15 = £1.
	R	£	R	£	R	£
RECEIPTS.						
1. Excess of Revenue over Expenditure	25,84,78,000	17,23,1,800	27,00,27,000	18,60,1,800	27,65,73,000	18,43,3,200
2. Rupee Loan	3,00,00,000	2,00,00,000	3,00,00,000	2,00,00,000	2,00,00,000	1,33,3,300
3. Temporary Debt	—	—	45,25,000	301,400	—45,25,000	—301,400
4. Unfunded Debt, mostly Savings Banks Deposits (net)	29,70,000	19,800	55,56,000	370,500	75,38,000	502,500
5. Profits of Rupee coinage transferred to the Gold Reserve Fund	—	—	4,34,000	2,93,000	—	—
6. Other Items (net)	39,10,700	260,600	64,33,000	428,900	1,76,53,000	1,17,7,200
7. Remittances from Secretary of State—						
(a) Purchase of Silver in England	—	—	9,04,95,000	6,033,000	—	—
(b) Other Remittances (net)	1,15,29,000	768,600	48,85,000	325,700	29,08,000	193,900
Add—Opening Balance	13,23,20,000	8,821,369	12,63,87,405	8,425,827	16,23,41,405	10,822,727
TOTAL	43,92,07,000	29,230,369	59,12,63,405	39,417,627	45,24,90,405	32,165,927
OUTGOINGS.						
8. Excess Expenditure charged to Provincial Balances	82,59,000	550,600	—3,87,000	—25,800	27,40,000	182,600
9. Capital Outlay on State Railways and Irrigation Works	95,62,000	637,500	1,79,28,000	1,195,200	1,80,35,000	1,202,200
10. Issues to Railway Companies for Capital Outlay (net)	1,23,23,000	821,600	1,54,72,000	1,031,500	1,55,81,000	1,035,800
11. Rupee Debt discharged	15,50,000	103,300	1,450,000	96,700	14,00,000	93,300
12. Payments of Gold Reserve Fund for Investment	—	—	1,80,00,000	1,200,000	2,00,00,000	1,333,500
13. Loans to Municipalities, etc. (net)	90,52,000	603,400	5,03,41,000	3,389,500	—9,21,000	—61,400
14. Remittances to Secretary of State—						
(a) Railway Companies' Remittances (net)	55,50,000	370,000	8,430,000	562,000	—4,26,000	—28,400
(b) Release of Currency Gold held in England	75,00,000	500,000	2,25,00,000	1,500,000	—	—
(c) Remittance of Gold from India for purchase of Silver	—	—	5,98,20,000	3,988,000	75,00,000	500,000
(d) Issues in connection with the War in South Africa and the China Expeditionary Force	47,60,000	317,300	3,71,91,000	2,479,400	86,26,000	575,000
15. Council Bills	24,46,47,000	16,300,300	19,76,76,000	13,173,400	25,24,53,000	16,850,200
Add—Closing Balance	13,60,04,000	9,066,369	16,23,41,405	10,822,727	15,75,04,405	10,500,327
TOTAL	43,92,07,000	29,230,369	59,12,63,405	39,417,627	45,24,90,405	32,165,927

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.

288. The actual cash balances in the treasuries on the 1st of April 1900 were less than the amount taken in the Budget Estimate by more than 59 lakhs. ^{1900-1901.} General Summary. The excess of Revenue over the Expenditure chargeable to Revenue is now expected to exceed the amount taken in the Budget Estimate by 2,05 lakhs: the causes of this improvement have been explained in the preceding Sections of this Statement. The expenditure of Local Governments chargeable to Provincial balances will be less than the Budget Estimate by 86 lakhs. The Capital Outlay of the Government shews an increase of about 84 lakhs, and the issues to Railway Companies for Capital Outlay an increase of about 31 lakhs, additional grants having been sanctioned to hasten the progress of Railway Construction. The main points, however, to be noticed in a comparison between the Revised and Budget Estimates of the expiring year are (1) the heavy disbursements on account of loans, principally famine loans to Native States and to agriculturists; (2) the payment of about 3,72 lakhs on account of recoverable expenditure in connection with the Indian contingents employed in China and South Africa on Imperial Service; and (3) the large profit which has accrued on the heavy coinage of rupees. The gain on the last account is estimated at more than 4,39 lakhs, and that amount will be credited to the newly constituted Gold Reserve Fund; but, as explained in paragraph 164 of this Statement, only 1,80 lakhs will be converted into gold during the current year, and this is the amount shewn in the Statement in paragraph 287 as the portion of the Gold Reserve Fund paid for remittance to London. The balance of the profit, 2,59 lakhs, has been temporarily utilized for the grant of famine loans by the Government, but will be paid gradually to the Gold Reserve Fund. In the Revised Estimate the famine loans to Native States are taken at more than 4 crores, while only 75 lakhs were provided in the Budget Estimates. Additional allotments for loans to agriculturists were sanctioned during the year to the extent of 1,22 lakhs. To enable the Government to meet these large additional rupee outgoings it was necessary to curtail the sale of Council Bills during the first nine months of the year. The result is that the payments for Bills are now expected to be less than the Budget Estimate by 4,70 lakhs.

289. This restriction of the Secretary of State's resources, coupled with the heavy disbursements in England for the purchase of silver for coinage, rendered it necessary otherwise to strengthen the Home Treasury balances. This was done partly by the issue of the sterling loan, partly by setting free the whole balance of the gold which the Bank of England held on Currency Account on the 1st of April 1900, namely, £1,500,000, and partly by remittances of gold to England during the course of the year to the extent of about £4,000,000. The gold so remitted has been sold by the Secretary of State and the proceeds credited to the Home Treasury in repayment of the outgoings for the purchase of silver bullion.

290. The pressing demand for rupees caused the Government to purchase in India about 15 lakhs worth of silver for coinage, and over 45 lakhs worth was obtained from the Gwalior Durbar. It was arranged with His Highness the Maharaja Scindia that the value of the silver should be treated as a temporary loan to the Government repayable in full in September 1901. This explains the two entries of Rs 45,29,000 against the third line "Temporary Debt" in the table in paragraph 287. ^{1900-1901.} Temporary Debt.

291. In the last Financial Statement it was announced that the Government of India contemplated raising a rupee loan of three crores during 1900-1901. A ^{1900-1901.} Rupee Loan. 3½ per cent loan for this amount was accordingly issued. Tenders were opened on the 4th of July last. The results of the loan were:—

Month of issue.	Amount tendered.	Amount accepted.	Average rate of accepted tenders.
	R	R	R a p.
July 1900 . . .	3,98,10,400	3,00,00,000	94 0 17

292. The year 1901-1902 is expected to open with a cash balance of 16,23 lakhs, and the surplus of Revenue in India is estimated at about 27,66 lakhs. ^{1901-1902.} Main Features. The Capital Outlay on State Railways and Irrigation Works is estimated at 1,80 lakhs, the issues to Railway Companies for Capital Outlay at 1,56 lakhs, and the Expenditure chargeable to the Provincial balances of the Local Governments at 27 lakhs. The disbursements on account of the Secretary of State's sales of

Bills on India are estimated at 25,25 lakhs, and it is proposed to pay a further portion, two crores, of the Gold Reserve Fund for remittance to London, in reduction of the balance of 2,59 lakhs mentioned in paragraph 288. Gold of the value of 75 lakhs of rupees will be remitted to England in repayment of the balance of the Secretary of State's outgoings during 1900-1901 for the purchase of silver bullion, and it is estimated that the disbursements in India in connection with the China Expeditionary Force and the troops absent in South Africa will amount to 86 lakhs. The temporary loan from the Gwalior Durbar of 45 lakhs will be repaid. Inclusive of the Deposit and other Remittance transactions of the year, the net outgoings from the treasuries in India are placed at 3,23 lakhs in the Budget Estimate, of which it is expected that about 75 lakhs will be counter-balanced by an increase in the "Unfunded Debt" consisting principally of Savings Bank Deposits. A rupee loan of two crores is entered in the Estimates. The balance of 48 lakhs it is proposed to meet by a reduction in the cash balances.

Savings Banks, etc.

293. The following table gives the details of the transactions of Savings Banks during the last few years and the estimated transactions for 1900-1901 and 1901-1902 :—

YEAR.	Net additions to deposits, cash.	Interest.	Total addition.
	R	R	R
1892-93	54,89,000	33,94,000	88,83,000
1893-94	17,99,000	36,80,000	54,79,000
1894-95	— 8,45,000	29,70,000	21,25,000
1895-96	24,77,000	33,85,000	58,62,000
1896-97	— 58,11,000	34,66,000	— 23,45,000
1897-98	— 65,71,000	32,70,000	— 33,01,000
1898-99	— 8,84,000	32,29,000	23,45,000
1899-1900	1,40,000	33,48,000	34,88,000
1900-1901, Budget	— 12,31,000	35,17,000	22,86,000
1900-1901, Revised	14,86,000	34,80,000	49,66,000
1901-1902, Budget	31,33,000	36,46,000	67,79,000

294. The Savings Bank Accounts consist mainly of the Post Office Banks, but the transactions of the various departmental Provident Funds and the Regimental Savings Banks are also included.

295. In preparing the Budget Estimate of the current year, a net withdrawal from the Post Office Savings Banks of 20 lakhs, apart from interest, was assumed, but the transactions of the first eight months of the year resulted in a net increase in the deposits of over 30 lakhs, and allowing for withdrawals usually made in the closing months of the year, it is now expected that there will be an increase in the net deposits of over 9 lakhs on account of the Post Office Banks.

296. The cessation of famine is likely to lead to larger deposits in the Post Office Savings Banks in the immediate future, and in the Budget Estimates of 1901-1902 a net deposit of 20 lakhs, apart from interest, is anticipated.

297. The other Savings Bank Accounts included in the figures in the above table do not shew any important variations.

Loans by Government.

298. The transactions during the year 1900-1901 under the head of Loans granted by the Government were seriously affected by the famine. The net disbursements are now expected to amount to ₹ 5,08,41,000 against ₹ 90,52,000 entered in the Budget Estimate.

299. The total provision for loans next year is taken at 1,10 lakhs, but the recoveries are expected to exceed this amount by about 9 lakhs, due to the repayments in connection with the heavy disbursements made during the current year. Of the gross provision of 1,10 lakhs, a sum of 45 lakhs is for agricultural advances in the Bombay Presidency, where famine lingers.

1901-1902.

New Rupee Loan.

300. According to the programme now announced, it is the intention of the Government of India to raise a new loan in India of two crores of rupees, but full liberty is reserved, as usual, to vary the programme, as now announced, to any extent that may be considered desirable.

Section VIII.—Summary.

301. The principal features in this Statement are :—

(a) The Accounts of 1899-1900 closed with a surplus of £2,774,623.

(b) 1900-1901—

- (1) The Revised Estimates of 1900-1901 show a total Revenue of £75,166,000, a total Expenditure charged to Revenue of £73,525,600, and a surplus of £1,640,400, an amount higher by £1,480,100 than the surplus estimated last March.
- (2) There has been a very large coinage of rupees in the current year, which will amount to about 17 crores in the 12 months. The gross profits on the coinage amount to £3,055,000 and are shown as a Mint Receipt. But this does not affect the surplus as it has been decided to devote the profits to the formation of a Gold Reserve Fund, and the net profits, £2,930,000, are shown as a Mint charge for transfer to the Gold Reserve Fund. Of this, the amount held in gold for investment is £1,200,000 leaving a balance of £1,730,000 to be converted into gold gradually as surplus receipts allow.
- (3) The expenditure on Famine Relief has exceeded the Budget Estimate by £880,000, and the collections of Land Revenue, Provincial Rates and Tributes have fallen short of the Budget Estimate by £474,000.
- (4) The Army Expenditure has been less than the Budget Estimate by nearly £1,200,000, chiefly in consequence of the absence of troops in China and South Africa.
- (5) The Opium Revenue has exceeded the Budget Estimate by over £500,000. The net Railway traffic earnings have exceeded the Estimate by over £500,000. And Irrigation and most other heads of Revenue also yield substantial increases.
- (6) Loans to Native States affected by famine exceeding 4 crores of rupees, and additional allotments for agricultural advances amounting to 122 lakhs were sanctioned during the year.
- (7) A loan of £3,000,000 was issued in England and a loan of three crores of rupees in India.
- (8) The drawings of Council Bills in 1900-1901 are now expected to be £13,500,000, as compared with the Budget Estimate of £16,440,000.

(c) 1901-1902—

- (1) The Budget Estimates of 1901-1902 show a total Revenue of £72,191,900, a total Expenditure charged to Revenue of £71,501,000, and a surplus of £690,900.
- (2) Though it is probable that coinage of rupees will be necessary next year, nothing is entered in the Estimates on this account, as the amount of the coinage is uncertain and the entries would not affect the surplus. It is hoped that £1,333,300 of the arrear profits of coinage balance of £1,730,000 will be converted into gold for remittance before the end of the year.
- (3) The expenditure on Famine Relief will amount to about a crore of rupees, almost all in Bombay. As the Famine Insurance Grant will be maintained at the fixed sum of 1½ crores or £1,000,000, the saving under this head, as compared with the Budget Estimate of 1900-1901, will amount to 3½ crores of rupees or 2½ millions sterling.
- (4) The net Railway traffic earnings, and the other Revenue heads are expected to yield two crores of rupees or 1½ millions sterling more than in the Budget Estimate for 1900-1901.

FINANCIAL STATEMENT OF THE

- (5) Grants to Local Governments in aid of Provincial Revenues exceeding £1,000,000, new Military Expenditure exceeding £1,000,000, and other considerable increases of expenditure have been sanctioned.
- (6) Subject to the usual reservations, loans of £1,000,000 in England and of two crores of rupees in India are announced as contemplated for capital expenditure on Railway and Irrigation Works, and the drawings of Council Bills are entered at £16,500,000.
- (d) The following table shows the capital expenditure on Railways and Irrigation Works:—

	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
RAILWAYS.	R	R	R
Included in the Government Programme	8,96,77,803	8,30,75,000	10,32,44,000
Branch lines not on firm guarantee	37,63,193	5,80,000	3,92,000
Railways outside Government accounts	54,14,500	37,15,000	53,62,000
Provincial and Local State lines	35,345	2,73,000	12,36,000
TOTAL RAILWAYS	9,88,90,841	8,76,43,000	11,02,34,000
Irrigation Works	89,69,400	90,08,000	1,00,00,000

March 20, 1901.

J. F. FINLAY.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

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Revised Estimates	1900-1901
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I.—General Statement of the Revenue and Expenditure charged to

	For details, vide Statement.	Accounts, 1899-1900.	Budget Estimate, 1900-1901.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	17,205,056	18,078,700	17,695,800	18,170,600
Opium	"	4,401,982	4,559,800	5,132,000	4,542,700
Salt	"	5,850,463	5,845,100	5,951,100	5,937,900
Stamps	"	3,265,476	3,267,400	3,343,700	3,347,300
Excise	"	3,859,942	3,819,300	3,957,000	3,967,100
Customs	"	3,133,791	3,134,200	3,324,100	3,188,000
Other Heads	"	5,937,620	6,019,000	6,039,900	6,223,300
TOTAL PRINCIPAL HEADS	...	43,654,330	44,723,500	45,443,600	45,376,900
Interest	A	605,815	627,300	646,400	682,300
Post Office	"	1,308,315	1,320,500	1,353,600	1,338,200
Telegraph	"	832,673	804,200	890,100	834,200
Mint	"	345,091	272,800	3,078,500	32,500
Receipts by Civil Departments	"	1,185,044	1,177,500	1,233,000	1,209,700
Miscellaneous	"	557,826	544,200	526,500	573,800
Railways	"	16,587,845	17,131,500	18,096,200	18,427,600
Irrigation	"	2,399,862	2,406,200	2,613,900	2,486,500
Other Public Works	"	440,880	443,900	445,100	440,400
Receipts by Military Department	"	719,483	704,200	834,100	789,800
TOTAL REVENUE	...	68,637,164	70,155,800	75,166,000	72,191,900

H. J. BRERETON,
Deputy Comptroller General.

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT
March 20, 1901.

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

	For details, vide Statement.	Accounts, 1899-1900.	Budget Estimate, 1900-1901.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
EXPENDITURE —		£	£	£	£
Direct Demands on the Revenues	B	7,424,087	7,657,400	7,608,200	7,769,800
Interest	"	1,948,098	1,961,800	2,162,600	2,099,400
Post Office	"	1,182,247	1,247,700	1,229,500	1,289,900
Telegraph	"	726,782	811,500	808,000	873,400
Mint	"	55,908	51,900	3,016,600	68,500
Salaries and Expenses of Civil Departments	"	10,782,588	11,089,600	10,965,600	11,458,800
Miscellaneous Civil Charges	"	4,052,531	3,934,100	4,008,600	4,132,500
Famine Relief and Insurance	"	2,098,848	3,368,300	4,245,000	1,000,000
Railway Revenue Account	"	16,511,089	17,616,900	17,940,000	18,592,400
Irrigation	"	2,263,475	2,300,400	2,306,000	2,405,500
Other Public Works	"	4,137,008	4,248,000	4,129,700	4,858,100
Army Services	"	14,885,226	16,258,800	15,973,200	17,135,300
Special Defence Works	"	874	...	6,800	...
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL . . . . .	...	66,068,761	70,546,100	73,499,800	71,683,600
<i>Add—Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year.</i>	End of B	296,754	...	122,000	315,107
<i>Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial balances.</i>	"	502,974	550,600	96,200	497,700
TOTAL EXPENDITURE CHARGED AGAINST REVENUE . . . . .	...	65,862,541	69,995,500	73,525,600	71,501,000
SURPLUS . . . . .	...	2,774,623	160,300	1,640,400	690,900
TOTAL . . . . .	...	68,637,164	70,155,800	75,166,000	72,191,900

A. F. COX,
Comptroller General.

J. F. FINLAY,
Secretary to the Government of India.

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

	For details, <i>vide</i> Statement.	RECEIPTS.			
		Accounts, 1899-1900.	Budget Estimate, 1900-1901.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
		£	£	£	£
Surplus	C	2,774,623	160,300	1,640,400	690,900
Railway and Irrigation Capital not charged to Revenue—					
Capital raised and deposited by Railway Companies (Net) .	C	872,238	2,054,200	1,230,000	1,663,400
Debt, Deposits, and Advances—					
Permanent Debt (net Incurred)	C	...	7,819,100	10,825,700	2,240,000
Temporary Debt (net Incurred)	"	...	500,000	801,000	...
Unfunded Debt (net Incurred)	"	274,078	198,000	370,500	502,500
Deposits and Advances (net) . . . . .	"	...	...	2,025,000	...
Loans and Advances by Imperial Government (net Repayments) . . . . .	"	...	...	...	111,200
Loans and Advances by Provincial Governments (net Repayments) . . . . .	"	...	...	...	...
Capital Account of Local Boards . . . . .	"	...	...	19,600	...
Remittances (net)	"	217,396	118,800	...	...
Secretary of State's Bills drawn	"	19,067,022	16,440,000	13,500,000	16,500,000
TOTAL RECEIPTS . . . . .	...	23,205,357	27,290,400	30,413,100	21,708,000
Opening Balance—India . . . . .	...	11,177,669	8,821,369	8,425,827	10,822,727
England . . . . .	...	3,145,768	2,223,668	3,330,943	3,717,543
TOTAL . . . . .	...	37,528,794	38,335,437	42,169,870	36,248,270

H. J. BRERETON,
Deputy Comptroller General.

Government of India, in India and in England.

	For details, vide Statement.	DISBURSEMENTS.			
		Accounts, 18,9-1900.	Budget Estimate, 1900-1901.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
		£	£	£	£
Railway and Irrigation Capital not charged to Revenue—					
Outlay on Irrigation Works	C	597,960	666,700	600,500	666,700
Outlay on State Railways	"	2,437,712	884,300	1,249,500	2,019,400
Outlay of Railway Companies (net)	"	2,596,190	2,572,900	2,323,700	2,709,500
Charge involved in Redemption of Railway Liabilities	"	...	5,922,100	5,922,400	...
TOTAL CAPITAL ACCOUNT DISBURSEMENTS . . . . .	...	5,631,862	10,046,300	10,101,100	5,395,600
Debt, Deposits, and Advances—					
Permanent Debt (net Discharged)	C	121,298	...	...	...
Temporary Debt (net Discharged) . . . . .	"	...	...	...	301,900
Deposits and Advances (net)	"	455,244	287,500	...	267,100
Loans and Advances by Imperial Government (net Advances)	"	706,194	503,100	2,665,500	...
Loans and Advances by Provincial Governments (net Advances)	"	153,665	100,300	724,000	49,800
Capital Account of Local Boards . . . . .	"	...	...	...	19,600
Remittances (net) . . . . .	"	...	...	960,600	277,800
Secretary of State's Bills paid	"	18,703,761	16,309,800	13,178,400	16,830,200
TOTAL DISBURSEMENTS . . . . .	...	25,772,024	27,247,000	27,629,600	23,142,000
Closing balance—India . . . . .	...	8,425,827	9,066,869	10,822,727	10,500,327
England . . . . .	...	3,330,943	2,021,578	3,717,513	2,605,143
TOTAL . . . . .	...	37,528,794	38,335,437	42,169,840	36,248,270

J. F. FINLAY,
Secretary to the Government of India.

A. F. COX,
Comptroller General.

FINANCIAL STATEMENT OF THE

A.—STATEMENT of the REVENUE of

HEADS OF REVENUE.	ACCOUNTS, 1899-1900.					REVISED	
	INDIA. (Rupee Figures.)		Total India (converted into £ at Rs. 15 = £1).	England.	TOTAL.	INDIA. (Rupee Figures.)	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
	₹	₹	£	£	₹	₹	
Principal Heads of Revenue—							
I.—Land Revenue	14,29,00,724	11,51,75,117	17,205,056	...	17,205,056	14,23,29,000	
II.—Opium	6,60,29,731	...	4,401,982	...	4,401,982	7,69,79,000	
III.—Salt	8,68,24,947	9,31,997	5,830,463	...	5,830,463	8,54,06,000	
IV.—Stamps	1,25,30,035	3,64,52,116	3,265,476	...	3,265,476	1,28,08,000	
V.—Excise	3,89,72,524	1,89,26,601	3,859,942	...	3,859,942	3,97,95,000	
VI.—Provincial Rates	18,063	3,74,63,688	2,493,783	...	2,493,783	6,000	
VII.—Customs	4,64,96,306	5,10,556	3,133,791	...	3,133,791	4,93,12,000	
VIII.—Assessed Taxes	1,08,92,463	86,11,953	1,300,295	...	1,300,295	1,09,25,000	
IX.—Forest	94,95,720	90,35,660	1,235,425	...	1,235,425	98,33,000	
X.—Registration	21,69,031	21,52,299	288,089	...	288,089	23,49,000	
XI.—Tributes from Native States	92,25,416	...	615,028	...	615,028	86,75,000	
TOTAL	42,55,54,960	22,92,59,987	43,654,330	...	43,654,330	44,14,77,000	
XII.—Interest	62,24,865	21,22,361	556,481	49,334	1,605,815	71,06,000	
XIII.—Post Office	1,94,93,669	1,31,053	1,308,315	...	1,308,315	2,01,92,000	
XIV.—Telegraph	1,23,93,431	...	826,229	6,444	832,673	1,32,00,000	
XV.—Mint	51,76,185	...	345,079	12	345,091	4,61,77,000	
Receipts by Civil Departments—							
XVI.—Law and Justice (Courts & Jails)	74,089	34,66,173	236,017	...	236,017	63,000	
XVII.—Police	3,24,898	30,78,684	226,905	...	226,905	3,00,000	
XVIII.—Marine	12,878	42,49,965	284,190	...	284,190	12,000	
XIX.—Education	5,45,802	15,01,013	136,454	...	136,454	5,71,000	
XX.—Medical	23,966	23,50,921	158,326	...	158,326	24,000	
XXI.—Scientific and other Minor Departments	1,906	9,13,809	61,048	1,521	62,569	3,000	
TOTAL	1,40,132	10,61,209	80,090	493	80,583	1,18,000	
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	11,23,671	1,66,21,784	1,183,090	2,014	1,185,044	10,91,000	
XXIII.—Stationery and Printing	12,04,253	5,16,780	114,735	90,026	204,761	11,58,000	
XXIV.—Exchange	4,00,304	4,94,578	59,659	...	59,659	4,04,000	
XXV.—Miscellaneous	...	...	...	...	...	...
TOTAL	10,23,776	33,44,943	291,581	1,825	293,406	7,97,000	
Railways—							
XXVI.—State Railways (Gross Receipts)	26,33,332	43,56,301	465,975	91,851	557,826	23,59,000	
XXVII.—Guaranteed Companies (Net Traffic Receipts)	21,92,38,357	5,56,539	14,652,223	230	14,653,223	25,26,85,000	
XXVIII.—Subsidized Companies (Repayment of Advances of Interest)	2,86,08,228	...	1,907,215	...	1,907,215	1,80,36,000	
TOTAL	3,95,755	...	26,384	1,023	27,407	3,65,000	
Irrigation—							
XXIX.—Major Works: Direct Receipts	24,82,42,340	5,56,539	16,586,592	1,253	16,587,845	27,10,86,000	
Portion of Land Revenue due to Irrigation	1,64,78,163	71,99,775	1,578,529	...	1,578,529	1,83,56,000	
XXX.—Minor Works and Navigation	1,00,52,606	...	670,174	...	670,174	1,09,59,000	
TOTAL	6,59,569	16,07,814	151,159	...	151,159	8,77,000	
Other Public Works—							
XXXI.—Military Works	2,71,90,338	88,07,689	2,399,862	...	2,399,862	3,01,92,000	
XXXII.—Civil Works	5,21,705	...	34,780	...	34,780	5,43,000	
TOTAL	1,08,021	55,45,706	377,042	29,058	406,100	1,30,000	
Receipts by Military Department—							
XXXIII.—Army: Effective	6,31,626	55,45,706	411,822	29,058	440,880	6,73,000	
Non-Effective	86,56,127	...	577,075	66,015	643,090	1,11,18,000	
TOTAL	8,82,459	...	58,831	17,562	76,393	8,64,000	
TOTAL REVENUES	75,82,03,003	26,74,01,320	68,373,621	263,543	68,637,164	84,55,35,000	

INDIA, in India and in England.

ESTIMATE, 1900-1901.			Increase + Decrease— of Revised, as compared with Budget Estimates, 1900-1901.	BUDGET ESTIMATE, 1901-1902.					Increase + Decrease— of Budget, 1901-1902, as compared with Budget Estimates, 1900-1901.	Increase + Decrease— of Budget, 1901-1902, as compared with Revised Estimates, 1900-1901.
Total India (converted into £ at Rs.15=£1.)	England.	TOTAL.		INDIA (RUPEE FIGURES.)		Total India (converted into £ at Rs.15=£1.)	England.	TOTAL.		
				Imperial.	Provincial and Local.					
£	£	£	£	R	R	£	£	£	£	
17,695,800	...	17,695,800	-382,900	13,95,43,000	13,30,16,000	18,17,1,600	...	18,17,1,600	+91,900	+474,800
5,132,000	...	5,132,000	+572,000	6,81,40,000	...	4,542,700	...	4,542,700	-17,100	-589,300
5,951,100	...	5,951,100	+106,000	8,81,97,000	8,71,000	5,937,900	...	5,937,900	+92,800	-13,300
3,343,700	...	3,343,700	+76,300	1,28,39,000	3,73,70,000	3,347,300	...	3,347,300	+79,900	+3,600
3,957,000	...	3,957,000	+137,700	3,99,09,000	1,95,97,000	3,967,100	...	3,967,100	+147,800	+10,100
2,561,800	...	2,561,800	-51,200	...	4,08,39,000	2,722,600	...	2,722,600	+109,000	+160,800
3,324,100	...	3,324,100	+189,900	4,72,72,000	5,49,000	3,183,000	...	3,183,000	+53,800	-136,100
1,308,000	...	1,308,000	+2,800	1,09,21,000	66,33,000	1,304,000	...	1,304,000	-1,200	-4,000
1,279,600	...	1,279,600	+90,800	96,29,000	91,78,000	1,254,400	...	1,254,400	+65,600	-25,300
312,200	...	312,200	+18,700	22,69,000	22,52,000	301,400	...	301,400	+7,900	-10,800
578,300	...	578,300	-40,200	96,13,000	...	640,900	...	640,900	+22,400	+62,600
45,443,600	...	45,443,600	+720,100	42,83,42,000	25,23,10,000	45,376,900	...	45,376,900	+65,700	-66,700
595,400	51,000	646,400	+19,100	80,61,000	20,24,000	672,300	10,000	682,300	+55,000	+35,900
1,353,600	...	1,353,600	+33,100	1,99,67,000	1,07,000	1,338,200	...	1,338,200	+17,700	-15,400
880,000	10,100	890,100	+85,900	1,24,50,000	...	830,000	4,200	834,200	+3,000	-55,900
3,078,500	...	3,078,500	+2,805,700	4,87,000	...	32,500	...	31,500	-247,300	-3,040,000
231,300	...	231,300	-15,600	68,000	34,57,000	235,000	...	235,000	-11,900	+3,700
242,900	...	242,900	+28,400	3,25,000	30,71,000	226,100	...	226,400	+11,900	-16,500
298,900	...	298,900	+8,700	13,000	44,34,000	296,500	...	296,500	+6,300	-2,400
154,300	...	154,300	+39,300	2,35,000	16,83,000	127,900	...	127,900	+12,900	-26,400
164,200	...	164,200	+5,200	21,000	25,01,000	168,100	...	168,100	+9,100	+3,900
60,900	1,500	62,400	+1,600	3,000	9,30,000	62,200	1,500	63,700	+2,900	+1,300
83,600	400	84,000	-7,100	1,22,000	12,56,000	91,800	300	92,100	+1,000	+8,100
1,236,100	1,900	1,238,000	+60,500	7,87,000	1,73,32,000	1,207,900	1,800	1,209,700	+32,200	-28,300
110,300	85,500	195,800	-7,500	11,53,000	5,23,000	111,800	84,500	196,300	-7,000	+500
60,400	...	60,400	+4,500	3,93,000	5,15,000	60,900	...	60,900	+5,000	+500
...	...	...	-12,100	2,40,000	...	16,000	...	16,000	+3,900	+16,000
267,300	3,000	270,300	-2,600	12,49,000	32,73,000	298,100	2,500	300,600	+27,700	+30,300
438,000	88,500	526,500	-17,700	30,40,000	42,61,000	486,800	87,000	573,800	+29,600	+47,300
16,867,700	200	16,867,900	+955,500	26,08,11,000	3,20,000	17,408,700	200	17,408,900	+1,496,500	+541,000
1,202,400	...	1,202,400	+10,800	1,47,75,000	...	985,000	...	985,000	-206,600	-217,400
24,300	1,600	25,900	-1,600	4,90,000	...	32,700	1,000	33,700	+6,200	+7,800
18,094,400	1,800	18,096,200	+964,700	27,63,76,000	3,20,000	18,416,400	1,200	18,427,600	+1,296,100	+331,400
1,717,200	...	1,717,200	+179,000	1,66,56,000	67,87,000	1,562,900	...	1,562,900	+24,700	-154,300
730,600	...	730,600	+19,200	1,13,33,000	...	755,500	...	755,500	+44,100	+24,900
166,100	...	166,100	+9,500	9,46,000	15,76,000	163,100	...	163,100	+11,500	+2,000
2,613,900	...	2,613,900	+207,700	2,89,35,000	83,63,000	2,486,500	...	2,486,500	+80,300	-127,400
36,200	...	36,200	+1,100	5,42,000	...	36,100	...	36,100	+1,100	-100
383,400	25,500	408,900	+100	1,13,000	55,67,000	378,700	25,600	404,300	-4,500	-4,600
419,600	25,500	445,100	+1,200	6,55,000	55,67,000	414,800	25,600	440,400	-3,500	-4,700
741,200	18,300	759,500	+128,900	69,82,000	...	465,500	248,300	713,800	+83,200	-45,700
57,600	17,000	74,600	+1,000	8,63,000	...	57,500	18,500	76,000	+2,400	+1,400
798,800	35,300	834,100	+129,900	78,45,000	...	523,000	266,800	789,800	+85,600	-44,300
74,951,900	214,100	75,166,000	+5,010,200	78,66,45,000	29,02,84,000	71,795,300	396,600	72,191,900	+2,036,100	-2,974,100

Revenues of India, in India and in England.

ESTIMATE, 1900-1901.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1900-1901.	BUDGET ESTIMATE, 1901-1902.					Increase + Decrease — of Budget, 1901-1902, as compared with Budget Estimates, 1900-1901.	Increase + Decrease — of Budget, 1901-1902, as compared with Revised Estimates, 1900-1901.
Total India (converted into £ at Rs. 15 = £ 1).	England.	Total.		India (Rupee Fractions).		Total India (converted into £ at Rs. 15 = £ 1).	England.	Total.		
£	£	£		R	R	£	£	£		
214,900	...	214,900	+ 23,600	20,76,000	8,01,000	191,800	...	191,800	+ 500	- 23,100
1,033,700	...	1,033,700	- 18,800	52,63,000	1,04,85,000	1,049,900	...	1,049,900	- 2,600	+ 16,300
2,830,600	400	2,831,000	- 42,900	12,49,000	4,28,57,000	2,940,400	600	2,941,000	+ 67,100	+ 110,000
1,789,200	2,100	1,791,300	+ 20,500	2,65,38,000	...	1,769,200	2,600	1,771,800	+ 1,000	- 19,500
337,600	500	338,100	- 15,100	49,75,000	4,39,000	360,900	700	361,600	+ 8,400	+ 23,500
72,500	30,000	102,500	+ 9,700	- 3,30,000	14,39,000	73,900	32,100	106,000	+ 13,200	+ 3,500
163,400	100	163,500	- 11,400	17,35,000	8,96,000	175,400	...	175,400	+ 500	+ 11,900
34,500	...	34,500	- 9,900	...	7,56,000	50,400	...	50,400	+ 6,000	+ 15,900
162,100	200	162,300	+ 5,300	8,54,000	16,11,000	164,300	400	164,700	+ 7,700	+ 2,400
22,400	...	22,400	- 500	1,83,000	1,81,000	24,300	...	24,300	+ 1,400	+ 1,900
741,300	1,900	743,200	- 8,700	59,43,000	54,44,000	759,100	1,200	760,300	+ 8,400	+ 17,100
170,800	...	170,800	- 700	12,97,000	12,91,000	172,600	...	172,600	+ 1,100	+ 1,800
7,573,000	35,200	7,608,200	- 48,900	4,97,82,000	6,62,00,000	7,732,200	37,600	7,769,800	+ 112,700	+ 161,600
2,723,400	4,375,500	7,098,900	+ 204,500	3,48,85,000	76,45,000	2,835,300	4,386,000	7,221,300	+ 326,900	+ 122,400
3,105,500	1,272,900	4,378,400	- 9,700	4,77,36,000	...	3,182,400	1,366,900	4,549,300	- 180,600	- 170,900
921,800	...	921,800	+ 1,400	85,70,000	56,70,000	949,300	...	949,300	- 26,100	- 27,500
- 1,303,900	3,102,600	1,798,700	+ 196,200	- 2,14,21,000	19,75,000	- 1,296,400	3,019,100	1,722,700	+ 120,200	- 76,000
363,700	200	363,900	+ 4,600	56,04,000	43,000	376,500	200	376,700	+ 17,400	+ 12,800
- 940,200	3,102,800	2,162,600	+ 200,800	- 1,58,17,000	20,18,000	- 919,900	3,019,300	2,099,400	+ 137,600	- 63,200
1,132,100	97,400	1,229,500	- 18,200	1,65,05,000	13,73,000	1,191,900	98,000	1,289,900	+ 42,200	+ 60,400
561,300	246,700	808,000	- 3,500	92,00,000	...	613,300	260,100	873,400	+ 61,900	+ 65,400
3,006,000	10,600	3,016,600	+ 2,964,700	7,74,000	...	51,600	16,900	68,500	+ 16,600	- 2,948,100
1,081,300	255,400	1,336,700	+ 19,700	66,69,000	95,15,000	1,078,900	252,400	1,331,300	+ 14,300	- 5,400
2,125,800	300	2,126,100	+ 1,900	2,69,000	3,20,88,000	2,157,100	700	2,157,800	+ 33,600	+ 31,700
794,600	...	794,600	+ 60,400	15,02,000	96,45,000	743,100	...	743,100	+ 8,900	- 51,500
2,912,100	1,300	2,913,400	- 18,100	6,60,000	4,50,59,000	3,047,900	900	3,048,800	+ 117,300	+ 135,400
237,200	364,600	601,800	+ 18,700	16,75,000	20,80,000	250,300	283,600	538,900	- 44,200	- 62,900
1,089,900	2,600	1,092,500	- 34,300	1,79,000	1,74,09,000	1,172,600	1,700	1,174,300	+ 47,500	+ 81,800
114,500	600	115,100	- 6,500	18,43,000	...	122,900	400	123,300	+ 1,700	+ 8,200
939,300	5,700	945,000	- 8,700	4,94,000	1,42,67,000	984,100	5,200	989,300	+ 35,600	+ 44,300
560,400	24,900	585,300	- 121,300	1,08,95,000	7,14,000	773,900	6,700	780,600	+ 64,000	+ 195,300
412,700	42,400	455,100	- 25,800	56,14,000	25,37,000	543,400	28,000	571,400	+ 90,500	+ 116,300
10,267,800	697,800	10,965,600	- 124,000	2,08,00,000	13,33,14,000	10,874,200	584,600	11,458,800	+ 369,200	+ 493,200
261,400	20,800	282,200	+ 1,400	39,45,000	...	263,000	10,700	273,700	- 7,100	- 8,500
500	252,500	253,000	+ 4,900	9,000	...	600	252,500	253,100	+ 5,000	+ 100
759,000	1,952,200	2,721,200	- 16,500	8,18,000	1,08,28,000	776,400	1,983,000	2,759,400	+ 21,700	+ 38,200
457,300	69,200	526,500	+ 22,300	11,56,000	58,20,000	465,100	59,900	525,000	+ 20,800	- 1,500
3,300	...	3,300	+ 3,300	...	...	...	...	...	...	- 3,300
197,400	25,000	222,400	+ 59,100	5,74,000	39,23,000	299,800	21,500	321,300	+ 158,000	+ 98,900
1,678,900	2,329,700	4,008,600	+ 74,500	65,02,000	2,05,71,000	1,804,900	2,327,600	4,132,500	+ 108,400	+ 123,900
4,217,200	7,900	4,225,100	+ 890,100	1,01,04,000	7,000	674,100	...	674,100	- 2,660,900	- 3,551,000
...
19,900	...	19,900	- 13,400	11,37,000	8,	75,800	...	75,800	+ 42,500	+ 55,900
...	...	...	...	37,52,000	...	250,100	...	250,100	+ 250,100	+ 250,100
4,237,100	7,900	4,245,000	+ 876,700	1,49,93,000	7,000	1,000,000	...	1,000,000	- 2,368,300	- 3,245,000
27,516,000	6,528,100	34,044,100	+ 3,922,100	11,17,40,000	22,34,83,000	22,348,200	6,344,100	28,692,300	- 1,429,700	- 5,351,800

BUDGET ESTIMATE, 1901-1902.			
INDIA.		England.	TOTAL.
Amount in Rupees.	Equivalent in £ at Rs. 15 = £ 1.	£	£
4,54,05,000	3,026,900	1,148,000	4,174,900
23,33,000	155,500	218,900	374,400
4,77,38,000	3,182,400	1,366,900	4,549,300

†† 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, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
Indian Midland Railway	£ 25,500	—

Revenues of India, in India and in England—concluded.

ESTIMATE, 1900-1901.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1900-1901.	BUDGET ESTIMATE, 1901-1902.					Increase + Decrease — of Budget, 1901-1902, as compared with Budget Estimates, 1900-1901.	Increase + Decrease — of Budget, 1901-1902, as compared with Revised Estimates, 1900-1901.
Total India (converted into £ at R15=£1).	England.	Total.		India. (Rupee Figures.)		Total India (converted into £ at R15=£1).	England.	Total.		
				Imperial.	Provincial and Local.					
£	£	£	£	R	R	£	£	£	£	
27,516,000	6,528,100	34,044,100	+ 3,922,100	11,17,40,000	22,34,83,000	22,348,200	6,344,100	28,692,300	-1,429,700	-5,251,800
8,394,600	...	8,394,600	+ 406,100	12,95,95,000	2,35,000	8,655,300	...	8,655,300	+ 666,800	+ 260,700
2,960,800	1,054,000	4,014,800	+ 5,700	4,54,03,000	...	3,026,900	1,148,000	4,174,900	+ 165,800	+ 160,100
...	2,357,100	2,357,100	- 53,200	...	...	...	2,995,200	2,995,200	+ 584,900	+ 638,100
144,700	218,900	363,600	+ 4,000	23,33,000	...	155,500	218,900	374,400	+ 14,800	+ 10,800
9,100	926,600	935,700	+ 6,700	6,25,000	95,000	48,000	1,081,100	1,129,100	+ 200,100	+ 193,400
201,900	...	201,900	+ 9,400	19,54,000	...	130,300	...	130,300	- 62,200	- 71,600
8,100	1,589,500	1,597,600	- 1,100	21,000	...	1,400	1,015,100	1,016,500	- 582,200	- 581,100
19,500	...	19,500	- 59,000	8,66,000	52,000	61,200	...	61,200	- 17,300	+ 41,700
55,200	...	55,200	+ 4,500	8,00,000	33,000	55,500	...	55,500	+ 4,800	+ 300
11,793,900	6,146,100	17,940,000	+ 323,100	18,15,97,000	4,15,000	12,134,100	6,458,300	18,592,400	+ 975,500	+ 652,400
695,200	...	695,200	+ 35,800	61,00,000	43,45,000	696,400	...	696,400	+ 37,000	+ 1,200
921,800	...	921,800	- 1,400	85,70,000	56,70,000	949,300	...	949,300	+ 26,100	+ 27,500
688,100	900	689,000	- 28,800	35,61,000	78,21,000	758,800	1,000	759,800	+ 42,000	+ 70,800
2,305,100	900	2,306,000	+ 5,600	1,82,31,000	1,78,36,000	2,404,500	1,000	2,405,500	+ 105,100	+ 99,500
700,000	39,000	739,000	- 41,700	1,37,74,000	...	878,300	16,800	895,100	+ 114,400	+ 156,100
3,279,900	92,600	3,372,500	- 9,600	67,27,000	5,06,42,000	3,824,600	95,200	3,919,800	+ 537,700	+ 547,300
18,200	...	18,200	- 67,000	...	6,48,000	43,200	...	43,200	- 42,000	+ 25,000
3,998,100	131,600	4,129,700	- 118,300	1,99,01,000	5,12,90,000	4,746,100	112,000	4,858,100	+ 610,100	+ 728,400
10,100,000	1,972,100	12,072,100	- 1,147,500	16,94,23,000	...	11,294,800	2,814,800	14,109,600	+ 890,000	+ 2,037,500
611,200	2,389,900	3,001,100	- 38,100	91,80,000	...	612,000	2,413,700	3,025,700	- 13,500	+ 24,600
10,711,200	4,362,000	15,073,200	- 1,185,600	17,86,03,000	...	11,906,800	5,228,500	17,135,300	+ 876,500	+ 2,062,100
...	6,800	6,800	+ 6,800	...	...	...	...	...	...	- 6,800
56,324,300	17,175,500	73,499,800	+ 2,953,700	51,00,72,000	29,30,24,000	53,539,700	18,143,900	71,683,600	+ 1,137,500	- 1,816,200
122,000	...	122,000	+ 576,400	...	47,26,000	315,100	...	315,100	+ 568,000	- 208,400
96,200	...	96,200		...	74,66,000	497,700	...	497,700		
56,350,100	17,175,500	73,525,600	+ 3,530,100	51,00,72,000	29,02,84,000	53,357,100	18,143,900	71,501,000	+ 1,505,500	- 2,024,000
REVISED ESTIMATE, 1900-1901.				BUDGET ESTIMATE, 1901-1902.						
INDIA.				INDIA.						
Amount in Rupees.	Equivalent in £ at R15=£1.	England.	Total.	Amount in Rupees.	Equivalent in £ at R15=£1.	England.	Total.			
R	£	£	£	R	£	£	£			
90,22,000	601,500	648,000	1,249,500	81,21,000	541,400	1,478,000	2,019,400			
89,06,000	593,700	6,800	600,500	99,12,000	660,800	5,900	666,700			
1,79,28,000	1,195,200	654,800	1,850,000	1,80,33,000	1,202,200	1,483,900	2,686,100			
...	...	5,922,400	5,922,400	...	...	...	...

FINANCIAL STATEMENT OF THE

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1899-1900.			REVISED ESTIMATE, 1900-1901.			BUDGET ESTIMATE, 1901-1902.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	68,373,621	263,543	68,637,164	74,951,900	214,100	75,166,000	71,795,300	396,600	72,191,900
Excess of Revenue over Expenditure charged to Revenue.			2,774,623			1,640,400			690,900
Railway and Irrigation Capital not charged to Revenue—									
OUTLAY OF RAILWAY COMPANIES—									
Repayments NET	1,534,987	4,861	1,539,848	1,033,500	3,100	1,036,600	799,100	2,600	801,700
RAISED AND DEPOSITED BY RAILWAY COMPANIES—									
On account of Subscribed Capital NET	273,933	601,005	874,938	34,300	1,373,500	1,407,800	53,400	3,776,400	3,829,800
Permanent Debt Incurred—									
Sterling Debt—									
India Stock	...	...		...	3,000,000		...	1,000,000	
Debentures and Debenture stock of the G. I. P. Ry.	...	...		...	5,922,400		...	...
Rupee Debt—									
Rupee Loan	...	...		2,000,000	...		1,333,300	...	
TOTAL NET	...	...	...	2,000,000	8,922,400	10,922,400	1,333,300	1,000,000	2,333,300
Temporary Debt Incurred—									
Temporary Loans NET	...	6,500,000	6,500,000	301,900	5,500,000	5,801,900	...	5,000,000	5,000,000
Unfunded Debt—									
Deposits of Service Funds	95,424	...		101,400	...		101,700	...	
Savings Bank Deposits	2,783,241	...		2,878,000	...		2,084,400	...	
TOTAL NET	2,878,665	...	2,878,665	2,979,400	...	2,979,400	3,086,100	...	3,086,100
Deposits and Advances—									
Balances of Provincial Allotments	296,754	...		122,000	...		315,100	...	
Appropriation for Reduction of Debt	...	...		...	...		250,100	...	
Excluded Local Funds	618,583	...		861,900	...		600,300	...	
Railway Funds	52,716	...		43,500	...		52,800	...	
Deposits of Sinking Funds	53,515	...		8,800	...		9,200	...	
Departmental and Judicial Deposits	14,319,927	...		19,435,900	4,300		15,138,800	...	
Advances	8,719,058	...		8,384,000	434,500		3,416,100	71,600	
Suspense Accounts	113,201	...		80,500	...		7,600	...	
Exchange on Remittance Accounts, net	3,279	...		2,400	...		53,300	...	
Miscellaneous	1,097	...		3,200	...		...	...
TOTAL NET	24,178,130	...	24,178,130	28,942,200	438,800	29,381,000	19,843,300	71,600	19,914,900
Carried over	97,239,335	7,369,409		110,242,200	16,451,900	2,025,000	96,910,500	10,247,200	

Government of India, in India and England.

	ACCOUNTS, 1899-1900.			REVISED ESTIMATE, 1900-1901.			BUDGET ESTIMATE, 1901-1902.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	49,675,915	16,392,846	66,068,761	56,324,300	17,175,500	73,499,800	53,539,700	18,143,900	71,683,600
Add—Provincial Surpluses, transferred to "Deposits"	296,754	...	296,754	122,000	...	122,000	315,100	...	315,100
Deduct—Provincial Deficits charged to "Deposits"	502,974	...	502,974	96,200	...	96,200	497,700	...	497,700
TOTAL	49,469,695	16,392,846	65,862,541	56,350,100	17,175,500	73,525,600	53,357,100	18,143,900	71,501,000
Excess of Expenditure charged to Revenue, over Revenue—									
Railway and Irrigation Capital not charged to Revenue—									
OUTLAY ON IRRIGATION WORKS	587,483	10,477	597,960	593,700	6,800	600,500	660,800	5,900	666,700
OUTLAY ON STATE RAILWAYS	1,832,375	605,337	2,437,712	601,500	648,000	1,249,500	541,400	1,478,000	2,019,400
OUTLAY ON RAILWAY COMPANIES—									
Payments for Capital outlay	2,523,570	1,612,468	4,136,038	2,118,900	1,246,400	3,365,300	1,871,700	1,639,500	3,511,200
NET			2,556,190			2,328,700			2,707,500
CHARGE INVOLVED IN REDEMPTION OF RAILWAY LIABILITIES—									
G. I. P. Railway	...	...	...	...	5,922,400	5,922,400	...	...	...
RAISED AND DEPOSITED BY RAILWAY COMPANIES—									
Payments for discharge of Debentures	...	2,700	2,700	...	177,800	177,800	...	2,166,400	2,166,400
NET			0			0			0
Permanent Debt Discharged—									
Sterling Debt—									
India 4 p. c. Stock	...	...	...	...	...	...	...	...	...
India 3½ p. c. Debentures	...	...	...	...	...	...	...	...	...
Oude and Rohilkhund Railway Debenture Stock	...	1,200	...	...	...	...	...	...	...
E. I. Railway Debentures	...	100	...	...	...	...	...	...	...
Rupis Debt—									
5½ p. c. Loans	887	...	...	...	...	...	...	...	...
4½ p. c. Loans	1,407	...	...	1,000	...	...	700	...	...
4 p. c. Loans	90,790	...	...	90,700	...	...	89,300	...	...
3½ p. c. Loans	12,040	...	...	5,000	...	...	3,300	...	...
7 s. per cent.	14,867	...	...	...	...	...	...	...	...
Stock Notes	7	...	...	...	...	...	...	...	...
TOTAL	119,998	1,300	121,298	96,700	...	96,700	93,300	...	93,300
NET			121,298			0			0
Temporary Debt Discharged—									
Temporary Loans	...	6,500,000	6,500,000	...	5,000,000	5,000,000	301,900	5,000,000	5,301,900
NET			0			0			301,900
Unfunded Debt—									
Special Loans	258	...	...	...	...	...	...	...	...
Deposits of Service Funds	75,836	...	...	81,700	...	...	76,100	...	...
Savings Bank Deposits	2,528,477	...	...	2,527,200	...	...	2,517,500	...	...
TOTAL	2,604,571	...	2,604,587	2,608,900	...	2,608,900	2,583,600	...	2,583,600
NET			0			0			0
Deposits and Advances—									
Balances of Provincial Allotments	502,974	...	...	96,200	...	...	497,700	...	...
Excluded Local Funds	614,865	...	...	855,400	...	...	589,500	...	...
Railway Funds	50,730	...	...	52,700	...	...	42,800	...	...
Sinking Funds	48,333	...	...	...	...	...	...	...	...
Departmental and Judicial Deposits	14,297,134	...	...	17,591,300	...	...	16,381,500	...	...
Advances	9,007,351	2,583	...	8,243,800	497,700	...	2,660,600	...	...
Suspense Accounts	116,312	...	...	18,900	...	...	6,800	...	...
Exchange on Remittance Accounts, net	...	...	...	...	...	...	...	...	...
Miscellaneous	92	...	...	...	...	...	3,100	...	...
TOTAL	24,030,791	2,583	24,033,374	26,858,300	497,700	27,356,000	20,182,000	...	20,182,000
NET			455,241			0			257,100
Carried over	51,768,499	25,127,711	...	89,228,100	30,674,600	...	79,591,800	28,433,700	...

FINANCIAL STATEMENT OF THE
C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1897-1900.			REVISED ESTIMATE, 1900-1901.			BUDGET ESTIMATE, 1901-1902		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward . . .	97,239,336	7,369,409		110,243,200	16,451,900		96,910,500	10,247,200	
Loans and Advances by Imperial Government . . .	138,837	...	138,837	303,000	...	303,000	230,500	...	230,500
NET . . .			0			0			111,200
Loans and Advances by Provincial Governments . . .	430,660	...	430,660	542,100	...	542,100	564,700	...	564,700
NET . . .			0			0			0
Capital Account of Local Boards . . . . .	...	...	...	19,600	...	19,600	19,600	...	19,600
NET . . .			0			19,600			0
Remittances— Inland Money Orders . . .	18,304,669	...		19,333,300	...		20,000,000	...	
Other Local Remittances . . .	...	...		2,223,300	...		994,700	...	
Other Departmental Accounts	567,102	...		385,900	...		324,300	...	
Net Receipts by Civil Treasuries from— Post Office	321,440	...		406,700	...		426,700	...	
Telegraph	58,451	...		46,300	...		...	...
Guaranteed Railways	2,244,255	...		1,304,800	...		1,024,500	...	
Public Works . . . . .	...	...		878,600	...		2,429,500	...	
Net Receipts from Civil Treasuries by— Telegraph . . . . .	...	...		...	...		5,500	...	
Marine	568,919	...		713,800	...		3,600	...	
Military	10,467,443	...		11,307,900	...		11,400,500	...	
Public Works	186,043	...		...	...		...	...
Remittance Account between England and India— Railway transactions	1,284,903	1,010,585		1,492,700	2,054,700		2,305,000	2,277,500	
Other "	2,457,278	1,589,761		7,331,500	7,870,700		358,100	957,500	
TOTAL	36,460,508	2,600,346	39,060,854	45,474,800	9,925,400	55,400,200	39,606,600	3,235,000	42,841,600
NET			217,396			0			0
Secretary of State's Bills drawn . . . . .	...	19,067,022	19,067,022	...	13,500,000	13,500,000	...	16,500,000	16,500,000
TOTAL RECEIPTS	134,269,341	29,036,777		156,582,700	39,877,300		137,331,900	29,982,200	
Opening Balance	11,177,669	3,145,768		8,425,827	5,330,943		10,822,727	3,717,543	
GRAND TOTAL	145,447,010	32,182,545		165,008,527	45,208,243		148,154,627	33,699,743	

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT;
March 20, 1901.

H. J. BRERETON,
Deputy Comptroller General.

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

	ACCOUNTS, 1899-1900.			REVISED ESTIMATE, 1900-1901.			BUDGET ESTIMATE, 1901-1902.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	81,768,499	25,127,711		89,228,100	30,674,600		79,591,800	28,433,700	
Loans and Advances by Imperial Government	845,031	...	845,031	2,968,500	...	2,968,500	119,300	...	119,300
NET			705,194			2,665,500			0
Loans and Advances by Provincial Governments	584,325	...	584,325	1,266,100	...	1,266,100	614,500	...	614,500
NET			153,665			724,000			49,800
Capital Account of Local Boards . . . . .	...	...	...	...	...	...	39,200	...	39,200
NET			0			0			19,600
Remittances— Inland Money Orders	18,278,062	...		19,333,300	...		20,000,000	...	
Other Local Remittances	13,462	...		2,222,500	...		994,700	...	
Other Departmental Accounts	587,451	...		385,900	...		324,300	...	
Net payments into Civil Treasuries by— Post Office	321,451	...		406,700	...		426,700	...	
Telegraph	57,755	...		46,300	...		...	...
Guaranteed Railways	2,244,255	...		1,304,800	...		1,024,500	...	
Public Works . . . . .	...	...		778,600	...		2,429,500	...	
Net Issues from Civil Treasuries to— Telegraph . . . . .	...	...		...	...		5,500	...	
Marine	563,836	...		713,800	...		336,900	...	
Military	10,467,443	...		11,307,900	...		11,400,500	...	
Public Works	274,478	...		...	...		...	...
Remittance Account between England and India— Railway transactions	1,007,917	1,287,571		2,054,700	1,402,700		2,277,500	2,305,000	
Other "	1,302,557	2,436,320		8,690,200	7,323,400		1,239,200	354,200	
TOTAL	35,119,567	3,723,891	38,843,458	47,544,700	8,816,100	56,360,800	40,459,300	2,660,100	43,119,400
NET			0			960,600			277,800
Secretary of State's Bills paid	18,703,761	...	18,703,761	13,178,400	...	13,178,400	16,830,200	...	16,830,200
TOTAL DISBURSEMENTS	137,021,183	28,851,602		154,185,800	39,490,700		137,654,300	31,093,800	
Closing Balance	8,425,827	3,330,943		10,822,727	3,717,543		10,500,327	2,655,943	
GRAND TOTAL	145,447,010	32,182,545		165,008,527	43,208,243		148,154,627	33,749,743	

A. F. COX,
Comptroller General.

J. F. FINLAY,
Secretary to the Government of India.

FINANCIAL STATEMENT OF THE

D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Settlements.

Provincial and Local Balances.

NOTE.—These balances do not include the Balances of Deposits and Advances upon Local Fund Accounts.

