

GOVERNMENT OF INDIA.
FINANCE DEPARTMENT.

FINANCIAL STATEMENT AND BUDGET

FOR

1912-1913.



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Speech of the Honourable Finance Member

INTROUCING THE

FINANCIAL STATEMENT FOR 1912-1913.

Introductory.

I have once more to ask for the consideration of this Council while I lay before them my annual review of the finances of India. In pursuance of what is now the established custom, I shall do no more to-day than present the Financial Statement for 1912-13. The discussion upon it will open on Thursday next; and on the 22nd of March I hope to submit the Budget in its final form; while the closing debate will take place, with your Lordship's permission, on the 25th.

2. It is to-day, as it was a year ago, again my exceeding good fortune to record a period of progress and prosperity. The year which is drawing to a close has been in many ways a memorable year. It will stand out illustrious for the first visit of a King-Emperor to his Indian dominions. It will be remembered for the stately ceremonials of which Their Imperial Majesties were the central figures, and even more for the enthusiastic loyalty and reverence with which they were received by their people. It will be associated with important territorial changes which will lead, we all trust, to greater political content and will strengthen the cause of good government. In all these ways the year will take a memorable place in the history of India. But it has not been without its dramatic interest in realms far removed from political changes or Imperial pageantry. For at one time, during two anxious months, the half of India was on the verge of a drought for which we might have had to go back thirty-four years for a parallel. In the middle of August the outlook was gloomy in the extreme over the greater part of the Northern provinces; and a further suspension of rain would have brought widespread suffering and a serious dislocation of our trade and finance. This catastrophe, however, was averted. Rain came, late but abundant; the area of distress was reduced to narrow limits; and we now cherish every hope of bumper harvests, busy trade, and advancing prosperity. The change, as I have said, was dramatic: it was also a striking lesson of how narrow is the line in India between plenty and want, and how incessant is the need for caution in our forecasts and for economy in our expenditure.

Revised Estimate of 1911-12.

3. I shall first attempt to sketch the main features of this remarkable year, and to indicate their effect upon the revenue and expenditure provided in the budget which I laid before the Council this day twelve months ago. The year opened well. The winter rains had been favourable, and the spring crops yielded a plentiful harvest. To the weather-wise an unusually cold March in Northern India gave cause for nervousness; but hot-weather conditions established themselves later, and the monsoon currents reached our coasts close upon the due dates. Their progress inland, however, was weak and fitful; and their joint efforts were spent by the third week in June. Rain ceased over virtually the whole of India, excluding Burma; the dry west wind revived in the North; and one of the most trying summers in living memory was protracted well into August. Early in that month, the standing crops had withered over large areas in the United Provinces, Punjab, Rajputana, Central India and the northern half of Bombay. Where irrigation had saved the position, a plague of insects, which always seem to accompany drought, was working serious havoc. Fodder was growing scarce, prices were rising, and the situation was critical. The outlook got gradually darker until the third week in August, when relief came at last. The rain-bearing currents revived, and the pressure was eased everywhere except in Sind, Gujarat, Kathiawar, and a small tract with its centre lying between Delhi and Meerut. In September the position improved steadily; and by the end of the month the only seriously distressed areas that remained were Gujarat

and Kathiawar, in parts of which famine has since been declared and relief operations undertaken. The numbers on relief in the middle of last month were roughly 80,000. In the rest of Northern India, the people took heart with the late rains: the autumn crops were re-sown wherever possible, and an exceptionally large area was prepared for the spring harvest. In Bengal and Southern India there has been no anxiety. Lower Burma suffered in parts from floods in August; but the general prospects are satisfactory. Viewed as a whole, the year has been a good one, and the agriculturist has been helped by the high prices which prevail for some of our staples in the markets of the world. A period of much anxiety gave way, at the eleventh hour, to recovery and hopefulness: and the year ends with the best of prospects in the greater part of India outside the few afflicted tracts in Gujarat and Kathiawar.

4. From the seasons we turn naturally to the harvests which depend upon them. The wheat crop that was being cut at the time of my last budget was the finest on record, particularly in the Punjab. Rice also had been good, and the year thus began with plentiful stocks, which mitigated the loss of the cheaper food grains in the autumn, without checking the supply to foreign markets. Of the other export staples, oilseeds gave a plentiful yield. Jute was grown under favourable conditions, and the returns are appreciably better than last year. Cotton did excellently in Berar but suffered from drought in Bombay and Northern India, and the produce all round is reckoned at 18 per cent. less than in 1910. This year's rice crop is plentiful in spite of some local shortage in Lower Burma; and the prospects of the spring harvest which is now maturing are exceptionally fine. Whatever deficiency there has been in the agricultural output—and on the whole it cannot have been serious—has been more than made good by the activity of the export demand for our chief staples and the full prices which they fetched. Rice and opium have been specially remarkable in this way; the former owing to a serious failure of the Eastern crop and heavy speculations in Rangoon; the latter owing to the steady reduction of our supplies to the Far East. These, however, are only two outstanding examples of the strength of the export market. The general range of prices has been high. In many cases it has benefited the producer; and it has certainly dilated the volume of outward trade, as measured in money, and brought payment to India in heavy imports of merchandise and bullion, to swell our customs revenue and keep our railways busy.

5. The record of our over-sea-commerce has thus been an impressive one. The value of our exports is up to date the highest on record. Wheat has not been so big as it was in 1909, or cotton as it was in 1910, or jute as it was in the famous year 1906; but each of them was bigger than in any other year except those which I have named, and the cumulative effect was an all-round excess. Moreover, silver was re-exported, chiefly to China, in very large quantities; and the declared value of rice, opium and seeds has been well above the figures of any previous year. Similarly with our imports. They were unusually active in April and May: they eased off in the ensuing four months, as if waiting for the fickle monsoon to disclose its intentions: and there was a striking revival from October onwards. It is piece-goods and gold that have been the notable features of the year; gold forming one-sixth of our total imports and having reached, during the December quarter alone, the imposing value of 10 crores. Combining both currents of trade, I gave the total value of our private sea-borne commerce for the first nine months of last year as 272 crores, which I said constituted a record. This year the corresponding figure for April to December 1911 is 304 crores. Even after every allowance for an inflation of prices which may be in some degree undesirable, this result means busy revenue, a strong exchange, and no small measure of general prosperity.

6. Happily, then, there has been justification for the faith in which the budget for the current year was framed: it was based, as I said a year ago, "on the hypothesis of normal harvests, a good export season, and steady progress in our trade and industries." These hopes have been more than realised. The total revenue of the year, Imperial and Provincial, I budgeted at £78 millions: we now expect to obtain nearly £81½ millions. For the total expenditure, Imperial and Provincial, I estimated nearly £79 millions: we shall require barely £78 millions; so that we have an aggregate improvement of £4¼ millions, of which about £2¼ millions belong to the Provincial account. The Imperial surplus will thus be enhanced from just over £¾ million to £2¾ millions. The greater part of this is contributed by unexpectedly high opium receipts. The balance due to general causes is small, but it is only the residue, as I shall subsequently show, after very large sums have been handed over to the provincial accounts,

Opium.

7. This leads me at the outset to the well-worn theme of our opium policy and its results. The position, when I summarized it a year ago, was one of some difficulty. We had completed the first stage of the period fixed conditionally for the extinction of the trade with China in Indian opium. That period, under the 1907 Agreement, was ten years from the beginning of 1908; but at the end of the first three years we were entitled to ask China if her curtailment of production had kept pace with our reduction of exports; and our future arrangements were to be dependent on the reply. When the time came, however, China was unable to give an authentic answer, and the British officers who were touring the poppy-growing provinces had not yet reported. Out of consideration for China's difficulties we had consented not to press our strict right, and to continue the reduction of our exports for another year. In the meantime certain of the Chinese authorities, particularly the Viceroy of Canton, had been imposing disabilities on our trade, which, in our opinion, were clear infractions of the Chefoo Convention; and we were insisting on their removal if our co-operation with China was to continue. Negotiations on these and other outstanding points were in progress when the last budget was before this Council; and it was obviously impossible to prejudice or anticipate the result by any discussion at the time.

8. On the 8th of last May the negotiations culminated in an agreement which I may safely describe as satisfactory and honourable to both sides. The agreement is public property, and I need only very briefly recall its leading features, and explain what it means to China and to ourselves respectively.

- (a) What was conceded on our side was this. We were to restrict our China exports in 1911 to 30,600 chests, with a progressive reduction thereafter of 5,100 chests a year. But if China can completely eradicate the cultivation of the poppy before 1917, we are to shut down our exports at the same time. In the interval, as each province stops its production and import of native opium, the admission of Indian opium into that province is to cease; the ports of Shanghai and Canton, however, being the last to be closed. Finally, we agreed to a consolidated import duty, of R689 a chest, being a very large increase on the old duties and a welcome addition to the Chinese revenues.
- (b) The concessions which China made on her side were these. An excise tax equivalent to the import duty was to be imposed on native opium. All other taxation and all restrictions (such as those at Canton) on the wholesale trade in our opium were to be withdrawn. Facilities were to be given to our officers to investigate the facts of cultivation, taxation and trade restrictions in the interior.
- (c) In a supplement to the agreement it was settled that, though the other Treaty Ports would be closed to it at once, Indian opium not specially certified for China might be admitted into Shanghai and Canton for two months after the date of the agreement. All opium thus admitted, however, as well as all opium bonded in the Treaty Ports and in stock at Hong Kong for China on the date of the agreement, would be listed, except so far as it was covered by special certificates from us; and the number of chests thus listed would be taken in reduction of our regular exports during the three years 1912 to 1914. The list, which was not completed till later, showed that the necessary reduction will be 3,820 chests in each of the three years.

Such are the main features of the agreement which was concluded at Peking on the 8th of last May. The attitude of the Government of India throughout has been absolutely straightforward. We are in full sympathy with the reformation of China; and we are prepared to make, and have made, large sacrifices to help her. But we cannot consent that, under the guise of a reform which may be no reform, revenue should be transferred from India to China without any other benefit to the latter. We unhesitatingly recognised the sincerity of the Chinese Government, but we demanded certain ordinary precautions to insure that our sacrifices shall not be frustrated by reactionary tendencies in the provinces, and we insisted that our trade, so long as it lasts, shall receive equal privileges with the trade in the indigenous drug. This is the spirit in which we pressed the claims of India; and in this spirit the negotiations were carried to a successful conclusion by Sir John Jordan, the British Minister in

China. To that distinguished official India is deeply indebted for his care of her interests and for the skill with which he secured a settlement that is sympathetic and just to China and to India alike.

9. Since our agreement was signed last May, startling events have happened in China. Revolution and civil war have rent the country, and its ancient monarchy has now been replaced by a republic. Amid the inevitable confusion, the cause of opium reform has suffered in some measure, though we may hope that the set-back has only been temporary. Cultivation of the poppy has revived in parts of the far interior, where it had been officially extinguished. And some spasmodic attempts have been made, at Canton and elsewhere, to infringe the Peking agreement. But nothing has occurred which cannot be explained by the suspension of the central Government: and on the whole our compact has stood a severe test remarkably well. We of course have carried out our part of it with scrupulous care; and we have done more, for we have gone outside our bargain to help China, as I shall shortly explain.

The operation of the agreement is automatic, except as regards the special measures for closing down our trade in less than seven years. These hinge upon the provisions of Article III, which will exclude Indian opium from any single province of China and the Treaty Ports therein (Canton and Shanghai always reserved) as soon as there is clear evidence that the province has ceased both to grow the poppy itself and to import native opium from other provinces where it is still produced. It is this provision which I apprehend will be the key to future developments. For the present, it has resulted in closing the whole of Manchuria and the provinces of Shansi and Sze-chuan. The two latter had been thoroughly inspected by Sir Alexander Hosie, the British Consul-General at Tientsin; and similar local enquiries are being extended, under that officer's direction, to all the other provinces. The work has involved protracted journeys through the hinterland of China amid conditions of no small physical hardship; and I am glad of this opportunity of acknowledging the great value of the services which Sir Alexander Hosie has thus rendered us.

10. I referred a moment ago to the proofs which we have given China of our goodwill towards her by co-operating in matters which are outside the strict letter of our treaty obligations. The first of these, mentioned in my last Financial Statement, was our decision to " earmark " or certify opium for China from January 1911. The second was our postponement till the second half of 1911 of our usual monthly sales of opium for other markets than China. By these measures it was our purpose to help China through a critical time. In the early part of 1911 her position was that she could not exclude foreign opium without an international agreement. Meanwhile, prices were bounding up, and it was generally surmised that the closing of her ports was only a matter of time. The inducements were great to pour opium from all quarters into the country before the agreement could be negotiated, and thus to render nugatory her efforts to effect a direct and progressive reduction of her imports. Our action prevented this. Later, we took a third and even more important step, by curtailing the quantity of our opium sold for markets other than China. That step was pressed upon me, in a resolution which he moved in this Council last March, by my Hon'ble friend, Sir Sassoon David. I was unable to accept his proposal at the time for two reasons: first, because the whole question was under diplomatic discussion at Peking; and second, because we had carefully calculated the requirements of our non-China customers and found them to be well in excess of the 10,000 chests which my Hon'ble friend suggested. After the Peking agreement was concluded, however, we decided to cut down the 16,000 chests, which we had budgeted to sell, to 14,000; and thereby to reduce the possible margin for smuggling opium without our certificates into China. For 1912 we have brought the figure still lower to 13,200 chests. We doubt if this is sufficient for the legitimate local needs of Singapore and elsewhere. We know that it means an avoidable loss of revenue to us. But against the inconvenience and the sacrifice we have set our anxiety to prevent the illicit diversion of uncertified opium from less profitable markets into China. These then are our relations with our neighbour in this great and humane reform. She must in the last resort work out her own salvation; but India will assist her by every means in our power and will advance with her, step by step, until the goal is reached.

11. Towards the close of the year a conference was held at The Hague by the Powers which were represented at the Shanghai international commission on opium. The ostensible object was to conventionalize the findings of that commission. To us that particular object was comparatively unimportant, for

we have already undertaken all, and more than all, that China asked from us; while our domestic control of the use of opium in India is not a matter in which we require international assistance. We welcomed the conference, however, from another point of view. It enabled us to lay before the Powers a narrative of the unselfish policy which India has followed. It gave us an opportunity of reviewing and improving our arrangements against the misuse of opium in this country. But above all it justified us in asking for the co-operation of the Powers in checking what I am convinced may become a much greater curse than opium has ever been, or is ever likely to be, to India. I refer to the consumption of cocaine and morphia and their respective congeners. The evil done by these drugs is already great; their spread is rapid and insidious; and nothing short of the most drastic State control over their manufacture and sale will stop the growth of a particularly degrading vice. I am happy to say that the conference accepted this view and that, with the assistance of Sir William Meyer, who most ably represented the interests of India, a convention has been drafted which, if the Powers accept it, will go far to strengthen our hands against this new danger.

12. One word more before I close this account of our opium policy. The poppy-growing States of Central India and Malwa are sufferers as well as ourselves from the loss of the China market; and hitherto they have been unable to share with us the temporary compensation of the high prices fetched at the sales of Bengal opium. The whole of the permissible Malwa exports up to the end of 1911 had already been bespoken by advance payment of duty. Some of the Durbars endeavoured to secure a portion of the enormous profits of the trade by imposing extra transit dues: but their efforts were ineffective and lacked combination. It was clearly necessary for us to intervene, and we did so from the beginning of 1912. The old pass-duty of R600 is now doubled; and the privilege of obtaining our certificates for China is exposed to auction. We propose to credit one-half of the extra pass-duty and one-half of the auction fees to the Imperial exchequer, and to hand over the other half to the States on certain easy conditions and under a formula of distribution which they themselves have agreed upon. We intend also to give the Durbars an opportunity of securing a footing in the non-China markets, which they have made no effort to exploit in the past. For this purpose, 1,000 out of our 13,200 chests will be taken as an experiment from Malwa if arrangements can be made for marketing it and if reasonable prices are offered. In these ways we hope to mitigate to the producing States the blow that must fall upon them sooner or later. We believe that they in turn recognize the generosity of our intentions.

13. There are three special reasons why I have dwelt at what may seem to be inordinate length on this dull subject. First, the future of our opium revenue has been made clearer by the agreement of last May, and a lengthy pronouncement of policy may not again be necessary. Second, I wished the Council to see that our attitude has not been vicarious righteousness on the one hand, or selfish obstruction on the other: we have made real and lasting sacrifices and manifested a practical faith in China's capacity for regeneration. Lastly, I desired to show that we have not ignored the legitimate claims of our merchants or the interests of the Malwa States. With these explanations I turn now to the financial outcome of our policy. In 1911 we sold 15,440 Bengal chests and exported 15,576½ Malwa chests with certificates for China. We also sold 14,000 Bengal chests for other markets. Speculation was active throughout the year and reached its zenith in October, when the China drug rose to the phenomenal price of R6,000 a chest. Then came the revolution and prices dropped, but they are still over R4,000, while the curtailment of the Singapore sales has kept that section of the market strong. In 1912 we propose to sell 6,700 Bengal and export 14,560 Malwa chests for China, as well as 13,200 chests (of which 1,000 at the outside will come from Malwa) for other markets. The first two months of our new Bombay system of auctions have been satisfactory; the average yield (including pass-duty) having been close on R3,000, of which we take R1,800 and the Durbars the remainder. In the current financial year, the net result is that Bengal opium is now expected to realise £1,241,000 and Malwa opium £334,000 more than I budgeted for.

14. The true measure of this remarkable windfall is obtained by comparing our actual receipts with what we should have obtained under the sliding scale which, as I explained last year, we treat as the gauge of normal conditions. The sliding scale figure for the year is 615 lakhs; our anticipated receipts are 878½ lakhs. The excess is £1,757,000, which we propose to use on precisely similar lines to the windfall which it was my good fortune to announce a year ago. Two-thirds of the amount will be

remitted to London for the redemption of temporary sterling debt. The remaining third, or in round figures £566,000 (85 lakhs), will be distributed in grants for non-recurring expenditure of a beneficial character. Our precise disposition is briefly as follows:—

- £333,000 among the provinces for sanitation ;
- £133,000 among the provinces for agricultural improvements and similar purposes :
- £40,000 to the Central Research Institute for work in public hygiene :
- £33,000 towards the establishment of a School of Tropical Medicine in Calcutta ;
- and
- £27,000 for Government laboratories in Burma and at Parel (Bombay).

Last year the bulk of our opium windfall was earmarked for education: this year it goes to the sister grace of cleanliness. The details will be found in the explanatory memorandum attached to this statement; and I have no doubt that my Hon'ble colleague, Sir Harcourt Butler, will explain next week the objects which these grants are intended to further.

Ordinary Revenue.

15. I am able at last to turn from the story of opium and its troubles to the ordinary business of the closing year. As I mentioned, we expect the total revenue, including that of the provinces as well as our own, to be nearly $3\frac{1}{2}$ millions better than my original estimate. Of this improvement £3,400,000—or practically the whole—is Imperial in its origin. The fact is disguised, as I shall shortly explain, by large transfers of revenue from the Imperial to the Provincial exchequers; but, to get a clear view of the position, we must for the moment neglect these transfers. Of the true Imperial betterment then, close on £1,600,000 is accounted for by the high prices of opium, and £1,800,000 by the general increase in the prosperity and trade of the country.

16. The main contribution to this great advance comes again from our State railways. Every one of our main lines has shared in the improvement. Wheat, cotton, jute, coal and oil seeds swelled the returns; the passenger traffic has grown exceedingly; and the extra business brought by the Royal visit has outrun our expectations. The total earnings for the year are now expected to be £1,587,000 above our budget, and the highest on record. This growth of receipts has meant of course extra expenditure in working the traffic, and extra payments in profits to the companies which lease our lines; so that the increase in net revenue is £1,185,000. Closely associated with our railway figures, as they must always be, are our Customs returns, which promise an increase of £330,000 over our budget estimate. For this we have to thank petroleum, piece-goods and rice; petroleum imports having been stimulated by a rate war among the great oil syndicates; piece-goods being always an active market in prosperous years; and the export of rice being in abnormal demand to meet a shortage in the Far East. To enumerate all the other heads of revenue which have contributed to our surplus would take more time than I can spare. The chief of them are Interest, with an excess of £237,000 earned almost entirely on the high balances in our Home treasury; Mint where, owing mainly to the demand for British dollars in consequence of the troubles in China, our receipts have risen by £143,000; and Exchange, which was strong throughout the year and has brought us an additional £106,000. I am glad to see that the consumption of Salt, and with it our revenue, have begun to move again after a long period of stagnation. There was some holding-up of stocks before the Durbar in the hope of a reduction in the duty: but a brisk business is now being done and, in spite of the growing popularity of credit sales in Bengal, the revenue is expected to be £65,000 higher than our estimate.

17. The one and only budget head that has disappointed us is Land Revenue, where our figures faithfully reflect the distress in parts of Bombay, and the failure of the early autumn crops in certain areas of the Punjab and the United Provinces. The sale of proprietary rights in the canal colonies of the Punjab has also advanced more slowly than seemed probable a year ago. The deficiency from the budget, for the head as a whole, is £960,000, of which approximately a half would be the Imperial loss.

The marked improvement in our resources, however, has enabled the Government of India, with the concurrence of the Secretary of State, to make a number of important grants to the provinces; and this pleasing operation takes the technical form of increasing the provincial shares, and *pro tanto* diminishing the Imperial share, of the

land revenue receipts. It will thus be found that, in place of a drop of about half a million, our figured tables show an apparent deterioration of nearly £2,600,000 from the budget estimate of our Imperial income from this source; while the provinces instead of being about half a million to the bad, are shown as being £1,639,000 to the good.

18. The grants which we have thus made out of our abounding good fortune cover a large field. I have already mentioned the £566,000 allotted from the excess opium receipts. Of those which are taken from our general resources I need enumerate only the more important, referring my Hon'ble friends to the explanatory memorandum for greater detail :

- £782,000 in connection with the re-constitution of Bengal and Assam;
- £212,000 for the cost of the Royal bonus of half a month's pay to provincial officers in civil employ;
- £72,000 for the remission of famine debts in Kathiawar, as announced at the Delhi Durbar;
- £167,000 to the Madras Corporation in aid of its waterworks and drainage scheme;
- £133,000 to Burma for the improvement of communications;
- £58,000 for special provincial expenditure in Assam and Burma on the expeditions upon the North-East frontier.

The first of these grants represents the cost of providing suitable opening balances for the three new provinces of Bengal, Assam and Behar and Orissa. The other grants explain themselves. They are all non-recurring.

Ordinary Expenditure.

19. The expenditure of the year is less by £843,000 than we provided for in the budget. £225,000 of this occurs in the Provincial account, mainly as a consequence of the inability of the local Governments to spend in full their grants for education and sanitation. The Imperial savings come to £618,000, which may be taken as appearing almost wholly under two heads,—the Royal visit and the Opium Department in Bengal. Apart from these, there has been an increase of about £100,000 in Military expenditure which will be explained later. On the other hand, the £120,000 which was allotted under a new head for Protective Irrigation has not been utilised,—a disappointing result in view of the importance of these works. In other respects our estimate of expenditure was a very close one, and there are no material departures from it. The non-recurring expenditure on the Royal boons, in so far as it falls into this year's expenditure accounts, was met without difficulty by savings in other directions.

20. The opium charges require a few words of special notice. China's zeal for reform and our pledges of assistance mean a large and, we must assume, a progressive reduction in our output of Bengal opium. To keep abreast of this, we have closed down the Patna factory and abolished the appointment of Opium Agent for Behar. We have focussed the administration in one Agent, and the manufacture in one factory, at Ghazipur. We have also concentrated the area of licensed cultivation, giving up Behar entirely, as well as a number of the outlying districts in the United Provinces. How drastic the reduction has been, may be judged from the fact that in 1906-07, the last year before we began to curtail our exports, the area under poppy was 900,000 bighas; in the current season it is only 325,000 bighas. Recruiting for the department has of course been stopped for several years: but the sharp restriction of area in the present year, with the closing of one factory and a number of sub-agencies, has necessitated some retrenchment in establishments. I should like to explain how this is being carried out. I should like also to express the sympathy of the Government of India with a body of deserving officials for whom the outlook for some time past must have been full of uncertainty and gloom. What we are doing is first, to get rid of the least efficient of the opium employes on such pensions or gratuities as the rules permit; second, to transfer to other departments all who are fit for a new class of employment; and third, to encourage the retirement of the senior men by offering full pensions to all those who are within five years of completing their qualifying service. On these lines we are dealing with every rank, from the highest paid departmental officer down to the humble peon, and we hope to prevent any genuine hardship. The notices of

discharge which were served on a number of the gazetted officers have been withdrawn; several of the younger men have been provided by the United Provinces Government with posts in the provincial civil service; the claims of others are still being pressed in different offices; and any who are ultimately redundant will be retained as supernumeraries until we can absorb them or find other employment. When the department has been lightened in this way, and by the acceptance of the special pensions which we are offering, we trust—though of course we cannot promise—that it will be put on a footing which will make further retrenchments unnecessary. The area of cultivation is now as low as it need be for several years; and any future reductions will probably be no more than parallel with the normal decrement of an establishment for which there is no recruitment.

To come back to the present, however, the Council will perceive a saving of £445,000 in opium charges. This is due in part to the economies in administration which I have just mentioned, but in the main to the abnormally thin yield of the last poppy harvest. The consistence was poor, and our payments were correspondingly low.

Expenditure on the Royal Visit.

21. I now, My Lord, wish to describe briefly, and of necessity in somewhat general terms, the expenditure incurred on the Imperial Durbar at Delhi and on the other incidents connected with the visit of the King-Emperor and Queen-Empress to India. Our accounts have not yet been closed or compiled, and considerable alterations in detail may still have to be made. But, looking back to the cordiality and even the enthusiasm with which this Council applauded the provision entered for the Royal visit in my last budget, I consider myself bound in courtesy to take this, the first available, opportunity of laying before them the manner in which that provision has been used. It will be remembered that the total allotment for the Royal visit was £1 million sterling. It was necessarily a very rough forecast, as we had no estimates to go upon at that early date: but our feeling was that it would enable Their Imperial Majesties to be received and entertained in a manner suitable to the wishes of their Indian subjects. One-third of this million was to be military expenditure; and the remainder appeared in the civil estimates, with a small deduction for recoveries from the sale of tents and other equipment. The total net provision for Imperial Civil charges, including a small advance grant in 1910-11, was £633,000. The actual net expenditure against this grant, so far as we can at present estimate, may be tabulated as follows:—

(a) On the Durbar at Delhi :—	£
Administrative charges	52,100
General services, roads, lighting, water supply, sanitation, etc.	190,100
State ceremonies	58,300
Sports, garden party, fireworks, music, etc.	20,000
King-Emperor's camp	56,000
Camps of the Government of India, Foreign Department; Commander-in-Chief, Political and other Imperial - officers	115,600
Visitors', Press and Police camps, etc.	60,300
Miscellaneous	12,200
Less recoveries	-143,800
Total	£420,800
(b) On the Royal tour	48,300
(c) On medals and other incidental charges	13,300
	£482,400

We have still to meet the cost of an addition to the regalia. Allowing for this and leaving a small margin for charges which have not yet come in, we may take the net expenditure at £560,000.

The allotment provided in the Military budget was £333,000, which was intended to cover a very large concentration of troops at Delhi. When the failure of the early rains in Northern India indicated difficulties about food supplies and forage, the Military programme was reviewed and the number of troops under orders for Delhi was materially reduced. The actual estimated expenditure has been only £207,000. It will, I am sure, be no small gratification to this Council that the reception of Their Imperial Majesties was carried out on a scale worthy of the occasion, and yet with a regard for economy which has left us so well within the funds allotted for the purpose.

22. The expenditure from Provincial revenues on the Royal visit had not been the subject of any reasoned estimate when the budgets of the various local Governments were framed in the opening months of 1911. It was worked out, however, during the hot weather in the closest consultation with the Government of India, and we have now got provisional accounts. It is estimated that the eight major provinces spent £173,000 on their camps at Delhi, and about £72,000 on local celebrations, illuminations, etc.

23. Such then, so far as we can judge from our unfinished accounts, were the charges for the reception and entertainment of Their Imperial Majesties. But the Council will probably expect me to narrate also the cost of the Royal bonus and the various minor boons which were announced by Your Excellency on behalf of the King-Emperor at Delhi. For these of course there could, in the nature of things, be no budget provision; and some of them entail expenditure or loss of revenue which will not be brought into our accounts for some time to come. The only boon of any importance for which I have a reasonably complete estimate is the bonus of half a month's pay to certain civil employes and to the Army in India. The whole of this will be met from Imperial revenues; and we believe that it will cost about £325,000 in the Civil accounts and about £166,000 in the Military accounts, or a little under £500,000 in all. The remission of debts in certain Native States means a loss of nearly £85,000; and the monetary effects of the other boons (apart always from the grant for Education) is inconsiderable. I believe, therefore, that I should be safe in putting the total figure at £600,000 at the outside.

Budget Estimate for 1912-1913.

24. I now leave the eventful year which closes with this month, and open my budget for 1912-13. There is no one who realises more keenly than I do the dangers of prophesy in India; but the budget forecast must inevitably involve some element of prophesy. All that I can say is that our prospects to-day are excellent, and that we have every hope that the brightness of the outlook will continue. I propose then, avoiding unreasoning optimism on the one hand, and holding fast to my faith in the progress of India on the other, to estimate again for a year of normal seasons and trade. There still hang over us the uncertainties of the opium revenue, and there are, as there always will be, special claims of an urgent nature upon our exchequer. But with care and economy we shall be able, during the coming year at least, to discount the former and to satisfy the latter without any addition to the burden of our taxation. On the other hand, our position is not one which justifies any important remission of taxes. I present to-day, therefore, what I may call a "No Change" budget. My estimate is that the revenue and expenditure, Imperial and Provincial, will balance almost exactly at £79½ millions. In the purely Imperial section of the accounts, however, there will be a surplus of approximately £1½ millions, which it is proposed, for reasons that I will touch upon later, to retain unimpaired.

Revenue.

25. If we set aside Opium, the total revenue, Imperial and Provincial, for which I budget is almost the same as in the current year. We expect an improvement in the Land Revenue collections and in those other classes of receipts which respond most directly to favourable agricultural conditions. On the other hand, I have taken a somewhat conservative estimate of Railway and Customs revenue, while we cannot count upon a continuance of this year's high receipts from Mint and Interest. The net result, as I have said, is practical equilibrium. But in the Imperial section of the accounts, with which we are at present more immediately concerned, the position is one of considerable strength, seeing that we have not to repeat the large non-recurring

grants to the provinces which diminish our share of the land revenue receipts in the current year. Apart from opium, which as usual throws the comparison out of gear, the Imperial revenue which we hope to obtain next year will be £920,000 in excess of our estimated receipts in 1911-12. I shall dispose of opium first, and then discuss this figure in some detail.

26. The consequences of the new agreement with China are written large across our estimate of opium revenue. The number of chests which we may sell with China certificates in 1913 is limited to 16,580, of which we are under a promise to offer 14,860 to Malwa. Our China sales for each calendar year will now, in all probability, be held from January to October in Calcutta; and in Bombay from the preceding November to August. Our uncertified exports will amount to 13,200 chests, of which we shall give Malwa a chance of taking 1,000 chests; and the sales will be spread over all the months in the year. I shall spare the Council the reasons for these divergencies in procedure, which are intended to secure the maximum of revenue with the minimum of inconvenience to the trade. I shall also spare my Honourable friends the puzzling calculations which are needed to fit these arrangements into the mould of the financial year; and will merely say that it is proposed to sell altogether 19,821 chests for China in 1912-13, which, with the 13,200 chests for other markets, gives roughly 33,000 chests in all. As compared with the much larger quantity on which we have been paid in the current year, this in itself suggests a considerable fall in revenue. But I have not ventured to budget for the same high prices as we are now receiving. With the restoration of settled government in China, we may look for the revival of more rigorous measures against the opium habit, and these are likely in turn to affect the tone of the market for our exports. In any case prudence forbids us to attempt to follow the vagaries of a highly speculative market. Between a falling output therefore and a cautious forecast of prices, my total estimate of opium revenue for next year is £2,235,000 below what we expect to obtain in the current year. The actual figure is 543 lakhs, which happens to be almost identical with the figure (540 lakhs) for 1912-13 on our theoretical sliding scale. If prices should outrun our calculations, I have little doubt that we shall find useful employment for the money.

27. The improvement in our Imperial receipts from general sources is of a negative character, being entirely due to the smaller volume of special grants to local Governments. In other respects we do not look forward to the same high revenue returns as in the current year. Under Railways in particular I have thought it wise to assume some slight relaxation after the rich harvest of the Durbar year. It is not only that we shall have no Royal visit; but so much depends on trade conditions which it is impossible to forecast, and I think a moderate margin of safety should offend no prudent publicist. I have accordingly taken the net earnings of our State railways at £605,000 less than in the present year. Similarly with Customs. If the almost feverish activity of the trade in rice, silver and petroleum were to continue, our Customs receipts would probably touch the imposing figure of 10 crores. But all booms have their day, and we have made a deliberately moderate estimate for these commodities; the net result is a reduction of £146,000 from this year's receipts. Three other heads of Imperial revenue yield somewhat fortuitous contributions to the decline. Interest is worse by £192,000, because the balances in our Home treasury are being materially reduced; Mint by £135,000, because we do not expect the same demand for dollars from China; and Exchange by £106,000 for the technical reason that we always budget for our exchange transactions at par.

In the classes of revenue which are more closely associated with the internal prosperity of the country, we anticipate no set-back. Now that the Salt revenue is moving, we expect that it will rise by another £31,000. From Stamps an improvement of £71,000 is probable; and a still larger increase would have been taken for Excise if it had not been obscured by the complete provincialization of that source of revenue in Bengal. The chief advance, however, is under Land Revenue, where the return of normal conditions in the areas that suffered from the irregularities of the last monsoon will, we trust, be the main contributor to an increase of which the Imperial share should be something in excess of £400,000.

28. This brings me to the dominant factor in the whole comparison—the provincial grants which appear as land revenue assignments, and the reduction in which will push up our apparent Imperial receipts. The details are complicated and can better be set out in the explanatory memorandum. But their net effect is that we are saved the

non-recurring grants of roughly £2 millions which signalize the current year, and that we propose, as I shall explain later, new recurring grants of about £ $\frac{1}{3}$ million in the coming year. There is thus an addition of £ $1\frac{2}{3}$ millions to the Imperial share of the land revenue, over and above the £400,000 which comes to us from improved collections.

Expenditure.

29. The position in regard to expenditure is fortunately simple, and not unsatisfactory. Imperial and Provincial charges together, the total provision for next year is nearly £ $1\frac{1}{4}$ millions higher than the estimated expenditure of 1911-12. The whole of this excess, however, occurs in the provinces; and by far the major part of it represents drafts on the large Imperial subsidies for education, sanitation and other beneficial services which are being placed at the credit of local Governments. When we turn to the estimate of Imperial expenditure, we find that there is an actual decrease, the total being £76,000 less than in the current year. The chief factors in this result are the following. Our Interest liabilities show a growth of £277,000, moving, as they must always do, with the growth of our borrowings, and also in a minor degree with the expansion of our provident funds, savings bank deposits and the like. Our Railway revenue charges, apart from interest on the regular railway debt, are also higher by £97,000. But the only other large excess over the grants in the current year appears under Education and represents a special reserve of £530,000 for the advancement of this great service. Otherwise the spending departments have shown much restraint, and there is little or no general rise in administrative charges. On the other hand, there is a noteworthy drop of £511,000 in military expenditure to which I shall refer later; and as if to make room for the new education expenditure, we have a reduction of £486,000 under the head where the outlay on the Royal visit is recorded in the current year.

30. With the substantial improvement in our general revenue and the curtailment in expenditure, it was obvious that we were in sight of a large surplus. It was decided therefore to take an important step forward in the path of educational reform. The King-Emperor had announced at Delhi a permanent grant of 50 lakhs (£333,000) for the furtherance of truly popular education. We decided to add another recurring £67,000 to the Royal boon, and to supplement it by a further but non-recurring grant of £433,000. The total new provision for the year has thus been raised to the handsome figure of 125 lakhs, or more than the whole amount which we spent this year in connection with the Royal visit and the Delhi Durbar. I will leave it to my Hon'ble friend in charge of the Education department to describe how the money is to be employed, and I confine myself to explaining where it is to be found in the estimates. £300,000 of the recurring grant has been transferred, through the usual method of Land Revenue assignments, to the provinces which have regular financial settlements, and £3,000 to the North-West Frontier Province. The remaining £97,000 recurring and the whole of the £433,000 non-recurring have been entered, for the present, as an Imperial reserve under the Education head, for distribution at more leisure.

31. There are two other small matters which we have taken the opportunity of disposing of. One is the provision of a small reserve (£15,300) for strengthening the sanitary services in India, in accordance with a scheme which is now before the Secretary of State. The other is the abolition of the last of the petty cesses upon the land against which my predecessor waged incessant war. The cess in question is the village service cess in proprietary estates in Madras; and as I have explained more than once, the reasons why we have not hitherto taken up the question are first, because we had no money, and second, because we could not remit the cess before it was imposed. The levy of the cess is now being extended as the old service tenures are being resumed; and it is estimated that its relinquishment will cost Imperial revenues £17,000 next year, rising gradually until the proprietary estates are wholly relieved. The rent of the tenures will be credited as Land Revenue, of which the province will receive a moiety. The province will pay the salaries of the village servants; and the net loss to provincial revenues will be made good by Imperial assignments.

Delhi Expenditure.

32. No narrative of next year's programme of expenditure would be complete without a reference to the momentous project which lies before us in the construction of the

new Imperial Capital of India at Delhi. I may say at once that we are not yet in the possession of any estimates of its cost. Plans for the temporary housing of the Government of India headquarters are under preparation; but no plans for the permanent Imperial City are to be thought of until the best available experts have studied and advised upon the project in all its bearings. Meanwhile, my immediate duty has been to devise a scheme for financing the work, a scheme which will be as little onerous as possible to the taxpayers of India. Three possible alternatives have presented themselves throughout. The first, and in some ways the most attractive, would be a special Delhi loan. The second would be to charge the whole expenditure, as it occurs, against current revenue. The third would be to put the Delhi works on precisely the same footing as our large railway and irrigation works, treating them as capital expenditure and financing them partly from loans and partly from whatever spare revenues remain in each year after meeting our ordinary administrative needs. I shall not weary the Council by the various considerations which decided us, with the full approval of the Secretary of State, to adopt the third of these courses. It will, I believe, commend itself to the financial and commercial community of India. By treating the Delhi operations as ordinary Capital works, we ensure the greatest possible elasticity in the provision of funds; we avoid unnecessary additions to our unproductive debt; and I hope we allay the fear—so far as I am concerned, a baseless fear—that the new city will be built from the produce of fresh taxation.

33. Our programme then is this. So long as large sums of money are wanted for Delhi, we shall raise as much as we can along with our ordinary rupee loans, being guided in the amount of our borrowing by the state of the money market rather than by the precise estimate of expenditure for the year. If money is easy and we can obtain more than we immediately require, it will lie in our cash balances available for future use. Meanwhile, as we shall now have three sections in our annual Capital programme instead of two, we may reasonably enlarge the conventional figure of one crore which we have hitherto endeavoured to secure as our revenue surplus. There is no need to fix any standard surplus; much will depend on the circumstances of the year and on the other interests concerned; but whenever we find ourselves able to budget for a larger surplus than £667,000 without detriment to the other claims upon us, we shall do so until the financing of the new Delhi is completed. It is on these lines that we are budgeting for 1912-13. We propose to raise a rupee loan of 3 crores, the whole of which, so far as we can at present judge, will be available for Delhi: and we leave our surplus at the unusually high figure of £1½ millions, out of which at least one crore can be used for Delhi. Our estimate of what we shall need for actual expenditure within the year is two crores, shown under a new Capital head which will be observed in the tabular statements. Whatever part of our total provision is not required, will remain in our general balances for future use. The current administrative charges of the Imperial area, as opposed to the initial outlay, will of course be taken in the ordinary revenue account, and we have entered a lump provision of £33,000 in the 1912-13 budget for that purpose.

Military Services.

34. Under Military Services the expenditure for five years is shown in the following table:—

	GROSS.					NET
	Army.	Marine.	Military Works.	Special Defences.	Total.	All Military heads.
	£	£	£	£	£	£
1908-1909	19,177,266	476,957	967,362	29,044	20,650,629	19,602,988
1909-1910	18,901,181	461,157	858,342	28,604	20,249,284	19,112,323
1910-1911	19,131,780	445,867	899,705	7,987	20,485,339	19,264,312
1911-1912 (Budget)	19,444,600	447,300	924,400	6,900	20,823,200	19,575,200
1911-1912 (Revised)	19,572,400	455,200	880,200	7,000	20,923,800	19,590,700
1912-1913 (Budget)	19,084,700	447,100	860,500	20,200	20,412,500	19,094,500

35. In our Army estimates for the current year we provided £½ million for Coronation expenditure. This grant was designed to cover the military cost of the

Delhi Durbar and of the general manœuvres by which the assembly at Delhi was to be preceded, as well as other military charges connected with 'Their Imperial Majesties' visit to India, such as expenditure on escorts at Bombay and Calcutta, and also to provide for the despatch of a contingent to England to represent the Army in India at Their Imperial Majesties' Coronation at home. But the unfavourable outlook in the early monsoon period made it necessary to recast the original programme. It was decided to abandon the intended manœuvres altogether, to reduce the number of troops to be concentrated at Delhi, and, in the interests of the civil population, to rail all troops except those in the immediate neighbourhood. Notwithstanding this modification of the original programme, the numbers brought to Delhi eventually reached the high total of 57,000 soldiers, 18,000 followers and over 20,000 animals. The total expenditure on the reduced scale was finally estimated at £206,700, and it appears that this estimate will be very closely adhered to. The military accounts of the Durbar and other services connected with the Royal visit and Coronation are rapidly approaching completion; and the latest forecast of the accounts authorities indicates a probable outlay of £161,700 (less receipts amounting to £3,500) in connection with the concentration at Delhi, while the total of other expenditure connected with the Royal visit is put at £27,300 and the cost of the Home Coronation contingent at £18,300. These figures do not include the bonus of half a month's pay which was issued to the military services in common with the civil departments, and for which no provision could of course be made in the original budget. This concession cost the Army £165,700.

36. The excess outlay thus entailed and the cost of the Abor expedition together with the friendly mission to the Mishmi country (£124,300) may be regarded as met from the lapses which occurred in the schedule provision, owing to delay in the prosecution of various schemes, of which the most important were those of artillery re-armament and line-rebuilding. As regards the ordinary charges, the budget provision was fully utilized and some additional grants were made in view of the improved receipts, with the result that the year is expected to close with a small net excess of £15,500.

37. It should be noticed that in both the present and the coming year there is a heavy bill for special services. Apart from the Delhi Durbar and the Abor expedition already mentioned, the arms traffic operations were continued at a cost of £118,900, the total expenditure from the outset up to the end of the current year being thus raised to £340,300; and the Indian Government had also to meet a share (£17,000) of the cost of sending a regiment to strengthen the consular guards in Southern Persia. In the coming year it is estimated that the winding up of the Abor operations will involve an outlay of £35,700. The provision of £133,300 for the continuance of the arms traffic operations is repeated, and £11,200 is provided towards the additional cost of the consular guards. On the other hand, a windfall of £76,700 is anticipated from the absence of certain troops in China.

38. Apart from these special services, the budget of 1912-13 has been mainly influenced by the enquiry into the possibilities of retrenchment which was promised a year ago. The schedule grant has been reduced by £75,200, as compared with the figure adopted in the current year, and its application will be limited almost exclusively to the provision of primary requirements of the Army such as guns, rifles, bayonets and swords, and to the prosecution of the scheme for providing Indian troops with sound and well constructed lines, and the continuance of other military works now in progress. In pursuance of the same policy, expenditure has been temporarily curtailed in various directions, and a number of permanent economies effected, while other important suggestions are still under consideration. This investigation will not be concluded until the Government of India and the Secretary of State have received and dealt with the reports of Field Marshal Sir William Nicholson's Committee, which will enquire into army expenditure during the coming summer, and Admiral Sir Edmond Slade's Committee, which has just completed its examination of marine expenditure. Meanwhile the effect has been to curtail expenditure, whether temporarily or permanently, by a sum of £191,200, of which the budget for the coming year takes account. We are also relieved by the disappearance of the provision for Coronation Durbar expenditure; and though in some directions, and especially in regard to the food charges and the provision of stores, some additional outlay has to be faced, the final result is a reduction of the net military budget by £480,700, which brings down the total net figure, namely £19,094,500, to an amount lower than that of any year since 1903-04.

Railways.

39. In accordance with the usual practice, I have had the figures of capital expenditure on railways during the last five years brought together, and compared with the similar estimate for 1912-13. The table includes all capital outlay, whether incurred by the State or through the agency of guaranteed or assisted companies.

	1907-1908.	1908-1909.	1909-1910.	1910-1911.	1911-1912 (Revised).	1912-1913 (Budget).
	£	£	£	£	£	£
Open lines including rolling stock	7,328,000	8,532,741	6,532,441	5,002,843	5,217,400	6,341,200
Lines under construction—						
(a) Started in previous years	3,006,800	1,366,200	1,482,962	2,055,264	2,636,000	2,578,800
(b) Started in current year . . . . .	...	146,130	369,291	387,821	265,000	80,000
	10,334,800	10,045,071	8,384,694	7,445,928	8,118,400	9,000,000

40. On the 31st March 1911, the total length of open lines was 32,398·81 miles, classified according to gauge as follows:—

5' 6" gauge	16,758·05
Metre (3' 3 $\frac{1}{8}$ ")	13,633·28
Special gauges (2' 6" and 2')	2,007·48
TOTAL	<u>32,398·81</u>

During the current year we have added to these approximately the following mileage:—

5' 6" gauge	322·30
Metre (3' 3 $\frac{1}{8}$ ")	308·91
Special gauges (2' 6" and 2')	70·11
TOTAL	<u>701·32</u>

During the ensuing year it is intended to increase this length by 790·55 miles.

41. In the current year the return on the capital at charge amounts to 4·99 per cent. as compared with 4·66 in 1910-11, 4·48 in 1909-10 and 3·69 in 1908-09. The rate of interest which we have taken for the year on the debt chargeable to railways is 3·377 per cent.

The current year has been more favourable than last year and the traffic returns show that there will be a large improvement over the Budget Estimates. The improvement is largely due to general development of traffic on railways and to additional traffic in connection with His Majesty's visit to India and the Delhi Durbar. The grants for working expenses are likely to be larger than the Budget Estimate by £346,700.

If we take the Railway Revenue Account as a whole and set the interest charges, the annuities and Sinking Fund payments and the minor debits (cost of land, etc.) against the net earnings, we find a surplus of £2,989,300, which accrues to general revenues, against a net gain of £2,017,500 in 1910-11.

42. In the Budget Estimate of next year provision has been made for a decrease in the gross receipts compared with the current year, for reasons to which I have already alluded. The latter includes an extra day's earnings in February, and special traffic in connection with the Royal visit and Delhi Durbar. Provision for working expenses has also been put a little higher on account of necessary renewals of permanent-way, rolling stock and strengthening of bridges. It is expected that the net surplus after providing for interest charges, which show an increase on account of growth of capital, will be £2,021,900.

Irrigation.

43. The financial position of our great Irrigation undertakings may be gathered at a glance from the following table, which carries on and brings up to date the information that it has been customary to give in previous Financial Statements.

Particulars.	1908-1909.	1909-1910.	1910-1911.	1911-1912, Revised.	1912-1913, Budget.
<i>Productive Works.</i>	£	£	£	£	£
Capital outlay to end of year	28,002,898	29,145,119	30,355,971	31,963,000	33,386,800
Direct receipts	2,213,644	2,249,011	2,236,989	2,314,300	2,225,700
Land Revenue due to Irrigation	1,084,773	1,111,158	1,170,065	1,362,100	1,375,200
TOTAL RECEIPTS	3,298,417	3,360,169	3,407,054	3,676,400	3,600,900
Working Expenses	1,011,140	1,065,481	1,080,404	1,096,000	1,050,000
Interest on debt	930,708	960,829	1,004,680	1,051,700	1,104,600
TOTAL WORKING EXPENSES	1,941,848	2,026,310	2,085,084	2,147,700	2,154,600
NET PROFIT	1,356,569	1,333,859	1,321,970	1,528,700	1,446,300
<i>Protective Works.</i>					
Capital outlay to end of year	2,736,094	3,112,121	3,444,204	3,814,200	4,291,900
Direct receipts	33,980	58,066	51,061	57,900	66,800
Land Revenue due to Irrigation	6,271	6,230	7,940	9,100	9,100
TOTAL RECEIPTS	40,251	64,296	59,001	67,000	75,900
Working Expenses	25,449	28,730	29,217	42,700	55,900
Interest on debt	86,619	97,882	110,730	122,600	136,900
TOTAL WORKING EXPENSES	112,068	126,612	139,947	165,300	192,800
NET LOSS	71,817	62,316	80,946	98,300	116,900
<i>Minor Works and Navigation.</i>					
Direct receipts	219,334	235,691	228,465	243,400	244,300
Expenditure	879,339	889,435	877,728	848,400	909,300
NET LOSS	660,005	653,744	649,263	605,000	665,000

44. On the 31st March 1911, 58,251 miles of main and branch canals and distributaries had been constructed, commanding 48 million acres of culturable land, the area irrigated in 1910-11 being about 22 million acres. The productive works during that year yielded a net return of 7.66 per cent on the capital outlay of £30 millions after paying all charges exclusive of interest. The net profit to the State was £1,322,000.

45. The revised estimate for 1911-12 shows a net profit of £1,529,000 on productive works and a net return of 8.07 per cent on the capital outlay of £32 millions. Excluding works still under construction the net return on the balance of the capital expended (£26 millions) amounts to 9.78 per cent.

46. On the 31st March 1912 we expect to have 58,684 miles of main and branch canals and distributaries constructed to command 48,734,000 acres of culturable land. It is expected that an area of nearly 22½ million acres will be irrigated during the year. In addition to the canals in operation, there are altogether 55 projects which are either under construction, awaiting sanction or being examined by the professional advisers of the Government. Of these 26 are productive, 23 protective and 6 minor works. The two former are designed to irrigate 8.80 and 1.18 million acres, respectively, at a total capital cost of about £31 millions and £6½ millions, respectively. The productive works are expected to yield a net return of 7.28 per cent on the outlay.

47. Of the projects referred to in paragraph 48 of the last year's Financial Statement, the Ghaggar, Twante, Mahanadi and Wainganga canals were sanctioned during the year. The other three schemes, viz., the Cauvery Reservoir Project, the Sukkur Barrage and the Rohri Left Bank canal are still under the consideration of the

Government of India. Another most important scheme which is now before the Government of India is the Sarda-Ganges-Jumna Feeder project, mentioned in paragraph 63 of the Financial Statement for 1909-10. This work is estimated to irrigate 1,528,400 acres situated in two Provinces, twenty-five districts and three Native States. An estimate for providing permanent Head Works for the Upper Ganges canal, amounting to nearly Rs 26 lakhs, is about to be submitted to the Secretary of State for sanction. This work will serve to render the water supplies of the Upper Ganges and Agra canals more assured during critical times. Satisfactory progress continues to be made in the construction of the triple canals in the Punjab. The probable dates of opening of the three canals are as follows :—

Upper Chenab canal—May or at latest October 1912.

Upper Jhelum and Lower Bari Doab—1914.

The works on the Upper Swat River canal in the North-West Frontier Province are now about half finished and are proceeding satisfactorily.

Provincial Finance.

48. In saying a few words on the provincial finances I have no intention to try the patience of the Council with a disquisition such as it was necessary to impose upon them a year ago. The scheme of permanent financial settlements which I then described is still in its infancy, though it could not have had a much better start than the current year has given it. The only province that has caused us any anxiety is Burma where the revenue has been disappointing and the turn of the tide has not yet come. In order to prevent either a large overdraft, which under our new arrangements is inadmissible, or practically a complete suspension of its public works, we have made the province a special gift of £133,000 to be spent on the improvement of its communications. The other provinces have all fared extremely well, and I have every hope that the permanence of their settlements will strengthen the spirit of economy and self-reliance in the provincial administrations, while leaving them ample margin for all legitimate expansion.

49. The even tenor of our way, however, was broken by a cause which none of us foresaw a year ago. The re-constitution of Bengal means the abrogation of the settlements with the two existing provinces, and has led to the formation of new settlements with the three provinces which are now to take their place. Such settlements we have now framed, and the budgets for next year have been drawn up in accord with them. It was obviously impossible to endow the new arrangements with the same permanency as in the older provinces. In Behar and Orissa there must be a considerable amount of initial expenditure before the province settles down to normal conditions, and in Assam it will be some little time before we can estimate the permanent requirements of a tract which shows promise of important developments. Moreover the methods adopted in framing the settlement standards were of necessity in some measure tentative and provisional. The arrangements which we have concluded therefore are for three years, in the hope that, after that period expires, it will be possible to gauge the needs of the new provinces with sufficient accuracy to justify us in giving them permanent settlements.

50. In all other respects our temporary settlements follow the ordinary lines. In each of the three provinces the Imperial exchequer will receive one-half of the receipts from Land Revenue and one-half of the net receipts from Stamps and Assessed Taxes. In Bengal and in Behar and Orissa it will take half the net Irrigation revenue as well, and in the latter province one quarter of the net receipts from Excise. All other revenue and expenditure will be wholly provincial, and the shares which I have mentioned have been chosen with a view to bring the provincial accounts as near to equilibrium as possible, so that the local Governments may get the full advantage of their growing revenues. The standards of expenditure have been fixed with moderate liberality, and besides distributing the existing balances we have strengthened the reserves of the new provinces by initial grants aggregating £782,000. The provinces will thus start their 1912-13 accounts with the following opening balances: Assam with £267,000; Behar and Orissa with £833,000; and Bengal proper with a round £1,000,000. These figures exclude the grants made from the opium windfall in the current year; and the Bengal figure includes £267,000 held for the Calcutta Improvement Trust. Behar and Orissa is treated well

because it needs substantial assistance in the task of establishing a new head-quarters. Assam is a country of much promise, where we believe that judicious expenditure on communications and colonizing will amply repay itself in time. Bengal proper has been contending for some years against serious financial difficulties, which we are glad to mitigate, particularly if we thereby facilitate the steady improvement of the administration in the Eastern districts. We trust that our liberality will be justified, and that it will be regarded as an earnest of our desire for the well-being of the three new administrations.

Ways and Means.

51. The management of our cash balances, and the provision of adequate funds for all the multifarious claims upon them, have presented no difficulty in the current year. Our capital programme for 1911-12 was the expenditure of £9½ millions on Railways and about £1¼ millions on Irrigation. We proposed to pay off roughly £2¾ millions of debentures, bonds and floating debt; while on the other hand we meant to add £1½ millions in India and £4½ millions in England (the latter partly borrowed by Railway companies) to our permanent debt. We expected that our cash balances in England and India combined would be reduced from £28½ to £21¼ millions, exclusive in each case of the uninvested portion of the Gold Standard Reserve. The Secretary of State's Treasury drawings were taken in the budget at nearly £16 millions.

52. The actual position has been stronger throughout. The total capital outlay (excluding a small sum for Imperial Delhi) has been only £9¾ millions, Irrigation having used a small fraction of the Railway lapses. The repayment of debt has been what we took in the budget:—£1¾ millions of Madras and Indian Midland Railway debentures, £½ million of annual drawings from our Indian Bonds and £½ million of India Bills withdrawn. We have borrowed as we proposed in India: but the operations of our Railway companies in the London market have not been what we expected, and the total addition to our permanent sterling debt has been only a little over £2¾ millions. Nevertheless, our cash balances have fallen only from £30¼ to £29¾ millions. The great improvement is due chiefly to the growth of the surplus, both Imperial and Provincial; to a large increase in savings banks deposits; and to bigger credits from departmental and judicial deposits. The Secretary of State's drawings against our Treasury balances have, owing to an active trade demand, been much higher than we provided for. They will probably be as heavy as £24½ millions; our surplus funds in India being thereby transferred to London, so that while our Indian closing balance is a little under 18 crores, that of the Home treasury will be about £17½ millions.

53. In 1912-13 we shall have to finance a capital programme of £9,000,000 for Railways and of £1,416,000 for Irrigation, as well as to find £1,333,000 for Imperial Delhi. We also have Madras and Indian Midland Railway debentures to the value of £1,478,000 falling due; and it is proposed to repay the whole of our outstanding India Bills of £4,500,000, as well as to meet the usual £500,000 drawings of India Bonds. Our special liabilities outside the revenue accounts thus come to roughly £18¼ millions, which it is intended to finance as follows. We shall have our estimated revenue surplus of £1,512,000. It is proposed to raise a loan of 3 crores (£2,000,000) in India and another of £3,000,000 in England; while it is hoped to obtain £1,810,000 through Railway Companies, apart from the money they raise for the discharge of debentures. This will give us about £8¼ millions, and for the remaining £10 millions it may, for all practical purposes, be assumed that we shall draw on our high cash balances. The result of these, and of a host of minor and more everyday transactions, will be to reduce our balances on the 31st of March 1913 to approximately £19 millions. We estimate that the Secretary of State will sell Council Bills and Telegraphic Transfers upon us to the extent of £15½ millions; and the result will be to leave £6 millions in the Home treasury and 19½ crores in India. We may regard 2 crores as being kept in hand for future expenditure on Imperial Delhi.

54. Besides the £15½ millions of drawings which I have estimated above, the Secretary of State will as usual sell additional bills on India so far as our resources may permit, if there is a sufficient demand for them. All my announcements about loans and drawings are subject to the ordinary reservations: the Secretary of State and the Government of India retaining full discretion to vary the amounts mentioned above in any way and to any extent that may be thought advisable.

Retrospect and Conclusion.

55. And now, my Lord, I have nearly finished. But, before I sit down, I may be permitted a few words of retrospect. This is the last session of Your Excellency's

Legislative Council which will be held in this chamber, and this year is the closing year of the first triennial term for which the present Council was appointed under the new regulations. Next year we shall meet in different surroundings, and there will probably be a number of new faces among us. In such circumstances it is not unnatural that we should look back across the last three years and register the progress we have made. When I laid my first budget before the Legislative Council of the old régime in March 1909, I ventured to forecast the results of the then impending reforms on the branch of Government business which is immediately under my charge. I said that I did not fear the change. I believed that, though there would be increased and more searching criticism, it would proceed not from any intention to embarrass a public servant who was honestly trying to do his duty, but rather from a desire to help him to effect improvement. I said that I should welcome criticism, because I believed that my critics would be actuated by a common desire to improve the work of those who govern and the condition of those who have to bear taxation.

56. My Lord, I may confidently say that that forecast has been fully realised. It is not the time to sum up the influence which this Council has exercised on the general administration of India, or to estimate the services that it has rendered alike to the rulers and to the ruled. But I can testify unhesitatingly to the power that the Council holds for good in directing attention to the finances of the country, in scrutinizing expenditure, and in advising the Government on the employment of the public funds. I have always found the criticisms of my non-official colleagues temperate, suggestive and helpful. Unable though we may at times have been to accept their opinions at once, they have not been without their effect on our subsequent arrangements; and even where we wholly disagreed, they have shown us fresh points of view and warned us of probable dangers. It is no exaggeration to say that the free interchange of views which this Council stimulates, has already become a powerful factor for good in the financial policy of India.

57. It is not, however, the tendency of financial thought on which I wish to dwell to-day, so much as the movement of our finances themselves during the last three years. Measured by figures, this has been very striking. The year in which the new Council was elected, 1909-10, was one of slow and painful recovery from the effects of the famine and the international financial crisis of 1907. The shears of economy had to be brought out; but no great retrenchment was possible with the necessary promptitude, and some of the provinces—particularly Eastern Bengal and Assam—were in serious difficulties like ourselves. There was also every prospect of a serious collapse in our opium revenue. The whole position was gloomy when the first of its budgets was laid before the new Council, and it was my unpleasant duty to announce the imposition of new taxes. I am not going to fight all that battle over again. Recent events have somewhat obscured the necessity for the measures which we took in March 1910; but I believe they have caused the minimum of hardship; and I am confident that time will justify them, when our opium revenue ultimately dwindles and our other resources are strained by the growing demand for more schools and healthier homes.

58. In 1909-10 we took in hand what I had recognized at a very early stage to be one of the main dangers of our financial stability, *viz.*, our liability for provincial expenditure and our somewhat ineffective control over it. A scheme of permanent provincial settlements was worked out, defining the resources of local Governments and providing a specific procedure for enforcing their financial responsibilities. That scheme is now in force, and I believe that it will be found a source of strength to ourselves and an incentive to economy in the provinces. This reform and a steady campaign against avoidable expenditure occupied most of our energies in 1909-10. But simultaneously the tide turned after the long depression which had begun in 1907, and since then there has been an almost unchecked advance in financial well-being.

59. The actual figures of the period which I am reviewing may be stated very briefly. In 1909-10 the total revenue of India, excluding the gross opium receipts, was £69,100,000; in 1912-13 we expect that it will be £75,700,000. In 1909-10 the total expenditure of India was £73,100,000; for 1912-13 we are taking it at £79,300,000. The growth of normal revenue in the four years has been £6,600,000; the growth of expenditure has been only £6,200,000; and part of this latter figure represents special and non-recurring outlay (probably close on £900,000) out of the opium windfalls of the last two years. We are thus steadily building up our bulwarks against the dangers and the needs of the future. I am indebted to my official colleagues for their cordial co-operation in a policy of economy which, though it is now beginning to bear fruit, must often have been a disagreeable duty, and which I could not possibly have carried through without their assistance and support.

60. An analysis of the expenditure of the period gives remarkable results. The growth in our total spending has been, as I have mentioned, from £73·1 millions to £79·3 millions, or $8\frac{1}{2}$ per cent. Within these totals, however, expenditure on education has risen from £1,705,000 to £3,043,000, or by 78 per cent.; and on medical and sanitary services from £968,000 to £1,683,000, or by 73 per cent. During the same four years the growth in Police expenditure has been only 10 per cent. and on our Military services it has been less than 1 per cent. There are obvious qualifications to all-round percentage comparisons like these: but they do not obscure the main issue, the paramount importance that has been given, during the lifetime of this Council, to the furtherance of the objects which I know the Council has closely at heart. I might allude also to the increase in our provision for Irrigation, both productive and protective; but time is short and I must pass on to the more-general aspects of our financial situation.

61. The most faithful reflex of our general position would be found in an analysis of our public debt and the statistics of our foreign trade; but unfortunately figures for neither of these are yet available for the whole of the period which I am reviewing. So far as our statistics go, there is clear evidence that the additions to our debt since 1908 have been more than covered by the value of the railways and irrigation works which they have helped us to construct and acquire. Our borrowings, both in England and in India, have been studiously moderate; and we have not yet approached the full £12½ millions railway programme which has been advocated. The £6 millions of floating debt which we had to raise in 1908 has been very much on my mind: but it will, if all goes well, be completely repaid next year, thanks in a large measure to our opium windfalls. The condition of our public debt is healthy. About our external trade I have already spoken at some length. Its total monetary value in 1909-10 was roughly 350 crores (excluding Government transactions): in the current year it will touch 415 crores. Even if we discount the element of high prices, this represents a great advance in trade and industry: and as the balance is steadily in our favour, it means a strong exchange, good credit, and a ready inflow of the capital which India so badly wants for the development of its magnificent resources.

62. The mention of exchange brings me very close to currency. Our currency system has had a remarkable history—a history of which we may be pardonably proud—during the last three years. For a detailed examination of the present position, I cannot do better than refer Honourable Members, if they have not already studied it, to the admirable report on the operations of our Paper Currency department which our present Comptroller-General, Mr. Gillan, published in October last. It contains an able and illuminating analysis of the movements and tendencies of our currency, and exemplifies the new spirit with which I trust that these important developments will be watched and guided. Three years ago, when this Council considered their first budget, the position was unique. Our mints had stopped fresh coinage for over a year. The adverse balance of trade in 1908 had forced us to draw on our Gold Standard Reserve in defence of exchange; and against the gold thus released we had received and withdrawn from circulation in India the enormous quantity of 120 million rupees. Mainly through this cause our rupee reserves at the beginning of 1909-10 were enormously strong: between our currency chests and the silver branch of the Gold Standard Reserve we had altogether 47 crores at our command; and in the strength of that accumulation we have been meeting all demands upon us ever since. The absorption of rupees in the intervening three years has been about 32 crores; and by whatever test the figures are tried, it is clear that the demand has been less active than in the earlier years of the century, when the resources of our mints were severely strained to meet the calls of trade for silver currency. This change in the habits of India, swift and momentous in its possibilities, has defeated the calculations of the silver speculators. It has also absolved me from the necessity of undertaking fresh coinage, in spite of no inconsiderable pressure from interested quarters.

63. To my mind it is a matter of no small satisfaction that the country is taking kindly to other forms of currency. We cannot look for rapid progress in the use of cheques and other banking substitutes for metallic money. But the extended employment of sovereigns and of currency notes will lighten our burdens materially and must lead to greater elasticity and economy. I am particularly hopeful that the sovereign will push its way into popular favour. During 1909-10 no less than £9 millions were imported: in the following year over £8 millions; and up to December of the current year, a further £8½ millions. I do not attach too much importance to the spasmodic issues of gold for the movement of certain harvests in the more advanced areas. But I am convinced

that these masses of imported sovereigns will not all disappear into hoards or the melting-pot; and that, as the people become more familiar with them, their use as genuine currency will very largely extend. The habit will probably come with a rush, as other changes have come in India.

64. No better precedent could be found for the change than the remarkable growth of our paper currency. In March 1909 the volume of the note circulation was 45½ crores. In August 1911 it overtopped 60 crores, and it is now rarely under 55 crores. We can hardly doubt that this rapid development had a share in easing off the demand for rupees. Nor is there any question that it in turn owes its success to the bold policy of universalizing all notes from ₹100 downwards. The old circle system was devised as a precaution against the use of notes as remittances. Its abolition (except for high value notes) has shown that what the people may remit freely, they will treat with all the more confidence as currency; and we have the unquestioned authority of the Comptroller General for saying that no inconvenience whatever has resulted from the extension of the universal notes.

65. In all these ways our currency system has made notable progress in the last three years. We have fortunately been able to refrain from the fresh coinage of silver: we have seen an imposing volume of gold flow into the country by perfectly natural channels: and the people have taken with avidity to a paper currency from which a number of obsolete restraints have been removed. If the free circulation of gold is not so much nearer as some of us would wish, it is certainly no further off. And during these three years our gold reserves have been greatly strengthened and their functions have been more clearly defined. I am well aware how robust and general is the feeling in India that the Gold Standard Reserve should be raised to a still higher minimum, and I confess to a lingering hope that this may yet be found practicable. But the matter rests in the hands of the Secretary of State for India, who keeps and controls the reserve, and who has accepted a wide responsibility for making it effective.

66. In the review which I have now given of the expenditure during the last three years, it will be seen how markedly the character of the allotment to certain services has changed.

Hon'ble Members will, I think, look back with satisfaction on the steady increase which has taken place during the first period of the life of the reformed Council in the expenditure on Sanitation and Education.

India owes a debt of gratitude to Mr. Gokhalé for pressing to the forefront the claims of Education.

He has been fortunate in being able to do so during the Viceroyalty of one who has Education as much at heart as has Mr. Gokhalé himself.

If I may be pardoned an indiscretion, I may mention that on the very first occasion when I discussed finance with His Excellency, very soon after he assumed his high office, he expressed a hope that the burdens on the people would not be increased. He added that his chief desire was, that the amelioration of sanitation and the wide and comprehensive diffusion of education should form the chief features of his Viceroyalty.

It will be admitted, I hope, that I have endeavoured, by the provision of money, to second Mr. Gokhalé's efforts, to support the Honourable Member in charge of Education, and to give effect to His Excellency's heartfelt desire.

67. The trend of expenditure is upward; but it is indeed a hopeful feature of the financial and political progress of this country that the growth of expenditure is occasioned, not by costly military operations, not by exaggerated railway expenditure, not by wasteful extravagance in administration; but by well-considered outlay on services which tend to the moral and material progress of the Indian people.

GUY FLEETWOOD WILSON.

1st March 1912.

FINANCIAL STATEMENT

OF THE

GOVERNMENT OF INDIA

MARCH 1912.

ACCOUNTS	1910-1911
REVISED ESTIMATES	1911-1912
BUDGET ESTIMATES	1912-1913

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FINANCIAL STATEMENT OF THE

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

	For details, <i>vide</i> State- ment.	Accounts, 1910-1911.	Budget Estimate, 1911-1912.	Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.
Revenue—					
Principal Heads of Revenue—					
		£	£	£	£
Land Revenue	A	20,877,521	21,418,800	20,458,900	21,349,300
Opium	"	7,521,962	4,280,400	5,856,700	3,622,000
Salt	"	3,175,950	3,291,700	3,356,500	3,387,800
Stamps	"	4,811,691	4,799,600	4,739,700	4,881,300
Excise	"	7,030,314	7,226,400	7,613,500	7,867,900
Customs	"	6,619,009	6,214,000	6,544,400	6,398,300
Other Heads	"	5,010,538	5,063,100	5,139,400	5,227,800
TOTAL PRINCIPAL HEADS . . . . .	...	55,046,985	52,294,000	53,709,100	52,734,400
Interest	A	1,465,439	1,177,000	1,448,200	1,227,300
Post Office	"	1,996,922	2,136,100	2,122,400	2,218,900
Telegraph	"	997,159	1,046,400	1,066,400	1,065,100
Mint	"	196,110	198,500	341,000	205,700
Receipts by Civil Departments	"	1,211,123	1,211,600	1,206,700	1,226,600
Miscellaneous	"	677,891	600,300	733,200	552,400
Railways : Net Receipts	"	13,881,461	13,963,600	15,151,100	14,540,200
Irrigation	"	3,694,521	3,824,100	3,986,800	3,921,100
Other Public Works	"	293,833	335,300	349,900	296,700
Military Receipts	"	1,221,029	1,248,000	1,333,100	1,318,000
TOTAL REVENUE . . . . .	...	80,682,473	78,034,900	81,447,900	79,306,400

N. G. BASU,
Offg. Deputy Comptroller General.

FORT WILLIAM,
FINANCE DEPARTMENT,
March 1, 1912.

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

	For details, vide Statement.	Accounts, 1910-1911.	Budget Estimate, 1911-1912.	Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.
Expenditure—					
		£	£	£	£
Direct Demands on the Revenues	B	8,856,223	9,071,000	8,706,600	8,803,700
Interest	"	2,168,902	2,125,100	2,079,800	2,045,200
Post Office	"	1,950,892	2,021,000	2,037,300	2,049,200
Telegraph	"	976,832	1,093,600	1,116,900	1,094,500
Mint	"	92,369	93,800	115,600	101,400
Salaries and Expenses of Civil Departments	"	14,931,367	16,858,400	16,458,300	17,440,900
Miscellaneous Civil Charges	"	4,810,767	4,886,700	4,932,800	4,908,100
Famine Relief and Insurance	"	1,000,000	1,000,000	1,000,000	1,000,000
Railways : Interest and Miscellaneous Charges	"	11,863,965	12,113,800	12,161,800	12,518,300
Irrigation	"	3,110,134	3,343,600	3,175,900	3,308,300
Other Public Works	"	4,537,462	5,501,500	5,379,600	5,610,800
Military Services	"	20,486,071	20,823,200	20,923,800	20,412,500
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL . . . . .	...	74,784,984	78,931,700	78,088,400	79,292,900
<i>Add—</i> Provincial Surpluses : that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	1,961,202	...	609,500	...
<i>Deduct—</i> Provincial Deficits : that is, portion of Provincial Expenditure defrayed from Provincial Balances.	"	...	1,716,000	...	1,498,100
TOTAL EXPENDITURE CHARGED TO REVENUE . . . . .	...	76,746,186	77,215,700	78,697,900	77,794,800
SURPLUS . . . . .	...	3,936,287	819,200	2,750,000	1,511,600
TOTAL . . . . .	...	80,682,473	78,034,900	81,447,900	79,306,400

R. W. GILLAN,
Comptroller General.

J. S. MESTON,
Secretary to the Government of India.

FINANCIAL STATEMENT OF THE

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

	For details, <i>vide</i> Statement.	RECEIPTS.			
		Accounts, 1910-1911.	Budget Estimate, 1911-1912.	Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.
		£	£	£	£
Surplus	C	3,936,287	819,200	2,750,000	1,511,600
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards Outlay on State Railways (net)	C	2,294,278	1,357,500	...	...
Capital raised and deposited by Railway Companies (net)	"	87,241	36,500	28,900	1,965,600
Debt, Deposits, and Advances—					
Permanent Debt (net Incurred)	C	8,896,956	2,088,900	1,825,900	2,931,100
Unfunded Debt (net Incurred)	"	1,164,908	1,123,300	1,760,400	1,318,700
Deposits and Advances (net)	"	1,550,367	...	1,731,100	...
Loans and Advances by Imperial Government (net Repayments)	"	174,074	...	175,400	...
Loans and Advances by Provincial Governments (net Repayments)	"	576,135	30,900	...	...
Loans to Local Boards for Railway Construction	"	6,328	6,600	6,600	6,900
Remittances (net)	"	203,370	2,200	835,100	3,400
Secretary of State's Bills drawn	"	23,638,303	15,825,000	24,500,000	15,500,000
TOTAL RECEIPTS . . . . .	...	42,528,247	21,290,100	33,613,400	23,237,300
Opening Balance—India . . . . .	...	12,295,428	12,465,528	13,566,922	11,807,022
England . . . . .	...	15,809,618	17,543,418	18,174,349	18,543,949
TOTAL . . . . .	...	70,633,293	51,299,046	65,354,671	53,588,271

FORT WILLIAM,
FINANCE DEPARTMENT;
March 1, 1912.

N. G. BASU,
Offg. Deputy Comptroller General.

Government of India, in India and in England.

	For details, vide Statement.	DISBURSEMENTS			
		Accounts, 1910-1911.	Budget Estimate, 1911-1912.	Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.
		£	£	£	£
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	C	1,203,888	1,266,700	1,592,500	1,415,500
Outlay on State Railways	"	8,915,205	8,103,200	7,196,500	7,836,700
Initial outlay on new Capital at Delhi . . . . .	"	...	...	166,700	1,333,300
Outlay of Railway Companies (net)	"	—1,375,963	1,434,000	988,600	1,319,500
Capital involved in Redemption of Railway Liabilities	"	5,904,100	—	...	...
TOTAL CAPITAL ACCOUNT DISBURSEMENTS . . . . .	...	14,647,230	10,803,900	9,944,300	11,905,000
Debt, Deposits, and Advances—					
Temporary Debt (net Discharged)	C	1,000,000	500,000	500,000	4,50,000
Deposits and Advances (net)	"	...	1,339,500	...	1,081,300
Loans and Advances by Imperial Governments (net Advances)	"	...	114,200	...	32,100
Loans and Advances by Provincial Governments (net Advances) . . . . .	"	...	...	328,200	240,000
Secretary of State's Bills paid	"	23,244,792	15,825,700	24,231,206	15,769,000
TOTAL DISBURSEMENTS . . . . .	...	38,892,022	28,583,300	35,003,700	33,527,400
Closing Balance—India . . . . .	...	13,566,922	12,483,228	11,807,022	13,086,422
England . . . . .	...	18,174,349	10,232,518	18,543,949	6,974,449
TOTAL . . . . .	...	70,633,293	51,299,046	65,354,671	53,588,271

R. W. GILLAN,
Comptroller General.

J. S. MESTON,
Secretary to the Government of India

FINANCIAL STATEMENT OF THE

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1910-1911.					REVISED	
	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at Rs 15=£1).	England.	TOTAL.	INDIA. (RUPEE FIGURES.)	
	Imperial.	Provincial.				Imperial.	Provincial.
Principal Heads of Revenue—							
I.—Land Revenue	9,50,36,230	21,81,26,578	20,877,521	...	20,877,521	11,35,56,000	19,33,28,000
II.—Opium	11,28,29,433	...	7,521,962	...	7,521,962	8,78,51,000	...
III.—Salt	4,76,39,253	...	3,175,950	...	3,175,950	5,03,47,000	...
IV.—Stamps	3,65,70,770	3,56,04,593	4,811,691	...	4,811,691	3,60,57,000	3,50,38,000
V.—Excise	5,37,76,727	5,16,77,988	7,030,314	...	7,030,314	3,39,08,000	8,02,95,000
VI.—Provincial Rates	3,370	83,12,307	554,378	...	554,378	13,000	83,26,000
VII.—Customs	9,92,85,138	...	6,619,009	...	6,619,009	9,81,65,000	...
VIII.—Assessed Taxes	1,33,41,891	1,05,57,622	1,593,301	...	1,593,301	1,35,80,000	1,10,15,000
IX.—Forest	1,42,05,664	1,32,37,694	1,829,557	...	1,829,557	9,55,000	2,77,38,000
X.—Registration	58,734	63,29,091	425,855	...	425,855	67,000	64,23,000
XI.—Tributes from Native States	91,11,699	...	607,447	...	607,447	89,74,000	...
TOTAL	48,18,58,909	34,38,45,873	55,046,985	...	55,046,985	44,34,73,000	36,21,63,000
XII.—Interest	1,08,42,013	49,57,573	1,053,306	412,133	1,465,439	1,04,33,000	45,70,000
XIII.—Post Office	2,99,53,836	...	1,996,922	...	1,996,922	3,18,36,000	...
XIV.—Telegraph	1,48,92,327	...	992,822	4,337	997,159	1,59,21,000	...
XV.—Mint	29,41,653	...	196,110	...	196,110	51,13,000	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	2,62,815	43,97,132	310,663	...	310,663	3,07,000	45,21,000
{ Jails	3,50,615	32,16,252	237,791	...	237,791	3,65,000	32,58,000
XVII.—Police	1,70,778	21,59,814	155,373	...	155,373	52,000	17,33,000
XVIII.—Ports and Pilotage . . . . .	...	21,97,963	146,531	...	146,531	...	21,97,000
XIX.—Education	37,013	27,17,533	183,636	...	183,636	40,000	29,99,000
XX.—Medical	8,352	9,35,014	62,891	806	63,697	8,000	9,57,000
XXI.—Scientific and other Minor Departments	1,79,053	15,03,520	112,172	1,260	113,432	2,16,000	14,20,000
TOTAL	10,08,626	1,71,27,228	1,209,057	2,066	1,211,123	9,88,000	1,70,85,000
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	1,242,785	749,227	132,801	62,688	195,489	12,05,000	7,75,000
XXIII.—Stationery and Printing	6,80,974	7,83,868	97,656	...	97,656	6,53,000	8,01,000
XXIV.—Exchange	10,51,256	...	70,084	...	70,084	15,85,000	...
XXV.—Miscellaneous	15,18,748	27,56,383	285,009	29,653	314,662	20,43,000	25,91,000
TOTAL	44,93,763	42,89,478	585,550	92,341	677,891	54,86,000	41,67,000
Railways—							
XXVI.—State Railways (Gross Receipts)	45,93,47,555	95,331	30,629,526	230	30,629,756	49,51,95,000	1,05,000
Deduct:—Working Expenses	24,47,73,602	80,826	16,323,629	...	16,323,629	26,23,17,000	83,000
Surplus profits paid to Companies, etc.	69,60,184	...	464,012	...	464,012	64,88,000	...
Net Receipts	20,76,13,769	14,505	13,841,885	230	13,842,115	22,63,90,000	22,000
XXVII.—Guaranteed Companies (Net Traffic Receipts) . . . . .	...	...	...	...	...	...	...
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of Advances of Interest)	2,03,920	...	13,595	25,751	39,346	1,80,000	...
TOTAL	20,78,17,689	14,505	13,855,480	25,981	13,881,461	22,65,70,000	22,000
Irrigation—							
XXIX.—Major Works: Direct Receipts	1,51,68,147	1,91,52,611	2,288,051	...	2,288,051	1,47,67,000	2,08,16,000
Portion of Land Revenue due to Irrigation	1,01,86,223	74,83,855	1,178,005	...	1,178,005	1,12,23,000	93,45,000
XXX.—Minor Works and Navigation	10,88,639	23,38,341	228,465	...	228,465	14,14,000	22,37,000
TOTAL	2,64,43,009	2,89,74,807	3,694,521	...	3,694,521	2,74,04,000	3,23,98,000
Other Public Works—							
XXXI.—Civil Works	4,99,275	36,17,224	273,833	20,000	293,833	10,42,000	42,07,000
Military Receipts—							
XXXII.—Army: Effective	84,07,438	...	560,496	387,658	948,154	93,07,000	...
Non-Effective	11,87,317	...	79,154	31,341	110,495	12,43,000	...
XXXIII.—Marine	95,94,755	...	639,650	418,999	1,058,649	1,05,50,000	...
XXXIV.—Military Works	13,76,810	...	91,787	...	91,787	11,89,000	...
TOTAL	1,20,30,453	...	802,030	418,999	1,221,029	1,28,76,000	...
TOTAL REVENUE	79,27,72,553	40,28,26,688	79,706,616	975,857	80,682,473	78,11,42,000	42,46,12,000

India, in India and in England.

ESTIMATE, 1911-1912.			Increase + Decrease— as compared with Budget Estimate, 1911-1912.	BUDGET ESTIMATE, 1912-1913.						Increase + Decrease— of Budget, 1912-1913, as compared with Budget Estimate, 1911-1912.	Increase + Decrease— of Budget, 1912-1913, as compared with Revised Estimate, 1911-1912.
Total India (converted into £ at Rs=£1).	England.	TOTAL.		INDIA. (RUPEE FIGURES.)		Total India (converted into £ at Rs=£1).	England.	TOTAL.			
				Imperial.	Provincial.						
£ 20,458,900	£ ...	£ 20,458,900	£ -959,900	₹ 14,51,30,000	₹ 17,51,09,000	£ 21,349,300	£ ...	£ 21,349,300	£ -69,500	£ +890,400	
5,856,700	...	5,856,700	+1,576,300	5,43,31,000	...	3,622,000	...	3,622,000	-658,400	-2,234,700	
3,356,500	...	3,356,500	+64,800	5,08,17,000	...	3,387,800	...	3,387,800	+96,100	+31,300	
4,739,700	...	4,739,700	-59,900	3,71,20,000	3,60,99,000	4,881,300	...	4,881,300	+81,700	+141,600	
7,613,500	...	7,613,500	+387,100	3,28,28,000	8,51,90,000	7,867,900	...	7,867,900	+641,500	+254,400	
555,900	...	555,900	+10,900	17,000	82,39,000	550,400	...	550,400	+5,400	-5,500	
6,544,400	...	6,544,400	+330,400	19,59,75,000	...	6,398,300	...	6,398,300	+184,300	-146,100	
1,639,700	...	1,639,700	+36,300	1,36,16,000	1,10,65,000	1,645,400	...	1,645,400	+42,000	+5,700	
1,912,800	...	1,912,800	+47,300	10,80,000	2,86,87,000	1,984,500	...	1,984,500	+119,000	+71,700	
432,700	...	432,700	+2,300	66,000	65,88,000	443,600	...	443,600	+13,200	+10,900	
598,300	...	598,300	-20,500	90,59,000	...	603,900	...	603,900	-14,900	+5,600	
53,709,100	...	53,709,100	+1,415,100	44,00,39,000	35,09,77,000	52,734,400	...	52,734,400	+440,400	-974,700	
1,000,200	448,000	1,448,200	+271,200	1,03,91,000	41,45,000	969,100	258,200	1,227,300	+50,300	-220,900	
2,122,400	...	2,122,400	-13,700	3,32,84,000	...	2,218,900	...	2,218,900	+82,800	+96,500	
1,061,400	5,000	1,066,400	+20,000	1,58,94,000	...	1,059,600	5,500	1,065,100	+18,700	-1,300	
340,900	100	341,000	+142,500	30,86,000	...	205,700	...	205,700	+7,200	-135,300	
321,900	...	321,900	+19,000	2,57,000	45,68,000	321,700	...	321,700	+18,800	-200	
241,500	...	241,500	+1,500	3,68,000	33,74,000	249,500	...	249,500	+9,500	+8,000	
119,000	...	119,000	-32,100	49,000	15,64,000	107,500	...	107,500	-43,600	-11,500	
146,500	...	146,500	+3,800	...	21,93,000	146,200	...	146,200	+3,500	-300	
202,600	...	202,600	+2,100	43,000	31,48,000	212,700	...	212,700	+12,200	+10,100	
64,300	800	65,100	+1,800	8,000	9,59,000	64,500	800	65,300	+2,000	+200	
109,100	1,000	110,100	-1,000	2,88,000	15,51,000	122,600	1,100	123,700	+12,600	+13,600	
1,204,900	1,800	1,206,700	-4,900	10,13,000	1,73,57,000	1,224,700	1,900	1,226,600	+15,000	+19,900	
132,000	67,400	199,400	+4,700	12,11,000	7,99,000	134,000	65,100	199,100	+4,400	-300	
96,900	...	96,900	+100	6,02,000	8,23,000	95,000	...	95,000	-1,800	-1,900	
105,700	...	105,700	+105,700	...	...	...	...	...	...	-105,700
308,900	22,300	331,200	+22,400	11,38,000	24,92,000	242,000	16,300	258,300	-50,500	-72,900	
643,500	89,700	733,200	+132,900	29,51,000	41,14,000	471,000	81,400	552,400	-47,900	-180,800	
33,020,000	200	33,020,200	+1,586,600	48,84,00,000	1,00,000	32,566,700	200	32,566,900	+1,133,300	-453,300	
17,493,400	...	17,493,400	-346,700	26,49,15,000	85,000	17,666,700	...	17,666,700	-520,000	-173,300	
432,500	...	432,500	-55,000	61,67,000	...	411,100	...	411,100	-33,600	+21,400	
15,094,100	200	15,094,300	+1,184,900	21,73,18,000	15,000	14,488,900	200	14,489,100	+579,700	-605,200	
...	
12,000	44,800	56,800	+2,600	1,90,000	...	12,600	38,500	51,100	-3,100	-5,700	
15,106,100	45,000	15,151,100	+1,187,500	21,75,08,000	15,000	14,501,500	38,700	14,540,200	+576,600	-610,900	
2,372,200	...	2,372,200	+60,300	1,44,90,000	1,98,97,000	2,292,500	...	2,292,500	-19,400	-79,700	
1,371,200	...	1,371,200	+104,200	1,13,22,000	94,42,000	1,384,300	...	1,384,300	+117,300	+13,100	
243,400	...	243,400	-1,800	14,06,000	22,59,000	244,300	...	244,300	-900	+900	
3,986,800	...	3,986,800	+162,700	2,72,18,000	3,15,98,000	3,921,100	...	3,921,100	+97,000	-65,700	
349,900	...	349,900	+14,600	4,47,000	40,03,000	296,700	...	296,700	-38,600	-53,200	
620,500	442,700	1,063,200	+79,200	1,07,37,000	...	715,800	326,800	1,042,600	+58,600	-20,600	
82,900	32,000	114,900	+8,000	12,05,000	...	80,300	32,000	112,300	+5,400	-2,600	
703,400	474,700	1,178,100	+87,200	1,19,42,000	...	796,100	358,800	1,154,900	+64,000	-23,200	
79,200	...	79,200	-11,200	13,66,000	...	91,100	...	91,100	+700	+11,500	
75,800	...	75,800	+9,100	10,80,000	...	72,000	...	72,000	+5,300	-3,800	
858,400	474,700	1,333,100	+85,100	1,43,88,000	...	959,200	358,800	1,318,000	+70,000	-15,100	
80,383,600	1,064,300	81,447,900	+3,413,000	76,62,19,000	41,22,09,000	78,561,000	744,500	79,306,400	+1,271,500	-2,141,500	

FINANCIAL STATEMENT OF THE

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1910-1911.					REVISED	
	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at Rs 15=£1).	England.	TOTAL.	INDIA. (RUPEE FIGURES.)	
	Imperial.	Provincial.				Imperial.	Provincial.
Direct Demands on the Revenues—							
1.—Returns and Drawbacks	₹ 30,56,754	₹ 11,27,583	₹ 278,956	₹	₹ 278,956	₹ 33,50,000	₹ 1,34,30,000
2.—Assignments and Compensations	84,67,618	97,74,680	1,21,6,153	... ..	1,21,6,153	82,71,000	1,01,66,000
Charges in respect of Collection, viz. :—							
3.—Land Revenue	41,92,353	5,07,15,296	3,660,510	1,916	3,662,426	41,90,000	5,26,99,000
4.—Opium (including cost of Production)	1,86,92,284	...	1,246,152	505	1,246,657	1,10,70,000	...
5.—Salt (including cost of Production)	56,18,198	...	374,547	2,529	377,076	55,36,000	...
6.—Stamps	—4,14,901	10,80,320	44,361	79,459	123,820	—5,04,000	11,34,000
7.—Excise	31,32,887	29,50,057	405,530	464	405,994	21,50,000	41,70,000
8.—Provincial Rates . . . . .	...	69,363	4,624	...	4,624	...	85,000
9.—Customs	35,83,963	...	238,931	635	239,566	37,41,000	...
10.—Assessed Taxes	2,03,723	2,01,140	26,991	...	26,991	2,10,000	2,07,000
11.—Forest	81,06,225	72,99,863	1,027,072	6,189	1,033,261	9,55,000	1,65,23,000
12.—Registration	18,237	35,92,234	240,699	...	240,699	19,000	37,01,000
TOTAL	5,46,57,341	7,68,10,556	8,764,526	91,697	8,856,223	3,89,89,000	9,00,28,000
Interest—							
13.—Interest on Debt	3,57,90,498	1,23,31,447	3,208,130	5,781,552	8,989,682	3,71,85,000	1,22,15,000
Deduct—Amounts chargeable to Railways†	4,30,61,629	...	2,870,775	3,396,910.	6,267,685	4,56,15,000	...
" Amounts chargeable to Irrigation	57,20,986	93,25,008	1,003,066	112,344	1,115,410	65,94,000	92,71,000
Remainder chargeable on Ordinary Debt	—1,29,92,117	30,06,439	—665,711	2,272,298	1,606,587	—1,50,24,000	29,44,000
14.—Interest on other obligations	84,34,725	5	562,315	...	562,315	90,07,000	...
TOTAL	—45,57,392	30,06,444	—103,395	2,272,298	2,168,902	—60,17,000	29,44,000
15.—Post Office	2,84,06,978	...	1,893,798	57,094	1,950,892	2,97,36,000	...
16.—Telegraph	1,27,23,698	...	848,247	128,585	976,832	1,39,35,000	...
17.—Mint	13,04,673	...	86,978	5,391	92,369	16,56,000	...
Salaries and Expenses of Civil Department							
18.—General Administration	95,41,764	1,15,72,994	1,407,651	348,609	1,756,260	1,75,95,000	1,55,26,000
19.—Law and Justice { Courts	9,23,520	4,20,61,347	2,865,658	1,372	2,867,030	9,60,000	4,32,00,000
Jails	18,89,321	1,08,78,935	851,217	...	851,217	—18,05,000	1,11,34,000
20.—Police	28,13,709	6,24,28,607	4,349,488	2,124	4,351,612	29,51,000	6,59,63,000
21.—Ports and Pilotage . . . . .	...	26,67,514	177,834	56	177,890	...	26,82,000
22.—Education	9,28,552	2,66,02,401	1,835,397	10,846	1,846,243	6,78,000	2,97,26,000
23.—Ecclesiastical	18,65,160	...	124,344	334	124,678	19,01,000	...
24.—Medical	9,89,755	1,35,79,988	971,316	11,606	982,922	8,47,000	1,66,64,000
25.—Political	1,51,37,424	12,19,383	1,090,454	5,016	1,095,470	1,28,02,000	15,81,000
26.—Scientific and other Minor Departments	62,77,416	65,40,989	854,560	23,485	878,045	71,70,000	70,29,000
TOTAL	4,03,66,621	17,75,52,158	14,527,919	403,448	14,931,367	4,67,09,000	19,35,15,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	33,77,212	...	225,148	10,858	236,006	32,76,000	...
28.—Civil Furlough and Absentee Allowances	6,273	...	418	394,893	395,311	15,000	...
29.—Superannuation Allowances and Pensions	11,88,937	1,52,71,178	1,097,341	2,048,548	3,145,889	12,35,000	1,59,47,000
30.—Stationery and Printing	11,52,068	77,24,553	591,775	122,394	714,169	11,84,000	75,35,000
32.—Miscellaneous	10,23,659	32,96,674	288,022	31,370	319,392	9,62,000	43,96,000
TOTAL	67,48,149	2,62,92,405	2,202,704	2,608,063	4,810,767	66,72,000	2,78,78,000
Famine Relief and Insurance—							
33.—Famine Relief	34,789	252	2,336	...	2,336	14,33,000	2,000
34.—Construction of Protective Railways	4,00,969	...	26,731	10,164	36,895	6,88,000	...
35.—Construction of Protective Irrigation Works	52,71,178	...	351,412	8,262	359,674	57,26,000	...
36.—Reduction or Avoidance of Debt	52,66,422	37,50,000	601,095	...	601,095	31,16,000	37,50,000
TOTAL	1,09,73,358	37,50,252	981,574	18,426	1,000,000	1,09,63,000	37,52,000
Carried over	15,06,23,426	28,74,11,815	29,202,350	5,585,002	34,787,352	14,26,43,000	31,81,17,000

† Included under the following heads—

State Railways—Interest on Debt

Ditto —Interest chargeable against Companies on

Advances

ACCOUNTS, 1910-1911.				REVISED ESTIMATE, 1911-1912.			
INDIA.		England.	TOTAL.	INDIA.		England.	TOTAL.
Amount in Rupees.	Equivalent in £ at Rs 15=£1.			Amount in Rupees.	Equivalent in £ at Rs 15=£1.		
₹ 3,99,69,554	₹ 2,664,637	₹ 3,177,697	₹ 6,849,534	₹ 4,21,28,000	₹ 2,808,500	₹ 3,445,900	₹ 6,254,400
₹ 30,92,075	₹ 206,138	₹ 119,213	₹ 425,351	₹ 34,87,000	₹ 232,500	₹ 175,500	₹ 408,000
Total	4,30,61,629	3,296,910	6,267,685	4,56,15,000	3,041,000	3,621,400	6,662,400

Revenues of India, in India and in England.

ESTIMATE, 1911-1912.				BUDGET ESTIMATE, 1912-1913.					Increase + Decrease — of Budget, 1912-1913, as compared with Budget Estimate, 1911-1912.	Increase + Decrease — of Budget, 1912-1913, as compared with Revised Estimate, 1911-1912.
Total India (converted into £ at Rs=£1).	England.	TOTAL.	Increase + Decrease — as compared with Budget Estimate, 1911-1912.	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at Rs=£1).	England.	TOTAL.		
				Imperial.	Provincial.					
£	£	£	£	₹	₹	£	£	£	£	
312,900	...	312,900	+64,100	28,95,000	11,88,000	272,200	...	272,200	+23,400	
1,229,100	...	1,229,100	+6,200	82,33,000	1,01,90,000	1,228,200	...	1,228,200	+5,300	
3,792,600	1,900	3,794,500	-11,300	42,68,000	5,46,60,000	3,928,500	1,000	3,929,500	+123,700	
738,000	700	738,700	-444,800	1,00,92,000	...	672,800	500	673,300	-510,200	
369,100	700	369,800	+3,300	56,41,000	...	376,100	800	376,900	+10,400	
42,000	95,300	137,300	-3,600	-4,79,000	11,47,000	44,500	110,500	155,000	+14,100	
421,300	100	421,400	-14,000	21,04,000	44,05,000	434,900	...	434,000	-1,400	
5,700	...	5,700	-1,600	...	88,000	5,900	...	5,900	-1,400	
249,400	500	249,900	+1,700	38,39,000	...	255,900	100	256,000	+7,800	
27,800	...	27,800	-400	2,26,000	2,18,000	29,600	...	29,600	+1,400	
1,165,200	6,300	1,171,500	+35,300	10,15,000	1,68,64,000	1,191,900	5,300	1,197,200	+61,000	
248,000	...	248,000	+700	20,000	36,68,000	245,900	...	245,900	-1,400	
8,601,100	105,500	8,706,600	-364,400	3,78,54,000	9,24,28,000	8,685,500	118,200	8,803,700	-267,300	
3,293,300	6,022,700	9,316,000	-13,300	3,83,30,000	1,27,20,000	3,403,400	6,171,700	9,575,100	+245,800	
3,041,000	3,621,400	6,662,400	-35,800	4,86,94,000	...	3,246,300	3,694,900	6,941,200	-314,600	
1,057,700	116,600	1,174,300	-4,700	72,16,000	96,29,000	1,123,000	118,500	1,241,500	-71,900	
-805,400	2,284,700	1,479,300	-53,800	-1,75,80,000	30,91,000	-965,900	2,358,300	1,392,400	-140,700	
600,500	...	600,500	+8,500	97,92,000	...	652,800	...	652,800	+60,800	
-204,900	2,284,700	2,079,800	-45,300	-77,88,000	-30,91,000	-313,100	2,358,300	2,045,200	-79,900	
1,982,400	54,900	2,037,300	+16,300	2,99,19,000	...	1,994,600	54,600	2,049,200	+28,200	
929,000	187,900	1,116,900	+23,300	1,42,98,000	...	953,200	141,300	1,094,500	+900	
110,400	5,200	115,600	+21,800	14,15,000	...	94,300	7,100	101,400	+7,600	
2,208,700	383,200	2,591,900	+14,700	1,08,16,000	1,24,99,000	1,554,300	349,700	1,904,000	-673,200	
2,944,000	3,500	2,947,500	+21,500	9,78,000	4,36,54,000	2,975,500	1,600	2,977,100	+51,100	
862,600	...	862,600	-25,100	19,14,000	1,14,24,000	889,200	...	889,200	+1,500	
4,594,300	1,700	4,596,000	-44,100	30,71,000	6,68,21,000	4,659,500	1,500	4,661,000	+20,900	
178,800	100	178,900	+1,900	...	26,33,000	175,500	100	175,600	-1,400	
2,027,000	11,000	2,038,000	-256,900	87,33,000	3,67,50,000	3,032,200	10,500	3,042,700	+747,800	
126,700	300	127,000	-800	19,72,000	...	131,500	400	131,900	+4,100	
1,167,400	12,200	1,179,600	-112,900	16,60,000	2,34,02,000	1,670,800	12,100	1,682,900	+390,400	
958,900	10,200	969,100	+56,800	1,26,14,000	12,20,000	922,300	4,000	926,300	+14,000	
946,600	21,100	967,700	-55,200	63,30,000	89,97,000	1,021,800	28,400	1,050,200	+27,300	
16,015,000	443,300	16,458,300	-400,100	4,80,88,000	20,74,00,000	17,032,600	408,300	17,440,900	+582,500	
218,400	11,100	229,500	-3,200	32,68,000	...	217,900	11,100	229,000	-3,700	
1 000	426,500	427,500	+19,100	8,000	...	500	404,000	404,500	-3,900	
1,145,400	2,052,000	3,197,400	-8,400	12,40,000	1,64,86,000	1,181,700	2,063,000	3,244,700	+38,900	
581,300	107,900	689,200	-23,800	11,46,000	75,19,000	577,700	114,000	691,700	-21,300	
357,200	32,000	389,200	+62,400	12,02,000	33,99,000	306,700	31,500	338,200	+11,400	
2,303,300	2,629,500	4,932,800	+46,100	68,64,000	2,74,04,000	2,284,500	2,623,600	4,908,100	+21,400	
95,700	...	95,700	+95,700	21,02,000	...	140,100	...	140,100	+140,100	
45,900	15,000	60,900	-39,100	4,04,000	...	26,900	16,400	43,300	-56,700	
381,700	4,000	385,700	-14,300	67,23,000	...	448,200	8,500	456,700	+56,700	
457,700	...	457,700	-42,300	16,48,000	37,50,000	359,900	...	359,900	-140,100	
981,000	19,000	1,000,000	...	1,08,77,000	37,50,000	975,100	24,900	1,000,000	...	
30,717,300	5,730,000	36,447,300	-702,300	14,15,27,000	33,40,73,000	31,706,700	5,736,300	37,443,000	+293,400	

BUDGET ESTIMATE, 1912-1913.			
INDIA.		England.	TOTAL.
Amount in Rupees.	Equivalent in £ at Rs=£1.		
₹	£	£	£
4,40,13,000	3,994,800	3,519,400	6,513,600
37,81,000	353,100	175,500	427,600
4,86,94,000	3,246,300	3,694,900	6,941,200

FINANCIAL STATEMENT OF THE

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1910-1911.					REVISED	
	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at Rs 15 = £1).	England.	Total.	INDIA. (RUPEE FIGURES.)	
	Imperial.	Provincial.				Imperial.	Provincial.
	₹	₹	£	£	£	₹	₹
Brought forward	15,06,23,426	28,74,11,815	29,202,350	5,585,002	34,787,352	14,26,43,000	31,81,17,000
Railways—							
38.— State Railways : Interest on Debt	3,99,69,554	...	2,664,637	3,177,697	5,842,334	4,21,28,000	...
Annuities in purchase of Railways	...	...	...	3,357,634	3,357,634	...	...
Sinking Funds	...	...	...	171,864	171,264	...	...
Interest chargeable against Companies on Advances.	30,92,075	...	206,138	219,213	425,351	34,87,000	...
Interest on Capital deposited by Companies	28,94,820	...	192,988	1,814,351	2,007,339	26,76,000	...
39.— Guaranteed Companies : Surplus Profits, Land, and Supervision	—10,642	...	—710	...	—710	...	...
40.— Subsidized Companies : Land, etc.	3,79,498	44,616	28,274	...	28,274	14,59,000	15,000
41.— Miscellaneous Railway Expenditure	4,78,990	8,184	32,479	...	32,479	5,95,000	11,000
TOTAL	4,68,04,295	52,800	3,123,806	8,740,159	11,863,965	5,03,45,000	26,000
Irrigation—							
42.— Major Works : Working Expenses	73,46,377	92,97,942	1,109,621	...	1,109,621	74,32,000	96,48,000
Interest on Debt	57,20,586	93,25,008	1,003,056	112,344	1,115,410	65,94,000	92,71,000
42A.— Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	...	...	...	...	...	...	...
43.— Minor Works and Navigation	33,00,529	99,71,656	884,813	290	885,103	39,38,000	89,93,000
TOTAL	1,63,67,892	2,85,94,606	2,997,500	112,634	3,110,134	1,79,64,000	2,79,12,000
Other Public Works—							
44.— Construction of Railways charged to Provincial Revenues	...	11,928	795	...	795	...	21,000
45.— Civil Works	95,05,533	5,73,37,508	4,456,203	80,464	4,536,667	99,98,000	6,93,93,000
TOTAL	95,05,533	5,73,49,436	4,456,998	80,464	4,537,462	99,98,000	6,94,14,000
Military Services—							
46.— Army : Effective	20,41,48,426	...	13,603,895	2,336,228	15,946,123	20,89,65,000	...
Non-Effective	1,05,14,653	...	700,977	2,484,680	3,185,657	1,04,17,000	...
	21,46,63,079	...	14,310,872	4,820,908	19,131,780	21,93,82,000	...
46A.— Marine	35,64,181	...	237,612	208,255	445,867	38,57,000	...
47.— Military Works	1,30,75,454	...	871,697	28,740	900,437	1,27,45,000	...
47A.— Special Defences (1902)	38,785	...	2,586	5,401	7,987	90,000	...
TOTAL	23,13,41,500	...	15,422,767	5,063,304	20,486,071	23,60,74,000	...
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	45,46,42,646	37,34,08,657	55,203,421	19,581,563	74,784,984	45,70,24,000	41,54,69,000
Add—Portion of Allotments to Provincial Governments not spent by them in the year	...	2,94,18,031	1,961,202	...	1,961,202	...	91,43,000
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances.	...	...	...	...	...	...	...
Total Expenditure charged to Revenue	45,46,42,646	40,28,26,688	57,164,623	19,581,563	76,746,186	45,70,24,000	42,46,12,000

	ACCOUNTS, 1910-1911.			
	INDIA.		England.	Total.
	Amount in Rupees.	Equivalent in £ at Rs 15 = £1.		
	₹	£	£	£
Capital Expenditure not charged to Revenue—				
48.— State Railways	10,58,16,610	7,054,441	1,860,764	8,915,205
49.— Irrigation Works	1,71,37,089	1,142,472	61,416	1,203,888
TOTAL	12,29,53,699	8,196,913	1,922,180	10,119,093
50.— Redemption of Liabilities	...	...	5,904,100	5,904,100
51.— Initial Expenditure on new Capital at Delhi	...	...	...	...

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

ESTIMATE, 1911-1912.			Increase + Decrease — as compared with Budget Estimate, 1911-1912.	BUDGET ESTIMATE, 1912-1913.				Increase + Decrease — of Budget, 1912-13, as compared with Budget Estimate, 1911-1912.	Increase + Decrease — of Budget, 1912-13, as compared with Revised Estimate, 1911-1912.	
Total India (converted into £ at R15=£1).	England	Total.		INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R15=£1).	England.			Total.
				Imperial.	Provincial.					
£	£	£	£	₹	₹	£	£	£	£	
30,717,300	5,730,000	36,447,300	-702,300	14,15,27,000	33,40,73,000	31,705,700	5,736,300	37,443,000	+293,400	+995,700
2,808,500	3,445,900	6,254,400	+54,700	4,49,13,000	...	2,994,200	3,519,400	6,513,600	+313,900	+259,200
...	3,357,400	3,357,400	-400	...	...	...	3,357,800	3,357,800	...	+400
...	177,700	177,700	...	...	...	...	184,300	184,300	+6,600	+6,600
232,500	175,500	408,000	-18,900	37,81,000	...	252,100	175,500	427,600	+700	+19,600
178,400	1,647,200	1,825,600	+4,800	27,52,000	...	183,500	1,679,200	1,862,700	+41,900	+37,100
...
98,300	...	98,300	-3,500	18,00,000	19,000	121,200	...	121,200	+19,400	+22,900
40,400	...	40,400	+11,300	7,60,000	7,000	51,100	...	51,100	+22,000	+10,700
3,358,100	8,803,700	12,161,800	+48,000	5,40,06,000	26,000	3,602,100	8,916,200	12,518,300	+404,500	+356,500
1,138,700	...	1,138,700	+39,900	74,70,000	91,18,000	1,105,900	...	1,105,900	+7,100	-32,800
1,057,700	116,600	1,174,300	+4,700	72,16,000	96,29,000	1,123,000	118,500	1,241,500	+71,900	+67,200
...	...	...	-120,000	6,50,000	...	43,300	...	43,300	-76,700	+43,300
862,000	900	862,900	-92,300	46,55,000	90,90,000	916,400	1,200	917,600	-37,600	+54,700
3,058,400	117,500	3,175,900	-167,700	1,99,91,000	2,78,37,000	3,188,600	119,700	3,308,300	-35,300	+132,400
1,400	...	1,400	+400	...	52,000	3,500	...	3,500	+2,500	+2,100
5,292,700	85,500	5,378,200	-122,300	1,02,21,000	7,26,92,000	5,527,500	79,800	5,607,300	+106,800	+229,100
5,294,100	85,500	5,379,600	-121,900	1,02,21,000	7,27,44,000	5,531,000	79,800	5,610,800	+109,300	+231,200
13,931,000	2,443,500	16,374,500	+137,100	20,15,75,000	...	13,438,400	2,416,600	15,855,000	-382,400	-519,500
694,500	2,503,400	3,197,900	-9,300	1,04,81,000	...	668,700	2,531,000	3,229,700	+22,500	+31,800
14,625,500	4,946,900	19,572,400	+127,800	21,20,56,000	...	14,137,100	4,947,600	19,084,700	-359,900	-487,700
257,100	198,100	455,200	+7,900	34,35,000	...	229,000	218,100	447,100	-200	-8,100
8,97,000	39,500	889,200	-35,200	1,26,58,000	...	843,900	16,600	860,500	-6,900	-28,700
6,000	1,000	7,000	+100	1,75,000	...	11,600	8,600	20,200	+13,300	+13,200
15,738,300	5,185,500	20,923,800	+100,600	22,83,24,000	...	15,221,600	5,190,900	20,412,500	-410,700	-511,300
58,166,200	19,922,200	78,088,400	-843,300	45,40,69,000	43,46,80,000	59,250,000	20,042,900	79,292,900	+361,200	+1,204,500
609,500	...	609,500	+2,325,500	...	...	...	...	...	+217,900	-2,107,600
...	...	...		...	2,24,71,000	1,498,100	...	1,498,100		
58,775,700	19,922,200	78,697,900	+1,482,200	45,40,69,000	41,22,09,000	57,751,900	20,042,900	77,794,800	+579,100	-903,100
REVISED ESTIMATE, 1911-1912.				BUDGET ESTIMATE, 1912-1913.						
INDIA.		England.	Total.	INDIA.		England.	Total.			
Amount in Rupees.	Equivalent in £ at R15=£1.			Amount in Rupees.	Equivalent in £ at R15=£1.					
₹	£	£	£	₹	£	£	£			
7,68,17,000	5,121,100	2,075,400	7,196,500	8,38,01,000	5,586,700	2,250,000	7,836,700			
2,25,97,000	1,506,500	86,000	1,592,500	2,08,01,000	1,386,700	28,800	1,415,500			
9,94,14,000	6,627,600	2,161,400	8,789,000	10,46,02,000	6,973,400	2,278,800	9,252,200			
...			
25,00,000	166,700	...	166,700	2,00,00,000	1,333,300	...	1,333,300			

FINANCIAL STATEMENT OF THE

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1910-1911.			REVISED ESTIMATE, 1911-1912.			BUDGET ESTIMATE, 1912-13.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	79,706,616	975,857	80,682,473	80,383,600	1,064,300	81,447,900	78,561,900	744,500	79,306,400
Excess of Revenue over Expenditure charged to Revenue.			3,936,287			2,750,000			1,511,600
Railway Irrigation and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways (net)	2,294,278	...	2,294,278	...	...	...	...	...	...
OUTLAY OF RAILWAY COMPANIES—									
Repayments	...	1,966	1,966	...	2,000	2,000	...	2,100	2,100
NET									
RAISED AND DEPOSITED BY RAILWAY COMPANIES—									
On account of Subscribed Capital	87,241	...	87,241	68,900	505,000	573,900	155,600	3,380,400	3,536,000
NET			87,241			28,900			1,965,600
Permanent Debt Incurred—									
<i>Sterling Debt—</i>									
India Stock	...	1,224,820		...	2,855,100		...	3,000,000	
India Bonds	...	4,000,000		...	...		...	...
Indian Midland Railway Debentures.	...	3,654,100		...	...		...	...
<i>Rupee Debt—</i>									
Rupee Loan	1,000,000	...		1,333,300	...		2,000,000	...	
TOTAL NET	1,000,000	8,878,920	9,878,920	1,333,300	2,855,100	4,188,400	2,000,000	3,000,000	5,000,000
			8,896,956			1,825,900			2,931,100
Temporary Debt Incurred—									
Temporary Loans	...	5,000,000	5,000,000	...	4,500,000	4,500,000	...	...	...
NET									
Unfunded Debt—									
Deposits of Service Funds	92,421	...		90,100	...		90,300	...	
Savings Bank Deposits	5,637,027	...		7,000,200	...		7,077,700	...	
TOTAL NET	5,729,448	...	5,729,448	7,090,300	...	7,090,300	7,168,000	...	7,168,000
			1,164,908			1,760,400			1,318,700
Deposits and Advances—									
Balances of Provincial Allotments	1,961,202	...		609,500	...		...	...
Appropriation for Reduction or Avoidance of Debt	601,095	...		457,700	...		359,900	...	
Deposits of Local Funds—									
District Funds	3,532,295	...		3,690,100	...		3,653,200	...	
Other Funds	1,202,770	...		1,183,000	...		1,187,200	...	
Deposits of Sinking Funds	26,489	...	...	27,500	...	...	42,100	...	...
Gold Standard Reserve	...	11,034,402 (a)		...	9,480,500		...	11,245,700	
Currency Reserve—									
Council Bills appropriated	...	2,545,000		...	1,988,300		...	...
Gold transferred	2,545,000	...		1,988,300	...		...	...
Departmental and Judicial Deposits	23,373,792	...	...	24,608,400	...	...	24,278,600	...	...
Advances	5,115,027	101,406		4,617,400	40,600		4,215,100	1,000	
Suspense Accounts	129,351	...		20,100	...		35,300	...	
Exchange on Remittance Accounts, net	20,903	...		17,800	...		...	...
Miscellaneous	99,439	...		3,300	...		11,900	...	
TOTAL NET	38,607,363	14,280,808	52,888,171	37,223,100	11,509,400	48,732,500	33,783,300	11,246,700	45,030,000
			1,550,367			1,731,100			0
Carried over	127,424,946	29,137,551		126,099,200	20,435,800		121,668,800	18,373,700	

(a) Includes £600,000 remitted from India by means of Council Bills.

Government of India, in India and in England.

	ACCOUNTS, 1910-1911.			REVISED ESTIMATE, 1911-1912.			BUDGET ESTIMATE, 1912-1913.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	55,203,421	19,581,563	74,784,984	58,166,200	19,922,200	78,088,400	59,250,000	20,042,900	79,292,900
<i>Add</i> —Provincial Surpluses transferred to "Deposits"	1,961,202	...	1,961,202	609,500	...	609,500	...	...	...
<i>Deduct</i> —Provincial Deficits charged to "Deposits"	...	...	...	...	...	...	1,498,100	...	1,498,100
TOTAL	57,164,623	19,581,563	76,746,186	58,775,700	19,922,200	78,697,900	57,751,900	20,042,900	77,794,800
Railway, Irrigation and other Capital not charged to Revenue—									
OUTLAY ON IRRIGATION WORKS	1,142,472	61,416	1,203,888	1,506,500	86,000	1,592,500	1,386,700	28,800	1,415,500
OUTLAY ON STATE RAILWAYS	7,054,441	1,860,764	8,915,205	5,121,100	2,075,400	7,196,500	5,586,700	2,250,000	7,836,700
INITIAL OUTLAY ON NEW CAPITAL AT DELHI	...	...	..	166,700	...	166,700	1,333,300	...	1,333,300
CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES—									
Indian Midland Railway	...	5,904,100	5,904,100	...	...	...	...	...	...
OUTLAY OF RAILWAY COMPANIES—									
Payments for Capital outlay	2,495,997	1,122,000	1,373,997	220,600	770,000	990,600	341,600	980,000	1,321,600
NET			1,375,963			988,600			1,319,500
RAISED AND DEPOSITED BY RAILWAY COMPANIES—									
Payments for discharge of Debentures	...	...	...	...	545,000	545,000	...	1,570,400	1,570,400
NET			0			0			0
Permanent Debt Discharged—									
<i>Sterling Debt</i> —									
Madras Railway Debentures	...	542,300	...	...	868,700	...	...	249,700	...
Indian Midland Do.	...	...	...	...	907,500	...	...	1,227,900	...
B. B. C. I. Railway Debentures	...	275,600	...	...	...	...	...	...	...
India Bonds	...	...	...	...	500,000	...	...	500,000	...
<i>Rupies Debt</i> —									
4½ p. c. Loans	27	...	...	...	...	...	...	...	...
4 p. c. Loans	81,640	...	...	81,000	...	...	81,000	...	...
3½ p. c. Loans	353	...	...	300	...	...	600	...	...
3 p. c. Loan	81,847	...	...	4,900	...	...	9,600	...	...
Provincial Debentures	197	...	...	100	...	...	100	...	...
TOTAL NET	164,064	817,900	981,964	86,300	2,276,200	2,362,500	91,300	1,977,600	2,068,900
Temporary Debt Discharged—									
Temporary Loans	...	6,000,000	6,000,000	...	5,000,000	5,000,000	...	4,500,000	4,500,000
NET			1,000,000			500,000			4,500,000
Unfunded Debt—									
Special Loans	219	..	...	200	...	...	200	...	...
Deposits of Service Funds	91,895	...	...	97,700	...	...	96,300	...	...
Savings Bank Deposits	4,472,426	...	...	5,232,000	...	...	5,752,800	...	...
TOTAL NET	4,564,540	...	4,564,540	5,329,900	...	5,329,900	5,849,300	...	5,849,300
Deposits and Advances—									
Balances of Provincial Allotments	...	...	...	...	...	...	1,498,100	...	...
Deposits of Local Funds—									
District Funds	3,454,909	...	...	3,553,400	...	...	3,579,100	...	...
Other Funds	1,156,540	...	...	1,113,900	...	...	1,142,100	...	...
Gold Standard Reserve	...	13,167,572	...	...	9,932,600	...	...	11,216,400	...
Currency Reserve—									
Council bills appropriated	2,545,000	...	...	1,988,300	...	...	...	...	...
Gold transferred	...	2,545,000	...	...	655,000	...	...	...	...
Sums invested	...	...	...	...	1,333,300	...	...	...	...
Departmental and Judicial Deposits	23,153,126	...	...	23,927,600	...	...	24,435,900	...	...
Advances	5,130,026	1,663	...	4,290,600	90,600	...	4,238,700	1,000	...
Suspense Accounts	166,448	...	...	116,100	...	...	...	...	...
Miscellaneous	17,491	29	...	...	...	...	...	...	...
TOTAL NET	35,623,540	15,714,264	51,337,804	34,989,900	12,011,500	47,001,400	34,893,900	11,217,400	46,111,300
Carried over	103,217,683	51,062,007	...	106,196,700	42,686,300	...	107,234,700	42,567,100	...

