

GOVERNMENT OF INDIA
FINANCE DEPARTMENT

FINANCIAL STATEMENT AND BUDGET

FOR

1913-14



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CONTENTS.

	PAGE	PARA.
Speech of the Honourable Finance Member presenting the Financial Statement for 1913-1914	1	1-61
Introductory	1	1-5
Revised Estimate for 1912-13	2	6-15
Budget Estimate for 1913-14	6	16-23
Military expenditure	9	24-29
Railways	10	30-34
Irrigation	11	35-40
Provincial Finance	13	41
Ways and Means	14	42-44
Exchange, currency and gold coining	15	45-53
Retrospect	18	54-60
Conclusion	19	61
 Financial Statement, 1913-14—		
I.—General Statement of the Revenue and Expenditure charged to Revenue of the Government of India, in India and in England	22	...
II.—General Statement of the Receipts and Disbursements of the Government of India, in India and in England.	24	...
A.—Statement of the Revenue of India, in India and in England.	26	...
B.—Statement of the Expenditure charged to the Revenues of India, in India and in England	28	...
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England	32	...
D.—Account of Provincial Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial settlements	36	...
E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England	37	...
 Proceedings of the meeting of the Imperial Legislative Council held on 7th March 1913	39	...
Proceedings of the meeting of the Imperial Legislative Council held on 8th March 1913	91	...

	PAGE.	PARA.
Speech of the Honourable Finance Member introducing the Budget for 1913-1914	105	I-5
Budget, 1913-14—		
I.—General Statement of the Revenue and Expenditure charged to Revenue of the Government of India, in India and in England	108	...
II.—General Statement of the Receipts and Disburse- ments of the Government of India, in India and in England	110	...
A.—Statement of the Revenue of India, in India and in England	112	...
B.—Statement of the Expenditure charged to the Revenues of India, in India and in England	114	...
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England	118	...
D.—Account of Provincial Savings charged to Revenue and held at the disposal of Provincial Governments under their Provincial settlements	122	...
E.—Abstract Statement of the Receipts and Disburse- ments of the Government of India, in India and in England	123	...
Memorandum explaining the details of the Esti- mates—	125	I
I and 3.—Land Revenue	129	8
II „ 4.—Opium	133	29
III „ 5.—Salt	140	36
IV „ 6.—Stamps	141	39
V „ 7.—Excise	143	45
VI „ 8.—Provincial Rates	145	50
VII „ 9.—Customs	146	53
VIII „ 10.—Assessed Taxes	147	56
IX „ 11.—Forest	149	59
X „ 12.—Registration	152	65
XI.—Tributes	154	68
1.—Refunds and Drawbacks	155	69
2.—Assignments and Compensations	156	71
XII.—Interest Receipts	157	73
13 and 14.—Interest Expenditure	159	76
XIII „ 15.—Post Office	161	80
XIV „ 16.—Telegraph	162	82
XV „ 17.—Mint	164	87
18.—General Administration	165	90
XVIA „ 19A.—Law and Justice—Courts of Law	167	95
XVIB „ 19B.—Law and Justice—Jails	169	100
XVII „ 20.—Police	171	104
XVIII „ 21.—Ports and Pilotage	173	109
XIX „ 22.—Education	174	111
23.—Ecclesiastical	177	118
XX „ 24.—Medical	178	119
25.—Political	182	128
XXI „ 26.—Scientific and other Minor Departments	184	131
27.—Territorial and Political Pensions	187	138
28.—Civil Furlough and Absentee Allowances	188	139
XXII „ 29.—Superannuations	189	140
XXIII „ 30.—Stationery and Printing	191	143
XXIV „ 31.—Exchange	193	146

Memorandum explaining the details of the Estimates—continued.

	PAGE.	PARA.
XXV and 32.—Miscellaneous	194	148
33 to 36.—Famine Relief and Insurance	197	157
XXVI to XXVIII } and 38 to 41 } Railway Revenue Account	199	163
XXIX—XXX } and 42 to 43 } Irrigation	202	173
Major Works	203	175
Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	205	181
Minor Works and Navigation	206	182
44.—Construction of Railways charged to Provincial Revenues	208	188
XXXI and 45 —Civil Works	209	189
XXXII „ 46.—Army	215	203
XXXIII „ 46A.—Marine	218	215
XXXIV „ 47.—Military Works	219	218
47A.—Special Defences	220	226
Capital Expenditure on Railways, Irrigation and other Works not charged to Revenue—		
Railway Construction	222	228
Construction of Productive Irrigation Works	225	233
Initial Outlay on the new Capital at Delhi	226	235
Ways and Means—		
Home Treasury	227	237
India	233	255
Appendix	237	...
Proceedings of the meeting of the Imperial Legislative Council held on 24th March 1913	257	..

Speech of the Honourable Finance Member

INTRODUCING THE
FINANCIAL STATEMENT FOR 1913-14.

Introductory.

I rise to present the Financial Statement for 1913-14. For the information of those Members who are new to the Council, I may state briefly the procedure to be followed. To-day there will be no debate, but beginning with the 7th March dates will be allotted for the detailed examination of my proposals and the discussion of any Resolutions that may be moved regarding them. Subsequently I shall have to consider what modifications are necessary, either in the light of our discussions or of later information which may become available. The Budget in its final form will be presented on the 20th and the final debate will begin on 24th March.

2. This is the fifth occasion on which the duty has fallen on me of reviewing the finances of India, and it is my good fortune that for a third time I am in a position to bear witness to the material well-being of this country. A year ago I framed my estimates on the assumption of a year of normal seasons and trade, and promising as the outlook may be, that is, in my judgment, the most favourable assumption which in the circumstances of India can be made with prudence. In looking back now over a period, the happenings of which it was then my duty to forecast, I shall have to describe a large improvement on our original estimates. The year that is drawing to a close has proved to be one of prosperity and of plenty, the results of which have easily outrun anticipations consistent with the principle of caution which I have suggested as necessary in our financial prognostications. But there is a shadow in the financial sunshine. While contemplating the general prospects a year ago as excellent, I said the uncertainties of the opium revenue still hung over us. The difficulties which I had then in mind have since then become acute, and we are faced with a loss of revenue which affects materially our financial arrangements in the coming year.

3. I propose in the first place to sketch the main features, agricultural and commercial, of the current year. The year opened well, for the winter rains, beginning in January, had been normal and timely, and the only thorn on the harvest rose was the distress in Kathiawar and some parts of Bombay, where famine, due to insufficient rainfall in the preceding year, had been declared. In the hot weather the auguries were unfavourable. A series of disturbances of the cold weather type continued to pass into India, delaying the establishment of the usual hot weather conditions, and in May there was an almost complete absence on the west coast of the irruptions of ocean winds which herald the advance of the monsoon. Thus the rains were late in beginning and were not established fully in the interior until the 10th of July. Their duration also was unusually short. In September they were very fitful, and they retreated from Northern and Central India a fortnight before the usual date. Stated in this way the history of the most important months in the year from the agricultural point of view may seem disappointing. For four weeks however from the time when it spread over Northern India the monsoon continued in abnormal vigour and yielded abundant rain. A beneficial break of ten days followed, and in the end of August and beginning of September the rain bearing currents again spread over India. For India as a whole the rainfall was little below normal, and, what is of more importance it was well distributed, no tract showing a very large deficiency. It is true that in Bengal and the eastern districts of the United Provinces, the early close of the rains was the cause of no little damage, specially to the rice crop and in portions of the Bombay Deccan the want of rain was severely felt. But there is never a monsoon that can be said without reservation to satisfy our ideals. At the end of November a rain bearing depression, which may justly be termed providential, traversed precisely those parts of the country where rain was needed. In the Bombay Presidency famine relief continued till October, and in three districts small numbers of people are still in receipt of gratuitous relief. In the United Provinces scarcity has been experienced in Mirzapur and a part of the Domains of the Maharaja of Benares, but with small exceptions the retrospect agriculturally is satisfactory. For the winter season we may

now anticipate an auspicious close. December, January and two weeks in February went by with scarcely a cloud, and we were beginning to despond when the atmospheric conditions changed and the rain was sent to us, welcome all the more because it had been so long delayed.

4. From the cause, in the seasons, we may turn to the effect in the harvests. The wheat crop of 1911 constituted a record which it would be difficult to equal; but the crop of 1912, if inferior to its predecessor, was in respect both of area and outturn very greatly better than the normal; in the United Provinces, one of the two chief wheat-producing provinces, the outturn indeed exceeded even the harvest of 1911. Rice had also been good; whilst of the other export staples, cotton had on the whole a favourable season except in parts of the Bombay Presidency and Hyderabad, and its total outturn was estimated at no less than 40 per cent. better than in the preceding year. The area under sugarcane has increased and the outturn is expected to be good; whilst jute has also shown considerable improvement. This year's rice crop has suffered to some extent in parts of Bengal and the United Provinces, but elsewhere the season has been not unfavourable and the outturn, though not up to that of 1911-12, should be considerably above the normal average of preceding years.