	India.	Central Provinces.	Burma.	Assam.	Bengal.	N.-W. P. and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.	Equivalent in £ at Rs 15 = £1.
	R	R	R	R	R	R	R	R	R	R	£
Accounts, 1899-00											
Balance at end of 1898-99 . . .	1,15,041	5,57,709	1,00,65,957	17,46,852	51,26,292	47,58,231	32,70,771	56,20,613	45,56,414	3,58,17,880	2,387,859
Added in 1899-00 . . .	...	...	26,52,116	...	9,34,571	8,64,630	...	...	...	44,51,317	296,754
Spent in 1899-00 . . .	11,920	2,76,233	...	8,68,506	...	...	19,84,459	21,20,549	22,82,949	75,44,616	502,974
Balance at end of 1899-00 . . .	1,13,121	2,81,476	1,27,18,073	8,78,346	60,60,863	56,22,861	12,86,312	35,00,064	22,73,465	3,27,24,581	2,181,639
Revised Estimate, 1900-1901.											
Balance at end of 1899-00 (by Accounts). . .	1,03,121	2,81,476	1,27,18,073	8,78,346	60,60,863	56,22,861	12,86,312	35,00,064	22,73,465	3,27,24,581	2,181,639
Added in 1900-1901 . . .	...	...	6,05,000	...	6,46,000	5,75,000	...	...	4,000	18,30,000	122,000
Spent in 1900-1901 . . .	17,000	1,67,000	...	3,64,000	...	...	3,45,000	5,50,000	...	14,43,000	96,200
Balance at end of 1900-1901 . . .	86,121	1,14,476	1,33,23,073	5,14,346	67,06,863	61,97,861	9,41,312	29,50,064	22,77,465	3,31,11,581	2,207,439
Budget Estimate, 1901-1902.											
Balance at end of 1900-1901 (by Revised Estimate) . . .	86,121	1,14,476	1,33,23,073	5,14,346	67,06,863	61,97,861	9,41,312	29,50,064	22,77,465	3,31,11,581	2,207,439
Added in 1901-1902 . . .	31,000	8,07,000	...	25,000	...	...	10,01,000	9,50,000	19,12,000	47,26,000	315,100
Spent in 1901-1902 . . .	...	...	26,55,000	...	22,07,000	26,04,000	...	...	...	74,56,000	497,700
Balance at end of 1901-1902 . . .	1,17,121	9,21,476	1,06,68,073	5,39,346	44,99,863	35,93,861	19,42,312	39,00,064	41,89,465	3,03,71,581	2,024,839

H. J. BRERETON,
Deputy Comptroller General.

A. F. COX,
Comptroller General.

J. F. FINLAY,
Secretary to the Government of India.

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT;
March 20, 1901.

E.—Statement of Net Revenue and Expenditure—India and England.
Part I.—Income.

REVENUE.	Accounts, 1900-1901.		Revised Estimate, 1900-1901.		Budget Estimate, 1901-1902.	
	£	₹	£	₹	£	₹
I.—Land Revenue, etc. :						
1. Land Revenue	17,172,578		17,638,100		18,115,000	
2. Forest	1,232,065		1,275,500		1,251,400	
3. Tributes from Native States	614,578		577,000		640,500	
	19,019,841		19,511,700		20,028,000	
<i>Deduct,—</i>						
Assignments	755,728		751,000		760,000	
NET	—	18,264,113	—	18,757,700	—	19,267,300
II.—Opium, Net Receipts	2,673,937		3,340,400		2,770,600	
<i>Deduct,—</i>						
Assignments	3,348		3,400		3,400	
NET	—	2,670,589	—	3,337,000	—	4,767,200
III.—Taxation :						
1. Salt	5,837,752		5,929,800		5,915,800	
2. Stamps	3,254,220		3,305,500		3,311,700	
3. Excise	3,841,346		3,931,900		3,918,400	
4. Provincial Rates	2,495,478		2,558,300		2,719,300	
5. Customs	3,070,027		3,241,500		3,231,000	
6. Assessed Taxes	1,292,779		1,300,900		1,290,700	
7. Registration	287,101		311,400		340,000	
	20,047,906		20,585,300		20,611,000	
<i>Deduct,—</i>						
Assignments	298,616		276,300		285,000	
NET	—	19,744,380	—	20,309,000	—	20,328,900
IV.—Miscellaneous Receipts (i.e., Mint, Exchange and Miscellaneous)	—	307,616	—	106,500	—	—40,700
	—	40,986,698	—	42,510,200	—	42,322,700
Excess of Expenditure over Income	—	40,986,698	—	42,510,200	—	42,322,700

Part II.—Expenditure.

CHARGES.	Accounts, 1899-1900.		Revised Estimate, 1900-1901.		Budget Estimate, 1901-1902.	
	£	₹	£	₹	£	₹
I.—Debt Services	—	1,242,283	—	1,516,200	—	1,417,100
II.—Military Services :						
1. Army	14,165,743		14,239,100		16,315,000	
2. Military Works	801,782		702,800		859,000	
3. Special Defence Works	874		6,800		—	
TOTAL	—	14,968,399	—	14,948,700	—	17,204,500
III.—Collection of Revenue :						
1. Land Revenue, including District Administration	2,748,739		2,831,000		2,941,000	
2. Forest	730,775		743,200		760,300	
3. Other Heads	909,925		994,100		1,055,000	
TOTAL	—	4,448,839	—	4,568,300	—	4,756,300
IV.—Commercial Services :						
<i>Net Expenditure—</i>						
Railway . . . . .	...		...		164,800	
Telegraph . . . . .	...		...		39,200	
	...		...		204,000	
<i>Deduct—Net Receipts—</i>						
Railway	76,756		156,200		...	
Irrigation	136,387		307,900		81,000	
Post Office	129,008		124,100		49,300	
Telegraph	105,891		82,100		...	
	445,102		670,300		129,300	
NET	—	—445,102	—	—670,300	—	74,700
V.—Civil Services :						
1. Civil Departments	9,597,544		9,727,600		10,249,100	
2. Miscellaneous Civil Charges	3,513,138		3,526,700		3,551,000	
3. Famine Relief and Insurance	2,098,848		4,245,000		1,400,000	
4. Construction of Railways (charged to Provincial or Local Revenues)	2,356		18,200		43,200	
5. Civil Works	2,891,990		2,903,600		3,515,500	
<i>Add or Deduct,—</i>						
Provincial Surplus or Deficit	18,103,876		20,491,100		18,361,800	
	—206,220		25,800		—182,600	
TOTAL	—	17,897,175	—	20,505,900	—	18,179,200
	—	38,812,075	—	40,869,900	—	41,631,400
Excess of Income over Expenditure	—	2,774,623	—	1,640,400	—	690,900
	—	40,986,698	—	42,510,200	—	42,322,700

H. J. BRERETON,
Deputy Comptroller General.

A. F. COX,
Comptroller General.

J. F. FINLAY,
Secretary to the Government of India.

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT;
March 20, 1901.

APPENDIX II.

Memorandum by the Hon'ble Major-General Sir Edwin Collen, G.C.I.E., C.B., on Military, Military Works, and Marine Expenditure for the years 1900-1901 and 1901-1902.

The estimates with which the Military and Marine Department of the Government of India is concerned are the following:—

- I.—Indian Military Estimates.
- II.—Home (India) Military Estimates.
- III.—Military Works Estimates.
- IV.—Marine Estimates.

2. They will be dealt with in the order given above. But I will preface my examination of them, as usual, with some explanation of the more important measures which have been carried out or initiated during the past year.

3. Taking the Indian and the Home (India) Military Estimates together, the expenditure for the year 1901-1902 is estimated to exceed the amount provided in the Budget for 1900-1901 by £791,100. This figure, however, does not give the true increase to military expenditure in the coming year, as compared with the provision in the Budget of the current year. To arrive at the true figure abnormal causes of variation must be eliminated. In the first place, the excess provision amounting to £266,666, which was provided in the Budget for the current year to meet the expected rise in the cost of food supplies for men and animals, must be thrown out. Again, the savings amounting to £280,000 on account of the absence of the troops lent for service in South Africa and the Colonies must be taken into consideration as, in the Budget for next year, full provision has been made for the established strength. For the first time, also, a credit of £230,000 has been afforded in the Home Estimates for 1901-1902 in consequence of the recommendation of the Royal Commission on Indian Expenditure. Throwing out the above items, the increase in the Budget for next year comes to £1,008,600.

4. Some of the reasons which make this increase necessary are similar to those which were indicated by me in my memorandum of the 21st March last year; but, in addition to these, we have had brought home to us, by the striking lessons of the war in South Africa, the urgent need for improvement in many directions. Following the plan pursued in 1899 we drew up last autumn a list of our more pressing military requirements, and selected from this such items as we could at that moment make provision for, from savings due to the absence from India of troops in South Africa and China, or for which we foresaw the possibility of making provision in the coming year. Lately, we have further prepared a similar and more complete list from which selections have again been made, up to the limit of our financial resources. The savings referred to have supplemented to an important degree the funds ordinarily available so that in one way and another the year under review has seen an exceptionally large number of important military measures carried through, or at least instituted and put in a fair way towards completion.

5. Some of the principal of these measures I will briefly enumerate, dividing them into the following headings: Field Army, Frontier Defence, Frontier Railways, Internal Defence, Coast Defence, Ordnance Factories, and General requirements.

6. Foremost among the requirements of the field army is the introduction of the '303" rifle for all troops. This important measure is being pushed forward as much as possible, but unfortunately for us in India the very large demands on the manufacturing establishments in England consequent on the South African war have prevented the contractors from fulfilling their promises, and it is inevitable that the completion of the re-armament should be somewhat delayed. No less important is the improved armament of our artillery. Various improvements which were introduced experimentally in England eighteen months

Field Army.

or so ago have now successfully withstood the severe test of field service and are being adopted in our field batteries; they include the "spade" brake and the "Grenfell" sight, both of which have been found very satisfactory in South Africa. The year has passed without our being able to obtain any new guns for our mountain batteries, but a satisfactory type of gun has at length been decided on at home, and we hope to complete this very necessary measure next year at a cost of ₹4,00,000 (£26,600). Further, intended improvements to the artillery branch are an increase of 594 horses to field batteries costing ₹5,40,000 (£36,000), half of which has been met from savings; an increase to the establishments of mountain batteries at an initial cost of ₹3,50,000 (£23,300), and an annual expenditure of ₹6,37,000 (£42,460); and an addition of three howitzer batteries, two of which will we hope be provided next year. The necessity for an extended use of machine guns is another evident result of the South African war, and we are obtaining immediately sufficient Maxims to give two each to all regiments of the 1st and 2nd divisions of the field army, as well as to all other British regiments in India. These guns, sixty-eight in number, will cost ₹3,42,000 (£22,800). At the same time we are obtaining several machine guns of other descriptions from England for thorough trial, at a cost of ₹1,66,000 (£11,060).

7. I mentioned last year an important increase of 92 British officers to the Native army. The necessity of a further step in the same direction has now been recognized, and we propose to add another officer to every Native infantry regiment, or a total further increase of 133 officers. The cost of this for a whole year will be about ₹6,00,000 (£40,000), half of which sum only has been entered in the Estimates of 1901-1902.

8. The increased use of mounted infantry must be a distinct feature in future warfare, and provision for the training of such troops has therefore become very necessary. With this object we propose to form five schools of instruction and have provided ₹9,00,000 (£60,000) in the estimates of the coming year for the purpose.

9. In matters of equipment two items resulting from the experience of the South African war are the issue of a number of Zeiss and other binoculars and telescopes to mounted troops, and the adoption of a bandolier for the carriage of ammunition. The pattern in the latter case has not yet been decided on, but we have provided two lakhs (£13,300) in the estimates which will suffice for the first two divisions of the field army.

10. Turning to the important question of transport, the reorganization which I alluded to in my memorandum of March last could not be adopted in its entirety owing to the large expenditure involved, and we have been obliged to content ourselves with a scheme which will at least give us a definite organization and one which will be capable of rapid development and expansion on mobilization. This scheme has been approved by the Secretary of State, and the cadres of mule corps, cart trains, and camel corps, which are its salient feature, are being formed. The eventual cost of the organization will be nineteen-and-a-half lakhs annually (£130,000), and fifteen-and-three-quarter lakhs (£105,000) have been provided on this account in the Estimates of 1901-1902. Meanwhile the necessities of the supply branch of the Commissariat-Transport Department will be partly met by an addition of eight officers and eight probationers, which has been sanctioned by the Secretary of State.

11. Other measures towards increasing the preparedness and efficiency of the field army are the provision of equipment required from England for four more general hospitals, costing ₹50,000 (£3,300); the organization of a corps of military staff clerks, involving extra expenditure to the extent of ₹56,000 (£3,700); an increase to the annual allowance of practice ammunition for field artillery, costing ₹63,000 (£4,200); and a similar increase at a cost of ₹68,000 (£4,530) for native infantry on their being re-armed with the '303" rifle.

Frontier Defence.

12. Under the headings Frontier Defence and Railways fall the construction of a new fort at Drosh which is nearly finished; the completion of the Khyber defences, which have been handed over to the Khyber Rifles; the provision of additional water-supply and accommodation for the garrison, and the completion of the defences at the Malakand. Under the same heading is a road from Kohat to Peshawar which is being executed by the Public Works Department.

at a cost of R2,47,000 (£16,460); about one-third of this work is already completed. Then it has been decided to make a 2-foot 6-inch railway from Khushalgarh to Kohat and Thal, the formation as far as Kohat being for a 5-foot 6-inch gauge in view of the eventual bridging of the Indus. The work was begun in January and is being pushed on rapidly. The Nowshera-Dargai Railway to which I alluded last year is practically completed and is attracting a good amount of traffic.

*Frontier
Railways.*

13. The re-armament of the volunteers which is an important item under the heading Internal Defence is perforce delayed for the unavoidable reason which retards the rearmament of the field army, but we hope to give at least a percentage of volunteers the '303" rifle before very long. In the same category is the addition of a company of garrison artillery to the army in India, which we have recommended.

Internal Defence.

14. In connection with Coast Defence some long-deferred requirements have been taken in hand during the past year, although the more pressing needs of the land forces have compelled a further postponement of other measures which must before long receive attention. We are about to supply the 6-inch guns of the defences at Bombay with cordite ammunition at a cost of R1,37,000 (£9,130) and in 1902-1903 similar provision will be made for the guns of that calibre in the Karachi and Hughli defences. We have provided a lakh and seventy thousand rupees (£11,300) in the estimates of 1901-1902 for the provision of breech-loading guns for the Rangoon defences instead of the 40-pounder muzzle-loading guns now mounted there. A number of new machine guns have also been ordered for all coast defence works at a cost of R1,66,000 (£11,060). Not the least important measure for the better security of our coast defences is the establishment at the fortress of Aden of an ordnance workshop, fitted up with all necessary machinery to admit of repairs to the guns, etc., in the defences there being executed on the spot. This necessary work has been put in hand and will, it is hoped, be completed next year. To assist in the defence of important seaports we propose to make arrangements for the more efficient training of volunteers; and with the same object in view the establishment of regular troops employed on submarine mining will be increased next year.

Coast Defence.

15. Many of the measures mentioned above have thrown extra work on, or have shown the necessity for increasing the capacity of, our ordnance factories, and some large items of extra expenditure in the present and coming years are the result of the increasing necessity that India should be as far as possible independent of England in the matter of warlike stores. This is shown particularly clearly in the difficulty which we are experiencing in obtaining our requirements of rifles to re-arm the native troops. At the same time our manufacturing establishments have so improved of late years that we propose to establish a small-arms factory in India. This measure will, however, take some time to carry out and the expenditure on it in 1901-1902 will be trifling. The lyddite filling factory at Kirkee which I referred to last March will, I hope, soon be working; the new cordite factory at Wellington has progressed during the year, and we hope that the preliminaries for the central gun-carriage factory which is to be built at Jubbulpore will soon be completed.

*Ordnance
Factories.*

16. We now come to my final heading, general requirements of the army, which includes a number of very important measures. I have only sufficient space to allude in the briefest way to the following. We propose to introduce an improved system of recruiting in Madras, through the agency of special staff officers, a measure which has already proved most satisfactory in Bengal, Punjab and Bombay. The cost of this will be only some R44,000 (£3,000) a year. An expenditure of R83,000 (£5,530) a year has been sanctioned on improving the pay and prospects of warrant officers of the Indian army departments, a class whose duties are generally arduous and who are often entrusted with great responsibility. The system of training regimental orderlies to supplement our small staff of nurses in military hospitals has been so successful that we are expending a further R12,000 (£800) so as to provide extra duty pay for a larger number of men so trained. A most important measure in the interests of the health of the British army is the substitution of a metal tank to be packed on mules, for the carriage of drinking water, instead of the time-honoured *pakhai* and *massak*, both of which are constant sources of danger and probably of disease in barracks; and equally important from the point of

*General
requirements.*

view of efficiency as well as of the prevention of disease, is the gradual introduction in British regiments of patent cooking stoves, with a view to allowing of all cooking being done—as is the case in England and the Colonies—by soldier cooks. Last year an experiment was tried of sending sickly soldiers for short sea trips, and we propose to extend this useful practice in 1901-1902; I hope that the results may materially benefit the British troops in India. Further measures with a similar object are the extension of the employment of medical officers on special sanitary and bacteriological research work; the gradual development of our system of dairies; the completion of installation of Pasteur-Chamberland filters at two stations; continued experiments in incineration; and efforts to arrive at a satisfactory system for the removal of rubbish and thorough cleansing of cantonments. We have given much attention during the year to the question of mechanical punkah-pulling, the adoption of which is, we consider, most desirable. A number of experiments have been made, with the result that those systems which will allow of combined lighting of barfacks and punkah-pulling by electricity seem likely to be the most satisfactory. We have decided to obtain the assistance of an expert adviser in the matter, and we have provided four lakhs (£26,600) in next year's estimates in the hope of being able to instal a satisfactory system at some stations at least in the course of 1901-1902. In connection with the usual peace training of troops, the annual grant for camps of exercise and instructions was reduced in the current year's estimates from one lakh to 75,000 rupees. For next year we have been able to increase the amount to two lakhs (£13,300). Finally, I should mention an increase of seven officers to the Army Veterinary Department in India, which for some years past has been unequal to the numerous duties required of it.

17. The last-mentioned item brings me to one or two points which are worthy of notice, although they do not fall under the various categories into which I have divided the foregoing measures. I referred last year to the large numbers of horses which we were purchasing to replace those sent with troops to South Africa. These extra purchases have been trained partly by batteries of artillery in this country and the remainder at temporary remount depôts which were established at Umballa and Bangalore. The result of these arrangements is that we are now in a position to supply trained horses to the cavalry regiments and batteries of the Indian establishment now in South Africa as soon as ever the course of events shall permit of their return to India. The supply of horses and ordnance mules to the army has again been hampered by the prevalence of contagious disease at the Hapur Depôt to which I alluded in my memorandum of March last. The origin of the disease which is diagnosed by the Imperial Bacteriologist as lymphangitis, is traced by that gentleman definitely to the ship-load of Italian mules imported in 1899. The important question of remounting the army and of improving the breed of horses in India has been under consideration during the past cold weather by a commission of which Major-General Tyler, Inspector General of Artillery, was President, and I hope that their report may be of assistance in the future consideration of these much discussed problems.

18. A measure which is of considerable Imperial as well as of Indian importance is the raising of five new regiments of native infantry to replace those serving in certain colonial garrisons. The employment of native regiments in these places enables the Imperial Government to withdraw the British troops hitherto required there, but it is not advisable that the Indian army should be permanently reduced on this account, and the Secretary of State has accordingly agreed to a corresponding increase, the whole cost of which will be borne by the Imperial Government.

19. The past year has seen a continuance of that assistance which I said in March last we had been able to render to the army in South Africa. A large number of officers of the Indian Staff Corps are still serving there, many in very responsible posts, and a great number with distinction and credit, as has already been shown in the published despatches of the Generals in the field. We have also sent great quantities of supplies, including as many as 200,000 pairs of boots and shoes, 180,000 helmets and 100,000 warm coats, other garments in lesser numbers, considerable numbers of tents as well as hospital equipment, food-stuffs, etc.

20. But in addition to this we have had to fit out and despatch a considerable expedition of our own, and one to which special interest attaches, as the regiments of the Indian army which compose it have for the first time in history fought side by side with the allied forces of the other great powers of the world. The expeditionary force to China which was despatched in July and August last, under Lieutenant-General Sir Alfred Gaselee, consists of one cavalry and four infantry brigades and line of communication troops, numbering in all about 20,000 officers and men, 11,000 transport, hospital, and other non-combatants, 4,000 coolies for pack work, and 9,500 horses and transport animals. The despatch of the force was effected without a hitch notwithstanding the adverse circumstances at Calcutta of great heat and a strike among the Chinese carpenters. Forty-seven transports were chartered and fitted, thirty-two at Calcutta, and fifteen at Bombay in addition to the use of the Royal Indian Marine ships *Clive*, *Canning*, and *Dalhousie*. The whole arrangements reflect very great credit on Captain Goodridge, Director, Royal Indian Marine, Captain Wilson, Deputy Director (who directed the whole of the first preparations in the absence of the Director in South Africa), and the dockyard staffs of Bombay and Calcutta. Since the expedition started large quantities of food-stuffs have been despatched to China, as well as a very complete supply of warm clothing. Statements have appeared in the press to the effect that our Native soldiers have been insufficiently clad during the great cold of the winter in North China. Such rumours are without foundation. Ample supplies were sent of warm under-clothing, blankets, Balaclava caps, gloves, mittens, poshtins, thick overcoats, etc., and I have ascertained from Sir A. Gaselee, in reply to a special enquiry, that what was provided left nothing to be desired. Special attention was also paid to the medical arrangements: besides a liberal supply of field hospitals, a hospital ship was fitted out (for the first time in Indian waters) and this was supplemented by the munificence of His Highness the Maharaja Scindia who has supplied, fitted out and maintained another ship, the *Gwalior*, entirely at his own expense. His Highness as well as His Highness the Maharaja of Bikanir and Colonel Sir Partab Singh of Jodhpore have personally taken part in the campaign, and for the first time on record we have regiments of Imperial Service Troops joining with the regular troops of the Indian army in an over-sea expedition.

The special Commissioners, Colonels Hutchinson and Wingate, who were directed to report on compensation for dearness of provisions, commissariat procedure and accounts, to whom I alluded in March last, extended their enquiries to other matters connected with commissariat administration and have submitted admirable reports, from which we shall derive much benefit in the improvement of the system. Their proposals are now under consideration. A committee is now sitting on the whole subject of the system under which the accounts of the army and its departments are prepared; another committee has considered the question of increasing the powers of General Officers Commanding Districts, and a third has dealt in great detail with matters connected with the expenditure and accounting for hospital stores, etc. A number of the recommendations made by the latter have already been adopted, and I hope that business will be much accelerated thereby. I am also able to record with satisfaction a very large reduction, especially by the Commissariat Department, in the numbers of reports and returns hitherto in use.

As this is the last memorandum on the estimates which I shall have the honour of laying before the Council, I have attached a paper, which may be of some interest, showing the principal improvements in the efficiency of the army and our defences since 1885. I now turn to the details of the various estimates.

I.—Indian Military Estimates.

Revised Estimates, 1900-1901.

3. The revised Indian military estimates for 1900-1901, compared with the budget for the year, show a net saving of R 1,46,69,000 caused by an increase in receipts of R 20,71,000 and a decrease in expenditure of R 1,25,98,000.
- | | |
|--|---|
| <p>Comparison—
Revised for 1900-1901
and
Budget for 1900-1901.</p> | <p>budget for the year, show a net saving of R 1,46,69,000 caused by an increase in receipts of R 20,71,000 and a decrease in expenditure of R 1,25,98,000.</p> |
|--|---|

"Indian Troop Service;" to decrease in the payments for stores, furlough allowances of officers of the Indian Service, pay and pensions of non-effective and retired officers of the Indian Service and retired pay, etc., of British forces for service in India.

The net figures of the Revised Estimate show a saving of £337,500 on those of the Budget Estimate for 1900-1901, due to a decrease in expenditure of £345,700 as explained above, and a decrease in receipts of £8,200.

Estimates, 1901-1902.

Comparison—
Budget for 1900-1901
and
Estimate for 1901-1902.

The receipts and expenditure for 1901-1902 are as follows:—

	Receipts.	Expenditure.	Net expenditure.
	£	£	£
Effective	248,300	2,814,800	2,566,500
Non-effective	18,500	2,413,700	2,395,200
TOTAL	266,800	5,228,500	4,961,700

The receipts for 1901-1902 include contributions to be made to the extent of £230,000 by the Imperial Government in respect of the cost of the transport of troops, and of military charges for Aden, and in consequence of the recommendations of the Royal Commission on Indian Expenditure; and compared with the Budget for 1900-1901 they show an anticipated total increase of £223,300. The total gross expenditure for 1901-1902 is higher by £520,800 than the amount provided in the budget for the preceding year. This amount is chiefly accounted for by the increased provision for ordnance and other army stores and to the expected return of troops from South Africa, and the resumption of transfers to the Army Reserve.

The gross charges on account of effective services, as estimated in the coming year, include payments to the War Office in respect of the British forces serving in India (£760,000); furlough allowances and pay during the voyage of British forces serving in India (£108,000); furlough allowances of officers of the Indian Service (£230,000); Indian Troop Service (£250,000); passage of officers and troops otherwise than in transports (£19,000); miscellaneous (£20,600); and stores for India (£1,427,200).

The gross charges on account of non-effective services are made up of the retired pay, etc., of the British forces for service in India (£600,000); pay of the non-effective Colonels of Royal Artillery (£22,700); pay and pensions of non-effective and retired officers of the Indian Service (£1,670,000), miscellaneous pensions, etc. (£84,000), and the Indian Military Service Family Pensions (£37,000).

The net expenditure for 1901-1902 is more by £297,500 than that for the preceding year, and, as explained above, this is due to an increase of £223,300 in receipts and £520,800 in gross expenditure.

III.—Military Works Estimates.

Excluding English expenditure, the Budget Estimate for 1900-1901 amounted to R1,15,09,000 (£767,267); the revised estimate of expenditure is taken at R1,05,00,000 (£700,000). There will, therefore, have been less expenditure in India of R10,09,000 (£67,267), which is due mainly to the transfer of funds to meet additional expenditure in England on stores and to an anticipated lapse of R7,48,000 (£49,867) on grants for works.

2. The Budget Estimate for 1901-1902, excluding English expenditure, is R1,31,74,000 (£878,267) or R16,65,000 (£111,000) more than that of 1900-1901. The difference is due to a special grant of R17,74,900 (£118,327)

9. The more important causes of the increase in expenditure are the following:—

(a) In the Budget for 1900-1901 a deduction of Rs38,50,000 was made on account of the absence of the Indian Contingent on service in South Africa, whereas no such deduction has been made for next year.

(b) A deduction was similarly made on account of Native infantry regiments serving in the Colonies, but as new regiments have been raised to replace them the necessary provision appears in next year's estimates (Rs8,85,000).

(c) Larger provision for reorganisation and improvement of the commissariat-transport service, for purchase of transport animals, and for grass farms, Rs11,54,000.

(d) Larger provision for ordnance establishments and stores chiefly on account of the cordite and central gun-carriage factories, and in connection with the re-armament of the Native army and improvement of field artillery equipment, Rs7,00,000.

(e) The addition of two howitzer batteries and of one company royal garrison artillery accounts for an increase of Rs10,23,000; for the re-armament of the Native army an additional sum of Rs4,16,000 has been provided.

(f) The formation of five schools for mounted infantry in India involves an expenditure of Rs6,50,000, while Rs3,86,000 represents the increase due to the addition of one British officer per regiment of Native infantry in India and of eight officers for the Commissariat-Transport Department.

(g) Provision has also been made for the following:—Rs2,03,000 for the completion of new 10-pounder mountain battery guns, Rs2,84,000 for railway works and water-supply for mobilisation rest-camps, Rs2,00,000 for bandolier equipment for units of the 1st and 2nd divisions of the field army, Rs1,24,000 for "Grenfell" sights for field artillery, Rs1,20,000 for purchase of machine guns and pack mountings for trial, and ammunition and components for "pompoms," Rs1,03,000 for increasing the popularity and efficiency of the volunteer force, Rs1,09,000 for improvement of submarine mining defences, and Rs88,000 for electric lights for coast defences at Bombay and Rangoon.

10. Among other causes of increased expenditure may be mentioned the following: Larger provision for an additional native mountain battery and for increased establishments (Rs97,000), increased regimental pay and allowances (Rs2,00,000), provision for full authorised reserves for the Native army (Rs1,98,000), no deduction having been made as in the current year's budget for excess provision in the home estimates (Rs4,25,000), improved sanitation of the Rangoon Cantonment sudder bazar (Rs1,04,000), increased provision for camps of exercise and volunteer corps (Rs2,01,000).

11. The foregoing increases will, however, be partly counterbalanced by certain decreases, the more important of which are the following:—

(a) Lower prices for food supplies for men and animals, Rs40,00,000.

(b) The provision for purchase of remounts and their road expenses is Rs29,37,000 less, as special provision was made in 1900-1901 for replacement of horses sent to South Africa and other requirements.

II.—Home (India) Military Estimates.

Revised Estimates, 1900-1901.

The second of the estimates with which the Military Department is concerned is the home estimate for army effective and non-effective charges. The Home Budget Estimates for 1900-1901 provided for a gross expenditure of

£4,707,700, while in the Revised Estimates provision has been made to the extent of £4,362,200 or £345,700 less than the Budget Estimate.

2. This saving of £345,700 in the Revised, as compared with the Budget Estimate for 1900-1901, is chiefly due to the dislocation of the arrangements regarding Indian reliefs resulting in smaller payments on account of furlough allowances and pay, during the voyage, of British forces serving in India, and

"Indian Troop Service;" to decrease in the payments for stores, furlough allowances of officers of the Indian Service, pay and pensions of non-effective and retired officers of the Indian Service and retired pay, etc., of British forces for service in India.

The net figures of the Revised Estimate show a saving of £337,500 on those of the Budget Estimate for 1900-1901, due to a decrease in expenditure of £345,700 as explained above, and a decrease in receipts of £8,200.

Estimates, 1901-1902.

Comparison—
Budget for 1900-1901
and
Estimate for 1901-1902.

The receipts and expenditure for 1901-1902 are as follows:—

	Receipts.	Expenditure.	Net expenditure.
	£	£	£
Effective	248,300	2,814,800	2,566,500
Non-effective	18,500	2,413,700	2,395,200
TOTAL	266,800	5,228,500	4,961,700

The receipts for 1901-1902 include contributions to be made to the extent of £230,000 by the Imperial Government in respect of the cost of the transport of troops, and of military charges for Aden, and in consequence of the recommendations of the Royal Commission on Indian Expenditure; and compared with the Budget for 1900-1901 they show an anticipated total increase of £223,300. The total gross expenditure for 1901-1902 is higher by £520,800 than the amount provided in the budget for the preceding year. This amount is chiefly accounted for by the increased provision for ordnance and other army stores and to the expected return of troops from South Africa, and the resumption of transfers to the Army Reserve.

The gross charges on account of effective services, as estimated in the coming year, include payments to the War Office in respect of the British forces serving in India (£760,000); furlough allowances and pay during the voyage of British forces serving in India (£108,000); furlough allowances of officers of the Indian Service (£230,000); Indian Troop Service (£250,000); passage of officers and troops otherwise than in transports (£19,000); miscellaneous (£20,600); and stores for India (£1,427,200).

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2. The Budget Estimate for 1901-1902, excluding English expenditure, is R1,31,74,000 (£878,267) or R16,65,000 (£111,000) more than that of 1900-1901. The difference is due to a special grant of R17,74,900 (£118,327)

'being allowed for certain works which have been recognized by the Government of India as being of special urgency and importance.

3. The main heads of expenditure in the Military Works estimate amount to the following sums, in round figures:—

R	
For original works, including those in progress and those to be commenced	62,88,000 (£419,200)
„ repairs	34,63,000 (£230,867)
„ establishments and tools and plant	29,62,000 (£197,467)
„ Barrack Department establishment supplies and tools and plant	8,12,000 (£54,133)

4. Expenditure, amounting to R3,50,800 (£23,387), will be incurred on water-supply projects, R1,22,370 on sanitary works, R3,17,000 (£21,133) for coast and inland fortifications, and R1,74,000 for works on the North-West Frontier: R4,00,000 (£26,667) will be spent on the installation of mechanical punkah-pulling in barracks, and provision has been made in the budget for R8,00,000 (£53,333) for the cordite factory in the Nilgiris, R4,20,000 (£28,000) for the central gun-carriage factory at Jubbulpore, and also R3,00,000 (£20,000) for renewals of buildings, etc. The remaining works consist of those for new hospitals, barracks, etc., and will provide for the ordinary requirements of the Ordnance, Commissariat, Remount, and Marine Departments.

Excluding renewals, provision is made for 99 new works, of which 55 are in progress and 44 have yet to be commenced. A sum of R5,35,000 (£35,667) is provided for minor works costing less than R2,500 each.

IV.—Marine.

Revised Estimates, 1900-1901.

The net total of the Budget Estimate of the Royal Indian Marine for Comparison— Revised for 1900-1901 and Budget for 1900-1901.	1900-1901 was R14,20,000 (£94,667), the Revised Estimate stands at R10,23,000 (£68,200), showing a decrease of R3,97,000 (£26,467).
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The decrease is chiefly due to large recoveries from the Home Government in connection with the employment of Royal Indian Marine vessels on Imperial service. Also to larger deductions on account of recoveries for dockyard labour in connection with the China Expeditionary Force, and to reduced expenditure on repairs and on coal for His Majesty's ships of war in Indian seas, counterbalanced to some extent by increased expenditure under other heads owing to the troopships having been kept working throughout the year and to large local purchases of coal to meet requirements usually met by importing coal from England.

Estimates, 1901-1902.

The net total of the Marine Estimate for 1901-1902 is R14,40,000 (£96,000) against R14,20,000 (£94,667), the total of the Budget for 1900-1901 showing an increase of R20,000. This is caused by an increase in expenditure amounting to R75,000 (£5,000), due	to the addition of the <i>Hardinge</i> to the establishment of vessels of the Royal Indian Marine and to other causes, counterbalanced by increased receipts of R56,000 (£3,733).
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APPENDIX.

Statement of important measures of improvement in the army
and in the defence of India since 1885.

1885.

Increase to the strength of the army.

In 1885 the permanent establishment of British troops was increased by the addition of—

Cavalry	1,332
Artillery	1,373
Infantry	7,952
TOTAL	10,657

The strength of the Native Army was increased by—

Cavalry	4,704
Infantry	11,968
Artillery, approximately	3,000
TOTAL	19,672

The approximate cost was calculated at £1,196,800 a year, excluding non-effective charges.

Increase and redistribution of garrison batteries.

Six companies of garrison artillery were added to the Indian establishment, and two of these were located at Roorkee and one each at Barrackpore, Bombay, Karachi, and Quetta. The garrison companies in India were redistributed in 1892.

The cost was approximately ₹3,18,000 initial, ₹9,12,000 annual.

Equipment of mountain batteries with 2.5-inch R. M. L. guns.

It was decided to re-arm the mountain batteries, and eventually all mountain batteries were gradually equipped with the 2.5-inch R. M. L. gun. It has now been decided to re-arm the mountain batteries with a new 10-pounder gun at a cost of ₹4,05,000.

Special defence works.

The question of improving the coast and frontier defences of India was taken up vigorously in 1885. Schemes were prepared by the Defence Committee and approved by the Secretary of State, and the cost of the proposed works was spread over a number of years. A new head of account called the "special defence works" was accordingly opened and special defence divisions formed at the various ports and on the frontier for the execution of the works. In 1890, after a general forecast of the expenditure on special defence works had been submitted to the Secretary of State, His Lordship's sanction was received to a total expenditure against Indian revenues of five crores and three lakhs, including the moiety of the cost of the works at Aden.

The works were practically completed in 1897 at an expenditure chargeable to Indian revenues of ₹4,08,00,850, *viz.* :—

	R
On works, including establishments and tools and plant	2,67,11,391
On armaments, floating defences, etc.	1,40,89,459
TOTAL	4,08,00,850

In addition, a sum of R11,78,435 was charged to the Home Government for a share of the cost of the Aden defences, and a sum approximating 50 lakhs was allowed for establishment charges for carrying out the works, tools and plant, etc.

Coast defences of India.

Designs for the principal defensive works at Aden were elaborated in 1883, were put in hand in the latter part of 1884 and were in progress until 1897. In 1885 the sanction of the Secretary of State was obtained to proposals for the defence of Bombay, Karachi, Calcutta, and Rangoon. In 1890 it was finally decided that the expenditure

	R
* Works	1,54,47,600
Armaments and floating defences	1,58,79,218
TOTAL	<u>3,13,26,818</u>

on coast defence works should be limited to R3,13,26,818,* including the cost of armament and floating defences. Special arrangements were made for the execution of the works which were completed in 1897 at a cost of R2,69,62,203 as shown below:—

These sums do not take account of expenditure on establishment, tools and plant :

PORTS.	Works.	Armaments and floating defences.	TOTAL.
	R	R	R
Aden (excluding Imperial share)	27,85,138	16,28,941	44,14,079
Karachi	16,15,929	16,66,171	32,82,100
Bombay	96,73,111	39,98,567	1,36,71,678
Hooghly	6,08,388	14,07,120	20,15,508
Burma	9,42,848	18,40,612	27,83,460
General	6,45,286	1,50,092	7,95,378
TOTAL	1,62,70,700	1,06,91,503	2,69,62,203

The expenditure on works, besides providing the necessary batteries complete with arrangements for range and position-finding, etc., at the various ports, includes the cost of the following additional works:—At Aden, barracks for three batteries of Royal Artillery (R5,93,663); at Karachi, a new lighthouse (R1,11,865) and the removal of deep-water point and the extension of the east groyne (R3,50,000); at Bombay, a wet basin (R15,41,018); and in the Hooghly, land communications and new jetty (R2,39,240), also a harbourage for two torpedo boats (R1,27,501); at Rangoon, the protection of Syriam Bank against erosion which was threatening the battery (R2,96,188), and accommodation for one garrison battery of Royal Artillery (R1,07,363) at this place.

The outlay on armaments represents the provision of 10-inch B.-L. guns, 6-inch B.-L. guns, quick-firing guns, and R. C. machine guns with the necessary ammunition.

The floating defences comprise seven 1st class torpedo-boats, two torpedo gun-boats, and two turretships at Bombay re-armed with breech-loading guns.

Frontier defences of India.

Proposals for providing defence works on the North-West Frontier of India were submitted to the Secretary of State for the first time in 1885, although in 1883 and 1884

	R
* Works	1,39,09,200
Armament	49,38,112
TOTAL	<u>1,88,47,312</u>

large proposals were made—and in some cases the work begun—for strategic railways and roads. In 1887 sanction was obtained to revised proposals, and in 1890 the Secretary of State finally sanctioned an expenditure of R1,88,47,312* on both works and armament.

These frontier defences may be divided into three main groups, those in advance and rear of the Bolan pass and Peshin plateau, those for the defence of the Khyber pass and its debouchure, and thirdly those for strengthening certain important strategical points in rear and for the protection of our supply depôts.

The works have been completed and the armament provided, the final outlay being—

	R
On works	1,04,40,691
„ armament	33,97,956
	1,38,38,647
TOTAL	1,38,38,647

Strategic Railways, Roads, and Bridges.

The expenditure on these has been R 14,44,87,000 or £9,632,467.

Appointments and Organisation.

(Commissariat-Transport Department.)

Consequent on the recommendations of the Army Organisation Commission, the appointment of Commissary General-in-Chief was created in 1885. No change was made at that time in the status of the Commissariat Departments of the three Presidencies, but that of Bengal was divided into two circles, each under a Commissary General. In 1889 all three administrations were brought under the Government of India; and in 1899, with the introduction of a system of promotion for officers by length of departmental service, the former separate lists for each Presidency were amalgamated into one list for all future appointments.

1886.

Formation of reserves for the Native Army.

In 1886 a plan to provide a reserve for the Native Army was sanctioned by which men passing into the reserve, still belonged to their respective regiments. Reservists are required to do an annual training, and when called up for service rejoin their regimental depôts.

The scheme was limited at first to the Bengal Army and Punjab Frontier Force, and subsequently extended in 1887 to the Madras and Bombay Armies.

Two reserve forces were originally formed:—the active reserve and the garrison reserve; the former was limited to 218 men per battalion of infantry in Bengal, and 160 per battalion in Madras and Bombay, and the following in the artillery:—

Native mountain artillery—

Gunnery 22 }
Drivers 34 } per battery.

British mountain batteries—

Native Drivers 34 per battery.

The garrison reserve was abolished in 1892.

In 1899 the reserve per regiment was raised to—

In infantry regiments of the Punjab and Bengal Commands, exclusive of Gurkha battalions and local corps.	}	280 reservists per regiment.
In Burma battalions of Madras infantry, excluding the 10th Burma (Gurkha) Rifles.		
In the 24th, 26th, 27th, 28th, 29th, and 30th Bombay Infantry.	}	250 reservists.
In the corps of Bengal Sappers and Miners.		
In regiments of the Bombay Command, including the Bombay Sappers and Miners, but excluding the 24th, 26th, 27th, 28th, 29th, and 30th Bombay Infantry and local corps.	}	160 reservists per regiment.
In regiments of the Madras Command, including the Corps of "Queen's Own" Madras Sappers and Miners, but excluding the Burma battalions of Madras Infantry.		

Raising of military police in Bengal and Bombay for service in Burma.

The military police force required for the pacification of Burma was raised in India in 1886 and 1887.

In March 1886 a force of 3,000 was raised in Northern India.

In July 1886 two additional police battalions were raised and in October 1886 the raising of 2,000 additional military police was ordered.

In December 1886 4,000 additional police was raised.

In 1887 a military police battalion of 500 men was raised and another force of 4,000 police.

In 1888 three additional levies were raised as follows :—

Shan States Levy	. . . . .	600 Punjabis.
Mogaung Levy	. . . . .	500 Gurkhas and hillmen.
Chin Levy	. . . . .	400 Punjabis and 200 Hindustanis.

The total number of Indian police sanctioned for Upper Burma amounted to about 18,500. The military police in Burma is a highly efficient force.

Mobilisation of the army.

A general mobilisation committee was formed in 1886, and it was decided that the plan of mobilisation should be by "army corps" for service beyond the frontier, and "divisions" or "brigades" of all arms, according to circumstances, for service within the frontiers of India, or beyond sea.

This was changed in 1890 to the system of mobilisation by divisions. The basis of the plan is mobilisation by stations, *i.e.*, certain stations are detailed from which the troops will be withdrawn in order to form the field army. Obligatory garrisons for all India have been laid down.

Special grants have been made from time to time to facilitate mobilisation arrangements.

Raising of additional Native mountain batteries.

To provide for the requirements of Burma, two additional Native mountain batteries were raised in 1886, at an approximate cost of ₹3,20,000 initial and ₹2,80,000 annual.

Water-supply of cantonments.

Special attention has been given to the subject of the water-supply of cantonments, and for some years nine lakhs of rupees were expended annually on works of this class. The following important projects have been carried through since 1886:—Chakrata, Peshawar, Mhow, Allahabad, Dum-Dum, Lucknow, Agra, Dagshaj, Subathu, Murree, Rawal Pindi, Bangalore, Meerut, Quetta, Secunderabad. The mobilisation camps have been provided with supplies of piped water.

1887.**Enlargement of the arsenal at Rawal Pindi.**

In January 1887, in connection with the scheme for the defence of the North-West Frontier, the Secretary of State sanctioned such extension of the Rawal Pindi arsenal as appeared to the Government of India to be necessary. A scheme for providing the additional accommodation required to fully meet existing or immediately prospective conditions was drawn up and sanctioned in May 1888, and the enlargement was completed in 1891-92 at a cost of ₹1,41,000. A further extension of the arsenal was sanctioned in 1898 on the recommendation of a special committee and is being carried out at an estimated cost of ₹1,98,930.

Scheme of regimental institutes.

In 1887, with a view to increase the comfort and well-being of the British soldier in India, it was decided, with the approval of the Secretary of State, to combine, improve and develop the reading and general recreation rooms and the canteens and

refreshment shops which were then maintained for British troops in India under the designation of regimental institutes. A scale of accommodation was laid down and the scheme has been carried out as far as funds have permitted.

Amalgamation of the Supply and Transport Branches, Commissariat Department.

The Supply and Transport Branches of the Commissariat Departments in the three Presidencies were amalgamated in February 1887.

1888.

Reorganisation of the commands and staff in India.

The reorganisation of the commands and staff in India was carried out in 1888. The principal changes introduced were:—

The Generals' commands were reduced from 33 to 30 and were divided into 1st class districts commanded by Major-Generals, and 2nd class districts commanded by Colonels with the temporary rank of Brigadier-General.

The larger stations were placed under the command of Colonels on the Staff.

The divisional and district staff (musketry staff excluded) in the Adjutant General's and Quartermaster General's Departments were amalgamated, the combined duties being performed by officers designated "District Staff Officers, 1st class," and "District Staff Officers, 2nd class." These designations have since been altered to Assistant Adjutant General and Deputy Assistant Adjutant General. The estimated saving by the above measures was R2,21,052.

Introduction of improvements in the organisation of the Hyderabad Contingent.

In 1888 the conditions of service in the Hyderabad Contingent were improved:

- (i) The establishment of British officers was increased from four to six per regiment (subsequently increased in 1890 to eight).
- (ii) The artillery, cavalry and infantry, respectively, were linked together.
- (iii) The rates of good-conduct pay and pensions and half-mounting allowance were assimilated to those in force for the regular army.

Transfer of the Horse-Breeding Department from the Military to the Revenue and Agricultural Department.

The question of the transfer of the administration of the Horse-Breeding Department from the Military to the Revenue and Agricultural Department was considered by a conference at Delhi in 1888, and the transfer was carried out in 1889.

Re-armament of the turretships and provision of seven torpedo and two gun-boats for coast defences.

In 1888 8-inch B.-L. guns were substituted for the old 10-inch M.-L. guns on board the turretships *Abyssinia* and *Magdala*, which form part of the defences of Bombay, costing, with sundry alterations to the ships, £47,430.

Provision of gun-boats for Bombay and torpedo-boats for the several ports in India, and transfer of the India defence vessels to the control of the Admiralty.

In 1886-88 two additional gun-boats were sanctioned for Bombay, costing £130,000, as well as seven torpedo-boats for the several Indian ports, costing about £89,000.

The last of these arrived in India in July 1889. In 1890 the vessels referred to were handed over to the control of the Admiralty under certain conditions.

1889.**Organisation of Mounted Infantry in Upper Burma.**

In 1889 325 British and 680 Native mounted infantry were raised for service in Upper Burma.

Engineer Field and Siege Parks.

In 1889 measures were taken to complete the engineer field parks at Rawal Pindi and Quetta and to keep this equipment separate from all other stock and ready for immediate issue when required. Similar precautions have since been taken as regards the field park units at Karachi.

Re-armament of Royal Horse and Field Artillery in India.

In 1889 horse and field batteries were re-armed with 12-pounder B.-L. guns, and during 1897—99 sanction was accorded to the substitution of pole for shaft draught in batteries of horse and field artillery and the conversion of field artillery guns to take 15-pounder projectiles at an estimated cost of six lakhs. Cordite ammunition was gradually introduced for these services at an eventual cost of £46,500. In 1900 the introduction of the spade brake, the tray system of carrying ammunition, and the assimilation of all carriages and wagons to one pattern with pole draught was sanctioned for field artillery at a cost of ₹12,59,740.

Reorganisation of the establishment of officers of the Military Accounts Department.

This was undertaken to meet the requirements of the second circle of military accounts and audit in the Bengal Presidency, and also to provide travelling inspectors of accounts. Consolidated rates of salaries were introduced.

Extension of the Foundry and Shell Factory at Cossipore.

To enable the Foundry and Shell Factory at Cossipore to undertake the manufacture of the fuzes used with the new 12-pounder B.-L. guns and to carry out the repairs of these guns, it became necessary to extend the foundry. The work was put in hand in 1889 and completed during 1892-93 at a cost of ₹1,72,000.

1890.**Amalgamation of the three Staff Corps.**

(a) In 1890 the Bengal, Madras, and Bombay Staff Corps were amalgamated as the Indian Staff Corps under Royal Warrant, dated 28th January 1891.

(b) The "General List" of cavalry and infantry ceased to exist as separate bodies except for succession to Colonel's allowance.

Increase to ammunition columns.

In 1890 the number of wagons per ammunition column unit was increased from three to six, the 33 additional wagons required being sent at once to the ammunition column stations.

Re-arrangement of the commands and staff of the Royal Artillery.

In 1890 India was divided for the purpose of artillery commands into six artillery circles. The artillery and the forts in each circle were placed under the supervision of a Colonel on the Staff so far as armament, equipment, and inspection are concerned. On the abolition of the presidential army system in 1895 the commands and staff were re-arranged: the artillery in each command was placed under the supervision of a Colonel on the Staff with the temporary rank of Brigadier-General.

Construction of a wet basin in the Dockyard at Bombay and deepening of the Duncan Dock.

In 1890 projects were sanctioned for the construction of a wet basin in the Dockyard at Bombay, and for deepening the Duncan Dock at a total estimated cost of Rs 18,32,641. The works were completed in 1898 and 1893, respectively.

Military Works.

The Military Works Department was extended to the Madras and Bombay Presidencies.

1891.

Reconstitution of the 24th and 26th Bombay Infantry.

In 1891 the reconstitution of the 24th and 26th Bombay Infantry as frontier (Baluchistan) regiments was undertaken.

In 1898 their composition was again changed to—

CLASSES.	24th Bombay Infantry Companies.	26th Bombay Infantry Companies.
Hazaras	2	2
Pathans { Khattaks	1	1
{ Waziris	1	1
Punjabi Mahomedans	2	0
Baluchis and Brahuis	0	2
Sikhs, other than Jat Sikhs	2	2

Grant of increased pay to the Native Cavalry.

In 1891 the pay of sillardar cavalry was raised as notified in G. G. O. No. 224 of 1891. The cost was approximately Rs 8,68,500.

Artillerymen for the armaments of the coast and frontier defences and inland forts.

In 1891, in order to increase the number of artillerymen for coast and frontier defences, 25 men were added to each of the 23 garrison artillery companies in India at a cost of Rs 3,75,000. The existing 222 lascars were increased to 650 and placed on the footing of fighting men. This measure cost Rs 53,489 initial and Rs 1,50,919 annually.

Manufacture of steel in India.

In 1891 the manufacture of steel for projectiles and gun-carriages was recommended to the Secretary of State, and the proposals having been approved, the steel factory at Cossipore commenced work in June 1892. The result has been most satisfactory, and the scope of the factory has been considerably developed. The initial cost of the measure was Rs 1,25,000; the annual cost Rs 5,700.

Establishment of a harness and saddlery factory in Southern India.

In 1891 the establishment of a second factory in India for the supply of harness, saddlery, and accoutrements was determined on, but owing to lack of funds the complete scheme was never accomplished. In 1898, however, the harness and saddlery workshops in the Bombay Arsenal were abolished and the similar workshops at Madras were enlarged so as to meet the requirements of both Madras and Bombay Commands in this respect with a resulting saving of Rs 6,337 a year.

1892.

Establishment of recruiting centres.

Recruiting centres in each of which a dépôt was established were established for the regiments of the Bengal Army in 1892 at a cost of about a lakh for the first year, with a recurring annual charge of ₹75,000, each to form the centre of a recruiting district. Each centre is under the control of the recruiting staff officer with or without one or more assistant recruiting staff officers. The system of recruiting centres was extended to the Native troops in the Bombay Command in 1896 at a cost of about ₹32,500 per annum.

Reorganisation of the Intelligence Branch.

In 1892 the Intelligence Branch of the Quartermaster General's Department was reorganised at a cost of about ₹55,000 per annum—

- (a) An Assistant Quartermaster General was appointed head of the branch.
- (b) The branch was divided into four sections, each under a Deputy Assistant Quartermaster General, a Staff Captain and a paid attaché with an adequate clerical staff.
- (c) The staff pay of Staff Captains was in 1899, increased from ₹150 to ₹250 per mensem.
- (d) The formation of an Intelligence Section in the office of the Assistant Adjutant General, Hyderabad Contingent, was sanctioned in 1892.
- (e) An Intelligence Branch for Burma was sanctioned in May 1890 and continued until April 1900, when a small Burma Section was added to the Intelligence Branch of the Quartermaster General's Department at Simla.

Local battalions for service in Burma.

In order to increase the efficiency of the Madras Army in 1892, the 30th and 31st Madras Infantry were reconstituted as the 5th and 6th Burma Battalions. In 1894 the 29th Madras Infantry was similarly converted into the 7th Burma Battalion.

These local battalions were formed from men transferred from the Burma Military Police as shown below:—

10th Madras Infantry	(1st Burma Battalion)	from the	Kubo Valley Police Battalion.
12th " "	(2nd " ")	"	Chin Levy.
33rd " "	(3rd " ")	"	Shan States Levy.
32nd " "	(4th " ")	"	Myingyan Military Police Battalion.
30th " "	(5th " ")	"	Pyinmana and Katha-Magwe Military Police Battalions.
31st " "	(6th " ")	"	Shwebo Military Police Battalion.
29th " "	(7th " ")	"	Magwe and Mandalay Military Police Battalions.

The approximate cost of this measure was ₹2,42,000.

Revision of the hutting system in the Native Army.

In 1892, with a view to provide improved accommodation for the Native Army, the system of hutting was revised. An annual grant for the reconstruction of lines in Bengal is given.

Full hutting-money is still admissible, but in lieu of half hutting-money a monthly repair allowance of ₹100 per regiment has been introduced.

In Madras a uniform system has been adopted, under which the ownership of the huts will be gradually transferred to the State, the men being granted an allowance for maintaining the huts in good condition. An annual grant of ₹70,000 is given accordingly for repairs, etc., of lines.

Similarly, the Bombay Army has been given an annual grant of ₹50,000, i.e., ₹18,000 for repairs and ₹32,000 for the construction gradually of new lines. The accommodation for the Punjab Frontier Force is provided by the Military Works Department at the cost of the State, while the Gurkha battalions at permanent stations are given special grants when new lines or reconstruction become necessary, and a repair allowance every four years.

Establishment of a reserve of horses.

The establishment of a reserve of 1,000 horses to meet the demands of field service was sanctioned in 1892, but money for it was not forthcoming until 1896. The initial cost was about seven lakhs. Recurring cost on account of feed, keep, etc., ₹1,50,000.

1893.

Reorganisation of Hindustani regiments on the class regiment system.

In order to attract a better class of recruit and to render service in these regiments more popular, they were reorganised in 1893 as class regiments as follows:—

GROUP.	Class.	Centre.
1st and 3rd Bengal Infantry	Brahmins	Allahabad.
2nd, 4th, and 16th Bengal Infantry	Rajputs	Agra.
7th, 8th, and 11th Bengal Infantry	"	Lucknow.
6th and 10th Bengal Infantry	Jats	Delhi.
13th Bengal Infantry	Rajputs	"
5th and 12th Bengal Infantry	Musalmans	Bareilly.
17th and 18th Bengal Infantry	"	Benares.
9th Bengal Infantry to be linked with 39th Garhwal Rifles	Khas Gurkhas	Lansdowne.

Since then the 5th, 12th, 17th, and 18th Bengal infantry have been linked together with their regimental centre at Benares.

The approximate cost of this measure was ₹78,000 *plus* charges on account of (i) change in uniform, (ii) cost of transit of transfers, (iii) pensions and gratuities.

Additions to the strength of the Ordnance Department.

The personnel of the Ordnance Department was increased in 1893 by an addition of three officers to the number of Assistant Superintendents of Factories so as to provide an Assistant Superintendent for each factory. (Annual cost ₹20,408.) A further increase of four officers was made in 1896 in order to provide a small reserve at an annual cost of ₹30,128.

Inspectors of Ordnance Machinery.

Five Inspectors of Ordnance Machinery were added to the Department in 1893 in view of the necessity for specially skilled supervision for the B.-L. guns and hydro-pneumatic mountings at the coast defence stations.

Magazine rifles for British troops in India.

During 1893 the British infantry were re-armed with the Lee-Metford rifle at a cost of £327,500, and it was decided in 1897 to re-arm the seven regiments of British cavalry with Lee-Enfield carbines and the Royal Artillery with converted Martini-Enfield artillery carbines; this re-armament was completed in 1899.

Exchange Compensation.

Exchange compensation allowance was given to all servants of Government not domiciled in India to compensate them for the depreciated value of the rupee in which currency their salaries are paid, and a privileged rate of exchange for furlough allowances calculated in Indian currency, when paid in England, was fixed.

Rules for the preparation and submission of accounts of British troops on field service.

The old system for the preparation and rendering of accounts on field service having failed in the Miranzai and Hazara Expeditions, a new system was introduced for the use of British troops in the field.

1894.**Reorganisation of the Bombay Army.**

In 1894 the composition of the Bombay Army was changed, class companies being formed and a proportion of foreigners enlisted; men belonging to non-fighting classes were eliminated. The revised composition was notified in G. G. O. No. 311 of 1895.

Indian Army Reserve of Officers.

In order to provide officers on mobilisation taking place, the formation of an Indian Army reserve of officers was sanctioned in 1894, the regulations governing admission thereto being published in G. G. O. No. 308 of 1894.

Indian Articles of War.

In 1894 the Indian Articles of War (Act V of 1869), having been found defective, it was amended by a Bill (Act XII of 1894).

Reorganisation of the Military Works Services.