FINANCIAL STATEMENT OF THE

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1910-1911.			REVISED ESTIMATE, 1911-1912.			BUDGET ESTIMATE, 1912-1913.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward . . .	127,424,946	29,137,551		126,099,200	20,435,800		121,668,800	18,373,700	
Loans and Advances by Imperial Government . . .	255,612	...	255,612	266,800	...	266,800	178,600	...	178,600
NET			174,074			175,400			0
Loans and Advances by Provincial Governments . . .	1,305,983	...	1,305,983	951,500	...	951,500	902,500	...	902,500
NET			576,135			0			0
Loans to Local Boards for Railway Construction . . .	6,328	...	6,328	6,600	...	6,600	6,900	...	6,900
NET			6,328			6,600			6,900
Remittances— Inland Money Orders . . .	30,667,886	...		32,040,000	...		33,333,300	...	
Other Local Remittances . . .	27,494	...		572,500	...		460,600	...	
Other Departmental Accounts . . .	87,847	...		...	...		...	...
Net Receipts by Civil Treasuries from— Post Office . . .	1,311,808	...		2,178,600	...		1,582,900	...	
Railways . . .	11,529,885	...		12,270,300	...		11,457,100	...	
Net Receipts from Civil Treasuries by— Telegraph . . .	618,309	...		744,500	...		770,500	...	
Marine . . .	309,798	...		297,500	...		269,800	...	
Military Works . . .	726,633	...		709,400	...		714,300	...	
Military . . .	13,172,289	...		13,302,500	...		12,773,100	...	
Remittance Account between England and India— Railway transactions . . .	2,147,822	2,300,702		2,459,900	5,700		3,283,000	5,300	
Other . . .	641,404	948,924		973,800	1,257,500		853,100	1,008,000	
TOTAL	61,241,175	3,249,626	64,490,801	65,549,000	1,263,200	66,812,200	65,502,700	1,013,300	66,516,000
NET			203,370			835,100			3,400
Secretary of State's Bills drawn . . .	...	(a) 23,638,303	23,638,303	...	(b) 24,500,000	24,500,000	...	15,500,000	15,500,000
TOTAL RECEIPTS	190,234,044	56,025,480		192,873,100	46,199,000		188,259,500	34,887,000	
Opening Balance . . .	12,295,428	15,809,618		13,566,922	18,174,349		11,807,022	18,543,949	
GRAND TOTAL	202,529,472	71,835,098		206,440,022	64,373,349		200,066,522	53,430,949	

(a) In addition to £600,000 and £2,545,000 respectively for remittance of the Gold Standard and the Currency Reserves.

(b) In addition to £1,988,300 for remittance of the Currency Reserve.

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

	ACCOUNTS, 1910-1911.			REVISED ESTIMATE, 1911-1912.			BUDGET ESTIMATE, 1912-1913.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	103,217,683	51,062,007		106,196,700	42,686,300		107,234,700	42,567,100	
Loans and Advances by Imperial Government	81,538	...	81,538	91,400	...	91,400	210,700	...	210,700
NET			0			0			32,100
Loans and Advances by Provincial Governments	729,848	...	729,848	1,279,700	...	1,279,700	1,142,500	...	1,142,500
NET			0			328,200			240,000
Remittances—									
Inland Money Orders	30,643,141	...		32,000,000	...		33,333,300	...	
Other Local Remittances	...	...		439,200	...		460,600	...	
Other Departmental Accounts	63,281	...		...	...		...	...
Net payments into Civil Treasuries by—									
Post Office	1,312,876	...		2,045,300	...		1,582,900	...	
Railways	11,282,356	...		11,936,900	...		11,457,100	...	
Net Issues from Civil Treasuries to—									
Telegraph	616,068	...		744,500	...		770,500	...	
Marine	310,245	...		297,500	...		269,800	...	
Military Works	712,378	...		709,400	...		714,300	...	
Military	13,167,554	...		13,235,800	...		12,773,100	...	
Remittance Account between England and India—									
Railway transactions	2,295,186	2,153,643		5,700	2,459,900		5,300	3,288,000	
Other	1,285,604	445,099		1,419,700	683,200		1,256,300	601,400	
TOTAL	61,688,689	2,598,742	64,287,431	62,834,000	3,143,100	65,977,100	62,623,200	3,889,400	66,512,600
NET			0			0			0
Secretary of State's Bills paid	(a) 23,244,792	...	23,244,792	(b) 24,231,200	...	24,231,200	15,769,000	...	15,769,000
TOTAL DISBURSEMENTS	188,962,550	53,660,749		194,633,000	45,829,400		186,980,100	46,456,500	
Closing Balance	13,566,922	18,174,349		11,807,022	18,543,949		13,086,422	6,974,449	
GRAND TOTAL	202,529,472	71,835,098		206,440,022	64,373,349		200,066,522	53,430,949	

(a) In addition to £600,000 and £2,545,000 respectively for remittance of the Gold Standard and the Currency Reserves.
 (b) In addition to £1,988,300 for remittance of the Currency Reserve.

R. W. GILLAN,
Comptroller General.

J. S. MESTON,
Secretary to the Government of India.

FINANCIAL STATEMENT OF THE

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

Provincial Balances.

	Central Provinces and Berar.	Burma.	Eastern Bengal and Assam.		Bengal.	United Provinces of Agra and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.	Equivalent in £ at R15 = £1
	R	R	R		R	R	R	R	R	R	£
Accounts, 1910-1911.											
Balance at end of 1909-1910 . . .	24,91,658	35,07,768	17,50,000	91,17,653	50,54,581	27,75,857	1,32,73,719	87,20,891	4,66,92,127	3,112,808	
Added in 1910-1911 . . .	2,80,556	19,00,297	55,39,698	39,60,612	36,35,904	41,99,121	23,16,383	75,85,460	2,94,18,031	1,961,202	
Spent in 1910-1911 . . .	..	..	..	..	..	..	..	..	..	..
Balance at end of 1910-1911 . . .	27,72,214	54,08,065	72,89,698	1,30,78,265	86,90,485	69,74,978	1,55,90,102	1,63,06,351	7,61,10,158	5,074,010	
Revised Estimate, 1911-1912.											
Balance at end of 1910-1911 . . .	27,72,214	54,08,065	72,89,698	1,30,78,265	86,90,485	69,74,978	1,55,90,102	1,63,06,351	7,61,10,158	5,074,010	
Added in 1911-1912 . . .	10,73,000	..	3,51,000	1,31,64,000	..	13,29,000	31,52,000	..	1,90,69,000	1,271,200	
Spent in 1911-1912 . . .	..	15,45,000	..	..	1,51,000	..	..	82,30,000	99,26,000	661,700	
Balance at end of 1911-1912 . . .	38,45,214	38,63,065	76,40,698	2,62,42,265	85,39,485	83,03,978	1,87,42,102	80,76,351	8,52,53,158	5,683,510	
Budget Estimate, 1912-1913.											
Balance at end of 1911-1912 . . .	38,45,214	38,63,065	41,96,000	1,66,24,963	1,30,62,000	85,39,485	83,03,978	1,87,42,102	80,76,351	8,52,53,158	5,683,510
Added in 1912-1913 . . .	..	..	..	..	..	..	..	..	..	..
Spent in 1912-1913 . . .	4,60,000	33,14,000	13,000	36,67,000	15,24,000	20,09,000	29,24,000	65,01,000	20,59,000	2,24,71,000	1,498,100
Balance at end of 1912-1913 . . .	33,85,214	5,49,065	41,83,000	1,29,57,963	1,15,38,000	65,30,485	53,79,978	1,22,41,102	60,17,351	6,27,82,158	4,185,410

N. G. BASU,
Offg. Deputy Comptroller General.

R. W. GILLAN,
Comptroller General.

J. S. MESTON,
Secretary to the Government of India

FORT WILLIAM,
FINANCE DEPARTMENT;
March 1, 1912.

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

REVENUE AND EXPENDITURE.	Accounts, 1910-1911.					Revised Estimate, 1911-1912.		Budget Estimate, 1912-1913.	
	Revenue.	Expenditure.		Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		Refunds and Assignments.	Cost of Collection and Production.						
<i>Revenue Heads.</i>	£	£	£	£	£	£	£	£	£
Land Revenue (excluding that due to Irrigation)	20,877,521	765,360	3,662,426	16,449,735		15,893,300		16,666,100	
Opium	7,521,962	3,774	1,246,657	6,271,531		5,114,400		2,945,100	
Salt	3,175,950	259,184	3,7,076	2,539,690		2,731,000		2,749,300	
Stamps	4,811,621	54,181	123,820	4,033,690		4,548,700		4,674,700	
Excise	7,030,314	72,934	405,994	6,551,386		7,116,400		7,355,000	
Provincial Rates	554,378	1,518	4,624	548,236		549,700		43,600	
Customs	6,619,009	122,007	239,506	6,257,436		6,132,600		6,008,900	
Assessed Taxes	1,893,301	9,618	26,991	1,556,692		1,601,200		1,600,100	
Forest	1,829,557	6,570	1,033,261	789,726		735,300		782,100	
Registration	425,855	1,210	240,699	183,946		183,000		196,000	
Tributes	607,447	198,753	...	408,694		396,300		402,200	
TOTAL	55,046,985	1,495,109	7,361,114	46,190,762		45,002,500		43,930,700	
Total deduction from Revenue			8,856,223						
<i>Expenditure Heads.</i>									
Debt Services	1,465,439	2,168,902			703,463		631,600		817,900
Commercial Services	1,995,922	1,950,892		46,030		85,100		169,700	
Telegraph	997,159	976,832		20,327			50,500		29,400
Railways	13,881,461	11,863,565		2,017,496		2,939,300		2,021,900	
Irrigation	3,694,521	3,110,134		584,387		810,900		612,800	
Other Public Works	293,833	4,537,462			4,243,629		5,029,700		5,314,100
Mint	196,110	92,369		103,741		225,400		104,300	
Civil Departments	1,211,123	14,931,267			13,720,244		15,251,600		16,214,300
Miscellaneous Civil Services	195,489	3,145,889			2,950,400		2,998,000		3,045,600
Superannuation	70,084	...		70,084		105,700			
Exchange	314,662	319,392			4,730		58,000		79,900
Miscellaneous	97,650	1,345,406			1,247,830		1,249,300		1,230,200
Other heads									
Famine Relief and Insurance		2,336			2,336		95,700		140,100
Famine Relief		997,664			997,664		994,300		859,900
Other heads									
Military Services	948,154	15,946,123			14,997,969		15,311,300		14,812,400
Army	110,495	3,185,657			3,075,162		3,083,000		3,117,400
Effective	91,787	445,867			354,080		376,000		356,000
Non-effective	70,593	900,437			829,844		813,400		788,500
Marine		7,987			7,987		7,000		20,200
Military works									
Special Defences (1902)									
TOTAL	80,682,473	74,784,984		5,897,489		3,359,500		13,500	
Provincial Adjustment		1,961,202			1,961,202		609,500		1,498,100
Surplus									
TOTAL	80,682,473	76,746,186		3,936,287		2,750,000		1,511,600	
Surplus				3,936,287		2,750,000		1,511,600	
Capital Account									
Railway Irrigation and other Capital not charged to Revenue :-									
Capital raised through Companies towards outlay on State Railways				2,294,278					
Capital raised and deposited by Railway Companies (net)				87,241		28,900		1,965,600	
Outlay on Irrigation Works					1,203,888		1,592,500		1,415,500
Outlay on State Railways					8,915,205		7,190,500		7,836,700
Initial outlay on new Capital at Delhi							166,700		1,333,300
Outlay of Railway Companies (net)					-1,375,963		988,600		1,319,500
Capital involved in Redemption of Railway Liabilities					5,904,100				
Permanent Debt (net)				8,896,956		1,825,900		2,931,100	
Temporary Debt (net)					1,000,000		500,000		4,500,000
Unfunded Debt (net)				1,164,908		1,760,400		1,318,700	
Loans and Advances by Imperial Government (net)				174,074		175,400		32,100	
Loans and Advances by Provincial Governments (net)				576,135			328,200		240,000
Loans to Local Boards for Railway Construction (net)				6,328		6,600		6,900	
Deposits and Advances (net)				1,550,367		1,731,100		1,081,300	
Remittances (net)				203,370		835,100		3,400	
Secretary of State's Bills drawn (net)				23,638,303		24,500,000		15,500,000	
Secretary of State's Bills paid (net)					23,244,792		24,231,200		15,769,000
TOTAL				42,528,247	38,892,022	33,613,400	35,003,700	23,237,300	33,527,400
Cash Balance									
Opening Balance (net)				28,105,046		31,741,271		30,350,971	
Closing Balance (net)					31,741,271		30,350,971		20,060,871
TOTAL				70,633,293	70,633,293	65,354,671	65,354,671	53,588,271	53,588,271

N. G. BASU,

R. W. GILLAN,

J. S. MESTON,

Off. Deputy Comptroller General.

Comptroller General.

Secretary to the Government of India.

FORT WILLIAM,

FINANCE DEPARTMENT;

March 1, 1912.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS
UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861
TO 1909 (24 & 25 VICT., c. 67, 55 & 56 VICT., c. 14, AND 9 EDW. VII, c. 4).

The Council met at Government House, Calcutta, on Thursday, the 7th March
1912.

PRESENT :

His Excellency BARON HARDINGE OF PENSHURST, P.C., G.C.B., G.C.M.G.,
G.C.V.O., G.M.S.I., G.M.I.E., *Viceroy and Governor General of India, presid-*
ing,
and 57 Members, of whom 49 were Additional Members.

FINANCIAL STATEMENT.

FIRST STAGE.

The Hon'ble Sir Guy Fleetwood Wilson: "My Lord, I open the first
stage of the discussion on the Financial Statement."

PROVINCIAL GRANT (UNITED PROVINCES).

The Hon'ble Pandit Madan Mohan Malaviya: "My Lord, I beg to
move that this Council recommends to the Governor-General in Council that
the special grant to the United Provinces be raised by a sum equivalent to one-
eighth of the land-revenue raised in those Provinces.

"My Lord, the Council will remember that I raised this question last year
also. I regret that I could not persuade the Council to accept my Resolution,
but the demand which I made on behalf of my Province was and is a just one,

and I bring it forward in the earnest hope that the justice of it will yet be recognised by the Council and the Government.

“ I went last year at some length into the history of what are called Provincial Settlements. I showed that these settlements were in the beginning based on no principle. The actual expenditure of the year which preceded the year in which the settlement was made was taken as showing the standard of expenditure which the Provinces required, and a settlement was made for five years on that basis. The result was that the Provinces which were spending most received the largest share, and those which were spending least got the smallest share of their revenues for provincial purposes. The United Provinces suffered for their virtue, as the Hon'ble Sir James Meston put it last year. How this came about the Hon'ble Mr. Gillan, our present Comptroller General, very clearly explained in the Financial Statement which he presented as Secretary to the Government of the United Provinces in 1909 :

‘ It is not, I think, out of place to observe,’ said Mr. Gillan, ‘ it is indeed sufficiently well-known that this Province has undoubtedly suffered from the application of the principles on which previous settlements were conducted. We think it can be shown that in the early days for one reason or another the finances of these Provinces were administered much more strictly and economically than was the case in most other Provinces. But so long as the system of short-term settlements endured, the policy deliberately announced and consistently applied was to base each revision on the recent actuals of expenditure. To compare great things with small, the result is the same as if in fixing the contract grants of district officers the Government were to pay attention only to the actuals of recorded expenditure. In that case the Collector who spent the most would get the most, while it would be judged that a district where the expenditure was small had small requirements. Similarly this Province, because it began with little, has continued to receive little.’

“ The settlements made during the last twenty years have tended to remove the inequalities between the different Provinces which inevitably arose under such a system. The Government of India have laid down certain general principles which underlie, or rather which should underlie, the financial settlements of the Government of India with a Local Government. I drew attention to these principles last year. One of these is that ‘ so far as possible, the same share of the chief sources of revenue shall be given to each Province to ensure a reasonable equality of treatment.’ Following this principle the Government of India has allowed every Province of India except the United Provinces to retain half of its land-revenue for Provincial expenditure, taking the remaining half to itself. In the case of Burma, it has allowed five-eighths of the land-revenue to be so retained for Provincial expenditure. The Central Provinces, the Punjab, Madras and Bombay each get half the share of their land-revenue. The three new Provinces of re-united Bengal, Bihar and Assam have also each had half the share of their respective land-revenues allotted to them under the settlement recently made for them. But the principle of this equality of treatment has not been extended to the United Provinces. Only a $\frac{3}{8}$ ths share of their land-revenue is allowed to them, and this has long been a matter of sore complaint with the United Provinces. When our present Lieutenant-Governor took charge of the Provinces, the first financial statement which came before him was rightly described as that of ‘ a deficit Province,’ not because our revenues were small and unequal to our expenditure, but because the Government of India did not allow us to retain a sufficient portion of our revenues to meet our Provincial expenditure. Speaking on the subject in March 1907, Sir John Hewett said :—

‘ The matter of most absorbing interest, both on this occasion and on the occasion of recent discussions of the Financial Statement, has been the question of the time when we may expect to have a revised settlement sanctioned by the Government of India under terms upon which such a settlement will be determined in these Provinces. By the courtesy of the Hon'ble the Financial Member of the Governor General's Council I am able to say that it is in contemplation to take up during the coming year a revision of the settlement, and to place the United Provinces generally on terms similar to those of the most recent settlements which give the Local Governments a half share in the divided revenue. I have also received Mr. Baker's assurance that when the revision is made the Lieutenant-Governor shall have ample opportunity of expressing his opinion on the details, both by written communications and also at personal interviews. Upon this subject there is nothing more to be said at the present time except that I think that we may be sanguine of getting good terms.’

“To our great regret and disappointment, when the new settlement was announced, these hopes were not realised. Speaking on the 3rd April 1909, Sir John Hewett said :—

‘Mr. Gillan has referred in some detail to the new Provincial settlement, and it is not necessary for me to follow him. I cannot feel very confident that the settlement will prove a lasting one. We are grateful to the Government of India for the increased share of the revenues collected in the Province given to us by them, and especially for the guarantee of a minimum Provincial share of land-revenue of Rs 240 lakhs ; but the feeling is hardly unnatural that we are entitled to a share of the large sum of land-revenue paid by this Province more approximate to what other more fortunate Local Governments get than three-eighths which we receive. And in the matter of the standards of expenditure fixed we are undoubtedly suffering now from the niggardly retrenchments of Provincial expenditure in the somewhat distant past. The policy then followed prevented the standard of expenditure under various heads from ever reaching the figure demanded in the interests of the Province. I need not do more than mention the standards of educational and judicial expenditure in order to illustrate my meaning.’

“The complaint has been repeated year after year by members of the Legislative Council of the United Provinces, and their representatives here, and also by the Head of the Local Government, that the share of revenue allotted to us is not sufficient to meet expenditure. I will quote only from official statements. Speaking in April 1910 our Lieutenant-Governor, Sir John Hewett, repeated the complaint in the following words :—

‘The Hon’ble Mr. Gillan has more than once explained to the Council how little elasticity there is in our receipts, and demonstrated that we can hardly hope to meet from the expansion of our revenues which we are entitled to anticipate in the near future more than the normal increase of expenditure which must occur from year to year. It is quite evident from the experience which we have now gained of the present financial settlement that it will be impossible to work it so as to effect the reforms which are necessary in the different branches of administration in the Province. We are the second Province in the Indian Empire—I may say that since the reconstitution of Bengal we are the first—in population, and we pay the largest amount of land-revenue to the Imperial Government. Even if we were given a half share of the land-revenue, we should still stand below other Provinces in this respect. The Hon’ble Sir Guy Fleetwood Wilson has impressed on Local Governments the need for sobriety in the administration of their finances. I do not think that I am inclined to be recklessly extravagant in the matter of the expenditure of Government money, though I do ardently desire to elevate the people in every way which seems possible, and specially to give them greater opportunities for education than they enjoy now, and to improve the healthiness of their daily life.’

“My Lord, we are thankful for the doles that the Government of India has given us during the last two years, for the non-recurring grants for education and sanitation made last year, and for the recurring grant of 7 lakhs for education and the non-recurring grant of 9 lakhs for sanitation and agricultural improvement made this year. These, however, are grants which have been made to us along with grants made to all other Provinces. They give us but a small fraction of what we require, and do not raise the standard of our expenditure so as to bring us nearer in comparison with that prevailing in other Provinces. This cannot be done until a larger share of our land-revenue is assigned to us. Our contributions in land-revenue justify our request. The contributions in land-revenue which are expected for the next year from the different Provinces are : the Central Provinces 187 lakhs, Burma 432 lakhs, Assam 76 lakhs, Bengal 269 lakhs, Behar 151 lakhs, the Punjab 352 lakhs, Madras 683 lakhs, Bombay 526 lakhs, and the United Provinces 672 lakhs. I have left out the thousands. Now every one of these other Provinces except Burma, which gets a five-eighths share, receives a half share of the land-revenue. It is the United Provinces only which make the largest contribution of all (except Madras which occasionally comes up to our standard), which receives a three-eighths share only. We have contributed enormous sums to the surpluses of the Government of India in the past, and we are contributing very largely to-day. Our land-revenue contributions have been the largest for a number of years, and I submit that this circumstance strengthens and supports our request; for, if our contributions had been poor, it might have been said that we ought not to get a half share as we contributed a small amount altogether. But the facts are just the other way. Nor is it, my Lord, that we are receiving larger grants under

heads other than the land-revenue. If we were receiving larger grants under other heads so as to raise the total amount given to us as high as what other Provinces enjoy, our complaint would lose some of its force ; but that is not so. In replying to my motion on this very subject last year the Hon'ble Mr. Meston said :—

'The fact that one Province gets half of the land-revenue and another gets five-eighths, while the United Provinces has only three-eighths, is really irrelevant. The great point is to get such a share of the growing revenue as will be equal to the normal requirements of the Province, and to see that the ratio of growth in that share of revenue is roughly equivalent to the ratio of growth in its expenditure. Whether it gets that growth of revenue from its land-revenue or from excise or from stamps, or from any permutation and combination of them, is not important. What is really required is that we should give the Province a sufficient share of its own revenues to enable it to meet its current requirements, calculated with a reasonable margin.'

"So far, Sir, I agreed with my Hon'ble friend, but when he went on to say that the United Provinces have got this, I joined issue with him. I showed last year by a comparison of the total amounts allowed to every Province—to the eight major provinces—that even in the aggregate we receive a smaller percentage of our revenues than is allowed to any other Province. I showed that the Central Provinces were allowed to retain 71·52 per cent. of the total revenues contributed by them for Provincial expenditure; Burma was allowed to retain 68·02 per cent.; Eastern Bengal and Assam was allowed to retain 68·06; Bengal was allowed to retain 62·49 per cent.; Bombay was allowed to retain 69·61 per cent.; the Punjab was allowed to retain 55·33 per cent.; Madras was allowed to retain 52·57 per cent.; but the United Provinces were allowed to retain only 52·16 per cent. of the total revenues contributed by them, for Provincial expenditure. So that, my Lord, it is not that only a smaller share of the land-revenue is allotted to us than is allotted to every other Province, but in the sum total also of what is allotted to us, we stand on the lowest rung of the ladder in comparison with other Provinces.

"This much, my Lord, as regards our contributions and the total amount left to us to spend. I will next draw attention to our needs. They are multifarious and they are very very pressing. The Hon'ble Sir James Meston said last year that we received a sufficient share of our revenues to enable us to meet our current requirements, calculated with a reasonable margin. I endeavoured to show that it was not so. And if my friend still holds that opinion, I regret that I cannot agree with him in that respect. Nor does the Government of the United Provinces or its high officials. In his speech from which I last quoted, after showing that the present settlement is inadequate and unsatisfactory, Sir John Hewett emphatically stated :—

'I am satisfied that it is absolutely necessary, if the people of these Provinces are to be treated as they deserve to be treated and as the people of other Provinces are treated, for the Local Government to be given a larger share of the revenue which accrues within the United Provinces. I am convinced that this will be necessary in order to meet the clamant and unanswerable demand for expenditure on such matters as education, particularly on primary, female and industrial education, on sanitation and medical relief, on the improvement of judicial arrangements, and on the revision of the terms of service of ministerial establishments.'

"Year after year the Director of Public Instruction has been drawing attention to the need for a much larger expenditure on education in the United Provinces. Our late Director, Mr. Lewis, showed that we required 80 lakhs a year to raise us to the standard of expenditure on education that prevailed in Bombay a few years ago. Mr. Lewis said : 'There is a demand in perhaps all districts for more schools, and more schools ; but they cannot be opened because the funds are exhausted. When a people cry out for education and cannot get it, we may well, with Carlyle, count it a tragedy.' Our present Director, the Hon'ble Mr. de la Fosse, has been urging our claims with equal strength and emphasis. Speaking at a meeting of the Legislative Council of the United Provinces last year, and after referring to the special grant of 15 lakhs which the Government had been pleased to make to us last year, Mr. de la Fosse said —

'This special grant is not for recurring expenditure, so that it is not available for increasing facilities for education in so far as these depend upon permanent expenditure for

maintenance of schools. But we are very grateful all the same for this most welcome windfall. It will enable a good deal to be done for the improvement of accommodation and equipment in all classes of schools and colleges, and the needs in all alike are of a very pressing nature. The recurring increase of 3·71 includes, as explained by Mr. Burn, Rs. 2,94,000 which is really only a financial adjustment between District Board and Provincial accounts. I mention this because if misunderstood it might give rise to bitter disappointment.

“ After having thus explained that we had really received no increase for recurring expenditure, the Hon'ble the Director of Public Instruction went on to show how sadly urgent was this need for larger grants. He said :

‘ The Boards are at their wits' end for money with which to meet urgent demands for providing more facilities for primary vernacular education, and some of them are apt to resort to desperate means to find their funds. It was my painful duty in my Annual Report on Public Instruction to call attention to a decrease in the number of primary schools and scholars; and though there may be, and I believe, are, deep-seated causes of a social and economic nature operating to retard the progress of vernacular education among large masses of the people, yet I have no doubt that there are enormous numbers that would come to school willingly enough if opportunities were afforded them. The tragic disappearance of schools in the Benares Division, repeated in a lesser degree in other divisions, paradoxical as it may seem, if rightly viewed, gives no cause for despondency. There was no unwillingness to come to school, but on the contrary scholars had to be turned away. The situation may be summed up in a line, “ the hungry sheep look up and are not fed.”

“ This, my Lord, is the position with regard to education in my Provinces. I need not repeat what I said regarding the needs of sanitation last year. They are equally pressing. I am thankful for the recurring grant of 7 lakhs made this year by the Government of India to promote truly popular education. I also feel thankful for the grant of 9 lakhs which has been made for sanitation and for agricultural improvement. But I submit, my Lord, that these provide only a fraction of what the requirements of the Province demand; and I submit that the standard of our Provincial expenditure cannot be raised to a healthy level unless the Province is allowed to retain the same share of the land-revenue which is allowed to other Provinces. In speaking of Provincial finance in his Financial Statement, the Hon'ble the Finance Member was pleased, after referring to the case of Burma, to say :

‘ Other Provinces have all fared extremely well, and I have every hope that the permanence of their settlements will strengthen the spirit of economy and self-reliance in the Provincial administrations, while leaving them ample margin for all legitimate expansion.’

“ From all that I have said before, it must be evident that these remarks cannot in truth apply to the United Provinces. We have not fared at all well. And we have not only no margin for all legitimate expansion, but not enough to meet the most insistent and reasonable demands. I have sufficiently drawn attention to the complaints which have been repeated on this score in the past. Even last year the Financial Secretary to the Government of the United Provinces deplored the fact that he had no money with which to meet the various demands which had been urged upon the Government, unless the hope which had been expressed was realised that the Government of India might be moved to give a considerably larger share under the land revenue heads than is given at present.

“ Such, my Lord, is the position of the United Provinces. I submit our population, which is now the largest in any Province in the country, justifies our request that we should be allowed to retain at least 60 per cent. of our revenues for expenditure in the Province, that being the average percentage of the revenues allowed to most of the other Provinces. Our needs also justify that demand; and last, but not least, our contributions justify it. We press our claim upon the consideration of the Government when it is in a position easily to accede to it. The Hon'ble the Finance Member is rejoicing over the large surplus which ‘ abounding good fortune ’ has placed in the hands of the Government of India. I rejoice with him. But I beg of him and the Government to recognise

that a good portion of that surplus is made up of the sum which has been raised in the United Provinces and which on the principles laid down by the Government of India in the case of every other Province rightly belongs to these Provinces.

“In the Budget Statement to which we listened with so much interest the other day the Hon’ble the Finance Member said:—

‘The chief advance, however, is under Land-revenue, where the return of normal conditions in the areas that suffered from the irregularities of the last monsoon will, we trust, be the main contributor to an increase of which the Imperial share should be something in excess of £400,000.’

“Further on, he said :

‘There is thus an addition of £1½ millions to the Imperial share of the land-revenue over and above the £400,000 which comes to us from improved collections.’

“Now, my Lord, as I have said before, these expanding revenues and these improved collections are made up in no small measure by the contributions of the United Provinces, which are the largest in the whole country, and it is nothing but fair that before the Government of India begin to divide and distribute all over the country the surpluses which are swelled by these contributions, a portion of the money which is necessary to give to the United Provinces, the share of their revenues to which they are entitled on the principle laid down by the Government and applied in the case of every other Province, should be set apart for them. A general distribution should be made among other Provinces only of what should be available after such adjustment. I hope, my Lord, the justice of this claim will commend itself to the Government and that the Resolution which I have the honour to move will be accepted.”

The Hon’ble Nawab Abdul Majid : “My Lord, it is with great pleasure that I support the Resolution that has been brought forward by the Hon’ble Pandit Madan Mohan Malaviya. Last year, when this question was before this Council, my Hon’ble friend had demonstrated with much ability and much force of reasoning that it was absolutely necessary that the United Provinces should be on the same footing of equality as other Provinces are. My Lord, this question was also brought forward at the last Budget meeting of our Provincial Council. In that Council there was not a single non-official Member at that time who did not feel that this Province was not well treated. Every non-official Member brought forward in their speeches this question, and they urged upon His Honour the Lieutenant-Governor that the matter should be brought to the notice of the Imperial Government as to why this unfair treatment was accorded to the United Provinces. It cannot be denied that the United Provinces contribute a substantial sum to the Imperial Exchequer; at the same time it cannot be denied that the requirements of the United Provinces are not less than the requirements of other Provinces. Well, if this is so, why is it that they should not get the same proportion of revenue as is given to the other Provinces? My Lord, with these words I support this Resolution.”

The Hon’ble Mr. Sinha : “My Lord, I have very great pleasure in supporting the Resolution moved by my friend the Hon’ble Pandit Madan Mohan Malaviya, who has made out an exceptionally strong case for better treatment being accorded to the United Provinces. I think, in this matter, the people in the United Provinces have a very just grievance; for whereas the other Provinces receive half share of the land-revenue, they only receive three-eighths. I shall be very glad, therefore, if the Government see their way to accepting this Resolution.”

The Hon’ble Sir Guy Fleetwood Wilson : “My Lord, I quite appreciate the motive which has weighed with the Hon’ble Mover in throwing his Resolution into the particular form that he has adopted. He regards it as, I will not say a slight, but certainly an unfortunate distinction that his

Province—the Province which he and the Hon'ble Nawab Abdul Majid so patriotically and ably represent in this Council—should receive a share of the great Land-revenue head which is less than that assigned to the other Provinces of India. With that sentiment I have entire sympathy; and if the distinction in itself implied in reality any definite detriment to the United Provinces, I should not be backward in acceding to his earnest desire for its rectification. The Hon'ble gentleman himself, however, has said enough to show that he fully realises that the mere grant to the Province of a full half share of the land-revenue receipts would not, under our present settlement system, meet his wishes. He recognises that if we increased the Provincial share of the land revenue, we should only have to make a corresponding reduction under Stamps or Excise or some of the other leading heads of receipts. The net result would be no real improvement on the present position. The Province would have the same assignment of growing revenues at its command, only it would be derived in a larger measure from land-revenue, and in a minor degree from other divided heads. In fact it is not impossible that the Province might be slightly worse off in the long run, if, for example, the growth of the land-revenue should turn out to be less rapid than that of the other classes of receipts which the Province shares with the Imperial exchequer.

“What the Hon'ble Pandit is aiming at, however, is something more than the mere rectification of a sentimental grievance. He has pointed out in eloquent language and with wealth of detail the needs of his Province. He has told us with what advantage it could absorb a much larger volume of money for all sorts of benevolent purposes; and he has pictured the step-motherly attitude which the Government of India has shown towards the United Provinces in the past. What he really wants therefore is that the Province should get a full half of the land-revenue receipts without giving up any share of what it already derives from the other heads of revenue. This would mean, on the budget figures for next year, an additional Imperial assignment of no less than 82 lakhs to the Local Government. I regret that I am obliged to oppose this proposition; and I do so out of no want of sympathy with the Hon'ble Member's enthusiasm for the development and well-being of his own Province, but simply on three broad grounds of principle, which seem to me incontrovertible.

“In the first place, I could not possibly accede to any proposal which aims at effecting theoretical equality between the spending powers of the different Provinces. I do not contest the point, which the Hon'ble mover has argued with much force and moderation, that the United Provinces contribute a very large ratio of their revenues to the general exchequer. I believe that by the ordinary statistical tests the United Provinces and Madras are shown to contribute a larger ratio than the other Provinces of India. Nor am I prepared to deny that this position may be in some measure the result of the economical working of the Local Government in years gone by. But many years have passed, and a good many settlements have been framed and revised, since the causes of this inequality cease to operate. We have to take things as we find them. We have revised the United Provinces' settlement on several occasions since the time of which the Hon'ble Pandit is thinking, and we have always done so in the direction of increased liberality. We have never attempted to regulate the spending powers of any one Province with relation to those of its neighbours, and we cannot accept any such principle of action now. I am sure that the Council will see that it would be thoroughly impracticable, at this stage of our financial development, to attempt to throw all the Provinces into one mould, to level up the expenditure on education in one, to level down the expenditure on general administration in another, and so forth. Anything of this sort is clearly impossible. In some cases it would mean a complete stoppage of business; and in others it would mean flooding a Local Government with money which for years to come it could not profitably utilise. The financial position of each Province has been built up on its own lines; and it

would be the worst of folly to pull down the erections now and to attempt to reconstruct them on a uniform plan.

“The second of my objections follows as a sequel to the first. The steady development and the growing elasticity of Provincial finance have led us steadily to the important reform which I announced a year ago, namely, the creation of permanent financial settlement with all the Provinces. The Hon’ble Member’s proposal would mean a complete recasting of the United Provinces’ settlement before it is a year old. To this I could not for a moment consent. We had the strongest of reasons for making the arrangements which now obtain, and for insisting on their permanent character. We did what we did in the interests both of the Provinces themselves and of the general finances of India. Any weakness or change of purpose would open the door to financial chaos, and point the way to the bankruptcy of India. I regret that we must definitely reject any proposal that would have the effect of undoing the work of our permanent financial settlements.

“In the third and last place, we are unable to meet my Hon’ble friend because we cannot afford the 82 lakhs which he asks for. His proposal would involve the permanent withdrawing of that large sum of money from our annual Imperial resources. It would to that extent interfere with the development of our schemes for the general improvement of Indian education, sanitation, and all the other beneficial services which the Hon’ble Member, I am sure, has as much at heart as I have. It would be robbing Peter to pay Paul; and I regret that the Government of India cannot agree to it.”

The Hon’ble Pandit Madan Mohan Malaviya: “My Lord, it occurred to me that I should apply the very phrase which the Hon’ble the Finance Member has used at the end of his speech in describing the arrangement that prevails at present; but I feared that I might be deemed guilty of want of respect to the Government if I did so. But, my Lord, now that the Hon’ble the Finance Member has said that if the Government accepted my motion, and acted on it, it would be a case of robbing Peter to pay Paul, with great respect to the Hon’ble Member, I must say that the case is entirely otherwise. If the Government accepted my motion, they would cease to be guilty of withholding from the United Provinces what is fairly and rightly their share and distributing the money among other Provinces which have absolutely no right to it. My Lord, the Hon’ble the Finance Member says that what I really ask for is an addition of 82 lakhs to the amount which is given to the United Provinces. That is true; I have made no secret of it; I have tried to explain it as clearly as I could; I do not want that an increased grant should be made under the head Land-revenue and that there should be reductions under Forest, Excise and other heads. My complaint is that whether we look at the proportion of land-revenue allotted to us or whether we look at the sum total of revenues allotted to the United Provinces under all the divided heads, we do not receive our fair share of the revenues, and I have asked that the land-revenue should be increased both because it will place us on a level of equality with other Provinces in respect of the proportionate share of land-revenue allotted to us and the other Provinces, and because it will give us a higher percentage of the total of our revenues to be spent in the Province. I have shown, my Lord, that the average which is allotted to most of the other Provinces is about 60 per cent. of their revenues; and if 82 lakhs is added to the revenues which the United Provinces are allowed to retain at present, that would give us just nearly 61 per cent. of our total revenues to spend within the Province. My Lord, my request is not unreasonable, because if it is granted it will not give us a larger share of our revenues than what the other Provinces enjoy. The Hon’ble the Finance Member says that he cannot agree to bring about a theoretical equality between the various Provinces. I do not ask for theoretical equality. All that I ask for is that the principles which the Government of India have developed after years of careful consideration, should be applied in the case of the United Provinces, as they have been applied in the case of other Provinces; and I have shown that, if they are so applied, we are clearly entitled to have

one-eighth more of the land-revenue of the Province left to us for expenditure within the Province.

“Then, my Lord, the Hon’ble Finance Member says that he has to take things as he finds them. Surely that is not so. If the Government of India were content to take things as they found them, I submit, my Lord, that there would be very little progress possible. The Government of India have during the last thirty years revised the Provincial settlements several times. Many mistakes have been rectified and many inequalities have been removed, as the Hon’ble Sir James Meston was good enough to point out last year. All that we ask for is that this very glaring mistake, this gross inequality of treatment under which the United Provinces get only 3-8ths of their land-revenue, while every other Province gets 4-8ths, should be rectified by 1-8th more of our land-revenue being left to us by the Government of India.

“My Lord, another objection urged by the Hon’ble the Finance Member is that the acceptance of my proposal would disturb the steady development of Provincial finance, that there has been a permanent settlement, and that we ought not to disturb it within a year of its existence. I submit, my Lord, that it is a misnomer to call these Provincial settlements permanent. They are nothing of the kind. The Government of India have reserved to themselves ample powers to revise the settlements when they think it right to do so. And if it is shown, as I believe it has been shown, that the settlement which has been made leaves practically the United Provinces in a state of stagnation, if not of starvation, then I submit that the justice of the case demands that such a settlement, even though it may have been called permanent, should be revised. I have already referred to the opinion of Sir John Hewett. He has said on two occasions that he did not feel that the settlement was a satisfactory one or that it will prove a lasting one. He has plainly said that it is quite evident from the experience which we have gained of this financial settlement that it will be impossible to work it so as to effect the reforms which are necessary in the different branches of administration in the Province; that the pressing demands of education, sanitation and general administration cannot be met in the United Provinces until the Government of India agrees to revise the settlement and to place a larger sum of the revenue which accrues within the United Provinces at the disposal of the United Provinces Government.

“My Lord, the Hon’ble the Finance Member says that in considering my proposal two things are to be borne in mind—the interests of the United Provinces and the general interests of India as a whole. True; and all that I urge is that the interests of the United Provinces should not be sacrificed to secure an unfair advantage to the rest of India. With due deference to the Hon’ble Member, I submit that, in laying down the terms of our Provincial settlement, he has been less mindful of the interests of the United Provinces and more of the general interests of India than he should justly have been, and I invite him to remedy the injustice.

“My Lord, the third objection which the Hon’ble Member has urged against my proposal is that it will take away 82 lakhs from the permanent income of the Government of India. I submit that it will not deprive the Government of India of even a pice of its own true income. It will only save it from appropriating any further the 82 lakhs a year which it has been wrongly appropriating for some years past, and which, according to the principles laid down by the Government of India itself, rightly belongs to the Government of the United Provinces, and ought to be left in its exchequer. The Government of India recognise that a sufficiently large proportion of the revenues raised in a Province should be left to be spent within the Province for the benefit of the people. This principle is in conformity with the law of nature that the moisture which is drawn from an area ought to descend upon that area in refreshing showers to improve and fertilise it. Unfortunately for us of the United Provinces, a substantial portion of the moisture drawn from us is distributed on soils other than

our own, while we are dying for the want of it : the revenue drawn from the United Provinces is not allowed to return to fertilise and improve it in the same proportion in which the revenue of the other Provinces is allowed to return to them. I submit, my Lord, that when the Government have a large surplus in hand as at present, they should first allot what is fairly and justly due to every Province, and then distribute the balance that may be available among the different Provinces. My Lord, I do not desire for one moment that any other Province should suffer any loss. All that I ask for is that out of the revenues towards which the United Provinces have contributed along with other Provinces, the fair share of the United Provinces should first be set apart for them, and then there should be a general distribution. I hope the Government will yet be pleased to reconsider the matter and to rectify a position which, with all deference to the Hon'ble the Finance Member, I think he has not been able to defend."

The Resolution was put and rejected.

EXPENDITURE ON NEW DELHI.

The Hon'ble Mr. Gokhale : " My Lord, I beg to move that this Council recommends to the Governor General in Council that the amount of the loan to be raised during the next year be increased by one crore of rupees, so that the expenditure proposed to be incurred for building new Delhi in 1912-13 should be met entirely out of loan funds and not partly out of next year's estimated surplus.

" My Lord, I do not think it is necessary for me to occupy the time of the Council for many minutes in discussing this question, because the issue which the Resolution raises is a comparatively simple one and may be briefly stated. In the Government of India despatch of 25th August last, recommending the administrative changes, recently carried out, to the Secretary of State, the question of the cost of building new Delhi is thus dealt with :—

' The cost of the transfer to Delhi would be considerable. We cannot conceive, however, that a larger sum than 4 millions sterling would be necessary, and within that figure probably could be found the three years' interest on capital which would have to be paid till the necessary works and buildings were completed. We might find it necessary to issue a " City of Delhi " gold loan at 3½ per cent. guaranteed by the Government of India, the interest, or the larger part of the interest, on this loan being eventually obtainable from rents and taxes.'

" It is quite true that the language of this extract is guarded, but still what the Government mention here is that a loan to be called ' the City of Delhi loan ' might have to be raised in order to meet the cost of constructing the new capital. There is no mention made here of spending any money on the new capital out of current revenues—either out of regular revenue allotments in the budget or out of surpluses. The Hon'ble the Finance Member, however, in his Financial Statement explains the course he proposes to adopt, in the following words :—

' I may say at once that we are not yet in the possession of any estimates of its cost. Plans for the temporary housing of the Government of India head-quarters are under preparation ; but no plans for the permanent Imperial City are to be thought of until the best available experts have studied and advised upon the project in all its bearings. Meanwhile, my immediate duty has been to devise a scheme for financing the work, a scheme which will be as little onerous as possible to the taxpayers of India. Three possible alternatives have presented themselves throughout. The first, and in some ways the most attractive, would be a special Delhi loan. The second would be to charge the whole expenditure as it occurs against current revenue. The third would be to put the Delhi works on precisely the same footing as our large railway and irrigation works, treating them as capital expenditure and financing them partly from loans and partly from whatever spare revenues remain in each year after meeting our ordinary administrative needs. I shall not weary the Council by the various considerations which decided us, with the full approval of the Secretary of State, to adopt the third of these courses. It will, I believe, commend itself to the financial and commercial community of India. By treating the Delhi operations as ordinary capital work, we ensure the greatest possible elasticity in the provision of funds ; we avoid unnecessary additions to our unproductive debt ; and I hope we allay the fear — so far as I am concerned a baseless fear — that the new city will be built from the produce of fresh taxation.'

“The Hon’ble Member goes on further to say that—

‘If money is easy and we can obtain more than we immediately require, it will lie in our cash balances available for future use. Meanwhile, as we shall now have three sections in our annual capital programme instead of two, we may reasonably enlarge the conventional figure of one crore which we have hitherto endeavoured to secure as our revenue surplus. There is no need to fix any standard surplus; much will depend on the circumstances of the year and on the other interests concerned; but whenever we find ourselves able to budget for a larger surplus than £667,000 without detriment to the other claims upon us, we shall do so until the financing of new Delhi is completed.’

“It will be seen that in this extract the Hon’ble Member does not confine himself to the idea of building Delhi out of loan funds but makes prominent and even pointed mention of devoting such surpluses as may be available to the new capital. Now, my Lord, I do not say that there is necessarily any inconsistency between the despatch of the Government of India and the statement which the Hon’ble Member has made. It may be urged that while the despatch of the Government of India merely mentions that it *might* be necessary to raise a loan, it does not bind the Government to build Delhi out of loan funds only; on the other hand, the language of the Hon’ble Member, though it speaks of devoting surpluses to the construction of Delhi, does not exclude the possibility of raising a loan for building the capital. This, my Lord, is perfectly true. But the general impression left on the minds of those who read the despatch undoubtedly was that the new capital would be built out of loan funds, as any one can see from what appeared in various newspapers at the time on the subject. On the other hand, the impression that is strongly created by the words which the Hon’ble Member has used in his Financial Statement is that surpluses would first be devoted to the building of Delhi, and if any more money is required, that would be found by means of loans.

“My Lord, the Hon’ble the Finance Member says that he wishes to allay the fear—so far as he is concerned, he thinks it is a baseless fear—that the new city will be built from the produce of fresh taxation. Now, in speaking of fresh taxation, I fear the Hon’ble Member is taking only a technical advantage of certain expressions which have appeared in the Press in this connexion. It is true that immediately after the Delhi announcements some newspapers started the cry that the new capital would cost a lot of money, and that fresh taxation would be necessary. But, my Lord, whether the Government imposes fresh taxation for building Delhi or keeps up taxation at a higher level than is necessary for the ordinary needs of the country and secures surpluses which it devotes to Delhi, is after all the same thing. For when you devote your surpluses to this work, you practically take that money out of the current revenues of the country. My Lord, what is a surplus? It is so much more money taken by the Government from the people than what is necessary for the ordinary requirements of the administration. If the Government could estimate exactly the expenditure required for a year and could also form an exact estimate of the revenues which would be required to meet that expenditure, then there would be no surplus—at any rate, no large surplus. It is because it is impossible to estimate accurately how much revenue the Government would require in a year that surpluses accrue. But when they so accrue, the fact is clear that, to the extent represented by them, the Government has taken from the people more than what was required for the actual purposes of the administration. Now, my Lord, there are three ways in which a surplus may be expended. You may devote it either to a reduction of debt; or you may devote it to a reduction of taxation; or it may be devoted to expenditure on useful objects in the country. In most Western countries, when a surplus is realized, it is devoted to a reduction of debt. In this country, the practice, though not identical, ultimately results in the same thing. Our surpluses in the first place find their way into our cash balances and from these they are either devoted to expenditure on railways or irrigation, that is, to productive works—which ultimately reduces our unproductive debt by a corresponding amount—or they are directly used for reducing our debt. But whether they are used in the first or second way, the result is ultimately the same, namely, that of reducing our unproductive debt. This, however, has been one of the principal grievances which non-

official Members have urged in this Council again and again for several years past. I, for one, have been raising my humble voice year after year against this misapplication of our surpluses since I entered this Council, now eleven years ago. Year after year I have been pointing out that while this may be sound finance in the West, it is not sound finance in this country, where the unproductive debt is really a very small amount. Last year I went at some length into the question as to what was the amount of our unproductive debt. I took all the various liabilities of the Government into consideration, as also all the sums due to it and its cash balances; and I showed that the actual unproductive indebtedness of the Government of India—putting aside the vast sums that have been spent on railways and irrigation, as they are earning their interest—was about 30 millions sterling only. Since then the Hon'ble Member paid off 2 millions out of last year's opium surplus. And this year he pays off again another million out of this year's opium surplus. Thus, three millions are knocked off, leaving only about 27 millions as representing our net unproductive indebtedness. It is true that the figures of unproductive debt which are given in Government publications are higher, because they do not take into account certain sums which are on the other side, namely, the loans that have been advanced by Government to Native States, to local bodies or to cultivators, and they also leave out of account our large cash balances. Now, an indebtedness of only 27 millions is a mere trifle for a country like India; in any case, there need not be this great hurry to pay it off. If the Government will provide a regular sinking fund of a reasonable amount to pay off the debt, there will be no occasion for anybody to complain. As a matter of fact, there is already provision for such a sinking fund as I pointed out last year. Under Railways there is a sum of a little over eight hundred thousand pounds, which automatically goes to the redemption of debt. Then again, under Famine Relief and Insurance, a sum of nearly half a million is always allotted to avoidance or reduction of debt. A million and a quarter thus, or to be more correct, a million and one-third, is devoted every year to the reduction of debt. At this rate, if no war or great famine or any other extraordinary occurrence of a like nature drives the State to borrow, our entire unproductive debt will be wiped off in twenty years, and that without devoting any part of our surpluses to such reduction. There is not another country in the world where they could claim to be able to do this. In Western countries they have to provide a large sinking fund for the reduction of debt, because their unproductive debts are so large—a thousand million pounds in France, seven hundred million pounds or something like that in England, and corresponding debts in other countries! Where you have such huge debts, it is necessary to provide for a large regular sinking fund, and in addition to devote surpluses, when they accrue, to the same object. Moreover, the expenditure of Western countries is carried on under the direct control of the representatives of the people. Therefore, Governments in Western countries, being largely dependent on the votes of the people, try to conciliate popular feeling by remitting taxation whenever a suitable opportunity presents itself. Of course I am not speaking of English finance of the last three years; but, speaking generally, the position is as I have stated. Though, therefore, the surplus that accrues in any particular year may go to the reduction of debt, any real improvement in the financial position, as represented by that surplus, is utilized as a rule for reducing taxation in Western countries. In this country, on the other hand, our experience is that, whenever there is a surplus, it is devoted to the reduction of debt and any improvement in the financial position that it may indicate is hidden away, as far as possible, by underestimating the revenue or overestimating the expenditure for the following year. And it is only when the improvement is so striking that it cannot possibly be hidden away that relief is given to the taxpayers. Take the history of our finances during the last 14 years. There were no doubt remissions of taxation granted, but that was because the Government could not help doing it. As long as Government could help it, no reduction was made, and large surpluses were enjoyed and expended in various directions. Now, my Lord, my contention is that in this country a surplus is always a temptation to the

Government either to pay off its debt faster than is necessary, or else to increase expenditure in directions which entirely depend upon its own will and which sometimes do not commend themselves to the people. This question, therefore, of the proper disposal of surpluses is to my mind a very important question, and that is why I raise it whenever an opportunity presents itself. My Lord, there are many useful directions in which our surpluses could be expended, or, if that course does not find favour with the Government, advantage ought to be taken of them to remit taxation so that the money remitted might fructify in the pockets of the people. Of course, if the Government merely borrowed to build Delhi without at the same time utilizing the surpluses either for reducing taxation or for expenditure on useful objects, it would in effect be the same thing as devoting the surpluses to the construction of the new capital. For in that case, while you will be borrowing with one hand to build Delhi, you will, with the other hand, be paying off debt by means of surpluses, realized by keeping the level of taxation higher than necessary. What I want is that while Delhi should be built out of loan funds,—our trifling unproductive debt provides ample margin for that,—the surpluses should be utilized either for non-recurring expenditure on education, sanitation and medical relief, as my next Resolution recommends, or else they should go to the reduction of taxation.

“My Lord, the Hon’ble Member has estimated the surplus for next year at one and a half millions. As a matter of fact, if the Council will carefully analyse the revised estimates of this year, it will see that next year’s surplus is likely to be nearer four millions than one and a half millions. I think the Hon’ble Member, as also the Hon’ble Sir James Meston, will have to admit this. It is true that the Finance Department has made a very skilful attempt to hide away the true surplus partly under one head and partly under another, till only one and a half millions is left to show to the public. But I do not think the attempt has been successful. Take the revised estimates of this year; the surplus shown in the Statement for the year is 2·75 millions sterling. Out of this, 1·75 millions is the special opium surplus. The ordinary surplus, therefore, that is, the excess of ordinary revenue over our ordinary expenditure in this year’s revised estimates, is one million. Well, let us put that down first; next, my Lord, during this year the Government have made to Local Governments special grants, amounting to 1·42 millions or nearly 1½ millions. If these grants had not been made,—they are all extraordinary grants,—our surplus would have been higher by 1·42 millions. Then again I find from the Financial Statement that about half a million was spent in connection with the Royal Visit on the Civil side; two hundred and seven thousand pounds on the Military side, and the bonus and other boons came to about six hundred thousand pounds; altogether over one million and three hundred thousand. That is also extraordinary special expenditure belonging to this year only. We thus have one million the declared surplus, 1½ millions in the amount of special grants to Local Governments, and 1·36 millions, or about that, the cost to the Government of India in connection with the Royal Visit—altogether 3·87 millions or nearly 4 millions. This then represents the real excess of our revenue over our expenditure at present, leaving aside the opium surplus and leaving aside also what I have called our automatic sinking fund. But what I find done is that in next year’s Budget, under nearly every head, the revenue has been under-estimated and the surplus has been worked down to 1½ millions only. I hope the Council will see this and I hope it will realize that the question before us is not about 1½ millions only but about 4 millions sterling. If the Government realize this sum of 4 millions,—and I am sure it will realize it unless something extraordinary happens,—and if the estimate of the cost of new Delhi is correct, the Government could build the capital out of surpluses in one or two years. If this happens, whether provision for the expenditure is made out of current revenue at the beginning of a year or out of an estimated surplus at the end of the year makes really no difference. Only in the one case you put down the expenditure beforehand against revenue, and in the other you wait till such time as the accounts of the year show

a surplus and then take the money. In either case, however, the money comes out of taxation. My Lord, as the Government has foreshadowed in its despatch of 25th August last the floating of a special Delhi Loan, I contend Delhi should be constructed out of loan funds, whether it costs 4 millions or 5 millions or 10 millions or any other amount. We want our surpluses for other purposes and the smallness of our unproductive debt allows plenty of margin for a Delhi loan. I urge, my Lord, therefore, that the loan for this year should be raised by one crore more—the amount indicated by the Hon'ble Member as likely to be taken out of next year's surplus to be spent on the construction of Delhi—and that the new capital should be constructed entirely out of loan funds."

The Hon'ble Maharajadhiraja Bahadur of Burdwan: "My Lord, if the question had been mooted in Council regarding the advisability of having a new Delhi and if Mr. Gokhale had proposed that there was no need for a new Delhi, I would probably have voted with him. But here we have to consider that as we are going to found a new Imperial Delhi and as therefore we have got to consider the ways and means, I do not see any reason why we should not utilise this surplus in building the new Imperial City. By utilising this surplus, our loan this year would be less by a crore of rupees. Of course Mr. Gokhale's proposition of remitting taxation is one that has my fullest sympathy, but I am afraid that at the present juncture it will not be possible to remit any tax, and, on the other hand, many of us would be very pleased if we could build Delhi out of the ordinary surpluses. For these reasons, my Lord, I do not think that simply because it was mentioned in the despatch that the cost of the new Imperial Delhi should be met out of a special loan, that is any reason why we should not utilise the surplus that we can lay our hands upon at the present moment. For these reasons, I am sorry I cannot support Mr. Gokhale's Resolution."

The Hon'ble Mr. Madge: "My Lord, the grounds on which this Resolution appeals to me, I shall briefly state as follows. The first question to be decided is whether the money required for the new Delhi would be a charge against Revenue or against Capital, and in so far as my inexpert amateur intellect understands it, large operations of the character to be undertaken at Delhi should be regarded as Capital and charged against loans and not against Revenue. One of the principles underlying this arrangement should, I suppose, be that the burden of expenditure should fall upon the generations that would benefit by the expenditure incurred. It may be said that because the charges incurred in this scheme are in a sense unproductive, you cannot trace any distinct benefit to them. But I do not take that view of it. Whatever benefit is to come—and I suppose the responsible Government recognise some great benefit—that benefit will be shared by a large number of future generations; and I respectfully submit that the life of successive loans, out of which these charges ought to be met, should be so protracted that their proper share of repayments should fall upon future generations and not on the present generation. That is a principle which is recognised in all smaller loans, and I fail to see why it should not be recognised in the large loans that will be needed for the purpose of building Delhi. I will not take the same ground that the Hon'ble Mover has taken on one point. The argument that there should be no difficulty in raising a loan, because the indebtedness of India is 'such a little one', is unsound. I believe our debt is comparatively small because the Government of India has been wisely careful in a poor country like India in not contracting any but absolutely necessary loans; and the examples that we have in the West at the present time of the manner in which Consols are being depreciated because of extravagant expenditure incurred is sufficient warning to us in this respect; but I do believe that the whole charge of building Delhi ought to be considered as Capital expenditure and raised by loans. I entirely agree with what the Hon'ble Mover has said as to the uses which should be made of surpluses. One of the first of these uses is to reduce taxation. There are also many pressing needs of this country, wants of the present generation, which

ought in my humble opinion to be met from the taxes contributed by this generation. On these grounds I support the Resolution."

The Hon'ble Sir James Meston: "My Lord, the Hon'ble Mr. Gokhale has done me the honour of referring to me as an expert on the subject of surpluses. I was not quite prepared for an attack on our surplus, knowing as I do with what care our estimates have been framed. But as the Hon ble Member has raised the point and has put definite figures before us, I accept his offer to discuss them. To put it frankly, he thinks that we have been manipulating the surplus; that instead of a million and a half, we really have got 4 millions at our disposal; and he arrives at this conclusion by calculating in the following manner. We have a declared surplus in the current year of 1 million apart from opium. We have given grants of $1\frac{1}{2}$ millions to Local Governments in the current year; and we have spent $1\frac{1}{2}$ millions on the Royal Visit and on grants, subsidies, presents, boons, etc., in connection with it. Thus he works it out to close on four millions as being the real surplus revenue we had in the current year; and he suggests that, if things go well, we shall be in a position to lay before Council next year another four millions or so surplus. Now there are certain qualifying facts and figures in his calculations. First of all, there is a small matter, a matter running to about a third of a million; in his grants to Local Governments he has included the *pro forma* assignments made through land-revenue head to Local Governments to pay for boons and other expenditure which was in the first instance charged to Provincial revenues in connection with the Royal Visit. He has again taken this in his calculation of the $1\frac{1}{2}$ millions expended on the Royal Visit, so that we have to eliminate something close on one-third of a million on that account from his calculation. That would bring our surplus to somewhere near $3\frac{1}{2}$ millions. And he says that the whole of this might very well be allotted to the capital expenditure on new Delhi. I would point out first of all that we have been cautious, we have been conservative even, in estimating the revenue from railways and from customs in the next year. We have had an almost phenomenal year in 1911-12, and we think that it would be unwise to estimate for another phenomenal year. We had a bad scare in August last year and we may have a bad scare again next year, which may develop into a really bad crisis. Consequently we had to strike off $\frac{3}{4}$ million on that account from the current year's revenue in estimating the revenue from railways and customs for the year to come. That would, I think, reduce his calculation to say $2\frac{3}{4}$ millions. Now, if he would give the whole of that $2\frac{3}{4}$ millions to Delhi, I can only take that argument as implying that he disapproves of the special grant to the great service of education which is going to occupy $1\frac{1}{2}$ crores out of our ordinary surplus this year—50 lakhs which was announced at the Royal Visit, and the 75 lakhs which have been added to it since. If he accepts that position, then I am in entire agreement with him that we could have budgeted for a larger surplus. Otherwise I think that our $\text{£}1\frac{1}{2}$ millions is a fair and reasonable figure."

The Hon'ble Pandit Madan Mohan Malaviya: "My Lord, I beg to support the motion. The building up of Delhi is an important thing, and it ought to be associated with the most happy associations. The foundations of it were laid by His Imperial Majesty, and except for the inevitable unhappiness which has been caused to Calcutta, the country as a whole has joined with the Government in expressing its satisfaction at it. In this view, my Lord, the diverting of the annual surpluses from their legitimate use ought not to be associated with the building of Delhi, if it can be avoided. Build up Delhi, no doubt, and build it up as well as it should be built up; but let the surpluses, contributions of the people, go at the same time to build up the strength of the people. If the surpluses are diverted towards the cost of constructing Delhi, whatever may be said at the present moment, there will necessarily not be the same measure of funds available for promoting many of the objects in which the vital interests of the people are involved. It is not a question of one year

nor of a small sum. I fear that we shall for several years be confronted, on every occasion when we urge that money should be set apart to promote popular requirements, with the necessity of finding the large amount which will have to be found for building up Imperial Delhi. I submit, my Lord, that the people generally will feel more satisfaction and a new source of public complaint will be avoided if provision is made by raising a special loan for meeting the expenditure on Delhi, and no interference is made with the means, which may, in the natural course of things, be available to the Government of India for distribution among the many objects which affect the people.

“ For these reasons I strongly support the Resolution.”

The Hon'ble Babu Bhupendranath Basu : “ I rise to support the Resolution moved by my Hon'ble Mr. Gokhale. I offer no observations as to the necessity or otherwise of removing the capital to Delhi; but taking that fact as granted, it has been asserted in several quarters that the cost of building an Imperial City at Delhi will be at least 10 crores, and not 6 crores, as was estimated in the despatches that were placed before the public. The question then arises, how is this fund to be met? The despatch itself pointed out the way in which the expenditure might be provided; but apart from the despatch, applying ordinary principles of taxation in matters of capital expenditure, I do think that it is a proposition which cannot be controverted that expenditure in the shape of capital which will benefit many generations must be borne by several generations and spread over a considerable period of time. That is an ordinary axiom in the incurring of expenditure of this class. We do not see why that principle should be deviated from on this occasion. Money is urgently needed in various directions, and if even the remission of taxation is not possible, it is quite possible to spend the money which my Hon'ble Friend the Finance Member is devoting to Delhi for purposes which would be more useful and beneficial. At the same time I do not think any one in the country would complain if the expenditure for building Delhi were met by a loan. For these reasons I do hope that the proposal of my friend the Hon'ble Mr. Gokhale will find acceptance with Government; for, as was pointed out by the Hon'ble Pandit Madan Mohan Malaviya, if it were the fact that this one crore of rupees was all that was wanted, probably we could reconcile ourselves to our surplus going towards that object, namely, the building of a city; but we all know, whether it is 6 crores or 10 crores, we have to provide a much larger expenditure, and that expenditure ought to be so arranged, that the burden may be distributed over a considerably longer period of time.”

The Hon'ble Sir Cecil Graham : “ My Lord, in supporting this Resolution I should like to say a few words. There seems to me to be no doubt that the money to build Delhi must in any case eventually come from the taxpayers' pocket, whether it is provided for next year and the next few succeeding years, or whether it is spread over a long series of years. Seeing that that is so, I think that if that money is provided entirely through a loan, the cost of the building of Delhi will be kept very much more before the Government of India, this Council, and the public generally.”

The Hon'ble Mr. Mudholkar : “ My Lord, I wish to say a few words on this Resolution. In regard to the important work—the building of the Imperial City—I think the Government may follow the policy which they impress upon local bodies and municipalities in regard to large works. Such works are generally not constructed out of the current revenue, because the expenditure is one which is intended to benefit future generations, and it would be hard to impose upon one generation the entire cost of a great work. On that principle—the principle of justice—it is considered proper that the cost should be extended over a number of years. Another thing which I would advance in support of this Resolution is that our present taxes were raised with a view not to meeting extraordinary expenditure of the kind which is to be incurred for the new Imperial City, and which I for one say ought to be

incurred very gladly, but these taxes were raised for other purposes, and all these purposes exist as strong as ever, and the surplus which may come to the Government of India, whether it is 4 millions or $3\frac{1}{2}$ millions or 2 millions or one million, whatever it may be, that surplus ought to be devoted to those purposes for which they would ordinarily have been available had not this new necessity arisen, and should not be diverted to the new extraordinary purpose, the necessity of which is beyond question, but which ought to be met from extraordinary sources."

The Hon'ble Sir Guy Fleetwood Wilson: "Mr. Gokhale has supported his Resolution in that eloquent and scholarly manner which always makes it a treat to listen to him; but I confess that I think he has hardly been as convincing as he so often is.

"In the speech with which I introduced the Financial Statement last Friday, it was impossible for me, within the time at my disposal, to enter in detail into our arrangements for financing the new Capital at Delhi. There were many other questions of great importance and wide public interest to be dealt with; and all that I attempted to do with this particular question was to explain the general attitude of the Government of India and to touch upon the main considerations by which we are actuated. There are obviously a number of possible methods of finding the money necessary for building Delhi. If I had discussed the *pros* and *cons* of each method, I should have occupied an altogether disproportionate share of a statement which had to embrace a review of our whole financial position. I have seen it suggested that other and presumably more sinister motives lay behind my declared anxiety to spare the Council a mass of technical detail on Friday last. I know the Council too well to think that my hon'ble friends believe anything of the kind of me. The financing of the new Delhi is a subject of much interest and importance to us all, and this Council has a right to the fullest information regarding it. That information I shall always be ready and willing to supply. On Friday I could only give it in epitome and await a more suitable occasion for entering into detail. That occasion has now been provided by the Hon'ble Mr. Gokhale's motion.

"Let me begin by reminding the Council what is exactly meant by the expenditure on the new Delhi. The project is a public work of quite exceptional magnitude, spread over a number of years and costing several millions sterling. The new Capital will not be a remunerative work. It will be a work similar in character to the residences of our high officials, to the spacious buildings which house our busy Secretariats, to our Courts of Law, and to the other public offices which are necessary for the purposes of the orderly government of a great country, but which do not yield any direct return. Nor will it be, in the technical sense, a productive public work in the same manner as we talk of our productive canals or our productive railways; that is to say, the direct revenue from it will not be sufficient to pay for the cost of maintenance in addition to a substantial rate of interest on the outlay originally expended upon it. I am not now talking of the city which we hope in time will grow around the new Capital, or of the amenities to which a city with such an origin will have a reasonable claim. For these matters we may assume that provision will be made in some form of municipal government with its own methods of control and its own powers of local taxation. I am speaking for the present entirely of the public buildings which the new Capital will require, and of the fitting environment which will have to be created for them. For those purposes the expenditure will be neither remunerative in the ordinary commercial sense nor productive in the technical sense which we apply to other large public works in this country.

"Now for work of this class the provision of funds, as I stated briefly when I introduced the Financial Statement, can only take one of three forms. We may finance the work entirely from current revenues; we may finance it entirely by borrowing; or we may finance it partly from current revenues and partly from borrowed money. As I have said, the Government of India have decided on the third of these courses. The Hon'ble Mr. Gokhale now

invites us to alter that decision and adopt the second course. Other authorities on finance will no doubt press upon us the first course. It is therefore necessary for me to discuss each of them *seriatim* and to explain more fully than was possible last week the reasons why we have come to our decision, and why we are unable to accept the Resolution which has been submitted to Council today.

“The first alternative with which I shall deal is the provision of funds for Delhi from our current revenues. This, it will be readily seen, would be the ordinary course for adoption in the case of large public works of an unproductive character. In the same way as we build important public offices from current revenues, in the same way as we propose to build the new Provincial headquarters at Patna from current revenue, so should we ordinarily do with Delhi. We have abundant precedents for this course, both in India and elsewhere. It is true that none of the recent precedents which come to my mind are on the same scale of Imperial importance as the new Capital of the Indian Empire will be. But large projects have been financed in this manner; and in some countries, notably some of our British colonies, funds have been raised by special loans on the security of bonds which are redeemed in some short period—say 5 or 10 years—from the inception of the work. This particular plan, which I may mention was considered by us and rejected, is designed to spread the cost of a project uniformly over the revenue budgets of the years during which the project is in hand, and thus preventing the fluctuation of the actual expenditure from upsetting the budget dispositions of any particular year or years. But if we had decided on charging the Delhi expenditure direct to current revenues, either by paying for it as the work progressed or by equalising the annual expenditure in the manner I have mentioned, there was one great and obvious danger before us. That danger, I need hardly tell the Council, was the influence of such a substantial increase in our revenue charges on the budget of a bad year. At the present moment, I am happy in the feeling that everything points to a steady progress, and that our finances are sound and stable. But five years ago, in March 1907, my predecessor might have confessed to the same feeling without being accused of either optimism or imprudence, although, as we now know, he was on the eve of a serious famine and a grave financial crisis. However bright the sky may be just now, it may be overcast by very heavy clouds indeed before this Council meets in its permanent Chamber in the new Delhi; and if we are prudent men, we must act accordingly. What I felt therefore, and what I am sure all my colleagues felt, was that the risk of debiting the Delhi expenditure to current revenue was too great. We might have a sudden-collapse in our opium revenue; simultaneously we might have scarcity, or we might find ourselves in the troubled waters of an international financial crisis. At such a time the additional burden of the Delhi charges, with whatever economy we might conceive them, might turn the scale between a surplus and a deficit. They might indeed do so for more than one financial year. They might thus prejudice our credit, and it is not inconceivable that we might, in the last resort, be driven to fresh taxation. I need hardly say that we should regard such a result as unfortunate and highly undesirable. We cannot ensure against it, and we therefore determined to turn to one of the other alternative methods for finding the money which Delhi will require.

“The second of those methods would have been to borrow money for this special purpose and to keep a balanced account between the proceeds of our special loan on the one hand and our actual expenditure upon Delhi on the other. We could have raised a large Delhi loan, in the same way as His Majesty's Government raised their loan for the Transvaal or their Irish land loan; and there are very many excellent arguments for adopting such a course. I will take the Council into our full confidence and explain why, after the most careful consideration, we finally decided against this line of action. In the first place, we considered that it would be uneconomical to raise in one transaction the whole of the money required for operations which must necessarily be protracted. A considerable part of the money would remain unemployed for several years unless we arranged for re-investing it, a course

which I think every one will consider as undesirable and probably, as I have said, uneconomical. In the second place, we were unwilling to disturb the steady development of our productive works by the flotation of a large unproductive loan in any one year. If we had raised it in gold in London, we could hardly have hoped that there would not be some appreciable reaction on the market for our ordinary railway loans—a market which does not even in normal circumstances yield as much as those who are interested in the rapid extension of our railway systems would desire. If on the other hand we had raised the loan in rupees in India, the effect upon our limited loan market in this country would unquestionably have been serious. Moreover, we were advised, on authority which I am sure my commercial friends would accept as good authority, that the flotation of a special loan for Delhi in India would not be altogether popular. There would be difficulties about transferring holdings from it into one of our ordinary loans, or *vice versa*; and any attempt at a new form of security, such as bonds redeemable by annual drawings, treasury bills, or the like, would be innovations in the Indian market and might not meet with success. In brief, and ignoring these and other technical considerations with which I will not weary the Council, we saw danger ahead if we attempted a special Delhi loan, whether in sterling or in silver. We feared that it might prejudice the regular and adequate provision of funds for the development of our railways and the advancement of our great irrigation works; and we accordingly determined, after the most anxious consideration and after taking the best advice available, to borrow for Delhi, in so far as borrowing may be found necessary, by additions to our ordinary yearly rupee loans in India.

“I have said that we decided on this method of borrowing in so far as borrowing might appear necessary. My Hon'ble friend who has moved the Resolution now before Council disapproves of this reservation. He would charge the whole of the Delhi expenditure to our borrowed money. I entirely appreciate his objects and I respect his consistency. He considers that the whole of our surplus revenues should be employed on the important services which he champions in this Council. He considers that we are far too nervous about our unproductive borrowings. He considers that Delhi should be built entirely from loans, and that the burden should thus be passed on from the present to the succeeding generations in equal proportion. This line of argument is in complete fitting with the theory of Imperial finance which Mr. Gokhale has pressed on this Council time and again. I can bring no new arguments to meet it because our theory also is consistent and we believe it to be right. But, put very briefly, our objection to borrowing, either specifically or indirectly, the whole of the expenditure which the project will involve is that such a course would mean a necessary addition to our unproductive debt. (I may mention parenthetically that our statement of unproductive debt differs from that of Hon'ble Mr. Gokhale's: on the 31st of March last it was raised to 45½ millions and not as the Hon'ble Member stated only 27 millions.) Some part of the expenditure on this great Imperial project will unquestionably have to be met by borrowing, and the payment of interest on that borrowing will become a burden on the future. But why should we allow that burden to be greater than it really need be if we are in a position to discharge some part of it now? The future will have difficulties enough of its own; fresh claims on our exchequer are rising every day; fresh demands for social and material reform will continue to absorb the best energies of my successors. It is our clear duty to add as little as possible to those burdens and anxieties. If we are proud of Imperial Delhi and if we wish to leave it as a worthy gift to coming generations, why should we saddle the gift with a mortgage on the full value of the property when we are able to do something better?

“Let me now recapitulate for a moment. We object to financing Delhi wholly from revenue, because we should thereby burden the finances of several years to come with an indeterminate liability, a liability which may at any time, and without any warning, curtail our programme of education and other good causes, convert a surplus into a deficit, aggravate a crisis, and even force the Government of the day into imposing additional taxation. We object to

financing Delhi wholly from loans; first, because we should be putting a greater strain than is necessary upon the market for our productive loan, and secondly because we should thereby swell our unproductive debt and our permanent interest charges to an extent greater than is necessary, while we should be evading that share of responsibility for the Delhi expenditure which, I think, this generation ought in fairness to accept. Holding these views, we come by elimination to the last of the three possible courses with which I began, namely, the financing of Delhi partly from borrowed funds and partly from surplus revenue. For this course we have an excellent precedent at hand. In our annual programme for railway and irrigation works, we estimate year by year the sums which we shall spend on those two branches of the administration; we make a definite plan for meeting so much of the expenditure as we reasonably can from loans, and the remainder of the programme we finance from our cash balances, into which we throw the whole of our ascertained excess revenue. In the case of Delhi we propose to follow precisely the same procedure. We shall borrow what we can and when we can; regulating our loans so as not to set the market against us; taking money when the market is easy and when funds seeking investment are abundant; and keeping in our cash balances for future use whatever we may not be able to spend at the time. But we shall also utilise in the same way whatever surplus revenue we can secure from windfalls or by economies, whenever there is no paramount claim upon us for the employment of the money in other directions or for the reduction of taxation. In this way, we obtain a maximum of elasticity; and I trust that we shall secure also the minimum of pressure upon the Indian taxpayer. I believe that the scheme which I have thus outlined will command the general approval not only of this Council but of those outside this Council who are interested in the stability of our Indian finances.

“Against the scheme which I have now indicated, two criticisms have been brought to which I must allude before I sit down. One relates to the methods of our policy, the other to its results. The former of these is the criticism that, by retaining surplus revenue for capital expenditure, we are keeping money which it would be better to restore to the people, to fructify in their pockets. If I wanted to make a mere debating point, I should have no difficulty in setting one set of my critics against another. For I am told on the one hand that our surplus revenue should be employed in lowering the scale of taxation. On the other hand I am assured that what this country most urgently wants is more education, etc., and that for the present the remission of taxation is not a primary need and may well be postponed. I have no desire however to avoid the issue which this criticism raises and which I need hardly say has already had my most anxious attention. There have been in recent years large and frequent remissions of taxation; and I am not aware that there is any particular tax which now lies as an intolerable load upon the people of this country. On the other hand we have been laying aside, and continue to lay aside, large funds for the development of educational and similar social needs; and I am inclined to think that we are providing funds for these purposes at least as quickly as they can be profitably spent. In these circumstances I can see no hardship in refraining for the time being from further reductions of taxation.

“The second criticism is the suggestion that, by treating the Delhi works as capital expenditure, we shall in some way obscure the actual outlay. I confess that I fail to understand this objection, which seems to be based on a curiously unintelligent conception of what we propose to do. There is no possible justification for imagining that our capital expenditure is less carefully estimated, or less accurately brought to account, than our revenue expenditure. The estimates of our railway and irrigation capital are framed with the greatest care in our annual programme. Our actual expenditure on railways and irrigation is tabulated in our Finance and Revenue accounts with the utmost detail. There is no possible reason why our Delhi estimates and our Delhi expenditure should not be treated in exactly the same fashion. Indeed it is our intention to include an annual forecast of our requirements

for Delhi in the regular capital programme, and bring the expenditure to account under a separate head which the Council will find that we have opened for the purpose in our Financial Statement. In this way the estimates will be as carefully scrutinised as those of any other projects which the Government control, and the accounts will receive the same publicity, and will be recorded with the same precision, as all other capital expenditure. The method of finance which we have accepted and adopted will in no way wrap up the Delhi operations in technical obscurity ; on the contrary, it will simplify and systematise their financial results."

The Hon'ble Mr. Gokhale : " My Lord, I will first say a few words as to what has fallen from my Hon'ble friend Sir James Meston. I accept his correction as regards £ $\frac{1}{4}$ million, and I am quite willing to say that the present excess of our revenue over our expenditure is about 3 $\frac{1}{2}$ millions instead of 3 $\frac{3}{4}$ millions. As regards the other point, namely, that I have left out of account the proposed expenditure on education next year, namely, 1 $\frac{1}{4}$ crores, I may remind my Hon'ble friend that I have also left out our normal growth of revenue during next year. Sir Edward Baker, when he was Finance Minister, once estimated this normal growth of our revenues at about 1 $\frac{1}{2}$ crores. I have not taken that into consideration, and that is a set-off against the increase in educational expenditure which has been provided. Assuming, however, that the £ $\frac{3}{4}$ million extra, which is going to be spent on education, should be deducted, there still remains a surplus of 2 $\frac{1}{2}$ millions. My Hon'ble friend could not take it down further, and he has not told us why the Finance Department has budgeted for a surplus of only a million and a half. But whether the actual amount is 3 $\frac{1}{2}$ millions or 3 millions or 2 $\frac{1}{2}$ millions, it is a substantial surplus, and my contention is that there is nothing to prevent the Government from building Delhi out of current revenues by devoting the whole of the surplus to it for two or three years.

" My Lord, the Hon'ble the Finance Minister drew a somewhat frightening picture as to what might happen to us in the course of a year. The sky, he warned us, might suddenly become overcast, and instead of the very comfortable situation in which the Finance Department finds itself at present, it might be necessary to impose extra taxation! In replying to my friend the Hon'ble Pandit Madan Mohan Malaviya a few minutes ago, the Hon'ble Member spoke of his proposal as calculated to lead to bankruptcy! Now I am quite sure the force of reasoning of the Hon'ble Member would not suffer any abatement if he did not try to frighten us thus with talk of bankruptcy or of extra taxation. I am quite sure there is no need just now for either. With a surplus which may reach five millions, with that amount jingling in his pocket, I really do not understand how he can talk of bankruptcy or of extra taxation! When we do actually get into troubled waters, it will be time enough for him to speak of bankruptcy or other dreadful possibilities! The Hon'ble Member said that in other countries they have resorted to short term loans for such purposes. Well, I should be very glad if that plan were adopted by the Government of India. A short term loan, spreading the burden of building the new Capital over a period of, say, ten or fifteen years, would not be a bad arrangement. What I object to strongly is the utilization of our surpluses in this indefinite manner for the building of Delhi. The Hon'ble Member says, why should we throw any burden on future generations! But what does he mean by a generation? Does he mean that only two or three or four years form a generation? At the present rate, if things continue normal, you could build Delhi in the course of two or three years out of surpluses if the estimate of the cost is not far wrong. Does he call two or three years a generation? If he raises a short term loan of ten or fifteen years, I should have no complaint to make.

" Then, my Lord, the Hon'ble Member says that the opium-revenue might be extinguished any moment or that we might suddenly get into other complications. But that itself is, to my mind, a very important reason why this money which is available just now should not be devoted to such purposes as building a new city when it is urgently wanted for other objects. Money for non-recurring expenditure is required in various directions, as I will show when I move my next Resolution,—for education, for sanitation and for medical relief.

When you have a surplus, that surely is the time when you can help Local Governments in meeting this expenditure. But my Hon'ble friend, when he has the opportunity, wants to take away the surplus for building a new Imperial city, and so we cannot get it now. Later, if and when we get into more troublous times, he will, of course, have nothing to give to Local Governments for these objects. I recognize that provision has been made in this year's budget for an additional 125 lakhs for education. That of course is true and I will speak about it on a future occasion. But leaving that out of account and merely confining ourselves to the manner in which our surpluses are utilised, I contend that the first and foremost claim on them in our present state is that of non-recurring expenditure in connection with education, sanitation and medical relief. The Hon'ble Member said that his figure for unproductive debt differed from mine, and he mentioned 45 millions as the figure of our unproductive debt at present. Through the courtesy of the Hon'ble Sir James Meston I have got that figure here. A glance at it is sufficient to show that it does not represent the net unproductive indebtedness of the country to-day. Take the amount borrowed in 1908-09. There was in that year a deficit of about $3\frac{1}{2}$ millions, but the Government floated a loan of 6 millions— $3\frac{1}{2}$ millions to meet the deficit, and $2\frac{1}{2}$ millions for other purposes. Again, later on, they borrowed 5 millions to pay off certain debentures, and then, instead of paying off the debentures, the loan went to swell the cash balances at the disposal of the Secretary of State. Surely that does not mean any true addition to our net indebtedness. If we take our net indebtedness, by which I mean—all that the Government owes, *minus* all that is owed to the Government and the cash balances, which the Government maintain whether in England or in India,—the figure will be found to be 27 millions only, and no more. Well, that is a small amount, and if you add to this four or five millions for building Delhi, our unproductive debt will still be trifling.

“My Lord, to the other questions raised by the Hon'ble Member, I think it will be more convenient for me to reply when I deal with the next Resolution. This matter is an important one, and I think it necessary to press my motion.”

The Council divided :

Ayes—16.

The Hon'ble Pandit Madan Mohan Malaviya, the Hon'ble Raja of Dighapatia, the Hon'ble Babu Bhupendranath Basu, the Hon'ble Mr. Sachchidananda Sinha, the Hon'ble Mr. Haque, the Hon'ble Nawab Saiyid Muhammad, the Hon'ble Mr. Subba Rao, the Hon'ble Raja of Kurupam, the Hon'ble Mr. Gokhale, the Hon'ble Mr. Fyffe, the Hon'ble Mr. Mudholkar, the Hon'ble Mr. Madge, the Hon'ble Sir C. W. N. Graham, the Hon'ble Sir Gangadhar Rao Chitnavis, the Hon'ble Mr. Jinnah, and the Hon'ble Mr. Bhurgri.

Noes—39.

His Honour the Lieutenant-Governor of Bengal, His Excellency the Commander-in-Chief, the Hon'ble Sir Robert Carlyle, the Hon'ble Sir Harcourt Butler, the Hon'ble Syed Ali Imam, the Hon'ble Mr. Clark, the Hon'ble Sir Reginald Craddock, the Hon'ble Major General Sir M. H. S. Grover, the Hon'ble Mr. Maclagan, the Hon'ble Mr. Porter, the Hon'ble Mr. Sharp, the Hon'ble Mr. Enthoven, the Hon'ble Mr. Wheeler, the Hon'ble Mr. Brunyate, the Hon'ble Sir A. H. McMahan, the Hon'ble Nawab Abdul Majid, the Hon'ble Raja of Partabgarh, the Hon'ble Maulvi Shams-ul-Huda, the Hon'ble Mr. Lyon, the Hon'ble Maharajadhiraja Bahadur of Burdwan, the Hon'ble Mr. Saunders, the Hon'ble Sir James Meston, the Hon'ble Surgeon General Sir C. P. Lukis, the Hon'ble Mr. Fremantle, the Hon'ble Mr. Vincent, the Hon'ble Mr. Carr, the Hon'ble Mr. Arthur, the Hon'ble Mr. Phillips, the Hon'ble Mr. Dadabhoy, the Hon'ble Mr. Meredith, the Hon'ble Mr. Shafi, the Hon'ble Khan Zulfikar

Ali Khan, the Hon'ble Malik Umar Hyat Khan, the Hon'ble Maung Mye, the Hon'ble Mr. Gates, the Hon'ble Sir Charles Stewart-Wilson, the Hon'ble Mr. Dempster, the Hon'ble Sir T. R. Wynne, and the Hon'ble Mr. Kenrick.

So the Resolution was rejected.

[*The Hon'ble Sir Harcourt Butler took the Chair.*]

PROVINCIAL GRANTS.

The Hon'ble Mr. Gokhale: "Sir, I beg to move that this Council recommends to the Governor General in Council that the total amount of the grants proposed to be made to the several Provincial Governments and Administrations during 1912-13 be increased by one million sterling—which means two-thirds of next year's estimated surplus—to form the nucleus of special Provincial reserves, from which those Governments and Administrations could finance programmes of non-recurring expenditure in their Provinces on education, sanitation and medical relief, spread over a period of at least five years, and that in future two-thirds of the Imperial surplus, whenever it accrues, be added to these reserves.

"Sir, before I deal with this Resolution, I think it necessary to renew my complaint of last year as regards the rule which regulates the discussion of additional grants to Local Governments in this Council. I pointed out last year—and I must repeat again today what I then said—that under the rule as it stands only the additional grants that are made in the budget for the year following can come up directly for discussion before this Council. The rule speaks of 'any additional grants mentioned in the Financial Statement,' and 'Financial Statement' is defined 'as the preliminary financial estimates of the Governor General in Council for the financial year *next following*.' Therefore, strictly speaking, we can raise a debate here today only as regards additional grants that are in the budget estimates for next year, that is, for 1913-14. The rule, therefore, Sir, causes considerable inconvenience, because the more important grants are generally found in the revised estimates of a closing year, and if a Finance Minister chooses to put it out of our power—I do not say that the present Finance Minister intends to do anything of the kind—to discuss the grants that are made in the year, all that he has got to do is to under-estimate the revenue in the budget, mention no grants, and, once the Financial Statement is out of the hands of this Council, to begin making grants, mentioning them only at the end of the year in the revised estimates! If this is done and if there are no additional grants in the budget for the year following, no question can be raised about the grants made during the year. Fortunately, this year we have got additional grants for education in next year's budget, and therefore we are able today to bring up the whole question of grants for discussion. I point this out because, unless this is remedied, an important object which the Government had in view in expanding the functions of this Council will be frustrated. A small change is all that is necessary. 'Financial Statement' should include not only preliminary estimates for the year following but also the revised estimates for the current year. Sir, this morning I pointed out that, if things continued normal, our real surplus next year will be nearer four millions than $1\frac{1}{2}$ millions which is estimated in the Financial Statement. It will certainly be over three millions, and probably it will be nearer four. Now, the question is, how is this surplus going to be disposed of? It is an old standing controversy between the Finance Department of Government on the one side and certain non-official Members of this Council on the other,—a controversy which has been carried on year after year for several years past, and I fear that it will have to be carried on till the Government comes round to the view which has been so often urged upon its attention. I pointed out this morning, Sir, that a surplus after all is so much more revenue taken from the people than what is really required for the needs of administration. A surplus, moreover, springs from the proceeds of taxation, and therein lies the difference between it and a loan.

A loan is raised by borrowing; a surplus results from taxation. Now, Sir, had our unproductive debt been large, I could have understood the present policy of devoting surpluses to the reduction of debt. Even taking the figure which the Hon'ble the Finance Member gave this morning, namely, 45 millions, everybody will admit that it is a very small amount, considering the extent of the country and its financial resources. Moreover, if you provide a reasonable sinking fund for liquidating this debt, the responsibilities of the present generation in that matter are discharged. I have pointed out already that there is a million and a quarter or rather a million and one-third annually devoted to the reduction of debt as a sort of sinking fund. And, even if our debt is 45 millions, a million and a quarter or a million and a half, devoted every year to its reduction, is a very satisfactory sinking fund, and there is no necessity for any portion of our surpluses being utilized for the same object. My first point therefore is that, taking the smallness of our unproductive debt into consideration, there is no need to liquidate it out of our ordinary surpluses—the provision that already exists for redemption of capital under railways and for reduction or avoidance of debt under famine insurance being amply sufficient for the purpose.

“Sir, my second point is that money is required for non-recurring expenditure in many directions in this country, specially for education, sanitation and medical relief. Schools have to be built and good water-supply in villages and drainage and water works in towns are needed all over the country, and we also want dispensaries and hospitals. These works will require not ten but hundreds of crores of rupees, and the problem could not be satisfactorily dealt with unless the Government made a large regular allotment for this purpose. The Government, however, is reluctant to make a large regular allotment out of current revenues. Therefore, I propose another method which, though not equally satisfactory, will be found to answer the requirements to some extent. I pointed out this morning that the excess of our normal revenue over expenditure, taking things as they stand at present, is about 4 millions or 6 crores of rupees. Now what I urge is that two-thirds of this surplus, as also of future surpluses, should be placed at the disposal of Provincial Governments for non-recurring expenditure on the objects I have mentioned. The present policy of making grants for one year only out of the surplus that accrues during that year is a wasteful policy. No one has condemned the policy of doles in stronger terms than the Hon'ble the Finance Member or the Hon'ble Sir James Meston. The Decentralization Commission also has expressed itself very strongly on the subject,—in fact every one seems to be agreed on that point. And the present policy is nothing but a policy of doles. Whenever you have a large surplus, you feel bound to distribute a part of it among the Local Governments, so much to one, so much to another and so on. The result is that there is a great deal of waste. The Local Governments cannot rely upon a continuance of their good fortune, and, therefore, they cannot take in hand any large scheme which requires financing over a series of years. This leads often to ineffective and wasteful expenditure, which no one really deplures more than the Local Governments themselves. The Government of India, on the other hand, can think only of a single surplus at a time, and therefore it is not surprising that it does not bind itself to make any further grant until another surplus is realised. Thus this policy of doles, into which the Finance Department is again drifting—and I say this in spite of my great admiration for the manner in which the Hon'ble Member has been administering our finances during recent years—is a wasteful policy and it must therefore be altered.

“Now, Sir, the only way in which you can alter this policy is by adopting a scheme somewhat similar to what I have ventured to place before you. My proposal is that whenever you realise a surplus, you put aside, if you insist on it, a certain reasonable proportion of it to go to the liquidation of debt. I, for one, do not want really any portion of the surpluses to go to the liquidation of debt. But the Finance Department thinks otherwise; therefore let a certain proportion—not more than one-third—go to the liquidation

of debt. Having done that, let the rest of it be made over to Provincial Governments to form the nucleus of Provincial reserves for non-recurring expenditure on education, sanitation and medical relief. Sir Edward Baker started famine reserves in the different Provinces. That policy has been further developed under the present financial régime. I would like to have another reserve in each Province for the purpose of meeting non-recurring expenditure on education, sanitation and medical relief. What the Government may do is this: if you have a million and a half next year (taking the figure in the Budget Estimates), take half a million for your own purpose, but give the remaining million to the Local Governments, distributing it among them in accordance with some fixed principle of which I will speak later. Let the money thus given remain with the Local Governments. Again, in the year that follows, if a surplus is realized, let two-thirds of it be again added to the different Provincial reserves. When, after a time, the Provincial Governments find that they have built up reserves strong enough to take in hand a large programme of non-recurring expenditure and when they feel that they have enough money to finance such a programme over a series of years, let them begin to carry out such a programme. By this method the wastefulness which is inevitable under the policy of doles will be prevented and the money allotted will be used most effectively. When the Provincial Governments have a considerable amount of money to their credit in this manner, they will feel sure of being able to finance certain schemes properly, till they are carried out. During that time, while they are engaged in carrying out these schemes, more money will be coming in from other surpluses, and thus they will be in a position to take in hand from time to time other schemes. It is only by thus enabling the Provincial Governments to have special reserves at their disposal and to spread their programmes over a series of years that the most useful and the most economical expenditure of the grants made to Local Governments can be ensured.

“Sir, an unfortunate feature of the present policy, which needs special mention, is that a great deal of scramble goes on among the different Provincial Governments as to how to secure the largest share for themselves. In fact, one almost feels that the days prior to 1870, when the decentralization of our Provincial finance first began, are again returning in some respects. It is not the Province that has the greatest need that gets the most, but it is the Province that makes the most clamour, that manages somehow to be heard most, that gets most.”

The Hon'ble Sir Guy Fleetwood Wilson : “What about Bombay”?

The Hon'ble Mr. Gokhale : “If the description applies to Bombay, let it apply. I have no knowledge on the subject.

“But I say that this scramble is unfair all round and that is another argument against the present system.

“Sir, if the Government adopted some fixed principle in accordance with which surpluses would be distributed among the different Provincial Governments, not only would this scramble cease, but it would also be one way of redressing those inequalities of Provincial finance to which my friend, the Hon'ble Pandit Madan Mohan Malaviya, drew attention this morning. It is true that we cannot now go in search of any new theoretical standards of equality in distributing the revenues of the country among the different Provinces. But so far as the distribution of surpluses is concerned, we are not committed to any old scales of expenditure, and the Government of India could very well make the distribution in accordance with some fair standard, say, rateably according to the revenues which are received by it from the different Provinces. That, I think, would be a very fair way of distributing the additional grants. Take, Sir, the Education Department, over which you preside. I sincerely rejoice that more money has been found for education. But if the Government sanctions so much money for an educational institution in one Province, so much for an institution in another Province, that does not appear to be a very satisfactory way of spending the amount.

What the Government should do—and I am sure that is what the Education Department wants to do—is to have a comprehensive programme framed after considering the important needs of all the Provinces; and to carry out this programme, as funds are available, the Department should distribute any money that comes into its hands rateably or according to some other fixed principle. And the different Provincial Governments should then be left free to decide on what particular institutions they would spend the money. If the Government of India either in the Education Department or in any other Department takes it upon itself to sanction special expenditure on particular institutions in the different Provinces, of which it cannot, in the circumstances of the case, know much, it is bound to lead to unsatisfactory results. After all the Local Governments are, speaking generally, the best qualified to decide what institutions in their Provinces need or deserve money next. Sir, the recent despatches of the Government of India and the Secretary of State on the administrative changes mention Provincial autonomy as being the goal towards which the Government in this country must advance. It is a momentous declaration. I do not want to enter on this occasion into the question which has already been raised in connection with it, namely, whether the expression signifies popular Provincial autonomy or only official Provincial autonomy. Whichever autonomy is meant, one thing is clear, that the Provinces are to be left more and more, under the general control of the Government of India, to administer their affairs themselves. If that is so generally, it must also be so in the matter of spending money. In placing, therefore, lump allotments to the credit of the various Provincial Governments, and allowing them to spend these allotments in such ways as they may deem fit, you will be only carrying out this policy. Sir, I therefore propose that two-thirds of next year's surplus should go to form a nucleus of Provincial reserves, and, as fresh surpluses accrue, two-thirds of them should be added to these Provincial reserves. Sir, I move the Resolution which stands in my name."

The Hon'ble Sir James Meston: "Sir, in the earnest and suggestive speech to which we have just listened, the Hon'ble Mr. Gokhale covered a certain amount of ground on which I am not venturesome enough to trespass. He has, for instance, discussed the methods of distribution of the grants made by the Imperial Government to Provincial Governments for education and other good causes. These criticisms I have little doubt will be dealt with on the day on which the grants are explained, and no doubt his arguments on these points will be met by the Department concerned. But apart from these criticisms, and apart from the constitutional question which he raised at the beginning of his speech, in regard to which I am equally unable to offer any expression of opinion, it seems to me that the Hon'ble Member's speech is divided, like ancient Gaul, into three parts. I do not take them quite in the order in which he did; but he gave us a lecture against doles or fortuitous grants, fortuitous charities, from Imperial revenues. He then went on to urge the importance of giving Provinces some sort of machinery for accumulating these iniquitous doles when they come their way, and keeping them handy for programmes of expenditure when those programmes happen to be ready. And lastly, and most important of all, he reverted once again to his favourite subject, our shortsightedness in building up large surpluses for ultimate use in capital expenditure when there is so much more that we can do with our money in other directions. Well, Sir, first of all in regard to doles, the Hon'ble Member seemed to me to twit the Government of India with a discrepancy between their principles and their practice. He said that doles are bad things in themselves; they are demoralising to Local Governments; they tumble into Provincial revenues at a time when probably there is no scheme ready for their useful employment; and they are mischievous in other ways which he has described. He said that Government knew all this perfectly well and that Government has acknowledged it in the past, but that still unrepenting they continue giving doles. It is perfectly true that the Government of India have set their face against this method of finance and that they have built up the whole fabric of the permanent Provincial settlements as a barrier between

themselves and this fortuitous and unsystematic scheme of Provincial finance. But there are doles and doles. If a Imperial grant is thrown at a Local Government when it does not want it, when it has not any scheme ready for using it, I admit it is open to everyone of the drawbacks that the Hon'ble Member has described. If, on the other hand, the Imperial Government gives subsidies when it is in a position to be liberal and gives them in pursuance of a definite scheme of high Imperial policy; then I hardly think that any Member in this Council could describe these grants as detrimental, even if they have to be given at short notice and in somewhat irregular amounts. The Hon'ble Member would say, I have no doubt, that they fluctuate and that their fluctuations upset the equilibrium of the Provincial finances. The fact is that unless the Imperial grants take the form of a definite share of a regular and recurring source of revenue, they must fluctuate with the capacity of the Government of India to meet them. The Hon'ble Member's own proposal is not free from the objection of fluctuations. Indeed, I am inclined to think, if the Hon'ble Member's proposal is accepted, fluctuations will be greater than they are even now in the existing conditions. It is all very well to promise a Province a share in a prospective Budget surplus, but we all know what happens when the time comes a year hence; that surplus may have been doubled, or trebled; or it may have disappeared altogether. If the Province had calculated on the assistance which we have budgeted for and laid out its plans accordingly, the actual distribution of the money available may cause it very serious and grave embarrassment. I cannot therefore think that there is anything radically wrong in giving these grants when we are in a position to do so for purposes which have been accepted as part of the Imperial policy of the country.

“Nor, to turn to the second of the Hon'ble Member's objects, do I think that, in giving these grants in the way we do, we debar Local Governments in any way from laying out programmes for their proper expenditure. As this Council knows, the budget arrangements of the Imperial Government are very different from those of the Provincial Governments. There is an important and radical distinction which affects this question. Mr. Gokhale, I understand, would constitute something in the nature of an Education Fund, a Sanitation Fund, and so on, for each Province, and to these funds he would credit the Imperial grants, and from these funds he would allow the Local Governments to draw when their programmes are sufficiently forward to require money. If I may say so, there is absolutely nothing in the existing arrangements which would prevent a Local Government from doing everything which he suggests, except that it could not technically constitute a fund. The distinction to which I have just referred between the Imperial and Provincial finance explains why this difficulty is not an important one. The Government of India have to close their revenue accounts to a point every year, and the excess revenue of that year has to be written off the revenue account, so that it is no longer available for ordinary revenue purposes in the next year or in any future year. Now, the Provincial system is entirely different. In the Provinces, your excess revenue is carried into the Provincial balance, and it is carried from the balance to the next year, and it becomes available for expenditure against future years. If you have a grant or a subsidy which you cannot use at the time when it is given, it is passed into the balance and remains there at the credit and the complete command and control of the Provinces. There is no necessity whatsoever for a separate fund for a separate reserve for this class of expenditure. The Local Government can keep a separate account for it if it likes, and presumably it will do so as a matter of course. Meanwhile the money that has not been spent in the year will lie safely in the balance and can be drawn upon next year or the year after or whenever the particular programme is ready for execution. I do not think that anything in the nature of special Provincial reserves is really necessary or in any way desirable. Each Local Government, as I have said, will presumably keep an account of its grants and expenditure; and the Legislative Council of the Province will be at liberty to call for the account, to scrutinise it, and to satisfy itself what progress has been made.

“The third of the Hon'ble Member's points, judging from the position which he assigned to it, is by far the most important in his own

mind. He wishes to see the dissemination of the Imperial surplus year after year among the Provinces for the advancement of education and sanitation and all the other good causes which he has at heart, instead of the retention of our surplus to be ultimately thrown into our cash balance and be available for capital expenditure. In other words, Mr. Gokhale would borrow much more freely than we do, and he would keep a much narrower margin between our revenue and our current expenditure. Now, this brings us back, as he said himself, to the old difference of opinion—I am sure he agrees with me that it is a perfectly honest and reasoned difference of opinion—between himself and the Government of India as regards the reduction of debt. Mr. Gokhale would push on with the great work of educating and sanitating the country with a view to the moral harvest which the future is going to yield. If that prospect were assured, why, he asks, should we worry over the petty anxiety of ways and means; why should our debt not look after itself; why should future generations not bear a burden which we are unnecessarily attempting to lighten for them? Now, there is no one who would accept that happy solution more cordially than we in the Finance Department; but whether it is because we are dealing with hard cash or harder hearts, we look upon these things very soberly and are dreadfully afraid of walking in the clouds. What we do in our humdrum way is to find the means for the good causes which Mr. Gokhale advocates in this Council, but all the time we have to keep an eye upon the growth of our public debt, which is one of the surest barometers of national safety. To keep the growth of that debt within moderate limits, to reduce the volume of our unproductive debt by every means in our power, and to prevent the burden of interest charges from passing as an intolerable load upon the future generation—these we regard as among our paramount duties. I do not for a moment profess to weigh them in the scale against the duty of raising the people and elevating their lot. But this I do say, that without financial caution and without maintaining the present high credit of India, the elevation of our people runs serious danger of becoming an empty hope. Holding therefore as I do, that these doles, as the Hon'ble Mr. Gokhale calls them, that these grants are neither inconvenient in themselves nor unsuitable in form; that it is quite unnecessary to create special Provincial reserves; and that we should be extremely imprudent if we diminished our already very moderate Imperial surpluses,—I am sorry that I must oppose the Resolution now before the Council."

The Hon'ble Sir Guy Fleetwood Wilson: "Sir, I will deal with just two points which my Hon'ble friend opposite has raised. I have nothing to add to what has been said by the Hon'ble Sir James Meston, and there are only two points that the Hon'ble Sir James Meston could not deal with. One is, as indicated by him, that considerable portion of the Hon'ble Mr. Gokhale's speech which dealt with the grants for education and which can only be dealt with by the Member in charge of the Education Department, inasmuch as it raises the question of the manner in which the money is allotted by him or by his Department after the money had been placed at his disposal. The second point which my Hon'ble friend was unable to deal with—and it is one which especially interests my Hon'ble friend Mr. Gokhale—is the difficulty indicated in regard to the discussion under the present rules. That point I am not empowered to say much about, but I may say that the point has already received my attention, and I have every hope it will be dealt with the first time that we make amendments to the rules. It would be inadvisable to deal with only one alteration or amendment, but as time goes on we shall no doubt find other alterations and amendments which might be considered necessary. It is for this reason that I cannot give any definite answer at the present moment."

The Hon'ble Mr. Gokhale: "Sir, the Hon'ble Sir James Meston has opposed this Resolution, but I should like to hear his views on the same subject a year hence and in another place. The difference between the present arrangement and the arrangement that would come into force if my Resolution is

adopted, is this. In the first place, the Government of India would be bound to allot two-thirds of its surpluses to Provincial Governments. There is no such obligation now; as a matter of fact, it is a mere matter of chance how much the Government gives to Provincial Governments or when it gives it to them. My view is that a surplus, being so much more money taken from the people, it should be returned to the people either by reducing taxation, or by spending it on objects of public utility. And my suggestion is that the Government of India should be bound to return two-thirds of any surplus, that arises, to the people in the shape of allotments to Provinces for objects that I have already mentioned. Secondly, Sir, I should like to bind the Provincial Governments themselves in their turn to spend the sums which they receive on programmes of non-recurring expenditure connected with education, sanitation and medical relief. I think such an automatic arrangement will give Provincial Governments a greater sense of confidence as regards taking in hand definite important programmes which must be spread over a certain number of years. If special reserves were built up on the lines I have proposed, and if automatically two-thirds of our surpluses go into these reserves, the position of Local Governments in dealing with such programmes would be much stronger than it is at present. The Hon'ble Member asks, what would happen if there is no surplus in any one year? Well, there would be no addition to the reserves in that year, but the Provincial Governments will have started their programmes on the strength of what was already in their reserves, and so those programmes will not be interfered with.

“ I think my Hon'ble friend will have to admit that there is an important difference between what would happen if my proposal were adopted and things as they are under present arrangements. As regards what he said about the necessity of maintaining our credit high, well, they are old arguments which have been brought forward on the Government side again and again by him, by the present Finance Minister, by his predecessor Sir Edward Baker, and by his predecessor Sir Edward Law. We have discussed these points again and again, and though the Government has moved to a certain extent from its first position, it will have to move a good deal further before the controversy is over. After all, does anybody really contend that the credit of our country is high or low, according as a small unproductive debt is a few millions less or more? Can any one seriously argue that a debt of 40 millions for this country means higher credit than a debt of 50 millions? The Government of India have been borrowing at the same rate for the last twenty years or so. The last conversion scheme was, I believe, in the days of Sir David Barbour, and there has been no conversion since then. If you have been borrowing at the same rate for the last twenty years, though recent surpluses have enabled you to reduce your unproductive debt considerably, I do not see how a little higher or a little lower debt makes any real difference to your credit. I can understand the argument, which I remember was used in this Council about twenty years ago or thereabout, by a Member of the Government for keeping the unproductive debt low. He said it was necessary to keep down the debt in order that the Government may be in a position to borrow again if a sudden emergency arose on the North-Western Frontier. That was at the time when Indian finance was dominated by the fear of a Russian invasion, and there was then a substantial reason for the policy of reducing the unproductive debt on every possible occasion. But that situation has been profoundly altered, and, with our unproductive debt standing as low as it does, to talk of the necessity of maintaining our credit high in connection with the use of our surpluses is to use, as I once said, Western formulæ, without taking into account the difference between Western and Eastern conditions. Unless the Government allots money out of surpluses to non-recurring expenditure on education and other objects, where is the money to come from? If you go to a Provincial Government, it says it has no money; the Government of India has the money, and I contend that it is its duty to make that money available to the country for the purposes which I have mentioned.”

The Council divided :

Ayes—13.

The Hon'ble Pandit Madan Mohan Malaviya, the Hon'ble Nawab Abdul Majid, the Hon'ble Raja of Dighapatia, the Hon'ble Babu Bhupendranath Basu, the Hon'ble Mr Sachchidananda Sinha, the Hon'ble Mr. Haque, the Hon'ble Nawab Saiyad Muhammad, the Hon'ble Mr. Subba Rao, the Hon'ble Raja of Kurupam, the Hon'ble Mr. Gokhale, the Hon'ble Mr. Mudholkar, the Hon'ble Mr. Jinnah, and the Hon'ble Mr. Bhurgri.

Noes—40.

His Honour the Lieutenant-Governor of Bengal, the Hon'ble Sir Robert Carlyle, the Hon'ble Mr. Syed Ali Iman, the Hon'ble Mr. Clark, the Hon'ble Sir Reginald Craddock, the Hon'ble Sir G. Fleetwood Wilson, the Hon'ble Major General Sir M. H. S. Grover, the Hon'ble Mr. Maclagan, the Hon'ble Mr. Porter, the Hon'ble Mr. Sharp, the Hon'ble Mr. Enthoven, the Hon'ble Mr. Wheeler, the Hon'ble Mr. Brunyate, the Hon'ble Sir A. H. McMahon, the Hon'ble Mr. Lyon, the Hon'ble Maharajadhiraja Bahadur of Burdwan, the Hon'ble Mr. Saunders, the Hon'ble Sir James Meston, the Hon'ble Mr. Gordon, the Hon'ble Surgeon General Sir C. P. Lukis, the Hon'ble Mr. Fremantle, the Hon'ble Mr. Vincent, the Hon'ble Mr. Carr, the Hon'ble Mr. Arthur, the Hon'ble Mr. Fyffe, the Hon'ble Mr. Madge, the Hon'ble Sir Rao Chitnavis, the Hon'ble Mr. Phillips, the Hon'ble Mr. Dadabhoy, the Hon'ble Mr. Meredith, the Hon'ble Mr. Shafi, the Hon'ble Khan Zulfikar Ali Khan, the Hon'ble Malik Umar Hyat Khan, the Hon'ble Maung Mye, the Hon'ble Mr. Gates, the Hon'ble Sir Charles Stewart-Wilson, the Hon'ble Mr. Dempster, the Hon'ble Sir T. R. Wynne, the Hon'ble Mr. Kenrick, and the Hon'ble Mr. Kesteven.

So the Resolution was rejected.

The Council adjourned to Friday, the 8th March 1912.

W. H. VINCENT,
*Secretary to the Government of India,
Legislative Department.*

CALCUTTA ;
The 14th March 1912.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS
UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 TO
1909 (24 & 25 VICT., c. 87, 55 & 56 VICT., c. 14, AND 9 EDW. VII. c. 4).

The Council met at Government House, Calcutta, on Friday, the 8th
March 1912.

PRESENT :

The Hon'ble SIR GUY FLEETWOOD WILSON, G.C.I.E., K.C.B., K.C.M.G., Vice-
President, *presiding*

and 51 Members, of whom 44 were Additional Members.

DISCUSSION OF THE FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Sir James Meston: "Sir, on behalf of the Hon'ble the Finance Member, I beg to open the second stage of the discussion on the Financial Statement, and to introduce the heads which are described in the agenda, *viz.*:-

REVENUE.	EXPENDITURE.
II.—Opium.	1.—Refunds.
XII.—Interest.	4.—Opium.
XV.—Mint.	6.—Stamps.
XXII.—Receipts in aid of superannuation.	10.—Assessed Taxes.
XXIV.—Exchange.	14.—Interest on obligations other than the Public Debt.
XXV.—Miscellaneous.	17.—Mint.
	28.—Civil Furlough and Absentee Allowances.
	29.—Superannuation Allowances and Pensions.
	31.—Exchange.
	32.—Miscellaneous.
	36.—Reduction or Avoidance of Debt.

"I think it was not the intention of the Hon'ble the Finance Member to add in regard to these heads anything to what was said in his speech of Friday last or in the explanatory memorandum."

The Hon'ble Sir Robert Carlyle : " I rise, Sir, to introduce the following heads of the Financial Statement for 1912-13 :—

<i>Revenue.</i>	<i>Expenditure.</i>
I. Land Revenue.	3. Land Revenue.
VI. Provincial Rates.	8. Provincial Rates.
IX. Forest.	11. Forest.
XXI. Scientific and other Minor Departments.	26. Scientific and other minor Departments.
XXIX } Irrigation.	33. Famine Relief.
XXX. } Irrigation.	35. Protective Works : Irrigation.
XXXI. Civil Works.	42A Ditto.
	42 } Irrigation.
	43 } Irrigation.
	45. Civil Works.
	49. Capital Outlay on Irrigation.

" I have nothing to tell the Council regarding Revenue or Expenditure under the heads of " Land Revenue," " Provincial Rates " and " Famine Relief " beyond what appears in the Financial Statement.

" I may possibly have some remarks to make as regards Forest Revenue and Expenditure in dealing with the Hon'ble Mr. Mudholkar's Resolution *re* the Inspector-General of Forests, but otherwise there is nothing in the Forest Budget calling for remarks under the head of either Revenue or Expenditure. I mentioned last year that very promising experiments had been made in connection with the preparation of wood pulp for the manufacture of paper. These experiments have been continued this year in connection with the preparation of bamboo pulp. An experiment on a large scale is in consequence of our enquiries about to be made by a private firm, and, if successful, it should greatly improve the position of the paper mills in this country, and also within a few years should very considerably increase our revenues. Enquiries have also been made by the Forest Department in other directions as regards materials for the manufacture of paper, and very promising experiments, but so far in the laboratory only, have been made regarding various kinds of grass which grow in large quantities in India. At present tea boxes are imported to the value of something like 37 lakhs of rupees. Enquiries have been made by the Forest Economist into the matter, which, I hope, will result in the Forest Department being able to provide suitable timber for the manufacture of tea boxes in this country. There have also been considerable improvements in the manufacture of turpentine which will, I hope, ultimately lead to a large development of this source of income.

" Under the head of ' Scientific and other Minor Departments,' I will deal very briefly with —

- (1) Survey of India ;
- (15) Agriculture ; and
- (18) Veterinary Department.

" Under the head ' Survey of India ' it was explained in the Statement submitted on March 1st that the gradual increase in the Survey Departments of India contemplated by the recent reorganisation had been checked. Under that reorganisation scheme, the ultimate expenditure would have risen to 32 lakhs of rupees a year. It is now proposed not to let the increase go above 29½ lakhs of rupees. The Surveyor General was this year instructed that the ultimate budget was to be kept within 29½ lakhs and his actual budget is below 29 lakhs. If the changes now contemplated in the scales of Survey are effected, the cost of the Topographical Survey of the whole of India will be reduced by one crore. This saving in expenditure will be effected by the reduction of the length of time during which it will continue. Under the head of ' Agriculture ' the grant to the Inspector-General of Agriculture for agricultural experiments will be reduced from 20 to 10 thousands rupees ; and there will be a saving of about Rs. 20,000 mainly due to amalgamation of the establishment of

the Inspector-General of Agriculture with that of the Director of the Pusa Research Institute. There is also a permanent saving of about Rs. 15,000 in salaries owing to the appointments of Inspector-General of Agriculture and Director being amalgamated. On the other hand, expenditure under the Imperial head has been increased by the provision of Rs. 60,000 made in connection with the appointment of an expert in sugar machinery and by a grant of Rs. 10,000 for fruit growing in Baluchistan.

“Under the head of the ‘Civil Veterinary Department’ there will be a saving of about 20,000 rupees next year by the abolition of the Inspector-General and his office. The saving should ultimately reach Rs. 40,000, but their full effect will not appear till the following year as part of the pay of the Inspector-General’s establishment falls within the official year 1912-13. Some expenditure will also have to be incurred for compensation to clerks and others who cannot be provided for in other Departments.

“I may note that some reduction has also been made in the cost of the Revenue and Public Works Secretariats by bringing down only Camp Offices to Calcutta, but this falls under the head of ‘General Administration.’

“So far as Irrigation is concerned this is the first year in which we have budgetted for an expenditure on productive works of over 2 crores. This is less than the revised budget of 1911-12, but in the two last years the budget provision has been exceeded, and I hope this may prove to be the case in 1912-13 also.

“The total expenditure on new works, both productive and protective, during the current year is shown in the revised budget as 296 $\frac{3}{4}$ lakhs against an estimate for next year of 287 $\frac{1}{2}$ lakhs. The total expenditure on all classes of works contemplated by the Irrigation Commission was 44 crores in 20 years or 2·20 lakhs a year. Three years ago as my predecessor in office pointed out the expenditure had not reached the amount contemplated by the Commissioner. It is now about 70 lakhs in excess of that amount. The expenditure on protective works is still below the amount which the Commission recommended. Last year the expenditure on works of this class was only 54 lakhs. This year it is estimated at 58 lakhs against budget provision of 78 lakhs. This very regrettable lapse is due mainly to scarcity of labour owing to plague and other causes in the Central Provinces, Bombay, United Provinces and Bengal. Next year we are providing 75 lakhs and in the following years expenditure should for some time to come not fall short of 100 lakhs, the present limit of our permissible annual expenditure on protective works.