5. From this review of the agricultural reports I proceed to consider in the trade returns a more definite and statistical test of the year's prosperity. The results are striking. The value of our exports, I said last year, had been the highest on record, but the merchandise we have sent abroad between April and December 1912 exceeded in value by $17\frac{1}{2}$ crores the corresponding exports of 1911. There was a considerable falling off in the case of linseed and raw cotton, but a great trade was done in grain, wheat, rice and barley; the exports of jute increased by 3 crores, and of hides and skins by $1\frac{1}{2}$ crores. Nor was the improvement only in raw material; there was a very substantial advance in jute fabrics, in cotton twist and yarn and in tea. How the balance of trade was adjusted I shall show later on. At present I am concerned with merchandise, and under this head I note that our imports also in nine months have exceeded those of the previous year by $14\frac{3}{4}$ crores. In 1911-12 imports were active in April and May and then eased off in the ensuing four months, as if waiting, I said, upon the monsoon. In 1912-13 the same general tendency is observable; but the activity of April and May was greater and the comparative slackness in the following months less marked than in the preceding year. In the commodities for which we indented on other countries in exchange for our exports, half the increase roughly consisted of textile materials and fabrics generally, and piece-goods in particular; but there have been large increases also of sugar, hardware, machinery, iron and steel and railway plant. Combining both the inward and outward currents of trade, the value of our total seaborne commerce in merchandise during the first nine months of the year amounted to some 296 crores as against 264 crores in the preceding record year. The range of prices has doubtless been high, but I do not know that it is higher than in the preceding year, or consequently that the comparison I have drawn is misleading as an indication of the volume of trade. We know at any rate that railway traffic has been extremely active and on every side there are plain indications of a continuance of the progress and prosperity of the country.

Revised Estimate of 1912-13.

6. The effect of the conditions I have outlined is written large across our figures. The Budget for the current year was prepared for a revenue, Imperial and Provincial together, of £79½ millions; according to the latest revision of the estimate we now anticipate that we shall receive £87 millions, an improvement of £7½ millions, of which £5 millions will be secured from Opium and Railways. The aggregate expenditure we think will exceed by only £171,000 that provided in the Budget. Of the net improvement, as will appear even from the figure I have just given for Opium and Railways, the great bulk has accrued in the Imperial account. Out of our revenues however we have distributed large grants to Provinces. After allowing for these grants, the surplus we retain is £3,362,000 as against a surplus anticipated in the Budget of £1,478,000.

Opium Revenue.

7. The position in regard to opium is as follows. The trade with China in Indian opium is governed by the agreement of 8th May 1911, the object of which was to assist the suppression of opium smoking in China by cutting off gradually the Indian supply. The trade, it was contemplated, would cease in 1917; but provision was made for its earlier termination on proof of the extinction of production in China

of the indigenous drug. The taxation of foreign and native opium was to be equalised. All restrictions on the wholesale trade in our opium were to be withdrawn, but the stipulations of the Treaty were not to derogate from the force of any ordinances then existing, or which the Chinese Government might in future pass to regulate the retail trade or suppress opium smoking. The Manchu Government gave convincing proof of its sincerity and of its ability to enforce anti-opium measures, and several of the Chinese Provinces were under the terms of the Treaty closed to Indian opium. With the revolution there was undoubtedly a recrudescence of poppy cultivation and an unwarranted interference with the trade in Indian opium. Presently however the central Government asserted itself. Not only were Presidential decrees issued enacting the severest penalties against opium cultivation, but it was ordained that opium smoking was to cease entirely by a given date. The campaign against cultivation had extended to a campaign against consumption.

8. The policy of the Government of India has throughout been correct and simple. We had in our agreement with China a programme of sales from year to year and we have adhered to it. Yet we have had strong inducements to vary our course. The operations of the Chinese authorities would frequently have justified us in denouncing the Treaty or declining to make the further reductions of sales for which the Treaty provided. We were sincerely anxious however to help China towards a great reform. We have not insisted on the letter of the law. None the less we have steadily resisted pressure which from time to time has been brought to bear on us to effect reductions in our sale programme which would have been arbitrary and premature. Applications for the suspension of sales are no new feature in the opium trade. We were familiar with them before any restrictions were placed on exports to China, and their object was obviously to confer the advantages of a strict monopoly on those who happened at the time to be in the possession of opium. This we have properly and consistently refused to do. The action of the Republican Government in China, however, created an entirely new situation. It stopped the outlet for Indian opium. As soon as the situation declared itself, I went to Bombay and met the opium merchants, whose frank and forcible presentation of their case I wish to acknowledge. I made myself thoroughly acquainted with the whole outlook. The representations of the merchants were confirmed by the course which events had taken. In Shanghai and Hongkong which are the markets of our opium in China, trade was reported to be at a standstill. There were no sales or deliveries, and in India at the December auction the price of Malwa opium had dropped to Rs. 722 a chest as against Rs. 1,666 obtained in November and Rs. 2,443 in August.

9. The situation was radically different from any with which we had as yet been called on to deal, and the Government of India took prompt action. With the sanction of the Secretary of State we did four things. The sales of opium for China could not be stopped immediately, as a variation in the programme of the year cannot be made without three months' notice, but we suspended sales from the earliest date which this condition allows. Meanwhile we imposed an upset price which practically resulted in an immediate suspension of such sales. We reduced the quantity of opium to be sold in 1913 for export to non-China markets with the desire to reduce smuggling into China. And lastly, though we had no obligation in the matter, we agreed to buy from the Malwa States the amount of opium by which their exports to China in 1913 may in consequence of this decision fall short of the number of chests which had been assigned to them in our programme.

10. So much for the past. The Government of India clearly have had to deal with a situation created for them and for which they were not responsible. All that it was in their power to do has been done by them. For the future neither I nor anyone else can prophesy, but we cannot conceal from ourselves that China has set herself a task which experience proves to be one of the greatest difficulty—the enforcement of a morality possibly too advanced for popular acceptance. We have dealt generously with China and we have a claim on her for fair treatment. Her reputation for probity stands high among the nations. The Chinaman's word, it is said, is his bond. The new Republican Government, which has yet to establish its position in its own country and in the world at large, will doubtless be jealous in a peculiar degree of its honour and will be actuated by the same spirit of equity and fair dealing which has characterised the policy of the Government of India.

11. In the current year the effect of these events on our revenues has been comparatively small. In the case of Malwa opium I may explain that our receipts consist

of a share, first of a fixed pass duty, and secondly of the amounts bid at the auctions for the right of export. For the payment of these bids the merchants are allowed three months' grace, so that the proceeds of sale subsequent to December would in any case have been credited in the coming financial year. As far as the current year is concerned, the revenue from sales of certified opium in January-March would not have exceeded £400,000. On the other hand, as I have said, in earlier months prices were exceedingly high, and the results for the year as a whole are accordingly much above the Budget estimate. The improvement in fact under Bengal opium has been £1,198,000 and under Malwa opium £224,000. This portion of our revenues we propose to treat exactly as in previous years. To enable us to deal systematically with our opium windfalls we fixed in advance some time ago a series of standard figures to represent year by year the revenue which we might expect from our diminishing trade under normal conditions; so much was to be treated as current revenue, while the surplus revenue received, if any, was to be specially treated. For the current year the standard figure is £3,600,000. Our actual revenue is likely to be £5,063,000, so that there is an excess of £1,463,000. Of this sum two-thirds will be retained in our surplus for the discharge of temporary sterling debt. The discharge of India Bills, of which £1½ millions were still outstanding at the time of the last Financial Statement, has been completed; but we have to pay off next year £1½ millions railway debentures and meet an instalment of £500,000 for the discharge of short-term bonds. The remaining third, which amounts to about £160,000, we propose to distribute in grants for hostels and universities.

Ordinary Revenue.

12. Having reviewed the opium position, I pass to a consideration of our ordinary revenue. Excluding opium, the improvement shown on a comparison with the Budget is £6,191,000, the great bulk of which has been contributed by our railways. In making my estimate under this head, I was cautious and it would ill-befit, in my judgment, a Finance Minister in this country to be otherwise; but I think the most irresponsible critic would have hesitated to predict that the development of traffic would prove so enormous as to constitute a crisis in railway management. The gross earnings have been almost £4½ millions above the estimate. The net improvement is less, because, we have had, of course, to distribute more in the shape of surplus profits paid to companies, and because working expenses have naturally increased. Against the £4½ millions growth in earnings however the increase in working expenses has not been more than £600,000. The percentage of working expenses has been brought down to 49·3, which is a lower figure than has been shown for the last five years. The net receipts are £3½ millions better than the Budget. Apart from railways therefore, I have to account for an improvement of £2½ millions. Over a million of this improvement has been secured under the purely Imperial heads of Customs, Mint, Post Office and Telegraph, and Exchange. Under Customs, I find that out of a total increase of £586,000, £353,000 are accounted for under cotton manufactures, manufactured articles and export duties; the first two heads showing the influence of a prosperous year, while under the third the rise in revenue was due to a large demand for rice from other countries, which led to exports not only from Burma but from Bengal. Silver, the imports of which were heavy throughout the year, brought us about £160,000 more than we had anticipated and the revenue derived from sugar was also high. Of a large increase of £326,000 under Mint, the greater part is due to the resumption of rupee coinage, which could not be allowed for in the Budget. Before the profits on coinage are transferred to the Gold Standard Reserve, a charge is made for manufacture, which is credited to the Mint, and the sum thus shown in the current year is £214,000. Finally, so far as these Imperial heads are concerned, the Post Office and Telegraph Department has given us £118,000 more than our forecast, as the result no doubt of active trade and general prosperity, and the same general conditions have credited us with £109,000 under the head of Exchange. Under the shared heads of Stamps and Excise, we have divided with the Provinces an increased revenue of nearly £450,000 and Irrigation receipts also have been better in the aggregate by £142,000.