In May 1894 a committee was appointed under the Presidentship of the Honourable Mr. D. R. Lyall, Indian Civil Service, to report on the measures that would, in their opinion, be practicable to reduce establishment charges and percentages in the Military Works and Public Works Departments, and as to the best means of effecting economy without interfering with efficiency in the execution of military and public works. One of the recommendations of this committee was that the Military Works Department should be abolished, and that works done by that service should be transferred to the Public Works Department, which was to be manned by Royal Engineer officers only. The Government of India, however, decided that a separate agency for the execution of military works should be maintained, but that the organisation of the Military Works Department should be largely modified. It was proposed to abolish the graded system which had become unworkable, and to constitute the service on a purely military basis. Detailed proposals for carrying out this change were submitted to the Secretary of State in July 1897. Under the revised arrangements, which involved the abolition of the Military Works Department, employment upon military works, duties was to be the normal duty of Royal Engineer officers in India, and this employment was to be considered regimental duty. It was proposed that the new organisation should follow the lines of the system in force in the Imperial Service at Home and in the Colonies adapted to suit the reorganisation of the Army in India in four Commands. These proposals received the sanction of the Secretary of State in March 1899, and the reorganisation was brought into effect from 1st October of that year.

1895.**Abolition of the presidential army system.**

In 1895 the great reform which had been discussed for so many years was carried out, the Bengal Army was sub-divided into the Bengal and Punjab Commands and the presidential armies of Madras and Bombay were formed into two Commands, the Quetta District going to Bombay and Burma to the Madras Command. The whole army of India, consisting of the Punjab, Bengal, Madras, and Bombay Commands, each under a Lieutenant-General, was placed under the direct command of the Commander-in-Chief in India and the control of the Government of India. The staff of each Command was re-arranged and assimilated as far as possible.

Increase to the pay of the Native Army.

In June 1895 the pay of all non-commissioned ranks in the Native Artillery, Sappers and Miners, and the Native Infantry was increased by R2 per mensem. The Madras Cavalry, the Viceroy's Body-Guard, and the local corps shared in this increase. The increase in annual expenditure was about R30,00,000.

Increase of pay to the Hyderabad Contingent.

In 1895 the pay of sowars of the Hyderabad Contingent was assimilated to that of the Bengal and Bombay Cavalry, and in 1896 the increase of pay sanctioned for the Native Army was extended to the Hyderabad Contingent artillery and infantry.

Reorganisation of the Madras Army.

In 1895 it was decided to reorganise the Madras Army on the class company system, Telugus being eliminated.

Establishment of a Proof Department at Balasore.

In order to carry out the proof of projectiles manufactured at the Shell Factory, Cossipore, a proof department was established at Balasore in 1895, at an initial and an annual expenditure of ₹1,89,323 and ₹23,416, respectively.

The Secretary of State has also sanctioned the enlargement of the scope and establishment of this proof department so as to include the proof of small-arm ammunition, with effect from 1st April 1900. The cost of this will be only ₹36,000 initial and ₹17,117 annual.

Abolition of the Gunpowder Factories at Madras and Kirkee.

In consequence of the introduction of cordite, the gunpowder factory at Madras was abolished in 1895 and that at Kirkee was closed on 1st April 1900.

1896.

Amalgamation of the Bengal, Madras, and Bombay Branches of the Indian Medical Service.

In 1895-96 the Bengal, Madras, and Bombay Branches of the Indian Medical Service were amalgamated into one service under the direct administrative control of the Government of India. The Surgeon General with the Government of India was at the same time made the head of the amalgamated service, and his designation was changed to the Director General, Indian Medical Service.

Accounts.

Relief was afforded from the accumulated interest of the Patriotic Fund to the sufferers in the Chitral Relief Expedition, 1895.

Orders were issued that the rates payable to British troops serving in India on account of compensation in lieu of clothing and those recoverable from them on account of issues of clothing made on payment should be identical, and that they should be fixed at the actual cost of supplying the articles in India.

1897.

Military Works.

The high level road through the Bolan Pass which was commenced in 1882-83 was completed at a cost of ₹21,79,469.

Reorganisation of the Hyderabad Contingent.

In 1897 both cavalry and infantry regiments of the Hyderabad Contingent were organised on the class squadron and class company system and the future class composition laid down in G. G. O. No. 1165 of 1897.

Re-establishment of Cantonment Hospitals.

In consequence of the issue, in 1897, of new rules under the Cantonments Act (XIII of 1889), cantonment hospitals have been re-established at almost all the large stations garrisoned by British troops.

Sanitary Officers.

In 1897 the appointment, as an experimental measure, of three district sanitary officers for the sole duties of investigating the causes of disease and giving advice in sanitary matters was recommended to, and sanctioned by, the Secretary of State. The appointment of one sanitary officer for each Command has now been approved.

Accounts.

Measures were adopted by which it was hoped to obtain a more effectual check than formerly existed over claims to compensation for dearness of provisions and forage to Native troops and followers, together with a simplification of procedure in the submission and audit of such claims.

1898.

Raising an additional Mountain Battery.

An additional Native mountain battery was sanctioned in 1898, at an approximate cost of ₹1,60,000 initial and ₹1,40,000 annual.

Establishment of a Central Gun-Carriage Factory.

The establishment of a central gun-carriage factory at Jubbulpore in place of the three existing factories was recommended to Secretary of State in 1898 as conducive to economy as well as to efficiency in manufacture. The proposal has been approved and steps towards the establishment of the factory are now being taken. The initial cost is estimated at 26 lakhs, but there will, on the other hand, be an annual saving of nearly ₹1,20,000 on labour and establishments.

Changes in ordnance organisation.

With a view to increased efficiency and economy of manufacture, the ordnance factories were placed under the direct control of the Director General of Ordnance in 1898, a measure which resulted in a saving of ₹8,712 per annum.

As a corollary to the above change, the reorganisation of the Ordnance Department in India, by the reduction of the circles of ordnance supply from four to two, was recommended to the Secretary of State in June 1900, and received His Lordship's sanction. The reorganisation was carried into effect from 1st November 1900.

Accounts.

In consequence of the grant by the Imperial Government to British soldiers serving in England and the Colonies of a messing allowance of 3d. per diem, similar measures were introduced in India, and, with the approval of the Secretary of State, orders were issued sanctioning the grant in India of a messing allowance of 2½ annas a day to European non-commissioned officers and men in addition to their usual pay and extra-duty pay; and exempting them from the payment of the stoppage of 9 pies a day hitherto made on account of the grocery ration.

Formation of a Central Office of Audit and Account for dealing with the accounts of Ordnance Factories in India.

This measure was undertaken in consequence of the transfer of the direct control of the factories of the Ordnance Department in India to the Director General of Ordnance in India.

1899.

Redistribution of commands and staff on the North-Western Frontier.

In 1899 the commands and staff on the North-Western Frontier were redistributed as follows, and notified in India Army Circular No. 45 of 1900:—

- (i) A 1st class district, under the General Officer Commanding Punjab Frontier Force was formed embracing the whole frontier from Abbottabad to Dehra Ghazi Khan.

FINANCIAL STATEMENT OF THE

- (ii) The Brigadier-General Commanding the Peshawar District became subordinate to the General Officer Commanding Punjab Frontier Force.
- (iii) A new 2nd class district, styled the Derajat District, was formed under the General Officer Commanding Punjab Frontier Force.

Military position on the North-Western Frontier.

On the conclusion of military operations on the Punjab Frontier in 1898, the whole question of the military position on the North-Western Frontier was thoroughly considered by the Government of India, and in 1899 it was decided to withdraw regular troops from the Khyber, expanding the Khyber rifles, that regular troops should be withdrawn from the Samana, Kurram, Tochi, and the Gomal and Shahur Valleys, and that thereafter these places should be garrisoned by militia or military police.

Cantonment Regulations.

Under the authority of the Cantonments Act (XIII of 1839), rules have been drawn up for the administration of cantonments. The rules were finally published and given effect to in 1899.

Provision of an adequate war reserve of Military Assistant Surgeons.

The necessity for providing a larger reserve of military assistant surgeons to meet the requirements of the field army on mobilisation was considered in 1899, and a scheme was put forward which has now been sanctioned. This involved an increase to the establishment, the cost of which is estimated at—

	₹	
Initial	1,55,160	spread over five years.
Annual recurring	7,250	in the sixth year and thereafter.

Horse runs for Native cavalry.

In view of the increasing difficulty experienced by Native cavalry in obtaining suitable remounts, a scheme for the establishment of horse runs by these regiments on irrigable land was sanctioned in 1899. Grants of land on favourable terms were made on the Chenab Canal and loans of money allowed to enable regiments to start operations. The experiment is now under trial.

North-Western Frontier defences.

The defences at the Malakand, including Chakdara, in the Khyber, and on the Samana were strengthened and improved so as to be proof against tribal attack.

Accounts.

The rules relating to payment of compensation for dearness of provisions were modified so as to provide for compensation being based on the local price of that quality of food-grains which would be ordinarily eaten by the class of men to which the Native soldier or follower belongs.

Pensions.

The rates of wound pensions admissible to non-commissioned officers and soldiers of the Native Army were considered inadequate and, with the sanction of the Secretary of State for India, were increased.

Organisation of transport.

The experience of the Chitral and Tirah Expeditions led to prolonged consideration by two special committees and by the Government of India of the whole subject of organising the standing transport so as to adapt it to the much larger requirements of mobilisation. In 1899 a provisional scheme for organising a large part of the existing transport into corps and cadres was approved, and this has now been merged into a more extensive scheme for the maintenance of organised transport units, which has

received the sanction of the Secretary of State. Simultaneously, in 1899, rules were formulated and approved for the organisation into units of all transport hired or purchased in time of war; and in order to facilitate the collection of such transport from private owners, the terms to be allowed for hire of animals or men were carefully detailed and widely published. A further measure with the same object is the compiling of an accurate census of transport, which is now in preparation, and the maintenance of registration officers permanently in districts. The scheme for enrolling camels from the grantees on the lands adjacent to the Chenab Canal has been most successful.

The organisation of transport has necessitated the addition of 38 officers to the Transport Branch of the Commissariat-Transport Department at a cost of R6,20,000 annually. The total extra cost is R19,40,000.

Complement of transport.

Questions connected with the maintenance of a large standing transport have been very prominent in the years under review. The complement of transport which had been developed in 1885 was increased in 1891 by 2,000 mules at a cost of eight lakhs. A further increase of 1,750 mules was sanctioned in 1896 in connection with the provision of mobilisation equipments for the divisions of the field army, and again by 2,000 mules in March 1900, when the total authorised complement of mules became 22,270.

1900.

Volunteers.

Since 1885 the strength of the volunteer force has risen from 13,368 to 31,000 approximately at the present time. During this period several new corps have been formed and the formation of reserves has been sanctioned.

In 1892 Government sanctioned an annual grant of R30,000 for volunteer buildings, and R20,000 annually for field days, and the camp of exercise grant was raised from R15,000 to R60,000. Wound and injury pensions to volunteers, and pensions to their widows, have been granted under certain conditions; the capitation for mounted and artillery volunteers has been raised by R10, and the same amount is paid to infantry volunteers trained in gun drill in addition to ordinary capitation. The volunteer officer's decoration and volunteer long-service medal have been extended to India, and volunteer officers are given an outfit allowance of R100 on first appointment.

Withdrawal of detachments of troops from isolated positions.

In pursuance of the policy of withdrawing detachments from isolated and unimportant stations as far as may be consistent with the internal safety of the Empire, a number of small stations have been given up, and troops have been generally concentrated at the more important strategic centres whence they can be more readily drawn for mobilisation, and can also be better trained.

Manufacture of cordite in India.

The experimental manufacture of a small quantity of cordite at Kirkee having, after prolonged trial, proved that this explosive could be made in India equal in quality to that produced in England, the establishment of a cordite factory in the Arvenghat Valley, Nilgiri Hills, was finally decided on, and the factory is now in course of erection. The manufacture is expected to result in a large saving as compared with the cost of cordite imported from England, and to recoup the initial cost within a very few years.

Lyddite filling factory.

It has been decided to fill lyddite shell in India, and the factory will form a branch of the Small-Arms Ammunition Factory, Kirkee.

Hut accommodation at the summer camps in the Murree Hills and at Chakrata, Ranikhet, and Dalhousie.

For the benefit of the health of the troops summer hatted camps in the hills have been established at Gharial, Kuldanna, Kalabagh, Thobba, Khyra Gully, Bara Gully,

Dalhousie, Chakrata, and Ranikhet, but want of funds has prevented the development of the policy as much as could be desired.

Supply—Grass and Dairy Farms.

In matters connected with supplies for troops the establishment of Government dairies has been prominent since 1889, when in consequence of the representations of a committee on the prevalence of enteric fever dairies were established experimentally at Allahabad, Bareilly, and Rawal Pindi. The first-named was attached to the grass farm at that station, and under the management of Lieutenant (now Captain) Meagher has attained to a state of considerable prosperity, all the troops in the garrison being supplied with excellent dairy produce. It was then determined to work dairies—wherever possible—in conjunction with grass farms, and under advice from Captain Meagher such combined farms have been started and are now working satisfactorily at Lucknow, Cawnpore, and Umballa; dairies have also been inaugurated at Aden, Mhow, Jubbulpore, Agra, etc., in most cases under the direction of Captain Meagher. At the same time it was recognised that to ensure success, whether of grass or dairy farms, trained and continuous management was necessary. A system has therefore been adopted which places all farming operations under a Director of Farms in the Punjab and Bengal, respectively, and Assistant Directors as well as subordinates to manage local farms are trained at the Allahabad Farm by Captain Meagher, who has been appointed Director of Farms in Bengal.

In concluding this summary, I would point out that it does not, except in a few instances, embrace the various proposals which have been made and sanctioned for the years 1900-1901 and 1901-1902, as many of these have not yet been carried to completion; and I have also alluded to these especially in my memoranda on the estimates, in March 1900, and in that which I now submit. The expenditure which has been accepted by the Government of India on these measures amounts to ₹3,48,28,140. The improvements represented by this expenditure include the re-armament of the Native Army, increase to the officers of the Army and of the Commissariat-Transport Department, the reorganisation and increase of the Artillery, establishment of mounted infantry, improvements in the volunteer force, the reorganisation of the transport, increase in horses, important proposals connected with mobilisation and equipments, increase in amount of ammunition issued, improvement in equipment of the field batteries, new mountain guns, completion of hospitals and medical equipment, provision of field railway, large development of manufacturing power, higher efficiency in coast defences, and a great many other items.

E. H. H. COLLEN, *Maj.-Genl.*

March 20, 1901.

APPENDIX III.

Memorandum by the Hon'ble Sir Arthur Trevor, K.C.S.I.

It was explained in the memorandum appended to the Financial Statement this time last year that in consequence of certain changes, of which a summary was given, in the procedure for the consideration of Railway Projects, the memorandum would then, and for the future be confined mainly to the presentment of such details in connection with the Railway Programme for the ensuing and two following years as do not find a place in the Financial Statement.

For any information which may be wanted in regard to proposals not in the programme, reference is invited to the History of Railway Projects revised and brought up to date which was issued in October last.

2. In connection with the form of the present programme which is printed as Statement A to this memorandum, there are two points which call for notice.

The first is that for the grouping according to the source from which the expenditure is to be met, and the agency to be employed, which has hitherto been adopted, a new grouping has been substituted which is designed to illustrate the principle on which the resources available have been distributed.

That principle is that, in framing the railway programme, the amount required to meet the needs of open lines, so far as they can be foreseen, should be regarded as a first charge upon the money available for railway purposes, and that every effort should be made to provide in full for all demands arising out of the development of existing traffic—that next in order provision should be made for the steady prosecution and early completion of lines in progress, preference under this head being given to Companies' lines over those under construction by the agency of the State, and, lastly, for new projects which depend on the ability of the State to find money to complete them without financial embarrassment to the Government.

In the abstract at the end the totals are given according to the old as well as according to the new grouping for facility of comparison.

3. The other point is that in order to admit of the continuous application of the principle above stated, the minimum of $6\frac{1}{2}$ crores, which was adopted last year as the basis of the programme for the years following that actually dealt with in the Budget, has been abandoned. The forecast for 1902-1903 and 1903-1904 has been based on the aggregate of the actual demands so far as they can be at present foreseen by the Railway administrations concerned, for open lines and lines under construction, which alone come to $10\frac{1}{2}$ crores for 1901-1902 and nearly 7 crores for 1902-1903. The obligation to find this amount if possible being accepted, it will remain to consider in connection with the preparation of the Estimates for each successive year whether the amount can be found or not; if not, in what directions reduction can be effected with the least mischief, and if, on the other hand, the financial position is as easy as may be hoped for, how far it is possible to go in undertaking new lines from among those shown in Statement B, in addition to the comparatively obligatory provision for lines open and in progress.

4. As has been explained on former occasions it must be clearly understood that except in so far as it embodies the actual Budget provisions for the year next ensuing, the whole programme is provisional only, that the order of priority given to the new projects which it is proposed to include in it, as funds permit, is always liable to reconsideration, and that the actual inception of any particular project depends on its final acceptance by the Government of India and the Secretary of State, on the financial situation when the time comes, and in some cases on the possibility that offers may be received for its construction by a Company which may admit of its being carried out independently of the programme.

5. Turning to details it will be observed that, whereas the total of the sums shown in the programme presented last March for the year now ending amounted to Rs. 7,30,84,000 only and included no provision for any new railway, the Government of India have been able during the course of the year to make supplementary grants for different lines, raising the total to Rs. 8,30,75,000, and that out of these grants it has been possible to commence work on the Gondia-Jubbulpur line, one of the three projects

mentioned in paragraph 5 of last year's memorandum as having been struck out owing to the pressure of famine demands, and also on a second line, the Midnapur-Jherriah, which was shown last year as for commencement in 1901-1902 only.

Of the other two lines struck out last year the Dhulia-Amalner line is for the present in abeyance owing to the transfer of the Great Indian Peninsula Railway to the State and the Godra-Baroda Chord still awaits the possibility of providing funds.

The commencement of the 4th line, that from Sakri to Jainagar, to which reference was made in the same paragraph, has unfortunately been delayed by the inability of the Bengal and North-Western Railway Company to raise the necessary funds on debentures the currency of which they were obliged to limit to the short unexpired term of their contract for the working of the Tirhoot State Railway, of which the Sakri-Jainagar line will form a part. This difficulty has lately been got over, it is understood, by the Secretary of State's acceptance of liability for debentures of a suitable term after the determination of the Tirhoot Contract, and it is hoped the line may now soon be put in hand.

6. For 1901-1902 the allotments amount to Rs. 10,32,44,000 against the minimum of 6½ crores shown in the programme last year. So far as can at present be foreseen the whole of this amount will be required to meet the pressing needs of open lines and for the energetic prosecution of lines under construction, including the three lines recently commenced, namely, the Khushalgarh-Kohat, Gondia-Jubbulpur and Midnapur-Jherriah, but it is hoped that later in the year it may be possible to find a place for the commencement of the section of the Godhra-Baroda Chord in British territory. For the length in Baroda territory funds will be found by the Durbar.

In 1902-1903 we may hope, if the present financial position is maintained, to commence the first ten or twelve of the lines entered in Statement B and most of the remainder in 1903-1904.

7. The usual summary of railway progress giving the lengths of the lines is entered as an Statement E to this memorandum.

8. The capital expenditure on railways falling within the categories now included in the programme for the ten years from 1892-93 to 1901-1902 is shown below:—

[Lakhs of rupees.]

	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
Capital expenditure on open lines	108	120	184	167	240	179	221	335	405	460
On construction of new lines	472	392	390	421	654	691	661	562	426	572
TOTAL	580	512	574	588	894	870	882	897	831	1,032

9. The subjoined table shows the progress made in the development of railway communication, including lines financed by Native States or Companies outside the programme, during the 5½ years of my officiating and substantive tenure of the office of Public Works Member:—

YEAR.	AT COMMENCEMENT OF YEAR.			DURING THE YEAR.		REMARKS.
	Opened.	Commenced but not open.	Sanctioned but not commenced.	Opened.	Sanctioned.	
1895-96	18,855	2,195	22	821	2,415	
1896-97	19,677	3,741	48	713	1,054	
1897-98	20,390	4,008	129	743	917	
1898-99	21,156	3,943	349	1,339	631	
1899-1900	22,491	2,454	286	1,266	732	
1900-1901	23,763	2,597*	430	1,386	392	
TOTAL	...	...	...	6,268	6,141	* Of which 1,300 miles will probably be ready for opening in 1901-1902.

10. The exceptionally favourable character of the earnings from Railways during the years 1899-1900 was noticed in last year's memorandum, and it was anticipated that according to the revised estimates then available the customary loss on the direct railway account, that is, "the amount by which the net earnings fall short of the interest

charges which have to be met, including strategic railways and loss arising from the special exchange provisions of the old Railway contracts," would be reduced to about $1\frac{1}{4}$ lakhs. It is satisfactory to be able to announce that this anticipation has been more than fulfilled, and that the actuals show, for the first time in the history of Railways in India, an absolute surplus, which amounts to over $11\frac{1}{2}$ lakhs.

It was stated at the same time that with the cessation of the exceptional traffic due to the famine and the despatch of troops to South Africa a falling off was to be looked for, and in the estimates for the year now ending the probable deficit was put down at 73 lakhs, but according to the most recent estimates, it appears that there will once more be an actual gain, this time of about $23\frac{1}{2}$ lakhs, on the direct account of the year. This result is no doubt partly due to the unfortunate continuance of famine conditions during earlier months of the year and to the movement of an unusually heavy crop of rice in Burma and of cotton in Bombay, but it is again distinctly encouraging.

The estimates for 1901-1902 allow for a deficit of about $24\frac{3}{4}$ lakhs.

11. Statement C is a list of Branch lines for the construction of which by private enterprise, outside the programme, arrangements have been made or are under consideration; and Statement D corresponds in a revised and amplified shape with Statement C, appended to last year's memorandum, which included a good many lines on which famine relief work, though sanctioned, was not actually undertaken. In connection with this Statement attention is invited to paragraph 6, page 2 of the last issue of the History of Railway Projects, where it is stated that Government will be prepared to receive proposals for the completion of some, if not all, of these lines on the understanding that the work already done will be given free of cost together with the land and the surveys already made.

A. C. TREVOR.

CALCUTTA;
March 20, 1901.

STATEMENT A IN APPENDIX III.

STATEMENT

OF

Anticipated Capital Expenditure on Railways, Open or under Construction, for which Government have accepted any direct financial responsibility for the three years 1901-1902 to 1903-1904, including all Open Lines.

Branch lines under Rebate terms are excluded.

Forecast of Capital Expenditure

(OMIT

No.	RAILWAY.	Grants allotted for 1900-1901.	PROPOSED DIS
			1901-1902.
	OPEN LINES.	<i>R</i>	<i>R</i>
	BY STATE AGENCY.		
1	Eastern Bengal	26,56	32,08
2	Oudh and Rohilkhand	9,76	15,30
3	North Western	51,78	48,47
4	Warora Colliery	—5?	—10
5	Store and Reserve	—2,48	29,70
6	Hyderabad-Shadipalli Conn. . . . .	...	1,53
7	Other Minor Railways	—2,09	...
	Total Open Lines by State Agency	83,01	1,26,98
	BY THE AGENCY OF MAIN LINE COMPANIES.		
8	East Indian	1,43,77	1,57,50
9	Rajputana-Malwa	27,44	21,24
10	Tirhoot	20,00	5,00
11	South Indian	3,75	12,00
12	Great Indian Peninsula	40,21	10,58
13	East Coast	7,40	3,69
14	Bezvada Extension . . . . .	...	12
15	Guntakal-Mysore Frontier	6	...
16	Bhopal	50	2,50
17	Dhond and Manmad	33	2,00
18	Wardah Coal . . . . .	...	5
19	Palanpur Deesa . . . . .	...	4
	Total Open Lines by Agency of Main Line Cos.	2,43,46	2,14,72
	Carried over	3,26,47	34,170

on Railways—1901-1902 to 1903-1904.

(IN LAKHS OF RUPEES)

DISTRIBUTION OF GRANTS DURING—		No.	REMARKS.
1901-1902.	1902-1903.		
₹	₹		
32,98	10,23	1	
13,10	8,10	2	
27,26	25,25	3	
		4	
		5	
25,00	25,00	6	
		7	
98,34	68,58	...	
1,39,56	1,57,99	8	
32,00	17,80	9	
20,70	20,86	10	
8,18	6,89	11	
10,00	10,00	12	
		13	Section south of Visagapatam.
		14	
		15	
1,85	1,15	16	
		17	
		18	
		19	
2,12,29	2,14,69		
3,10,63	2,83,27		

FINANCIAL STATEMENT OF THE

Forecast of Capital Expenditure

(OMIT

No.	RAILWAY.	Grants allotted for 1900-1901.	PROPOSED DIS
			1901-1902.
	OPEN LINES—contd.	R	R
	Brought forward	3,26,47	3,41,70
	AGAINST THE CAPITAL ACCOUNTS OF THE OLD GUARANTEED RAILWAY COMPANIES.		
20	Great Indian Peninsula Railway	5,04	...
21	Madras	9,88	15,31
22	Bombay, Baroda and Central India	13,98	28,00
	Total Open Lines old Guaranteed Companies	28,90	43,31
	AGAINST THE CAPITAL ACCOUNTS OF INDIAN RAILWAY COMPANIES OTHER THAN THE OLD GUARANTEED RAILWAY COMPANIES.		
23	Bengal Central	2,50	1,50
24	Bengal-Nagpur	10,17	9,51
25	Burma	9,50	24,00
26	Indian Midland and G. I. P.	17,29	31,00
27	Lucknow-Bareilly	3,74	2,95
28	Southern Mahratta (including Mysore)	6,00	6,00
	Total Open Lines other Railway Companies	49,20	74,96
	TOTAL OPEN LINES—carried over	4,04,57	4,59,97

on Railways—1901-1902 to 1903-1904—contd.
 TING 000.)

TRIBUTION OF GRANTS DURING—		No.	REMARKS.
1902-1903.	1903-1904.		
R	R		
3,10,63	2,83,27		
...	...	20	
60,60	52,77	21	
28,35	27,00	22	
88,95	79,77		
2,00	2,00	23	
6,50	9,70	24	Including northern Section of East Coast Railway.
7,00	7,00	25	
28,45	15,87	26	
7,00	3,46	27	
8,25	7,75	28	
59,20	45,78		
4,58,78	4,08,82		

FINANCIAL STATEMENT OF THE

Forecast of Capital Expenditure on

(OMIT

No.	RAILWAY.	Length.	Amount of estimate or approximate cost.	Outlay to end of 1899-1900.
		Miles.	₹	₹
	TOTAL OPEN LINES—brought forward			
	LINES UNDER CONSTRUCTION.			
	BY AGENCY OF MAIN LINE COMPANIES.			
29	Tirhoot, Hajeepore-Begum Sarai-Katihar extension	158	1,22,31	1,07,69
30	Assam-Bengal { (i) Construction chargeable to Part II (ii) Land chargeable to Part I (iii) Chittagong jetties	736	*11,16,17 6,90	*8,99,74 6,65
31	East Indian, Dehree-Daltonganj	78	72,18	36,35
32	Madura-Pamban	91	68,91	2,83
33	Tinnevely-Quilon, British section	49	24,28	3,28
34	Ditto Native State section	58	...	...
	Total	1,170	14,10,75	10,56,54
	AGAINST THE CAPITAL ACCOUNT OF THE OLD GUARANTEED RAILWAY COMPANIES.			
35	Amalner-Jalgaon branch, G. I. P. R.	69	78,24	53,52
	Chalisgaon-Dhulia branch, G. I. P. R.			
36	Calicut-Cannanore branch, Madras railway	64	76,73	15,99
	Total	133	1,54,97	69,51
	AGAINST THE CAPITAL ACCOUNT OF INDIAN RAILWAY COMPANIES OTHER THAN THE OLD GUARANTEED RAILWAY COMPANIES.			
37	Bengal-Nagpur { Sini-Midnapur-Cuttack-Calcutta Raipur-Dhamtari Midnapur-Jherria Extension Jubbulpore-Gondia	345 56 114 253	8,14,22 11,41 1,07,81 85,11	7,06,07
38	Burma { Mandalay-Kunlon Meiktila-Myingyan Sagaing-Monywa-Alon Thonze-Henzada-Bassein Extension	477	4,79,90	2,12,26
	Total	1,245	14,98,45	9,18,33
	Total Lines under Construction by Companies—carried over	2,548	30,64,17	20,44,38
	TOTAL OPEN LINES—carried over	...	...	...

* Includes ₹3,65,60,000 from Company's funds.

Railways—1901-1902 to 1903-1904—contd.

TING 000.)

Grants allotted during 1900-1901.	PROPOSED DISTRIBUTION OF GRANTS DURING —			No.	REMARKS.
	1901-1902.	1902-1903.	1903-1904.		
₹ 4,04,57	₹ 4,59,97	₹ 4,58,78	₹ 4,08,82		
30,88	20,46	...	...	29	To be completed in 1902.
91,60	83,45	50,38	42,13	30	" " 1904.
25,93	30,00	...	...	31	" " 1902.
15,72	35,00	...	...	32	" " "
7,70	20,00	4,80	2,36	33	" " 1902.
15,95	49,44	...	...	34	
1,87,78	2,38,35	55,18	44,49		
—15,77	...	...	...	35	" " 1901.
29,51	28,00	65	1,00	36	" " 1902.
13,74	28,00	65	1,00		
70,87	1,65,00	64,58	...	37	" " 1903.
88,35	72,74	97,24	74,00	38	Construction of Mandalay-Kunlon beyond Lashio uncertain.
1,59,22	2,37,74	1,61,82	74,00	...	
3,60,74	5,04,09	2,17,65	1,19,49	...	
4,04,57	4,59,97	4,58,78	4,08,82		

Forecast of Capital Expenditure on

(OMIT

No.	RAILWAY.	Length.	Amount of estimate or approximate cost.	Outlay to end of 1899-1900.
		Miles.	₹	₹
	Total Open Lines—brought forward . . . . .	...	...	...
	Total Lines under Construction—brought forward	2,548	30,64,17	20,44,38
	LINES UNDER CONSTRUCTION.—contd.			
	BY BRANCH LINE COMPANIES.			
39	Hardwar-Dehra	32	26,05	25,12
40	Brahmaputra-Sultanpore	60	26,44	21,31
	Total against the Capital Account of Branch Line Companies	92	52,49	46,43
	BY THE STATE.			
41	Nowshera-Dargai	40	14,87	7,64
42	Eastern Bengal—Rangpore-Dhubri, etc.	51	45,44	17,79
43	Hyderabad-Balotra	75	31,51	19,39
44	Khushalpur Kohat and Kohat Thal	105	34,48	...
45	Ghaziabad-Moradabad	87	82,71	57,41
46	Indus Bridge . . . . .	...	31,01	28,49
47	Agra-Delhi Chord	121	90,76	94
48	Godavari Bridge . . . . .	...	59,70	52,54
	Total—Lines under Construction by the State	479	3,90,48	1,84,20
	Total—Lines under Construction	3,119	35,07,14	22,75,01
	GRAND TOTAL—Open Lines and Lines under Construction . . . . .	...	...	...

Railways—1901-1902 to 1903-1904—contd.

TING 000.)

Grants allotted during 1900-1901.	PROPOSED DISTRIBUTION OF GRANTS DURING—			No.	REMARKS.
	1901-1902.	1902-1903.	1903-1904.		
₹ 4,04,57	₹ 4,59,97	₹ 4,58,78	₹ 4,08,82		
3,60,74	5,04,09	2,17,65	1,19,49		
75	1,57	...	...	39	} Opened for traffic.
3,80	2,70	...	...	40	
4,55	4,27	...	...
7,69	16	...	...	41	Opened for traffic.
21,59	42,22	6,70	...	42	To be completed 1902.
3,98	18	...	...	43	" " 1901.
4,60	20,00	...	...	44	
19,16	1,44	...	...	45	
—25	11	...	...	46	
12	...	...	...	47	
4,00	...	...	...	48	
60,89	64,11	6,70	...		
4,26,18	5,72,47	2,24,35	1,19,49		
8,30,75	10,32,44	6,83,13	5,28,31		

FINANCIAL STATEMENT OF THE

Statement of Forecast of Capital Expenditure

(OMIT

No.	RAILWAY.	PROPOSED	
		1901-02	
ABSTRACT BY OPEN LINES AND CONSTRUCTION.		<i>R</i>	
I.—CAPITAL FOR OPEN LINES.			
	i. By State Agency	1,26,98	
	ii. By agency of Main Line Companies	2,14,72	
	iii. By " " old Guaranteed Companies	43,31	
	iv. By " " other Railway Companies	74,96	
	v. By " " Branch Companies . . . . .	...
	TOTAL OPEN LINES	4,59,97	
II.—CAPITAL FOR LINES UNDER CONSTRUCTION BY COMPANIES.			
	i. By agency of Main Line Companies	2,38,35	
	ii. By " " old Guaranteed Railway Companies	28,00	
	iii. By " " other Railway Companies	2,37,74	
	iv. By " " Branch Line Companies	4,27	
	TOTAL LINES UNDER CONSTRUCTION BY COMPANIES	5,08,36	
III.—CAPITAL FOR LINES UNDER CONSTRUCTION BY THE STATE		64,11	
	GRAND TOTAL	10,32,44	
ABSTRACT SHOWING DISTRIBUTION BY FUNDS.			
I.—From Imperial Funds.	(i) By State Agency	(a) Open Lines	1,26,98
		(b) Construction	64,11
		Total	1,91,09
	(ii) By the Agency of Main Line Companies.	(a) Open Lines	2,14,72
		(b) Construction	2,38,35
		Total	4,53,07
	TOTAL I	6,44,16	
II.—Against the Capital Accounts of the old Guaranteed Railway Companies.		(a) Open Lines	43,31
		(b) Construction	28,00
	TOTAL II		71,31
III.—Against the Capital Accounts of Indian Railway Companies other than the old Guaranteed Railway Companies.		(a) Open Lines	74,96
		(b) Construction	2,37,74
	TOTAL III		3,12,70
IV.—Against the Capital Accounts of Branch Line Companies which are in receipt of a firm Government Guarantee.		(a) Open Lines
		(b) Construction	4,27
	TOTAL IV		4,27
	TOTAL, I TO IV	(a) Open Lines	4,59,97
		(b) Construction	5,72,47
	GRAND TOTAL		10,32,44

on Railways—1901-1902 to 1903-1904—concl'd.

TING 000).

DISTRIBUTION OF GRANTS DURING		REMARKS.
1902-03	1903-04	
R	R	
98,34	68,58	
2,12,29	2,14,69	
88,95	79,77	
59,20	45,78	
...	...	
4,58,78	4,08,82	
55,18	44,49	
65	1,00	
1,61,82	74,00	
...	...	
2,17,65	1,19,49	
6,70	...	
6,83,13	5,28,31	
98,34	68,58	
6,70	...	
1,05,04	68,58	
2,12,29	2,14,69	
55,18	44,49	
2,67,47	2,59,18	
3,72,51	3,27,76	
88,95	79,77	
65	1,00	
89,60	80,77	
59,20	45,78	
1,61,82	74,00	
2,21,02	1,19,78	
...	...	
...	...	
4,58,78	4,08,82	
2,24,35	1,19,49	
6,83,13	5,28,31	

STATEMENT B

List of new lines to be taken up as funds permit with the estimated yearly
(OMIT

No.	RAILWAY.	Length.	Estimated cost.
		Miles.	₹
CAPITAL FOR PROPOSED NEW LINES IN ORDER OF URGENCY.			
1	Coonoor-Ootacamund	12	18,62
2	Godhra-Baroda Chord	44	34,12
3	Quadrupling Eastern Bengal State Railway	26	50,36
4	Allahabad-Fyzabad	97	1,23,69
5	Agra-Delhi Chord	121	90,76
6	Bara-Ajmer-Marwar	200	90,00
7	Azikhah-Mangalore	78	1,08,62
8	Burdwan-Howrah Chord	42	56,33
9	Raipur-Vizianagram	310	2,50,40
10	Gya-Katrasgarh	108	1,26,29
11	Bareilly-Soron	63	53,60
12	Trichinopoly-Tirukoilur	97	74,43
13	Nagda-Bara-Muttfa	355	3,50,69
14	Madras Famine Branches	186	40,00
15	Nanjangode-Erode	120	1,23,03
16	Dhubri-Gauhati Extension	151	1,65,41
17	Bombay-Sind Connection	360	3,24,00

IN APPENDIX III.

provision required to ensure an economical rate of progress when once started.

TING 000)

APPROXIMATE AMOUNT TO BE SPENT EACH YEAR FROM COMMENCEMENT OF WORK.				No.	REMARKS.
First year.	Second year.	Third year.	Future years.		
₹	₹	₹	₹		
9,00	9,62	...	...	1	
14,00	20,12	...	...	2	
25,00	25,36	...	...	3	
31,00	31,00	30,00	31,69	4	
30,00	30,00	30,76	...	5	
30,00	30,00	30,00	...	6	
36,00	36,00	36,62	...	7	
30,00	26,33	...	...	8	
60,00	60,00	60,00	70,40	9	
50,00	50,00	26,29	...	10	
30,00	23,60	...	...	11	
32,00	42,43	...	...	12	
90,00	90,00	90,00	80,69	13	
10,00	10,00	10,00	10,00	14	
50,00	50,00	23,03	...	15	
40,00	40,00	45,41	40,00	16	
50,00	90,00	50,00	54,00	17	

The amounts shown are liable to modification in cases where it may be found advisable to make a small grant in the first year to cover the cost of preparations for rapid progress in the next.

FINANCIAL STATEMENT OF THE

STATEMENT C IN APPENDIX III.

Statement showing the Branch lines proposed or which are the subject of negotiations for construction under rebate terms.

No.	Name of railway.	Length.	Cost.	REMARKS.
		Miles.	Rs.	
1	Bhagulpur-Bausi-Baidyanath .	69	65,31,000	} Negotiations concluded.
2	Kurnool-Road-Kurnool . .	32	9,88,000	
3	Bezwada-Masulipatam . .	50	53,50,000	
4	Amritsar-Tarn-Taran-Patti .	30	17,24,300	
5	Sabarmati-Dholka . . .	33	13,08,000	
6	Raichur-Wondalli . . .	43	12,53,300	
7	Tilagaon-Sylhet . . .	39	38,00,000	} Negotiations in progress.
8	Akhaura-Bhairab Bazar . .	19	16,18,000	
9	Fatehpur-Markundi . . .	61	42,70,000	
10	Chandipur-Taki . . .	38	20,00,000	
11	Laksam-Noakhalli-Ichakhali .	39	23,40,000	
Branch lines without a guarantee or rebate.				
12	Hooghly-Cutwa . . .	65	63,11,900	} Negotiations in progress.
13	Burdwan-Cutwa . . .	34	8,11,300	
14	Ranaghat-Ganges-Kathihar .	290	4,70,00,000	Concession granted.

STATEMENT D IN APPENDIX III.

New Railway Projects started as Famine Relief Works.

Railway.	Length.	Estimated cost.	WORK DONE.						
			EARTH-WORK.			BALLAST.			
			Quantity.	Rate per 1,000 c. ft.	Value.	Quantity.	Rate per 100 c. ft.	Value.	
	Miles.	Rs.	C. ft.	Rs. A.	Rs.	C. ft.	Rs. A. P.	Rs.	
BOMBAY—									
Sabarmati-Dholka (metre gauge)	33 ⁰⁰	13,07,966	13,227,509	3 8	46,278	...	...	...	...
Baroda-Godra Chord (5' 6" gauge)	45 ⁰⁰	34,12,000	17,418,373	3 8	60,965	2,320	2 0 0	46	...
Barsi-Tadwala extension, Barsi Light railway (2' 6" gauge)	28 ⁰⁰	11,09,350	16,273,049	3 8	56,935	...	...	...	...
Deesa-Tharad (metre gauge)	62 ⁰⁰	17,36,000	10,980,330	3 8	38,431	1,169,900	2 0 0	23,198	...
Miyagaum Sinor (2' 6" gauge)	18 ⁰⁰	5,76,032	4,124,314	3 8	14,435	...	...	...	...
Vijapur-Kalol-Kadi (metre gauge)	41 ⁸⁰	13,97,622	24,633,090	3 8	86,215	...	...	...	...
Dhrangadra-Mallia (metre gauge)	49 ⁵⁶	16,63,800	27,100,000	3 8	91,850	200,000	2 0 0	1,000	...
Manund Road Bechraji (metre gauge)	24 ⁹²	10,19,601	3,525,000	4 0	14,100	...	...	...	...
Bahadurpur-Songhir (2' 6" gauge)	9 ⁴⁵	4,57,505	125,000	5 0	625	...	...	...	...
Padra Ranu extension, Vishvamitra-Padra railway (2' 6" gauge).	4 ²⁵	1,11,660	300,000	3 8	1,050	...	...	...	...
PANJAB—									
Agra-Delhi chord (5' 6" gauge)	121 ¹⁶	90,76,346	27,650,000*	3 8	61,775	120,200	1 2 9	1,413	...
Rewari-Phulera (metre gauge)	133 ⁰⁰	36,36,700	82,000,000	2 7	2,02,000	735,135	1 8 0	11,037	...
RAJPUTANA (AJMERE-MERWAR)—									
Bara-Ajmere-Marwar (metre gauge)	200 ⁷¹	89,96,247	92,803,355	4 7	4,12,832	985,631	1 5 0	13,025	...
Nasirabad-Kekri Sawar (metre gauge)	49 ⁰⁰	21,95,278	12,975,150	3 4	50,388	190,092	1 8 0	2,851	...
Tonk-Jeharpur (metre gauge)	70 ⁸⁵	31,62,877	5,217,723	3 4	17,226	51,596	1 5 0	678	...
CENTRAL PROVINCES—									
Satpura (2' 6" gauge)	252 ⁶⁷	85,10,901	29,570,506	4 0	1,18,282	2,016,732	1 2 9	35,264	...
Raipur-Vizianagram (5' 6" gauge)	35 ⁰²	2,50,42,336	3,300,000	4 0	13,200	140,927	2 0 0	2,818	...
Bilaspur-Mungeli (5' 6" gauge)	32 ⁰⁰	22,40,000	13,000,000	4 0	52,797	590,975	2 0 0	11,810	...
HYDERABAD (BERARS)—									
Khandwa-Akola-Basim (metre gauge)	171 ⁹⁶	1,16,12,749	31,847,442	3 8	1,11,465	730,373	...	11,082	...
Kamgaon-Jalna (2' 6" gauge)	93 ⁵⁵	26,41,601	21,341,574	3 8	74,694	832,115	2 0 0	16,642	...
					15,28,564			1,37,073	...

* Work done on 55.50 miles in the Punjab and nothing in the North-Western Provinces and Oudh.

Note.—Of the lines shown in Appendix C to the memorandum, dated 31st March 1900, famine relief work, though sanctioned was not actually undertaken on the following:—

Gzokwar's Mehsana railway, Kherala-Dhabora extension.
Nadiad-Kapadvan.
Velichha-Kanarar-Kosamba.
Jamnagar-Satya.
Gwalior-Sabalgarh.

Meerut-Gerharkieswar.
Madhopur-Sikar Branch.
Jech-Bar.
Dholia-Vankar-Rajhat.

STATEMENT E IN APPENDIX III.

Memorandum on the construction of railways.

At the commencement of 1900-1901, i.e., on the 1st April 1900, the total length of railways open for traffic was 23,763.78 miles, made up as follows:—

	Miles.	Miles.		Miles	Miles.								
(i) East India	1,836.15	4,312.72	Standard gauge—										
Bengal Central (a)	125.01												
Bengal-Nagpur	1,154.16												
Indian Midland	79.25												
Bhopal-Itarsi (British section)	(b) 13.11												
Godhra-Rutti-m-Nagda	(c) 141.14												
Wardha-Coal	(d) 44.88												
Dhond-Manmad	(e) 145.4												
Bezawada extension (East Coast State)	(f) 20.88												
(ii) North-Western	(f) 2,953.80					5,043.29	(i) State lines worked by companies	4,312.72					
Hyderabad-Shirdipalli	(g) 5.31												
Oudh and Rohilkhand	950.76												
Eastern Bengal	246.34												
Calcutta Port Commissioners'	8.53												
East Coast, including Bezawada-Madras	(A) 803.25												
(iii) Great Indian Peninsula	1,307.30	2,612.13	(ii) State lines worked by the State	5,043.29									
Bombay, Baroda and Central India	1,467.30												
Madras	84.23												
(iv) Delhi-Umballa-Kalka	(h) 165.24									874.84	(iii) Guaranteed companies	2,612.13	
Tarapur	(i) 22.22												
South Bihar (Lucknow-Gya)	(j) 78.83												
Southern Punjab (Delhi-Samratia)	(k) 42.72												
Hardwar-Dehra	(l) 36.35												
Tapti Valley	(m) 155.77												
(v) Khamgaon	(n) 7.55					703.55	(iv) Assisted companies	874.84					
Ratod	(o) 5.14												
Binn-Goon-Baran	(p) 145.21												
Bhopal-Ujjain	(q) 113.27												
Bhopal-Itarsi (Native state section)	(r) 44.28												
The Nizam's Guaranteed State	(s) 34.13												
Nagda-Ujjain	(t) 31.32												
The Gekwar's Petlad	(u) 13.35												
Kolar Gold-fields	(v) 10.00												
(vi) Rajpur-Bhatinda	(g) 107.05	122.97	(v) Lines owned by native states and worked by companies	703.55									
Jammu and Kashmir (Native state section)	(g) 15.92												
(vii) Bengal and North-Western—	413.97					7,051.88	(vi) Lines owned by native states and worked by State railway agency	122.97	13,661.50				
Tirhoot section	343.00												
Company's section (m)	211.17												
Lucknow-Bareilly section (Rohilkhand and Kumaon)	(e) 1,671.57												
Rajputana-Malwa	(e) 17.28												
Pilānpur-Deesa	1,042.04												
Southern Mahratta	(n) 119.50												
Guntakal-Mysore frontier	29.60												
Mysore section (Southern Mahratta)	1,330.53												
South Indian	(e) 51.08												
Miyavaram-Mutupet	435.45												
Assam-Bengal	949.29												
Burma													
(viii) Eastern Bengal—	479.11	644.63	(vii) State lines worked by companies	7,051.88									
Northern and Behar sections (including the Kaulia-Dharila, 5' 6" gauge, branch)	15.32												
Dacca section	(p) 79.60												
Cawnpore-Burhwal (Metre gauge line)	4.79												
Deoghur	(q) 21.51												
Brahmaputra-Sultaapur	(r) 53.77												
Mymensingh-Jamalpur-Jagannathganj	(s) 53.82												
Rohilkhand and Kumaon (Company's section)	(r) 181.9												
Segowile-Raxaul	26.40												
Bengal Doorgas	77.50												
Dibru-Sadiya	(t) 7.50												
Ledo and Tekak-Margherita Colliery	(t) 54.59												
Ahmedabad-Parantij	(t) 16.90												
Nilgiri	(t) 9.63												
(ix) The Gekwar's Mehsana	(f) 154.23	381.58	(viii) State lines worked by the State	644.63									
Hyderabad-Godavari Valley	(f) 29.07												
Kolhapur	(u) 51.28												
Yavatpur-Mysore frontier	(u) 15.80												
Mysore-Nanjangud	(u) 38.50												
Birar-Shimoga	475.50												
(x) Jodhpur-Bikaner	67.30					997.98	(ix) Assisted companies	347.56					
Udaipur-Chitor	(u) 323.84												
Bhāvnagar-Gondal-Junāgad-Portbandar	(w) 16.23												
Jetalpur-Rajkot	(v) & (w) 54.28												
Jamnagar	(v) 20.83												
Dhrangadra	51.01												
(xi) West of India Portuguese	(e) 7.80	73.25	(x) Lines owned by native states and worked by companies	381.58									
Poudicherry	(e) 14.45												
Karaikal-Peralam													
(xii) Jorhat (2' 6")	28.20									36.00	(xi) Lines owned and worked by native states	997.98	
Cherra-Companyganj (2' 6")	(v) 8.00												
(xiii) Darjeeling-Himalayan (2' 6")	51.00					192.40	(xii) Foreign lines	73.25	9,496.88				
Barvi Light (2' 6")	21.59												
Howrah-Amra (2' 6")	28.59												
Howrah-Sherkhatta (2' 6")	19.75												
Rannghat-Krishnagar (2' 6")	20.25												
Tarakeshwar-Magra (2' 6")	31.12												
Tezpur-Balipara (2' 6")	20.00												
(xiv) Gwalior Light (2' 6")	(h) 126.14	242.31	(xiii) State lines worked by the State	36.00									
The Gekwar's Dabhoi (2' 6")	(h) 78.30												
Rajpipla (2' 6")	(h) 37.37												
(xv) Cooch Behar (2' 6")	(g) 33.62					93.07	(xiv) Assisted companies	192.40					
(xvi) Morvi (2' 6")	93.07												
(xvii) TOTAL	23,763.78									597.40	(xv) Lines owned by native states and worked by companies	242.31	
(xviii) TOTAL	23,763.78												
(xix) TOTAL	23,763.78												
(xx) TOTAL	23,763.78												
(xxi) TOTAL	23,763.78												
(xxii) TOTAL	23,763.78												
(xxiii) TOTAL	23,763.78												
(xxiv) TOTAL	23,763.78												
(xxv) TOTAL	23,763.78												
(xxvi) TOTAL	23,763.78												

(a) Although for convenience classed amongst State railways, this line is the property of the Bengal Central Railway Company.
 (b) Worked by the Indian Midland Railway Company.
 (c) Worked by the Bombay, Baroda and Central India Railway Company.
 (d) Worked by the Great Indian Peninsula Railway Company.
 (e) Although forming an integral part of the East Coast State railway, this line is shown separately as it is worked by the Nizam's Guaranteed State Railway Company.
 (f) Including 6.12 miles of military line not used for public traffic.
 (g) Worked by the North-Western State Railway.
 (h) Including 2.66 miles of the edge and 0.33 mile metre-gauge.
 (i) Worked by the East Indian Railway Company.
 (j) Worked by the Oudh and Rohilkhand State railway.
 (k) Including 2.10 miles, Trimmigherry troop siding, constructed but not used for ordinary public traffic.
 (l) Worked by the Madras Railway Company.

(m) Although for convenience classed amongst State railways, this line is the property of the Bengal and North-Western Railway Company.
 (n) Worked by the Southern Mahratta Railway Company.
 (o) Worked by the South Indian Railway Company.
 (p) Excluding 3.66 miles of the Larknow-Bareilly railway between Dargah and Aishah, but including the length, Bara Banki to Barrowad 10.70 miles, and the length over Cawnpore bridge 0.61 mile laid on a mixed gauge.
 (q) Worked by the Eastern Bengal State railway.
 (r) Worked by the Bengal and North-Western Railway Company.
 (s) Worked by the Assam Railways and Trading Company.
 (t) Worked by His Highness the Nizam's Guaranteed State Railway Company.
 (u) Including 2.0 miles of Bhāvnagar Dock sidings and Junāgad quarry lines.
 (v) Worked by the Bhāvnagar-Gondal-Junāgad-Portbandar railway.
 (w) Including 3.00 miles of Portbandar Lock estate sidings.
 (x) Opened for traffic from 25th March 1900.

2. And the mileage under construction or sanctioned for construction on the same date was 3,018'03 miles, as follows:—

	Miles.	Miles.	Miles.	Miles.
Standard gauge—				
(i) State lines worked by companies	431'35			
(ii) State lines worked by the State	171'90			
(iii) Guaranteed companies	109'87			
(iv) Assisted companies	0'79			
(v) Lines owned by native states and worked by companies	20'75			
(vi) Lines owned by native states and worked by State railway agency	79'61			
		814'27		
Metro gauge—				
(vii) State lines worked by companies	1,009'06			
(viii) State lines worked by the State	132'19			
(ix) Assisted companies	151'56			
(x) Lines owned by native states and worked by companies	382'39			
(xi) Lines owned and worked by native states	307'85			
		1,983'05		
Special gauges—				
(xii) State lines worked by companies	55'73			
(xiii) State lines worked by the State	41'90			
(xiv) Assisted companies	91'16			
(xv) Lines owned by native states and worked by companies	31'81			
(xvi) Lines owned by native states and worked by State railway agency	0'11			
		220'71		
TOTAL		3,018'03		
There was thus a grand total of railways completed and in hand, on the 1st April 1900, of miles . 26,781'81				

	Miles.	Miles.	Miles.
(i) { Lucknow-Bareilly section (Rohilkhand and Kumaon)— Dudwa to Mohan river } 5'96 } Mayavaram-Mutupet— Mutupet to Arantangi } 45'38 }			51'34
(ii) { Bengal-Nagpur— Jubbulpore to Gondia (2' 6") } 143'43 } Neinpur to Mandla } 21'75 } Neinpur to Seoni } 47'13 } Seoni to Chindwara } 40'36 }			252'67
(iii) North Western— Khusalgarh-Kohat-Thal (2' 6")			88'12
(iv) { East Indian— Pandra branch of the Jherriah extension } 3'24 } Bengal-Nagpur— Kola riverside to Howrah } 36'50 }			39'74
(v) { North Western— Toba Tek Sing to Khanewal } 57'00 } Kotri to Hyderabad } 5'30 } Peshawar to Jumrood } 12'00 } Oudh and Rohilkhand— Moradabad to Gházilabad } 87'05 } Eastern Bengal— Panchooria to the Ganges } 6'00 } East Coast— Godavari bridge at Rajahmundry and approaches } 4'55 }			171'90
(vi) Great Indian Peninsula— Dharangaon to Amalner } 15'28 } Chalisgaon to Dhulia } 34'84 }			50'12
(vii) Ludhiana-Dhuri-Jakhal			79'61
(viii) { Bengal and North-Western— Tirhoot section— Hajepore to Bachhwara } 44'25 } Thana Bihpur to Katihar } 52'83 } Assam-Bengal— Lumding to Nazira } 142'00 } Burma— Sedaw to Nawngkio } 60'00 } Sagaing to Alon } 71'00 } Shadipalli-Balotra (British section)— Shadipalli to Jodhpur frontier† } 69'05 }			439'13
(ix) { Eastern Bengal— Teesta bridge at Kaunia and approaches } 4'87 } Cooch Behar-Santrabari extension (British section) (2' 6")— Alipur Duar to Jainti } 18'22 }			23'09
(x) { Brahmputra-Sultanpur— Bogra to Fulchhari } 35'00 } Bengal Dooars— Dam Dim to Bagrakote } 8'76 } Barnes Junction to Lalmanir Hat } 65'80 }			107'56
(xi) Hyderabad-Godavari Valley— Sailu to Purbhani } 28'00 } Secunderabad to Purbhani } 204'93 }			230'93
(xii) { Jodhpur-Bikaner— Jodhpur section— Barnar to Jodhpur frontier } 75'00 } Bikaner section— Dulmera to Suratgarh } 72'00 }			147'00
(xiii) Raipur-Dhamtari branch (Bengal-Nagpur) (2' 6")— Raipur to Dhamtari } 45'45 } Abhanpur to Rajim } 10'28 }			55'73
(xiv) North Western— Nowshera to Dargal			41'90
(xv) Cooch Behar— Torsa bridge and approaches			0'11

3. During 1900-1901, i.e., from 1st April 1900 to 31st March 1901, 392'13 miles of new railway have been authorized as follows:—

	Miles.	Miles.
<i>Metre gauge—</i>		
(i) State lines worked by companies	51'34	51'34
<i>Special gauges—</i>		
(ii) State lines worked by companies	252'67	
(iii) State lines worked by the State	88'12	
		340'79
TOTAL		392'13

And 1,386'82 miles have been or are likely to be opened to public traffic as follows:—

	Miles.	Miles.
<i>Standard gauge—</i>		
(iv) State lines worked by companies	39'74	
(v) State lines worked by the State	171'90	
(vi) Guaranteed companies	50'12	
(vii) Lines owned by native states and worked by State railway agency	79'61	341'37
<i>Metre gauge—</i>		
(viii) State lines worked by companies	439'13	
(ix) State lines worked by the State	23'09	
(x) Assisted companies	107'56	
(xi) Lines owned by native states and worked by companies	230'93	
(xii) Lines owned and worked by native states	147'00	947'71
<i>Special gauges—</i>		
(xiii) State lines worked by companies	55'73	
(xiv) State lines worked by the State	41'90	
(xv) Lines owned by native states and worked by State railway agency	0'11	97'74
TOTAL		1,386'82

* Correction of mileage.
† Worked by the administration of the Jodhpur-Bikaner railway.