“In regard to Civil Works we are attempting next year to work down to a reduced grant of Rs. 78·80 (excluding 1 lakh for Archæological works) against a grant for the current year of Rs. 87·16 lakhs and an average expenditure for the previous five years of 81·55 lakhs. So far as original works are concerned, the Public Works Department is practically in the position of an agent for other Departments, and as the Post Office, Telegraphs and Customs are as a rule unable to develop their operations without calling for the construction of new buildings, we are very much in their hands. So far as repairs are concerned, it is obvious that the charges under this head must increase *pari passu* with the increase of a number of civil buildings, roads, etc. The estimated charge in 1912-13 is 18 lakhs.”

FORESTS.

The Hon’ble Mr. Mudholkar moved the following Resolution:—

‘That this Council recommends to the Governor General in Council that the Budget Estimates be reduced by the pay of the Inspector-General of Forests and of the establishment of his office.’

He said: “Sir, last year at this time I was in hopes that there would be no necessity for a non-official member of this Council to bring forward such a

Resolution or the other one I shall have to move presently. For years the non-official members of this Council and Indian publicists, alarmed by the continuous growth of expenditure, had been pressing upon Government the urgency of arresting this growth and of effecting economies. The reduction of public expenditure was the burden of many a speech delivered in this Chamber in 1910. Towards the end of January 1911 a Resolution was moved by the Hon'ble Mr. Gokhale suggesting the appointment of a Committee, consisting of officials and non-officials, to enquire into the causes which had led to the great increase in public expenditure, both civil and military, that has taken place during recent years, so that means may be devised for the greater enforcement of economy, where necessary and practicable. He was supported by a number of non-official members. In the speech which you, Sir, as Member for Finance, made, you said :—

‘What we require is to keep economy constantly in sight, to guard zealously against the unnecessary spending of a single rupee; and to place a curb upon all tendencies to increase public expenditure which is proposed with a view merely to theoretical efficiency or administrative symmetry.’

“While deprecating any putting back of the hands of the clock or precipitancy, you agreed with what Mr. Gokhale had said about the need for caution in the future, and for such ordering of our public expenditure, as would enable us without haste or embarrassment to deal with the new situation as it arises. You opposed the appointment of a Commission on the ground that it was clearly the duty of the Executive Government to set its house in order, and said that the Government of India recognized the importance of doing so and advised the Council to await the result of the unassisted efforts of the Government of India before pressing for an inquisition.

“This assurance and advice were accepted by Mr. Gokhale and his co-adjutors, and the Resolution was withdrawn. Two months later His Excellency the President, in referring to this assurance, observed :

‘Economy is ever present to my mind; and I cordially endorse the undertaking that has been given by my Government to examine the whole question of our departmental expenditure, both civil and military, with a view to restraining its growth, as well as to actual reductions wherever practicable. Retrenchment is not always an agreeable task, and it is difficult to reconcile with some of our ideals of administration. But in the present circumstances of India, public economy is the clearest of necessities; and I am confident that its fruits will justify the sacrifice that it may entail.’

“Sir, one year has gone and we now know what economies have been effected. It would be ungracious, it would be eminently unfair, not to acknowledge with thankfulness that the Government have done a great deal to carry out their promise. Our thanks are especially due to His Excellency the Commander-in-Chief for the economies carried out in that most difficult department which is under his special charge. But while admitting with gratefulness all that has been done, we cannot leave out of consideration the fact that much still remains to be done. There is still that great question of the throwing more widely open the doors of the higher branches of the public services to the people of this country, a measure which is demanded as much on grounds of justice as of economy. There also remain certain spheres in which the shears of retrenchment have not been applied as thoroughly as they should have been. I have taken the case of the Forest Department, because it appears to me to be a typical one in which the undertaking given by Government last year could and should have been enforced. Indeed it was said sometime ago that the Government contemplated making the reduction which I am proposing. It has not, however, been effected, and I deem it my duty to press it upon the Government. It involves a question of principle which cannot be overlooked, if the assurances given last year are to be kept in view. The post of Inspector-General of Forests was created in 1864. At that time it was undoubtedly required. The wasteful working of forests which was carried on prior to that period demanded that there should be at the head of the Forest Department a man who would bring to bear on its work a grasp of principles and practical knowledge of what has been done in other countries to protect forests, to control and direct their proper exploitation, and to organize renewals. At that time there was an almost utter absence of qualified men in India. There was not even a properly organized machinery working on any settled principles. Things now stand differently. There is now a highly organized

department consisting of highly trained and qualified hierarchy of Conservators, Deputy Conservators, Assistant Conservators, Extra Assistant Conservators, Rangers, and so on. The upper branch is recruited in England, and consists of men who have received scientific training and practical instruction in India. Dehra Dun has been yearly turning out men of a similar type. So well are the officers of the Department provided with technical education and fortified with the varied experience that service in India supplies, that they are in demand to conduct the management of forests in other parts of the world or to report on the best system for their organization. In Cape Colony, in Uganda, in the Soudan, in Nigeria, in Siam, forest officers supplied by the Indian Government are now applying the lessons learnt in the jungles of India; in the Straits Settlements, in Mauritius, Cyprus, Ceylon, the West Indies and elsewhere, advice has been given or organization effected by the same agency. The forests of the Indian Empire have also been visited and the methods applied in them professionally studied by officials from France, Germany, Japan and other countries. This is the testimony of a publication of the Government of India, the Imperial Gazetteer.

“The second thing to note is that we have from 1865 brought into existence a complete set of laws, rules, orders, instructions which are as thorough as any existing in the world. The whole thing has been systematised, so that working is rendered very easy.

“Thirdly, the work though of a highly special character, is done by the Provincial and Circle authorities; settlement, demarcation, surveys, are all done by the men on the spot under the direction and orders of the Provincial and local authorities in conformity with rules and instructions. Working plans have been prepared in the Provinces. Roads and bridges and buildings are all determined there. Protection from fire, from cattle, against injury from natural causes is all done there. Sylviculture and exploitation have to be conducted by men conversant with the localities. One sees little room here for an Imperial official with the Government of India.

“Fourthly, as Forest Revenue has been made wholly provincial, the Local Governments being fully interested, there is no ground for doubting for a moment that they would not allow any revenue to be unnecessarily lost or any waste to be incurred in expenditure.

“Fifthly, the net revenue is not so large as to require the special intervention of the Government of India. The revenue is estimated at 297 lakhs, while the expenditure is 178 lakhs. The net revenue is thus only 119 lakhs which is now wholly provincial.

“Sixthly, we find that many other similar posts have been abolished, for instance, the Inspector-Generalship of Excise and Salt. Now in the Excise the Government of India get one-fourth of the revenue. Salt is entirely an Imperial head. And yet it is not considered necessary to have an Inspector-General. Then the Inspector-Generalship of Agriculture has been abolished. Now the activities of the Agricultural Department are very well known. We have these works carried on in every province by a large staff of officers which is of a very important and useful character, and it is not considered necessary to have an Imperial officer for that purpose. We have, as our main source of revenue, the land revenue, and that is collected without the interposition of an Inspector-General of Land Revenue. Then there is the Customs, which yields over 9½ crores, and there is no Imperial officer required for that. It is an entirely Imperial head, and still no such arrangement is considered necessary. It is said that the Inspector-General is necessary to co-ordinate work. Well, we have got all that was required in the shape of laws, rules and regulations and instructions; and the actual work, as I have said just now, is done by the Conservators and the officers under them. There is that annual publication the Review of the working of the Forest Department which is issued by the Inspector-General of Forests. The whole work therein reviewed has been done by these local officers. There is thus hardly any real necessity for an Inspector-General. To say that the saving would be of a very insignificant character is to miss the whole point. As you pointed out, Sir, if there was one rupee to be saved, that rupee ought to be saved. Well here 95 thousand rupees at least have to be saved. It is an important item. On these grounds, Sir, I commend this Resolution to the Council.”

The Hon'ble Sir Robert Carlyle : "Sir, I have not very much to say on this Resolution as it is impossible, as the Council well knows, for the Government of India to take any part in the discussion: - It is a matter of common knowledge, it was mentioned in the House of Commons, that the Government of India recommended the abolition of the post and that the Secretary of State did not accept the proposal. The matter is still under discussion, and Local Governments are being consulted. It is impossible for the Government of India to come to any final conclusion till their reports have been received, and when the Government of India have come to a conclusion, if it is still their desire to abolish the post, the matter must again be referred to the Secretary of State. I must compliment the Hon'ble Mover on the great knowledge he has shown in forest matters. Whatever view he may take of the question of abolishing or retaining the Inspector-General of Forests, if all the Members of Council would take the same interest in forest matters as he does, I am quite certain that no Local Government would find any difficulty in getting the consent of the Government of India to any expenditure which may be necessary to develop this very important source of revenue.

"I will only correct one or two slight mistakes which the Hon'ble Member has made. He said the Inspector-General of Forests was quite unnecessary, because all that he did was done by the local officers. That is not quite correct. He mentioned the case of working plans. Well, it is not correct to say that working plans are done entirely by local officers. In the case of Madras and Bombay, that is the case, and it is also the case in provinces where there is a Chief Conservator; but in other provinces, the working plans have got to go to the Inspector-General for examination, and are then returned to the Local Government with his recommendations which may in some cases involve considerable alterations in the plans. Then, again, the Hon'ble Member spoke of the abolition of the post of Inspector-General of Agriculture. That also is not quite correct. It has only been abolished as a separate appointment, and has now been amalgamated with the post of Director of the Agricultural Research Institute at Pusa.

"I must oppose the Resolution, because the Government of India is not in a position to deal with the matter. We must wait until we get the views of the Local Governments before dealing with the matter."

The Hon'ble Mr. Madge : "Sir, I did not intend to make any remarks on this Resolution. The Hon'ble Member in charge has just supplied us with several interesting statements showing that the resources of the country are to be developed by special inquiries which are to be made by specialists. It surely cannot be said that the post of the Inspector-General of Forests ought to be dropped out just as the special inquiries are about to be made. I had hoped to hear from the Home Member that the reduction that has taken place has taken place in Departments that are not headed by specialists in the usual sense of the word. The Inspector-General here is a specialist in this matter, and is of great importance in the Department where special training is needed. I understand that Directors and Inspectors-General of the Departments headed by specialists were to be retained, and I believe that the Departments in which the Inspector-General's posts have been abolished are departments in which ordinary general administrative experience is needed and not special training."

The Hon'ble Mr. Mudholkar : "In view, Sir, of what has fallen from the Hon'ble Sir Robert Carlyle, I do not wish to say much in my reply to what he has said. The matter is, we are told, under consideration, and there is discussion going on on the one hand between the Government of India and the Secretary of State, and on the other between the Government of India and the Local Governments. In these circumstances, I can quite understand why the Government would not like to commit themselves to any particular pronouncement on an occasion like this. It is a matter of considerable importance to the whole country that what is now urged is also a thing which is having the consideration of the Government. It is thus not only the view of the non-official members in this Council, or of persons who, it is

often said, cannot know all the inner workings of the Department, that the case of the Inspector-General of Forests is one in which saving might be effected. That was also the view of the Government of India. If the Secretary of State holds a different opinion, we have to remember that that is not the view of the Government of India which being more in touch with facts ought to carry greater weight. That was one of the reasons, Sir, why I brought forward this Resolution, namely, to show that the people in the country who take any interest in these matters are in agreement with the views of the Government of India, that they regard the expenditure under consideration as one in which saving can be effected.

“Now in regard to what my friend the Hon’ble Mr. Madge has said, I have again to point out that the forest revenue is now made provincial, and that the actual work is carried on by provincial officers. There is, therefore, no necessity for this fifth wheel in the coach. This is how it appears to me; and though I am not pressing for a division in view of the circumstances and the facts explained by the Hon’ble Sir Robert Carlyle, I do not agree with my friend, the Hon’ble Mr. Madge. I do not press for a division on this Resolution.”

Accordingly the Resolution was withdrawn with the permission of the President.

[*At this stage the Vice-President left the Chair which was then taken by the Hon’ble Sir Harcourt Butler being the Member appointed by the Governor General to preside in his stead.*]

IRRIGATION.

The Hon’ble Mr. Mudholkar: “I wish to move, Sir, the second Resolution which stands in my name. It runs thus:—

‘that this Council recommends to the Governor General in Council that the grant to Protective Works—Irrigation—be increased by fifty lakhs of rupees.’

“Sir, it is not many months since the whole country was trembling with fear at the imminence of a dire famine. The Government and the people were in deep anxiety as to what was coming on. We were threatened with a drought and a failure of crops equal in extent and magnitude to the dreadful visitations of 1876-1878 and 1899-1900. By the mercy of God, we have escaped this calamity. There are parts like Guzrat and Kathiawar which are severely struck and sorely distressed. But the greater part of India has escaped. And even Guzrat and Kathiawar have the consolation of knowing that in their hour of distress the attention of the Government and of the country is directed towards them, and there is on every side genuine sympathy and desire to help. It is natural that at a time like this, members of this Council and all who take interest in public matters should look about and see what progress is made in carrying out the measures which have been laid down authoritatively as necessary for insuring this country against the dire effects of famine. It was with great regret I heard that portion of the speech of the Hon’ble Member for Finance in which he referred to the lapse of over 20 lakhs of rupees in Protective Irrigation Works. The great importance and value of Irrigation in India, the great part which it plays in protecting tracts which are exposed to periodical visitations of famine is admitted on all hands. The Famine Commission of 1879 pointed out the great importance of carrying out protective irrigation works; and it was on the recommendation made by them that the Famine Insurance Fund was created. The subsequent famines of 1897 and 1899 necessitated the appointment of two Commissions—the Commissions of 1898 and 1900—and these Commissions also pointed out the great urgency for action in the matter. They noticed the exceedingly unsatisfactory results in regard to protective irrigation which were apparent till then. Sir, during that period,

the period from 1886 till 1902-03, you find that the amount devoted to protective irrigation is at times as low as 2 lakhs in the whole year. The Irrigation Commission which was appointed in 1901 and which completed its work in 1903 made large recommendations. It practically suggested that the amount of the Famine Insurance Grant which is not taken up in actual famine relief should be applied towards protective irrigation. Since then larger grants have been made to protective irrigation, and we find that sometimes 50 lakhs, sometimes 60 lakhs, and sometimes even more have been allotted to the work. In 1910, the matter was brought before the Council by my Hon'ble friend Mr. Dadabhoy, and in the reply which was given by Sir Lionel Jacob and Sir John Miller. This is what was said in regard to it:—

'On the subject of financing protective works, our system has been to spend on such work just so much of one-half of the Famine Insurance Grant as is not covered by famine relief and by protective railways. The progress of our protective works has not been hampered in the past, and as the fund required has not been large and the financial position on recent occasions of famine has not been so unfavourable as to necessitate a reduction of expenditure on works in progress, the conditions have now so far changed that the demands can no longer be met from the 75 lakhs per annum available for Famine Insurance Grant, and it was to meet the situation that they decided to incur an expenditure of a hundred lakhs under certain conditions.'

“ Sir John Miller said:—

'I was most willing to answer to that appeal—(the appeal of the Hon'ble Mr. Subba Rao and the Hon'ble Mr. Dadabhoy)—for spending more on protective irrigation.'

“ Sir, last year a grant was made, and we find that the whole amount that was allotted has not been expended. I shall not refer to any individual work. It is possible I might be told that I am referring to a work, neglected in the Provinces from which I come. That however is not the matter to be considered. We have got here this fact that a large amount which is more than 26 per cent. of the entire grant has not been used and has lapsed. Now, Sir, we are told that this was due to want of labour. Sir, this is an argument which I find difficult to understand. I do not question the fact, but I find it difficult to understand why there should be lack of labour in regard to Protective Works alone. We have Productive works, and in regard to Productive works, not only has the entire budgetted grant of 190 lakhs been fully utilised, but we find that 48 lakhs more have been spent. Out of these, I believe about 12 to 18 lakhs have been spent on certain things got from England. But the other and the larger portion was spent all in India on matters on which labour was required. If the Productive Irrigation Works could command labour, I find it difficult to understand why labour was not available for these Protective Works. Then take also the case of the Civil Works. In regard to the Civil Works, the percentage of lapses is exceedingly small as compared to what has taken place in the Protective Works. And there is one further thing, Sir, which I would mention. Ten thousand of our most efficient and capable labourers are sent away from this country to work in foreign lands. Their recruiting is helped in a manner by Government, at any rate it is encouraged, and when there is paucity of labour in India, I ask is it fair that we should allow some of our most capable workers to leave the land. If Government feel it necessary, feel it desirable that because we ought to help the other parts of the Empire, they should give encouragement to the recruiting of labour in India, is it not also their duty through their executive officers to obtain supplies for the Public Works Department whenever that Department finds it difficult to obtain labourers? The importance, Sir, of this question cannot be gainsaid. I go so far as to say that if the wages offered on the Protective Works are not sufficiently high, it is even advisable to pay a higher rate of wages and to exceed the cost even by 10 per cent. or even 15 per cent., rather than allow the money which has been allotted to lapse for paucity of labour.

“ We have lost over 21 lakhs in the current year. In the past, the average expenditure during the last 30 years was about 20 lakhs annually. The average expenditure for 1903-04 to the end of 1911-12 was about 48 lakhs annually. It is, however, no use regretting the past. We must

set ourselves to rectify the mistakes which have been committed before. The Secretary of State has sanctioned an expenditure of 100 lakhs if the state of the finances allow. We have now a condition of finance showing surplus. I, therefore, propose that, in addition to the grant of 75 lakhs including the grant for minor irrigational works which is budgetted for the next year, we should have an additional grant of 50 lakhs. I base my recommendation upon this ground: 25 lakhs should be added to the 75 to bring up the amount to 100 lakhs as sanctioned by the Secretary of State: then we shall have lost a little over 21 lakhs on account of the lapses of the last year: I propose that these 21 lakhs which are about to lapse should be restored, and adding 4 lakhs, in view of past short grants, the amount of 50 lakhs should be added to the 75 lakhs provided in the draft budget."

The Hon'ble Sir James Meston: "Sir, the Council must have been impressed by the transparent zeal and enthusiasm with which the Hon'ble Member has pressed the claims of protective irrigation in the Resolution which he has just moved. However much we may appreciate the Hon'ble Member's intentions, I am afraid that the precise proposal in which he clothes them is wholly premature. A few days ago, the Hon'ble Mr. Dadabhoj asked us what is the psychological moment for moving the reduction of taxation. I cannot answer the question. If, however, he or Mr. Mudholkar asks us what is the psychological moment for obtaining more money, I think I can answer him. Provided always that the money is available, the psychological moment to ask for it is when you have spent all the money that you have and want more. That moment has not arrived in the case of protective irrigation, and consequently I have had to describe the motion as premature.

"Let us see exactly how the finances of protective irrigation stand. The fillip which has recently been given to that exceedingly important class of public works dates from the Irrigation Commission's Report of 1903. In that Report the Commission, whose authority has our complete and unqualified respect, recommended a twenty years' programme of irrigation, costing a very large sum indeed—some 44 crores. The programme has, I believe, been accepted as desirable and feasible; the Productive part of it is well under way, and steps have been taken, I think successfully taken, to provide the necessary funds for the Protective part. How marked the progress has been in this latter direction may be seen from the following figures. In 1903-04, the year when the Commission reported, our total expenditure on Protective Irrigation Works was 22 lakhs. It rose steadily, until four years later it was nearly trebled and came to 63 lakhs. After that, however, difficulty was experienced in working up to the annual provision of funds. In the last five years, I find that the average budget allotment was 70 lakhs, and the average expenditure was only 60 lakhs, that is to say, there was an average lapse of 10 lakhs a year, or $\frac{1}{2}$ crore in this period of five years. In the current year, as the Hon'ble Sir Robert Carlyle has pointed out, the total grant was as high as 78 lakhs, whereas the expenditure is not expected to be more than 58 lakhs. For next year our provision is 75 lakhs, and the Hon'ble Mover now proposes to raise this to the imposing figure of 125 lakhs. In view of the actual spending capacity of the Department, as shown by its recent operations, it is perfectly obvious that the provision of this amount would only mean an enormous lapse at the end of the year if we accept the Hon'ble Member's suggestion. In the last five years 60 lakhs were spent against 70, in the current year, we are expected to spend 58 against 78 lakhs, but what are we going to spend against 125 lakhs?

"It is not of course for me to discuss the reason for the inability of the provinces to spend the amounts which have been placed at their disposal. I am sure that there is no disinclination in any quarter to push on with these excellent works; and I may safely leave the Hon'ble Member in charge of the Public Works Department to deal tenderly with the Hon'ble gentleman's scepticism as to the capacity of his Department to carry out their sanctioned programmes.

“However all that may be, all that we can say in this Department is that there is no backwardness in finding money if the engineers can spend it. Up to two years ago we were restricted in our protective finance by the somewhat narrow limits of the Famine Insurance Grant. The money which we could allot for protective works was only as much as was left over in the Famine grant, after the payment of all expenditure on famine relief, and subject to a maximum of 75 lakhs, from which also had to be deducted any small expenditure on protective railways. We have now obtained the Secretary of State's approval to enlarging this field, and to opening a supplementary head for protective expenditure outside the Famine grant. In years where there is no direct charge for Famine Relief, and when we have no serious anxiety about our surplus, we shall be in a position to allot approximately up to a crore of rupees for protective irrigation. When the actual expenditure approaches that figure, it will then be time to consider whether we can profitably make a further advance; but until that time comes, I am afraid that the Hon'ble Member's suggestion, as I have already said, is premature, and must inevitably be opposed by the Government of India.”

The Hon'ble Mr. Dadabhoj: “Sir, the principle involved in the Resolution would doubtlessly appeal to all in that it recommends larger expenditure on Protective Irrigation Works. But I fear I am not able to give my support to it. Some time ago, I moved Government repeatedly for larger allotments under this head. Sir John Miller fully sympathised with my object, and I must acknowledge that Government has, after careful consideration, raised the annual allotment to 100 lakhs of rupees. The Secretary of State finally sanctioned a total expenditure up to that amount on Protective Irrigation Works. In the Budget estimate of the current year, as Sir James Meston has just pointed out, 78 lakhs of rupees were set apart for Protective Irrigation Works. For next year, it is slightly more, the usual allotment of 75 lakhs of rupees out of the Famine Relief and Insurance being proposed to be supplemented by an additional grant of 6½ lakhs of rupees. The allotment of 78 lakhs could not be spent in full owing to scarcity of labour and other causes. In the current year, we shall spend about 58 lakhs of rupees, leaving an unspent balance of 20 lakhs of rupees. I do not know if there is any ground for the hope that the labour market will be easier next year or that we shall be able to spend more than what the Hon'ble the Finance Minister proposes to allot for the construction of Protective Irrigation Works. There are at present 23 projects of this kind which are either under construction, awaiting sanction or being examined by the professional advisers of the Government. It is not definitely known how many of these can absorb the proposed larger allotment. If there were definite grounds for the belief that a larger grant would be productive of any practical good, I would have myself moved a Resolution for an extra allotment. But as it is, such grounds are absent. Mr. Mudholkar has pointed out that if labour can be found for productive works, why it should not be available for protective work. The labour question is becoming a serious problem in this country. I am supposed to be an 'irrigation enthusiast', but I want to have materials upon which to found a practical scheme of larger financial support. I shall be glad if the whole grant that is proposed to be set apart for the construction of Protective Irrigation Works be fully used up during the year. I would have been glad if the Hon'ble Mover had adduced facts to justify the conclusion that, having regard to the peculiar circumstances now prevailing, the grant of a crore and a quarter of rupees could be profitably used on construction work.

“The proper utilisation of grants is a point to be considered before they are made, and in this matter of original works, the existence of complete schemes alone will induce Government to set apart more money for construction. Any recommendation for extra liberality can be effectively made only on proof that projects ready to be executed cannot be taken in hand unless more money is forthcoming. That proof is absent. In the Central Provinces, the Tendula Canal Scheme is being financed by Government in a way which hardly leaves room for complaint. In fact the complaint is the other way. The whole amount given has not been spent this year. I do not know of

other provinces, but from the explanatory memorandum I gather that in Behar and the United Provinces work has been slow this year on the Tribeni Canal in the one province, and the Dhasan Canal and Ganges Dam in the other, and that, not for any want of funds, but from dearth of labour and other causes. This account of the year's progress does not encourage the hope that more money, if allotted, will be usefully spent. Though I readily acknowledge that Mr. Mudholkar has done a service by keeping this subject prominently before the Council, in the circumstances I have stated above, I am unable to support my friend's Resolution."

The Hon'ble Sir Robert Carlyle: "In spite of the best efforts of our Irrigation Officers we have not been able hitherto to spend in any year on Protective Irrigation Works a larger sum than Rs. 65 lakhs. As the Hon'ble Sir James Meston has pointed out, the average annual grant during the past five years has been 73 lakhs against which the average expenditure has been barely 60 lakhs.

"When discussing the Financial Statement for 1909-10, the Hon'ble Mr. Miller explained why some years must elapse before the expenditure on Protective Works would exceed 75 lakhs, the limit of expenditure at that time. To the explanations then given, I would add that whereas Protective Schemes are situated for the most part in flat alluvial country, those of a protective nature are generally to be found in more rugged and hilly tracts, which naturally present much greater difficulties in the preparation and execution of an irrigation project.

"The very fact that a large portion of the grant has lapsed in the Central Provinces shows the great difficulties that have to be overcome. I do not believe there is in India a greater enthusiast in the matter of irrigation than my Colleague, Sir Reginald Craddock, who was assisted in the administration by a very capable and zealous Chief Engineer.

"At present the more important protective works which we have in hand are the Tendula in the Central Provinces, the Godavari and Pravara in Bombay, the Gangao Dam in the United Provinces, the Tribeni in Bengal, and the Mopad in Madras. For these and other lesser important works, we propose to provide 75 lakhs for 1912-13. This is as much as we can reasonably hope to spend.

"We hope, however, in the very near future to be in a position to spend the full sum of 100 lakhs on protective works. We have now submitted an estimate, amounting to more than 2½ crores, for the Nira Right Bank Canal in the Bombay Presidency, for the sanction of the Secretary of State. The expenditure on this project should be at the rate of about 25 lakhs a year. We hope also that several other less important works now under consideration will soon be sanctioned. We shall then be in a position to spend 100 lakhs a year on works of the protective class.

"While sympathising most deeply with the motives that have led the Hon'ble Member to move his Resolution, I must emphasise the fact that we could not spend the money he asks for. I would ask the Council to accept my assurance that, while Government must oppose the Resolution, they fully appreciate the importance of the matter, and so long as I fill my present post, I will not relax in my efforts to develop irrigation, whether protective or productive."

The Hon'ble Mr. Gokhale: "Sir, I rise simply to congratulate the Hon'ble Mr. Dadabhoy on his conversion to the official view of things in this matter. The conversion is comparatively recent, because, Sir, I remember a debate which took place in this Council four years ago, in which my Hon'ble friend made precisely the same complaint about the policy of the Government that the Hon'ble Mr. Mudholkar has made to-day. Mr. Dadabhoy was then handled somewhat roughly by the Hon'ble Sir John Miller, as those who were present on the occasion may remember. This is what Mr. Dadabhoy said at the time:—

'When the Government is moved for an additional grant, sufficient to cover the accumulated arrears, the prayer is refused on the score of impracticability. 'The money could not be spent!' That may be a satisfactory reason from the official point of view, but is singularly unconvincing in view of the extra lavish expenditure, sanctioned for the Army and Public Works of at least doubtful utility and urgency.'

The Hon'ble Sir Guy Fleetwood Wilson : "Sir, I have little to add to the interesting discussion that has taken place. I am in full sympathy with the object which the Hon'ble Mover of this Resolution has in view. Our large protective Irrigation works are of the highest value in defending from the ravages of famine the areas which they serve, in saving the harvests, in preventing suffering and death, and in advancing the general well being of the country. For such an object, it would be far from my desire to withhold funds whenever they can be profitably expended. The only reason why I cannot accept the Resolution is that it points to what is at present an unattainable ideal. The day may come when we shall be able to spend $1\frac{1}{4}$ crores - the figure which the Hon'ble Mr. Mudholkar's Resolution implies - on protective works every year. But that day has not come yet; and up to the present there have been difficulties in spending the allotments which we have provided. It is not for me to apportion blame for whatever failure there may have been in this respect. If the Department concerned is consulted, I have little doubt that they will be able to give the Hon'ble Mr. Mudholkar excellent reasons for the slow rate of progress of which he complains. All that I am concerned with is the provision of money; and it would obviously be useless to budget for an amount which, as all our past experience indicates, could not possibly be used during the year. I fear that I cannot accept the Resolution. No good result could accrue if I did."

The Hon'ble Mr. Mudholkar : "Sir, I must be grateful to the Hon'ble Member in charge of the Public Works Department, to the Hon'ble Member in the Finance Department and to the Hon'ble the Secretary in the Finance Department for the sympathy they have expressed with the object of my Resolution. So far as the Resolution however itself is concerned, it is rather sympathy of a Platonic type. However, it is good so far as it goes, on account of the authority from which it comes. It is admitted by the Members of the Finance Department that the ideal which I have put before them is one which commends itself to them. They do not accept it just now, because it is an unattainable ideal, and the ideal is unattainable because they say the grant that was made only last year was not fully utilised. Now, Sir, I am sure that the grant of 78 lakhs made last year would not have been included in the Budget by the Finance Department unless it was pressed upon them by the Hon'ble the Member in charge of the Public Works Department. And the Hon'ble Member in charge of the Public Works Department, in his turn, would not have asked for the inclusion of the grant in the Budget unless those who were to carry out the works when the required money was forthcoming had not assured him that the grant would be utilised. This is what appears to me to be the crux of the whole question. Why was the grant of 78 lakhs made if the people who were to carry out the thing were not prepared for it? The only reason that has been advanced so far is the scarcity of labour. To meet that excuse I put the question: Has any other kind of work at all been delayed? Has it been at all put off? Has it suffered on account of scarcity of labour to the extent that protective irrigation has suffered? To that no answer at all is coming forward. My friend, the Hon'ble Sir G. F. Wilson, said that my ideal was an unattainable ideal. But I am sure the ideal laid down by the Secretary of State would not certainly be called unattainable, the ideal which was laid down by the Secretary of State on the recommendation of the Government of India, on the strong pressure of the Government of India. They recognised that one hundred lakhs of rupees a year is a thing which Government may well provide whenever the state of the finances allows. Now what more do I ask? I only ask that the 21 lakhs which should have been spent in the current year, and were not spent, should be made available; and that to that should be added the 25 lakhs which the Secretary of State contemplated should be added, to the 75 lakhs which was considered till then the maximum. Now to ask that the work which should have been done in the current year should in the coming year be done by the agency of extra labour, to ask that the ideal which the Secretary of State has laid down should be kept in view, is that, Sir, to be called an unattainable ideal? I do not think that my suggestion deserves that description. If in a matter in regard to which the

persons who are responsible for making provision and the persons who are to be benefited agree in laying down a certain amount, and the full provision is not utilised, the fault certainly does not lie with the person who makes the suggestion or the provision, but with those who did not carry out what it was their clear duty to carry out.

“Now in the speech which my Hon'ble friend Mr. Dadabhoy has made he has, as has been pointed out by the Hon'ble Mr. Gokhale, taken up a position which is not easily reconcilable to that which he took up in the Council in the years 1909 and 1910.”

The Hon'ble Mr. Dadabhoy : “Sir, I am afraid I am absolutely misunderstood by the Hon'ble Member. No doubt my sympathies are entirely, as I pointed out, with the principle of the Resolution. I should not be misunderstood. I have opposed the Resolution, because I am satisfied that the Government in all its liberality has made an adequate grant for Protective Works, but when we are not in a position to spend the full amount of the allocated grant, it is useless to ask for an increment. I am entirely in sympathy with the principle of the Resolution, but when the amount cannot be utilized, it is no use crying for more money.”

The Hon'ble Mr. Mudholkar : “In regard to what has fallen from my Hon'ble friend Mr. Dadabhoy, I would only remind him of what he said in 1910. He said that there was no force in this plea of scarcity of labour, and I am now asserting the same. Probably his views have undergone a change, but I am sorry to say that I am an unrepentant sinner in this matter. What I have again to point out in regard to Mr. Dadabhoy's observations is the weakness of the reasons. He says that the plans are not ready. First of all that is not what the Government have said. Secondly, why was an allotment of 75 lakhs made if the plans were not ready?”

The Hon'ble Mr. Dadabhoy : “I did not say anything about plans not being ready. I should not be misinterpreted. My Hon'ble friend is perfectly justified to comment on my speech, but he should not ascribe to me words which I have never uttered in this Council.”

The Hon'ble Mr. Mudholkar : “Sir, I must take my friend's correction of himself. In my observations I have taken into account what he said in the past and what I have taken down when he was making his remarks; possibly I may have misunderstood him.

“But to resume the discussion. We are told that the Government of India have done all that they could do: and this though it is not shewn why the grant for the last year was allowed to lapse. We are still in the dark as to the reasons for not working up to the standard laid down by the Secretary of State, and there is no real explanation coming forward. Now one of the reasons why I put down that the grant for this year should have been raised by one hundred lakhs irrespective of the lapse of last year was this. There are a number of projects which it is high time are taken up. In regard to the Nera Project, I am glad to see from what the Hon'ble Sir Robert Carlyle has said that the matter has gone up to the Secretary of State for sanction. This is one of the projects which appeared to me as deserving of being taken up. Now if there is a project which would require 25 lakhs a year, and if that project has been submitted to the Secretary of State, my proposal that we should work up to a hundred lakhs without reference to the lapses of last year's is not certainly unattainable. What is stated by the Hon'ble Member shows that it is a thing which is quite within the bounds of attainment. My difficulty, as I said all along, has been this. Why labour could not be brought from other parts for protective works in the manner in which it has been brought for other works which have not been allowed to suffer on account of lapses; and so long as there is no satisfactory answer given to this question, there will be the uncomfortable feeling of failure of duty on the part of the department. Sir, I must confess I am unable to understand why protective works are not worked up to the standard to which my Hon'ble friend has referred.

“Another difficulty which was pointed out in regard to working up to the plans was the rugged nature of the country. That again does not at all

meet my objection. I am sorry I am obliged to repeat the thing over and over again. I have said that 21 lakhs which have lapsed were provided for because there were projects ready, projects which were believed to be capable of being carried out during the year.—”

The Hon'ble Sir Robert Carlyle : “ May I explain, Sir? I did not mean that. When I referred to the difficulty of preparing schemes in difficult country, I only mentioned it to explain the difficulty of spending large sums quickly. I was not referring to the lapses this year.”

The Hon'ble Mr. Mudholkar : “ In regard to what Sir Robert Carlyle has said, Sir, I want to say that I have explained that the 125 lakhs asked by me are only for this year. I have said that every year we should work up to the standard laid down by the Secretary of State, namely, 100 lakhs, and with the Neera project in view, we can certainly work up to the standard of 100 lakhs. The 21 lakhs which lapsed last year, I say should not be permanently lost to the country. I therefore again urge my Resolution for the consideration of the Council.”

The Resolution was put and rejected.

EDUCATION.

[At this stage, the Hon'ble **SIR GUY FLEETWOOD WILSON** resumed the Chair.]

The Hon'ble Sir Harcourt Butler : “ Sir the additional grants for education in 1912-13 will amount, as was stated by the Hon'ble Mr. Gokhale, to 125 lakhs, of which 60 lakhs will be recurring.

“ I have already in reply to the Hon'ble Mr. Gokhale stated the distribution of the 50 lakhs recurring grant announced at the Coronation Durbar.

“ The remaining 10 lakhs of the recurring grant will be distributed as follows :—

- (a) 3 lakhs to Universities, *viz.*,
 - to Calcutta and Madras Universities, each 65 thousand ;
 - to Bombay and Allahabad Universities, each 45 thousand ;
 - to Lahore University, 35 thousand ;
 - to the future Dacca University, 45 thousand.
- (b) 6 lakhs to aided English Secondary schools, mainly for improving the staff, *viz.*,
 - to Madras, 80 thousand ;
 - to Bombay, 60 thousand ;
 - to Bengal, 1½ lakhs ;
 - to the United Provinces, the Punjab and Behar, each 60 thousand ;
 - to Burma, 40 thousand ;
 - to the Central Provinces and Berar, 35 thousand ;
 - to Assam, 30 thousand ;
 - to the North-West Frontier Province, 25 thousand.

(c) 1 lakh will be held in reserve for the present.

“ The 65 lakhs non-recurring will be distributed as follows :—

- (i) 16 lakhs for Universities, *viz.*,
 - to Calcutta and Madras Universities, each 4 lakhs ;
 - to Allahabad and Bombay Universities, each 3 lakhs ;
 - to the Punjab University, 2 lakhs.
- (ii) 4 lakhs for special institutions, *viz.*,
 - the proposed Islamia School and College at Peshawar and the Victoria Technical Institute, Bombay, each 2 lakhs.
- (iii) 10 lakhs for hostels in Calcutta.
- (iv) 10 lakhs for the completion of a residential scheme in Dacca and for the future University.

- (v) 25 lakhs for hostels other than those in Calcutta and Dacca, *viz.*,
- to Madras, 4½ lakhs ;
 - to Bombay, 3 lakhs ;
 - to Bengal Presidency outside Calcutta, 4 lakhs ;
 - to the United Provinces, 3½ lakhs ;
 - to the Punjab, 2½ lakhs ;
 - to Burma, 1½ lakhs ;
 - to Behar, 3 lakhs ;
 - to the Central Provinces and Berar, 1½ lakhs ;
 - to Assam, 1 lakh.

Half a lakh will be held in reserve for the present.

“ The grants, both recurring and non-recurring, for Universities and the grant for the Calcutta and Dacca schemes of hostels and the Islamia School and College at Peshawar are subject to the submission and approval of schemes, and the grant to the Victoria Technical Institute, Bombay, is subject to the approval of a scheme by the local Government.

“ Inclusive of the non-recurring grant made a year ago, the additional grants made or to be made for education during the years 1911-13 amount to 215 lakhs, of which 60 lakhs are recurring.

“ Statistics showing educational progress have already appeared in the *Gazette of India*. I now lay on the table a brief descriptive summary.*

“ The special grants for sanitation amount to 60 lakhs, of which 50 lakhs are for distribution to provincial Governments, and 10 lakhs for Research and Prevention work.

“ Grants to local Governments will be distributed as follows :—

	₹
Madras	8,00,000
Bombay	6,50,000
Bengal	7,25,000
Behar	4,62,000
Assam	1,46,000
United Provinces	8,00,000
Punjab	6,17,000
Burma	4,00,000
Central Provinces	4,00,000

“ This allotment is based mainly on a consideration of the proportionate urban population together with the special needs of the new provinces and the necessity for special help to backward areas. In addition to this grant of 50 lakhs, 2 lakhs and 77 thousand are allotted to the minor provinces, namely,—

1,50,000 to Ajmer-Merwara,
75,000 to North-West Frontier Province,
50,000 to Bangalore,
and 2,000 to Coorg.

“ Of the 10 lakhs grant for Research 4 lakhs will be expended on refitting and extending laboratories as follows :—

(a) Parel Laboratory, Bombay—2 lakhs for the extension of research work and for starting teaching-classes.

(b) Grant towards a Bacteriological Institute in Burma in connection with the proposed Pasteur Institute at Maymyo—2 lakhs.

“ Six lakhs will be granted to the Indian Research Fund. Of this ₹10,000 will be expended on the purchase of houses and land in connection with the extension of the Central Research Institute at Kasauli and ₹50,000 will be given as a grant to Fraser Town, Bangalore, for further extension of rat-proof buildings as an experimental measure against plague. The remaining five lakhs are for experimental work and measures against malaria and yellow fever. A governing body has been constituted in connection with this fund presided over by the Hon'ble Member for Education, and a scientific advisory board has been elected by the Governing Body, which advises on all matters requiring scientific investigation. The following steps have been taken to carry out the objects of the fund, the nucleus of which was 5 lakhs granted in 1910-1911.

* *Vide* Appendix No. 1.

“Major James, an officer of the Indian Medical Service, has been deputed to inquire into the causes of yellow fever in the endemic area in view of the danger to which the East will be exposed on the opening of the Panama Canal.

“Captain Mackie has been deputed to investigate kala azar, and a third officer is to take up the question of the investigation of cholera on new lines. With the additional grant of five lakhs which has now been made matured schemes against malaria will be carried out and an anti-mosquito survey made in the chief ports in India in order to carry out measures necessary to prevent the importation of yellow fever.

“The Central Research Institute at Kasauli has been reorganised at an additional recurring cost of close on ten thousand rupees a year and separate Bureaus constituted. The additional grant of 50,000 rupees mentioned above will be devoted to the purchase of land and buildings necessary for rounding off the estate and providing for further expansion. The institution has developed greatly under the able administration and guidance of Sir David Semple and its permanence and future prosperity are now assured.

“A scheme for the reorganisation and improvement of the sanitary services has been submitted to the Secretary of State and a grant of 2½ lakhs has been sanctioned towards its introduction when approved.

“A grant of 25 lakhs has been given for water works and drainage works in the city of Madras. One hundred and forty-five lakhs in all are required to complete the extensive schemes now in progress and the lump grant given will be a substantial contribution towards the balance required.

“During the last two years the Imperial grants for sanitation exclusive of 75 lakhs for city improvement in Bombay and Madras have aggregated 116½ lakhs.

“The first of the All-India Sanitary Conferences was held at Bombay in November 1911, and was attended by 29 delegates from the different provinces including a representative from the Ceylon Government. It is proposed that these conferences should be annual. The report of the first conference will, it is hoped, shortly be published.

“Surgeon-General Sir Pardey Lukis will lay a Memorandum on the table* and explain to Council the nature of the research work which is being carried on.

Museums.

“This Department is responsible for the Zoological and Anthropological section, and the Archæological section of the Central Museums. For some years past the finances of these sections in the Indian Museum, Calcutta, have been on an unsatisfactory basis. In addition to special non-recurring grants made during the year, a recurring grant of ₹17,100 per annum has been made to the Zoological section, and a grant of ₹4,000 to the Archæological section. As a result the future financial outlook of the Museum should now be satisfactory.”

SANITATION.

The Hon'ble Surgeon General Sir C. P. Lukis : “Sir, I lay upon the table the Memorandum * alluded to by the Hon'ble Member in charge of the Department of Education and in connection therewith I shall with your permission make certain remarks with special reference to medical research in this country.

“Sir Harcourt Butler in his presidential address at the meeting of the first All Indian Sanitary Conference at Bombay aptly remarked that the basis of all sanitary achievement in India must be a knowledge of the people and the conditions under which they live. This remark, it must be remembered, applies not only to their habits and their customs, but also to their surroundings. In European countries the situation may be summed up by saying that the three essentials are pure food, pure air and pure water, but in the Tropics, as Sir Patrick Manson has pointed out, a large proportion of the so-called tropical diseases are conveyed from one person to another by

*Vide Appendix No. 2.

means of various biting insects. For this reason out here we cannot be satisfied merely with the ordinary sanitary measures which deal with drainage, conservancy and water supply: it is absolutely necessary that we should carry out investigations into the life histories of the various insects with a view to ascertaining which of them are actual carriers of disease and to devising means for protecting human beings from their attacks.

"This work is now being quietly and steadily carried out both in our various Research Institutes and in the field under the auspices of the Plague Commission and the Indian Research Fund, and in view of its importance, I propose to-day, with your permission, to place before the Council as briefly as possible a statement of what we have done in the past and what we hope to accomplish in the future.

"The five diseases with which I shall deal, all of which we know to be conveyed from man to man by biting insects, are (1) Malaria, (2) Yellow fever, (3) Plague, (4) Sleeping Sickness and (5) Kala Azar.

"*Malaria*, as Sir Ronald Ross has shown, is conveyed from man to man by certain species of the common dapple-winged mosquito or *Anopheles*, and there can be no disputing the truth of the axiom that if there were no mosquitos there could be no malaria. But it is obvious that any attempt to completely exterminate the mosquitos in this huge country is pre-doomed to failure, and therefore it was considered advisable before recommending to Government expensive schemes of doubtful utility to make careful researches with a view to ascertaining what are the dangerous species of mosquitos from the point of view of malaria, what are their habits and where are their breeding places. Thanks to the labours of research workers all over the country we are now in possession of a mass of valuable information which leads us to believe that whereas wholesale destruction of mosquitos without any definite plan of campaign would be mere waste of time and money so far as malaria is concerned, on the other hand systematic anti-mosquito measures in carefully selected localities are likely to be crowned with success. Take for instance the case of Bombay, the researches of Liston, McKendrick and Bentley have shown that the malaria prevalent in that city does not arise from the swamps which surround it, but that the infection is carried by a certain species of mosquito of extremely domestic habits which lives and breeds in the wells that abound in the courtyards of private houses. Recently too Major Christophers has shown that the malaria in the Andamans is largely due to a species of mosquito which breeds in the brackish pools on the seashore and that the mosquitos inhabiting the rice fields and the surrounding jungle are perfectly harmless. I need hardly point out to the Council how much this has simplified the problem before us.

"Whilst these and other investigations have been in progress Major Christophers has been training at Amritsar a body of skilled workers who have been taught how to distinguish the various species of mosquito, how to find out their haunts and how to dissect them in order to detect the presence of malarial parasites. At the same time we have been carrying out careful malarial surveys of certain selected towns, so that we are now fully prepared to start a definite anti-mosquito campaign with reasonable prospects of success. On the other hand if we had commenced our proceedings by an indiscriminate slaughter of possibly innocent mosquitos, we should have wasted large sums of money and probably have brought anti-mosquito measures into undeserved disrepute.

"*Yellow Fever* again is a disease which is conveyed from man to man by another species of mosquito—the *Stegomyia*—which is the common striped or tiger mosquito with which Hon'ble Members are all familiar. The Council has heard that Major James has been sent to Panama to devise measures for keeping the disease out of the country, but it is also necessary that we should take measures for stamping it out if ever it obtains a foothold. With this object we propose making a careful *Stegomyia* survey in all the principal ports with a view to ascertain the breeding places of these mosquitos and if possible to destroy them before the disease reaches the country. If we can only free our ports of these insects, there is no fear that any cases accidentally introduced will act as centres of infection or that the disease will spread.

"We now come to *Plague*. When I pointed out to the Council two years ago that, so far as bubonic plague is concerned, the infection is conveyed by the rat-flea and that prevention in this case is very largely a question of domestic hygiene as distinguished from general sanitation, I was taken to task by certain sections of the Press, but, Sir, accumulated experience and recent observations all tend to show that so far as bubonic plague is concerned, conveyance by the rat-flea must now be regarded as an accepted fact and not merely as a theory. The Council is aware that there are many localities, especially in Madras, Eastern Bengal and Assam and the United Provinces, which hitherto have not been attacked by Plague. During the past year careful enquiries have been made by officers of the Plague Commission into the causes of this local immunity, and it has been clearly proved that wherever this immunity is found, one of two conditions exists—either the climatic conditions are unfavourable to the multiplication of fleas, or else the habits of the people conduce to scarcity of rats in the houses. Surely, Sir, this is strong confirmation, if any confirmation were needed, of the truth of the rat-flea theory. I must also mention two other important observations by officers of the Plague Commission. When Plague invades a town or village, it is usually conveyed either by fleas carried in the clothes or bedding of persons coming from an infected area, or else the fleas are brought in with bags of grain which have been in contact with infected rats. Captain Cunningham's experiments at Parel have shown that fleas in clothes or bedding can be destroyed without any expensive process of disinfection—all that is necessary is to expose the articles to the action of bright sunlight for several hours. This process is obviously unsuitable for bags of grain, but experiments are now in progress at Parel which will, I hope, solve the problem of how to kill the fleas without damaging the contents of the bags.

"*Sleeping Sickness*.—This disease is spread in Africa by the Tsetse fly, and up to the present it has not extended to India. Indeed many persons hold that it can never do so, seeing that Tsetse flies do not exist in this country. Recent events however in Rhodesia lead one to think that the Tsetse fly may not be the only carrier. Moreover, in these days of rapid communication, there is no certainty that it may not ultimately reach our shores and once it reaches then there is no reason why it should not spread and multiply even more rapidly than rabbits have multiplied in Australia. For this reason the study of medical entomology is included in the programme of work to be done under the auspices of the Indian Research Fund, and the biting flies of India will receive special attention.

"The last disease I wish to mention is *Kala Azar*, or, as it is sometimes called, Dum Dum Fever. This is a chronic and usually fatal disease, associated with great enlargement of the spleen, which was formerly supposed to be malarial in its origin. In 1904, however, it was shown by Leishman and Donovan to be due to a parasite which is totally different in its nature from that which causes malarial fever, and there is strong evidence that the anopheles mosquito is not the carrier in this case.

"There are several points in connection with this parasite which require further investigation, and these are now being taken up by the officers working under the Research Fund. In India there are two varieties of this parasite—one of them causes the fatal disease known as *Kala Azar*, whilst the other gives rise merely to a local sore, which is known by various names in different parts of the country, such as Delhi boil, Sindh sore, etc., and there are reasons for believing that the two parasites are mutually antagonistic. This is a point on which we seek to obtain accurate and scientific evidence, for, if the antagonism is proven, then it may be possible to protect patients against *Kala Azar* by inoculating them with the milder disease, just as we vaccinate people to protect them from the ravages of small pox.

"The next question is what insect acts as carrier in this disease. Captain Patton, as the result of his observations in Cambay and Madras, holds that the common bed bug is the carrier both of Oriental sore and of *Kala Azar*, and he has advanced strong evidence in favour of his view. Other observers however incriminate

minate the house fly, the tiger-mosquito and sand flies so that further observations are clearly necessary. These observations have been rendered even more necessary by the recent discovery that there is a third variety of the parasite occurring on the shores of the Mediterranean and affecting chiefly children, giving rise to what is known as infantile Kala Azar. This disease has been shown to exist also in dogs, and it appears probable that it may be conveyed from dogs to human beings by means of the dog-flea.

“So far it has been found impossible to infect dogs in India with the Indian variety of the parasite nor has it been proved to occur in them naturally. It is obvious however that a more extensive examination of dogs in Kala Azar districts in India is clearly indicated, and this examination will now be undertaken.

“Time will not allow of my saying more on this important subject, but I think, Sir, that I have said enough to show that money allotted for medical research in India is money well spent and also that the officers serving under me are making steady progress towards the elucidation of the difficult problems with which they are confronted.”

EDUCATION.

The Hon'ble Babu Bhupendranath Basu : “Sir, I intended to move a Resolution calling the attention of the Council to the hard conditions under which the Indian officers labour in connection with the Indian Education Department, but I find that I am confronted by a difficulty which it is not easy to get over without crippling my Resolution to a considerable degree. I can only deal with the conditions which prevail in Coorg, in the Central Provinces and Berar, and I might, I believe, only approach the question of my friend the Hon'ble Mr. Sharp whom I am afraid to touch. Under these circumstances, I withdraw my motion and shall bring it forward by way of a Resolution at a future meeting.”

The President : “The Resolution is, with my permission, withdrawn.”

ARCHÆOLOGY.

The Hon'ble Mr. Mudholkar moved the following Resolution :—

‘That this Council recommends to the Governor General in Council that the Budget Estimates be reduced by the pay of the Director-General of Archæology and the establishment of his office.’

He said :—“In the remarks, Sir, which I made in moving my Resolution on the reduction which could be effected in the Forest Department, I mentioned the reasons why that Resolution and this Resolution are brought before the Council. It is to give fuller effect to the undertaking given by Government last year : it is for the purpose of carrying out the principles, then laid down, that these matters are brought before the Council. We know that in this matter Government have taken action, and they, have done what they could. The matter is still between them and the Secretary of State. The Secretary of State, so far as I can understand, seems inclined to take a view different from that of Government ; but as we believe, as I for one believe, that Government are doing the right thing in this matter as in the matter of the Inspector-General of Forests, I think it is best that expression should be given to this view. The Department is one which is a very small one, and we do not see the necessity of a Director-General of Archæology. Nobody denies the necessity of preserving monuments ; nobody can feel more proud of them than I and those who hold the views I do, do ; but we do think that this work can be left to be done by the different provinces. As a matter of fact it is done by the persons who are actually working in the provinces, and it is not necessary to have a Director-General for it.”

The Hon'ble Maharajadhiraja Bahadur of Burdwan: "Sir, I oppose this Resolution on the ground that, although the pay of the Director-General of Archæology as well as the cost of the establishment of his office cannot be very large, it has done good work in the past, and now that the seat of the Government of India will be at Delhi, it is all the more necessary that Government should realise and understand the necessity of having a central controlling authority over the ancient monuments of India. I fully admit that Provincial Governments, since the time this post was brought into existence under Lord Curzon's regime, have done a great deal of good work regarding the preservation of ancient monuments, but I think that in this matter central supervision is essential, as I have known instances even after the appointment of this Director-General where it had been necessary to prompt different Local Governments to maintain properly these ancient priceless monuments of India. For these reasons, Sir, I think that we should have this Director-General and his establishment in existence, and therefore I oppose this motion of Mr. Mudholkar."

The Hon'ble Sir Harcourt Butler: "Sir, the Hon'ble Member will hardly expect me to accept on behalf of the Government of India a proposal which in some form—a very different form, it is true—has recently been rejected by the Secretary of State, and I must accordingly oppose this Resolution. But I think I owe it to him and to this Council to make a statement as to the policy of the Government of India in respect of archæology, especially since grave misunderstanding has arisen in certain quarters on important matters of fact. From statements which have appeared in the Press both in England and in India it would appear that the Government of India contemplated a reversion to conditions existing before the appointment of a Director General of Archæology, that we wished to divest ourselves of our interest in archæology and curtail our expenditure thereon, that the expert archæologists now in the department would be disbanded or reduced in number, that the publications of the department would be discontinued or cut down, and that the ancient monuments and archæological work generally in India would be made over to non-expert hands. For none of these assumptions has there been any foundation whatsoever in fact.

"The Government of India are deeply interested in the work of archæology, and they have abundant evidence that their desire to preserve the grand archæological treasures of India, to excavate and conduct research into the ancient history and monumental archæology of India, has the whole-hearted support of all who are interested in India, who are proud of its past. We recognise the great work to which Lord Curzon gave such well-directed stimulus, and we are resolutely determined, within the means at our disposal, to carry it forward. While realising that much has been done we were also convinced that much remained to be done. We were particularly impressed with the importance of training Indians on the most modern lines for all branches of archæological work, and we thought that sufficient had not yet been done in that direction. Given equal opportunities we believe that in time Indians who live in India will be able to rise to the front rank in archæological work. We have in India in the Archæological Department and outside it not a few really eminent European scholars and specialists in monumental archæology who are more than capable, under suitable conditions and opportunities, of training Indian scholars in archæological work and in Orientalia generally. We also felt the need of some institution of first-class rank in India to advise us with the highest authority, and we regarded it as wrong that scholars in India should set their face towards the west in dealing with Indian antiquities. We accordingly summoned a Conference at Simla last July, a remarkable gathering of scholars, European and Indian, such as has not been assembled, I am told, in India, for more than a century. The principal proposal placed before that Conference, a proposal which has elicited much well-informed enthusiasm, was the creation of an Oriental Research Institute with a chair of Archæology. The proceedings of the Conference have been published and have attracted some attention. The Conference pointed out several desirable lines of advance and possible

improvement in archæology and the study of Orientalia generally. We considered those proposals, and we came to the conclusion that a Central Research Institute could control archæology generally more efficiently than a single officer who can only specialise in one or two branches of a wide-ranging subject. Our proposals were not ready at the time; they are only now ripe for submission to the Secretary of State, but we adumbrated them in a despatch suggesting the abolition of the post of Director-General of Archæology and the immediate creation of a new Professorship of Archæology in its place. Pending the creation of the new Institute, we advised that the Professor should be attached to the Indian Museum, Calcutta. As Hon'ble Members are aware this proposal was not accepted by the Secretary of State. New proposals are about to be forwarded to the Secretary of State which will, we trust, meet with the approval of all who are interested in Indian Archæology. I cannot say more than this, but I hope I have said enough to convince Hon'ble Members that we are striving strenuously to develop Indian Archæology and to prepare to train up Indians to carry on this important work on a larger scale than hitherto.

“So far from suggesting curtailment of expenditure, we contemplated increase of expenditure, for obviously an Institute will involve increased expenditure. So far from contemplating reduction of establishment, we were considering a small increase of establishment. We never had the slightest intention of limiting the conservation work or fine research work done by our European scholars. So far from discontinuing archæological publications, we were considering, and considering favourably, proposals of the Conference for more convenient production of such publications and wider circulation to scholars in and out of India.

“As regards decentralisation, there appears to be considerable misunderstanding as to the degree of centralisation already existing. When the post of Director-General of Archæology was created it was expressly laid down that there was no intention of weakening the responsibility of Local Governments for the care of their ancient monuments, and that the object of the appointment was to give a stimulus to local effort by the provision of expert advice. The Archæological Superintendents are subordinate to Local Governments as regards work and discipline, and submit their reports to them. Local Governments have accomplished much for archæology within their resources. The expenditure during the past ten years under Imperial and Provincial heads has been :—

	Imperial.	Provincial.
	Rs.	Rs.
On works	5,68,909	23,13,956
Establishments	15,88,930	3,56,585
	<hr/>	<hr/>
Total	21,57,839	26,69,941
	<hr/>	<hr/>

“The conservation work of the Archæological Department is carried out by officers of the Public Works Department under Local Governments.

“I will say no more on this point. I have, I hope, convinced the Council that the Government of India are impressed with the importance of this subject, and that the charges levelled against the Government of India in this connection were absolutely groundless. May I add from my own experience that His Excellency Lord Hardinge is deeply interested in the antiquities and monuments of India.

“There is another and smaller matter which has attracted no little comment and misapprehension. I refer to the restoration of the caves of Elephanta at Bombay. Hon'ble Members know the character of the criticism which this necessary measure evoked. Vandalism of the worst kind was attributed to the local restorers. The Government of Bombay have already issued

a communiqué on the subject. Hon'ble Members will probably be glad to hear the opinion of Mr. Marshall, the Director-General of Archæology, who has lately returned to India and who inspected the work on the spot. He writes, under date the 10th February 1912, that the repairs were rendered necessary by the danger which threatened the roof of the great Temple, that they were carried out under the advice of the Archæological Department and that the work has been admirably executed, although the toning of the new masonry (the old masonry was not touched) and the restoration of the steps, two minor details, might have been differently carried out with advantage. 'Apart from these defects, which are not irremediable,' writes Mr. Marshall, 'I consider that the repairs at Elephanta reflect very great credit on the Public Works officer responsible for them.' I am authorized to say that His Excellency himself, when recently at Bombay, visited the caves and came to a similar conclusion.

"In the circumstances, I am not able to support the Resolution of my Hon'ble friend."

The Hon'ble Mr. Muhammad Shafi: "Sir, may I be permitted to express my humble satisfaction at the lucid and clear statement of policy which has been just made by the Hon'ble the Education Member on behalf of the Government of India. This statement, I feel sure, will not only clear up misapprehensions said to be existing in certain quarters with reference to that policy, but will also re-assure all true lovers of Indian art and architecture that the Government of India is taking, and will continue to take, every possible care to see that these monuments of Indian architecture are not only restored, but are maintained in proper condition. I am sure that the statement of policy which has been made to-day will give entire satisfaction in every quarter of Indian public opinion. I feel certain that the reasons given by the Hon'ble the Education Member will be appreciated by all the members present here, and that the majority of the members at least will unite in opposing the Resolution which has been brought forward by the Hon'ble Mr. Mudholkar."

The Hon'ble Mr. Mudholkar: "Sir, after the exposition just made of the policy of the Government in the matter, there is not much occasion left for me to reply so far as the Government are concerned. I for one was never under the misapprehension as others were, that Government were going to be guilty of any act of vandalism, or were even going to show indifference towards the work of the preservation of the ancient monuments of India, and that they and we are not alive to the duty of maintaining in proper order our ancient works. It is supposed by some people that, whenever it is suggested that a certain post should be abolished, the person who makes that suggestion must be an enemy of the Department whose activities the officer holding the post represents. Thus now when it is said that the Director-General of Archæology is not wanted, that the work which he does should be done in the Provinces by experts chosen by the Provincial Governments, by work carried under the supervision of the Provincial Governments, it is assumed that the person who makes the suggestion has no regard for the great achievements of his own ancestors. Well to that frame of mind, the Government has given a crushing reply. That frame of mind exists both in England and in India, and what the Hon'ble Sir Harcourt Butler said in defence of Government in the matter applies also to my Resolution, and I do not take the statement of Government. I do not at all wish to press this Resolution to a division. But, as in the matter of Forests, so also in the matter of Archæology, the matter is, as I said, one for action in the Provinces; and when you are going to have local autonomy and things of that kind, these are certainly matters which ought to be entrusted to the Provinces. After the expression of the views by the Hon'ble Sir Harcourt Butler, I do not wish to press my proposal to a division."

Accordingly the Resolution was withdrawn with the permission of the President.

SALT, EXCISE, CUSTOMS, ETC.

The Hon'ble Mr. Clark: "Sir, I have to introduce the heads of Salt, Excise, Customs, the Post Office, Telegraphs, Stationery and Printing, and Railways. This last head, however, I would ask you to permit the Hon'ble the President of the Railway Board to introduce in my place.

"With regard to Salt, Excise, Customs and Stationery and Printing, I have nothing to add to what Hon'ble Members have no doubt already perused in the Memorandum explaining the details of the Estimates. I will, however, say a few words in regard to the Post Office and Telegraphs.

"The receipts and expenditure of the Post Office since 1908-09 are as follows:—

	Receipts.	Expenditure.
	£	£
1908-09	1,825,620	1,896,753
1909-10	1,927,229	1,927,582
1910-11	1,996,922	1,950,892
1911-12 (Revised Estimate)	2,122,400	2,037,300
1912-13 (Budget Estimate)	2,218,900	2,049,200

"For the year 1908-09 the expenditure of the Post Office exceeded its receipts by £71,133. In the next two years there was an increase of £171,302 in receipts accompanied by an increase of only £54,139 in expenditure, and there is every reason to believe that by the end of the present year there will be an addition of no less than £125,478 to the former figure while the addition to the latter will amount to only £86,408, about a half of which is due to the King's visit. During this year the expenditure of the Department will for the first time exceed £2,000,000. For the year 1912-13 we expect a further increase of £96,500 in receipts but an increase of only £11,900 in expenditure.

"A careful overhauling of the expenditure of the Department has taken place, and economies amounting in all to 1½ lakhs per annum have been effected. About a third was on account of the reduction of subsidiary mail services by railway and another third on account of the reduction of permanent road line establishments. The remainder was made up of small items.

"I turn now to the Telegraph Department. In the receipts for telegrams there is a considerable increase in the Revised Estimate due to the increase of traffic owing to the Coronation Durbar, the labour troubles in England, etc. In the Budget Estimate for 1912-13 the effect of these unusual factors has been eliminated and a normal increase of 4·00 lakhs has been allowed for.

"The special expenditure during 1911-1912 occasioned by the visit of Their Majesties was considerable and was not confined to Delhi. Special copper wires were erected between Bombay and Delhi, and Agra and Delhi, at a cost of 3·42 lakhs. In Delhi itself the expenditure was about 1·84 lakhs. The work comprised the erection of 346 miles of line (inside the Durbar area) 2,612 miles of wire of which 1,535 was in the Durbar area, and 2,104 miles of under-ground cable connections. Eighteen Telegraph Offices were opened in and around Delhi and 605 telephone connections. In addition special arrangements were made during His Majesty's visit to Nepal and Her Majesty's stay in Rajputana as well as in Calcutta. I think Council will realise that the Telegraph Department had very considerable expenditure put on them owing to the visit.

"Another special item of expenditure during the year 1911-1912 has been the cost of the inland wireless stations which amounts to 10·31 lakhs. Provision for 2·78 lakhs has been made in the Estimates for 1912-1913 under this head.

"There is one other matter which I ought to mention in connection with the two great Departments to whose activities I have just referred. The Government of India have for some time past, as is well known, had under their

consideration the question of the possibility of amalgamating the Posts and Telegraph Departments. As a preliminary step, they propose in the first place to bring the administration of the two Departments together under one head; and they have decided that from April next when the Hon'ble Mr. Dempster goes on leave, the Hon'ble Sir C. Stewart-Wilson should hold the office of Director-General of Telegraphs in addition to that of Director-General of the Post Office, and under the title of the Director-General of Posts and Telegraphs should carry on the administration of the Telegraph Department in addition to his own duties. This appointment is temporary, and the combination of the two offices under one head is a purely tentative measure. It is the intention of the Government of India that the Hon'ble Sir C. Stewart-Wilson should, after he has gained some experience of the Telegraph Department, report whether a complete fusion of the Postal and Telegraph services is feasible and advisable; and if so, that he should prepare a scheme for their gradual amalgamation. I need not say more upon this subject now, as it has been very fully dealt with in the Resolution issued by the Government of India in January last.

RAILWAYS.

The Hon'ble Sir T. R. Wynne: "Sir, in my remarks on the results of Railway working for the year 1910-11, I claimed that the figures then presented afforded ample justification for the policy, which had been adopted during the last five years, of spending large sums on open lines for works and rolling stock, so as to enlarge the capacity of the lines for carrying traffic.

"The figures for 1911-12 afford still further evidence of the soundness of this policy, the net result of the working of the lines owned by the State being a gain of £3,071,200 as against a gain of £2,038,193 for 1910-11. This large increase has been rendered possible solely by Railways being able to carry more traffic, as a result of the large sums of money which have been spent on their improvement. The figures speak for themselves and do not seem to me to require any lengthy explanation. I propose, therefore, to deal with the more interesting question of the present difficulties which Railways experience in meeting the demands of trade for Railway transport, the cause of these difficulties and the measures that are being taken to meet a possible continuation next year of this sudden increase of traffic.

"It is a popular pastime to abuse the Railway Board and to hold them responsible for every grievance against Railways, and under the rules of the game the Railway Board are now held responsible for all delays in the transport of goods and are called on to apply an immediate remedy.

"Only this morning I received a letter from a Local Government referring to the abnormal traffic with which the Railways in its Province had been dealing during the last two months, and to the congestion which was occurring in despatches to the ports. It then called on the Railway Board to adopt special measures, without delay, to relieve the congestion and to facilitate the movement of the export traffic to the Ports.

"Sir, there are no special measures which can be adopted immediately, to remove the present congestion and to expedite the movement of export traffic to the Ports, unless you stop all famine traffic and decline to allow the local booking of goods, both obviously impossible remedies to apply. If any immediate measures had been possible they would have been adopted. The only remedy is to increase the carrying capacity of the Railways and this requires time to construct the works necessary and build additional rolling stock. The obvious criticism on this statement is why has not Government provided for an increase in the carrying capacity of railways proportionately to the growth of trade?

"The answer to this question is that, when deciding on the amounts to be set aside to meet a growth of traffic, you can only go on past experience, recollecting that rolling stock and works cannot be manufactured and built in a day, and that arrangements have to be made months and, in some cases, years ahead.

With these works completed, the Great Indian Peninsula will be in an immensely better position than it now is, to deal with abnormally heavy traffic like the present, and this again will enable the Oudh and Rohilkhand Railway and the Bengal and North-Western Railway to deal with their business, without being subject to the restricted booking from their lines that has to be enforced at present.

“The Port Trust in Calcutta no doubt are moving in the direction of increased terminal accommodation, to avoid the recurrence of the unfortunate stoppage of bookings to Howrah and the Docks which happened last year owing to the Dock godown being full of Java sugar, and the East Indian Railway are shortly putting forward proposals, costing some 35 lakhs, for the purpose of accelerating the handling of their coal traffic.

“Taking now the difficulties in the coal trade, I would explain that there are three exceptional factors at work, one being that Railways themselves are very short of coal, owing to the increased traffic they have to carry, the second being the rise in steamer freights which is causing more coal to be sent by Railways instead of by sea, and, thirdly, the increased demand by the public up-country for coal which seems to be growing rapidly.

“Railways must be kept working and have, therefore, the first claim on wagons for coal. It would be disastrous to the trade of the country if Railways not having collieries on their lines, had to cease working in order to enable the Bengal lines to provide wagons for general produce in full. This Railway coal traffic is absorbing more wagons than usual and is the cause of a diminished supply for the public.

“The second and third factors create a shortage of wagons owing to the long distance to which coal is now carried by rail. It is obvious that such longer journeys lock up a loaded wagon for a great many days and reduce its carrying capacity in any fixed time, to a lesser tonnage than would be the case if it had been employed on the shorter run to Calcutta.

“While I hold, therefore, that the situation is exceptional and that no immediate remedy is possible, it would be wise to take some immediate steps in light of the experience of the present time, to provide for the present pressure of traffic continuing during next year.

“In next year's programme a sum of 950 lakhs has been allotted for open line works and rolling stock, of which a sum of 475 lakhs has been set aside for the latter. This will provide—

182 locomotives,
6,100 goods wagons.

besides coaching stock.

“The completion of works now in progress, to enable better use to be made of the existing rolling stock and the pushing on rapidly of further facilities for dealing with traffic, justify an increase in the amount of rolling stock to be ordered next year, and for which provision has been made in the programme.

“Arrangements are, therefore, in progress for the supply of 2,500 broad gauge wagons and 1,000 metre gauge wagons, in addition to the stock which I have referred to as being provided for in the programme.

“I feel confident that Railways are doing their best under very difficult conditions, the enormous growth in railway receipts each week being clear evidence of this. To confirm this, as soon as I can get away from Council, I propose to go to Bombay to consult with the Railways there. In addition, both Members of the Railway Board have proceeded to the North-West with the same object.

“I think I have said enough to show that Government and the Railway Board have not been asleep, that they are fully alive to the present difficulties, that they have foreseen a great growth of Indian trade and have taken steps, within the financial limits imposed, to be ready for it, but that the unprecedentedly heavy trade of the present year and the other contingencies, which I have indicated, have exceeded all possible expectations.”

The Hon'ble Mr. Mudholkar: "Sir, I beg to move the Resolution that this Council recommends to the Governor-General in Council (1) that the grant for railways be increased by twenty lakhs of rupees for taking the main line of the Shegam-Nagpur section of the Great Indian Peninsula Railway through Amraoti, and (2) that out of the total amount allotted for railway construction, fifty lakhs of rupees be earmarked for being applied towards the construction of the Akola-Basim Railway during the year 1912-1913.

"Sir, I have listened with great interest to the explanation of the programme of Railway work in the coming year given by Sir T. Wynne, and I acknowledge all the efforts which are being made by the Railway Board for facilitating Railway transport. Among the other things which he mentioned was the case of doubling the line between Shegam and Nagpur. In regard to that, there arises an important matter—a matter, which though one might say, it belongs to a particular locality has also got considerable importance both to the Province wherein the locality is situated and to the country generally. I refer, Sir, to the case of Amraoti.

"Amraoti is the head-quarters of Berar, which, though it has ceased since 1903 to be a separate Province, is among the most important and advanced territories under the administration of the Chief Commissioner of the Central Provinces. The resident population is not very large, being only about 41,000 for the town and Civil station, but the town possesses the largest cotton market of a tract which occupies the foremost place among the cotton-producing areas of India. There are 18 cotton ginning and 15 cotton pressing factories and two oil extraction mills. The arrivals of cotton in the local market were last year 170,000 carts, weighing 132,000 bales of 400 lbs. each, and constituting about 1-19th of the cotton exports of the whole of India. Its general trade and commercial activity are of no small magnitude. One thousand passengers are daily booked outward, and the number of arrivals is about the same. The goods brought by railway come up in weight to about a million and a quarter maunds a year, while goods booked outward are slightly less. Seven trains have to be run daily each way between Amraoti and Badnera; and even this number does not meet all the wants of the public and afford them the convenience they desire. Between Bombay and Nagpur—a distance of 520 miles—the goods traffic of Amraoti has during the last quarter of a century, always occupied either the first or the second place after Bombay. Its position as a town of great commercial activity and an important trade centre can be traced back several generations. It has always been a matter of wonder and regret to the people of the District that, when the railway was first constructed 47 years ago, the main line was not taken through this town. The mistake of leaving it out of direct railway communication was discovered soon after, and in 1870 a branch line was constructed by the State. That line, however, could serve only as a temporary makeshift, and in the interests of the general public, of commerce and industry and of the State, the time has now come for revising the action taken 50 years ago and rectifying the serious mistake then committed.

"The existing arrangements involve great loss of time extending over forty minutes to three hours, inconvenience and even positive trouble to the travelling public, as also, pecuniary burden. The goods traffic has also to bear imposts and disabilities productive of heavier charges on the one hand and delay in transport on the other. There is a special toll levied on goods on the Amraoti line over and above the ordinary freight. The amount of this impost comes in the aggregate in a year to Rs. 36,000. The Amraoti traffic has, during the first thirty years after the opening of the line, yielded a net profit of 8.82 per cent. on the capital outlay of 4.5 lacs when many of the other lines were a source of loss to the State. During the last ten years, the net profit has, it is estimated, been above 12 per cent. After giving 3½ per cent. of net profits, the line has repaid the original outlay two and a half times over. The town and its passenger and goods traffic have thus a just claim upon the kind consideration and generosity of Government,

“Judging by the extraordinary progress which has taken place at other stations in Berar, situated on the main line, the expansion of the trade of Amraoti and the development of its industries have been prejudicially affected by its not being on the main line. The proper development of the fertile and progressive portion of Berar to the West, North and North-East of this town loudly demands the execution of the Amraoti-Ellichpur and Amraoti-Morsi-Sonnair projects. A distributing centre and the largest market for the towns and villages of North-East Berar, the projected light railway to Ellichpur and the Amraoti-Sonnair line will radiate from it and it will become a junction station within a short time. In a reply which the Hon'ble Sir T. Wynné gave to a question which I put in January 1911, he said that we had to bear in mind that the interests of Badnera would be affected by the proposals which were contained in my question.

“Now Sir, as regards Badnera, the passenger traffic of that place is $\frac{1}{30}$ th of that of Amraoti, and the goods traffic probably less than $\frac{1}{40}$ th. I submit that it would be unfair and highly prejudicial not only to an important town like Amraoti, but to several other places of no mean agricultural, industrial and commercial position to permit the insignificant traffic of Badnera to come in the way of an alignment beneficial alike to a large section of the public and to the State. What local traffic there exists at Badnera can, it is submitted, be more than adequately met by maintaining the existing branch line and running a train each way daily. It is doubtful if even the expenses of one train can be met by this traffic. But it is not necessary for granting relief to Amraoti to do any injustice to Badnera, if it is thought that the removal of that place from the main line would be a real hardship. I have explained in the interviews which Sir T. Wynné and the Members of the Railway Board have been kind enough to grant me that this can be done, and the only result of doing justice to Amraoti while keeping Badnera on the main line would be an addition of a few miles to the length of the line, the length varying from 5 to 8 miles according as one place or another is adopted which after all is not a very serious thing.

“The question which remains is the cost of this construction. About the cost, estimates vary greatly, and it is a matter in which the President of the Railway Board is a far greater authority than I can pretend to be.

“Assuming the calculation which was made by the Railway Board that it would involve an increase in expenditure of something like 20 lakhs, I would say that the expenditure of 20 lakhs would be more than amply repaid soon. What we have got to see is that there is a town of very great capacity—a town which has already a great passenger traffic of two thousand passengers daily, and a goods traffic next in importance to that of Bombay the hardship of which has to be taken into consideration; and, even if, for the time being, there is no sufficient return, it is an expenditure worth incurring.

“Sir, in this matter, my town has made a representation to the Government of India, and I was given, as I have already said, the advantage of a discussion with the Members of the Railway Board. I then pointed out to them that the request of the town was supported by the Commissioner of Berar and by the Head of the Local Government who is now in this Council, and both are authorities who possess intimate local knowledge, and their opinion was certainly deserving of consideration and will be given the weight that it is entitled to. They would not have supported the request of Amraoti, if there was anything wrong in the statements of fact on which that request was based. When persons holding their authority support a prayer, I think Sir, it is a matter which the Government should take into serious consideration.

“I was told, Sir, that the Railway Company objected to find 20 lakhs which they considered were required. Well, I must confess I do not see where the Railway Company comes in here at all. The Amraoti line was constructed out of Berar funds, and now that Berar is handed over permanently to the Government of India, it belongs to that Government. As a matter of fact, the whole line, worked by the Great Indian Peninsula Railway, belongs to the State, and it is the Government which has to consider whether 20 lakhs are to be

spent or are not to be spent by the State. When the State has to approach a matter of this kind it has to consider not only the question of pounds, shillings and pence, but also the question of granting relief to a large portion of the travelling public and to a large commercial centre. The developing capacity of the town has already been shown. It is a matter which would naturally weigh with the Government of India and not with a Company carrying on work only for its dividends. It is said that the Railway Company is entitled to a certain proportion of the profits. Now, Sir, the Great Indian Peninsula Railway Company according to the Contract, is only entitled to 1-20th portion of the net profits which remain after paying up all the working expenses, interests and everything and it is only to that that it is entitled. Nineteen-twentieths or 95 out of 100 belongs to the Indian Government and that Government, as representing the public, it is they who are entitled to have the final say in the matter. It is they who ought to decide as they represent the people. It is the Finance Department which must find money for this. Now I do not know that in a matter of this kind, where a demand is supported by local authorities of such great eminence, the Finance Department would not take that into consideration. It is true that that Department would wish to be satisfied in regard to a project which was put before them that it would be a paying one. But when the assurance comes from local authorities that it is bound in the end to be a remunerative one, I do not think that the Finance Department would put its spoke in the wheel.

“There is one other consideration which I would advance before the Council. During the last eight years that Berar has come under the administration of the Central Provinces, it has been held under a permanent tenure by the British Government, and all the revenue goes to the British Government. The average yield of the revenues in Berar has been 145 lakhs a year during this period. Out of that amount, 25 lakhs are paid to the Nizam and 50 lakhs are spent in the Province. About 3 lakhs may be allowed as a fair contribution required for paying towards the expenses of the Central machinery of the Provincial Government and the heads of Departments. There remains an amount of between 70 and 75 lakhs, of which 35 lakhs are received by the Government of India, and at least that amount or probably 37 lakhs are received by the Provincial Government. Now, in these circumstances, when there is a province which is not only self-supporting, but which leaves to the Imperial Government 35 lakhs a year, and which over and above its share of contribution to the up-keep of the Central Provincial authority pays to the Provincial Government—37 lakhs a year—it is undoubtedly a province which deserves some consideration; and I urge before the Council that its needs and requirements have to be taken into heed.

“These are my arguments so far as the taking of the main railway line to Amraoti is concerned.

“I then go next to the question of the Akola-Basim Railway. This project has been urged before the Government ever since the eighties. In reply to the question which I put to the President of the Railway Board 13 months ago, I was told that it stood high in the list of projects. The work on the line, however, has not yet been commenced. Since I gave notice of my Resolution, I was informed by the Hon'ble the President of the Railway Board that the work will be soon undertaken. Well, Sir, if that assurance is given in this Council, the second part of my Resolution can be regarded as accepted. If, in any case there is a disposition to postpone the work, I would bring to the notice of Government that this is a line, the importance of which has been admitted for more than a quarter of a century. It has a traffic which would have brought more than 6 per cent. or 7 per cent. to the Government all these years had a railway been constructed at the time it was asked for. Anybody who travels those 50 miles in the months of November to June would find 1,500 to 2,000 carts travelling along that track. It is one which would have amply repaid any railway company which had constructed a line over it. This is a project which also demands the consideration of Government and the attention of the Railway Board. With these words, Sir, I commend my proposals to the Government.”

The Hon'ble Sir T. R. Wynne : "Sir, Badnera is a station between Bhuswal and Nagpur. The main line of the Great Indian Peninsula Railway was aligned so as to pass Badnera, some six miles from Amraoti, because of a range of hills in the vicinity which would have involved considerable expenditure to cross if the line had been taken straight through Amraoti. I have no information on the subject, but I surmise that some 40 years ago the trade of Amraoti was not of very great importance. The construction of the Branch line from Badnera to Amraoti seems to have well served its purpose judging by the Hon'ble Member's account of the present prosperity of the town. There can be no doubt that for goods traffic Amraoti at the present time has nothing to complain of. Goods can be despatched from there straight to Bombay just as well as if the town was on the main line. The whole justification therefore for adopting the Hon'ble Member's proposal rests in spending a large sum of money so that passengers to and from Amraoti might be saved the trouble of changing carriages at Badnera. Now, who is to provide this money, the amount involved being some 20 to 30 lakhs of rupees. Its expenditure is not likely to bring in any increased revenue. The Great Indian Peninsula Railway decline to agree to add to their capital, and I could not recommend that the Government of India should bear the cost, as I feel sure the Finance Department would object. Amraoti was suffering under some disadvantages which the Hon'ble Member explained to me when discussing his scheme. When the line was built as a Provincial line, it was allowed to make certain extra charges, tolls, etc. When the line was absorbed in the Great Indian Peninsula Railway undertaking, this was overlooked and the charge was retained. This has now been put right and the extra charges for the Amraoti Branch have been withdrawn. The Railway Board are also in communication with the Great Indian Peninsula Railway as to running a train between Amraoti and Badnera and back again and on to Bombay. Of course, the Hon'ble Member has pointed out that the Local Government strongly supported this, but from the Local Government's point of view they had no option but to support it; but I think it would be interesting to know what opinion the Local Government would have taken if supporting the proposal had involved expenditure from their own provincial revenues instead of from the revenues of the Government of India; so on the part of the Government of India I oppose this Resolution.

"With regard to the Akola-Basim line, this is a project well to the fore as it is a most important project connecting as it would the metre gauge system of the north of India with that of the south. At the present moment we have a strong survey party working it up, but the line must take its turn in being included in the programme. The Hon'ble Member has advanced many reasons why it should be made at once, but there are many other lines in India regarding which you could advance equally strong reasons. I said, in the answer which I gave last year, that it is a line that is very much to the fore, and so it is. With all these demands for improving open lines, it is impossible to give a date when this line will be taken in hand."

The Hon'ble Mr. Mudholkar : "Sir, I must confess that I am greatly disappointed at the line taken up by the Hon'ble the President of the Railway Board. It is said that the placing of Amraoti on a branch makes no difference to the goods traffic. But I must remind my Hon'ble friend that I did bring to his notice a very fresh instance of such a difference, and that this town, which has a cotton trade of its own constituting one-nineteenth part of the cotton export trade of the whole of India, was unable to get trucks for carrying its cotton to Bombay or Calcutta, and that for weeks and weeks the station-yard was full of the bales. I have also told him that what some of the people did then was to take the bales by bullock carts to Badnera, the station on the main line five miles away; and there they could get trucks. That is the disadvantage of being on a branch line, the existence of which can be seen even now if only one goes there. Then in regard to what I have said about the capabilities of the town and the probability of its commercial expansion, there is no reply forthcoming. It is true that there is the question of cost which it is said would be 35 lakhs or at least 20. Sir, I cannot see why such an amount would be wanted. But there is another reply—'you have constructed lines which for years have not yielded any dividend whatsoever; but

which, on the contrary, have been a source of annual loss. Now here is a line which is pronounced by competent authorities to be one which would be a self-supporting and paying one, and still there is want of funds for it.' I must confess, Sir, it looks as though it rather depends upon the clamancy with which one puts forward his case than on its own inherent strength whether it gets a proper hearing or not. What I say is that as there have been other cases in which there have been expenses incurred on the probability of a return, so also is the present case, which I urge is one deserving of consideration, because the people and the local authorities also say that the expenditure would obtain a return before long, and I would therefore press this proposition on the consideration of the Council."

The Resolution was put and rejected.

REGISTRATION, JAILS, LAW, POLICE, ETC.

The Hon'ble Sir Reginald Craddock: "Sir, in introducing to the Council the heads of the Financial Statement which appertain to my Department, I do not wish to take up their time with any comments in detail. These heads are Registration, Jails, Courts of Law, Police, Medical, and General Administration. Leaving aside the Medical Department for the moment, all these departments represent necessary and important services; but the greater part of their expenditure consists of establishments, and the work they do does not, as a rule, attract much attention as to the details of the expenditure. It is regarded as necessary and the details are not, as a rule, much criticised. There is a Resolution on the agenda regarding the Police and also upon General Administration, and upon both of these, I do not want at this stage to make any remarks.

"As to Medical, the greater portion of the items included under this head belongs to the Department administered by my Hon'ble Colleague in charge of Education; and in connection with that portion we have heard a most comprehensive and able exposition from the Hon'ble Surgeon General Lukis as to the sanitary and research work that is being undertaken by the Government. I need not add anything to those remarks, but I would just refer to the fact that included in the statement* which Surgeon General Lukis put on the table is a reference to the Tropical School of Medicine in Calcutta which it is proposed to establish, and a sum of 5 lakhs has been included in the estimates for capital expenditure on this account. This is a very important departure, and I feel sure that the Council will accept it as most satisfactory. Another item to which I would like to refer is the grant of 1½ lakhs in aid of the Dufferin Fund, which is included in the estimates subject to the sanction of the Secretary of State; and I am sure that the Council will agree that the inclusion of a sum of this kind in aid of the great charity which was instituted by the Countess of Dufferin for bringing medical relief more within the reach of the women of India, is aid which commends itself to the Council, and meets with their approval."

CHARGES FOR SECRETARIATS.

The Hon'ble Mr. Subba Rao: "I beg to move, Sir, that this Council recommends to the Governor General in Council that the sum of rupees thirty-three lakhs and seven thousand under the head No. 18 (1) (iv) (Charges for the Secretariats) be reduced by 5 lakhs.'

"It will be seen that under the head of general administration, the charges of the Government of India come up to quite as much as the charges of all the Provincial Governments put together, that is, to more than a crore of rupees. Of these, there are two large items. One is the Secretariats costing about 33 lakhs, and the other is offices of Accounts and Audit, nearly 38 lakhs.

"This Resolution deals with the former. I wish to inquire from the Hon'ble the Home Member whether any attempt is made to

* Vide Appendix No 2.

review the expenditure under this head. I submit that retrenchment is necessary, especially as there is an extra expenditure of 5 lakhs provided towards the cost of the new Delhi administration. We are told on high authority that the administration of India is the costliest in the world. We shall be gratified, Sir, if the cost of administering the new Capital does not entail an extra burden on the country. This can only be done by curtailing expenditure under other heads. It appears to me that there is room for effecting savings in this direction. It is curious that the Public Service Commission did not touch the Government of India Secretariats. The number of charges under the Government of India reserved to the members of the Indian Civil Service increased from 55 in 1892 to 85 in 1910. Yet there is not a single Indian employed in any of these offices. The Hon'ble the Finance Member announced last year that he had recently selected an Indian to the post of an Assistant Secretary under him, and he pointed out that it was the first time when an Indian held such an appointment. The Statutes on the subject do not debar Indians from holding appointments in the Secretariats. On the other hand, express power is given under the Statute of 1870 to the Government to appoint Indians, if they choose, to the Secretariats. The fact that the question of abolishing the Provincial Service as constituted at present and holding simultaneous examinations in India and England is under correspondence with the Secretary of State need not stand in the way of appointing Indians to the Secretariats.

“I submit, Sir, that the present exclusion should not be permitted to continue any longer. It is a slur on the large fund of statesmanship and ability available in the country. It is a slur also on the British Government that it cannot utilize this material in making the administration economical and popular. I take the liberty of commending to the Council the weighty words that fell from you, Sir, at the meeting of the Council held on the 25th January 1910. You said :—

‘As a Finance Minister, it is permissible for me to say that, from the economic standpoint, it seems to be for consideration whether we might not make greater use than at present of the undoubted abilities of the educated Indian.’

“I submit that strenuous efforts should be made to reduce expenditure under this head, so that the cost for the new Delhi administration might be met, if possible, out of the savings.

“With these words, Sir, I commend the Resolution to the Council.”

Sir Reginald Craddock : “Sir, I felt rather under a disadvantage in connection with this Resolution, as I was not able even to surmise what points exactly the Hon'ble Member would take. I did not suppose that it was possible that he was so hard-hearted as to suggest that we should turn adrift large numbers of our clerks, and therefore I was anxious to hear in what direction he could suggest economies of the kind indicated. Well, as a matter of fact (I do not know whether I am trespassing on the domain of the Finance Department, if I am, I will admit that I would rather that they undertook the defence) as far as I am able to find from the figures available to me at this moment ; the cost of the Imperial Secretariat has shown no increase during the last few years, if we exclude from it the additional expenditure which was required last year in connection with the arrangements for the Delhi Durbar. The actuals for the year 1908-09 were R34,64,000, and the budget figures for the year 1912-13 are R33,07,000. Last year a promise was made that Departments ; would be overhauled with a view to seeing whether any reductions were possible ; but in the Secretariat branch of the expenditure it was not found possible to make any material reductions. The Hon'ble Member has suggested that it would be possible to make an economy by the larger employment of Indians in Secretariat appointments. The larger employment of Indians in Secretariat appointments is a totally different question upon which I cannot very well enter at present for the reasons which the Hon'ble Member has himself indicated ; but if he puts this forward as a means of securing the economy of 5 lakhs which his motion contemplates, I can only say that no such economy or anything like it can be obtained by the method that he suggests. At present the Secretariat appointments are in a great part

limited to the Indian Civil Service by Statute, and if Indians belonging to the Indian Civil Service are appointed in Secretariat posts, there will be no saving at all. If officers of the Provincial Service should be appointed by making the appointments under the present system—listed appointments—even then the savings would be so small that they would be utterly insignificant by the side of the sum mentioned by the Hon'ble Member. There have been instances—one was quoted by the Hon'ble Member, and no doubt if I had more time, I could have found others—in which Indians have held Secretariat appointments; and in the Bengal Secretariat, there has recently been a small experiment in that direction, of attaching two members of the Provincial Service as Attachés to the Secretariat so that they may be able to learn the work. This constitutes therefore an experiment as to the possibility of employing such officers in such posts. Beyond that, of course, I am unable to say anything on the particular method that the Hon'ble Member suggests, by which economy may be obtained; but on behalf of the Government, I am obliged to oppose this measure, because it seems to me that the Hon'ble Mover has not in any way indicated how this very large economy which he suggests can be secured. On behalf of the Government, therefore, I oppose the Resolution."

The Hon'ble Mr. Subba Rao: "Sir, I quite admit that the figure under this head as stated by the Hon'ble the Home Member has remained substantially the same during the last few years. The figure for 1909-10 is R33,17,000 and the budget figure R33,07,000, nearly the same. The Hon'ble the Home Member says that if we employ Indians who have passed the Indian Civil Service Examination, there will be no savings at all. That is true. He says also that if members of the Provincial Service were appointed, the savings effected would be inconsiderable. He further says that there are Statutes that limit the appointments to those who pass the examination in England. I have pointed out that the Statute of 1870 expressly enables the Government to appoint Indians to any of the posts that are reserved to members of the Indian Civil Service. Therefore, there are ample powers given to the Government to appoint Indians, if they choose, to such places. As regards the savings by appointing Indians to such posts under the Statute of 1870, it is plain, from the correspondence on the subject, that the saving would be at least one-third of the amount paid to the members of the Indian Civil Service; so that if three lakhs is spent at present, there will be a distinct saving of one lakh out of those three lakhs. As far as I can see, no attempt is made to examine the question from this standpoint. The question has been examined simply whether the number of persons employed in the department could be reduced, and not whether the expenditure could be reduced by employing more Indians in the place of those who are now doing duty. I should have been satisfied, Sir, if the Hon'ble Home Member had promised that he would examine the question from this aspect and a real beginning made in the direction of appointing Indians to reserved places in the Secretariats. I submit, Sir, the question ought to be examined from this standpoint. It is an important question which affects the dignity and status of Indians and the well-being and the popularity of the British Government in this country, and I therefore press this Resolution on this Council."

The Resolution was put and rejected.

POST OFFICE ACCOUNTS AND AUDIT.

The Hon'ble Mr. Subba Rao: "Sir, the next Resolution that I have the honour to place before the Council is:

'That this Council recommends to the Governor General in Council that the sum of rupees thirty-eight lakhs and sixty-one thousand under the head of Office of Accounts and Audit be increased by rupees twenty-five thousand.'

“The Hon’ble the Home Member with regard to the last Resolution said that he did not understand what points I intended to raise by it. If the Hon’ble Member cared to inquire of me, I should have been very happy to place before him the necessary information.

“With regard to this Resolution, Sir, though the terms of the Resolution are wide, I have put it in this form to call attention only to one item under this head, and that is the savings proposed to be effected by dispensing with the services of clerks connected with the Post Office Savings Bank Audit. I have intimated this to the Hon’ble Sir James Meston, our able and good Finance Secretary. With his usual courtesy he has furnished me at my request with a statement on this subject. From this it appears that a saving of Rs. 89,280 is proposed to be effected by dispensing with the services of 196 clerks drawing an average pay of Rs. 38 a month. The pay of these clerks, according to this statement, ranges from Rs. 15 to Rs. 100 a month. As some improvements have been effected regarding the Savings Bank Audit, the services of these men have been found unnecessary, and so notice was given to them that their services would be dispensed with from July next. So far, Sir, no indication has been given as to the future of these men, whether they would be treated on the same footing as those in other departments where retrenchment is found necessary. A good number of these men are young men who have passed the general and special examinations qualifying for the department. It is rather hard for them, after putting in some years of good service under the Government, to turn now to new fields and start life afresh. I may mention further that they belong to the general list of the department and do any branch of work that may be assigned to them. It is by mere accident, Sir, that they now happen to be doing work in the Savings Bank Audit. It is hard, therefore, that the blow should fall on them alone without regard to the length of their service or the good work done by them.

“The Hon’ble the Finance Minister has well outlined in his speech the other day the policy of the Government in dealing with the Opium Department employés, whose services are not needed on account of retrenchment necessitated in that department. He said :

‘What we are doing is, first, to get rid of the least efficient of the Opium employés on such pensions or gratuities as the rules permit; second, to transfer to other departments all who are fit for a new class of employment; and third, to encourage the retirement of the senior men by offering full pension to all those who are within five years of completing their qualifying service. On these lines we are dealing with every rank from the highest paid departmental officer down to the humble peon, and we hope to prevent any genuine hardship.’

“I thank the Hon’ble the Finance Minister for outlining this broad and liberal policy. Similarly is the policy laid down by the Government of India in reorganizing the Telegraph Department where retrenchment is proposed to be carried out by gradually absorbing those whose services are found unnecessary, and not by turning them adrift by notice to quit. I am sure the Hon’ble the Finance Minister will deal with these 196 clerks in the Postal Savings Bank Audit with the same generosity as he is dealing with the employés in the Opium Department, and as the Government has resolved to treat the employés in the Telegraph Department.”

The Hon’ble Sir Guy Fleetwood Wilson : “Sir, the first idea that occurred to me on reading this Resolution was that the Hon’ble Mover had been induced merely by a general and very natural sympathy with the subordinate staff to endeavour to mitigate the hardships involved in a reduction of establishment. It has since struck me, however, that the Resolution may have had a more specific suggestion—a suggestion in which it would be possible for me to trace an indirect compliment to myself. On the 8th of March a year ago, it will be remembered that the Hon’ble Member moved a Resolution to the effect that the expenditure under the head of offices of Account and Audit be reduced by two lakhs. He referred to the amalgamation of the Civil and Public Works Accounts, which he thought should result in substantial savings; and in connection with the creation of a grade of Chief Accountants who ranked

as gazetted officers he said: 'The question was whether the number of officers could not be reduced.' He did not then make any conditions as to the manner in which reductions should be carried out, and it fell to me, while expressing my desire to effect economies wherever possible, to enter a caution that it is necessary, in these cases, to deal tenderly with vested interests. It seems—and this is what I meant by the Resolution being an indirect compliment to myself—that the Hon'ble Member has borne in mind what I said; for no sooner had I effected a substantial economy in my department—an economy in accord with his previous Resolution—then he turns round and asks me, 'What about the staff?' I cannot object to the Hon'ble Member taking up the line I took myself last year, but I think I am entitled to raise some objections to the precise manner in which he has done so. The Hon'ble Member might, I think, have asked himself whether it was likely that I should disregard considerations on which I had myself laid some stress, and if he was uncertain, it would have been a very easy matter for him to ask me how the matter stood. I should have preferred him to take that course, and in moving a Resolution without ascertaining the facts of the case by means of a question or from the head of the department, I think he has departed a little from the consideration which he usually shows me.

"To enable the Council to come to a decision on this Resolution, it is necessary for me to explain briefly the general position. What we have found is that hitherto two sets of ledgers have been maintained for the private accounts of depositors in our Savings Banks. The Post Office maintains one set itself. That is only right and proper. It is no more than any bank would do. But secondly, and for the purposes of audit, another set has been maintained in the Accounts Office. We propose to substitute for this second-hand method, involving obviously a great deal of duplication and clerical work, a direct method of audit applied to the original books. By this simple change we save in the gross over a lakh of rupees. We shall require some inspecting staff, and the Post Office will have to employ a few more clerks, but even the net saving will probably be half a lakh. But the Hon'ble Member is concerned with the effect of these changes on the subordinate staff. I will tell him what we are doing. The men who cannot otherwise be provided for will of course get their compensation pensions or gratuities. That is all they are entitled to under the ordinary rules. But I have been making the best arrangements possible to retain them in the service. Some will go over to the Post Office. For others some posts will, I hope, be found in consequence of a redistribution of work between some of the Postal Accounts Offices which has to be made very shortly. Recruitment again has been stopped in all the Postal Accounts Offices since January, and this has been done with the object of giving the places to qualified men in the Savings Banks sections. A fair number also having earned their pension have intimated their willingness to retire.

"The Hon'ble Member will not expect me to give him exact figures at this stage, for the change will not take effect till July, and the details have not yet been fully worked out. I give him my assurance that no hardship will be caused which can be obviated, but I cannot go further than that. The real requirements which face us in half a dozen different directions are against extravagance. The interests of the tax-payer are against extravagance, and I cannot consent to the retention of unnecessary establishments or to delay in the introduction of reforms which, as in the present case, are clearly desirable."

The Hon'ble Mr. Subba Rao: "Sir, I am much obliged to the Hon'ble the Finance Member for the assurance he has given that in dealing with these clerks no hardship will be caused that can be avoided. He rather found fault with me for not having consulted him in the matter. I may assure the Hon'ble Member that I never intended to show him any disrespect. He will remember that last year I consulted him, but this year I thought it would be better that I should not intrude on his attention, as he was not in the best of health; but I was in communication with the Hon'ble Sir James Meston, and I had a talk with him on the subject, and he promised to look into it. But as the question was of some public importance, and as I knew that the Finance Department would deal

with these people generously and justly, I considered that a statement made by the Hon'ble the Finance Member in the Council would be valuable not only to the few individuals concerned, but also to the large number of Government servants who might any day find themselves in a similar predicament. I therefore thought it worth while to come to the Council with a Resolution on the subject. I hope the Hon'ble Member will take it from me that it was not out of any want of respect or regard for him that I did not consult him in this matter, but because I was in full communication with the Hon'ble Sir James Meston, who has been thoroughly sympathetic on the subject, and because I knew that the question, if brought forward, would elicit a public pronouncement for the guidance of all public servants. With these words I take the liberty of withdrawing the Resolution."

The Resolution was withdrawn.

POLICE.

The Hon'ble Mr. Gokhale: " Sir, I beg to move that this Council recommends to the Governor General in Council that the allotment to Police (India General) for next year be reduced by one lakh of rupees.

" On a reference to page 61 of the explanatory memorandum, the Council will see that the Imperial portion of police charges is shown there under three heads. One is India General, the second is Baluchistan and the third is North-West Frontier. Now, taking the budget and the revised figures for the current year, it will be seen that while the charges for Baluchistan and North-West Frontier have gone down, the revised figures being lower than the budget figures, the figure for India General has increased considerably. The explanatory paragraph appended to this head explains how the decreases against Baluchistan and North-West Frontier are only nominal; and as I do not raise any question about those entries, I will say nothing more about them. The entry against India General, on the other hand, shows an increase of Rs. 36,000 in the revised estimate over the budget estimate, but there is not a word of explanation in the explanatory paragraph about that increase. Now, Sir, my first query is, why is there no explanation given, and what is the explanation of the increase? Next, if the Council will look at the figures under this head for the last three years, namely, the accounts for 1910-11, the revised figures for 1911-12 and the budget figures for next year, it will be seen that there is a continuous increase in the charges. In the accounts of 1910-11, the charges were Rs. 8,45,000. Last year the budget estimate of the current year was taken at Rs. 8,96,000, whereas the revised figure now laid before us stands at Rs. 9,32,000; while in the budget for next year the sum that is entered is Rs. 9,37,000. Thus the sum budgetted for for next year is much larger than the actual for 1910-11. It is also much larger than that which was budgetted for last year, and is even slightly higher than the revised estimate for the current year. I should like to know why this item is showing an increase when the general policy of Government in regard to such charges is now one of retrenchment. Then, Sir, I find from a return which was laid the other day on the table in reply to a question which I put about retrenchment that in the expenditure which the Home Department controls there is an item of 2·83 lakhs on account of the Central Criminal Investigation Department. That is on the authority of the Hon'ble Mr. Wheeler, Acting Home Secretary, and the amount is given for the year 1910-1911. Now, if we turn to the actuals for 1910-1911, as given in this yellow book—the Finance and Revenue Accounts which is published annually—I find that the cost of the Central Criminal Investigation Department of the Government of India for 1910-1911 was 3·05 lakhs, and not 2·83 lakhs as shown in the return. I should like to have an explanation of this discrepancy; evidently something is left out in the return, or something is included in this yellow book which I cannot make out. I want, therefore, to know whether the Criminal Investigation Department charges of the Government of India are really 2·83 lakhs or 3·05 lakhs. Lastly, Sir,—and that is the principal point for which I have raised this discussion to-day,—I want to know

how much of this sum represents the cost of the Government of India Criminal Investigation Department in Provinces which have got Criminal Investigation Departments of their own. I speak necessarily at a disadvantage in this matter, because outside the department the general public knows very little as to the constitution of the Criminal Investigation Department. But it is a matter of common knowledge that the Government of India Criminal Investigation Department maintains officers and men of its own—a small number—in the different Provinces, which have got their own Criminal Investigation Departments. And I should like to know how the spheres of work of the two are differentiated. Of course, so far as the territories directly under the Government of India are concerned, they would be for the Government of India Criminal Investigation Department. So also in regard to the Native States, which are in direct relations with the Government of India. Finally, the expenditure that is incurred in watching men in foreign countries would also come under the Government of India expenditure. So much I think is clear; but in addition to this, I have heard on good authority that the Government of India Criminal Investigation Department maintains a few officers and men of its own, and does espionage work on its own account, even in Provinces which have got their own full-fledged Criminal Investigation Departments, and I want to know why this is done. I find, Sir, that this has been a matter for repeated complaint on the part of several Local Governments, and the Decentralization Commission in its Report notes this complaint. This is what the Commission says :

‘The Lieutenant-Governor of the United Provinces complained of encroachment on the Provincial sphere of administration by the Director of Criminal Intelligence, and we have received similar complaints in other Provinces as to what was regarded as the undesirable activity of this officer.’

“This year also, I gather from the newspapers that the Lieutenant-Governor of the United Provinces has complained in his Administration Report of constant friction between the Government of India Criminal Investigation Department and the Provincial Criminal Investigation Department. I should therefore like to know if such a duplication of machinery for espionage exists in the Provinces which have got their own Criminal Investigation Departments, and, if so, why the work is not altogether left to the Provincial Criminal Investigation Departments. Of course, as I have admitted, I speak more or less in the dock on this subject, because the outside public knows very little about this Department. The only thing that people are sure about is, that many of these Criminal Investigation Department men are a great nuisance to innocent people, and that they do their work not only without judgment, but often without a regard to appearances or decency. I therefore strongly urge that, if the Government of India maintain a Criminal Investigation Department of its own in the different Provinces, this duplication should be abolished, and whatever saving results from it should be effected.”

The Hon'ble Sir Reginald Craddock : “Sir, the Hon'ble Mr. Gokhale in moving this Resolution has adopted the attitude of not desiring to criticise us unduly, but to obtain information on certain points on which he is not at present sufficiently informed to enable him to judge of the expenditure which is found in our Financial Statement. Now, in the first place, against ‘India—General,’ he has differentiated very rightly the expenditure which is definitely allotted to ‘India—General’ from the expenditure in Baluchistan and the North-West Frontier Province, but, as a matter of fact, out of the expenditure shown in ‘India—General,’ all but a little over three lakhs relates to police expenditure in Coorg, and in certain minor administrations under the Foreign Department, and to Railway police on lines which run through Native States and have not been given to adjacent Provincial Governments to supervise. These items represent the normal expenditure on police in the country, and any increase that has taken place only in recent years has merely been in pursuance of the general policy of reform which we discussed little more than a week ago in this Council. So that, practically, the real item on which the Hon'ble Member desires to lay most stress is that item amounting to three lakhs and a little over, which represents the expenditure of the Criminal Investigation Department of the Central Government.”

The Hon'ble Mr. Gokhale : " May I interrupt th Hon'ble Member ? If the increase in the revised estimates over the budget estimates is in connexion with measures of police reform, why was not the necessary provision made in the budget estimates for the measures that were to be carried out ? "

The Hon'ble Sir Reginald Craddock : " I was not referring to the increases in the revised over the budget, but I was referring, generally speaking, to the fact that increases have taken place of late years with regard to the reforms. With regard to the increase of the revised over the budget, additional expenditure was incurred, and the Hon'ble Member will, I am sure, recognise that that additional expenditure was quite properly incurred in connexion with the Royal visit, and this accounts for the increase of the revised under that head.

" Coming now, Sir, to the question of the three lakhs spent on the Imperial Criminal Investigation Department, the increase has not been so very large if we go back a few years. Nearly ten years ago, the expenditure on the old Thagi and Dacoiti Department averaged about two lakhs or a little over, and the increase that has taken place since then may be fully accounted for by the general development of communications by railways, telegraphs, roads and everything else which develops the energies of the criminal classes as well as of the other classes of the community. There was a time not long ago when we found people—we cannot find them now—who respected the boundaries of Administrations and States, and I recollect hearing of a case in which some dacoits, having unwittingly strayed over the boundary and having robbed some wayfarers, who were coming back to their homes, suddenly came upon the boundary marks, which showed that they had been carrying on their depredations inside British territory. Hurrying after the people they had robbed, with many apologies they handed back the goods they had taken from them and went away. Well, Sir, I must confess that conscientious dacoits of this kind are no longer to be found. We have got to recognise the unfortunate fact that criminals refuse to be restricted by the boundaries of Provinces or by the boundaries of States. You can rightly understand that, when things were much simpler and communication much less easy, each Local Government used to manage its own police, who were mainly concerned with their internal affairs, and it was only to a limited extent that they had to pursue criminals over the border. But, now, with the railways and telegraphs, it is absolutely necessary that there should be an organisation which can cope with crime that ramifies over the whole of the country ; and the Police Commission, although they were not absolutely the originators of the system (for it had existed before), emphasised their recommendation on that point, and said that they were convinced of the necessity, on the part of the Government of India, to have a much more intimate knowledge of what was going on in every Province, and on the part of every Province to have a much more intimate knowledge of what was going on elsewhere, than at that time existed. In pursuance of this policy, it has been found necessary to employ officers attached to the Central Government whose duties may take them far afield and may keep them in various places at various times. But if we are to deal with cases of organized criminals, such as coiners, note-forgers, dealers in arms, and many others, not to mention the ordinary dacoits whose depredations extend over several Provinces, if we are to keep a hold on these people, and if Hon'ble Members wish to sleep quietly in their beds, we must have a central organisation of this kind. It is impossible of course that I should explain to the Council all details of the distribution of such an organisation--it would be quite impossible--for the whole essence of their success lies in the fact that their operations are not public. But I should like to emphasise the point that though political unrest and the political activities of late years have brought that aspect of their duties more prominently before the public, they must not forget the even more important duties that they perform in connexion with the organisation of crimes and criminals, who are becoming cleverer every day. These should not be lost sight of, and I feel sure that the Council will agree with me, now that I have explained this matter, that the sum of three

lakhs of rupees for a country of the size of India is really a very small sum to pay for an establishment which is so urgently required for dealing with serious crimes of this kind."

The Hon'ble Mr. Gokhale : " Sir, I would like to say just a word, and that is, that the Hon'ble Member has not told us why it is necessary to maintain a duplication of machinery for purposes of espionage in the Provinces which have their own Criminal Investigation Department for the work. He has also not told us what the Government of India has to say as regards the complaints which the Provincial Governments had been making on this subject. I quoted from the Decentralization Commission's Report an extract showing that the Lieutenant-Governor of the United Provinces complained even before the Commission that there was serious interference with the work of the Provincial Criminal Investigation Department by the Government of India Criminal Investigation Department; and this year again that Government has repeated that complaint. That being so, I think some explanation is necessary as to why such a system, which is complained of by Local Governments, should be maintained. However, as the Hon'ble Member the other day promised an inquiry into the whole question of the Criminal Investigation Department, I do not wish for the present to press my Resolution."

Accordingly the Resolution was withdrawn with the permission of the President.

The Council adjourned to Wednesday, the 13th March 1912.

W. H. VINCENT,
*Secretary to the Government of India,
Legislative Department.*

CALCUTTA; }
The 15th March 1912. }

Appendix No. 1.

A statistical statement of educational progress in British India was published in the *Gazette of India* of February 17th, 1912. The statistics there shewn and referred to in this summary are for the year 1910-11. The account of principal developments is brought up to date.

Statistics of pupils.—The grand total of pupils in all institutions (including private institutions) has risen by 142,277 to 6,345,582. Madras, Bombay, Bengal and Eastern Bengal and Assam shew solid, and the Punjab shews slight increase. The Central Provinces, the United Provinces and Burma are practically steady, with a slight fall in the case of the two last-mentioned provinces.

The percentage of those at school in public institutions to those of a school-going age has apparently fallen in the case of boys to 25·3. The fall is apparent only, since the calculation has been made on the new census figures, but even so the present percentage exceeds that in any previous year save 1909-10. The percentage in the case of girls remains for the same reason constant at 4·2, though the numbers exhibit an increase of about 30,000 in public institutions. The percentage of both boys and girls in public institutions to those of a school-going age* now stands at 14·9. The percentage of those in public and private institutions is to those of a school-going age 16·9 and to the total population 2·5.

In the provinces of Bombay, Bengal and Eastern Bengal and Assam, over 30 per cent. of the boys of a school-going age are at school in public institutions. The provinces which shew the lowest figure for boys are the United Provinces and the North-West Frontier Province, where respectively 14·4 and 11·8 per cent. are at public schools. Among the larger provinces, Burma heads the list as regards girls with 8·1 per cent. of those of a school-going age at public schools, though Coorg has 15 per cent. at school. The United Provinces is last with 1·3.

The increase in the number of pupils at collegiate and higher institutions amounts to 41,980 or 4·7 per cent. and the total now stands at 931,967, thus divided:—

	Male.	Female.	TOTAL.
In colleges	31,073	374	31,447
In high schools	364,704	14,864	379,568
In middle schools	454,522	66,430	520,952

Madras alone exhibits a decline both in college and secondary school pupils—a number of weak institutions having been converted into complete elementary schools.

The increase in the number of pupils in primary schools amounts to 68,583, or 1·5 per cent. and the total now stands at 4,625,890, *viz.*:—

Male	3,936,419
Female	689,471

In the United Provinces there is a slight continued fall; the causes are being investigated. In Burma there has been a decrease of some 7,000 pupils, mainly accounted for by financial stringency.

Those under training for the profession of teaching were 12,586, an increase of 99; and 4,569 qualified during the year.

The number of pupils at technical schools is 10,535, an increase of 2,329.

In European and Anglo-Indian schools there are 32,844 pupils, an increase of 1,024.

The number of Muhammadans in public institutions is 1,216,401, an increase of 42,462. Of these 158,428 are in secondary schools and colleges and 949,502 in elementary schools.

Statistics of expenditure.—The total expenditure was R7,18,68,000. This is an increase of R31,92,000 over the preceding year. To this increase public funds have contributed R9,30,000. Of the total expenditure, roughly 370 lakhs

* 15 per cent. of the population is taken as representing the number of children of a school-going age.

are now met from public funds, *viz.*, 242 lakhs from provincial, 100 from local and 28 from Municipal. (To the last item the Bombay Presidency contributes $9\frac{1}{2}$ lakhs.) The remaining 348 lakhs are contributed from private sources, including 200 lakhs realised as fees.

Among the larger provinces, the highest expenditure is in Bengal—160 lakhs; the lowest is in the Central Provinces—31 lakhs. In those provinces where the aided system predominates, such as Madras, Bengal and Eastern Bengal and Assam, the expenditure from private sources exceeds that from public sources. Elsewhere, public funds contribute more than private.

The average annual cost of educating a pupil in public institutions is now R12·55 against R12·28 in the year 1909-1910.

Principal developments.—At the close of 1910 a Department of Education was created in the Government of India. The functions of the Department are not confined to Education. It deals with a number of other subjects which were formerly the work of the Home Department. Early in 1911 an imperial grant of over 90 lakhs was distributed among provinces for non-recurring educational purposes. In February 1911, the Hon'ble Member for Education held a Conference at Allahabad which dealt mainly with the questions of elementary, technical and industrial and moral and religious education. In July a Conference was held at Simla to discuss Oriental studies and research and kindred subjects. The results of these Conferences have been made public. Sir Robert Laidlaw also held a Conference in Calcutta on the subject of European Education, to the development of which he has promised a sum of £50,000. To the series of "Occasional Reports" has been added one dealing with educational buildings in India. Proposals for a new type of University have been made by the Muhammadan and the Hindu communities. The Indian Institute of Science has been opened in Bangalore. Sanction has been accorded to the establishment of a Technological Institute at Cawnpore. The expansion of secondary schools, as shewn by the figures given above, has been considerable; and in certain provinces the school final examination has made noteworthy strides. Progress in primary education has been comparatively less rapid, but, save in certain provinces, is steadily maintained.

Appendix No. 2.**NOTE ON SANITARY MEASURES TAKEN DURING THE YEAR 1911-12.**

A memorandum by Surgeon General Lukis was laid on the table in September last, giving a full account of the measures taken up to that time for the eradication of plague and malaria in India.

The following additional information may be of interest to the Council.

(a) Malaria.

(1) A special malarial board has been constituted in Madras, and the Secretary of State has sanctioned the employment for three years, on malarial work, of a specially trained medical officer and an Assistant Surgeon, in addition to the staff employed by the local Government. Captain Horne, I.M.S., has been selected for this purpose.

(2) Sanction has been accorded to the extension of the deputation of the special malarial officers in Burma and the United Provinces for further periods of one and two years, respectively.

(3) Modifications have been made in the method of selecting officers to attend the malaria classes at Amritsar. Under the new arrangements it will be possible for any officer, who is seriously desirous of studying malaria, to gain admission. The class has also been enlarged so as to include both military medical officers and those in civil employ, and 32 officers have been selected to attend the class which will be held this month.

(4) The second Malaria Conference was convened at Bombay in November last and the proceedings have been published in the Annual Report of the Sanitary Commissioner with the Government of India for 1910. This Conference unanimously passed a series of resolutions pointing out the importance of instituting anti-mosquito measures wherever practicable in addition to making free use of quinine both for purposes of prophylaxis and treatment.

The Government have decided that the observations of Majors Liston and Christophers and of Dr. Bentley have shown that these measures may not prove as impossible a task as was formerly supposed, and it is proposed therefore to carry out anti-malarial operations in certain selected towns where a careful malarial survey has shown that the problem is one capable of practical solution.

(5) Experiments are being carried out in several of our large hospitals with a view to deciding what is the best preparation of quinine for general use and also the most efficient method of administration so as to obtain the full therapeutic effect. In addition to this, allotments of 3 lakhs in each case have been made for the formation of a reserve stock of quinine in Bengal and Madras.

(b) Plague.