13. The description I have given of the improvement in our revenues will have impressed on the Council the fact that much the greater portion of it has accrued in the Imperial account. We do not propose however to retain all that has come to us; we intend to make the provinces partners in our good fortune. The distribution of

my surplus has given me much anxious thought. I have a large sum of money to dispose of; we are unlikely to have again, for some time, a margin anything like so large as in the present year, and it is all the more necessary to be careful in the distribution of what is in our hands. I state the principle of our decisions very briefly. There are certain relatively small requirements which we intend to meet; but the bulk of the money will go in grants to secure a steady progress in education and sanitation, an object which has the support of both official and non-official opinion. We propose to make the following distribution of funds:—

- 2½ crores for non-recurring expenditure on education.
- 1½ crores for urban sanitation.
- 30 lakhs to Burma for communications.
- 20 lakhs to Assam for development.
- 1 crore in aid of general provincial resources.

The last mentioned grant will be distributed at the rate of 12 lakhs to each of the larger Provinces, and 8 lakhs each for the smaller Administrations, and will not be earmarked for any one purpose. It will be devoted to such schemes as each Local Government may deem to be most necessary in view of varying and special requirements. Our ability to make these grants secures important advantages. From the Imperial point of view, they are an anticipation of future liabilities. We have these demands; we might in ordinary course meet them over a more extended period; but we may well doubt whether in the next few years we shall have funds available for distribution, and we take the opportunity, which fortunately presents itself, of paying our contribution in advance. From the point of view of the Provinces, there is a great gain in stability; they are secured in the prosecution of improvements of the most important kind against the fluctuations of Imperial finance. They are, we are assured, ready for the distribution. The great attention which has been paid in recent years to the needs of sanitation and education has led to a systematic review of requirements and preparation of projects generally. So long as there is uncertainty as to the amount that will be available from year to year, progress must be fitful and uneconomical. But now, when they find themselves secured in the possession of substantial sums, the Provinces will be able to make out and adhere to well-considered programmes of development and the systematic application of funds which will thus be possible will certainly make for economy and efficiency.

Expenditure.

14. About the expenditure of the current year I have little to say. I have already mentioned that in the aggregate it is £171,000 more than in the Budget. Provinces have spent £171,000 less than they anticipated, but there is an increase of £342,000 in Imperial charges. The Provincial decrease is accounted for by the inability of Local Governments to spend the full amounts provided. In the Imperial section the important variations are increases of £398,000 under Civil Works and £570,000 under Military services. The rise in Civil Works charges is accounted for by the debit, to the revenue head, of the construction of temporary accommodation for the Government of India at Delhi. In the Military estimates, the additions have been of an obligatory nature; for instance, the increased outlay on food supplies caused by higher prices, the cost of surveys on the North-East Frontier, larger expenditure on the arms traffic operations in the Persian Gulf, and similar items. On the other hand the special allotment made for protective irrigation works outside the Famine Insurance Grant has not been used and there is a large decrease of £480,000 shown under the Education head. This decrease however is nominal. In the Budget a reserve of £528,000 was entered under this head for subsequent distribution. As the distribution has proceeded, grants have been made by assignments diminishing Imperial revenues, and Imperial expenditure has been correspondingly reduced.

Delhi Expenditure.

15. I have completed my review of the current year and proceed to an explanation of the Budget for the ensuing year; but before I do so, there is one subject on which I wish to say a few words, and that is Delhi expenditure. In the discussion which took place in the Council last year, I gave an undertaking that this expenditure would be separately and carefully accounted for, and I own to a feeling of surprise and some indignation that suggestions should subsequently have been made, and they have been made, that the Government of India would countenance a

departure from the pledge then given. It is evident that all expenditure of whatever kind connected with the transfer of the Imperial capital to Delhi, could not conveniently or properly be brought under a single head in our accounts. There is, for instance, the administrative expenditure of the new Imperial Province which must be accounted for in appropriate sections as on account of police, law and justice, and so on. Again we have to build a new cantonment, the cost of which can with propriety be shown only in the Military Estimates. Similarly if a diversion of a railway line is found necessary, it must be charged to Railways. The cost of our temporary buildings further, as I have already mentioned, we have charged, under the advice of the Comptroller General, to the revenue expenditure head, Civil Works, and not to the new head of capital expenditure which we have opened for the new Imperial City. I make this explanation because I am anxious that there should be no possibility of misconception on the subject, and I would add that, while the expenditure has of necessity been entered under more than one head in the accounts, care has been taken to make it readily available by prescribing that in each case it should be kept apart under a sub-head of its own. I have arranged further, for the convenience of Hon'ble Members, that all the relevant items of expenditure should be brought together in a comprehensive *pro formá* account, and this arrangement will be continued year by year so long as it may be necessary. The form of this account and details regarding it will be found in the memorandum by the Financial Secretary, and I need only mention that the cost of temporary Delhi in the current year will probably be just under 50 lakhs. The discussion of the numerous questions of the first importance involved in the inception of a task of such magnitude has delayed the beginning of the permanent city, and the amount-charged to the capital head in the current year is only £155,000, which represents for the most part the cost of land acquisition. We shall soon be in a position however to proceed with the work energetically, and Honourable Members will find that a provision of 2 crores has been made in the capital account for this purpose in the ensuing year.

Budget Estimate for 1913-14.

16. I now come to a new page in our financial history and open the Budget for the year 1913-14. It will be clear that in one matter of grave importance our position has been weakened since I had to undertake the same task a year ago. I referred on that occasion to the uncertainties of our opium revenue; but now we are face to face with a calculation of actual loss. As regards our other sources of revenue, I do not propose to depart from the principle, which I consider to be the right one, of cautious estimating. Indeed it might be said that with every year of prosperity the probability of an approaching reversal of fortune, of unfavourable seasons and trade depression, increases, and that the need for caution is greater therefore now than on previous occasions when I have laid my Budget before the Council. At the same time I have no intention whatever of letting my estimates be influenced by vague forebodings. I hold to what I said two years ago, namely, that in Indian budgeting the only reasonable rule of conduct is to assume that a period of prosperity, once it is established, will continue until we have some clear warning of impending change. At present, apart from opium, our prospects are bright, and in making my estimates I have given full weight to this consideration. Proceeding with these principles in my mind, the calculations I have made give for next year a probable revenue in the aggregate, Imperial and Provincial, of £82,322,000. The aggregate expenditure for which provision is made is £83,850,000. There is thus a difference of £1,528,000, which is distributed in this manner; there will according to our anticipations be an Imperial surplus of £1,311,000, but a deficit of £2,839,000 in Provincial Budgets.

Revenue.

17. I proceed to state the salient facts and figures which lead up to these general results, and in the forefront must be put our opium revenue. Circumstanced as we are to-day, it would be out of the question to build on any anticipations of revenue from certified opium in the coming year. I will not despair of a revival in the opium trade which would restore to us in whole or in part the loss which at present faces us; but it would be wrong, as matters stand, to take into account and make available for expenditure any revenue the receipt of which is so problematical. Further the sales of uncertified opium in the present calendar year have been reduced from 13,200 to 9,000 chests. Accordingly all that I can budget for under the opium head is the value of 9,000 chests of uncertified opium at the moderate price of

Rs. 1,800 per chest or £1,080,000 plus £365,000 for excise and miscellaneous receipts, or a total of £1,445,000. The decrease, as compared with the probable receipts of the present year, is no less than £3,618,000.

18. In the next place, as one of the dominant factors in our Imperial finance, I turn to railways. We are increasing the working expenses next year by £ $\frac{1}{2}$ million in view of a larger Railway programme, which involves some addition to revenue as well as to capital expenditure, but against this increase on the expenditure side has to be set a decrease of a quarter of a million under payments of surplus profits, which is the result chiefly of the adoption of the financial in place of the calendar year for the distribution. As regards Railway revenue, my estimate is possibly optimistic; it is that the gross receipts in 1913-14 will be £36,754,000 as against the £37,067,000 which we hope to obtain in the current year. In arriving at this estimate I have attempted to hold the balance even between two sets of considerations. No doubt if the present wave of prosperity lifts us a little higher, my estimate will be exceeded. On the other hand the net railway revenue of the current year, according to our estimates, will be £2 $\frac{1}{2}$ millions above the revenue of 1911-12; there was an improvement of £2 millions in 1911-12, as compared with 1910-11 and the figure of 1910-11 was nearly £1 $\frac{1}{2}$ millions higher than the figure of 1909-10. We may well ask whether the curve is going any higher. When a time of depression comes, there will be a very different tale to tell. In 1907-08 there was a drop of about £ $\frac{1}{2}$ million, in 1908-09 a drop of £2 $\frac{1}{2}$ millions. It is easy to be wise after the event, and should fortune once more favour us you may say I was unduly cautious. But I claim to be judged by present prospects, and on the facts I have put before you I am of opinion that no prudent minister would frame an estimate higher than that which I have indicated.