4. The total length of open line at the commencement of 1901-1902, i.e., on the 1st April 1901, will, therefore, be 25,155.70 miles, comprising—

Standard gauge—

(i) State lines worked by companies	Miles.	Miles.
	6,517.38	
(ii) State lines worked by the State	4,435.47	
(iii) Guaranteed companies	1,305.13	
(iv) Assisted companies	874.84	
(v) Lines owned by native states and worked by companies	703.55	
(vi) Lines owned by native states and worked by State railway agency	202.58	
		14,038.95

Metre gauge—

(vii) State lines worked by companies	Miles.	Miles.
	7,466.03	
(viii) State lines worked by the State	667.72	
(ix) Assisted companies	455.12	
(x) Lines owned by native states and worked by companies	612.51	
(xi) Lines owned and worked by native states	1,144.98	
(xii) Foreign lines	73.25	
		10,419.61

Special gauges—

(xiii) State lines worked by companies	Miles.	Miles.
	55.73	
(xiv) State lines worked by the State	79.90	
(xv) Assisted companies	192.40	
(xvi) Lines owned by native states and worked by companies	242.31	
(xvii) Lines owned by native states and worked by State railway agency	33.73	
(xviii) Lines owned and worked by native states	93.07	
		697.14
TOTAL		25,155.70

	Miles.	Miles.
East Indian	1,839.39	
Bengal Central (a)	125.01	
Bengal-Nagpur including Barang-Waltair section of the East Coast State	(b) 1,539.45	
Indian Midland	(c) 796.20	
Great Indian Peninsula	(d) 3,357.12	
Bhopal-Itarsi (British section)	(e) 13.11	6,517.38
Gouhra-Ruttam-Nagda	(f) 141.14	
Wardha Coal	(g) 114.88	
Dhond-Manmad	(h) 145.44	
Bezawada extension (East Coast State)	(i) 20.58	
Washermenpet-Vizagapatnam section, East Coast State	(j) 495.00	
North-Western, including Ferozepore Kot-Kapura section	(k) 3,056.18	
Hyderabad-Shadipalli	(l) 58.91	
Oudh and Rohilkhand	1,037.81	4,435.47
Eastern Bengal	274.04	
Cakutta P.O. Commissioners'	8.53	
Bombay, Baroda and Central India	460.90	
Madras	844.23	1,305.13
Delhi-Umballa-Kalka	(m) 162.24	
Larkesur	(n) 22.22	
South Behar (Luckeswar-Gya)	(o) 78.43	
Southern Punjab (Delhi-Samastia)	(p) 423.72	874.84
Hardwar-Dehra	(q) 32.05	
Tapi Valley	(r) 155.77	
Khamsaon	(s) 7.55	
Amraoti	(t) 5.44	
Bina-Goonna-Baran	(u) 145.21	
Bhopal-Ujjain	(v) 113.27	
Bhopal-Itarsi (Native state section)	(w) 42.28	
The Nizam's Guaranteed State	(x) 330.13	703.55
Nagda-Ujjain	(y) 24.32	
The Gaekwar's Petlad	(z) 13.35	
Kolar Gold-fields	(aa) 10.00	
Rajputra Bhatinda	(ab) 107.05	
Jammu and Kashmir (Native state section)	(ac) 15.92	202.58
Ladhiana-Dhuri-Jakhal	(ad) 79.61	
Bengal and North-Western—		
Tirhoot section	512.05	
Company's section (n)	743.00	
Lucknow-Bareilly section (Rohilkhand and Kumaon)	231.17	
Rajputana-Malwa	(ae) 1,636.49	
Palampur-Deesa	(af) 17.28	
Southern Mahratta	1,042.04	7,466.03
Guntakal-Mysore frontier	(ag) 114.50	
Mysore section (Southern Mahratta)	286.00	
South Indian	* 1,033.63	
Mayavaram-Mutpet	(ah) 54.08	
Assam-Bengal	577.45	
Burma	1,124.29	
Shadipalli-Balotra (British section)—		
Shadipalli to Jodhpur frontier	(ai) 69.05	
Eastern Bengal—		
Northern and Behar sections (including the Kauria-Dharila 2' 0" gauge, branch and British section, Cooch Behar-Santubari extension 2' 0" gauge)	502.20	
Dacca section	85.82	667.72
Cawnpore-Burhwal (Metre-gauge link)	(aj) 79.60	
Deoghur	4.79	
Brahmaputra-Sultampur	(ak) 159.50	
Mymensingh-Jamulpur-Jagannathganj	(al) 53.37	
Rohilkhand and Kumaon (Company's section)	108.96	
Bengal Dooras	53.92	455.12
Dibra-Sadiya	(am) 75.50	
Lido and Likak-Margherita Colliery	(an) 75.50	
Ahmedabad-Parant	(ao) 54.59	
Segowlie-Raxaul	(ap) 18.09	
Nagiri	(aq) 16.90	
The Gaekwar's Mehsana	(ar) 92.63	
Hyderabad-Godavari Valley	(as) 385.16	
Koilkhapur	(at) 28.07	
Yesvantpur-Mysore frontier	(au) 51.35	612.51
Mysore-Nanjangud	(av) 15.80	
Birur-Shimoga	(aw) 38.50	
Jodhpur-Bikaner	622.50	
Udaipur-Chitor	67.30	
Bhavnagar-Gondal-Junagad-Forbandar	(ax) 343.81	1,144.98
Jaisalmer-Rajkot	(ay) 40.23	
Jamnagar	(az) 54.28	
Ubrangadra	(ba) 20.83	
West of India Portuguese	51.00	
Pondicherry	(bb) 7.80	73.25
Katralikal-Peralam	(bc) 14.45	
Bengal-Nagpur—		
Rajputra-Dhamtari branch (2' 6")		55.78
Jorhat (2' 0")	* 30.00	
Cherra-Companyganj (2' 6")	(bd) 8.00	
North-Western—		
Nowshera to Dargal (2' 6")	41.90	79.90
Darjeeling-Himalayan (2' 0")	51.00	
Barsi Light (2' 6")	21.59	
Howrah-Amra (2' 0")	28.69	192.40
Howrah-Sherkhalia (2' 0")	19.75	
Ranaghat-Krishnagar (2' 6")	20.25	
Tarakeshwar-Magra (2' 6")	31.10	
Tezpur-Balipara (2' 6")	20.00	
The Gaekwar's Dabhoi (2' 6")	(be) 78.80	
Rajpipla (2' 6")	(bf) 37.37	242.31
Gwalior Light (2' 0")	(bg) 126.14	
Cooch Behar (2' 6")		(c) 33.73
Morvi (2' 6")		93.07

(a) Although for convenience classed amongst State railways, this line is the property of the Bengal Central Railway Company.
 (b) The working of the Barang-Waltair Section of the East Coast State railway was transferred to the Bengal-Nagpur Railway Company from 1st January 1901.
 (c) Being worked by the Great Indian Peninsula Railway Company from 1st January 1901.
 (d) Purchased by the State from 1st July 1900 and worked by the Great Indian Peninsula Railway Company.
 (e) Worked by the Bombay, Baroda and Central India Railway Company.
 (f) Worked by the Great Indian Peninsula Railway Company.
 (g) Worked by H. H. Nizam's Guaranteed State Railway Company.
 (h) Worked by the Madras Railway Company.
 (i) Including 0.12 miles of military line not used for public traffic, and also 28.88 miles of line between Ferozepore and Kot-Kapura transferred from Rajputana-Malwa railway.
 (j) Worked by the North-Western State railway.
 (k) Worked by the East Indian Railway Company.
 (l) Worked by the Oudh and Rohilkhand State Railway.
 * Correction of mileage.
 † Made up as follows—
 Open at the commencement of 1900-1901 23 763.78
 Added—Opened during 1900-1901 1,386.82
 Increase due to correction of mileage 5.10
 25,155.70

(m) Including 2.19 miles, Trimulgherry troop siding, constructed but not used for ordinary public traffic.
 (n) Although for convenience classed amongst State railways, this line is the property of the Bengal and North-Western Railway Company.
 (o) Including 26.51 miles of both 2' 6" and metre gauges between Mot-Kapura and Bhatinda, worked over by the North-Western State railway.
 (p) Worked by the Southern Mahratta Railway Company.
 (q) Worked by the South Indian Railway Company.
 (r) Excluding 3.66 miles of the Lucknow-Bareilly railway between Daliganj and Aishbagh but including the length, Bara Banki to Burhwal, 16.70 miles, and the length over Cawnpore bridge, 0.59 mile, laid on a mixed gauge.
 (s) Worked by the Jodhpur-Bikaner railway.
 (t) Worked by the Eastern Bengal State railway.
 (u) Worked by the Assam Railway and Trading Company.
 (v) Worked by the Bengal and North-Western Railway Company.
 (w) 4.50 miles of Bhavnagar Dock estates and Junagad quarry lines.
 (x) The Bhavnagar-Gondal-Junagad-Forbandar railway.
 (y) 3.99 miles of Bedi Bandar Dock estate siding, traffic from 25th March 1900.

	Miles.	Miles.	Miles.
East Indian—			
(i) Shikohabad to Farukhabad	(a) 65.82	151.13	201.61
Baran to Daltong nj	78.32		
(i) Bengal Central—			
Sitarampore to Domohani	6.99		
Bengal-Nagpur—			
Dum-Dum Cantonment to Paltipooker		2.68	
Bengal-Nagpur—			
Cossye to Midnapur	2.25		
Midnapur to Bujodh	(a) 114.39	116.64	
Agra-Delhi chord		(a) 121.16	
(ii) Madras—			
Calicut to Ashikal			59.75
(iii) Southern Punjab (Delhi-Samastota)—			
Delhi Brewery to Delhi			0.79
(iv) Petlad-Cambay			20.75

5. And the mileage under construction or sanctioned for construction on the 31st March 1901 will be 2,019.45 miles, made up as follows:—

	Miles.	Miles.
Standard gauge—		
(i) State lines worked by companies		391.61
(ii) Guaranteed companies		59.75
(iii) Assisted companies		0.79
(iv) Lines owned by native states and worked by companies		20.75
		<u>472.90</u>

(v) Bengal and North-Western—			
Tirhoot section—			
Sakri to Jalnagar	(a) 30.47	63.47	687.65
Company's section—			
Ganges-Gogra Doab lines—	(a) 33.00		
Azamgarh to Shahganj			
Lucknow-Bareilly section (Rohilkhand and Kumaon)—Dudwa to Mohan river		5.96	
South Indian—			
Madura to Toni Torai	(a) 91.33	137.80	687.65
Tinnevely-Qullon (Travancore) branch (British section)	46.47		
Mayavaram-Mutuper—			
Mutuper to Arantangi		45.38	
Assam-Bengal—			
Damchara to junction with Ganhati branch.	85.83	138.31	
Nazira to Makum	52.48		
Burma—			
Nawngkio to the right bank of the Salween river	157.72	276.73	
Bassein via Henzada to Letpadan	119.01		
(vi) Eastern Bengal—			
Moghalhat to Dhubri	(a) 28.03		
(vii) Bengal Ooars—			
Mal to Hantupara			41.00
(viii) Shoranur-Cochin	65.00	151.46	
Vijapur-Kalol	29.50		
Tinnevely-Qullon (Travancore) branch (native state section)	56.86		
(ix) Jodhpur-Bikaner—			
Bikaner section—			
Suratgarh to Bhattinda	88.00	160.85	
Jaipur—			
Sanganer to Siwal-Madhoper	72.85		
(x) Bengal-Nagpur—			
Jubbulpore-Gondia and branches			252.67
(xi) North Western—			
Khoságarh-Kohat-Thal (a' 6")			88.12
(xii) Barsi Light (a' 6")—			
Barsi Road to Pandharpur	(a) 31.18	91.16	
Kalka-Simla	59.98		
(xiii) Rewah—			
Rewah to Sutra	(a) 31.8.		

Metre gauge—		
(v) State lines worked by companies		687.65
(vi) State lines worked by the State		38.83
(vii) Assisted companies		44.00
(viii) Lines owned by native states and worked by companies		151.46
(ix) Lines owned and worked by native states		160.85
		<u>1,082.79</u>
Special gauges—		
(x) State lines worked by companies		252.67
(xi) State lines worked by the State		88.12
(xii) Assisted companies		91.16
(xiii) Lines owned by native states and worked by companies		31.81
		<u>463.76</u>
TOTAL		<u>2,019.45</u>

Making a grand total of railways completed and in hand at the commencement of 1901-1902 of miles . 27,175.15*

And showing, after allowing for corrections of mileage, and advance on the previous year of miles . 393.34

(a) Commencement of work not yet authorized.
 (b) Excluding 12.33 miles of the Kauria-Moghalhat section, a' 6" gauge, to be converted to the metre gauge.
 (c) Correction of mileage.

Made up as follows:	Miles.
Completed and in hand at the beginning of 1900-1901	26,781.81
Sanctioned during 1900-1901	393.34
	<u>27,175.15</u>
Add—	
Increase due to correction of mileage	1.21
	<u>27,175.15</u>

6. It is expected that the following lengths of unfinished line will be opened for public traffic in 1901-1902 :

	Miles.	Miles.
<i>Standard gauge—</i>		
(i) State lines worked by companies	87'99	
(ii) Guaranteed companies	43'00	
(iii) Assisted companies	0'79	
(iv) Lines owned by native states and worked by companies	20'75	
	<u>152'53</u>	

<i>Metre gauge—</i>		
(v) State lines worked by companies	165'00	
(vi) State lines worked by the State	38'83	
(vii) Lines owned and worked by native states	160'85	
	<u>364'68</u>	

<i>Special gauges—</i>		
(viii) State lines worked by the State	88'12	
TOTAL	<u>605'33</u>	

Leaving the undermentioned lines for completion in 1902-1903 or later :

	Miles.	Miles.
(ix) State lines worked by companies	303'62	
(x) Guaranteed companies	16'75	
	<u>320'37</u>	

<i>Metre gauge—</i>		
(xi) State lines worked by companies	516'69	
(xii) Assisted companies	44'00	
(xiii) Lines owned by native states and worked by companies	151'46	
	<u>712'15</u>	

<i>Special gauges—</i>		
(xiv) State lines worked by companies	252'67	
(xv) Assisted companies	91'16	
(xvi) Lines owned by native states and worked by companies	31'81	
	<u>375'64</u>	
TOTAL	<u>1,408'16</u>	

(e) Worked by the North-Western
 (f) Worked by the East Indian
 (g) Worked by H. H. Nizam
 (h) Worked by the Madras R.
 (i) Including 6 1/2 miles of mill of line between Feroz railway.
 (j) Worked by the North-Western
 (k) Worked by the East Indian
 (l) Worked by the Oudh and Rohilkhand
 * Correction
 † Made up
 ‡
 Add—
 h

(a) Commencement of work not yet authorized.

	Miles.	Miles.	Miles.
(i) East Indian— Baram to Daltonganj	78'32	85'31	} 87'99
Sitarampore to Domohani	6'59		
Bengal Central— Dum-Dum Cantonment to Patti-pooker		2'68	
(ii) Madras— Calicut to Tellicherry			43'00
(iii) Southern Panjab (Delhi Samadanta)— Delhi Brewery to Delhi			0'79
(iv) Petlad-Cambay			20'75

(v) South Indian— Madura to Toni Toral		91'33	} 165'00
Burma— Nawngklo to Thibaw	51'00	73'67	
Letpadan to Tharrawa	22'67		
(vi) Eastern Bengal— Moghahat to Dhubri			38'83
(vii) Jodhpur-Bikaner— Bikaner section— Suratgarh to Bhatinda		88'00	} 160'85
Jaipur— Sanganer to Siwai-Madhapur		72'85	

(viii) North-Western— Khusalgarh-Khohat-Thal (a' 6")			88'12
---	--	--	-------

(ix) East Indian— Shikohabad to Farukhabad	(a) 65'82	} 303'62
Bengal-Nagpur— Cosyee to Midnapore	2'25	
Midnapore to Bujudih	(a) 114'39	
Agra-Delhi chord	(a) 121'16	
(x) Madras— Tellicherry to Azhikal		16'75

(xi) Bengal and North-Western— Tirhoot section— Sakti to Jalnagar	(a) 30'47	} 63'47
Company's section— Azamgarh to Shahganj	(a) 33'00	
South Indian— Tinnevely-Quilon (Travancore) branch (British section)		46'47
Máyavaram-Mutupet— Mutupet to Arantangi		45'38
Assam-Bengal— Damchara to junction with Gauhati branch	95'83	} 158'31
Nazira to Makum	62'48	
Burma— Thibaw to the right bank of the Salween river	106'72	} 203'06
Bassein to Tharrawa	96'34	
(xii) Bengal Dooars— Mal to Hantupara		44'00
(xiii) Shoranur-Cochin	65'00	} 151'46
Vijapur-Kolli	29'60	
Tinnevely-Quilon (Travancore) branch (native state section)	56'86	

(xiv) Bengal-Nagpur— Jubbulpore-Gondia and branches (a' 6")		252'67
(xv) Barai Light— Barai Road to Pandharpur	(a) 33'16	} 91'16
Kalka-Simla— Kalka to Simla	58'00	
(xvi) Rewah— Rewah to Sutna		(a) 31'81

	1892-93.	1893-94.	1894-95.
Recorded Revenue compared with recorded expenditure, excluding Capital Expenditure on Public Works not charged against Revenue—			
Surplus . . . . .	...	...	R 69,31,100
Deficit	R 83,34,120	R 1,54,69,980	...
Capital Expenditure on Public Works not charged against Revenue*	R 3,98,62,900	R 3,62,12,520	R 4,44,62,310
Ditto charge involved in Redemption of Liabilities . . . . .	...	...	...
Net Public Debt incurred	—376,405	4,043,311	4,822,662
Net Public Debt incurred [†] including Capital transactions with Guaranteed Railways and other Companies	315,875	3,331,845	4,172,650
Value of commodities exported, excluding Gold and Silver	R 1,06,59,50,000	1,06,50,30,000	1,08,91,40,000
Ditto imported, ditto ditto	R 66,26,50,000	77,02,10,000	73,52,90,000
Excess of Exports over Imports, excluding Gold and Silver	R 40,33,00,000	29,48,20,000	35,38,50,000
Net Imports of Gold	R —2,81,30,000	64,10,000	—4,97,40,000
Ditto of Silver	R 12,86,40,000	13,72,00,000	6,32,90,000
TOTAL NET IMPORTS OF GOLD AND SILVER	R 10,05,10,000	14,36,10,000	1,35,50,000
Excess of Exports over Imports including Gold and Silver	R 30,27,90,000	15,12,10,000	34,03,00,000
Grand Total value of Imports and Exports of all kinds	R 1,96,82,90,000	206,08,60,000	2,00,25,00,000
Secretary of State's Bills sold (Rupees)	R 26,47,84,151	15,72,36,031	30,96,98,798
Sterling Equivalent received	£ 16,532,215	9,530,235	16,905,102
Silver coined at the Indian Mints	R 12,61,15,280	4,90,24,990	9,45,940
Maximum price in pence of an oz troy standard Silver in London	41½ (June)	38½ (June)	30½ (Aug.)
Minimum ditto ditto ditto	37½ (Mar.)	27 (Mar.)	27½ (Dec. & Jan.)
Average Exchange upon Secretary of State's Bills sold per rupee	1s. 2'985d.	1s. 2'547d.	1s. 1'1005d.
Fixed rate of Exchange for the Adjustment of Transactions between the Indian and Imperial Treasuries	1s. 4½d.	1s. 2½d.	1s. 3½d. 1st quarter. For the remaining quarters, 1s. 1½d.
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	6 (Jan.)	10 (Feb.)	9 (Apl.)
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	3 (May to Dec.)	4 (June 29 to Nov. 15 & Nov. 30 to Jan. 10)	3 (Sept. 6th to Jan. 16th.)
Maximum rate of discount at the Bank of England	3 (Apl., Oct., Nov., Dec. & Jan.)	5 (Aug. & Sept.)	2
Minimum ditto ditto	2 (May to Oct.)	2 (Feb. & Mar.)	2
Maximum Government balances at the three Presidency Banks	R 4,12,36,000 (Mar.)	3,68,54,000 (June)	4,20,20,000 (Jan.)
Minimum ditto ditto ditto	R 2,75,19,000 (Nov.)	3,01,64,000 (Nov.)	3,16,57,000 (Nov.)
Maximum price in Calcutta of Government 4 per cent Rupee Securities	109—2 (May)	108—12 (June)	105—2 (June)
Minimum ditto ditto ditto	103—7 (Sept.)	99—4 (Feb.)	102—3 (May)
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed) . . . . .	...	...	105—7 (Mar.)
Minimum ditto ditto ditto . . . . .	...	...	102—9 (Jan.)
Maximum price in Calcutta of 3 per cent. Rupee Securities . . . . .	...	...	...
Minimum ditto ditto ditto . . . . .	...	...	...
Maximum amount outstanding on London Register of Rupee Securities encased for Interest Drafts	R 27,25,66,000 (Apl.)	25,97,83,000 (July)	23,63,46,000 (Apl.)
Minimum ditto ditto ditto	R 25,92,71,000 (Mar.)	24,12,75,000 (Mar.)	13,73,29,000 (Dec.)
Maximum price in London of 4 per cent (Rupee) Securities in Gold	70½ (June)	71 (June)	59½ (Aug.)
Minimum ditto ditto ditto	62½ (Aug.)	56½ (Feb.)	53½ (May)
Maximum price in London of 3½ per cent (Rupee) Securities in Gold	...	...	58½ (Mar.)
Minimum ditto ditto ditto . . . . .	...	...	53½ (Jan.)
Maximum price in London of India 3½ per cent Stock	110 (Mar.)	110½ (Apl.)	116 (Feb.)
Minimum ditto ditto ditto	105 (Aug.)	106½ (Sept.)	108½ (June)
Maximum price in London of India 3 per cent Stock	100½ (Mar.)	100½ (Apl.)	105 (Jan.)
Minimum ditto ditto ditto	95 (Aug.)	97 (Sept.)	98½ (June)
Maximum price in London of India 2½ per cent Stock . . . . .	...	...	...
Minimum ditto ditto ditto . . . . .	...	...	...
Maximum Government Paper Currency outstanding	R 29,06,50,000 (Aug.)	30,51,59,000 (Jan.)	32,35,54,000 (Nov.)
Minimum ditto ditto ditto	R 23,95,81,000 (Apl.)	24,21,60,000 (Apl.)	29,50,00,000 (Jan.)
Number of Post Office Savings Banks	6,408	6,358	6,384
Number of accounts in Post Office Savings Banks	520,967	574,050	611,947
Amount deposited in Savings Banks	R 7,81,87,727	8,26,57,319	8,40,17,923
Average of each deposit	R 150'08	143'98	137'29
Net addition to deposits	R 75,94,568	44,69,592	13,60,603

*Excludes Capital charge involved in redemption of
† In calculating this rate, a re-remittance to India

DIX IV.

FINANCIAL STATISTICS.

CELLANEOUS.

1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.	1900-1901, Revised Estimate.	1901-1902, Budget.
R 1,53,39,980	...	...	£ 2,640,873	£ 2,774,623	£ 1,640,400	£ 690,900
R 4,08,71,940	R 1,70,50,220	R 5,35,92,110	£ 3,279,316	£ 3,035,672	£ 1,850,000	£ 2,686,100
...	R 4,98,41,220	R 4,32,85,410	£ 2,553,052	£ -121,298	£ 5,922,400	£ 2,240,000
-586,412	5,407,235	6,077,779	£ 1,169,161	£ -1,845,250	£ 10,825,700	£ 1,193,900
-772,349	6,102,527	4,670,942			£ 9,727,000	
1,14,33,50,000	1,03,68,40,000	97,63,30,000	1,12,80,00,000	1,09,08,30,000		
72,93,70,000	76,11,70,000	73,64,70,000	72,10,20,000	75,30,40,000		
41,39,80,000	27,85,70,000	23,98,60,000	40,69,80,000	33,77,90,000		
2,52,60,000	2,29,10,000	4,90,90,000	6,50,30,000	9,44,00,000		
6,58,20,000	5,85,60,000	8,47,30,000	3,98,10,000	3,57,70,000		
9,10,80,000	8,14,70,000	13,33,20,000	10,48,40,000	13,01,70,000		
32,29,00,000	19,72,00,000	10,60,40,000	30,21,40,000	20,76,10,000		
2,04,89,90,000	1,98,12,30,000	1,98,95,90,000	2,10,20,80,000	2,13,31,80,000		
31,08,54,373	25,72,70,106	14,81,28,010	28,07,63,671	28,48,00,943	20,27,02,000	24,75,00,000
17,664,492	15,526,547	9,506,077	18,602,377	19,067,122	13,500,000	16,500,000
29,27,130	56,86,650	98,56,910	69,83,050	22,259,751		
31½ (Feb.)	31½ (June)	28½ (Apl.)	28½ (Sept.)	29 (Apl.)	30½ (Oct.)	
29½ (Apl.)	28½ (Mar.)	23½ (Aug.)	251½ (Apl.)	26½ (Oct.)	27½ (Apl.)	
1s. 16s. 81d.	1s. 24s. 50d.	† 1s. 33s. 39d.	1s. 39784d.	1s. 40676d.	1s. 3984d.	1s. 4d.
1s. 1½d.	1s. 1½d.	1s. 2½d.	1s. 3½d.	1s. 4d.	1s. 4d.	1s. 4d.
7 (Feb.)	10 (Dec. 23 to Mar. 31).	12 (Feb. 24 to Mar. 31).	12 (Apl. 1-27)	8 (Oct. 8 to 25 and Jan. 11 to Mar. 14)	8 (Feb. and Mar.)	
3 (July 25 to Nov. 13.)	3 (July 2 to Sept. 2).	5 (July 15 to Sept. 8 & 25 Nov. to 15 Dec.)	4 (July 28 to Sept. 7).	4 (July 6 to Sept. 13).	3 (July 5 to Aug. 8).	
2	4	3 (Oct. to Mar.)	4 (Apl. and May Oct. to Jan.)	6 (Nov. 30 to Jan. 10).	5 (Jan. 3 to Feb. 6).	
2	2	2 (May to Sept.)	2½ (July to Sept.)	3 (Apl. to July 12).	3 (June and July)	
4,16,19,000 (May)	3,91,42,000 (Aug.)	3,27,96,000 (Mar.)	3,48,23,000 (Aug.)	4,26,15,000 (June)	3,31,13,000 (Jan.)	
3,00,15,000 (Nov.)	2,02,19,000 (Nov.)	2,02,53,000 (Sept.)	2,76,74,000 (Nov.)	2,58,60,000 (Nov.)	2,59,78,000 (Nov.)	
...	
109-8 (Oct.)	110-15 (May)	104-1 (May 21)	101-11 (Feb. 22)	101-9 (May 3 and 4 and 25 to 27).	97-12 (Oct. 24)	
104-15 (Jan.)	98-11 (Feb.)	94-4 (Jan. 7)	92-10 (Apl. 22)	92-4 (Oct. 6)	93-11 (July 28)	
...	105 (Aug.)	97-4 (May & June).	95-8 (Mar. 15 to 17 and 22).	95-8 (May 15 to 20).	89-0 (April and May.)	
...	97 (Jan. to Mar.)	90-0 (Jan. to Mar.)	86-0 (Nov. 16 to Jan. 17).	88, Mar. 13 and 14, 19, 20 and 22 to 31).	85-12 (Feb. and Mar.)	
25,35,43,000 (Nov.)	26,64,72,000 (Nov.)	23,47,80,000 (Apl.)	21,93,37,000 (Oct.)	21,36,32,000 (Apl.)	20,83,61,000 (Apl.)	
24,05,02,000 (Apl.)	23,92,57,000 (Mar.)	21,39,05,000 (Mar.)	21,33,46,000 (Aug.)	20,28,73,000 (Aug.)	22,23,85,000 (Sept.)	
...	
65½ (Feb.)	65½ (Aug.)	64½ (Jan.)	67½ (Mar.)	67½ (Apl.)	65 (Nov.)	
57½ (Apl. & May)	60 (Oct.)	60½ (Dec.)	61½ (Oct. and Nov.)	62 (Oct. and Dec.)	62½ (July)	
120½ (Feb.)	122½ (Apl.)	119½ (Aug.)	117½ (Mar.)	146½ (Apl.)	111½ (Apl.)	
114½ (Apl.)	114½ (Sept.)	114½ (Mar.)	111 (Oct.)	104½ (Dec.)	105 (July)	
111½ (Feb.)	115½ (May)	112½ (May)	109½ (Feb.)	109½ (Aug.)	103½ (Apl.)	
103½ (May)	106 (Oct.)	105 (Mar.)	103½ (Oct.)	98½ (Dec.)	95 (Aug.)	
...	103 (June)	99½ (Apl.)	94½ (Mar.)	99½ (Apl.)	90½ (May)	
...	95½ (Sept.)	92 (Mar.)	84½ (Oct.)	85 (Dec.)	85 (Aug.)	
32,42,86,000 (July)	29,58,99,000 (July)	24,75,10,000 (Mar.)	28,20,33,000 (Mar.)	29,27,12,000 (July)	30,78,41,000 (July)	
25,94,07,000 (Mar.)	23,57,85,000 (Feb.)	22,86,16,000 (May)	23,24,55,000 (May)	26,26,32,000 (Dec.)	27,89,64,000 (Apl.)	
6,343	6,420	6,290	6,310	6,479		
653,892	713,370	730,387	755,871	785,729		
9,04,23,072	9,63,92,411	9,28,72,978	9,42,80,041	9,64,64,466		
138,28	135,13	127,15	124,73	122,77		
64,05,149	59,69,339	-35,19,433	14,07,001	21,84,425		

liabilities.
of R1,00,00,000 by means of Bank drafts is taken into account.

APPENDIX IV—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table II.—Statement showing the true financial results to the Revenues of India of the guarantee of interest upon the Capital of Guaranteed Railway Companies.

(Omitting 000 in rupee figures except in accounts.)

	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.
Open mileage at end of official year	2,587	2,588	2,588	2,588	2,612	1,305	1,348
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Gross traffic receipts	6,25,51,302	5,68,51,797	5,41,45,964	6,38,10,069	6,26,01,464	3,67,29	2,85,50
Working expenses	2,97,98,925	3,05,10,161	3,21,32,048	3,29,83,339	3,39,93,236	1,86,93	1,37,75
Percentage of working expenses on receipts	47.64	53.67	59.34	51.69	54.30	50.89	48.25
Net traffic receipts	3,27,52,377	2,63,41,636	2,20,13,916	3,08,26,730	2,86,08,228	1,80,36	1,47,75
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 . . . . .	...	...	...	...	...	...	...
Total Revenue	3,27,52,377	2,63,41,636	2,20,13,916	3,08,26,730	2,86,08,228	1,80,36	1,47,75
Guaranteed Interest paid in England £	2,161,563	2,160,967	2,154,784	2,162,525	2,172,336	1,589,500	1,015,100
Ditto converted at the average exchange of the year	3,80,38,533	3,58,90,067	3,36,81,849	3,24,37,876	3,24,47,825	2,38,66	1,52,27
Guaranteed interest paid in India plus interest on overdrawn Capital	28,224	82,246	88,990	82,089	1,28,387	1,22	21
Surplus paid to Railway Companies	50,15,073	44,73,021	11,03,022	36,18,447	42,03,949	30,22	19,00
Land and Supervision	2,88,082	2,80,824	1,59,111	3,63,890	9,47,051	6	54
Net loss on receipts and disbursements of Capital in India calculated in the same way as the gain	8,72,650	8,31,480	11,04,620	18,16,734	21,01,940	1,20	64
Total Expenditure	4,42,42,562	4,15,57,638	3,61,37,592	3,83,19,036	3,98,29,152	2,71,36	1,72,66
Net Expenditure from the Public Treasury	1,14,90,185	1,52,16,002	1,41,23,676	74,92,306	1,12,20,924	91,00	24,91

APPENDIX IV - continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Actual Capital expenditure on State Railways in 1899-1900, and estimated expenditure on such works in 1900-1901 and 1901-1902, and to end of 1901-1902.

RAILWAYS.	To end of 1899-99.	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.	To end of 1901-1902.	Sanctioned outlay.	Balance remaining unspent.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
OPEN LINES.							
East Indian	19,72,73,528	1,98,32,502	1,69,70,000	1,87,50,000	25,28,76,030	25,28,76,030	...
Rajputana-Malwa System	15,04,43,675	11,50,566	27,44,000	21,24,000	15,04,62,241	15,04,62,241	...
Palampur-Deesa	2,33,264	...	...	4,000	2,37,264	2,37,264	...
Bhopal	23,85,765	49,882	50,000	2,50,000	27,35,647	27,35,647	...
Wardha Coal	49,96,325	...	...	5,000	50,01,325	50,01,325	...
Warora Colliery	17,85,123	-57,939	-52,000	-10,000	16,65,184	16,65,184	...
Umara Colliery	11,21,127	-9,38,457	...	...	1,82,670	1,82,670	...
Burma	7,69,12,324	...	...	...	7,69,12,324	7,69,12,324	...
Jorhat	9,18,132	3,775	4,000	6,000	9,31,907	9,31,907	...
Cherra-Companyganj	7,69,531	-287	-1,000	...	7,68,244	7,68,244	...
Eastern Bengal	9,92,41,395	32,11,945	26,56,000	42,85,000	10,93,94,340	10,93,94,340	...
Tirhoot	2,72,72,384	8,41,476	20,00,000	5,00,000	3,06,13,860	3,06,13,860	...
Oudh and Rohilkhand	12,75,80,665	15,23,774	9,76,000	15,30,000	13,16,10,439	13,16,10,439	...
Lucknow-Bareilly	51,21,140	...	...	...	51,21,140	51,21,140	...
North Western	42,43,88,632	35,08,520	51,78,000	62,83,000	43,98,58,152	43,98,58,152	...
Guntakal-Mysore frontier	58,98,840	-231	6,000	...	59,04,609	59,04,609	...
South Indian	7,13,10,496	5,34,698	3,75,000	12,00,000	7,34,20,194	7,34,20,194	...
Dhond and Manmad	1,14,36,914	1,04,430	33,000	2,00,000	1,17,74,341	1,17,74,341	...
Mayavaram-Mutupet	24,95,056	27,001	2,70,000	6,42,000	34,34,057	34,34,057	...
Hyderabad-Shadipalli	18,38,426	4,856	24,000	1,53,000	20,20,282	20,20,282	...
Petroleum Operations	1,19,187	...	...	...	1,19,187	1,19,187	...
Frontier Railway Reserve Material	43,57,492	-9,884	-2,000	...	43,45,608	43,45,608	...
Uttar Pradesh Railway Reserve Material	3,61,478	...	-2,31,000	...	1,30,478	1,30,478	...
East Indian Peninsula	...	...	6,32,45,000	10,58,000	6,43,03,000	6,43,03,000	...
West Coast (a)	8,25,99,432	8,60,239	7,40,000	3,81,000	8,45,80,671	8,45,80,671	...
TOTAL	1,30,13,60,331	3,06,96,866	9,49,85,000	3,73,61,000	216,44,03,197	216,44,03,197	...
LINES UNDER CONSTRUCTION.							
Cooch Behar-Santrabari	3,85,427	2,96,575	4,000	...	6,86,002	10,32,000	3,45,998
Assam-Bengal (Construction)	3,99,27,858	99,17,357	7,22,000	82,90,000	5,28,57,215	6,66,79,000	78,21,785
Ditto (Chittagong Jetties)	4,63,766	2,01,069	-15,000	45,000	6,94,835	6,41,000	-53,835
Ditto (Land)	35,32,767	36,082	75,000	10,000	36,53,849	50,50,000	13,96,151
Indus Bridge	27,15,777	1,33,401	-25,000	11,000	28,35,178	31,01,000	2,65,822
Nowshera-Dargai	18,004	7,45,974	7,69,000	16,000	15,48,978	15,68,000	19,022
Madura-Pamban	92,793	1,90,750	15,72,000	35,00,000	53,55,543	68,91,000	15,35,457
Shadipalli-Jodhpur Frontier	9,97,316	9,42,349	3,98,000	5,000	23,42,663	27,04,000	3,48,335
Hyderabad-Rahuki Section	...	...	...	13,000	13,000	...	...
Hajipur-Begum Serai-Katihar extension	83,32,984	24,36,442	30,88,000	20,46,000	1,54,03,426	1,28,57,000	-30,46,426
Godavari Bridge	32,05,294	20,49,480	4,00,000	...	56,54,774	59,70,000	3,15,226
Kaunia-Dhubri Extension and Cossipur Branch and doubling the line	18,182	3,63,154	17,05,000	42,00,000	62,86,336	1,09,01,000	46,14,664
Teesta Bridge	5,06,219	8,91,531	4,50,000	22,000	18,69,750	19,58,000	88,250
Jullunder-Hoshiarpur	14,531	...	...	...	14,531	15,000	469
Ludhiana-Ferozepur	28,311	...	...	...	28,311	29,000	689
Agra-Delhi Chord	62,285	31,982	12,000	...	1,06,267	90,76,000	89,69,733
Ghaziabad-Moradabad	19,53,460	37,88,129	19,16,000	4,21,000	80,78,595	81,71,000	92,405
Tinnevely-Quilon—British Section	5,194	3,22,554	7,70,000	20,00,000	30,97,748	25,00,000	-5,97,748
Ditto —Native State Section	...	...	15,95,000	49,44,000	65,39,000	76,00,000	10,61,000
Khushalgarh-Kohat	...	...	4,60,000	20,00,000	24,60,000	28,41,000	3,81,000
TOTAL	6,22,60,174	2,23,46,821	1,38,96,000	2,75,23,000	12,67,26,003	14,95,84,000	2,35,57,997
Carried forward	1,36,36,27,505	5,30,43,692	10,88,81,000	6,48,84,000	1,59,04,29,200	1,61,39,87,197	2,35,75,997

(a) Includes Bezwada Extension and Bezwada-Madras Railways.

FINANCIAL STATEMENT OF THE

APPENDIX IV—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Actual Capital expenditure on State Railways in 1899-1900, and estimated expenditure on such works in 1900-1901 and 1901-1902, and to end of 1901-1902—concluded.

RAILWAYS.	To end of 1898-99.	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.	To end of 1901-1902.	Sanctioned outlay.	Balance remaining unspent.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Brought over	1,36,36,20,505	5,30,43,695	10,88,81,000	6,48,84,000	1,59,04,29,200	1,61,39,87,197	2,35,57,997
LINKS IN ABEYANCE OR TRANSFERRED TO COMPANIES, ETC.							
Ranaghat-Bhagwangola	3,02,450	...	...	...	3,02,450	3,02,450	...
Southern Mahratta (Depreciation on works, etc.)	5,27,071	...	...	...	5,27,071	5,27,071	...
Bellary-Kistna	1,65,78,416	...	...	...	1,65,78,416	1,65,78,416	...
Bilaspur-Etawah	75,132	...	...	...	75,132	75,132	...
Vizagapatam-Raipur	2,45,035	...	...	...	2,45,035	2,45,035	...
Nagpur-Chhattisgarh Depreciation Account	6,57,038	...	...	...	6,57,038	6,57,038	...
TOTAL	1,83,85,142	...	...	...	1,83,85,142	1,83,85,142	...
Stores	8,53,210	—5,80,350	—2,48,000	1,80,000	2,04,860	2,04,860	...
	1,38,28,58,857	5,24,63,345	10,86,33,000	6,50,64,000	1,60,90,19,202	1,63,25,77,195	2,35,57,997
<i>Deduct</i> —Amount provided for Capital outlay on East Indian Railway by the issue of Sterling Debentures and Debenture Stock	2,68,80,832	1,58,62,308	2,66,35,000	1,87,50,000	8,81,28,140	8,81,28,140	...
<i>Deduct</i> —Amount provided for Capital outlay on extensions of South Indian Railway by the issue of Sterling Debentures	...	...	37,59,000	1,08,75,000	1,46,34,000	1,46,34,000	...
<i>Deduct</i> —Amount provided for Capital outlay on the Great Indian Peninsula Railway by the issue of Sterling Debentures	...	...	...	45,00,000	45,00,000	45,00,000	...
	2,68,80,832	1,58,62,308	3,03,94,000	3,41,25,000	10,72,62,140	10,72,62,140	...
TOTAL	1,35,59,78,025	3,66,01,037	7,82,39,000	3,09,39,000	1,50,17,57,062	1,52,53,15,059	2,35,57,997
<i>Distributed as under—</i>							
CAPITAL EXPENDITURE ON PUBLIC WORKS (not charged to Revenue)—							
State Railways—Construction							
Redemption of Liabilities	87,07,43,410	3,65,65,692	1,87,42,000	3,02,91,000	95,63,42,111	95,63,42,111	...
	33,55,34,510	...	5,92,24,000	...	39,47,58,510	39,47,58,510	...
FAMINE RELIEF AND INSURANCE—							
Protective Railways	7,24,12,846	...	...	...	7,24,12,846	7,24,12,846	...
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance)							
	6,51,12,820	35,345	2,73,000	6,48,000	6,60,69,165	6,60,69,165	...
OTHER EXPENDITURE charged against Revenue							
	1,21,74,430	...	...	...	1,21,74,430	1,21,74,430	...
TOTAL AS ABOVE	1,35,59,78,025	3,66,01,037	7,82,39,000	3,09,39,000	1,50,17,57,062	1,52,53,15,059	2,35,57,997

APPENDIX IV—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table IV.—Capital Expenditure on Irrigation—Major Works, in 1899-1900, and estimated expenditure on such works in 1900-1901 and 1901-1902, and to the end of 1901-1902.

IRRIGATION WORKS. CAPITAL EXPENDITURE NOT CHARGED TO REVENUE.	Actual outlay to end of 1898-99.	Accounts, 1899-1900.	Revised Estimate, 19.0-1901.	Budget Estimate, 1901-1902.	Total Actual and estimated outlay to end of 1901-1902.	Sanctioned estimate.	Balance of sanctioned estimate remaining to be spent.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<i>Burma.</i>							
Mandalay Canal	15,18,958	11,23,703	10,000	7,00,000	42,42,661	30,60,341	...
webo Canal . . . . .	...	...	44,000	8,00,000	9,44,000	46,28,060	36,84,060
<i>Bengal.</i>							
Orissa Canals	2,57,88,378	33,888	47,000	62,000	2,59,35,266	...	...
... Canal	82,80,766	8,000	...	...	82,88,766	...	...
... Canal	25,51,729	...	...	...	25,51,729	...	...
... Canals	2,58,43,002	-8,274	11,000	31,000	2,58,76,728	...	...
<i>North-Western Provinces and Oudh.</i>							
... Canal	2,82,21,371	79,710	1,07,000	1,21,000	2,85,29,083	...	...
... Canal	3,29,92,808	6,58,982	77,000	89,000	3,38,17,760	...	...
... to Fatehpur Branch	27,37,110	2,38,600	2,10,000	1,03,000	32,94,710	34,20,000	1,25,284
... Canal	88,67,973	13,488	1,000	43,000	89,25,461	...	...
Dhaterm Jumna Canal	36,35,718	35,351	57,000	84,000	38,12,069	...	...
<i>Punjab.</i>							
Western Jumna Canal (including Sirsra Branch)	1,58,52,655	4,30,294	71,000	67,000	1,64,20,949	...	...
Bari Doab Canal	1,75,04,111	1,10,840	2,50,000	5,57,000	1,84,21,952	...	...
Sirhind Canal (State outlay)	2,30,70,402	93,511	1,17,000	1,48,000	2,34,28,913	...	...
Chenab Canal	2,36,64,143	9,04,040	7,50,000	7,35,000	2,60,53,180	...	...
Jhelum Canal	6,01,957	28,15,883	33,97,000	24,98,000	93,12,840	1,20,24,068	27,11,228
<i>Madras.</i>							
Godavari Delta System	1,11,60,367	64,717	50,000	1,23,000	1,14,38,084	...	...
Kistna Delta System	1,25,08,360	1,82,559	2,14,000	2,60,000	1,31,64,919	...	...
Pennér river Canals System	48,20,433	74,479	1,88,000	1,74,000	52,56,912	...	...
Periyar Project	84,32,942	75,314	61,000	69,000	86,38,256	...	...
<i>Bombay.</i>							
Desert Canal	12,50,742	1,85,418	3,33,000	3,97,000	21,66,160	...	...
Begari	16,57,544	...	...	...	16,57,544	...	...
Eastern Nara Works	60,66,192	6,572	37,000	1,29,000	62,38,764	...	...
Jamrao Canal	52,33,101	12,66,116	9,25,000	5,61,000	79,85,217	77,26,671	...
Mutha Canals	64,00,734	25,650	3,000	35,000	64,67,384	...	...
Other projects	3,25,79,371	6,36,462	10,86,000	23,54,000	3,66,55,833	...	...
Deduct—Outlay incurred from Ordinary Revenues	31,12,40,867	90,60,315	90,82,000	1,01,43,000	33,95,26,182	...	...
	6,05,67,850	90,915	74,000	1,43,000	6,08,75,765	...	...
TOTAL	25,06,73,017	89,69,400	90,08,000	1,00,00,000	27,86,50,417	...	...
FAMINE RELIEF AND INSURANCE. PROTECTIVE IRRIGATION WORKS.							
<i>Bengal.</i>							
Trebeni Canal . . . . .	...	...	...	3,82,000	3,82,000	37,04,802	33,22,802
<i>North-Western Provinces and Oudh.</i>							
Betwa Canal	40,82,669	71,000	1,26,000	55,000	43,34,669	...	...
<i>Punjab.</i>							
Swat River Canal	38,85,046	97,680	8,000	...	39,90,726	...	...
<i>Madras.</i>							
Rushikulya Project	43,08,571	42,448	33,000	16,000	44,00,019	45,53,000	1,52,981
<i>Bombay.</i>							
Nira Canal	53,55,495	90	6,000	13,000	53,74,585	...	...
Other projects	43,21,104	1,47,728	1,26,000	6,71,000	52,65,832	...	...
Deduct—Outlay incurred from Ordinary Revenues	2,19,52,885	3,58,946	2,99,000	11,37,000	2,37,47,831	...	...
	28,54,330	...	...	...	28,54,330	...	...
TOTAL	1,90,93,555	3,58,946	2,99,000	11,37,000	2,08,93,501	...	...
GRAND TOTAL	26,97,71,572	93,28,346	93,07,000	1,11,37,000	29,95,43,918	...	...

FINANCIAL STATEMENT OF THE

APPENDIX IV—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross traffic receipts, working expenses, and net traffic receipts of Guaranteed and State Railways for five years ending 1899-1900, with Revised Estimates for 1900-1901 and Budget Estimates for 1901-1902.

	ACCOUNTS.					Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.		
GUARANTEED RAILWAYS.							
Open mileage at beginning of year	M.	M.	M.	M.	M.	M.	M.
	2,587	2,587	2,588	2,588	2,588	2,612	1,305
<i>Gross Traffic Receipts.</i>	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Madras	1,11,78,411	1,09,98,075	1,13,97,301	1,02,35,380	1,09,06,956	1,12,00,000	1,12,00,000
Ditto Extensions . . . . .	...	...	...	...	...	...	3,50,000
Bombay, Baroda and Central India	1,78,59,152	1,52,15,406	1,40,17,891	1,67,45,041	1,84,32,686	1,66,00,000	1,70,00,000
Great Indian Peninsula	3,35,13,732	3,06,38,316	2,87,30,772	3,68,29,648	3,32,61,822	89,29,000	...
TOTAL	6,25,51,302	5,68,51,797	5,41,45,964	6,38,10,069	6,26,01,464	3,67,29,000	2,85,50,000
<i>Working Expenses.</i>							
Madras	53,05,197	55,07,398	55,05,832	51,88,748	57,09,501	59,00,000	56,00,000
Ditto Extensions . . . . .	...	...	...	...	...	...	1,75,000
Bombay, Baroda and Central India	65,36,250	71,62,458	78,89,334	72,51,431	90,16,496	87,50,000	80,00,000
Great Indian Peninsula	1,79,57,478	1,78,40,305	1,87,36,882	2,05,43,160	1,92,67,239	40,43,000	...
TOTAL	2,97,98,925	3,05,10,161	3,21,32,048	3,29,83,339	3,39,93,236	1,86,93,000	1,37,75,000
<i>Net Traffic Receipts.</i>							
Madras	58,73,214	54,90,677	58,91,469	50,46,632	51,97,455	53,00,000	56,00,000
Ditto Extensions . . . . .	...	...	...	...	...	...	1,75,000
Bombay, Baroda and Central India	1,13,22,909	80,52,948	61,28,557	94,93,610	94,16,190	78,50,000	90,00,000
Great Indian Peninsula	1,55,56,254	1,27,98,011	99,93,890	1,62,86,488	1,39,94,583	48,86,000	...
TOTAL	3,27,52,377	2,63,41,636	2,20,13,916	3,08,26,730	2,86,08,228	1,80,36,000	1,47,75,000

APPENDIX IV—continued.

	Accounts.					Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.		
STATE RAILWAYS.							
(a) Open mileage at beginning of year	M.	M.	M.	M.	M.	M.	M.
	14,146	14,721	15,378	15,582	16,643	17,131	19,305
<i>Gross Traffic Receipts.</i>							
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
East Indian { England	4,047	3,820	3,595	3,455	3,450	3,000	3,000
{ India	5,49,33,893	5,45,05,345	5,88,41,206	6,01,07,531	6,58,04,353	6,75,00,000	6,78,00,000
Rajputana-Malwa System	2,35,08,246	2,01,09,829	1,97,44,695	2,28,60,759	2,77,81,248	2,75,00,000	2,35,00,000
Bhopal	1,42,658	1,63,689	1,52,216	1,93,364	2,09,610	2,42,000	2,40,000
Palampur-Deesa	37,543	51,862	39,696	40,271	49,701	40,000	43,000
Warora Colliery	5,45,969	5,20,646	5,52,256	6,09,393	5,77,182	6,20,000	6,10,000
Wardha Coal	1,93,552	2,06,078	1,98,857	2,09,600	2,07,216	1,75,000	...
Bengal-Nagpur	65,79,242	61,28,992	61,53,113	73,81,307	1,07,42,719	1,20,00,000	1,43,00,000
Umaria Colliery	3,96,195	3,91,333	3,85,062	4,78,862	14,995	...	...
Burma	65,53,010	73,92,814	86,92,755	86,77,541	94,69,988	1,12,00,000	1,09,00,000
Mu Valley	4,08,534	6,49,809	...	...	...	...	...
Assam-Bengal	4,25,363	6,64,449	10,65,504	14,22,065	16,04,649	18,00,000	20,00,000
Jorhat	80,758	91,805	1,07,237	94,036	91,299	85,000	50,000
Cherra-Companyganj	25,647	26,975	5,707	6,505	6,355	5,000	...
Eastern Bengal	1,43,15,686	1,50,05,866	1,53,02,138	1,41,48,932	1,61,22,698	1,71,00,000	1,70,00,000
Bengal and North-Western and Tirhoot	56,72,009	56,50,067	62,50,386	66,33,807	81,68,864	80,00,000	84,00,000
Bengal Central	9,36,030	9,35,145	11,83,699	10,38,158	11,49,611	13,30,000	13,00,000
Brahmaputra-Sultanpur Branch . . . . .	...	...	...	...	...	...	1,28,000
Oudh and Rohilkhand	97,45,180	81,86,207	88,21,064	1,00,88,265	1,13,25,817	1,16,00,000	1,22,00,000
Indian Midland	45,44,755	48,57,459	56,86,339	57,13,632	73,33,950	88,50,000	77,50,000
Lucknow-Bareilly	8,13,577	7,93,351	8,99,020	10,43,931	13,09,526	12,50,000	12,00,000
Hardwar-Dehra . . . . .	...	...	...	...	...	50,000	2,80,000
North-Western	3,48,56,911	2,88,79,068	3,48,28,212	3,64,17,015	3,53,04,846	3,24,00,000	3,60,00,000
South Indian	90,34,880	89,92,806	89,44,017	84,35,906	86,58,220	88,00,000	88,00,000
Mysore	16,07,690	15,84,068	18,99,315	12,10,229	11,24,012	14,00,000	13,50,000
Bezwada Extension . . . . .	...	...	...	...	...	...	3,00,000
East Coast including Bezwada-Madras	23,11,514	27,21,149	31,26,053	31,77,776	52,81,401	56,00,000	36,00,000
Guntakal-Mysore Frontier	4,46,825	4,86,633	6,36,828	3,87,828	4,05,156	4,35,000	4,00,000
Travancore Branch . . . . .	...	...	...	...	...	...	15,000
Mayavaram-Mutupet	2,46,536	2,57,203	2,58,372	2,45,846	2,38,518	2,40,000	2,30,000
Dhond and Manmad* (net)	4,08,233	3,67,395	2,81,272	2,89,635	2,99,554	2,12,000	...
Southern Mahratta	66,37,013	65,88,447	61,74,980	49,94,337	62,93,041	63,50,000	63,00,000
Hyderabad-Shadipalli	1,75,488	1,83,728	2,11,653	2,29,706	2,20,367	1,90,000	1,80,000
Shadipalli-Jodhpur Frontier . . . . .	...	...	...	...	...	41,000	2,15,000
Great Indian Peninsula . . . . .	...	...	...	...	...	2,80,00,000	3,60,00,000
TOTAL	18,55,86,984	17,63,96,038	19,04,45,247	19,61,39,692	21,97,68,346	25,30,18,000	26,11,34,000

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1885; the Government of India receive only a percentage of the gross receipts.

(a) Includes the length of the Bengal and North-Western Railway.

FINANCIAL STATEMENT OF THE

APPENDIX IV—continued.

	ACCOUNTS.					Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.		
<i>Working Expenses.</i>	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
East Indian	1,88,45,469	1,84,90,208	1,95,32,035	2,33,39,483	2,50,54,050	2,44,50,000	2,45,25,000
Rajputana-Malwa System	1,16,15,027	1,02,69,023	99,30,441	1,21,28,709	1,29,30,693	1,40,50,000	1,17,50,000
Bhopal	96,544	1,00,943	91,080	1,13,929	1,25,531	1,30,000	1,35,000
Palampur-Deesa	26,857	35,830	27,424	26,514	27,831	33,000	33,000
Warora Colliery	4,02,121	3,47,718	3,95,929	4,26,619	4,05,760	4,15,000	4,15,000
Wardha Coal	1,17,189	1,22,219	1,40,326	1,31,773	1,24,716	95,000	...
Bengal-Nagpur	32,95,299	35,25,211	31,70,834	36,16,820	45,80,706	52,00,000	68,47,000
Umaria Colliery	3,92,930	3,96,921	3,77,229	4,51,067	16,848	...	...
Burma	34,73,821	38,00,524	51,97,806	52,71,162	55,53,838	64,00,000	64,00,000
Mu Valley	6,25,444	8,17,674					
Assam-Bengal	3,26,855	6,75,233	8,97,608	13,79,359	12,34,774	14,00,000	15,00,000
Jorhat	74,351	72,623	81,701	88,183	1,03,821	96,000	82,000
Cherra-Companyganj	23,117	25,913	68,628	1,07,271	43,911	21,000	...
Eastern Bengal	56,09,676	60,40,686	66,64,217	66,44,427	72,72,708	81,00,000	80,00,000
Bengal and North-Western and Tirhoot	43,79,030	43,72,762	44,33,591	48,23,561	63,93,740	73,80,000	69,00,000
Bengal Central	6,11,523	6,92,277	8,13,198	7,71,673	8,07,735	8,73,000	8,50,000
Brahmaputra-Sultanpur Branch . . . . .	...	...	...	...	...	...	65,000
Oudh and Rohilkhand	50,08,568	45,00,835	46,15,177	47,92,194	50,44,137	58,00,000	61,00,000
Indian Midland	28,48,510	28,99,699	31,25,639	32,45,596	38,01,188	41,50,000	36,25,000
Lucknow-Bareilly	5,36,385	5,24,593	5,34,976	6,00,961	7,73,507	7,00,000	7,00,000
Hardwar-Dehra . . . . .	...	...	...	...	...	25,000	1,65,000
North Western	1,87,68,633	1,71,05,883	1,83,01,773	1,91,54,545	1,90,26,943	1,91,00,000	2,10,00,000
South Indian	54,23,075	51,68,948	50,78,583	49,58,361	47,25,019	49,00,000	52,00,000
Mysore	10,94,332	10,91,863	13,32,970	9,68,892	8,34,759	10,70,000	10,00,000
Bezwada Extension . . . . .	...	...	...	...	...	...	1,13,000
East Coast including Bezwada-Madras	18,39,198	20,83,457	21,53,985	22,71,399	31,99,538	31,50,000	18,00,000
Guntakal-Mysore Frontier	2,53,585	2,78,467	3,71,670	2,69,557	2,62,605	3,00,000	2,80,000
Travancore Branch . . . . .	...	...	...	...	...	...	10,000
Mayavaram-Mutupet	1,52,822	1,51,909	1,49,832	1,69,999	1,39,379	1,40,000	1,53,000
Southern Mahratta	44,41,090	44,78,578	43,78,972	39,46,803	45,93,822	48,00,000	48,00,000
Hyderabad-Shadipalli	1,26,906	1,25,484	1,46,397	1,54,057	1,39,499	1,20,000	1,24,000
Shadipalli-Jodhpur Frontier . . . . .	...	...	...	...	...	21,000	1,08,000
Great Indian Peninsula . . . . .	...	...	...	...	...	1,30,00,000	1,71,50,000
TOTAL	9,04,08,357	8,81,95,532	9,20,12,021	9,98,52,914	10,72,17,062	12,59,19,000	12,98,30,000

APPENDIX IV—continued.