(1) The Plague Advisory Committee continued its useful work under the direction in India of Major Liston. Two additional officers have been placed at the disposal of the Committee to carry out further observation on local immunity in Madras and the United Provinces, and in the laboratory at Parel important experiments are being carried out with a view to solving the difficult problem of the disinfection of gram bags without damage to their contents.

(2) Dr. G. F. Petrie was deputed to investigate the outbreak of Pneumonic Plague in Manchuria and his reports are now under consideration.

(3) A system of travelling dispensaries has been introduced into the United Provinces with the very best results. This system is an extension of, and improvement upon, that which has existed in the Punjab since 1907.

(c) Yellow Fever.

In view of the danger which will arise with the opening of the Panama Canal in 1913, Major James has been deputed to the endemic area of yellow

fever to study the disease and to formulate a scheme for preventing its introduction into India. In the meantime, local Governments are being addressed with a view to instituting a careful mosquito survey in order that we may have accurate information as regards the distribution at the various ports of the particular mosquito which is known to be the carrier of the disease in the West Indies.

(d) *Sleeping Sickness.*

In view of the possibility that this disease may be introduced into India from Africa, rules have been framed for the examination of suspected vessels and persons arriving from the East Coast of Africa, and a notification is about to issue prohibiting the importation of antelopes from Africa. Advantage has also been taken of the return of Captain Mackie from the Sleeping Sickness Commission to obtain the sanction of the Royal Society to the publishing of a pamphlet in popular form giving full information as to the present state of our knowledge of this disease. The pamphlet is now in the press and will be published shortly.

(e) *General Sanitation.*

Septic Tanks.—This is a great difficulty in India. The data on which sanitarians work in England are of little use in India, owing to the fact that we have here to deal with a population who are largely vegetarians. Excellent experimental work has already been carried out in Bengal by Major Clemesha and in Dacca by Captain Gourlay, and an experimental installation on a large scale has now been inaugurated at Poona under Captain Hutchinson, I.M.S. It is hoped that as the result of these experiments, reliable data for the designing and efficient working of installations for disposal of sewage by the bacterial method in this country will be available by the end of the year.

(f) *Infant Mortality.*

This important subject was discussed at the first Sanitary Conference. In addition to this the Government of India deputed Major Greig as their representative at the Congress for the protection of infants at the breast which met at Berlin in September 1911. His report, together with a number of important papers and publications, dealing with the problem of infant protection is now under examination and investigation.

(g) *Development of Research Institutes.*

Under this head come the grants for the development of the Central Research Institute at Kasauli and the Bombay Bacteriological Laboratory at Parel, and for the construction of a Bacteriological Laboratory in Burma.

At Kasauli it is proposed to constitute a separate Serum and Vaccine Department in order to meet the growing demand for curative sera of all kinds, and also to create three separate bureaux—one for general epidemiological research, one for protozoology and one for malaria.

At Parel it is intended to enlarge and improve the present laboratories so as to fit them for teaching purposes, with a view to the institution of post-graduate classes such as are now held at Kasauli. These laboratories will, it is hoped, ultimately form part of a school of Tropical Medicine to be established in connection with the King Edward Memorial Hospital which is to be built in close proximity to the Parel laboratory.

(h) *The Tropical School of Medicine at Calcutta.*

This grant is intended to cover the construction of laboratories and research rooms for this school which will be worked in connection with the Calcutta Medical College and which will be open to all qualified practitioners for post-graduate study. The Government of India has also agreed to meet the recurring charges for the additional teaching staff. In connection with this school it is hoped that the Calcutta University will institute a Diploma in Tropical Medicine, similar to those granted at Liverpool and Greenwich.

(i) The Indian Research Fund.

The first meeting of the Scientific Advisory Body was held at Bombay on November 15th, 1911, when it was decided—

- (a) to defray the cost of Major James' deputation to the endemic area of Yellow Fever,
- (b) to make certain grants for the purchase of scientific literature,
- (c) to start a fresh series of investigations into the problems connected with Cholera and Kala Azar,
- (d) to formulate proposals for the co-ordination of work on medical entomology,
- (e) to form a Committee to enquire into the present method of registering vital statistics and to study the causes of decrease in population—also to consider the important questions of Town-planning and of Popular Hygienic education and Propagandism.

The enquiry into Kala Azar has already commenced. The Madras Government has deputed Captain Patton for a period of six months to work on this subject in Royapuram and its neighbourhood, and the Research Fund are appointing for the same purpose Captain Mackie (who has recently returned from the Sleeping Sickness Commission), and are associating with him an Indian gentleman, Dr. Korke, who has been specially trained under Sir Ronald Ross at the Liverpool School of Tropical Medicine. Captain Mackie will probably work in Assam, and the general lines of the investigation have been worked out by a Committee consisting of Surgeon-General Bannerman, Major Christophers and Dr. Bentley.

The Cholera investigation will also start immediately, the two workers detailed for this being Major Greig and Captain Gloster, whilst the details of the investigation have been worked out by Sir David Semple and Major Leonard Rogers, whose work in connection with Cholera is so well known.

The report of the provisional committee on the study of Medical Entomology has been received and is now under consideration.

C. P. LUKIS.

The 5th March 1912.

Speech of the Honourable Finance Member

INTRODUCING THE

BUDGET FOR 1912-1913.

MY LORD,

The Financial Statement which I laid before this Council on the 1st of March has now passed through the various stages prescribed by our regulations, and on the whole it has met with a reception which cannot be otherwise than gratifying to the Government of India. What I now lay upon the table is the Statement in its final form as the Budget of next year. It has been again examined in close detail, and revised wherever necessary in the light of later information and in accordance with such alterations as Local Governments have made in their provincial figures after the discussions in their Legislative Councils. The explanatory memorandum has also been thoroughly checked and brought up to date. There will be no debate upon the Budget to-day; but on Monday there will be the usual closing discussion which marks the end of the Calcutta session.

2. In our Revised estimate for the current year, the corrections which have been made on receipt of the February figures have had the effect of raising the Imperial surplus to just over £3 millions. The Land Revenue is coming in better than we expected in the Punjab, United Provinces, Burma and Bombay; and the Imperial share of the improvement is £142,000. The striking expansion of Railway traffic has compelled us to enhance our estimate under that head by £133,000 since the beginning of the month. Salt continues progressive; Customs, Stamps and Excise receipts have all been on the up-grade; and the March sales of opium in Calcutta again exceeded our forecast. The total net betterness is £343,000. The only appreciable item on the other side of the account appears in the Home charges, where there is an excess of £98,000, part of which I foreshadowed in the Financial Statement.

3. For next year there have been several unimportant corrections with which I need not weary the Council. We have had to raise our forecast of Salt revenue in sympathy with the improvement which is now at work; and we have made slight additions for the same reason, to our Stamps and Excise estimates. On the other hand the Land Revenue has had to come down in consequence of some unexpected advance collections in the current month; and the more exact figures which we have now obtained indicate that the imposition of the Proprietary Estates Village Service cess in Madras has progressed so far that its remission will cost us more in 1912-13 than our preliminary estimate had suggested. The net result of these and a few other corrections leaves our Imperial surplus for next year at £1,478,300, being within five lakhs of the figure which I took in the Financial Statement.

4. Turning to Capital expenditure and Ways and Means generally, I have to record a further improvement of £853,000 in this year's closing balance. Part of this is due to the improvement in the Imperial Surplus (£343,000); part to additional savings in the Provincial grants (£249,000); and most of the remainder to further lapses in State Railway Capital outlay (£245,000). The closing balance of 1912-13 will not, so far as I can judge, obtain the whole benefit of this improvement, as we have had to raise some of the Provincial grants and provide for larger outgoings of Imperial loans and advances. But the balances will be £584,000 better than my estimate of the 1st March. In view of the continued high sales of Council Bills in the current month, we have raised our figure of remittances by £600,000. In no other respect has there been any important alteration in the figures already before the Council.

GUY FLEETWOOD WILSON.

22nd March 1912.

T

BUDGET

OF THE

GOVERNMENT OF INDIA

MARCH 1912.

ACCOUNTS	1910-1911
REVISED ESTIMATES	1911-1912
BUDGET ESTIMATES	1912-1913

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

	For details, vide Statement.	Accounts, 1910-1911.	Budget Estimate, 1911-1912.	Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.
Revenue—					
Principal Heads of Revenue—					
		£	£	£	£
Land Revenue	A	20,877,521	21,418,800	20,743,200	21,276,000
Opium	"	7,521,962	4,280,400	5,904,700	3,622,000
Salt	"	3,175,950	3,291,700	3,409,800	3,427,800
Stamps	"	4,811,691	4,799,600	4,781,200	4,908,000
Excise	"	7,030,314	7,226,400	7,646,900	7,907,900
Customs	"	6,619,009	6,214,000	6,568,600	6,398,300
Other Heads	"	5,010,538	5,063,100	5,146,100	5,217,800
TOTAL PRINCIPAL HEADS	...	55,046,985	52,294,000	54,200,500	52,757,800
Interset	A	1,465,439	1,177,000	1,448,200	1,227,300
Post Office	"	1,996,922	2,136,100	2,122,400	2,218,900
Telegraph	"	997,159	1,046,400	1,066,400	1,065,100
Mint	"	196,110	198,500	341,000	205,700
Receipts by Civil Departments	"	1,211,123	1,211,600	1,206,700	1,226,600
Miscellaneous	"	677,891	600,300	733,200	552,400
Railways : Net Receipts	"	13,881,461	13,963,600	15,284,400	14,540,200
Irrigation	"	3,691,521	3,824,100	3,977,200	3,921,100
Other Public Works	"	293,833	335,300	325,700	320,900
Military Receipts	"	1,221,029	1,248,000	1,333,100	1,318,000
TOTAL REVENUE	...	80,682,473	78,034,900	82,038,800	79,354,000

N. G. BASU,
Offg. Deputy Comptroller General.

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

	For details, vide Statement.	Accounts, 1910-1911.	Budget Estimate, 1911-1912.	Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.
Expenditure—		£	£	£	£
Direct Demands on the Revenues	B	8,856,223	9,071,000	8,700,000	8,856,800
Interest	"	2,168,902	2,125,100	2,079,800	2,045,200
Post Office	"	1,950,892	2,021,000	2,037,300	2,049,200
Telegraph	"	976,832	1,093,600	1,116,900	1,094,500
Mint	"	92,369	93,800	115,600	101,400
Salaries and Expenses of Civil Departments	"	14,931,367	16,858,400	16,466,200	17,477,300
Miscellaneous Civil Charges	"	4,810,767	4,886,700	4,932,800	4,908,100
Famine Relief and Insurance	"	1,000,000	1,000,000	1,000,000	1,000,000
Railways : Interest and Miscellaneous Charges	"	11,863,965	12,113,800	12,161,800	12,518,300
Irrigation	"	3,110,134	3,343,600	3,175,900	3,314,900
Other Public Works	"	4,537,462	5,501,500	5,339,200	5,655,200
Military Services	"	20,486,071	20,823,200	20,961,800	20,412,500
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL . . . . .	...	74,784,984	78,931,700	78,087,300	79,433,400
<i>Add—Provincial Surpluses : that is, portion of allotments to Provincial Governments not spent by them in the year.</i>	End of B	1,961,202	...	858,500	...
<i>Deduct—Provincial Deficits : that is, portion of Provincial Expenditure defrayed from Provincial Balances.</i>	"	...	1,716,000	...	1,557,700
TOTAL EXPENDITURE CHARGED TO REVENUE . . . . .	...	76,746,186	77,215,700	78,945,800	77,875,700
SURPLUS . . . . .	...	3,936,287	819,200	3,093,000	1,478,300
TOTAL . . . . .	...	80,682,473	78,034,900	82,038,800	79,354,000

R. W. GILLAN,
Comptroller General.

J. S. MESTON,
Secretary to the Government of India.

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

	For details vide Statement.	RECEIPTS.			
		Accounts, 1910-1911.	Budget Estimate, 1911-1912.	Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.
		£	£	£	£
Surplus	C	3,936,287	819,200	3,093,000	1,478,300
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards Outlay on State Railways (net)	C	2,294,278	1,357,500	...	...
Capital raised and deposited by Railway Companies (net)	"	87,241	36,500	28,900	1,965,600
Debt, Deposits, and Advances—					
Permanent Debt (net Incurred).	C	8,896,956	2,088,900	1,825,900	2,931,100
Unfunded Debt (net Incurred)	"	1,164,908	1,123,300	1,827,000	1,318,700
Deposits and Advances (net)	"	1,550,367	...	2,038,900	...
Loans and Advances by Imperial Government (net Repayments)	"	174,074	...	175,400	...
Loans and Advances by Provincial Governments (net Repayments)	"	576,135	30,900	...	...
Loans to Local Boards for Railway Construction	"	6,328	6,600	6,600	6,900
Remittances (net)	"	203,370	2,200	618,400	3,400
Secretary of State's Bills drawn	"	23,638,303	15,825,000	25,100,000	15,500,000
TOTAL RECEIPTS . . . . .	...	42,528,247	31,290,100	34,714,100	23,204,000
Opening Balance—India . . . . .	...	12,295,428	12,465,528	13,566,922	11,808,222
England . . . . .	...	15,809,618	17,543,418	18,174,349	19,395,949
TOTAL . . . . .	...	70,633,293	51,299,046	66,455,371	54,408,171

Government of India, in India and in England.

	For details, vide Statement.	DISBURSEMENTS			
		Accounts, 1910-1911.	Budget Estimate, 1911-1912.	Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.
		£	£	£	£
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	C	1,203,888	1,266,700	1,611,400	1,415,500
Outlay on State Railways	"	8,915,205	8,103,200	6,951,500	7,836,700
Initial outlay on new Capital at Delhi . . . . .	"	...	...	100,000	1,333,300
Outlay of Railway Companies (net)	"	—1,375,963	1,434,000	933,600	1,319,500
Capital involved in Redemption of Railway Liabilities.	"	5,904,100	—	...	...
TOTAL CAPITAL ACCOUNT DISBURSEMENTS . . . . .	...	14,647,230	10,803,900	9,596,500	11,905,000
Debt, Deposits, and Advances—					
Temporary Debt (net Discharged)	C	1,000,000	500,000	500,000	4,500,000
Deposits and Advances (net)	"	...	1,339,500	...	1,184,300
Loans and Advances by Imperial Governments (net Advances)	"	...	114,200	...	165,400
Loans and Advances by Provincial Governments (net Advances) . . . . .	"	...	...	328,200	240,000
Secretary of State's Bills paid	"	23,244,792	15,825,700	24,826,500	15,769,000
TOTAL DISBURSEMENTS . . . . .	...	38,892,022	28,583,300	35,251,200	33,763,700
Closing Balance—India . . . . .	...	13,566,922	12,483,228	11,808,222	12,868,022
England . . . . .	...	18,174,349	10,232,518	19,395,949	7,776,449
TOTAL . . . . .	...	70,633,293	51,299,046	66,455,371	54,408,171

R. W. GILLAN,
Comptroller General.

J. S. MESTON,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1910-1911.					REVISED	
	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at Rs 5 = £1).	England.	TOTAL.	INDIA. (RUPEE FIGURES.)	
	Imperial.	Provincial.				Imperial.	Provincial.
Principal Heads of Revenue—							
I.—Land Revenue	9,50,36,230	21,81,26,578	20,877,521	...	20,877,521	11,59,58,000	19,51,90,000
II.—Opium	11,28,29,433	...	7,521,962	...	7,521,962	8,85,71,000	...
III.—Salt	4,76,39,253	...	3,175,950	...	3,175,950	5,11,47,000	...
IV.—Stamps	3,65,70,770	3,56,04,593	4,811,691	...	4,811,691	3,63,69,000	3,53,50,000
V.—Excise	5,37,76,727	5,16,77,988	7,030,314	...	7,030,314	3,40,58,000	8,06,45,000
VI.—Provincial Rates	3,370	83,12,307	554,378	...	554,378	13,000	83,26,000
VII.—Customs	9,92,85,138	...	6,619,009	...	6,619,009	9,85,29,000	...
VIII.—Assessed Taxes	1,33,41,891	1,05,57,622	1,593,301	...	1,593,301	1,35,80,000	1,10,15,000
IX.—Forest	1,42,05,664	1,32,37,694	1,829,557	...	1,829,557	9,55,000	2,78,38,000
X.—Registration	58,734	63,29,091	425,855	...	425,855	67,000	64,23,000
XI.—Tributes from Native States	91,11,699	...	607,447	...	607,447	89,74,000	...
TOTAL	48,18,58,909	34,38,45,873	55,046,985	...	55,046,985	44,82,21,000	36,47,87,000
XII.—Interest	1,08,42,013	49,57,573	1,053,306	412,133	1,465,439	1,04,33,000	45,70,000
XIII.—Post Office	2,99,53,836	...	1,996,922	...	1,996,922	3,18,36,000	...
XIV.—Telegraph	1,48,92,327	...	992,822	4,337	997,159	1,59,21,000	...
XV.—Mint	29,41,653	...	196,110	...	196,110	51,13,000	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	2,62,815	43,97,132	310,663	...	310,663	3,07,000	45,21,000
{ Jails	3,50,615	32,16,252	237,791	...	237,791	3,65,000	32,58,000
XVII.—Police	1,70,778	21,59,814	155,373	...	155,373	52,000	17,33,000
XVIII.—Ports and Pilotage . . . . .	...	21,97,963	146,531	...	146,531	...	21,97,000
XIX.—Education	37,013	27,17,533	183,636	...	183,636	40,000	29,99,000
XX.—Medical	8,352	9,35,014	62,891	806	63,697	8,000	9,57,000
XXI.—Scientific (and other Minor Departments)	1,79,053	15,03,520	112,172	1,260	113,432	2,16,000	14,20,000
TOTAL	10,08,626	1,71,27,228	1,209,057	2,056	1,211,123	9,88,000	1,70,85,000
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	1,24,42,785	7,49,227	132,801	62,688	195,489	12,05,000	7,75,000
XXIII.—Stationery and Printing	6,80,974	7,83,868	97,656	...	97,656	6,53,000	8,01,000
XXIV.—Exchange	10,51,256	...	70,084	...	70,084	15,85,000	...
XXV.—Miscellaneous	15,18,748	27,56,383	285,009	29,653	314,662	20,43,000	25,91,000
TOTAL	44,93,763	42,89,478	585,550	92,341	677,891	54,86,000	41,67,000
Railways—							
XXVI.—State Railways (Gross Receipts)	45,93,47,555	95,331	30,629,526	230	30,629,756	49,71,95,000	1,05,000
Deduct:—Working Expenses	24,47,73,602	80,826	16,323,629	...	16,323,629	26,23,17,000	83,000
Surplus profits paid to Companies, etc.	69,60,184	...	464,012	...	454,012	64,88,000	...
Net Receipts	20,76,13,769	14,505	13,841,885	230	13,842,115	22,83,90,000	22,000
XXVII.—Guaranteed Companies (Net Traffic Receipts) . . . . .	...	...	...	...	...	...	...
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of Advances of Interest)	2,03,920	...	13,595	25,751	39,346	1,80,000	...
TOTAL	20,78,17,689	14,505	13,855,480	25,981	13,881,461	22,85,70,000	22,000
Irrigation—							
XXIX.—Major Works: Direct Receipts	1,51,68,147	1,91,52,611	2,288,051	...	2,288,051	1,47,67,000	2,09,36,000
Portion of Land Revenue due to Irrigation	1,01,86,223	74,83,855	1,178,005	...	1,178,005	1,10,91,000	92,13,000
XXX.—Minor Works and Navigation	10,88,639	23,38,341	228,465	...	228,465	14,14,000	22,37,000
TOTAL	2,64,43,009	2,89,74,807	3,694,521	...	3,694,521	2,72,72,000	3,23,86,000
Other Public Works—							
XXXI.—Civil Works	4,90,275	56,17,224	273,833	20,000	293,833	10,42,000	38,43,000
Military Receipts—							
XXXII.—Army: Effective	84,07,438	...	560,496	387,658	948,154	93,07,000	...
Non-Effective	11,87,317	...	79,154	31,341	110,495	12,43,000	...
XXXIII.—Marine	95,94,755	...	639,650	418,999	1,058,649	1,05,50,000	...
XXXIV.—Military Works	13,76,810	...	91,787	...	91,787	11,89,000	...
TOTAL	1,20,30,453	...	802,030	418,999	1,221,029	1,28,76,000	...
TOTAL REVENUE	79,27,72,553	40,28,26,688	79,706,616	975,857	80,682,473	78,77,58,000	42,68,60,000

India, in India and in England.

ESTIMATE, 1911-1912.				BUDGET ESTIMATE, 1912-1913.						
Total India (converted into £ at Rs 15 = £1).	England.	TOTAL.	Increase + Decrease— as compared with Budget Estimate, 1911-1912.	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at Rs 15 = £1).	England.	TOTAL.	Increase + Decrease— of Budget, 1912-1913, as compared with Budget Estimate, 1911-1912.	Increase + Decrease— of Budget, 1912-1913, as compared with Revised Estimate, 1911-1912.
				Imperial.	Provincial.					
£	£	£	£	R	R	£	£	£	£	£
20,743,200	...	20,743,200	- 675,600	14,40,38,000	17,51,01,000	21,276,000	...	21,276,000	-142,800	+ 532,800
5,904,700	...	5,904,700	+ 1,624,300	5,43,31,000	...	3,622,000	...	3,622,000	-658,400	-2,282,700
3,409,800	...	3,409,800	+ 118,100	5,14,17,000	...	3,427,800	...	3,427,800	+ 136,100	+ 18,000
4,781,200	...	4,781,200	-18,400	3,73,20,000	3,62,99,000	4,908,000	...	4,908,000	+ 108,400	+ 126,800
7,646,900	...	7,646,900	+ 420,500	3,30,53,000	8,55,65,000	7,907,900	...	7,907,900	+ 681,500	+ 261,000
555,900	...	555,900	+ 10,900	17,000	82,39,000	550,400	...	550,400	+ 5,400	-5,500
6,568,600	...	6,568,600	+ 354,600	9,59,75,000	...	6,398,300	...	6,398,300	+ 184,300	-170,300
1,639,700	...	1,639,700	+ 36,300	1,36,16,000	1,10,65,000	1,645,400	...	1,645,400	+ 42,000	+ 5,700
1,919,500	...	1,919,500	+ 54,000	10,80,000	2,85,37,000	1,974,500	...	1,974,500	+ 109,000	+ 55,000
432,700	...	432,700	+ 2,300	66,000	65,88,000	443,600	...	443,600	+ 13,200	+ 10,900
598,300	...	598,300	-20,500	90,59,000	...	603,900	...	603,900	-14,900	+ 5,600
54,200,500	...	54,200,500	+ 1,906,500	43,99,72,000	35,13,94,000	52,757,800	...	52,757,800	+ 463,800	-1,442,700
1,000,200	448,000	1,448,200	+ 271,200	1,03,91,000	41,45,000	969,100	258,200	1,227,300	+ 50,300	-220,900
2,122,400	...	2,122,400	-13,700	3,32,84,000	...	2,218,900	...	2,218,900	+ 82,800	+ 96,500
1,061,400	5,000	1,066,400	+ 20,000	1,58,94,000	...	1,059,600	5,500	1,065,100	+ 7,000	-1,300
340,900	100	341,000	+ 142,500	30,86,000	..	205,700	...	205,700	+ 7,200	-135,300
321,900	...	321,900	+ 19,000	2,57,000	45,68,000	321,700	...	321,700	+ 18,800	-200
241,500	...	241,500	+ 1,500	3,68,000	33,74,000	249,500	...	249,500	+ 9,500	+ 8,000
119,000	...	119,000	-32,100	49,000	15,64,000	107,500	...	107,500	-43,600	-11,500
146,500	...	146,500	+ 3,800	...	21,93,000	146,200	...	146,200	+ 3,500	-300
202,600	...	202,600	+ 2,100	43,000	31,48,000	212,700	...	212,700	+ 12,200	+ 10,100
64,300	800	65,100	+ 1,800	8,000	9,59,000	64,500	800	65,300	+ 2,000	+ 200
109,100	1,000	110,100	-1,000	2,88,000	15,51,000	122,600	1,100	123,700	+ 12,600	+ 13,600
1,204,900	1,800	1,206,700	- 4,900	10,13,000	1,73,57,000	1,224,700	1,900	1,226,600	+ 15,000	+ 19,900
132,000	67,400	199,400	+ 4,700	12,31,000	7,99,000	134,000	65,100	199,100	+ 4,400	-300
96,900	...	96,900	+ 100	6,02,000	8,23,000	95,000	...	95,000	-1,800	-1,900
105,700	...	105,700	+ 105,700	...	...	...	...	...	...	-105,700
308,900	22,300	331,200	+ 22,400	11,38,000	24,92,000	242,000	16,300	258,300	-50,500	-72,900
643,500	89,700	733,200	+ 132,900	29,51,000	41,14,000	471,000	81,400	552,400	-47,900	-180,800
33,153,300	200	33,153,500	+ 1,719,900	48,84,00,000	1,00,000	32,566,700	200	32,566,900	+ 1,133,300	-586,600
17,493,400	...	17,493,400	-346,700	26,49,15,000	85,000	17,666,700	...	17,666,700	-520,000	-173,300
432,500	...	432,500	-55,000	61,67,000	...	411,100	...	411,100	-33,600	+ 21,400
15,227,400	200	15,227,600	+ 1,318,200	21,73,18,000	15,000	14,488,900	200	14,489,100	+ 579,700	-738,500
...
12,000	44,800	56,800	+ 2,600	1,90,000	...	12,600	38,500	51,100	-3,100	-5,700
15,239,400	45,000	15,284,400	+ 1,320,800	21,75,08,000	15,000	14,501,500	38,700	14,540,200	+ 576,600	-744,200
2,380,200	...	2,380,200	+ 68,300	1,44,90,000	1,98,97,000	2,292,500	...	2,292,500	-19,400	-87,700
1,353,600	...	1,353,600	+ 86,600	1,13,22,000	94,42,000	1,384,300	...	1,384,300	+ 117,300	+ 30,700
243,400	...	243,400	-1,800	14,06,000	22,59,000	244,300	...	244,300	-900	+ 900
3,977,200	...	3,977,200	+ 153,100	2,72,18,000	3,15,98,000	3,921,100	...	3,921,100	+ 97,000	-56,100
325,700	...	325,700	-9,600	4,47,000	43,67,000	320,900	...	320,900	-14,400	-4,800
620,500	442,700	1,063,200	+ 79,200	1,07,37,000	...	715,800	326,800	1,042,600	+ 58,600	-20,600
82,900	32,000	114,900	+ 8,000	12,05,000	...	80,300	32,000	112,300	+ 5,400	-2,600
703,400	474,700	1,178,100	+ 87,200	1,19,42,000	...	796,100	358,800	1,154,900	+ 64,000	-23,200
79,200	...	79,200	-11,200	13,66,000	...	91,100	...	91,100	+ 700	+ 11,900
75,800	...	75,800	+ 9,100	10,80,000	...	72,000	...	72,000	+ 5,300	-3,800
858,400	474,700	1,333,100	+ 85,100	1,43,88,000	...	959,200	358,800	1,318,000	+ 70,000	-15,100
80,974,500	1,064,300	82,038,800	+ 4,003,900	76,61,52,000	41,29,90,000	78,609,500	744,500	79,354,000	+ 1,319,100	-2,684,800

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1910-1911.					REVISED	
	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R 15=£1).	England.	TOTAL.	INDIA. (RUPEE FIGURES.)	
	Imperial.	Provincial.				Imperial.	Provincial.
Direct Demands on the Revenues—							
1.—Refunds and Drawbacks	R 30,56,754	R 11,27,583	£ 278,956	£	£ 278,956	R 33,50,000	R 13,43,000
2.—Assignments and Compensations	84,67,618	97,74,680	1,216,153	.....	1,216,153	82,71,000	1,01,66,000
Charges in respect of Collection, viz:—							
3.—Land Revenue	41,92,353	5,07,15,296	3,660,510	1,916	3,662,426	41,90,000	5,26,99,000
4.—Opium (including cost of Production)	1,86,92,284	.....	1,246,152	505	1,246,657	1,10,70,000	.....
5.—Salt (including cost of Production)	56,18,198	.....	374,547	2,529	377,076	55,36,000	.....
6.—Stamps	—4,14,901	10,80,320	44,361	79,459	123,820	—5,04,000	11,34,000
7.—Excise	31,32,887	29,50,057	405,530	464	405,994	21,50,000	41,70,000
8.—Provincial Rates . . . . .	.....	69,363	4,624	.....	4,624	.....	85,000
9.—Customs	35,83,963	.....	238,931	635	239,566	37,41,000	.....
10.—Assessed Taxes	2,03,723	2,01,140	26,991	.....	26,991	2,10,000	2,07,000
11.—Forest	81,06,225	72,99,863	1,027,072	6,189	1,033,261	9,56,000	1,64,23,000
12.—Registration	18,237	35,92,254	240,699	.....	240,699	19,000	37,01,000
TOTAL	5,46,57,341	7,68,10,556	8,764,526	91,697	8,856,223	3,89,89,000	8,99,28,000
Interest—							
13.—Interest on Debt	3,57,90,498	1,23,31,447	3,208,130	5,781,552	8,989,682	3,71,85,000	1,22,15,000
Deduct—Amounts chargeable to Railways†	4,30,61,629	.....	2,870,775	3,396,910	6,267,685	4,56,15,000	.....
„ Amounts chargeable to Irrigation	57,20,986	93,25,008	1,003,066	112,344	1,115,410	65,94,000	92,71,000
Remainder chargeable on Ordinary Debt	—1,29,92,117	30,06,439	—665,711	2,272,298	1,606,587	—1,50,24,000	29,44,000
14.—Interest on other obligations	84,34,725	5	562,315	.....	562,315	90,07,000	.....
TOTAL	—45,57,392	30,06,444	—103,396	2,272,298	2,168,902	—60,17,000	29,44,000
15.—Post Office	2,84,06,978	.....	1,893,798	57,094	1,950,892	2,97,36,000	.....
16.—Telegraph	1,27,23,698	.....	848,247	128,585	976,832	1,39,35,000	.....
17.—Mint	13,04,673	.....	86,978	5,391	92,369	16,56,000	.....
Salaries and Expenses of Civil Department							
18.—General Administration	95,41,764	1,15,72,994	1,407,651	348,609	1,756,260	1,75,95,000	1,55,36,000
19.—Law and Justice { Courts	9,23,320	4,20,61,347	2,865,658	1,372	2,867,030	9,60,000	4,32,00,000
{ Jails	18,89,321	1,08,78,935	851,217	.....	851,217	18,05,000	1,11,34,000
20.—Police	28,13,709	6,24,28,607	4,349,488	2,124	4,351,612	29,51,000	6,58,63,000
21.—Ports and Pilotage . . . . .	.....	26,67,514	177,834	56	177,890	.....	26,82,000
22.—Education	9,28,552	2,66,02,401	1,835,397	10,846	1,846,243	6,78,000	2,93,43,000
23.—Ecclesiastical	18,65,160	.....	124,344	334	124,678	19,01,000	.....
24.—Medical	9,89,755	1,35,79,988	971,316	71,606	982,922	8,47,000	1,63,66,000
25.—Political	1,51,37,424	12,19,383	1,090,454	5,016	1,095,470	1,28,02,000	15,81,000
26.—Scientific and other Minor Departments	62,77,416	65,40,989	854,560	23,485	878,045	71,70,000	70,29,000
TOTAL	4,03,66,621	17,75,52,158	14,527,919	403,448	14,931,367	4,67,09,000	19,27,34,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	33,77,212	.....	225,148	10,858	236,006	32,76,000	.....
28.—Civil Furlough and Absentee Allowances	6,273	.....	418	394,893	395,311	15,000	.....
29.—Superannuation Allowances and Pensions	11,88,937	1,52,71,178	1,097,341	2,048,548	3,145,889	12,35,000	1,59,47,000
30.—Stationery and Printing	11,52,068	77,24,553	591,775	122,394	714,169	11,84,000	75,35,000
32.—Miscellaneous	10,23,659	32,96,674	288,022	31,370	319,392	9,62,000	43,96,000
TOTAL	67,48,149	2,62,92,405	2,202,704	2,608,063	4,810,767	66,72,000	2,78,78,000
Famine Relief and Insurance—							
33.—Famine Relief	34,789	252	2,336	.....	2,336	12,89,000	2,000
34.—Construction of Protective Railways	4,00,969	.....	26,731	10,164	36,895	6,88,000	.....
35.—Construction of Protective Irrigation Works	52,71,178	.....	351,412	8,262	359,674	57,38,000	.....
36.—Reduction or Avoidance of Debt	52,66,422	37,50,000	601,095	.....	601,095	32,48,000	37,50,000
TOTAL	1,09,73,358	37,50,252	981,574	18,426	1,000,000	1,09,63,000	37,52,000
Carried over	15,06,23,426	28,74,11,815	29,202,350	5,585,002	34,787,352	14,26,43,000	31,72,36,000

† Included under the following heads— State Railways—Interest on Debt Ditto —Interest chargeable against Companies on Advances	ACCOUNTS, 1910-1911.				REVISED ESTIMATE, 1911-1912.			
	INDIA.		England.	TOTAL.	INDIA.		England.	TOTAL.
	Amount in Rupees.	Equivalent in £ at R 15=£1.			Amount in Rupees.	Equivalent in £ at R 15=£1.		
	R 3,99,69,554	£ 2,664,637	£ 3,777,697	£ 5,842,334	R 4,21,28,000	£ 2,808,500	£ 3,445,900	£ 6,254,400
	30,92,075	206,138	219,213	425,351	34,87,000	232,500	175,500	408,000
TOTAL	4,30,61,629	2,870,775	3,996,910	6,267,685	4,56,15,000	3,041,000	3,621,400	6,662,400

Revenues of India, in India and in England.

ESTIMATE, 1911-1912.			Increase + Decrease — as compared with Budget Estimate, 1911-1912.	BUDGET ESTIMATE, 1912-1913.				Increase + Decrease — of Budget, 1912-1913, as compared with Budget Estimate, 1911-1912.	Increase + Decrease — of Budget, 1912-1913, as compared with Revised Estimate, 1911-1912.	
Total India (converted into £ at R15=£1).	England.	TOTAL.		INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R15=£1).	England.			TOTAL.
£	£	£	£	R	R	£	£	£	£	
312,900	...	312,900	+64,100	28,95,000	11,88,000	272,200	...	272,200	+23,400	£
1,229,100	...	1,229,100	+6,200	82,33,000	1,01,90,000	1,228,200	...	1,228,200	+5,300	—900
3,792,600	1,900	3,794,500	—11,300	42,68,000	5,52,40,000	3,967,200	1,000	3,968,200	+162,400	+173,700
738,000	700	738,700	—444,800	1,03,09,000	...	687,200	500	687,700	—495,800	—51,000
369,100	700	369,800	+3,300	56,41,000	...	376,100	800	376,900	+10,400	+7,100
42,000	95,300	137,300	—3,600	—4,79,000	11,47,000	44,500	110,500	155,000	+14,100	+17,700
421,300	100	421,400	—14,000	21,04,000	44,05,000	434,000	...	434,000	—1,400	+12,600
5,700	...	5,700	—1,600	...	88,000	5,900	...	5,900	—1,400	+200
249,400	500	249,900	+1,700	38,39,000	...	255,900	100	256,000	+7,800	+6,100
27,800	...	27,800	—400	2,26,000	2,18,000	29,600	...	29,600	+1,400	+1,800
1,158,600	6,300	1,164,900	+28,700	10,15,000	1,68,64,000	1,191,900	5,300	1,197,200	+61,000	+32,300
248,000	...	248,000	+700	20,000	36,68,000	245,900	...	245,900	—1,400	—2,100
8,594,500	105,500	8,700,000	—371,000	3,80,71,000	9,30,08,000	8,738,600	118,200	8,856,800	—214,200	+156,800
3,293,300	6,022,700	9,316,000	—13,300	3,83,30,000	1,27,20,000	3,403,400	6,171,700	9,575,100	+245,800	+259,100
3,041,000	3,621,400	6,662,400	—35,800	4,86,94,000	...	3,246,300	3,694,900	6,941,200	—314,600	—278,800
1,057,700	116,600	1,174,300	—4,700	72,16,000	96,29,000	1,123,000	118,500	1,241,500	—71,900	—67,200
—805,400	2,284,700	1,479,300	—53,800	—1,75,80,000	30,91,000	—965,900	2,358,300	1,392,400	—140,700	—86,900
600,500	...	600,500	+8,500	97,92,000	...	652,800	...	652,800	+60,800	+52,300
—204,900	2,284,700	2,079,800	—45,300	—77,88,000	30,91,000	—313,100	2,358,300	2,045,200	—79,900	—34,600
1,982,400	54,900	2,037,300	+16,300	2,99,19,000	...	1,994,600	54,600	2,049,200	+28,200	+11,900
929,000	187,900	1,116,900	+23,300	1,42,98,000	...	953,200	141,300	1,094,500	+900	—22,400
110,400	5,200	115,600	+21,800	14,15,000	...	94,300	7,100	101,400	+7,600	—14,200
2,208,700	443,200	2,651,900	+74,700	1,08,16,000	1,24,99,000	1,554,300	349,700	1,904,000	—673,200	—747,900
2,944,000	3,500	2,947,500	+21,500	9,78,000	4,36,54,000	2,975,500	1,600	2,977,100	+51,100	+29,600
862,600	...	862,600	—25,100	19,14,000	1,14,24,000	889,200	...	889,200	+1,500	+26,600
4,587,600	1,700	4,589,300	—50,800	30,71,000	6,68,21,000	4,659,500	1,500	4,661,000	+20,900	+71,700
178,800	100	178,900	+1,900	...	26,33,000	175,500	100	175,600	—1,400	—3,300
2,001,400	11,000	2,012,400	—282,500	87,33,000	3,71,28,000	3,057,400	10,500	3,067,900	+773,000	+1,055,500
126,700	300	127,000	—800	19,72,000	...	131,500	400	131,900	+4,100	+4,900
1,147,600	12,200	1,159,800	—132,700	16,60,000	2,35,80,000	1,682,700	12,100	1,694,800	+402,300	+535,000
958,900	10,200	969,100	+56,800	1,26,14,000	12,20,000	922,300	4,000	926,300	+14,000	—42,800
946,600	21,100	967,700	—55,200	62,95,000	99,22,000	1,021,100	28,400	1,049,500	+26,600	+81,800
15,962,900	503,300	16,466,200	—392,200	4,80,53,000	20,79,81,000	17,069,000	408,300	17,477,300	+618,900	+1,011,100
218,400	11,100	229,500	—3,200	32,68,000	...	217,900	11,100	229,000	—3,700	—500
1,000	426,500	427,500	+19,100	8,000	...	500	404,000	404,500	—3,900	—23,000
1,145,400	2,052,000	3,197,400	—8,400	12,40,000	1,64,86,000	1,181,700	2,063,000	3,244,700	+38,900	+47,300
581,300	107,900	689,200	—23,800	11,46,000	75,19,000	577,700	114,000	691,700	—21,300	+2,500
357,200	32,000	389,200	+62,400	12,02,000	33,99,000	306,700	31,500	338,200	+11,400	—51,000
2,303,300	2,629,500	4,932,800	+46,100	68,64,000	2,74,04,000	2,284,500	2,623,600	4,908,100	+21,400	—24,700
86,100	...	86,100	+86,100	20,02,000	...	133,500	...	133,500	+133,500	+47,400
45,900	15,000	60,900	—39,100	4,04,000	...	26,900	16,400	43,300	—56,700	—17,600
382,500	4,000	386,500	—13,500	67,23,000	...	448,200	8,500	456,700	+56,700	+70,200
466,500	...	466,500	—33,500	17,48,000	37,50,000	366,500	...	366,500	—133,500	—100,000
981,000	19,000	1,000,000	...	1,08,77,000	37,50,000	975,100	24,900	1,000,000	...	...
30,658,600	5,790,000	36,448,600	—701,000	14,17,09,000	33,52,34,000	31,796,200	5,736,300	37,532,500	+382,900	+1,083,900

BUDGET ESTIMATE, 1912-1913.			
INDIA.			
Amount in Rupees.	Equivalent in £ at R15=£1.	England.	TOTAL.
R	£	£	£
4,49,13,000	2,994,200	3,519,400	6,513,600
37,81,000	252,100	175,500	427,600
4,86,94,000	3,246,300	3,694,900	6,941,200

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1910-1911.					REVISED	
	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R:15=£1).	England.	TOTAL.	INDIA. (RUPEE FIGURES.)	
	Imperial.	Provincial.				Imperial.	Provincial.
	R	R	£	£	£	R	R
Brought forward	15,06,23,426	28,74,11,815	29,202,350	5,585,002	34,787,352	14,26,43,000	31,72,36,000
Railways—							
38.—State Railways: Interest on Debt	3,99,69,554	...	2,664,637	3,177,697	5,842,334	4,21,28,000	...
Annuities in purchase of Railways	...	...	...	3,357,634	3,357,634	...	...
Sinking Funds	...	...	...	171,264	171,264	...	...
Interest chargeable against Companies on Advances.	30,92,075	...	206,138	219,213	425,351	34,87,000	...
Interest on Capital deposited by Companies	28,94,820	...	192,988	1,814,351	2,007,339	26,76,000	...
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision	—10,642	...	—710	...	—710	...	...
40.—Subsidized Companies: Land, etc.	3,79,498	44,616	28,274	...	28,274	14,59,000	15,000
41.—Miscellaneous Railway Expenditure	4,78,990	8,184	32,479	...	32,479	5,95,000	11,000
TOTAL	4,68,04,295	52,800	3,123,806	8,740,159	11,863,965	5,03,45,000	26,000
Irrigation—							
42.—Major Works: Working Expenses	73,46,377	92,97,942	1,109,621	...	1,109,621	74,32,000	96,48,000
Interest on Debt	57,20,986	93,25,008	1,003,066	112,344	1,115,410	65,94,000	92,71,000
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	...	...	...	...	...	...	...
43.—Minor Works and Navigation	33,00,529	99,71,656	884,813	290	885,103	39,38,000	89,93,000
TOTAL	1,63,67,892	2,85,94,606	2,997,500	112,634	3,110,134	1,79,64,000	2,79,12,000
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	...	11,928	795	...	795	...	21,000
45.—Civil Works	95,05,533	5,73,37,508	4,456,203	80,464	4,536,667	99,98,000	6,87,87,000
TOTAL	95,05,533	5,73,49,436	4,456,998	80,464	4,537,462	99,98,000	6,88,08,000
Military Services—							
46.—Army: Effective	20,41,48,426	...	13,603,895	2,336,228	15,946,123	20,89,65,000	...
Non-Effective	1,05,14,653	...	700,977	2,484,680	3,185,657	1,04,17,000	...
	21,46,63,079	...	14,310,872	4,820,908	19,131,780	21,93,82,000	...
46A.—Marine	35,64,182	...	237,612	208,255	445,867	38,57,000	...
47.—Military Works	1,30,75,454	...	871,697	28,740	900,437	1,27,45,000	...
47A.—Special Defences (1902)	38,785	...	2,586	5,401	7,987	90,000	...
TOTAL	23,13,41,500	...	15,422,767	5,063,304	20,486,071	23,60,74,000	...
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	45,46,42,646	37,34,08,657	55,203,421	19,581,563	74,784,984	45,70,24,000	41,39,82,000
<i>Add</i> —Portion of Allotments to Provincial Governments not spent by them in the year	...	2,94,18,031	1,961,202	...	1,961,202	...	1,28,78,000
<i>Deduct</i> —Portion of Provincial Expenditure defrayed from Provincial Balances.	...	...	...	...	...	...	...
Total Expenditure charged to Revenue	45,46,42,646	40,28,26,688	57,164,623	19,581,563	76,746,186	45,70,24,000	42,68,60,000

	ACCOUNTS, 1910-1911.			
	INDIA.		England.	Total.
	Amount in Rupees.	Equivalent in £ at R:15=£1.		
	R	£	£	£
Capital Expenditure not charged to Revenue—				
48.—State Railways	10,58,16,61	7,054,441	1,860,764	8,915,205
49.—Irrigation Works	1,71,37,089	1,142,472	61,416	1,203,888
TOTAL	12,29,53,699	8,196,913	1,922,180	10,119,093
50.—Redemption of Liabilities	...	...	5,904,100	5,904,100
51.—Initial Expenditure on new Capital at Delhi	...	...	...	...

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

ESTIMATE, 1911-1912.			Increase + Decrease — as compared with Budget Estimate, 1911-1912.	BUDGET ESTIMATE, 1912-1913.					Increase + Decrease — of Budget, 1912-1913, as compared with Budget Estimate, 1911-1912.	Increase + Decrease — of Budget, 1912-1913, as compared with Revised Estimate, 1911-1912.
Total India (converted into £ at Rs=£1).	England	TOTAL.		INDIA. (RUPEE FIGURES.)		Total India (converted into £ at Rs=£1).	England.	TOTAL.		
				Imperial.	Provincial.					
£	£	£	£	₹	₹	£	£	£	£	
30,658,600	5,790,000	36,448,600	-701,000	14,17,09,000	33,52,34,000	31,796,200	5,736,000	37,532,500	+382,900	+1,083,900
2,808,500	3,445,900	6,254,400	+54,700	4,49,13,000	...	2,994,200	3,519,400	6,513,600	+313,900	+259,200
...	3,357,400	3,357,400	-400	...	...	...	3,357,800	3,357,800	...	+400
...	177,700	177,700	...	...	...	...	184,300	184,300	+6,600	+6,600
232,500	175,500	408,000	-18,900	37,81,000	...	252,100	175,500	427,600	+700	+19,600
178,400	1,647,200	1,825,600	+4,800	27,52,000	...	183,500	1,679,200	1,862,700	+41,900	+37,100
...
98,300	...	98,300	-3,500	18,00,000	19,000	121,200	...	121,200	+19,400	+22,900
40,400	...	40,400	+11,300	7,60,000	7,000	51,100	...	51,100	+22,000	+10,700
3,358,100	8,803,700	12,161,800	+48,000	5,40,06,000	26,000	3,602,100	8,916,200	12,518,300	+404,500	+356,500
1,138,700	...	1,138,700	+39,900	74,70,000	91,18,000	1,105,900	...	1,105,900	+7,100	-32,800
1,057,700	116,600	1,174,300	+4,700	72,16,000	96,29,000	1,123,000	118,500	1,241,500	+71,900	+67,200
...	...	...	-120,000	6,50,000	...	43,300	...	43,300	-76,700	+43,300
862,000	900	862,900	-92,300	46,55,000	91,90,000	923,000	1,200	924,200	-31,000	+61,300
3,058,400	117,500	3,175,900	-167,700	1,99,91,000	2,79,37,000	3,195,200	119,700	3,314,900	-28,700	+139,000
1,400	...	1,400	+400	...	52,000	3,500	...	3,500	+2,500	+2,100
5,252,300	85,500	5,337,800	-162,700	1,04,71,000	7,31,07,000	5,571,900	79,800	5,651,700	+151,200	+313,900
5,253,700	85,500	5,339,200	-162,300	1,04,71,000	7,31,59,000	5,575,400	79,800	5,655,200	+153,700	+316,000
13,931,000	2,481,500	16,412,500	+175,100	20,15,75,000	...	13,438,400	2,416,600	15,855,000	-382,400	-557,500
694,500	2,503,400	3,197,900	-9,300	1,04,81,000	...	698,700	2,531,000	3,229,700	+22,500	+31,800
14,625,500	4,984,900	19,610,400	+165,800	21,20,56,000	...	14,137,100	4,947,600	19,084,700	-359,900	-525,700
257,100	108,100	455,200	+7,900	34,35,000	...	229,000	218,100	447,100	-200	-8,100
849,700	39,500	889,200	-35,200	1,26,58,000	...	843,900	16,600	860,500	-63,900	-28,700
6,000	1,000	7,000	+100	1,75,000	...	11,600	8,600	20,200	+13,300	+13,200
15,738,300	5,223,500	20,961,800	+138,600	22,83,24,000	...	15,221,600	5,190,900	20,412,500	-410,700	-549,300
58,067,100	20,020,200	78,087,300	-844,400	45,45,01,000	43,63,56,000	59,390,500	20,042,900	79,433,400	+501,700	+1,346,100
858,500	...	858,500	+2,574,500	...	...	...	...	...	+158,300	-2,416,200
58,925,600	20,020,200	78,945,800	+1,730,100	45,45,01,000	41,29,90,000	57,832,800	20,042,900	77,875,700	+660,000	-1,070,100

REVISED ESTIMATE, 1911-1912.				BUDGET ESTIMATE, 1912-1913.			
INDIA.		England.	Total.	INDIA.		England.	Total.
Amount in Rupees.	Equivalent in £ at Rs=£1.			Amount in Rupees.	Equivalent in £ at Rs=£1.		
₹	£	£	£	₹	£	£	£
7,31,42,000	4,876,100	2,075,400	6,951,500	8,38,01,000	5,586,700	2,250,000	7,836,700
2,28,81,000	1,525,400	86,000	1,611,400	2,08,01,000	1,386,700	28,800	1,415,500
9,60,23,000	6,401,500	2,161,400	8,562,900	10,46,02,000	6,973,400	2,278,800	9,252,200
...
15,00,000	100,000	...	100,000	2,00,00,000	1,333,300	...	1,333,300

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1910-1911.			REVISED ESTIMATE, 1911-1912.			BUDGET ESTIMATE 1912-13.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	79,706,616	975,857	80,682,473	80,974,500	1,064,300	82,038,800	78,609,500	744,500	79,354,000
Excess of Revenue over Expenditure charged to Revenue.			3,936,287			3,093,000			1,478,300
Railway Irrigation and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways (net)	2,294,278	...	2,294,278	...	...	...	...	...	...
OUTLAY OF RAILWAY COMPANIES—									
Repayments	...	1,966	1,966	...	2,000	2,000	...	2,100	2,100
NET			0			0			0
RAISED AND DEPOSITED BY RAILWAY COMPANIES—									
On account of Subscribed Capital	87,241	...	87,241	68,900	505,000	573,900	155,600	3,380,400	3,536,000
NET			87,241			28,900			1,965,600
Permanent Debt Incurred—									
Sterling Debt—									
India Stock	...	1,224,820	...	...	2,855,100	...	...	3,000,000	...
India Bonds	...	4,000,000	...	...	...	...	...	...	...
Indian Midland Railway Debentures.	...	3,654,100	...	...	...	...	...	...	...
Rupee Debt—									
Rupee Loan	1,000,000	...	...	1,333,300	...	...	2,000,000	...	...
TOTAL NET	1,000,000	8,878,920	9,878,920	1,333,300	2,855,100	4,188,400	2,000,000	3,000,000	5,000,000
			8,896,956			1,825,900			2,931,100
Temporary Debt Incurred—									
Temporary Loans	...	5,000,000	5,000,000	...	4,500,000	4,500,000	...	...	...
NET			0			0			0
Unfunded Debt—									
Deposits of Service Funds	92,421	...	...	90,100	...	...	90,300	...	...
Savings Bank Deposits	5,37,027	...	...	7,066,800	...	...	7,077,700	...	...
TOTAL NET	5,729,448	...	5,729,448	7,156,900	...	7,156,900	7,168,000	...	7,168,000
			1,164,908			1,827,000			1,318,700
Deposits and Advances—									
Balances of Provincial Allotments	1,961,202	...	...	858,500	...	...	...	...	...
Appropriation for Reduction or Avoidance of Debt	601,995	...	...	466,500	...	...	366,500	...	...
Deposits of Local Funds—									
District Funds	3,532,295	...	...	3,690,100	...	...	3,653,200	...	...
Other Funds	1,202,770	...	...	1,183,000	...	...	1,187,200	...	...
Deposits of Sinking Funds	26,489	...	...	27,500	...	...	42,100	...	...
Gold Standard Reserve	...	11,634,402 (a)	...	...	9,480,500	...	...	11,245,700	...
Currency Reserve—									
Council Bills appropriated	...	2,545,000	...	...	1,988,300	...	...	...	...
Gold transferred	2,545,000	...	...	1,988,300	...	...	...	...	...
Departmental and Judicial Deposits	23,373,792	...	...	24,608,400	...	...	24,278,600	...	...
Advances	5,115,027	101,406	...	4,617,400	40,600	...	4,215,100	1,000	...
Suspense Accounts	129,351	...	...	20,100	...	...	35,300	...	...
Exchange on Remittance Accounts, net	20,903	...	...	17,800	...	...	...	...	...
Miscellaneous	99,439	...	...	3,300	...	...	11,900	...	...
TOTAL NET	38,607,363	14,280,808	52,888,171	37,480,900	11,509,400	48,990,300	33,789,900	11,246,700	45,036,600
			1,550,367			2,038,900			0
Carried over	127,424,946	29,137,551	...	127,014,500	20,435,800	...	121,723,000	18,373,700	...

(a) Includes £600,000 remitted from India by means of Council Bills.

Government of India, in India and in England.

	ACCOUNTS, 1910-1911.			REVISED ESTIMATE, 1911-1912.			BUDGET ESTIMATE, 1912-1913.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
Expenditure, Imperial and Provincial (from Statement B)	£ 55,203,421	£ 19,581,563	£ 74,784,984	£ 58,067,100	£ 20,020,200	£ 78,087,300	£ 59,390,500	£ 20,042,900	£ 79,433,400
Add—Provincial Surpluses transferred to "Deposits"	1,961,202	...	1,961,202	858,500	...	858,500	...	...	...
Deduct—Provincial Deficits charged to "Deposits"	...	...	...	...	...	...	1,557,700	...	1,557,700
TOTAL	57,164,623	19,581,563	76,746,186	58,925,600	20,020,200	78,945,800	57,832,800	20,042,900	77,875,700
Railway, Irrigation and other Capital not charged to Revenue—									
OUTLAY ON IRRIGATION WORKS	1,142,472	61,416	1,203,888	1,525,400	86,000	1,611,400	1,386,700	28,800	1,415,500
OUTLAY ON STATE RAILWAYS	7,054,441	1,860,764	8,915,205	4,876,100	2,075,400	6,951,500	5,586,700	2,250,000	7,836,700
INITIAL OUTLAY ON NEW CAPITAL AT DELHI	...	...	..	100,000	...	100,000	1,333,300	...	1,333,300
CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES—									
Indian Midland Railway	...	5,904,100	5,904,100	...	...	...	...	...	...
OUTLAY OF RAILWAY COMPANIES—									
Payments for Capital outlay	2,495,997	1,122,000	1,373,997	220,600	715,000	935,600	341,600	980,000	1,321,600
NET			1,375,963			933,600			1,319,500
RAISED AND DEPOSITED BY RAILWAY COMPANIES—									
Payments for discharge of Debentures	...	...	...	...	545,000	545,000	...	1,570,400	1,570,400
NET			0			0			0
Permanent Debt Discharged—									
STERLING DEBT—									
Madras Railway Debentures	...	542,300	...	...	868,700	...	...	249,700	...
Indian Midland Do.	...	...	...	...	907,500	...	...	1,227,900	...
B. B. C. I. Railway Debentures	...	275,600	...	...	...	...	...	...	...
India Bonds	...	...	...	...	500,000	...	...	500,000	...
RUPEE DEBT—									
4½ p. c. Loans	27	...	...	...	...	...	...	...	...
4 p. c. Loans	81,640	...	...	81,000	...	...	81,000	...	...
3½ p. c. Loans	353	...	...	300	...	...	600	...	...
3 p. c. Loan	81,847	...	...	4,900	...	...	9,600	...	...
Provincial Debentures	197	...	...	100	...	...	100	...	...
TOTAL NET	164,064	817,900	981,964	86,300	2,276,200	2,362,500	91,300	1,977,600	2,068,900
Temporary Debt Discharged—									
Temporary Loans	...	6,000,000	6,000,000	...	5,000,000	5,000,000	...	4,500,000	4,500,000
NET			1,000,000			500,000			4,500,000
Unfunded Debt—									
Special Loans	219	...	...	200	...	...	200	...	...
Deposits of Service Funds	91,895	...	...	97,700	...	...	96,300	...	...
Savings Bank Deposits	4,472,426	...	...	5,232,000	...	...	5,752,800	...	...
TOTAL NET	4,564,540	...	4,564,540	5,329,900	...	5,329,900	5,849,300	...	5,849,300
Deposits and Advances—									
Balances of Provincial Allotments	...	...	...	...	...	...	1,557,700	...	...
Deposits of Local Funds—									
District Funds	3,454,909	...	...	3,553,400	...	...	3,579,100	...	...
Other Funds	1,156,540	...	...	1,113,900	...	...	1,142,100	...	...
Gold Standard Reserve	...	13,167,572	...	...	9,882,600	...	...	11,266,400	...
Currency Reserve—									
Council bills appropriated	2,545,000	...	...	1,988,300	...	...	...	...	...
Gold transferred	...	2,545,000	...	...	655,000	...	...	...	...
Sums invested	...	...	...	...	1,333,300	...	...	...	...
Departmental and Judicial Deposits	23,153,126	...	...	23,927,600	...	...	24,435,900	...	...
Advances	5,130,026	1,663	...	4,290,600	90,600	...	4,238,700	1,000	...
Suspense Accounts	166,448	...	...	116,100	...	...	...	...	...
Miscellaneous	17,491	29	...	...	...	...	...	...	...
TOTAL NET	35,623,540	15,714,264	51,337,804	34,989,900	11,961,500	46,951,400	34,953,500	11,267,400	46,220,900
Carried over	103,217,683	51,062,007	...	106,053,800	42,679,300	...	107,375,200	42,617,100	1184,300

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1910-1911.			REVISED ESTIMATE, 1911-1912.			BUDGET ESTIMATE, 1912-1913.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward . . .	127,424,946	29,137,551		127,014,500	20,435,800		121,723,000	18,373,700	
Loans and Advances by Imperial Government . . .	255,612	...	255,612	266,800	...	266,800	178,600	...	178,600
NET . . .			174,074			175,400			0
Loans and Advances by Provincial Governments . . .	1,305,983	...	1,305,983	951,500	...	951,500	902,500	...	902,500
NET . . .			576,135			0			0
Loans to Local Boards for Railway Construction . . .	6,328	...	6,328	6,600	...	6,600	6,900	...	6,900
NET . . .			6,328			6,600			6,900
Remittances— Inland Money Orders . . .	30,667,886	...		32,040,000	...		33,333,300	...	
Other Local Remittances . . .	27,494	...		572,500	...		460,600	...	
Other Departmental Accounts . . .	87,847	...		...	...		...	...
Net Receipts by Civil Treasuries from— Post Office . . .	1,311,808	...		2,111,900	...		1,582,900	...	
Railways . . .	11,529,885	...		12,386,900	...		11,457,100	...	
Net Receipts from Civil Treasuries by— Telegraph . . .	618,309	...		744,500	...		770,500	...	
Marine . . .	309,798	...		297,500	...		269,800	...	
Military Works . . .	726,633	...		709,400	...		714,300	...	
Military . . .	13,172,289	...		13,302,500	...		12,773,100	...	
Remittance Account between England and India— Railway transactions . . .	2,147,822	2,300,702		2,214,000	5,700		3,288,000	5,300	
Other " . . .	641,404	948,924		973,800	1,257,500		853,100	1,008,000	
TOTAL . . .	61,241,175	3,249,626	64,490,801	65,353,900	1,263,200	66,617,100	65,502,700	1,013,300	66,516,000
NET . . .			203,370			618,400			3,400
Secretary of State's Bills drawn . . .	...	(a) 23,638,303	23,638,303	...	(b) 25,100,000	25,100,000	...	15,500,000	15,500,000
TOTAL RECEIPTS . . .	190,234,044	56,025,480		193,593,300	46,799,000		188,313,700	34,887,000	
Opening Balance . . .	12,295,428	15,809,618		13,566,922	18,174,349		11,808,222	19,395,949	
GRAND TOTAL . . .	202,529,472	71,835,098		207,160,222	64,973,349		200,121,922	54,282,949	

(a) In addition to £600,000 and £2,545,000 respectively for remittance of the Gold Standard and the Currency Reserves.

(b) In addition to £1,988,300 for remittance of the Currency Reserve.

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

	ACCOUNTS, 1910-1911.			REVISED ESTIMATE, 1911-1912.			BUDGET ESTIMATE, 1912-1913.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	103,217,683	51,062,007		106,053,800	42,679,300		107,375,200	42,617,100	
Loans and Advances by Imperial Government	81,538	...	81,538	91,400	...	91,400	341,000	...	344,000
NET			0			0			165,400
Loans and Advances by Provincial Governments	729,848	...	729,848	1,279,700	...	1,279,700	1,142,500	...	1,142,500
NET			0			328,200			240,000
Remittances—									
Inland Money Orders	30,643,141	...		32,000,000	...		33,333,300	...	
Other Local Remittances	...	...		439,200	...		460,600	...	
Other Departmental Accounts	63,281	...		...	...		...	...
Net payments into Civil Treasuries by—									
Post Office	1,312,876	...		2,111,900	...		1,582,900	...	
Railways	11,282,356	...		12,070,200	...		11,457,100	...	
Net Issues from Civil Treasuries to—									
Telegraph	616,068	...		744,500	...		770,500	...	
Marine	10,245	...		297,500	...		269,800	...	
Military Works	712,378	...		709,400	...		714,300	...	
Military	13,167,554	...		13,302,500	...		12,773,100	...	
Remittance Account between England and India—									
Railway transactions	2,295,186	2,153,643		5,700	2,214,900		5,300	3,288,000	
Other	1,285,604	445,099		1,419,700	683,200		1,250,300	601,400	
TOTAL	61,683,689	2,598,742	64,282,431	63,100,600	2,898,100	65,998,700	62,623,200	3,839,400	66,512,600
NET			0			0			0
Secretary of State's Bills paid	(a) 23,244,792	...	23,244,792	(b) 24,826,500	...	24,826,500	15,769,000	...	15,769,000
TOTAL DISBURSEMENTS	188,952,550	53,660,749		195,352,000	45,577,400		187,253,900	46,506,500	
Closing Balance	13,566,922	18,174,349		11,808,222	19,395,949		12,868,022	7,776,449	
GRAND TOTAL	202,529,472	71,835,098		207,160,222	64,973,349		200,121,922	54,282,949	

(a) In addition to £600,000 and £2,545,000 respectively for remittance of the Gold Standard and the Currency Reserves.
 (b) In addition to £1,988,300 for remittance of the Currency Reserve.

R. W. GILLAN,
Comptroller General.

J. S. MESTON,
Secretary to the Government of India.

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

Provincial Balances.

	Central Provinces and Berar.	Burma.	Eastern Bengal and Assam.	Bengal.	United Provinces o Agra and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.	Equivalent in £ at Rs 15 = £1.
	R	R	R	R	R	R	R	R	R	£
Accounts, 1910-1911.										
Balance at end of 1909-1910 . . .	24,91,658	35,07,768	17,50,000	91,17,653	50,54,581	27,75,857	1,32,73,719	87,20,891	4,66,92,127	3,112,808
Added in 1910-1911 . . .	2,80,556	19,00,297	55,39,698	39,60,612	36,35,904	41,99,121	23,16,383	75,85,460	2,94,18,031	1,961,202
Spent in 1910-1911 . . .	...	...	...	...	...	...	...	...	...	...
Balance at end of 1910-1911 . . .	27,72,214	54,08,065	72,89,698	1,30,78,265	86,90,485	69,74,978	1,55,90,102	1,63,06,351	7,61,10,158	5,074,010
Revised Estimate, 1911-1912.										
Balance at end of 1910-1911 . . .	27,72,214	54,08,065	72,89,698	1,30,78,265	86,90,485	69,74,978	1,55,90,102	1,63,06,351	7,61,10,158	5,074,010
Added in 1911-1912 . . .	10,73,000	...	3,51,000	1,31,64,000	4,61,000	27,29,000	51,52,000	...	2,09,30,000	1,395,300
Spent in 1911-1912 . . .	...	7,22,000	...	...	...	...	...	73,30,000	80,52,000	536,800
Balance at end of 1911-1912 . . .	38,45,214	46,86,065	76,40,698	2,62,42,265	91,51,485	97,03,978	1,87,42,102	89,76,351	8,89,88,158	5,932,510
Budget Estimate, 1912-1913.			Assam.	New Bengal.	Bihar.					
Balance at end of 1911-1912 . . .	38,45,214	46,86,065	41,96,000	1,66,24,963	1,30,62,000	91,51,485	97,03,978	1,87,42,102	89,76,351	8,89,88,158
Added in 1912-1913 . . .	...	...	...	...	...	...	...	...	...	...
Spent in 1912-1913 . . .	4,60,000	38,97,000	13,000	33,03,000	15,24,000	19,34,000	29,24,000	65,01,000	28,10,000	2,33,66,000
Balance at end of 1912-1913 . . .	33,85,214	7,89,065	41,83,000	1,33,21,963	1,15,38,000	72,17,485	67,79,978	1,22,41,102	61,66,351	4,374,810

N. G. BASU,
Offg. Deputy Comptroller General.

R. W. GILLAN,
Comptroller General.

J. S. MESTON,
Secretary to the Government of India.

FORT WILLIAM,
FINANCE DEPARTMENT;
March 22, 1912.

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

REVENUE AND EXPENDITURE.		Accounts, 1910-1911.				Revised Estimate, 1911-1912.		Budget Estimate, 1912-1913.	
		Revenue.	Expenditure.		Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		£	£	£	£	£	£	£	£
Revenue Heads.									
Principal Heads of Revenue.	Land Revenue (excluding that due to Irrigation)	20,877,521	765,360	3,662,426	16,449,735		16,177,600		16,554,100
	Opium	7,521,962	3,774	1,246,657	6,271,531		5,162,400		2,930,700
	Salt	3,175,950	259,184	377,076	2,539,690		2,784,300		2,789,300
	Stamps	4,811,691	54,181	123,820	4,633,690		4,590,200		4,701,300
	Excise	7,030,314	72,934	405,994	6,551,386		7,149,800		7,395,800
	Provincial Rates	554,378	1,518	4,624	548,236		549,700		543,600
	Customs	6,619,009	122,007	239,506	6,257,436		6,156,800		6,008,900
	Assessed Taxes	1,829,557	9,618	6,991	1,550,692		1,601,200		1,606,300
	Forest	425,855	6,570	1,033,261	789,726		748,600		772,100
	Registration	607,447	1,210	240,699	183,946		183,600		196,000
Tributes		198,753	...	408,694		396,300		402,200	
TOTAL		55,046,985	1,495,109	7,361,114	46,190,762		45,500,500		43,901,000
Total deduction from Revenue			8,856,223						
Expenditure Heads.									
Debt Services	Interest	1,465,439	2,168,902			703,463	631,600	817,930	
Commercial Services.	Post Office	1,996,922	1,950,892		46,030		85,100	169,700	
	Telegraph	997,159	976,832		20,327		50,500	29,400	
Other Public Works	Railways	13,881,401	11,863,665		2,017,496		3,122,600	2,021,900	
	Irrigation	3,694,521	3,110,134		584,387		801,300	606,200	
Mint	Civil works, &c.	293,833	4,537,462			4,243,629	5,013,500	5,334,300	
Civil Departments	Mint	196,110	92,369		103,741		225,400	104,300	
Miscellaneous Civil Services.	Civil Departments	1,211,123	14,931,367		13,720,244		15,259,500	16,250,700	
	Superannuation	195,489	3,145,889		2,950,400		2,998,000	3,045,600	
	Exchange	70,084	...		70,084		105,700	79,900	
Famine Relief and Insurance	Miscellaneous	314,662	339,392		4,730		58,000	79,900	
	Other heads	97,656	1,345,486		1,247,830		1,249,300	1,230,200	
Military Services	Famine Relief	...	2,336		2,336		86,100	133,500	
	Other heads	...	997,664		997,664		913,900	866,500	
	Army	948,154	15,946,123		14,997,969		15,349,300	14,812,400	
	Non-effective	110,495	3,185,657		3,075,162		3,083,000	3,117,400	
Provincial Adjustment	Marine	91,787	445,867		354,080		376,000	356,000	
	Military works	70,593	900,437		820,844		813,400	788,500	
	Special Defences (1902)	...	7,957		7,987		7,000	20,200	
TOTAL		80,682,473	74,784,984	1,961,202	5,897,489		3,951,500	858,500	79,400
Surplus								1,557,700	
TOTAL		80,682,473	76,746,186		3,936,287		3,093,000	1,478,300	
Capital Account									
Railway Irrigation and other Capital not charged to Revenue :-									
Capital Account	Capital raised through Companies towards outlay on State Railways				2,294,278				
	Capital raised and deposited by Railway Companies (net)				87,241		28,900	1,965,600	
	Outlay on Irrigation Works					1,203,888	1,611,400	1,415,500	
	Outlay on State Railways					6,915,205	6,951,500	7,836,700	
	Initial outlay on new Capital at Delhi						100,000	1,333,300	
	Outlay of Railway Companies (net)					-1,375,963	933,600	1,319,500	
	Capital involved in Redemption of Railway Liabilities					5,904,100			
	Permanent Debt (net)				8,896,956		1,825,900	2,931,100	
	Temporary Debt (net)					1,000,000	500,000	4,500,000	
	Unfunded Debt (net)				1,164,008		1,827,000	1,318,700	
Debt, Deposits, Advances, and Remittances	Loans and Advances by Imperial Government (net)				174,074		175,400	165,400	
	Loans and Advances by Provincial Governments (net)				576,135			240,000	
	Loans to Local Boards for Railway Construction (net)				6,328		6,600	6,900	
	Deposits and Advances (net)				1,550,367		2,038,900	1,184,300	
	Remittances (net)				203,370		618,400	3,400	
	Secretary of State's Bills drawn (net)				23,638,303		25,100,000	15,500,000	
Secretary of State's bills paid (net)					23,244,792	24,826,500	15,769,000		
TOTAL					42,528,247	36,892,022	34,714,100	23,204,000	33,763,700
Cash Balance	Opening Balance				28,105,046		31,741,271	31,204,171	
	Closing Balance					31,741,271	31,204,171	20,644,471	
TOTAL					70,633,293	70,633,293	66,455,371	66,455,371	54,408,171

N. G. BASU, *Offg. Deputy Comptroller General.* FORT WILLIAM, FINANCE DEPARTMENT; March 22, 1912.

R. W. GILLAN, *Comptroller General.*

J. S. MESTON, *Secretary to the Government of India.*

MEMORANDUM EXPLAINING THE DETAILS OF THE ESTIMATES.

1. In this memorandum the variations between the Budget and the Revised estimates of the current year, and between the latter and the Budget estimates of next year, are explained in detail for the major heads of account. Under most of the heads details by provinces have been given, and it may be explained that the figures shown against "India General" represent the transactions of the Central Government, including all expenditure directly controlled by it, of the minor administrations of Ajmer-Merwara and Coorg, and of the convict settlement in the Andamans. The Budget estimates of Provincial and "Divided" expenditure in 1912-13 generally represent the allotments proposed by the several Governments and Administrations with whom regular provincial settlements have been concluded, and in the case of provinces having local Legislative Councils more detailed information regarding the figures will be found in the Financial Statements presented by the Local Governments to their respective Councils. For the three new provinces which will come into existence as a result of the Royal announcement at the Coronation Durbar, lump allotments under the various major heads have been made by the Government of India with reference to the standards of expenditure which have been adopted in the financial settlements framed for them, and to the detailed provisions made in the estimates submitted by the local Governments of Eastern Bengal and Assam and Bengal. *Introductory.*

In this memorandum the word "Behar" is used for brevity to describe the new province which will include Behar, Chota Nagpur and Orissa.

2. The broad totals of revenue and expenditure for the last year, the current year and the ensuing year are as follows:— *General results.*

		Accounts, 1910-1911.
		£
Revenue	80,682,473	
Expenditure charged to Revenue	76,746,186	
Surplus	£ 3,936,287	
		Revised, 1911-1912.
		£
Revenue	82,038,800	
Expenditure charged to Revenue	78,945,800	
Surplus	£ 3,093,000	
		Budget, 1912-1913.
		£
Revenue	79,354,000	
Expenditure charged to Revenue	77,875,700	
Surplus	£ 1,478,300	

These figures exclude all capital, debt and remittance transactions.

3. The accounts of 1910-11 are not discussed in this memorandum, but according to our usual practice in the past a brief explanation is given below of the principal divergences between the Revised estimates of revenue and expenditure as submitted to the Council twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Comptroller and Auditor General, whose Appropriation Report has just been published in the Gazette of India of the 19th instant. It may be mentioned at the outset that the change in our Budget arrangements, necessitated by the Council reform scheme, has affected the accuracy of the Revised estimates. Previous to 1910, these estimates were based on the audited accounts of ten months and on the approximate figures for the eleventh *Accounts of 1910-11.*

month under the principal revenue heads. Owing to the earlier presentation to the Legislative Council of the Financial Statement, the Revised estimates have now to be framed with reference to the audited accounts of nine months and the approximate figures for the tenth month. Corrections in the figures can of course be made after the presentation of the Financial Statement and until the presentation of the Budget ; but for obvious reasons it is inconvenient to make any corrections at this stage unless they materially affect the estimates. Moreover the Government of India do not now exercise the same minute scrutiny over the Provincial figures as they used to do before.

The total revenue turned out about £356,000 more and the total expenditure about £189,800 less than the Revised estimate with the result that the year's surplus was £545,800 larger than was anticipated. Eliminating the Provincial figures, the improvement occurred chiefly under the following heads. A sum of £194,700 was contributed by the net receipts of Railways, the gross earnings of which were higher, and the working expenses less, than the Revised estimate by about ₹15 lakhs in each case. The Military figures were better by £83,200 mainly in consequence of larger recoveries on account of clothing stores supplied on payment and a smaller expenditure on furlough allowances and voyage pay of British soldiers and on the purchase of stores in England. An increase of £75,600 occurred in the Customs revenue as the net result of less important variations under a number of tariff heads; and there were savings of £57,500 and £40,600 respectively in Telegraph expenditure and in the miscellaneous charges of Railways.

Authors of Memorandum.

4. Paragraphs 191 to 218 of this Memorandum have been communicated by the Hon'ble Mr. J. B. Brunyate, C.I.E., Secretary to the Government of India in the Military Finance branch : and the rest of the Memorandum has been drafted by Mr. Bhupendra Nath Mitra, M.A., Assistant Secretary in the Finance Department.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 135

I AND 3.—LAND REVENUE.

REVENUE.

(Including the portion due to Irrigation.)

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	8,53,850	8,81,223	8,08,539	8,10,000	7,34,000	7,17,000
2. Baluchistan	9,39,928	10,02,440	8,91,261	9,14,000	8,70,000	9,03,000
3. North-West Frontier.	23,42,121	23,30,699	21,79,157	22,60,000	21,54,000	21,83,000
4. Other Provinces	5,81,726	10,43,159	11,46,179	13,97,000	7,62,000	16,92,000
Total	47,17,625	52,57,521	50,25,136	53,81,000	45,20,000	54,95,000
<i>Divided and Provincial.</i>						
1. Central Provinces	1,66,30,891	1,87,74,671	1,81,31,128	1,85,00,000	1,86,00,000	1,87,60,000
2. Burma	4,10,68,905	4,20,29,468	4,06,18,783	4,36,69,000	4,35,29,000	4,27,82,000
3. Assam . . . . .	...	...	...	...	...	76,93,000
4. Bengal (new) . . . . .	...	...	...	...	...	2,69,88,000
5. Behar . . . . .	...	...	...	...	...	1,51,97,000
6. United Provinces	6,56,19,626	6,98,61,785	6,74,96,264	6,69,68,000	6,60,36,000	6,70,65,000
7. Punjab	2,45,79,377	3,13,87,524	2,97,80,632	3,47,00,000	3,38,48,000	3,52,82,000
8. Madras	6,37,01,233	6,49,15,137	6,61,22,570	6,75,79,000	6,78,45,000	6,83,93,000
9. Bombay	4,78,79,532	5,48,03,513	5,42,16,103	5,38,33,000	4,75,01,000	5,22,48,000
Eastern Bengal and Assam	1,95,33,022	2,01,21,586	2,01,84,470	2,03,40,000	2,03,50,000	...
Bengal (old)	2,90,21,355	2,95,91,736	2,92,57,800	2,93,16,000	2,92,23,000	...
Total	30,80,33,941	33,14,85,420	32,58,07,750	33,49,05,000	32,69,32,000	33,44,08,000
TOTAL REVENUE R	31,27,51,566	33,67,42,941	33,08,32,886	34,02,86,000	33,14,52,000	33,99,03,000
Shown under I.—Land Revenue R	29,63,85,898	31,99,82,121	31,31,62,808	32,12,82,000	31,11,48,000	31,91,39,000
Shown under XXIX.—Irrigation R	1,63,65,668	1,67,60,820	1,76,70,078	1,90,04,000	2,03,04,000	2,07,64,000
Equivalent of total Revenue in Sterling £	20,850,104	22,449,529	22,055,526	22,685,800	22,096,800	22,660,300
Shown under I.—Land Revenue £	19,759,060	21,332,141	20,877,521	21,418,800	20,743,200	21,276,000
Shown under XXIX.—Irrigation £	1,091,044	1,117,388	1,178,005	1,267,000	1,353,600	1,384,300

EXPENDITURE.

<i>Imperial.</i>						
1. India General	5,03,109	4,93,158	4,48,303	4,07,000	4,09,000	3,98,000
2. Baluchistan	2,10,629	2,10,185	2,21,950	2,22,000	2,38,000	2,35,000
3. North-West Frontier.	5,58,745	5,87,200	5,88,174	6,14,000	6,32,000	6,85,000
4. Other Provinces	24,07,398	26,21,963	27,93,330	29,81,000	27,58,000	29,50,000
Total	36,79,881	39,18,506	40,51,757	42,24,000	40,37,000	42,68,000
<i>Divided and Provincial.</i>						
1. Central Provinces	37,39,513	38,16,408	39,07,049	39,60,000	39,30,000	39,04,000
2. Burma	68,19,354	66,35,721	65,12,019	68,33,000	68,06,000	69,17,000
3. Assam . . . . .	...	...	...	...	...	14,27,000
4. Bengal (new) . . . . .	...	...	...	...	...	33,50,000
5. Behar . . . . .	...	...	...	...	...	25,80,000
6. United Provinces	86,76,311	83,67,891	83,90,829	85,56,000	86,50,000	88,60,000
7. Punjab	49,74,947	47,85,927	46,80,491	48,45,000	48,76,000	50,31,000
8. Madras	1,20,17,254	1,24,04,096	1,27,50,336	1,31,77,000	1,31,01,000	1,45,67,000
9. Bombay	81,16,793	80,21,443	78,67,486	81,81,000	83,00,000	86,04,000
Eastern Bengal and Assam	30,67,804	30,68,240	30,51,163	32,29,000	32,50,000	...
Bengal (old)	37,10,161	37,24,433	36,96,519	40,70,000	39,39,000	...
Total	5,11,22,137	5,08,24,159	5,08,55,892	5,28,51,000	5,28,52,000	5,52,40,000
TOTAL INDIA R	5,48,02,018	5,47,42,665	5,49,07,649	5,70,75,000	5,68,89,000	5,95,08,000
Equivalent in Sterling England £	3,653,468 464	3,649,511 568	3,660,510 1,916	3,805,000 800	3,792,600 1,900	3,967,200 1,000
TOTAL EXPENDITURE £	3,653,932	3,650,079	3,662,426	3,805,800	3,794,500	3,968,200

Statement showing the distribution between Imperial and Provincial of the Land Revenue shown in the preceding table under 1911-12 and 1912-13.

	1911-1912.		Budget, 1912-1913.
	Budget.	Revised.	
1. Total divided revenue	32,67,87,000	31,27,52,000	31,72,05,000
<i>Imperial.</i>			
2. Imperial share according to the terms of the provincial settlements	16,31,75,000	15,90,56,000	16,15,03,000
3. Deduct :—			
(a) Fixed recurring assignments from Imperial to Provincial under the terms of the provincial settlements, including permanent additions subsequently made to them	5,77,000	5,44,000	61,15,000
(b) Assignments in connection with the scheme for the incidence of famine relief expenditure (<i>vide</i> para. 54 of Financial Statement for 1907-1908)	37,50,000	37,50,000	37,50,000
(c) Non-recurring grants :—			
(i) under the terms of the provincial settlements	8,77,000	8,16,000	15,67,000
(ii) in aid of outlay on the improvement of sanitation and agriculture and of her allied objects, treated as a special appropriation from the opium revenue of the year . . . . .	...	85,00,000	...
(iii) towards expenditure connected with the Royal visit and the Royal boons . . . . .	...	1,65,58,000	...
(iv) other items	3,49,000	63,59,000	2,06,000
Total assignments	55,53,000	3,65,27,000	1,16,38,000
4. Net Imperial share of divided revenue	15,76,22,000	12,25,29,000	14,98,65,000
5. Add—Wholly Imperial Revenue	53,81,000	45,20,000	54,95,000
TOTAL	16,30,03,000	12,70,49,000	15,53,60,000
Shown under I.—Land Revenue	15,25,44,000	11,59,58,000	14,40,38,000
" " XXIX.—Irrigation	1,04,59,000	1,10,91,000	1,13,22,000
<i>Provincial.</i>			
1. Share of divided revenue	16,31,65,000	19,02,23,000	16,73,40,000
2. Wholly Provincial Revenue	1,41,18,000	1,41,80,000	1,72,03,000
TOTAL	17,72,83,000	20,44,03,000	18,45,43,000
Shown under I.—Land Revenue	16,87,38,000	19,51,90,000	17,51,01,000
" " XXIX.—Irrigation	85,45,000	92,13,000	94,42,000

5. The Imperial expenditure shown against "Other Provinces" in the table at page 21 represents the cost of survey and record-of-right operations on a large scale in Eastern and Western Bengal and in Behar, undertaken more for administrative than for fiscal purposes. The expenditure is of a temporary and varying character and was accordingly not considered suitable for inclusion in the financial settlements with the two provinces. Three-fourths of the charges are eventually recovered from landlords and tenants for the protection of whose rights the operations are primarily undertaken; and the recoveries are shown in the table as Imperial revenue against "Other Provinces."

REVENUE.

(a) *Wholly Imperial.*

6. The latest estimate for 1911-12 is R8.61 lakhs less than the Budget Revised, 1911-12. forecast, owing mainly to the postponement of the recovery of survey and settlement charges in certain districts in Bengal and Behar and to remissions and short collections in the North-West Frontier Province, Baluchistan and Ajmer necessitated by a deficient rainfall. Budget for 1912-13 is R9.75 lakhs Budget, 1912-13. higher than the Revised for the current year, the bulk of the increase occurring under recoveries of survey and settlement expenditure in Bengal and Behar.

(b) *Divided and wholly Provincial.*

7. The total collections in 1911-12 will fall short of the Budget estimate Revised, 1911-12. by R79.73 lakhs. There is a considerable deficiency of R63.32 lakhs in Bombay caused by the absence of timely rains in the northern districts of the Presidency and the consequent necessity for large suspensions and remissions of land revenue in the affected tracts. Important shortages are also expected in the United Provinces (R9.32 lakhs) and in the Punjab (R8.52 lakhs) due mainly to suspensions necessitated by the late arrival of the monsoon. The falling-off in the collections in the Punjab would have been higher but for the introduction of enhanced settlement rates in certain canal tracts which has led to a considerable improvement of R14.98 lakhs in that province in the share of Land Revenue due to Irrigation. The variations between the Budget and Revised estimates in the other provinces are less important in magnitude and call for no remark.

8. The total Budget for next year is R74.76 lakhs more than the Revised Budget, 1912-13. estimate for 1911-12. The improvement is distributed over all the provinces with the exception of Burma where a decline in the collections will result from a reduction in the outstanding revenue at the end of the current year as compared with that at its beginning. The largest increase occurs naturally in Bombay (R47.47 lakhs), where provision has been made for the recovery of about half the suspended and arrear revenue outstanding at the beginning of the year. The collections in this province would in fact have been taken higher but for a heavy fall which is expected in the revenue from the Sind canals owing to the low inundation of the Indus in the past season and the consequent decrease in cultivation. Important increases over the Revised estimate of the current year are also assumed in the Punjab (R14.34 lakhs) and in the United Provinces (R10.29 lakhs) in the expectation of a normal collection of the current demand and the recovery of the unremitted portion of the revenue left outstanding at the end of the current year; and in Madras (R5.48 lakhs) owing mainly to the credit to general revenues of the quit-rents on service *inams* which used to be hitherto credited to the Proprietary Estates Village Service Funds.

(c) *Adjustments between Imperial and Provincial.*

9. The table at page 22 shows the amount of Land Revenue assigned for Provincial expenditure in the two years. The large increase in the wholly

Provincial revenue in 1912-13 is due to the treatment as such in the temporary provincial settlements with Assam and Bengal of collections from Government estates which were treated as "divided" revenue in Eastern Bengal and Assam. The variations between the Budget and Revised estimates for the current year of assignments from Imperial to Provincial and between the latter and the Budget estimate for 1912-13 are explained below.

(1) *Recurring Assignments.*

Revised, 1911-12.

Budget, 1912-13.

10. The small variation between the Revised and Budget estimates for 1911-12 is due to certain petty corrections and re-adjustments in Burma, the United Provinces and Bombay. Of the increase of ₹55.71 lakhs in the Budget estimate for 1912-13 over the Revised estimate for the current year, ₹45 lakhs are contributed by allotments made to the major provinces out of the Royal benefaction of ₹50 lakhs for the promotion of education. Provision has also been made for additional recurring assignments to Madras of (a) ₹10.80 lakhs required to compensate provincial revenues for the net expenditure thrown on them by the remission of the village service cess in the proprietary estates; and (b) ₹.75 lakh being the balance of the recurring Imperial contribution in connection with the Meyer scheme for the constitution of additional districts. But there is a small net gain of ₹.84 lakh on the assignments to be given in connection with the temporary provincial settlements which will be concluded with the three new provinces of Assam, Bengal and Behar, and under the terms of which the recurring Imperial assignments have been provisionally fixed at ₹6.89 lakhs, - ₹7.28 lakhs, and - ₹2.36 lakhs respectively, against - ₹19.21 lakhs and ₹17.30 lakhs now received by Bengal and Eastern Bengal and Assam.

11. The decrease in the net Imperial assignment does not, however, correctly represent the effect of the proposed financial settlements; for it is not intended to make any reduction in the allotment of revenue enjoyed by the provincial Governments of Bengal and Eastern Bengal and Assam in connection with the impending territorial re-arrangement. Under the terms of the temporary provincial settlements: (1) land revenue collections in Government estates in Assam and in the eastern districts of new Bengal as well as the corresponding charges of collection and management, will, as already stated, become wholly Provincial instead of divisible in moieties between Imperial and Provincial as in the existing province of Eastern Bengal and Assam; (2) excise revenue and expenditure in the western districts of new Bengal will be wholly Provincial instead of being shared between Imperial and Provincial in the ratio of one to three as is the case in the existing province of Bengal; and (3) receipts and charges of minor irrigation works in the eastern districts of new Bengal will be divided in moieties between Imperial and Provincial instead of continuing to be wholly Provincial. The additional funds thus transferred to the provincial Governments will amount to ₹37.04 lakhs in the Budget estimate for 1912-13. Deducting from this sum the ₹.84 lakh mentioned above, the recurring Imperial contribution given to the three new provinces in connection with the raising of the status of the local Government in Bengal, the creation of a third local administration and the development of backward areas, amounts to ₹36.20 lakhs, inclusive of a sum of ₹3 lakhs on account of the balance of the promised contribution in aid of the schemes for the re-organisation of police in Assam and in the eastern districts of new Bengal.

12. The financial effect of the proposed remission of the Proprietary Estates' Village Service Cess in the Madras Presidency will be mainly as follows: The cess which is now levied in "proprietary" or permanently settled estates for the payment of village servants whose *inams* have been resumed, will be discontinued. Simultaneously the separate funds into which the cess receipts used to be paid will be abolished; and the charges of the village servants, as well as the cost of the enfranchisement operations, which were hitherto met from these funds, will be paid from general revenues which will also be credited with the rents of the resumed *inams*. The expenditure will be wholly Provincial,

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 139

while the receipts which will be recorded under "I.—Land Revenue" will be divisible in moieties between Imperial and Provincial. The net loss to Provincial revenues arising from the arrangement will be met by a recurring Imperial assignment which is estimated at R10·80 lakhs in 1912-13, but will grow as the process of the resumption of the *inam* lands progresses from year to year. Provincial revenues will also be re-imbursed the outstanding cost of enfranchisement operations already undertaken out of the accumulated balances of the funds, which will merge into general revenues; but no provision on this account has been made in the present estimates owing to want of detailed information.

13. The following is the distribution among the different provinces of the recurring grant of R45 lakhs for the promotion of education:—

	Lakhs of Rupees.		Lakhs of Rupees.
Central Provinces	2·5	United Provinces	7·0
Burma	2·5	Punjab	3·5
Assam	1·5	Madras	8·0
Bengal	9·0	Bombay	6·5
Behar	4·5		

(2) *Non-recurring Assignments.*

14. It has been decided to distribute about a third of the opium revenue realised in the current year in excess of R615 lakhs among the several Provincial Governments to be applied to initial or capital expenditure on important schemes for (a) the improvement of sanitation, (b) the furtherance of research in hygiene, and (c) the development of the agricultural and veterinary departments and other allied branches of the administration. The total amount available for this purpose is estimated at R85 lakhs; and this amount has accordingly been placed at the disposal of the local Governments concerned by non-recurring assignments of Imperial Land Revenue in the current year. The distribution of the sum is given below:—

[Lakhs of Rupees.]

Province.	Sanitation.	Research in hygiene, etc.	Agriculture and allied subjects.	TOTAL.
1	2	3	4	5
Central Provinces	4·00	...	1·00	5·00
Burma	4·00	2·00	1·00	7·00
Assam	1·46	...	·50	1·96
Bengal	7·25	5·00	4·00	16·25
Behar	4·62	...	1·00	5·62
United Provinces	8·00	...	1·00	9·00
Punjab	6·17	6·00	4·00	16·17
Madras	8·00	...	6·50	14·50
Bombay	6·50	2·00	1·00	9·50
Total	50·00	15·00	20·00	85·00

15. The amount shown against the Punjab in column 3 represents a contribution to the funds of the Central Research Institute at Kasauli, and the figures entered in the same column against Burma, Bengal and Bombay are intended respectively for the establishment of a bacteriological institute in Burma and of a school of tropical medicine in Calcutta, and for improving and refitting the old laboratories at Parel. The figures shown against Bengal and Madras in column 4 include allotments of R3 lakhs in each case for the formation of a reserve stock of quinine, while the figure shown against the Punjab includes an allotment of a like amount for a veterinary college.

16. Another important class of assignments for which provision has been made in the Revised estimate for 1911-12 is those necessitated by the Royal visit and the boons announced at the Coronation Durbar. These aggregate Rs 165.58 lakhs. By far the principal item in this group is one of Rs 117.29 lakhs required to provide adequate opening balances for the three new provinces, the bulk of which will be spent on initial outlay in Behar on its new capital. The other items of expenditure, to meet which special assignments falling in this group have been made, are as follows:—

	Lakhs of Rupees.
(1) Payment of Royal bonus to certain civil employés of Government	31.78
(2) Remission of sundry debts owed to Government by non-jurisdictional estates in Kathiawar and Gujerat	10.83
(3) Contribution for the construction of a building on the Apollo Bunder to commemorate the Royal visit	2.00
(4) Contribution to the cost of the reception of Their Imperial Majesties at the Apollo Bunder . . . . .	.80
(5) Cost of the Aden Chiefs' camp at Delhi and incidental charges . . . . .	.52
(6) Illumination of Imperial buildings, payment of debts of certain civil prisoners, etc.	2.36
	<hr/>
	48.29
	<hr/>

17. The following are the details of the other non-recurring grants given in the two years:—

(a) Grants made under the terms of the Provincial settlements:—

	1911-1912.	1912-1913.
To bring the net Irrigation revenue in the United Provinces and Punjab up to the amounts guaranteed in the settlements	8.16	15.67
	<hr/>	<hr/>

(b) Other grants—

(1) Contribution to the Madras Corporation for expenditure on drainage and water-works schemes	25.00	...
(2) Contribution for the improvement of communications in Burma	20.00	...
(3) Grant to the United Provinces for tank restoration works out of the special provision made in the Imperial Budget under Minor Irrigation works for the improvement of irrigation . . . . .	.81	...
(4) Contribution to meet provincial expenditure in Burma and Assam in connection with frontier missions	8.70	...
(5) Annual contribution to the Calcutta Improvement Trust for a period of sixty years	1.50	1.50
(6) Miscellaneous adjustments representing mainly refund of expenditure undertaken on behalf of the Imperial Government or of Provincial revenue erroneously credited as Imperial	7.58	.56
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	63.59	3.06
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EXPENDITURE.

(a) *Wholly Imperial.*

18. The saving of ₹1·87 lakhs in the Budget grant for 1911-12 is chiefly Revised, 1911-12. due to lapses in the provision for survey and settlement expenditure in Bengal and Eastern Bengal and Assam. The increase of ₹2·31 lakhs in the Budget Budget, 1912-13. estimate for 1912-13 over the Revised for the current year also occurs mainly in this item of expenditure.

(b) *Divided and Provincial.*

19. The total expenditure in the current year will coincide closely with the Revised, 1911-12. Budget estimate. This is, however, due to the payment of the Royal bonus to the extent of ₹8·78 lakhs, and but for such payment the expenditure would have fallen short of the Budget by ₹8·77 lakhs. Savings of considerable magnitude would have been realised in Madras (₹3·80 lakhs), Bengal (₹1·65 lakhs) and the United Provinces (₹1·18 lakhs), owing to ordinary lapses in grants, the total or partial non-utilisation of lump provisions for the revision of certain establishments, and to reduced expenditure in Madras on grain compensation allowance caused by a fall in the prices of food grains.

20. The total Budget estimate for 1912-13 is ₹23·88 lakhs higher than the Budget, 1912-13. Revised for the current year; and if allowance is made for the payment of the Royal bonus included in the latter the true excess works out at ₹32·66 lakhs. The increase is distributed over all the provinces, and is partly due to normal provision for the charges of sanctioned establishments. A lump provision of ₹13·3 lakhs has been made in Madras for the payment from general revenues of village establishments now paid from the Proprietary Estates Village Service Funds which will be abolished on the remission of the special cess now levied from these estates. Special provision has also been made in Assam, Bengal and Behar for the formation of separate cadres of the Indian, Provincial and Subordinate Civil Services; in the United Provinces for the revision of the cadre of deputy collectors, the extension of settlement operations and the grant of travelling allowance to *tahsil* peons; in the Punjab for the revision of the pay of members of the Indian Civil Service, the extension of settlement operations and the construction and repair of *patwarkhanas*; in Madras for the revision of the pay of subordinate magistrates, deputy tahsildars and taluk and village establishments; and in Bombay for the re-organisation of the grades of Assistant Collectors, the revision of the pay of low-paid subordinate revenue establishments, the creation of the Nawabshah district in Sind, and temporary establishments for the maintenance of records-of-rights and for revision settlement of certain talukas in Sind.

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II AND 4.—OPIUM.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
INDIA.						
Revenue—						
Bengal—Sale of Opium	6,35,16,675	6,81,92,200	10,86,83,616	5,55,25,000	7,48,64,000	3,10,57,000
Bombay—Pass and auction Fees	2,09,81,700	1,08,62,101	1,30,800	46,30,000	96,37,000	1,86,74,000
Excise Opium and other Revenue	37,73,449	39,65,944	40,15,017	40,51,000	40,70,000	46,00,000
TOTAL R	8,82,71,824	8,30,20,245	11,28,29,433	6,42,06,000	8,85,71,000	5,43,31,000
Equivalent in Sterling	5,884,788	5,534,683	7,521,962	4,280,400	5,904,700	3,622,000
Expenditure—						
Payments to Cultivators, including purchase of Opium	1,62,93,113	1,46,83,428	1,68,40,270	1,60,69,000	93,70,000	89,01,000
Other Charges	22,31,332	19,57,434	18,52,014	16,76,000	17,00,000	14,08,000
TOTAL INDIA R	1,85,24,445	1,66,40,862	1,86,92,284	1,77,45,000	1,10,70,000	1,03,09,000
Equivalent in Sterling	1,234,963	1,109,391	1,246,152	1,183,000	738,000	687,200
ENGLAND.						
Other Charges £	1,125	764	505	500	700	500
TOTAL £	1,236,088	1,110,155	1,246,657	1,183,500	738,700	687,700
Statistics—						
Bengal—						
Chests sold. { Certified	45,900	42,300	(a) 37,590	{ 10,210	10,120	5,206
{ Uncertificated				{ 20,000	(b) 16,740	12,200
Average price. { Certified	R1,384	R1,612	R2,891	{ R2,500	R3,456	R2,450
{ Uncertificated				{ R1,500	R2,383	R1,500
Chests produced	40,001	28,125	29,000	...	15,000	...
Chests in Balance, March 31	55,333	41,158	(a) 32,568	...	20,708	...
Reserve, December 31	26,132	22,933	11,458	9,018	11,018	11,018
Bombay—						
Chests passed for export	34,969½	18,103½	218	5,938	10,508	(c) 15,615
Rate of duty (Government share)	R600	R600	R600	R600 & 800	R600, 800 & R900	R900
Government share of auction proceeds	...	...	...	...	R9,77,000	R46,20,000

(a) Exclusive of 100 chests supplied to the Government of the Straits Settlements in March 1911, the price of which has been realised in 1911-12.

(b) Inclusive of 100 chests supplied to the Government of the Straits Settlements in March 1911, the price of which has been realised in 1911-12.

(c) Inclusive of 1,000 chests for markets other than China.

REVENUE.

(i) Bengal Opium.

Revised, 1911-12.

21. The Budget estimate for 1911-12 provided for the sale of 30,210 chests of Bengal opium; and it was assumed that 10,210 chests out of these would be specially certificated for China and would realise an average price of R2,500 a chest, while the remaining 20,000 chests would yield an average price of R1,500 each only. The total number of chests offered for sale at Calcutta has amounted to 26,860, of which 10,120 were specially certificated for China. An average price of R3,456 a chest has been obtained on the latter, while the 16,740 uncertificated chests have brought in an average price of R2,383 a chest.

The total revenue from this source thus amounts to ₹748·64 lakhs against a Budget estimate of ₹555·25 lakhs.

22. The Budget for 1912-13 provides for the sale of 17,406 chests of Bengal opium, of which 5,206 chests only will be specially certificated for China. It has been assumed that out of the latter, 4,690 chests, which will be sold in the first three quarters of the year, will yield an average price of ₹2,500 each, the remaining 516 chests to be sold in the last quarter fetching a somewhat lower average of ₹2,000 each. For the 12,200 uncertificated chests an average price of ₹1,500 each has been taken. The total receipts on account of Bengal opium are thus estimated at ₹310·57 lakhs. Budget, 1912-13.

(ii) *Malwa Opium.*

23. As regards Malwa opium, the Budget estimate for the current year provided for a revenue of ₹46·30 lakhs mainly from chests which were under promise of the privilege of priority of export in 1912 on payment of a duty of ₹800 a chest. It was, however, decided in the course of the year to introduce with effect from the 1st January 1912 a system of auctions for regulating the export of Malwa opium from Bombay on lines similar to those in force in Calcutta for the sale of Bengal opium. The details of the arrangement are as follows:— Revised, 1911-12.

- (a) The right to export the permissible number of chests of Malwa opium is sold to the highest bidders by instalments at monthly auctions.
- (b) In addition to the price paid for the right of export, purchasers are required to pay also an increased pass duty of ₹1,225 a chest on chests covered by a pass granted at Ajmer and of ₹1,200 a chest when the pass has been granted elsewhere.

24. It has been decided in connection with the new arrangement to recover the pass duty in full within fifteen days of sale but to allow a further period of three months on the deposit of suitable security, for the payment of the premium for the right of export. It is also proposed to make over to the opium-producing Native States in Malwa a share in the profits arising from the arrangement, and they will receive one-half of the additional pass duty of ₹600 per chest plus one-half of the auction fees.

25. The right of exporting 4,005 chests of Malwa opium has been sold under the above arrangement in three equal monthly instalments in the first quarter of the calendar year 1912, all the chests being certificated for China. Allowing for the possible throw-forward into the accounts of 1912-13 of the greater portion of the premium payable at the last two sales of the year, the Government share of the revenue to be realised in 1911-12 under the new arrangement is taken at ₹45·82 lakhs. In addition to this sum, ₹50·55 lakhs of duty have been realised from chests of Malwa and Baroda opium to which the privilege of export, on payment of the ordinary duty of ₹600 a chest or of an enhanced duty of ₹800, had been conceded prior to the introduction of the new arrangement. The Revised estimate of revenue from this source accordingly stands at ₹96·37 lakhs.

26. In the Budget estimate for 1912-13, provision has been made: (a) for the sale of 14,615 certificated chests of Malwa and Baroda opium at an average premium of ₹658 a chest; and (b) for the export of 1,000 chests without certificates. Making allowance for the recovery of the premium outstanding at the end of 1911-12 and for the throw-forward into the accounts of 1913-14 of a portion of the premium payable at the last three sales in 1912-13, the Government share of revenue from Malwa opium in 1912-13 is estimated at ₹186·74 lakhs. Budget, 1912-13.

(iii) *Excise Opium and other revenue.*

27. Under this head the Revised estimate for 1911-12 does not materially differ from the Budget figure. The Budget estimate for 1912-13 provides for the substitution of Bengal opium for Malwa opium for excise purposes Revised, 1911-12.
Budget, 1912-13.

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in the Bombay Presidency, owing to the administrative and preventive difficulties connected with the purchase and use of Malwa opium for local consumption, and for normal annual growth in other provinces.

EXPENDITURE.

Revised, 1911-12.

Budget, 1912-13.

28. There is a large saving of ₹66.75 lakhs in the Budget provision for the current year mainly in consequence of reduced payments to cultivators resulting from an unusually low consistence of the crop of 1911. The Budget estimate for 1912-13 provides for a reduction of expenditure both under Payments to cultivators and under Other charges owing to the further curtailment of cultivation with effect from the current season.

III AND 5.—SALT.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
REVENUE.						
Northern India (a)	1,12,44,476	1,11,45,338	1,03,80,484	1,11,50,000	1,15,50,000	1,15,50,000
Burma (b)	18,90,109	21,01,194	20,89,510	21,50,000	22,50,000	23,00,000
Eastern Bengal (b)	14,76,151	13,26,822	12,87,081	13,75,000	12,75,000	...
Bengal (b)	1,12,46,304	1,14,59,851	1,02,30,178	1,04,00,000	1,19,72,000	1,36,67,000
Madras (a)	1,06,20,404	1,06,73,640	1,08,64,310	1,09,00,000	1,09,00,000	1,09,00,000
Bombay (a)	1,26,64,943	1,30,85,922	1,27,87,690	1,34,00,000	1,32,00,000	1,30,00,000
TOTAL R	4,91,42,387	4,97,92,767	4,76,39,253	4,93,75,000	5,11,47,000	5,14,17,000
Equivalent in Sterling £	3,276,159	3,319,518	3,175,950	3,291,700	3,409,800	3,427,800
CHARGES.						
Establishment charges	40,31,601	39,84,025	43,21,535	42,78,000	41,74,000	42,71,000
Cost of Salt purchased by Government	10,91,290	9,68,524	12,96,663	12,12,000	13,62,000	13,70,000
Total India R	51,22,891	49,52,549	56,18,198	54,90,000	55,36,000	56,41,000
Equivalent in Sterling £	341,526	330,170	374,547	366,000	369,100	376,100
England	1,582	573	2,529	500	700	800
TOTAL £	343,108	330,743	377,076	366,500	369,800	376,900
Total Consumption Mds.	4,54,10,000	4,58,00,000	4,35,10,000	4,66,00,000	4,79,00,000	4,78,00,000

(a) Chiefly excise on local manufacture.

(b) Chiefly duty on imported salt.

REVENUE.

29. The total quantity of salt issued for consumption in the first eight months of 1911-12 was nearly the same as the corresponding issue in the preceding year, the clearances being generally restricted in consequence of the high price of imported salt and rumours about a further reduction of duty. A substantial improvement has however taken place since December partly owing to speculative clearances made in the belief that Government would raise a portion of the funds required for Imperial Delhi by increasing the duty on salt; and the total issues for consumption during the year are now expected to be 23.9 lakhs of maunds higher than in 1910-11 or 13 lakhs of maunds higher than the Budget forecast. The growth of the credit sales in Bengal has, moreover, not been quite so rapid as was anticipated, and the improvement in revenue as compared with the Budget estimate will amount to ₹17.72 lakhs. *Revised, 1911-12.*

30. In view of the abnormal growth in the consumption in the current year, the consumption in 1912-13 has been taken at a slightly lower figure of 478 lakhs of maunds. The increase in revenue will, however, amount to ₹2.70 lakhs, as the growth in the sales on credit in Bengal is not likely to be quite so large in 1912-13 as in the current year. *Budget, 1912-13.*

EXPENDITURE.

31. The total Revised estimate for 1911-12 does not materially differ from the Budget provision, an increase of ₹1.50 lakhs in the cost of salt purchased by Government for manufacturing purposes being counterbalanced to a great extent by savings in the grants for preventive and other establishments in several provinces. In the Budget estimate for 1912-13 full provision has been made for the charges of sanctioned establishments while the grant for the purchase of salt has been fixed with reference to the outlay in the current year. *Revised, 1911-12.*
Budget, 1912-13.

IV AND 6.—STAMPS.
REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	3,68,265	3,53,806	3,76,456	4,07,000	3,83,000	3,84,000
2. Baluchistan . . .	93,473	82,580	87,703	93,000	89,000	88,000
3. North-West Frontier	4,86,447	5,20,724	5,02,016	5,22,000	5,47,000	5,47,000
Total . . .	9,48,186	9,57,110	9,66,175	10,22,000	10,19,000	10,19,000
<i>Divided.</i>						
1. Central Provinces . .	29,92,479	31,99,378	35,24,209	34,00,000	32,50,000	35,00,000
2. Burma	37,76,057	36,12,156	38,96,721	39,53,000	37,00,000	38,00,000
3. Assam . . . . .	...	...	...	...	...	12,25,600
4. Bengal (new). . . .	...	...	...	...	...	2,04,25,000
5. Behar . . . . .	...	...	...	...	...	61,50,000
6. United Provinces . .	99,80,385	1,10,40,162	1,20,50,270	1,07,69,000	1,10,50,000	1,12,00,000
7. Punjab	46,81,393	48,91,373	48,92,330	51,50,000	52,00,000	53,00,000
8. Madras	1,08,22,572	1,14,91,968	1,21,15,881	1,26,00,000	1,26,00,000	1,31,00,000
9. Bombay	64,21,462	72,50,861	81,95,947	80,00,000	76,00,000	79,00,000
Eastern Bengal and Assam	99,39,968	1,01,64,150	1,06,73,319	1,09,00,000	1,11,00,000	...
Bengal (old)	1,55,99,838	1,56,17,389	1,58,60,511	1,62,00,000	1,62,00,000	...
Total	6,42,14,154	6,72,67,437	7,12,09,188	7,09,72,000	7,07,00,000	7,26,00,000
TOTAL REVENUE R	6,51,62,340	6,82,24,547	7,21,75,363	7,19,94,000	7,17,19,000	7,36,19,000
Distribution of Total Revenue:—						
Court Fees and Plain Paper	4,35,90,056	4,66,24,121	4,96,88,352	4,93,18,000	4,89,71,000	5,02,38,000
Commercial and other Stamps	2,07,26,096	2,07,86,048	2,14,72,029	2,17,66,000	2,17,64,000	2,23,76,000
Other Revenue	8,46,188	8,14,378	10,14,982	9,10,000	9,84,000	10,05,000
Equivalent of total revenue in Sterling £	4,344,156	4,548,304	4,811,691	4,799,600	4,781,200	4,908,000

EXPENDITURE.

<i>Imperial.</i>						
1. India General:—						
(i) Superintendence and other charges	72,089	2,24,523	1,91,171	2,28,000	2,25,000	2,23,000
(ii) Credits for value of stamps supplied to Local Governments and administrations and to the Postal and Telegraph Departments	—16,69,340	—16,90,425	—17,10,136	—17,92,000	—18,84,000	—18,70,000
2. Baluchistan	1,387	1,233	1,291	1,000	1,000	1,000
3. North-West Frontier	20,467	19,684	22,155	22,000	22,000	22,000
	—15,75,397	—14,44,985	—14,95,219	—15,41,000	—16,36,000	—16,24,000
<i>Divided.</i>						
1. Central Provinces . .	1,19,549	1,21,904	1,18,475	1,30,000	1,23,000	1,30,000
2. Burma	1,10,650	1,01,910	1,03,632	1,06,000	1,04,000	1,06,000
3. Assam . . . . .	...	...	...	...	...	58,000
4. Bengal (new). . . .	...	...	...	...	...	6,72,000
5. Behar . . . . .	...	...	...	...	...	2,06,000
6. United Provinces . .	2,40,879	2,73,967	2,79,572	2,68,000	2,72,000	2,73,000
7. Punjab	1,61,660	1,71,602	1,62,914	1,70,000	1,62,000	1,69,000
8. Madras	4,04,320	4,26,685	4,30,450	4,30,000	4,48,000	4,40,000
9. Bombay	2,21,554	2,21,663	2,32,879	2,37,000	2,34,000	2,38,000
Eastern Bengal and Assam	4,14,961	4,19,750	4,05,153	4,46,000	4,75,000	...
Bengal (old)	4,62,388	4,31,564	4,27,563	4,38,000	4,48,000	...
Total India R	5,60,564	7,24,460	6,65,419	6,84,000	6,30,000	6,63,000
Equivalent in Sterling £	37,371	48,297	44,361	45,600	42,000	44,500
England £	136,667	103,492	79,459	95,300	95,300	110,500
TOTAL EXPENDITURE £	174,038	151,789	123,820	140,900	137,300	155,000

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REVENUE

(a) *Wholly Imperial.*

32. The figures show little variation and do not call for remark.

(b) *Divided.*

33. The Revised estimate for 1911-12 is less than the Budget by R2.72 Revised, 1911-12. lakhs. The shortage occurs almost wholly under court-fee stamps and is apparently due to an insufficient allowance in the Budget estimates of some of the provinces for the absence of the special condition which inflated the revenue in 1910-11, *vis.*, the operation of section 31 of the Indian Limitation Act (IX) of 1908.

34. The Budget for 1912-13 is taken at R19 lakhs more than the Budget, 1912-13. Revised estimate for 1911-12. Provision for normal growth has been made in every province.

EXPENDITURE.

35. The cost of all stamps and stamp paper supplied from England is charged under this head, and an adjustment is made in India transferring to Post Office and Telegraph the cost of stamps used for postal and telegraph purposes. Similarly the cost of revenue stamps supplied to Local Governments and Administrations is debited to them in the Provincial section of the accounts by *per contra* credit in the Imperial section under this head. The credits on both these accounts are shown against item I (ii) in the table under Expenditure on page 32.

36. The fluctuations between the Revised and the Budget estimates for the current year, and between the latter and the Budget estimates for 1912-13, are unimportant, both in the case of the wholly Imperial and the divided expenditure in India, and do not call for remark. The increased outlay in England in 1912-13 is chiefly on account of postal stamps.

V AND 7.—EXCISE.

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-12.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	13,88,897	14,38,707	15,73,689	15,90,000	15,82,000	16,08,000
2. Baluchistan . . .	1,87,643	1,91,572	2,46,854	2,50,000	2,80,000	2,55,000
3. North-West Frontier . . .	2,86,548	3,18,583	2,78,194	2,60,000	3,01,000	3,25,000
Total	18,63,088	19,48,862	20,98,737	21,00,000	21,63,000	21,88,000
<i>Divided and wholly Provincial.</i>						
1. Central Provinces . . .	66,15,846	68,87,477	75,88,655	84,00,000	90,50,000	96,00,000
2. Burma . . .	77,18,814	76,49,137	72,01,227	74,40,000	73,40,000	78,80,000
3. Assam . . .	...	...	...	...	...	46,00,000
4. Bengal (new) . . .	...	...	...	...	...	1,38,50,000
5. Behar . . .	...	...	...	...	...	1,01,00,000
6. United Provinces . . .	85,62,248	86,76,811	1,02,79,365	1,04,26,000	1,13,50,000	1,15,00,000
7. Punjab . . .	47,59,938	43,23,244	56,94,676	58,00,000	63,00,000	63,50,000
8. Madras . . .	2,54,42,443	2,69,35,301	2,77,73,643	2,90,00,000	3,01,00,000	3,19,00,000
9. Bombay . . .	1,68,45,300	1,75,46,814	1,89,72,896	1,92,00,000	2,03,50,000	2,06,50,000
Eastern Bengal and Assam . . .	70,35,670	73,07,598	78,71,330	79,30,000	83,50,000	...
Bengal (old) . . .	1,70,01,004	1,67,92,558	1,79,74,186	1,81,00,000	1,97,00,000	...
Total	9,39,81,323	9,61,18,940	10,33,55,978	10,62,96,000	11,25,40,000	11,64,30,000
TOTAL REVENUE R	9,58,44,411	9,80,67,802	10,54,54,715	10,83,96,000	11,47,03,000	11,86,18,000
Equivalent in Sterling £	6,389,628	6,537,854	7,030,314	7,226,400	7,646,900	7,907,900

EXPENDITURE.

<i>Imperial.</i>						
1. India General . . .	1,93,955	1,55,028	1,55,579	1,46,000	1,42,000	90,000
2. Baluchistan . . .	1,535	5,322	14,777	9,000	11,000	9,000
3. North-West Frontier . . .	8,176	8,280	12,472	15,000	13,000	16,000
Total	2,02,766	1,68,630	1,82,828	1,70,000	1,66,000	1,15,000
<i>Divided and wholly Provincial.</i>						
1. Central Provinces . . .	2,80,480	2,67,805	2,76,086	3,08,000	2,93,000	3,56,000
2. Burma . . .	11,92,508	12,14,020	11,81,752	13,52,000	11,81,000	13,13,000
3. Assam . . .	...	...	...	...	...	1,13,000
4. Bengal (new) . . .	...	...	...	...	...	6,31,000
5. Behar . . .	...	...	...	...	...	5,01,000
6. United Provinces . . .	2,05,253	3,24,228	3,59,805	3,87,000	3,90,000	4,01,000
7. Punjab . . .	74,291	78,490	1,68,571	1,78,000	1,76,000	1,86,000
8. Madras . . .	18,19,223	18,15,130	17,74,034	18,71,000	18,16,000	18,49,000
9. Bombay . . .	10,18,665	9,33,919	9,45,547	9,99,000	10,65,000	10,44,000
Eastern Bengal and Assam . . .	2,77,319	2,90,108	3,10,833	3,14,000	3,19,000	...
Bengal (old) . . .	7,85,537	8,71,328	8,83,488	9,50,000	9,14,000	...
Total	56,53,276	57,95,028	59,00,116	63,59,000	61,54,000	63,94,000
Total India R	58,56,042	59,63,658	60,82,944	65,29,000	63,20,000	65,09,000
Equivalent in Sterling £	390,403	397,577	405,530	435,300	421,300	434,000
England £	149	336	464	100	100	...
TOTAL EXPENDITURE £	390,552	397,913	405,994	435,400	421,400	434,000

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37. The revenue and expenditure under this head will be wholly provincial in the new provinces of Assam and Bengal, while in Behar the provincial share will be three-fourths.

REVENUE.

(a) *Wholly Imperial.*

38. The figures do not show any important variations and call for no remark.

(b) *Divided and wholly Provincial.*

39. The Revised estimate for 1911-12 exceeds the Budget by no less than Revised, 1911-1912. ₹62.44 lakhs. In Madras and the Central Provinces the recovery from the effects of the adverse influences which had affected the revenue in recent years is likely to be much more rapid than was anticipated. In the other provinces, the Budget estimate provided for only a moderate growth in revenue as it was assumed that the further reforms which were to be introduced in their excise administration would check the consumption of stimulants. Considerable progress seems to have been made in most of the provinces with these reforms by way of a further extension of the contract distillery system, the enhancement of still-head duty and of the duty on country spirits and drugs, and the raising of license-fees for the retail sale of liquor. But the prevalence of favourable economic conditions throughout the greater portion of the country have led to a very substantial improvement in revenue over the Budget estimate in almost every province. In Burma alone is the revenue now expected to fall short of the Budget estimate, the improved receipts from license fees for the sale of liquors being more than counterbalanced by a further decline in opium revenue caused by the increased stringency of the policy of restriction of issues.