19. An item which requires special mention is the abolition of the appropriations at present made from the land cess in certain provinces. The matter is one which I shall have to explain in some detail, but for the moment, dealing with the revenue account I note that the effect will be that the receipts in 1913-14 under provincial rates and contributions from district boards will be £557,000 less than in the current year.

20. Apart from Opium and Railways, and the appropriations just mentioned, the improvement in revenue which I anticipate is £105,000. The amount would be larger, but for certain reductions which are forced upon me. I cannot arrange for our capital expenditure without a large reduction of our balances, and the estimate of interest receipts in consequence is diminished by £177,000. Again the Mint receipts go down in my forecast by £291,000 because I cannot repeat the item which appears in the accounts of the current year for seigniorage on coinage of rupees. Under Customs also I am bound to take into consideration the rise in the price of silver as likely to affect imports, and, guided by the experience of years when the price was equally high, I must reduce the estimate of receipts from the duty on silver by £160,000. The exports of rice further in the current year have been very large, and a normal estimate for 1913-14 gives a decrease of £102,000 under export duties. Under other heads however I have raised the estimate of customs receipts by £140,000, which is as much as the advance in revenue in the last two years will justify. In other departments also, I take recent experience as my guide, and I advance the revenue from Post Office and Telegraph by £151,000, from Excise by £243,000 and from Stamps by £136,000. Land Revenue also is likely to give about £155,000 more in the aggregate, in consequence chiefly of better collections in Bombay. The result of these and other less important variations is an improvement of £248,000 in the Provincial account and a deterioration of £143,000 in the Imperial account. But we propose from Imperial revenues to make grants, which I shall presently describe, to Provinces amounting to £1,198,000. This compares with non-recurring grants we are making this year of £4,545,000. Thus to sum up, the Imperial revenue account will be £3,618,000 worse under Opium; £594,000 worse under Railways; and £143,000 worse under other heads; while alienations of revenue will be £3,347,000 less. On the whole there is a deterioration of about one million.

Expenditure.

21. The aggregate expenditure I advance from £79,604,000 in 1912-13 to £83,850,000 in 1913-14. The provinces anticipate that they will spend £3,203,000 more than in the current year, the great bulk of the increase being accounted for under education, sanitation and public works. In the Imperial section there appears an

increase of £1,043,000. More than half of this increase is accounted for by the expenditure of £560,000 which we propose to incur for the purchase of Malwa opium. Under Civil Departments we have added £132,000 for so much of the grants which we are making for education and other beneficial objects as we need for Imperial outlay in minor administrations or as a reserve for subsequent distribution. A sum of £109,000 has been allotted for Protective Irrigation works outside the Famine Insurance grant. There is an increased provision of £131,000 under Post Office and Telegraph which is due for the most part to the requirements of wireless stations. The administration of the Province of Delhi will, we think, involve an increased expenditure of £60,000. In view of various urgent projects we have agreed to raise the grant for Imperial Civil works by £189,000, but there is a decrease of £300,000 under temporary buildings for Delhi.

Grants to Provinces.

22. The grants for education, relief of cess and other beneficial services, which I have mentioned, are not the least interesting feature in the Budget. When presenting the Financial Statement last year, I said that as in view of expenditure on the new capital at Delhi we should now have three sections in our annual capital programme instead of two, we might reasonably enlarge the conventional figure of a crore which we have generally endeavoured to secure as our revenue surplus. In spite of the loss of opium revenue I find myself in a position to follow this policy, and I have framed my Budget on the basis of a 2 crore Imperial surplus. In spite of the loss of opium revenue, I find it is possible not only to avoid the imposition of new taxation, not only to maintain the present standard of expenditure but to provide a substantial contribution to meet the ever-growing needs of the country. Those needs are multifarious; some are conspicuous and urgent. Education and Sanitation are twins of a phenomenal development. There is agriculture. There is the question of medical attendance and relief. Last but not least, unless we ignore the political organization of the country, there is the development of local self-government. For these interests, we have made due provision. We allot 1 crore for recurring expenditure on education and sanitation, distributing 85 lakhs to the major provinces, assigning 7 lakhs as Imperial expenditure and retaining a reserve of 8 lakhs. We add 10 lakhs to the provision for agricultural expenditure; we allot 10 lakhs for medical relief,—15½ out of these 20 lakhs being distributed among the major provinces. These grants require no explanation and I would only say that the recurring grant for education supplements and adds to the value of the large non-recurring grant for the same purpose which we are giving in the current year.

23. Finally we propose to make assignments to Local Governments to enable them to forego the amounts which at present are appropriated for Provincial use from the cess on land. This matter requires explanation. The cess I have mentioned is levied in all Provinces generally at the rate of 5 or 6½ per cent. on annual value. In Bombay, Madras and the Central Provinces the entire proceeds go to Local Boards. In Bengal and Bihar, however, a one-anna cess is divided into two half-anna portions and while one of these, the "road cess," goes to District Boards the other, the "public works cess" is credited to Government. In the Punjab and the North-West Frontier Province, District Boards have to make a contribution of nearly 20 per cent. of the land cess to Provincial revenues for "General services." In the United Provinces also there are large appropriations though they have a different form in the two portions of the Province. In Agra there is a land cess of 5 per cent. of which about a third is taken by the Local Government to cover the cost of rural police; in Oudh the general cess which goes to District Boards is at the rate of 2½ per cent. only of the annual value while a rate of 3 per cent. is levied separately on account of the cost of village police. The Council will remember that last year a resolution was moved by the Hon'ble Mr. Gokhale recommending the appointment of a Committee to enquire into the resources of local bodies. I had to oppose that resolution because the appointment of a Committee did not appear to be necessary or desirable; but I made it plain that the object of the resolution was one with which Government were in accord. The development and encouragement of Local Self-Government is indeed an object as to the desirability of which all are agreed, and it is with this object in view that we desire to increase their resources by abolishing the appropriations which I have mentioned. The consequence however of this abolition will be a loss to Provincial revenues which Local Governments cannot themselves sustain, and I therefore will make them assignments. The manner in which we proceed is as follows. The Local Governments while they take with the one hand appropriations

from Local Boards as I have described, with the other hand give them certain subventions. Certain of these subventions, such as those made out of the Imperial grant for primary education will continue to be made to the Boards; others of a general nature which are at present required to provide a sufficient income for certain Boards will be resumed. In Oudh a special adjustment will be necessary; the 3 per cent. village police cess will be abolished and a general cess of 5 per cent. imposed at the same rate as in Agra. Allowing for this modification the net loss to Provinces and consequently the amount we have to make good to them will be in Bengal 25 lakhs, in Bihar 23 lakhs, in the United Provinces 29½ lakhs and in the Punjab 2 lakhs, a total of nearly 79½ lakhs or £530,000. In deciding on the measure which I have now detailed to the Council we have, I consider, given a very substantial proof of our interest in local self-government. Last year in the debate on the resources of local bodies I mentioned the surprising way in which Mr. Gokhale plants seeds of policy which come to quick maturity, and I likened these to the mango seeds of the Indian juggler which covered for a little time from view astonish us presently with the appearance of trees bearing not only leaves, not only buds and flowers, but a goodly crop of wholesome fruit. If I may vary the figure, I should say that the Government of India have their orchards to the cultivation of which they give their best endeavours. Like all gardens these have their disappointments, their inexplicable failures; but none the less some of the crops are good. The present is a goodly basket, as an Indian gentleman might say "from our own garden;" and it contains something more substantial than a Committee.

Military Services.

24. The expenditure for five years is shown in the following table:—

	Gross.					Ner.
	Army.	Marine.	Military Works.	Special Defences.	Total.	All Military heads.
	£	£	£	£	£	£
1909-10	18,901,181	461,157	858,342	28,604	20,249,284	19,112,323
1910-11	19,131,780	445,867	900,437	7,987	20,486,071	19,265,042
1911-12	19,536,546	450,728	909,657	4,706	20,901,637	19,558,580
1912-13 (Budget)	19,084,700	447,100	860,500	20,200	20,412,500	19,094,500
1912-13 (Revised)	19,608,700	476,800	880,600	15,900	20,982,000	19,635,400
1913-14 (Budget)	19,555,900	478,300	949,100	24,500	21,007,800	19,646,800

25. As stated last year, the Military expenditure of 1912-13 as originally estimated was fixed at a figure below that of any year since 1903-04. After the estimates were closed it became essential to place an order in England for a large number of rifles which has led to an additional payment of £155,000 during the current year. The National Insurance Act involved a payment not in the estimate of about £15,000 on account of the British soldiers serving in India. The demand for working parties of troops in connection with the survey operations in progress on the North-East Frontier entailed unforeseen expenditure amounting to £54,000. The Arms Traffic operations proved more costly by £15,000 than was expected. The prices of food and forage have risen, in spite of the favourable harvests of the year, and account for an increase of roundly £174,000. In view of the favourable financial conditions of the year, additional funds to the extent of about £127,000 were also given to place the army transport on a more satisfactory footing; to allow of the commencement of a reserve of fodder; and for advancing works in progress and for the purchase of stores. The aggregate excess expected is £540,900, the bulk of which has arisen from unforeseen demands and the rise in rates of food and forage.