	ACCOUNTS.					Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.		
<i>Net Traffic Receipts.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
East Indian	3,60,92,471	3,60,18,957	3,93,12,766	3,67,71,503	4,07,53,752	4,30,53,000	4,32,78,000
Rajputana-Malwa System	1,18,93,219	98,40,806	98,14,254	1,07,32,050	1,48,50,555	1,34,50,000	1,17,50,000
Bhopal	46,114	62,746	61,136	79,435	84,079	1,12,000	1,05,000
Palanpur-Deesa	10,686	15,982	12,272	13,757	21,870	7,000	10,000
Warora Colliery	1,43,848	1,72,928	1,56,327	1,82,774	1,71,422	2,05,000	1,95,000
Wardha Coal	76,363	83,859	58,531	77,827	82,500	80,000	...
Bengal-Nagpur	32,83,943	26,03,781	29,82,279	37,64,487	61,62,013	68,00,000	74,53,000
Umara Colliery	3,265	—5,588	7,833	27,795	—1,853	...	...
Burma	30,79,189	35,92,290	34,94,949	34,06,370	39,16,150	48,00,000	45,00,000
Mu Valley	—2,16,910	—1,67,865					
Assam-Bengal	98,508	—10,784	1,67,896	42,704	3,69,870	4,00,000	5,00,000
Jorhat	6,407	19,182	25,536	5,853	—12,522	—11,000	8,000
Cherra-Companyganj	2,530	1,062	—62,921	—1,00,766	—37,556	—16,000	...
Eastern Bengal	87,06,010	89,55,180	86,37,921	75,04,505	88,49,990	90,00,000	90,00,000
Bengal and North-Western and Tirhoot	12,92,979	12,77,305	18,16,795	18,10,240	17,75,124	6,20,000	15,00,000
Bengal Central	3,24,507	2,42,868	3,70,501	2,66,485	3,41,876	4,57,000	4,50,000
Brahmaputra-Sultanpur Branch . . . . .	...	...	...	...	...	...	63,000
Oudh and Rohilkhand	47,36,612	36,85,372	42,05,887	52,96,071	62,81,680	58,00,000	61,00,000
Indian Midland	16,96,245	19,57,760	25,60,700	24,68,036	35,32,762	47,00,000	41,25,000
Lucknow-Bareilly	2,77,192	2,68,758	3,64,039	4,42,970	5,36,019	5,50,000	5,00,000
Hardwar-Dehra . . . . .	...	...	...	...	...	25,000	1,15,000
North-Western	1,60,88,278	1,17,73,185	1,65,26,444	1,72,62,470	1,62,77,900	1,33,00,000	1,50,00,000
South Indian	36,11,805	38,23,858	38,65,434	34,77,545	39,33,201	39,00,000	36,00,000
Mysore	5,13,358	4,92,203	5,66,345	2,41,337	2,89,253	3,30,000	3,50,000
Bezwada Extension . . . . .	...	...	...	...	...	...	1,87,000
East Coast including Bezwada Madras	4,72,316	6,37,697	9,72,068	9,06,477	20,81,863	24,50,000	18,00,000
Guntakal-Mysore Frontier	1,93,240	2,08,165	2,65,158	1,18,271	1,42,547	1,33,000	1,20,000
Travancore Branch . . . . .	...	...	...	...	...	...	5,000
Mayavaram-Mutupet	93,714	1,05,294	1,03,540	75,847	99,139	1,00,000	77,000
Dhond and Manmad	4,08,233	3,67,395	2,81,272	2,89,635	2,99,554	2,12,000	...
Southern Mahratta	21,95,923	21,09,869	17,96,008	10,47,534	16,99,210	15,50,000	15,00,000
Hyderabad-Shadipalli	48,552	58,244	65,256	75,649	80,866	70,000	56,000
Shadipalli-Jodhpur Frontier . . . . .	...	...	...	...	...	20,000	1,07,000
Great Indian Peninsula . . . . .	...	...	...	...	...	1,50,00,000	1,88,50,000
TOTAL	9,51,78,627	8,82,00,505	9,84,33,226	9,62,86,770	11,25,81,284	12,70,99,000	13,13,04,000

APPENDIX IV—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1899-1900, with Revised Estimates for 1900-01, and Budget Estimates for 1901-02.

	ACTUALS.					Revised Estimate, 1900-01.	Budget Estimate, 1901-02.
	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
DIRECT RECEIPTS—							
Orissa canals	4,17,222	4,74,217	5,54,757	4,69,554	4,42,497	3,75,000	3,75,000
Midnapur canal	2,63,994	2,79,757	2,75,636	2,33,772	2,38,652	2,08,000	2,08,000
Hijili Tidal canal	61,976	90,946	92,210	75,286	53,234	57,000	62,000
Sone canals	7,72,123	10,64,693	12,66,974	10,75,265	10,95,351	10,78,000	10,73,000
Ganges canal	15,95,180	32,20,543	36,35,539	32,06,998	36,57,032	38,67,000	28,81,000
Lower Ganges canal	9,48,174	23,34,146	29,09,026	22,79,590	22,29,549	21,65,000	22,23,000
Ditto Fatehpur Branch . . . . .	...	...	...	...	76,330	84,000	1,04,000
Agra canal	4,60,587	8,10,172	9,74,061	6,81,498	8,28,626	9,35,000	6,69,000
Eastern Jumna canal	6,75,461	11,13,772	14,15,472	12,48,831	12,41,746	12,30,000	11,32,000
Betwa canal	25,874	83,699	1,37,700	1,10,665	94,267	55,000	83,000
Western Jumna canal (including Sirsa Branch)	13,13,922	26,31,948	25,48,661	28,00,084	29,79,562	27,30,000	23,75,000
Chenab canal	10,46,273	16,77,407	20,48,891	24,06,523	30,02,897	43,95,000	49,00,000
Bari Doab canal	23,34,660	26,64,486	29,30,004	30,06,435	29,69,561	30,36,000	29,00,000
Sirhind canal	13,48,327	27,94,950	32,96,639	27,53,361	30,90,800	35,95,000	26,00,000
Swat River canal	2,44,028	2,66,205	3,65,500	4,13,960	4,18,038	4,80,000	4,50,000
Godavari Delta System	1,09,978	1,01,506	96,447	1,09,589	1,13,290	1,09,000	1,09,000
Kistna " "	54,297	49,587	45,228	78,372	61,565	78,000	78,000
Pennér River canals " "	1,260	1,026	1,687	2,302	1,695	2,000	2,000
Periyar Project . . . . .	...	...	684	581	1,220	...	...
Rushikulya " "	533	831	784	1,470	1,789	2,000	2,000
Desert canal	42,011	14,890	32,835	43,442	47,591	41,000	41,000
Begari " "	37,712	30,445	37,651	49,964	55,277	47,000	47,000
Eastern Nara Works	25,103	25,733	26,537	26,363	22,808	27,000	23,000
Mutha canals	2,77,046	2,35,390	2,34,169	2,57,142	3,20,928	2,45,000	2,48,000
Nira canal	85,884	79,040	1,35,705	1,42,459	1,48,200	1,45,000	1,45,000
Jamrao canal . . . . .	...	...	...	...	...	...	1,000
Other projects	6,51,450	6,34,131	7,14,583	6,55,795	4,85,433	7,74,000	6,22,000
TOTAL	1,27,94,084	2,06,79,612	2,37,77,440	2,21,29,301	2,36,77,938	2,57,58,000	2,34,43,000
PORTION OF LAND REVENUE DUE TO IRRIGATION—							
Ganges canal	7,15,593	7,15,593	7,15,593	7,15,593	7,80,511	7,80,000	7,80,000
Lower Ganges canal	2,09,586	2,09,586	2,09,586	2,09,586	2,09,586	2,10,000	2,10,000
Eastern Jumna " "	2,49,803	2,49,803	2,49,803	2,49,803	2,50,989	2,51,000	2,51,000
Chenab canal	1,68,776	2,32,729	2,79,202	3,31,965	4,57,345	6,10,000	7,90,000
Bari Doab canal	1,76,859	1,97,025	2,13,629	2,21,189	2,27,286	2,20,000	2,20,000
Swat River " " . . . . .	...	58,462	42,418	40,823	41,257	60,000	50,000
Godavari Delta System	23,48,473	25,67,709	29,10,856	29,15,743	25,66,115	29,90,000	29,90,000
Kistna " "	20,59,402	20,28,707	23,08,267	24,91,812	25,40,854	24,95,000	24,95,000
Pennér River canals " "	3,41,518	3,33,067	3,32,676	3,51,193	2,61,246	3,54,000	3,54,000
Periyar Project . . . . .	...	33,774	1,06,582	2,62,867	3,24,717	3,17,000	3,17,000
Rushikulya " "	35,863	59,794	58,144	82,033	91,059	84,000	84,000
Desert canal	80,300	86,793	1,19,348	1,11,398	1,26,878	1,35,000	1,65,000
Begari " "	2,35,861	2,86,415	3,62,798	3,54,168	3,90,454	4,35,000	4,49,000
Eastern Nara Works	3,50,433	4,42,233	5,34,332	5,07,038	6,55,531	6,42,000	6,59,000
Mutha canals	-7,792	-5,505	-5,604	-6,470	-9,403	...	...
Nira canal	-4,269	-3,888	-6,695	-7,035	-7,330	...	...
Jamrao canal . . . . .	...	...	...	...	...	1,08,000	2,19,000
Other projects	12,56,234	12,25,785	12,16,446	12,55,880	11,45,511	12,68,000	13,00,000
TOTAL	82,16,640	87,18,082	96,47,381	1,00,87,586	1,00,52,606	1,09,59,000	1,13,33,000

APPENDIX IV—continued.

COMMERCIAL AND FINANCIAL STATISTICS—continued.

Table VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1899-1900, with Revised Estimates for 1900-01, and Budget Estimates for 1901-02—continued.

	ACTUALS.					Revised Estimate, 1900-01.	Budget Estimate, 1901-02.
	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.		
	Rs.	Rs.	Rs.	Rs.	Rs.		
TOTAL REVENUE—							
Orissa canals	4,17,222	4,74,217	5,54,757	4,69,554	4,42,497	3,75,000	3,75,000
Midnapur canal	2,63,994	2,79,757	2,75,636	2,33,772	2,38,652	2,08,000	2,08,000
Hijili Tidal canal	61,976	90,946	92,210	75,286	53,234	57,000	62,000
Sone canals	7,72,123	10,64,693	12,66,974	10,75,265	10,95,351	10,78,000	10,73,000
Ganges canal	23,10,782	39,36,136	43,51,132	39,22,591	44,37,543	46,47,000	36,61,000
Lower Ganges canal	11,57,760	25,43,732	31,18,612	24,89,176	24,39,135	23,75,000	24,33,000
Ditto Fatehpur Branch . . . . .	...	...	...	...	76,330	84,000	1,94,000
Agra canal	4,60,587	8,10,172	9,74,061	6,81,498	8,28,626	9,35,000	6,69,000
Eastern Jumna canal	9,25,264	13,63,575	16,65,275	14,98,634	14,92,735	14,81,000	13,83,000
Betwa canal	25,874	83,699	1,37,700	1,10,665	94,267	55,000	83,000
Western Jumna canal (including Sirsa Branch)	13,13,922	26,31,948	25,48,661	28,00,084	29,79,562	27,30,000	23,75,000
Chenab canal	12,15,049	19,10,136	23,28,093	27,38,488	34,60,242	50,05,000	56,90,000
Bari Doab canal	25,11,519	28,61,511	31,43,693	32,27,624	31,96,847	32,56,000	31,20,000
Sirhind canal	13,48,327	27,94,950	32,96,639	27,53,361	30,90,800	35,95,000	26,00,000
Swat River canal	2,44,028	3,24,667	4,07,918	4,54,783	4,59,295	5,40,000	5,00,000
Godavari Delta System	24,58,451	26,69,307	30,07,303	30,25,332	26,79,405	30,99,000	30,99,000
Kistna " "	21,13,699	20,78,294	23,53,495	25,70,184	26,02,419	25,73,000	25,73,000
Pennér River canals " "	3,42,778	3,34,093	3,34,363	3,53,495	2,62,941	3,56,000	3,56,000
Periyar Project . . . . .	...	33,774	1,07,266	2,63,418	3,25,937	3,17,000	3,17,000
Rushikulya " "	36,396	60,625	58,928	83,503	92,848	86,000	86,000
Desert canal	1,22,311	1,01,683	1,52,183	1,54,840	1,74,469	1,76,000	2,06,000
Begari " "	2,73,573	3,16,860	4,00,449	4,04,132	4,45,731	4,82,000	4,96,000
Eastern Nara Works	3,75,536	4,67,966	5,60,869	5,33,401	6,78,339	6,69,000	6,82,000
Mutha canals	2,69,254	2,29,885	2,28,565	2,50,672	3,11,525	2,43,000	2,48,000
Nira canal	82,615	75,152	1,29,010	1,35,424	1,40,870	1,45,000	1,45,000
Jamrao canal . . . . .	...	...	...	...	...	1,08,000	2,20,000
Other projects	19,07,684	18,59,916	19,31,029	19,11,675	16,30,944	20,42,000	19,22,000
TOTAL	2,10,10,724	2,93,97,694	3,34,24,821	3,22,16,887	3,37,30,544	3,67,17,000	3,47,76,000
WORKING EXPENSES—							
Orissa canals	4,42,049	4,65,745	5,07,948	4,65,598	4,45,106	4,37,000	4,27,000
Midnapur canal	2,66,168	2,23,927	2,30,683	2,69,703	2,71,378	1,83,000	2,20,000
Hijili Tidal canal	58,880	38,490	38,448	48,535	43,304	43,000	50,000
Sone canals	5,31,308	5,53,719	5,74,779	5,59,480	5,47,919	5,96,000	6,00,000
Ganges canal	8,58,672	10,13,681	10,80,004	10,62,597	10,74,296	10,72,000	11,56,000
Lower Ganges canal	7,13,588	8,31,690	8,70,983	9,96,696	8,90,350	10,03,000	10,79,000
Ditto Fatehpur Branch . . . . .	...	...	...	1,935	49,750	90,000	1,26,000
Agra canal	1,81,848	2,20,401	2,25,801	2,34,351	2,83,363	2,71,000	2,86,000
Eastern Jumna canal	2,61,050	3,19,412	3,29,875	3,84,099	4,09,040	4,08,000	4,01,000
Betwa canal	87,462	90,286	1,07,431	1,01,666	95,360	86,000	88,000
Western Jumna canal (including Sirsa Branch)	7,66,254	7,97,475	8,18,818	8,63,021	9,07,513	9,23,000	8,34,000
Chenab canal	4,13,990	4,99,177	6,21,106	7,08,766	10,53,385	12,07,000	12,25,000
Bari Doab canal	6,43,401	6,80,398	6,26,969	7,86,572	7,97,190	8,00,000	6,57,000
Sirhind canal	6,09,505	6,73,589	6,30,761	6,73,078	8,56,298	8,15,000	7,72,000
Swat River canal	91,714	60,409	1,02,990	99,596	58,345	89,000	95,000
Godavari Delta System	4,95,577	5,20,955	4,89,878	5,80,559	5,89,209	5,83,000	5,83,000
Kistna " "	5,80,672	7,05,100	5,85,491	5,25,151	5,23,143	5,50,000	5,50,000
Pennér River canals " "	65,983	50,269	41,471	36,139	36,687	38,000	38,000
Periyar Project . . . . .	...	42,108	82,262	1,16,138	1,05,351	44,000	94,000
Rushikulya " "	29,155	39,751	32,859	38,734	49,459	62,000	62,000
Desert canal	51,671	64,095	70,023	59,152	49,102	61,000	52,000
Begari " "	52,161	57,561	96,400	72,152	96,043	84,000	78,000
Eastern Nara Works	1,09,983	79,077	1,05,929	1,11,007	1,15,630	1,10,000	92,000
Mutha canals	65,948	84,433	69,662	74,377	73,609	69,000	75,000
Nira canal	43,331	54,890	51,201	52,785	52,281	48,000	51,000
Jamrao canal . . . . .	...	...	...	...	...	64,000	1,56,000
Other projects	4,52,642	5,39,161	5,29,418	4,82,021	4,98,172	6,35,000	5,98,000
TOTAL	78,73,012	87,11,799	89,21,190	94,03,928	99,71,283	1,04,27,000	1,04,45,000

APPENDIX IV—*continued.*COMMERCIAL AND FINANCIAL STATISTICS—*concluded.*Table VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1899-1900, with Revised Estimates for 1900-01, and Budget Estimates for 1901-02—*concluded.*

	ACTUALS.					Revised Estimate, 1900-01.	Budget Estimate, 1901-02.
	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.		
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
NET REVENUE—							
Orissa canals	-24,827	8,472	46,809	3,956	-2,609	-62,000	-52,000
Midnapur canal	-2,174	55,830	44,953	-35,631	-32,726	25,000	-12,000
Hijili Tidal canal	3,096	52,456	53,762	26,751	9,930	14,000	12,000
Some canals	2,40,815	5,10,974	6,92,195	5,15,785	5,47,432	4,82,000	4,73,000
Ganges canal	14,52,110	29,22,455	32,71,128	28,59,994	33,63,247	35,75,000	25,05,000
Lower Ganges canal	4,44,172	17,12,042	22,47,629	14,92,480	15,48,785	13,66,000	13,54,000
Ditto Fatehpur Branch . . . . .	...	...	...	-1,935	26,580	-6,000	68,000
Agra canal	2,78,739	5,89,771	7,48,260	4,47,147	5,45,253	6,64,000	3,83,000
Eastern Jumna canal	6,64,214	10,44,163	13,35,400	11,14,535	10,83,695	10,73,000	9,82,000
Betwa canal	-61,583	-6,587	30,269	8,979	-1,093	-31,000	-5,000
Western Jumna canal (including Sirsa Branch)	5,47,668	18,34,473	17,29,843	19,37,063	20,72,049	18,07,000	15,41,000
Chenab canal ^c	8,01,059	14,10,959	17,06,987	20,29,722	24,06,857	37,98,000	44,65,000
Bari Doab canal	18,68,116	21,81,113	25,16,724	24,41,052	23,99,657	24,56,000	24,63,000
Sirhind canal	7,38,822	21,21,361	26,65,878	20,80,283	22,34,502	27,80,000	18,28,000
Swat River canal	1,52,314	2,64,258	3,04,928	3,55,187	4,00,950	4,51,000	4,05,000
Godavari Delta System	19,62,874	21,48,352	25,17,425	24,44,773	20,90,196	25,16,000	25,16,000
Kistna " "	15,33,027	13,73,194	17,68,004	20,45,033	20,79,276	20,23,000	20,23,000
Pennér River canals "	2,76,795	2,77,824	2,92,892	3,17,356	2,26,254	3,18,000	3,18,000
Periyar Project . . . . .	...	-8,334	25,004	1,47,310	2,20,586	2,23,000	2,23,000
Rushikulya "	7,241	20,874	26,069	44,769	43,389	24,000	24,000
Desert canal	70,640	37,588	82,160	95,688	1,25,367	1,15,000	1,54,000
Begari "	2,21,412	2,59,299	3,04,049	3,31,980	3,49,688	3,98,000	4,18,000
Eastern Nara Works	2,65,553	3,88,889	4,54,940	4,22,394	5,62,709	5,59,000	5,90,000
Mutha canals	2,03,306	1,45,452	1,58,903	1,76,295	2,37,916	1,74,000	1,73,000
Nira canal	39,284	20,262	77,809	82,639	88,589	97,000	94,000
Jamrao canal . . . . .	...	...	...	...	...	44,000	64,000
Other projects	14,55,042	13,20,755	14,01,611	14,29,654	11,32,771	14,07,000	13,24,000
TOTAL	1,31,37,712	2,06,85,895	2,45,03,631	2,28,12,959	2,37,59,260	2,62,90,000	2,43,31,000

APPENDIX IV—continued.

TABLE VII.—CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS.
Actuals, 1899-1900.

RAILWAYS.	Amount in Rupees.	Amount in sterling at contract rates.	Equivalent at Rs. 15=£1.	Exchange.
	R	£	R	R
GUARANTEED RAILWAYS.				
RECEIPTS.				
Madras	31,89,793	292,397	43,85,965	2-11,96,172
Bombay, Baroda and Central India	70,80,181	570,338	85,55,066	-14,74,885
Great Indian Peninsula	79,24,089	726,374	1,08,95,621	-29,71,532
Ditto Extensions	54,274	3,025	54,375	2-101
TOTAL	1,82,48,337	1,592,734	2,38,91,027	-56,42,690
ADVANCES.				
Madras	26,57,924	243,643	36,54,645	-9,96,721
Madras Extensions	9,08,259	60,391	9,05,872	2,398
Bombay, Baroda and Central India	53,10,092	397,019	59,64,284	-6,54,192
Great Indian Peninsula	50,01,015	458,426	68,76,396	-18,75,381
Ditto Extensions	24,14,823	163,968	24,14,516	307
TOTAL	1,62,92,124	1,321,047	1,98,15,713	-35,23,589
NET RECEIPTS.				
Madras	5,31,869	48,754	7,31,320	-1,99,451
Madras Extensions	-9,08,270	-60,391	-9,05,872	-2,398
Bombay, Baroda and Central India	17,70,089	172,719	25,90,782	-8,20,693
Great Indian Peninsula	29,23,074	267,948	40,19,225	-10,96,151
Ditto Extensions	-23,60,549	-157,343	-23,60,141	-408
TOTAL	19,56,213	271,687	40,75,314	-21,19,101
SUBSIDIZED RAILWAYS.				
RECEIPTS.				
Gain on remittances to India.				
Burma	...	22,119	3,31,782	-3,31,782
Bengal-Nagpur	...	3,763	56,435	-56,435
Ditto Extensions	...	2,053	30,797	-30,797
Bengal Central	...	-765	-11,471	11,471
Indian Midland	...	-21,279	-3,19,178	3,19,178
Lucknow-Bareilly	...	3	40	-40
Southern Mahratta	...	-6,124	-91,857	91,857
		-230	-3,452	3,452
Capital received in India.				
Mymensingh-Jamalpur-Jaggannathganj	5,15,000	34,333	5,15,000	...
Brahmaputra-Sultanpur	6,68,000	44,534	6,68,000	...
Hardwar-Dehra	6,50,000	43,333	6,50,000	...
Ahmedabad-Parantij	11,000	733	11,000	...
Tapti Valley	22,65,000	151,000	22,65,000	...
TOTAL	41,09,000	273,933	41,09,000	...
TOTAL	41,09,000	273,703	41,05,548	3,452
WITHDRAWALS IN INDIA.				
Assam-Bengal	-14,03,842	-93,473	-14,02,090	-1,752
Burma	49,80,616	293,294	43,99,408	5,81,208
Bengal-Nagpur	-2,95,111	-17,324	-2,59,866	-35,245
Ditto Extensions	1,08,93,758	726,251	1,08,93,758	...
Bengal Central	-1,54,747	-16,509	-1,57,629	2,882
Indian Midland	-1,77,645	-14,212	-2,13,174	35,529
Ditto Saugor-Katni	5,24,821	34,988	5,24,821	...
Lucknow-Bareilly	-64,813	-4,320	-64,813	...
Mysore	1,70,822	13,211	1,98,162	-21,340
Southern Mahratta	-84,386	-7,033	-1,05,483	21,097
TOTAL	1,43,95,473	920,873	1,38,13,094	5,82,379
South Behar	9,82,172	65,478	9,82,172	...
Mymensingh-Jamalpur-Jaggannathganj	3,46,030	23,070	3,46,030	...
Brahmaputra-Sultanpur	6,87,176	45,812	6,87,176	...
Hardwar-Dehra	6,37,135	42,476	6,37,135	...
Ahmedabad-Parantij	-4,256	-284	-4,256	...
Tapti Valley	24,39,227	162,615	24,39,227	...
TOTAL	50,87,504	339,167	50,87,504	...
TOTAL	1,94,82,977	1,260,640	1,89,00,598	5,82,379
Net Withdrawals	1,53,73,977	986,337	1,47,95,050	5,78,927
GUARANTEED AND SUBSIDIZED RAILWAYS.				
Net Withdrawals	1,34,17,764	714,650	1,07,19,736	26,98028

APPENDIX IV—*continued.*

TABLE VII.—CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS.

Revised Estimate, 1900-1901.

RAILWAYS.		Amount in Rupees (Omitting 000.)	Amount in sterling at contract rates. (Omitting 00.)	Equivalent at Rs. 15=£ 1. (Omitting 000.)	Exchange. (Omitting 000.)	
		R	£	R	R	
GUARANTEED RAILWAYS.						
RECEIPTS.						
Madras		32,00	293.3	43.99		
Bombay, Baroda and Central India		63,00	420.6	63.09	-11.99	
Great Indian Peninsula		19,20	176.0	26.40	-9	
Ditto	Extensions	21,49	143.6	21.54	-7.20	
	TOTAL	1,35,69	1,033.5	1,55.02	-19.33	
ADVANCES.						
Madras		29,50	270.4	40.56	-11.06	
Madras Extensions		13,00	85.6	12.99	1	
Bombay, Baroda and Central India		51,00	340.5	51.08	-8	
Great Indian Peninsula		18,73	171.7	25.75	-7.02	
Ditto	Extensions	4,60	30.7	4.60	...	
	TOTAL	1,16,83	899.9	1,31.68	-18.15	
NET RECEIPTS.						
Madras		2,50	22.9	3.43	-93	
Madras Extensions		-13,00	-86.6	-12.99	-1	
Bombay, Baroda and Central India		12,00	80.1	12.01	-1	
Great Indian Peninsula		47	4.3	6.5	-18	
Ditto	Extensions	16,89	112.9	16.94	-5	
	TOTAL	18,86	133.6	20.04	-1.18	
SUBSIDIZED RAILWAYS.						
RECEIPTS.						
Gain on remittances to India.	Assam Bengal	...	-3	-4	4	
	Burma	...	9.8	1.47	-1.47	
	Bengal-Nagpur	...	4.8	7.2	-7.2	
	Ditto	Extensions	...	5	7	-7
	Indian Midland	...	-21.8	-3.27	3.27	
	Southern Mahratta	-13.3	-1.99	1.99
	TOTAL	..	-20.3	-3.04	3.04	
Capital received in India.	South Behar	52	3.5	5.2	...	
	Mymensingh-Jamalpur-Jaggannathganj	76	5.0	7.6	...	
	Brahmaputra-Sultanpur	2,70	18.0	2.70	...	
	Hardwar-Dehra	7	5	7	...	
	Tapti Valley	1,10	7.3	1.10	...	
		TOTAL	5,15	34.3	5,15	...
WITHDRAWALS IN INDIA.						
Assam-Bengal		70,53	471.4	70,71	-18	
Burma		48,16	296.7	44.51	3.65	
Bengal-Nagpur		3,76	23.5	3.53	23	
Ditto	Extensions	51,25	341.7	51,25	...	
Bengal Central		1,28	8.5	1,28	...	
Indian Midland		-24	-1.9	-2.9	5	
Ditto	Saugor-Katni	1,08	7.2	1,08	...	
Lucknow-Bareilly		15	1.0	15	...	
Mysore		2,20	16.4	2,46	-26	
Southern Mahratta		-4,18	-34.8	-5.22	1.04	
	TOTAL	1,73,99	1,129.7	1,69,46	4.53	
South Behar		55	3.7	5.5	...	
Mymensingh-Jamalpur-Jaggannathganj		2,50	16.7	2,50	...	
Brahmaputra-Sultanpur		3,80	25.3	3,80	...	
Hardwar-Dehra		75	5.0	7.5	...	
Tapti Valley		2,75	18.3	2,75	...	
	TOTAL	10,35	69.0	10,35	...	
Net Withdrawals		1,84,34	1,198.7	1,79,81	4.53	
		1,79,19	1,184.7	1,77,70	1,49	
GUARANTEED AND SUBSIDIZED RAILWAYS.						
Net Withdrawals		1,60,33	1,051.1	1,57,66	2,67	

APPENDIX IV—concluded.

TABLE VII.—CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS.
Budget Estimate, 1901-1902.

RAILWAYS.	Amount in Rupees (Omitting 000).	Amount in sterling at contract rates. (Omitting 000).	Equivalent at Rs. 15=£1. (Omitting 000.)	Exchange. (Omitting 000.)
GUARANTEED RAILWAYS.				
RECEIPTS.				
Madras	41,00	375.8	56.37	-15.37
Bombay, Baroda and Central India	63,50	423.3	63.50	...
TOTAL	1,04,50	799.1	1,19,87	-15.37
ADVANCES.				
Madras	39,27	360.0	54.00	-14.73
Madras Extensions	20,50	136.7	20.50	...
Bombay, Baroda and Central India	38,32	255.5	38.32	...
TOTAL	98,09	752.2	1,12,82	-14.73
NET RECEIPTS.				
Madras	1,73	15.8	2.37	-64
Madras Extensions	-20,50	-136.7	-20,50	...
Bombay, Baroda and Central India	25,18	167.8	25,18	...
TOTAL	6,41	46.9	7.05	-64
SUBSIDIZED RAILWAYS.				
RECEIPTS.				
Gain on remittances to India. { Indian Midland	...	-45.1	-6.76	6.76
{ Southern Mahratta	...	-28.3	-4.25	4.25
	...	-73.4	-11.01	11.01
Capital received in India. { Mymensingh-Jamalpur-Jaggannathganj	1,23	8.2	1,23	...
{ Brahmaputra-Sultanpur	2,70	18.0	2,70	...
{ Hardwar-Dehra	1,57	10.5	1,57	...
{ Ahmedabad-Parantij	16	1.0	16	...
{ Tapti Valley	2,35	16.7	2,35	...
TOTAL	8,01	53.4	8,01	...
TOTAL	8,01	-20.0	-3.00	11,01
WITHDRAWALS IN INDIA.				
Assam-Bengal	-2,53	-16.9	-2,53	...
Burma	51,75	345.0	51,75	...
Bengal-Nagpur	83,04	553.6	83,04	...
Ditto Extensions	33,82	225.5	33,82	...
Bengal Central	23	1.5	23	...
Indian Midland	-1,93	-15.4	-2,31	38
Ditto Saugor-Katni	26	1.8	26	...
Lucknow-Bareilly	-1,55	-10.3	-1,55	...
Mysore	2,00	14.9	2,24	-24
Southern Mahratta	-12,97	-108.1	-16,22	3,25
TOTAL	1,52,12	991.6	1,48,73	3,39
South Behar	-8	-5	-8	...
Mymensingh-Jamalpur-Jaggannathganj	1,23	8.2	1,23	...
Brahmaputra-Sultanpur	2,70	18.0	2,70	...
Hardwar-Dehra	1,57	10.5	1,57	...
Ahmedabad-Parantij	32	2.1	32	...
Tapti Valley	2,45	16.3	2,45	...
TOTAL	8,19	54.6	8,19	...
TOTAL	1,60,31	1,046.2	1,56,92	3,39
Net Withdrawals	1,52,30	1,066.2	1,59,92	-7,62
GUARANTEED AND SUBSIDIZED RAILWAYS.				
Net Withdrawals	1,45,89	1,019.2	1,52,87	-6,08

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULA-
TIONS UNDER THE PROVISIONS OF THE INDIAN COUN-
CILS ACTS, 1861 AND 1892 (24 & 25 VICT., CAP. 67,
AND 55 & 56 VICT., CAP. 14).

The Council met at Government House, Calcutta, on Wednesday, the 27th
March, 1901.

PRESENT :

- His Excellency Baron Curzon, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor
General of India, *presiding*.
His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.
The Hon'ble Major-General Sir E. H. H. Collen, G.C.I.E., C.B.
The Hon'ble Sir A. C. Trevor, K.C.S.I.
The Hon'ble Sir C. M. Rivaz, K.C.S.I.
The Hon'ble Mr. T. Raleigh.
The Hon'ble Sir E. F.G. Law, K.C.M.G.
The Hon'ble M. R. Ry. Panappakkam Ananda Charlu Vidia Vinodha
Avargal, Rai Bahadur, C.I.E.
The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.
The Hon'ble Mr. J. Buckingham, C.I.E.
The Hon'ble Mr. H. F. Evans, C.S.I.
The Hon'ble Rai Bahadur B. K. Bose, C.I.E.
The Hon'ble Sir Allan Arthur, Kt.
The Hon'ble Sir A. Wingate, K.C.I.E.
The Hon'ble Mr. F. A. Nicholson, C.I.E.
The Hon'ble Mr. D. M. Smeaton, C.S.I.
The Hon'ble Mr. C. W. Bolton, C.S.I.
The Hon'ble Rai Sri Ram Bahadur.
The Hon'ble Mr. R. P. Ashton.
The Hon'ble Mr. R. H. Henderson.

DISCUSSION OF THE FINANCIAL STATEMENT FOR 1901-1902.

The Hon'ble SIR EDWARD LAW moved that the Financial Statement,
for 1901-1902 be taken into consideration.

His Excellency THE PRESIDENT said:—"If any Hon'ble Member cares
in the course of this debate to adopt the plan that was followed in some cases
last year, of laying upon the table either his speech, or such portions of his
speech as are of a detailed or technical character, I will not stand in the way of
his doing so."

The Hon'ble Mr. ASHTON said:—"My Lord, that part of the Budget which
relates to railways has such a direct bearing on the industry which I represent in
this Council, that I venture to ask permission to make the following remarks.

"I see with very great satisfaction the steps that have been taken by
Government to more clearly differentiate between expenditure incurred on
behalf of those enterprises which are profitable both in respect to their indirect
benefits to the country and in respect to their very satisfactory working balances
and on expenditure on the general administration and defence of the country.

"The subject of the separation of railway accounts from the general
accounts of the country has engaged much public attention of late years.
At the time of the currency agitation it was pointed out how the aspect
of that item which was called 'Exchange' in Government accounts, but which
was called 'Loss by Exchange' in controversy, was made more serious by

balances that were transferred to it from actually profitable undertakings. Mr. Clinton Dawkins referred last year to the misapprehension which arose from this and kindred circumstances which he justly said confounded the public and misled even English financial experts. I think I detect in Mr. Dawkins' use of the word *even* an insinuation that experts other than English were misled to a still greater extent. I refer to this merely to show how the want of clearness in the Government accounts has led to misapprehension in the past. In later times, however, the subject has forced itself on public attention in connection with the influence that it has had in times of stress and famine in preventing the development and working of open main lines of railway which for want of funds have been starved and have therefore not been in a position to earn so much as they would have done had their demands been met as they deserved and required to be met. Within the last twelve months the British Chambers of Commerce, the Indian Chambers of Commerce and many other authorities have strongly urged the very separation of accounts towards which Government has now so wisely taken the first steps. But, my Lord, while greater authorities here and at home have been arguing the need of reform, the same need has been forced on the attention of the coal-trade by a most instructive object lesson. When these Chambers of Commerce were discussing the subject in England, the Acting Agent of the East Indian Railway was advising the Bengal Chamber of Commerce that the wagon supply could not be kept up to requirements, because, though Government sanctioned additions to the supply, they withheld the grant of money necessary to pay for them. To quote his own words :—

'The amount of money available for the purpose of the Company from time to time depends entirely upon the provision in the General Budget Estimates of the Government of India and the allotments made therefrom, and for the last two years, owing presumably to financial difficulties, the amounts so provided or apportioned by the Government of India for expenditure on the requirements of the East Indian Railway have fallen short of the requirements of the Company, both for the provision of admittedly necessary works and accommodation to deal effectively with the increasing traffic, and also for the engines and rolling stock to move it.'

'This led to correspondence between the Indian Mining Association, the Chamber and Government, eliciting from the last a letter dated 4th October explaining the difficulties to which the present system led. I quote the following extract :—

'Such difficulties as may have been experienced are due to the impossibility of always ensuring that the actual disbursements on account of sanctioned indentments shall coincide with the year against the allotment for which they have been certified. It takes a considerable time to obtain the stores required, and it would be of no use to set aside funds in a year prior to which it may be anticipated that the outlay will be incurred. Even so, it not infrequently happens that, owing to various circumstances, the supply is not obtained as early as anticipated, and in such cases the liability for payment has to be thrown forward to another year. It also sometimes happens, on the other hand, that articles are obtained earlier than was expected, and in that case an additional provision to meet their cost is demanded. Difficulties of this sort, however, are obviously beyond the control of the Government of India, who have discharged their responsibility in providing funds according to the forecast of the railway authorities. They are to a great extent also beyond the control of the railway authorities, and, so far as that is the case, must be accepted as among the inevitable drawbacks of the system under which the funds required for railway expenditure are at present provided.'

"Now, my Lord, I do not feel competent to say how far the new system of accounts will mend matters. But I do not like those words 'obviously beyond the control' of Government, who have 'discharged their responsibility' and 'inevitable drawback.' The Hon'ble Sir Arthur Trevor last year admitted that the making of one desirable line was postponed because difficulty arose in finding money for the line within the programme. Will the new system prevent a recurrence of such an incident? As at present happens and as I understand will still be the case, the schedule for each official year which begins with April is prepared in October previously, although, as pointed out by the Agent of the East Indian Railway, it is in the very nature of a railway business that requirements of a pressing nature often declare them-

selves after the Railway has submitted its schedule. Surely this is wrong. Is there not still fear that railways will be again starved of funds when the country's cash balances are being eaten up by famine or war expenditure, and can we be sure that we are free of a system which weakens the chief power which the country possesses both for fighting famine and for making good the losses which famine causes to our revenue? I do not ask these questions with the view to advocating the spending of money on new railways, some of them in districts that are already furnished with lines of communication. The Hon'ble Maharaja of Durbhanga, for instance, last year drew attention to the folly of devoting funds to the extension of the hill sections of the Assam Railway which are not wanted and can only be a loss to the country, while money was required for the most elementary necessities of railways connecting the coal-fields of Bengal with the great industrial centres. But, my Lord, I am particularly referring to those existing and profitable railways whose further development is so important and who can show without any elaborate demonstration or estimates that they return a good percentage on every rupee which Government can borrow for them. May we now feel certain that Government will in future years provide fully for expenditure on the construction of profitable main line branches, and for the provision of suitable and sufficient rolling stock for main and branch lines which are immediately remunerative, undeterred by the claims of lines for military purposes and famine-reliefs, or by the claims of new railways for opening up new districts? The first class of railway work is so distinct in character from the others that it seems absolutely wrong to make it subservient thereto or dependent on what can be spared from the general revenues of the country. It seems to me the Public Works Department will in spite of the reforms made still be bound by hard-and-fast lines, for though in the new railway programme precedence is arranged on most unimpeachable lines, there appears to me nothing to prevent such precedence being absolutely upset by a recurrence of difficulties such as have been lately experienced. I fear that of late railways for the purposes of administration have swallowed up an undue portion of the funds which the Finance Department has been able to allot to the Public Works Department for railway works, much I should imagine to the disappointment of the Public Works Department, who know the urgent requirements of the open main lines. Hence the development of the railway system throughout the country has been delayed, and the trade of the country and the tax-payer are suffering. It therefore seems to me desirable that the financing of open main lines should not only take precedence but be wholly independent of the expenditure on railways which are not immediately reproductive, and whose rate of progress might fairly be made dependent on the country's general financial position, and I trust that the Hon'ble Financial Member will not cease to move forward till this end is reached. Separate borrowing powers should be granted to the main lines, and the fear of adversely affecting Exchange should not shake the determination of the Government to give the Public Works Department a fair chance and a free hand to help on as quickly as possible these developments. The main lines should be empowered to take advantage of all favourable offers of material and money. At present the Public Works Department have to spend the money as they get it, and the faculty of operating in the most opportune time in the material and money markets is denied them. It must be remembered that as the railway system extends and opens up new districts the traffic which is encouraged must cause a great increase in the demand for rolling stock on open main lines. We know that the East Indian Railway has been starved. It is probable that lines which are not so much in evidence suffer equally. The grain trade and many other trades are suffering; but it is sufficient for my argument to confine myself to the condition of the trade with which I am directly acquainted. At the present time steam coal is crumbling into dust at the wharves of every colliery on the East Indian Railway system. In America in such a situation a gigantic Wagon Company would at once spring into being and supply wagons to the railways, and traffic would force itself to the sea-board by new lines if the old could not deal with it. But we do not pursue American methods in this country. In England, colliery proprietors would have a ready remedy against the

railway by application to the Standing Commissioners under the Act; but in this country the Governor General in Council has the power to refuse to even constitute such a tribunal. Moreover, in the case of a railway whose policy and finance are practically controlled by Government, it is a question whether even if Commissioners were appointed the complainants would not be met by the plea that the railways are prevented from doing their duty by Government itself; and though I am advised that this plea would not avail the railway in view of the imperative nature of its statutory obligations, it would undoubtedly complicate the only method of relief which the public possesses—a relief which ought in justice to be ready and easy to the public as a set off against the monopoly which the railways possess. There seems to me no reason even in times of stress to limit the Public Works Department in their expenditure on works which are immediately reproductive.

“Finally, my Lord, I beg your leave to ask the Hon'ble Member in charge of the Financial Department if his Department hesitates to accede to the demands of the Public Works Department on the ground that the market within which the Government of India can borrow is limited, and that circumstances might arise which would make it incumbent on Government to borrow largely in order to maintain the gold standard fixity of exchange, and that the Financial Department regard the salvation of the gold standard as much more important than the development and proper working of paying lines of railway. Certainly such would not be the right way to face the position, for the gold standard will never be effective unless the export trade is carefully nursed, and to ensure this the people must not suffer through the incapacity of railways. Look at it in what light we may, free but not extravagant expenditure should be allowed on main open lines, and this will not be possible unless the money is specially borrowed, apart altogether from the general finances.”

The Hon'ble RAI SRI RAM BAHADUR said:—“My Lord, the Hon'ble the Finance Minister is to be congratulated on presenting to the Council a Budget showing the finances of the country to be in a prosperous condition; and if no untoward circumstance happens the coming financial year will close with a surplus of £690,000. His predecessor, at the time of presenting the last Budget, had estimated the receipts at £70,155,800 and the expenditure at £69,995,500 leaving a surplus of £160,300, only. But better receipts from certain items of revenue (notwithstanding a considerable decrease in Land-revenue proper, on account of the Famine in Western and Central India) and large savings in certain heads of expenditure, notably under the heads of Army Services and Public Works, have swelled the estimated surplus from £160,300 to £1,640,000, or ten times the original estimate. A study of the figures relating to income and expenditure of the year which is about to come to a close leads persons like myself, who are uninitiated in the mysteries and ignorant of the system of the Finance Department, to come to the following conclusion. What I find is that the financial year 1900-1901, that is to say, the present year, began with a large surplus amounting to £2,774,623. The increase in the several items of receipt over the estimate is £2,395,000, from which, if we deduct £382,900 deficiency in Land-revenue, the net increase comes to £2,012,100. Among the items of expenditure, then, there have been considerable savings in Army Services and Public Works, amounting to £1,185,000 and £118,000—total £1,303,000. The two items of expenditure in which more than the budgeted amounts have been spent are Famine Relief which accounts for an increase of £876,000 and 'Railway Revenue Account' £323,000. The Government borrowed £3,000,000 in England and three crores of rupees in India. If from these two loans we deduct four crores lent to the Native States and which will be repaid, there remains an addition of three and half crores to the permanent debt on account of the expenditure on the Famine, which cost the Government £4,245,000 only. This state of things shows that, notwithstanding the large surplus of the preceding year, the heavy increase in the items of receipt, and the considerable savings in certain items of expenditure, the Government did not or could not see its way to make a smaller addition to the permanent debt of the country than it has actually done.

“Coming now to the Budget estimates for the financial year 1901-1902, the

receipts are estimated to fall short by about £1,014,600, compared with those of the current year, and the expenditure is estimated to exceed a little less than by 4½ million pounds, two most important items being a little above 2 millions in the Army Services and a little over ¾ of a million on the Public Works.

"A crore of rupees has been provided for the Famine relief of the affected districts in Western India. The Government has announced its intention to make an addition of £ 2,240,000 to the permanent debt, of which two crores of rupees are contemplated to be borrowed in India. The necessity for adopting this course has been indicated to be 'to tide over the critical period of the 'earlier part of the financial year' when the revenue-collections are said to be much smaller as compared with monthly expenditure and the balances gradually diminish until the month of November, when the revenue-receipts begin to pour in. My Lord, if that is the principal reason for the loan, one naturally expects that, the necessity for such loan being of a temporary nature, no 'addition to our permanent debt should be made' on that account.

"My Lord, the past history of the Indian finances shows that there are mainly three potent causes which exercise a disturbing influence on the financial equilibrium of the country; these are frontier expeditions and wars, fluctuations in exchange, and recurrence of famines. Your Excellency's wise and farsighted policy has happily allayed apprehensions as to the first. The measures adopted in connection with the Indian Currency will, it is hoped, give stability to exchange; and no danger can for the present be possibly apprehended. With regard to the third, however, we are unfortunately in no better position than we were about a quarter of a century ago. Since then India has had to suffer from the ravages of no less than three great famines, each surpassing its predecessor in extent and intensity. The famine of 1877-78 caused the deaths of six millions of people according to official estimates. The one that occurred in 1896-97 was characterised by His Honour the present Lieutenant-Governor of Bengal as 'the greatest of the century'; while Your Excellency was pleased to remark with regard to the one which occurred only two years after 1897 as 'the severest that India has ever known'. Fortunately for the people of India, they had a Viceroy at the helm of affairs at this juncture who was as able as he was wise and sympathetic, and who with God's help succeeded in tiding over the difficulty in a manner which has elicited the admiration of the whole world. He fed six millions of people daily for months together at the cost of the State—a spectacle which was never witnessed within the memory of man and a feat which was never performed before. My Lord, the people of this country are under deep obligation to you for the measures adopted by Your Excellency's Government for saving lives from starvation, and they will ever remember it with heartfelt gratitude. Unfortunately, the days of India's misery are not yet over; for I find that, in the Budget for the coming year, the Hon'ble Finance Minister has provided for a sum of one crore of rupees, to meet the expenses of another Famine in the Bombay Presidency.

"The popular notion is that the annual drain in the shape of Home Charges to which India is subjected have great indirect effect on these frequent famines. But it is a large question and opinions are divided on the subject. I will not therefore enter into a discussion upon it. All I need remark is that it goes without saying that if the Indian Government can prevent the drain of India's wealth to foreign countries and retain the same here, then they will be in a better position to make the Indians prosperous than under the present circumstances; but whether or not it is possible to put a stop to these drains is more than I can say. It is, I believe, now admitted on all sides that India suffers more from famine of money than that of food. Food-grains are available in the country but the people have not the means to buy them. Any measure that may prevent India's wealth from being taken out of the country is thus most welcome.

"The official view is that it is the fitful rainfall or its failure that brings about famine. But other countries are also subject to freaks of the weather, and yet they are not overtaken by these calamities to the same extent as India. There is, however, no doubt that crops will fail if rains do not fall when they are wanted, or there is too much rain when sunshine is needed. Hence the duty of the Government is to provide for the storage of water; and I am deeply gratified to find that the Government have taken some practical steps in this direction. So

far as the opening of means of communication and providing highways in the different parts of the country for carrying food-grains in times of scarcity are concerned, the Government has done a good deal by constructing lines of railways.

"In my humble opinion, future famines may be prevented and their severity alleviated to a large extent by the adoption of the following measures:—

- (1) distribution of takkavi or agricultural advances in time;
- (2) establishment of technical institutes;
- (3) establishment of agricultural schools;
- (4) establishment of agricultural banks;
- (5) light and permanent or long period settlements.

"(1) Takkavi advances are no doubt now made, but not in the way they should be done. The advances should be distributed as soon as the first symptoms of distress are visible and not when its pinch is actually felt.

"(2) One of the remedies pointed out by the first Famine Commission against the recurrence of famines is the spread of technical education and the establishment of industrial schools, so that facilities may be placed within the easy reach of the masses to learn handicrafts and to become good mechanics. Some such schools have, no doubt, been established here and there in India; but many more are required to attain the desired end. Besides, an institute for higher research like the one proposed by Mr. Tata of Bombay is absolutely necessary to enable the people to learn the higher branches of science and develop the resources of the country.

"(3) But India being pre-eminently an agricultural country, her wealth lies chiefly in the soil and the produce that can be raised from it. What is therefore urgently needed is to improve the present method and system of agriculture and teach the peasants how to make their fields yield more than they do now.

"The efforts of Government in this direction have not been of a far-reaching character. No effective steps have been taken to spread broadcast a knowledge of even the most elementary principles of agriculture among the masses, and the consequence is that the Indian cultivator uses the same implements of husbandry, and ploughs, sows and reaps in the same manner, as his ancestors did hundreds of years ago.

"A Department called the Department of Land Records and Agriculture has been established by Government in every Province. But the duties which that Department has to perform are multifarious. One of its functions, no doubt, is the supervision of the agricultural condition of the Province and the adoption of measures conducive to agricultural improvement. But from the results which have been produced it is clear that the discharge of this function has up to this time been considered of secondary importance only. The methods adopted by this Department towards the improvement of agriculture and diffusion of its first principles among the peasant classes, have not yet produced any fruitful results. The Department has got no machinery at its command through which it can diffuse instruction in the first principles of agriculture among the villagers, or give them advice on the seeds to be sown, crops to be produced, and manures having great fertilizing powers to be used. There is at present a paucity of men capable of carrying out such work. I venture to submit that, in order to improve agriculture in this country, the system of agricultural education like the one which prevails in the great countries of Europe and America, with necessary modifications, should be adopted, and primary schools to teach the first elements of practical agriculture to the peasant classes should be established in large numbers, as well as Agricultural Colleges to teach agriculture on a scientific basis and to turn out teachers for the primary schools should be opened in places where none exist now.

"That the people of this country enjoy the facilities for agricultural education to a very limited extent will be seen from a comparison of the number of institutions established in India with the number of such institutions to be found in some of the European countries and in the United States of America.

"In the year 1898-99 in Austria the number of primary institutions where chiefly practical agriculture is taught was 97, that of secondary institutions where students are prepared for agricultural service was 12, and that of higher

institutions in which the highest scientific knowledge of agriculture is imparted was 2.

"In the year 1898 in the German Empire higher education in agriculture was provided by agricultural institutes at eight Universities, by agricultural schools attached to three other Universities, and by three independent high schools, making a total of 14 institutions for higher instruction only. Besides the above there were 16 intermediate schools, 42 farm schools and 195 winter schools for imparting elementary and practical instruction in agriculture.

"Russia in 1898 had 3 higher, 8 intermediate and 109 lower schools.

"In the United States of America in 1899, there were 61 institutions in which agriculture was taught either exclusively or along with other subjects.

"India, my Lord, in this respect cuts a very poor figure indeed. We have only one Agricultural College at Saidapet in Madras. In Bombay, the Poona College of Science has an agricultural department attached to it. The Central Provinces have one school at Nagpur, and the North-Western Provinces one at Cawnpore. Recently one school has been established in Bengal and is located at Sibpur. My Lord, this completes our list, which all told comprises five institutions of all kinds for agricultural instruction in a vast continent like India, whose principal source of income is agriculture and where about 90 per cent. of the population are agriculturists.

"My Lord, there is another consideration also which attaches great importance to the subject of agricultural improvement in India. The improvement, if properly carried out, is sure to result in increasing the quantity and raising the quality of wheat and other commodities which can be exported to Great Britain, and thus place the first-named country in a position to look to her own dependency for the supply of her wants and not to foreign countries like Russia, America, etc. At the Cawnpore Experimental Farm good cotton, far superior to the indigenous article, has been produced from seeds imported from America and other places. Samples of it were sent to the Bombay Millowners Association for examination, and a Sub-Committee of that Association pronounced a very high opinion in favour of some of them, and recommended their cultivation in larger quantities. They were of opinion that yarns spun from the fibres of some of those samples were quite suitable for producing textile fabrics of the finer sorts. Now, if proper steps be taken to induce the cultivators in the cotton districts to grow cotton of the quality recommended by the Bombay Millowners Association and proper help and advice be given to them, it is sure to be grown in time in very large quantities sufficient to be exported to foreign countries, and Lancashire need not in future be under any apprehension of her industries being threatened by American cotton corners.

"(4) In times of distress the agricultural classes have to borrow money at a very high rate of interest from the village-bankers and thus add to their poverty. The money-lenders cannot be blamed if they charge a high rate, for they risk much by their dealings with men who cannot give good security. If Agricultural Banks can be established in rural centres with the object of advancing loans to raiyats at a moderate rate of interest, that will be really a move in the right direction. But, as the subject is under the consideration of a committee of experts, I need not say anything more on it just now.

"(5) Another remedial measure which is sure to have a very salutary effect on the condition of the agricultural classes, and render them less exposed to the baneful effects of a season of drought and scarcity, is the exercise of moderation in fixing the share which the Government should take on account of land-revenue, and the permanent fixation of this share in provinces or parts of Provinces where circumstances may be found to justify the adoption of this measure. My Lord, in places where the maximum culturable area has been brought under tillage, there is no good reason for not permanently fixing the Government revenue. So far as the North-Western Provinces and Oudh are concerned, the majority of the districts have reached that condition. Means of communication have been opened in these districts, and no further development in this respect can be expected. The plea of a further rise in the prices of marketable commodities can no more have any force, because the usual prices at present prevailing in those localities are what formerly used to be regarded as famine-prices. The prices have reached their utmost limits, and

the expectation of any further rise in sure to meet disappointment. Under these circumstances the proper course for Government is to make the settlement of such places permanent. I venture to say that the landlords will not grudge to give to the tenants more permanency in their tenures, if once they are assured that the Government revenue on their estates will not be liable to future enhancement. The cultivators of the soil will thus have greater security of their tenures and will be enabled to make better provision for times of distress.

"My Lord, I am aware of the Secretary of State's despatch of 1883 on the subject of permanent settlement in the Upper Provinces. But I venture to submit that, in questions like this, the decision once arrived at should not possess the finality of a decree of fate, and, if a good and sufficient cause be shown for reopening of the question and its reconsideration, the Government will be pleased to give it a favourable hearing.

"If the Government do not find their way to reopen that question, they can at least extend the period of the existing settlement from (say) thirty to fifty years. The thought of revision of assessment at short periods hangs like the sword of Damocles over the landowner's head and does not give to him that peace of mind which is so necessary to enable him to improve his own estate and help his tenants in improving their condition.

"My Lord, there is another point in connection with the subject of the periodical revision of assessment of land-revenue which deserves particular attention. The different enactments on the subject do not contain any legislative limit of the minimum and maximum amount of percentage which the Government can take as its share of revenue out of the gross rental. The fixing of such limits is left to departmental circulars, which I do not consider to be a desirable course. Legislative enactments on the subject should fix such limits.

"There is one more point concerning this subject. Government has been imposing cesses and rates from time to time, and the landholder has to pay them out of the share of gross rental which the Settlement-officer pleases to leave to him. The number and amount of these cesses have reached such a limit that there should be a declaration made by the Government that no new cess will be levied in future, nor their rate be enhanced.

"The next and last point to which I beg to invite Your Excellency's attention is the amount which the North-Western Provinces and Oudh are allowed to spend locally out of the revenues raised by them. This is a subject of great importance to my province. I would, therefore, crave the indulgence of Your Excellency's special attention to certain facts and figures in this connection which I shall mention later on. First of all, the sum allotted by the Imperial Government to the United Provinces for their provincial expenditure is not only inadequate, but does not bear a fair proportion either to the amount of revenue raised by the provinces or to the surplus contributed by them to the Imperial Exchequer. Then again, of all the provinces, the North-Western Provinces and Oudh pay the largest contribution to the Imperial Government. The result is that those provinces require larger allotments for education, administration of justice and other reforms which are so necessary to secure the advancement of the people and keep them happy and contented.

"My Lord, the North-Western and Oudh Government is rather in a disadvantageous position in regard to its financial arrangement with the Supreme Government. A look at the figures given in the Finance and Revenue Accounts of the Government of India for the year 1899-1900 will at once show such to be the case. This will be all the more vividly realized when a comparison is made with 'the important and wealthy provinces of Bengal, Madras and Bombay.' In order to make my case more clear, I give below a tabular statement (the figures having been taken from the Finance and Revenue Accounts referred to above) showing in its several columns the total revenues raised by Bengal, Madras, Bombay and the North-Western Provinces respectively (the totals of the several items of the Imperial revenue such as Opium, Salt, Customs, Tributes from Native States, Post Office, Mint, Railways, Receipts by Military Departments, collected by each province being deducted from the above); the contribution

made to the Government of India; the amount left to the Provincial Governments to be spent locally; and the percentages of the last two items on the net revenue. I have not taken into consideration, for purposes of this comparison, the figures for the Central Provinces, nor for 'Assam, the poor province with many wants,' nor for 'the young and rapidly progressive Province of Burma, nor for the Punjab, as all these provinces stand on a different footing.