40. The estimate for next year is taken at Budget, 1912-1913. ₹38.90 lakhs higher than the Revised estimate for 1911-12, the increase being distributed over all the provinces. Provision for a very moderate growth in revenue has been made in Bombay owing to the unfavourable agricultural conditions in the northern part of the Presidency; and in some of the other provinces in view of the high collections in the current year.

EXPENDITURE.

(a) *Wholly Imperial.*

41. There is no material variation between the Budget and Revised estimates Revised, 1911-1912. of the current year. The decrease in the Budget estimate for 1912-13 is caused Budget, 1912-1913. by the closing of the Central laboratory at Kasauli and the absence of provision for the appointment of Inspector General of Excise and Salt.

(b) *Divided and wholly Provincial.*

42. The lapse of Revised, 1911-1912. ₹2.05 lakhs in the Budget grant for 1911-12 is chiefly due to the non-utilisation of the provisions for the revision of excise establishments in Burma and Bengal, and the partial utilisation of a similar provision in Madras. The lapse would have been higher but for a payment of ₹.67 lakh on account of the Royal bonus. The Budget estimate for 1912-13 provides for Budget, 1912-1913. normal charges of sanctioned establishments as well as for the revision of the district executive staff in Burma.

VI AND 8.—PROVINCIAL RATES.

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	52,694	27,801	1,357	9,000	10,000	14,000
2. North-West Frontier	9,074	2,214	2,013	4,000	3,000	3,000
<i>Provincial.</i>						
1. Assam . . . . .	...	...	...	...	...	7,000
2. Bengal (new) . . . . .	...	...	...	...	...	32,42,000
3. Behar . . . . .	...	...	...	...	...	26,00,000
4. United Provinces	24,27,840	23,88,185	24,05,151	23,76,000	23,88,000	23,65,000
5. Punjab	37,131	33,156	24,767	25,000	30,000	25,000
Eastern Bengal and Assam	16,66,206	16,60,067	17,28,440	17,60,000	17,90,000	...
Bengal (old)	38,10,886	39,76,925	41,53,949	40,00,000	41,18,000	...
TOTAL REVENUE R	80,03,921	80,88,348	83,15,677	81,74,000	83,39,000	82,56,000
Equivalent in Sterling £	533,595	539,223	554,378	545,000	555,900	550,400

EXPENDITURE.

<i>Provincial.</i>						
1. Bengal (new) . . . . .	...	...	...	...	...	53,000
2. Behar . . . . .	...	...	...	...	...	35,000
Eastern Bengal and Assam	24,332	31,796	27,143	31,000	23,000	...
Bengal (old)	41,429	42,379	42,220	79,000	62,000	...
TOTAL EXPENDITURE R	65,761	74,175	69,363	1,10,000	85,000	88,000
Equivalent in Sterling £	1,384	4,945	4,624	7,300	5,700	5,900

REVENUE.

(a) *Imperial.*

43. The figures show little variation and call for no remark.

(b) *Provincial.*

44. An improvement of R 1'18 lakhs has taken place in Bengal over the Budget of the current year mainly under cess on mines—the profits of coal mines being higher than was anticipated. Otherwise there is no important variation between the Budget and Revised estimates of the current year or between the latter and the Budget estimate for 1912-13.

EXPENDITURE.

45. There is no material variation between the Budget and the Revised estimates of the current year, or between the latter and the Budget for next year.

VII AND 9.—CUSTOMS.

SEA CUSTOMS. IMPORTS.	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Special Import Duties.</i>						
Arms, Ammunition, and Military Stores	5,21,748	14,82,061	5,00,005	5,00,000	5,06,000	4,71,000
Liquors—						
Ale, Beer, Porter, Cider and other fermented Liquors	5,27,530	5,45,508	7,99,863	8,38,000	8,00,000	8,13,000
Spirits and Liqueurs	95,26,877	95,57,088	1,06,87,535	1,10,60,000	1,12,00,000	1,12,00,000
Wines	3,96,696	4,12,199	5,70,996	5,90,000	5,81,000	5,90,000
Opium	2,850	3,580	7,594	7,000	8,000	8,000
Petroleum	53,26,730	46,87,886	60,63,193	60,00,000	80,00,000	70,00,000
Silver, Bullion and Coin	...	...	1,62,40,211	1,00,00,000	1,00,00,000	80,00,000
Sugar (countervailing duties, 1899)	405	734	1,524	...	...	...
Do. (do. 1902)	510	108	...	...	...	...
Tobacco	(a)	(a)	30,06,672	34,00,000	25,63,000	25,66,000
<i>General Import Duties.</i>						
Articles of Food and Drink (excluding Sugar)	26,07,550	24,91,089	25,81,083	27,00,000	28,00,000	28,00,000
Sugar (ordinary duties)	51,55,930	50,02,253	62,87,703	64,00,000	53,50,000	60,00,000
Chemicals, Drugs, Medicines and Dyeing and Tanning Materials	16,90,773	19,74,847	16,45,557	17,50,000	16,54,000	16,69,000
Cotton Manufactures	1,18,12,368	1,23,85,548	1,41,77,362	1,42,00,000	1,58,50,000	1,63,50,000
Metals and Manufactures of :—						
Silver, Bullion and Coin	63,64,132	53,46,983	(b)	(b)	(b)	(b)
Other Metals and Manufactures of Metals	47,05,127	45,83,334	53,03,530	56,00,000	53,00,000	53,00,000
Oils (excluding Petroleum)	1,35,920	1,24,234	1,38,891	1,48,000	1,18,000	1,29,000
Manufactured Articles	94,25,197	92,68,645	1,13,88,293	1,12,00,000	1,24,00,000	1,30,00,000
Raw Materials and Unmanufactured Articles	16,09,073	14,94,639	14,60,998	14,50,000	15,20,000	15,24,000
TOTAL IMPORTS	5,98,09,416	5,89,60,736	8,08,61,010	7,58,43,000	7,86,50,000	7,74,20,000
EXCISE DUTY ON COTTON GOODS	35,43,778	40,06,193	42,80,251	41,00,000	50,50,000	51,50,000
EXPORT DUTIES—						
Rice	81,50,598	1,04,63,698	1,30,87,908	1,22,00,000	1,36,50,000	1,22,33,000
LAND CUSTOMS AND MISCELLANEOUS	9,50,173	10,46,133	10,55,969	10,67,000	11,79,000	11,72,000
GRAND TOTAL	£ 7,24,83,965	£ 7,44,76,760	£ 9,92,85,138	£ 9,32,10,000	£ 9,85,29,000	£ 9,59,75,000
Equivalent in Sterling	£ 4,832,264	£ 4,965,118	£ 6,619,009	£ 6,214,000	£ 6,568,600	£ 6,398,300
Charges	31,32,958	32,56,867	35,83,963	37,20,000	37,41,000	38,39,000
Equivalent in Sterling	£ 208,864	£ 217,124	£ 238,931	£ 248,000	£ 249,400	£ 255,900
England	£ 159	£ 371	£ 635	£ 200	£ 500	£ 100
TOTAL	£ 209,023	£ 217,495	£ 239,566	£ 248,200	£ 249,900	£ 256,000

(a) Credited under General Import Duties—Chemicals, etc.

(b) See under Special Import Duties.

REVENUE.

46. The Revised estimate for 1911-12 exceeds the Budget by **₹53.19 lakhs.** *Revised, 1911-12.* Of this improvement, **₹26 lakhs** are contributed by the import and excise duty on cotton goods the demand for which has, owing to the generally favourable economic conditions, expanded more rapidly than had been anticipated, while there has been a further advance in the average prices. Important increases are also expected : (a) under petroleum (**₹20 lakhs**), the lowering of prices in the recent rate war having enabled the foreign oil to recover a portion of the ground it had lost in late years ; (b) under manufactured articles (**₹12 lakhs**) owing to a large increase in the imports of woollen goods, apparel and motor cars apparently in connection with the Coronation festivities ; and (c) in the export duty on rice (**₹14.5 lakhs**), the shortage of crops in Europe and the Far East having stimulated the exports from Burma and other parts of India. On the other hand, there is a material decline (a) of **₹8.37 lakhs** in the yield of the tobacco duties, and (b) of **₹10.5 lakhs** in the duty on sugar, owing to the contraction of imports of Java sugar into India caused by the scarcity in Europe and the prevailing high prices.

47. The Budget estimate for 1912-13 has been taken at **₹25.54 lakhs** less *Budget, 1912-13.* than the Revised estimate for the current year. Allowance has been made for a falling-off of **₹20 lakhs** under silver in the anticipation that the full stocks and the rise in prices will tend to check the speculative imports of recent years ; and of **₹14.17 lakhs** and **₹10 lakhs** respectively in the export duty on rice and the import duty on petroleum, in the expectation that the abnormal circumstances which had inflated the revenue from both these sources in the current year will cease. Under the other tariff heads provision has been generally made for a normal growth in revenue.

EXPENDITURE.

48. The Revised estimate for the current year does not differ materially from the Budget, the small excess being caused mainly by the grant of the Royal bonus. *Revised, 1911-12.* The increase in the grant for 1912-13 over the Revised estimate for 1911-12 is chiefly due to provision for a joint customs and excise testing station in the Calcutta Customs house, and for the revision of certain establishments in Burma and Bombay. *Budget, 1912-13.*

VIII AND 10.—ASSESSED TAXES.

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General (Civil)	8,94,519	8,87,448	8,90,196	9,11,000	9,47,000	9,20,000
2. Baluchistan (Civil)	20,771	20,031	20,039	19,000	20,000	20,000
3. North-West Frontier (Civil)	1,29,862	1,32,049	1,32,998	1,38,000	1,38,000	1,39,000
4. Other Provinces (Civil)	6,301	4,043	23,232	17,000	19,000	18,000
5. Non-civil Departments	15,94,042	16,93,568	17,17,809	13,85,000	14,41,000	14,52,000
Total	26,45,495	27,37,139	27,84,274	24,70,000	25,65,000	25,49,000
<i>Divided.</i>						
1. Central Provinces	5,76,666	5,47,204	6,13,386	6,43,000	7,00,000	7,35,000
2. Burma	17,94,884	18,33,507	18,98,721	19,62,000	19,56,000	19,47,000
3. Assam . . . . .	...	...	...	...	...	3,60,000
4. Bengal (new) . . . . .	...	...	...	...	...	51,25,000
5. Behar . . . . .	...	...	...	...	...	11,60,000
6. United Provinces	23,01,793	22,18,241	23,22,361	24,07,000	24,62,000	24,99,000
7. Punjab	14,16,470	14,57,971	15,01,287	16,42,000	16,20,000	16,64,000
8. Madras	29,90,613	30,74,333	30,81,745	31,92,000	31,42,000	32,42,000
9. Bombay	47,51,810	47,17,319	50,99,847	48,94,000	54,00,000	54,00,000
Eastern Bengal and Assam	11,80,591	12,12,713	12,44,785	12,84,000	12,90,000	...
Bengal (old)	56,42,965	55,86,036	53,53,107	55,57,000	54,60,000	...
Total	2,06,55,792	2,06,47,324	2,11,15,239	2,15,81,000	2,20,30,000	2,21,32,000
TOTAL REVENUE R	2,33,01,287	2,33,84,463	2,38,99,513	2,40,51,000	2,45,95,000	2,46,81,000
Equivalent in Sterling £	1,553,419	1,558,964	1,593,301	1,603,400	1,639,700	1,645,400

EXPENDITURE.

<i>Imperial.</i>						
1. India General	1,409	1,506	1,504	2,000	2,000	2,000
2. North-West Frontier	918	991	1,079	1,000	1,000	1,000
<i>Divided.</i>						
1. Central Provinces	10,059	9,805	8,574	10,000	10,000	22,000
2. Burma	38,179	39,210	41,430	43,000	42,000	44,000
3. Assam . . . . .	...	...	...	...	...	8,000
4. Bengal (new) . . . . .	...	...	...	...	...	1,57,000
5. Behar . . . . .	...	...	...	...	...	41,000
6. United Provinces	321	313	312	...	...	...
7. Punjab	11,507	11,020	10,660	11,000	12,000	11,000
8. Madras	37,656	38,892	35,495	39,000	36,000	37,000
9. Bombay	89,176	95,222	1,09,406	1,13,000	1,14,000	1,21,000
Eastern Bengal and Assam	34,266	39,214	40,399	40,000	40,000	...
Bengal (old)	1,60,003	1,55,715	1,56,004	1,63,000	1,60,000	...
TOTAL EXPENDITURE R	3,83,524	3,91,888	4,04,863	4,22,000	4,17,000	4,44,000
Equivalent in Sterling £	25,568	26,126	26,991	28,200	27,800	29,600

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REVENUE.

(a) *Imperial.*

49. There is no material variation between the Budget and Revised Estimates for the current year or between the latter and the Budget Estimate for 1912-13.

(b) *Divided.*

50. The total Revised Estimate for 1911-12 exceeds the Budget by $\text{R}4.49$ Revised, 1911-12. lakhs. The only important variation from the Budget forecast occurs in Bombay where an improvement of $\text{R}5.06$ lakhs is expected owing to higher profits of companies and piece-goods merchants. The Budget for 1912-13 provides for Budget, 1912-13. normal growth of revenue in most of the provinces. In Bengal and Bombay a somewhat cautious estimate has been adopted in view of the troubles in the jute trade in the former and of the unfavourable agricultural conditions prevailing in portions of the latter province.

EXPENDITURE.

51. The figures show little variation and call for no remark.

IX AND 11.—FOREST.

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	4,66,832	5,12,136	7,39,418	8,13,000	7,69,000	8,58,000
2. Baluchistan . . .	23,305	18,730	23,210	23,000	22,000	22,000
3. North-West Frontier . . .	1,22,782	1,73,305	2,05,342	1,64,000	1,64,000	2,00,000
Total . . .	6,12,919	7,04,171	9,67,970	10,00,000	9,55,000	10,80,000
<i>Divided and wholly Provincial.</i>						
1. Central Provinces . . .	20,78,162	20,78,340	21,14,226	22,50,000	25,00,000	24,00,000
2. Burma . . .	92,48,634	93,63,076	1,01,08,020	1,02,19,000	95,56,000	1,04,66,000
3. Assam . . .	...	...	...	...	...	13,10,000
4. Bengal (new) . . .	...	...	...	...	...	14,00,000
5. Behar . . .	...	...	...	...	...	4,05,000
6. United Provinces . . .	21,75,406	23,01,164	23,78,439	25,00,000	30,00,000	26,45,000
7. Punjab . . .	12,88,792	10,32,633	12,17,988	12,26,000	14,00,000	13,91,000
8. Madras . . .	38,90,919	41,78,381	38,80,411	40,00,000	40,60,000	40,60,000
9. Bombay . . .	35,87,356	37,57,656	37,18,225	37,70,000	43,00,000	44,60,000
Eastern Bengal and Assam . . .	14,46,368	15,34,732	18,90,635	17,68,000	19,22,000	...
Bengal (old) . . .	11,84,845	10,80,640	11,67,444	12,50,000	11,00,000	...
Total . . .	2,49,00,482	2,53,26,622	2,64,75,388	2,69,83,000	2,78,38,000	2,85,37,000
TOTAL INDIA R . . .	2,55,13,401	2,60,30,793	2,74,43,358	2,79,83,000	2,87,93,000	2,96,17,000
Equivalent in Sterling £ . . .	1,700,894	1,735,386	1,829,557	1,865,500	1,919,500	1,974,500

EXPENDITURE.

<i>Imperial.</i>						
1. India General . . .	6,26,953	6,62,821	7,07,490	8,65,000	8,46,000	8,85,000
2. Baluchistan . . .	36,587	26,549	26,386	30,000	29,000	30,000
3. North-West Frontier . . .	81,413	77,391	72,492	1,00,000	81,000	1,00,000
Total . . .	7,44,953	7,66,761	8,06,368	9,95,000	9,56,000	10,15,000
<i>Divided and wholly Provincial.</i>						
1. Central Provinces . . .	17,53,307	15,86,852	15,89,533	17,41,000	18,10,000	17,80,000
2. Burma . . .	38,18,603	37,89,303	40,04,865	43,72,000	43,15,000	43,29,000
3. Assam . . .	...	...	...	...	...	8,43,000
4. Bengal (new) . . .	...	...	...	...	...	7,28,000
5. Behar . . .	...	...	...	...	...	3,56,000
6. United Provinces . . .	12,22,436	12,09,308	12,37,938	13,94,000	13,56,000	15,65,000
7. Punjab . . .	8,51,627	6,67,752	7,40,542	7,69,000	7,68,000	7,97,000
8. Madras . . .	29,17,261	33,39,635	32,25,801	35,26,000	34,04,000	35,10,000
9. Bombay . . .	20,43,873	20,63,088	20,70,417	23,20,000	29,25,000	29,56,000
Eastern Bengal and Assam . . .	8,91,349	10,12,541	10,87,339	10,95,000	11,27,000	...
Bengal (old) . . .	5,83,981	5,91,099	6,43,285	7,34,000	7,18,000	...
Total . . .	1,40,82,437	1,42,59,578	1,45,99,720	1,59,51,000	1,64,23,000	1,68,64,000
TOTAL INDIA R . . .	1,48,27,390	1,50,26,339	1,54,06,088	1,69,46,000	1,73,79,000	1,78,79,000
Equivalent in Sterling £ . . .	988,492	1,001,756	1,027,072	1,129,700	1,158,600	1,191,900
England . . .	5,666	4,941	6,189	6,500	6,300	5,300
TOTAL EXPENDITURE £ . . .	994,158	1,006,697	1,033,261	1,136,200	1,164,900	1,197,200
NET REVENUE £ . . .	706,736	728,689	796,296	729,300	754,600	777,300

REVENUE.

(a) *Imperial.*

52. The falling-off in revenue in the current year as compared with the Budget estimate occurs mainly in Port Blair. The Budget estimate of 1912-13 provides for some improvement in the receipts in Port Blair and the North-West Frontier Province. Revised, 1911-12.
Budget, 1912-13.

(b) *Provincial.*

53. The Revised estimate for 1911-12 exceeds the Budget by R8.55 lakhs. The improvement is shared by all the provinces with the exception of Burma and Bengal. The more important increases occur in Bombay (R5.30 lakhs) and the Central Provinces (R2.5 lakhs), mainly in connection with the famine fodder operations in the former province; and in the United Provinces (R5 lakhs) owing to favourable prices realised at auction sales of timber, larger sales of dead trees, and the expansion of the turpentine industry in the Naini Tal division. On the other hand there will be a considerable shortage of R6.63 lakhs in Burma, caused partly by reduced sales of timber and partly by a postponement of recoveries in connection with the sale of the lease of the Mergui rubber plantation. Revised, 1911-12.

54. The total revenue in 1912-13 is taken at R6.99 lakhs higher than the Revised estimate for 1911-12. An improvement of R9.10 lakhs is assumed in Burma alone owing to an anticipated rise in the price of teak and to the sale of elephants consequent on the dissolution of the Kheddah department. An increase of R1.6 lakhs is also expected in Bombay in consequence of the continuance of the famine fodder operations. But on the other hand there is a large decrease of R3.55 lakhs in the United Provinces, where the bulk of the dead timber is likely to be disposed of by the end of the current year. The variations between the Revised and Budget estimates in the other provinces are of less importance and do not call for remark; but generally no provision has been made for a growth in revenue, as the collections in the current year were mostly inflated by abnormal causes. Budget, 1912-13.

EXPENDITURE.

(a) *Imperial.*

55. There is no material variation between the Budget and Revised estimates, nor between the latter and the Budget for 1912-13.

(b) *Provincial.*

56. The Revised estimate for 1911-12 exceeds the Budget provision by R4.72 lakhs. There is an excess of R6.05 lakhs in Bombay caused by the famine fodder operations; and excesses of smaller magnitude are expected in the Central Provinces and Eastern Bengal and Assam in connection with special measures which will bring in additional revenue. In the other provinces there will be a lapse in the Budget grants, the largest saving taking place in Madras owing to the contraction of departmental operations. Revised, 1911-12.

57. The Budget estimate for 1912-13 is R4.41 lakhs higher than the Revised estimate of the current year. Increased provision has been generally made for establishment charges to allow of the grant of increments under the time-scale of pay, and the entertainment of additional establishments in connection with schemes already sanctioned or under consideration. But the effect of this is obscured in Burma by a large saving in Khedda charges consequent on the abolition of the department; while in Bombay and the Central Provinces it is more than counterbalanced by a reduction in the outlay on conservancy and works owing to the cessation of the special operations undertaken in the current year. Budget, 1912-13.

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X AND 12.—REGISTRATION.

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	19,127	19,387	21,565	20,000	23,000	22,000
2. Baluchistan	2,110	2,266	3,228	3,000	3,000	3,000
3. North-West Frontier	36,928	39,311	33,941	42,000	41,000	41,000
Total	58,165	60,964	58,734	65,000	67,000	66,000
<i>Provincial.</i>						
1. Central Provinces	2,78,272	2,96,749	3,22,792	3,25,000	3,25,000	3,30,000
2. Burma	1,93,356	1,83,005	1,99,843	1,86,000	2,03,000	1,95,000
3. Assam . . . . .	...	...	...	...	...	90,000
4. Bengal (new) . . . . .	...	...	...	...	...	16,77,000
5. Behar . . . . .	...	...	...	...	...	5,68,000
6. United Provinces	5,66,595	6,28,200	5,96,697	5,50,000	5,75,000	6,00,000
7. Punjab	3,13,631	3,21,714	2,99,763	3,04,000	3,09,000	3,13,000
8. Madras	19,47,887	19,37,640	19,28,417	19,80,000	20,20,000	20,80,000
9. Bombay	7,03,210	7,15,469	7,55,074	7,45,000	7,00,000	7,35,000
Eastern Bengal and Assam	9,76,886	9,59,199	9,67,385	9,75,000	10,16,000	...
Bengal (old)	14,26,043	13,52,720	12,59,120	13,26,000	12,75,000	...
Total	64,05,880	63,94,696	63,29,091	63,91,000	64,23,000	65,88,000
TOTAL INDIA R	64,64,045	64,55,660	63,87,825	64,56,000	64,90,000	66,54,000
Equivalent in Sterling £	430,936	430,377	425,855	430,400	432,700	443,600

EXPENDITURE.

<i>Imperial.</i>						
1. India General	6,445	6,809	7,751	8,000	8,000	8,000
2. Baluchistan	814	806	968	1,000	1,000	1,000
3. North-West Frontier	9,507	9,950	9,518	10,000	10,000	11,000
Total	16,766	17,565	18,237	19,000	19,000	20,000
<i>Provincial.</i>						
1. Central Provinces	1,11,433	1,14,802	1,19,498	1,22,000	1,27,000	1,27,000
2. Burma	82,127	82,122	88,855	86,000	96,000	93,000
3. Assam . . . . .	...	...	...	...	...	64,000
4. Bengal (new) . . . . .	...	...	...	...	...	10,33,000
5. Behar . . . . .	...	...	...	...	...	3,24,000
6. United Provinces	2,65,888	2,76,187	2,82,650	2,95,000	2,99,000	2,91,000
7. Punjab	1,17,545	1,16,834	1,16,315	1,20,000	1,19,000	1,21,000
8. Madras	11,24,011	11,72,520	12,02,785	12,59,000	12,49,000	12,40,000
9. Bombay	3,52,076	3,62,301	3,77,721	3,88,000	3,83,000	3,75,000
Eastern Bengal and Assam	5,92,316	6,14,769	6,29,995	6,26,000	6,31,000	...
Bengal (old)	8,14,977	7,78,634	7,74,435	7,94,000	7,97,000	...
Total	34,60,373	35,18,169	35,92,254	36,90,000	37,01,000	36,68,000
TOTAL INDIA R	34,77,139	35,35,734	36,10,491	37,09,000	37,20,000	36,88,000
Equivalent in Sterling £	231,809	235,716	240,639	247,300	248,000	245,900

58. The figures of both revenue and expenditure for the two years do not show any material variation and call for no remark.

XI.—TRIBUTES.

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	20,65,519	18,87,417	22,57,990	20,12,000	21,23,000	20,09,000
2. Central Provinces	2,47,623	2,38,587	2,42,437	2,39,000	2,32,000	2,39,000
3. Burma	4,49,600	4,02,322	4,11,941	3,08,000	4,44,000	4,54,000
4. Assam . . . . .	...	...	...	...	...	50,000
5. Bengal (new) . . . . .	...	...	...	...	...	68,000
6. Behar . . . . .	...	...	...	...	...	86,000
7. United Provinces . . . . .	...	...	...	1,90,000	3,21,000	3,21,000
8. Punjab	2,84,116	3,76,890	2,76,819	2,76,000	1,45,000	1,45,000
9. Madras	45,07,902	44,96,519	44,96,519	44,97,000	44,97,000	44,97,000
10. Bombay	12,05,407	13,20,622	13,23,613	16,59,000	11,10,000	11,90,000
Eastern Bengal and Assam	50,200	50,000	50,100	50,000	50,000	...
Bengal (old)	34,175	52,250	52,250	52,000	52,000	...
TOTAL INDIA R	88,44,542	88,24,607	91,11,699	92,83,000	89,74,000	90,59,000
Equivalent in Sterling £	589,636	588,307	607,447	618,800	598,300	603,900

59. The revenue recorded under this head represents tributes received from the protected States, in several cases as a result of exchanges of territory and settlement of claims, and contributions made chiefly in lieu of former obligation to supply or maintain troops. Another item of receipt which used to appear under this head was *nazarana* or fees payable by some of the chiefs upon succession to their States. These will now disappear in consequence of the Royal announcement made at the Coronation durbar.

60. The decrease of R3·09 lakhs in the revenue in the current year is mainly due to the remission of *nazarana* (aggregating R2·80 lakhs) due from the Nawanagar, Wadhwan and Limbdi States in the Bombay Presidency, as an act of grace in view of the present financial position of these States and of the announcement abolishing the levy of *nazarana* on future successions. In Bombay the collections had to be postponed in some cases owing to the unfavourable agricultural prospects, but on the other hand there has been a recovery of arrears from Jaora. The variations between the Budget and Revised Estimates in the United Provinces and the Punjab are due to the payment of the Kapurthala tribute into a treasury in the former province. The increase in the Budget Estimate for 1912-13 over the Revised for 1911-12 is chiefly due to the decision to record under this head the tributes from Cooch Behar and certain States in Orissa which hitherto used to appear in the accounts under "I.—Land Revenue."

Revised, 1911-12.

Budget, 1912-13.

158. BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13.

1.—REFUNDS AND DRAWBACKS.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	30,055	43,484	41,104	34,000	45,000	42,000
2. Baluchistan	17,356	4,613	3,438	4,000	10,000	4,000
3. North-West Frontier	37,383	39,694	29,207	25,000	24,000	24,000
4. Other Provinces	17,27,538	50,86,374*	18,73,067	17,31,000	23,51,000	20,36,000
Total	18,12,332	51,74,165	19,46,816	17,94,000	24,30,000	21,06,000
<i>Divided and Provincial.</i>						
1. Central Provinces	1,01,607	1,30,512	73,314	80,000	87,000	84,000
2. Burma	2,41,526	2,29,920	2,55,456	2,66,000	2,69,000	2,45,000
3. Assam . . . . .	...	...	...	...	...	26,000
4. Bengal (new) . . . . .	...	...	...	...	...	2,51,000
5. Behar . . . . .	...	...	...	...	...	76,000
6. United Provinces	2,84,332	2,22,809	2,27,181	2,11,000	1,92,000	2,05,000
7. Punjab	1,53,521	1,45,351	1,47,756	1,49,000	1,49,000	1,49,000
8. Madras	2,64,373	3,21,867	3,69,324	2,87,000	3,86,000	2,91,000
9. Bombay	7,79,602	9,75,977	7,47,430	5,94,000	8,30,000	6,50,000
Eastern Bengal and Assam	92,419	79,418	1,41,000	87,000	93,000	...
Bengal (old)	2,54,146	2,73,264	2,76,060	2,64,000	2,57,000	...
Total	21,71,526	23,79,118	22,37,521	19,38,000	22,63,000	19,77,000
TOTAL INDIA R	39,83,858	75,53,283	41,84,337	37,32,000	46,93,000	40,83,000
Equivalent in Sterling £	265,591	503,552	278,956	248,800	312,900	272,200

* Includes 33,79,804 on account of Opium Refunds in Bombay.

(a) *Imperial.*

Revised, 1911-12.

Budget, 1912-13.

61. The wholly Imperial expenditure shown against "other Provinces" represents refunds and drawbacks in respect of wholly Imperial revenue (e.g., Opium, Salt, Customs and Tributes). The increase of R6.36 lakhs in the Revised Estimate over the Budget for 1911-12 is due to heavier refunds (a) of customs duty caused by unusually large re-exports of Java sugar and silver bullion and coin; and (b) of tributes in Burma, owing to remissions sanctioned by the local Government to allow the Shan chiefs to incur outlay on public works. In the Budget Estimate for 1912-13 a moderate provision has been made for refunds of customs duty.

(b) *Divided and Provincial.*

Revised, 1911-12.

Budget, 1912-13.

62. The expenditure fluctuates considerably from year to year and is difficult to estimate. In 1911-12 the Budget will be exceeded by R3.25 lakhs owing chiefly to special refunds of Land and Stamp revenue in Madras and Bombay. For 1912-13 a normal expenditure has been assumed.

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2.—ASSIGNMENTS AND COMPENSATIONS.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1913.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	32,38,368	32,53,920	32,22,287	32,59,000	31,61,000	32,39,000
2. Baluchistan	2,17,493	2,02,224	2,01,679	2,01,000	2,01,000	2,01,000
3. North-West Frontier	19,542	19,561	18,316	19,000	18,000	18,000
4. Other Provinces	35,39,396	35,00,923	34,81,774	35,36,000	36,61,000	35,47,000
Total	70,14,799	69,76,628	69,24,056	70,15,000	70,41,000	70,95,000
<i>Divided and Provincial.</i>						
1. Central Provinces	34,018	41,738	34,603	37,000	36,000	39,000
2. Burma	400	400	60	1,000	1,000	1,000
3. Assam . . . . .	...	...	...	...	...	32,000
4. Bengal (new) . . . . .	...	...	...	...	...	62,000
5. Behar . . . . .	...	...	...	...	...	92,000
6. United Provinces	2,93,029	2,96,939	3,05,047	2,96,000	2,92,000	3,13,000
7. Punjab	77,928	83,655	83,391	77,000	77,000	78,000
8. Madras	6,18,924	5,66,220	5,38,910	5,65,000	5,70,000	5,60,000
9. Bombay	98,77,865	1,02,01,503	1,01,66,559	1,01,51,000	1,02,06,000	1,02,41,000
Eastern Bengal and Assam	1,62,768	67,882	60,648	68,000	58,000	...
Bengal (old)	1,33,815	1,30,724	1,29,024	1,34,000	1,56,000	...
Total	1,11,98,747	1,13,89,066	1,13,18,242	1,13,29,000	1,13,96,000	1,14,18,000
TOTAL INDIA R	1,82,13,546	1,83,65,694	1,82,42,298	1,83,44,000	1,84,37,000	1,84,23,000
Equivalent in Sterling £	1,214,236	1,224,380	1,216,155	1,222,900	1,229,100	1,228,200

63. The figures do not show any important variation and call for no remark. The wholly Imperial expenditure shown against " Other Provinces " represents Opium, Salt and Customs compensations paid to Native States and Foreign Governments, as well as Miscellaneous compensations (*i.e.*, those of a general character and not intended to indemnify against loss of a particular kind of revenue) in provinces other than Bombay.

XII.—INTEREST RECEIPTS.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. Interest on Imperial loans and advances	44,38,220	42,79,584	41,14,612	41,62,000	38,62,000	36,61,000
2. Profits of Paper Currency Circulation	34,70,420	34,70,420	34,70,420	34,70,000	34,70,000	34,70,000
3. Interest on overdrawn Capital of Railway Companies in India	11,28,037	20,60,085	27,41,654	20,27,000	24,27,000	25,27,000
4. Interest charged to Capital on advances to Railway Companies	7,86,973	3,57,338	4,33,384	5,66,000	5,34,000	6,29,000
5. Miscellaneous items	65,428	76,584	81,943	1,05,000	1,40,000	1,04,000
TOTAL R	98,89,078	1,02,44,011	1,08,42,013	1,03,30,000	1,04,33,000	1,03,91,000
<i>Provincial.</i>						
1. Central Provinces	1,53,823	2,54,085	2,52,242	1,85,000	2,19,000	1,91,000
2. Burma	1,20,759	1,13,423	1,09,321	1,14,000	1,29,000	1,47,000
3. Assam . . . . .	...	...	...	...	...	18,000
4. Bengal (new) . . . . .	...	...	...	...	...	5,06,000
5. Behar . . . . .	...	...	...	...	...	2,48,000
6. United Provinces	13,18,653	16,19,313	15,99,518	11,04,000	14,28,000	11,92,000
7. Punjab	2,84,918	3,54,733	2,87,617	2,92,000	2,70,000	3,00,000
8. Madras	3,33,142	3,58,249	4,18,946	4,14,000	4,36,000	4,45,000
9. Bombay	7,04,311	13,59,132	13,69,088	12,05,000	12,11,000	10,98,000
Eastern Bengal and Assam	1,39,389	1,51,083	1,72,760	1,67,000	1,73,000	...
Bengal (old)	5,21,993	7,94,808	7,48,081	5,85,000	7,04,000	...
TOTAL R	35,76,988	50,04,826	49,57,573	40,64,000	45,70,000	41,45,000
TOTAL INDIA R	1,34,66,066	1,52,48,837	1,57,99,586	1,43,94,000	1,50,03,000	1,45,36,000
Equivalent in Sterling £	897,737	1,016,589	1,053,306	959,600	1,000,200	969,100
ENGLAND.						
1. Profits of Paper Currency Circulation	41,982	37,374	37,374	67,400	68,000	78,200
2. Interest realised from investment of cash balances	47,606	130,070	374,403	150,000	380,000	180,000
3. Miscellaneous . . . . .	...	310	356	...	...	...
TOTAL £	89,588	167,754	412,133	217,400	448,000	258,200
TOTAL RECEIPTS £	987,325	1,184,343	1,465,439	1,177,000	1,448,200	1,227,300
Loans and advances outstanding March 31—						
1. Imperial	7,002,812	6,843,998	6,639,577	6,758,500	6,462,277	6,625,677
2. Provincial	6,667,808	6,011,458	5,180,290	5,365,800	5,803,790	6,038,890

(a) India—Imperial.

Revised, 1911-12.

64. The total revenue in 1911-12 is now expected to be ₹1·03 lakhs more than the Budget estimate. There is a decrease of ₹3 lakhs in the interest receivable in respect of Imperial loans and advances, mainly owing to smaller

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realisations from Native States in Bombay consequent on the prevailing scarcity and to the Royal announcement remitting certain sums due from non-judicial estates in Kathiawar and Gujarat. But this is more than counterbalanced by an increase of ₹4 lakhs in the interest payable by the Bengal-Nagpur Railway Company on overdrafts of capital in connection with the old extensions constructed under the contract of 1902.

65. The total Budget for 1912-13 does not materially differ from the Revised estimate of the current year; a further decrease in the interest recoverable from Native States, due to causes already mentioned as well as to a reduction in the outstanding balances of loans, being nearly counterbalanced by an increase in the interest payable by the Bengal Nagpur Railway in respect of funds supplied to it by Government for the construction of old as well as new extensions. Budget, 1912-13.

(b) India—Provincial.

66. The increase of ₹5·06 lakhs in the receipts in the current year is mainly due to prompt recoveries of interest outstanding on *takavi* advances in some provinces and to a larger demand for *takavi* in others owing to an unfavourable season. The Budget estimate for 1912-13 provides for normal recoveries based on a normal demand. Revised, 1911-12.
Budget, 1912-13.

(c) England.

67. The receipts in England in the current year are expected to show a considerable improvement of ₹34·59 lakhs (£230,600) over the Budget estimate. Nearly the whole of this increase occurs in the interest realised from the investment of the cash balances of the Home Treasury and is due to the amounts available for investment being much larger and the rate of interest higher than was estimated. The Budget estimate for 1912-13 provides for a full year's interest in respect of the additional investment of ₹2 crores of the currency reserve made last year. But the cash balances of the Home Treasury are not expected to remain as high as in the current year, and this accounts for the decrease in the total Budget as compared with the Revised for 1911-12. Revised, 1911-12.
Budget, 1912-13.

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13 AND 14.—INTEREST EXPENDITURE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
Interest on Debt other than that charged to Railways—						
Interest on total Debt—						
1. India	R 4,77,45,440	4,84,98,139	4,81,21,945	4,94,50,000	4,94,00,000	5,10,50,000
2. England	£ 3,183,029 5,286,565	3,233,209 5,519,190	3,208,130 5,781,552	3,296,600 6,032,700	3,293,300 6,022,700	3,403,400 6,171,700
Total	8,469,594	8,752,399	8,989,682	9,329,300	9,316,000	9,575,100
Deduct amounts charged to—						
(a) Railways:						
(i) India	R 4,14,25,434	4,22,83,760	4,30,61,629	4,58,09,000	4,56,15,000	4,86,94,000
(ii) England	£ 2,761,696 3,253,052	2,818,917 3,308,274	2,870,775 3,396,910	3,053,900 3,572,700	3,041,000 3,621,400	3,246,300 3,694,900
Total Railways	£ 6,014,748	6,127,191	6,267,685	6,626,600	6,662,400	6,941,200
(b) Irrigation:						
(i) India	R 1,36,25,073	1,42,53,680	1,50,45,994	1,58,60,000	1,58,65,000	1,68,45,000
(ii) England	£ 908,338 108,989	950,246 108,465	1,003,066 112,344	1,057,300 112,300	1,057,700 116,600	1,123,000 118,500
Total Irrigation	£ 1,017,327	1,058,711	1,115,410	1,169,600	1,174,300	1,241,500
Total deduction	£ 7,032,075	7,185,902	7,383,095	7,796,200	7,836,700	8,182,700
Interest on Ordinary Debt	£ 1,437,519	1,566,497	1,606,587	1,533,100	1,479,300	1,392,400
Distribution of above						
Imperial	£ 1,221,576	1,345,455	1,406,157	1,345,400	1,283,100	1,186,300
Provincial	£ 215,943	221,042	200,430	187,700	196,200	206,100
Interest on other Obligations—						
On Savings Bank Balances converted at Rs = £1	£ 364,233	381,337	405,483	440,900	450,500	499,700
Other items	£ 165,080	167,211	156,832	151,100	150,000	153,100
TOTAL	£ 529,313	548,548	562,315	592,000	600,500	652,800
GRAND TOTAL	£ 1,966,832	2,115,045	2,168,902	2,125,100	2,079,800	2,045,200
Debt outstanding, March 31—						
Sterling	£ 166,973,369	176,105,911	182,998,335	183,243,211	183,077,235	179,599,635
Rupee Debt—	R	R	R	R	R	R
4 per cent	3,79,06,275	3,67,06,275	3,55,00,000	3,43,06,275	3,43,00,000	3,31,00,000
3½ per cent	1,19,49,77,500	1,22,60,40,100	1,24,84,19,400	1,27,05,05,100	1,26,88,82,400	1,29,97,39,400
3 per cent	10,09,57,800	9,39,25,800	8,53,20,800	8,28,90,800	8,47,84,800	8,37,84,800
Other Debt	1,18,18,930	1,17,60,930	1,17,31,955	1,16,96,930	1,17,10,955	1,16,84,955
Savings Bank Balances	18,39,81,195	19,48,83,468	21,14,72,500	22,67,39,468	23,80,75,500	25,69,34,500

INTEREST ON ORDINARY DEBT.

68. The expenditure in 1911-12 on account of Interest payable on the public debt as a whole falls short of the Budget estimate by ₹2 lakhs (£13,300). There is a decrease of ₹15 lakhs (£10,000) in England owing to a more favourable rate of discount on the renewal of India Bills and to a smaller sinking fund payment in respect of the new sterling loan raised in March 1911. A small decrease of ₹5 lakh is also expected in India, a much larger saving in the provision for discount on the new rupee loan of the year being partly counter-balanced by an increased payment of arrears. In the Budget of 1912-13 necessary provision has been made for a full year's interest on the sterling loan of £3½ million issued in March 1911, as well as on the rupee loan of 2 crores raised in the current year; for the reduced payment of interest on India Bills and Railway debentures consequent on the contemplated discharge of the former, and the gradual reduction in the outstanding balances of the latter; and for the service of the new sterling and rupee loans which it is contemplated to raise in 1911-12.

Interest on total debt, 1911-12.

1912-13.

69. The amount of interest transferred to the Railway and Irrigation sections of the accounts depends, firstly, on the capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of railways or irrigation works; and thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above purpose. Our practice is to adopt for this adjustment the average rate of interest actually paid in respect of the whole of the non-specific debt in the latest year for which the final accounts are available. The result is that the rate adopted in calculating the Revised estimate for a year is generally different from that used for the Budget estimate; and this leads to a difference between the two estimates apart from that caused by a variation in the capital expenditure itself. The increase of ₹6.07 lakhs (£40,500) in the Revised estimate of total interest to be transferred in 1911-12, as compared with the Budget, is due partly to an increase in the rate, and partly to an increase in the amount of funds supplied by Government for capital expenditure on State Railways (*vide* paragraph 161). The increase in the amount of interest to be transferred in 1912-13 over the Revised estimate for 1911-12 is almost wholly due to the progress of capital expenditure.

Transfers to Railway and Irrigation Accounts.

70. A portion of the interest on Ordinary Debt appears in the Provincial section of the accounts. Provincial Governments are authorised to grant advances to cultivators (as well as to certain other people in special cases) under various Acts, to landholders and notabilities apart from the provisions of any law, and to municipalities and local bodies (other than Presidency Corporations), out of amounts annually placed at their disposal by the Government of India. The interest actually levied on such advances is credited as Provincial revenue. But interest at 3½ per cent. a year is charged to the Local Governments on the mean between the outstanding balances of the Provincial Loan Accounts at the commencement of the year and at its close; and this is done by transferring the amount so calculated from the Imperial to the Provincial section under Interest on Ordinary Debt. The differences between the Budget and the Revised estimates of the amount to be so transferred in the current year, and between the latter and the Budget estimate of 1911-12, are explained by the increases in the outstanding balances of the Provincial Loan Account as shown in the table at page 46, which are chiefly due to the enhanced demand for *takavi* in some of the provinces caused by the threatened or actual failure of the monsoon.

Transfers to Provincial.

INTEREST ON OTHER OBLIGATIONS.

71. The increase of ₹1.27 lakhs (£8,500) in the Revised estimate of the current year over the Budget provision occurs wholly in the interest payable by the Post Office Savings Banks, the deposits in which have grown more largely than was anticipated (*vide* paragraph 252). In 1912-13 provision has been made for a further increase in the interest payable on the deposits in the Post Office Savings Banks and in the State Provident Funds, consequent on a growth in the deposits themselves.

Revised, 1911-12.

Budget, 1912-13.

XIII AND 15.—POST OFFICE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
REVENUE.						
INDIA.						
1. Sale of postage stamps for postal purposes	2,25,24,263	2,39,68,280	2,47,43,396	2,66,25,000	2,63,80,000	2,76,09,000
2. Commission on money orders	46,61,119	47,61,044	50,06,943	52,10,000	52,30,000	54,50,000
3. Other receipts	1,98,918	1,79,107	2,03,497	2,07,000	2,26,000	2,25,000
TOTAL . ₹	2,73,84,300	2,89,08,431	2,99,53,836	3,20,42,000	3,18,36,000	3,32,84,000
Equivalent in Sterling £	1,825,620	1,927,229	1,996,922	2,136,100	2,122,400	2,218,900
EXPENDITURE.						
INDIA.						
1. Establishment charges	1,90,79,541	1,93,66,086	1,98,16,325	2,05,35,000	2,09,38,000	2,07,47,000
2. Conveyance of mails	66,21,971	66,12,372	64,94,536	69,11,000	67,80,000	71,47,000
3. Stationery and Printing	10,82,411	12,09,062	11,63,774	10,82,000	9,67,000	9,86,000
4. Cost of stamps and stamp paper	8,30,657	8,36,339	8,71,622	9,09,000	9,67,000	9,45,000
5. Other items	14,889	59,967	60,721	59,000	84,000	94,000
TOTAL . ₹	2,76,29,469	2,80,83,826	2,84,06,978	2,94,96,000	2,97,36,000	2,99,19,000
Equivalent in Sterling £	1,841,964	1,872,255	1,893,798	1,966,400	1,982,400	1,994,600
ENGLAND.						
1. Contribution to Eastern mail subsidy	54,588	54,588	54,588	54,600	54,600	54,600
2. Stores, etc.	201	739	2,506	...	300	...
TOTAL . £	54,789	55,327	57,094	54,600	54,900	54,600
TOTAL OF EXPENDITURE . £	1,896,753	1,927,582	1,950,892	2,021,000	2,037,300	2,049,200
TOTAL NET REVENUE £	-71,133	-353	46,030	115,100	85,100	169,700

REVENUE.

Revised, 1911-12.

72. The allowance made in the Budget estimate for the current year for growth in postal revenue has proved somewhat sanguine and the Revised estimate is taken at ₹2.06 lakhs less than the Budget. In the Budget of next year, provision has been made for a further moderate advance of ₹14.48 lakhs.

EXPENDITURE.

Budget, 1912-13.

73. The expenditure in 1911-12 is likely to exceed the Budget grant by ₹2.45 lakhs. The excess is wholly due to the payment of Royal bonus to the extent of ₹5.49 lakhs; and but for this special payment there would have been a saving in the Budget provision caused partly by a decrease in the stationery and printing charges, and partly by ordinary lapses in grants. The Budget estimate for 1912-13 exceeds the Revised for the current year by ₹1.78 lakhs only, the provision made for the normal development of the operations of the Department being obscured to some extent by the absence of the special expenditure incurred in the current year on the Royal bonus and on grain compensation allowance.

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XIV AND 16.—TELEGRAPH.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
REVENUE.						
I. INDIAN :						
1. Message Revenue	98,65,661	83,82,222	93,58,253	98,85,000	1,03,29,000	1,03,40,000
2. Other Revenue	32,94,120	33,27,074	33,46,165	34,35,000	34,60,000	35,35,000
TOTAL	₹ 1,31,59,781	1,17,09,296	1,27,04,418	1,33,20,000	1,37,89,000	1,38,75,000
	₹ 877,319	780,620	846,961	888,000	919,300	925,000
II. INDO-EUROPEAN :						
1. Message Revenue	13,93,740	17,52,281	21,66,925	22,90,000	21,13,000	20,00,000
2. Other Revenue	15,538	18,278	20,984	19,000	19,000	19,000
TOTAL	₹ 14,09,278	17,70,559	21,87,909	23,09,000	21,32,000	20,19,000
	₹ 93,952	118,037	145,861	153,900	142,100	134,600
England (mainly Mes- sage Revenue).	₹ 6,826	4,194	4,337	4,500	5,000	5,500
TOTAL	₹ 100,778	122,231	150,198	158,400	147,100	140,100
GRAND TOTAL	₹ 978,097	902,851	997,159	1,046,400	1,066,400	1,065,100
EXPENDITURE.						
I. INDIAN :						
1. Revenue	₹ 742,338	766,597	748,976	832,600	802,500	835,300
2. Capital	₹ 195,140	150,770	128,907	143,500	205,500	132,000
TOTAL	₹ 937,478	917,367	877,883	976,100	1,008,000	967,300
II. INDO-EUROPEAN :						
1. Revenue	₹ 80,534	72,945	99,246	106,800	108,600	114,700
2. Capital	₹ 1,047	2,121	-297	10,700	300	12,500
TOTAL	₹ 81,581	75,066	98,949	117,500	108,900	127,200
III. Other charges.	₹ 9,014	...	...	...	...	...
GRAND TOTAL	₹ 1,028,073	992,433	976,832	1,093,600	1,116,900	1,094,500
TOTAL NET REVENUE	₹ -49,976	-89,582	20,327	-47,200	-50,500	-29,400

REVENUE.

(a) Indian.

74. The Revised estimate for the current year exceeds the Budget by ₹ 4'69 lakhs. The bulk of the improvement is expected in the message revenue and is attributed to the special traffic in connection with the Royal visit and the Coronation Durbar, labour troubles in England, and the political events in Europe. The Budget estimate for 1912-13 is taken at only ₹ 86 lakh higher than the Revised for 1911-12. It has not been considered prudent, in view of the abnormal growth of revenue in the current year, to provide for a further material advance next year.

(b) *Indo-European.*

75. The decrease in the Revised estimate of the current year as compared with the Budget, and the further decline anticipated in the Budget estimate of next year, are due to the disturbed conditions prevailing in Persia.

EXPENDITURE.

(a) *Indian.*

Revised, 1911-12. 76. The total expenditure in the current year is expected to exceed the Budget grant by R4.79 lakhs (£31,900). There is a saving of R4.51 lakhs (£30,100) in the revenue expenditure due mainly to an over-estimate of salaries and smaller outlay on line repairs. But this is more than counterbalanced by an increase of R9.30 lakhs (£62,000) in the capital expenditure caused by the installation and equipment of radio offices at Bombay, Karachi, Nagpur and Lahore, by large arrear payments in England in connection with the purchase of stores; and by enhanced demands for stores.

Budget, 1912-13. 77. The Budget estimate for 1912-13 is taken at R6.10 lakhs (£40,700) less than the Revised for 1911-12. There is an increase of R4.92 lakhs (£32,800) in the revenue expenditure owing chiefly to full provision for sanctioned establishments, higher working expenses resulting from the growth in traffic, and an extended programme of line repairs. But, on the other hand, there is a large decrease of R11.02 lakhs (£73,500) in the capital grant owing to a reduction in the requirements of the radio offices and in the demands for stores.

(b) *Indo-European.*

Revised, 1911-12. 78. The total expenditure in the current year falls short of the Budget by R1.29 lakhs (£8,600). There is a lapse of R1.56 lakhs (£10,400) in the capital grant owing to the postponement for another year of the reconstruction of the Arabistan telegraph line and work on certain buildings in Persia. But a small excess of R.27 lakh is expected in the revenue expenditure, a saving of R1.06 lakhs under working expenses and repairs of cables being more than counterbalanced by an increase of R1.33 lakhs in the net payment in England in connection with the Joint Purse arrangement.

Budget, 1912-13. 79. The Budget estimate for 1912-13 provides for capital outlay on the construction works postponed in the current year and on certain other new works, for increased expenditure on repairs to cables and for a small increase in working expenses.

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XV AND 17.—MINT.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
REVENUE.						
INDIA.						
1. Percentage chargeable on coinage of new rupees . . .	1,178	...	...	...	...	...
2. Profit on circulation of—						
(a) Nickel coins . . .	11,11,336	14,38,629	19,82,089	18,00,000	23,00,000	20,00,000
(b) Bronze coins . . .	...	...	5,36,738	10,00,000	6,50,000	5,00,000
3. Fees for coining dollars, etc. . .	3,13,117	3,16,019	3,28,591	1,00,000	17,50,000	5,00,000
4. Other items . . .	1,14,177	1,34,645	94,235	78,000	4,13,000	86,000
TOTAL . . .	R 15,39,808	18,89,293	29,41,653	29,78,000	51,13,000	30,86,000
England . . .	£ 102,654	125,953	196,110	198,500	340,900	205,700
	£ ...	£ ...	£ ...	£ ...	100	£ ...
TOTAL . . .	£ 102,654	125,953	196,110	198,500	341,000	205,700
EXPENDITURE.						
INDIA.						
1. Establishment charges . . .	7,13,287	6,69,379	6,91,459	7,23,000	8,05,000	7,54,000
2. Purchase of stores . . .	1,52,903	77,055	1,11,278	1,55,000	2,14,000	1,45,000
3. Loss on Bronze coinage . . .	10,71,184	7,42,899	...	...	...	...
4. Loss on re-coining old silver coins . . .	4,00,913	3,63,894	4,08,345	4,30,000	4,06,000	4,50,000
5. Other coinage losses . . .	83,702	82,197	93,591	18,000	2,31,000	66,000
TOTAL . . .	R 24,21,989	19,35,424	13,04,673	13,26,000	16,56,000	14,15,000
England . . .	£ 161,466	129,028	86,978	88,400	110,400	94,300
	£ 30,663	14,730	5,391	5,400	5,200	7,100
TOTAL . . .	£ 192,129	143,758	92,369	93,800	115,600	101,400
TOTAL NET REVENUE . . .	£ -89,475	-17,805	103,741	104,700	225,400	104,300

REVENUE.

80. The Revised estimate for 1911-12 exceeds the Budget by R21'37 lakhs. *Revised, 1911-12.* There is an important rise of R16'5 lakhs in the fees for coining British dollars for which there has been a large demand in consequence of the troubles in China. An increase of R1'5 lakhs is also anticipated in the profit on the circulation of subsidiary nickel and bronze coins; while about R2'5 lakhs will be obtained from the sale of Coronation medallions for school children to local Governments and private individuals.

81. The Budget for 1912-13 is taken at R20'29 lakhs less than the Revised estimate for the current year. The decrease is due to a reduction of R12'5 lakhs *Budget, 1912-13.* in the fees for coining British dollars, the demand for which in China is expected to fall off on the establishment of settled conditions, to a moderate provision for profit on the circulation of subsidiary nickel and bronze coins, and to the absence of the special receipts realised in the current year from the sale of Coronation medallions.

EXPENDITURE.

82. The excess of R3'27 lakhs in the expenditure in the current year over the Budget estimate arises mainly in connection with the heavy coinage of British dollars and the manufacture of Coronation medal and medallions. The reduced provision in the Budget estimate for next year has been made with reference to normal operations and an expected falling-off in the demand for dollars. *Revised, 1911-12.* *Budget, 1912-13.*

18.—GENERAL ADMINISTRATION.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
	R	R	R	R	R	R
INDIA.						
<i>Imperial.</i>						
1. Cost of the Central Government:						
(i) Salary and expenses of the Governor-General.	11,08,957	10,62,546	11,78,964	10,88,000	12,71,000	11,66,000
(ii) Executive Council.	4,84,590	4,31,088	4,19,420	4,67,000	4,67,000	4,67,000
(iii) Legislative Council.	1,13,326	96,876	1,39,493	1,52,000	1,31,000	1,52,000
(iv) Charges of the Secretariats.	34,64,966	33,17,664	35,34,858	34,94,000	35,74,000	33,07,000
(v) Cost of administration of the Imperial headquarters at Delhi.	...	...	...	...	...	5,00,000
2. Offices of Account and Audit.	27,85,580	28,91,989	28,28,318	40,85,000	38,72,000	38,61,000
3. Currency Department and Reserve Treasury.	5,65,157	5,76,074	6,07,769	6,08,000	6,45,000	6,57,000
4. Payments to Presidency Banks for treasury and public debt work.	3,39,630	3,40,735	3,49,250	3,54,000	3,54,000	3,57,000
5. Ajmer-Merwara Administration.	2,119	3,527	1,972	2,000	2,000	2,000
6. Royal visit and Coronation Durbar.	...	...	1,64,454	91,50,000	69,60,000	...
7. North-West Frontier Administration.	3,13,660	3,13,473	3,17,266	3,43,000	3,19,000	3,47,000
Total	91,77,085	90,33,972	95,41,764	1,97,43,000	1,75,95,000	1,08,16,000
<i>Provincial.</i>						
1. Central Provinces.	8,18,364	8,42,364	8,93,760	9,80,000	10,65,000	8,94,000
2. Burma.	13,88,608	14,27,642	14,83,411	16,35,000	18,74,000	15,43,000
3. Assam.	...	...	...	...	...	5,70,000
4. Bengal (new).	...	...	...	...	...	22,00,000
5. Behar.	...	...	...	...	...	12,65,000
6. United Provinces.	17,43,824	16,29,833	18,22,599	19,16,000	19,72,000	17,16,000
7. Punjab.	10,58,945	10,52,403	11,32,920	12,18,000	13,50,000	11,69,000
8. Madras.	11,50,585	12,09,190	12,55,461	15,38,000	18,50,000	13,11,000
9. Bombay.	16,06,731	16,13,289	17,19,693	19,27,000	28,25,000	18,31,000
Eastern Bengal and Assam.	12,70,049	12,32,564	12,73,699	15,93,000	17,46,000	...
Bengal (old).	19,06,794	19,01,892	19,91,451	24,24,000	28,54,000	...
Total	1,09,43,900	1,09,09,177	1,15,72,994	1,32,31,000	1,55,36,000	1,24,99,000
TOTAL INDIA	2,01,20,985	1,99,43,149	2,11,14,758	3,29,74,000	3,31,31,000	2,33,15,000
Equivalent in Sterling	£ 1,341,399	£ 1,329,543	£ 1,407,651	2,198,300	£ 2,208,700	£ 1,554,300
ENGLAND.						
1. Cost of the Secretary of State's establishment, etc.	269,264	265,546	275,777	263,100	264,000	260,700
2. Stores, etc., for India.	84,170	60,690	72,832	115,800	117,500	89,000
3. Royal visit and Coronation Durbar.	...	...	...	...	61,700	...
TOTAL	£ 353,434	£ 326,236	£ 348,609	378,900	443,200	349,700
GRAND TOTAL	£ 1,694,833	£ 1,655,779	£ 1,756,260	2,577,200	2,651,900	1,904,000

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83. The cost of the Civil offices of Account and Audit is Imperial in all the provinces with the exception of the charges of the staff employed in auditing the accounts of municipalities and other local bodies; so is the expenditure of the Currency Department, as well as the payments made to the Presidency Banks for treasury work and for the management of the public debt.

(a) India—Imperial.

84. The total expenditure in 1911-12 is expected to fall short of the Budget grant by ₹21.48 lakhs. There will be a saving of ₹21.90 lakhs in the lump provision made for net expenditure in connection with the Royal visit and the Coronation Durbar. This was taken at ₹91.50 lakhs; but the actual allotments did not exceed ₹86 lakhs and the outlay to be recorded in the Imperial section of the accounts will, according to present calculations, amount to ₹69.60 lakhs only, besides ₹1.64 lakhs spent in 1910-11. The expenditure falls mainly under four heads, viz.:—

	Outlay.	Recoveries.	[Lakhs of Rupees. Net expenditure.
(i) Coronation Durbar	57.29*	18.57	38.72
(ii) Imperial Camps at Delhi	25.21	2.97	22.24
(iii) Royal tour inclusive of the Queen-Empress' visit to Rajputana	6.46	.02	6.44
(iv) Cost of medals, local celebrations, etc.	2.20	...	2.20
	<u>91.16</u>	<u>21.56</u>	<u>69.60</u>

* Exclusive of ₹1.64 lakhs incurred in 1910-11.

85. The only important variations between the Budget and Revised estimates of ordinary expenditure consist of: (a) an excess of ₹1.83 lakhs over the grant for the salary and expenses of the Governor General caused by higher tour charges; and (b) a lapse of ₹2.13 lakhs in the grant for the offices of account and audit. The bulk of the latter saving is nominal and is caused by the record under the head "41—Miscellaneous Railway Expenditure" of the charges of the Accountant General, Railways, for which budget provision was made under this head. The increase of ₹.80 lakh in the charges of the Secretariats is mainly due to the employment of additional officers in connection with the Coronation Durbar and other special work.

86. The Budget grant for 1912-13 is ₹67.79 lakhs less than the Revised estimate for 1911-12. Allowing for the absence of the special outlay in the current year on account of the Royal visit and the Coronation Durbar, there is thus a growth of ordinary expenditure to the extent of ₹1.81 lakhs. There is an important decrease of (a) ₹2.67 lakhs in the charges of the Secretariats owing to the absence of provision for additional officers on special duty and to a reduction in hill journey charges caused by the transfer of the seat of Government to Delhi; and (b) ₹1.05 lakhs in the salary and other expenses of the Governor General owing to a normal provision for tour charges. But these are more than counterbalanced by a lump allotment of ₹5 lakhs for the recurring expenditure on the administration of the new Imperial capital at Delhi.

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(b) India—Provincial.

Revised, 1911-12.

87. The total Revised estimate for 1911-12 exceeds the Budget by ₹23·05 lakhs. An excess of ₹23·23 lakhs occurs in the expenditure connected with the Royal visit and the Coronation Durbar, the details of which are given below :—

Province.	EXPENDITURE ON.			TOTAL.	
	Camps at the Delhi Durbar.	Royal tour.	Other items.		
1	2	3	4	5	6
1. Central Provinces	1'00	1'40	...	'49	1'89
2. Burma	1'23	3'15	...	'68	3'83
3. Eastern Bengal and Assam	2'50	3'49	...	'32	3'81
4. Bengal	3'00	3'97	3'17	'23	7'37
5. United Provinces	1'85	1'98	...	'78	2'76
6. Punjab	'80	2'27	...	'11	2'38
7. Madras	2'50	4'55	...	'72	5'27
8. Bombay	2'00	5'71	3'43	1'66	10'80
TOTAL	14'88	26'52	6'69	4'99	38'11

The figure shown against Bombay in column 3 includes ₹·52 lakh on account of the charges connected with the Aden Camp at Delhi, to cover which a special Imperial assignment has been given. The figures in column 4 represent mainly expenditure in connection with the reception and stay of Their Imperial Majesties in Bombay and Calcutta; while the outlay entered in column 5 is chiefly in connection with the illumination of buildings and other local celebrations and the payment of the debts of certain civil prisoners. Imperial assignments aggregating ₹3·16 lakhs have been given to meet a portion of the expenditure shown in columns 4 and 5.

88. The variations between the Budget and Revised estimates of ordinary expenditure in the several provinces are unimportant and call for no remark.

Budget, 1912-13.

89. The total Budget grant for 1912-13 exceeds the Revised estimate of ordinary expenditure in 1911-12 (*i.e.*, exclusive of the special outlay of ₹38·11 lakhs in connection with the Royal visit and the Coronation Durbar) by ₹7·74 lakhs. The cost of the central Government in the three new provinces of Assam, Bengal and Behar will exceed the corresponding expenditure in the two existing provinces by ₹5·53 lakhs. The balance of the increase results from a number of unimportant variations in the other provinces.

(c) England.

Revised, 1911-12.

Budget, 1912-13.

90. The excess of £64,300 over the Budget grant for the current year is almost wholly due to the cost of an addition to the regalia made in connection with the Coronation Durbar. The absence of this special expenditure and provision for a normal outlay on currency note forms account chiefly for the decrease of £93,500 in the Budget estimate for next year as compared with the Revised for 1911-12.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 171

XVI A and 19 A.—LAW AND JUSTICE—COURTS OF LAW.

EXPENDITURE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	3,06,141	3,38,868	3,27,377	3,30,000	3,27,000	3,24,000
2. Baluchistan . . .	35,928	27,965	25,940	19,000	22,000	20,000
3. North-West Frontier . . .	5,42,005	5,52,444	5,70,203	5,67,000	6,11,000	6,34,000
Total . . .	8,84,074	9,19,277	9,23,520	9,16,000	9,60,000	9,78,000
<i>Provincial.</i>						
1. Central Provinces . . .	25,10,402	24,75,896	25,05,636	25,80,000	25,21,000	26,02,000
2. Burma . . .	43,90,265	45,35,553	47,51,224	48,21,000	47,27,000	48,68,000
3. Assam . . .	...	...	...	...	...	8,35,000
4. Bengal (new) . . .	...	...	...	...	...	98,39,000
5. Behar . . .	...	...	...	...	...	31,19,000
6. United Provinces . . .	60,18,614	59,05,155	60,05,317	62,19,000	61,80,000	61,27,000
7. Punjab . . .	37,49,229	38,06,523	40,93,760	41,17,000	41,90,000	42,68,000
8. Madras . . .	56,01,900	56,99,101	59,22,747	61,36,000	61,78,000	63,36,000
9. Bombay . . .	52,80,586	52,61,867	54,54,392	54,59,000	55,03,000	56,60,000
Eastern Bengal and Assam . . .	44,85,535	44,68,912	47,37,231	48,33,000	49,91,000	...
Bengal (old) . . .	83,75,876	82,75,098	85,91,040	87,34,000	88,50,000	...
Total . . .	4,04,12,407	4,04,28,105	4,20,61,347	4,28,99,000	4,32,00,000	4,36,54,000
TOTAL INDIA . R . . .	4,12,96,481	4,13,47,382	4,29,84,867	4,38,15,000	4,41,60,000	4,46,32,000
Equivalent in Sterling £	2,753,099	2,756,492	2,865,658	2,921,000	2,944,000	2,975,500
England . . . £	438	257	1,372	5,000	3,500	1,600
TOTAL . £	2,753,587	2,756,749	2,867,030	2,926,000	2,947,500	2,977,100

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	1,29,084	1,34,338	1,14,414	1,41,000	1,70,000	1,18,000
2. Baluchistan . . .	19,009	22,117	26,784	23,000	23,000	23,000
3. North-West Frontier . . .	92,771	1,02,499	1,21,617	1,03,000	1,14,000	1,16,000
Total . . .	2,40,864	2,58,954	2,62,815	2,67,000	3,07,000	2,57,000
<i>Provincial.</i>						
1. Central Provinces . . .	1,98,857	2,21,084	2,19,401	2,14,000	2,10,000	2,14,000
2. Burma . . .	4,04,220	4,66,537	4,36,046	4,65,000	5,32,000	5,40,000
3. Assam . . .	...	...	...	...	...	1,25,000
4. Bengal (new) . . .	...	...	...	...	...	7,25,000
5. Behar . . .	...	...	...	...	...	2,75,000
6. United Provinces . . .	5,24,251	6,01,793	6,15,943	5,94,000	6,34,000	6,34,000
7. Punjab . . .	4,02,269	4,06,377	4,35,651	4,25,000	4,38,000	4,38,000
8. Madras . . .	7,69,646	8,44,767	9,44,878	9,00,000	9,23,000	9,62,000
9. Bombay . . .	5,89,301	5,98,944	6,07,512	6,10,000	6,30,000	6,55,000
Eastern Bengal and Assam . . .	3,72,878	4,00,907	4,43,257	4,54,000	4,54,000	...
Bengal (old) . . .	6,39,469	6,00,716	6,94,441	6,15,000	7,00,000	...
Total . . .	39,60,891	41,41,125	43,97,132	42,77,000	45,21,000	45,68,000
TOTAL . R . . .	42,01,755	44,00,279	46,59,947	45,44,000	48,28,000	48,25,000
Equivalent in Sterling £	280,117	293,339	310,663	302,900	321,900	321,700

EXPENDITURE.

(a) Imperial.

91. The increase in expenditure in the North-West Frontier Province in the current year over the Budget estimate and the further growth provided for in next year's Budget is mainly due to the recent reorganisation of the Indian Political Department. Otherwise the figures show little variation and call for no remark.

*(b) Provincial.*Revised, 1911-12.

92. The total Revised estimate for 1911-12 exceeds the Budget by R3'01 lakhs. A sum of R3'59 lakhs will be spent on the payment of the Royal bonus, the total ordinary expenditure thus falling short of the Budget estimate by R'58 lakh. Lapses in the ordinary grants are expected in the Central Provinces, Burma, the United Provinces and Madras. But on the other hand there will be an excess in the two Bengals in consequence of the payment of fees to lawyers in connection with the prosecution of special crime; in Bombay, due chiefly to the grant of grain compensation and to larger expenditure on account of fees to pleaders in criminal cases in the mofussil; and in the Punjab owing mainly to inadequate provision on account of salaries and leave allowances.

Budget, 1912-13.

93. The total Budget for 1912-13 is R4'54 lakhs higher than the Revised estimate for 1911-12; and if allowance is made for the absence of the expenditure on the Royal bonus aggregating R3'59 lakhs included in the former, the true excess amounts to R8'13 lakhs. The increase is shared by all the provinces and is partly due to provision being made for sanctioned establishments and for the normal growth of expenditure under the head. Special provision has been made in several provinces for the share of increased expenditure thrown under this head by some of the schemes mentioned in paragraph 20; in Madras for two additional judges for the High Court and for the re-grading of the pay of District Munsiffs; in Bombay for the introduction of increased rates of diet and road expenses of witnesses summoned before criminal courts in the Presidency proper and for the revision of subordinate judicial establishments; in the Punjab for the reorganisation of the Judicial branch of the Indian Civil Service; in Bengal for increasing the retaining fees of Government pleaders in the mofussil; and in the Central Provinces for the revision of the process-serving establishment. The provision in Bengal for the payment of fees to lawyers in criminal cases has been fixed on the basis of normal expenditure, and is about R4 lakhs less than the similar provision in the Revised estimate for the current year.

REVENUE.

(a) Imperial.

94. The figures do not show any important variations and call for no remark.

*(b) Provincial.*Revised, 1911-12.

95. There is an increase of R2'44 lakhs over the total Budget estimate in the current year, chiefly under court-fees realised in cash in Bengal and copying fees similarly realised in Burma where the system of recovering such fees in cash instead of by means of copy stamps was introduced during the course of the year. The Budget for 1912-13 provides for normal receipts in all the provinces.

Budget, 1912-13.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 173

XVI B and 19 B.—LAW AND JUSTICE—JAILS.

EXPENDITURE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	19,27,928	16,73,617	17,25,414	17,78,000	16,24,000	17,34,000
2. Baluchistan	27,202	30,516	32,049	30,000	31,000	31,000
3. North-West Frontier	1,35,681	1,25,123	1,31,858	1,37,000	1,50,000	1,49,000
Total	20,90,811	18,29,256	18,89,321	19,45,000	18,05,000	19,14,000
<i>Provincial.</i>						
1. Central Provinces	5,86,090	6,14,104	5,67,818	5,82,000	5,58,000	5,75,000
2. Burma	12,83,422	12,31,706	13,37,102	12,91,000	13,33,000	13,84,000
3. Assam	...	...	...	...	...	2,69,000
4. Bengal (new)	...	...	...	...	...	20,74,000
5. Behar	...	...	...	...	...	13,34,000
6. United Provinces	24,12,421	20,69,685	19,09,412	20,04,000	19,05,000	19,44,000
7. Punjab	12,34,169	11,06,045	11,09,187	11,35,000	11,84,000	11,90,000
8. Madras	15,13,084	14,86,801	15,09,425	15,12,000	14,67,000	15,00,000
9. Bombay	9,92,226	10,04,522	10,98,691	10,77,000	11,40,000	11,54,000
Eastern Bengal and Assam	11,12,291	9,24,423	9,73,988	10,61,000	10,67,000	...
Bengal (old)	27,70,423	25,29,720	23,73,312	27,09,000	24,80,000	...
Total	1,19,04,126	1,09,67,006	1,08,78,935	1,13,71,000	1,11,34,000	1,14,24,000
TOTAL INDIA R	1,39,94,937	1,27,96,262	1,27,68,256	1,33,16,000	1,29,39,000	1,33,38,000
Equivalent in Sterling £	932,996	853,084	851,217	887,700	862,600	889,200
England	...	...	...	...	...	...
TOTAL £	932,996	853,084	851,217	887,700	862,600	889,200

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	2,88,376	2,80,341	3,26,914	3,14,000	3,40,000	3,43,000
2. Baluchistan	695	910	723	1,000	1,000	1,000
3. North-West Frontier	20,307	17,679	22,978	21,000	24,000	24,000
Total	3,09,378	2,98,930	3,50,615	3,36,000	3,65,000	3,68,000
<i>Provincial.</i>						
1. Central Provinces	2,16,060	2,55,980	1,99,821	2,27,000	2,40,000	2,30,000
2. Burma	4,15,792	4,03,812	3,95,279	4,00,000	4,23,000	4,08,000
3. Assam	...	...	...	...	...	1,05,000
4. Bengal (new)	...	...	...	...	...	6,89,000
5. Behar	...	...	...	...	...	5,00,000
6. United Provinces	3,77,098	3,41,367	3,38,884	3,71,000	3,45,000	3,50,000
7. Punjab	2,00,197	2,54,384	2,82,194	2,64,000	3,35,000	3,43,000
8. Madras	6,16,288	5,05,999	5,50,962	4,80,000	5,00,000	5,00,000
9. Bombay	2,17,461	1,88,536	2,29,460	2,40,000	2,40,000	2,49,000
Eastern Bengal and Assam	4,19,947	3,44,203	2,77,259	3,68,000	2,87,000	...
Bengal (old)	9,21,281	8,59,113	9,42,393	9,14,000	8,88,000	...
Total	33,84,124	31,53,394	32,16,252	32,64,000	32,58,000	33,74,000
TOTAL R	36,93,502	34,52,324	35,66,867	36,00,000	36,23,000	37,42,000
Equivalent in Sterling £	246,234	230,155	237,791	240,000	241,500	249,500

174 BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13.

EXPENDITURE.

(a) *Imperial.*

Revised, 1911-12. 96. The saving of R1·40 lakhs in the Budget provision for 1911-12 is caused mainly by a lapse in the grant for the convict charges at Port Blair, which contribute the bulk of the expenditure shown against "India General." In 1912-13 provision has been made for a normal scale of expenditure on sanctioned establishments.

Budget, 1912-13.

(b) *Provincial.*

Revised, 1911-12. 97. The total Revised for 1911-12 is R2·37 lakhs less than the Budget estimate. Nearly the whole of the decrease occurs in Bengal (R2·29 lakhs) and is caused mainly by savings in dietary charges consequent on a fall in prices. The estimates for 1912-13 are generally based on the sanctioned scale of establishments, the probable jail population, the cost of dietary and the requirements for raw materials.

Budget, 1912-13.

REVENUE.

(a) *Imperial.*

Revised, 1911-12. 98. The small increase anticipated in the revenue in the current year over the Budget estimate occurs in the receipts of the convict settlement at Port Blair. The Budget estimate for 1912-13 practically repeats the Revised for 1911-12.

Budget, 1912-13.

(b) *Provincial.*

Revised, 1911-12. 99. There is no important variation between the Budget and Revised estimates of the current year. The Budget estimate for 1912-13 exceeds the Revised for 1911-12 by R1·16 lakhs, nearly the whole of the improvement being expected in the sale proceeds of jail manufactures in Bengal and Behar.

Budget, 1912-13.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 175

XVII AND 20.—POLICE.
EXPENDITURE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	8,70,051	9,24,880	8,44,699	8,96,000	9,32,000	9,37,000
2. Baluchistan . . .	4,10,383	4,16,376	4,09,057	5,37,000	4,18,000	5,09,000
3. North-West Frontier . . .	15,03,365	15,42,553	15,59,953	17,08,000	16,01,000	16,25,000
Total . . .	27,83,799	28,83,809	28,13,709	31,41,000	29,51,000	30,71,000
<i>Provincial.</i>						
1. Central Provinces . . .	32,28,761	31,05,058	32,06,136	32,80,000	33,50,000	33,00,000
2. Burma . . .	1,19,27,176	1,17,84,022	1,20,98,874	1,23,80,000	1,27,13,000	1,26,65,000
3. Assam . . .	...	...	...	...	...	22,27,000
4. Bengal (new) . . .	...	...	...	...	...	90,00,000
5. Behar . . .	...	...	...	...	...	40,89,000
6. United Provinces . . .	1,00,94,764	1,02,13,040	1,03,31,881	1,11,81,000	1,11,50,000	1,12,17,000
7. Punjab . . .	55,04,576	53,51,066	56,50,190	62,35,000	58,27,000	58,06,000
8. Madras . . .	73,72,784	74,13,011	80,45,389	86,39,000	83,40,000	82,91,000
9. Bombay . . .	89,37,093	93,10,472	91,80,081	1,00,73,000	1,00,98,000	1,02,26,000
Eastern Bengal and Assam . . .	50,41,025	50,81,804	53,00,014	60,46,000	57,51,000	...
Bengal (old) . . .	80,25,874	81,57,764	83,16,042	85,97,000	86,34,000	...
Total . . .	6,01,32,053	6,04,16,237	6,24,28,607	6,64,31,000	6,58,63,000	6,68,21,000
TOTAL INDIA . R	6,29,15,852	6,33,00,046	6,52,42,316	6,95,72,000	6,88,14,000	6,98,92,000
Equivalent in Sterling £	4,194,390	4,220,003	4,349,488	4,638,100	4,587,600	4,659,500
England . . . £	1,832	2,303	2,124	2,000	1,700	1,500
TOTAL . £	4,196,222	4,222,306	4,351,612	4,640,100	4,589,300	4,661,000

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	42,597	46,888	22,300	15,000	16,000	14,000
2. Baluchistan . . .	...	...	36,704	28,000	13,000	11,000
3. North-West Frontier . . .	70,893	82,029	1,11,774	81,000	23,000	24,000
Total . . .	1,13,490	1,28,917	1,70,778	1,24,000	52,000	49,000
<i>Provincial.</i>						
1. Central Provinces . . .	23,299	25,335	34,341	30,000	31,000	29,000
2. Burma . . .	2,26,996	2,05,720	2,23,409	2,15,000	2,60,000	2,37,000
3. Assam . . .	...	...	...	...	...	1,06,000
4. Bengal (new) . . .	...	...	...	...	...	2,00,000
5. Behar . . .	...	...	...	...	...	38,000
6. United Provinces . . .	86,551	92,183	91,288	93,000	92,000	1,01,000
7. Punjab . . .	5,77,975	5,69,311	5,80,991	5,61,000	1,68,000	1,56,000
8. Madras . . .	5,92,474	4,91,735	4,64,526	4,80,000	4,62,000	4,66,000
9. Bombay . . .	3,93,799	3,95,538	3,88,422	4,53,000	4,00,000	2,31,000
Eastern Bengal and Assam . . .	1,76,356	1,35,571	1,89,807	1,36,000	1,65,000	...
Bengal (old) . . .	1,80,904	1,89,940	1,87,030	1,74,000	1,55,000	...
Total . . .	22,58,354	21,05,333	21,59,814	21,42,000	17,33,000	15,64,000
TOTAL . R	23,71,844	22,34,250	23,30,592	22,66,000	17,85,000	16,13,000
Equivalent in Sterling £	158,123	148,950	155,373	151,100	119,000	107,500

176 BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13.

EXPENDITURE.

(a) *Imperial.*

Revised, 1911-12.

100. The Revised estimate for the current year is ₹1'90 lakhs less than the Budget. Of the decrease, ₹'73 lakh is accounted for by the lump provision made in the Budget for relieving municipalities in Baluchistan and the North-West Frontier Province of all police expenditure hitherto incurred by them. The effect of the measure in these two tracts has been a loss of revenue and not an increase of expenditure and the result is a saving in the Budget estimate of expenditure and a reduction in the Budget of receipts. The balance of the decrease in expenditure is chiefly due to the non-utilisation of the provision for further police reforms in Baluchistan and to lapses in ordinary grants. In the Budget estimate for 1912-13 provision has been made for the full sanctioned strength of the forces in the various minor provinces, etc., and for the introduction of a further instalment of reforms in Baluchistan and in the Central India Agency.

Budget, 1912-13.

(b) *Provincial.*

Revised, 1911-12.

101. The Revised estimate for 1911-12 falls short of the Budget by ₹5'68 lakhs in spite of an expenditure of ₹12'73 lakhs on the payment of the Royal bonus, the total lapse in the Budget grant thus amounting to ₹18'41 lakhs. Of this saving ₹5'20 lakhs occur in the Punjab and are almost wholly explained by the non-utilisation of the provision for relieving municipalities of all police expenditure hitherto incurred by them—the effect of the measure in this province also being a loss of revenue and not an increase of expenditure. The balance of the saving, *viz.*, ₹13'21 lakhs, is distributed over the other provinces with the exception of Burma and the Central Provinces. It is due to the partial utilisation of various lump provisions made in the Budget for the introduction of re-organisation schemes and further instalments of measures of police reform, as well as to lapses in ordinary grants arising from short strength of police force, reduced payment of grain compensation allowance, and other causes. Burma is the only province where any considerable excess over the Budget grant would have occurred even without the payment of the Royal bonus, owing to the employment of military police in connection with certain frontier missions.

Budget, 1912-13.

102. The Budget estimate for 1912-13 exceeds the Revised estimate of ordinary expenditure (*i.e.*, exclusive of payments of Royal bonus aggregating ₹12'73 lakhs) in 1911-12 by ₹22'31 lakhs. The increase is shared by all the provinces and is generally due to provision for the full cost of the reforms introduced during the current year as well as for the introduction of further reform measures.

REVENUE.

Revised, 1911-12.

103. The decrease in the Imperial as well as in the Provincial receipts in 1911-12 as compared with the Budget estimate is mainly due to the loss of revenue arising from the remission of contributions paid by municipalities in the Punjab, North-West Frontier Province and Baluchistan towards the cost of Government police supplied to them. The further decrease of ₹1'69 lakhs anticipated in the Provincial revenue in 1912-13 is caused chiefly by the exclusion from the revenue account of Government of the receipts and charges on account of private watchmen (*ramoshis*) in Bombay.

Budget, 1912-13.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 177

XVIII AND 21.—PORTS AND PILOTAGE.

EXPENDITURE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1910-1911.		Budget, 1911-1912.
				Budget.	Revised.	
<i>Provincial.</i>						
1. Burma	12,86,363	12,57,081	12,42,302	12,45,000	12,67,000	12,86,000
2. Assam . . . . .	...	...	...	...	...	49,000
3. Bengal (new) . . . . .	...	...	...	...	...	12,08,000
4. Behar . . . . .	...	...	...	...	...	1,000
5. Madras	18,223	17,776	22,112	19,000	20,000	21,000
6. Bombay	53,216	59,421	78,185	78,000	78,000	68,000
Eastern Bengal and Assam	1,58,435	1,07,065	91,447	1,22,000	1,17,000	...
Bengal (old)	22,62,057	11,79,559	12,33,468	11,89,000	12,00,000	...
Total India . R	37,78,294	26,20,902	26,67,514	26,53,000	26,82,000	26,33,000
Equivalent in Sterling £ England	251,886 212	174,727 52	177,834 56	176,900 103	178,800 100	175,500 100
TOTAL £	252,098	174,779	177,890	177,000	178,900	175,600

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Provincial.</i>						
1. Burma	4,46,458	4,81,538	5,00,723	4,51,000	4,83,000	5,00,000
2. Bengal (new) . . . . .	...	...	...	...	...	15,98,000
3. Bombay	88,973	87,821	89,816	92,000	95,000	95,000
Eastern Bengal and Assam	8,516	9,105	8,057	10,000	9,000	...
Bengal (old)	15,55,871	15,22,485	15,99,367	15,85,000	16,10,000	...
TOTAL R	20,99,818	21,01,249	21,97,903	21,41,000	21,97,000	21,93,000
Equivalent in Sterling £	139,988	140,083	146,531	142,700	146,500	146,200

104. The figures do not show any important variations and call for no remark.

XIX AND 22.—EDUCATION.

EXPENDITURE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India, General	7,61,694	6,06,607	6,76,034	4,83,000	5,15,000	84,65,000
2. Baluchistan . . . . .	...	...	90,722	53,000	49,000	64,000
3. North-West Frontier	1,02,110	86,316	1,61,796	1,27,000	1,14,000	2,04,000
Total	8,63,804	6,92,923	9,28,552	6,63,000	6,78,000	87,33,000
<i>Provincial.</i>						
1. Central Provinces	15,89,039	16,55,200	17,26,086	20,15,000	18,24,000	22,90,000
2. Burma	18,83,630	18,99,675	18,75,342	24,04,000	20,39,000	27,34,000
3. Assam . . . . .	...	...	...	...	...	9,85,000
4. Bengal (new) . . . . .	...	...	...	...	...	78,45,000
5. Behar . . . . .	...	...	...	...	...	26,25,000
6. United Provinces	29,84,191	28,58,786	38,45,241	54,86,000	48,18,000	52,13,000
7. Punjab	22,24,247	22,61,241	24,83,817	26,82,000	23,39,000	28,63,000
8. Madras	37,38,835	37,90,145	39,86,111	49,94,000	45,65,000	58,88,000
9. Bombay	41,21,248	43,52,501	47,53,732	56,78,000	50,70,000	66,85,000
Eastern Bengal and Assam	21,67,643	23,38,345	26,10,708	33,18,000	28,92,000	...
Bengal (old)	55,28,726	55,68,813	55,21,364	70,26,000	57,96,000	...
Total	2,42,37,559	2,47,24,705	2,66,02,401	3,36,03,000	2,93,43,000	3,71,28,000
TOTAL INDIA R	2,51,01,363	2,54,17,629	2,75,30,953	3,42,66,000	3,00,21,000	4,58,61,000
Equivalent in Sterling £	1,673,424	1,694,509	1,835,397	2,284,400	2,001,400	3,057,400
England	8,911	10,363	10,846	10,500	11,000	10,500
TOTAL	1,682,335	1,704,872	1,846,243	2,294,900	2,012,400	3,067,900

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India, General	R 25,904	R 28,914	R 26,311	R 27,000	R 27,000	R 28,000
2. Baluchistan . . . . .	...	...	10,026	13,000	12,000	14,000
3. North-West Frontier	484	681	676	1,000	1,000	1,000
<i>Provincial.</i>						
1. Central Provinces	95,541	1,09,308	1,17,185	1,32,000	1,45,000	1,75,000
2. Burma	1,38,258	1,74,808	2,00,099	2,36,000	2,11,000	2,30,000
3. Assam . . . . .	...	...	...	...	...	88,000
4. Bengal (new) . . . . .	...	...	...	...	...	6,84,000
5. Behar . . . . .	...	...	...	...	...	1,95,000
6. United Provinces	2,51,372	2,48,092	4,26,511	4,86,000	4,92,000	5,12,000
7. Punjab	3,02,735	4,67,788	3,72,418	3,87,000	3,98,000	4,21,000
8. Madras	2,03,269	1,79,600	2,25,336	3,21,000	3,07,000	3,43,000
9. Bombay	4,08,538	4,09,209	4,22,292	4,40,000	4,57,000	5,00,000
Eastern Bengal and Assam	2,32,045	2,63,282	3,22,331	3,15,000	3,39,000	...
Bengal (old)	7,18,357	6,06,453	6,31,361	6,50,000	6,50,000	...
TOTAL R	23,76,453	24,88,135	27,54,546	30,08,000	30,39,000	31,91,000
Equivalent in Sterling £	158,430	165,875	183,636	200,500	202,600	212,700

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EXPENDITURE.

(a) *Imperial.*

105. The Revised estimate for 1911-12 does not differ materially from the Revised, 1911-12. Budget. The Budget estimate for 1912-13 includes the following special Budget, 1912-13. provisions aggregating R80 lakhs:—

(a) Balance of the recurring Royal grant of R50 lakhs for the promotion of truly popular education:—

	Lakhs of Rupees.
(i) share allotted to the North-West Frontier Province	50
(ii) share allotted to other minor administrations	25
(iii) unallotted balance held in reserve pending preparation of schemes	4.25
	5.00

(b) Additional reserve provision for the advancement of education:—

(i) recurring	10.00	
(ii) non-recurring	65.00	75.00
Total	75.00	80.00

(b) *Provincial.*

106. The Revised estimate for the current year is R42.60 lakhs less than Revised, 1911-12. the Budget. The latter provided for an outlay of R47.91 lakhs out of the non-recurring Imperial assignment for the development of education. Against this provision an expenditure of R16.60 lakhs only will be incurred in the civil department and recorded under this head, while R14.47 lakhs are expected to be spent in the Public Works department and R16.84 lakhs will lapse,—the resultant saving under this head amounting to R31.31 lakhs. The balance of the saving, *viz.*, R11.29 lakhs, is distributed over all the provinces and is due to the transfer of certain building grants to the Public Works Department and to lapses in ordinary grants as well as in lump allotments for new schemes included in the Budget estimates of several provinces. Some of the latter allotments will not be utilised at all owing mainly to delay in the maturing and introduction of the schemes. In this class fall the provision made in Bengal for the revision of pay of sub-inspectors transferred from district boards; in the United Provinces for the re-grading of the Provincial Educational service; in the Punjab for the taking over of the Lawrence Memorial Asylum, Murree; in Madras for the establishment of model high schools and the reorganisation of training schools for masters and for mistresses; and in Bombay for the taking over of the Gujarat College and for an increase in the pay of assistant teachers in high schools and training colleges.

107. The estimates for 1912-13 allow for a further large advance of R77.85 Budget, 1912-13. lakhs in educational expenditure — the increase being again much larger than that provided under any other head of civil expenditure. Of this increase R30.67 lakhs are contributed by the allotments made under this head from the sums placed at the disposal of provincial Governments out of the opium revenue of 1910-11 for non-recurring expenditure on education, which amount to R47.27 lakhs against a probable outlay of R16.60 lakhs in 1911-12; and R23.50 lakhs are due to lump provisions for expenditure out of the sums aggregating R45 lakhs which have been assigned to Provincial Governments from the Royal grant of R50 lakhs for the promotion of truly popular education. The bulk of this grant will be devoted to primary education, though small sums may be utilised for

technical education and other purposes. The distribution of the lump provisions made out of it in the estimates of the major provinces is given below :

	Lakhs of Rupees.
Central Provinces	1'25
Burma	1'25
Assam	'75
Bengal	4'50
Behar	2'25
United Provinces	4'50
Punjab	1'75
Madras	4'00
Bombay	3'25
	23'50

108. The increased outlay contemplated from provincial resources proper thus amounts to Rs 23'70 lakhs. Provision has been made in every province for the full cost of the reforms introduced in the current year and for further progress in the improvement and development of education, the following additions being made with reference to the recommendations of the Provincial Finance Committees :—

	R.
United Provinces	1,43,000
Punjab (excluding outlay from non-recurring Imperial grant)	1,41,000
Madras (ditto ditto)	1,87,000
Bombay	1,93,000

109. The more important special provisions made in the several provinces are enumerated below :—

- (1) *Central Provinces.*—Strengthening of the inspecting agency and of the staff in the Government colleges ; development of the Victoria College of Science and establishment of an engineering branch in it ; grant of additional scholarships in secondary schools.
- (2) *Assam.*—Taking over of the Murarichand College, Sylhet ; development of collegiate education.
- (3) *Bengal.*—Revision of pay of sub-inspectors transferred from district boards ; strengthening and improvement of the staff in Government Colleges ; re-organisation of training schools.
- (4) *United Provinces.*—Development of the Rurki College ; opening of the technological institute at Cawnpur ; taking over of subordinate inspecting agency now maintained by district boards.
- (5) *Punjab.*—Taking over of Lawrence Memorial Asylum, Murree ; re-organisation of the provincial and subordinate educational services ; grants to district boards for increasing the pay of primary school teachers.
- (6) *Madras.*—Enhanced grant to the University (Rs 1'50 lakhs) ; establishment of Government model high schools (Rs 1'50 lakhs) ; increased subsidies to local boards (Rs 2'10 lakhs) to enable them to open schools in villages at present unprovided with them ; re-organisation of training schools for masters and for mistresses.
- (7) *Bombay.*—Opening of new primary schools and other objects connected with the development of primary education (Rs 1'50 lakhs).

REVENUE.

110. The growth in the number of students in the Government schools and colleges generally accounts for the improvement in the receipts in the current year and the further increase allowed for in the Budget of 1912-13.

Revised, 1911-12.

Budget, 1912-13.

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23.—ECCLESIASTICAL.

EXPENDITURE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	1,93,499	1,92,225	1,63,524	1,73,000	1,63,000	1,73,000
2. Baluchistan . . . . .	..	..	25,449	24,000	24,000	24,000
3. Central Provinces	86,240	84,330	79,479	93,000	78,000	1,05,000
4. Berma	1,18,544	1,23,387	1,24,470	1,25,000	1,37,000	1,44,000
5. Assam . . . . .	..	..	..	..	..	20,000
6. Bengal (new) . . . . .	..	..	..	..	..	1,94,000
7. Behar . . . . .	..	..	..	..	..	37,000
8. United Provinces	2,53,843	2,60,160	2,49,723	2,75,000	2,58,000	2,62,000
9. Punjab	2,29,888	2,33,104	2,44,915	2,26,000	2,37,000	2,46,000
10. North-West Frontier	35,385	36,932	38,416	41,000	40,000	41,000
11. Madras	2,98,842	3,31,965	3,37,659	3,41,000	3,67,000	3,81,000
12. Bombay	3,27,416	3,38,613	3,52,009	3,52,000	3,47,000	3,45,000
Eastern Bengal and Assam	31,100	28,435	40,105	41,000	42,000	..
Bengal (old)	2,15,390	2,24,161	2,09,411	2,18,000	2,08,000	..
TOTAL INDIA R	17,90,147	18,53,312	18,65,160	19,09,000	19,01,000	19,72,000
Equivalent in Sterling £	119,343	123,554	124,344	127,300	126,700	131,500
England £	739	489	334	500	300	400
TOTAL £	120,082	124,043	124,678	127,800	127,000	131,900

111. The figures do not call for any remark. The Revised estimate for 1911-12 does not differ materially from the Budget. In 1912-13 provision has been made for the sanctioned scale of expenditure.

XX AND 24.—MEDICAL.

EXPENDITURE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	6,70,421	7,02,069	6,82,219	6,43,000	5,85,000	12,51,000
2. Baluchistan	...	...	87,627	91,000	90,000	1,00,000
3. North-West Frontier	1,56,703	1,83,690	2,19,909	2,30,000	1,72,000	3,09,000
Total	8,27,124	8,85,759	9,89,755	9,64,000	8,47,000	16,60,000
<i>Provincial.</i>						
1. Central Provinces	7,18,278	7,98,349	8,73,489	10,25,000	9,19,000	14,51,000
2. Burma	21,21,431	21,23,201	19,08,768	25,18,000	21,78,000	31,95,000
3. Assam	...	...	...	...	...	8,02,000
4. Bengal (new)	...	...	...	...	...	36,95,000
5. Behar	...	...	...	...	...	10,94,000
6. United Provinces	20,82,419	15,86,585	17,88,777	31,54,000	30,48,000	30,79,000
7. Punjab	14,25,184	13,31,758	14,19,589	23,77,000	21,75,000	31,50,000
8. Madras	21,18,682	17,84,589	18,22,160	18,61,000	17,98,000	29,39,000
9. Bombay	25,52,234	24,97,108	22,72,567	31,87,000	25,03,000	41,75,000
Eastern Bengal and Assam	9,33,857	10,23,998	10,67,623	16,09,000	12,33,000	...
Bengal (old)	23,28,034	23,38,148	24,27,015	25,13,000	25,12,000	...
Total	1,42,80,119	1,34,83,736	1,35,79,988	1,82,44,000	1,63,66,000	2,35,80,000
TOTAL INDIA	₹ 1,51,07,243	1,43,69,495	1,45,69,743	1,92,08,000	1,72,13,000	2,52,40,000
Equivalent in Sterling	£ 1,007,150	957,967	971,316	1,280,600	1,147,600	1,682,700
England	£ 10,562	9,866	11,606	11,900	12,200	12,100
TOTAL	£ 1,017,712	967,833	982,922	1,292,500	1,159,800	1,694,800

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	8,032	7,743	6,021	6,000	6,000	6,000
2. Baluchistan	...	...	1,711	2,000	2,000	2,000
3. North-West Frontier	611	660	620	1,000	...	...
<i>Provincial.</i>						
1. Central Provinces	10,834	8,551	9,400	8,000	10,000	13,000
2. Burma	60,655	63,951	76,876	74,000	98,000	90,000
3. Assam	...	...	...	...	...	14,000
4. Bengal (new)	...	...	...	...	...	3,61,000
5. Behar	...	...	...	...	...	13,000
6. United Provinces	36,068	37,687	46,408	46,000	53,000	52,000
7. Punjab	33,906	45,793	49,589	46,000	49,000	48,000
8. Madras	1,18,849	1,21,733	1,24,719	1,23,000	1,27,000	1,28,000
9. Bombay	2,22,402	2,28,245	2,36,064	2,40,000	2,40,000	2,40,000
Eastern Bengal and Assam	59,879	56,689	46,230	60,000	48,000	...
Bengal (old)	2,81,855	2,90,056	3,45,728	3,29,000	3,32,000	...
TOTAL INDIA	₹ 8,33,091	8,61,108	9,43,366	9,35,000	9,65,000	9,67,000
Equivalent in Sterling	£ 55,539	57,407	62,891	62,400	64,300	64,500
England	£ 1,010	828	806	900	800	800
TOTAL	£ 56,549	58,235	63,697	63,300	65,100	65,300

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 183

EXPENDITURE.

(a) Imperial.

112. The saving of ₹1.17 lakhs in the Budget grant for 1911-12 is caused ^{Revised, 1911-12.} by a vacancy in the appointment of Sanitary Commissioner with the Government of India; by the non-utilisation of the provisions (a) for the payment of a contribution to the Countess of Dufferin's Fund and (b) for the improvement of the subordinate medical staff in the North-West Frontier Province; and by a lapse in the grant for expenditure in connection with plague in the latter province. The increase of ₹8.13 lakhs in the Budget estimate for 1912-13 over the ^{Budget, 1912-13.} Revised for the current year is due to full provision for sanctioned establishments and for plague grants in the North-West Frontier Province, as well as to the following special lump allotments:—

	Lakhs of Rupees.
(1) Contribution to the Countess of Dufferin's Fund	1.50
(2) Improvement of sanitation in the North-West Frontier Province and other minor administrations	2.77
(3) Improvement of the sanitary services in India	2.30
	6.57

(b) Provincial.

113. The Revised estimate for 1911-12 is ₹18.78 lakhs less than the Budget. ^{Revised, 1911-12.} Of this decrease, which is shared by every province, ₹12.62 lakhs are contributed by Bombay (₹6.84 lakhs), Eastern Bengal and Assam (₹3.76 lakhs) and the Punjab (₹2.02 lakhs), and are mainly caused by the record under other heads of expenditure of outlay from the special Imperial grants made in 1910-11 for the improvement of sanitation, for which provision was made in the Budget under this head. Other important decreases occur in Burma (₹3.40 lakhs), in the Central Provinces (₹1.06 lakhs); and in the United Provinces (₹1.06 lakhs), owing to savings in ordinary and plague grants as well as to lapses in the special provision for the improvement of sanitation.

114. The Budget estimate for 1912-13 exceeds the Revised for 1911-12 by ^{Budget, 1912-13.} ₹72.14 lakhs. Of this increase, ₹62 lakhs represent non-recurring outlay out of the special Imperial assignments given from the opium revenue of the current year, for the improvement of sanitation and the furtherance of research in hygiene. The distribution of the amount is shown below:—

[Lakhs of Rupees.]

Province.	Sanitation (water-works and drainage schemes).	Equipment and extension of research laboratories.	Payment to Central Research fund mainly for anti-malarial and yellow-fever enquiries and experiments.	Establishment of a tropical school of medicine in connection with the Medical College, Calcutta.	Total.
1. Central Provinces	4.00	...	...	...	4.00
2. Burma	4.00	...	...	...	4.00
3. Assam	1.46	...	...	...	1.46
4. Bengal	7.25	...	...	4.00	11.25
5. Behar	4.62	...	...	...	4.62
6. United Provinces	8.00	...	...	...	8.00
7. Punjab	6.17	...	6.00	...	12.17
8. Madras	8.00	...	...	...	8.00
9. Bombay	6.50	2.00	...	...	8.50
TOTAL	50.00	2.00	6.00	4.00	62.00

115. Excluding these special allotments, the variations between the Budget estimates of 1912-13 and the Revised of 1911-12 consist of: (a) increases of R8.22 lakhs in Bombay, R3.41 lakhs in Madras, R6.17 lakhs in Burma, R1.32 lakhs in the Central Provinces and R1.13 lakhs in Assam, Bengal and Behar; and (b) decreases of R7.69 lakhs in the United Provinces and R2.42 lakhs in the Punjab. The decreases in the last two provinces are caused by reductions of R8.46 lakhs and R4.70 lakhs in the sums available for allotment in 1912-13 out of the non-recurring Imperial grants made in aid of sanitation in 1910-11, as compared with the expenditure from this source in 1911-12; and but for these special reductions there would have been a growth of expenditure in these two provinces also. The Budget grants for next year generally provide for the full cost of sanctioned establishments and for increased expenditure in connection with the plague and with anti-malarial investigations. Special allotments have been made in Burma and in Bengal for the improvement of the pay of Assistant Surgeons; in Madras for the payment of a contribution of R2 lakhs to the Edward VII Memorial Fund Committee in connection with the construction of a hospital and sanatorium for consumptives; and in Bombay for the development of the Grant Medical College. In Bombay provision has been made under this head for (i) the recurring Imperial contribution of R4.5 lakhs for special sanitation schemes and (ii) the balance (R2.25 lakhs) of the non-recurring contribution made in 1910-11 for the same purpose. Provision for (ii) has been made under this head also in Burma (R5.48 lakhs), in the Punjab (R2.65 lakhs), in the Central Provinces (R1 lakh), and in the United Provinces (R1.02 lakhs) while Assam expects to spend in 1912-13 only R1 lakh out of the balance of the contribution which will fall to its share (*viz.*, R2.5 lakhs).

Revenue.

116. The figures do not show any important variations and call for no remark.

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25.—POLITICAL.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial</i>						
1. India General	71,08,494	53,19,919	81,88,401	56,38,000	61,44,000	58,12,000
2. Baluchistan	22,81,729	22,69,281	22,70,805	23,50,000	23,58,000	23,94,000
3. North-West Frontier	32,41,775	30,53,873	31,44,973	31,84,000	31,15,000	31,07,000
4. Punjab	6,32,268	6,46,986	6,13,208	6,62,000	6,21,000	6,71,000
5. Other Provinces	6,15,267	5,54,796	6,20,037	5,73,000	5,64,000	5,70,000
Total	1,38,79,533	1,18,44,855	1,51,37,424	1,24,07,000	1,28,02,000	1,26,14,000
<i>Provincial.</i>						
1. Central Provinces	45,011	45,615	28,991	31,000	33,000	36,000
2. Burma	4,11,805	4,03,949	4,26,309	4,41,000	4,25,000	4,33,000
3. Assam . . . . .	...	...	...	...	...	92,000
4. Bengal (new) . . . . .	...	...	...	...	...	34,000
5. Behar . . . . .	...	...	...	...	...	53,000
6. United Provinces	4,932	5,617	9,877	6,000	4,000	4,000
7. Madras	79,596	1,12,212	96,421	99,000	1,05,000	94,000
8. Bombay	4,65,885	4,76,016	4,72,953	4,79,000	5,03,000	4,74,000
Eastern Bengal and Assam	1,08,493	89,952	1,22,731	1,17,000	4,46,000	...
Bengal (old)	52,404	51,943	62,041	64,000	65,000	...
Total	11,08,126	11,85,304	12,19,383	12,40,000	15,81,000	12,20,000
TOTAL INDIA . R	1,49,87,659	1,30,39,159	1,63,56,807	1,36,47,000	1,43,83,000	1,38,34,000
Equivalent in Sterling £	999,177	868,677	1,090,454	509,800	958,900	922,300
England	8,335	6,450	5,016	2,500	10,200	4,000
TOTAL £	1,007,512	875,127	1,095,470	912,300	969,100	926,300

117. The Imperial outlay shown against "Other Provinces" consists of the charges of the Political Residency at Aden and certain other expenditure—mainly in connection with political refugees and State prisoners—in several provinces.

(a) *Imperial.*

118. The increase of R3'95 lakhs in the Revised estimate for the current year over the Budget grant is caused partly by the reorganisation of the Indian Political Department and the remission of contributions hitherto recovered towards the cost of certain political agencies; and partly by special expenditure in connection with the arms traffic operations in the Persian Gulf and with the Miri, Mishmi and North Burma political missions. The absence of any provision for these special charges accounts for the decrease in the Budget estimate for next year as compared with the Revised estimate of 1911-12.

(b) *Provincial.*

119. The variation between the Budget and Revised estimates of 1911-12 and between the latter and the Budget estimate for 1912-13 is almost wholly due to special expenditure (R3'20 lakhs) in the current year in connection with the Miri and Mishmi Missions. A special Imperial assignment has been given to compensate the provincial Government for the outlay.

(c) *Home.*

120. The excess of £7,700 over the Budget grant in 1911-12 has been mainly caused by increased payments for Insignia of Indian Orders. The Budget estimate for 1912-13 provides for normal expenditure under the head.

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XXI AND 26.—SCIENTIFIC AND OTHER MINOR DEPARTMENTS.

EXPENDITURE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	55,57,022	54,57,101	55,31,182	70,32,000	54,96,000	58,54,000
2. Baluchistan . . .	11,060	13,780	12,730	36,000	82,000	45,000
3. North-West Frontier . . .	32,510	39,279	88,717	90,000	95,000	82,000
4. Other Provinces . . .	2,01,206	2,72,575	6,14,787	2,99,000	14,97,000	3,14,000
Total . . .	58,61,798	57,82,735	62,77,416	74,57,000	71,70,000	62,95,000
<i>Provincial.</i>						
1. Central Provinces . . .	4,80,141	4,32,729	4,43,936	5,26,000	5,04,000	6,99,000
2. Burma . . .	3,67,977	4,27,888	3,81,263	4,27,000	4,34,000	6,60,000
3. Assam . . .	...	...	...	...	...	2,30,000
4. Bengal (new) . . .	...	...	...	...	...	17,13,000
5. Behar . . .	...	...	...	...	...	5,00,000
6. United Provinces . . .	8,30,179	11,44,571	10,10,638	12,91,000	11,16,000	13,15,000
7. Punjab . . .	5,66,817	7,01,968	6,65,617	7,76,000	7,60,000	10,75,000
8. Madras . . .	12,06,457	13,36,620	13,82,185	13,72,000	13,27,000	17,37,000
9. Bombay . . .	6,99,792	8,02,170	8,58,420	10,46,000	10,80,000	10,93,000
Eastern Bengal and Assam . . .	3,78,767	4,54,083	4,51,867	4,96,000	4,62,000	...
Bengal (old) . . .	12,26,466	12,20,110	13,47,063	14,09,000	13,46,000	...
Total . . .	57,56,596	65,20,145	65,40,989	74,03,000	70,29,000	90,22,000
TOTAL INDIA . . . R	1,16,18,394	1,23,02,880	1,28,18,405	1,48,60,000	1,41,99,000	1,53,17,000
Equivalent in Sterling £ England (mainly stores) . . . £	774,560	820,192	854,560	990,600	916,600	1,021,800
	56,744	31,204	23,485	32,300	21,100	28,400
TOTAL . . . £	831,304	851,396	878,045	1,022,900	967,700	1,049,500

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	1,84,794	2,66,909	1,78,182	1,70,000	2,13,000	2,80,000
2. Baluchistan . . .	781	960	788	1,000	1,000	1,000
3. North-West Frontier . . .	185	77	83	...	2,000	7,000
TOTAL . . .	1,85,760	2,67,946	1,79,053	1,71,000	2,16,000	2,88,000
<i>Provincial.</i>						
1. Central Provinces . . .	72,746	94,288	96,041	1,00,000	93,000	1,02,000
2. Burma . . .	5,281	4,389	9,199	7,000	0,000	9,000
3. Assam . . .	...	...	...	...	...	25,000
4. Bengal (new) . . .	...	...	...	...	...	3,83,000
5. Behar . . .	...	...	...	...	...	28,000
6. United Provinces . . .	1,45,828	1,27,521	1,44,828	1,79,000	1,51,000	1,49,000
7. Punjab . . .	1,01,929	1,08,979	1,09,437	1,20,000	99,000	1,20,000
8. Madras . . .	6,54,886	5,41,142	6,50,363	5,37,000	6,16,000	6,29,000
9. Bombay . . .	63,759	78,877	1,20,095	1,20,000	1,11,000	1,00,000
Eastern Bengal and Assam . . .	64,457	45,534	41,784	49,000	44,000	...
Bengal (old) . . .	2,86,008	3,46,711	3,31,173	3,70,000	3,00,000	...
TOTAL . . .	13,94,894	13,47,447	15,03,520	14,82,000	14,20,000	15,51,000
TOTAL INDIA . . .	15,80,654	16,15,393	16,82,573	16,53,000	16,36,000	18,39,000
Equivalent in sterling £ England . . . £	105,377	107,693	112,172	110,200	109,100	122,600
	1,159	1,745	1,260	900	1,000	1,100
TOTAL . . . £	106,536	109,438	113,432	111,100	110,100	123,700

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 187

Details of expenditure shown against "Imperial" in the preceding table.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
(a) Scientific—						
i. Survey of India .	27,89,767	28,58,301	27,80,226	28,86,000	26,79,000	28,95,000
ii. Geological Survey	3,64,773	3,12,877	2,94,806	3,49,000	2,85,000	3,06,000
iii. Inspector of Mines	1,12,706	1,19,265	98,194	1,21,000	1,08,000	1,11,000
iv. Meteorological Survey	4,80,683	3,93,821	4,04,727	3,94,000	3,96,000	4,00,000
v. Archæological Survey	2,35,048	2,01,966	2,18,414	2,22,000	2,39,000	2,41,000
vi. Central Museum.	1,30,222	1,17,473	1,38,430	1,39,000	1,56,000	1,52,000
vii. Bacteriology	1,72,201	1,95,508	2,13,967	2,14,000	2,18,000	2,17,000
viii. Central Research and X-Ray Institutes	1,62,337	1,51,033	1,71,980	1,72,000	1,75,000	1,83,000
ix. Other items	60,283	53,104	1,02,474	68,000	67,000	68,000
(b) Agricultural—						
i. Agriculture	4,59,137	4,72,726	4,73,362	5,07,000	5,19,000	5,38,000
ii. Veterinary charges	4,93,302	4,96,230	4,89,498	5,64,000	5,07,000	5,48,000
iii. Other items	9,593	12,844	29,025	13,000	11,000	13,000
(c) Statistics—						
i. Bureau of Commer- cial Intelligence, and other charges	1,88,914	1,94,232	1,76,553	1,74,000	1,75,000	1,60,000
ii. Census	...	18,222	4,87,319	14,38,000	14,37,000	2,39,000
(d) Miscellaneous—						
i. Imperial Library	48,536	47,815	46,742	48,000	42,000	42,000
ii. Examinations	52,738	53,429	62,022	62,000	62,000	57,000
iii. Inspector of Explosives	74,346	73,644	75,899	77,000	76,000	77,000
iv. Controller of Patents	...	...	...	...	6,000	39,000
v. Other items	27,212	10,245	13,778	9,000	12,000	9,000
TOTAL R	58,61,798	57,82,735	62,77,416	74,57,000	71,70,000	62,95,000

EXPENDITURE.

121. The figures shown against "Other Provinces," in the table at page 72 represent expenditure incurred in the several provinces in connection with ethnographical surveys, census operations, and the pay and allowances of officers borne on the cadre of the Imperial Civil Veterinary Department, as well as the cost of the Archæological Department in Burma.

(a) Imperial.

122. The saving of ₹2·87 lakhs in the Budget estimate for 1911-12 is caused by ordinary lapses in grants mainly in the case of the Survey of India Department. The large saving in the Budget grant shown against "India General" and the considerable excess over the grant shown against "Other Provinces" are due to allotments having been made for expenditure in the various provinces from the lump provision for census charges in the "India" estimates. *Revised, 1911-12.*

123. The total Budget estimate for 1912-13 is less than the Revised estimate for the current year by ₹8·75 lakhs. There is a decrease of ₹11·98 lakhs in the provision for census charges but this is partly counterbalanced by an increase of ₹3·23 lakhs under other heads. The grants of the various departments have been generally fixed with reference to normal operations and the sanctioned scale of establishments. The figure shown against "Agriculture" includes a provision of ₹60 lakh for a sugar expert; and but for this special provision the grant for 1912-13 would have been less than the Revised estimate for the current year by ₹41 lakh, the saving being due to the abolition of the separate appointment of Inspector General of Agriculture. *Budget, 1912-13.*

*(b) Provincial.*Revised, 1911-12.

124. The lapse of ₹3.74 lakhs in the Budget grant for 1911-12 is distributed over all the provinces with the exception of Burma and Bombay where unimportant excesses over grants are anticipated. The more important savings occur in the United Provinces (₹1.75 lakhs) owing to short outlay on the new park at Agra; and in Bengal (₹1.23 lakhs) due mainly to lapses in the grants for the agricultural and veterinary departments.

Budget, 1912-13.

125. The Budget estimate for 1912-13 exceeds the Revised for the current year by ₹19.93 lakhs. Of this increase, ₹14 lakhs represent allotments made out of the special Imperial assignments given from the opium revenue of 1911-12, for non-recurring outlay on (a) a bacteriological institute in Burma; and (b) the extension of cattle-breeding operations, the development of forest roads for the extraction of produce, the purchase of reserve stocks of quinine in Madras and Bengal, the establishment of a new veterinary college at Lahore, and other desirable improvements in the agricultural and veterinary departments. The forest expenditure will be recorded in the accounts under "11.—Forest" but the budget provision has for the sake of convenience been made in lump under this head. The distribution of the amount is shown below :—

	Lakhs of Rupees.
Central Provinces . . . . .	.75
Burma	1.75 (inclusive of 1.00 for the bacteriological institute).
Assam . . . . .	.50
Bengal	2.75 (inclusive of 2.00 for the quinine reserve).
Behar . . . . .	.75
United Provinces	1.00
Punjab	2.25 (inclusive of 1.50 for the Veterinary College).
Madras	3.50 (inclusive of 2.00 for the quinine reserve).
Bombay . . . . .	.75
	14.00

126. The increased outlay contemplated from provincial resources proper thus amounts to ₹5.93 lakhs. All the provinces share in the increase with the exception of Bombay, where the saving caused by the absence of the special expenditure incurred in the current year on the purchase of land for the Northcote cattle farm obscures the increased outlay contemplated on the agricultural and veterinary departments. Enhanced grants for the further development of these departments have been provided in every province. In the United Provinces an allotment of ₹1.05 lakhs has been made for the new park at Agra.

*(c) Home.*Revised, 1911-12.

127. The decrease in the expenditure in England in the current year, as compared with the Budget provision, is due to smaller requirements for stores than was anticipated. The Budget estimate for 1912-13 provides for normal expenditure on this account.

Budget, 1912-13.*Revenue.*

128. The growth in receipts is a natural concomitant of the development of the agricultural and veterinary departments.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 189

27.—TERRITORIAL AND POLITICAL PENSIONS.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	1,23,391	1,15,306	1,27,487	1,17,000	1,19,000	1,19,000
2. Baluchistan	40,654	34,081	48,000	41,000	50,000	50,000
3. Central Provinces	2,01,367	1,94,096	1,87,278	1,98,000	1,93,000	1,92,000
4. Burma	1,39,286	1,58,792	1,65,418	1,63,000	1,57,000	1,65,000
5. Assam . . . . .	...	...	...	...	...	5,000
6. Bengal (new) . . . . .	...	...	...	...	...	8,11,000
7. Behar . . . . .	...	...	...	...	...	54,000
8. United Provinces	8,60,254	7,89,717	8,25,329	8,22,000	7,95,000	7,88,000
9. Punjab	1,54,081	1,43,351	1,47,650	1,47,000	1,42,000	1,42,000
10. North-West Frontier	63,274	61,665	60,206	59,000	63,000	62,000
11. Madras	3,88,716	3,85,307	3,77,369	3,63,000	3,34,000	3,56,000
12. Bombay	5,46,405	5,16,540	5,80,430	5,39,000	5,48,000	5,24,000
Eastern Bengal and Assam	8,619	9,643	9,014	10,000	10,000	...
Bengal (old)	9,40,002	8,89,046	8,49,031	8,68,000	8,65,000	...
TOTAL INDIA . R	34,75,049	32,97,544	33,77,212	33,27,000	32,76,000	32,68,000
Equivalent in Sterling £	231,670	219,836	225,148	221,800	218,400	217,900
England	11,085	13,750	10,858	10,900	11,100	11,100
TOTAL . £	242,755	233,586	236,006	232,700	229,500	229,000

129. The total figures show little variation and call for no remark.

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28.—CIVIL FURLOUGH AND ABSENTEE ALLOWANCES.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
India ₹	2,114	3,630	6,273	6,000	15,000	8,000
Equivalent in Sterling £	141	242	418	400	1,000	500
England £	366,639	397,574	394,893	408,000	426,500	404,000
TOTAL £	366,780	397,816	395,311	408,400	427,500	404,500

130. Almost the whole of the expenditure recorded under this head is incurred in England. Leave allowances of officers paid in India are charged to the same head as their salaries, and the small sums shown against India represent leave allowances of officers lent to Foreign States, etc.