26. In the coming year there will again be a heavy bill for special services. Provision is made for the continuance of the Arms Traffic operations at a cost of £166,700. The winding up charges connected with the working parties employed

on the North-East Frontier are expected to amount to £33,300. On the other hand, the expected retention of Indian troops in China and Persia will continue to effect a saving.

27. Apart from all this, it has been necessary, in framing the military estimates of 1913-14, to take into account the fact that the temporary economies in ordinary expenditure amounting to £101,000, effected in the current year, cannot be repeated next year; and that the National Insurance Act introduces a new annual charge of £21,500. A larger provision of £186,600 for ordinary Home stores has been found necessary, owing to surplus stocks having been largely worked off, higher prices ruling for metals, and to the advance purchases of such stores in 1911-12 not being repeated in the current year.

28. The Schedule grant for 1913-14, amounting to £737,700, shows an increase of £217,600 as compared with the figure adopted in the current year, but it includes £119,000 to meet the final payments on account of the extra rifles which had to be ordered this year, and £106,700 for the acquisition of land and the commencement of building operations in connection with the new military cantonment at Delhi. The balance of the grant will be applied mainly to meeting the primary requirements of the army in the matter of guns, bayonets, swords and accoutrements, and to the continuance of building works in progress, notably in the direction of improving the accommodation of Indian troops. Provision is made on a modest scale for the inception of military aviation in India.

29. In respect of the permanent economies mentioned last year, a further saving has been effected by the disbandment of the Deoli and Erinpura cavalry squadrons. The question of army expenditure generally has been under the consideration of the Army in India Committee, presided over by Field-Marshal Lord Nicholson. Their report, which is expected shortly, will deal with the possibility of effecting further economies in military expenditure. The report of the Committee which examined the question of marine expenditure is still under consideration. The final result is an increase of the net military budget by £552,300 as compared with the current year's budget.

Railways.

30. I have already given in the revenue account some of the more important Railway figures. The results of the present year are remarkable. In 1912-13 we expect the return on the capital at charge to be 5·89 per cent. against 4·48 which was the percentage in 1909-10. If we take the railway revenue account as a whole, and set the interest charges, the annuities, sinking fund payments and minor debits, such as cost of land and surveys, against the net earnings, we show a surplus of £5,616,000, the highest in the history of our Indian railways.

31. What I am now especially concerned with is the railway capital account, and I give therefore the figures of railway capital expenditure during the last five years and compare them with the estimate for next year:—

	1908-0	1909-1	1910-11.	1911-12.	1912-13, Revised.	1913-14, Budget.
	£	£	£	£	£	£
Open lines including rolling stock	8,532,741	6,532,441	5,002,843	5,058,390	7,362,800	10,124,600
Lines under construction—						
(a) Started in previous years	1,366,200	1,482,962	2,055,264	2,403,853	2,781,400	1,875,400
(b) Started in current year	146,130	369,291	387,821	452,150	69,900	...
	10,045,071	8,384,694	7,445,928	7,914,393	10,214,100	12,000,000

32. The figures to which I invite special attention are these. The expenditure on capital account in the three years 1909-10 to 1911-12 averaged rather less than £8 millions. In the current year we budgeted originally for a railway programme of £9 millions. In the course of the year however we were able to increase the

provision to £10½ millions out of an increase in our balances and other improvements. For the coming year I propose to draw somewhat heavily on our ample balances and am in consequence able to advance the railway programme for 1913-14 to £12 millions.

33. This proves, I think, that I am not unsympathetic on the question of railways. I recognise fully their immense significance as an instrument of general progress, their necessity for the development of trade, their growing and indeed momentous importance to the finances of India; but in this, my last Financial Statement, I cannot refrain from a word of warning. In spite of the reckless utterances of obviously interested critics, I continue to deprecate any departure from a policy of the utmost caution in the matter of Railway Finance. It may be that in the future it will be possible to give more scope to private enterprise and increase through its agency the funds available for railway construction, but for the present I have to regard railways as a strictly business proposition. Our responsibility is all the greater now that they have attained a position of supreme importance in our financial system. It is said that the remunerative character of our railways is beyond question, that our railways are the milch cow of the Government of India, and that I am ungrateful. But what is the position? We are paying in the London market very nearly 4 per cent. for what we borrow. I bear in mind that in the current year the railways have paid us 5.89 per cent. But last year the return was 4.99 per cent., in 1910-11 it was 4.66 per cent., in 1909-10 it was 4.48 per cent.; even in good years in the present state of the money market the margin is a narrow one. Let me remind you that so recently as in 1908-09 our railway system was worked at a net loss to the State. I said at that time that we must never allow our railways to become again, even temporarily, a net burden on the general taxpayer. I repeat that assertion. As matters stand we have in our railways a splendid asset. Let us safeguard that asset. Any admission of doubtful schemes, or failure to count in each case the full cost, any disregard of financial considerations will surely lead to deterioration of a most serious character.

34. I urge that nothing be agreed to in the future which may weaken a position which is essential to the financial prosperity of India and to all the interests which that prosperity serves.

Irrigation.

35. The financial position of our great irrigation undertakings may be gathered at a glance from this table which I present and which brings up to date the information given in previous Financial Statements.

Particulars.	1909-10.	1910-11.	1911-12.	1912-13 (Revised).	1913-14 (Budget).
<i>Productive Works.</i>	£	£	£	£	£
Capital outlay to end of the year	29,145,119	30,355,971	31,929,338	33,439,738	34,918,738
Direct Receipts	2,249,011	2,256,989	2,319,176	2,541,200	2,542,600
Land Revenue due to Irrigation	1,111,158	1,170,065	1,343,135	1,495,200	1,518,800
TOTAL RECEIPTS	3,360,169	3,407,054	3,662,311	4,036,400	4,061,400
Working Expenses	1,065,481	1,080,404	1,103,180	1,090,700	1,108,400
Interest on debt	960,829	1,004,680	1,059,649	1,152,400	1,207,000
TOTAL WORKING EXPENSES	2,026,310	2,085,084	2,162,829	2,243,100	2,315,400
NET PROFIT	1,333,859	1,321,970	1,499,482	1,793,300	1,746,000

Irrigation—contd.

Particulars.	1909-10.	1910-11.	1911-12.	1912-13 (Revised).	1913-14 (Budget).
	£	£	£	£	£
<i>Protective Works.</i>					
Capital outlay to end of year	3,112,121	3,444,204	3,803,846	4,207,046	4,778,046
Direct Receipts	58,066	51,061	62,356	64,500	76,900
Land Revenue due to Irrigation	6,230	7,940	8,330	10,800	10,900
TOTAL RECEIPTS	64,296	59,001	70,686	75,300	87,800
Working Expenses	28,730	29,217	41,923	51,600	54,200
Interest on debt	97,882	110,730	123,218	136,200	152,800
TOTAL WORKING EXPENSES	126,612	139,947	165,141	187,800	207,000
NET LOSS	62,316	80,946	94,455	112,500	119,200
<i>Minor Works and Navigation.</i>					
Direct Receipts	235,691	228,465	247,054	251,200	254,700
Expenditure	889,435	877,728	836,407	871,800	921,300
Net Loss	653,744	649,263	589,353	620,600	666,600

36. On the 31st March 1912, 58,534 miles of main and branch canals and distributaries had been constructed, and by the end of the current year a mileage of 59,000 is expected, commanding over 48½ million acres of culturable land of which probably 23 million acres will actually be irrigated within the year. The net profit according to our anticipations on productive works will be £1,793,300, the net return on capital outlay being 8·81 per cent. or if works still under construction are excluded 10·27 per cent.

37. In addition to the canals in operation there are 59 projects which are either under construction, awaiting sanction or being examined by the professional advisers of the Government. Of these six are Minor Works. The Major Works of which 28 are productive and 25 protective, are designed to irrigate nearly 13 million acres at a total capital cost of about £45 millions, the yield anticipated on the productive works being 7·17 per cent.

38. Of the projects brought forward from the preceding year, I may first refer to the Punjab triple project. The progress of this great work is stated to be satisfactory. The Upper Chenab Canal was opened for irrigation by His Excellency the Viceroy on the 12th April 1912. The Lower Bari Doab Canal will be ready for opening in April next, and it is expected to open the Upper Jhelum canal by the autumn of 1914. It is hoped that the Upper Swat River canal will be ready by April 1914.