Name of Province.	Total Revenue of all kinds collected by the Province.	Total of items of exclusively Imperial Revenue collected by the Province.	Revenue after deducting item in column 3.	Portion of Revenue specified in column 4 taken by the Imperial Government.	Portion of Revenue specified in column 4 left to the Province.	Percentage of Revenue specified in column 5 on that specified in column 4.	Percentage of Revenue specified in column 5 on that specified in column 4.
1	2	3	4	5	6	7	8
Bengal	Rs. 22,39,15,233	Rs. 12,00,56,159	Rs. 10,38,59,074	Rs. 4,98,03,591	Rs. 5,40,55,483	43	53
Madras	14,13,38,175	4,45,11,163	9,68,27,012	5,36,99,475	4,31,27,537	55	45
Bombay	13,57,03,045	6,32,89,752	7,24,13,293	2,65,48,008	4,58,65,285	36	64
North-Western Provinces and Oudh.	12,74,82,628	2,05,50,971	10,69,31,657	6,04,02,038	4,65,19,619	57	43

"A study of the figures given in the above tables shows that 'rich' Bengal paid only 47 per cent. of her revenue to the Imperial Exchequer, Bombay 36 per cent. (something might be said in favour of Bombay for this special year), Madras 55 per cent., while the North-Western Provinces and Oudh had to pay 57 per cent., having only 43 per cent. left to them for provincial expenses. Our Local Government have repeatedly made representations to the Government of India on the inadequacy of the allotment made to them for their provincial expenditure. When the former quinquennial contract, which terminated with the financial year 1896-97, was about to come to an end, and the terms of the contract at present in force were being settled, the Local Government again pressed their claim for an increase in the allotment for expenditure made to them. The inadequacy of such allotment was admitted by the Government of India and provision was made for allowing the Provincial expenditure on a more liberal scale, by fixing it at 342½ lakhs of rupees, i.e., 22½ lakhs above the figures of the contract of 1892.

"The quinquennial contract having expired at the end of the financial year 1896-97, a new contract for the same period would in the usual course have been settled to come into force in 1897-98; but, as the United Provinces were at that time in the midst of a great famine it was thought that any calculations then made could not have formed a reliable basis for fixing the standards of income and expenditure for future years, and it was therefore decided that for that year a working arrangement was to be made to remain in force for one year only. In the next year contractual relations between the Supreme and Local Governments were renewed, and in March, 1898, a contract for two years was settled, the arrangements for provincializing certain items of income and expenditure, and for dividing others between the Imperial and Provincial Governments, remained with one exception, the same as in the quinquennial contract which expired with the financial year 1896-97; the one exception being an alteration in the old arrangement for sharing certain items of revenue arising from Irrigation. I shall show later on what effect this alteration produced on the Provincial finances.

"It appears that, before the expiration of the biennial contract just mentioned, the Local Government in 1899, with the view of securing more advantageous terms for the future, approached the Government of India on this subject, and the latter Government took into consideration the question 'whether (1) revised figures should be settled for the years 1900-1901 and 1901-1902 for the heads of revenue and expenditure treated special in the current Provincial settlement with the Government of the North-Western Provinces and Oudh, or (2) an entirely new settlement to last for five years from 1st April, 1900, should

'be made in respect of these heads.' In considering the above question the Government admitted the fact that 'there has been an improvement of revenue under some of the excepted heads which might justify some increase of the figures adopted under those heads,' but came to the decision 'to let the figures taken for the years 1898-99 and 1899-1900 stand for the remaining two years of the current Provincial settlement'.

"From the above it is therefore clear that the existence of the necessity for re-adjustment of certain heads of revenue, and for re-fixing the proportionate shares which the two Governments should get in those heads, has been recognized by the Government of India.

"With Your Lordship's permission I shall now refer to two departments of administration to show how they are affected by the insufficiency of the sums allotted to the Local Government of my province for Provincial expenditure. Our Local Government has no alternative but to spend a much smaller sum upon education than the Governments of other provinces.

"In the year 1899-1900, out of the total sum of Rs. 4,52,46,355 spent by Bengal in the items of Provincial expenditure, Rs. 40,43,682 were spent on Education, giving a percentage of 8·8 per cent. on the total expenditure. Madras spent Rs. 3,90,10,064 on Provincial items of expenditure, devoting Rs. 28,30,087 to Education, which gives a percentage of a little over 7 per cent. on the total expenditure. In Bombay the total expenditure under the Provincial heads was Rs. 4,88,50,342, the sum spent on Education Rs. 34,44,607, thus giving a percentage of a fraction less than 7 per cent. The North-Western Provinces and Oudh occupy the lowest position, their total expenditure on all heads being Rs. 3,59,53,332, and that on education being Rs. 23,51,531, giving a percentage of 6·4 only. The educational wants of the United Provinces are several. Some of the higher educational institutions are in need of greater and better means for teaching Physical Science. The Medical School at Agra, which at present teaches up to the Native Hospital Assistant standard, requires to be raised to the status of a college which can teach up to the M.B. and M.D. degrees, and turn out students qualified as Assistant Surgeons. The establishment of an Agricultural College, and the addition to some of the schools of tutorial staff to give lessons in practical agriculture, as well as the establishment of additional institutions suited to impart technical education, are other educational wants of the United Provinces.

"The judicial administration is another branch which requires strengthening. The state of business, increase of work, as well as the nature and value of the cases, and the important points involved in them, call for the permanent addition of a third Judge to the highest appellate court of the province of Oudh, and also the raising of that Court to the status of a Chief Court—a measure most urgently desired and needed by the people of that province.

"There are other branches of administration which require reforms and improvements, and, if Your Excellency's Government will be pleased to take the claims of the Provincial Government into favourable consideration and increase the amount allotted for Provincial expenditure, they will be placed in a position to remove the wants above described.

"My Lord, I will now cite two specific instances to show how the partnership, if I may be permitted to use the expression, entered into between the Government of the North-Western Provinces and Oudh and the Supreme Government has turned into something like a friendship formed between the dwarf and the giant. Indeed, the Government of India have not only taken the lion's share of the profit, but something more. I doubt not Your Lordship's generous heart will sympathise with the condition of the United Provinces where the disadvantages under which they have been placed are described.

"After the introduction of the Provincial contract system, in the eighties, the Local Government, by the observance of very rigid economy in every branch of administration, and perhaps at the sacrifice of several useful works, accumulated a balance of a crore of rupees from their savings. The Government of the day, with a view of securing an assured income, which they thought would be left at their disposal, applied that accumulation to the construction of certain railways. These railways have proved very profitable and have substantial income at the present time. But after their completion the Government of India, for reasons not known to the public, took over these railways into their own hands in 1892;

and their income, instead of going into the local exchequer, has since been appropriated by the Imperial Government. The Local Government has thus been deprived of its crore, which it had saved at such sacrifices. I submit, my Lord, that it is fair that either the profit of the railways should be given, or an equivalent increment in the Provincial allotment should be made, to the Local Government.

“ My Lord, I have said before that the temporary arrangement in 1897-98 was followed by a two-years contract in 1898-99, and a change was made in the old arrangement for sharing certain items of revenue under the head of Irrigation. The alterations in the terms of sharing the Irrigation revenue were made with the view of benefitting the Provincial Government. But these changes, instead of doing any good to the Provincial exchequer, have proved otherwise. I give below in a tabular form the amount of revenue arising from Irrigation under the different heads, the expenses which are borne by the Imperial and Provincial Governments in connection with those heads, and the profit or loss to the two Governments. These figures are for a period of three years previous to the present settlement coming into force, and for a similar period after its enforcement. The figures for 1900-1901 are not the actuals, but are taken from the Budget Estimates, which alone are available. A glance at this statement will disclose the startling fact that the Local Government has been losing a large sum in this bargain.

1895-96.

	Receipts.	EXPENDITURE.			Surplus or deficit.
		Working Expenses.	Interest paid to Imperial Government.	Total.	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial	25,880	87,470	...	87,470	-61,590
Provincial	36,79,410	20,15,150	29,81,260	49,96,410	-13,17,000
TOTAL	37,05,290	21,02,620	29,81,260	40,83,880	-13,78,590
Land-revenue due to Irrigation—Imperial	11,74,980	...	...	...	+11,74,980
Minor Works and Navigation—Provincial	1,37,290	2,14,920	...	2,14,920	-77,630

1896-97.

	Receipts.	EXPENDITURE.			Surplus or deficit.
		Working Expenses	Interest paid to Imperial Government.	Total.	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial	83,700	90,290	...	90,290	-6,590
Provincial	74,78,630	23,85,180	30,34,930	54,20,110	+20,58,520
TOTAL	75,62,330	24,75,370	30,34,930	55,10,400	+20,51,930
Land-revenue due to Irrigation—Imperial	11,74,980	...	...	...	+11,74,980
Minor Works and Navigation—Provincial	2,42,620	2,35,990	...	2,95,990	-53,370

FINANCIAL STATEMENT OF THE

1897-98.

	Receipts.	EXPENDITURE.			Surplus or deficit.
		Working Expenses.	Interest paid to Imperial Government.	Total.	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial	1,37,700	1,07,430	...	1,07,430	+ 30,270
Provincial	89,34,100	25,06,660	30,86,750	55,93,410	+ 33,40,690
TOTAL	90,71,800	26,14,090	30,86,750	57,00,840	+ 33,70,960
Land-revenue due to Irrigation—Imperial	11,74,980	...	...	...	+ 11,74,980
Minor Works and Navigation—Provincial	2,70,990	3,02,580	...	3,02,580	- 31,590

1898-99.

	Receipts.	EXPENDITURE.			Surplus or deficit.
		Working expenses.	Interest paid to Imperial Government.	Total.	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial	24,79,284	1,01,686	...	1,01,686	+ 23,77,598
Provincial	50,48,296	26,79,678	31,30,824	58,10,502	- 7,62,206
TOTAL	75,27,580	27,81,364	31,30,824	59,12,188	+ 16,25,392
Land-revenue due to Irrigation—Imperial	11,74,980	...	...	...	+ 11,74,980
Minor Works and Navigation—Provincial	2,42,841	2,65,297	...	2,65,297	- 22,456

1899-1900.

	Receipts.	EXPENDITURE.			Surplus or deficit.
		Working Expenses.	Interest paid to Imperial Government.	Total.	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial	27,57,509	95,360	...	95,360	+ 26,62,149
Provincial	53,70,041	27,06,799	31,72,144	58,78,943	- 5,08,902
TOTAL	81,27,550	2,80,159	31,72,144	59,74,303	+ 21,53,247
Land-revenue due to Irrigation—Imperial	12,41,086	...	...	...	+ 12,41,086
Minor Works and Navigation—Provincial	2,15,826	3,53,603	...	3,53,603	- 1,37,777

1900-1901.

	Receipts.	EXPENDITURE.			Surplus or deficit.
		Working expenses.	Interest paid to Imperial Government.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs.
Major Works. Direct Receipts.					
Imperial	25,28,000	80,000	...	80,000	+ 24,48,000
Provincial	51,96,000	27,60,000	32,08,000	59,68,000	- 7,72,000
TOTAL	77,24,000	28,40,000	32,08,000	60,48,000	+ 16,76,000
Land-revenue due to Irrigation—Imperial	12,18,000	...	...	...	+ 12,18,000
Major Works and Navigation—Provincial	1,76,000	3,99,000	...	3,99,000	- 2,23,000

“Now the present arrangement with regard to the Irrigation-works in my province is as follows: (1) the Local Government should pay interest at 4 per cent. to the Imperial Government on the total capital outlay from all sources; (2) the Local Government should get only half the net direct receipts from major productive works, and the whole of the direct receipts from minor irrigation-works; (3) the Government of India should get half of the net direct receipts from major productive works, 4 per cent. interest and the total land-revenue due to irrigation.

“The working expenses are however heavy and the minor irrigation-works have no profit, and as the Government of India would not remit a pice of the interest, so the arrangement has proved, as I said, injurious to the Local Government. A study of the table of figures which I hold in my hand and which I have given above will show what I mean. These arrangements have been in force since the last three years. Let us begin with the year 1898-99. In that year we find that the Government of India secured a solid income of Rs. 35,52,578. But what was the gain of the Local Government? Why, it lost Rs. 7,84,662 by the bargain! Similarly, in the following year, the loss of the Local Government was Rs. 6,46,679. And when the accounts for the present year are closed it will be seen that in this year also the North-Western Provinces Government has suffered a similar loss.

“My Lord, I have barely stated the facts as I have found them in official papers, and it is for Your Excellency to dispose of the matter in the way Your Lordship deems fit. In my humble judgment, the fair course in regard to this irrigation question is that the India Government should give up their claim upon the net direct receipts from major productive works and land-revenue due to irrigation, and be satisfied only with the 4 per cent. interest paid on the total capital outlay. Otherwise it would be a great mercy shown to the Local Government if it were relieved from the charge of these irrigation-works, if the present arrangements cannot be altered.

“My Lord, the contract now in force will terminate at the close of the next financial year. The revision of its terms and settlement of the next quinquennial contract will most probably come under the consideration of Your Excellency's Government some time in the course of the financial year which is to begin four days hence, and before the next Budget debate. It is submitted that, at the time of settling the terms of the future contract, due regard should be paid to the claims of the United Provinces to have a more liberal allotment for their Provincial expenditure.

“My Lord, in addressing Your Excellency's Council on this point, I consider it my pleasant duty to acknowledge, on behalf of the United Provinces, the liberal and unstinted financial help which the Imperial Government gave to them during the famine of 1896-97, and the readiness with which the Imperial

Government extended a helping hand to the Local Government in restoring the Provincial finances to their equilibrium."

The Hon'ble MR. SMEATON said :—" My Lord, my remarks will be very brief, and will be chiefly concerned with Provincial finance; but before I touch upon that I have just one word to say with regard to an Imperial matter. I congratulate the Hon'ble Financial Member on the exceedingly lucid exposition of a successful year's finance, and notably upon the addition of a new chapter to the statement under the name of Economic Progress. It is a new and a very welcome feature of the Statement, and I hope it is to continue to be a conspicuous feature in future Statements. The Imperial matter to which I wish to draw attention is connected with the circulation of currency notes referred to in paragraphs 93 to 100 of the Statement. Any careful observer must have noticed how confidence in the currency note has increased and how its circulation is also steadily increasing, and I entirely agree with the remarks of the Hon'ble the Financial Member in paragraph 93, in which he says: 'I am, however, strongly of opinion that if the use of currency notes became more general, and larger amounts were held in circulation, the percentage of rupees required to meet demands for encashment would be considerably less than that which is required to-day, when unfortunately the circulation of notes is still hampered by the fact that the holder of the note cannot be assured of converting it into rupees at the Treasury, and is therefore willing, and sometimes obliged, to dispose of his note in the bazar, at a discount.' This I think cannot be disputed. But when we come to the second of the two tables given in paragraph 99 and to the remark in paragraph 100 to the effect that 'the above tables show a decided and satisfactory increase in the average note circulation in the hands of the public,' I venture to think that these words are somewhat misleading. These currency notes are concentrated in the vaults of 267 District Treasuries and in some 1,500 Sub-Treasuries. I do not think that this can be held to be 'in the hands of the public.' I should be inclined to suggest, if I may do so, that perhaps it would be more correct to say that the last column of the second schedule indicates 'an approximate ratio of the increase of circulation.' It is very difficult at any time to estimate the amount of the note money in the hands of the public, but these figures will show the approximate ratio in which the increase of circulation is proceeding.

"And now in regard to Provincial finance. I am very sorry, my Lord, to have to revert to that old and fatiguing subject—the Burma salt. We have had enough of that already, but I really must enter my protest against two remarks which have been made in the Statement and which will be found in paragraphs 19 and 157. The Hon'ble the Financial Member appears to be somewhat dissatisfied with the revenue from the Burma salt. I think that, considering the amazing progress under the other heads of revenue, it is a little hard, even if there had been some reason for it, that we should be found fault with for a small deficit in one year. I will now proceed to explain how the deficit has occurred and to exculpate the Provincial Government from the blame which the Hon'ble Financial Member attaches to it. There is a deficit no doubt in the year that is just closing, and there will be a slight deficit in the year that is now about to open. But, my Lord, what is the reason? It is chiefly in imported salt that the deficit occurs; but that has been caused by the large import of Madras salt which already paid duty in Madras. If the salt which comes to Burma from Madras in large quantities has paid revenue in Madras, it cannot pay it in Burma; the Government cannot eat its cake and have it still; hence the deficit, and I hope that this explanation will be taken as an adequate one. With regard to this matter I said the last word I had to say last year and I will not repeat my arguments. But it seems to be clear that the Hon'ble Member and the Financial Department are looking forward longingly to the eventual extinction of the Burma local salt-industry. Well if it is to be so, I would ask on behalf of the people that the process of extinction be gradual and as merciful as possible; and the plea for this is strengthened, my Lord, by the remarkable fact that Burma pays now in its general revenue, per thousand of the population, six times more than Bengal, three times more than Bombay and Madras,

four times more than the North-Western Provinces, four or five times more than the Punjab; and I think that, if these large contributions are considered, the little deficit in Salt, even if it had been a real deficit—which it is not—will appear a small matter. And, moreover, Burma makes hardly any drain, as Your Excellency knows, on the Imperial finances for famine, and is of incalculable value as a storehouse and feeding ground for the rest of India. I make no complaint of excessive taxation notwithstanding these very large contributions; for I know, having been the guardian of these finances for some years, that the resources of the province are equal to the demand and that the burden is fairly equitably adjusted. I admit that, but still there is a limit to the extraordinary expansion that is now witnessed in the direct taxation of Burma, particularly in the land-revenue, and I would solicit Your Excellency's attention to the necessity of caution and moderation in taxing the land and to the wisdom of endeavouring to develop the indirect sources of revenue, such as forests and minerals. We know these exist, but they have been lying for centuries idle and only now are being tapped to a very infinitesimal extent. They are the most promising resources in Burma, and I would ask the serious attention of Your Excellency's Government to the necessity of doing everything that is possible to encourage and develop these resources.

"Last year, my Lord, I had occasion to mention, at the instance of Sir Frederick Fryer, the need of a reinforcement of the forest superior staff, and the reasons which the Lieutenant-Governor gave were, I think, very strong indeed. He showed that for every increase of that staff there would be a very large proportionate increase of revenue, and he now begs me to point out that owing to the deficiency in the superior controlling staff the forests are not being adequately worked, and such as are being worked are not being economically worked. He asks me to point out that, for instance, in the estimate for 1901-1902 the revenue to be derived from the forests is 77 lakhs of rupees; the expenditure probably will be 31 lakhs of rupees; and the nett surplus will be 46 lakhs of rupees. These forest-revenues are capable of almost indefinite expansion; and so I think there is a very strong case indeed for the reinforcement which Sir Frederick Fryer so earnestly desires. Last year a promise was given that there should be this reinforcement. The promise was given, but I understand it has not yet been redeemed. I would ask that this matter be taken into consideration as early as possible, and that in addition to this the long delayed Forest Bill may also be expedited.

"The surplus, my Lord, of the Provincial revenues, as the Hon'ble the Financial Member points out, is large. He says in paragraph 270: 'The Provincial revenues of Burma are in a most prosperous condition. The revenues have increased very much above the standard of 1897, and the Lieutenant-Governor is in the fortunate position of finding difficulty in usefully spending all the funds at his disposal.'

"The Lieutenant-Governor very wisely resolved to attempt to utilize his very large balances in the construction of a Provincial railway, not connected with the Burma Railway Company—a Provincial railway which shall tap the central part of the Southern Shan States—a railway which has long been expected and anxiously looked for by the people of the Shan States, and one which will do very much to stimulate agriculture in these fertile plains. Your Excellency in the Public Works Department has sanctioned a survey of that line. I hope that when the survey is completed early sanction will be given to the prosecution of the project; and I will add in conclusion, seeing that such a promising project is in hand, that I hope the Hon'ble Financial Member, when the time for the provincial settlement comes round, will make it as liberal and as generous as possible."

The Hon'ble SIR ALLAN ARTHUR said:—"My Lord, I would join the other Members of the Council in congratulating the Hon'ble the Financial Member on the satisfactory condition of the finances of India. To the fixing of the rupee is no doubt to be ascribed in great part the comparative ease with which India can recover from an apparently staggering blow, such as last year's famine; and I venture to think that in a very few years, unless something unforeseen occurs, the Government of India will be able to show a steadily

increasing surplus. I should like to make a few remarks on some points which have occurred to me in studying the Hon'ble Member's highly interesting Financial Statement.

"The first point I would notice is in paragraph 47, in which it is stated that it has often been urged that the relatively high rates of discount prevailing in the busy winter season are due to the low figures of Government deposits with the Presidency Banks during that season. This is not exactly what the banking and mercantile communities urge. Their point is that the Government deposits are much the same all the year round and are not increased sufficiently in the busy season. The busy season comes on concurrently with the season when withdrawals from the circulation to meet Government demands are greatest; and what leads to the relatively high rates of discount in the busy season, apart from the question that more rupees are required to finance the trade of the country, is the fact that a large portion of the circulation is locked up in the Government coffers, just when it is most wanted. To the figures showing the Government deposits with the Presidency Banks, which the Hon'ble the Financial Member has given on page 7 for the months of December to March to prove his case, I have added the figures for April to November to prove my case, although my figures do not correspond with the Hon'ble Member's. He, I think, gives the figures for the last week of each month, when the Government deposits with the Banks are raised to meet the large demands for salaries, etc., in the beginning of the following month; and consequently he shows—quite inadvertently I believe—greater liberality than there has in fact been. The figures I give are the *average* Government deposits with the Banks in each month. The figures are as follows:—

Average Government Deposits with the Presidency Banks during each of the following months, in lakhs.

	1897.	1898.	1899.	1900.	1901.
	₹	₹	₹	₹	₹
January	255	275	270	248	264
February	277	274	280	258	287
March	306	316	327	271	...
April	331	344	342	272	...
May	216	327	337	262	...
June	264	319	334	257	...
July	241	307	347	287	...
August	250	325	314	255	...
September	195	302	272	267	...
October	204	299	264	241	...
November	219	288	235	231	...
December	251	242	239	246	...

"I think that these figures when compared with the variations in the total Treasury balances, which I shall shortly place before the Council, completely support the contention of the commercial community not that the Government keep their balances with the Presidency Banks low in the busy season, but that they do not increase them sufficiently in that season. In paragraph 49 the Hon'ble Member admits that the Government of India are not unmindful of the advantage to the business community of placing comparatively large balances at their disposal during the busy season, and I trust this solicitude will be shewn more markedly in future years than it is shewn by the figures which I submit to the Council. I understand that it is held in some quarters that, if the Government balances were markedly increased in the busy season, sales of Council bills would be affected; but the sales of Council bills, like the net imports of specie, will always be regulated in the long run by the balance of foreign indebtedness. The Government of India, by locking up excess amounts of money in the busy season, will probably force the Exchange Banks to enlarge their purchases of Councils and their imports of specie for a time; but the effect will be temporary, as the balance of indebtedness is the ultimate regulator, and there is a danger that later on, when the Government reduces its lock up of money, the currency will be found superabundant. Our Financial authori-

ties have on various occasions hesitated to coin rupees for fear of creating a redundancy of currency ; but nothing is more likely to lead to excess imports of currency and to a redundancy than this dog-in-the-manger policy of locking away an excess quantity of rupees in the busy trade season.

“ In paragraph 46 the Hon'ble the Financial Member, in deploring the non-existence of a Financial institution sufficiently strong to lend the Government money at all times for short terms as they may require it, seems to overlook the great differences that at present exist between the rates of interest in the busy and slack seasons, and also between the cash balances of the Presidency Banks at these two periods. The position is that the Hon'ble the Financial Member wants a strong Bank to lend Government money from August to November, and the commercial community want Government to hoard less money during the busy season, January to April. If the Government will comply with the request of the commercial community by increasing the Government deposits with the Banks from January to April, the Banks will, I am sure, be happy to make over a corresponding amount to Government from August to November. At all events, an arrangement such as this might be attempted, and I attach some tables to show how mutually advantageous such an arrangement would be:—

“ The closing cash balances of the Government Treasury for each month of the year undernoted.

	In lakhs.			
	1897. Rs.	1898. Rs.	1899. Rs.	1900. Rs.
January . . .	1,195	1,290	1,419	1,066
February . . .	1,187	1,414	1,420	1,107
March . . .	1,381	1,596	1,670	1,271
April . . .	1,240	1,369	1,502	1,186
May . . .	1,180	1,280	1,653	1,275
June . . .	1,115	1,519	1,822	1,313
July . . .	921	1,497	1,684	1,426
August . . .	850	1,437	1,517	1,120
September . . .	760	1,397	1,316	971
October . . .	809	1,184	980	920
November . . .	807	1,127	885	879
December . . .	996	1,152	876	1,004

“ The closing cash balances of the Presidency Banks for each month of the years undernoted.

	In lakhs.			
	1897. Rs.	1898. Rs.	1899. Rs.	1900. Rs.
January . . .	504	435	568	547
February . . .	495	356	526	520
March . . .	490	389	538	620
April . . .	429	440	492	558
May . . .	401	408	488	579
June . . .	479	469	557	768
July . . .	671	517	699	793
August . . .	665	665	560	819
September . . .	591	619	557	773
October . . .	530	653	484	719
November . . .	592	628	587	694
December . . .	420	550	437	526

1901.

January—610 February—554

“ The rate of interest is usually much lower during the second half of the year than during the first half, and one reason for the discrepancy is that the Bank cash balances are low when the Treasury balances are high. From the

foregoing figures it will be observed that the average balances for the year 1897 to 1900 were as follows:

	Treasury Balances.	Presidency Bank Balances.
	Lakhs.	Lakhs.
January to April	1,336	494
August to November	1,060	634

"The Banks can spare money when Government are in special need of it, and Government lock away excess sums when the Banks are drained by the seasonal trade demands; and yet the practice of Government is to maintain a steady balance with the Banks all the year round.

"Before leaving this part of the subject, I would remark that the Hon'ble Member's apparent desire for a large Central Bank seems to be not so much to assist trade as to save the situation for the Government during the autumn, when the state of the Treasury balances is such that the Secretary of State is unable to offer his bills freely. But thanks to the amendment of the Gold Note Act introduced by the Hon'ble Member, a stoppage or curtailment of Council bills need no longer hamper trade, provided an ample stock of rupees is maintained in the Paper Currency Reserve, because drafts can be issued under that Act and silver can be shipped to India to meet the drafts with ease and promptitude. It should surely be the business of the State to see that they are always in a position to sell either Council bills or gold note drafts so as to avoid disturbance in the Indian money market. It is in their own interest to do so, otherwise the Exchange Banks must finance their operations by the importation of sovereigns, which have so far proved anything but a blessing to the Government of India in the working out of their currency policy.

"I now pass on to paragraphs 81 and 83, from which I am glad to see that the Government intend to invest the profits on the coinage of rupees in a special fund, which will no doubt immensely assist them in maintaining exchange at 1s. 4d. It is unfortunate that circumstances have occurred which have made it impossible to remit the whole of the profit already made to London and to invest it; but I would submit that in future the profit should be remitted as made; otherwise, if it is accumulated, the amount when remitted will practically go to swell the amount which the Government of India has to remit to London; and in a year when the balance of indebtedness is less favourable to India than usual, there might be some difficulty in selling the full amount of Council bills.

"From paragraphs 84 and 85 and 88 to 91 it is not quite clear whether the Hon'ble the Financial Member intends in future that the imports of gold and silver for coinage purposes will be regulated in response to the demands of trade as indicated by the proportion of gold to silver in the Paper Currency Reserve, or by some arbitrary amount fixed by the Financial Department. It has been the practice in the past to postpone the regulation of the respective quantities of gold and silver in the currency until excess amounts of sovereigns reached India, and it is doubtless this policy which has brought about the undue proportion of gold to silver in the Paper Currency Reserve. Lately the Secretary of State has reduced his rate for Council bills so as to compete with the import of sovereigns into India, and it is to be hoped that the authorities in London will, when necessary, substitute drafts under the Gold Note Act for Council bills when sales are necessary to put a stop to imports of gold which are shown to be superfluous by the proportion of gold to silver in the Reserve.

"The Hon'ble Member says there are practical difficulties in the way of any attempt to stereotype such a system by legislative enactment; but if one metal can be imported by automatic process to the precise extent required, and if the Secretary of State can substitute the flow of the one metal for the other whenever the Paper Currency Reserve indicates that the change is desirable, it is not clear what difficulties could arise, and it appears highly desirable that the procedure for regulation of the coinage of rupees as well as for the setting aside of the profits on the coinage of silver should be enforced by legislative enactment.

"My Lord, I agree with my Hon'ble friend Mr. Smeaton that a very admirable innovation in the Financial Statement is that part of it dealing

with the economic progress of India. It is not apparent to what extent the Hon'ble Member desires to claim credit to the Government for the progress he shows; but there are many people who think that Government might have done much more than they have done, and that progress is remarkable in spite of a somewhat lukewarm attitude on the part of the authorities as regards many questions. There are not wanting signs, however, that a greater sympathy is being shown by the Government in regard to many matters, and I am particularly glad to note that the Hon'ble Member is of opinion that the question of economic development is one in which those responsible for the financial situation must take the keenest interest. I would direct my Hon'ble friend's attention to a few weak spots still demanding attention, *viz.*, the scarcity of railway waggons not only for transporting coal from the Bengal coal-fields to the sea, but also in nearly all parts of the country; the comparatively meagre support which figures show is given by the Government to local industries; the obstruction which is shown to private enterprise in the matter of the assistance private enterprise may render Government in the construction of railways; and, lastly we have our old friend, the highly expensive telegram to Europe, which, notwithstanding that its reduction was declared by the Government of India to be a measure of Imperial importance so far back as 1893, continues, like Tennyson's brook, its monotonous and defiant song of 'I go on for ever.'

"My Lord, I understand that considerable latitude is given to Members of the Council in respect of the subjects on which they may speak on Budget day, and I propose to avail myself of this latitude to make a few remarks on a question which is not a financial question. If it were regarded as such, and the financial screw applied, it would benefit not only the finances of the country but also the dumb creatures for whom I should like to say a word. From all parts of the country one hears that the destruction of the wild animals of India, even in forest-reserves, goes on at an appalling rate; and I cannot think it inappropriate to draw attention to this important subject in the first Council of the land on the only day of the session when Members may speak freely without restricting themselves entirely to the point brought up for discussion.

"From Travancore I have particulars of a low caste man, originally a tea-garden coolie, who has supported himself and his family for many years and saved money by shooting game and selling the flesh to tea-estate labourers, sparing neither cow nor calf, hind nor fawn, all coming alike to him. I hear of two hills in Mysore, once swarming with ibex, where not one of these beautiful animals is now to be seen. From the Satpura Range, the scene of that charming book *Seonee*, come reports of the reckless slaughter of cow bison, of hind sambhur and of deer of every description. Near Agar, where there is no restriction as to the possession of guns, every man who carries a gun shoots every sort of game all the year round, without respect to sex or season. The Government of His Highness the Nizam of Hyderabad not long ago issued a very excellent set of rules to prevent the destruction of game in his dominions. The difficulty of finding game in Cashmere is too well known to require demonstration. On the Nilgiris, it has been found necessary to form a Nilgiri Game Association, and from other parts of India one can get innumerable instances and convincing proof of the cruel and wanton destruction that is going on. Unless something is done to check the evil, the wild animals of India will soon become practically extinct.

"It may be urged that an appeal to preserve the wild animals of India is made for the sportsman only; but it must not be forgotten that all animals are created for a purpose, and the folly of indiscriminate slaughter is only too apparent.

"If certain birds, which are eager insect-destroyers, are killed, the crops suffer by reason of a plague of insects. If the usual food of the tiger, such as deer, pig and so on, are wantonly destroyed, the tiger by the inexorable law of nature must find some other victim, probably the village-cattle, not infrequently the villagee himself. If it is necessary that a large number of wild animals be killed in famine years to provide food for the people, the killing should be done with system and in moderation; otherwise, when another famine comes, there will be no wild animals left owing to the slaughter of the young and of females. It should surely be possible to find a remedy for this state of things.

"After the experience of the past session, it seems undesirable to press for fresh legislation on any subject, but the only remedy for the evil I have pointed out would appear to be in legislation. I should make every European or Native alike who wishes to shoot game take out a license to do so, and among other things I would make the globe-trotter pay a heavy export-duty on every trophy that he buys and that he cannot prove to have been shot by himself. Care should be taken not to deprive the cultivator of his legitimate means of protecting his crops from the ravages of wild animals. But it is not the cultivator who is the butcher. The butcher who sits over the drinking places and slays even a female in young, is the man to be got at. What would probably meet the requirements of the case would be a skeleton Bill on the lines of the Mines Act, which the Native States should be invited also to pass into law, and in the Bill the fullest powers should be given to local authorities to make laws and regulations for the correction of the present abuses, including the netting of game, and for, among other things, fixing close seasons. Above all, the basis of the Act should be the protection and preservation of tender age and of the weaker sex. If anything is to be done to prevent one of the great charms of Indian life to Indian and British sportsman alike from becoming a memory of the past, it should be done quickly. My Lord, I am told on good authority that in some parts of the country the people themselves are beginning to recognize and regret the folly and license they have permitted themselves in this indiscriminate slaughter, and they would be less than human if they did not welcome a measure that will bring them back their friends of the jungle."

The Hon'ble RAI BAHADUR BIPIN KRISHNA BOSE said :—" My Lord, before submitting the remarks I have to make I beg to say a word about what the Hon'ble Mr. Sri Ram has said regarding the revenues of the different provinces not being properly distributed for purposes of expenditure. He apparently forgets that the different provinces are not like independent kingdoms standing by themselves. They form integral parts of one great Empire. There are some backward provinces which have not the same revenue as the richer ones, and in order that all may have an equal chance of prospering it is essential that the poorer provinces should be treated more liberally than the richer ones. To lay down one cast-iron rule of proportion or any other rule of that character applying to all alike, rich and poor, thriving province and backward province, will be to accentuate, if not to perpetuate, the backward condition of the backward provinces.

"I join in lamenting with the Hon'ble Sir Allan Arthur that the railway now and then fails to respond to the demands on it. In the height of the famine in the Central Provinces, the price of food-grains was going up by leaps and bounds for several weeks because the railway was unable to supply sufficient rolling stock to carry the grain that the merchants were ready and willing to pour into our distressed tracts.

"In summing up the economic situation, reference was made to the satisfactory character of the evidence of recuperative power except in some unfortunate territories affected by temporary difficulties. I grieve to say that the day when the troubles and tribulations of the people of the Central Provinces will be over is not yet within sight.

"The official year about to close opened there badly. Following upon an almost total destruction of the kharif, the rabi of 1900 was, under the blighting influence of the terrible drought, even worse than that of 1897. Some idea of the heavy loss which this entailed may be formed when it is said that the export of wheat from 1st October 1899 to end of April 1900 was less than one-eighth of the quantity exported during the corresponding period of the last normal year we had, namely, 1893-94. How completely the crops were destroyed would further appear from the fact that, whereas in a normal year the value of imports of food-grains into the province is under six lakhs, in 1899-1900 it rose to 205½ lakhs. The vast quantity represented by this figure was almost wholly paid for with the money given by Government as famine-relief. The miseries resulting from these grievous crop-failures were aggravated by a considerable destruction of plough-cattle. Even before the hot season of 1900, about two lakhs of them had

perished. The export of hides and skins during the year ending 31st March 1900 was 162,000 maunds, which is three times the quantity exported in 1893-94. But when the account of losses comes to be finally made up, it will be found to be more serious than what is indicated by the above figures. For, even in a normal year, it is just after the rains begin that the cattle, half-starved and hard-worked in the hot season, largely die, and this mortality must have been exceptionally high during the rains of 1900, when the conditions were very much more unfavourable than in an ordinary year. Besides, the belated monsoon made matters worse. The returns of rail-borne traffic during the half-year ending 30th September 1900 show that the exports of hides and skins during this period reached the enormous figure of 1,31,000 maunds. The effect of these misfortunes was painfully apparent in the unprecedented rise in the numbers on relief, a rise which was more than maintained in spite of the stiffening of the conditions of relief. In the spring of 1900, for the first time in the history of famines in the province, cultivators who had once seen better days were driven in considerable numbers with their womenfolk and children to seek refuge from starvation in the relief-camps, to labour and live there with people who sweep the village-sites and eat the flesh of dead cattle. Another sad feature of this famine, bespeaking its terribly severe character, has been the loosening of the bonds of caste. I speak not without painful personal knowledge when I say that severe privations were silently put up with as long as there was anything of value left which could be turned into food. But a time at last came when the only safety from the agony of death from hunger lay in accepting State relief. In these melancholy facts mainly lies the explanation of the high percentages on relief, a circumstance which formed the subject of some discussion last year. The highest percentage of people who might have eked out a miserable existence otherwise than by coming on relief was put at ten by some of the witnesses before the Famine Commission at Nagpur.

"The monsoon of 1900, though late, burst upon the country in a steady downpour, and this enabled the people to sow a large kharif area. But in spite of 25 lakhs most generously given as *takkavi* from the public funds and 18 lakhs as gift from the noble charity fund inaugurated by Your Excellency, so great was the loss of resources, that the area sown could not have been much above what was needed for the food of the people. Complete figures are not yet available, but I find that the exports of rice, the principal kharif, from 1st October 1900 to end of February last was 3,21,000 maunds, which is a little less than one-third of the exports in the corresponding period of 1898-99, which itself was not a very favourable year. At the same time the imports of food-grains continued to be large, thus showing that the local produce (after setting off exports) was not enough to meet local wants. The imports from 1st April to 30th September 1900 aggregated as much as 67 lakhs of maunds. But while the kharif gave them their food the hopes of the people to recover the ground lost lay in the rabi. Here, however, and it is most unfortunate, they have met with heavy disappointment. Proper cultivation of rabi was interfered with in several places by heavy rain in August and September and the absence of the *Dewali* showers, which soften the ground for sowing and help germination. Nevertheless, when I left the province in the middle of December last, the people were looking forward to a fair outturn. But the untimely rains since then, accompanied as they have been in some parts by destructive hail-storms, have changed the situation for the worse. It is estimated, that the outturn of wheat will not go beyond a third of a normal outturn on a normal area and that of linseed beyond one-fifth. In two districts, which were very hard hit last year, all the spring crops, except wheat, are said to have been wholly ruined. Then again, unlike what happened in 1897, when the prices went down as soon as the famine conditions ceased, the prices this year never regained the normal rates. Indeed, they touched famine figures in many places. Since the new wheat and gram have begun to come to the market within the past ten days or so, the rates have become somewhat easier. The future is full of anxiety both for the people and the Government. I am afraid when the harvesting of rabi will be over and the employments in the fields cease, it may be necessary to start relief in some parts of the province.

"I gratefully acknowledge that proceedings with a view to lighten the

burdens on land and thus facilitate the progress towards recovery have begun. The ten to twelve years' settlement in Bilaspur and Raipur will expire in June next, and the proceedings set on foot last year for a revision of the assessments are, I understand, in abeyance. Considering how hard these two districts were hit during the recent famine and how even this year their rabi has failed, I hope and pray that, when the settlement-operations will be taken in hand again, it may not be with a view to further enhance the total assessment, but, to adopt the language of the Hon'ble Mr. Ibbetson, to redistribute the burden of rent and revenue which might have become unequal during the last twelve years under ordinary circumstances and still more so under the depressing conditions of recent years. Proceedings with a view to abatement of rents of tenants payable to malguzars and of revenue payable by the latter to Government are in progress in Hoshangabad, a district twice described by its Deputy Commissioner as 'bankrupt,' even before the famine of 1899-1900. Speaking at Khurai in the Saugor District lately, the Hon'ble Mr. Fraser thus described the measures taken there :

'It would be difficult to conceive a more serious succession of calamities than I have indicated, and the effect on the country and the people has been most disastrous. When I visited Khurai last year, and now as I have again gone through some of its once flourishing but now ruined villages, I have realized something of what the people must have suffered, and of the feelings of compassion that have stirred the hearts of some of your officers. The facts on which the abatement proceedings are based are certainly startling. In 1892-93 the cropped area of Khurai was 183,825 acres. In 1898-99, the year before this last famine, it had fallen to 81,928 acres—a decrease of 55 per cent. The decrease in rabi cultivation, on which the country mainly depends, was as much as 75 per cent. The revenue-assessment, I say, was Rs. 1,29,459; the actual collections during the past seven years have averaged only Rs. 45,800 per annum..... Under the abatement scheme now in progress, the revenue will be reduced to Rs. 55,123, or by 57 per cent. as compared with the assessment. This reduction in revenue is a little more than the percentage of reduction in cropped area (55 per cent); and it will remain in force for the whole period of the settlement. This is the sacrifice which the Government has made with the hope of securing the restoration of this tract to the prosperity which it enjoyed before these seven years of calamity.'

"I entertain no doubt that other tracts which have suffered, though not so grievously as Khurai, will receive similar generous treatment. In connection with this matter I may quote here what Mr. Robertson, Deputy Commissioner, Jabalpur, is reported to have said in his evidence before the Famine Commission :

'The district was in a distressed state. This is attributable to seven very bad seasons. Under the circumstances, the present assessment in some parts was too high. I would advocate a reduction for the remaining five years of the settlement.'

"I find that under the head of 'Land-revenue' Rs. 80,67,000 have been put down in the Budget against the Central Provinces. The revenue on the roll, including the enhancements of the new settlement, stood at Rs. 85,82,000 on 1st October 1899. Thus the Budget assumes a realization of 94 per cent. Considering that the yield of kharif in 1900 had to be supplemented by imports to meet the local demand for food-supply and that the rabi of 1901 is likely to give a poor return, it seems doubtful whether, even with a propitious monsoon, the people will be able to pay as much as 94 per cent. of the revenue-demand. In the year following the famine of 1896-97 the percentage of realization was 82. But the people are more resourceless now than they were after the previous famine; and there will be, besides, this additional difficulty that good seed will be scarce. For, under the unfavourable climatic conditions of this year, the yield of rabi will be poor not only in quantity, but also in quality. The Budget provides a most generous grant to the province to enable it to rehabilitate its finances. I venture to hope the same generous treatment will be meted out to the people if their condition does not permit of such a large payment of revenue as 94 per cent. out of the year's produce. I have ventured to draw attention to the matter as the subordinate officials directly responsible for the realization are generally apt to be influenced in their proceedings by what they think Government expects of them than by the capacity of the people to pay.

"Along with the measures that are being taken to relax the pressure of the Government demand, conciliation proceedings with a view to an amicable settlement of private debts referred to by me last year have made further progress. It would appear from Mr. Fraser's Khurai speech that in the district of Saugor unsecured debts aggregating nine lakhs of rupees owed by tenants were remitted in 1899. A wider extension was given to the scheme during this year. Debts owed by pattidars and secured by mortgages and even decrees and amounting to over five lakhs and a quarter have been remitted to the extent of two-thirds. Further remissions to the extent of half in the case of other similar debts are expected. The creditors who took part in this good work well deserved the thanks they received at the hands of their Chief Commissioner.

"But the relief given by remission of existing debts is not likely to lead to any lasting good, unless it is accompanied by banking facilities, which will hereafter provide the tenants and land-owners with funds on fair terms for their current needs and for the improvement of their lands. The question of rural Banks may be said to have been under consideration during the latter half of the now expired century. For I find it pressed on the attention of the Bombay Government by the Collector of Poona as far back as 1854. Nevertheless, it does not seem to have advanced beyond the stage of academic discussion. In 1884, however, a scheme was matured by the Government of India for starting such Banks as an experimental measure in the Purandhar Taluqua of the Poona District. Its main feature may be thus described: (1) the Government was to advance to the Bank a sum of 6½ lakhs for the liquidation of the existing debts of cultivators, loans made out of this advance to be a first charge on their lands; (2) where the Bank would under these liquidation-proceedings acquire the position of first mortgagee, it would enjoy, in respect of further limited advances, the same priority as a first mortgagee can acquire by stipulation under section 79 of the Transfer of Property Act; (3) the Bank was to be permitted to recover through the revenue authorities the debts referred to above, a light fee being payable on the process of recovery; (4) as regards other loans, no stamp-duty or registration-fee was to be charged on deeds executed in connection with them and no court-fee on suits instituted to recover them was to be levied for a period not exceeding ten years. The scheme fell through, apparently because the Secretary of State would not sanction it. Acts have now and then been passed to release the peasantry and land-owners in some localities of their load of debt, but nothing has as yet been done to enable the thrifty and industrious cultivator to secure loans for agricultural purposes on easier terms than what are obtainable now. I earnestly hope that the enquiry which Your Excellency has been pleased to order will at last bring about the devoutly wished-for consummation. For the people who are to benefit by any scheme that may be sanctioned are sick almost unto death, and whatever has to be done should be done at an early date. The system that seems to find favour is what is called the mutual credit institution based on the principle of co-operation among those who enrol themselves as its members. Evidence regarding its feasibility in the Central Provinces was taken by the Famine Commission at Nagpur, and, as far as I can gather from newspaper reports, there seems to be a consensus of opinion among official and non-official witnesses that its success there is doubtful. This accords with the opinion of some well-informed friends I have consulted and also with my own opinion formed after such enquiry as my limited opportunities have enabled me to make. The scheme we need and which is likely to succeed is the scheme formulated by the Government in 1884. The Bank should take the place of the present money-lenders and be able like them to lend on individual responsibility. This would not, of course, prevent loans being given to associations of borrowers, who would borrow on their combined credit and lend the sum thus borrowed among themselves. The concessions which the Government was prepared to make in 1884 would, I believe, suffice to bring about a reduction of the present rates of interest and also to make the terms otherwise easier for the borrower. These rates and terms are now determined not only by the law of demand and supply but also by considerations arising from the difficulty of recovery through the Civil Courts and the expenses incidental thereto.

"In November last there was a conference at Nagpur between Mr. Higham, Inspector General of Irrigation, and our Engineers and Revenue-officers on the subject of irrigation in the Central Provinces. Speaking before the Council on the 19th of October last, Your Excellency was pleased to say, with regard to the methodical preparation in advance of programmes of famine relief-works, that railway earthwork had been pretty well exhausted and that more roads existed than could be properly kept up, but that there were few parts of the country where works for storage of water were not practicable. They might not, probably would not, be directly remunerative. But if such a work would conduce to greater security of the crops, and if it could be maintained at a moderate cost, it was just the sort of work that should be kept in hand for an emergency. Your Excellency further stated that the recommendation of the last Famine Commission, that the cost of investigating and preparing new projects for protective works should form a charge against the famine grant, has been accepted by the Secretary of State. I believe that it has been made clear in the investigations that have followed the Nagpur Conference that there is a wide field for useful irrigation-tanks in the Waingunga Valley Districts and in the Chhatisgarh, where rice is largely grown, and that, if funds could be made available, surveys could be undertaken and projects prepared. The whole question is now before Your Excellency's Government, and I may be permitted to hope it will receive sympathetic consideration, and that ere long our people may have the satisfaction of seeing these useful projects taken in hand. Further some irrigation-tanks have been partially made in the district of Raipur by famine-labour, and unless they are completed the money spent on them will bring no return. I hope we shall not have to wait for the next year of drought to see them brought to completion. I may mention here that during the recent drought, in one rice-district, a considerable area of cultivation was saved from destruction by two large irrigation-tanks. The villages served by them had a good rice crop and were able to meet with ease the revenue-demand, while in adjoining villages, outside the influence of these tanks, crops failed grievously and large remissions had to be granted.

"In the midst of our misfortunes, the one thing that cheers our heart and makes it overflow with deep thankfulness is the conspicuous success of the campaign, which, under Your Excellency's guidance, our Chief Commissioner, the Hon'ble Mr. Fraser, helped by a noble and devoted band of local officers, waged against an unprecedented combination of calamities that had well nigh threatened to submerge the province. The scars left will no doubt take long to be healed, even with a succession of kindest of monsoons. Considering the nature of the visitation, it could not be otherwise. But nothing which the indomitable resolve of a great Government to save its people could do to repair its terrible havoc was left undone, and the consequence has been an administrative feat of which any Government may well be proud. How this gratifying result was attained is easily told. To begin with, as soon as it became clear that the kharif was likely to fail, elaborate instructions were issued to grapple with the threatened calamity. As early as the 14th of August 1899, Mr. Ibbetson sent out circular after circular prescribing, down to the minutest details, the various modes of relief to be given, the manner of administering them, the duties and responsibilities of each class of relief-officers, and their relations to one another as forming parts of an integral whole. The result was that, when the distress actually appeared, it found the machinery of relief perfected in every part, and though the demand for help reached proportions far exceeding the limits prescribed on the basis of past experience, on the whole it did not outstrip the capacity, or dislocate the organization, to meet it. Valuable time was not lost in hazardous experiments to gauge the existence of distress needing relief through test-works with stringent deterrent conditions attached. As has been demonstrated elsewhere, even starvelings will prefer death to working for a wage that will not let them have a mouthful for themselves and their dependents. That most important part of relief, village-relief, was organized from the very outset. Relief-works, specially large works, were not possible until the rains ended, and in order that the poorer able-bodied labourers might not starve and thus run down in condition, necessitating expensive medical relief later on, it was ordered as an exceptional and temporary expedient

to extend gratuitous relief to them. Necessary safeguards were laid down to prevent abuse, but everything was subordinated to the high ideal that no one was to be allowed to starve or suffer serious privation for want of relief, and thus it was that, when after the rains the works were opened, they found the people in good heart and good condition. A special feature of the works was the prominence given to village-works. Their greater usefulness as compared with much of the road-work that has perforce to be undertaken to create employment for famine-labour was fully recognised. Stress was laid on the desirability of getting these works done as much as practicable through the agency of the village-headmen. Their too great attractiveness was provided against by a rigorous labour-test and a restricted wage. A great deal of most useful work has thus been done. One of the saddest incidents of the famine of 1896 was the collapse of the ordinary system of relief in the case of the aboriginal jungle-tribes. For them Mr. Ibbetson laid down special measures of relief mainly on the lines of the recommendations of the Commission of 1893. The success of this wise and humane policy has been complete; while a too anxious solicitude to save the morals of the people have elsewhere resulted in failure to save their lives. Nor was the protection of cattle forgotten. One of the great horrors of this famine lay in the fact that in many tracts to a famine of food was added a famine of fodder and water for cattle. Government forests were thrown open to grazing, either free, or at reduced rates. The jungle-tribes were employed in the congenial task of cutting grass, which was then baled and sent to places where it was wanted for the cattle, or for supply to large towns. Mr. Ibbetson offered to supply any quantity of fodder to Bombay, but apparently the railway would not or could not supply the rolling stock, and thus it was that, while cattle were dying for want of fodder in other parts, it was lying idle in the forests of the Central Provinces. The above efforts to save our cattle were unfortunately to some extent nullified by the late appearance of the monsoon, which, by prolonging the hot-weather conditions, proved disastrous to the beasts that had till then been kept alive. With the approach of the rains, a somewhat new departure was taken by Mr. Fraser, with the approval, as I understand, of Your Excellency's Government. Most of the large works were closed, both because it was essential in the interest of agriculture that the people should be sent back to their fields, and also because it was difficult to keep large works open during the rains. But it was not forgotten that the resources of the people would at this juncture be at their lowest ebb, that the ordinary openings for private employment would, owing to the exhaustion of resources of the tenants and malguzars, be much contracted, and that in any case the wages earned would, owing to the high prices, be insufficient to buy food for the labourer's whole family. So it was decided to supplement private employment and wages by expansion of village-relief. This took the form of cooked food at kitchens for dependents and of money-doles to able-bodied labourers in return for work supervised by the village-headman in the shape of local improvements and, what is to be specially noted, of weeding and transplanting in fields of raiyats who were themselves unable to employ labour. It would be difficult to over-rate the good this system of relief has done. But for it an appalling mortality, not unlike what took place elsewhere, would have taken place in the Central Provinces and nullified the effect of the gigantic efforts hitherto put forward to keep the people alive. And, what is no less satisfactory, this helped thousands of broken-down raiyats to grow and reap a good harvest. The savings from the wages given are said to have been not inconsiderable, and some have further said that these, without any further State aid, would have carried the people through until the crops ripened. Whether the savings were made because the wages were more than what was needed for bare subsistence, or because the people were determined, whatever the wage, to save a fraction by pinching themselves to provide against the time when Government relief would close and for their other necessaries, certain it is these savings were not enough even with the liberal help from Government to keep the death-rate during the monsoon months within normal limits. In spite of these advantages, the people evidently had to live on reduced rations, and thus, with a system debilitated by insufficient nourishment, they fell an easy prey to the diseases which always break out during the rains. The death-rate began to rise perceptibly from June, when the provincial average

stood at 6·78 as against 2·43 in the same month of the previous year. In July the rate was 6·88 as against 2·05 in the previous year. In August it rose to 7·71. Here I may note that at this time there was no curtailing of relief, the numbers relieved reaching a total of over two millions and a quarter out of a population of ten millions of the affected tracts. In September, with the ripening of the smaller millets, the death-rate went down to 6·82, and in October to 5·65 as against 2·13 in previous October; and it was not till November was reached that we get such a rate as 3·78, which, however, is nearly double the rate in the same month of the previous year. During this period the rate in some tracts approached 18, 17, 16, 15 and 14. The recent census has shown that, whereas between 1881 and 1891 population had increased by 9·61 per cent., between 1891 and 1901 it has decreased by 8·71 per cent., or by nearly 10 lakhs of people. In the face of these significant after-facts, the question whether the wage given was too liberal because the people saved a pinch out of it, and were at the same time able to keep body and soul together *for the time being*, would require most careful consideration. A battle against the forces of nature could not be fought and won as it has been in the Central Provinces without a heavy expenditure, but, if human life is worth saving and human misery worth alleviating, then has the money not been ill-spent. At the same time the danger that lurks in the setting-up of a system of relief on this colossal scale is not to be lightly passed over. But the fear of pauperising the people was not allowed to paralyse the hands of the relief-officer. And, now that the thing is over, I do not find that any of our Deputy Commissioners complained that relief had sapped the independence of the people. Possibly in some places they stuck to relief a little longer than what was absolutely necessary, but on the whole it does not appear that there has been any demoralization. Two millions of agriculturists and labourers have gone back to their ordinary occupations in good heart and trim, and, as stated by one Deputy Commissioner before the Commission, the work in the fields was quietly resumed when the proper time came without any sign of loss of self-respect. I must confess I feel a glow of supreme satisfaction at these achievements of my Government under circumstances of unparalleled difficulty. I am sure the general verdict will endorse what it has been my privilege to say before this Council today.

“I cannot conclude my reference to the famine in my province without a word about the Charity Fund. I need say no more than this, that it is impossible for those whose high privilege it has been to take part in its blessed work not to acknowledge with the warmest gratitude the benefit it has conferred on the people. As I have said elsewhere, a mere enumeration of the numbers relieved will give but a faint idea of the incalculable good it has done. For the hope that has been infused into the hearts of the people, for the opportunity they have to build up once more the fabric of their prosperity, they are no less indebted to the noble Charity Fund than to the help from the State funds. And, if they have not been loud in proclaiming their gratitude at this splendid exhibition of charity and devotion in the sacred cause of humanity, none the less the moral effect of all that has been done for them in drawing closer together the tie that binds them to their rulers must make for good government in its truest, highest sense.”

The Hon'ble MR. BUCKINGHAM said:—“My Lord, two very important Bills affecting the industries of India have been passed into law this session, but I do not think it is sufficiently recognized how narrowly we escaped from these Bills coming into force last year in their amended, and I may say objectionable, form. This only shows how disastrously the industries of this country may be affected by undue precipitation in passing any Bill into law, and to Your Excellency alone we are indebted for the postponement of them to the present session.

“My Lord, domestic legislation may be necessary in some cases, but there has of late years been too great a tendency to legislate on Western principles, which not only produces a bad effect, but creates imaginary grievances, and gives agitators the opportunity of saying it is the policy of the Home Government to sacrifice Indian to English interests. The industries of India must, to a great extent, be allowed to develop spontaneously, according to her requirements and

needs, and, if this can be brought about without over-legislation, capital must and will come more freely into the country. Indian labour is not organized in the same way as it is at home, and it will probably take generations to bring this about. It was very truly said by the late Mr. S. E. J. Clarke, who had made 'India and its people' his chief study for a lifetime, that 'Native labour, whether at a mine or in a factory, has no sort of resemblance to anything known the other side of the Suez Canal. For all purposes of comparison, India might be a part of the planet Mars.' Labourers come and go in a way which would appear disastrous to an Englishman ignorant of their ways—they disappear for months to get married once, twice or even oftener, and on the pretext of a relation dying, which same relation has more than the proverbial nine lives of a cat: a liberal amount of leave is granted for each such death.

"Regarding the financial position of Assam, Your Lordship said at Tezpur that a larger proportion of the gross receipts of Assam was expended upon the administration and development of that Province than of any other Province in India, and that we were absorbing a large amount of Imperial capital, our balance being on the wrong side of the ledger. I notice, my Lord, that at page 58 of the Assam Revenue Account for last year, the gross income from Assam (Imperial, Provincial and Local) amounted to 146½ lakhs of rupees and the gross expenditure to 109½ lakhs; to this expenditure may perhaps be added the interest paid on account of the capital of the Assam-Bengal Railway, which I find at page 126 of the Finance and Revenue Accounts amounts to Rs. 20,27,000 on account of Indian interest and an equivalent of about Rs. 10,12,000 English interest, or a total of Rs. 30,39,000. This sum, added to our expenditure, will still leave a balance of 6½ lakhs on the right side of our ledger. It is true that we have not been able to contribute anything to the military and other general charges of the empire; but still I think it will be admitted, my Lord, that we are advancing in the right direction and that we are not such a burden to the Imperial exchequer as we are generally supposed to be. It is also satisfactory to find in this year's Financial Statement, at paragraph 271, that a grant in aid of Rs. 2,00,000 only was required from the Imperial Treasury, and that the damages caused by the earthquake constituted the sole reason for requiring such aid.

"I feel sure, my Lord, nothing would hasten a more satisfactory state of affairs than the construction of a system of tramways and feeder lines to the river and to the main line of railway. One has only to see the development of the country in two years, in the vicinity of the main line, to be convinced that, even if remuneration is not at once forthcoming from the actual working of the line, still the revenue side of the Provincial balance sheet is most beneficially affected.