Revised, 1911-12.
Budget, 1912-13. 131. The expenditure in 1911-12 is expected to exceed the Budget provision by £19,100. The Budget estimate for 1912-13 closely follows the Budget for the current year.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 191

XXII AND 29.—SUPERANNUATION.

EXPENDITURE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	8,71,344	9,15,558	9,32,913	9,77,000	9,89,000	10,00,000
2. Baluchistan . . .	8,917	12,962	14,341	11,000	11,000	10,000
3. North-West Frontier . . .	1,18,786	1,19,415	1,22,001	1,24,000	1,29,000	1,30,000
4. Other Provinces . . .	1,33,025	1,23,891	1,19,682	1,22,000	1,06,000	1,00,000
Total . . .	11,32,072	11,71,826	11,88,937	12,34,000	12,35,000	12,40,000
<i>Provincial.</i>						
1. Central Provinces . . .	6,02,795	6,15,979	6,76,899	7,00,000	7,32,000	7,70,000
2. Burma . . .	6,78,501	7,01,693	7,75,519	7,94,000	8,19,000	8,70,000
3. Assam . . .	...	...	...	...	...	2,20,000
4. Bengal (new) . . .	...	...	...	...	...	28,40,000
5. Behar . . .	...	...	...	...	...	7,85,000
6. United Provinces . . .	27,69,273	29,01,294	29,51,127	30,08,000	30,39,000	30,80,000
7. Punjab . . .	15,95,083	16,73,165	17,57,504	18,24,000	18,72,000	19,81,000
8. Madras . . .	23,20,930	24,21,338	25,28,021	26,10,000	25,81,000	26,94,000
9. Bombay . . .	27,27,499	28,85,259	29,94,745	31,80,000	31,60,000	32,40,000
Eastern Bengal and Assam . . .	6,98,536	7,34,541	8,00,212	8,49,000	8,42,000	...
Bengal (old) . . .	26,27,146	27,12,983	27,87,151	28,53,000	29,02,000	...
Total . . .	1,40,19,763	1,46,46,252	1,52,71,178	1,58,18,000	1,59,47,000	1,64,86,000
TOTAL INDIA . . . R	1,51,51,835	1,58,18,078	1,64,60,115	1,70,52,000	1,71,82,000	1,77,26,000
Equivalent in Sterling £	1,010,122	1,054,538	1,097,341	1,136,800	1,145,400	1,181,700
England . . . £	2,048,112	2,039,502	2,048,548	2,069,000	2,052,000	2,063,000
TOTAL £	3,058,234	3,094,040	3,145,889	3,205,800	3,197,400	3,244,700

RECEIPTS.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	3,59,026	2,91,348	3,08,811	3,19,000	2,98,000	2,81,000
2. Baluchistan . . .	2,900	2,823	2,753	3,000	3,000	3,000
3. North-West Frontier . . .	15,066	12,018	17,704	16,000	20,000	20,000
4. Other Provinces . . .	8,79,442	8,80,361	9,13,517	8,78,000	8,84,000	9,07,000
Total . . .	12,56,434	11,86,550	12,42,785	12,16,000	12,05,000	12,11,000
<i>Provincial.</i>						
1. Central Provinces . . .	64,709	62,208	78,136	87,000	91,000	90,000
2. Burma . . .	30,273	25,342	24,494	25,000	25,000	25,000
3. Assam . . .	...	...	...	...	...	4,000
4. Bengal (new) . . .	...	...	...	...	...	42,000
5. Behar . . .	...	...	...	...	...	29,000
6. United Provinces . . .	1,06,389	1,13,154	99,493	75,000	88,000	92,000
7. Punjab . . .	61,552	87,045	62,344	65,000	67,000	67,000
8. Madras . . .	77,316	79,184	85,887	83,000	85,000	85,000
9. Bombay . . .	2,10,560	2,66,646	3,24,321	3,35,000	3,45,000	3,65,000
Eastern Bengal and Assam . . .	12,203	10,116	10,160	11,000	10,000	...
Bengal (old) . . .	59,540	66,558	64,392	64,000	64,000	...
Total . . .	6,22,512	7,10,253	7,49,227	7,45,000	7,75,000	7,99,000
TOTAL INDIA . . . R	18,78,976	18,96,803	19,92,012	19,61,000	19,80,000	20,10,000
Equivalent in Sterling £	125,265	126,453	132,801	130,700	132,000	134,000
England . . . £	69,746	65,633	62,688	64,000	67,400	65,100
TOTAL £	195,011	192,086	195,489	194,700	199,400	199,100

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132. The figures of Imperial revenue shown against "Other Provinces" represent the receipts of certain abolished funds, the assets and liabilities of which were taken over by the Government, as well as the subscriptions paid by members of the Indian Civil Service for securing certain pensionary benefits for their families. The charges on account of such pensions as well as of the pensions of the abolished funds are recorded in the accounts as Imperial expenditure.

EXPENDITURE.

Revised, 1911-12.

Budget, 1912-13.

133. The expenditure in India in the current year does not differ materially from the Budget estimate ; but in England there is a saving of £17,000 mainly in the payment of annuities to members of the Indian Civil Service. The estimates for the next year provide for the normal growth of the retired list both in India and in England.

REVENUE.

134. The variations in the figures are unimportant and call for no remark.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 193

XXIII AND 30.—STATIONERY AND PRINTING.

EXPENDITURE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. Central Stationery Office	2,78,177	2,73,459	2,53,854	2,68,000	2,68,000	2,60,000
2. Stationery purchased for Central stores	50,35,313	44,50,415	44,57,724	42,63,000	40,55,000	39,85,000
3. Government Presses (mainly Calcutta and Simla)	20,12,483	17,56,894	16,36,549	17,00,000	15,55,000	15,59,000
4. Other charges	12,950	12,002	20,473	13,000	17,000	15,000
5. <i>Deduct</i> —Value of supplies to Local Governments and Administrations and to Postal and Telegraph Departments, etc.	-51,30,407	-54,60,855	-53,02,221	-49,17,000	-47,95,000	-48,05,000
6. Baluchistan	1,778	1,914	2,186	2,000	3,000	3,000
7. North-West Frontier	76,122	71,879	83,503	1,00,000	81,000	1,29,000
Total	22,86,456	11,05,708	11,52,068	14,29,000	11,84,000	11,46,000
<i>Provincial.</i>						
1. Central Provinces	4,57,596	3,27,458	4,50,161	3,50,000	3,52,000	3,77,000
2. Burma	8,32,830	8,29,139	8,13,145	8,39,000	7,91,000	8,09,000
3. Assam	...	...	...	...	...	1,48,000
4. Bengal (new)	...	...	...	...	...	12,55,000
5. Behar	...	...	...	...	...	5,00,000
6. United Provinces	8,82,641	8,47,854	8,65,724	8,48,000	8,24,000	8,54,000
7. Punjab	6,77,210	7,52,906	7,54,841	7,31,000	7,36,000	7,80,000
8. Madras	14,34,138	15,66,157	14,96,004	15,32,000	15,21,000	14,71,000
9. Bombay	12,86,751	15,13,361	13,34,884	13,73,000	12,74,000	13,25,000
Eastern Bengal and Assam	6,68,981	8,53,571	7,78,524	7,24,000	7,57,000	...
Bengal (old)	13,35,983	13,17,476	12,31,270	13,39,000	12,30,000	...
Total	75,76,130	80,07,922	77,24,553	77,36,000	75,35,000	75,19,000
TOTAL INDIA	98,62,586	91,13,630	88,76,621	91,65,000	87,19,000	86,65,000
Equivalent in Sterling England	£ 657,506	£ 607,575	£ 591,775	£ 611,000	£ 581,300	£ 577,700
Stores	121,858	110,710	115,544	94,200	101,000	106,400
Other charges	7,364	6,437	6,850	7,800	6,900	7,600
TOTAL	£ 786,728	£ 724,722	£ 714,169	£ 713,000	£ 689,200	£ 691,700

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	5,34,525	4,68,484	4,53,087	5,03,000	4,27,000	4,11,000
2. Baluchistan	440	583	387	1,000	1,000	1,000
3. North-West Frontier	7,951	9,511	14,070	12,000	16,000	16,000
4. Other Provinces	1,53,136	1,83,876	2,13,430	1,90,000	2,09,000	1,74,000
Total	6,96,052	6,62,454	6,80,974	7,06,000	6,53,000	6,02,000
<i>Provincial.</i>						
1. Central Provinces	52,319	45,532	45,133	47,000	46,000	44,000
2. Burma	54,842	54,137	58,890	55,000	62,000	63,000
3. Assam	...	...	...	...	...	8,000
4. Bengal (new)	...	...	...	...	...	1,35,000
5. Behar	...	...	...	...	...	25,000
6. United Provinces	1,56,040	1,63,859	1,44,974	1,44,000	1,44,000	1,47,000
7. Punjab	1,06,356	1,39,492	1,47,293	1,21,000	1,55,000	1,77,000
8. Madras	1,14,066	1,10,014	1,14,164	1,11,000	1,09,000	1,09,000
9. Bombay	1,08,263	1,00,175	1,06,311	1,09,000	1,21,000	1,15,000
Eastern Bengal and Assam	16,512	15,621	17,941	16,000	34,000	...
Bengal (old)	1,29,070	1,38,569	1,49,162	1,42,000	1,30,000	...
Total	7,37,468	7,67,399	7,83,868	7,45,000	8,01,000	8,23,000
TOTAL	14,33,520	14,29,853	14,64,842	14,51,000	14,54,000	14,25,000
Equivalent in sterling	£ 95,568	£ 95,344	£ 97,656	£ 96,800	£ 96,900	£ 95,000

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EXPENDITURE.

Revised, 1911-12.

135. The measures taken in recent years to secure a reduction in the consumption of stationery in Government offices and the more careful scrutiny now exercised on the printing charges have again led to a saving in the Budget grant under this head. The Imperial expenditure, in India and in England, will fall short of the Budget provision by R1·56 lakhs ; and there will be a similar lapse of R2·01 lakhs in the total outlay of the Provincial Governments.

Budget, 1912-13.

136. The total Budget for 1912-13 is only R·38 lakh higher than the Revised estimate of 1911-12. There will be a further small decrease of R·16 lakh in the expenditure of Provincial Governments, but there will be a slight increase of R·54 lakh in the Imperial outlay mainly in connection with the purchase of stationery for the central stores.

REVENUE.

137. The figures show little variation and call for no remark. The Imperial revenue shown against "other provinces" represents recovery of the value of stationery supplied to Railways, Municipalities and other local bodies, etc.

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XXIV AND 31.—EXCHANGE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		1912-1913, Budget.
				Budget.	Revised.	
Revenue . . . R	...	6,67,215	10,51,256	...	15,85,000	...
Equivalent in Sterling £	...	44,481	70,084	...	105,700	...
Expenditure . . . R	5,16,552	...	...	...	...	...
Equivalent in Sterling £	34,437	...	...	...	...	...

138. The accounts of the Government of India are prepared on a sterling basis, the rupee transactions in India being converted into pounds at the rate of $\text{R}15 = \text{£}1$ and then added to the sterling transactions in England; and the comparatively small sums which have to be brought to account owing to the fact that the remittances to defray the net expenditure in England are not effected at exactly sixteen pence to the rupee are shown under this head.

139. In the current year the average rate to be obtained on the net ^{Revised, 1911-12.} remittance of funds from India to England is estimated at $\text{£}1 = \text{R}14.923$, and there is accordingly a gain of $\text{R}15.85$ lakhs under this head. In the Budget ^{Budget, 1912-13.} estimate for next year, it is usual to assume an average rate of $\text{£}1 = \text{R}15$, as it is not possible to forecast with any degree of certainty what the course of exchange will be in the next twelve months.

XXV AND 32.—MISCELLANEOUS.

EXPENDITURE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. Remittance charges mainly in connection with movements of Government funds	3,76,118	2,92,110	3,99,193	4,02,000	4,50,000	3,87,000
2. Special Commissions of enquiry	2,02,309	15,443	678	...	8,000	8,000
3. Other charges: (a) in the Frontier Province	26,982	26,772	51,758	35,000 ⁰	23,000	27,000
(b) elsewhere	2,56,567	4,48,033	5,71,730	7,45,000 ⁰	4,81,000	7,80,000
Total	8,61,976	7,82,358	10,23,659	11,82,000	9,62,000	12,02,000
<i>Provincial.</i>						
1. Central Provinces	1,42,849	1,06,647	93,657	1,26,000	1,25,000	1,38,000
2. Burma	3,53,836	3,89,035	4,79,926	4,34,000	5,73,000	4,90,000
3. Assam . . . . .	...	...	...	...	...	3,47,000
4. Bengal (new) . . . . .	...	...	...	...	...	2,13,000
5. Behar . . . . .	...	...	...	...	...	1,23,000
6. United Provinces	20,61,581	13,63,207	6,57,232	1,44,000	1,95,000	1,47,000
7. Punjab	3,15,016	3,12,859	3,17,838	3,16,000	3,91,000	4,26,000
8. Madras	4,15,740	3,69,245	3,77,684	4,24,000	3,88,000	4,34,000
9. Bombay	2,96,939	2,88,843	3,94,007	6,21,000	7,96,000	4,81,000
Eastern Bengal and Assam	7,53,456	5,93,878	6,25,371	6,54,000	6,34,000	...
Bengal (old)	5,69,379	3,93,697	3,50,909	6,03,000	3,94,000	...
Total	49,08,796	38,17,411	32,96,674	33,22,000	43,96,000	33,99,000
TOTAL INDIA . R	57,70,772	45,99,769	43,20,333	45,04,000	53,58,000	46,01,000
Equivalent in Sterling £	384,718	306,652	288,022	300,300	357,200	306,700
England	36,361	50,878	31,370	26,500	32,000	31,500
TOTAL	421,079	357,530	319,392	326,800	389,200	338,200

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	6,34,281	5,21,811	5,39,945	13,05,000	13,04,000	4,93,000
2. Baluchistan . . . . .	...	...	7,738	8,000	8,000	8,000
3. North-West Frontier	1,24,594	1,20,077	1,29,781	1,25,000	1,42,000	1,42,000
4. Other Provinces	4,74,273	6,03,324	8,41,284	3,67,000	5,89,000	4,95,000
Total	12,33,148	12,45,212	15,18,748	18,05,000	20,43,000	11,38,000
<i>Provincial.</i>						
1. Central Provinces	1,53,878	6,88,715	2,78,708	1,37,000	1,54,000	1,51,000
2. Burma	1,36,147	74,033	1,06,094	66,000	70,000	72,000
3. Assam . . . . .	...	...	...	...	...	32,000
4. Bengal (new) . . . . .	...	...	...	...	...	4,87,000
5. Behar . . . . .	...	...	...	...	...	3,25,000
6. United Provinces	3,05,320	5,03,517	2,27,179	2,75,000	3,23,000	2,75,000
7. Punjab	6,74,494	9,42,339	7,89,241	7,38,000	7,68,000	7,37,000
8. Madras	2,54,479	2,85,386	3,10,584	2,71,000	3,02,000	2,93,000
9. Bombay	75,848	3,83,023	84,079	93,000	71,000	1,20,000
Eastern Bengal and Assam	3,23,102	2,60,160	3,02,650	2,65,000	3,06,000	...
Bengal (old)	6,34,688	10,09,099	6,57,848	6,82,000	5,97,000	...
Total	25,57,956	41,46,272	27,56,383	25,27,000	25,91,000	24,92,000
TOTAL INDIA . R	37,91,104	53,91,484	42,75,131	43,32,000	46,34,000	36,30,000
Equivalent in Sterling £	252,740	359,432	285,009	288,800	308,900	242,000
England	32,386	14,565	29,653	20,000	22,300	16,300
TOTAL	285,126	373,997	314,662	308,800	331,200	258,300

140. Charges in connection with the remittance of Government treasure are Imperial in all provinces; so is the discount paid, or the premium levied, in connection with the sale of bills at treasuries and currency offices to facilitate trade remittances of funds. The only other important items of Imperial revenue or expenditure realised or incurred in the various provinces under this head are those of an extraordinary character exceeding R10,000 in amount.

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EXPENDITURE.

(a) India—Imperial.

141. The Revised estimate for 1911-12 is ₹2'20 lakhs less than the Budget. Revised, 1911-12.
The reserve provision of ₹5 lakhs made in the latter under this head, for unforeseen charges, has been appropriated to meet necessary and sanctioned outlay mostly under other heads of account; but the resultant decrease under this head is partly counterbalanced by an excess expenditure of ₹2'17 lakhs on the write-off of outstanding balances of certain loans to Native States mainly in connection with the Royal announcement at the Coronation Durbar. The expenditure shown against "Special Commissions of Enquiry" is on account of certain officers placed on special duty to report on measures for furthering the employment of Indians trained in engineering colleges.

142. The Budget estimate for 1912-13 provides for normal charges, as well as for a reserve allotment of ₹5 lakhs for unforeseen expenditure. It does not differ materially from the Budget grant for the current year. Budget, 1912-13.

(b) India—Provincial.

143. The total Revised estimate for the current year exceeds the Budget by ₹10'74 lakhs. There is an increase of ₹11'75 lakhs in Bombay caused mainly by the write-off of irrecoverable *takavi* and the remission of the debts of certain non-jurisdictional estates in Kathiawar and Gujerat consequent on the Royal announcement at the Coronation Durbar; and of ₹1'39 lakhs in Burma owing to the payment of special contributions to the Rangoon Municipality and to the Telegraph Department. There is also a smaller excess in the United Provinces due to larger remissions of *takavi*. On the other hand, there is a decrease of ₹2'09 lakhs in Bengal, caused chiefly by the record under the proper heads of account of expenditure incurred from the reserve provision of ₹2'07 lakhs made under this head; and less important savings in Budget grants are expected in the remaining provinces. Revised, 1911-12.

144. The total Budget for 1912-13 is ₹9'97 lakhs less than the Revised estimate of the current year. There is a decrease of ₹13'15 lakhs in Bombay owing mainly to the absence of the special expenditure incurred in the current year in connection with the remission of the debts of certain Native States and the payment of arrear municipal taxes on Government buildings and lands in Bombay city. But this is partly counterbalanced by increases of ₹2'55 lakhs in Assam, Bengal and Behar, caused chiefly by reserve provisions for unforeseen charges; and of ₹1'35 lakhs in the Punjab due to a similar provision as well to a lump allotment for raising the pay of low-paid clerks. Budget, 1912-13.

(c) England.

145. The increase of £5,500 in the current year over the Budget estimate occurs chiefly in the miscellaneous charges connected with the supply of stores to India. The Budget for 1912-13 practically repeats the Revised estimate for 1911-12. Revised, 1911-12.
Budget, 1912-13.

REVENUE.

(a) India—Imperial.

146. The increase of ₹2'38 lakhs in the Revised estimate for 1911-12 over the Budget is chiefly due to higher receipts on account of premia on bills caused by the increased activity of trade, and to certain extraordinary receipts obtained from the sale of lands in the Punjab and from other sources in Bombay and the United Provinces. The absence of the extraordinary receipts in the last two provinces and of the special receipt of ₹8'21 lakhs obtained in the current year from the sale of Government land to the Port Commissioners at Calcutta, accounts mainly for the falling-off of ₹9'05 lakhs in the Budget estimate for 1912-13 as compared with the Revised for 1911-12. Revised, 1911-12.
Budget, 1912-13.

(b) India—Provincial.

147. There is no material variation between the Budget and Revised Estimates of the current year or between the latter and the Budget Estimate for 1912-13.

(c) Home.

148. The Revised Estimate for 1911-12 does not differ materially from the Budget. The falling-off in 1912-13 is anticipated in the receipts in respect of diplomatic and consular services in Persia.

33 TO 36.—FAMINE RELIEF AND INSURANCE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
INDIA.						
Famine Relief { Imperial	86,25,475	9,02,639	34,789	...	12,89,000	20,02,000
{ Provincial	62,55,702	2,93,728	252	...	2,000	...
Construction of Protec- tive Railways	1,048	1,80,226	4,00,969	9,00,000	6,88,000	4,04,000
Construction of Protec- tive Irrigation Works	59,12,632	63,05,659	52,71,178	59,61,000	57,38,000	67,23,000
Reduction or Avoidance of Debt	37,50,000	71,30,068	90,16,422	75,00,000	69,98,000	54,98,000
TOTAL INDIA R	2,45,44,857	1,48,12,320	1,47,23,610	1,43,61,000	1,47,15,000	1,46,27,000
Equivalent in Sterling £	1,636,324	987,488	981,574	957,400	981,000	975,100
ENGLAND.						
Construction of Protec- tive Railways	...	...	10,164	40,000	15,000	16,400
Construction of Protec- tive Irrigation Works	8,855	12,512	8,262	2,600	4,000	8,500
TOTAL INDIA AND ENGLAND	1,645,179	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Revised, 1911-12.

149. The Revised estimate for the current year shows an outlay of **₹12.91** lakhs under the head "Famine Relief." The bulk of this occurs in Bombay (**₹11** lakhs) and represents expenditure on actual relief operations in the northern districts of the Presidency; and the remainder, *viz.*, **₹1.91** lakhs, represents expenditure incurred in some of the other provinces chiefly in connection with the supply of fodder to famine-stricken districts or the formation of a reserve of famine tools. The amount available for famine insurance accordingly amounts to **₹137.09** lakhs, of which **₹67.11** lakhs will be spent on Protective works and **₹69.98** lakhs appropriated for the reduction or avoidance of debt.

Budget, 1912-13.

150. In the Budget-estimate for 1912-13 provision has been made as usual for a total grant of **₹150** lakhs under this group head. A moiety of this sum will be allotted for the construction of Protective works. Out of the other moiety **₹20.02** lakhs will be required for actual famine relief expenditure, mainly in Bombay (**₹18.90** lakhs) and Ajmer-Merwara (**₹1.10** lakhs); and the remainder, *viz.*, **₹54.98** lakhs, will be utilised for the avoidance of debt. Of the last-named sum, **₹37.50** lakhs appear in the Provincial section of the estimates as a result of the arrangements explained in the Financial Statement for 1907-08.

CONSTRUCTION OF PROTECTIVE RAILWAYS.

151. There is a lapse of **₹5.87** lakhs in the Budget grant for 1911-12. The whole of the grant for Protective Railways in 1912-13 will again be spent on outlay on the Dharmapuri-Hosur extension of the Morappur-Dharmapuri Railway in the Madras Presidency.

CONSTRUCTION OF PROTECTIVE IRRIGATION WORKS.

Revised, 1911-12.

152. In the Budget estimate for 1911-12, a total allotment of **₹78** lakhs was made for outlay on Protective Irrigation works. Of this sum **₹60** lakhs represented the amount available from the Famine Insurance grant for this purpose, and the balance of **₹18** lakhs was the supplementary provision made from the general resources of Government to foster the rapid development of this important class of works. The latter provision was shown under a new head opened in the Irrigation section of the estimates. The probable expenditure, according to the Revised estimate, will, however, amount to **₹57.98** lakhs only, chiefly in consequence of slow progress of work on the Tandula canal in the Central Provinces, the Tribeni canal in Behar and the Dhasan canal and Gangao dam in the United Provinces, due to scarcity of labour and other causes. The whole of this outlay will appear in the Famine Relief and Insurance section of the accounts, and the whole of the grant (**₹18** lakhs) provided in the Irrigation section will lapse.

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153. In the Budget estimate for 1912-13 the total allotment for Protective Irrigation works amounts to ₹75 lakhs, of which ₹68.5 lakhs represent the amount available from the Famine Insurance grant for this purpose. The balance, viz., ₹6.5 lakhs, has been provided under the special head in the Irrigation section of the estimates. The distribution of the total sum of ₹75 lakhs is given in the table below :

	1911-1912.		Budget, 1912-1913.
	Budget.	Revised.	
1. Central Provinces :	R	R	R
(i) Tandula Canal	18,45,000	9,48,000	18,45,000
(ii) Tank projects	7,75,000	6,51,000	7,93,000
(iii) Other projects, etc.	80,000	52,000	1,62,000
2. Bengal	6,000	6,000	15,000
3. Behar :			
(i) Tribeni Canal	9,45,000	6,27,000	7,07,000
(ii) Other projects, etc.	70,000	50,000	53,000
United Provinces :			
(i) Betwa Canal (including Dhukwan weir)	57,000	80,000	26,000
(ii) Ken „ (including Gangao dam)	4,12,000	3,75,000	5,26,000
(iii) Dassan „	3,75,000	2,82,000	2,73,000
(iv) Other projects, etc.	4,56,000	2,98,000	3,75,000
6. Punjab	1,000	...	...
7. Madras	73,000	60,000	2,50,000
8. Bombay :			
(i) Godaveri Canal	14,54,000	14,70,000	7,11,000
(ii) Chankapur Tank	1,02,000	52,000	67,000
(iii) Pravara river project	8,76,000	7,48,000	10,81,000
(iv) Other projects, etc.	1,28,000	90,000	5,87,000
9. Minor administrations	13,000	9,000	9,000
10. Reserve provision	3,32,000	...	2,20,000
<i>Deduct</i> —Allowance for possible lapses in grants	2,00,000	...	2,00,000
	78,00,000	57,98,000	75,00,000
<i>Deduct</i> —Amount provided in the Irrigation section (<i>vide</i> page 92) outside the Famine Insurance Grant	18,00,000	...	6,50,000
Net provision under head “35.—Construction of Protective Irrigation Works”	60,00,000	57,18,000	68,50,000

154. Large allotments have been again made in the Budget of 1912-13 for the Tandula, Tribeni and Godaveri canals, the Gangao dam and the Pravara project. The sum shown against “Other projects” in the United Provinces includes ₹2.20 lakhs for the Ghorī Nadi storage scheme and the Ghāgar canal in the Mirzapur district ; while the similar sum entered against Bombay includes a special reserve provision made for the Nira Right Bank canal in the Sholapur district, the project for the construction of which is under the consideration of Government. Of the provision shown against Madras, ₹1.50 lakhs are for the Mopad reservoir project in the Nellore district.

XXVI to XXVIII and 38 to 41—RAILWAY REVENUE ACCOUNT.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
STATE RAILWAYS—						
Gross Receipts	40,19,98,315	43,38,58,967	45,94,46,336	47,15,03,000	49,73,03,000	48,85,03,000
<i>Deduct:—</i>						
Working Expenses	24,88,83,000	24,32,14,762	24,48,54,428	25,72,00,000	26,24,00,000	26,50,00,000
Surplus Profits paid to Companies, etc.	48,13,330	48,37,249	69,60,184	56,62,000	64,88,000	61,67,000
Net Receipts	14,83,01,985	18,58,06,956	20,76,31,724	20,86,41,000	22,84,15,000	21,73,36,000
Net Revenue equivalent at ₹15 = £1	₹ 9,886,799	₹ 12,387,130	₹ 13,842,115	₹ 13,909,400	₹ 15,227,600	₹ 14,489,100
Interest and capital re- demption Charges—						
Interest on Debt	5,535,946	5,653,551	5,842,334	6,199,700	6,254,400	6,513,600
Annuities in purchase of Railways	3,268,132	3,357,708	3,357,634	3,357,800	3,357,400	3,357,800
Sinking Funds	159,491	165,206	171,264	177,700	177,700	184,300
Interest chargeable against Companies on Advances	478,802	473,640	425,351	426,900	408,000	427,600
Interest on Capital deposited by Com- panies	1,649,196	1,894,316	2,007,339	1,820,800	1,825,600	1,862,700
	11,091,567	11,544,421	11,803,922	11,982,900	12,023,100	12,346,000
Net Result	—1,204,768	842,709	2,038,193	1,926,500	3,204,500	2,143,100
GUARANTEED RAIL- WAYS—						
Net Result	—13,704	1,716	710	...	...	...
Other Receipts	72,203	58,296	39,346	54,200	56,800	51,100
Other Charges	95,981	77,799	60,753	130,900	138,700	172,300
Net Result	—23,778	—19,503	—21,407	—76,700	—81,900	—121,200
TOTAL NET RESULT	—1,242,250	824,922	2,017,496	1,849,800	3,122,600	2,021,900
Redemption of capital from revenue	719,659	760,398	786,187	811,800	812,882	842,135
STATISTICS—						
State Railways—						
Capital Expenditure to March 31—						
Expenditure by Government	171,952,226	175,857,946	188,434,371	194,084,746	195,448,171	203,331,671
Expenditure by Companies	43,887,369	45,950,494	44,478,124	47,567,394	45,345,024	46,508,324
Outlay on the East Indian Railway from Debentures raised by the Company	12,127,842	14,587,268	14,587,268	15,944,768	14,587,268	14,587,268
Outlay on the South Indian Railway by the Company	1,513,816	1,513,816	1,513,816	1,513,816	1,513,816	1,513,816
Outlay on the Bombay, Baroda and Central India Railway by the Company	959,364	959,364	959,364	959,364	959,364	959,364
Outlay on the Great Indian Peninsula Railway by the Company	958,880	958,880	3,253,158	3,253,180	3,253,158	3,253,158
TOTAL	231,399,497	239,827,768	253,226,101	263,323,268	261,106,801	270,153,601
Miles open on April 1	23,643	24,066	24,525	24,783	24,870	25,215

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155. The Gross Receipts and Working Expenses of State Railways include the following figures on account of the Jorhat State Railway in Assam which is the only line whose transactions are recorded in the Provincial section of the accounts :—

	Accounts, 1908-09.	Accounts, 1909-10.	Accounts, 1910-11.	Budget, 1911-12.	Revised, 1911-12.	Budget, 1912-13.
	R	R	R	R	R	R
Gross Receipts . . .	97,592	95,895	95,331	1,00,000	1,05,000	1,00,000
Working Expenses . . .	80,960	96,184	80,826	85,000	83,000	85,000

NET TRAFFIC RECEIPTS.

156. The Budget estimate for the current year provided for an advance of about $\text{R}1\frac{1}{3}$ crores in the Gross Receipts of State Railways on the basis of normal agricultural and trade conditions and of the traffic expected from the Royal visit and the increase in the open mileage. The traffic returns have considerably outrun expectations, owing partly to the favourable economic conditions which have generally prevailed throughout the year and partly to a brisker Durbar traffic; and the Revised estimate of receipts shows an increase of $\text{R}258$ lakhs over the Budget estimate. All the principal lines share in this improvement. More than half of it is obtained from three lines, *viz.*, the East Indian, the Great Indian Peninsula and the Bombay, Baroda and Central India Railway systems, on all of which there has been a large improvement in both the coaching and the goods traffic due principally to the Delhi Durbar, as well as to larger movements of coal, grain and seeds on the first-named line and of cotton, wheat, linseed and food grains on the other two railways. Important increases also occur in the earnings of the Eastern Bengal State Railway owing mainly to a better jute traffic; of the South Indian Railway caused by a more rapid development in the passenger and the goods traffic; of the North Western Railway due to additional traffic in connection with the Delhi Durbar; of the Oudh and Rohilkhand Railway owing to an improvement in both the ordinary and the Durbar traffic as well as to the opening of the Allahabad-Rai Bareli-Cawnpore Railway; and of the Bengal Nagpur Railway caused chiefly by larger movements of coal.

157. The Revised estimate of Working Expenses exceeds the Budget grant by $\text{R}52$ lakhs. Of this increase, $\text{R}27$ lakhs are caused by the payment of the Royal bonus to the employes of all State Railways, including those worked by Companies, and the balance is due mainly to the heavier traffic handled.

158. The increase of $\text{R}8\cdot26$ lakhs in the provision for the payment of surplus profits to Companies is a concomitant of the improvement in the net revenue.

159. The Budget estimate of Gross Receipts in 1912-13 is taken at $\text{R}88$ lakhs less than the Revised estimate of 1911-12. It is not considered prudent, in view of the heavy growth which has taken place in the ordinary revenue in the current year, to provide for a further advance next year. On the other hand, some allowance has been made for the absence of an extra day's earnings in February and of the special traffic obtained in the current year from the Royal visit and the Coronation Durbar.

160. In spite of the decrease in the Gross Receipts and the absence of the Royal bonus payment, the grant for Working Expenses in 1912-13 exceeds the Revised estimate for the current year by $\text{R}26$ lakhs. The increase is mainly due to enhanced provision for necessary renewals of permanent-way and rolling-stock and the strengthening of bridges. The Budget estimate also allows for a decrease of $\text{R}3\cdot21$ lakhs in the payment of Surplus Profits to Companies, etc., following on the decrease which is anticipated in the net earnings in the estimates for 1912-13.

INTEREST CHARGES.

161. The rise in expenditure in 1911-12, as compared with the Budget estimate, under Interest on Debt is due partly to variation in the rate of interest charged on certain loan funds (*vide* paragraph 69), and partly to an increase in the amount of funds supplied by Government for capital expenditure on State Railways consequent on the failure to arrange an issue of East Indian Railway

debenture capital for which provision had been made in the Budget. The decrease in Interest on Capital deposited by Companies arising from the latter cause, is more than counterbalanced by the larger interest paid by the Bengal Nagpur Railway on a higher overdraft of capital. On the other hand, there is a decrease in Interest charged against Companies on advances due mainly to a smaller demand for funds for capital outlay on certain extensions of the Bengal Nagpur Railway.

Budget, 1912-13.

162. The increase in the total interest charge in 1912-13 is a result of the growth in the capital cost of Railways.

OTHER RECEIPTS.

163. The figures show little variation and call for no remark. The receipts shown under this head represent recoveries from the Travancore Darbar of its share of the loss on the Travancore Branch of the South Indian Railway the Government share of the surplus profits of the Rohilkhand-Kumaon, Southern Punjab and Amritsar-Patti Railways payable under the terms of their respective contracts; dividends on certain shares of the Ahmedabad-Dholka Railway allotted to the Government in repayment of expenditure incurred by it on behalf of the Railway; and sale-proceeds of land relinquished by Railway Companies.

OTHER CHARGES.

164. These consist of cost of land required by certain companies, the contracts with which provide for the free supply of all land wanted for the purposes of the railways undertaken by them, and of miscellaneous items such as surveys and controlling establishments (including the Railway Board). A share of the cost of control is charged to the working expenses of each railway company and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The details are:—

	Accounts, 1910-11.	1911-12.		1912-13. Budget.
		Budget.	Revised.	
<i>Imperial.</i>				
1. Subsidised Companies—Land	3,79,498	15,20,000	14,59,000	18,00,000
2. Miscellaneous expenditure	4,78,990	4,27,000	5,95,000	7,60,000
<i>Provincial.</i>				
1. Subsidised Companies—Land	44,616	6,000	15,000	19,000
2. Miscellaneous expenditure (Surveys)	8,184	10,000	11,000	7,000
TOTAL	} R	9,11,288	19,63,000	25,86,000
		} £	60,753	130,900	138,700

Land.—There is a lapse in the Imperial Budget grant for the current year mainly in the provision for the Jullundur-Doab Railway. The principal allotments made in 1912-13 are for the Jullundur-Doab, Bengal and North-Western and Mandra-Bhon Railways.

Revised, 1911-12.

Miscellaneous Expenditure.—The increase in the Revised Estimate for 1911-12 as compared with the Budget is due to the decision to charge to this head the cost of the office of the Accountant General, Railways, provision for which was made in the Budget under "18.—General Administration." The Budget for 1912-13 is made up as follows:—

Budget, 1912-13.

Allotment for Surveys	7,50,000
Charges of the Railway Board and other establishments	15,91,000
<i>Deduct</i> —Recoveries from Railway Companies on account of cost of supervision	—15,81,000
TOTAL	<u>7,60,000</u>

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 203

XXIX—XXX AND 42, 42-A and 43.—IRRIGATION.

IRRIGATION.	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
	R	R	R	R	R	R
MAJOR WORKS.						
Revenue { Direct Re- { cepts	3,37,14,356	3,46,06,161	3,43,20,758	3,46,79,000	3,57,03,000	3,43,87,000
{ Land Reve- { nue	1,63,65,668	1,67,60,820	1,76,70,078	1,90,04,000	2,03,04,000	2,07,64,000
Expend- { Working { Expenses	1,55,48,826	1,64,13,166	1,65,44,319	1,64,82,000	1,70,80,000	1,65,88,000
{ Interest	1,36,25,073	1,42,53,680	1,50,45,994	1,58,60,000	1,58,65,000	1,68,45,000
NET REVENUE IN INDIA	2,09,06,125	2,07,00,135	2,03,00,523	2,13,41,000	2,30,62,000	2,17,18,000
Equivalent in Sterling £	1,393,741	1,380,009	1,353,369	1,422,700	1,537,400	1,447,900
Expenditure in Eng- land (Interest) £	108,989	108,465	112,344	112,300	116,600	118,500
NET REVENUE £	1,284,752	1,271,544	1,241,025	1,310,400	1,420,800	1,329,400
CONSTRUCTION OF PRO- TECTIVE WORKS £	...	...	...	120,000	...	43,300
MINOR WORKS.						
Receipts—Direct	32,90,007	35,35,360	34,26,980	36,78,000	36,51,000	36,65,000
Expenditure	1,34,28,947	1,35,14,021	1,32,72,185	1,43,21,000	1,29,31,000	1,38,45,000
NET EXPENDITURE IN INDIA	1,01,38,940	99,78,661	98,45,205	1,06,43,000	92,80,000	1,01,80,000
Equivalent in Sterling £	675,929	665,244	656,348	709,500	618,600	678,700
Expenditure in England £	...	...	290	500	900	1,200
NET EXPENDITURE .	675,929	665,244	656,638	710,000	619,500	679,900
STATISTICS OF MAJOR WORKS.						
Capital Outlay to March 31	46,10,84,886	48,38,58,606	50,70,02,625	53,39,67,675	53,66,58,000	56,51,80,500
Equivalent in Sterling £	30,738,992	32,257,210	33,800,175	35,597,845	35,777,200	37,678,700

165. Taking India as a whole, the net financial result of the working of Major Irrigation works in 1911-12 will be better than the Budget forecast by £110,400 (R16.56 lakhs). There is an improvement of R10.24 lakhs in the Direct Receipts and of R13 lakhs in the share of Land Revenue, but R6.68 lakhs of this are required to meet increase in expenditure. A diminution of £91,400 (R13.72 lakhs) in the net profit is likely to take place next year. Allowance has been made for a possible decline of R8.56 lakhs in the Gross Revenue; and though the provision for Working Expenses is taken at R4.92 lakhs less than the current year's expenditure, there is a large growth of R10.08 lakhs in the interest charges in consequence of the considerable outlay now being incurred on new projects in the Punjab and elsewhere, the benefits of which will not be realised for some time to come. The net result under Minor Irrigation works in 1911-12 is slightly better than the Budget estimate, an unimportant fall in revenue being more than counterbalanced by a considerable saving in the expenditure; the estimate for next year provides for a small growth in the receipts and for a much larger increase in the expenditure.

166. The figures for Land Revenue due to Irrigation have already been examined in paragraphs 7 and 8 along with those for Land Revenue proper. The details of the other heads are exhibited in the following tables.

General Result.

Major Irrigation.

Minor Irrigation.

XXIX AND 42.—MAJOR WORKS.

Direct Receipts.

IRRIGATION.	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
<i>Imperial.</i>						
1. Central Provinces	34,638	31,580	57,701	80,000	63,000	85,000
2. Burma	5,91,688	8,10,710	8,20,748	11,50,000	9,74,000	10,52,000
3. United Provinces	1,25,727	3,50,824	3,21,223	3,27,000	3,15,000	2,62,000
4. North-West Frontier	7,20,259	7,52,119	7,16,876	8,00,000	7,50,000	7,50,000
Total	14,72,312	19,45,233	19,16,548	23,57,000	21,02,000	21,49,000
<i>Divided and Provincial.</i>						
1. Bengal . . . . .	...	...	...	...	...	2,63,000
2. Behar . . . . .	...	...	...	...	...	22,87,000
3. United Provinces	94,71,901	88,74,549	83,34,478	84,58,000	82,72,000	75,57,000
4. Punjab	1,86,79,549	1,93,96,790	1,99,88,912	1,97,70,000	2,13,32,000	2,05,25,000
5. Madras	4,73,820	4,21,018	2,68,820	2,75,000	2,60,000	2,64,000
6. Bombay	9,82,954	12,66,051	12,48,238	12,69,000	12,17,000	13,42,000
Bengal (old)	26,33,820	27,02,520	25,63,762	25,50,000	25,20,000	...
Total	3,22,42,044	3,26,60,928	3,24,04,210	3,23,22,000	3,36,01,000	3,22,38,000
TOTAL R	3,37,14,356	3,46,06,161	3,43,20,758	3,46,79,000	3,57,03,000	3,43,87,000
Equivalent in Sterling £	2,247,624	2,307,077	2,288,051	2,311,900	2,380,200	2,292,500

WORKING EXPENSES.

<i>Imperial.</i>						
1. India General (Reserve Provision) . . . . .	...	...	...	3,08,000	...	1,63,000
2. Central Provinces	23,181	23,106	29,600	40,000	40,000	70,000
3. Burma	2,01,983	2,19,178	2,61,230	3,25,000	3,25,000	4,43,000
4. United Provinces	2,02,978	2,35,040	2,49,611	3,17,000	3,57,000	4,28,000
5. North-West Frontier	2,12,192	2,63,153	3,15,664	2,30,000	3,00,000	2,70,000
Total	6,40,334	7,41,077	8,56,125	12,20,000	10,22,000	13,74,000
<i>Divided and Provincial.</i>						
1. Bengal . . . . .	...	...	...	...	...	2,26,000
2. Behar . . . . .	...	...	...	...	...	12,23,000
3. United Provinces	33,04,066	34,63,138	32,06,415	31,94,000	32,36,000	30,18,000
4. Punjab	69,07,873	75,32,165	74,15,645	69,76,000	79,31,000	71,16,000
5. Madras	21,24,692	21,64,836	23,57,219	23,30,000	21,50,000	22,43,000
6. Bombay	11,74,714	10,49,428	13,53,730	13,12,000	12,94,000	13,88,000
Bengal (old)	13,97,147	14,62,472	14,55,185	14,50,000	14,47,000	...
Total	1,49,08,492	1,56,72,089	1,57,88,194	1,52,62,000	1,60,58,000	1,52,14,000
TOTAL INDIA R	1,55,48,826	1,64,13,166	1,66,44,319	1,64,82,000	1,70,80,000	1,65,88,000
Equivalent in sterling £	1,036,589	1,094,211	1,109,621	1,098,800	1,138,700	1,105,900

The Imperial figures shown against the United Provinces represent the transactions of the Betwa, Ken and certain other "protective" canals.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 205

DIRECT RECEIPTS.

(a) *Imperial.*

167. The total revenue in 1911-12 is likely to fall short of the Budget by ₹2.55 lakhs owing mainly to a sanguine estimate of collections on the Mon and Shwebo canals in Burma. The Budget estimate for 1912-13 does not materially differ from the Revised for 1911-12, a small growth of revenue in the Central Provinces and Burma being partly counterbalanced by a decline in the United Provinces, where seasonable rainfall has restricted the demand for *rabi* irrigation.

(b) *Divided and wholly Provincial.*

168. The total Revised estimate for 1911-12 shows an increase of ₹12.79 lakhs over the Budget. There is a large improvement of ₹15.62 lakhs in the Punjab due mainly to an increased demand for canal water in connection with the *kharif* crops consequent on the late arrival of the monsoon. But there is a decline of ₹1.86 lakhs in the United Provinces, where the reduction in the receipts in connection with the *rabi* crops, caused by the copious winter rains in the preceding year, is higher than was anticipated, and is only partially counterbalanced by the increased collections arising from the larger demand for canal water in the *kharif* season. In Bengal, Madras and Bombay also, the revenue is expected to fall somewhat below the Budget estimate.

169. The total Budget for 1912-13 is less than the Revised for 1911-12 by ₹13.63 lakhs. The principal variations contributing to this result are: (1) a decrease of ₹8.07 lakhs in the Punjab where the abnormal conditions of the current year are not expected to recur; (2) a decrease of ₹7.15 lakhs in the United Provinces where the copious rainfall in January last has reduced the demand for *rabi* irrigation; and (3) an increase of ₹1.25 lakhs in Bombay where the estimates have been framed on the basis of a normal rainfall.

WORKING EXPENSES.

(a) *Imperial.*

170. The total Revised estimate for 1911-12 falls short of the Budget provision by ₹1.98 lakhs. The decrease is due to the major portion of the reserve provision having been required to meet the Imperial share of the expenditure in excess of the budget grant on the Punjab canals (*vide* paragraph 171). The increase of ₹3.52 lakhs in the Budget for 1912-13 over the Revised estimate of the current year is mainly due to a reserve allotment of ₹1.63 lakhs and to provision for the maintenance charges of works or portions of works which will be opened for irrigation next year in some of the provinces.

(b) *Divided and wholly Provincial.*

171. The total expenditure in 1911-12 exceeds the Budget grant by ₹7.96 lakhs. There is a large excess of ₹9.55 lakhs in the Punjab due mainly to special expenditure on silting reaches and surface drains on the Western Jumna canal, and water-proofing and puddling work on the Upper Bari Doab canal. A much smaller increase (₹.42 lakh) is also expected in the United Provinces owing chiefly to higher outlay on repairs. But, on the other hand, there is a decrease of ₹1.8 lakhs in Madras, mainly in the Godavari Delta system where the progress of works has been considerably retarded by rain; and less important savings occur in Bombay and Bengal in consequence of lapses or transfers of grants.

172. The total Budget for 1912-13 is ₹8.44 lakhs less than the Revised estimate for 1911-12. Provision has been generally made for a normal scale of expenditure. In Bombay a larger programme of repairs is necessitated by the erosion of the Indus. The reduction in expenditure contemplated in the United Provinces is largely due to economies in establishment and repairs effected after a careful examination of the requirements.

206 BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13.

42A.—EXPENDITURE ON PROTECTIVE IRRIGATION WORKS IN ADDITION TO THAT CHARGED UNDER FAMINE RELIEF AND INSURANCE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		Budget, 1912-1913.
				Budget.	Revised.	
India . . . R	18,00,000	...	6,50,000
Equivalent in sterling £	120,000	...	43,300

173. The figures have been already explained in paragraphs 152 and 153.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 207

XXX AND 43.—MINOR WORKS AND NAVIGATION.

Revenue.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		1912-1913 Budget.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	21,978	23,724	23,215	28,000	16,000	25,000
2. Baluchistan	15,424	45,833	25,060	1,000	46,000	70,000
3. Punjab	6,35,982	7,85,999	8,61,662	8,00,000	8,00,000	7,60,000
Total	6,73,384	8,55,556	9,09,937	8,29,000	8,62,000	8,55,000
<i>Divided and Provincial.</i>						
1. Central Provinces	21,138	19,210	31,673	35,000	26,000	35,000
2. Burma	10,98,434	11,75,072	10,05,119	13,30,000	12,00,000	12,50,000
3. Assam . . . . .	...	...	...	...	...	...
4. Bengal (new) . . . . .	...	...	...	...	...	6,45,000
5. Behar . . . . .	...	...	...	...	...	83,000
6. United Provinces	1,62,215	1,69,725	1,60,020	1,30,000	1,69,000	1,46,000
7. Punjab	39,200	52,139	62,456	56,000	61,000	61,000
8. Madras	2,09,090	2,47,299	2,08,406	2,66,000	2,29,000	2,15,000
9. Bombay	4,04,806	3,50,825	3,57,424	3,28,000	3,50,000	3,75,000
Eastern Bengal and Assam	127	14	74	...	...	...
Bengal (old)	6,81,613	6,65,520	6,91,891	7,04,000	7,54,000	...
Total	26,16,623	26,79,804	25,17,043	28,49,000	27,89,000	28,10,000
TOTAL	32,90,007	35,35,360	34,26,980	36,78,000	36,51,000	36,65,000
Equivalent in Sterling £	219,334	235,691	228,465	245,200	243,400	244,300

Expenditure.

<i>Imperial.</i>						
1. India General	81,898	1,14,102	1,01,264	7,58,000	97,000	8,02,000
2. Baluchistan	2,60,068	2,90,524	3,83,355	86,000	2,95,000	1,06,000
3. Punjab	10,86,050	9,94,141	10,47,668	10,83,000	10,02,000	10,10,000
4. North-West Frontier	32,930	49,739	90,069	70,000	48,000	58,000
Total	14,60,946	14,48,506	16,22,356	19,97,000	14,42,000	19,76,000
<i>Divided and Provincial.</i>						
1. Central Provinces	5,57,337	4,89,887	4,53,536	6,00,000	6,00,000	6,00,000
2. Burma	14,69,007	11,33,352	13,02,074	14,50,000	14,39,000	14,60,000
3. Assam . . . . .	...	...	...	...	...	72,000
4. Bengal (new) . . . . .	...	...	...	...	...	16,67,000
5. Behar . . . . .	...	...	...	...	...	5,03,000
6. United Provinces	6,76,287	4,74,342	5,35,848	4,06,000	4,87,000	3,39,000
7. Punjab	91,332	69,786	80,897	1,30,000	1,51,000	1,13,000
8. Madras	38,11,129	41,07,925	37,41,377	41,37,000	37,17,000	39,28,000
9. Bombay	32,62,529	35,11,195	33,56,346	32,96,000	31,14,000	31,87,000
Eastern Bengal and Assam	57,208	1,17,152	1,07,133	1,36,000	1,04,000	...
Bengal (old)	20,43,172	21,61,876	20,72,618	21,69,000	18,77,000	...
Total	1,19,68,001	1,20,65,515	1,16,49,829	1,23,24,000	1,14,89,000	1,18,69,000
TOTAL INDIA	1,34,28,947	1,35,14,021	1,32,72,185	1,43,21,000	1,29,31,000	1,38,45,000
Equivalent in Sterling £ England	895,263	900,935	884,813	954,700	862,000	923,000
	...	...	290	500	900	1,200
GRAND TOTAL	895,263	900,935	885,103	955,200	862,900	924,200

REVENUE.

(a) Imperial.

174. The figures show little variation and call for no remark.

(b) Divided and Provincial.

Revised, 1911-12. 175. There is no material variation between the total Budget and Revised estimates of the current year or between the latter and the total Budget for 1912-13. In 1911-12 a decline in the collections in Burma, Madras and the Central Provinces is nearly counterbalanced by small improvements in Bengal, the United Provinces and Bombay. In 1912-13 provision has generally been made for normal receipts.

Budget, 1912-13.

EXPENDITURE.

(a) Imperial.

Revised, 1911-12. 176. The Budget estimate of the current year included the usual grant of R5 lakhs in aid of special expenditure entailed by the recommendations of the Irrigation Commission and a reserve provision of R1 lakh to meet unforeseen requirements. R2.09 lakhs out of the special grant are being spent on the Nar Nallah scheme in Baluchistan; while R.81 lakh has been allotted to the Government of the United Provinces for tank restoration works and placed at its credit by an assignment of Land Revenue (*vide* paragraph 17). The balance of the special grant and the whole of the reserve provision will lapse. Savings are also expected in every province in the allotment made in the Budget for expenditure on the minor irrigation and navigation works which are classed as wholly Imperial. These causes account for the decrease of R5.55 lakhs in the Revised estimate of the current year as compared with the Budget.

Budget, 1912-13. 177. The total Budget estimate for 1912-13 exceeds the Revised for 1911-12 by R5.34 lakhs. Allowance has been made for the special grant of R5 lakhs and a reserve of R1.52 lakhs; but no provision exists for the Nar Nallah scheme, as an allotment will be made for it later in the year from the special grant.

(b) Divided and Provincial.

Revised, 1911-12. 178. The total expenditure in 1911-12 is likely to fall short of the Budget grant by R8.35 lakhs. There is a decrease of R4.20 lakhs in Madras, where heavy rain and the prolonged presence of water in tanks have retarded the progress of expenditure; of R2.92 lakhs in Bengal mainly owing to smaller capital and revenue outlay on the Circular and Eastern canals; and of R1.82 lakhs in Bombay due to a reduction in grants and the non-utilisation of the allotment made for the revision of certain subordinate establishments. On the other hand, there is an increase of R.81 lakh in the United Provinces caused by the expenditure on tank restoration works mentioned above. The variations between the Budget and Revised estimates in the other provinces are unimportant and call for no remark.

Budget, 1912-13. 179. The total Budget for 1912-13 is R3.80 lakhs more than the Revised estimate for the current year. There is an excess of R2.61 lakhs in Assam, Bengal and Behar caused mainly by provision for increased expenditure on the dredging and improvement of the Circular and Eastern canals and on the Madaripur Bhil route, as well as for capital outlay on certain new works; and of R2.11 lakhs in Madras owing to provision for a normal scale of expenditure. But these excesses, as well as increases of less importance in Bombay and Burma, are partly counterbalanced by a decrease of R1.48 lakhs in the United Provinces, due to the absence of the expenditure incurred in the current year from the special Imperial subvention and to a reduction in grants consequent on a scrutiny and revision of projects; and by a smaller decrease in the Punjab.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 209

44.—CONSTRUCTION OF RAILWAYS CHARGED TO PROVINCIAL REVENUES.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		1912-1913, Budget.
				Budget.	Revised.	
<i>Provincial.</i> Eastern Bengal and Assam	₹ 6,235	18,671	11,928	15,000	21,000	52,000
£	415	1,245	795	1,000	1,400	3,500

180. The charges represent capital outlay in connection with the Jorhat Railway, and are unimportant in character.

210 BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13.

XXXI and 45.— CIVIL WORKS.

EXPENDITURE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		1912-1913, Budget.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	33,95,126	20,02,179	23,08,460	32,75,000	26,91,000	31,61,000
2. Baluchistan	8,22,463	8,11,172	9,93,034	8,92,000	8,56,000	9,00,000
3. North-West Frontier	21,42,997	21,45,032	21,54,275	20,95,000	21,09,000	27,61,000
4. Other Provinces	41,41,528	36,53,952	40,49,764	40,61,000	43,42,000	36,49,000
Total	1,05,02,114	86,12,335	95,05,533	1,03,23,000	99,98,000	1,04,71,000
<i>Provincial.</i>						
1. Central Provinces	67,61,314	60,27,432	57,45,570	57,50,000	56,65,000	62,33,000
2. Burma	91,46,868	67,23,437	85,40,240	1,05,39,000	1,00,83,000	86,98,000
3. Assam . . . . .	...	...	...	...	...	27,58,000
4. Bengal (new) . . . . .	...	...	...	...	...	94,00,000
5. Behar . . . . .	...	...	...	...	...	69,66,000
6. United Provinces	55,55,491	62,21,073	70,65,420	68,71,000	68,35,000	74,71,000
7. Punjab	50,43,732	50,24,580	51,27,731	77,89,000	61,44,000	88,23,000
8. Madras	62,48,767	73,97,567	95,37,540	1,10,87,000	1,09,39,000	1,50,74,000
9. Bombay	78,74,693	77,42,683	83,31,664	1,38,82,000	1,38,83,000	76,84,000
Eastern Bengal and Assam	70,80,970	64,83,969	64,30,307	65,05,000	68,09,000	..
Bengal (old)	80,23,375	66,27,302	65,59,036	85,62,000	84,29,000	...
Total	5,57,35,210	5,22,48,043	5,73,37,508	7,09,85,000	6,87,87,000	7,31,07,000
TOTAL INDIA	6,62,37,324	6,08,60,378	6,68,43,041	8,13,08,000	7,87,85,000	8,35,78,000
Equivalent in Sterling	£ 4,415,822	£ 4,057,358	£ 4,456,203	5,420,500	5,252,300	5,571,900
England	£ 80,105	£ 78,548	£ 80,464	80,000	85,500	79,800
TOTAL	£ 4,495,927	£ 4,135,906	£ 4,536,667	5,500,500	5,337,800	5,651,700

REVENUE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		1912-1913, Budget.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	64,452	80,792	79,646	5,98,000	6,16,000	59,000
2. Baluchistan	33,336	40,919	35,267	35,000	38,000	38,000
3. North-West Frontier	1,24,186	1,39,606	1,42,803	1,36,000	1,41,000	1,41,000
4. Other Provinces	1,99,968	2,48,698	2,32,559	2,12,000	2,47,000	2,09,000
Total	4,21,942	5,10,015	4,90,275	9,81,000	10,42,000	4,47,000
<i>Provincial.</i>						
1. Central Provinces	4,27,537	5,95,280	6,08,888	6,67,000	5,57,000	6,46,000
2. Burma	7,10,320	3,21,908	3,02,151	3,41,000	2,86,000	2,86,000
3. Assam . . . . .	...	...	...	...	...	1,43,000
4. Bengal (new) . . . . .	...	...	...	...	...	12,83,000
5. Behar . . . . .	...	...	...	...	...	2,10,000
6. United Provinces	3,35,912	3,40,318	3,83,019	3,76,000	3,72,000	3,57,000
7. Punjab	6,30,808	4,94,068	4,97,163	5,60,000	6,25,000	5,61,000
8. Madras	2,14,886	2,62,016	2,44,649	2,98,000	2,64,000	2,63,000
9. Bombay	7,56,771	7,53,872	7,23,318	5,97,000	6,99,000	6,18,000
Eastern Bengal and Assam	2,89,510	3,25,434	3,47,302	3,25,000	3,56,000	...
Bengal (old)	5,31,386	4,28,876	5,10,734	8,84,000	6,84,000	...
Total	38,97,130	35,21,772	36,17,224	40,48,000	38,43,000	43,67,000
TOTAL INDIA	43,19,072	40,31,787	41,07,499	50,29,000	48,85,000	48,14,000
Equivalent in Sterling	£ 287,938	£ 268,786	£ 273,833	335,300	325,700	320,900
England	£ ...	£ ...	£ 20,000
TOTAL	£ 287,938	£ 268,786	£ 293,833	335,300	325,700	320,900

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181. The Imperial revenue and expenditure shown against "Other Provinces" represent the transactions in connection with the buildings of the various departments (*e.g.*, Salt, Customs, etc.) whose receipts and charges are wholly Imperial.

EXPENDITURE.

(a) *India (Imperial) and England.*

182. The total Revised estimate for the current year is less than the Budget ^{Revised, 1911-12.} by R2'43 lakhs. Of this decrease R'96 lakh is nominal and is caused by the record under "Scientific Departments" and in the Provincial section of the accounts, of the archæological expenditure incurred respectively by the Director General of Archæology and by the Provincial Governments out of allotments placed at their disposal from the reserve grant of R1 lakh provided in the Budget under this head. The lapse in the grant thus amounts to R1'47 lakhs. It is chiefly due to a partial utilisation of the reserve provision of R4'23 lakhs made in the Budget for unforeseen expenditure. The principal works on which funds were allotted during the year out of the reserve provision are : (1) the construction of a new kitchen in the Government House at Calcutta in consequence of the Royal visit ; and (2) the construction of temporary post and telegraph offices at Delhi in-connection with the Coronation Durbar.

183. In 1912-13 the total Imperial grant has been fixed at R79'80 lakhs ^{Budget, 1912-13.} exclusive of R3'58 lakhs allotted for petty expenditure incurred in the Civil Department in the several minor administrations, and of R7'30 lakhs and R26 lakhs to be spent respectively by the administrations of Baluchistan and the North-West Frontier Province. The purposes to which this grant of R79'80 lakhs will be applied are shewn below :--

	R
1. Establishment and Tools and Plant	14,14,000
2. Repairs	18,00,000
3. Works in progress	11,64,000
4. New works—	
(a) Costing up to R5,000	8,85,000
(b) Costing more than R5,000	12,32,000
5. Payments in England on stores, furlough allowances, etc.	11,97,000
6. Reserve provision for archæological expenditure	1,00,000
7. Reserve provision for other unforeseen expenditure	1,88,000
	79,80,000

184. The following is a list of the new works and works in progress in which it is probable that allotments of one lakh or more will be made in the ensuing year :—

Provinces.	Name of work.	Amount of grant.
		R
Bengal	Extension of the Central Telegraph Office, Calcutta	3,00,000
	Reconstructing the new Stamp and Stationery Office, Calcutta	2,15,000
	Reconstructing the Government Central Press building at No. 166, Dhurrumtollah Street, Calcutta	1,00,000
Punjab	New Council Chamber, Simla	3,00,000
Burma	New Customs House, Rangoon	1,00,000

(b) Provincial.

Revised, 1911-12.

185. The total Revised estimate for 1911-12 falls short of the Budget provision by ₹21·98 lakhs. The true lapse in the allotments made in the Budget under this head is much larger and is partly obscured by the record under it of: (1) payments of grants-in-aid to local bodies for water-supply schemes for which provision was made in the Budget estimates of Eastern Bengal and Assam, and Bombay under "24—Medical" and (2) outlay on certain buildings of the education, agricultural and other departments, provision for which was included in the grants of the departments concerned. The increase of ₹3·04 lakhs over the Budget estimate in Eastern Bengal and Assam is wholly due to this cause. The largest saving occurs in the Punjab (₹16·45 lakhs) and is partly due to a restriction in the operations ordered in view of the threatened failure of the monsoon. A considerable lapse of ₹4·56 lakhs is also expected in Burma owing to a curtailment of grants necessitated by the unfavourable position of the provincial finances. In Madras a considerable saving in the grant for outlay on original works in the Public Works Department due to a slower progress of work on the new buildings required in connection with the Meyer scheme and to other causes, has been partly counterbalanced by special contributions to local bodies for expenditure on roads and bridges.

Budget, 1912-13.

186. The table below compares the details of the grants for 1912-13 in the various provinces, so far as settled at present, with the probable expenditure in the current year.

REVISED, 1911-1912.

[Lakhs of Rupees.

PROVINCES.	GRANTS TO		OUTLAY IN THE PUBLIC WORKS DEPARTMENT ON			Other items.*	Total.
	Local Boards and Municipalities.	Other local bodies.	Original works.	Repairs.	Establishment charges.		
1. Central Provinces	1·88	...	24·64	19·12	9·87	1·14	56·65
2. Burma	·96	20·00	27·00	32·66	18·50	1·71	100·83
3. Eastern Bengal and Assam	12·48	2·61	26·56	13·32	10·13	2·99	68·09
4. Bengal	20·14	11·50	25·27	17·16	9·67	·55	84·29
5. United Provinces	9·68	...	27·34	20·74	8·75	1·84	68·35
6. Punjab	8·80	...	24·65	15·25	9·10	3·64	61·44
7. Madras	37·30	11·09	37·40	8·50	10·92	4·18	109·39
8. Bombay	8·47	50·00	44·85	18·53	12·70	4·28	138·83
TOTAL	99·71	95·20	237·71	145·28	89·64	20·33	687·87

BUDGET, 1912-1913.

1. Central Provinces	2·27	...	27·45	21·25	10·00	1·36	62·33
2. Burma . . . . .	...	...	33·17	33·00	18·84	1·97	86·98
3. Assam	2·50	...	88·21	31·65	22·90	1·98	27·58
4. Bengal	18·50	13·50					
5. Behar	12·00	...					
6. United Provinces	7·88	...	35·47	20·82	8·90	1·64	74·71
7. Punjab	7·79	...	52·55	15·50	9·00	3·39	88·23
8. Madras	48·74	22·50	58·55	8·78	10·42	1·75	150·74
9. Bombay	8·02	...	33·92	19·30	12·87	2·73	76·84
TOTAL	107·70	36·00	329·32	150·30	92·93	14·82	731·07

* Include small amounts spent in the Civil Department otherwise than on contributions to local bodies.

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The details of the grants for Assam, Bengal and Behar have not yet been worked out, lump allotments being made for total expenditure under this head. The figures entered in the above table are rough approximations based on the estimates for Bengal and Eastern Bengal and Assam.

187. The large increase in Madras (R11.44 lakhs) under "Grants to Local Boards and Municipalities" as compared with the expenditure in the current year is mainly due to provision for increased payment of contributions for sanitary works. The figures shown under "Grants to other local bodies" consist of contributions to the Chittagong Port Trust (R2 lakhs), the Calcutta Improvement Trust (R11.50 lakhs), the Madras Port Trust (R4 lakhs) and the Madras Corporation (18.50 lakhs) for water-supply and drainage works. The grant to the Calcutta Improvement Trust and R12.5 lakhs of that to the Madras Corporation represent contributions from Imperial revenues passed through the Provincial accounts.

188. The allotments made for original works in the Budget estimates for 1912-13 are higher than the probable outlay in the current year in all provinces excepting Bombay, owing to the generally prosperous condition of the provincial finances. The Punjab intends to invest in civil works a portion of its accumulated balances as well as the windfall which it is likely to receive from the sale of proprietary rights in canal colonies; and the grant for original works in 1912-13 exceeds the outlay in 1911-12 by no less than R27.90 lakhs, large allotments being made for the buildings required for the Secretariat, the Lahore Central Jail, the new biological and physics laboratory of the Lahore Government College, and the new Veterinary College, as well as for bridges over the Beas, the Sutlej and the Ravi and for a wheat elevator at Lyallpore. The budget grant for civil works in this province also includes a provision of R3 lakhs for expenditure on Government educational buildings out of the special non-recurring Imperial assignment in aid of education which was made in 1910-11. Provision has been made in Behar for an expenditure of R30 lakhs on initial public works mainly in connection with its capital; in Madras for an expenditure of R8 lakhs on buildings required for the scheme for the redistribution of districts, etc., and also for enhanced grants for municipal works. In the United Provinces it is proposed to push on work in connection with the Lucknow Medical College and Hospital and the new High Court building at Allahabad. In Bombay the outlay on original works will be restricted owing to the adverse effect on the provincial resources of the famine conditions prevailing in parts of the Presidency; and a similar restriction would have been necessary in Burma but for the special Imperial assignment given in the current year for the development of communications.

REVENUE

(a) *Imperial.*

189. The Revised estimate for the current year does not differ materially from the Budget. The decrease in the Budget estimate for 1912-13 as compared with the Revised for 1911-12 is mainly due to the absence of special receipts which accrued in the current year in connection with the sale of certain investments and buildings.

(b) *Provincial.*

190. The total Revised estimate for 1911-12 is R2.05 lakhs less than the Budget forecast. The more important variations consist of (a) a decrease of R2 lakhs in Bengal, where the postponement of the receipt of R3.64 lakhs on account of the sale-proceeds of the Sibpur College has been partly counter-balanced by an arrear recovery of the Government share of profits of the Darjiling-Himalayan Railway and the sale-proceeds of certain Government buildings, and of R1.10 lakhs in the Central Provinces owing to a fall in the revenue from the Ballarpur colliery; and (b) an increase of R1.02 lakhs in Bombay due to larger receipts from sales of buildings, etc., and from tolls on roads. Provision for normal receipts has generally been made in the Budget estimate for 1912-13 in every province; but Bengal expects to receive R7.14 lakhs on account of the sale-proceeds of the Sibpur College.

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XXXII and 46.—ARMY.

EXPENDITURE.	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912		1912-1913, Budget.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
INDIA—						
<i>Effective Services—</i>						
Administration	64,77,619	66,33,250	66,83,360	68,46,310	69,07,000	68,55,270
Military Accounts	23,80,509	26,12,931	29,35,030	28,80,170	29,00,000	28,58,380
Regimental Pay, etc.	11,54,94,353	12,27,98,340	12,36,87,512	12,41,98,710	12,49,89,000	12,23,53,880
Supply and Transport	3,34,24,479	3,21,13,557	3,19,62,808	3,08,05,720	3,01,27,000	3,12,33,340
Veterinary	4,49,102	4,70,215	4,83,010	4,78,330	4,96,000	4,98,160
Clothing	18,29,942	14,76,415	12,67,622	13,66,820	11,70,000	15,45,840
Remounts	57,55,206	50,89,503	58,56,219	50,58,340	48,01,000	48,81,530
Medical Services	59,17,672	58,96,437	59,31,695	59,52,470	58,12,000	59,05,120
Medical Stores	4,85,182	3,32,415	4,71,111	3,25,180	4,54,000	4,18,090
Ordnance	1,17,89,944	1,01,58,145	90,19,530	89,56,890	89,10,000	98,24,480
Ecclesiastical	4,17,061	4,24,433	4,14,366	4,28,890	4,24,000	4,25,730
Education	12,15,280	11,85,757	12,71,489	12,57,380	12,75,000	12,50,490
Compensation for food, etc.	86,09,224	62,66,369	48,22,562	40,00,000	46,29,000	43,29,560
Miscellaneous Services	35,18,633	17,68,262	24,82,495	77,30,870	92,77,000	26,21,000
Hutting	8,43,070	7,31,012	4,39,805	2,00,000	3,28,000	2,00,000
Conveyance by road, river and sea	9,11,765	7,96,838	8,62,827	8,06,080	8,96,000	14,20,420
Conveyance by rail	39,16,297	36,75,923	37,76,330	41,65,760	42,13,000	36,96,750
Cantonments	13,28,994	13,22,530	16,02,327	13,14,080	13,57,000	12,56,960
Unadjusted Expenditure	-77,847	-6,19,050	8,08,319	...	...	...
TOTAL	20,46,86,485	20,31,33,282	20,41,48,426	20,67,72,000	20,89,65,000	20,15,75,000
<i>Non-effective Services</i>	1,01,51,545	1,02,58,085	1,05,14,653	1,03,83,000	1,04,17,000	1,04,81,000
TOTAL INDIA	21,48,38,030	21,33,91,367	21,46,63,079	21,71,55,000	21,93,82,000	21,20,56,000
Equivalent in sterling	₹ 14,322,536	₹ 14,226,091	₹ 14,310,872	₹ 14,477,000	₹ 14,625,500	₹ 14,137,100
ENGLAND—						
<i>Effective Services—</i>						
Payments to War Office for British Forces	901,498	916,057	935,055	931,000	914,000	935,000
Furlough allowances, etc., of British Forces	144,003	140,412	135,116	150,000	139,000	143,000
Consolidated clothing allowance of British soldiers	...	...	17,194	26,900	48,500	15,200
Furlough allowances, Indian Service	354,281	354,527	372,824	370,000	370,000	370,000
Indian Troop Service	327,388	274,685	236,927	305,900	276,200	231,500
Other heads	52,979	39,860	132,846	47,300	61,300	104,000
Clothing Stores	188,885	104,754	83,706	63,200	59,000	54,800
Ordnance and Mis- cellaneous Stores	310,873	249,225	268,084	349,100	356,000	382,500
Medical Stores	56,729	73,627	86,247	114,400	115,000	89,800
Supply and Transport Stores	48,700	40,548	24,755	43,800	49,000	40,500
Operations in Persian Gulf (Stores)	...	18,287	9,896	...	47,800	17,000
Stores taken to India with Troops	...	...	33,579	48,000	44,700	33,300
TOTAL	2,385,336	2,211,982	2,336,229	2,452,600	2,481,500	2,416,600
<i>Non-effective Services—</i>						
Payments to War Office for British Forces	822,450	859,597	879,875	910,000	898,400	925,000
Pensions, Indian Service	1,476,771	1,434,100	1,432,801	1,430,000	1,430,000	1,430,000
Other heads	170,173	169,411	172,003	175,000	175,000	176,000
TOTAL	2,469,394	2,463,108	2,484,679	2,515,000	2,503,400	2,531,000
TOTAL ENGLAND	₹ 4,854,730	₹ 4,675,090	₹ 4,820,908	₹ 4,967,600	₹ 4,984,900	₹ 4,947,600
TOTAL EXPENDITURE	₹ 19,177,266	₹ 18,901,181	₹ 19,131,780	₹ 19,444,600	₹ 19,610,400	₹ 19,084,700
RECEIPTS.						
India	₹ 78,06,570	₹ 84,75,854	₹ 95,94,755	₹ 94,97,000	₹ 1,05,50,000	₹ 1,19,42,000
Equivalent in sterling England	₹ 520,438	₹ 565,057	₹ 639,650	₹ 633,100	₹ 703,400	₹ 796,100
	₹ 342,501	₹ 412,671	₹ 418,999	₹ 457,800	₹ 474,700	₹ 358,800
TOTAL RECEIPTS	₹ 862,939	₹ 977,728	₹ 1,058,649	₹ 1,090,900	₹ 1,178,100	₹ 1,154,900
TOTAL NET EXPENDITURE	₹ 18,314,327	₹ 17,923,453	₹ 18,073,131	₹ 18,353,700	₹ 18,432,300	₹ 17,929,800

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 215

191. The Revised estimate of expenditure in India anticipates an excess of R22.27 lakhs (£148,500) over the Budget provision of R21,71.55 lakhs (£14,477,000). This excess is mainly due to the bonus of half a month's pay granted at the Coronation Durbar, which is expected to cost about R24.86 lakhs (£165,700). Owing to the nature of the concession, no provision could be made in the budget of the year, and an extra grant has been sanctioned. Excluding this special item, the expected actuals approximate very closely to the Budget estimates, the result being a small saving of R2.59 lakhs (£17,200). There were, however, a number of important unforeseen charges or other departures from the original estimates, which are summarised below.

*Revised, 1911-12,
compared with
Budget, 1911-12.
Expenditure—
India.*

The Abor expeditionary force and the Mishmi Mission involved a military outlay of R18.65 lakhs (£124,300); but this was counterbalanced by the curtailment of the military grant for the Durbar (R50.00 lakhs or £333,300) by R19.00 lakhs (£126,700) in consequence of the decision to reduce the number of troops to be concentrated at Delhi and to abandon the intended manœuvres. The despatch of the 39th Central India Horse to Persia cost R2.55 lakhs (£17,000), this also being unforeseen. The food charges exhibit a (relatively) slight excess of R3.03 lakhs (£20,200) arising from the peculiar monsoon conditions.

A further excess of R2.87 lakhs (£19,100) results from the decision to meet at once certain arrear charges for kit allowance to British soldiers in India, and so bring all claims up to date and avoid complicated adjustments as each of the men concerned eventually leaves the country.

The abandonment of the intended manœuvres also made it necessary to restore a portion of the ordinary grant for training, and additional grants were also made for repairs of hutting accommodation, for urgent sanitary works in cantonments, and for further purchases of mules.

On the other hand, the Budget for the current year included under India the whole provision, namely R20.00 lakhs (£133,300), required both at Home and in India for the Arms Traffic Operations, as the Secretary of State had not provided for this service in his own estimates. This has resulted in R12.30 lakhs (£82,000) lapsing on the Indian side as a set-off to the expenditure at Home. The total expenditure on these operations at Home and in India amounted to R17.84 lakhs (£118,900), namely, R10.14 lakhs (£67,600) at Home and R7.70 lakhs (£51,300) in India.

192. The total army expenditure at Home shows an increase of £17,300 after allowing for £86,000 spent on Ordnance stores required in the coming year. But for these anticipatory purchases there would have been a decrease of £68,700, mainly in consequence of the lapse of £62,000 in the provision of £100,000 for the scheme of artillery re-armament. There was also a considerable saving (£49,700), as a result of ordinary fluctuations, in the expenditure on the Indian troop service and on payments to the War Office in respect of British forces serving in India. On the other hand, as already stated, there was a nominal excess of £67,600 on Arms Traffic Operations, and the payments in respect of clothing allowances for British soldiers rose temporarily by £21,600.

Home.

193. The Revised Estimate of receipts anticipates an improvement of £87,200, of which £70,300 occurs in India, and is mainly due to sales of surplus Ordnance and Clothing stores, and £16,900 at Home, the improvement in this case representing increased receipts in respect of the Indian Regiments lent to the Colonies.

Receipts.

India and Home.

194. The net expenditure of the year, excluding £165,700 for bonus at the Coronation Durbar, shows a decrease as compared with the Budget provision of £87,100.

Net Expenditure.

195. The total provision for special or "Schedule" expenditure in the Budget of 1911-12 was R48.25 lakhs (£321,600), and it is anticipated that the actuals will amount to R29.42 lakhs (£196,100). A lapse of £84,500 is expected in England owing, as already stated, to the unexpected delay in the supply of the new howitzer and mountain gun equipment, this being partly attributable to patterns not having been finally settled, and partly to manufacturers being unable to supply. The same cause contributed to the lapse which occurred in India, and a further saving on the Indian side resulted from a reconsideration of the proposal to make special additional purchases of remounts for British cavalry.

Special Expenditure.

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196. The more important measures and the outlay on each during the current year are stated below approximately in the absence of full details of the Home expenditure on individual measures :—

	Expenditure in 1911-1912.	
	Lakhs.	Equivalent in
	R	£
(i) Provision of maxim guns	2.12	14,100
(ii) Extension of dairies	1.23	8,200
(iii) Formation of Signal Companies	1.68	11,200
(iv) Purchase of short rifles	10.33	68,900
(v) Rearmament of Artillery	5.75	38,300
(vi) Reconstitution of reserve of artillery horses	2.51	16,700
(vii) Divisional Artillery Staff for 6 Divisions and an Inspector of Mobile Artillery	0.63	4,200
(viii) Employment of 4 more Lieutenant-Colonels, R. G. A.	0.66	4,400
(ix) New pattern bayonet for British troops	0.96	6,400
(x) New pattern sword for British Cavalry	1.44	9,600

Budget, 1912-13, compared with Revised, 1911-12. Expenditure,—India.

197. The Indian portion of the Army estimate for 1912-13 falls below the expenditure in the current year to the extent of R73.26 lakhs (£488,400). The main cause of this large difference is the exclusion of the Coronation expenditure (including bonus) of R55.86 lakhs (£372,400) and the approaching conclusion of the Abor Expedition and Mishmi Mission for the winding up of which the Budget Estimate provides R5.35 lakhs (£35,600) or R13.30 lakhs (£88,700) less than the outlay incurred in the current year. Apart from these special items next year's estimate shows a decrease of R4.10 lakhs (£27,300) compared with the Revised of the current year. On the one hand certain special economies—to which further reference will be made later—have been ordered as a result of the scrutiny of military expenditure during the current year and a fortuitous saving of R8.60 lakhs (£57,300) is expected from the absence of troops in China. On the other, it has been necessary to make fuller provision for the purchase of mules and stores in respect of which expenditure had fallen below a normal standard; the recent rise in prices necessitates some increase under food charges; the expansion of farms involves a higher gross expenditure; and the full provision for the training of troops which was partially suspended in the current year in view of the Durbar has been restored.

198. The sum of R20.00 lakhs (£133,300) is again provided for the continuance of the Arms Traffic Operations on the same scale as in the current year. Of this amount R7.85 lakhs (£52,300) appears on the Indian side and £81,000 in the Home estimates.

Home.

199. The Home estimates for 1912-13 show a decrease of £37,300 as compared with the Revised of the current year. A large reduction (£44,700) has been made in the cost of the Indian Troop Service. The requirements of coal for the Operations in the Persian Gulf are also less (£30,800). On the other hand, the Home provision for the subsidy to the Admiralty for Arms Traffic Operations exceeds the amount taken in the Revised by £44,200, while various fluctuations occur under other heads.

Receipts.

Home and India.

200. The anticipated receipts in 1912-13 amount to R173.24 lakhs (£1,154,900), i.e., a decrease as compared with the Revised of R3.46 lakhs (£23,200). This has been brought about by ordinary fluctuations.

201. The net Army expenditure for 1912-13 is less than the Revised, 1911-12, by £502,500. Under India there is a decrease of £581,100 and under Home an increase of £78,600.

Budget, 1912-13, compared with Budget, 1911-12. India and Home.

202. The gross estimated expenditure for 1912-13 is R53.99 lakhs (£359,900) below the Budget figure of the current year. Of this amount R50.99 lakhs (£339,900) occur in the Indian and R3.00 lakhs (£20,000) in the Home estimates. The receipts show an improvement of R9.60 lakhs (£64,000) and the net Army expenditure for 1912-13 is thus expected to fall below the original estimate for 1911-12 by R63.59 lakhs (£423,900).

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 217

203. The expenditure on Schedule measures incorporated in the Budget of 1912-13, is R42·70 lakhs (£284,700), as compared with R29·42 lakhs (£196,100) in the Revised, and R48·25 lakhs (£321,600) in the Budget, 1911-12. The following are the more important measures to be undertaken or under consideration:—

	Further expenditure proposed in 1912-13 (India and Home).	
	Lakhs.	Equivalent in
	R	£
<i>(a) Measures in progress.</i>		
(1) New bayonets	1·47	9,800
(2) Maxim guns	0·44	2,900
(3) Rearmament of artillery	22·50	150,000
(4) Cavalry swords	0·54	3,600
(5) Purchase of short rifles	12·23	81,500
(6) Web equipment	0·97	6,500
(7) Panoramic sights for Mobile Artillery	1·60	10,700
(8) Extension of dairies	0·50	3,300
<i>(b) New Measures.</i>		
(9) Increase of training grant	1·00	6,700

XXXIII AND 46A.—MARINE.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		1912-1913, Budget.
				Budget.	Revised.	
EXPENDITURE—						
India	R 36,68,571	37,79,010	35,64,182	37,08,000	38,57,000	34,35,000
Equivalent in sterling	£ 244,571	251,934	237,612	247,200	257,100	229,000
England	£ 232,386	209,223	208,255	200,100	198,100	218,100
Total	£ 476,957	461,157	445,867	447,300	455,200	447,100
RECEIPTS—						
India	R 18,81,727	12,51,892	13,76,810	13,56,000	11,89,000	13,66,000
Equivalent in sterling	£ 125,448	83,460	91,787	90,400	79,200	91,100
England . . . . .	£ ...	...	...	...	...	...
Total	£ 125,448	83,460	91,787	90,400	79,200	91,100
NET EXPENDITURE	£ 351,509	377,697	354,080	356,900	376,000	356,000

204. The total expenditure (India and Home) exceeds the Budget by £7,900, and there is a fall in the total receipts to the extent of £11,200; the net expenditure is thus £19,100 more than the Budget.

The increase in Indian expenditure is due chiefly to adjustments in respect of the value of coal imported for the Arms Traffic Operations. The Home expenditure varies very slightly in the aggregate from the Budget. The decrease in receipts in India is due to smaller recoveries for the hire of Royal Indian Marine Vessels.

Revised, 1911-12, compared with Budget, 1911-12. Expenditure, Receipts and Net Expenditure. India and Home.

Special Expenditure.

205. The Budget provided £4,900 for the completion of the dredgers required to clear the approaches to the Bombay Dockyard. The special expenditure anticipated in the Revised is £8,900, the addition being due to the construction of a launch for His Excellency the Viceroy.

Budget, 1912-13, compared with Revised, 1911-12. India and Home.

206. The Budget for 1912-13, as compared with the Revised, 1911-12, shows a reduction of £8,100 in expenditure, and an increase of £11,900 in receipts, or a net decrease of £20,000. This is the outcome of an increase in the provision for Marine Stores counterbalanced by a lower provision for ordinary coal requirements and for repairs to Royal Indian Marine vessels. Larger receipts are anticipated for "Dockyard Services and Supplies" to other departments, etc., and for the "Hire of vessels" for conveying troops to China.

The Budget for 1912-13 provides £750 as special expenditure.

Special Expenditure.

XXXIV and 47.—MILITARY WORKS.

	Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		1912-1913, Budget.
				Budget.	Revised.	
ORDINARY EXPENDITURE.						
India	R 97,63,147	95,09,513	99,55,288	97,12,000	96,88,000	95,23,000
Equivalent in sterling	£ 650,877	633,968	663,686	647,500	645,900	634,900
England	£ 29,023	19,041	17,379	15,100	24,600	11,100
TOTAL	£ 679,900	653,009	681,065	662,600	670,500	646,000
RECEIPTS.						
India	R 8,88,805	11,36,600	10,58,857	10,00,000	11,37,000	10,80,000
Equivalent in sterling	£ 59,254	75,773	70,591	66,700	75,800	72,000
England . . . . .	£ . . .	... . .	... . .	... . .	... . .	... . .
TOTAL	£ 59,254	75,773	70,591	66,700	75,800	72,000
Net expenditure, Ordinary	£ 620,646	577,236	610,474	595,900	594,700	574,000
SPECIAL DEMANDS EXPENDITURE.						
India	R 41,31,267	28,47,665	31,09,187	38,43,000	30,57,000	31,35,000
Equivalent in sterling	£ 275,418	189,844	207,279	256,200	203,800	209,000
England	£ 12,044	15,489	11,361	5,600	14,900	5,500
TOTAL	£ 287,462	205,333	218,640	261,800	218,700	214,500
TOTAL NET EXPENDITURE	£ 908,108	782,569	829,114	857,700	813,400	788,500

Revised, 1911-12, compared with Budget, 1911-12. India and Home.

207. Under this head, Ordinary expenditure and expenditure on "Special Demands", i.e., on Military Works Schedule measures, are separately compiled in the ordinary course of accounting. Under Ordinary expenditure the Revised anticipates an excess of R1·19 lakhs (£7,900), representing an additional grant of that amount given for urgent additional repairs.

Ordinary Expenditure.

Receipts.

208. The Military Works receipts represent the rents derived from military quarters, recoveries for water supply and electrical power, and the sale proceeds of stores. The improvement of R1·37 lakhs (£9,100) is mainly due to arrear recoveries of rent for buildings maintained on behalf of the Admiralty, and the sale of military buildings in the abandoned cantonment of Bhuj.

Special Demands Expenditure.

209. Under Special Demands a decrease of R6·46 lakhs (£43,100) is expected, attributable to delay in the settlement of certain new standard types. The bulk of the expenditure has been applied to the improvement of the lines of Indian troops and followers (£85,600), to buildings in progress at Quetta, Risalpur,

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and Nowshera, and to meeting the requirements of ordnance establishments. R4.76 lakhs (£31,700) will be spent during the year on the new cantonment of Takdah, near Darjeeling, which is now in occupation by a Gurkha battalion.

210. On Military Works expenditure as a whole, a net decrease of R6.64 lakhs (£44,300) is expected. *Net Expenditure.*

211. The Ordinary Military Works grant for 1912-13 has been fixed at R96.89 lakhs (£646,000), or R2.49 lakhs (£16,600) less than in 1911-12. This has been effected by postponing as far as possible the undertaking of new building works. It includes R.35 lakh (£2,300) on account of a contribution work, which will be covered by a corresponding receipt in the Civil estimates. *Budget, 1912-13, compared with Budget, 1911-12, India and Home.*

212. The anticipated increase of R.80 lakh (£5,300) in receipts, allows for the probable expansion in rental recoveries from quarters. *Ordinary Expenditure. Receipts.*

213. The provision made for special demands, namely, R32.18 lakhs (£214,500) is R7.09 lakhs (£47,300) less than that of 1911-12. The bulk of this expenditure has been allotted to the prosecution of the works mentioned in paragraph 209, including R13 lakhs (£86,700) for the lines of Indian troops under reconstruction, and R1.85 lakhs (£12,300) for hut accommodation in the hills. The allotments for new works amount to R3.75 lakhs (£25,000). *Special Demands. Expenditure.*

214. The net expenditure proposed in 1912-13 is thus R10.38 lakhs (£69,200) less than the Budget figure for 1911-12, represented by a decrease of R3.29 lakhs (£21,900) under Ordinary, and of R7.09 lakhs (£47,300) under Special Demands. *Net Expenditure.*

47A.—SPECIAL DEFENCES.

EXPENDITURE.		Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		1912-1913, Budget.
					Budget.	Revised.	
India	R	2,55,230	82,934	38,785	1,01,000	90,000	1,75,000
Equivalent in Sterling	£	17,015	5,529	2,586	6,700	6,000	11,600
England	£	12,029	23,075	5,401	200	1,000	8,600
TOTAL	£	29,044	28,604	7,987	6,900	7,000	20,200

215. The Revised shows a small increase. A larger grant is proposed in 1912-13, owing to exceptional and urgent requirements having to be met. The entire charges are treated as special. *Revised, 1912-12. Budget, 1912-13. Special Expenditure.*

MILITARY SERVICES : SUMMARY.

EXPENDITURE—		Accounts, 1908-1909.	Accounts, 1909-1910.	Accounts, 1910-1911.	1911-1912.		1912-1913, Budget.
					Budget.	Revised.	
India	R	23,26,56,245	22,96,10,489	23,13,30,521	23,45,19,000	23,60,74,000	22,83,24,000
Equivalent in Sterling	£	15,510,417	15,307,366	15,422,035	15,634,600	15,738,300	15,221,600
England	£	5,140,212	4,941,918	5,063,304	5,188,600	5,223,500	5,190,900
Total Expenditure	£	20,650,629	20,249,284	20,485,339	20,823,200	20,961,800	20,412,500
RECEIPTS—							
India	R	1,05,77,102	1,08,64,346	1,20,30,422	1,18,53,000	1,28,76,000	1,43,88,000
Equivalent in Sterling	£	705,140	724,290	802,028	790,200	858,400	959,200
England	£	342,501	412,671	418,999	457,800	474,700	358,800
Total Receipts	£	1,047,641	1,136,961	1,221,027	1,248,000	1,333,100	1,318,000
NET EXPENDITURE	£	19,602,988	19,112,323	19,264,312	19,575,200	19,628,700	19,094,500

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216. Certain of the main heads under which important increases and decreases have occurred are enumerated below.

	Budget, 1911-1912.	Revised, 1911-1912, more (+) less (-) than Budget, 1911-1912.	Budget, 1912-1913, more (+) less (-) than Budget, 1911-1912.
	£	£	£
Special Services (Coronation Expenditure including bonus; Abor Expedition and Mishmi Mission; Arms Traffic Operations; and despatch of troops to Persia and China)	(466,600)	+ 166,000	- 343,800
Food charges	(1,515,300)	+ 20,200	+ 40,000
Annual Schedule grant	(595,300)	- 164,600	- 75,200
Special economies and temporary avoidances of expenditure (apart from curtailment of annual Schedule grant)	...	...	- 116,000
Permanent recurring expenditure entailed by Schedule measures undertaken in 1911-12	...	...	+ 30,000
TOTAL	...	+ 21,600	- 465,000
Aggregate gross expenditure (all four military heads)	(20,823,200)	+ 138,600	- 410,700
Receipts (ditto)	(1,248,000)	+ 85,100	+ 70,000
Aggregate net expenditure (ditto)	(19,575,200)	+ 53,500	- 480,700

217. Summarising the conclusions to which the foregoing figures point, it will be seen, as regards the current year, that the aggregate gross expenditure exceeded the Budget estimate by £138,600, the bulk of which is left to be explained by variations under heads other than those specially mentioned above. Broadly, the excess in gross expenditure is due to extra grants for stores, hutting, etc., which were sanctioned against the improvement of £85,100 in receipts, the net excess being £53,500. As regards the main body of military charges, the original estimates were adhered to in the actuals with unusual closeness, and the same may be said, in effect, of the food charges, which in recent years have been one of the most disturbing features of the Army budget. The principal departures from the estimates—and these to a large extent counterbalance one another—occur under Special Services and Schedule measures. The former head was relieved by the reduced military representation at the Durbar, but the Coronation bonus and the Abor operations involved heavy and unforeseen charges. On the other hand, the Schedule grant was far from being fully spent, owing to retarded progress with the important schemes of artillery rearmament and line construction.

218. For the coming year, notwithstanding some enhancement of the unusually low figure for food charges attained in 1911-12 and the growth of permanent expenditure which results from the Schedule operations of each succeeding year, there is, on the whole, a large reduction of expenditure. This is due not only to the non-recurrence of the grant of £ $\frac{1}{3}$ million for Coronation expenditure, but also—and in a material degree—to the special curtailment of the Schedule grant, as the result of a stricter scrutiny into military requirements and to other avoidances of expenditure and permanent economies which are the outcome of the same investigation. The net result of the usual minor fluctuations in established charges has also been in a favourable direction, and, in addition, a substantial improvement of receipts is anticipated. On the other hand, it has been necessary to provide a larger sum for the purchase of stores and mules, and to restore the grant for army training which was suspended in the current year owing to the intended Durbar manoeuvres. In the final result, the net military budget, £19,094,500, shows a reduction of £480,700 on that of the current year.

CAPITAL EXPENDITURE ON RAILWAYS AND IRRIGATION AND OTHER WORKS NOT CHARGED TO REVENUE.

RAILWAY CONSTRUCTION.

219. The expenditure on Railway Construction for which the Government of India undertake financial responsibility is now estimated at **₹11,72.76** lakhs in 1911-12, against a Budget grant of **₹14.25** lakhs. There is thus a lapse of **₹2,52.24** lakhs in the Budget allotments; and of this **₹172.75** lakhs occur on State worked lines and purchased lines worked by Companies and the balance **₹79.49** lakhs in the outlay chargeable against the Capital of Indian Railway Companies. More than half of the total lapse, *viz.*, **₹152.24** lakhs, is expected in the provision for the purchase of stores, etc., in England.

220. For 1912-13 the programme of Capital outlay on Railway Construction has been placed at **₹13.50** lakhs, *i.e.*, about **₹1 $\frac{3}{4}$** crores higher than the probable expenditure in the current year.

221. The distribution of the total expenditure on Railway Construction between State and Companies' agency in each of the three years from 1910-11 to 1912-13 is as follows:—

	Accounts, 1910-1911.	1911-1912.		1912-1913. Budget.
		Budget.	Revised.	
1. Outlay on State Lines:				
(a) India	{ ₹ 10,58,16,610	8,92,28,000	7,31,42,000	8,38,01,600
	{ ₹ 7,054,441	5,948,600	4,876,100	5,586,700
(b) England	₹ 1,860,764	2,154,600	2,075,400	2,250,000
TOTAL	₹ 8,915,205	8,103,200	6,951,500	7,836,700
2. Outlay of Companies:				
(a) India	{ ₹ -3,88,39,575	71,34,000	23,08,000	27,80,000
	{ ₹ -2,589,311	475,500	153,900	185,400
(b) England	₹ 1,120,034	921,300	713,000	977,900
TOTAL	₹ -1,469,277	1,396,800	866,900	1,163,300
Total of Programme	₹ 7,445,928	9,500,000	7,818,400	9,000,000

The following amounts of outlay in England on account of purchased lines worked by Companies are included in the Indian figures under outlay on State lines:—

₹2,115,747 2,897,800 2,170,400 3,240,500

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222. The details of the Budget grant for 1912-13 are shown below :—

[Lakhs of rupees.]

	OPEN LINE.			CONSTRUCTION OF	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
I.—OUTLAY ON STATE RAILWAYS :—					
1. Assam-Bengal :—					
(i) Open line	7'39	12'02	19'41	...	...
(ii) Bhairab Bazar-Tangi . . . . .	...	...	...	14'25	...
(iii) Kalaura-Sylhet . . . . .	...	...	...	'82	...
2. Bezwada Extension . . . . .	...	'02	'02	...	...
2(a). Bengal-Nagpur Railway—chemical laboratory, Kalimati . . . . .	...	'75	'75	...	...
3. Bombay, Baroda and Central India :—					
(i) Main line	28'75	39'90	68'65	...	...
(ii) Nagda-Muttra	12'00	5'00	17'00	...	...
(iii) Rajputana-Malwa	13'20	11'50	24'70	...	...
(iv) Broach-Jambusar . . . . .	...	...	...	7'00	...
(v) Bayana-Agra . . . . .	...	...	...	14'00	...
4. Burma Extensions :—					
(i) Open line	1'51	2'00	3'51	...	...
(ii) Southern Shan States . . . . .	...	...	...	33'00	...
5. Dhone-Kurnool . . . . .	...	'30	'30	...	...
6. East Indian :—					
(i) Open line	50'00	57'50	107'50	...	...
(ii) Hugli-Katwa . . . . .	...	...	...	3'48	...
(iii) Katwa-Barharwa . . . . .	...	...	...	24'08	...
7. Eastern Bengal System :—					
(i) Open line	36'00	59'71	95'71	...	...
(ii) Rajabhatkhawa-Dalsingpara . . . . .	...	...	...	4'00	...
(iii) Rangia-Tangla . . . . .	...	...	...	3'50	...
(iv) Singhjani-Fulchari . . . . .	...	...	...	5'00	...
8. Great Indian Peninsula System :—					
(i) Main line	58'25	61'77	120'02	...	...
(ii) Itarsi-Nagpur, etc. . . . .	...	...	...	62'00	...
(iii) Agra-Delhi Chord	'03	1'80	1'83	...	...
(iv) Bhopal . . . . .	...	'79	'79	...	...
(v) Harbour Branch Extension . . . . .	...	...	...	...	6'00
9. Jodhpur-Hyderabad (British Section) . . . . .	...	'39	'39	...	...
10. Lower Ganges Bridge . . . . .	...	...	...	75'00	...
11. North Western :—					
(i) Main line	140'67	106'77	247'44	...	...
(ii) Shorkot Road-Chichoki . . . . .	...	2'57	2'57	...	...
(iii) Trans-Indus (Kalabagh-Bannu, etc.) . . . . .	...	...	...	13'84	...
(iv) Sarai Kala-Havelian . . . . .	...	...	...	15'00	...
(v) Jakhal-Hissar . . . . .	...	...	...	10'00	...
(vi) Jullundar-Hoshiarpur . . . . .	...	...	...	12'00	...
12. Oudh and Rohilkhand :—					
(i) Main line	18'15	12'20	30'35	...	...
(ii) Gujraula-Chandpur . . . . .	...	'32	'32	...	...
(iii) Allahabad-Rae Bareli-Cawnpur . . . . .	...	...	...	14'19	...
(iv) Akbarpur-Tanda . . . . .	...	...	...	'12	...
(v) Dhakia-Sambhal . . . . .	...	...	...	'35	...
(vi) Cawnpur-Banda . . . . .	...	...	...	28'00	...
13. South Indian System	38'65	23'52	62'17	...	...
14. Bokaro-Ramgarh line, Second Section . . . . .	...	...	...	...	6'00
15. Tirhoot and extensions :—					
(i) Open line	7'53	7'92	15'45	...	...
(ii) Samastipore-Roserah and Rose-rah-Kagharia . . . . .	...	...	...	5'00	...
	412'13	406'75	818'88	344'63	12'00
II.—OUTLAY OF INDIAN RAILWAY COMPANIES :—					
1. Bengal-Nagpur	36'84	22'70	59'54	42'19	...
2. Burma	8'79	31'11	39'90	...	...
3. Lucknow-Bareilly	'16	'16
4. Madras and Southern Mahratta	7'59	25'11	32'70
	53'22	79'08	132'30	42'19	...

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223. The major portion of the total grant has, as in previous years, been allotted to open line works and rolling stock. Sufficient provision has also been made to allow of a fair rate of progress on all important lines, the construction of which has already been undertaken. The balance available for allotment on new lines amounts to ₹12 lakhs only, and this sum will be utilised to start work on the following two projects :—

- (1) Second section of the Bokaro-Ramgarh Extension,
- (2) Extension of the Bombay Harbour Branch from Tank Bunder to Victoria Terminus.

224. The first section of the proposed Bokaro-Ramgarh Extension from Mohuda station to Jamooni, a distance of 12 miles, is already under construction. It is proposed to start work, during next year, on a further length of 12 miles, with a view to open up the coalfields. The second line mentioned in the preceding paragraph is a small extension (1.96 miles in length) of the Bombay Harbour branch recently constructed, and is intended to utilise to the best advantage existing facilities by giving direct access from the town to the new cotton and grain depôts which are now being established by the Port Trust at Tank Bunder in connection with the New Docks, and also to the Improvement Trust area on the Harbour Branch line around Colwada and Sion. Its early construction has become a necessity.

Mention may here be made of two lines which were sanctioned after the presentation of last year's Budget, and for which allotments have been made in the Budget of next year. The first is the Jullundur-Hoshiarpur Railway, which will develop the Hoshiarpur district in the Punjab. The second is the Rajabhatkhawa-Dalsingpara branch of the Eastern Bengal State Railway, intended to serve nine tea estates in the Alipur-Duars Sub-Division of the Jalpaiguri district in Eastern Bengal and Assam, which are at present greatly hampered by very inferior means of communication.

225. The figures in the table in paragraph 221 do not include the expenditure on Protective Railways, met from the Famine Insurance grant, nor of Branch line Companies. Including this expenditure, and also some small expenditure from Provincial Revenues, the total outlay on Railway Construction in the three years is as follows :—

	Accounts, 1910-1911.	Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.
	₹	₹	₹
Total as in preceding table	11,16,88,920	11,72,76,000	13,50,00,000
Famine Protective Lines	5,53,425	9,13,000	6,50,000
Branch Lines	13,99,730	10,02,000	23,44,000
Provincial State Line	11,928	21,000	52,000
Grand total in Rupees	11,36,54,003	11,92,12,000	13,80,46,000
Grand total in £ sterling at ₹15 to the £	7,576,933	7,947,500	9,203,100

CONSTRUCTION OF PRODUCTIVE IRRIGATION WORKS.

226. The figures are—

	Accounts, 1910-1911.	Budget, 1911-1912.	Revised, 1911-1912.	Budget, 1912-1913.
Total in Rupees	1,80,58,320	1,90,00,000	2,41,71,000	2,12,33,000
Equivalent in Sterling	1,203,888	1,266,700	1,611,400	1,415,500

*Revised, 1911-12.**Budget, 1912-13.*

227. The Budget grant of R1.90 lakhs has been raised to R2,41.71 lakhs in the Revised, owing to the satisfactory progress of work on the Triple Canal scheme in the Punjab and on the Upper Swat River Canal, as well as to the purchase of dredgers in England for the Twante Canal project. The grant in next year's Budget has been fixed at R212.33 lakhs. The following table shows the projects included in the programme of 1911-12 as now revised and in that of 1912-13, together with the amount to be spent on each:—

Name of project.	Expenditure in	
	1911-1912.	1912-1913.
	R	R
<i>Canals in operation—</i>		
Mandalay Canal	7,000	...
Shwebo "	1,13,000	1,44,000
Ganges Canal, including Mat and Hathras branches	7,67,000	4,78,000
Lower Ganges Canal	77,000	52,000
Agra Canal	1,11,000	1,47,000
Eastern Jumna Canal	25,000	14,000
Western " "	72,000	1,20,000
Upper Bari Doab "	4,00,000	5,00,000
Sirhind Canal	77,000	2,00,000
Lower Chenab Canal	10,80,000	5,50,000
Lower Jhelum "	16,000	1,00,000
Indus Inundation Canals	2,38,000	1,00,000
Godavari Delta	74,000	1,09,000
Kistna "	32,000	6,000
Cauvery "	43,000	43,000
Periyar Project	8,000	21,000
Divi Island Project	28,000	17,000
Jamrao Canal	75,000	86,000
<i>Canals under construction—</i>		
Asola Mendha Tank works	1,91,000	2,00,000
Weinganga Canal	1,00,000	4,00,000
Mahanadi "	34,000	5,00,000
Mon Canals	4,70,000	1,38,000
Ye-u Canal	3,00,000	6,13,000
Twante Canal	16,23,000	21,38,000
Upper Chenab Canal	42,50,000	35,00,000
Upper Jhelum "	63,73,000	58,00,000
Lower Bari Doab Canal	40,90,000	31,00,000
Upper Swat River Canal	30,34,000	25,94,000
Nagavalli River Project	64,000	1,40,000
<i>Other Projects</i>	3,99,000	3,23,000
Reserve . . . . .	...	6,00,000
Probable savings . . . . .	...	—15,00,000
TOTAL R	2,41,71,000	2,12,33,000
Equivalent in Sterling £	1,611,400	1,415,500

A major portion of the grant will be again applied to push on work in connection with the Triple Canal project in the Punjab and with the Upper Swat River Canal in the Frontier Province. A large allotment of R21.38 lakhs has also been made for the Twante Canal in Burma, of which R12.33 lakhs will be required in connection with the purchase of dredgers in England.

INITIAL OUTLAY ON THE NEW CAPITAL AT DELHI.

28. Lump provisions of R15 lakhs and R200 lakhs respectively have been made in the Revised estimate for 1911-12 and the Budget for 1912-13. A portion of the former will be spent in taking over the electric installations, etc., erected and certain articles of furniture purchased in connection with the Coronation Durbar.

WAYS AND MEANS.

HOME TREASURY.

229. The bulk of the payments made in England on account of the Government of India consists of expenditure chargeable to the Indian revenues; and if this represented the only charges, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways and irrigation works, however, necessitates heavy borrowing; and a major portion of the money required is usually raised in England, either direct or through the agency of Companies. A further complication is introduced by the practice under which all payments made in England to Railway Companies working purchased lines, for purchase of stores and other capital purposes, as well as all moneys raised by them and paid into the Home Treasury, are brought to account under the appropriate heads in this country and are treated in the Home Accounts and Estimates as remittances to or from India respectively. The transactions connected with the Gold Standard Reserve, and with the replacement of one particular form or item of direct or indirect debt by another, also largely swell the receipts and charges of the Home Treasury without affecting the general Ways and Means programme.

Introductory.

230. The following are the details of the transactions appearing in the Budget and Revised Estimates of the Home Treasury for 1911-12 and in the Budget Estimate of 1912-13.

	Budget, 1911-1912.	Revised, 1911-1912.	Budget, 1912-1913.
	£	£	£
RECEIPTS.			
Capital raised and deposited by Railway Companies—			
For Capital outlay	2,000	2,000	1,812,100
For discharge of debentures	1,670,000	505,000	1,570,400
Temporary debt renewed	4,500,000	4,500,000	...
Deposits and Advances—			
Gold Standard Reserve	9,498,400	9,480,500	11,245,700
*Paper Currency Reserve	1,333,300	1,988,300	...
Other items	39,300	40,600	1,000
Remittance Account between England and India—			
Railway transactions	1,362,800	5,700	5,300
Other transactions	709,000	1,257,500	1,008,000
Total Receipts, excluding Council Bills and Loans	19,114,800	17,779,600	15,642,500
DISBURSEMENTS.			
Excess of Expenditure over Revenue	19,105,400	18,955,900	19,298,400
Railway and Irrigation Capital not charged to Revenue—			
Outlay on State Railways and Irrigation Works	2,222,400	2,161,400	2,278,800
Outlay of Railway Companies	923,300	715,000	980,000
*Payments to Railway Companies for discharge of debentures	1,670,000	545,000	1,570,400
Permanent Debt discharged	2,276,200	2,276,200	1,977,600
Temporary Debt discharged	5,000,000	5,000,000	4,500,000
Deposits and Advances—			
Gold Standard Reserve : Investments	9,492,000	9,882,600	11,266,400
*Paper Currency Reserve	1,333,300	1,988,300	...
Other transactions	38,600	90,600	1,000
Remittance Account between England and India—			
Railway transactions	2,912,100	2,214,900	3,288,000
Other transactions	414,900	683,200	601,400
Total Disbursements	45,388,200	44,513,100	45,762,000
NET DISBURSEMENTS	26,273,400	26,733,500	30,119,500
<i>Financed as follows.</i>			
Council Bills	15,825,000	25,100,000	15,500,000
Permanent Debt incurred	3,137,500	2,855,100	3,000,000
Reduction of cash balance	7,310,900	—1,221,600	11,619,500
TOTAL	26,273,400	26,733,500	30,119,500
Opening Balance	17,543,418	18,174,300	19,395,900
Closing Balance	10,232,518	19,395,900	7,776,400

* The heads marked with an asterisk appear on both the receipt and payment sides. As the receipt and disbursement under each of them are generally equal, they do not ordinarily affect the Ways and Means of the year to any material extent.

*Revised, 1911-12.
General.*

231. The net disbursements in 1911-12 are now taken at £26,733,500 or £460,100 more than the Budget. The deposits of capital by railway companies working purchased lines are less by £1,357,100, mainly owing to the absence of any fresh issue of debentures by the East Indian Railway Company. The transactions connected with the Gold Standard Reserve described in paragraph 241 are likely to result in a net payment of £402,100 for the purchase of securities, instead of the small net receipt of £6,400 provided in the Budget. There is also an increase of £268,300 in the miscellaneous payments which are treated in the Home Treasury accounts as remittances to India, caused chiefly by larger demands for stores on the part of provincial governments and local funds. The total increase in the net disbursements from these three sources amounts to £2,033,900. But on the other hand, there has been a total improvement of £1,573,800 under the other items, mainly owing to decreases of £208,300 and £697,200 respectively in the capital outlay of railway companies and in the payments to companies working purchased railways; an increase of £446,000 in the net receipts in connection with postal and money order transactions exchanged between England and India caused by larger receipts for money orders issued in the Colonies; and a reduction of £149,500 in the net expenditure chargeable to revenue.

232. The activity of the export trade has again led to a heavy demand for remittance of funds to India; and the total drawings of the Secretary of State in the current year are now expected to amount to £27,088,300. Of this sum, £1,988,300 will be appropriated as a remittance on account of the Paper Currency Department and the remaining £25,100,000 will be available to meet the disbursements of the Home Treasury, against a Budget estimate of £15,825,000. The receipts in respect of the new sterling loan issued in March 1911 will on the other hand fall short of the Budget by £282,400 owing to larger realisations in 1910-11. The net result of these two variations is an improvement of £8,992,600, and deducting from this amount the increase of £460,100 in the net disbursements, the result is that the balances of the Treasury will be increased during the year by £1,221,600 instead of being drawn upon to the extent of £7,310,900.

*1911-12. Capital
raised and depo-
sited by Railway
Companies.*

233. The details of the transactions in respect of capital raised and deposited by Railway Companies are as follows:—

RECEIPTS.			
		Budget, 1911-1912.	Revised, 1911-1912.
		£	£
<i>Subscribed Capital.</i>			
<u>To discharge Debentures—</u>			
Assam-Bengal Railway	. . . . .	650,000	...
Bengal-Nagpur Railway	. . . . .	400,000	...
Madras and Southern Mahratta Railway	. . . . .	505,000	505,000
Rohilkund and Kumaon Railway	. . . . .	115,000	...
		1,670,000	505,000
<u>To meet Capital outlay—</u>			
Miscellaneous (Transfer fees, etc.)	. . . . .	2,000	2,000
		1,672,000	507,000
TOTAL RECEIPTS		1,672,000	507,000
ISSUES.			
		£	£
For discharge of Debentures	. . . . .	1,670,000	545,000
For Capital outlay, i.e., Stores, Establishment Charges, etc.	923,300	715,000
		2,593,300	1,260,000
TOTAL		2,593,300	1,260,000

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The Madras and Southern Mahratta Railway Company alone will be able to raise fresh capital to replace debentures maturing during the year. Of the debentures of the other companies amounting to £1,165,000, £40,000 will be discharged from funds advanced by Government to the Rohilkund and Kumaon Railway Company and the balance, viz., £1,125,000, will be renewed.

234. The following are the details of the Railway remittance transactions. As already explained, they occur almost wholly in connection with the Capital account of the purchased lines worked by Companies:—

1911-12.
Railway
remittances.

	Budget, 1911-12.	Revised, 1911-12.
RECEIPTS.	£	£
<i>Debentures raised—</i>		
East Indian Railway for additional Capital expenditure	1,357,500	...
Transfer fees, etc.	5,300	5,700
TOTAL RECEIPTS	1,362,800	5,700
ISSUES.		
<i>Advances for purchase of stores—</i>		
East Indian Railway	832,400	608,200
South Indian Railway	344,700	281,100
Bengal and North-Western Railway	94,400	93,100
Great Indian Peninsula Railway	960,500	757,700
Bombay, Baroda and Central India Railway (including Rajputana-Malwa Railway)	641,100	436,000
TOTAL	2,873,100	2,176,100
<i>Miscellaneous payments—</i>		
East Indian Railway: Rental paid to South Behar Railway Company	30,000	30,000
Rohilkund and Kumaon Railway Company: Interest on Debenture Stock allocated to State works	4,000	3,800
Special payment to be adjusted against the South Indian Railway Company's share of surplus profits	5,000	5,000
TOTAL ISSUES	2,912,100	2,214,900

The East Indian Railway Company was not asked to raise any fresh Debenture Capital during the year. Loans, 1911-12.

235. The sum of £2,855,100 shown against Permanent Debt in the table in paragraph 230 represents the balance of the receipts in respect of the loan of £3½ million issued in March 1911.

236. Of the £5 million India Bills which fell due during the year, £500,000 maturing on the 16th June 1911, were discharged. The balance, viz., £4½ million, was renewed for 12 months, the average prices of issue being as shown below:

- (i) £1 million (which fell due on 8th April 1911) at £97-6-5.73.
- (ii) £2 " (" " " " 16th June 1911) at £96-18-5.24.
- (iii) £1½ " (" " " " 1st December 1911) at £96-19-4.744.

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1912-13.
The Budget
Estimate.

237. The Budget estimates provide for a net disbursement of £30,119,500. The increase of £3,846,100 over the net disbursement in the current year's Budget is the net result of the following variations:—

<i>Worse.</i>	£
Net expenditure on Revenue account, <i>more</i>	193,000
Temporary Debt discharged, <i>more</i>	4,000,000
Outlay on State Railways, <i>more</i>	95,400
<i>Better.</i>	
Deposits, Advances and miscellaneous Remittance transactions, net	84,700
Permanent Debt discharged, <i>less</i>	298,600
Net payments to Railway Companies, <i>less</i>	20,000*
Outlay on Irrigation Works, <i>less</i>	39,000

238. The principal differences under Deposit, Advance and miscellaneous Remittance transactions in the two years consist of an increase of £316,000 in the receipts on account of postal and money order transactions, following the large improvement which has taken place under this item in the current year; and of £155,800 in the payments in connection with the purchase of stores for Provincial Governments, local funds, etc.

239. Provision has been made in the estimates for the issue of £3 million $3\frac{1}{2}$ per cent India stock to provide, in part, for the Railway programme of next year; and for the discharge of the following liabilities which mature during the year:—

Permanent Debt.

	£
Indian Midland Railway Debentures	1,227,900
Madras Railway Debentures	249,700
India Bonds	500,000
	1,977,600

Temporary Debt.

Outstanding balance of temporary loans raised on the security of India Bills	4,500,000
--	-----------

	Budget, 1911-1912. £	Budget, 1912-1913. £
* RECEIPTS—		
Capital deposited by Railway Companies—		
For capital outlay	2,000	1,812,100
For discharge of debentures	1,670,000	1,570,400
Remittance account between England and India—		
Railway transactions	1,362,800	5,300
Total receipts	3,034,800	3,387,800
DISBURSEMENTS—		
Railway and Irrigation capital not charged to Revenue—		
Outlay of Railway Companies	923,300	980,000
Payment for discharge of debentures	1,670,000	1,570,400
Remittance account between England and India—		
Railway Transactions	2,912,100	3,288,000
Total disbursements	5,505,400	5,838,400
NET DISBURSEMENTS	2,470,600	2,450,600
Decrease		20,000

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 229

240. Of the net disbursement of £30,119,500 it is proposed to meet £15,500,000 by Council Bills and £3,000,000 from the new sterling loan which it is intended to issue in 1912-13. The difference between the sum of these two items and the amount of the net disbursements, *viz.*, £11,619,500, will be met by drawing on the Secretary of State's cash balances which are estimated to stand on the 31st March 1913 at £7,776,400, inclusive of £1,054,600 held as cash at short notice on behalf of the Gold Standard Reserve.

241. The following are the details of the transactions of the Gold Standard Reserve in England :—

	1911-1912.		1912-1913.	<i>1911-12 and 1912-13. Gold Standard Reserve.</i>
	Budget.	Revised.	Budget.	
RECEIPTS.				
	£	£	£	
(a) Dividends on investments, discount on Treasury Bills and Interest on Loans at short notice	523,000	493,800	539,000	
(b) Exchequer Bonds, British Treasury Bills and Colonial Government Securities paid off	8,975,400	8,986,700	10,706,700	
TOTAL	<u>9,498,400</u>	<u>9,480,500</u>	<u>11,245,700</u>	
CHARGES.				
Investments made	9,492,000	9,882,600	11,266,400	

242. The following statement shows the transactions and balances of the fund in the two years in England and India taken together :—

	Budget, 1911-1912.	Revised, 1911-1912.	Budget, 1912-1913.
Opening balance—	£	£	£
Invested	15,840,600	15,848,400	16,744,300
Uninvested—			
(1) Cash in the Home Treasury placed at short notice	1,487,900	1,477,400	1,075,300
(2) Held in rupees in India	1,934,300	1,934,300	1,934,300
	<u>19,262,800</u>	<u>19,260,100</u>	<u>19,753,900</u>
Closing balance—			
Invested	16,357,200	16,744,300	17,304,000
Uninvested—			
(1) Cash in the Home Treasury placed at short notice	1,494,300	1,075,300	1,054,600
(2) Held in rupees in India	1,934,300	1,934,300	1,934,300
	<u>19,785,800</u>	<u>19,753,900</u>	<u>20,292,900</u>
Interest on investments	523,000	493,800	539,000

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1911-12 and
1912-13.
Summary of debt
transactions and
Capital Account of
Railway
Companies.