39. Two other projects mentioned last year in my Financial Statement, the Sukkur barrage and the Rohri canal, have been submitted for the sanction of the Secretary of State, while progress in the case of the Cauvery Reservoir and Sarda-Ganges-Jumna feeder, which have been very favourably reviewed by the technical advisers of the Government of India, is delayed by the necessity of considering the interests of certain Native States which are affected by these undertakings. During the year the Nira Right Bank canal has also been sanctioned by the Secretary of State at a cost of about 260 lakhs of rupees. It is designed to protect an area of 190,000 acres in the Sholapur district, which above almost all others in India stands in need of protection from drought and famine, and it is the most important project of the protective class which has been undertaken in this country.

40. Of the projects under consideration which have not previously been mentioned the most important are the Kistna reservoir in Madras, the extension of the Gokak

canal in Bombay, the Sutlej Valley canals and the Jumna dam project in the Punjab. The Kistna project contemplates the construction of a dam at a cost of $8\frac{1}{2}$ crores to hold up a reservoir with a gross capacity of 163,586 million cubic feet of water. The work if constructed will be the largest of its kind in the world exceeding in magnitude the Assuan dam on the Nile which, as now enlarged, has a gross capacity of 81,224 cubic feet. The Gokak canal extension, which is classed as protective, is to cost nearly 2 crores. The Sutlej Valley project aims at the utilization of the surplus supply of the Sutlej and Beas rivers and it will besides improving the water supply of the several inundation canals now dependent on the Sutlej, extend the benefits of irrigation into the great desert south of the river. It will probably cost 9 crores, while the Jumna dam project, the estimate of which is over 5 crores, provides for the construction of a dam at Koch in the Nahan State to ensure a fuller supply to areas commanded but insufficiently watered by the Western Jumna canal and extend the irrigation from that canal to some precarious tracts in the Umballa and Karnal districts.

Provincial Finance.

41. On the subject of Provincial Finance it is fortunately necessary for me to say but little. Two years ago I described in detail the scheme of permanent financial settlements, which we believe secures for both parties to the contract important advantages. In presenting my last Financial Statement I said that the scheme could not have had a better start than the year 1911-12 had given it. Now another year of prosperity has strengthened the position of the Provinces as well as our own. It is not so long ago that the Provincial authorities took a most gloomy view of their financial prospects. I remember well the spirited attack which was made on the Government of India on the subject of the Punjab settlements, and no year passes in which we do not hear the patriotic pleadings of the Hon'ble Pandit Madan Mohan Malaviya and others on behalf of the United Provinces. To all such representations I may have been held to be unsympathetic, but especially in India time brings the answer. The financial position of the Punjab and the United Provinces is very different now from their position even two or three years ago, and in general the Provinces have built up such substantial balances and have a margin between revenue and expenditure so adequate that they are not only well-to-do for the present but are well protected for the future. I must deal however in some detail with the case of the two Provinces, Assam and Burma, to which it is proposed to give special grants. Financially the conditions in these two Provinces are different. Assam at present has only a temporary settlement and in another two years it will be necessary to revise the terms of our agreement on a more permanent basis. Burma already has its permanent contract, and I am satisfied that the contract is essentially a sound one, for it secures to the Province a substantial growth of revenue which will presently supply it with ample funds for its requirements. At the moment, however, it cannot be denied that the province is in poor circumstances and that in spite of the exercise of due economy it finds a difficulty in squaring resources with requirements. But from another point of view there is a strong resemblance between the conditions in these two Provinces. The equipment of both, in the matter more particularly of communications, is far behind that of the rest of India, and their development is a matter for serious consideration. The question is no doubt what rate of progress is desirable, for ultimately both Provinces will find a sufficiency for their requirements in their own resources. But it is clear that unless we come to the assistance of Burma, progress in that Province will be injuriously delayed. The case of Assam is somewhat different because it was given a substantial grant with which to start its existing settlement; but here again it was recognised that the Province might spend this grant during the period of settlement and it would in the usual course be given a second grant at the beginning of the permanent settlement, the terms of which will shortly have to be considered. The reasons for the grants we propose will now be evident. By making these grants we assist the earlier development of Provinces which are extremely backward. We anticipate in the case of Assam a liability which might come on us when unfavourable seasons make it difficult for us to meet it. And since the improvement of communications must make for an improvement of revenue in which the Imperial Government have a share, it may be added that these grants are in the nature of an investment in the business of the firm by the senior partner, namely the Government of India.

Ways and Means.

42. I have now finished with the Revenue account, the account that is to say that is concerned with the money credited to us as a final receipt and the expenditure which we have agreed should be charged against such receipts, and I turn to the question of our Ways and Means.

43. In the current year our programme provided for capital expenditure of nearly £11½ millions, of which £9 millions were for railways, £1,416,000 for irrigation, and £1,333,000 for Imperial Delhi. We had to meet railway debentures which fell due to the extent of nearly £1½ millions, and the ordinary drawings of India bonds of £½ a million, and we arranged to repay the whole of the outstanding India bills of £4½ millions. The great bulk of these obligations and requirements we proposed to meet by drawing on our balances; but we decided to raise a loan of 3 crores (£2 millions) in India and another of £3 millions in England, and we hoped to obtain £1,810,000 through railway companies apart from the money which they were to raise for the discharge of debentures. In the last item we have been disappointed, for the capital raised by railway companies has been only £495,000. In other respects our assets have increased very greatly above our anticipations. The greater part of the improvement has taken place in the revenue account with which I have already dealt in detail. This improvement shows itself first in the rise of the Imperial surplus from £1,478,000 to £3,362,000, and secondly in the banking account of the Provinces. Originally we had to estimate for a large net withdrawal by provinces; but they have not been able to work up fully to the scale of expenditure for which they had made provision in the Budget. Their own revenues have been better, and they have received large grants from us, the result of all these changes being that the aggregate provincial account shows now instead of a withdrawal of £1,558,000, a deposit of £4,019,000. On the debit side of our transactions, the most interesting item is the discharge of our India bills. This has now been carried through in accordance with the programme, and it is a matter of very great satisfaction to me that our account has been entirely cleared of these liabilities; our position has by these liquidations been greatly strengthened against the possibility of financial troubles in the future. The capital expenditure on Delhi, as I have already noticed, has been small. On the other hand, canals have taken a little more money than we provided for them in the Budget, and we have been able in the course of the year to make the substantial addition of £1½ millions to the railway programme.

44. In 1913-14 we repeat the provision of £1,333,000 for the new city at Delhi, and we increase the irrigation allotment to £1,467,000. The most prominent feature of the year is however the raising of the provision for the railway programme to no less than £12 millions. The total capital outlay is estimated at £14,800,000. The only other important debits will be, first, the discharge of debt amounting to £1,869,000, chiefly on account of railway debentures which fall due in the course of the year and of the repayment of another £½ million India bonds; secondly the deficit which is estimated at £2,839,000 in the provincial account. Altogether we have to find about £19½ millions and this we propose to do mainly by utilising our balances. We propose to work to a closing balance of about £17 millions, and on that basis we think we can find £11 millions out of balances. Our revenue surplus will give us £1½ millions. We propose to raise a loan of 3 crores (£2 millions) in India. The Secretary of State will not himself issue any sterling loan, but it is hoped that the capital raised by railway companies will give us £3 millions. We depend to the extent of £1½ millions on our unfunded debt transactions, mainly Savings Banks, which we think will result in a net receipt of that amount, and we draw as usual on the grant for the redemption or avoidance of debt. The distribution of the closing balance at which we aim is that we should hold £12,429,000 in India and £4,442,000 in the Home Treasury. To work to these results after providing for the year's requirements, we estimate that the Secretary of State will sell Council Bills and Telegraphic Transfers on us to the extent of £21,200,000; but in addition he will as usual sell additional bills on India so far as our resources may permit if there is a sufficient demand for them. It will be understood that all my announcements about loans and drawings are subject to the usual reservations; the Secretary of State and the Government of India retaining full discretion to vary the amounts I have mentioned, in any way and to any extent that may be thought advisable.

Exchange, Currency and Gold Coining.

45. From this survey of our Ways and Means I pass to the adjoining territory of Exchange and Currency where there is some interesting ground to be traversed. I shall first sketch the general conditions of the year which are relevant to this subject. I shall describe a resumption of our rupee coinage, and I shall then pass to a consideration of two important steps in the development of our currency policy.

Exchange.

46. From the description of trade conditions which I gave at the beginning of my speech it will be at once surmised that there has been no exchange difficulty in the current year. Taking the value of merchandise dealt with on private account the value of Indian exports between April and December 1912 exceeded the value of imports by $61\frac{3}{4}$ crores, the excess being about $2\frac{3}{4}$ crores greater than in the previous year. The outstanding feature of the year is that since the 1st of April last the rate of exchange has never fallen below par, and this is a new thing in our experience. In 1909-10 a rate below 16 pence continued for the first six months of the year. In 1910-11 it lasted from the middle of May to the middle of August. In 1911-12 it held only for two weeks in June and this year it has disappeared. I do not wish to make too much of this feature; but while I remember that there was little employment for money last rains and my friends the bankers will point to the high rates of interest that have recently prevailed, I think a tendency is shown in the facts I have stated, as well as in our figures of rupee absorption and in the traffic returns of railways, to a diminution in the duration and intensity of the slack season and a more even distribution of trade throughout the year which would be very welcome.