"I trust therefore, when the time comes, Your Excellency will give us a substantial guarantee towards a system of railroads and tramways throughout the province."

The Hon'ble KUNWAR SIR HARNAM SINGH said:—"My Lord, it is a matter for congratulation that the Finance Member has been able to present to the Council a Financial Statement of such an extraordinary character. It shows how carefully, in a year of unparalleled calamity, the resources of the State have been husbanded, how economy has been exercised in all branches of administration without affecting efficiency, how manfully the struggle has been maintained, how successfully the difficulties of the financial position have been overcome without imposing fresh burdens on the people, and how all gloomy forebodings have been falsified. Receipts have improved, with a single exception, under every main head of revenue, and the originally estimated small surplus has been converted into a handsome one.

"The exception I refer to has been with regard to land-revenue receipts. A heavy deficiency has been recorded, as between the Revised and Original Estimates of land-revenue, amounting to £382,900. I took the liberty of pointing out, during the Budget debate last year, that a rather sanguine view was taken of our sources of Revenue. I said that in Provinces affected by famine the mortality among agricultural cattle would be considerable, that large tracts of land would be lying waste, and that

low prices following on a plentiful harvest would reduce the receipts of cultivators, and that on all these grounds the revenue realizations would be greatly affected. I ventured to observe that in tracts of the country afflicted with famine the increase of land-revenue was overestimated. The Revised Estimates show that I was not wrong in my conclusions.

"I notice that in the Budget Estimate for the coming Financial year, Land-revenue is estimated to produce £474,800 more than last year, and the Finance Member says that, in view of improved prospects throughout the greater part of India, this estimate is unlikely to prove too sanguine. I have my misgivings, my Lord, with regard to this view of the question. Famine has not yet disappeared from the land, and it is feared that a considerable time must elapse before there will be any likelihood of its disappearance. I have to repeat what I said last year with regard to revenue realizations in provinces affected by famine. And then I quite agree with the Finance Minister that, until we are sure of a favourable monsoon, the most moderate estimates may be suddenly and hopelessly falsified.

"The large surplus shown at the end of the financial year was due to exceptional circumstances. Had normal causes been in operation, I believe that the estimated surplus announced last year, in spite of improvement under every main head of revenue, would have been considerably diminished, if not converted into an actual deficit. Had it not been for the saving due to the absence of troops in China and South Africa, and consequent increase in Telegraph receipts, Military Department receipts, and reduced expenditure on Military Works, the financial condition of India would have greatly deteriorated. These extraordinary causes will now soon cease to operate, and the consequence will naturally be a material reduction of receipts. I point to these facts with the view of showing that our sources of revenue are not on a stable footing, and that the increase of receipts in most cases is purely fortuitous.

"I find that in the Budget Estimate for the coming financial year Railways are expected to yield an important increase of revenue. The receipts are expected to exceed those of last year by £331,400. I do not know how this expectation can be fully justified. It is true that some increase may be due to an adjustment of accounts, and also to some extent to an increased mileage opened to traffic. But it must be borne in mind that there will be a considerable diminution of Railway receipts owing to the absence of any large movement of food-stuffs for famine requirements. I believe, therefore, that the increase from the Railway source of revenue has been over-estimated.

"Then again considerable reduction has been anticipated under various important heads. I am afraid that the reduction has been under-estimated. Owing to calamities in China, the Opium revenue is sure to be affected, and not only will the abnormally high prices of last year be greatly reduced, but the consumption of opium is likely to be decreased. As has been anticipated; Customs will yield far less than they did last year, owing to reduced imports of sugar. The duties on the extraordinarily large importation of sugar abnormally swelled our receipts during the past year, but there is reason to apprehend that these receipts cannot continue to be in the same proportion in which they have hitherto been fixed. I believe the reduction from this source of revenue also has been under-estimated. Although opinion as to the effect of the countervailing duties on bounty-fed sugar cannot yet be definitely formed, yet it must be admitted that the addition to our revenue from this source exists under most abnormal conditions. It is certainly not an unsatisfactory reflexion, in the language of the Finance Member, that 'this addition to our revenue has been realized at the expense of the European taxpayers, taxed by their respective Governments to provide the bounties which enable foreign sugar-refiners to sell their sugar in India at prices below the cost of production.' But this satisfactory reflexion is constantly accompanied with the apprehension that foreign Governments may before long realize the impolicy of artificially maintaining the selling price of bounty-fed imported sugar, and may at any moment withdraw their subsidies—the effect of which will be the extinction of this source of revenue.

"It appears to me, my Lord, that from what I have said above Indian finan-

ces are not in a satisfactory condition, and our sources of revenue cannot be depended upon with certainty. The Finance Member observes that expenditure in all directions has been so greatly restricted during the period of financial distress, that 'now that we may fairly estimate for an improvement in revenue and an important diminution of charges for Famine Relief, we have been glad to show some comparative liberality in meeting urgent administrative demands.' This to my mind means, my Lord, that the precautions which have hitherto been taken, the vigilance which has been so effectually exercised, are to be relaxed, and that considerable increase in expenditure is proposed. I cannot but view this proposal with apprehension. I fear, as I have pointed out, that there will be a considerable reduction in the estimated receipts. If my fears prove to be well-founded, the proposed increase in expenditure will place our finances in an embarrassed position. I am led to think, my Lord, that it is a bad State policy, as it is bad domestic economy, to sanction increased expenditure in anticipation of increased revenue. When the increase is well assured, and the increased revenue is in the Treasury, then extensive schemes of reform may be matured, and money may be freely expended in successfully carrying out those schemes. But when our revenue has not yet recovered its lost balance, or rather I should say when our finances are not in a prosperous condition, when we have to meet urgent administrative demands by raising loans every year, and thus adding to our permanent indebtedness—this, I venture to say, is not the time to launch into large undertakings necessitating a large outlay.

"The Government of India proposes to make a considerable addition to the expenditure on the Army. I admit of course that our whole existence depends on proper provision for the defence of our frontiers, and that the lessons derived from the war in South Africa could not be neglected. I fully realize the gravity of the situation, but still I am inclined to think that the proposed increase on Army expenditure is abnormally high. I am aware that I am treading on delicate ground. The question I have ventured to refer to is certainly an Imperial question, and must be settled on Imperial grounds.

"In dealing with the great question of meeting famine requirements, the Finance Member alluded to the recuperative power of India. 'The fact,' he says, 'that we have been able to meet the extraordinary demands on our resources, due to famine and plague, and that we are today able to present a Budget showing, notwithstanding the simultaneous serious depression in three such important industries as cotton, tea and indigo, a distinct and satisfactory increase of revenue obtained without increase of taxation, is in itself the strongest evidence of that recuperative power.' There is abundant proof that his belief in this recuperative power is not an idle assumption; it is certainly based on substantial facts. What I only wish to say is that this recuperative power and the economic conditions of the country are not so well assured as they have been represented to be. The land-revenue of the country is in a serious condition at present. The proportion of land-revenue to the general revenue is striking. Under normal conditions I think it ought to be over 27 per cent. I notice in the figures adduced by the Finance Member that this proportion has been fluctuating. This may be due to famine, but still the fact remains that the land-revenue taken as a whole has not been able to completely recover its balance. This is the only source of revenue which is on a stable footing. Opium, Salt, Stamps, Excise, Customs, Post Office, Telegraph, and other sources of revenue are not at all to be compared, as regards stability, to land-revenue. That land-revenue is not increasing, but that the proportion of land-revenue to the total of our resources shows a diminishing tendency, is not a matter for congratulation.

"The most important industry in India is agriculture. The prosperity of the agricultural population, to use the Financial Member's language, has, within the last five years, received apparently crushing blows through the unprecedented recurrence of famine. It is difficult to say how long it will take to remove the effects of these crushing blows. I am not prepared to say that the agricultural population in the Indian Empire is 'somewhat better off today than it was a year ago.' The agriculturist's want of staying power during severe famine is in itself a convincing proof of agricultural distress. Then, again, if it is an admitted fact that the indigenous industries of the country are

perishing, and that new industries in sufficiently large numbers are not replacing them, it will be easily conceived that the recuperative power of India in this direction does not assert itself. What I mean to say is that the economic situation of the country, in my judgment, is not so cheering as it has been described to be; and the evidences of general recuperative power are not so many and so satisfactory as they have been represented to be.

"It is, however, very gratifying, my Lord, as I have stated, that the Financial Member has been able to present to the Council such a remarkable budget, without increase of taxation; and the whole country will feel grateful to him for his invaluable services."

The Hon'ble RAI BAHADUR P. ANANDA CHARLU said:—"About this time last year, speaking of the terrible demands of famine, Your Excellency said that you were resolved to devote all the available resources at your disposal to the alleviation of suffering and the prevention of death. It would be as ungrateful as ungracious not to admit, in the most unequivocal manner, that this promise has been kept to the very letter. Nor is it less a matter for gratitude that, instead of adding insult to injury in the shape of diatribes against the alleged unthrift, wastefulness and extravagance of the suffering victims, the Finance Member has, in a spirit of unbiassed justice and strict impartiality, paid a well merited tribute to their frugality, their industry and their powers of endurance—attributes for which they have always received credit, except when disingenuous attempts were made to substitute false for true causes of famine and its attendant evils. As though Providence wished to reward Your Lordship's righteous resolves and hearty performances of them, more than one godsend has come to us with a sheaf of plenty to repair the incident damage or to re-fill the exhausted coffers; such for instance as the unforeseen flush of opium revenue and the repayment from the British Exchequer of charges which the Welby Commission made out to be an unauthorised or unwarrantable burden laid on the Indian tax-payer—although I, for one, think that the amount paid should have included not only arrears, as has been already contended, but also a contribution, as is to be yet contended, towards retiring pay, and pensions, etc., of Indian troops employed in South Africa and China, as was wrung from India in 1884 or 1885 by the British Exchequer when British forces served or were serving India. But amid all this overflow of thankfulness and gladness, it would be failing in an important duty not to notice the shortcomings that exist and not to examine the soundness of certain conclusions, as to economic conditions, recorded in the Financial Statement as following from the figures and facts therein set forth. It is impossible, and it will be unavailing and wearisome, even if it were possible, to go over the entire ground which has been traversed in the Financial Statement and its tables of figures and appendices. Some of the Hon'ble Members who have spoken before me have, besides, a good deal anticipated me, either by saying exactly what I meant to say or in analogically forestalling me. Expenditure, on the Army and on matters kindred to it, is indeed a legitimate battle-ground by reason of being, in the words of the Finance Member, the greatest drain on financial resources. But the Finance Member has said in paragraph 53 on this topic that 'every additional item which has been agreed to, has not only been most jealously scrutinised in the Finance Department, but has also been submitted to the close examination of the Governor General in Council.' In paragraph 54 he has also pointed out how the 'lessons derived from the war in South Africa could not be neglected and how the Government had done their best under the guidance of their military advisers to profit by them.'

"In the face of these assurances and deliverances, it would perhaps be too bold to indulge in criticism. Any little wish that might still linger to probe the question must be effectually quelled by the recollection of the short, decisive and perhaps too curt reply which was vouchsafed, in this very Council Chamber some three years ago, to one who ventured to suggest a modest reduction in the numerical strength of the Indian Army; for the circumstances now are far more inopportune than they were then, seeing how the war-pulse is at the high fever beat all the world over and realising how the doctrine now in the ascendant is that in all countries, great and small alike, to be armed *cap-a-pie* is the only way to be safe, as

much for the preservation of peace as for triumphs in war. The good fortune, and perhaps the best solace as well, in these circumstances, is that this country is ocean-protected on her three sides, by far the largest part for external attack, and that she is not called upon either to maintain a navy of her own or to make contributions towards the cost of the British Fleet.

“ Quitting this nettle, which, however one may handle it, must prick one’s fingers, I shall confine myself to some words on public works, on irrigation and on the conclusions of economic progress, drawn and recorded by the Hon’ble Finance Member from the figures before him. Judging by the figures set forth in paragraph 60 of the Financial Statement, it looks as though the extension of railways is regarded as several times more important than the works of irrigation—ranging from nine to nearly fourteen times. Upon the relative value of railways and irrigation-works there has always been, and there is sure always to be, a wide and equally decisive difference of opinion, depending, as it does and as it must, on the difference in the stand-points from which they are looked at. It is, however, noteworthy that after Sir Arthur Cotton, of irrigation fame, no one has made or has bid for a name for himself by pressing the exceptional claims of irrigation as energetically as he had done—one who, on the banks of the Kristna and the Godavari, is ranked with by-gone Indian saints and receives occasional oblations of sacred water on certain days when those sainted benefactors receive holy offerings for signal, unforgotten service. A great deal, besides, could be said on both sides; and a great deal has been said. Having regard to the main consideration that, while works of irrigation help in raising and multiplying food-stuffs and economic and commercial products, the railways help in their speedy transit to places most advantageous for making profit, the claims of production have plainly a precedence over the facilities of transit. The surplus things to be carried must exist before the carrying agency is called into request. If not, the inevitable consequence is that the bare sufficiency of one place is laid under contribution for the benefit of places where there is want, and the area of scarcity and desolation is made to grow wider and wider—though it must be admitted in the interests of humanity that, if nothing better could be done, it is less objectionable to swell the number of half-starved than to let even a few to die of utter want. One ought not therefore to dogmatise on this knotty problem. It is rather the duty of every one to discuss the question with himself soberly and with the paramount, if not the sole, object of preventing the too speedily recurring famine. I humbly think that, making the amplest allowance for every pertinent consideration, the claims of irrigation have not, and have not had, such warm and vigorous championship and such large and continuous outlays as they deserve. Neither in the Financial Statement nor in its annexures do I find any detailed or defined scheme for the creation of a Government system of wells, to tap subterranean streams by way of supplementing the service of canals and reservoirs, which are solely dependent on monsoons, which have, of late, learned too much the trick of being fitful or precarious. I know it may be said, as it has been said, that this was a pure Provincial affair and that the Provincial Governments would surely be attending to it in the requisite degree. So are many of the canals, in so far as they belong to this or that Provincial Government and so far as they are cut and excavated by the particular Government within whose limits they respectively are. We nevertheless find these canals named and specific allotments labelled on each of them in the Financial Statement. Why should not schemes, devised and formulated in respect of a system of well-supply, be similarly honoured? That there is urgent need for some such course is shown by regard being had for the scanty attention such a system or other irrigation systems command in the Madras Presidency as noted in the following extract from the Hindu newspaper of Friday last :

‘ From the annual report of the administration of the Irrigation Branch of the Public Works Department in this Presidency during the past official year 1899-1900, it will be seen what little has been done and what more remains to be done. The irrigation-works shown in the sketch map annexed to the report appear like specks in a vast area. The total cultivable area in the districts of the Presidency is 33,423,401 acres, out of which only 3,902,050 or about 12 per cent. only is commanded by the irrigation-works, coming under the classes of major and minor productive and protective works; about 2,601,088

acres are shewn as irrigated by works coming under minor works under the charge of the Revenue or Public Works Department—which are dependent upon rainfall for their supply of water. Deducting these two from the total cultivable area, we find that about 27 millions of acres or nearly 80 per cent. of the cultivable area has no sources of irrigation whatever. Herein lies a great field for the useful and benevolent operations of the Local Government. It may not perhaps be possible to bring all these lands under irrigation, but a large portion of them may be so brought. Unfortunately, however, Government draws its purse-strings tight when expenditure on useful public works has to be undertaken. During the last year, the amount spent on all classes of works from Imperial, Provincial and irrigation-cess funds was about Rs. 50,97,988 against a revenue of Rs. 2,01,75,080. This expenditure, be it remembered, included establishment charges which are not at all on an illiberal scale—tools, plant, construction and repair of quarters for officers and servants. How much of the fifty lakhs was actually spent on works is not clear from the report. It would be well if in future reports the cost of establishment, etc., is eliminated and the actual amount spent on works separately shown in the body of the report.

“Paragraphs 72 to 76 are devoted to the consideration of the countervailing duties on sugar under the Act to which I lent my humble support in passing. The main ground on which the Act was sought to be passed and on which it was widely supported was that it would safeguard and promote the interests of the many thousands who had many thousands of acres under sugarcane cultivation. Looking over the paragraphs in question, one is sadly disappointed that no figures or facts in relation to that declared object are discernable, and it is no consolation to be told either that certain colonies profited thereby—one more than the rest—or that we were getting revenue at the expense of certain European countries. It is unfortunate that the avowed intention is presumably unfulfilled, and that the suspicion, freely expressed at the time, that it was legislation for the benefit of some of the colonies, seems not to have been altogether unfounded.

“I next beg leave to say a few words on the economic progress on which some stress is laid in paragraphs 101, etc. The propositions laid down in paragraph 102 are, in the highest degree, unexceptionable. They are as follows:—

‘(1) The question of economic development is one in which those responsible for the financial situation must take the keenest interest.

‘(2) It is comparatively easy for a Government to take money out of the pockets of the public, provided that those pockets are sufficiently well-filled.’

“The first of these propositions enunciates a rule of abstract duty and in it there is not the least flaw. The second proposition, too, is in one sense an abstract principle; and I presume that, in thus unreservedly predicating it, the Finance Member connotes that the pockets out of which the increased receipts have come, as noticed in the Budget, are, as a matter of fact, well-filled pockets; for otherwise there would be little relevancy in the statement of the principle. Is this true as a matter of fact? Reverting for a moment to his paragraph 18, we find that, except Land-revenue, the main heads of receipts are stated to show more or less of an important increase. In the next paragraph he goes into those main heads and virtually votes against many of them to be undeserving of acceptance as more or less permanent or established factors tending to or illustrative of economic progress. Firstly, increase of receipts in Opium is due admittedly to abnormal prices. The receipts from Railways and from Telegraphs are equally due to famine or other adventitious causes. Receipts under the Military Department are, in his own words, purely fortuitous. Eliminating all these, there are but two main heads which are left to be inferred as healthy sources of enhanced income, *viz.*, Salt and Customs. As to Salt, the dictum is inexplicable, unless indeed it is assumed that big lumps of salt are swallowed in lieu of morsels of solid food, or unless there is some chemical process under which salt, combined with air, turns into human pabulum. It is quite plain that salt by itself is no article of food, and that it is only when combined with very much bigger doses of solid substances that it is an ingredient of human consumption. It is therefore somewhat problematic how, except as flavouring the charity doles or famine-rations, so much salt could have been consumed by human beings. If consumed as last suggested, the amount of its consumption is an index of the wide extent of pauperism, relieved

by charity or the State, rather than any criterion of well-filled pockets. Salt might indeed have also been thrown into fields to improve the soil or given to plough-cattle to make them healthy. But in the face of the admittedly terrible holocausts of cattle and the parching-up of extensive areas for want of rain, it is rather a violent conclusion to draw that, in the track of the salt thus extended, prosperity or plenty followed in any appreciable degree.

"Then regarding Customs as an index of progressive well-being by being, as it is alleged, a certain sign of consuming capacity, I shall grant some force in it, and I am entitled to ask whether one swallow would make summer and whether the Customs returns are any indication of well-filled pockets as a matter of necessary inference. I have my serious doubts; and Customs income is no more an evidence of well-filled pockets than is the mere fact of the payment of revenue under distraints and threats of distraints is an evidence of recuperative power. We have had too frequent proofs of full payment of revenue in one year being followed by dearth in the succeeding year to derive from that single fact the comfort that the pockets out of which the revenue has come have much left behind. To make payment of revenue under stringent processes or under menace of them an index of well-filled pockets is like inferring a well-filled granary by the number of rats and bandicoots in the farm-house, or like assuming the solid solvency of one who borrows heavily and pays exorbitant interest. True economic progress will and can come only from the colossal demands on the country's resources being considerably reduced, from the administrative machinery being cheapened a great deal, by the raiyat being relieved of harassments of re-assessments and re-settlement, and, above all, by the growth, development and multiplicity of industries which constitute a necessary complement of agriculture in working out the prosperity of a country, and which will converge towards producing what the Finance Member has very properly called the highly satisfactory result, from an economic point of view, of substituting expenditure in India for expenditure abroad."

The Hon'ble SIR CHARLES RIVAZ said:—"I have only a very few words to say. My Hon'ble friend Mr. Bose has remarked that 'the day when the troubles and tribulations of the people of the Central Provinces will be over is not yet within sight,' and he seems to think that the estimated land-revenue collections of the coming year have been put at too high a figure for these provinces in the Budget. My Hon'ble friend has, I think, taken rather too gloomy a view of the situation. The present spring harvest has unfortunately been a good deal damaged in parts of the Central Provinces by unseasonable rain, but not to so serious an extent, according to the latest official reports, as my Hon'ble friend has stated; and the last autumn harvest was on the whole a very fair one, especially as regards the rice and cotton crops. The estimated land-revenue collections of the coming year as entered in the Budget are 10 lakhs below the figures sent up by the Chief Commissioner, which again were 5 lakhs below the estimates of the District and Divisional Officers; so it will be seen that the Government of India have fully recognized the necessity of dealing leniently with the land-holders of the Central Provinces in their present circumstances. The estimated collections of 80½ lakhs are made up of 67½ lakhs on account of the current demand of the year and 13 lakhs on account of arrears of suspended revenue; and I may remark that the current demand amounts to 88½ lakhs or 3 lakhs more than my Hon'ble friend has stated it to be. In any case, he need be under no apprehension that any undue severity will be exercised in realizing land-revenue if the coming agricultural season should again unfortunately prove unfavourable. The Chief Commissioner has been authorized, in response to an application recently received from him, to remit all arrears of revenue, amounting to about 21 lakhs of rupees, which accrued previous to the revenue year 1899-1900, that is, the year which ended last July, and to exercise his discretion as to remitting up to one-half the demand of the year 1899-1900; and my Hon'ble friend will perhaps accept these orders as an indication of the desire of both the Local Administration and the Government of India to treat the land-holders of the Central Provinces with

generous consideration in view of the undoubted misfortunes which they have lately undergone.

“With reference to the Hon’ble Mr. Smeaton’s remarks about the deficiency in the superior forest-establishment in Burma, we have not been unmindful of the promise given by Mr. Ibbetson during the discussion of the Financial Statement last year, but unfortunately we are still hampered by the want of forest-officers in all Provinces. The annual recruitment has been enlarged, but it will take some time before this is felt. I am informed that, compared with other Provinces, Burma is not badly off, and that on the 1st January last there were four young forest-officers stationed there in excess of the sanctioned cadre. The matter shall, however, be looked into again. The forest-revenue of Burma is large, and we will do our best to meet the wish of the Local Government.”

The Hon’ble SIR ARTHUR TREVOR said:—“My Lord, I do not think it would serve any useful object for me to try to anticipate what my Hon’ble Colleague in the Finance Department may have to say in reply to the remarks of the Hon’ble Mr. Ashton and the Hon’ble Sir Allan Arthur, on the subject of the financing of productive public works. I may remark, however, that I should have esteemed myself fortunate if things had been as easy during my term of office as I think we may hope they will be in future.

“The question of railway rolling stock to which the same two gentlemen have referred is in a fair way of solution, so far as the grant of funds to meet all demands under this head in full can avail to solve it.

“I agree with the Hon’ble Mr. Smeaton as to the *prima facie* desirability in the interests of Burma of a line to open up the Southern Shan States. Several alternative proposals for such a line which have been put forward are now under investigation. It will rest with my Hon’ble Colleague in the Finance Department to say, when that time comes, whether, if the results of the investigation are favourable, the accumulated Provincial balance can be made available as suggested for the prosecution of the work.

“I have had the pleasure of a conference with the Hon’ble Mr. Buckingham and the Hon’ble Mr. Henderson on the subject of light railways in Assam, at which the Hon’ble Sir Edward Law was good enough to attend, and which I hope may result in the submission of proposals which the Government of India may be able to accept.”

The Hon’ble MAJOR-GENERAL SIR EDWIN COLLEN said:—“My Lord, I have already laid upon the table an explanation of the estimates with which I am concerned—the Indian military estimates, the Home (Indian) military estimates, the Military Works, and the Marine estimates. I have submitted an abstract of them, and have explained the causes which have led to a considerable extra expenditure for the coming year. It is not necessary for me to repeat the figures which I have already presented. But, as this is the last time I shall have the honour of addressing the Council, I shall ask permission to trespass on their patience while I deal with certain matters upon which I think a somewhat fuller explanation is necessary than that I have already given.

“I have explained more than once how the military expenditure has increased since the measures were carried out in 1885-86-87, under the auspices of Lord Dufferin and the guidance of Lord Roberts and Sir George Chesney, for raising the strength of the British and Native armies, the establishment of reserves, and for the creation of coast and frontier defences. I have also set before them the fact that, besides these great measures, there have been many others which have caused additional military expenditure. The equipment of the field army for mobilisation, the rise in prices and wages, and the increase of the pay of the British and Native army, account for a very large sum; and I have also shown to the Council that in the ordinary annual military expenditure a very large proportion consists of money spent on the pay, the food-supply, clothing, doctoring, and arming of our military forces.

“When I took office five years ago I hoped to have had the leisure to pursue the aim, which for a great many years I had set before myself, to do everything in my power to assist in the completion of all our preparations for

the field army and for the efficiency of the army in general, and to forward all measures which would make for the internal security of India, while endeavouring to apply the money granted to the best advantage, and at the same time searching for means of economy in every branch of the military administration. But besides these I felt that there were many other questions which I might at least help in bringing forward—measures which would be beneficial to the army and to the country, not all of them perhaps of surpassing interest to the public, but which would, if carried out, lead to a considerable improvement in our army system in India. I hoped to have had the leisure to pursue these subjects, and that time would be given me to carry them forward to a conclusion. We had learned many lessons from our experience in the Chitral expedition, and there was no one who had considered the military questions of the day who did not feel that there was a vast deal to be done. But a year had hardly passed when we were confronted by the campaign of 1897-98, on the north-west frontier. In 1898 we were engaged in gathering up the fruits of our experience of the war, in 1899 we had to send a force to South Africa, which saved the situation in Natal, not only by the presence of the gallant troops who left these shores, but by the supply of the stores and munitions of war which we sent with them. In 1900, as I have shown in my memorandum on the estimates, we had to despatch a large expedition to China, and it must be a satisfaction to all of us to know that Her late Majesty's Government expressed their admiration of the promptitude with which the Indian reinforcements were delivered in South Africa, and again that similar satisfaction was expressed at the expedition with which a much larger body of troops was despatched for service in China. It must be remembered that we have no enormous fleet of sea transports at our command. If we had these, with the arrangements for mobilisation at which we have so long laboured and with the reserves we keep up, we should be able to despatch troops beyond sea in much less time. But, gratifying as these results have been, it must be allowed that a time of constant pressure and hard work to all concerned is not one in which reforms and improvements of all kinds can be threshed out. I have certainly not been able to do all that I had hoped for, but I trust that, with the support received from Commanders-in-Chief and from Your Excellency and my colleagues, I at least have been able to pave the way and to make it easier for my successor.

"I have attached to my memorandum on the estimates a paper showing what has been done in the past sixteen years, and I have specially desired to indicate the progress we have made, although we have had no extraordinary grants of money, because some critics have affirmed that since the great measures of 1885, 1886 and 1887, very little has been done to improve our military position in this country. Now, it must be remembered that since these years we have had exceptional financial difficulties—difficulties caused by exchange, by widespread pestilence, by frontier wars, and by two great famines; so that it has been a difficult thing to obtain money to fulfil those military requirements which are necessary.

"Fifteen or sixteen years ago there was no field army, but by degrees, and with comparatively small grants, we have done an immense deal to put that army into a state of efficiency, and time, labour and money have been spent on these preparations. Besides the mobilisation we have had to face rearmaments, though not to the extent that is now necessary; we have reorganised a large portion of the Native army in the direction of higher efficiency; the presidential army system was not suited to the circumstances of the time or to efficiency in war; but, although its abolition involved an enormous amount of labour, it has been replaced by a simpler system of organisation. The pay of the British and Native armies has been increased, and many improvements have been effected in every arm and in every branch of the service. In the North-West Frontier campaigns of 1897-98 our mobilisation scheme had been heavily tried and our resources had been heavily taxed, and we therefore took up all those questions which stood out as the lessons to be learned from the war.

"In 1899, the Commander-in-Chief, the late Sir William Lockhart, and I presented to the Government of India a statement of the measures which we considered necessary for improving the efficiency of the army. In March last

year the Mobilisation Committee sat continuously for some weeks, and the whole situation was again reviewed; and almost with his last breath Sir William Lockhart expressed his approval of the labours which had been undertaken. And in that month we laid before the Government further proposals. The remainder of the year and the first quarter of this has been occupied in a similar manner, and the Government are now in possession of a complete statement—complete at all events for the present time—of what is needed for the army both for the defence of the country and its internal security.

“But, if the Council will permit me, I shall hope to show as concisely as I can, what the large expenditure is, which has been agreed to since we considered not only the lessons of the frontier campaigns of 1897-98, but the still more striking experience of the war in South Africa. The initial expenditure which has been agreed to or proposed by the Government of India amounts in round numbers to Rs. 3,50,00,000 or £2,333,000. I will deal with these measures of improvement under the headings which I have adopted in my memorandum, but, as some of the greatest of them affect every branch of the army, I will mention these in the first instance.

“First and foremost is the rearmament of the Native Army and the volunteers, and upon that we have to expend a total sum of Rs. 2,05,00,000 or £1,367,000; a portion only of which is included in the sum already mentioned, because some of the expenditure on rearmament will fall upon the year after next; that is, we have incurred a portion of the expenditure this year, a further sum is provided in next year's estimates, and the year after the total expenditure should be finished. We hope to complete the armament in a three years' programme instead of in five years as originally settled for financial reasons. The next important measure affecting the army is the increase in the number of officers. I need not go into the merits of that question, because it is well-known and appreciated by all that we require a much larger number of officers not only for war, but to provide an establishment sufficient to meet the normal drain upon it from all causes, and for the increased training of the army which must now be undertaken in peace time.

“The third measure is the increase and reorganisation of the transport.

“The subject is too large to deal with in all its details, but experience had shown that our transport was inadequate, that there was no organisation for its rapid expansion, and that we had no system of permanent registration of the transport resources of the country. The proposals made were considered too large to meet at the present time, and we therefore had to re-examine the question to bring it in closer harmony with the exigencies of our financial position. The measures which have been finally accepted were, first, the addition of 26 officers to the transport service; secondly, the organisation of permanent cadres of mule corps, camel corps, and pony-cart trains; thirdly, the creation of a permanent registration staff; fourthly, an improvement in the status of transport drivers together with the formation of reserves of drivers. This plan will give us, besides the 26 officers, an increase of 21 warrant officers, 34 British non-commissioned officers, 273 native officers and non-commissioned officers, 30 veterinary assistants, 228 artificers, and 4,396 drivers. We increased the complement of transport by 2,000 mules last March and have added 2,143 camels under the silladar system; so that we shall have, when our establishment is complete, 54 transport officers, 40 departmental warrant officers, 52 non-commissioned officers, 277 native officers, 149 veterinary assistants, 943 artificers, 21,226 drivers, 21,924 mules, 5,393 camels, 6,660 bullocks, 594 ponies, and 7,067 transport carts.

“The whole subject has received from the transport committee under General Sanford and from other authorities the most exhaustive consideration, and both the late and the present Commander-in-Chief, Sir William Lockhart and Sir Power Palmer, strongly supported the proposals. The transport under the system we have initiated will be capable of expansion. The machinery of the cadres will be linked with the operations of the registration staff in districts, and the transport service will be placed on a footing which will induce good men to enter it; while the military organisation we have proposed will do much to bring about this result. We have also an auxiliary plan for obtaining camels, which has so far been most successful, that of making grants to camel-

owners of culturable land on the Chenab canal, with grazing privileges attached, on the condition that they keep a specified number of registered camels for military service; and we hope to apply the same principle to the lands adjacent to the Jhelum canal. This should give us a large reserve of camels, and the results so far have been very encouraging. Of course, our actuals by no means tally with our establishments, because we have had to send a considerable amount of transport to South Africa and also to China; but we are gradually getting the new plan into working order, the mule cadres previously organized under the provisional scheme are in process of completion, and I hope that by the end of this month they will be in fair working order, and that the equipment and gear required will be stored at the head-quarters of each cadre by that time. The purchase of ponies for the pony-cart trains is in progress, and the siege train and army transport bullock establishments have been reorganised. A vast number of details have had to be settled, and a good many still remain for disposal. We have been greatly hampered by the shortage of officers, but the Commander-in-Chief has been good enough to give us aid from the army—although this has acted injuriously on regiments—as we were unable to supply the officers from the Commissariat-Transport Department. If these officers had not been supplied from the army, we should not have been able to start the new organization. I have only been able to see the initiation of the scheme, but I am sure that under my successor, and General Christopher and Colonel Mansfield, the reorganisation will be carried to a satisfactory conclusion. And, before concluding the subject of transport, I may mention that we have accepted, in a modified way, the conclusions of the committee on ambulance transport which was presided over by Sir Alfred Gaselee. We propose that the existing establishment of bearers or kabars shall be enrolled in companies, that the pay, clothing, etc., shall be improved, and that each company shall be properly organised and commanded; the control of each division composed of a certain number of companies, to be under the Principal Medical Officer of each command. We hope that each company will have the nucleus of further expansion in itself, which will be left, when the company takes the field, as the dépôt. In this way we trust that we shall get, what we have not had for many years, bearers physically fit, and that they will know that there is some one to take charge of them and to look after their interests. Under ambulance, we have also provided for a large reserve of ambulance riding saddles.

“In the artillery during the past two years we have accepted various measures for its improvement, such as an increase of mountain artillery, improvement of ammunition columns, purchase of material for batteries, increase in howitzer batteries, increase in the number of artillery horses, improvement of the equipment of field batteries, provision of new mountain guns, and an increase to the scale of practice ammunition. The artillery is greatly in need of improved arrangements for mobilisation so as to avoid breaking up batteries to supply those of the field army, and it requires thoroughly and completely organized ammunition columns. All I can say on this point is that the subject has been exhaustively discussed.

“With regard to the cavalry, we have provided for an issue of Maxim guns for the regiments of the field army and for the supply of theodolites and binoculars, also additional heliographs for Native cavalry; and we have also acquired land, for cavalry exercise. As to the infantry, a good many minor measures have been accepted in respect to British infantry, and to the Native infantry we propose to give additional officers. Here again we provide Maxims for a portion of the infantry for the field army and bandolier equipment; we have also been able to provide for the improvement of army signalling in the Native army, gymnastic instruction, an increase in the tools for the Pioneer battalions, an office allowance to Quartermasters of Native infantry regiments, and a great many minor items which time does not allow me to mention. We have also provided for five schools for mounted infantry, which will train a considerable number of officers and men and by degrees will establish a fairly large force of mounted infantry in this country both British and Native.

“In the Engineers we have provided for an equipment of war balloons, for ten miles of light tramway and fifty miles of light field railway, for the

completion of the bridge-train equipment, for electric-firing apparatus with service companies of sappers, and for other requirements.

"I have already dealt with transport. Under the head of commissariat we propose an increase of officers as an instalment and various improvements which we trust will make this service more attractive; and we have somewhat improved the pay of warrant officers of the department. If we cannot get officers to enter the Commissariat Department, we must try other inducements, as if we desire economy as well as efficiency we must have adequate supervision and a sufficient number of officers.

"Under the head of medical and hospital service we hope to increase the number of officers of the Indian Medical Service; we have provided for the completion of the equipment of field and general hospitals. In future wars the provision of medical officers, hospitals, etc., will have to be largely increased, and we must not overlook that fact.

"There are also several items in connection with mobilisation, such as the provision of the requirements of mobilisation rest-camps, railway sidings, and water-supply and other things which make for the efficiency of the field army.

"It will be allowed that the development of our manufacturing power is of the highest importance. We are pushing on the cordite factory, and the central gun-carriage factory, and additional grants have been made for this purpose. Both these will well repay the outlay which is proposed not only from the point of view of efficiency but of economy. Then we have decided to propose the establishment of a small-arms factory, so that India may, as far as possible, be independent. This policy will be generally approved, but although it receives its greatest and most attractive development in the manufacture of war material, we must not forget that there are other branches of local industries of the greatest use to the Military Department and most economical to the State. For very many years the brewing industry of India has supplied the soldier with good and wholesome malt-liquor. We have the power of inspection and analysis, and the soldier is supplied at a uniform price wherever he is stationed. From local mills we obtain large quantities of clothing and other supplies, and I trust that every effort will be made to extend this local supply; the boot factory at Cawnpore worked by Messrs. Cooper, Allen, manufactured 174,793 pairs of British army boots in 1899 and 246,669 in 1900 up to 30th November; of this number 198,669 pairs were supplied to South Africa. In addition to these quantities the factory supplied 314,262 pairs of boots and shoes for the Native troops in India and for troops elsewhere, or a grand total of 735,724 pairs in the two years. These figures speak for themselves, and testify to the important reserves and manufacturing powers we possess. Before I leave this branch of the subject let me mention that the Army Clothing Department at Alipore under Colonel Buckland have made up nearly 500,000 articles of clothing for South Africa and China, besides supplying about 180,000 helmets, and this without any addition to the normal permanent establishment, a remarkable result only to be accomplished by the zeal and energy of the Superintendent and his subordinates. I know that my Hon'ble Colleague Sir Edward Law is deeply interested in the development of local industries, and I feel sure his efforts in this direction will be rewarded.

"Under the head of internal defence I am glad to be able to announce the measures which the Government of India have accepted for the increased efficiency of the volunteers, such as proficiency and other allowances to officers, larger amount of ammunition, additional help in the construction of ranges, band allowances, and prizes for rifle shooting; and I hope that the better equipment of the volunteers may be carried out later. No one can regret more than I do the delay in the issue of rifles to the volunteers, but we perhaps may hope to issue a percentage, and that steps will be taken the year after next to supply the volunteers with the new rifle. We hope, too, that before very long an officer may be appointed who shall be specially charged with the interests of the volunteers.

"Under the head of coast defences we have provided for various improvements, such as electric lighting, submarine mining, additional garrison artillery, supply of cordite ammunition for certain guns, and a partial rearmament. I

have touched on frontier defences and frontier railways in my memorandum, and it is exceedingly satisfactory to know that there is a large development of traffic on the Nowshera-Daigai Railway.

"But besides such measures as I have mentioned or are enumerated in my memorandum, we are constantly endeavouring to improve the sanitation, health, and comfort of the army. These measures involve large expenditure, but I am convinced that none will repay expenditure so well. We have been able to do something in the way of improving the gymnastic training and, as I have shown in my memorandum, to improve the sanitary requirements. I have been particularly interested in what is being done to improve the meat which is issued for the British soldier's ration; experiments of great value have been undertaken by Captain Meagher; and we are improving and extending grass farms and dairy farms, and increasing them so as to be able to give fresh and plentiful supplies of meat, butter, and milk. And besides the goodness of the supplies, an advantageous financial result is obtained; while cattle-breeding is improved, and fodder production is increased, and I look to the whole of the fodder for the mounted branches being supplied by these farms. The system of fattening slaughter cattle has been a great success, and is being extended, and we hope that the beef and mutton issued to the troops will be immensely improved. Better food and better cooking will, I feel certain, do a great deal for the British soldier. We want more trained directors and managers, and if we get these, I believe that these military farms will prove a remarkable success all over India, and this will be due in a high degree to the enthusiasm, knowledge, and industry of Captain Meagher.

"The sanitary condition of cantonments must always be a matter of the greatest interest to those responsible for the military administration, and although a good deal has been done, and in the course of years we have spent a considerable amount on hospitals, water-supply, drainage and the like, we cannot say that we have approached perfection. We require to derive our piped water-supply from the purest sources, and this may mean going to a greater distance in many cases. This piped water-supply should be connected with all buildings where water is required. The removal of refuse, both liquid and solid, is a matter of immense importance to the health of stations. In my belief the present means of removal, where scientific trenching cannot be undertaken are inadequate. In some cases we ought to have tramways, as they have indeed in some Native States. We are endeavouring to pursue this subject to the best of our means, but those means are not large, and I submit that it would be a good measure to take certain stations and bring them up to the best possible conditions of sanitation in every detail. I commend to my successor the steady pursuance of the policy of quartering British troops in the hills during the hot weather. Our hutted camps have not been increased as much as I could have wished for.

"There is one matter to which I referred very briefly in my memorandum, and which will, I believe, when carried to a conclusion, be one of the greatest reforms which has ever been undertaken for the comfort and welfare of the soldier in barracks, that is, the application of electricity in punkah-pulling and the lighting of barracks by electricity. It cannot be doubted that the discomforts experienced do tell on the health of the British soldier in the extremely trying hot weather in many parts of the country, and the transformation of the barracks into cooler, more cheerful, and better lighted quarters, will effect a vast amelioration in the condition of British troops serving in the plains of India. I may venture to say that Your Excellency has taken the deepest personal interest in this matter, and, although the expenditure will be large, I am sure that there is no greater benefit which can be conferred on the British soldier in this country—a benefit which will be due to the personal interest and sympathy of Your Excellency. I only hope that the name of Lord Curzon will be for ever associated with the carrying through of this beneficent measure for the improvement of the condition of the British soldier serving in the plains of India.

"I would just allude for a moment to three great questions of importance which cannot be left out of consideration in discussing the needs of the

army. The first is the question of the distribution of the troops. I have alluded to that on a previous occasion, and all I need say here is that it has never been lost sight of, but that the enormous expenditure involved has undoubtedly prevented practical effect except in small and minor ways. But we have at this very time under consideration a project which will remove many of the defects which have been noticed in our distribution of troops in this country. The second question is the composition of the Native army as it exists at present. That is a matter which has been considered over and over again. I have shown that we have made great improvements within the last ten or fifteen years, but we must progress further in this path, and at this moment under the Commander-in-Chief's auspices an endeavour is being made to obtain better material and to raise the standard of efficiency in one portion of the army. The third question is that in which I have been specially interested, *viz.*, the creation of a more powerful agency by reorganisation both at Army Head-Quarters and the Military Department to cope with the great work which is before them, and by the more practical training of the staff in all the duties of staff officers.

"Last year I mentioned Lord Welby's Commission and my Hon'ble Colleague Mr. Ananda Charlu has alluded to it today. For many years it was one of my duties to help to fight the battle of India in respect to the War Office charges. If we have not got all we hoped for—and I gather that my Hon'ble Colleague does not think we have got enough—I think a reduction of £230,000 a year is a very substantial relief to our Indian military estimates. My statements of the military value of India to the Imperial army made before the Commission were hotly contested at the time, but I think South Africa and China have supported my view of the question.

"And now, if I may be permitted, I should like to say a few words about certain measures with the initiation of which I have been concerned but the completion of which I have not been able to see. The first is with regard to horse and mule-breeding in India and the remounting of the army; this is a matter of immense importance to the efficiency of the army, and from the financial point of view it deserves the highest consideration; while the promotion of horse and mule-breeding among the people of the country concerns the welfare of large numbers. The appointment of a commission under General Tyler to consider the subject was only resolved upon after very great consideration, but it was apparent that we should not arrive at a thorough investigation without such a commission, and I believe—and I have the authority of General Tyler for saying so—that, if their conclusions are correct, there is no reason why India should not take her place as one of the great horse-breeding countries of the world.

"The second matter is the inquiry which has been made by the Special Commissioners, Colonels Huchinson and Wingate, regarding compensation for dearness of provisions, commissariat procedure and accounts, and other matters. I again must affirm that their reports are in every way practical and admirable. I believe we shall derive great benefit from their enquiries, and that the Commissariat Department itself will be vastly improved. One of the results of their labours will, I hope, be the lightening of the burden now thrown upon that Department. Another question in which I have been deeply interested is that of the account and audit system of the army. That system has grown up in course of time; it has in my opinion become over-elaborate, and we are trying to see whether the burden laid upon the army cannot be lightened with due regard to the requirements of audit and financial regularity; in fact, we wish to substitute a simpler system for the complex one which now is in vogue. Colonel Anderson, who has a complete knowledge of the whole business, and has the confidence of the army, is president of the committee which is now considering the subject, and I shall look forward to seeing the results of their labours.

"I have alluded on a previous occasion to the question of the reduction of reports and returns. Very much has been effected under the orders of the Commander-in-Chief, and I hope we have succeeded in the Military Department in doing a good deal. Your Excellency, as I mentioned before, has taken a powerful interest in the matter, and we have undoubtedly reduced a considerable number of returns and have shortened the terribly lengthy reports and

reviews. A great deal still remains to be carried out, but I can thoroughly trust my successor to press on this work with vigour.

"But there is one great subject to which I must refer at the last. I took it up with enthusiasm when I entered upon my term of office, but wars and expeditions and other difficulties have prevented my achieving what I hoped to have done in a matter which I have had at heart for so many years—I mean the decentralisation of military business. Still we have done something. When the presidential system was abolished we decentralised a considerable amount of business. We have since carried this on, and we have now under consideration the report of the committee of which General Burnett was president to see how far the powers of General Officers Commanding districts can be enlarged, and we have also under consideration certain proposals made in the Military Department for what may be called the higher decentralisation of army business and military finance. That is an immense subject to enter upon which would carry me far beyond the limits of a speech of this kind. I can only say that, although I have not seen the realization of the project, I confidently leave it in the hands of the Commander-in-Chief and of my successor, feeling assured also that Your Excellency will do everything in your power to further this great reform.

"Last year I said that the continuity of the hostile criticism of military expenditure had been broken, and, with one exception, those of my Hon'ble Colleagues who have mentioned the subject have spoken of the measures we have undertaken, with approval. Sir Harnam Singh has, however, alluded to the military charges as abnormally high. But as in the same breath he agreed that the army should be efficient and the country secure, I do not think I can regard him as a hostile critic, and hope I have convinced him that the cost of the army is a national insurance which we are bound to incur.

"My Lord, I think that it will be admitted that we have done very much to improve the efficiency of the army and to secure the defence of this country. We have been greatly assisted by a large sum from the savings due to the absence of the troops in South Africa and China and the recurring expenditure is not a very heavy burden, but I am convinced that very great efforts are still necessary. The Commander-in-Chief and I have endeavoured to place before the Government the whole of the requirements of the army, and, so far as it is humanly possible to forecast them, I do not think we have omitted a single item. We can only tell the Government what we consider to be necessary at the present time or in the immediate future, as new scientific, warlike, or political developments may arise which may be followed by great changes. A great deal has been done, but a great deal remains to be done. We cannot propose a state of finality in military affairs. We require to be able to put a powerful army into the field and to ensure the safety of the country. More I cannot say, and I am afraid I have often been accused of too great persistency in this matter, but at all events the Government have the materials for further and greater efforts. The preparation of these materials—and the exhaustive elaboration and discussion of the measures which have actually been carried out—has thrown an immense amount of extra labour on General Maitland and the other officers of the Military Department, not to speak of the very heavy additional calls on the clerical establishment.

"I feel I have trespassed on the attention of the Council long enough, but before I conclude, and as this is the last time I shall have an opportunity, I should like to say a few words with regard to those with whom I have been specially connected in the work of military administration. From successive Commanders-in-Chief I have received the greatest consideration and support, and I am also much indebted to the officers of Army Head-Quarters for their efforts to assist me in my labours. The officers of the Military Department it would be invidious to particularise by name, but I must express my very deep appreciation of the ability and industry with which they have worked, and I would also at the same time desire to express my appreciation of the support which has been given to me by the assistants in that department, who have rendered me the most efficient help. Of the heads of the great departments with which I have been specially connected, the Ordnance, Commissariat-Transport, Military Accounts, Military Works, Medical, Horse-

breeding and Army Remount Departments, I can only say that General Wace, General Hobday and Major-General Christopher, the Commissaries-General for Transport, Colonels Hawkes and Mansfield, Colonel Miley, the Accountant-General, my lamented friend General Turner, Surgeon-General Harvey, Colonel Queripel, and Colonel Goad, have always given me the most valuable assistance. And although I have already mentioned in my memorandum the Royal Indian Marine, for the administration of which the Military Member of Council is responsible, I cannot conclude without referring to the services of Admiral Sir John Hext, and of Captain Goodridge, the Directors of Marine during my tenure of office, through whose work and exertions the Royal Indian Marine has attained, and continues to maintain, the fine position it now occupies. My belief is that the Indian Marine, which I have seen grow up from very tiny beginnings into an admirable service, will prove a powerful auxiliary to the resources of the Empire. From the Commander-in-Chief, Sir Power Palmer, I have always received the greatest help and consideration, and there is no one who is more deeply interested in the efficiency of the army. It is naturally a very great regret to me that I shall no longer be concerned in the military administration of this Empire, or associated in the carrying out of measures for the good of the British and Native Army of India. But my successor, Sir Edmond Elles, is well versed in all the great problems with which we have to deal, and I look forward confidently to his tenure of office being marked by a still further development of what we all have at heart—the efficiency of the army and the security of the country. And now, my Lord, in conclusion permit me to thank Your Excellency and my colleagues, not only for the patience with which you have listened to me today, but also for the kindness and courtesy which I have invariably received in this Council.”

The Hon'ble SIR EDWARD LAW said :—“With Your Excellency's permission I will endeavour to answer some of the questions which have been more particularly addressed to the Finance Department during the course of this discussion.

“The Hon'ble Mr. Ashton has spoken forcibly on a question which, in view of the great importance of railway finance on our general financial situation, properly attracts considerable attention.

“I may perhaps, with advantage, first reply to some of his observations on the question of railway accounts as distinguished from the larger question of railway finance.

“My Hon'ble Colleague refers to certain questions connected with the heading 'Loss by Exchange' in our statements. It is perhaps sufficient to say on this point that the heading 'Loss by Exchange' no longer appears in our accounts.

“On the general question, I have already expressed my opinion that it is particularly desirable, in order to encourage investors, that we should seek so to show our main headings of accounts that possible investors, not versed in accounting, and not sufficiently interested to seek for explanations in our very elaborate, and, I consider, very complete, detailed statements, may be able at once to grasp the situation and see at a glance that Indian railways are a very important, and as a whole, a paying undertaking.

“We have, as I pointed out in my Statement, made a practical step in this direction by shewing, grouped together in that part of our accounts more especially devoted to Capital expenditure, the different heads of Capital expenditure on railways, while under the heads Revenue and Expenditure Charged against Revenue, the net result of the working of all our railways is at once evident. I do not say that it is impossible to still further improve our system of railway accounts; but, under present conditions of railway financial organization, it is very difficult in practice to introduce such simplification as may appear easy of accomplishment, until the question is studied closely in detail.

“The Hon'ble Mr. Ashton dwells with great earnestness on the system of raising money for railway construction and asks if our present arrangements are such as to obviate difficulty in finding money for the construction of a desirable railway within the programme. I think that to answer this question

it may be well to endeavour to explain somewhat fully our situation as regards securing capital for railway construction.

"Our resources for this purpose consist of such portions of surplus revenue as we may be able to devote thereto, of capital which we may raise in India by rupee loans, and of sterling loans which may be raised in England either for direct account of Government or for railway companies under Government guarantee.

"When then the Public Works Department presents its statement of desirable and feasible railway expenditure for any given year, the Finance Department have to consider (1) what, if any, is the proportion of surplus revenue which they can afford to give to railways; (2) what is the amount which they can raise in India without unduly straining the resources of the Indian money market; (3) what is the amount which can be raised in sterling in England, whether for direct account of Government or under Government guarantee, without causing the depreciation of credit which must result from any endeavour to raise capital in excess of what the market is freely disposed to give.

"There are only a certain number of investors in England inclined to place their savings in Indian investments at the low rate of interest which we offer, and at any given season their disposition to invest in Indian securities is influenced by the condition of the money market and the profit obtainable at the time in other forms of investment.

"I think it must be admitted that the foregoing considerations place a distinct limit on the sums which we can possibly raise for railway development. I must therefore admit that the construction of the most desirable railways may be unavoidably postponed for want of funds, and I must add that until the investing public shew themselves ready to enter into railway enterprise in India without a Government guarantee, this condition of affairs is likely to continue. With reference to the observations made by the Hon'ble Mr. Ashton in connection with the relation between Exchange and railway enterprise, I would here point out that British investors will never invest their money in India if they have no confidence in the maintenance of Exchange. The question of Exchange, therefore, takes a very primary place in the question of railway finance and the provision of money for railway enterprise.

"I would next say a word with reference to the system adopted for the allotment of capital for the different classes of railway expenditure, and I would call attention to the information given in the Budget Statement shewing that in our programme for 1901-1902 we have given the first place to expenditure on open lines, the second to the completion of lines under construction, and the third, and a very small place, to new lines.

"Before quitting this subject I would like to impress on the mind of my Hon'ble Colleague the fact that from the financial point of view it makes practically no difference to Government whether we are called upon to raise the money ourselves, or whether it is raised under Government guarantee. The responsibility of the Imperial Government remains the same in either case, and further I may point out that, when Provincial Governments offer a provincial guarantee for the construction of railways which they have much at heart, the Imperial Government cannot but feel that they are practically just as responsible for the provincial guarantee as if they had given it themselves.

"The Hon'ble Rai Sri Ram Bahadur in the course of his remarks made a statement regarding the amount of capital raised or debt incurred by the Government during the year, and compared that with the cost of the famine as shown in the Revised Estimates. He said the Government borrowed £3,000,000 in England and three crores of rupees in India, and that if from these two loans we deduct four crores lent to the Native States and which will be repaid, there would remain an addition of three and a half crores to the permanent debt on account of the expenditure on the famine which, however, only cost the Government £4,245,000. I think there is a slight misapprehension in this calculation, for the sums borrowed in England and in India provided not only for famine expenditure, but also for capital expenditure, including railways.

"Another point discussed by the Hon'ble Rai Sri Ram Bahadur is the treatment of local revenues by the Central Government, and in support of his argument that the provinces are not always well treated he adduces

certain figures; but I think that here also the Hon'ble Member is under a slight misapprehension. In the tables which he has drawn up, he shows what he calls proportions of revenue taken by the Imperial Government, and, deducting this from the total, the proportions left to the provinces; but he appears to have assumed that the province has no advantage from the administrative and other expenditure undertaken by the Imperial Government in the province. This is an assumption which I think we cannot admit because expenditure in the province, whether it passes through the accounts of the Local Government or through the accounts of the Imperial Government, is expenditure by which the province is directly benefited. My Hon'ble Colleague further raised the question, which I believe has been frequently discussed before, of the Provincial settlements, and pointed out that according to certain calculations he has made the North-Western Provinces were specially hardly treated in that they contributed a larger percentage of their revenue to Imperial needs than any other of the provinces which he mentioned, and for which he gave figures. The percentages assumed are in themselves subject to discussion, but I think it is hardly worth while to endeavour to establish other figures which in their turn might also be criticised. It is better to consider the subject from the broader ground of the necessary financial relations between the provinces and the Central Government. I think it must be held to be quite impossible that any particular province should be considered as having a special right to a special quota of Imperial revenues. We must look upon the country as a whole, and, where there is a weak and struggling province, it must receive assistance from the richer and more prosperous provinces. Others of my Hon'ble Colleagues at this table today have made certain remarks showing their acceptance of this principle. We have heard remarks from the representative of the Central Provinces, the Hon'ble Mr. Bose, on the subject of the need of his province for assistance beyond that which its revenues can afford, and we have further heard statements by the Hon'ble Mr. Buckingham as regards the needs and the resources of Assam, admitting that Assam is unable at present to provide any contribution towards what we may call Imperial expenses for defence, etc. Well, it stands to reason that if Assam cannot provide a contribution for such expenditure, some other province must, and consequently I think the idea of fixing anything like uniform percentages necessarily falls to the ground. It is a very difficult matter to arrange provincial settlements in an equitable manner, and I fear it is impossible to arrange them in such a manner as to give satisfaction to all concerned. We must, I think, maintain a system which in appearance is more or less arbitrary, but which has, as a guiding rule, that what has been found to be the necessary expenditure of provinces must be the figure used as a criterion in estimating what its future expenditure should be. I do not say that this is a satisfactory system, but it appears to be the only practicable one.

"The Hon'ble Mr. Smeaton has made some observations on the subject of the figures given in my Budget Statement on the circulation of notes, and he objected that my Table II included notes in the Treasuries, and does not therefore really show the amount of notes in the hands of the public. It is perfectly correct that the said table does include the notes in Treasuries, but not those in the Reserve Treasuries; it only includes the amount of notes in the local Treasuries, and these are notes which are practically in continual circulation. Strictly speaking, the figures given are not those of notes solely and exclusively in the hands of the public, but I think they practically represent what may be understood by the expression 'notes in the hands of the public;' they represent notes in general circulation, the notes in the general Treasuries not being, like those in the Reserve Treasuries, locked up and kept aside.

"The Hon'ble Mr. Smeaton has also made some observations concerning our notice that the salt revenue in Burma was not giving all the satisfaction that we might reasonably hope for, and I gathered from my Hon'ble Colleague's remarks that he admitted there might be some ground for criticisms, because he said it was a very little matter—but the idea of the Government of India is that the Burma salt revenue should become a more important matter. We think that at present this revenue is unduly small, but we have no doubt that with

the measures the Local Government are preparing to take, some satisfactory progress will be registered in the course of the next few years.

"With Your Excellency's permission, I may now refer to the important remarks which have been made by the Hon'ble Sir Allan Arthur, and I may at once express my sense of the service which he renders to Government as well as to the commercial community by his competent and unbiassed study of different financial questions.