243. The following is a summary of the figures relating to Council Bills and the Sterling Debt of Government and of Railway Companies (omitting transfer fees, etc.) included in the estimates for 1911-12 and 1912-13 :—

	Budget, 1911-1912.	Revised, 1911-1912.	Budget, 1912-1913.
RECEIPTS.	£	£	£
Council Bills	15,825,000*	25,100,000†	15,500,000
Permanent Debt incurred (India Stock)	3,137,500	2,855,100	3,000,000
Temporary Debt raised	4,500,000	4,500,000	...
Receipts on account of the Subscribed Capital of Rail- way Companies	1,670,000	505,000	3,380,400
Receipts on account of the Debenture Capital of Rail- way Companies working purchased Railways	1,357,500	...	...
OUTGOINGS.			
Permanent Debt discharged	2,276,200	2,276,200	1,977,600
Temporary Debt discharged	5,000,000	5,000,000	4,500,000
Discharge of Railway Com- panies' Debentures	1,670,000	545,000	1,570,400

244. The programme herein announced of the probable drawings on India and of the transactions in connection with the Government Sterling Debt and the borrowings of Railway Companies, represents the present intentions of the Secretary of State. But in view of the varying conditions of Indian finance and of the London money market, no assurance can be given that this programme will be adhered to either in amount or in form. The Secretary of State reserves to himself the right to vary the programme to any extent that may be considered necessary during the course of the year. The estimate of Council drawings is for the amount necessary to provide for the Secretary of State's requirements, but additional Bills will as usual be sold if needed to meet the demands of trade.

* Exclusive of £1,333,300 appropriated for the Paper Currency Department.
† Exclusive of £1,988,300 appropriated for the Paper Currency Department.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1912-13. 231

INDIA.

245. The following is a summary of the Estimates of Ways and Means in India during 1911-12 and 1912-13:—

	BUDGET ESTIMATE, 1911-1912.		REVISED ESTIMATE, 1911-1912.		BUDGET ESTIMATE 1912-1913.	
	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.
RECEIPTS.						
1. Excess of Revenue over Expenditure charged to Revenue.	R 29,88,68,000	£ 19,924,600	R 33,07,34,000	£ 22,048,900	R 31,16,51,000	£ 20,776,700
*2. Capital raised through Companies for outlay on State Railways (net)	2,03,63,000	1,357,500	...	...	...	...
3. Capital raised and deposited by Railway Companies	5,48,000	36,500	10,33,000	68,900	23,34,000	155,600
4. Unfunded Debt incurred, mostly Savings Bank deposits (net)	1,68,50,000	1,123,300	2,74,06,000	1,827,000	1,97,81,000	1,318,700
5. Appropriation for Reduction or Avoidance of Debt	75,00,000	500,000	69,98,000	466,500	54,98,000	366,500
6. Other Deposits and Remittances (net)	-16,60,000	-110,600	2,48,39,000	1,656,000	4,14,000	27,600
7. Remittance account between England and India— Transactions of Railway Companies (net) excluding debenture capital	4,36,02,000	2,906,800	3,31,38,000	2,209,200	4,92,41,000	3,282,700
TOTAL RECEIPTS EXCLUDING LOANS	38,60,71,000	25,738,100	42,41,48,000	28,276,500	38,89,19,000	25,927,800
DISBURSEMENTS.						
8. Capital Expenditure not charged to Revenue— (a) State Railways and Irrigation Works	10,72,11,000	7,147,500	9,60,23,000	6,401,500	10,46,02,000	6,973,400
(b) Initial expenditure on new Capital at Delhi	...	...	15,00,000	100,000	2,00,00,000	1,333,300
(c) Outlay by Companies (net)	76,91,000	512,700	33,10,000	220,600	51,24,000	341,600
9. Permanent Debt discharged (net)	15,85,000	105,700	12,94,000	86,300	13,69,000	91,300
†10. Provincial surpluses (-) or deficits (+)	2,57,40,000	1,716,000	-1,28,78,000	-853,500	2,33,66,000	1,557,700
11. Imperial and Provincial Loans (net)	11,51,000	76,700	21,92,000	146,200	59,79,000	398,500
12. Remittance account between England and India— *(a) Capital raised by Railway Companies (net)	2,03,63,000	1,357,500	...	...	...	...
(b) Other transactions (net)	46,79,000	311,900	66,80,000	445,900	60,48,000	403,200
13. Council Bills †	23,73,85,000	15,825,700	37,23,98,000	24,826,500	23,65,35,000	15,769,000
TOTAL DISBURSEMENTS	40,58,05,000	27,053,700	47,05,28,000	31,368,500	40,30,23,000	26,868,000
NET DISBURSEMENTS	1,97,34,000	1,315,600	4,63,80,000	3,092,000	1,41,04,000	940,200
FINANCED AS FOLLOWS:						
Permanent Debt incurred	2,00,00,000	1,333,300	2,00,00,000	1,333,300	3,00,00,000	2,000,000
Reduction of (+) or addition to (-) Treasury Balances	-2,66,000	-17,700	2,63,80,000	1,758,700	-1,58,95,000	-1,059,800
TOTAL	1,97,34,000	1,315,600	4,63,80,000	3,092,000	1,41,04,000	940,200
-Opening Balance	18,69,82,000	12,465,500	20,35,04,000	13,566,900	17,71,24,000	11,808,200
Closing Balance	18,72,48,000	12,483,200	17,71,24,000	11,808,200	19,30,20,000	12,868,000

* The figures under heads 2 and 12 (a) balance each other.

† Head 10 represents expenditure defrayed by reduction of Provincial balances.

‡ The figures shown under head 13 differ from those given in the Home Treasury Ways and Means statement, as Bills drawn by the Secretary of State towards the end of one year are paid in India in the next. The figures of the present statement represent payments in India.

246. In the Budget estimate of 1911-12, the cash balance in Indian Treasuries on the 1st April 1911, was taken at R18,70 lakhs. It was estimated (1) that the net Imperial revenue in India would amount to R29,89 lakhs, (2) that

1911-12.
Main features of
Budget Estimates.

the net deposits in Savings Banks and Provident Institutions would increase during the year by ₹1,69 lakhs, (3) that a sum of ₹75 lakhs would be available from the Famine Insurance grant for the avoidance of debt, and (4) that the remittance transactions of Railway Companies would result in a net credit in India of ₹4.36 lakhs. On the other hand, provision was made (1) for a net expenditure of ₹2,57½ lakhs from Provincial balances, (2) for capital expenditure in India on railways (inclusive of outlay by companies) and canals to the extent of ₹11,49 lakhs, (3) for the discharge of ₹16 lakhs of the permanent debt, (4) for net payments of ₹12 lakhs and ₹58 lakhs, respectively, in connection with Imperial and Provincial loans and miscellaneous deposit transactions, and (5) for the payment of Council Bills to the extent of ₹23,74 lakhs. The total payments mentioned above aggregate ₹38,66½ lakhs against a total receipt of ₹36,69 lakhs; and as the net disbursement of ₹1,97½ lakhs would have reduced the cash balances at the end of the year to the inconveniently low figure of ₹16,72½ lakhs, it was proposed to raise a loan of ₹2 crores.

1911-12.
Main features of
Revised Estimates.

247. The results according to the Revised estimates show considerable variations from this forecast. The year opened with a balance which was ₹1,65 lakhs higher than the Budget forecast, mainly owing to a larger betterment in the revenue account in 1910-11 (*vide* paragraph 3) and a higher lapse in the capital grants than was allowed for in the Revised estimates for that year; and the full amount of the contemplated rupee loan of ₹2 crores was raised in July. The large increase in the opening balance; the very considerable improvement which has taken place in the revenue returns of the current year, as well as in Savings Banks deposits and in the net credits from departmental and judicial deposits; and the heavy lapses in the Capital grants will, however, enable the Government of India to remit to the Secretary of State in aid of the Home Treasury over ₹9 millions more than was provided in the Budget, and still to close the year with a balance of ₹17,71 lakhs. Taking India as a whole, there will be an improvement of ₹7,05 lakhs over the Budget in the combined revenue account of the Imperial and Provincial Governments of the current year. Three-fourths of this increase occurs again in the yield of the wholly Imperial heads—Opium and Railways; but as a result of the large assignments from Imperial to Provincial described in paragraphs 14 to 17, ₹3,19 lakhs of the gain will appear in the Imperial section of the accounts and ₹3,86 lakhs as an addition to the Provincial balances. There will be a large increase of ₹2,50 lakhs in the net receipts from miscellaneous deposit and remittance transactions, caused mainly by bigger credits on account of judicial, railway and opium deposits; the transfer to the treasuries of large amounts of small coin held in the mints and attached depôts at the beginning of the year; and an accumulation of uncashed cheques of the Railway and other departments at the end of the year, the last day of which falls on a Sunday. The increase in the net deposits in Savings Banks will also be ₹1,05½ lakhs more than was allowed for. A large saving of ₹1,55 lakhs is moreover expected in the Budget provision for capital expenditure on railways (inclusive of outlay by companies) and on canals, while there will be a much smaller saving of ₹3 lakhs in the provision for the discharge of permanent debt. The total improvement from all these sources, including the increase in the opening balance of the year, amounts to ₹13,83½ lakhs. But this will be more than counterbalanced by (1) a reduction of ₹105 lakhs in the net credits from remittances of Railway Companies and of ₹5 lakhs in the amount available from the Famine Insurance grant for the avoidance of debt; (2) a possible initial outlay of ₹15 lakhs on Imperial Delhi; (3) an increase of ₹10 lakhs in the net payments on account of *takavi* and other loans; and (4) an increase of ₹13,50 lakhs in the payment of Council Bills from treasury balances. The closing balance on 31st March 1912 will thus be ₹101½ lakhs less than the Budget estimate of ₹18,72½ lakhs.

1911-12.
Rupee loan.

248. It was announced last year, subject to the usual reservations, that a new 3½ per cent. rupee loan of ₹2 crores would be raised in 1911-12. Tenders for this loan were opened on the 19th July, and the result was as follows:—

Total amount tendered:	Amount accepted:	Average rate of accepted tenders.	Minimum rate accepted.
₹	₹	₹ a. p.	₹ a. p.
8,38,89,200	2,00,00,000	96 3 10.567	96 2 0

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249. In 1912-13, the net Imperial revenue in India is estimated at $\text{₹}31,17$ ^{1912-13.} lakhs; Savings Banks and similar deposits are expected to yield a net receipt of $\text{₹}198$ lakhs; a sum of $\text{₹}55$ lakhs will be available from the Famine Insurance grant ^{Main features of Budget Estimates} for the avoidance of debt; and the remittance and capital transactions of Railway Companies are likely to result in a net credit in India of $\text{₹}492$ lakhs. On the other hand provision has been made: (1) for an expenditure of $\text{₹}234$ lakhs from Provincial balances, (2) for payments of $\text{₹}14$ lakhs, $\text{₹}60$ lakhs and $\text{₹}33$ lakhs respectively in connection with the discharge of permanent debt, Imperial and Provincial loans and miscellaneous deposit and remittance transactions; (3) for capital expenditure of $\text{₹}10,97$ lakhs in India on railways and canals, and of $\text{₹}200$ lakhs on Imperial Delhi and (4) for payment of Council Bills to the extent of $\text{₹}23,65$ lakhs. The total amount of funds required by the Government of India next year therefore aggregates $\text{₹}40,03$ lakhs, while the receipts at its disposal amount to only $\text{₹}38,62$ lakhs.

250. It will not be possible to provide any portion of the additional funds required from the cash balances which are expected to stand at the beginning of the year at the low figure of $\text{₹}17,71$ lakhs. It is accordingly intended to raise a new rupee loan of $\text{₹}3$ crores in 1912-13. ^{1912-13. New Rupee loan.} With a loan of this amount it will be possible to close the year, according to the present estimate, with a balance of about $\text{₹}19,30$ lakhs, about $\text{₹}2$ crores of which may be regarded as a reserve for future capital expenditure on Imperial Delhi. The announcement now made regarding the rupee loan is in accordance with present intentions; but full liberty is reserved, as usual, to vary the programme now announced to any extent that may be considered desirable.

251. The following table gives details of the transactions of Savings Banks and Provident Funds during a series of years, and the estimated transactions for 1911-12 and 1912-13:— ^{1911-12 and 1912-13.}

YEAR.	Net additions to deposits, cash.	Interest.	Total addition.	Post Office Savings Banks, etc.
	₹	₹	₹	
1901-1902	31,04,000	36,87,000	67,91,000	
1902-1903	52,40,000	39,00,000	91,40,000	
1903-1904	66,99,000	42,15,000	1,09,14,000	
1904-1905	78,94,000	45,87,000	1,24,81,000	
1905-1906	31,49,000	46,80,000	78,29,000	
1906-1907	50,94,000	52,25,000	1,03,19,000	
1907-1908	14,86,000	53,50,000	68,36,000	
1908-1909	—26,22,000	54,63,000	28,41,000	
1909-1910	51,82,000	57,20,000	1,09,02,000	
1910-1911	1,05,06,000	60,82,000	1,65,88,000	
1911-1912 (Revised)	1,98,46,000	67,57,000	2,66,03,000	
1912-1913 (Budget)	1,13,64,000	74,95,000	1,88,59,000	

252. The growth in the net deposits in the Post Office Savings Banks in 1911-12 has been unprecedentedly large, due partly to the generally prosperous conditions of the year and partly to the introduction of the rule raising the limit of annual cash deposits from $\text{₹}200$ to $\text{₹}500$; and the Revised estimate for the year is taken at $\text{₹}149$ lakhs, exclusive of interest, against a Budget estimate of $\text{₹}40$ lakhs. For next year, the estimate of deposits in these banks is taken at a moderate figure of $\text{₹}60$ lakhs, while the deposits in the various Provident Funds for Government servants are expected to grow by $\text{₹}53$ lakhs.

J. S. MESTON.

APPENDIX.

APPEN
COMMERCIAL AND

TABLE I.—MIS

	1903-1904.	1904-1905.	1905-1906.
Recorded Revenue compared with recorded expenditure excluding Capital Expenditure on Railways and Irrigation works not charged against Revenue—			
Surplus	£ 2,996,400	£ 3,456,066	£ 2,091,854
Deficit . . . . .	...	...	...
Capital Expenditure on Railways and Irrigation Works not charged against Revenue*	£ 5,043,003	£ 6,258,195	£ 9,966,393
Ditto charge involved in Redemption of Liabilities . . . . .	...	...	£ 12,980,960
Initial Expenditure on new Capital at Delhi . . . . .	...	...	...
Net Public Debt incurred	£ 2,146,825	£ 3,413,480	£ 16,752,546
Net Public Debt incurred, including Capital transactions with Guaranteed Railways and other Companies	£ 225,540	£ 4,488,109	£ 18,567,395
Value of commodities exported, excluding Gold and Silver	₹ 1,53,51,70,000	1,57,72,20,000	1,61,83,50,000
Ditto imported, ditto ditto	₹ 92,59,20,000	1,04,41,30,000	1,12,11,40,000
Excess of Exports over Imports, excluding Gold and Silver	₹ 60,92,50,000	53,30,90,00 ^o	49,72,10,000
Net Imports of Gold	₹ 9,93,20,000	9,70,60,000	45,80,000
Ditto of Silver	₹ 13,65,30,000	13,26,10,000	15,72,30,000
TOTAL NET IMPORTS OF GOLD AND SILVER	₹ 23,58,50,000	22,96,70,000	16,18,10,000
Excess of Exports over Imports including Gold and Silver	₹ 37,34,00,000	30,34,20,000	33,54,00,000
Grand Total value of Imports and Exports of all kinds	₹ 2,99,57,70,000	3,18,18,40,000	3,21,07,00,000
Secretary of State's Bills sold (Rupees)	₹ 35,67,94,845	₹ 36,53,57,364	₹ 46,62,43,236(a)
Sterling Equivalent received	₹ 23,859,303	₹ 24,425,558	₹ 31,166,973(a)
Silver coined at the Indian Mints	₹ 16,53,11,541	₹ 11,37,04,366	20,00,14,452
Maximum price in pence of an oz. troy, standard Silver in London	28½ (Oct.)	28½ (Dec.)	30½ (Feb.)
Minimum ditto ditto	22½ (Apl.)	24½ (Apl.)	25½ (Apl.)
Average Exchange upon Secretary of State's Bills sold per rupee	1s. 4'049d.	1s. 4'045d.	1s. 4'042d.
Fixed rate of Exchange for the Adjustment of Transactions between the Indian and Imperial Treasuries	1s. 4d.	1s. 4d.	1s. 4d.
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	7 (from Jan. 21 to Mar. 9).	8 (from Mar. 9 to 22).	9 (from Feb. 1 to Mar. 14).
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	3 (Aug. 27 to Dec. 9).	3 (June 23 to Oct. 5).	3 (July 20 to Aug. 16).
Maximum rate of discount at the Bank of England	4 (Apl. 1 to May 20 and Sept. 3 to Mar.).	4 (Apl. 5 to 13)	4 (Sept. 28 to Mar.).
Minimum ditto ditto	3 (June 18 to Sept. 2).	2½ (from Mar. 9).	2½ (Apl. 1 to Sept. 7).
Maximum Government balances at the three Presidency Banks	₹ 3,52,12,000 (Apl.)	₹ 3,84,32,000 (Sept.)	₹ 3,82,91,000 (May)
Minimum ditto ditto	₹ 3,03,54,000 (Feb.)	₹ 3,00,53,000 (Jan.)	₹ 2,84,08,000 (Nov.)
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed)	99—7 (Apl. 27 & 28).	99—9 (Aug. 16, Mar. 2 & 3).	100—4 (Aug. 4)
Minimum ditto ditto	94—10 (Jan. 9)	96—11 (Nov. 11)	97—8 (Jan. 9 & 10).
Maximum price in Calcutta of 3 per cent Rupee Securities	87—8 (Apl. 1)	87—4 (from Mar. 3).	88—12 (Aug. 10 to 16).
Minimum ditto ditto	85—4 (Feb. 8 to Mar. 31).	85—4 (Apl. 5 to May 3).	87—0 (Dec. 21 and Mar. 19 to 22).
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts	₹ 18,61,10,000 (Apl.)	₹ 17,02,89,000 (Apl.)	₹ 17,01,09,000 (May)
Minimum ditto ditto	₹ 17,05,01,000 (Jan.)	₹ 16,50,97,000 (Feb.)	₹ 16,21,03,000 (Dec.)
Maximum price in London of 4 per cent (Rupee) Securities in Gold . . . . .	...	...	...
Minimum ditto ditto . . . . .	...	...	...
Maximum price in London of 3½ per cent (Rupee) Securities in Gold	66½ (Sept.)	66½ (Feb. & Mar.)	66½ (Aug.)
Minimum ditto ditto	64 (Jan. & Feb.)	65 (July)	65½ (June)
Maximum price in London of India 4 per cent Stock	108½ (July)	109 (Feb.)	107½ (Apl.)
Minimum ditto ditto	102 (Jan.)	103 (Apl.)	103½ (Oct.)
Maximum price in London of India 3 per cent Stock	100½ (May)	99½ (Feb.)	98½ (Apl.)
Minimum ditto ditto	93½ (Mar.)	93½ (Aug.)	94½ (Oct.)
Maximum price in London of India 2½ per cent Stock	85½ (Apl.)	85½ (Feb.)	84½ (Apl.)
Minimum ditto ditto	78½ (Mar.)	79½ (Apl.)	79½ (Oct.)
Maximum Government Paper Currency outstanding	₹ 38,21,16,000 (Mar.)	₹ 42,51,61,000 (July)	₹ 44,65,66,000 (Mar.)
Minimum ditto ditto	₹ 33,94,09,000 (Apl.)	₹ 36,11,06,000 (Apl.)	₹ 39,63,12,000 (Nov.)
Number of Post Office Savings Banks	7,372	7,855	8,071
Number of accounts in Post Office Savings Banks	987,635	1,058,813	1,115,758
Amount deposited in Savings Banks	₹ 12,33,36,717	₹ 13,40,70,130	₹ 13,99,26,260
Average of each deposit	₹ 124'88	₹ 126'62	₹ 130'83
Net addition to deposits	₹ 91,21,183	₹ 1,07,33,414	₹ 58,56,130

Excludes capital charge involved in redemption of liabilities.
§ Include remittances of the Gold Standard Reserve.

DIX.

FINANCIAL STATISTICS.

CELLANEOUS.

1906-1907.	1907-1908.	1908-1909.	1909-1910.	1910-1911.	1911-1912, Revised.	1912-1913, Budget.
£ 1,589,340	£ 300,615	£ ...	£ 606,641	£ 3,936,287	£ 3,093,000	£ 1,478,300
...	...	£ 3,737,710	...	...	...	...
£ 8,712,668	£ 11,412,767	£ 10,471,657	£ 7,373,966	£ 10,119,093	£ 8,562,900	£ 9,252,200
...	£ 2,144,800	...	...	£ 5,904,100	...	...
£ 4,166,102	£ 10,725,963	£ 5,633,956	£ 10,408,347	£ 8,896,956	£ 100,000	£ 1,333,300
...	...	...	...	...	£ 1,825,900	£ 2,931,100
£ 2,144,709	£ 13,311,920	£ 10,370,196	£ 10,747,575	£ 12,654,438	£ 921,200	£ 3,577,200
1,77,03,00,000	1,77,48,50,000	1,53,14,30,000	1,87,96,80,000	2,10,16,80,000	2,03,90,90,000	(b)
1,17,24,20,000	1,36,53,80,000	1,28,77,80,000	1,22,64,80,000	1,33,70,50,000	1,32,58,90,000	(b)
59,78,80,000	40,94,70,000	24,36,50,000	65,32,00,000	76,46,30,000	71,32,00,000	(b)
14,85,60,000	17,36,80,000	4,35,60,000	21,67,90,000	23,97,90,000	32,19,70,000	(b)
24,00,60,000	19,46,80,000	12,06,80,000	9,44,50,000	8,66,80,000	5,30,60,000	(b)
38,86,20,000	36,83,60,000	16,42,40,000	31,12,40,000	32,64,70,000	37,50,30,000	(b)
20,92,60,000	4,11,10,000	7,94,10,000	34,19,60,000	43,81,60,000	33,81,70,000	(b)
3,44,57,00,000	3,61,75,60,000	3,10,98,50,000	3,54,53,90,000	3,90,77,40,000	3,93,44,80,000	(b)
49,09,99,935	§ 24,30,65,151	§ 20,96,37,188	§ 40,54,12,663(a)	40,02,50,114 (a)	40,63,24,500	23,25,00,000
32,907,196	§ 16,232,061	§ 13,915,126	§ 27,096,586(a)	§ 26,783,303 (a)	27,088,300(a)	15,500,000
26,08,57,405	18,11,56,540	2,85,35,914	2,17,56,166	2,19,15,112	2,56,00,000	
33½ (Nov.)	32½ (Aug.)	25½ (Apl.)	24½ (May)			
29½ (Apl. & June)	24 (Dec.)	22 (Dec.)	23½ (October)			
1s. 4'083d.	1s. 4'029d.	1s. 3'964d.	1s. 4'04½d.	1s. 4'061 d.	1s. 4'082d.	1s. 4d.
1s. 4d.	1s. 4d.	1s. 4d.	d	1s. d.	1s. 4d.	1s. 4d.
9 (from Dec. 6 to Mar. 31).	9 (from Apl. 1 to 17 and Jan. 16 to Mar. 4).	8 (from Jan. 28 to March 17).	7 (from to Apl. & 3 to 1 March).	8 (from 22nd Feb. 1911 to 20th Mar. 1911)	8 (from 6th Jan. 1912 to 6th Mar. 1912.)	
3 (from July 19 to Aug. 8).	3 (from July 25 to Sept. 11).	3 (from July 16 to Sept. 2).	3 (from 1 July to 29 Sep.).	3 (from 1st Jul to 21st Sept.)	3 (from 3rd Aug. 1911 to 31st Aug.)	
6 (Oct. 19 to Jan. 16).	7 (Nov. 7 to Dec. 31).	3 (Apl. 1 to May 27 & Jan. 14 to Mar.).	5 October 21st to Dec. 8th.)	5 (Oct. 20th to Nov. 30th.)	4 (21st Sept. to 7th Feb.)	
3½ (Apl. 5 to May 2, June 21 to Sept. 12).	3½ (Mar.)	2½ (May 27 to Jan. 13).	2½ (Apl. 1st to October 6th).	3 (June 9th to Sept. 28th and Mar. 9th. to Mar. 31st).	3 (1st Apl. to 20th Sept.)	
3,68,28,000 (Aug.)	4,10,83,000 (Mar.)	4,19,82,000 (July)	4,58,77,000 (July)	4,10,08,000 (Sept.)	4,48,68,000 (Nov.)	
2,95,11,000 (Oct.)	2,86,56,000 (Apl.)	3,04,47,000 (Jan.)	3,07,61,000 (Apl.)	3,53,92,000 (June.)	3,79,95,000 (Jan.)	
99-11 (Apl. 1 & 2).	98-6 (May 4 to 7)	96-15 (Apl. 7))	95-5 (24 Aug.)	96-10 (2nd Aug.)	96-14 (9th Dec.)	
94-13 (Dec. 17 & 18).	95-8 (Jan. 14 and 15).	93-2 (Mar. 16)	92-12 (4 to 7 Dec.)	93-6 (7th Nov.)	94-12 (3rd and 4th Oct.)	
87-2 (Apl. 1 to 19 & Apl. 24 to May 14).	82-8 (Apl. 1 to May 14).	81-0 (July 18 to Mar. 31).	82-0 (31 Aug. to 11 Nov.).	82-0 (12th July to 19th Aug. and 15th Feb. to 31st Mar.)	82-0 (1st to 23rd Apl., 5th May to 24th Sept. 27th Sept. to 9th Oct. 20th Nov. to date.)	
82-8 (Feb 23 to 26 & Mar. 28).	79-0 (Feb. 5 to Mar. 31).	79-0 (Apl. 1 to May 3).	79-12 (27 Nov.)	80-4 (5th Dec.)	81-0 (25th and 26th Sept.)	
16,92,17,000 (Dec.)	16,44,30,000 (Apl.)	15,29,69,000 (Apl.)	16,06,73,000 (Oct.)	15,07,31,000 (Apl.)	12,68,10,000 (Apl.)	
16,30,80,000 (July)	15,23,22,000 (Mar)	14,43,66,000 (Mar.)	14,81,15,000 (Apl.)	12,78,50,000 (Mar)	11,79,57,000 (Feb.)	
...	
66½ (Apl.)	65½ (Apl. & May)	63½ (Apl.)	63½ (Oct.)	64½ (Feb.)	64½ (Dec)	
64½ (Dec.)	62½ (Nov.)	61½ (Mar.)	61½ (Apl.)	62½ (Oct.)	63½ (Oct. v Nov.)	
106 (Apl.)	103 (Feb.)	102½ (June)	100½ (May)	97½ (Feb.)	96½ (Apl.)	
99½ (Mar.)	96½ (Aug.)	95½ (Mar.)	95 (March)	92½ (Sept.)	91 (Sept.)	
97½ (Apl.)	93 (Feb.)	92½ (Apl.)	90½ (April)	84½ (Feb.)	84½ (Apl.)	
88½ (Mar.)	84½ (Sept.)	84½ (Mar.)	81½ (March)	79½ (Sept.)	78½ (Sept.)	
82 (Apl.)	79½ (Feb.)	78½ (Apl.)	76 (April)	70½ (Feb.)	70½ (Apl.)	
75 (Mar.)	70½ (Aug.)	70 (Jan.)	69 (March)	66 (Sept.)	65½ (Sept.)	
47,30,20,000 (July)	52,74,34,000 (Sept.)	48,09,87,000 (July)	54,40,84,000 (Mar.)	59,16,45,000 (July)	60,29,31,000 (July)	
42,89,24,000 (May)	41,81,65,000 (Jan.)	42,07,01,000 (Dec.)	43,64,99,000 (Apl.)	49,67,01,000 (Dec.)	44,68,58,000 (Apl.)	
8,049	8,328	8,501	8,767	8,929		
1,190,220	1,262,763	1,318,632	1,378,916	1,430,151		
14,76,69,789	15,1814,343	15,23,41,514	15,86,71,786	16,91,88,224		
133'92	120'22	115'53	115'07	118'28		
77,43,529	41,44,554	5,27,171	63,30,272	1,05,16,438		

(a) Include remittance of the Currency Department.
 (b) Figures for eleven months (April to February).

APPENDIX—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table II.—Capital Expenditure on State Railways in 1910-1911, and Estimated Expenditure on such works in 1911-1912 and 1912-1913, and to end of 1912-1913.

RAILWAYS.	To end of 1909-1910.	Accounts, 1910-1911.	Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.	To end of 1912-1913.	Sanctioned Outlay.	Balance remaining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
OPEN LINES.								
Agra-Delhi Chord	1,32,61,554	2,95,816	8,69,000	1,83,000	1,46,09,370	1,46,09,370	...	
Ahmedabad-Dholka (earthwork, etc.)	59,900	...	...	...	59,900	59,900	...	
Assam-Bengal (Construction)	8,42,94,794	24,76,445	27,86,000	30,48,000	9,26,05,239	9,26,05,239	...	
Ditto (Land)	42,82,148	5,386	1,75,000	4,00,000	48,62,534	48,62,534	...	
Balamau-Sitapur	15,49,711	5,97,810	...	...	21,47,521	21,47,521	...	
Baran-Kotah	45,67,295	—1,415	30,000	...	45,95,880	45,95,880	...	
Bellary-Royadug	7,81,463	...	...	...	7,81,463	7,81,463	...	
Bezwada Extension	12,06,361	12,428	4,000	2,000	12,24,789	12,24,789	...	
Bhopal	36,73,183	92,201	1,00,000	79,000	39,44,384	39,44,384	...	
Bombay, Baroda and Central India	22,03,28,964	38,89,997	34,28,000	68,65,000	23,45,11,961	23,45,11,961	...	
Burma	9,74,12,324	...	...	...	9,74,12,324	9,74,12,324	...	
Burma, Railway Extensions	2,12,90,169	1,76,812	2,36,000	3,51,000	2,20,53,981	2,20,53,981	...	
Coonor-Ootacamund	35,85,717	52,603	1,79,000	1,60,000	39,77,320	39,77,320	...	
Dhone-Kurnool	9,53,396	1,999	40,000	30,000	10,25,395	10,25,395	...	
East Indian	44,99,21,774	82,20,462	1,12,62,000	1,35,06,000	48,29,10,236	48,29,10,236	...	
Eastern Bengal	22,07,53,504	75,71,944	74,95,000	95,71,000	24,53,91,448	24,53,91,448	...	
Carried over	1,12,79,22,257	2,33,92,488	2,66,04,000	3,41,95,000	1,21,21,13,745	1,21,21,13,745	...	

RAILWAYS.	To end of 1909-1910.	Accounts, 1910-1911.	Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.	To end of 1912-1913.	Sanctioned outlay.	Balance remaining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	1,12,79,22,257	2,33,92,488	2,66,04,000	3,41,95,000	1,21,21,13,745	1,21,21,13,745	...	
OPEN LINES.								
East Coast—Northern Section	3,09,29,430	...	...	...	3,09,29,430	3,09,29,430	...	
Frontier Railway Reserve Material	43,92,189	—1,869	3,000	...	43,93,320	43,93,320	...	
Gajraula-Chandpur	(a) 2,787	5,88,463	1,25,000	32,000	7,48,250	7,48,988	738	(a) Survey outlay brought on to Capital account.
Golakganj-Gauhati	1,21,59,225	4,69,078	...	...	1,26,28,303	1,25,28,303	...	
Great Indian Peninsula System	17,70,93,213	14,25,97,286	1,22,06,000	1,26,02,000	34,44,98,499	34,44,98,499	...	
Hospet-Kottur	15,15,105	...	...	...	15,15,105	15,15,105	...	
Jodhpur-Hyderabad (British Section)	43,14,735	—72,191	—12,000	39,000	42,69,544	42,69,544	...	
Jorhat	9,55,198	11,928	21,000	52,000	10,40,126	10,40,126	...	
Lucknow-Bareilly	51,21,139	...	...	...	51,21,139	51,21,139	...	
Madras and Southern Mahratta Railway (Madras Section)	15,12,70,724	—5,64,349	—75,000	...	15,06,31,375	15,06,31,375	...	
Nagda-Muttra	3,92,35,368	9,69,451	31,74,000	17,00,000	4,50,78,819	4,50,78,819	...	
North-Western	66,94,29,951	1,99,09,082	2,18,41,000	2,47,44,000	73,59,24,033	73,59,24,033	...	
Oudh and Rohilkhand	23,81,20,068	29,31,126	19,75,000	30,35,000	24,60,61,194	24,60,61,194	...	
Palanpur-Deesa	2,45,699	...	...	...	2,45,699	2,45,699	...	
Petroleum Operations Baluchistan	1,19,187	...	...	...	1,19,187	1,19,187	...	
Rajputana-Malwa System	18,06,64,672	19,15,367	10,45,000	24,70,000	18,60,95,039	18,60,95,039	...	
Rohilkund and Kumaon Railway (Kachhaghat bridge)	76,416	...	...	...	76,416	76,416	...	
Rosa-Sitapur	19,30,224	13,15,281	...	...	32,45,505	32,45,505	...	
Carried over	2,64,54,97,587	19,34,61,141	6,69,07,000	7,88,69,000	2,98,47,34,728	2,98,47,35,466	738	

APPENDIX—continued.

RAILWAYS.	To end of 1909-1910.	Accounts, 1910-1911.	Revised Esti- mate, 1911-1912.	Budget Esti- mate, 1912-1913.	To end of 1912-1913.	Sanctioned Outlay.	Balance re- maining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	2,64,54,97,587	19,34,61,141	6,69,07,000	7,88,69,000	2,98,47,34,728	2,98,47,35,466	738	
Sharkot Road Chichoki	47,00,517	26,98,065	5,07,000	2,57,000	81,62,582	89,50,630	7,88,048	
South Indian	13,88,38,894	28,10,883	29,95,000	60,20,000	15,06,64,777	15,06,64,777	...	
Tinnevely Quilon (British Section)	43,96,378	30,691	15,000	19,000	44,61,069	44,61,069	...	
Ditto (Native State Section)	1,17,98,926	47,917	—21,000	18,000	1,18,43,843	1,18,43,843	...	
Tirhoot and Extensions	7,45,69,468	3,16,267	7,01,000	15,45,000	7,71,31,735	7,71,31,735	...	(b) Survey outlay brought on to Capital account.
Bengal Nagpur, Ry. Chemical Laboratory, Kalimati	...	...	25,000	75,000	1,00,000	1,00,000	...	
Warora Colliery	11,10,032	...	...	...	11,10,032	11,10,032	...	
TOTAL OPEN LINES	2,88,09,11,802	19,93,64,964	7,11,29,000	8,68,03,000	3,23,82,08,766	3,23,89,97,552	7,88,786	
LINES UNDER CONSTRUCTION.								
Allahabad-Rai Bareli-Cawnpur	7,40,038	58,29,868	40,51,000	14,19,000	1,20,39,906	1,34,71,367	14,31,461	
Dharmapuri Hosur Extension	1,93,443	5,53,425	9,13,000	6,50,000	23,09,868	23,54,363	44,495	
Itarsi-Nagpur and branch to Pench Valley Coalfields	30,61,460	48,51,643	38,25,000	62,00,000	1,79,38,103	4,10,00,000	2,30,61,897	
Lower Ganges Bridge Project	36,05,647	79,71,436	89,22,000	75,00,000	2,70,99,083	4,76,68,863	2,05,69,780	
Rajabhatkhawa-Dalsingpara	...	...	3,00,000	4,00,000	7,00,000	7,58,119	58,119	
Samastipur-Roserah	...	90,807	6,05,000	5,00,000	14,95,807	8,56,976	18,65,551	
Khagaria Roserah	...	...	3,00,000					25,04,382
Rangyia Tangla	(b) 17,777	5,15,788	2,50,000	3,50,000	11,33,565	12,11,096	77,531	
Akbarpur Tanda	(b) 2,926	37,379	3,57,000	12,000	4,09,305	4,79,660	70,355	
Dhakia Sambhal	(b) 3,889	31,927	8,25,000	35,000	6,62,816	7,10,038	47,222	
Broach Jambusar	...	410	5,00,000	7,00,000	12,00,410	16,00,000	3,99,590	
Bayana Agra	...	49,976	19,00,000	14,00,000	33,49,976	49,45,800	15,95,824	
Cawnpur Banda with branch from Sumerpur to Belatal	...	49,290	22,25,000	28,00,000	50,74,290	1,35,09,920	84,35,630	
Jakhal-Hissar	...	94,795	18,34,000	10,00,000	29,28,795	36,76,986	7,48,191	
Sarai Kalā Havelian	(b) 52,000	78,206	13,67,000	15,00,000	29,97,206	41,00,000	11,02,794	
Singhjani Fulchari	(b) 8,372	87,841	8,25,000	5,00,000	14,21,213	15,50,325	1,29,112	
Jullundur-Hoshiarpur	14,531	...	8,00,000	12,00,000	20,14,531	37,13,166	16,98,635	
Carried over	77,00,083	1,93,42,791	2,95,66,000	2,61,66,000	8,27,74,874	14,41,11,061	6,13,36,187	
TOTAL OPEN LINES, carried over	2,88,09,11,802	19,93,64,964	7,11,29,000	8,68,03,000	3,23,82,08,766	3,23,89,97,552	7,88,786	

APPENDIX—continued.

RAILWAYS.	To end of 1909-1910.	Accounts, 1910-1911.	Revised Esti- mate, 1911-1912.	Budget Es- timate, 1912-1913.	To end of 1912-1913.	Sanctioned Outlay.	Balance remaining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
TOTAL OPEN LINES, brought forward	2,88,09,11,802	19,93,64,964	7,11,29,000	8,68,03,000	3,23,82,08,766	3,23,89,97,552	7,88,786	
Brought forward	77,00,083	1,93,42,791	2,95,66,000	2,61,66,000	8,27,74,874	14,41,11,061	6,13,36,187	
Second section of the Bokharo-Ramgarh Line	...	...	...	6,00,000	6,00,000	6,00,000	...	
Southern Shan States	7,08,265	24,48,298	23,45,000	33,00,000	88,01,563	1,98,43,996	1,10,42,433	
Trans-Indus (Kalabagh Bannu with ferry)	(c) 2,19,813	14,33,129	22,60,000	13,84,000	52,96,942	56,20,339	3,23,397	(c) Includes Rs. 1,17,870 on account of survey outlay brought on to the construction account during 1909-1910.
TOTAL LINES UNDER CONSTRUCTION	86,28,161	2,32,24,218	3,41,71,000	3,14,50,000	9,74,73,379	17,01,75,396	7,27,02,017	
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES, ETC.								
Bellary-Kistna	1,65,78,416	...	...	...	1,65,78,416	1,65,78,416	...	
Bilaspur-Etawah	75,132	...	...	...	75,132	75,132	...	
Ludhiana-Ferozepur	28,311	...	...	...	28,311	28,311	...	
Nagpur-Chhattisgarh Depreciation Account	6,57,038	...	...	...	6,57,038	6,57,038	...	
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	...	
Umaria Colliery	1,82,672	...	...	...	1,82,672	1,82,672	...	
Vizagapatam-Raipur	2,45,035	...	...	...	2,45,035	2,45,035	...	
TOTAL LINES IN ABEYANCE, ETC.	1,85,96,125	...	...	...	1,85,96,125	1,85,96,125	...	
Stores	2,28,640	2,65,745	—93,000	...	4,01,385	4,01,385	...	
GRAND TOTAL, carried over	2,90,83,64,728	22,28,54,927	10,52,07,000	11,82,53,000	3,35,46,79,655	3,42,81,70,458	7,34,90,803	

APPENDIX—concluded.

RAILWAYS.	To end of 1909-1910.	Accounts, 1910-1911.	Revised Esti- mate, 1911-1912.	Budget Esti- mate, 1912-1913.	To end of 1912-1913.	Sanctioned Outlay.	Balance remaining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
GRAND TOTAL, brought forward	2,90,83,64,728	22,28,54,927	10,52,07,000	11,82,53,000	3,35,46,79,655	3,42,81,70,458	7,34,90,803	
<i>Distributed as under—</i>								
CAPITAL EXPENDITURE ON RAILWAYS (not charged to Revenue)—								
State Railways—Construction*	1,93,51,36,349	13,37,28,074	10,42,73,000	11,75,51,000	2,29,06,88,423			
Redemption of Liabilities†	81,89,70,043	8,85,61,500	...	...	90,75,31,543			
FAMINE RELIEF AND INSURANCE—								
Protective Railways	7,67,83,972	5,53,425	9,13,000	6,50,000	7,89,00,397			
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine In- surance).	5,45,35,712	...	...	...	5,45,35,712			
CONSTRUCTION OF RAILWAYS (charged to Provin- cial Revenues).	73,54,444	11,928	21,000	52,000	74,39,372			
OTHER EXPENDITURE charged against Revenue .	1,55,84,208	...	...	...	1,55,84,208			
TOTAL AS ABOVE	2,90,83,64,728	22,28,54,927	10,52,07,000	11,82,53,000	3,35,46,79,655	3,42,81,70,458	7,34,90,803	

* INCLUDES DEBENTURES RAISED BY COMPANIES—

Bombay, Baroda and Central India Railway .	1,43,90,464	...	...	...	1,43,90,464		
East Indian Railway	21,88,09,015	...	...	...	21,88,09,015		
Great Indian Peninsula Railway	1,43,83,199	3,44,14,165	...	...	4,87,97,364		
South Indian Railway	2,27,07,237	...	...	...	2,27,07,237		
TOTAL	27,02,89,915	3,44,14,165	...	...	30,47,04,080		

	Rs.
† Bombay, Baroda and Central India Railway	18,72,06,696
East Indian Railway	18,05,98,229
Eastern Bengal Railway	3,10,54,458
Great Indian Peninsula Railway	8,88,35,250
Madras and Southern Mahratta Railway	3,21,72,000
North Western Railway	7,36,74,320
Oudh and Rohilkhand Railway	15,50,40,735
South Indian Railway	7,03,88,355
Indian Midland Railway	8,85,61,500
TOTAL	90,75,31,543

APPENDIX—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table III—Capital Expenditure on Irrigation Major Works in 1910-1911, and estimated expenditure on such works in 1911-1912 and 1912-1913, and to the end of 1912-1913.

	Actual outlay to end of 1909-1910.	Accounts, 1910-1911.	Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.	Total actual and estimated outlay to end of 1912-1913.	Sanctioned estimate.	Balance of sanctioned estimate remaining to be spent.
IRRIGATION WORKS. CAPITAL EXPENDITURE NOT CHARGED TO REVENUE.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<i>Burma.</i>							
Mandalay Canal	51,85,116	21,336	7,000	...	52,13,452	...	...
Shwebo Canal	54,26,771	1,27,614	1,13,000	1,44,000	58,11,385	54,25,968	...
Mon Canals	40,26,901	7,46,957	4,70,000	1,38,000	53,81,858	52,60,615	...
Ye-u Canal	6,87,399	3,18,008	3,00,000	6,13,000	19,18,407	48,04,988	28,86,581
Twante Canal . . . . .	...	...	16,23,000	21,38,000	37,61,000	68,86,218	31,25,218
<i>Bengal.</i>							
Orissa Canals	2,61,73,532	20,603	30,000	45,000	2,62,69,135	...	...
Midnapur Canal	83,10,156	1,540	1,000	5,000	83,17,696	...	...
Hijili Tidal Canal	25,51,641	—836	...	...	25,50,805	...	...
Sone Canal	2,58,17,334	3,124	52,000	25,000	2,58,97,458	...	...
<i>United Provinces.</i>							
Ganges Canal, including Mat and Hathras Branches	3,12,35,141	6,42,201	7,67,000	4,78,000	3,31,22,342	...	...
Lower Ganges Canal	3,51,12,586	1,50,712	77,000	52,000	3,88,15,540	...	...
Ditto, Fatehpur Branch	34,23,242						
Agra Canal	1,08,46,041	1,49,634	1,11,000	1,47,000	1,12,53,675	...	...
Eastern Jumna Canal	47,02,515	32,396	25,000	14,000	47,73,911	...	...
Dun Canal*	11,53,174	62,145	79,000	9,000	13,03,319	...	...
Bijnor Canal*	2,51,472	11,609	12,000	...	2,75,081	...	...
<i>Punjab.</i>							
Western Jumna Canal	1,65,70,040	16,361	72,000	1,20,000	1,67,78,401	...	...
Upper Bari Doab Canal	2,00,70,538	2,22,345	4,00,000	5,00,000	2,11,92,883	...	...
Sirhind Canal (State outlay)	2,38,29,731	46,068	77,000	2,00,000	2,41,52,799	...	...
Lower Chenab Canal	2,77,97,516	5,49,276	10,80,000	5,50,000	2,99,76,792	...	...
Lower Jhelum Canal	1,57,65,966	37,412	16,000	1,00,000	1,59,19,378	1,83,95,782	24,76,404
Indus Inundation Canals	23,54,190	1,10,102	2,38,000	1,00,000	28,02,292	...	...
Upper Jhelum Canal	1,40,74,479	41,37,902	63,73,000	58,00,000	3,03,85,381	2,90,70,397	...
Upper Chenab Canal	1,87,91,373	42,82,968	42,50,000	35,00,000	3,08,24,341	2,89,29,792	...
Lower Bari Doab Canal	49,25,993	32,50,335	40,90,000	31,00,000	1,53,66,328	1,78,11,841	24,45,513
<i>North-West Frontier Province.</i>							
Paharpur Inundation Canal	9,15,183	603	5,000	...	9,20,786	9,04,241	...
Upper Swat River Canal	32,01,904	21,23,097	30,34,000	25,94,000	1,09,53,001	1,77,64,752	68,11,751
Lower Ditto	41,05,156	20,792	12,000	6,000	41,43,948	...	...
Kabul River Canal*	10,31,307	1,164	...	...	10,32,471	...	...
<i>Madras.</i>							
Godavari Delta System	1,22,10,976	69,146	74,000	1,09,000	1,24,63,122	...	...
Kistna Delta System	1,49,82,846	55,816	32,000	6,000	1,50,76,662	...	...
Pennér River Canals System	55,74,662	30,098	10,000	38,000	56,52,760	...	...
Periyar Project	1,00,46,279	85,382	8,000	21,000	1,01,60,661	...	...
Cauvery Delta system	37,00,854	1,08,488	43,000	43,000	38,95,342	...	...
Nagavalli River Project	12,64,918	1,10,921	64,000	1,40,000	15,79,839	17,47,770	1,67,931
Divi Island Project	17,35,525	70,052	28,000	17,000	18,50,577	19,50,000	99,423
Lower Coleroon Anicut*	17,16,396	76,793	24,000	25,000	18,42,189	...	...
Shatiatope Anicut*	7,31,095	68,780	59,000	1,01,000	9,59,875	...	...
<i>Bombay.</i>							
Desert Canal	26,22,235	15,175	4,000	...	26,41,410	...	...
Begari Canal	21,38,331	—33,401	62,000	...	21,66,930	...	...
Eastern Nara Works	65,48,368	22,138	12,000	...	65,82,506	...	...
Jamrao Canal	80,13,139	51,892	75,000	86,000	82,26,031	...	...
Mutha Canals	73,32,445	14,953	74,000	4,000	74,25,398	...	...
<i>Other projects</i>	3,90,46,750	3,27,240	4,98,000	3,97,000	4,02,68,990	...	...
<i>Deduct—Outlay incurred from Ordinary Revenues</i>							
	43,60,01,216	1,81,58,941	2,43,81,000	2,13,65,000	49,99,06,157	...	..
	6,97,42,040	1,00,621	2,10,000	1,32,000	7,01,84,661	...	..
Carried over	36,62,59,176	1,80,58,320	2,17,1,000	2,12,33,000	42,97,21,496	...	..

* Transferred to "49" from 1st April 1907.

APPENDIX—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table III—Capital Expenditure on Irrigation Major Works in 1910-1911, and estimated expenditure on such works in 1911-1912 and 1912-1913, and to the end of 1912-1913.

	Actual outlay to end of 1909-1910.	Accounts, 1910-1911.	Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.	Total actual and estimated outlay to end of 1911-1912.	Sanctioned estimate.	Balance of sanctioned estimate remaining to be spent.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Brought forward	36,62,59,176	1,80,58,320	2,41,71,000	2,12,33,000	42,97,21,496	...	...
PROTECTIVE IRRIGATION WORKS.							
<i>Central Provinces.</i>							
Tank and other Projects	61,10,288	9,19,503	15,99,000	26,38,000	1,12,66,791	...	...
<i>Bihar and Orissa.</i>							
Tribeni Canal	46,48,493	7,24,260	6,27,000	7,07,000	67,06,753	50,20,251	...
<i>United Provinces.</i>							
Betwa Canal (including Dukwa weir)	76,31,203	1,09,073	80,000	26,000	78,46,276	...	...
Ken Canal	40,34,242	2,32,812	3,75,000	5,26,000	51,68,054	54,72,337	3,04,283
Dassan Canal	33,96,983	4,33,880	2,82,000	2,73,000	43,85,863	43,86,319	456
<i>Madras.</i>							
Rushikulya Project	46,28,187	8,299	—2,000	4,000	46,38,486	...	...
Mopad Project	5,19,109	—3,974	—7,000	1,50,000	6,58,135	11,000	4,77,865
<i>Bombay.</i>							
Godaveri Canal	40,12,174	17,96,399	14,70,000	7,11,000	79,89,573	88,34,597	8,45,024
Chankapur Tank	15,16,235	79,302	52,000	67,000	17,14,537	16,99,056	...
Nira Canal (including Shetphal tank)	60,70,183	...	4,000	8,000	60,82,183	...	...
Budhihal Tank	4,89,148	237	...	...	4,89,385	13,98,529	9,09,144
Pravara River Project	3,82,592	3,31,902	7,48,000	10,81,000	25,43,494	81,36,368	55,92,874
Other projects	62,15,373	3,26,042	4,38,000	9,37,000	79,16,415	...	...
Deduct—Outlay incurred from Ordinary Revenues	4,96,54,210	49,57,735	56,66,000	71,28,000	6,74,05,945	...	...
	22,34,977	...	...	...	22,34,977	...	...
TOTAL	4,74,19,233	49,57,735	56,66,000	71,28,000	6,51,70,968	...	...
GRAND TOTAL	41,36,78,409	2,30,16,055	2,98,37,000	2,83,61,000	49,48,92,464	...	...

APPENDIX—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table IV.—Gross traffic receipts, working expenses, and net traffic receipts of State Railways for five years ending 1910-1911, with Revised Estimates for 1911-1912 and Budget Estimates for 1912-1913.

(Omitting 000, except in accounts.)

	ACCOUNTS.					Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.
	1906-1907.	1907-1908.	1908-1909.	1909-1910.	1910-1911.		
STATE RAILWAYS.	M.	M.	M.	M.	M.	M.	M.
Open mileage at beginning of year	21,544	22,134	23,643	24,066	24,525	24,870	25,215
<i>Gross 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 { England	3,450	3,450	3,450	3,450	3,450	3	3
{ India	7,98,54,849	8,18,29,919	8,22,05,033	8,08,60,767	8,79,77,711	9,30,00	9,05,00
Bhopal	3,60,294	4,83,588	4,29,276	4,68,717	5,70,168	5,80	5,75
Palampur-Deesa	38,817	44,437	45,966	54,453	58,630	52	55
Warora Colliery	—6,888	...	...	...	...	...	...
Bengal-Nagpur	2,73,88,250	2,83,80,929	2,76,16,824	2,91,40,430	3,09,98,814	3,35,00	3,40,00
Burma Railways	1,58,71,602	1,74,88,747	1,78,99,015	1,82,14,382	1,86,56,276	1,96,00	2,00,00
Burma Railway Extensions . . . . .	...	4,19,845	9,74,069	11,83,592	13,33,726	14,25	14,50
Assam-Bengal	45,73,987	47,94,957	47,40,919	49,62,475	52,65,372	56,00	58,00
Jorhat	86,196	98,874	99,592	95,895	95,331	1,05	1,00
Eastern Bengal	2,53,83,103	2,66,04,408	2,76,24,741	2,78,33,207	2,87,32,327	3,20,00	3,20,00
Bengal and North-Western, and Tirhoot	67,51,698	77,40,075	81,56,998	77,47,023	82,93,536	90,00	93,00
Oudh and Rohilkhand	1,64,55,956	1,81,44,868	1,59,40,704	1,60,65,818	1,90,73,555	2,03,00	2,05,00
Lucknow-Bareilly	16,18,784	16,38,082	17,34,735	16,09,764	18,55,706	19,50	19,50
Hardwar-Dehra	3,45,574	3,90,329	3,76,179	3,79,351	3,94,918	4,35	4,50
North Western	6,36,09,390	6,86,60,087	5,64,77,585	7,13,05,408	7,36,47,723	8,00,00	7,85,00
South Indian	1,34,00,303	1,56,11,631	2,06,75,889	2,18,74,339	2,29,00,546	2,55,00	2,55,00
Mysore State lines	18,57,765	22,82,304	30,68,684	28,65,053	28,68,732	30,00	30,00
Dhone Kurnool . . . . .	...	...	37,283	1,20,354	98,234	1,10	1,10
Nilgiri	3,20,242	3,34,093	...	...	...	...	...
Agra-Delhi Chord	16,46,320	16,15,900	15,17,793	14,74,866	17,65,732	22,00	20,00
Bezwada Extension	3,49,206	3,15,375	3,38,623	3,12,154	3,42,614	3,55	3,55
North East Line, Madras Railway (East Coast, Southern Section)	59,67,405	...	...	...	...	...	...
Guntakal-Mysore Frontier	9,02,442	...	...	...	...	...	...
Tinnevely-Quilon	4,98,585	6,17,960	6,54,829	6,45,739	7,03,544	7,70	7,70
Mayavaram-Mutupet	6,03,305	6,48,905	...	...	...	...	...
Southern Mahratta	81,10,661	...	...	...	...	...	...
Jodhpur-Hyderabad (British Section)	9,41,261	8,36,348	6,66,318	8,38,085	9,11,724	11,60	11,60
Great Indian Peninsula including Indian Midland	6,14,65,902	6,22,21,311	5,67,18,129	6,58,01,734	6,72,19,252	7,50,00	7,00,00
Bombay, Baroda and Central India system	4,79,37,063	4,93,46,178	4,51,59,759	4,99,77,248	5,46,35,064	5,84,83	5,77,75
Hospet Kottur	47,628	...	...	...	...	...	...
Bezwada Masulipatam . . . . .	...	47,640	...	...	...	...	...
Bellary-Rayadrug	39,647	...	...	...	...	...	...
Tirrupattur-Krishnagiri	48,113	43,173	...	...	...	...	...
Morappur-Dharmapuri	34,404	30,153	...	...	...	...	...
Kalka-Simla	7,57,785	8,11,867	...	...	...	...	...
Azikhah-Mangalore	56,378	1,41,890	...	...	...	...	...
Madras and Southern Mahratta Railway . . . . .	...	1,85,23,385	2,88,01,441	2,99,76,511	3,09,39,822	3,30,00	3,25,00
Baran-Kotah . . . . .	...	...	3,536	48,152	1,03,829	1,75	1,50
In England	3,450	3,450	34,395	3,450	3,450	3	3
„ India	38,73,16,027	41,01,47,258	40,19,63,320	43,38,55,517	45,94,42,886	49,73,00	48,85,00
TOTAL	38,73,19,477	41,01,50,708	40,19,98,315	43,38,58,967	45,94,46,336	49,73,03	48,85,03

APPENDIX—continued.

	ACCOUNTS.					Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.
	1906-1907.	1907-1908.	1908-1909.	1909-1910.	1910-1911.		
<i>Working Expenses.</i>	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
East Indian	3,13,27,086	3,37,69,955	3,77,78,791	3,15,30,260	3,46,89,701	3,86,00	3,79,00
Bhopal	1,81,533	2,56,517	2,66,974	2,70,261	3,22,174	3,00	3,34
Palampur-Deesa	20,325	20,097	27,175	27,833	27,898	28	28
Warora Colliery	57,231	...	...	...	...	...	...
Bengal-Nagpur	1,29,89,459	1,45,62,960	1,58,66,049	1,54,92,894	1,65,12,192	1,74,20	1,80,70
Burma Railways	1,00,28,892	1,06,50,234	1,07,64,252	1,17,45,957	1,18,78,505	1,27,00	1,23,65
Burma Railway Extensions . . . . .	...	1,75,579	5,06,998	7,46,331	8,57,929	8,80	9,00
Assam-Bengal	39,82,185	43,23,165	46,61,697	44,68,125	44,19,964	45,75	46,00
Jorhat	89,102	90,157	80,960	96,184	80,826	83	85
Eastern Bengal	1,43,98,746	1,75,61,827	1,89,57,924	1,80,87,197	1,68,15,069	1,84,00	1,88,20
Bengal and North-Western, and Tirhoot	27,35,890	31,97,268	38,72,926	35,91,829	34,78,072	37,00	37,76
Oudh and Rohilkhand	95,62,330	1,24,02,628	1,19,18,752	96,19,432	94,10,663	1,02,00	1,12,50
Lucknow-Bareilly	7,89,911	8,08,758	8,35,010	9,08,190	7,93,862	9,50	8,50
Hardwar-Dehra	1,72,787	1,95,164	1,88,030	1,89,675	1,97,459	2,20	2,20
North Western	3,34,90,646	3,77,39,277	4,87,04,721	5,17,91,335	4,42,72,378	4,66,00	4,65,00
South Indian	69,14,141	75,02,146	1,15,81,369	1,15,05,566	1,21,01,646	1,34,50	1,46,50
Mysore State lines	11,19,760	13,78,810	19,32,434	16,87,667	17,58,808	17,50	18,00
Dhone Kurnool . . . . .	...	...	19,797	78,554	64,235	89	75
Nilgiri	2,84,137	2,82,952	...	...	...	...	...
Agra-Delhi Chord	8,30,957	8,70,411	9,47,681	8,52,669	10,13,130	12,20	11,30
Bezwada Extension	1,57,468	1,31,493	1,46,999	1,59,599	1,84,361	2,05	2,06
North East line, Madras Railway (East Coast, Southern Section)	37,45,786	...	...	...	...	...	...
Guntakal-Mysore Frontier	5,25,198	...	...	...	...	...	...
Tinnevely-Quilon	2,55,736	3,00,932	3,66,487	3,53,520	3,73,822	4,00	4,40
Mayavaram-Mutupet	3,42,249	3,55,157	...	...	...	...	...
Southern Mahratta	47,13,799	...	...	...	...	...	...
Jodhpur-Hyderabad (British Section)	4,41,882	4,75,202	4,18,681	4,80,101	5,07,815	5,50	6,00
Great Indian Peninsula including Indian Midland	3,05,03,859	3,56,11,997	3,49,32,239	3,60,61,763	3,91,45,780	4,05,00	4,06,25
Bombay, Baroda and Central India System	2,28,55,429	2,48,58,094	2,57,47,260	2,50,52,861	2,72,27,081	3,00,00	3,03,16
Hospet-Kottur	47,994	...	...	...	...	...	...
Bezwada-Masulipatam . . . . .	...	21,438	...	...	...	...	...
Bellary-Rayadrug	34,016	...	...	...	...	...	...
Tirrupatur-Krishnagiri	48,101	36,932	...	...	...	...	...
Morappur-Dharmapuri	34,851	26,966	...	...	...	...	...
Kalka-Simla	4,74,351	4,50,581	...	...	...	...	...
Azikkhal-Mangalore	25,578	87,005	...	...	...	...	...
Madras and Southern Mahratta Railway . . . . .	...	1,19,61,808	1,83,57,779	1,83,91,988	1,86,69,948	1,95,00	1,94,00
Baran-Kotah . . . . .	...	...	1,955	24,971	51,109	80	60
TOTAL	19,31,81,415	22,01,05,510	24,88,83,000	24,32,14,762	24,48,54,427	26,24,00	26,50,00

APPENDIX—concluded.

	ACCOUNTS.					Revised Estimate, 1911-1912.	Budget Estimate, 1912-1913.
	1906-1907.	1907-1908.	1908-1909.	1909-1910.	1910-1911.		
<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	4,85,31,213	4,80,63,414	4,44,29,692	4,93,33,957	5,32,88,010	5,44,00	5,26,00
Bhopal	1,78,761	2,27,071	1,62,302	1,98,456	2,47,994	2,80	2,41
Palanpur-Deesa	18,492	24,340	18,791	26,620	30,732	24	27
Warora Colliery	—64,119	...	...	...	...	...	...
Bengal-Nagpur	1,43,98,791	1,38,17,969	1,17,50,775	1,36,47,536	1,44,86,622	1,60,80	1,59,30
Burma Railways	58,42,710	68,38,513	71,34,763	64,68,423	67,77,771	69,00	76,35
Burma Railway Extensions . . . . .	...	2,44,266	4,67,071	4,37,263	4,75,797	5,45	5,50
Assam-Bengal	5,91,802	4,71,792	79,222	4,94,350	8,45,408	10,25	12,00
Jorhat	—2,906	8,717	18,632	—289	14,505	22	15
Eastern Bengal	1,09,84,357	90,42,581	86,66,817	97,46,010	1,19,17,258	1,36,00	1,31,80
Bengal and North-Western, and Tirhoot	40,15,808	45,42,807	42,84,072	41,55,194	48,15,464	53,00	55,24
Oudh and Rohilkhand	68,93,626	57,42,240	40,21,952	64,46,386	96,62,892	1,01,00	92,50
Lucknow-Bareilly	8,28,873	8,29,324	8,99,725	7,01,574	10,61,844	10,00	11,00
Hardwar-Dehra	1,72,787	1,95,165	1,88,089	1,89,676	1,97,459	2,15	2,30
North Western	3,01,18,744	3,09,20,810	77,72,864	1,95,14,073	2,93,75,345	3,34,00	3,20,00
South Indian	64,86,162	81,09,485	90,94,520	1,03,68,773	1,07,98,900	1,20,50	1,08,50
Mysore State lines	7,38,005	9,03,494	11,36,250	11,77,386	11,09,924	12,50	12,00
Dhone Kurnool . . . . .	...	...	17,486	41,800	33,999	21	35
Nilgiri	36,105	51,141	...	...	...	...	...
Agra Delhi Chord	8,15,363	7,45,489	5,70,112	6,22,197	7,52,602	9,80	8,70
Bezwada Extension	1,91,738	1,83,882	1,91,624	1,52,555	1,58,253	1,50	1,49
North East line, Madras Railway (East Coast, Southern Section).	22,21,619	...	...	...	...	...	...
Guntakal-Mysore Frontier	3,77,244	...	...	...	...	...	...
Tinnevely-Quilon	2,42,849	3,17,028	2,88,342	2,92,219	3,29,722	3,70	3,30
Mayavaram-Mutupet	2,61,056	2,93,748	...	...	...	...	...
Southern Mahratta	33,96,862	...	...	...	...	...	...
Jodhpur-Hyderabad (British Section)	4,99,379	3,61,146	2,47,637	3,57,984	4,03,909	6,10	5,60
Great Indian Peninsula including Indian Midland	3,09,62,043	2,66,09,314	2,18,16,835	2,97,39,971	2,80,73,472	3,45,00	2,93,75
Bombay, Baroda and Central India System	2,50,81,634	2,44,88,084	1,94,12,499	2,49,24,387	2,74,07,983	2,84,83	2,74,59
Hospet-Kottur	—366	...	...	...	...	...	...
Bezwada-Masulipatam . . . . .	...	26,202	...	...	...	...	...
Bellary-Rayadrug	5,631	...	...	...	...	...	...
Tirrupattur-Krishnagiri	12	6,241	...	...	...	...	...
Morappur-Dharmapuri	—447	3,187	...	...	...	...	...
Kalka-Simla	2,83,434	3,61,286	...	...	...	...	...
Azikhah-Mangalore	30,800	54,885	...	...	...	...	...
Madras and Southern Mahratta Railway . . . . .	...	65,61,577	1,04,43,662	1,15,84,523	1,22,69,874	1,35,00	1,31,00
Baran-Kotah . . . . .	...	...	1,581	23,181	52,720	95	90
TOTAL	19,41,38,062	19,00,45,198	15,31,15,315	19,05,44,205	21,45,88,459	23,49,00	22,35,00

APPENDIX—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works for five years ending 1910-11, with Revised Estimates for 1911-12, and Budget Estimates for 1912-13.

	ACTUALS.					Revised Estimate, 1911-12.	Budget Estimate, 1912-13.
	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.		
DIRECT RECEIPTS—	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
Mandalay canal	2,59,342	3,91,658	2,76,217	2,91,443	2,86,156	2,90,000	2,92,000
Shwebo canal	99,464	2,68,091	3,15,471	5,19,267	5,34,592	6,04,000	6,40,000
Orissa canals	5,01,729	4,87,689	5,14,772	5,27,884	5,17,673	5,17,000	5,13,000
Midnapur canal	1,56,521	1,53,330	1,74,734	2,02,123	2,07,396	2,14,000	2,01,000
Hijili Tidal canal	71,515	58,703	46,055	63,742	55,357	62,000	62,000
Sone canals	15,64,819	16,63,360	18,71,088	18,95,202	17,69,789	16,89,000	17,29,000
Ganges canal (including Hathras Branch)	45,41,080	40,27,680	40,65,922	37,41,594	35,28,071	34,15,000	32,11,000
Lower Ganges canal	28,92,380	28,24,929	26,94,110	23,85,462	26,54,428	25,86,000	21,81,000
Ditto, Fatehpur Branch	2,68,441	3,01,590	3,64,066	3,45,349			
Agra canal	11,19,818	8,28,606	8,17,525	8,02,427	7,40,050	6,65,000	6,83,000
Eastern Jumna canal	16,15,213	15,27,883	13,84,614	14,53,383	12,64,610	13,10,000	12,07,000
† Dun canal . . . . .	...	98,696	1,18,886	1,16,223	1,15,654	1,03,000	96,000
† Bijnor canal . . . . .	...	18,760	26,778	30,111	31,665	33,000	29,000
Betwa canal	2,63,612	2,11,431	1,19,447	2,86,365	1,83,900	2,35,000	1,75,000
Western Jumna canal	31,38,384	30,70,580	24,11,139	21,64,690	20,67,901	24,00,000	22,50,000
Lower Chenab canal	76,84,112	60,71,272	71,18,579	84,95,508	90,10,924	81,50,000	80,30,000
Upper Bari Doab canal	35,69,867	33,86,707	35,16,300	35,33,808	35,80,939	38,25,000	37,00,000
Sirhind canal	32,20,358	31,05,728	30,19,407	21,04,786	20,23,490	30,05,000	26,36,000
Lower Jhelum canal	13,56,667	13,62,674	19,34,822	21,04,205	23,14,947	22,00,000	23,50,000
Indus Inundation canals	1,62,445	1,20,276	1,44,057	1,78,155	1,72,463	2,20,000	1,60,000
Lower Swat River canal	5,12,330	5,32,841	5,43,658	5,67,754	5,44,662	5,58,000	5,55,000
Kabul River canal . . . . .	...	1,25,644	1,56,585	1,63,762	1,56,353	1,68,000	1,75,000
Godavari Delta System	1,08,822	1,17,722	1,24,262	1,27,098	1,29,856	1,28,000	1,30,000
Kistna " "	83,765	81,657	83,697	88,683	88,473	88,000	90,000
Pennér River canals "	2,525	2,727	5,798	2,074	3,274	3,000	2,000
Periyar Project	2,179	3,375	3,956	10,241	13,803	10,000	10,000
Cauvery Delta System	1,995	3,373	2,407	4,549	6,000	5,000	4,000
Rushikulya Project	1,036	2,457	2,637	2,777	1,309	2,000	3,000
Lower Coleroon anicut system . . . . .	...	2,591	1,679	2,320	2,187	1,000	1,000
Shatiatope anicut " . . . . .	...	866	744	815	498	...	...
Desert canal	1,11,170	75,284	66,755	1,01,774	91,208	78,000	85,000
Begari "	40,217	41,325	44,222	43,131	35,717	27,000	33,000
Eastern Nara Works	37,473	49,406	31,654	23,572	23,572	32,000	19,000
Mutha canals	3,28,532	3,43,020	3,66,300	3,54,618	3,96,247	3,64,000	3,66,000
Nira canal	2,27,150	4,60,671	2,95,164	4,01,109	3,20,314	4,03,000	4,33,000
Jamrao canal	16,940	16,488	16,101	20,238	27,066	34,000	17,000
Other projects	11,73,575	12,81,125	10,34,748	14,49,919	14,20,214	14,07,000	15,30,000
TOTAL	3,51,33,476	3,31,20,215	3,37,14,356	3,46,06,161	3,43,20,758	3,48,31,000	3,35,98,000
PORTION OF LAND REVENUE DUE TO IRRIGATION—							
Mandalay canal	30,596	5,505	53,345	53,618	51,637	53,000	54,000
Shwebo canal	14,595	24,076	26,791	42,934	65,758	64,000	74,000
Ganges canal	9,19,139	9,22,411	9,23,276	9,29,409	9,35,716	9,36,000	9,36,000
Lower Ganges canal	3,88,669	4,16,669	4,16,669	4,29,702	4,43,493	4,43,000	4,43,000
Ditto Fatehpur Branch . . . . .	...	388	388	388			
Eastern Jumna "	2,53,952	2,53,952	2,53,952	2,53,952	2,53,952	2,54,000	2,54,000
† Dun canal . . . . .	...	24,980	24,980	24,980	24,980	25,000	25,000
† Bijnor canal . . . . .	...	14,984	14,984	14,984	14,984	15,000	15,000
Carried over	16,06,951	16,62,965	17,14,385	17,49,997	17,90,520	17,90,000	18,01,000

*Excluding Civil Officers' figures as under:—

	Revised. Rs.	Budget. Rs.
United Provinces	1,60,000	1,50,000
Punjab	7,12,000	6,39,000
Total	8,72,000	7,89,000

Transferred to 49 from 1st April 1907.

APPENDIX —continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1910-11, with Revised Estimates for 1911-12, and Budget Estimates for 1912-13—continued.

	ACTUALS.					Revised Estimate, 1911-12.	Budget Estimate, 1912-13.
	1906-07.	1907-08.	1908-09.	1909-10	1910-11.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Brought forward	16,06,951	16,62,965	17,14,385	17,49,997	17,90,520	17,90,000	18,01,000
PORTION OF LAND REVENUE DUE TO IRRIGATION—contd.							
Western Jumna canal . . . . .	...	...	30	130	2,75,586	2,75,000	2,75,000
Lower Chenab canal	10,95,882	10,51,332	13,34,580	16,99,083	17,07,676	40,90,000	45,00,000
Upper Bari Doab canal	3,00,639	3,13,004	3,19,853	3,25,331	3,25,187	3,26,000	3,25,000
Lower Jhelum "	2,69,721	3,19,280	3,78,515	4,03,369	4,93,381	5,00,000	4,90,000
Indus Inundation canals	2,74,872	3,16,389	2,44,200	2,74,563	2,72,619	2,60,000	2,60,000
Lower Swat River canal	50,420	50,393	50,451	50,376	50,568	50,000	50,000
† Kabul River canal . . . . .	...	2,175	39,879	5,436	5,649	15,000	6,000
Godavari Delta System	33,02,168	34,23,425	35,14,232	34,04,419	33,75,550	33,88,000	33,88,000
Kistna " "	30,24,604	31,27,650	32,07,665	32,62,547	32,92,091	33,45,000	33,45,000
Pennér River canals "	5,06,271	5,30,680	5,74,297	4,08,308	5,79,763	5,80,000	5,80,000
Periyar Project	4,93,493	5,19,689	5,20,865	5,34,958	5,34,393	5,28,000	5,53,000
Cauvery Delta System	9,15,939	9,32,393	9,32,380	9,37,519	9,40,219	9,54,000	9,54,000
Rushikulya Project	1,04,874	1,04,557	1,09,070	1,16,318	1,36,833	1,36,000	1,36,000
† Lower Coleroon anicut system . . . . .	...	2,77,144	2,78,952	2,81,959	2,78,803	2,81,000	2,81,000
† Shatiatope anicut " . . . . .	...	1,04,152	1,06,654	1,00,733	1,01,874	1,02,000	1,02,000
Desert canal	2,56,319	1,32,387	2,68,678	2,29,577	2,51,332	2,57,000	2,56,000
Begari "	4,69,903	5,27,973	5,49,748	4,80,083	4,57,215	4,15,000	3,55,000
Easten Nara Works	6,82,701	4,62,019	5,53,773	5,28,887	5,88,428	5,87,000	6,28,000
Mutha canal	-7,562	-9,208	-10,899	-10,117	-12,088	...	...
Nira canal	-11,148	-22,407	-14,214	-19,764	-15,768	...	...
Jamrao canal	6,52,546	6,24,200	4,59,024	5,57,629	5,42,662	5,93,000	6,75,000
Other projects	11,16,117	11,57,797	12,33,550	14,39,479	15,97,585	18,32,000	18,04,000
TOTAL	1,51,04,710	1,56,07,989	1,63,65,668	1,67,60,820	1,76,70,078	2,03,04,000	2,07,64,000
TOTAL REVENUE—							
Mandalay canal	2,89,938	3,97,163	3,29,562	3,45,091	3,37,793	3,43,000	3,46,000
Shwebo canal	1,14,059	2,92,167	3,42,262	5,62,201	6,00,350	6,68,000	7,14,000
Orissa canals	5,01,729	4,87,689	5,14,772	5,27,884	5,17,673	5,17,000	5,13,000
Midnapur canal	1,56,521	1,53,330	1,74,734	2,02,123	2,07,396	2,14,000	2,01,000
Hijili Tidal canal	71,515	58,703	46,055	63,742	55,357	62,000	62,000
Sone canals	15,64,819	16,63,360	18,71,088	18,95,202	17,69,789	16,89,000	17,29,000
Ganges canal (including Hath-ras Branch)	54,60,219	49,50,091	49,89,198	46,71,003	44,63,787	43,51,000	41,47,000
Lower Ganges canal	32,81,049	32,41,598	31,10,779	28,15,164	30,97,921	30,29,000	26,24,000
Ditto, Fatehpur Branch	2,68,441	3,01,978	3,64,454	3,45,737			
Agra canal	11,19,818	8,28,606	8,17,525	8,02,427	7,40,050	6,65,000	6,83,000
Eastern Jumna canal	18,69,165	17,81,835	16,38,566	17,07,335	15,18,562	15,64,000	14,61,000
Betwa canal	2,63,612	2,11,431	1,19,447	2,86,365	1,83,900	2,25,000	1,75,000
† Dun canal . . . . .	...	1,23,676	1,43,866	1,41,203	1,40,634	1,28,000	1,21,000
† Bijnor canal . . . . .	...	33,744	41,762	45,095	46,649	48,000	44,000
Western Jumna canal	31,38,384	30,70,580	24,11,169	21,64,820	23,43,487	26,75,000	25,25,000
Lower Chenab canal	87,79,994	71,22,604	84,53,159	1,01,94,591	1,07,18,600	1,22,40,000	1,25,30,000
Upper Bari Doab canal	38,70,506	36,99,711	38,36,153	38,59,139	39,06,126	41,51,000	40,25,000
Sirhind canal	32,20,358	31,05,728	30,19,407	21,04,786	20,23,490	30,05,000	26,36,000
Lower Jhelum canal	16,26,388	16,81,954	23,13,337	25,07,574	28,08,328	27,00,000	28,40,000
Indus Inundation canals	4,37,317	4,36,665	3,88,257	4,52,718	4,45,082	4,80,000	4,20,000
Lower Swat River canal	5,62,750	5,83,234	5,94,109	6,18,130	5,95,230	6,08,000	6,05,000
† Kabul River canal . . . . .	...	1,27,819	1,96,464	1,69,198	1,62,002	1,83,000	1,81,000
Godavari Delta System	34,10,990	35,41,147	36,38,494	35,31,517	35,05,406	35,16,000	35,18,000
Kistna " "	31,08,369	32,09,307	32,91,362	33,51,230	33,80,564	34,33,000	34,35,000
Carried over	4,31,15,941	4,11,04,120	4,26,45,981	4,33,64,275	4,35,68,176	4,65,04,000	4,55,35,000

† Transferred to 49 from 1st April 1907.

APPENDIX—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works for five years ending 1910-11, with Revised Estimates for 1911-12, and Budget Estimates for 1912-13—continued.

	ACTUALS.					Revised Estimate, 1911-12.	Budget Estimate, 1912-13.
	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.		
	Rs.	Rs.	Rs.	Rs.	Rs.		
Brought forward	4,31,15,941	4,11,04,120	4,26,45,981	4,33,64,275	4,35,68,176	4,65,04,000	4,55,35,000
TOTAL REVENUE—concl'd.							
Pennér River canals	5,08,796	5,33,407	5,80,095	4,10,382	5,83,037	5,83,000	5,82,000
Periyar Project	4,95,672	5,23,064	5,24,821	5,45,199	5,48,196	5,38,000	5,63,000
Cauvery Delta System	9,17,934	9,35,766	9,34,787	9,42,068	9,46,219	9,59,000	9,58,000
Rushikulya Project	1,05,910	1,07,014	1,11,707	1,19,095	1,38,142	1,38,000	1,39,000
†Lower Coleroon anicut system	...	2,79,735	2,80,631	2,84,279	2,80,990	2,82,000	2,82,000
†Shatiatope anicut	...	1,05,018	1,07,398	1,01,548	1,02,372	1,02,000	1,02,000
Desert canal	3,67,489	2,07,671	3,35,433	3,31,351	3,42,540	3,35,000	3,41,000
Begari "	5,10,120	5,69,298	5,93,970	5,23,214	4,92,932	4,42,000	3,88,000
Eastern Nara Works	7,20,174	5,11,425	5,85,427	5,52,459	6,12,000	6,19,000	6,47,000
Mutha canals	3,20,970	3,33,812	3,55,401	3,44,501	3,84,159	3,64,000	3,66,000
Nira canal	2,16,002	4,38,264	2,80,950	3,81,345	3,04,546	4,03,000	4,33,000
Jamrao canal	6,69,486	6,40,688	4,75,125	5,77,867	6,69,728	6,27,000	6,92,000
Other projects	22,89,692	24,38,922	22,68,298	28,89,398	30,17,799	32,39,000	33,34,000
TOTAL	5,02,38,186	4,87,28,204	5,00,80,024	5,13,66,981	5,19,90,836	5,51,35,000	5,43,62,000
WORKING EXPENSES—							
Mandalay canal	85,898	81,472	82,392	81,457	94,787	89,000	94,000
Shwebo canal	47,241	1,19,394	1,19,591	1,37,721	1,66,463	1,75,000	2,30,000
Orissa canals	3,99,092	4,30,069	4,19,057	4,44,664	4,47,819	4,46,000	4,52,000
Midnapur canal	1,61,123	1,84,291	2,12,361	2,21,375	1,90,318	2,08,000	2,15,000
Hijili Tidal canal	51,493	40,783	46,676	55,740	74,508	45,000	36,000
Sone canals	5,73,895	7,51,790	6,98,982	7,04,989	7,15,221	6,96,000	6,84,000
Ganges canal	13,16,804	12,22,219	12,56,713	12,97,630	11,86,609	10,69,000	9,13,000
Lower Ganges canal	10,46,866	10,43,099	10,36,765	10,08,748	11,18,824	10,46,000	10,57,000
Ditto, Fatehpur Branch	1,22,204	1,33,344	1,37,413	1,34,651			
Agra canal	3,32,366	3,16,712	3,35,275	3,83,954	3,34,822	3,40,000	3,17,000
Eastern Jumna canal	4,46,771	4,18,193	4,11,535	4,83,584	4,38,285	4,20,000	3,88,000
Betwa canal	1,08,053	1,23,490	1,33,140	1,17,460	1,31,059	1,60,000	1,64,000
†Dun canal	...	81,194	1,09,600	1,33,133	1,06,572	1,34,000	83,000
†Bijnor canal	...	16,589	16,765	21,395	21,303	20,000	21,000
Western Jumna canal	10,64,403	9,89,606	9,92,668	10,61,811	10,43,129	11,52,000	10,25,000
Lower Chenab canal	18,48,265	18,65,256	19,28,633	23,37,425	22,67,303	23,45,000	22,00,000
Upper Bari Doab canal	11,88,489	14,86,234	13,44,928	13,24,386	13,26,549	15,53,000	13,50,000
Sirhind canal	10,34,695	9,20,563	8,99,546	8,28,628	8,45,564	9,42,000	8,00,000
Lower Jhelum canal	7,45,058	7,23,559	8,26,808	8,00,166	8,29,014	10,02,000	8,80,000
Indus Inundation canals	3,18,987	3,69,311	4,47,559	6,88,949	6,76,704	4,34,000	4,00,000
Lower Swat River canal	1,13,839	1,18,842	1,36,679	1,40,726	1,43,055	1,50,000	1,20,000
†Kabul River canal	...	96,616	60,122	72,283	97,600	97,000	1,00,000
Godavari Delta System	6,30,672	7,11,456	7,69,866	8,32,095	7,80,126	7,50,000	8,00,000
Kistna	6,39,218	5,33,036	5,67,852	5,58,559	7,10,514	6,25,000	6,50,000
Pennér River canals	79,445	67,953	70,682	68,934	75,370	52,000	64,000
Periyar Project	69,971	1,65,530	1,61,144	1,35,374	1,14,356	1,26,000	1,15,000
Cauvery Delta System	94,707	81,303	1,54,028	1,17,419	1,87,852	1,20,000	1,46,000
Rushikulya Project	73,554	41,387	47,355	48,383	36,767	42,000	38,000
†Lower Coleroon anicut system	...	75,771	59,902	60,021	92,123	88,000	78,000
†Shatiatope anicut	...	23,784	22,218	20,343	25,551	24,000	23,000
Desert canal.	1,39,328	1,79,374	1,26,153	1,13,096	1,37,454	1,43,000	1,37,000
Carried over	1,27,32,437	1,34,12,220	1,36,32,408	1,44,35,099	1,44,15,621	1,44,93,000	1,35,80,000

† Transferred to 49 from 1st April 1907.

APPENDIX—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works for five years ending 1910-11, with Revised Estimates for 1911-12, and Budget Estimates for 1912-13—continued.

	ACTUALS.					Revised Estimate, 1911-12.	Estimate 1912-13.
	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Brought forward	1,27,32,437	1,34,12,220	1,36,32,408	1,44,35,099	1,44,15,621	1,44,93,000	1,35,80,000
WORKING EXPENSES—concl'd.							
Begari canal	54,553	56,636	1,00,364	79,377	1,80,608	1,42,000	1,11,000
Eastern Nara Works	1,13,835	1,65,291	2,19,669	1,64,741	1,94,170	2,19,000	1,76,000
Mutha canals	93,618	94,580	1,01,410	1,04,492	99,945	84,000	95,000
Nira canal	70,419	74,710	74,026	70,048	74,003	78,000	1,30,000
Jamrao canal	2,67,529	2,92,478	3,42,833	2,70,771	2,81,773	2,22,000	3,18,000
Other projects	8,37,096	9,64,222	10,78,116	12,88,638	13,98,199	18,22,000	21,59,000
TOTAL	1,41,69,487	1,50,60,137	1,55,48,826	1,64,13,166	1,66,44,319	1,70,60,000	1,65,69,000
NET REVENUE—							
Mandalay canal	2,04,040	3,15,691	2,47,170	2,63,634	2,43,006	2,54,000	2,52,000
Shwebo canal	66,818	1,72,773	2,22,671	4,24,480	4,33,887	4,93,000	4,84,000
Orissa canals	1,02,637	57,620	95,715	83,220	69,854	71,000	61,000
Midnapur canal	—4,602	—30,961	—37,627	—19,252	17,078	6,000	—14,000
Hijili Tidal canal	20,022	17,920	—621	8,002	—19,151	17,000	26,000
Sone canals	9,90,924	9,11,570	11,72,106	11,50,213	10,54,568	9,93,000	10,45,000
Ganges canal (including Hathras Branch)	41,43,415	37,27,872	37,32,485	33,73,373	32,77,178	32,82,000	32,34,000
Lower Ganges canal	22,34,183	21,98,499	20,74,014	18,06,416	19,79,097	19,83,000	15,67,000
Ditto, Fatehpur Branch	1,46,237	1,68,634	2,27,041	2,11,086			
Agra canal	7,87,452	5,11,894	4,82,250	4,18,473	4,05,228	3,25,000	3,66,000
Eastern Jumna canal	14,22,394	13,63,642	12,27,031	12,23,751	10,82,277	11,44,000	10,73,000
Betwa canal	1,55,559	87,941	—13,693	1,68,905	52,841	75,000	11,000
Dun canal	...	42,482	34,266	8,070	34,062	—6,000	38,000
Bijnor canal	...	17,155	24,997	23,700	25,346	28,000	23,000
Western Jumna canal	20,73,981	20,80,974	14,18,501	11,03,009	13,00,358	15,23,000	15,00,000
Lower Chenab canal	69,31,729	52,57,348	65,24,526	78,57,166	84,51,297	98,95,000	1,03,30,000
Upper Bari Doab canal	26,82,017	22,13,477	24,91,225	25,34,753	25,79,577	25,98,000	26,75,000
Sirhind canal	21,85,663	21,85,165	21,19,861	12,76,158	11,77,926	20,63,000	18,36,000
Lower Jhelum canal	8,81,330	9,58,395	14,86,529	17,07,408	19,79,314	16,98,000	19,60,000
Indus Inundation canals	1,18,330	67,354	—59,302	—2,36,231	—2,31,622	46,000	20,000
Lower Swat River canal	4,48,911	4,64,392	4,57,430	4,77,404	4,52,175	4,58,000	4,85,000
Kabul River canal	...	31,203	1,36,342	96,915	64,402	86,000	81,000
Godavari Delta System	27,80,318	28,29,691	28,68,628	26,99,422	27,25,280	27,66,000	27,18,000
Kistna " "	24,69,151	26,76,271	27,23,510	27,92,671	26,70,050	28,08,000	27,85,000
Pennér River canals " "	4,29,351	4,65,454	5,09,413	3,41,448	5,07,667	5,31,000	5,18,000
Periyar Project	4,25,701	3,57,534	3,63,677	4,09,825	4,33,840	4,12,000	4,48,000
Cauvery Delta System	8,23,227	8,54,463	7,80,759	8,24,649	7,58,367	8,39,000	8,12,000
Rushikulya Project	32,356	65,627	64,352	70,712	1,01,375	96,000	1,01,000
Lower Coleroon anicut system	...	2,03,964	2,20,729	2,24,258	1,88,867	1,94,000	2,04,000
Shatiatope anicut " "	...	81,234	85,180	81,205	76,821	78,000	79,000
Desert canal	2,28,161	28,297	2,09,280	2,18,255	2,05,086	1,92,000	2,04,000
Begari " "	4,55,567	5,12,662	4,93,606	4,43,837	3,12,324	3,00,000	2,77,000
Eastern Nara Works	6,06,339	3,46,134	3,65,758	3,87,718	4,17,830	4,00,000	4,71,000
Mutha canals	2,27,352	2,39,232	2,53,991	2,40,009	2,84,214	2,80,000	2,71,000
Nira canal	1,45,583	3,63,554	2,06,924	3,11,297	2,30,543	3,25,000	3,03,000
Jamrao canal	4,01,957	3,48,210	1,32,292	3,07,096	3,87,955	4,05,000	3,74,000
Other projects	14,52,596	14,74,700	11,90,182	16,00,760	16,19,600	14,17,000	11,75,000
TOTAL	3,60,68,699	3,36,68,067	3,45,31,198	3,49,53,815	3,53,46,517	3,80,75,000	3,77,93,000

* Excluding Civil Officers' figures as under.—

	Revised. Rs.	Budget. Rs.
United Provinces	18,000	18,000
Punjab	2,000	1,000
Total	20,000	19,000

APPENDIX—continued.

TABLE VI—CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAY.
Actuals, 1910-1911.

RAILWAYS.		Amount in Rupees.	Amount in sterling at contract rates.	Equivalent at Rs. 15=£ 1.	Exchange.
GUARANTEED RAILWAYS.		R	£	R	R
RECEIPTS.					
Madras					
ADVANCES.					
Madras		46,405	3,093	46,395	
NET RECEIPTS.					
Madras		—46,405	—3,093	—46,395	
SUBSIDIZED RAILWAYS.					
RECEIPTS.					
Capital received in India	Amritsar Patti	18,000	1,260	18,000	...
	Idar Road Brahmakhed	10,10,113	67,341	10,10,113	...
	Ahmedabad-Dholka	1,000	67	1,000	...
	Ahmedabad-Parantij	25,000	1,666	25,000	...
	Hardwar-Dehra	18,000	1,200	18,000	...
	Mymensingh-Jamalpur-Jagannathganj	66,000	4,400	66,000	...
	Tapti Valley	10,500	700	10,500	...
	Patti-Kasur	1,60,000	10,667	1,60,000	...
TOTAL RECEIPTS		13,08,613	87,241	13,08,613	...
WITHDRAWALS IN INDIA.					
Assam Bengal		—10,70,324	—71,355	—10,70,324	...
Bengal Nagpur		1,67,04,175	1,113,612	1,67,04,175	...
Ditto Extensions		—1,32,66,822	—884,455	—1,32,66,822	...
Burma		16,40,692	109,380	16,40,692	...
Indian Midland		—4,16,48,319	—2,776,554	—4,16,48,319	...
Ditto Saugor-Katni		53	3	53	...
Lucknow-Bareilly		—2,18,287	—14,552	—2,18,287	...
Madras and Southern Mahratta		—10,34,330	—68,955	—10,34,330	...
		—3,88,93,162	—2,592,876	—3,88,93,162	...
Idar Road Brahmakhed		10,64,703	70,900	10,64,703	...
Amritsar-Patti-Kasur		2,62,336	17,493	2,62,396	...
Ahmedabad-Dholka		359	24	359	...
Ahmedabad-Parantij		15,740	1,049	15,740	...
Hardwar-Dehra		7,082	472	7,082	...
Mymensingh-Jamalpur-Jagannathganj		43,800	2,920	43,800	...
Tapti Valley		12,732	849	12,732	...
		14,06,812	93,787	14,06,812	...
TOTAL WITHDRAWALS		—3,74,86,350	—2,499,089	—3,74,86,350	...
Net Withdrawals		—3,87,94,663	—2,586,330	—3,87,94,663	...
GUARANTEED AND SUBSIDIZED RAILWAYS.					
Net Withdrawals		—3,87,48,558	—2,583,237	—3,87,48,568	

APPENDIX—continued.

TABLE VI—CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS—continued.

Revised Estimate, 1911-1912.

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
SUBSIDIZED RAILWAYS.				
RECEIPTS.				
Capital received in India. { Idar Road Bramakhed	3,13	20,9	3,13	
{ Amritsar-Patti-Kasur	2,23	14,9	2,23	
{ Ahmedabad-Dholka	5	3	5	
{ Ahmedabad-Parantij	16	1,1	16	
{ Murtajapur Ellichpur	3,81	25,4	3,81	
{ Hardwar-Dehra	36	2,4	36	
{ Mymensingh-Jamalpur-Jagannathganj	41	2,7	41	
{ Tapti Valley	18	1,2	18	
TOTAL RECEIPTS	10,33	68,9	10,33	
WITHDRAWALS IN INDIA.				
Assam Bengal	—6,55	—43,7	—6,55	
Bengal Nagpur	13,90	92,7	13,90	
Ditto Extensions	37,18	247,9	37,18	
Burma	12,90	86,0	12,90	
Lucknow-Bareilly	—74	—4,9	—74	
Madras and Southern Mahratta	—33,61	—224,1	—33,61	
	23,08	53,9	23,08	
Amritsar-Patti-Kasur	1,67	11,1	1,67	
Ahmedabad-Dholka	10	7	10	
Ahmedabad-Parantij	10	7	10	
Idar Road Brahmakhed.	3,23	21,5	3,23	
Hardwar-Dehra	30	2,0	30	
Mymensingh-Jamalpur-Jagannathganj	61	4,1	61	
Murtajapur Ellichpur	3,81	25,4	3,81	
Tapti Valley	20	1,3	20	
	10,02	66,8	10,02	
TOTAL WITHDRAWALS	33,10	220,7	33,10	
Net Withdrawals	22,77	151,8	22,77	

APPENDIX—concluded.

TABLE VI—CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS—concluded.

Budget Estimate, 1912-1913.

RAILWAYS.	Amount in Rupees. (Omitting 000.)	Amount in sterling at contract rates. (Omitting 000.)	Equivalent at Rs. 15=£1. (Omitting 000.)	Exchange. (Omitting 000.)
	R	£	R	£
SUBSIDIZED RAILWAYS.				
RECEIPTS.				
CAPITAL RECEIVED IN INDIA				
Ahmedabad-Dholka	10	7	10	...
Ahmedabad-Parantij . . . . .	..	...	...	...
Amritsar-Pattii-Kasur	24	1,6	24	..
Hardwar-Dehra	25	1,7	25	...
Idar-Road-Brahmakhed	93	6,2	93	...
Mymensingh-Jamalpur-Jagannathganj	30	2,0	30	...
Murtajapur-Ellichpur	11,38	75,8	11,38	...
Murtajapur Yeotmal	9,50	63,3	9,50	...
Tapti Valley	64	4,3	64	...
TOTAL RECEIPTS	23,34	155,6	23,34	...
WITHDRAWALS IN INDIA.				
Assam-Bengal	-6,34	-42,3	-6,34	...
Bengal-Nagpur	8,37	55,8	8,37	...
Ditto Extensions	42,19	281,3	42,19	...
Burma	10,78	71,9	10,78	...
Lucknow-Bareilly	-2,87	-19,1	-2,87	...
Madras and Southern Mahratta	-24,33	-162,2	-24,33	..
	27,80	185,4	27,80	
Ahmedabad-Dholka	10	7	10	..
Ahmedabad-Parantij	10	7	10	..
Amritsar-Patti-Kasur	24	1,6	24	..
Hardwar-Dehra	25	1,7	25	...
Idar Road Brahmakhed	93	6,2	93	..
Mymensingh-Jamalpur-Jagannathganj	30	2,0	30	...
Murtajapur-Ellichpur	11,38	75,8	11,38	..
Murtajapur Yeotmal	9,50	63,3	9,50	...
Tapti Valley	64	4,3	64	...
	23,44	156,3	23,44	...
TOTAL WITHDRAWALS	51,24	341,7	51,24	
Net Withdrawals	27,90	186,1	27,90	

GOVERNMENT OF INDIA.
LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS
UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 TO
1909 (24 & 25 VICT., c. 67, 55 & 58 VICT., c. 14, AND 9 EDW. VII, c. 4).

The Council met at Government House, Calcutta, on Monday, the 25th
• March 1912.

PRESENT :

His Excellency BARON HARDINGE OF PENSHURST, P.C., G.C.B., G.C.M.G., G.C.V.O.,
G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*,
and 59 Members, of whom 51 were Additional Members.

QUESTIONS AND ANSWERS.

The Hon'ble Raja of Dighapatia asked :

“ Is it a fact that the *Pioneer* till very recently charged double its ordinary rates for all official advertisements ? If so, how long since has this arrangement been discontinued ? ”

The Hon'ble Sir Reginald Craddock replied :

“ The rate charged by the *Pioneer* for Government advertisements is 8 annas per line, and no change has recently been made in this respect. It is understood that the rates charged by the same newspaper for private casual advertisements vary between 4 annas and 9 annas per line according to the position in the paper in which the advertisements are inserted. ”

The Hon'ble Raja of Dighapatia asked :

“ Is it the intention of the Government to appoint qualified Indians in the work of scientific investigation of tropical diseases now being carried on by the Central Research Institutes at Kasauli and in other similar institutes in the country ? ”

The Hon'ble Sir Harcourt Butler replied :

“ The Government of India will always employ the best man available for any inquiry of a scientific nature, no matter what his race or creed may be. Dr. Korke, who is an Indian, has recently been appointed to inquire into Kala-azar. ”

QUESTIONS AND ANSWERS; BENGAL, BIHAR AND ASSAM LAWS.

[*Raja of Dighapatia ; Sir Harcourt Butler ; Raja Pratab Bahadur Singh ; Sir Robert Carlyle ; Sir Gangadhar Rao Chitnavis ; Mr. Syed Ali Imam.*] [25TH MARCH 1912.]

The Hon'ble Raja of Dighapatia asked :

“ Does the Government propose to publish annually a statement showing in each Province the mortality under different heads and the measures taken to improve the several sanitary conditions of each Province ? ”

The Hon'ble Sir Harcourt Butler replied :

“ The Hon'ble Member is referred to the statements appended to sections III and VII of the Report of the Sanitary Commissioner with the Government of India, and to the annual reports of the Provincial Sanitary Commissioners, in which he will find the information he requires.”

The Hon'ble Raja Pratab Bahadur Singh asked :

“ (a) Will the Government be pleased to state how much area in each reserved forest is open for pasturage of cattle ?

“ (b) Are Government aware that there are pressing demands for pasture lands ?

“ (c) If so, do Government propose to increase the pasturable area free or on receipt of fee per head of cattle grazing in the said area ?

“ (d) Do Government propose to encourage the reservation of land in each village for pasturage of cattle and not assess revenue upon it ? ”

The Hon'ble Sir Robert Carlyle replied :

“ (a) Figures are not available for each reserved forest, but I lay a statement* on the table giving some details by Provinces.

“ (b) The Government of India are aware that there are tracts in which it would be very desirable, if possible, to increase the pasturable area.

“ (c) The question of increasing the pasturable area where this is practicable and desirable is essentially one for Local Governments to deal with, and the Government of India can lay down no general rules in the matter.

“ (d) Steps are already taken in several Provinces to provide grazing grounds free of assessment for village cattle, but the introduction of such arrangements and the manner in which they should be carried out are questions primarily for the consideration of Local Governments. It may be noticed that the Government of India have recently sanctioned an experiment proposed by the Government of the United Provinces by which revenue on 80,000 acres of waste-land in Oudh has been remitted on the condition that this area was maintained for the grazing of migratory herds of cattle.”

The Hon'ble Sir Gangadhar Rao Chitnavis asked :

“ Do the Government intend to have settlements for thirty years or for longer terms in the Central Provinces, especially in the fully developed districts ? ”

The Hon'ble Sir Robert Carlyle replied :

“ The Government of India do not consider that any districts in the Central Provinces are at present so developed as to justify the extension of the term of settlement in them for a longer period than twenty years. ”

BENGAL, BIHAR AND ASSAM LAWS BILL.

The Hon'ble Mr. Syed Ali Imam : “ My Lord, I beg to move for leave to introduce a Bill to make certain provisions regarding the application of the

* *Vide* Appendix.

BENGAL, BIHAR AND ASSAM LAWS.

[25TH MARCH 1912.] [Mr. Syed Ali Imam; the President; Babu Bhupendra nath Basu.]

law in force in the Presidency of Fort William in Bengal, the Province of Bihar and Orissa and the Province of Assam.

“The Proclamations which appeared in the *Gazette of India Extraordinary* last Saturday relate to important re-distributions of territories which at present constitute the Provinces of Bengal and Eastern Bengal and Assam. As these territorial re-distributions have to take effect from the 1st of April next, it has become a matter of extreme urgency to provide for the adaptation and application of the laws in force in those territories. Under the provisions of the Indian Councils Acts, the existing laws continue to remain in force in the newly created Provinces so long as they are not repealed or altered. With a view to make these very laws applicable to the changed conditions created by the said Proclamations, some modifications are necessary merely for the exercise of powers that exist under the different laws in force. The Bill which I am now moving for leave to introduce provides for this and is framed on the lines of the Bengal and Assam Laws Act of 1905. It continues the laws in force in the territories affected by the Proclamations and merely provides for their administration by the new authorities which will come into existence next Monday. The Bill aims at the application of the existing law without making any amendment or alteration of substance. It is obvious that a measure of this kind must receive the sanction of the Legislature before the Proclamations take effect. Under the circumstances, should the motion before the Council be adopted, I shall ask for the provisions of the Bill to be at once taken into consideration with a view to its being passed at to-day's sitting. It is of a purely formal and non-controversial character. In fact, I have excluded, even at the risk of some possible temporary inconvenience, all matters which might lead to controversy and have left them to be dealt with by future legislation. It will be seen therefore that with two small exceptions, to which I will presently call attention, the Bill is no more than a draftsman's Bill.

“ Clause 4 of the Bill constitutes a Board of Revenue for the Province of Behar and Orissa. It does no more than place the territories of the new Province on the same footing on which they stand at present under the Bengal Board of Revenue for the purposes of this branch of the administration.

“ Clause 7 taken with Schedule E makes certain amendments in Acts which confer immunities or vest functions in authorities now existing in the Province of Bengal. A glance at the Schedules will show that they are so obviously appropriate that I need not take up the time of the Council in explaining or justifying them further.

“ The Bill otherwise makes no change in the existing law.”

The motion was put and agreed to.

The Hon'ble Mr. Syed Ali Imam introduced the Bill.

The Hon'ble Mr. Syed Ali Imam moved the President to suspend the rules of business to admit of the Bill being taken into consideration.

The President declared the rules to be suspended.

The Hon'ble Mr. Syed Ali Imam moved that the Bill be taken into consideration.

The Hon'ble Babu Bhupendranath Basu: “ My Lord, with reference to the Bill which has just now been placed before us, there is one question which strikes me. Under clause 4, a new Board of Revenue is going to be created for the Province of Bihar and Orissa, and clause 6 provides that all proceedings which at the commencement of this Act are pending in respect of any territory mentioned in the Schedule shall not be affected by the provisions of the Bill. I take it that the learned Law Member is aware that the entire revenue-administration of the Province of Bihar and Orissa is at the present moment under the control of the Board of Revenue, which is exercising jurisdiction over the old Province of Bengal, and that many matters affecting Bihar, Orissa and Chota Nagpur are pending for final decision before the Board here in respect of which some proceedings have been taken, and there are matters which have been partly heard. Do I understand that section 6 will

BENGAL, BIHAR AND ASSAM LAWS; BUDGET.

[Babu Bhupendranath Basu; Mr. Syed Ali Imam; [25TH MARCH 1912.]
Mr. Gokhale.]

protect these proceedings being taken *de novo* before the new Board of Revenue that is going to be created in Bihar, or will they be allowed to be heard by the Board before which they are pending?"

The Hon'ble Mr. Syed Ali Imam: "My Lord, section 6 of the Bill provides for this, that any such proceedings as have been referred to, will continue to remain unaffected by this Act, if this Bill is passed into law. And the answer to that question is that there will be no change in respect of those proceedings. Section 4 provides for the creation of a new Board of Revenue for Bihar and Orissa and stands on a separate footing altogether from section 6."

The motion was put and agreed to.

The Hon'ble Mr. Syed Ali Imam moved that the Bill be passed.

The motion was put and agreed to.

BUDGET FOR 1912-13.

The Hon'ble Mr. Gokhale: "My Lord, I propose to make a few observations to-day on the general state of our finances, but, before doing that, I would like, with Your Lordship's permission, to make one or two references of a personal nature. My Lord, this is the last time when my Hon'ble friend, Sir James Meston, will sit in this Council, at any rate as Financial Secretary, and I would like to take this opportunity to thank him publicly, and in Your Excellency's presence, for all the valuable assistance which he has uniformly given to non-official members during the last three years. Ever accessible, ever courteous, ever helpful, the Hon'ble Member has enabled many of us to perform our duty in this Council better than we could otherwise have done. He has believed whole-heartedly in the new order inaugurated by the recent reforms; and he has also believed in the capacity of non-official members to rise equal to their new responsibilities. And if this Council has not wholly disappointed expectations, the result, at any rate on the financial side of our discussions, is in no small measure due to the sympathetic and generous attitude of the Hon'ble Member towards us. My Lord, our best wishes accompany Sir James Meston in his new and exalted sphere, and I earnestly trust that, when his five years of office are over, he will return again to this Council as Finance Minister. I think, my Lord, there is a great deal to be said in favour of the view that membership of the Government of India should be the last rung of the official ladder in this country, and that those members of the Civil Service who are marked out for Lieutenant-Governorships should complete their tenure of office as heads of Provinces before they come and join the Viceroy's Executive Council.

"My Lord, I would next like to say a word about my Hon'ble friend, Sir Guy Fleetwood Wilson. We have all heard that he proposes shortly to go on six months' leave to recruit his health, and we all fervently hope that he will come back at the end of that period with his health fully restored and that he will continue to preside over his Department for the full period of his appointment. My Lord, the *personnel* of this Council on its non-official side will have undergone considerable changes before the Hon'ble Member's return, because in the interval there will be a new election, and, while some of us may possibly not want to come back, the constituencies may not want to send some others back, and therefore it would not be inappropriate if we, non-official members, seek to give brief expression on the present occasion to the great admiration and the very high regard in which we hold Sir Guy Fleetwood Wilson. My Lord, with his mind saturated with the best traditions of English public life of which he was a close observer for many years, the Hon'ble Member's presence in this Council has been simply invaluable to us at a time when our own tradition is slowly evolving here. We have never found Sir Guy Wilson wrapped up in official reserve. He has often presented new points of view to us and he has himself been always anxious to enter into our feelings and our thoughts. And his delightful and

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high-minded courtesy has made it a pleasure to have anything to do with him. His great familiarity with the principles of Western finance has enabled him to manage our finances wisely and skilfully, and his attachment to the Gladstonian tradition of economy has left its impress on the administration of this country. In regard to our general affairs too, it is well-known that Sir Guy Fleetwood Wilson's influence has been strongly on the side of popular progress. My Lord, the country needs men of his type in the Government—men of warm sympathies, of sturdy independence, and deep devotion to its truest and best interests; and once again I earnestly express the hope that Sir Guy will come back fully restored to health and will continue his services to India to the furthest limit of time to which they can be stretched.

“ My last word, my Lord, will be about this great and beautiful city. Speaking at the Calcutta Club the other day, Your Lordship expressed the great regret with which you viewed the prospect of this city soon ceasing to be your winter head-quarters in future. May we non-official members of this Council ask to be permitted to respectfully join in that regret! I say nothing on this occasion about the great, the momentous, changes which were announced by His Imperial Majesty the King-Emperor at Delhi. Looking into the future with the eye of faith and of hope, I do believe that these changes, whatever temporary inconvenience or dislocation they may occasion, will do good in the end both to the Province of Bengal and to the country taken as a whole. But, whatever the future may hold in its womb, the thought that this Council, which has grown from the smallest beginnings to its present dimensions in this city, meets here to-day for the last time, is a thought that must make the heart heavy. My Lord, it is not merely the infinite kindness and hospitality which we members, coming from other Provinces, have always received from the people of Calcutta, it is not merely the friends that we have made here, that we shall miss; it is the entire influence of Calcutta and all that Calcutta stands for that will now be lost to us. Some of us, my Lord, have been coming to this city now for many years,—I for one have come here continuously now for eleven years,—and we have learnt to feel the same enthusiasm for this wonderful land which the people of Bengal feel. Its waving fields, its noble streams, its rich and wonderful vegetation of every kind, throw on us now the same spell that the people of this Province experience, and the warm-heartedness of its society, its culture, its spiritual outlook on life, and the intensity of its national aspiration have produced a deep and abiding impression upon our lives. My Lord, we bid adieu to this city with profound regret, and with every good wish for its continued prosperity that the heart of man can frame. And we fervently trust that, great as has been its past, its future will be even greater.

“ My Lord, I will now say a few words on the general state of our finances. We are, as everybody who knows anything about our finances knows, on the eve of a very considerable disturbance in our accepted standards both of revenue and expenditure. There is no question whatever that the financial position of the country, taken as a whole, is both sound and strong; but the fact that we are on the eve of this disturbance makes it necessary that there should be a careful and comprehensive examination of the whole position. On the one side, my Lord, our opium-revenue will soon be extinguished; on the other side, heavy and continuously increasing additions will be necessary to our expenditure, on certain services, specially education and sanitation. Then, my Lord, I hope, I most earnestly hope, that our military expenditure, the burden of which we have so long borne patiently, and which is really far beyond our capacity to bear, will be materially lightened as a result of the labour on which Sir William Nicholson and his Committee will soon enter. I therefore suggest that this is just the juncture when a comprehensive inquiry into the whole financial position may be undertaken by a strong Royal Commission. There are three outstanding features of the position. A top-heavy administration, much too costly for our resources, a crushing weight of military burdens, and a scheme of taxation which, though not much more

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burdensome in its total incidence than in other countries, presses much more heavily on the poorer than on the middle and the upper classes of the community. These are the outstanding features of our financial position. India, it must always be borne in mind, is a very poor country and the largest revenue that we can possibly raise must be small, judged by the standards of the West. The question, therefore, as to how to adjust our revenue to our growing requirements in certain directions is one of prime importance. My Lord, I, for one, shall be glad when our opium-revenue disappears; not only because I feel it to be a stain on us, but also because its presence in an uncertain state is very inconvenient from the standpoint of economy. The uncertainty that invests it is a great disturbing factor in our budget, and the large surpluses which it brings to the Government, however convenient they may be for certain purposes, cannot but be demoralizing in their effect on economy, because the strongest Finance Minister, with the utmost insistence that he can lay on rigid economy, cannot resist a certain amount of wasteful expenditure in the presence of such large surpluses. When the opium-revenue disappears—and I understand that it will not take long now before it disappears—we shall be in a position to know where exactly we stand, and then it is that certain questions will require to be taken into serious and careful consideration, so that a definite financial policy may be laid down for the country which should be adhered to in all essentials, independently of the particular views or inclinations of individual Finance Members. The questions that require specially to be considered are how to readjust our old taxation so that its incidence should press less severely on certain classes—the poorest classes of the country; how to widen, if necessary, the present basis of taxation so that more money may be found for education, sanitation, and similar services; in what directions expenditure must be kept down, and in what directions expenditure must be increased. We want an enquiry into these things by a strong Commission so that the future may be shaped in accordance with a definite policy laid down, after taking a comprehensive view of the whole question. For instance, my Lord, I hold that we can raise much larger revenue than we do at present from our Customs without its proving burdensome to any section of the community. The possibility of raising revenue from certain sources, which at present yield nothing, must also be publicly examined. Then there is the question of reducing the State demand on land, especially in raiyatwari tracts, and the extension of the permanent settlement to areas where it does not at present exist, subject to the condition that agricultural incomes above a certain minimum should be liable to pay the income-tax. There is also the question as to how larger recurring grants for local bodies may be provided so that they should be better able than at present to perform their duties satisfactorily, and how provision may be made for steadily expanding allotments to education, sanitation and medical relief. I therefore urge that when the opium-revenue is about to disappear, the occasion should be utilized to appoint a strong Royal Commission to consider the whole subject of the basis of our taxation and the probable future course of our expenditure. One important reason why such an inquiry is necessary is the extreme rapidity with which the *personnel* of the Government changes in this country. A Finance Minister, or any other member of Government, holds office for only five years; he takes some time to make himself acquainted with the problems of his department or the state of things in the country, and by the time he is in a position to handle important questions well, the time also comes for him to think of leaving. If members of Government were to remain in this country after their retirement, the knowledge and experience which they acquired in their respective offices would still be available to us. What happens at present is that every successor has to begin not where his predecessor ended but his predecessor also began, and thus a large amount of most useful and necessary knowledge is repeatedly lost and has to be repeatedly acquired over and over again, with the result that we seem to be living more or less from hand to mouth, and without a large settled policy adopted as a result of wide and thorough knowledge and ample discussion.

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"I, therefore urge, my Lord, that when the opium-revenue is about to be extinguished, as we understand it will soon be, the Government should take steps to appoint a Royal Commission so that the whole financial position of the country may be carefully examined."

The Hon'ble Mr. Dadabhoy: "My Lord, a 'No-change' budget, as the Finance Minister characterises the one under review, does not call for much comment. Two observations made by the Finance Minister in introducing it on the 1st March current are, however, important. The necessity of the recent addition to taxation is apparently problematical, but it is confidently stated that 'time will justify' the taxes, 'when our opium-revenue ultimately dwindles and our other resources are strained by the growing demand for more schools and healthier homes.' It is perhaps claiming too much for them that, besides recouping the complete loss of the opium-revenue, they would place adequate funds at the disposal of Government for meeting the educational and sanitary needs of the country. But one thing is clear. The prospective loss of the opium-revenue is a dark cloud on our horizon, and the necessity for an appeal to the Home Government for a substantial contribution is as acute as ever. We have moved this Government more than once on the subject, and we would have been glad to have from them a pronouncement as to the course they intend to pursue.

"The other proposition of the Finance Minister that in India the line between plenty and want is very narrow and 'the need for caution in our forecasts and for economy in our expenditure' is incessant, true as it is, is hardly compatible with the expenditure in connection with the expedition against the Abors and the friendly mission to the Mishmi country. According to the map given in the *Imperial Gazetteer*, both the Abors and the Mishmis live beyond India and their country is included in Tibet. The policy perhaps we are not free to discuss in this Council, but we certainly can complain of the cost. If the expedition and the mission be for the protection of Imperial interests, as they must be, in fairness the expenditure should be charged to the Home Government. Then, a full and clear explanation regarding the 2½ lakhs of rupees spent out of Indian revenues in meeting a part of 'the cost of sending a regiment to strengthen the consular guards in Southern Persia' and the expenditure of 18 lakhs during the year in 'the arms traffic operations,' is necessary. These latter operations have so far cost India a little over 51 lakhs of rupees. A part of the operations would appear to have been carried on in the Persian Gulf. If the above amount includes any part of the cost of it, the justification of the expenditure is not clear.

"Heretical though the view may be, in my humble opinion, a modification of the principle of 'lapse' in accounts would appear to be desirable in India. Schemes of improvement, large and small, are awaiting execution, and the progress, in the generality of cases, is only limited by the funds which the Government finds it convenient to allot. It also happens at times that the amount sanctioned in any particular year is not fully spent through the supervision of adventitious circumstances. The unspent balance, according to the rules, lapses at the end of the year, and goes either to swell the surplus or to reduce the deficit. The next year's sanction depends upon a host of considerations unconnected with the closing year's history, and allowance is not made for the lapsed grant. This is hardly satisfactory. No doubt, according to article 293 of the Civil Account Code, Volume I, the grant so lapsed could be revived by specific sanction; but this is rarely done. In the Military Department, the usual practice, I understand, is for the subsequent year's allotment to be proportionately increased without a specific revival of the lapsed grant. A similar relaxation of the rules would be welcome in the other departments. Progress would be accelerated in that way.

"My Lord, administration of impartial justice is one of the bulwarks of British rule in India. Government cannot be over-careful in that line. But with the growth of judicial work with time quickness in disposal has naturally come to animate the policy of the department. Complaints from the litigant public of quality being sacrificed to quantity are not unusual, and the grievance

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is felt the more in that second appeals are restricted. The ideal ought to be, and is, to combine despatch with patient hearing. This can be done by increasing the strength of the judicial service. During the 51 years between 1856 and 1907, civil litigation increased nearly 256 per cent., the total number of suits in the latter year being 1,867,995 against 730,000 in the former. But there has not been a proportionate increase in the strength of the service. This is a direction in which improvement is desirable.