47. The balance of trade in our favour, I have said, in nine months has been $61\frac{3}{4}$ crores. I need not attempt to explain how the whole difference has been equated; but I can account at once for $56\frac{3}{4}$ crores, for in the settlement of our claims on other countries we imported 12 crores in gold and silver bullion, $18\frac{1}{2}$ crores in sovereigns and accepted $26\frac{1}{4}$ crores in Council Bills. The sovereigns, I need hardly say, are not imported necessarily for use as coin, but in order to obtain currency in any form that is desired and they are largely turned into rupees. The absorption of gold, it is true, has continued to increase; in the first six months of 1912-13 it was a million pounds more than in the first six months of 1911-12. But that is only one element in the situation. The financing of the wheat trade which I have said was unusually active took two crores of rupees more from us than in the previous year. Jute, so far as currency is concerned, was a record crop, for the demands on our Calcutta Office in four months amounted to 12 crores of rupees, a sum exceeding even the previous record of 1906 and far above the requirements of any intermediate year. This leads me to the question of the coinage of rupees. We have not added to the rupees in circulation for the last five years. In November 1907 when coinage stopped we had 28 crores of rupees in hand. Then came the scarcity and the commercial crisis of 1907 and 1908 during which instead of an absorption there was a return of rupees from circulation. By September 1909 we had in our possession no less than 48 crores. Since then there has been a steady absorption. It has proceeded at a rate considerably slower than many anticipated though much as I personally expected, but it has gone on year after year and at the end of last April we had no more than 15 crores in hand. It was certain that in the next few months rupees would return; but it was equally certain that the resumption of coinage could not be avoided. The Secretary of State accordingly began to purchase silver in May last. Since then he has purchased £7,060,000 worth. This silver has yielded $15\frac{3}{4}$ crores of rupees. $10\frac{1}{2}$ crores passed into our ordinary balances in substitution for the gold used in the purchase, while the remainder, less cost of manufacture representing the profit on coinage, has been credited to the Gold Standard Reserve.

Currency.

48. Having cleared the way by this sketch of the year's history, I can proceed to a fuller discussion of the important currency developments which I mentioned, the first relating to the Gold Standard Reserve and the second to the coinage of gold in India. The first has to do with exchange and the requirements of international trade, the second with our internal currency. That there is a nexus between the two cases is clear, but as regards the nature and extent of this nexus widely different opinions are held. We are familiar with the view that a gold standard is impossible without a gold currency. On the other side it is suggested that the currency in the hands of the people is not to any great extent available when coin has to be sent out of the country in settlement of foreign demands. There is also strong opinion in favour of the view that the support which at times becomes necessary not only in this country

but elsewhere against an unfavourable balance of trade can best be found not in the currency in circulation but in strong reserves. I do not intend to enter on a discussion of these rival creeds. I would merely like to say that here in India we have made a great experiment in currency, that the experiment has been successful, and that we are satisfied with our system as at present developed. I recognise however that we must always be ready to strengthen and adjust it as the need arises, and that in carrying out such re-enforcements and adjustments we must attend to experience as well as theory and bear in mind that the conditions in India may in certain particulars be special and stand in need of exceptional treatment. This is the principle which should guide us in considering both the matters which I now lay before the Council. I take first the question of the Gold Standard Reserve. That Reserve has already reached the large figure of £22 millions including £4 millions held in rupees in India. But we have never forgotten that in the troubles of 1907-09 we lost in little more than a year no less than £15 millions sterling, and though we have generally other gold resources on which we could draw, I have always been anxious that the Reserve which is specially earmarked for the support of exchange should be strengthened. I have at the same time felt that it would be an advantage if a larger proportion of this Reserve were held in liquid gold instead of in securities. On these points we have had I think the unanimous support of Indian opinion, but the Secretary of State has not always seen eye to eye with us, and the Council may remember that a year ago I was not sanguine that we should succeed in converting him to our view. We have however succeeded. The Secretary of State has agreed to raise the sterling assets of the Gold Standard Reserve in London to £25 millions and to hold £5 millions of this amount in gold and his decision is gratifying to me as strengthening our defences against the fall in exchange of which there is always a danger in times of adverse trade conditions.

49. On the second development which I have to describe, I fear we cannot hope for the same unanimity of opinion. Yet I feel certain that the two despatches on the subject, which I shall lay, will be read with satisfaction by many both in this Council and outside it.

Gold Coining.

50. In regard to the coinage of gold I may say that the initial selection of any one coin would not in fact definitely exclude another, for while recommending to the Secretary of State the coinage of sovereigns, the Government of India referred to the future possibility, should it be considered advisable, of introducing some other smaller coin such as a ten-rupee piece. The sovereign introduces questions of control which as between ourselves and the Royal Mint are difficult of solution. For this or for any other reason, the final decision may be, to begin with, a special Indian coin, but the experience we should gain in coining an Indian piece may show that it would be worth our while to undertake the additional trouble and expense which would be involved in the coining of sovereigns.

51. On the general question, as I have said, there is much difference of opinion. There are those who seem to regard an institution of a gold mint as a cardinal point in currency policy and expect from it sudden and surprising results. Some are indifferent, regarding a gold mint merely as unnecessary, because they say we already get as much gold coin as we need from abroad, while there are others whose attitude is one of mistrust and condemnation, because they suspect that the establishment of a gold mint implies a radical change in the currency policy of the Government, or because they fear what is called the drain of gold to India. The first to my mind exaggerate the importance of the scheme and are unduly sanguine in forecasting its results. The last, I am confident, are unduly apprehensive.

52. The view taken by the Government of India is a very simple and I think obvious one, and it involves no departure whatever from our currency policy. We have no idea of converting our currency into gold. We are not going to buy gold bars in order to coin them. We cannot force a currency on the people, nor do we wish to do so. All we proposed is that if anyone who has gold wishes to have it coined he should be able to do so. The position is that in this country both gold and silver are established as legal tender currency. But while we can turn silver into coin, we have not so far been able to coin gold. The argument that, in point of fact, we can get by importation as much gold as we can use, is true but it is incomplete. For one thing India itself produces an amount of gold which is not inconsiderable. At present this goes to London, and it may continue to do so, but it is reasonable and it may prove economical that facilities should be given for coining it in this country if at any time the producers find their advantage in that alternative. Again there is a

large quantity of gold bullion in the country. Assuming that the necessity arises of converting it into coin, why should it have to be sent 7,000 miles for the purpose? Or who is to say that it may not on occasion be more profitable or convenient to import and coin gold bullion rather than to import sovereigns? On questions of this kind I strongly deprecate an *à priori* judgment. How any facilities for coining bullion which we give can increase the flow of gold to India I am unable to see. In one form or another India will get precisely the amount of gold which she wants and which she is able to pay for. It may be urged that the use of gold as currency at any rate is for this country a superfluity. But what does this argument assume? It assumes that for India not gold but some other form of currency is the best. On the other hand some authorities assume that a gold currency is always preferable. I make neither assumption. I leave it to the people to decide what suits them best, and all I say is that if they find they prefer gold they are just as much entitled to it as any other people in the world. Now when we are considering Indian currency we can no longer, as was the case not many years ago, think only of rupees. Out of the total additions to the currency in the three years ending March 1912 amounting to 65 crores, rupees accounted for only 28 crores. The habits of the people in fact are changing. The last Currency Report of the Comptroller General shows clearly that gold has to an increasing extent established itself in ordinary circulation, while the expansion of our note issues gives evidence of a desire for a handier currency than silver and a readiness to use a higher unit than the rupee. While therefore we do not pretend to know to what extent the facilities for coining gold will be used, we think that there are substantial facts to support the sentiment which has frequently been expressed in this country in favour of our having a gold mint of our own. And even without such support I make bold to say that sentiment is not a thing to be disregarded. The sentiment I mean is not that of any particular race, class or community. India is a great country, not only by reason of past achievements in the highest fields of thought, not only by reason of her enormous population and vast area, but because of her rapidly increasing importance in the world of commerce. I confess I think it is sometimes forgotten how big India is, and her growth in the matters with which I am more particularly concerned outstrips our ordinary conceptions of it. We are all united in this common bond that we are fellow citizens of one great Empire, and the sentiment I have in mind is the sentiment that should be common to all the people of a great and growing country. This mint, you may say, of which we are talking is a little thing. But if there is a feeling that India after all is entitled to its own mints and that those mints should be empowered to turn out any coins that India requires, can anyone say that the feeling is in any sense unreasonable? I cannot of course anticipate the decision that may be reached regarding the denomination of the coin which we should issue, but personally I say that the sentiment which favours a special Indian coin is to me easily intelligible. And I hope that our mints will continue to be Indian in the sense of being free from external control. Our mints may not be the best in the world, but I know of none better. The work they turn out is a credit to the Indian Government, and in saying so, I rely not on my own judgment but on the judgment of experts in Europe who have given me their opinions. This battle of the mints has now lasted for fifteen years. I do not for a moment say that throughout this period the issues have remained the same. The combatants have frequently changed their positions. The composition of the opposing forces has varied, as parties which at one time found themselves in one camp, transferred their allegiance presently to the other. But on the whole, India has fought for a gold mint all these years, and personally I am glad that at a time when my association with the government of this great country draws to a close, the question is being brought to an issue.