"Our Hon'ble Colleague takes exception to my remark that 'it has often been urged that the relatively high rates of discount prevailing in the busy winter season are due to the low figures of Government deposits with the Presidency Banks during the busy season.' He says that this is not exactly what the business community urge, but rather that the Government deposits are pretty much the same all the year round, and are not sufficiently increased in the busy season. I do not dispute my Hon'ble Colleague's statement. He is in an excellent position to know and to state the views of the commercial community; but I must observe that this view is not quite in accordance with one which is, I believe, also held, namely, that it is advantageous to have a fairly constant balance with the Presidency Banks, while the excess receipts flow into the Reserve Treasuries, the Banks being thereby relieved from the sudden and fluctuating demands which the exigencies of a great Government may entail. It may be possible to find some means of reconciling the two views mentioned, but although I should be glad to see measures devised which might tend to give greater ease to the money market in the busy season of the year, the question of the precise nature of the measures which could reasonably be adopted is a very delicate one, since it is clear that it would not answer in the long run for the money market to be led to consider that Government was in any way definitely bound to provide for its requirements. On this subject I may say that I do not see how, under existing conditions as between the Government and the Presidency Banks, any serious change can be made. It is, however, possible that we may at an early date come to some agreement with the Banks which will enable us to review some of the existing arrangements, and Government will be prepared to give every consideration to the question now raised.

"In the meanwhile, I may once more point out that the balances which are shown by my hon'ble friend's figures to have been at the disposal of the Presidency Banks have not been inconsiderable; while in other ways also, Government has shown its consideration for the requirements of trade.

"As regards the figures showing the average monthly amounts of Government deposits with the Presidency Banks, my Hon'ble Colleague is correct in his supposition that the figures which I gave last week, and with which he compares his own, were those for the last day of each month. They are the figures which were furnished to me by the Department, from our usual monthly statements, on my request for information on the subject, but I am quite willing to admit that the averages now tabulated are more useful than my figures for the purposes of our argument.

"As regards the suggestion concerning the possible effect on the sales of Council Bills which might be caused by placing more currency at the disposal of the Banks in India during the busy season, I can only say that Government has not acted under the influence of such considerations, and has endeavoured to follow, rather than attempted to control, the demands of the market. My own view is that, even if we had the desire to exercise such a control, we have not the power as long as we give rupees for sovereigns at our Mints and Treasuries. We cannot, I think, as the Hon'ble Sir Allan Arthur suggests, 'lock' away an excess quantity of rupees' when rupees are required. They would speedily be extracted from us by the importation and presentation of sovereigns. When we find sovereigns being imported in an inconvenient manner, we must increase our offers of Council Bills, and accept, if necessary, lower rates. That is all we can do. The machine will work automatically, and control our general operations.

"On the next question, the desirability of Government being able to raise temporary loans, I fear that my Hon'ble Colleague has somewhat misunderstood the situation as I endeavoured to explain it. We are not in a position to repay temporary loans in November even if we could count on existing Banks being able

(of which I am not perfectly sure) to make advances repayable at that date. November is our month of lowest balances and greatest financial stress, and it is then that we most need money, which we could only repay in the latter part of December, in January, or in February. But these are precisely the months when trade requires funds, and we could not be sure of repaying in time to meet their demands. Possibly some arrangement may be come to, to meet the difficulty, but I do not, so far, see my way clearly. This is also my answer to the Hon'ble Sri Ram Bahadur, who commented on our apparently unnecessary increase of permanent debt. I may assure my Hon'ble Colleague that we shall not increase our permanent debt by one penny which, with due regard to our legitimate requirements, we can possibly avoid.

"On this point some other questions have been raised. An explanation has, I believe, been asked as to why, if we hold the large balances which we have shown, it should be necessary to borrow. I think that people who ask that question have asked it through want of experience of the necessity of a very considerable working balance for any Government or indeed any large administrative or commercial organization. The fact that we have money in our Treasuries is not a fact which prevents the necessity for borrowing. Of course, if the money in our Treasuries shows a surplus over the amounts required for daily current requirements, which are always fluctuating and for which we must be prepared, then we need not borrow; but it shows a misapprehension of the whole situation if we are asked why, having considerable balances, we nevertheless find it necessary to borrow. The balances are required and must be maintained.

"With regard to the suggestion that the profits of coinage should be remitted without delay for investment in London, I think that the arguments of my Hon'ble Colleague have an important bearing, but, in any case, we should never make large accumulations for later investment, since it would never be profitable to offer too large sums for investment at one time.

"The next question dealt with by the Hon'ble Sir Allan Arthur is that of the regulation of imports of gold and silver for coinage. As regards gold, I do not think that Government is likely, for some considerable time to come, to be obliged to consider the question of importing gold on its own account. As to private importation of the metal, as matters now stand there is an evident waste in allowing gold to be imported by private parties which Government must subsequently re-export, and we have lately shown by our action that we are prepared to regulate our Council drafts so as to stop, or at all events check, such unnecessary importation. As regards the importation of silver for coinage, I have already endeavoured to explain that we are prepared to import and coin silver whenever the demand for rupees appears to render such a course necessary to insure their supply. Experience enables us to gauge fairly the amount of rupees which, under existing conditions, should be maintained as a minimum in the Currency Reserve, and as soon as it may appear that we are unlikely to be able to maintain that minimum by other means, we shall lose no time in importing and coining silver, at the same time reducing by the necessary corresponding proportion the amount of gold held in the Currency Reserve.

"For reasons which I gave in making my statement on the Budget, I am unable to accept my Hon'ble Colleague's opinion that automatic action can be secured by legislative enactment. We cannot definitely fix for any length of time the amount of gold which, with due regard to the requirements for rupees, can be held in the Currency Reserve; equally, we cannot definitely fix the amount of rupees which should be so held. If our circulation expands, we shall require a smaller proportion of rupees, and can safely hold a larger proportion of gold. If our circulation should contract, we shall be bound all the same to maintain our minimum stock of rupees for current purposes, and we must, therefore, reduce the amount and proportion of gold held. I cannot find any general factor governing the proportion between gold and silver to be held. What is the right proportion with a circulation of 28 crores would (other general conditions remaining unchanged) be a wrong proportion with 32 crores. The only sure guide, to my mind, is the minimum stock of rupees which it is necessary to hold for current requirements.

"The Hon'ble Mr. Bose in the course of his remarks has dwelt strongly on the unfortunate position of the Central Provinces, and though he did not make any direct or special appeal to Government on their behalf, and although he acknow-

pledged with great sincerity and warmth all that has been done by the authorities to meet the distress of those unfortunate provinces, still it seemed to me that he had a feeling that possibly something more might be done. Perhaps I am wrong; but, being under this impression, I may state that, besides contributing Rs. 34,15,000 to the Provincial exchequer, we incurred a direct famine-relief expenditure of Rs. 2,86,32,000, and gave allotments for agricultural advances up to Rs. 40,00,000, making a total of Rs. 3,60,47,000 which Government provided for the benefit of that single province.

"My Hon'ble Colleague also spoke on the subject of Agricultural Banks and expressed his hope that means would be devised and measures taken at an early date for establishing such Banks in the Central Provinces. The Government of India are most anxious to forward some satisfactory scheme, and Your Excellency has taken a first practical step in ordering the assemblage of a Committee to consider the question of establishing such Banks; but I am bound to say that the remarks made by the Hon'ble Mr. Bose are to my mind somewhat discouraging; for I think that for an Agricultural Bank or any Bank of that class to be successful in the long run, it is absolutely necessary that we should establish the principle of mutual liability and that it should be founded on the basis of mutual co-operation. The great idea which has prevailed where such Banks have been successful is that, where a single individual cannot obtain credit, a group of individuals knowing one another, judging of the necessities of one another, judging of the character of one another, and intimately acquainted with the resources, means and character of their neighbours, can co-operate, and offer their joint security, which is a valuable and a tangible one, and unlikely to fail. Where credit is sought by an individual, and Government is invited to take the place of the money-lender, I should greatly fear that Government would find itself sooner or later somewhat in the position of the money-lender as regards the recovery of its debts, that is, Government would find itself either unable to recover the moneys advanced or would appear to that class which it desired to help as a harsh and severe creditor. I do not say that no arrangement can be made; it may be possible to devise some system to meet the special wants of special classes or special provinces; but I am bound to say that I think that any scheme which departs from the general principle of mutual co-operation will be very difficult to carry out.

"I may once more refer to the remarks made by the Hon'ble Mr. Buckingham, and I would say that the Government of India have naturally the interests of Assam quite as much at heart as those of any other portion of the country. I must observe, however, that the country as a whole cannot consider any particular province as a thoroughly satisfactory portion of the body corporate from the financial point of view, when it is found necessary to secure its financial stability by a contribution from the pockets of other provinces. My hon'ble friend himself admitted that Assam is not itself at present in a position to contribute its full quota to the military and other charges of the Empire.

"I now turn to the observations made by my hon'ble friend Sir Harnam Singh. My Hon'ble Colleague has criticized our estimates of revenue as unduly optimistic. I must say that it is rather a surprise and somewhat of a relief to me to hear criticism taking this direction; for I confess that I had rather feared that the contrary might be the case and that we might be assumed to have been over-cautious and to have under-estimated possibilities. I can assure my Hon'ble Colleague that we have done our best to be cautious in every direction in framing our estimates of revenue. In regard to land-revenue, the Local Governments are certainly in the best position to frame accurate estimates, and the Government of India ordinarily accept, after consideration, the amounts proposed by the Local Governments. The proposals of the Local Governments this year were subjected to exceptional and specially careful examination, in both the Revenue and Finance Departments; and we adopted the unusual course of reducing the estimates proposed by 20 lakhs in Bombay, 10 lakhs in the Central Provinces, and 6 lakhs in the Punjab, making a total reduction of 36 lakhs below the amount which Local Governments estimated to realize. It must, however, be borne in mind that the estimates are framed on the assumption that the coming monsoon will be normal. If the monsoon fails in any way, our estimates will be upset, and that not only in regard to land-revenue. The non-realization of the estimates of land revenue in the current year was entirely due to the

delay in the establishment of the monsoon, and in some districts to its practical failure. The collections of land-revenue including that from irrigation in the now closing year are expected to be less than the estimate made last March, by $54\frac{1}{2}$ lakhs. Of this falling off, however, no less than 47 lakhs occurs in Bombay, the province in which famine-relief operations have to be continued during the coming year.

"My Hon'ble friend expresses a fear that Government may become too lavish in its expenditure. I am happy to repeat the admission I have already made that we have been encouraged by a moment of comparative financial ease to act as liberally as strict prudence permits in making grants to the Local Governments amounting in the aggregate to $164\frac{1}{2}$ lakhs.

"It is certain that, owing to financial stress during past years, the administration in many provinces has been unduly starved, and a most serious check has been imposed on that material and moral development on which the welfare and prosperity of the people depend. I am convinced that when expenditure is possible we should welcome the possibility of providing for it, and I fancy that, as far as his own province is concerned, he will not cavil at the expenditure of Rs. 12,40,000, the amount of our grant-in-aid to the Punjab, and that he will approve the increase of the grant for Civil Works there to Rs. 37,33,000.

"As regards my Hon'ble Colleague's criticisms on our railway revenue estimates, I think we need not be under any apprehensions that our estimate is excessive. It is perfectly true, and we stated it clearly, that the revenue of last year was abnormally augmented by the exceptionally large transport of food-stuffs required for famine purposes; but the nine lakhs by which we have increased our estimate for the coming year, over what we practically know to have been the realizations of the closing year, is a small addition compared with what we should have been justified in adding on account of the steady development of our railways if we had not taken into account the exceptional causes which increased the revenue last year; indeed, an exceptional increase of mileage would have entitled us to anticipate a special augmentation of revenue above the average of past years.

"I now turn to certain remarks made by my Hon'ble Colleague Mr. Ananda Charlu. I think that my Hon'ble Colleague does not sufficiently realize the importance of railways as a means of alleviating distress by the transport of food-grains to famine districts. This is a question on which the Hon'ble the Chief Commissioner of the Central Provinces has recently borne strong testimony.

"My Hon'ble Colleague has made some remarks on the question of the countervailing duties on sugar, and has asked if those duties had been imposed specially for the benefit of the colonies of the Empire. I would suggest to my Hon'ble Colleague that it is absolutely impossible that such a duty could operate exclusively for the benefit of any colony or any single foreign country, and that as long as the duty is levied, as it now is, on produce which it is sought to bring into this country at an artificially cheap price, the Indian producer of sugar must benefit by the maintenance of the duty.

"The Hon'ble Mr. Ananda Charlu then passed on to criticise our estimates of revenue in the sense that he considers them unduly optimistic, and he spoke with considerable severity on the question. As regards salt, he says that salt is not an article of food by itself. That is a truism which we may admit, but he appears inclined to assume that the considerable increase in the consumption of salt must have been solely due to the fact that salt was issued with famine-reliefs. I can assure my Hon'ble Colleague that such is not the case. Northern India was exempt from famine-conditions, and the increase in the revenue from salt obtained through the Northern India Salt Department was from Rs. 1,94,65,000 in 1899-1900 to the revised estimate of Rs. 1,99,50,000 for 1900-1901, while in Bengal the revised estimate was within Rs. 94,000 of the highest figure ever attained in a generally progressive series of years, and this notwithstanding the fluctuations due to the fact that the greater part of the salt-revenue in this province is due to duty on importation. In Madras, again, which was very slightly affected by famine during the last year, in the sense in which my Hon'ble Colleague spoke, that is, as regards the distribution of rations, we find that the salt-revenue rose from

Rs. 1,85,50,000 to Rs. 1,89,06,000. I think that these figures sufficiently establish my contention that, notwithstanding great trouble and depression in certain Provinces and among certain sections of the population of this country, there was, taking India as a whole, increased general prosperity, and such increased prosperity is, I believe, clearly indicated by an increased consumption of salt.

"My Hon'ble Colleague Mr. Ananda Charlu also dealt with the question of customs, and he observed that customs-revenue returns were no criterion of the situation. He apparently considers customs-duties as revenue raised by compulsion. I must confess that I am quite unable to follow his arguments in this direction. There are necessaries which, to maintain life, a man must obtain no matter how distressed his circumstances, but of such, in a country so happily productive as India, few, if any, can be cited among those articles imported from abroad and paying customs-duty. My hon'ble friend talks of the population as being under a process of restraint. I never knew an honest man under process of restraint consuming articles which were not essential to his existence, and, seeing no reason to call in question the honesty of the Indian peoples, I think I must assume that, if they were able to consume and pay duty on larger quantities of articles not essentially necessary to their well-being, their pockets must have been better filled than at dates when they consumed smaller quantities of the same.

"My Hon'ble Colleague is, I am sure, convinced of my sincere desire to appreciate correctly and to promote, if possible, the welfare of the Indian peoples, and I trust that I may have succeeded in convincing him that, as regards customs-revenue, I am on firm ground in holding that its increase is a sign of increase in average well-being.

"My hon'ble friend says that one swallow does not make a summer. It does not, but I thought I had pointed out a whole flight of swallows when I cited the increases of revenue over budget estimates during the closing year.

"The items of increase excluding those which may be esteemed as fortuitous are as follows:—

Increases in revised over budget estimate, 1900-1901.

	<i>Revenue.</i>	<i>£.</i>
Salt, increase		106,000
Stamps, increase		76,300
Excise, increase		137,700
Customs, increase		129,900
Post Office, increase		33,100
Telegraph, increase		85,900
Receipts by Civil Departments, increase		60,500

"I really hope and think that this flight of swallows may be looked on as an indication of the approach of a happy Indian summer!"

His Excellency THE PRESIDENT said:—"We have arrived at the close of what I venture to claim as a practical and businesslike session. A year ago, in my Budget speech, I had to confess and to explain the withdrawal or the postponement of our most important legislative measures. In the present year we have a better record; for not merely have we placed upon the Statute-book a number of subsidiary measures, to one of which, providing a much desired relief in respect of inheritance and of succession-duties to Native Christians, I attach no small weight; but we have also carried into law two Bills of the highest importance, the Assam Labour Bill and the Mines Bill, both of which raised issues of a very controversial character, and were keenly watched by public opinion. I ventured to prophesy last year that we should profit, rather than lose, by postponement; and I have little doubt that, whereas we have in both cases secured general assent, and in one case absolute unanimity, in the final stages of these measures, we should not have been so fortunate had we persisted in pushing them forward at that time. I feel, therefore, that we may all compliment ourselves upon good work done; and although my test of the success of a legislative session in India certainly would not be the amount of the legislative outturn, I yet feel that, even judged by this standard, we have not done amiss. It is hardly

necessary for me to reiterate the opinion to which I have given expression on a previous occasion and which, I am sure, will meet with the enthusiastic acceptance of the Hon'ble Mr. Buckingham, that I am not anxious to strain too heavily the productive capacity of our legislative machine during the remainder of the time that I am in India.

"If our session has been one of a workmanlike character, we may also claim that it has terminated in a very businesslike Budget, and in a discussion of solid interest. My Hon'ble Colleague, Sir Edward Law, has hardly met with the conditions which a financier of repute would voluntarily choose for the inauguration of an Indian term of office. He has had to fight a famine of exceptional severity, and to watch a financial situation that has always been delicate, and sometimes anxious. Nevertheless, at the end of a year of strain, he has been able to convert the almost nominal surplus that was estimated for by his predecessor into a sum of nearly 1½ millions sterling. He can congratulate the country and himself that the currency policy which was inaugurated just before he joined us has gained in strength and stability at his hands, so much so that all those gloomy ravens who sat about and croaked of disaster, at about the time when the London Committee issued its report, seem to have vanished from the scene; and after making the most ample provision for a generous famine expenditure in the Bombay Presidency, which unfortunately is not yet free from serious drought, for increased military expenditure, for a much larger outlay upon railways and upon irrigation, in the forthcoming year, he is yet able to predict a substantial surplus at its close, which, if only we can count upon a recurrence of normal conditions, I shall hope to see largely increased.

"I do not wish to strain these achievements, or the figures upon which they rest, beyond their legitimate scope. I am well aware that we have had a number of windfalls during the past year, which no one could foresee, and upon which we most certainly cannot reckon in the future. But, nevertheless, making due allowance for them, I still claim that the situation is one that is hopeful, both as regards the economic and the financial position of India. I shall revert to the first of these subjects later on. But, as regards the latter, while I should always be cautious in dogmatising either about the durability of any financial situation, or the vitality of any fiscal system, I yet think that, if we examine our main sources of revenue and note their steady increase, we may feel some confidence that, barring a recurrence of disasters which are beyond our foresight or control, India is already beginning to tread upon a brighter and happier pathway.

"There is one heading of the estimates upon which I desire to say a word. I allude to the Military Estimates. They have been introduced in a statement, and have been explained today in a speech, by the Hon'ble Military Member, enumerating the very considerable reforms and additions which we have already undertaken, or are about to undertake, and summarising in a concise manner the principal measures of improvement that have been carried out in the Indian army during the sixteen years with which, in one or another capacity—culminating in the highest—Sir Edwin Collen has been connected with the Military administration of the Government of India. He is now retiring from our service with a record of long and honourable work, such as few administrators can point to, and that has left an enduring mark upon the *personnel*, the organization, and the equipment of the Army in India. May I be allowed to congratulate him upon the record which he has so modestly compiled, and also upon the very substantial addition that he has been able to make to it during the past two years? I am sure that he will be willing to make the reciprocal acknowledgment that, although his proposals have never been more searchingly investigated than during the many hours which the Members of the present Executive Council have spent at the Council table in discussing with him the problems of our military administration during the past year and a half, and although there are many respects in which we have not been able to concede the full measure of his demands, he has not in his long experience been associated with colleagues who were more profoundly impressed with the gravity of their responsibility for the defence of the Indian Empire, both to the inhabitants of this country, and to the larger unit of which India forms a part. I need not repeat today what I said in the Budget debate last year.

I gave a clear warning on that occasion that there would be a rise in the Military Estimates, and that rise has come. I am not in the least disturbed by the argument that all this Military expenditure is a waste, and that the money had much better be spent upon projects of economic development. I would gladly spend the whole of our revenues in the latter way, but I say frankly that I dare not. The Army is required to make India safe; and it cannot be said that India is safe. In the event of an invasion or a campaign, those very theorists who are so fond of the phrase 'bloated expenditure,' and who denounce any attempt to make the Army more efficient that costs money, would be the first to run round and take shelter under the armaments whose expansion they had resisted. Exorbitant or ill-considered outlay, equally with them, I would decry; but my Hon'ble Colleague will bear me out that there is not an item in the new Military expenditure of one million sterling in the forthcoming year, which has not been exhaustively threshed out and sifted at the Council table, whether the outlay was half a lakh or twenty lakhs. He has given to Council in his memorandum an indication of the objects to which this expenditure is to be devoted. They are not fanciful experiments, the emanation of the brain of the faddist or the doctrinaire. Still less do they spring from schemes of aggression or advance. There have never been two years in India less marked by a bellicose ambition. The purposes to which the money is to be devoted, are such objects as rearmament of the entire Army with the latest weapon, the increase of our artillery and its supply with the most modern guns, a very substantial addition of officers, the creation of an organised transport corps, instead of the fumbling units which have hitherto been a substitute for it, the proper armament of our coast defences, the building of light railways with which to strengthen our frontier posts, the establishment of factories with which to turn out our own military material. I am far from saying that the list of necessary improvements is exhausted. Year by year the discussion has to be resumed in the light of fresh experience and of demonstrated needs. But at least no one can say that, while the whole world has been busy with military reform, we in India have stood still. I remember last autumn reading in the leading organ of the English Press an article about the Indian Army. It was one of those rather sensational letters which, from the cover of anonymity, fling broadcast the accents of denunciation and doom. I never blame the writers of these productions; because their purpose is almost always honest, even where their knowledge is imperfect; and because their invective, though sometimes exaggerated, very often calls attention to positive blots. This particular writer declared that our armaments in India were hopelessly inadequate, our *personnel* insufficient, our equipment obsolete and absurd. How far these opinions are correct must be judged in the light of the information contained in the present Budget and in that of last year. But when the writer went on to say that nothing was being done, or, if being done, was being done so slowly and so incompletely as to be little better than absolute inaction, and that the Government of India was not in the least likely to take the necessary steps, he revealed an ignorance which was profound and, if he possessed any opportunity of learning the facts, culpable.

"In my first Budget speech two years ago, I alluded to twelve important reforms to which I hoped to address myself while in India. I was sufficiently cautious at the time not to indicate their nature, and I remember that there was some playful conjecture as to what they might be. Inasmuch as before we meet again at this table, more than half of the normal term of office of a Governor General will have elapsed, and as I shall be terminating my third, and entering upon my fourth year of administration, I may perhaps take advantage of the present occasion to indicate in more precise language how far the Government of India has travelled up to the present date along the road which we then set before ourselves. I hope I may not be misunderstood. Neither my colleagues nor I desire to claim for ourselves any premature credit for measures as yet only recently introduced, and to which the test of experience has yet to be applied. We also know enough of India not to be sanguine or to prophesy. Just as two years ago I never anticipated that we were standing on the brink of an appalling famine—

the second within three years—so now there may be vicissitudes or risks ahead of us of which we know nothing, and which may upset all our calculations. All I desire to do upon the present occasion is to take the public into our confidence as to the measures which we have placed before ourselves, and to indicate to it that we have not so far been idle.

“First in importance among these objects I placed the creation and pursuit of a sound frontier policy. It seemed to me that many of our blunders and misfortunes had arisen from the fact that there was no settled basis of policy, no principle of action operating throughout that long and troubled zone, but that each situation was apt to be dealt with as it arose and according to the advice or influences that happened to be uppermost. I do not think that there is in this picture any disparagement of the officials who were responsible for what was done. They were dealing with a transitional epoch, in which the frontiers were being pushed forward by the pressure of events, without any policy having been formulated to keep pace with them, and in which there was a tendency to oscillate, according to the predominant influence of the hour, between advance and retrogression. It has always seemed to me that a survey of the whole situation, in the light of our experience, our pledges, our armaments, and our general resources, ought to be productive of a code of frontier policy, which could, with consistency and without violent interruptions, be applied to the whole line of our North-Western Frontier from the Pamirs to Baluchistan. Such a code we have endeavoured to evolve. Its main features consist in the withdrawal of our regular troops from advanced positions in tribal territory, and their concentration in posts upon or near to the Indian border, their replacement in tribal tracts by bodies of tribal levies trained up by British officers to act as a militia in defence of their own native valleys and hills; in other words, the substitution of a policy of frontier garrisons drawn from the people themselves, for the costly experiment of large forts and isolated posts thrown forward into a turbulent and fanatical country. This is the policy that we have been engaged in carrying into effect from Chitral on the north to the Gomal Valley on the south. I do not say that it is a policy unattended with risk. There is no frontier policy capable of being framed that could be described as absolutely safe. I have not uttered one boastful word about it since we began two years ago; and I am not even going to indulge in a murmur of self-congratulation now. The policy has to justify itself: and that it can only do in time. I do not say that it will save us from frontier warfare from occasional expeditions, or from chronic anxiety. They are the inevitable heritage of a boundary with the physical and ethnographical characteristics of the Indian frontier. All I claim for it is that it is a policy of military concentration as against diffusion, and of tribal conciliation in place of exasperation: and I desire that it should be given a fair chance. I do not at all care by what name it is called. One of the main errors of the past seems to me to have been that, instead of realising that there could be such a thing as a policy upon which all parties could agree, it has been assumed that there were only two policies—the Lawrence policy and the Forward policy—and that a man who was fit to think must be an advocate of one or the other. In my view both of these policies have long ago been superannuated. I have frequently argued in the House of Commons, and elsewhere, that the policy of Lord Lawrence is dead, from the complete change in the situation and from the efflux of time: and I think that there is nothing more dangerous or more futile than to summon dead men from their graves, and to dogmatise as to how they would have dealt with a situation that they could never have foreseen. Similarly, as regards the Forward School, the word is one of those elastic and pliable adjectives which are capable of assuming the most different meanings, from a statesmanlike prevision of military and political danger on and beyond the frontier, to a rash indulgence in military adventure. All I would say is, let us get away from the paralysing influence of labels. Let our new frontier policy be called by any name that men choose. Only let it be based, not upon obsolete political formulas, but upon up to date common sense; and, if it approves itself as time goes on, let it become a tradition and endure.

"The second reform that I set before myself was the constitution, after I had had time carefully to examine the whole situation, of the best form of administration for the Frontier districts. As Hon'ble Members know, these studies led to the recommendation of a new Frontier Agency to be created out of the Trans-Indus Districts of the Punjab, and to be placed under the direct control of the Government of India. This proposal was unanimously accepted by my colleagues here, and has received the assent of the Secretary of State and of His Majesty's Government at home. The papers have already been printed in the form of an Extraordinary Gazette, which will show to the public what were the steps by which we were led to these conclusions. I need not recapitulate them now. We may perhaps feel some reasonable pleasure at the solution of a problem which has baffled successive Governments for twenty-five years. But our new province will have to be judged not by its promise, but by its results. In one respect I observe a great change in public opinion; for, whereas when I left England the majority of those persons whom I had consulted on the desirability of such a change were hostile to it and it was doubtful what might be the reception accorded to it by the Press, I now observe with satisfaction that it is everywhere described as inevitable, and taken as a matter of course. This is rather the way with reforms. They are often vigorously and successfully resisted, as this proposal has been ever since the days of Lord Lytton, who was its first parent. But, when they are ultimately carried, every one shakes hands, and says that the result was a foregone conclusion.

"Third in order of importance I place the steps that we have taken, with the consent of the Secretary of State, to remedy what I hold to have been one of the greatest abuses that have grown up in recent years in this country, and the most subtle and insidious danger to Indian administration. I allude to the frequency of official transfers arising partly out of our leave rules, partly from local systems of official promotion, partly from a preference of the convenience of the individual to the exigencies of the public service. It is hopeless to expect good administration without continuity, intelligent administration without local knowledge, popular administration without personal interest. If these considerations apply to government in any country, much more are they true of a country like India, where large masses of people are being ruled by a small minority of alien extraction. The abilities, the training, and the enthusiasm of the latter are all discounted or thrown away if the officers are shifted hither and thither before they know the district, or have mastered the local dialect, or have acquired the confidence of the inhabitants. It is as though the captain of a cricket eleven were to place his field indiscriminately, and to shift a man from post to post before he had learned the work of one. This great danger in India, as to which I never fail to make enquiries wherever I go on tour, and which in some parts of the country has attained to extravagant dimensions, has attracted our earnest study; and the reform in the Leave Rules which we have instituted, and which, without detracting from the privileges of the Service, will prevent the frequent removal of officers upon leave at short and insufficient intervals, with a consequent ^{and I} of transfers and far-reaching dislocation, will, we hope, tend very greatly to mitigate the evil. At the same time we are taking up independently the case of particular Presidencies or Provinces where a bad system seems to call for special treatment, and we have issued general rules, applicable to all, as to the conditions under which district posts should in future be held. Any administrator who in his time can feel that he had done something to draw closer together the ties between rulers and ruled in this country, and to produce that sympathy that can only result from mutual knowledge, may go away with a consciousness of not having altogether failed.

"A corollary of this abuse is the divorce that has been brought about between an officer and his work, or at any rate the most important part of his work, by the interminable writing that has grown up in the administration of this country, and that threatens to extinguish all personality, or initiative, or despatch, under mountains of manuscript and print. The real tyranny that is to be feared in India is, not the tyranny of executive authority, but that of the pen. I do not say that the system is without its good features.

It could not have grown up, it could not have reached its present dimensions, in India, had it not had substantial justification. In a country so large, where the life of officials, even the most sedentary, is so fleeting, where customs and traditions and practice vary so greatly, and where such importance rightly attaches to precedent, it is essential that there should be preserved the written records not merely of administrations but of departments. In this way only can an officer upon arrival in a new district find out what has been going on there before him; and in this way only are the perpetually changing officers in the various Secretariats able to deal with cases, of which, without the written records, they would be in entire ignorance. These are the good and necessary sides of the system. But there is a consensus of opinion among those who are qualified to speak that the engine has become so powerful as to have got the better of its driver, and that those who should be the master of the system have become its slaves. In the Departments of Government I found, when I came here, inordinate writing, unjustifiable repetition, unbusinesslike procedure, and much easily avoidable delay. I do not think that any individual or series of individuals could be blamed for this. It had grown up, so to speak, by stealth; and every one was a half unconscious victim. Three things were necessary. The first step was to make a careful study of the system in the various departments, and to ascertain when and how and why it had grown. I found that it was almost entirely the product of the last twenty-five years, and that it synchronised with the great development of communications, and more especially of the telegraph; in other words, that it was the product of modern centralisation. The next step was to compare our system with those of the best offices in the Government at home, and to see what lessons could be derived from them. The third step was, by consultation with all those officers who are responsible for working it, to ascertain where the pruning knife could most effectively be applied. In this way was drawn up an entirely new set of rules of business for the Secretariat of the Government of India, providing for greater simplification of procedure, less penwork, more frequent verbal consultation, superior despatch. These rules were sent round to all the Local Governments, and with suitable modifications have been largely adopted by them. They have now been in operation for a year and a half in the departments of the Government of India. I watch over them, as my Hon'ble Colleagues and the Secretaries and Under Secretaries know, with all the interested vigilance of a parent, and I have received and desire to acknowledge the most loyal cooperation at their hands. More recently, after prolonged examination, we have attacked that more mischievous development of the same abuse which arises out of the multiplicity and length of reports, and we are striking at its very roots. It is no exaggeration to say that the system of report-writing that prevails in India is at once the most perfect and the most pernicious in the world—the most perfect in its orderly marshalling of facts and figures, and in the vast range of its operation, the most pernicious in the remorseless consumption of time, not to mention ink and paper, that it involves, and in its stifling repression of independence of thought or judgment. The Government have made public their views in a Resolution recently published in the Gazette, and we are now addressing all the Local Governments. It is of no use to deal with the matter in pious generalisations, or with academic counsels of perfection. Resolutions or appeals of that sort are gratefully acknowledged, and as speedily forgotten. We have made a detailed examination of every report that comes in from any quarter to the Government of India, and have collated them over a period of years. In this way we have been able to strike a mean, both as to contents, and character, and length. A great many have been found to be useless, and have been abolished altogether. With regard to the remainder, we have issued definite orders in each case, prescribing the manner of compilation and the limits of length. We have invited the Local Governments to do the same with the reports that go up to them but do not come on to us. We are thus thinning the forest, not by a general order to reduce the amount of superfluous timber that it contains, but by ringing every tree in it that ought either to be lopped or to be cut down, and by sending in the woodmen with axes to perform the task. But I may be asked, what is going to come out of all this? Will not

this reformatory zeal soon die down, and be replaced by the normal apathy? Who is going to secure continuity either of energy or plan? I observe that this was the tone of a recent gathering in England that met to discuss this question. A large number of Indian officers of authority and experience attended, and they were all good enough to say that our reforms were excellent, but a good many added that they would be ephemeral. Indeed, one gentleman said that no permanent reform would ever originate in India. Let us wait and see. I at any rate do not mean to be put off by these counsels of despondency and despair. As I said in the Government Resolution, there is no reason why a good practice should not endure just as well as a bad practice, if once it be given a fair start; and I think I have a right to appeal for the cooperation of every officer of Government, from a Governor to a Deputy Collector, to see that that start is given. It is true that Viceroys are fleeting phantoms, whose personality is transient, and whose term is soon over. But this is a work in which is involved not the prestige or the whim of an individual, but the entire credit of British rule in India; and it is even more to the interest of every Local Administration that it should continue than it can be to mine.

"Fifthly comes the great change in our Currency system, to which I have already adverted, and which is now in the second year of successful and tranquil operation. It is, I think, a considerable thing to have escaped for so long from all the inconveniences and troubles arising from an unstable and fluctuating exchange. It was fatal to accuracy of financial forecasting and it was in the highest degree prejudicial to trade. We are now all settling down to a 16d.-rupee as if it had existed since the beginning of time; and we make our calculations upon a basis of reasonable certainty. Even the prospects of a redundant circulation of rupees, by which some are frightened, are rendered innocuous by the Gold Reserve Fund which we have established upon the advice of Sir Edward Law, and which is to hold in reserve the gold with which to meet any sudden plethora in the silver coinage. It really seems as though India were entering upon a period of reasonable stability as regards currency: and this new and happy era, which was inaugurated by Mr. Dawkins, may, I hope, be converted into a settled tradition by his successor.

"One of the objects with which I have always welcomed the introduction of the gold standard, placing India as it does in closer contact, and upon even terms, with the money-market of Great Britain, has been the hope that it might accelerate the flow of capital to this country in industrial and other undertakings. This will not come all with a rush; but I think that I see signs that the movement is spreading. And this brings me to the sixth subject, upon which I have bestowed close attention, and to which I have been anxious to communicate a positive impetus. I allude to railways, and I speak not merely of railway construction, but of railway policy and railway finance. I remember, before I came out to India, saying that I hoped that 25,000 miles would be completed in my time. I erred on the side of caution. Though we have had to deal with a curtailed programme in consequence mainly of famine, this total has already been reached and passed. When I made my first Budget speech, the total length of open lines was 22,500. It is now 25,155. In the last two years, our railway account has, for the first time in the history of Indian railways, exhibited a net surplus—a result which must be very gratifying to my Hon'ble Colleague, Sir Arthur Trevor, who has administered the Public Works Department with so much acumen for five years; and we are proposing in the forthcoming year to spend over 10½ crores upon railways, as compared with 8½ crores during the past year of famine, and 9 crores in the preceding year. But here I am confronted by a point to which I must make a passing allusion. I observe that a question has been raised as to whether the increase of railways is not an injury rather than a gain to India, and whether by carrying away the food-supplies of the country in times of plenty, they do not leave the raiyat impoverished and exhausted when famine comes. It has been suggested in consequence that, if we do not stop our railways, which are supposed to swell our exports, we ought to restrict the latter. Inasmuch as these arguments appear to me to involve a fallacy of the first order, and to rest upon presump-

tions for which there is no foundation, I may perhaps halt for a moment in order to expose them. The first of these presumptions is that our export of food-grains is largely upon the increase, and that this increase has been in the main caused by railways. There is no ground for this hypothesis. The total export of food-grains from India between 1880 and 1890 was 22,687,000 tons; between 1890 and 1900, 23,257,000 tons, or an average annual increase during the second decade of only 57,000 tons over the first. Had the exports increased in proportion to the extension of railways, the volume of trade in the second decade would have been half as much again as that in the first. In the last year the grain export has been far below the average of any previous year. The second presumption is that a large proportion of the total grain-produce of India is exported. This again is not the case. Out of a total estimated production of 73,000,000 tons, little more than 3 per cent. is exported, and, if rice be excluded, less than 2 per cent., the bulk of the export being wheat, which is not the food of the people in time of famine. If then we place a check upon exports in order to provide the population with more grain when famine comes, all that we shall do will be to ruin Burma, which lives upon its great export of rice to India, notably in times of famine, and to deprive the wheat-grower of the Punjab of the market which railways have created for him.

"As a matter of fact what was the old system which railways are alleged to have destroyed, and which we are now invited in some quarters to re-establish? It was the plan of grain-storage in ordinary years against the years of drought. This was a possible and a desirable system in the days of no communications. Each district had then to be self-sufficing, because it was landlocked. With the spread of railways such a policy has become a costly and a useless anachronism. The storage system itself was attended by the gravest drawbacks, which have now apparently been forgotten. Rice is a grain which will not easily admit of being preserved. Even the drier grains are apt to moulder under such conditions, and when the grain-pits of the Dekkhan were opened in 1897, a great deal of bad grain was thrust upon the market and caused widespread disease. Again, it seems to be forgotten that the grain-pit usually has a private owner, and that the price at which he will consent to open and sell is not determined by the needs of the public but by the interests of his own pocket. Under the storage system the most startling fluctuations of prices occurred even in adjoining districts. Grain was at famine prices in one place, while it was lying rotting upon the ground in another. Everyone knows the story of the Madras beach in 1876. Take the case again of Raipur in the Central Provinces under this system. In 1861 wheat was selling at 84 seers for the rupee, in 1863 at 32, in 1863 at 20, in 1869 at 15, in 1876 at 53½, in 1878 at 19½.

"If anybody tells me that this is a condition of affairs good for the cultivator, or the consumer, or for trade, or for the Government of India, I must take leave to doubt his sanity. Now, as against this, what have railways done? They have equalised the prices all round. They have given to the landlocked districts access to external markets in times of plenty, and they have brought the produce of those markets to their doors in times of need. It must be remembered that the whole of India is never fortunately, afflicted at the same time by famine. There are always flourishing parts to feed the parts that are famishing. In the old days the inhabitants of the latter consumed the grain in their pits, and then laid down and died. Now imported grain keeps alive the whole population. I gave just now the experience of Raipur under the old conditions. Let me tell Hon'ble Members what it has been under the new. I will quote the words of the Chief Commissioner, Mr. Fraser, with reference to the recent famine. 'It is impossible,' he writes, 'to over-estimate the benefits which railway extension has conferred upon the Province. If Chattisgarh, for instance, had not been opened up by railways, it is horrifying to think of what might have occurred. The recent extensions of the Bengal-Nagpur Railway poured in supplies of the cheap scalded rice of Orissa which penetrated far into the interior. In 1897 this source of supply was wanting, and the more expensive rice from Burma was the chief food-stuff brought in. In the famine of 1897, when exports were carried away in the early months, the Chattisgarh people pointed to the rail-

'ways as an exaggeration of their ills. In this famine they have regarded them as their salvation. Within one year the railways have brought into the province grain enough to feed three millions of people for a year.' Now this is a very instructive quotation; for it shows how in 1897 when the Chattisgarh people held fairly large stocks, they resented the depletion of these by the railway and a rise in prices later on. On the other hand, in 1899 there was in over two-thirds of Chattisgarh no crop at all. Where I wonder in such a case would the grain-pits have been? On this occasion, had it not been for the railway, the entire population would have perished like flies. Storage may for a time supply a restricted area. It never has saved, and never will save, a district or a province.

"There remains the third fallacy, as I regard it, that railways have raised prices to a prohibitive level. I can discover no ground for this allegation. The export trade in food-grains cannot have produced any such result, because I have shown it to be infinitesimal. Railways themselves cannot raise prices; their tendency is to equalise them. Prices may rise from an increase of demand over supply, that is, by the increase in the number of those to be fed or in the standard of living. But railways are not accountable for this consequence. It has been due in India to a number of economic causes to which I need not now refer, and, before we set it down as a hardship, we should have to enquire whether there had not been a corresponding increase in the purchasing power of the population.

"I therefore shall certainly not be deterred by any of these economic heresies from a steadfast policy of railway construction in my time. I regard railways as a blessing to this country as a whole, and as the most unifying agency that exists in India. Indeed, I would like to go further and to free railway policy and finance from many of the shackles by which it is now hampered. Almost ever since I came here I have been examining this question, and we have been trying by discussion amongst ourselves and with the Secretary of State whether we cannot do what the Hon'ble Mr. Ashton has urged us to do, namely, find some means of separating railway finance from general finance, or for putting productive railways which pay more than the interest charges on their capital into a category apart from precarious or unremunerative concerns. It is easy enough to make out a good case on paper: but it is difficult to construct a workable scheme in practice. In the long run the money for railways has to be raised by loan, whether in England or in India, and the greater part of it has to be spent in India in rupees. The one is a question of borrowing, the other of ways and means for expenditure. Both questions fall at once within the range of the financial operations of Government. Sir Edward Law, however, is not less interested than myself in this question, and we hope to carry it to a successful issue. I have no time on the present occasion to speak of the steps which I have taken by the institution of a Travelling Railway Commission, which has already done valuable work, and by the publication of an annual summary of all the railway proposals before us, and of the attitude of Government towards them, to take the public into our confidence and to conduct railway development in this country on commercial rather than departmental lines. I hope to carry these efforts even further by means which I have in view: but already I claim that we have made not inconsiderable progress.

"Side by side with railways in India we always consider the subject of irrigation; and this is the seventh branch of administrative policy in which I have been most desirous to initiate a positive advance. I spoke last year of the limitations attending a too ambitious programme, and of the fields of investigation and activity still open to us. During the last two years I have persuaded my Financial colleague to raise the annual grant to 1 crore instead of the three-quarters of a crore to which it was confined when I came out to India. It is not always possible to spend this sum, for considerable time is required in the preparation of the various schemes; and last year, although we granted 1 crore, we only succeeded in expending 90 lakhs of rupees. In the present year we have gone much further. I pledged myself in my famine speech at Simla in October to conduct an enquiry into

the irrigation branch of the famine question. I want to be quite sure that no sources of water-supply or water-storage are neglected or ignored in this country. They may not always be great rivers flowing down unimpeded to the sea, though people at home seem to think that any river ought to be capable of being tapped in the Himalayas, and diffused either into the Central Provinces, or Gujarat, or Berar. Neither do I postulate everywhere profitable or remunerative schemes. What I want to ensure is that in each province the sources of water-supply best suited to it, whether they be canals or tanks, or wells, shall be scientifically investigated and mathematically laid down, so that we may be presented with a continuous programme which we may pursue in ordinary years as an insurance against the bad years when these come. If only people would give one some credit for common sense in the matter instead of writing to me as they do every week from all parts of the world to acquaint me with the astonishing discovery that they have for the first time made, namely, that no more famines need ever take place in India if only I would cut canals to the Himalayas or build reservoirs on the top of rainless plateaux, I should be very grateful. It is no good flogging a willing horse. No Government of India has ever been more profoundly impressed with the importance of encouraging irrigation than this. As I have said, it is one of the twelve problems, and I should have thought that the Resolution recently issued with the orders that it contained, foreshadowing a sustained investigation of all irrigation-projects in the possible areas of famine in the forthcoming autumn preparatory to a Commission in the ensuing winter, could have satisfied even the most exacting critic of the thoroughness and sincerity of our intentions. The Hon'ble Mr. Ananda Charlu has nevertheless complained that no such detailed or defined scheme is contained in the present Budget. I am afraid that he has never read the Resolution to which I refer. Anyhow I would beg him to give us a little time. It is not for the Finance Department to usurp the function of the Engineers. As soon as these have given us their reports, we are ready to set to work. The extra charge of the operations which we have ordered will be debited to the Famine Insurance Grant, and my hope is that its outcome may be a sustained policy of protective, even if non-productive, hydraulic works for a number of years to come.

"Eighth among the problems that I hinted at two years ago was the vexed question of the increasing indebtedness of the agricultural population, and the extent to which the land is passing out of their hands into those of the money-lending class. We have already dealt with the question in the Punjab by the Land Alienation Bill which was passed last autumn. That Bill was an act of innovation, but it was also an act of courage. It was to me a matter of surprise that so many organs of native opinion should have combined to attack a measure which was exclusively based on considerations of public interest and to which, whether it succeeds or fails, it was impossible to attribute a selfish motive. The same problem meets us elsewhere in ever-increasing volume and seriousness, and each case will require to be considered upon its own merits.

"Two years ago, in reply to the Hon'ble Sir Allan Arthur, I promised to take up the question of a reduction in the present high rate of telegraphic charges between India and Europe, which I described as inimical to trade and intercourse, and as obsolete and anomalous in itself. He has reverted to the subject in tones of anguish this afternoon. I had hoped long before now to be able to announce the successful termination of the negotiations which we undertook in prompt redemption of my pledge. My view was that no reform would be worth having that did not provide for a reduction of at least 50 per cent. in the present charges. Our negotiations were so far successful that we did persuade the companies to agree to an immediate reduction to 2s. 6d. a word, with a prospective reduction to 2s. a word, as soon as the increase of traffic justified it; and in order to secure this end we undertook to give a very liberal guarantee from Indian funds. So far all went well. But since then the matter has been hung up, owing to clauses in the Telegraphic Conventions which require the assent to any change of rate of certain foreign Powers through whose territories the wires are laid. This situation is engaging the earnest attention

of His Majesty's Government. It is to my mind an intolerable position that telegraphic communication between England and India, and the rates at which it is conducted, should be at the mercy of other parties; and I think that some way out of the difficulty will have to be found that will make Great Britain the mistress of her own principal lines of connection. I shall hope to see the reduction of which I have spoken realized in my time. But I may add an expression of my private opinion that the matter will not be satisfactorily or finally settled, and that there will not be the maximum development of traffic between the two countries, until the rate has been reduced to 1s. per word. That change will not come yet awhile, and we shall probably only reach it by gradual stages. But it will assuredly one day come, and I commend it to the reformers of the future.

"I may mention among other matters that have engaged our attention, and in which we have made material progress during the past two years, the preservation of archæological remains in this country. I have often emphasised what I conceive to be the duty of Government in this respect, and everywhere that I have been throughout India on tour, I have made a most careful inspection of the famous or beautiful buildings of the past, and have given orders as to their repair or preservation. We have addressed the Secretary of State as to a more liberal provision for this object in the future, and as to the appointment of a Director General of Archæology, and we hope before long to introduce a Bill that will provide for the safe keeping of historic monuments, and will prevent the removal of antiquarian treasures and relics from our shores.

"There is one subject upon which I have never hitherto spoken one word in India, because it is one of much delicacy, but to which I desire today to devote a few passing remarks. I speak of the relations between British soldiers and the natives of this country. The friends of the soldiers are greatly in error if they believe that there is the least wish to place harsh restrictions upon them or to deprive them of reasonable openings for sport and recreation. On the contrary, it is desired to give them such openings in the fullest manner compatible with the discipline and routine of military life, and as a well-earned relief therefrom. On the other hand, it is impossible for those who are entrusted with the Government to view with equanimity any risk to these relations arising from carelessness, or ignorance, or lack of restraint. That such risk has in many cases arisen, it is impossible to deny. I make no attempt to apportion the blame. Sometimes there may have been rashness resulting in collision on one side. I have heard of conspiracy culminating in attack upon the other. What we, as a Government, have to do is to minimise the opportunities for such friction, and to induce mutual self-respect. For such a purpose strict rules are required and strict attention to the rules when formulated.

"Now upon this point I wish to be especially clear. The Civil and the Military authorities have been and are absolutely united in the matter. The responsibility is shared between them. It cannot be shifted from the shoulders of one party to those of the other. The head of the Civil administration could not in a matter of discipline act in independence of the Military authorities. They, on the other hand, make a point of co-operating with the Civil power. There is no single rule now in operation as regards the reporting or trial or treatment of cases or otherwise which has not emanated from the Military authorities in the first place. There is no measure, proceeding, or step which has not been taken upon their authority, and with their full consent. When the shooting rules were revised last autumn, the task was entrusted to a Committee upon which the Military and Civil elements were equally represented, and further one of the Civilians was an old Military officer. Their report, and the rules as revised by them, were accepted without demur by the Government of India. I make these remarks, because it cannot be too widely known that there has existed throughout this unity of action, and because I have seen or heard of the most erroneous allegations to the contrary effect. I remember a case in which a Local Government reported to us what it called a gross miscarriage of justice in a trial for the murder of a punkha coolie. The Civil authority does not exist

to rectify the errors that may be committed in a Court of Law, and there was unfortunately nothing to be done. Some time later the Commander-in-Chief, having satisfied himself that the acquitted party had so conducted himself as to be unfit to wear Her Majesty's uniform, decided to dismiss him from the Army. This proposal was submitted to, and of course received the sanction of the Government of India, who would not interfere in a disciplinary matter with the supreme Military authority. Forthwith arose an ignorant outcry that the Civil power had usurped the functions of a final Court of judicial revision. I merely mention this case as typical of the misunderstandings that are apt to prevail in these matters. I will only say for the Government that our attitude has been in every case one of the most scrupulous impartiality. Our one desire is to draw closer the bonds of friendly feeling that should unite the two races whom Providence has placed side by side in this country; and I venture to assert that no higher motive could inspire any body of men who are charged with the terribly responsible task of Indian administration.

"There remain a number of subjects, high up in the list of the original dozen, upon which we are still busily engaged, but as to which we have not found time as yet to carry our views to fruition. First among these I would name educational reform, the placing of education in India, in its various branches, university, higher, secondary, technical, and elementary, upon a definite and scientific footing, and the clear determination of the relations between private enterprise and the State. This great object has been for a long time occupying my attention, and I hope that we may be able to deal with it in the forthcoming summer or autumn.

"Another matter that is one of anxious pre-occupation to us is the reform of the police. Grave abuses have crept into this branch of the service, and are responsible for administrative and judicial shortcomings that are generally deplored, besides producing a widespread and legitimate discontent. We have already sanctioned very considerable improvements, notably in the direction of securing a better class of men in the higher grades at a superior rate of pay both in the Punjab, the North-Western Provinces, and Bengal. I will say no more at present than that the matter is one into which I hope to go more deeply.

"There are a number of other subjects which fall within my category, but of which I prefer not to speak at present, lest I might arouse false expectations. There are others, again, which can seldom be absent from the mind of any ruler of India and to which, though he must speak with caution upon them, there is no need why he should not refer. The possibility of fiscal reforms, leading, if circumstances permit, to a reduction of taxation, is an object that is always in the background of his imagination. The protection and scientific propagation of agriculture, for which we have instituted a separate office of Inspector General, the possible institution of agricultural banks, the question of assessments, the fostering of native handicrafts and the encouragement of industrial exploitation in general—these are all aspects of the larger question of the economic development of the country upon which my colleagues and myself are bestowing the most assiduous attention. *Salus populi suprema lex*; and all the reforms to which I have been alluding are, after all, subsidiary to the wider problem of how best to secure the happiness and prosperity of the helpless millions.

"Upon this subject I should like to add a few words which I hope may tend to dissipate the too pessimistic views that appear to prevail in some quarters. There exists a school that is always proclaiming to the world the sad and increasing poverty of the Indian cultivator, and that depicts him as living upon the verge of economic ruin. If there were truth in this picture, I should not be deterred by any false pride from admitting it. I should, on the contrary, set about remedying it to the best of my power at once. Wherever I go I endeavour to get to the bottom of this question, and I certainly do not fail to accept the case of our critics from any unwillingness to study it. In my Famine speech at Simla last October, in making a rough and ready assumption as to the agricultural income of India, I based myself upon the figures that were collected by the Famine Commission of 1880 and that were published in 1882. The agricultural income of India was calculated at that date as 350 crores, and at

Simla I spoke of it as being now between 350 and 400 crores. Thereupon I found my authority quoted in some quarters for the proposition that the agricultural wealth of the country had remained stationary for twenty years, while the population had gone on increasing by leaps and bounds. The further and equally erroneous assumption followed that there had been no rise in the interim in the non-agricultural income of the community; and I found myself cited as the parent of the astonishing statement that the average income of every inhabitant of India had sunk from Rs. 27 in 1882 to Rs. 22 in ordinary years and to Rs. 17½ in 1900: the inference of course being drawn that, while Nero has been fiddling, the town is burning.

"I have since made more detailed enquiries into the matter. There are certain preliminary propositions to which I think that every one must assent. In every country that is so largely dependent upon agriculture, there comes a time, and it must come in India, when the average agricultural income per head ceases to expand for two reasons; first, that the population goes on increasing, second, that the area of fresh ground available for cultivation does not increase *pari passu*, but is taken up and thereby exhausted. When this point is reached, it is of no good to attack the Government for its inability to fight the laws of nature. What a prudent Government endeavours to do is to increase its non-agricultural sources of income. It is for this reason that I welcome, as I have said today, the investment of capital and the employment of labour upon railways and canals, in factories, work, shops, and mills, in coal-mines, and metalliferous mines, on tea and sugar and indigo plantations. All these are fresh outlets for industry, and they diminish *pro tanto* the strain upon the agricultural population. That they are bringing money into the country, and circulating it to and fro, is evident from the immense increase in railway traffic both of goods and passengers, in postal and telegraph and money order business, in imports from abroad, and in the extraordinary amount of the precious metals that is absorbed by the people. These are not the symptoms of a decaying or of an impoverished population.

"Turning, however, to agriculture alone, concerning which the loudest lamentations are uttered, I have had worked out for me, from figures collected for the Famine Commission of 1898, the latest estimate of the value of the agricultural production of India. I find that, in my desire to be on the safe side, I underrated the total in my Simla speech. I then said between 300 and 400 crores. The total is 450 crores. The calculations of 1880 showed an average agricultural income of Rs. 18 per head. If I take the figures of the recent census for the same area as was covered by the earlier computation, which amount to 223 millions, I find that the agricultural income has actually increased, notwithstanding the growth in the population and the increasingly stationary tendency of that part of the national income which is derived from agriculture; and that the average per head is Rs. 20, or Rs. 2 higher than in 1880. If I then assume—and I know of no reason why I should not—indeed I think it an under-estimate—that the non-agricultural income has increased in the same ratio, the average income will be Rs. 30 per head as against Rs. 27 in 1880.

"I do not say that these data are incontrovertible. There is an element of the conjectural in them; but so there was in the figures of 1880. The uncertainty in both is precisely the same, and if one set of figures is to be used in the argument, equally may the other. Again, I do not claim that these calculations represent any very brilliant or gratifying result. We cannot be very happy in the face of the recent census, which shows an increase of population so much less than we had anticipated—a falling off which is no doubt due in the main to the sufferings through which India has passed, and which by much reduces the denominator in our fraction. But at least these figures show that the movement is for the present distinctly in a forward, and not in a retrograde, direction, that there is more money and not less money in the country, and that the standard of living among the poorer classes is going up and not down. Above all they suggest that our critics should at least hold their judgment in suspense before they pronounce with so much weight upon either.

failure of the Indian Government, or upon the deepening poverty of the people.

"There is one point, however, in these calculations where we are upon very firm ground. In 1880 there were only 194 millions of acres under cultivation in India. There are now 217 millions, or an increase in virtually the same ratio as the increase in population. This alone would tend to show that there can have been no diminution of agricultural income per head of the people. The case for increase results from the increased standards of yield between 1880 and 1898. Perhaps the earlier estimates were too low. That I cannot say. The fact remains that the 1880 figures showed a yield per acre of food-crops in British India of 730lbs.; those of 1898 show a yield of 840lbs. In some cases this will be due to improved cultivation, perhaps more frequently to extended irrigation. They are satisfactory so far as they go; for they show that the agricultural problem has not yet got the better of our rapidly increasing population. But they also show how dangerous it will be in the future if India, with this increase going on within, continues to rely mainly upon agriculture, and how important it is to develop our irrigational resources as the most efficient factor in an increase of agricultural production.

"I have now brought to a termination this review of the present position in India and of the policy and attitude of Government. I have, I hope, extenuated nothing and exaggerated nothing. I am a believer in taking the public into the confidence of Government. The more they know, the more we may rely upon their support. I might have added that the policy which I have sketched has been pursued at a time when we have had to contend with a violent recrudescence of plague, and with a terrible and desolating famine. But these facts are known to every one in this Chamber, and an allowance will be made by every fair-minded person for conditions so unfavourable to advance or prosperity in administration. Should our troubles pass away, I hope that in future years I may be able to fill in with brighter colours the picture which I have delineated today, and to point to a realization of many of our projects which still remain untouched or unfulfilled.

"Thanking Hon'ble Members for their valuable contributions to the successful labours of the present session, I will now adjourn this Council *sine die*."

J. M. MACPHERSON,
*Secretary to the Government of India,
Legislative Department.*

CALCUTTA;
The 29th March, 1901.