“The appointment of trained and practising lawyers as District and Sessions Judges is also a necessity which is becoming more clamant with greater diffusion of knowledge among the people of the systems of recruitment prevalent in the advanced countries of the West. The time has gone by when, owing to political reasons and the absence of trained lawyers, the superior ranks of the Judicial Service had to be reserved for the members of the Imperial Civil Service. Simultaneously with the success of Indian lawyers in the highest judicial posts the office of the District and Sessions Judge has lost much of its charm for the Civil Service, and it is patent to all that the best men of that service do not evince any particular desire to adopt the judicial career. Three years ago, in January 1909, in reply to a question of mine in Council, Government were pleased to announce their preparedness to appoint trained lawyers as Judicial Commissioners and Additional Judicial Commissioners as occasion arose. Such appointments were subsequently made in Oudh and elsewhere. It was further understood that the question of the appointment of trained and practising lawyers as District and Sessions Judges would be considered afterwards. I understand the subject is receiving the attention of Government. My only point now is that any correspondence which may pass on the subject between this Government and the Secretary of State should be placed on the table, with the object of enabling Hon'ble Members to submit their views on the issues raised, as also on the particular reform proposed by Government.

“My Lord, in order to relieve the congestion of judicial business on the civil side the suggestion has been now and again made that honorary village munsifs should be appointed for the disposal of suits of small value in the same way as honorary magistrates. The experiment might be tried, if retired judicial officers and lawyers can be induced to take up the work. The honorary magistracy has developed remarkably with a total strength of 3,000 incumbents in 1910 as against ‘an honorary magistrate here or there’ fifty years previously. Honorary village munsifs might not be unpopular with the safeguard suggested above. Provision might also be made for the submission by them to stipendiary judicial officers of questions of law for opinion.

“But, in my opinion, the establishment of Arbitration Courts, composed of honorary Judges, would be far more satisfactory. At first reference to them of pending suits might be left optional with the parties, and afterwards, when the people come to have confidence in them, such reference might be made at the discretion of the regular Courts. The personnel of the Arbitration Courts may be settled in consultation with the people. The office can with advantage be made elective.

“The development of the elective system in the country demands the creation of Election Courts for the speedy disposal of election disputes, with powers similar to those enjoyed by Courts of that class in England. It is now open to an aggrieved candidate to seek his remedy in the Civil Court under the Specific Relief Act, but the lengthy procedure of the ordinary Civil Court makes the remedy unreal. I humbly submit a special Court for the trial of election disputes will be far more effective and will inspire greater confidence among the people. There should also be a more stringent law regarding elections generally on the same lines as the English law.

“Last year, my Lord, I invited the attention of Government to the congestion of work in the Judicial Commissioner's Court at Nagpur, in consequence of the provision in the amended Central Provinces Civil Courts Act for the hearing of appeals of over Rs. 10,000 in value by benches of two Judges as in High Courts and Chief Courts, and to the necessity of the appoint-

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ment of a fourth Judge. The subject has not received at the hands of Government the favourable consideration it deserves. No provision has been made for the creation of the post. Meanwhile the congestion continues. A reference to the Local Government will show this. May I express the hope that Government will be pleased to provide for the appointment of a third Additional Judicial Commissioner for the Central Provinces in the course of the next year ?

“ My Lord, the efforts of the Government to meet the educational needs of the country are fully appreciated, and the announcement made by Your Excellency at the last Convocation of the Calcutta University that ‘ the Government of India have decided to make a solid advance in the direction of teaching and residential universities ’ has filled us with hope. We in the Central Provinces feel the want of such a university. As a humble representative of the Province, I beg to move the Government for the establishment at an early date of a teaching university at Nagpur.

“ The intellectual improvement of the Indian youth is a great object which the Government has very properly set in the forefront of its reforming programme. The reclamation of misguided young offenders is an equally noble object. On a recent occasion I had to refer to the successful efforts made in the West in this behalf. I submit, my Lord, the time has come when this Government should make an equally earnest attempt at reclamation by ‘ specialisation and individualisation ’ such as underlie the Borstal system of prison discipline. The chief merit of that system is that the youth is not treated as a criminal, and it seeks to—

‘ combine strict discipline with moral and religious training, and generous rewards for growth in self-control and progress in handicrafts, physical exercise and education.’

“ The cost is much larger than in the ordinary prison, it is true, but it is a good investment from the national point of view. It has been remarked by high authorities that ‘ the danger is greater in Indian prisons of moral contamination due to the lack of special accommodation.’ The necessity of special treatment is thus all the greater here. Reformatories exist, no doubt; but how many young offenders pass through them ? It must be admitted that reclamation is attempted in the West in a highly scientific way which provides an object-lesson for us. The Borstal system, according to expert opinion, can be very easily applied to India provided special accommodation and funds are available.

“ My Lord, the dissemination of up-to-date knowledge in the industrial arts is another direction which provides ample scope for Government activity. Government must be alive to its necessity. The Indian has now to seek the special knowledge abroad, but there too, owing to the nervousness and exclusiveness of the Western manufacturers, facilities are few. The correspondence between this Government and the Secretary of State on the subject of instruction in glass-making must have impressed Government with the necessity of making suitable arrangements in India for the technical and industrial training of the people. The letter to the Secretary of State of the London Board of Education, of 27th January 1911, exposes the difficulties of the present position. The Board point out :—

‘ No English manufacturers would think of admitting Indian students temporarily to their works . . . The Educational Adviser to Indian students has suggested to the Board that German firms are sometimes willing to admit Indian students on condition that the students when they return to India act as agents in that country for the goods of the firm concerned.’

“ The inquiry is legitimate as to the Government decision on the Board’s suggestion that the appointment of

‘ competent instructors under suitable conditions of service, either from this country, from the Continent, or from the United States of America . . . will prove a better way of developing the glass-making industry in India.’

“ In this connection it is gratifying to learn that the Punjab Government has decided to help the Ambala Glass Works with annual subventions for a

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period of five years. It is not so much for the particular industry supported as for the departure the action marks in the policy of Government that the occasion is important. I earnestly hope the Government of India will be pleased to systematise advances and subsidies to well-managed Indian manufacturing concerns which may be languishing for financial support. The money will be well spent.

“ Equally reassuring is the news that an expert has been deputed to the United Provinces for investigating into the condition of the local sugar industry. This is a right move and full of great possibilities. The Indian sugar industry requires nursing. The people should now respond cordially to the Government effort.

“ My Lord, I have before now drawn the attention of this Government to the existence of heavy import-duties upon Indian manufactures in the United States of America. To take two instances. An *ad valorem* duty of 15 per cent. is charged upon tanned or dressed goat and sheep skins imported from India, while raw hides are imported free. Upon Indian carpets and rugs the duty is 50 per cent. *ad valorem*! Such heavy duties are clearly protective. And yet we have to keep *our* doors open. I understand the whole question of American import-duties at present forms the subject of diplomatic discussion between the United Kingdom and the United States of America. I humbly submit the occasion should be availed of to secure an adequate reduction in the duties upon Indian manufactures.

“ I will now advert to a deficiency in the management of the great State industry—the Railways. The Hon'ble the Finance Minister remarks: ‘The passenger traffic has grown exceedingly.’ But in the Budget estimate of 1912-1913, according to his statement,

‘ Provision for working expenses has also been put a little higher on account of necessary renewals of permanent-way, rolling-stock and strengthening of bridges.’

“ On 8th instant the Hon'ble Sir T. Wynne, ever ready to meet the wishes of the people, informed us that a sum of 475 lakhs, set aside for rolling-stock, ‘ will provide 182 locomotives and 6,100 goods wagons.’ An adequate number of additional carriages is apparently not provided. Indian passengers, especially the lower class passengers who contribute the largest amount to the railway income, justly claim a more liberal provision in this respect. Their comfort must be looked to by the railway authorities.

“ The most refreshing part of the Financial Statement is the record of the progress in Irrigation. The allotments made in next year's budget for the execution of all the three projects—the Tendula, Mahanadi and Wainganga Canals—afford genuine cause for satisfaction to the people of the Central Provinces.

“ My Lord, according to the testimony of independent witnesses, the Punjab Canal Colonies have amply justified the expectations of Government. Government might well be congratulated upon the scheme. Quite a million men have been removed from congested areas to two millions acres of irrigated land, and that within the brief space of 12 years. The plan, in my humble opinion, should be extended to the other Provinces. There is need for this sort of activity in the Central Provinces.

“ My Lord, we have now come to a turning-point in British Indian history ; to-day we come to the end of a chapter in British Indian history, the close of a brilliant record of steady expansion, of slow evolution and of sustained effort at consolidation. After 150 years of vigorous government India emerges unified, compact and strong, yearning after new life, throbbing with the pulsations of new thought and new aspirations. She stands purified, with the touch of her lord. HOPE is written large on her horizon. Anarchy and sedition, disorder and turbulence have skulked before the Royal Presence. Their Imperial Majesties' Visit has stirred to its inmost depths the great heart of the nation, and has communicated a soothing and dynamic force to discontented and dull India. The Durbar boons, thanks to Your Excellency's wise counsel and statesman-like perception of the needs of the situation, have conciliated educated India. Now begins an era of peace and concord, of intellectual and moral progress, of healthy co-operation between the rulers and the ruled.

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“ I wish to say, my Lord, before I resume my seat, that I associate myself with the Hon’ble Mr. Gokhale in what he said with reference to the Hon’ble the Finance Minister.”

The Hon’ble Sir Vithaldas D. Thackersey : “ My Lord, I cordially endorse every word that has been said by my Hon’ble friend Mr. Gokhale in appreciation of the excellent services rendered by our friend the Hon’ble Sir James Meston to this Council. We all wish him Godspeed and a great success in his new position.

“ Coming to the Budget, I beg to congratulate the Hon’ble the Finance Member on the very satisfactory Financial Statement which he has presented to us. We are obliged to him for his kind reference in his speech, while presenting the Financial Statement, to our friend the Hon’ble Mr. Gokhale and for the terms in which he has officially appreciated the valuable work done by him in this Council during the long period of his membership. We, the non-official members, take this as a great compliment paid to all non-official members of Your Lordship’s Council. The Hon’ble Mr. Gokhale has served in this Council for continuously over 12 years, and I am sure everyone of us here present, official and non-official, will agree with me when I say that in the success—the great admitted success—of the working of this expanded Council during the last three years, no small share has been contributed by the Hon’ble Mr. Gokhale who is respected alike by the officials and non-officials. The breadth of mind shown by the Hon’ble Sir Guy Fleetwood Wilson reminds me of the liberal-mindedness which we see so often in the House of Commons when Ministers on the Government bench appreciate in official documents the services of the members sitting on the opposite bench. I join in the hope expressed by the Hon’ble Mr. Gokhale that after his holiday the Hon’ble Sir Guy Fleetwood Wilson will return to this Council with renewed vigour and take up his portfolio which he has filled with such ability to the entire satisfaction of all concerned.

“ As to the Budget, I must admit that the Hon’ble the Finance Member has shown great judgment in distributing a substantial portion of last year’s surplus among several useful objects. While I appreciate what has been done for us in this direction, I once more beg to raise my voice against the policy adopted by the Hon’ble Member two years ago of taxing the people more than the circumstances would justify. In March 1910, we, the non-official members, strongly protested against the levying of new taxes and proved by facts and figures that the revenue budget for 1910-11 was under-estimated. The time that has since elapsed has established the absolute correctness of our contention. I maintain, my Lord, that the additional taxes then imposed were not necessary, and even the budget of 1912-13, in spite of the liberal extra grants to Provincial Governments, might have been framed without a deficit, in the absence of additional taxes. I hope, my Lord, that this will serve as a lesson for the future, and though we have had to pay dearly for it, it will have been usefully learnt, if it prevents a recurrence of similar action on the part of Government. After all, the views of those who are of the people and move among them and have practical experience of the daily life of the country are entitled to receive greater consideration in such matters than was shown on that occasion.

“ My Lord, I do not wish to speak at any great length to-day, but there is one subject to which I wish to invite the attention of this Council, namely, the method of assessing factories for the purposes of income-tax in the different Provinces and the injustice involved in it. In reply to a question by my Hon’ble friend Sir Sassoon David last year, Government was pleased to lay before this Council a statement showing the percentage allowed in different Provinces for depreciation on machinery and buildings in ascertaining the net profits of factories for income-tax purposes, and the method by which the capital cost is estimated in each case. This statement, as I will presently proceed to show, places the factories of one Province at a disadvantage compared with those of another Province. In Bengal and East Bengal and Assam, a deduction of five per cent. is allowed both on machinery and buildings, while in Bombay a deduction of five per cent. is allowed only on machinery, and that too after deducting the allowance made in previous years, and no deduction is allowed on buildings,

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although the Bombay Millowners' Association often protested against this invidious treatment. But since this statement was laid on the table and a respectful protest was made to the Government of India, the Government of India, in their letter dated the 18th January last, only two months ago, intimated to the Bombay Millowners' Association that in future the Local Government would have no objection to allowing a deduction of $2\frac{1}{2}$ per cent. on the value of buildings properly defined. They further intimated in their said letter that the Government of India did not think it advisable to standardise the method of income-tax assessment in view of the varying local circumstances obtaining in each Province. My Lord, this is a most unsatisfactory reply to a very reasonable request of the Bombay Millowners' Association contained in their letter of the 9th May 1911, that whatever the system of assessment is ultimately adopted by the Government of India, it should be standardised throughout India, if not for all kinds of factories, at least all textile factories. I am afraid the Government of India have not seriously considered the consequences and the injustice that are entailed by this want of uniformity. All factories in India are governed by the same law and in these days of keen competition, when the profits of the industry are low and sometimes there is an actual loss, any favour shown to the industries of one Province places the industries of the other Provinces at a disadvantage in the consuming market. My Lord, what justification can the Government of India show for the anomalies contained in the statement I have referred to? Owing to the value of land being high, the mills in Bombay are built two, three, and four-storeys high, while the factories in Calcutta are mostly shed buildings of only the ground floor. Would it be reasonable to suppose that the four-storeyed buildings of the mills of Bombay, having heavy machinery working on the upper floors, often of wood, would last double the number of years that the ground floor buildings of Calcutta factories would last? And yet in the Government of India letter we are asked to accept as reasonable half the amount allowed to the Calcutta millowners. Again, in Bombay, for machinery depreciation, allowances for previous years are taken into account in the calculation, while in all other Provinces they are not. Here again the Government of India in reply said that they did not see any injustice in that method of calculation. Would it be reasonable to suppose that the machinery working in Bombay, the greater portion of which is worked on upper floors where the liability to wear and tear is necessarily greater owing to the impossibility of preventing vibration on these floors, would last longer than the machinery worked on the solid ground floor of Calcutta mills? And yet this is what it comes to, if you accept the existing method of fixing the basis for income-tax purposes in Bombay and Bengal. In Madras a maximum of 10 per cent. on the value of machinery is allowed to be deducted. Surely the life of machinery in Bombay cannot be said to be double that of the same kind of machinery working in Madras. The factory owners of the United Provinces, our friends, the Cawnpore millowners, are certainly very happy people, because there, the statement says, that though as a general rule five per cent. on the cost of machinery is allowed, that rule is not invariably followed, meaning perhaps that extra deductions over five per cent. are made when millowners properly approach the department concerned. There, too, the peculiar method of taking into account the depreciation allowances of previous years, which is in vogue in Bombay, is not at all followed. My Lord, I hope I have clearly proved to this Council that the present practice is most unjust to the factory owners of certain Provinces, inasmuch as it hands them over, in the absence of a definite Imperial policy, to the mercy of assessing officers. In reply to the letter of the Bombay Millowners' Association dated the 20th February 1912 (only a month ago), again requesting the Government of India to standardise throughout the country whatever system of assessment is ultimately adopted, the Government of India said, as recently as the 12th of this month, that the millowners should address the Local Government concerned. May I ask the Hon'ble Member in charge of the Department, how the Local Government can standardise the method of assessment throughout India?

“ My Lord, for years past the millowners of Bombay Presidency have been suffering under this disadvantage in competition with our friends in the other

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Provinces ; and every opportunity has been taken advantage of to put our grievances before the proper authorities. We have written to the Income-tax Collector, have waited upon him in deputation, have respectfully represented our grievances to the Local Government, we have petitioned the Government of India in the past, and the last occasion on which we addressed them was on the 20th February of this year ; and to-day, at the special request of the Bombay Millowners' Association, I, as their representative, bring forward this grievance before this Council, the highest deliberative assembly in the land. The only step that now remains to be taken is to bring forward a Resolution on this subject in this Council, and I propose to bring forward such a Resolution on a future occasion unless our grievance is set right in the interval.

“ My Lord, before I conclude, I should like to express our sense of deep gratitude to Your Lordship for the care which has been taken in consulting our convenience, in arranging the sessions of this Council this year. We have gone through a large amount of work during this cold weather with a minimum of inconvenience to the members coming here from long distances. The present arrangement, while it has met with the unanimous approval of those of us who have other avocations of life but are at the same time willing to serve their country, has also I believe met with the approval of members like my friend the Hon'ble Mr. Gokhale, whose sole laudable ambition is to serve the country at any sacrifice. The details of the arrangement have been excellently carried out by the Legislative Department, for which great credit is due to it.”

The Maharajadhiraja Bahadur of Burdwan : “ My Lord, it is a prosperity Budget that we have to deal with to-day, and I offer to my esteemed friend, Sir Guy Fleetwood Wilson, my heartiest congratulations for having had such a windfall in a year of abnormal expenditure like 1911, during which the long looked-for Royal Visit came off so successfully. While on the subject of the Royal Visit, permit me, as one of the inhabitants of Bengal, to offer to Your Lordship the heartfelt gratitude of myself and my fellow-inhabitants in this Province for the unique favour granted to us by the Royal Presence of the King-Emperor and Queen-Empress in Calcutta. The great and good effect of the Royal Visit to India I need not dilate upon, as it has been appreciated all over the country by every section of the community ; but I take this opportunity of congratulating Your Lordship on the success of the great Durbar at Delhi and the Royal Visit to Calcutta, and I am sure that along with the name of our beloved Sovereign King-Emperor George V, Your Excellency's name will also go down to posterity for having organized this visit which has already had far-reaching beneficial results. Considering the grand and unique occasion of the Royal Delhi Durbar of 1911, it was most satisfactory to learn from the Hon'ble the Finance Minister the other day that the expenditure had been kept well within the estimated figures.

“ Now, my Lord, I shall make some observations on certain items of expenditure in the Budget, also on the objects for which they are to be spent. First and foremost in the present Budget, we find the large educational grants which to all of us interested in the advancement of India have been most welcome. The handsome grants towards the spread of primary education are most praiseworthy, but I hope, Sir, that this money will be spent with a certain amount of caution, and that there may not be a repetition of the fact that was brought to light in some parts of Bengal, namely, that large sums were spent on school buildings in rural areas, but that those buildings have either been left unfinished or unused for the want of teachers or students to fill them. As I have already said on the Hon'ble Mr. Gokhale's Primary Education Bill, which I had unfortunately to oppose and which was thrown out by this Council only a few days ago, India is not yet ready for compulsory primary education, nor is it a wise policy to force education among the illiterate masses in a manner that might seem to them not only unnecessary but arbitrary, and might be further misconstrued as being an uncalled-for solicitude on the part of the Government. They have got to be educated : but let that education come as a beacon-

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light and not as an overpowering glare confusing the very minds we wish to enlighten. The Hon'ble Member for Education, while speaking in the second stage of the Budget, mentioned the amount of the provision he had made for the proposed university at Dacca. A good deal of bitter criticism has been offered towards the formation of the Dacca University, and I believe that the way it was necessary for the scheme to see the light of day opened the door for such comments ; but I must admit that many of the arguments put forward in the Press against this scheme have struck me as being very much off the mark. I have nothing to say against the proposed Dacca University scheme, but I hope that as hitherto we have been accustomed to have degree-giving universities and not teaching universities, and as it is the intention of the Government to multiply the number of universities in India and to make them less cumbersome than they are at present, and to make the new universities really educating institutions, and as we have, as citizens of the Indian Empire, a right to be consulted by the Government before they push on a new policy which, I frankly admit, has a great deal in its favour, the Government will see the necessity of inviting public discussion on the subject of the utility and importance of teaching universities generally. The present policy of having a large number of universities was foreshadowed by Lord Curzon when he presided over the Educational Conference at Simla some years ago now, as well as on the 2nd November 1903, when the Universities Bill was introduced in the Legislative Council and the Viceroy in the course of the debate said, 'to show the way by which our universities, which are now merely examining boards, can ultimately be converted into teaching universities, in fact to convert higher education in India into a reality instead of a sham.' These weighty words of Lord Curzon are now being translated into action by Your Lordship's Government. But while welcoming this movement, I feel that the Government should convince the general public that the time has come to crystallize the ideas set forth in the Universities Reform Scheme of 1904.

"Now I turn towards the provisions made in the Budget for medical relief and sanitation. I listened to the Hon'ble Surgeon General Sir Pardy Lukis's speech in Council the other day with the greatest interest, and it is most gratifying to know that the Government intend to combat malaria in right earnest, and that experiments how best to fight our obnoxious friend, the mosquito, who is also present in the Imperial Council, will be thought and carried out at no distant date. A word of thanks, my Lord, for granting Calcutta a Tropical School of Medicine, and I hope that in the next year's budget Bengal will be given large grants for tuberculosis hospitals, as that disease is increasing every year.

"My Lord, I next turn to the large amount we are going to spend in building the new seat of the Imperial Government at Delhi. Delhi has hereto meant to most of us a phantasmagoria of past glories of a doubtful character. But now it will mean something serious to us, something substantial to us ; for, on the advice of Your Lordship's Government and the Secretary of State for India, our Sovereign has declared that Delhi should henceforth be the Imperial capital. Sir Louis Dane, on the day of the laying of the foundation-stone of new Delhi by the King-Emperor, said words to this effect, that Delhi had regained what she had lost, alluding to the fact of its having been made the capital of India again. We know that Delhi has gained, but I hope not in the sense that the Lieutenant-Governor of the Punjab meant. Let us not lay too much stress on the fact of Delhi's having been the past capital of India, for it was never the capital of India in the sense that we, under British rule, have begun to realize what India means. It is true some sort of Delhi was the capital of the Kauravas and the Pandavas ; it is true, round about Delhi, Hindu kings, whose jurisdictions were limited, had their capitals : it is true that the capital of the most bigoted Moghul Emperor Aurangzeb and his weak-minded successors was Delhi : but may I ask, is it not equally true that the Moghul Empire in India never extended to the limits that British India extends ? For the above reasons I say, let us brush aside the allusions to these past capitals of sombre associations, and let us rather advocate the fact that since, according to the Government of India

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despatch, Calcutta has become 'geographically unsuited' to be any longer the capital of British India, and since the Government of India feel that it is prejudicial for a Provincial Governor and a Viceroy to live side by side in Calcutta, and since our King-Emperor has ordained that Delhi is to be the new capital of British India, it has become imperative to rear up an Imperial capital in every sense of the term, wiping away and uprooting the demoralizing atmosphere of the latter-day Moghul Delhi, of the Delhi of the Mutiny days, and establish a new city reproducing within its walls the best principles of British rule, fostering healthy public opinion in it (for, unsurrounded by such opinion, the Government of India will be in a very perilous position), and showing in every possible way that the change is good for the British rule in India, which is our mainstay. When all this is accomplished, the Government will have amply justified the expenditure it is now incurring on building new Delhi and deserved the approbation of all, even of those who have withheld their support.

"My Lord, although it is rather out of place in the Budget debate, yet I cannot help saying something on the changes announced at Delhi so far as Bengal is concerned, especially the creation of a Governor in Council for the Bengal Presidency; but before I allude to this, I feel that I must say a few words regarding the necessity of evicting the Punjab Government from Simla. In the despatch of August 25th, 1911, the Government of India say: 'It is essential that the Supreme Government should not be associated with any particular Provincial Government. It is generally recognised that the capital of a great Central Government should be separate and independent.' As this is the view of the Government of India, I am simply asking them to be consistent. I would say most emphatically that as Simla is the summer capital of the Government of India as well as of the Punjab, the Punjab Government should not, for the reasons laid down in the despatch, be at Simla for nearly seven months in the year, at a time when the Government of India is also there for the same period. Although I am the descendant of a Punjabi family myself, yet I feel that in all fairness to the other Provinces, as well as for the sake of consistency, the Government of India should remove the summer seat of the Punjab Government from Simla.

"Now, my Lord, I come to the creation of a Governor in Council for Bengal which I have welcomed, and for which I will now briefly give my reasons. My Lord, it is true that I supported Lord Curzon's Partition scheme, and it is equally true that I sincerely regret that it has had to be undone: but with awakened China on our North-Eastern Frontier and an awakening Behar on the West, and considering that we are going to have a Governor in Council, I say let us cheerfully accept the new arrangement. My Lord, if the removal of the Viceregal presence from Calcutta connotes the development of the autonomy of Bengal, it will mean a great deal. The appointment of Lord Carmichael as our first Governor is an event that we in Bengal cannot pass over silently, and we are very grateful to Your Lordship for having given us such a tried and experienced servant of the Crown to be the first Governor of new Bengal. Madras's loss is Bengal's gain, and while we sympathise with our Madrasi friends at losing Lord Carmichael, we welcome His Lordship here; for we feel sure that we shall have a tried statesman at the head of affairs, and one who has already endeared himself to Indians within the short period of his rule in Madras. My Lord, while on this subject, I cannot help saying that the Government of India, now that they have, from their standpoint, done what they have thought best and most beneficial to Bengal, will I hope be pleased to remember that in this Presidency we want always as rulers the best and most trustworthy servants of the Crown, and not merely party politicians; and if this is borne in mind and carried into action, as in the appointment of Lord Carmichael, I am sure that time will justify Your Lordship's repartition of Bengal, although some of us may resent it just now.

"An Executive Council for Behar strikes me as being an extravagant luxury, for the present at any rate, but all the same I congratulate my Behari friends on having scored best in the Delhi Boons, and sincerely wish them all success in the new Province and under the new régime. Doubts have been expressed

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as to the wisdom of the addition of Orissa and Chota Nagpur to Behar, particularly Orissa, and I admit I share those doubts myself. But I trust that the interests of the people of these parts will be properly safeguarded in the new Province, and I hope that the new Province with its four agrarian codes and heterogeneous population will administratively be the success which it is expected to be.

“In conclusion, my Lord, as you will be leaving Calcutta before long, never again to reside here permanently, as a citizen of Calcutta, as well as a representative of the landholders of Bengal, I beg, in bidding you good-bye, to assure Your Lordship, on behalf of the community I represent, our deep-felt loyalty to the Crown, and I hope that Your Excellency will not forget the zamindars in this Province, who, although few in number and in the minority, deserve encouragement and preservation, and who, if given proper facilities, will not belie the trust hitherto reposed in them by the Imperial Government.

“A few more words and I am done. My Lord, this is the last session of the Imperial Council in Calcutta, and as a Bengal member I share the keen regret that we feel at realizing that we shall henceforth be deprived of having in our midst the high officials of the Government of India and the representatives of British India. I also take this opportunity of thanking the Hon'ble Mr. Gokhale for his kind words about Calcutta. My Lord, I know the changes have been made with the best of intentions, and although we in Bengal feel we have paid a big price for our Governorship, yet, if our loss means a gain to the rest of India, it is our patriotic duty to bear the sacrifice; and from the bottom of my heart I wish Your Lordship Godspeed in the great and bold experiment, and hope its success will mean the dawn of a new era of prosperity to the motherland so very dear to us all.”

The Hon'ble Mr. Subba Rao : “My Lord, I may be permitted to say that the Hon'ble Mr. Gokhale has well and truly and without the slightest exaggeration voiced our feelings when he expressed our warm appreciation of the sympathetic and friendly attitude of the Hon'ble Sir James Meston and the Hon'ble Sir Guy Fleetwood Wilson towards the non-official members of this Council.

“I take this opportunity of expressing our satisfaction that the Hon'ble the Finance Minister has been able to see his way to abolish, though gradually, the proprietary estates village service cess in Madras which my Hon'ble friend, the Raja of Kurupam, and myself urged on the Government in the very first session of the Council.

“My Lord, in introducing the Financial Statement, the Hon'ble Finance Minister referred in appropriate terms to the Royal Visit just concluded and also to the estimated expenditure and the savings effected in that connection. In our view, my Lord, the value of the Royal Visit cannot be estimated in lakhs or crores of rupees. As described by Your Lordship so truly and aptly, it is ‘a priceless incident in the history of India.’ The message sent through Your Lordship by the princes and the people of India to the people of England testifies to the profound impression made on the people of this country by the King-Emperor and shows how deeply they appreciate the recognition by His Majesty of their status as his equal subjects with the British. Never, before, my Lord, was the enthusiasm of the people stirred to such depths and the bonds that unite England and India drawn closer than on this occasion. They are touched by the abiding solicitude evinced by His Majesty for the welfare of all classes of people in this country. They cherish with reverence the gracious message of hope and harmony which he delivered for the future development of this land. They treasure with affection the words of His Gracious Majesty—

‘It is my wish, too, that the homes of my Indian subjects may be brightened and their labour sweetened by the spread of knowledge with what follows in its train, a higher level of thought, of comfort and of health.’

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“ Next to the Great Proclamation of 1858, this historic event marks an important era in the annals of this ancient land. It is associated with important administrative changes planned with great foresight and courageous statesmanship. As a sequence of these changes, ‘ the greatest blunder since the battle of Plassey,’ in the words of Lord Macdonnell, has been rectified, and the great wrong done to the people of Bengal righted.

“ My Lord, the intelligent public had long been asking that the Government of India should lay down before them a definite goal in the government of the country, instead of pursuing a shifting policy of drift, and hoped that the advent of the King-Emperor would be associated with such an announcement. The people at large have therefore welcomed the policy intimately associated with the change of capital from Calcutta, notwithstanding the clamour of vested interests. As a first and necessary step in the onward path of self-government, they have welcomed the announcement contained in the despatch of Your Lordship’s Government in which they point out that—

‘ It is certain that in course of time the just demands of Indians for a larger share in the government of the country will have to be satisfied, and the question will be, how this devolution of power can be conceded without impairing the authority of the Governor General in Council. The only possible solution of the difficulty would appear to be gradually to give the Provinces a larger measure of self-government, until at last India would consist of a number of Administrations autonomous in all Provincial affairs, with the Government of India above them all, and possessing power to interfere in cases of misgovernment, but ordinarily restricting their functions to matters of Imperial concern. In order that this consummation may be attained, it is essential that the Supreme Government should not be associated with any particular Provincial Government. The removal of the Government of India is, therefore, a measure which will, in our opinion, materially facilitate the growth of local self-government on sound and safe lines.’

“ There is absolutely no ground, my Lord, for apprehension that the result of this policy ‘ can only be to lead through disruption to disaster,’ as prophesied by Lord Curzon. The connection of Britain is so beneficial and necessary to this country that it is the ambition of India to grow under the ægis of Britain to a self-governing member of the British Empire, like the colonies. There is absolutely no cause to attempt to wriggle out this position so clearly defined. This is but a bare minimum of the immediate requirements of the country for its healthy and progressive development in the future.

“ It is because this first step in the direction of popular autonomy is courageously laid down by the Government of India that the transfer to Delhi, however disadvantageous and however costly, is welcomed by the intelligent public in all parts of the country, even by distant Madras, which is now further removed from the new capital. We hope, my Lord, that this policy will be steadily and courageously pursued by the Government of India.

“ Already, my Lord, attempts are made in some Provinces not to bring some of the items in the Provincial Budget under the scrutiny of Provincial Legislative Councils and carry out the intentions of the Government of India, who point out in the Resolution of the 15th November 1909 that ‘ members will in future take a real and active part in shaping the financial proposals of the year.’ Thus some items are not allowed to be examined by the Legislative Council, as in Madras, when the Finance Committee meets or when the Financial Statement is discussed, on the ground that they are under correspondence with the Government of India or the Secretary of State. So also items entered in the revised budget estimates escape the scrutiny of the Council. Similarly, the details of the expenditure of the large sums of money placed at the disposal of Provincial Governments under the head of Education and Sanitation do not pass under the review of the Legislative Council. I urge that these sums should not be handed over to Provincial Governments until definite proposals approved by local Legislative Councils are placed before the Education Department. I submit, my Lord, that opportunity should be taken, when revising the regulations and rules under the Councils Act, to remove all doubts, so that Legislative Councils may have full powers to deal with all the items in the Budget.

“ I shall now turn to that large and important department of the State, the Army, which costs us something like thirty crores of rupees, and over which

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His Excellency Sir O'Moore Creagh presides with such distinction. I may take the liberty to mention that, in connection with the Royal Visit, we fondly hoped also that an announcement would be made, throwing open in some measure commissions in the Army to qualified Indians, especially after the Proclamation of the late King-Emperor in November 1908 recognising 'the valour and fidelity of my Indian troops' and expressing his 'high appreciation of their martial instincts, their splendid discipline and their faithful readiness for service.' My Lord, the martial talent in the country finds no scope under the present arrangements of the Government, who seem to consider so far that their duty is confined only to the intellectual and economic development of the people. They are absolutely excluded from all positions of trust and responsibility in the Army, and the highest places to which they can hope to rise are those of Subadar-Major and Risaldar-Major. Without referring to the military opinion on the subject, I may say that even Mr. Chirol, the author of *Indian Unrest*, favours a cautious scheme for opening careers to Indian in the Army. He says:—

'It is a strange anomaly that at a time when we have no hesitation in introducing Indians into our Executive Councils, those who serve the King-Emperor in the Indian Army can only rise to quite subordinate rank . . . Under the present conditions the Indian Army does not offer a career that can attract Indians of good position, though it is just among the landed aristocracy and gentry of India that military traditions are continued with the strongest traditions of loyalty. . . . Some of the best military opinion in India favours, I believe, an experimental scheme for the gradual promotion of Native officers, carefully selected and trained, to field rank in a certain number of regiments which would ultimately be entirely officered by Indians just in the same way as a certain number of regiments in the Egyptian Army have always been wholly officered by Egyptians.'

"My Lord, the question has been hanging fire since the time when His Royal Highness the Duke of Connaught was in command in this country. An Imperial Cadet Corps was established during the time of Lord Curzon and a training school started at Dehra Dun for the purpose. But so far, no steps have been taken to utilise the military talent in the country and give Indians commissions in the country. I trust that during the term of His Excellency the Commander-in-Chief, who has been identified with India during the past forty years, we shall have the privilege of associating his name with this much-needed and long-delayed reform."

The Hon'ble Raja of Partabgarh: "My Lord, the year that is drawing to a close has been exceptionally fortunate for India and its teeming millions. It has been rendered auspicious and important by reason of the most gracious visit of our Sovereign and the Queen-Empress and the Coronation Durbar held at Delhi. This epoch-making event has evoked demonstrations of loyalty and devotion which stand unparalleled in the annals of this land. The impression which the Royal Visit has left upon the country will largely conduce to the social and material progress of its people. The generous announcements made at the grand Durbar have touched to the quick the heart of India and had the effect of further strengthening our ties of loyalty to the British throne. My Lord, we are fully cognizant of the manifold blessings which our country enjoys under the British rule, and our sense of devotion to the person of our King is inborn.

"The transfer of the capital to Delhi will be beneficial and advantageous to the public interest, and will facilitate to a very high degree inter-communications between the Imperial and Provincial Governments.

"We had bounteous crops and good rains and can safely hope for a bright future.

"My Lord, it is a happy sign of the times that our attention is now being turned to industries other than agriculture. There is no doubt that agriculture has been our chief industry and will remain so, but depending, as we do, on the mercy of the monsoons in matters agricultural, the development of other industries will save millions of our poor countrymen from starvation in the years of bad monsoons.

"Education and sanitation are receiving our fullest attention and are chiefly the most crying needs at the present time. No country in the British Empire stands in greater need of sanitary reforms and progress than

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India. While other countries have adopted improved methods of sanitation, we have lagged behind. In the meantime several forces are at work which are decimating our population. There are, of course, clear indications that the Government of India have come to realize the gravity of the situation and have applied their serious thought to the solution of this problem. The creation of a Bacteriological Department, the inauguration of an Indian Research Fund and the holding of Sanitary Conferences—all point to the desire on the part of the Government to combat the evil. The allotment of 85 lakhs of rupees, of which 10 lakhs are earmarked for the Central Research Institute for works in public hygiene and for the establishment of a school of tropical medicine in Calcutta, is a practical proof of such desire. The money spent on research work is no doubt well spent. India is already so sorely smitten by plague and malaria that the appearance of a new disease such as yellow fever or kala-azar would indeed be a terrible misfortune. But above all we want a well-organised and properly trained sanitary staff. I would also venture to submit that in order to achieve more satisfactory results the people themselves should be made to realize the importance of domestic sanitation and hygiene, and a scheme should be discussed for the removal of the utter ignorance of sanitary laws which pervade the masses.

“My Lord, Your Excellency’s weighty pronouncement at the last Convocation of the Calcutta University in regard to the future policy of the Government in the matter of education, the liberal grant of 50 lakhs for truly popular education announced at the Royal Durbar, and the assurance to supplement the same in future years on a generous scale, are the surest guarantee of our national progress and are clear indications of the fact that some day, distant though it may be, ignorance and darkness in the country will give place to knowledge and light. Your Lordship’s recent visits to Calcutta hostels with those of last year have been immensely appreciated and admired as showing Your Excellency’s deep interest in the welfare of our rising generation. We can but express our profound gratitude for the enormous good to our land within the short space Your Lordship has been the controller of our destinies.

“My Lord, dealing with the Provincial interest, I beg to submit that the United Provinces want the protecting help of the Supreme Government in the matter of the development of their natural resources. They want a more liberal grant of money for irrigation works to protect areas which are liable to drought. But above all they want what is their due—a liberal grant of a fair share of their income to be spent on education and sanitation. Both these schemes which tend to the intellectual and physical development of the people have suffered for want of funds. The Government and the people both are unanimous in their demand of a just apportionment of land-revenue raised in those Provinces to bring them on a level of equality with the sister Provinces. I trust the Government of India will give their due consideration to the claims of the United Provinces.

“My Lord, on behalf of the Talukdars of Oudh, whose suffrages I have the honour to represent, I beg to express my sincere gratification and warm gratitude for Your Lordship’s assurance to respect their rights and maintain their privileges, and I, as their spokesman, beg to assure Your Excellency that in future, as in the past, they will continue to co-operate with the Government in all measures calculated to promote the well-being of the country.

“My Lord this year marks the close of the first triennial term for which this Council was constituted under the new scheme, and it is our special pride to look back to-day upon past years during which a new era has dawned upon the country due to the policy of harmony and conciliation enunciated by the Government of India. In conclusion I beg to congratulate the Hon’ble Finance Minister on the caution and foresight displayed by him in dealing with the financial problems of this country and on the surpluses he has been able to announce. The policy of economy which he has inaugurated must result in a substantial saving which can be well utilized

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in the realization to a full measure of Your Lordship's cherished desire, namely, the improvement of education and sanitation.

"Last but not the least I beg to express my sincere appreciation of the super-excellent services done to the finance of India by the Hon'ble Sir James Meston, whose richly deserved elevation to the Lieutenant-Governorship of the United Provinces has been hailed with feelings of unbounded joy all over the country by the Press and the public alike.

"My Lord, since it is the last sitting of the Council in this old capital of ours, I cannot help offering my sincere wishes for the growth and development of Calcutta under the fostering care of its new Governor, and at the same time hope that our new capital which has been created by the Royal Command at Delhi will very soon expand into a city worthy of the Imperial seat in India."

The Hon'ble Pandit Madan Mohan Malaviya : "My Lord, I cordially join the Hon'ble Mr. Gokhale in expressing our high appreciation of, and gratitude to, the Hon'ble Sir James Meston for all the assistance we have received from him in doing our work in this Council. If I may add anything to what has been said by him, it is only to give expression to the great satisfaction with which the appointment of the Hon'ble Member has been hailed in the United Provinces and the deep gratitude the people there feel to Your Excellency's Government for having given us so able, sympathetic and broad-minded a Lieutenant-Governor as the Hon'ble Member. We all join, my Lord, with the Hon'ble Mr. Gokhale in the hope that, after serving the full term of Lieutenant-Governorship in the United Provinces, Sir James Meston will come back to the Government of India as Finance Member to help forward the scheme of financial improvement on which he has laboured so long and so well. I also join in expressing our gratitude to the Hon'ble Sir Guy Fleetwood Wilson for all the assistance he has given us, and I trust that he will come back to us fully restored to health to promote the interests of India for the full term of his office.

"My Lord, the proposal that has been put forward by the Hon'ble Mr. Gokhale regarding the appointment of a Royal Commission to make a comprehensive examination of our financial position and to recommend a definite financial policy is one which deserves the earnest consideration and support of the Government. My Lord, I hope it will have that support, and that a Royal Commission will in due time be appointed to deal with the fundamental questions of finance which Mr. Gokhale has suggested. But even before that is done, and in the immediate present, there is one pressing financial reform to which I would invite Your Lordship's attention. Last year both the Hon'ble Mr. Gokhale and myself urged the necessity of revising the financial arrangements which exist between the Imperial and the Provincial Governments, and of putting them on a sound basis. It is undeniable that the unitary system which has prevailed so long has proved to be unsatisfactory in so far as the development of the Provinces is concerned. Under this system the Government of India have commanded the resources of the entire country. They have made allotments in such measure as they have thought proper to the various Local Governments to meet Provincial needs. The allotments have been made on no principle. The result is that four-sevenths of the total revenues of the country are being spent on Imperial purposes and about three-sevenths only for Provincial purposes. Thus the Army Department and other objects which have been considered Imperial have received all the financial support which they have asked for, and have flourished ; the needs of the people in matters which directly affect their welfare have not received half as much support as they deserved. This has sadly stood in the way of ameliorating the condition of the people. And so long as this system lasts, it will not be possible to do full justice to the most pressing popular requirements. The time has therefore come, I submit, when the Government of India should replace this unitary system by a federal system of Provincial finance. A great deal has been done to pave the way for this reform in the principles which have been laid down by the Government of India

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India to regulate financial settlements between the Government of India and the Local Governments. The first of these principles, as it was stated before the Royal Commission by the Secretary to the Government of India, is—

‘that the Government of India shall retain certain administrative services which it is inexpedient to hand over to Provincial Governments, and that they shall reserve the revenue from those services and such a share of the other public revenues *as shall be adequate to the expenditure falling upon them.*’

“Now, my Lord, the expenditure falling upon the Government of India is principally confined to the army and to a few services which are directly under it. This expenditure has reached such a high limit that it cannot require large additions from year to year. To meet this expenditure the Government of India might reserve to itself the revenue which is derived from what are called the Imperial heads, and to meet the expenditure, which would not be met in this manner, require the various Provincial Governments to make a rateable contribution based on a definite and reasonable principle. Having secured this, it should leave the whole income from heads which are at present shared to the Provincial Governments. Under the existing system, the Government of India has at its disposal an unduly large share of growing revenues, and the Provinces have consequently an inadequate share of such revenues at their command. The result is that after meeting Imperial expenditure the Government of India is in the unsatisfactory position of having large surpluses on its hands and of finding it necessary to distribute them to the various Provinces. And this it does without any definite principle. The result of this has been that some of the Provinces have received a larger measure of support from the Government of India than other Provinces. My Province unfortunately has suffered most under this system, and I submit that, not only in the interest of the United Provinces, but in the interests of all the Provinces of India as a whole, it is necessary that the system should be altered. Not until this is done, my Lord, will there be sufficient funds available to Provincial Governments to devote to the systematic improvement of the condition of the people, and that condition loudly calls for more attention. We are all deeply thankful to Your Lordship’s Government for the grants that have been made for education and sanitation. It has given us great satisfaction to know, my Lord, that these subjects are dear to Your Excellency’s heart, and while we feel grateful to Your Lordship for what has been done in this direction, we hope and trust that more and more will be done as time goes on. But it is my conviction, my Lord, that, until the present system of financial arrangement is altered in the way suggested above, it will not be possible to secure adequate and continuous support to the cause of education and sanitation for all the various Provinces of India. The grants that have been made are large, and, being so, they have called forth much gratitude. But the needs of education and sanitation are very much larger. That the Government of India is fully alive to this fact is clear in all the utterances that have been made on its behalf, notably in the important utterance made by the Hon’ble Member for Education. He has said that the Government of India are profoundly dissatisfied with the present rate of the progress of education, and desire that that rate should be greatly accelerated; that they are determined to combat ignorance and to extend the blessing of education through the length and breadth of this ancient land; but this can only be done if adequate provision is made for funds to do so, and that provision will not be possible unless Local Governments are put in charge permanently of larger shares of growing revenues to be specially devoted to the purposes of education and sanitation. My Lord, I need not dwell upon the great need of doing more in both these directions. The progress that has been made and the progress which we hope will be made with the grants made for the purpose, is as nothing compared to what remains to be done. The people are sunk in ignorance, and they are exposed therefore to the evils of ignorance and its concomitants—poverty, misery and suffering. In the field of sanitation there is even a greater deal to be done, and we should not hope to see it done merely with the help of non-recurring grants made when a surplus in the hands of the Government of India make it possible for it to make such grants. No, my Lord, if the situation is to

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be materially improved, what is needed is that larger shares of growing revenues should be allotted to Provincial Governments, to spend regularly from year to year and independently of whether the Government of India may or may not have any surplus in their hands in any particular year. There is only one other suggestion which I beg to lay before Your Excellency and the Council to-day for ameliorating the condition of the people, and that is that the Government should strengthen the people a little to fight their own economic and social battles. As I have said before, it is no doubt a matter of deep thankfulness that the Government of India are finding more funds to help them to do so, and we hope that as time goes on the Government will find more and more funds for the purpose. But, my Lord, no amount of funds which may be found will bring about the desired result unless the co-operation of the people is enlisted in the cause both of education and sanitation. In order that this might be done, I beg to suggest the formation of village-panchayats throughout the country. That is a measure the importance of which cannot be exaggerated. At the present moment the people are in a very sorry plight. In numerous places they are exposed to malaria; in numerous villages they do not get even good water to drink; in all but a few places there is no system of drainage worth speaking of. It is not at all surprising that, living as they do, the people fall easy victims to plague, cholera and other devastating diseases, that they die so largely from preventable deaths. When we look at Calcutta, when we look at the head-quarters of Government in the different Provinces, and compare their sanitary condition with the condition of the villages around them in which the great bulk of the people dwell, we may well be reminded of the great duty we owe to the people to secure to them the elementary benefits of sanitation. It is high time that more should be done in that direction than is being done. I submit, my Lord, that one great effectual step which can be taken towards this end is to create village-panchayats, to give them some initiative, and to place some funds in their power and thus to help and encourage them to combat the evils of ignorance and insanitation. My Lord, the Government has been labouring in many directions to help the people; the Government has started Agricultural Banks; it has helped to organise Co-operative Credit Societies for the benefit of the agricultural classes, and much good has resulted from these societies. But the ignorance of the people proves to be a great difficulty at every step. If malaria is to be fought, if quinine is to be distributed, difficulty is experienced in doing it because of the ignorance of the people. The most elementary measures of sanitation are sometimes viewed with suspicion and distrust. All this will be avoided if there are constituted regular village-panchayats to which the elders of the village, men in whom the people of the village have confidence, should be appointed. It should be their duty to explain to the people the advantages of the measures which the Government may introduce for their benefit, and also to represent to the Government the needs of the people, and to adopt and carry out with the consent of the people such measures as may be needed to protect them from disease and to promote their welfare.

“My Lord, I beg to lay this humble suggestion for the consideration of the Government. I hope it will be considered and adopted to the great benefit of the people and the great advantage of good government.”

The Hon'ble Raja of Kurupam said: “My Lord, it is my pleasant duty to congratulate the Hon'ble Finance Member and Your Excellency's Government on the very satisfactory Budget that he has placed before this Council. It records a year of phenomenal progress and prosperity. It shows that the revenue for the year was better by nearly 3½ millions, that the expenditure has decreased by about 1½ millions, leaving a surplus of over 2¼ millions. This is a result which, as the Hon'ble Finance Member points out in his very interesting speech, could not have been attained, but for the dramatic change in the seasonal outlook in the closing months of the past year, as if nature herself had resolved to make the year of the Royal visit one of unalloyed happiness for the rejoicing millions of this continent.

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“It is my next duty to express for myself and on behalf of my constituency our deep thankfulness to the Government for the abolition of the proprietary village service cess. The discontinuance of this cess at this time is all the more gratifying to us in that it has been effected at a time when, according to the Hon'ble Finance Member, the position of the Government is not such as to justify any important remission of taxes. During the last five years, both in the local Council and in this Council, I have pointed out the unjustifiableness of continuing this cess; and I have no doubt that its abolition will be felt as a special boon by the zamindari raiyat and all those interested in his well-being.

“It is a matter for sincere gratification that the Government have been able to effect considerable economies in all directions, in pursuance of the assurance given by them when the Hon'ble Mr. Gokhale brought forward his resolution about retrenchment in public expenditure; and the Government is to be congratulated on their having taken the Council into their confidence by giving an account of what they have been doing in this direction till now.

“The next remark I wish to make is about the very judicious way in which the Government have utilised the year's large surpluses. Education, medical and sanitary services, agriculture, have all received proper recognition. It is the policy definitely put forward by the Government with regard to the first of these, that is, education, which, I believe, will be most appreciated and approved by the country. It is a matter for sincere rejoicing that the Government have committed themselves to a policy of extending popular education. They have set apart the very handsome amount of 125 lakhs for next year for educational service. The public are really thankful to the Government for their liberality in this respect, though, of course, great headway has yet to be made in this direction. It is to be earnestly hoped that the Local Governments will make vigorous efforts to utilise the large sums placed at their disposal by carrying out a definite programme of educational and sanitary reform without needless delay. I cannot leave this subject without thanking the Hon'ble Finance Member for the very handsome compliment which he paid the other day to our much respected countryman, the Hon'ble Mr. Gokhale, for his invaluable services in the cause of popular education. It is to be devoutly hoped that the vigorous extension of elementary education among the masses will speedily pave the way for the attainment of the object which my friend, the Hon'ble Mr. Gokhale, has so much at heart, by showing the benefits of education to the masses and thereby creating in them a real desire for it, by bringing into existence the kind of vernacular literature which will be most suitable to them, and by the creation of an adequate supply of trained teachers fitted for the responsible work of instructing the popular mind. I venture to add that the money which the Madras Government has proposed to spend on the establishment of Government model schools in our Presidency may be far more usefully spent on elementary education, in view of the extreme disfavour with which that scheme has been received by a large mass of enlightened opinion in the Presidency. It is very widely believed that the change in the educational policy of the Government, indicated by the establishment of expensive Government model schools, would be highly detrimental to indigenous educational endeavour.

“In this connection I cannot help bringing to the notice of the Government the very wide dissatisfaction prevalent in regard to the existing grant-in-aid code. I earnestly hope that nothing will be done to discourage private effort in education, and that, in respect of grants, the Government will adopt a more liberal policy. The mention of my Presidency leads me to make just one more remark in regard to the favour which the Government have shown to that Presidency in the present Budget. I am sure that the substantial grant of 25 lakhs in aid of the Madras water and drainage works, though but a third of what the Madras Corporation applied for, will go far to allay the feeling which has grown up among us that the claims of our Presidency do not receive the same recognition from the Government of India as those of other Provinces. I venture to express the hope that this grievance of the Southern Presidency

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will not long remain unredressed, that the needs and claims of its people, whose level headedness and steadfast loyalty have been so conspicuously displayed in the troubled times now happily past, will be more and more recognised, and that greater encouragement and better opportunities of advancement will be given to those who are bearing the burden of the administration in the Province.

“ The announcement of the methods by which the cost of the new capital at Delhi is to be met, that is, partly from loans and partly from surplus revenues, has evoked some severe criticism both in and out of the Council. It has been said that the effect would be to conceal the real cost of the construction of the capital from the public. While it is difficult to understand how this concealment can be successfully effected, I fail to see how the method proposed can be otherwise than suitable and beneficial, as it will best enable the Government to adjust means to ends without serious interference with the normal course of expenditure in other directions. And I venture to add that, in my humble opinion, the idea that the future generations should alone be saddled with the cost of the new capital is, to say the least of it, not a very commendable one.

“ My Lord, probably the most important legislative measure of the present session is the Co-operative Societies Bill which became law the other day. The alterations embodied in the new Act, such as the abolition of the statutory distinction between urban and rural societies, and the relaxation of certain restrictions imposed by the old Act, will largely facilitate the rapid spread of Co-operative Credit Societies, with the result of perceptibly raising the condition of the vast numbers of agriculturists and artisans of limited means throughout the country.

“ My Lord, one word more and I have done. Dealing with the Budget Estimate for 1912-1913, the Hon'ble the Finance Member has told us that our prospects to-day are excellent and that we have every hope that the brightness of our outlook will continue. I am sure that every one in the Council will join in the hope that the coming year will fulfil these expectations, and that the next year's Budget will be as good a record of progress and prosperity as this year's has been. ”

The Hon'ble Mr. Mudholkar : “ My Lord, this is the second year since the constitution of the enlarged Legislative Councils on the new basis that this Council has the satisfaction of congratulating the Government and the Hon'ble the Finance Member on a prosperity budget. We have not only the opium windfall a second time due to unprecedentedly high prices obtained on restricted sales, but an improvement in revenue almost all round accompanied by substantial reductions in expenditure in very many directions. During the discussion on the Financial Statement I tendered my acknowledgments to Government for the efforts which are being made by the several departments to cut down unnecessary items. The emphatic and reassuring declaration made by Your Lordship in your speech of last year is bearing fruit.

“ At the same time, my Lord, it is not superfluous to point out that while we have to be thankful for what has been accomplished, we must not forget that much still remains to be done and that we can never afford to relax our vigilance.

The close watch, scrutiny and control of the Head of the Government and of the Finance Department are as needed as ever, and the serious responsibility which lies on the members of this Council has ever to be borne in mind by them. With all the vigilant guard which was kept by the Hon'ble the Finance Member and his able and gifted lieutenant, whose well, deserved elevation to the chiefship of a Province has given unalloyed pleasure to all his colleagues in this Council, the natural tendency of expenditure to increase and of waste and irregular payments to creep in could not be completely repressed. The Explanatory Memorandum and the Appropriation Report issued the other day afford some curious instances. The expenditure under the head ‘ General Administration in India, ’ which stood at 201 lakhs in 1908-09, now stands at 233 lakhs. The increase to 211 lakhs in 1910-11 is explained on

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the ground that additional expenditure was necessitated by the new Council schemes and the formation of a new Department of Education. Passing over 1911-12, when a crore and 20 lakhs were required, most of it in connection with the Royal visit, the Delhi Durbar and the Coronation celebrations, we find that the Budget for the coming year estimates these charges at 233 lakhs, that is, 22 lakhs more than the actuals of 1910-11. The greater part of it is explained, but still there remains a portion which seems avoidable expenditure. There would seem to be too frequent a resort to putting officers on special duty. The necessity of the propriety of many of these special appointments are not obvious to the uninitiated. I can understand the appointments made in connection with the Prices Inquiry; but very many of the others both in the Imperial Secretariat and in the Provinces stand in need of justification. Let us bear in mind how greatly strengthened our Secretariats have been. Not to go very far back; the expenditure under this head stood at 186 lakhs in 1906-07, that is, after the 'strengthening' operations of the period of efficiency 1899 to 1905. In 1909-10 it advanced further by 13 lakhs. In 1910-11 came the formation of a new Department; and 1912-13 will see the creation of a new Province. With the great increase in the permanent staff which has taken place, appointments on special duty seem hardly to be called for. My Lord, there is a belief that some of these appointments are made simply to enable an officer to mark time till a suitable post is available for him. The matter is one which would I hope receive close examination from the Finance Department.

"Another quarter to which I might be permitted to direct the attention of the Council is the heading 'Cost of Collection.' The expenditure debitable to land-revenue has risen from 548 lakhs in 1908-09 to 595 lakhs in 1912-13—an increase of 47 lakhs. The land-revenue has increased from 3,080 lakhs to 3,344 lakhs. The proportion of the increase of expenditure is higher than that of the revenue. The increase in the coming year over last year would be a little less than 24 lakhs.

"Similarly, in the Police charges there is an increase of 69 lakhs. I bear in mind the explanation given in the memorandum of the Hon'ble Sir James Meston. But with the improvement that has taken place in the state of the country there is room for considerable reduction, especially in the strength of the Criminal Intelligence Department.

"My Lord, considerable saving in every department can be effected without impairing efficiency by a larger employment of indigenous agency. In the statement which was placed on the table of the Council on the 10th of January last we find that the number of Europeans and Eurasians in receipt of salaries of Rs. 500 a month and over was 4,466 in 1910, while there were only 924 Hindus and Muhammadans. With the great spread of education that has taken place a far larger number than 924 can certainly be found capable of holding those higher appointments.

"In connection with this matter, my Lord, I might be permitted to mention that the country hoped that on the occasion of the Royal Visit steps would be taken for throwing open the posts of commissioned officers in the army to Indians of loyalty, position and merit. I had advanced a similar request in the speech which I made at the time of the Budget discussion in 1902. This is a reform which has been long talked of. When His Royal Highness the Duke of Connaught was in this country at the head of the Bombay Army, His Royal Highness suggested the establishment of an Indian Sandhurst. Nearly a quarter of a century has passed since then, and Indians are, so far as their position in the army is concerned, practically where they were then. The admission of selected Indians to higher posts in the army is demanded as much in the interest of economy as on the grounds of justice and high policy.

"There is one more subject to which I would with Your Lordship's permission briefly refer. The question of railway finance and railway working has of late attracted considerable attention from the commercial community and publicists. Last year I submitted some considerations to the Council on the subject. Since then, and especially during the last three months, railway

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matters have been very much to the front. This is a healthy sign. Railways occupy a most important place in our social economy. The capital liability on account of State railways at the end of March 1911 was something like 482 crores. The interest charges alone came to about 8½ crores, and little less than 5 crores were paid yearly in the shape of annuities for the purchase values of the company-made lines taken over by the State. Their value in affording protection from famine and in the development of interprovincial and outside trade is admitted to be of the utmost degree. Their expansion and improvement are recognised as eminently necessary by all thoughtful people. At the same time it is clearly perceived that expansion can in the first place safely proceed on a scale which is not beyond the capacity of the country, and that secondly it must be based on business principles and proceed on the reasonable certitude of the outlay proving remunerative in the not distant future. My Lord, it has become necessary to state these truisms because of the attempts that are being made by some outside commercial and financial magnates to accelerate construction without sufficient reference to the financial capabilities of the country and the remunerative character of the projects. In view of the pressure which is brought to bear upon Government, it is incumbent upon the non-official members of this Council as representing the interest of the permanent residents of the country to scrutinise every project from that point of view. The main lines have already been constructed. The expansion that is required is more in the direction of branch lines and feeder lines and of increasing the capacities of the arterial railways. The present traffic congestion emphasizes the immediate necessity of the last.

“While on one hand we have to guard ourselves against being hustled by outside pressure, we have on the other to meet the claims of various inland tracts and districts for being brought within easy reach of railway communications and of having their natural resources developed. The object can best be achieved by offering more liberal terms than the present to private enterprise, and encouraging the formation of companies with rupee capital. The claims of tracts exposed to visitations of famine can be adequately met from the funds available for protective railways out of the famine insurance grant.

“Irrespective of the branch and feeder lines for which private companies have received concessions and of the extensions which are being carried on on existing lines, there were more than 170 railways and tramways projected up to the end of December 1910. The remunerative capacity of some of these is open to question and of the rest varies greatly. Indeed, there are some big projects about which serious misgivings are entertained. If these projects were to be carried out by private companies on their own responsibility, Government might well trust them to take care of themselves. But for many of the larger projects the entire responsibility will fall on the State sooner or later if not from the beginning, and in regard to the majority of the rest some liability will have to be incurred. The determination of the railway programme is in the competence of Government; but it will be good for all if an opportunity is provided for the various interests in the country to urge their views in regard to the same.

“The necessity of a thorough discussion of the existing railway policy between the men of the people and the Government has become obvious in other directions also. Though the State owns the trunk lines, and the liability for their cost and maintenance is upon the country, it does not receive many of the advantages which results from unity of ownership. The Companies to whom the privilege of working the greater number of these lines is granted are in their desire to promote their individual interests—a natural enough procedure—carrying on competition in such a way as to nullify the main objects of State ownership. In the Resolution in regard to railway freights my friend the Hon'ble Sir Vithaldas Thackersey and I pointed out the hardships and the loss to which interprovincial trade and indigenous industries were subjected by the traffic arrangements of the rival way. I would here indicate merely some of the financial disadvantages resulting from the system.

“In the movement of goods it is not the shortest and most convenient route by which a Company where traffic originates despatches a consignment. It adopts that which would give it the longest lead, though this might be a

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circuitous one when a more direct and shorter route over another railway was available. Thus the most direct and shortest route for the coal of Raniganj or Jheria to Lahore is by the Oudh and Rohilkhand Railway *via* Mogalserai and Saharanpur. But the East Indian Railway adopts the route *via* Allahabad and Delhi, which means an addition of 35 miles, and the Bengal-Nagpur Railway adopts the Bilaspur-Katni route though this involves transit over 380 additional miles. This means an additional haulage charge which is Rs. 2-2 per mile for a goods-train on the East Indian Railway and Rs. 2-5 on the Bengal-Nagpur Railway. In addition to this extra burden which falls on the country there is an unnecessary longer employment of goods wagons on the East Indian Railway. One day for going and one for returning are lost in the case of each truck ; on the Bengal-Nagpur Railway 18 to 19 days for the two journeys. There is a favourite complaint about the deficiency of the rolling stock, and here we have one of the causes which bring about shortage of waggons.

“Each Company regards itself as a separate unit and budgets for its requirement without reference to the fact that the rolling stock being the property of the State ought to constitute the common property of all. Crores have been spent in recent years in making additions to the rolling stock—the allotment in 1909-10 was $6\frac{1}{2}$ crores, in 1910-11 466 lakhs. There is here a considerable scope for economy if we keep ever present before us the fact that the State is the owner of these railways.

“There are several other matters connected with railway finance and the more economic working of our railways which, though very important, cannot be satisfactorily treated without dealing with the general question of railway policy ; and into this question it would not be convenient to go in a discussion on the Budget. I have left them out for a more suitable opportunity.

“Well, I have pointed out some of the shortcomings ; but I must again give my testimony to the excellent work which has been done by the Railway Department of the Government.”

The Hon'ble Maung Mye : “My Lord, this is the first session of the Imperial Legislative Council which I have had the honour of attending, and I do not want to take up much of the Council's time ; but I have a few remarks to make on financial and educational matters connected with the Province which I have the good fortune to represent. Burma is a backward Province. It cries out for development. We have often heard people say that capitalists are unwilling to invest their capital in Burma for want of better communications and transport facilities, and in consequence the natural resources of the Province remain undeveloped. Burma has a very unfavourable financial settlement, and the grant of 20 lakhs for roads, though we are grateful for it, is a trifle compared to what we have lost on the financial settlement and is wholly inadequate for our requirements.

“The Government of India has given 60 lakhs of recurring grants and 65 lakhs of non-recurring grants for education and 85 lakhs for sanitation, agriculture and research—210 lakhs in all. Out of this we only get about 11 and Bengal about 56 lakhs.

“Money does not go so far in Burma as in India. If grants are distributed merely in proportion to population, we do not get enough. My people pay heavy taxes. We pay Rs. 5-4 per head of population ; the United Provinces Rs. 2 and the two Bengals and Behar pay only Re. 1-4 per head of population. We are paying more per head and should get more per head in return.

“Now I come to educational matters. We are anxious that a university should be established in Burma. We want this done particularly now that Calcutta is becoming a mere Provincial town. The Government of India is going away and the Beharis and Oorias are going to Patna. Then the Dacca University will take away the Eastern Bengalis. So only a very small number of Bengalis will be left to manage the Calcutta University.

“It is not proper that Burma should be under Calcutta any longer. We are a separate people and we want to develop on our own lines. It is true there are not many colleges in Burma, but there were only two colleges in

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Bombay when a university was started there. Local interest in higher education would grow very fast if we had a university of our own.

“There is a growing feeling in Burma that we do not come much under the notice of the Government of India and Burma suffers much from her geographical misfortune. Perhaps if the members of the Government visited Burma, they would understand the state of affairs better.

“We had hoped that the Royal boons would have done something for us, and while the Government of India is giving away lakhs of rupees to the other Provinces, it is only right and proper that Burma should also get a Royal boon of recurring and non-recurring grants for a university. Burma came late under the British Government. She wants more care and attention from the Government of India.”

The Hon'ble Nawab Saiyid Muhammad : “My Lord, I congratulate the Hon'ble the Finance Minister for the excellent Budget he has presented to the Council, and also for the sympathetic tone which pervades his statements. The Budget is, if I may say so, in keeping with the spirit of the year, and it is a singular coincidence that the prosperity has been attained simultaneously with the august visit of Their Imperial Majesties, in India. My Lord, it is matter of immense pleasure and satisfaction that the unique and historical event which it was India's good fortune to witness at Delhi, I mean Their Imperial Majesties' Coronation Durbar, was a great success. The people of this country rejoice that they had an opportunity of manifesting their loyalty to their beloved Sovereign in person, and they feel sure that His Majesty has carried with him happy recollections and the gratitude of his Indian subjects.

“My Lord, since the Financial Statement has emerged from the committee stage, Field Marshal Sir William Nicholson's Committee has started for India to inquire into the Army expenditure of this country. I trust the Government of India will see the absolute necessity of allowing a wider scope to this Committee and afford all facilities for the thorough and exhaustive investigation into the finances of the Indian Army. Already great forces are at work against any possible reduction, but I sincerely hope that Your Excellency's Government will find the Nicholson Committee helpful in readjusting the military finances of this country.

“The next point, my Lord, is the congestion with railways. This has no doubt been very prejudicial to the trade as appears from the published proceedings both of the Bengal and Bombay Chambers of Commerce. Some have urged to bring out a traffic expert, while others want more money. The former seems a very reasonable request, and there is enough scope for a real expert on our railway systems. As for more funds, the Railway Budget showed a substantial lapse in the current year's allotments and no less than Rs. 152·24 lakhs is expected to lapse under the head 'Provision for the purchase of stores in England.' I have no doubt that the Hon'ble Member for the Commerce and Industry Department will be able to satisfy us on this point; but nevertheless it is clear that the Railway Board have not fully utilised the funds placed at their disposal.

“My Lord, I take this opportunity to acknowledge, on behalf of my Presidency, the educational and sanitary policies of Your Excellency's Government which has met with widespread approbation all over the country. It is our fervent hope that this policy will develop gradually and Your Excellency's name will be handed down to posterity as the promoter of an era of new life in India in which education and sanitation are destined to play a most important part.”

The Hon'ble Raja of Dighapatia : “My Lord, before offering any remarks on the Budget, I beg respectfully to observe that the visit of Their Imperial Majesties to their Indian Empire has opened a new era for the people of this country and has practically driven away sedition and unrest from the soil. The memory of Their Imperial Majesties' visit to this city of ours will for ever be treasured up in the hearts of all men, women and children of this Province.

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“ Now turning to the Budget, I beg to offer my heartiest congratulations to the Finance Minister for the cheerful Budget he has been able to present before the Council this year. He very modestly calls it a ‘no-change Budget,’ but we look upon it as a Budget of benevolence, reflecting very great credit and thoughtfulness on the part of those who are responsible for it.

“ No doubt we were looking forward to the remission of at least some of the taxes that were imposed the year before last in anticipation of the opium deficit—preferably that on petroleum, which affects the poorest in the land; yet we have nothing to complain of, nay, we are grateful to the Government of India for the manner in which the surplus from opium windfall has been distributed, and also for the large grants made for education out of the ordinary surplus.

“ It will be noted with very great satisfaction that ever since the Hon’ble Sir Guy Fleetwood Wilson has taken charge of the portfolio of the Finance Department, military expenditure is steadily going down every year, while grants to education and sanitation are mounting up by leaps and bounds, and we have every reason to hope that they will go up still higher, as we have been assured by the Finance Minister himself that the amelioration of sanitation and the wide and comprehensive diffusion of education would form the chief feature of Your Excellency’s Viceroyalty.

“ I hope it will be possible for the Government of Bengal to devote a considerable portion of the money allotted for sanitation towards the improvement of the waterways and the supply of pure drinking water, wherever it may be necessary.

“ Last year I mentioned about the necessity of constructing a railway line connecting Nattore, Rajshaye and Godagari. I must confess I am disappointed to find no provision for this railway has been made in the present Budget, though I have reasons to believe that this line is not altogether outside the programme. I would therefore urge the Government to include it at least in next year’s Budget. I had occasion to point out in my Budget speeches of previous years that this line is an urgent necessity as far as Northern Bengal is concerned.

“ In spite of the difficulties in the way, I would beg the Government of India to reconsider the question of the construction of the line between Dacca and Archa (a place opposite to Goalundo). As Dacca is going to be the second capital of the new Presidency of Bengal and the seat of the Provincial Government for about two months in the year, it would be easily seen how very necessary this line will be in near future, specially when river navigation is getting more and more difficult at least in some parts of the year.

“ It was widely expected that something would be done at the last Durbar to inaugurate the policy of granting commissions in the Indian Army to qualified scions of Indian Chiefs and Nobles, and naturally it came as a disappointment when no such announcement was made. I, therefore, venture to hope that, with a view to further retrenchment in the military expenditure without in any way materially impairing efficiency, something might be done in this direction.

“ As one coming from Bengal, I cannot help feeling the deepest sorrow at the thought that this should be the last meeting of the Imperial Council in this historic chamber and in this historic city, which is intimately associated with the foundations of the British Empire in India, and without meaning any disrespect to any one I deplore the necessity for the change of capital.”

The Hon’ble Sir Gangadhar Rao Chitnavis: “ My Lord, the moral effect of Their Imperial Majesties’ visit has far exceeded my anticipations of last year, thanks to Your Excellency’s thoughtful and excellent arrangements at Delhi and elsewhere. The Royal Presence evoked an enthusiasm throughout the land which proved once for all that the heart of the nation was sound, and that the abnormal developments of the past six years were but passing phases of an artificial movement wholly foreign to the genius of the people. We owe it to our beloved Sovereign that seditious troubles are at an end, and we cheerfully and thankfully lay to our heart the message of hope which His Imperial Majesty

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has so considerably communicated to us. The boons announced at Delhi, and the substantial grant for the promotion of education and the annual stipends to scholars, so characteristic of the King-Emperor, give point to that message; they lay solid foundations for the intellectual and moral progress of the people.

“ My Lord, from the Hon'ble Sir Harcourt Butler's reply to the Hon'ble Mr. Gokhale's question about the details of the Durbar grant of 50 lakhs for the support of education, it appears that, out of the 45 lakhs proposed to be distributed at once, technical education and industrial education have between them only 2 lakhs, or less than 4½ per cent. Even in this small grant the share of industrial education must be the lesser of the two. I am convinced more than ever that small industrial schools suited to local needs and conditions are of paramount importance to our material advancement. Through the operation of causes which we need not examine here, our village industries and the small industries of towns are prostrated; there is a general movement of the people from the villages to the towns for employment. Towns are bound to grow; concentration of population in towns is perhaps a necessary concomitant of modern civilisation. But the decadence of the villages and of village industries is an economic evil, especially in an agricultural country like India, which it is only meet Government should make an earnest effort to remedy. There is a pithy Indian saying, 'the stomach was made before the mind.' The indigenous industrial arts should be revived and developed as a solution of the difficulty of the empty stomach. I beg to acknowledge with thanks that a systematic effort is now being made in the Central Provinces to revive the cottage industries, and a sympathetic and energetic Director of Industries has been appointed. But Local Governments must necessarily depend to a large extent upon the Central Government for liberal subventions.

“ My Lord, notwithstanding the strong pronouncement of policy made in Parliament by the Under Secretary of State on the occasion of the last discussion of the Indian Budget, we cannot abandon our faith in the efficacy and the absolute necessity of tariff protection for India. We must place before the Government our view of the case, and with my sense of British justice and Britain's genuine desire to consult the wishes of the Indian people in matters of policy also, I cannot believe that our prayers will always be unheeded by the Home Government, and that the future will not bring us the relief we so earnestly seek. In this connection I respectfully request Government to reconsider their decision about the maintenance of the excise-duty upon cotton-goods made in India. The duty should be suspended at least in seasons of stress.

“ Speaking of agriculture, in view of the high price of agricultural cattle and their preservation, I beg to repeat my suggestion that the question demands consideration. Government sometime ago undertook a cattle survey as a preliminary to the consideration of this question; but we would like to know where the matter now stands.

“ My Lord, irrigation has done much for agriculture. I am glad to note Government do not mean to slacken their pace in this direction. Light feeder railways which the Government is encouraging in certain parts have become popular in some Provinces and are likely to prove useful to the country in three ways. They help railway expansion, train the people in railway management, and attract their small savings for which they provide an excellent investment. In view of this consideration, I would request Government that better terms of guarantee will help this sort of enterprise still further.

“ My Lord, I beg to thank Your Lordship for the recommendation you have made for the Legislative Council for our Province, and now I beg to associate myself with the appeal which the Hon'ble Mr. Dadabhoy has made to-day for the establishment of a teaching and residential university at Nagpur and the appointment of a fourth Judge in the Judicial Commissioner's Court. A teaching university will go a great way to ensure the intellectual progress of the Provincial people. The Indian

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public cordially echo the hope expressed by Your Excellency at the last Convocation of the Calcutta University 'that teaching and residential universities may be multiplied throughout India.' I have heard complaints of congestion of business in the Judicial Commissioner's Court, and it is desirable to have another Judge to work it off.

"My Lord, in the investigation which the Government proposes to make into the financial condition of the local bodies, I hope Government will be pleased to consider the advisability of sanctioning a longer term than is allowed at present for repayment of advances for sanitary improvement. Much could be done to help progress by the suggested change in the maximum period. The special grants for the Central Research Institute for work in public hygiene and a School of Tropical Medicine supply incontrovertible proof of the anxiety of this Government for the suppression of plague, malaria and other epidemics; but it must be frankly admitted that the bulk of the work in connection with sanitary improvement must be done by the local bodies. In this view the necessity of the change will be evident.

"My Lord, I cannot conclude without expressing the sorrow I feel on this occasion of our last meeting in this hall so full of historic memories. I happen to be the oldest Member of the Council, and the break in all our past associations here causes me pain. At the same time the severance of the direct connection of the Imperial Government with Calcutta is synchronous with the introduction of large reforms for which Bengal has clamoured long. The change in the status of the Provincial Government and the annulment of the Partition ought to placate public opinion in Bengal. Thanks are due to Your Excellency for pacifying public opinion in the matter. Lastly, my Lord, I beg to associate myself with what my friend the Hon'ble Mr. Gokhale has said about Calcutta, the Hon'ble Sir James Meston and the Hon'ble Sir Guy Fleetwood Wilson."

The Hon'ble Babu Bhupendranath Basu: "My Lord, in congratulating the Hon'ble the Finance Minister on his Budget, I do not pay a merely customary tribute: we have had a large surplus and our revenues are being devoted in a much larger measure than before to purposes which will be fruitful of good to the people of India. I have neither the skill nor the ability to pursue my friend through the bewildering maze of figures, but the thread he has furnished in his introductory speech gives a clue which even a layman like myself may follow. It will be a matter of deep regret to me and to the people of Bengal that we shall miss in future his genial presence in our midst and cease to listen to a voice which will persuade us even against our better understanding.

"My Lord, I acknowledge with gratitude the large and liberal grants on education and sanitation, for they are both all-important. I shall not go into the enormous and appalling figures which represent the preventible death-rate of our country: very recently I had occasion to refer to the question, but surely in a population of 300 millions and in a continent extending from the Persian Gulf to the borders of China 4,129 hospitals and dispensaries, public and private, to meet the requirements of the civil and military population are none too many. Much remains to be done in the cause of sanitation, and though I sympathize to a very large extent with my friend Surgeon General Sir Charles Lukis in his despair to fight against mosquitos whose names are more terrible than their sting, I respectfully submit it ought not to be beyond the resources of science and civilization to wage a successful war with those insects on whose wings follow malaria, yellow fever, plague, sleeping sickness and kala-azar.

"In the brief space of time allotted to us for discussion on this occasion I pass on to a subject which to-day, now that we are meeting for the last time in this Council Chamber, is pressing on my mind. My Lord, only two years ago I was prevented in this very Council chamber from discussing the question of the partition of Bengal; but though I was silenced,

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the voice of my countrymen outside was not silenced, and the sense of injury and wrong rankled in their minds. The outward manifestation of public feeling was naturally growing less, but, what was worse, a deep seated sense of unredressed wrong was spreading. We felt that the Government of the day had failed to understand the problem: Would India have some ruler who would have the insight to feel and the courage to act? That was the question. My Lord, in our ancient mythology there is a story of a saintly woman being petrified for the sin which she committed unconsciously, and when she pleaded against the curse, it was said to her that she must wait until deliverance came from somebody who would be born hereafter. We, my Lord, like this petrified saintly woman of old, had to wait for that deliverance of ours. Then came Your Excellency's administration. We had at the head of affairs in India a fresh mind unaffected by bias and untinged by prejudice. There were difficulties in the way, difficulties created by lapse of time, and behind them all loomed the question of prestige. Then followed the announcement that His Imperial Majesty would hold the Coronation Durbar in India. We in India have always connected the celebration of such a great and auspicious event with some generous measure of public beneficence, and we felt a sort of vague hope that our King-Emperor, who had witnessed the distress in Bengal as the Prince of Wales, might do something to restore peace to our unhappy Province. It is no longer a secret, my Lord, that for the realisation of this hope I undertook last year a journey to England, impelled, may be, by the same unreasoning longing which in our country attracts from distant parts weary pilgrims seeking deliverance from fatal illness for a dear relative to some sacred shrine reputed to possess life-giving properties, a deliverance which, alas! the silent image seldom grants. My Lord, I do not for a moment profess that my visit has had any affect on the policy of Government; but it is some satisfaction to me and our people that I was able to place before the highest authority, so far as India is concerned, a presentment of the case from our point of view. My Lord, I am not one of those who would feel any exultation in the modification of the partition of Bengal, even if it had not been accompanied by measures which will have a far-reaching consequence on the destiny of my Province; but we Hindus of Bengal truly rejoice at the opportunities which will be again afforded to us to advance arm in arm with our Moslem brethren as fellow-workers and comrades, helping each other forward and onward. My Lord, in Your Excellency's presence, I feel some natural embarrassment in giving expression to the deep sense of gratitude we feel towards Your Lordship in having had the courage to undo what was an undoubted wrong. In doing so, Your Lordship has not only conferred a lasting benefit upon the Indian people, but has demonstrated to the world at large the greatness and might of British rule in India, that in the interests of justice it can rise above all petty considerations of prestige and even of settled facts. You have shown that British rule in India is compatible with the sentiment of self-respect in the people, and that it is not founded on the shifting foundations of power but on the solid bedrock of justice, and as time goes on and your great act comes to be viewed in its true perspective, your countrymen and ours will all alike honour a ruler who had taken such a prominent part in welding together the different parts of the Empire in bonds which will grow with time and not break under the strain of diverging interests. To quote the words of the Hon'ble Mr. Montagu: 'At last, and not too soon, a Viceroy has had the courage to state the trend of British policy in India and the lines on which England proposes to advance.'

" My Lord, I cannot pass from this question of the readjustment of the boundaries of my Province without referring to some incidental matters connected with it. It has been said that Your Excellency's scheme about the proposed Dacca University will be likely to reproduce conditions against which the people of Bengal fought with such desperate and passionate energy. I am glad to see Your Lordship shaking your head against that proposition. It would be a pity indeed if it did so. My Lord, I hope I betray no confidence when I say that Your Excellency has been pleased to give us the assurance that no such thing shall happen, that the fear of a dialectic difference in

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Bengal being created need not be entertained and that the proposed university at Dacca would only embrace colleges within its municipal limits; that it will only be a teaching university; and that in matter of Provincial appointments to the public service, no question will arise either in East or West Bengal as between the claims of Dacca and the Calcutta Universities. These assurances of Your Excellency when widely known will dissipate the fears that were entertained at one time, and the latest pronouncement that nothing will be done until the Government of Bengal has been consulted will remove any lingering doubts that still hover round the appointment of a separate educational officer. My Lord, I do not grudge to my friends of Bihar and Orissa their good fortune getting a full fledged Provincial Government with an Executive Council. I am afraid my friends of Bihar resented the reference made to them by my Hon'ble friend the Maharajadhiraja Bahadur of Burdwan, and they were telling me just now that my friend the Maharajadhiraja Bahadur owes his seat in this Council principally to the votes of the Bihar zamindars. That may be true or may not be correct. I do not know. But, my Lord, my friends of Bihar will no longer be voters in my Province. I may remind my friends of the story of the discarded wife which we had at one time heard in the eastern part of my Province. I will remind them of a poem which I learnt in my youth;

“No more thou comest with a lover's speed,
 My once beloved bride to see,
 Be she alive, or be she dead,
 I think her worth all the same to me.”

“And now that Bihar has gone from us and her votes do not count, I believe my friends occupy pretty much the position that the girl did in this ballad. But I believe I shall not offend my brethren of Bihar if I say that this good fortune of theirs is due to their association with Bengal. Bihar was making rapid progress during the last ten years, and my belief is that her progress would have been surer and quicker if that association had lasted a little longer.

The Hon'ble Mr. Mazharul Haque: “No.”

The Hon'ble Babu Bhupendranath Basu:—“My friend says ‘No’, but I do not wish to raise a controversy. If he is pleased, we have no reason to complain. We Bengalis wish them all success in their new career.

“But, my Lord, if we do not grudge to Bihar her good fortune, we may certainly grieve that, in the redistribution of Bengal that has followed the Royal announcement, the deep and abiding sentiment of Bengal that all the Bengali-speaking tracts should be placed under one Government has not been given effect to. I believe in the hurry in which the scheme had necessarily to be worked out, this could not be done, and I feel sure that under Your Excellency's administration, after things have settled down, this question will be taken up and our legitimate grievances on this score removed. And now, my Lord as I am coming to a close, it will be idle to conceal that a feeling of great sadness comes over me. For I shall be the last member for Bengal to address this Council from the capital of my Province. Who knows, my Lord, what the future may have in store for us? Associations extending over a hundred and fifty years or more are not easily broken, and though no material harm may come to us, as I hope it will not, the people of Bengal will not cease to mourn, for many a long day, the loss of the diadem which was set upon the fair forehead of their beloved city. It has grown from a hamlet into the position of being the second city in the British Empire, and from its banks have spread the blessings of peace and prosperity over the British dominion in the East. Amidst the many losses that the change of capital will entail upon us none will be greater, none sadder, none more keenly felt than that we shall cease to welcome in our midst the representatives of the wealth and culture of all

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India, as members of this Imperial Council; for their presence even for a short time serves to extend the boundaries of our horizon and lift us out of the narrow limits of a Provincial life. It is with no light heart that we shall regard the loss of this invaluable privilege of coming into contact with the best minds in the Indian Empire. We shall also lose, my Lord, the beneficent presence of the Government of India; we shall lose the inestimable benefit which flows from personal contact with His Majesty's first representative in India, and for the moment, my Lord, we shall lose one whom we have come to regard as the greatest benefactor of our people. You are going, my Lord, to a seat redolent of memories of ancient greatness to which Calcutta can lay no claim. But, my Lord, we the people of Bengal shall always cling with love to our city enbosomed in the Ganges, whose water flows in their ceaseless task of pure ablutions round her radiant shores and nestled among foliage unrivalled even in India.

"I bid your Lordship, the members of your executive Council and my colleagues, official and non-official members of this Council, good bye and God-speed; and may British rule in India be as glorious and as brilliant in the future amidst its new surrounding as it has been in the past in this now historic city of ours.

"My Lord, I can say no more, and wish no better for the Government which has done for us so much in the past and from which, God willing, we expect much more in the future."

The Hon'ble Mr. Mazharul Haque: "My Lord, I have no desire to make a speech, but I would be failing in my duty if I did not express the grateful thanks of the people of Bihar for the great privilege which has been bestowed upon them. Your Excellency has restored to us our forgotten individuality, raised our status and given us a new life. The name of Hardinge is not only being blessed by us of the present generation, but it will be remembered and blessed by our children and our children's children. It has now become possible for us to develop and work our own salvation on our own lines.

"My Lord, the temptation to follow my Hon'ble friend the Maharajadhiraja Bahadur of Burdwan in his sarcastic references to my Province is great, but for once I shall resist it. I can quite understand his bitter disappointment, as henceforth it will not be possible for any one but a Bihari to exploit the new Province, and the determining factor in questions affecting Bihar will be the voice of her own people without any officious interference from unsympathetic people who have no scruples to take her votes but when the time comes refuse to help her. I should like to know what the landholders of Bihar will have to say to-morrow about the speech of my Hon'ble friend. Well, it does not matter; we are very well able to take care of ourselves. My Hon'ble friend has characterised the grant of an Executive Council to Bihar as an extravagant luxury. Well, everything which is a necessity for Bengal becomes a luxury when given to some other Province. Jealousy and conceit could go no further.

"My Lord, once more I thank Your Lordship for the great boon you have conferred upon the people of Bihar."

The Hon'ble Mr. Sachchidananda Sinha: "My Lord, under the rules in force for the discussion of the Financial Statement, the important points involved in it are discussed in the earlier stages, and they have already been so discussed this year. This last day's debate is now utilised for making some general observations, and for many years now the privilege has been extended to members to place before Government such views as cannot be urged by means of Resolutions. Naturally therefore a discussion of this kind is apt to be more or less rambling, but I trust that the same latitude will be conceded to me as to my colleagues to make a few general observations, especially with reference to the remarks of my friend, the Hon'ble Maharajadhiraja Bahadur of Burdwan, whose speech, if I may say so without impertinence, was the most

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rambling that I have ever heard in my life. It had a great deal to do with things absolutely irrelevant and not at all germane to the Budget, or to the financial policy of the Government of India. It was, on the other hand, a curious compound and an extraordinary jumble of bad history, perverse geography, ill-assorted ethnography, and confused topography—coupled with a distorted outlook on current political problems. Speaking seriously, I think his speech will cause profound disappointment to the people of Bihar, especially to the landholders of that Province, who had voted for him as their representative in this Council. My esteemed friend, the Hon'ble Mr. Haque, has already replied very pertinently to his absolutely uncalled-for remarks about the Bihar Executive Council. The Hon'ble Maharaja Bahadur has evidently forgotten that Bihar has had an Executive Council since the inauguration of that institution in the Lower Provinces about eighteen months ago, and to have taken away that privilege from the Biharis would have inflicted a very grievous wrong upon them. The Maharaja Bahadur seems also to have failed to realise the fact that it is in the Executive Councils as now constituted that scope is given to such little talent as the zamindars possess, by their being appointed as members of these bodies. I therefore think that he should have welcomed this institution for Bihar instead of condemning it.

“One more remark, my Lord, which I desire to make is this. The Maharaja-dhiraja Bahadur has declared himself to be a strong supporter of the now totally discredited scheme of partition effected by Lord Curzon six years ago. I wish I could honestly congratulate the Maharaja upon his support to Lord Curzon, but I am sorry I cannot. That partition as effected constituted two divisions of Bengal, and Bihar and Orissa into one Province. The Maharaja seems to think that the new Province as now constituted is heterogeneous, but I would like to know if it is any more heterogeneous as it stands to-day than it was with the two Bengal divisions thrown in? But that is the way how the Maharaja with his clear vision looks at this question. I shall pass on now, my Lord, to associating myself with the Hon'ble Mr. Haque in offering to Your Excellency and to Your Excellency's Government the very best and sincerest thanks of the people of Bihar for what is really a Royal boon to them in the truest sense of the term. I think I echo the views of the Biharis in saying that no people are really so happy and glad as those of Bihar are, on account of the separation of their Province from Bengal, and for which they had been crying aloud for many years; but unfortunately the Government of Lord Curzon did not see their way to accept what was the only ideal scheme for the partition of the Lower Provinces. This has now been accepted by Your Lordship's Government, and my friend the Hon'ble Mr. Haque, therefore, has rightly said that Your Lordship's name will go down to posterity as the best benefactor of not only Bihar but of the whole country, for having brought about the memorable administrative changes announced by our King-Emperor.

“My Lord, one word on the question of our finances. As the Hon'ble Mr. Gokhale has pointed out, our financial condition at present requires very careful consideration, on account of the fact that very soon the opium-revenue will have disappeared from our resources. It is therefore, especially in view of the demands now being made, the very proper demands, which the Government have to some extent conceded, for education and sanitation, absolutely necessary that our finances should be properly husbanded and that so far as possible all such economy should be effected as can be done, without in any way diminishing the efficiency of our administration. For this purpose, my Lord, my humble submission is that two things are absolutely expedient: the wider employment of Indians in the public services and a careful handling of our military expenses and charges. In regard to the wider employment of my countrymen, I gave notices of two or three Resolutions to be moved in this Council. I was given to understand, however, that the Government of India were in communication with the Secretary of State on these subjects, and I therefore withdrew them. I do hope that, in due course, the Government will be able to inaugurate a policy which will be conducive to the much larger employment of Indians.

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It seems to me that the time has come when the Government of India should have a Royal Commission appointed to go into the whole question. The Public Service Commission made its recommendations nearly 25 years ago ; and these, unfortunately, were far from satisfactory. We have taken long strides since then, in almost all departments of human activity, and I think, my Lord, that the time is come when the Government of India may very properly ask the Government at home to institute a Royal Commission to go into the whole question of the larger employment of Indians, including that of the recruitment of the judiciary from the legal profession.

“ Similarly, my Lord, in regard to the Army charges, the subject has been discussed in this Council time after time, and by none more ably than by our great leader Mr. Gokhale. It is well known that the large additions made to the cost of the Indian Army in 1885-86 were certainly due to the fear of a Russian invasion at the time. Now, thanks to the Anglo-Russian Convention, which was mainly brought about due to Your Lordship's influence, and for which we are all very grateful to Your Excellency, this fear of a Russian invasion of the country has certainly disappeared. In view, therefore, of our many necessary requirements now, and the larger demands for education and sanitation, I request the Government of India to consider favourably the question of, at any rate, reducing the cost of the Army to the extent of the additions made in 1885-86, which will I think result in a saving of some 3 crores. And in this connection I would like to say that last year I gave notice of a Resolution to be moved in this Council that the commissioned ranks in the Army should be thrown open to Indians. I was then informed that the matter was under the consideration of Government, and that it was likely His Majesty the King-Emperor would himself make an announcement at the Durbar on the subject, and it was in that view that I withdrew my Resolution. Well, my Lord, expression has been given to-day to the view of the non-official members on this subject by the Raja of Dighapatia, and I may frankly say that great disappointment has been caused in the country on account of that boon not having been announced at the Durbar. I do sincerely hope that it will not be long before Your Lordship's Government will be able to make that long-looked for announcement.

“ My Lord, one word about this being the last meeting of the session in Calcutta. I fear I am not so enthusiastic an admirer of Calcutta and of Bengal as my friend Mr. Gokhale. I follow him generally so implicitly that to me it is a real pleasure to find myself in disagreement with him on at least one question. He has pronounced this morning a glowing panegyric on this so-called beautiful city and on the scenery of Bengal. He said he had been for eleven winters in Bengal, and evidently he has come under the spell of this province and its metropolis—‘ the city of palaces ’ and of huts ! He thinks so very highly of Bengal scenery, possibly because the Hon'ble Member comes from a part of the country which is very arid and very treeless—I mean the Dekkhan. Mr. Gokhale this morning blessed the administrative changes announced at the Durbar, on the ground that he thought they would be ultimately beneficial to the country as a whole, so far as he could foresee with the eye of faith and hope. It struck me that he must have surveyed the scenery of Bengal with the eye of faith also, or he could not have persuaded himself to speak as he did ! But although I do not quite appreciate Bengal scenery to the extent Mr. Gokhale does, I think I may join him in saying that we are all sorry to go away from Calcutta, especially we of Bihar, who have been connected with it since 1765—a long association that—and we are certainly sorry to part with our Bengali friends. I fully reciprocate the sentiments of my friend the Hon'ble Mr. Basu and I assure him that we are all sorry to part with Bengal. But I feel sure that we part as the best of friends, and shall continue to work together wholeheartedly for the welfare and the regeneration of our common motherland.”

The Hon'ble Mr. Gates : “ My Lord, I have only a few remarks to make with regard to the portion of the Budget which falls in my sphere. We are glad to see that the disappointing results of the Provincial Financial

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Settlement of Burma have been recognised, and we are grateful for the grant of 20 lakhs for communications. This grant can be spent, as could a much larger sum, to great advantage."

The Hon'ble Sir James Meston: "My Lord, the points of purely financial interest which have arisen in the course of the debate to-day are comparatively few. Even those which did emerge are either of so large and comprehensive a character that it would be impossible to do justice to them at the fag-end of the Calcutta session, or they have been dealt with in a spirit of moderation which leaves the representatives of the Finance Department very little to say in reply. The speech of the Hon'ble Mr. Dadabhoj, it is true, bristles with points both great and small, but the number and complexity of them and the pace at which he pressed them home reminded me, while he spoke, of one of his great prototypes who—

' seemed to be

Not one but all mankind's epitome ;'

and on looking through my notes at the topics which he raised, I shrink from the encyclopædic task of answering them. Sir Vithaldas Thackersey alluded at some length to the very technical question of the assessment to income-tax of textile mills and factories in Bombay. The Hon'ble gentleman complains that Bombay is at a disadvantage as compared with the mills in other Provinces, and he is particularly dissatisfied with an answer which the Government of India gave in a recent letter to the Bombay Millowners' Association to the effect that they were not prepared to standardise the methods of the assessment of income-tax on factories throughout India. The main reason for that is that the assessment and collection of income-tax are left, in this country, to the Local Governments within certain defined rules and limitations; and in view of the extraordinarily varying conditions of different parts of the country, I hardly see how it could be otherwise. The character of the buildings, their durability, the nature of the machinery, the local practices regarding depreciation, and half-a-dozen other factors, differ in different parts of India, and no cast-iron rules could well be laid down for regulating them. The Hon'ble Member, however, specifically complained of two points—first, that no depreciation was allowed on buildings in Bombay, whereas it is permitted elsewhere; and, second, that the depreciation allowances generally are less liberal in Bombay than they are in other parts of India. The first of these points I hardly think is quite exact, as the practice in Bombay has been, in assessing factory buildings, to allow for the actual cost of repairs and maintenance without specifying any rigid proportion of allowance on that account. The Local Government have, however, now, at the instance of the agitation recently got up by the Millowners' Association, agreed to accept a regular 2½ per cent. reduction instead of the actual cost of repairs. The second complaint made by Sir Vithaldas Thackersey was that Bombay pays more than Calcutta and Cawnpore, and he suggests that the Bombay payments be levelled down to their level. Another alternative, however, had presented itself already to the Government of India, and that was that Bombay should be left alone and that Cawnpore and Calcutta should be levelled up. I hope that that will be equally congenial to my Hon'ble friend. The whole of the Bombay correspondence has been sent to all the other Local Governments for consideration; and perhaps before my Hon'ble friend brings the Resolution which he threatens on the subject, he will find that his Association is not at a disadvantage as compared with the other parts of India.

"Before I sit down will Your Lordship permit me to express my sincere thanks for the kind and graceful thoughts which inspired the Hon'ble Mr. Gokhale in the things which he said about me personally and to add my thanks to the other Hon'ble Members who followed him. It has been a great pride and a great privilege to be a member of the first reformed Legislative Council in India during its whole triennial period, and that pride is enhanced in the case of all of us officials who have so served—it is enhanced a thousand-

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fold—by the knowledge that we have secured in some measure the affection and confidence of our non-official colleagues. It is to their courtesy, to their unflinching consideration among new and often trying conditions, that we owe much that we have endeavoured in some measure to give them in return.”

The Hon'ble Sir Guy Fleetwood Wilson : “ My Lord, the debate on the last day of the session savours rather of a survival of the past than of real business. In the pre-reformed days of the Council, it was practically the only occasion on which members of Council could express their views on every subject, and it is quite natural that the tendency to do so should remain. The debate, however, must of necessity become every year less effective in view of the fact that this Council has realised that it possesses a far better agency to bring about improvement in the administration in the shape of well-considered, well-debated, and, if I may venture to say so, well-divided Resolutions.

“ Resolutions of the importance and speeches thereon, of the capacity which have characterised this year's session, must do far more to advance the public interest than what can be but a somewhat desultory conversation on the last day that the Council meets. I do not therefore propose to deal at any length with the remarks of Hon'ble Members who have spoken on a variety of subjects.

“ There are two points, however, of considerable importance which were raised by the Hon'ble Mr. Gokhale, which I think I should not pass over without any remark. The Hon'ble Mr. Gokhale reminds me of Mr. Gladstone. On one occasion, when Mr. Gladstone was suffering from the effects of over-work, he was ordered by his physician complete rest. By way of carrying out the orders of his physician, he promptly bought a Turkish Grammar and proceeded to study that language.

“ Mr. Gokhale to the intense regret of every one in this room is admittedly suffering somewhat from the effects of over-work. I have little doubt that his medical adviser has enjoined him to avoid all unnecessary effort. By way of carrying out those instructions, he takes advantage of fifteen brief minutes at his disposal to embark on a discussion on such a trifle as a review of the whole basis of taxation.

“ I will say frankly, at once, that I am not prepared to follow his example. I retreat and give him all the honours of war, for I am not prepared in the few minutes at my disposal on the last day of the session and with the thermometer at about 100 to take up the cudgels either for or against a radical alteration in the basis of taxation.

“ There is much to be said in favour of Mr. Gokhale's suggestion to refer Indian expenditure to a Royal Commission; but there is one point which I should like to mention in this connection, and that is that there is one grave objection, which must be borne in mind, to the adoption of that course. It is inconceivable that less than five years would elapse before the recommendations of such a Commission would be given effect to, and I much fear that meanwhile every attempt to introduce improvement or to effect economies would be held up with the excuse that the Royal Commission was sitting, and that its report had not yet been considered.

“ My Lord, I would ask your permission to dwell for a moment on the retirement from his present office of one who has been for over three anxious years my invaluable colleague and my devoted friend.

“ Sir James Meston's distinguished services are so well known that it seems a work of supererogation to allude to them. It is not, I think, too much to say that for the last three years Sir James has been the guide, philosopher and friend of the Government of India. He has been more. He has been a helpful, sympathetic and loyal friend to every member of this Council.

“ His unswerving devotion to duty, his entire subordination of all self-interest to the good of India, his ready sacrifice of ease, leave and even health in the interests of the public service, and his extraordinary capacity for carrying through the most difficult tasks without friction and with complete success, are so well known to every one of us that it is hardly necessary for me to dwell on them.

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“ Sir James Meston’s services during the last three years of stress and anxiety have been conspicuous and successful, and it is impossible for me to exaggerate the deep obligation under which I lie towards him.

“ I hope I may be permitted to say that we have placed the finances of India in a sounder and stronger position than they have perhaps before occupied ; but if any credit does attach to the conduct of public business by the Finance Department during the last three and a half years, it should be attributed to Sir James Meston rather than myself.

“ I believe I shall be voicing the feelings of every one present if I say that we wish him health, prosperity and success in the high position which, on the recommendation of Lord Hardinge, he has been called upon by his Sovereign to fill.

“ I have been profoundly touched by the kind expressions which have been used to-day in regard to myself, and I am deeply grateful.

“ Death has robbed me of more than one friend in this Council, and its coming reconstitution may lessen the number of those who have been my colleagues and my friends for three years. But be its composition what it may, the new Council cannot show me greater kindness or more unvarying consideration than that which I have received from you all, and for which I tender you my warm and heartfelt thanks.”

His Excellency the President : “ Following the example of some Hon’ble Members, I should like, as Head of the Government, to associate myself with the views of those who have expressed appreciation of Sir Guy Fleetwood Wilson and Sir James Meston. I share the hope that Sir Guy will return invigorated by his stay abroad and restored to health, so that he may be able to complete his full term of service. As regards Sir James Meston, although it has been a great pleasure to me to appoint him to so high and important a post, Hon’ble Members can well understand, I am sure, what a loss he will be to me and the Government of India as Secretary in the Finance Department. I need not go into the question of his great but unassuming ability ; but I am confident that his work and services will be to the great advantage of India in whatever position he is employed.

“ There is only one point in other matters to which I would like to draw attention, and that is that, although I am determined to permit no measure in connection with the Dacca University that might be interpreted as a measure of partition, and although Mr. Basu has given expression to my own personal views, we have yet to know the view of the new Governor of Bengal on questions of detail, and still more those of the Secretary of State.

“ We have now come to the end of another year, a year of historic memory, but it is the financial features of the year which have the first claim upon our thoughts. In the Budget I see a gratifying picture of India’s economic strength. Famine came very near our doors in the autumn of last year ; but its heavy hand has been withdrawn from all but a few afflicted tracts in Bombay. Plague still scourges a patient and much-enduring people in parts of the country ; but the measures for repelling it are steadily growing in knowledge and efficiency and—what is worth even more—in cordiality of co-operation between our officers and those whom they endeavour to help. And so we have reached another milestone, and we pass onwards into the coming year, under the hand of Providence, in confidence and hope.

“ The Finance Member, in opening his Budget, reviewed the progress of the last three years. I also have been tempted by his example to indulge in retrospect ; but I have been looking a little further back than he has done. I have been looking back to the days when our Indian revenues were clouded by two great shadows—the fall in exchange and the fear of invasion from our North-West Frontier. The era of our modern finance began about twelve years ago. It was an era of prosperity, high surpluses and reforming activity ; but it was dominated by these two great evils. Our exchange troubles, it is true, passed away in 1899, and I trust that under skilful guidance they will not return. Their consequences, however, remained in the high taxation that have been imposed to meet them ; in the pinching

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of our administration; and in the poverty of the Provincial Governments. All this had to be put to rights. Moderation had to be restored to our taxes. Money had to be furnished for our more backward departments, particularly for the improvement of the police. The finances of Local Governments had to be placed on a sounder and more stable basis. To these objects the energies of my predecessors were bent and much of their surplus revenues were dedicated. Meanwhile, a heavy toll was being taken on our revenues by the other incubus which I have mentioned. The defence of our frontier and the preparation of our Army for war formed the second outstanding feature of the period that I am reviewing. Lord Kitchener matured his scheme for the reorganization and redistribution of our military strength, and large sums of money were devoted to it for a series of years. Looking then at the position broadly, we see how two great cycles of expenditure filled the rich years between the famine of 1899 and the crisis of 1907. The sequels of our currency troubles provided one : our military anxieties provided the other. The two overlapped, and between them they swallowed up the fruits of our prosperity.

“ The situation has now entirely changed ; the dark shadows that lay over us have passed away. Our taxation has been lightened. The resources of Local Governments have been strengthened. Exchange is stable ; and however much opinions may differ on points of detail, I believe that the basis of our currency policy is secured in public confidence. So also with our military dispositions. The momentous change that the Russian Agreement brought into our relations with our great Asiatic neighbour removed the menace on our frontier, and the rapid growth of our Army expenditure has now been checked and curtailed. At first these improvements were obscured by the financial collapse of 1907 and our slow recovery from its effects. But with care and economy, our finances are restored to health ; the sky is clear so far as human eye can judge, and we are ready for our next advance. On what lines shall we proceed ? For what goal shall we strive ?

“ To that question my answer is clear and unhesitating. We have secured the defence of the country. We have removed our great handicap in international trade. It is now our duty to turn all our energies to the uplifting of our people. To that task we are giving freely in the Budget which you have discussed to-day. Is it too much to hope that it will be the dominant policy of the coming years ? The Finance Member told the Council of the hopes that rose in my mind when first I took charge of my high office. By those hopes I still abide, and in them I am more than ever confirmed. It is only by the spread of knowledge and by the resolute struggle against avoidable disease and death that India can rise among the nations. It is with this ideal that I sincerely trust our finances will remain in touch. The path will not always be smooth ; funds cannot always be available, or enthusiasm always fervid. But we have made a beginning and we cannot now turn back.

“ I will not say more on the subject of finance, but before this Council adjourns and its members return to their homes, there are some other matters upon which I would like to avail myself of this opportunity to say a few words to the members of my Legislative Council.

“ When closing the Budget debate last year I dwelt on the approaching visit of Their Imperial Majesties the King-Emperor and Queen-Empress to India and the measures that we were already taking to ensure the success of their visit. Since then Their Imperial Majesties have come and after a happy time, full of mutual esteem and affection towards their Indian subjects, have returned to their English home. I will not dwell here upon the splendid pageants of the Coronation Durbar or the cordial reception granted to Their Majesties in Bombay and Calcutta, but I will only say that the expression I used last year, namely, a tidal wave of enthusiasm, was a very inadequate description of the stream of loyal enthusiasm and respectful reverence which broke through every restraint and flooded the country and all classes of the population with joy and gladness at the presence of Their Majesties amongst them. It was one only more proof of the undeniable fact that this vast Empire will yield to none in its loyalty and homage to the Throne.

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“The past year may well be described as an *annus mirabilis*, and owing to the beneficent administrative changes announced by the King-Emperor at Delhi, it will leave a lasting mark upon the history of India. We are confident that the beneficial results of those changes will eventually exceed all expectation, will introduce an era of peace and contentment, and will be to the advantage of better government and more efficient administration.

“In five days’ time the three new Provinces will come into existence with complete full powers, with the exception of the Province of Bihar and Orissa, which will have to wait a few weeks, in accordance with law, for the creation of an Executive Council. All I wish to say to the three reconstituted Provinces is—‘Go forward and prosper, and justify the policy of the Government of India by the maintenance of peace and order within your boundaries.’ The tranquillity that happily prevails in Bengal as compared with the situation of the past few years, and even of a year ago, is already a striking and undeniable proof of the wisdom of the policy of the Government of India.

“As regards the transfer of the capital to Delhi, we fully realise the heavy responsibility entailed in the creation of a new Imperial city that shall be worthy of this Empire and which shall meet the requirements of a great capital, with a careful, but not too parsimonious supervision of the expenditure required to achieve a really satisfactory result. The creation of this new city is a matter in which I am taking, and shall continue to take, a very keen personal interest, and I have been in correspondence with Lord Crewe to send here as soon as possible the best sanitary engineer, town-planner, architect and landscape gardener that he can find to draw up plans for the new city. These will leave England in a few days’ time. When acceptable plans have been prepared, the moment will arrive to call in architects to provide suitable designs and estimates for the new Government buildings, and these will require very careful selection and supervision. My own personal inclination is towards an Oriental style of architecture which should be in unison with local surroundings and with climatic conditions.

“I am well aware that criticisms have been levelled at the Government of India for having cited a fixed sum as the probable cost of the new capital, and that certain people have mentioned ten to fourteen millions as more likely to be expended than the more modest sum of four millions named by Government. I do not know upon what basis these estimates have been framed, but I can only regard them as exaggerated and fantastic. A little thought as to what land, Government buildings, roads, drainage, water-supply, etc., will at the outset be required for the new city, would convince any unbiassed person that the cost will approximate far more nearly to the Government estimate than to these exaggerated figures. For example, when I was in Delhi a few days ago, I saw what appeared to me a desirable site, and I made inquiry into the cost of acquiring a space of 30 square miles embracing this area. I found that it would cost, roughly speaking, 30 to 35 lakhs. Now, irresponsible critics have probably not taken into account the cheapness of land at Delhi, which after all is a well-known fact, although most of the land in question is covered with rich and luxuriant crops. Lime, bricks and splendid stone, the same as that used by the Moghal Emperors, are to be found absolutely on the spot, while the Mekrana marble quarries are only 200 miles distant on a direct line of railway. These facts naturally conduce to reduce expenditure, but they again have been probably ignored by our amiable critics. Then again I know that the Government buildings and civil station at Dacca cost under 70 lakhs; I know also that the estimated expenditure on a handsome scale for Government buildings and civil station at Bankipore is under a crore. Are we wrong therefore in considering that we can do the same at new Delhi on a much more magnificent scale for six crores? Government have of course no intention of themselves building private residences, shops, business premises, etc. On the other hand, they hope to obtain a good return for land sold to private individuals on reasonable terms for building leases. I therefore do not at all regret that the Government of India mentioned a fixed sum of 4 million sterling, *i.e.*, six crores, as a probable cost of Delhi, which amount I have good reason to believe will, with proper care and super-

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vision, be in the end but little, if at all, exceeded by the time that the city is built. I hope that these facts may reassure people in India and serve to correct irresponsible statements made by interested persons.

"We all know the adage that Rome was not built in a day; and however hard we may work, it will take some years before the new city can be completed. In the meantime we are making arrangements for the temporary accommodation of the Government of India at Delhi during next cold weather and for the meeting there of this Council. Although I fear that owing to the fortune of war in the approaching electoral campaign some familiar friends and faces may be absent when we meet next year at Delhi, I trust that nobody of my Council will take too seriously to heart the grave forebodings of certain organs of the Press in which Delhi is described as being afflicted with the ten plagues of Egypt. I bid those who are timid to be stout of heart, to realise that, in spite of these blood-curdling stories, the death-rate of Delhi is no more than that of Lucknow, and to remember that Delhi is one of the towns of Northern India where the increase of population has during the last twenty years been both steady and progressive.

"I should now like to turn your thoughts for a few minutes to external affairs in which the interests of a very large and influential section of the community are sentimentally, though indirectly, affected. I do not wish to touch on the question of the war between Turkey and Italy beyond expressing our profound regret that hostilities should be in progress between two countries so friendly disposed towards Great Britain, and to add that I happen to know that His Majesty's Government have, in conjunction with other Powers, already taken steps to mediate with a view to securing an honourable peace. When, however, it appeared that there was a likelihood of hostilities being extended by the Italian naval forces to Jeddah and Yambo, I immediately drew the attention of His Majesty's Government to the very serious anxiety that would be created by an attack upon the ports leading to the holy cities of Islam, and by an interference with the pilgrim traffic to those ports. Representations were at once made to the Italian Government by the Secretary of State for Foreign Affairs and satisfactory assurances were obtained.

"Having already mentioned the friendly disposition of Turkey towards Great Britain, I should like to inform the members of my Council of a significant incident which occurred only a few days ago, and of which I only learnt yesterday. The King received, on March 21st, a Special Mission from the Sultan of Turkey, consisting of the Turkish Ambassador, the Councillor and two Secretaries of the Turkish Embassy, and Reshid Bey (*Conseiller legiste*) of the Sublime Porte, who presented to His Majesty an autograph letter from the Sultan, and also the Order of the Hamedan-al-Osman and the Order of the Intiaz conferred on the King as a fresh proof of the Sultan's desire to strengthen the friendly relations and cordial ties now existing between the two Empires, and as a special mark of His Imperial Majesty's sincere friendship towards the King. The point is that the almost unprecedented distinction of the simultaneous conferment of these two Orders by the Sultan on His Majesty the King-Emperor is a striking act of confidence and goodwill which I am sure will be appreciated by the Muhammadans of India.

"In Persia the situation during the past two years has been as unsatisfactory as possible, in so far as British and Indian interests are concerned. In the south of Persia anarchy reigns supreme, the Persian Government having neither power nor authority, while order in the Gulf ports is maintained solely by the presence of the British East Indian Squadron in the Persian Gulf. British and Indian trade interests have suffered severe losses, many caravans having been robbed and the muleteers killed by tribesmen, so that no caravans can now proceed in safety along the main trade routes. Within only the last few days 150 Indian troops have had to be landed at Lingah to protect the Consulate and British and Indian lives and property from the threatened attack of 2,400 tribesmen. Six months ago, owing to an attack made upon the British Consulate at Shiraz, which I may add was very bravely repulsed by a small handful of Indian troops acting as Consular guards

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it was decided to strengthen the escorts at Bushire, Shiraz and Ispahan, and four squadrons of the Central India Horse were sent to Persia for distribution between these towns and for the protection of British and Indian life and property. Shortly afterwards, when the British Consul at Shiraz was proceeding with a caravan with specie belonging to the Imperial Bank of Persia, escorted by half a squadron of the Central India Horse, they were attacked by the very men who were employed by the Persian Government as road guards, and they lost a few men killed and wounded, amongst the latter being the British Consul. The ordinary course under such circumstances would be to demand from the Persian Government the punishment of the offenders and reparation. Such a course under existing circumstances is not likely to produce much result, and the only alternative course would be to take the law into one's own hands and to send a punitive expedition. To act on such lines there would in my opinion be serious objections, since it might involve us in a situation in Southern Persia from which it might be difficult to extricate ourselves and which might eventually lead to the partition of Persia. Such a policy is entirely opposed to the views of the Government of India, whose hope and desire are that the integrity and independence of Persia may remain unimpaired. In view, however, of the necessity of looking after our own interests, we propose, with the approval of the Secretary of State, to instruct our Resident at Bushire to open negotiations with the tribes for the punishment of those who led the attack upon our convoy and for the proper guarding and security of the British and Indian caravans passing along the main trade routes of the south. This explanation of our policy will, I trust, dispel the fears of those who have imagined that we had leanings towards the partition of Persia with Russia. We have, I maintain, acted with much patience under circumstances of grave provocation, and our one hope is that we may yet see peace and order restored in Southern Persia in the near future.

"There are, I know, certain critics who declaim against the Anglo Russian Agreement in connection with Persia, and ask of what use it can be in view of the presence of Russian troops in Northern Persia. To those critics I would reply that the fundamental basis of the Anglo-Russian Agreement is the independence and integrity of Persia; and so long as we are a signatory to that agreement, we are able to exercise a moral influence on our co-signatory, where we could not use material pressure. Russian troops have not entered Teheran, and within the last few weeks they have been withdrawn from Kasvin. It is my own conviction that, were this agreement not in force, the partition of Persia would already be an accomplished fact.

"Nearer home and actually on our north-east borders we have had to send a small punitive expedition against some tribes of Abors, who last spring murdered Mr. Williamson, an able young official, and his party under circumstances of great treachery. The remains of Mr. Williamson have been partly recovered, and some of those implicated in his murder have been captured. Advantage was taken of the presence of the expedition to survey a considerable tract of country which was absolutely unknown. The expedition having achieved its object is now returning home.

"Although the Government of India have been so fortunate as not to be engaged in any tribal war on the North-West Frontier during the past few years, we have quite recently been nearly in conflict with the Mahsuds. This tribe has during the past year suffered terribly from famine; and in order to give them employment and to save them from being driven by hunger to become a nuisance to their neighbours, we obtained authority from the Secretary of State to commence work on a proposed railway from Pezu to Tonk. Upon this line 2,500 Mahsuds have for some time been employed. A certain section of the tribe that was hostile has tried to create trouble and has destroyed one of our roads. This caused some unrest on the frontier, necessitating the moving up of troops to meet all eventualities. Happily the Mahsuds employed on the railway realised the advantages of their situation, drove off their fellow-tribesmen and repaired the road. I think we may congratulate ourselves that this small railway, of which the construction will be profitable in the future, has saved us from a tribal war on the frontier.

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“Now turning to affairs nearer home, and in particular to the work of my Legislative Council during the past session, I think that I may say with some pride and satisfaction that the debates that have taken place have reached a higher standard of statesmanship and efficiency than has ever been previously attained. They have taken place with a self-restraint and a mutual courtesy and good fellowship that might well be a model to all legislative bodies. Many Resolutions of various kinds have been brought forward by non-official members, and their views have been set forth with explicit clearness and much force. The fact that a large majority of these Resolutions have been negatived by Government is no reason for regarding these discussions as sterile or a waste of time. On the contrary, I regard them as most beneficial, since not only do they present an opportunity for the Government to hear the views of Hon'ble Members from every part of the country and thereby to acquire much useful local information, but they enable the Government to explain clearly their own views and to give publicity to their reasons for not acceding to them. Government must clearly be a moderating influence and restraining force advancing steadily on the path of reform and development with every care for the varied interests of the millions entrusted to their care. If all the Resolutions that were proposed were accepted and became law to-morrow, they would assuredly give place to others, probably of a more advanced type; and with progress at this rate India would soon be in the melting-pot. Consequently I see every advantage in the discussions that have taken place in this Council. They are in my opinion extremely educative, and will, I am sure, bear fruit in due season.

“With these few words I wish you all a happy return to your homes, and I declare this session closed.

The Council adjourned *sine die*.

W. H. VINCENT,

Secretary to the Government of India,

Legislative Department.

CALCUTTA ;

The 1st April 1912.

GOVERNMENT OF INDIA.
FINANCE DEPARTMENT.

FINANCIAL STATEMENT AND BUDGET

FOR

1912-1913.



CALCUTTA
SUPERINTENDENT GOVERNMENT PRINTING, INDIA
1912