53. The Council will appreciate that all I have said in regard to exchange, currency, and the coining of gold is subject to a reservation. I refer of course to the statement made in the House of Commons by the Prime Minister. Mr. Asquith has stated that in the opinion of the Home Government the time has come for an enquiry into (*inter alia*) questions of currency and finance relating to India by an expert body and preferably by a Royal Commission. I myself believe that our system of currency and finance in India rests on a sufficiently solid foundation. I recognise however that it is the subject of many misunderstandings and of much misconception. A Commission of inquiry will clear the air and by increasing knowledge, it will diminish criticism. I believe that it will be educative rather than destructive. Holding this belief, I await with confidence the result of its deliberations on the currency conditions which I have described and which will now have to be submitted to its judgment.

Retrospect.

54. This is my last year of office, and it is permissible that I should review the administration of the Department the control of which I am about to surrender.

55. When I assumed charge towards the end of 1908, the country, after a decade of remarkable prosperity, had just passed through a period of distressful scarcity. The relapse was one of a kind to which, by reason of its climatic conditions, India has always been subject; but on this occasion its severity was accentuated by a financial stress that dislocated the world's greatest markets. The gravity of the situation is explained in a word when I say that the year 1908-09 ended not with an anticipated surplus but with a deficit of no less than £3½ millions. From an agricultural point of view, the next year was favourable; but trade was slow in reviving and, as I said when I presented my second Financial Statement, the air of hopefulness, which pervaded the country as soon as a good monsoon had assured the agricultural position, was slow in penetrating the Finance Department. I remember well the difficulties which we encountered that year, the necessity we were under of explaining the situation to the large spending Departments and Local Governments, and calling on them to exercise all possible economies in view of our diminished resources, and their loyal response. In addition, when I came to sum up the experiences of the year and forecast the requirements of the next, I found myself faced with a great drop in opium revenue and the necessity of revising at considerable cost our settlement with Eastern Bengal and Assam, and I was forced to propose additional taxation. In 1910-11 the situation changed. Prosperity returned. Our revenues increased. We were able to expand those activities of Government which depend on money resources.

56. In this brief review I have mentioned the increase of taxation which took place in 1910-11. I do not wish to rake up the ashes of an old controversy, but I can scarcely pass the subject by. Whatever may be said about it, I am unrepentant. I hold this, indeed I regard as *res judicata*, that the taxation was justified on any reasonable forecast of immediate requirements at the time when it was imposed. I say that its absolute necessity might have been demonstrated at any moment during the last three years if what has now happened in our opium trade had happened previously. But there are other and more general considerations. If we had merely to provide for existing charges, the position would be simple; whenever revenue rose above expenditure, the excess would be cut off by a reduction in the scale of taxation. But India is not a developed country. It is not a country in which any one can accept the current equipment and the current scale of expenditure as sufficient. I am not suggesting taxation up to the hilt; but in view of urgent and legitimate demands I hold that the real question is not whether we could not have done without further taxation but whether the further taxation has in fact been burdensome. Some of our critics seem at times to forget that development has to be paid for. I claim to have established without hardship a broader basis of taxation which has been and will continue to be of benefit to the country.

57. A point I touch on is economy. Simple though this subject be, it seems to be open to misconception. On the one hand, it has been felt that I have been unnecessarily severe in effecting economies, whilst on the other hand, I have been criticised for assenting to a large increase in expenditure. What I mean by economy is neither the hasty reduction of expenditure in a crisis, nor the opposition to new expenditure without regard to its character or object. What I mean by economy is spending your money on good objects and getting your money's worth for what you spend. This object I have kept in view through good report and through bad report, or rather perhaps I should say through good and bad seasons without distinction, and I claim to have been successful in its attainment.

58. As relevant to this subject I mention the department of audit. That department is one with which, through a long experience, I have been familiar, and I know its value. I have endeavoured in this country to demonstrate my belief in it. I have every reason to think that the position of the Comptroller and Auditor General will be substantially improved, that he will be relieved of other financial duties and will be able to devote his whole time to the development of our audit system. I look for a new spirit in the Audit department, a spirit which will bring about a recognition of its true relationship to the Executive, which will ensure hearty co-operation in the work of Government.

59. A more general question is raised when we co-relate the expenditure we charge to revenue and our capital expenditure. There is no doubt a competition between these two classes, a competition which Mr. Gokhale has brought out clearly enough in more than one Resolution. But the principles which guide us in determining the allotments to be made for the various heads of revenue expenditure must equally guide us when we come to the distribution as between revenue and capital expenditure of an accrued surplus. There are enthusiasts for education and enthusiasts for railways. The Government of India have to hold the balance between them and endure the disparagement of both. I have always been opposed to any hard and fast rule. The distribution must be determined on a consideration of requirements at the time of allotments. There is another consideration. It is a mistake to regard our revenue and capital accounts as water-tight compartments; there is always a movement from one to the other. In good years the revenue account supplies the capital; that has lately been the ordinary position. But the movement has sometimes been reversed, and if in the last year or two we have been using our surplus partly to pay off temporary debt, it must not be forgotten that that temporary debt was raised in part to make good a revenue deficit. The outstanding difficulty in Indian finance is its liability to extreme vicissitudes. The true use of surplus money in good years is to be found in the reduction and avoidance of debt. That is not a picturesque policy, but it is the only sound one. Now from this point of view what have we done in recent years? At Home our borrowings have been small. That may be the result of necessity rather than of choice; but in India where the market has been improving instead of deteriorating my loans have been studiously moderate. In 1909 I raised $2\frac{1}{2}$ crores; in 1910, $1\frac{1}{2}$ crores; in 1911, 2 crores; in 1912, 3 crores. The net result of my loan transactions, taking into account discharge of debt, is striking. In the following figures I include both direct borrowings by the Secretary of State and capital raised through Railway Companies.

In 1909-10	there was a net addition of	£13 millions;
In 1910-11	„ „ „	of £6 $\frac{1}{2}$ millions;
In 1911-12	„ „ „	of £1 $\frac{1}{3}$ millions;
and In 1912-13	„	a net decrease of £1 million.

Meanwhile the legitimate demands for non-recurring expenditure—the only demand which could be met from accrued surpluses—of our different departments, more particularly of education and sanitation, have been generously met. A reasonable railway and irrigation programme of capital expenditure has been maintained and while this has been effected, I have at the same time strengthened our position against the possibility of financial troubles by a restriction of borrowings. My restraint in the past will be an asset for my successors in the future.

60. I turn to another element of strength. By the end of 1909 there was practically no gold left in the Government reserves in this country. Since then by the ordinary operations of trade gold has flowed in, till we now hold £19,500,000 in our currency reserve in India. In the same reserve at Home we have £7,300,000; in the Gold Standard Reserve we have £18 millions in gold assets, and we hope, in consequence of the Secretary of State's recent decision, to have eventually £25 millions. At any rate at the moment we have altogether £45 millions in gold and gold securities and that is a bulwark of enormous strength against a fall in exchange. Our currency system seems to be sound. In our English way we have adapted it from time to time to meet requirements as they arose. The result I do not claim is perfect; but we may be satisfied with a scheme if it is practical. It has the approval of economic experts. It has been taken as an exemplar in other countries, and it has the confidence of our business men. If I have to take the responsibility when things go amiss, I am surely entitled to claim a little credit for success. The Indian believes in the efficacy of good intentions. I have meant well by India, and it means much to me in presenting my fifth Budget that I can honestly say that should financial trouble come on her, India is prepared to meet it.—*L' India farà da se.*

Conclusion.

61. A Financial Statement, the forerunner of the Budget, has to-day been presented, for the first time, in Delhi; restored to her pride of place as India's Imperial city. Through centuries Kings of every race have fought to win or keep her: the

blood of men and the tears of women have been freely shed to cement the Empires over which her owners have held sway. But I prefer to think of Delhi, not as the prize of conquest, or the home of conquerors, but as the capital of a contented empire, the abode of peace and prosperity, of wise and prudent counsels. Such I hope she may ever be.

Glorious though she has been, may Delhi rise to glories still greater; the glories—to quote the words of the Viceroy's speech which it devolved on me to read to you in the Diwan-i-Am—of “the peace, happiness and contentment of the millions over whom the King-Emperor exercises sway, the trust and confidence which England has been able to repose on their loyalty, the generous share which she had been able to give to the sons of India in sharing her councils and in shaping the destiny of this great and wonderful country.”

It rests largely with you and your successors in this Council to bring our hopes to fruition.

This is my last Budget, and this day practically ends my career in India.

I shall sever my connection with India with profound sorrow; but I rejoice exceedingly that I shall leave her loyal and prosperous.

GUY FLEETWOOD WILSON.

Delhi, March 1st, 1913.

FINANCIAL STATEMENT

OF THE

GOVERNMENT OF INDIA

MARCH 1913

ACCOUNTS	1911-1912
REVISED ESTIMATES	1912-1913
BUDGET ESTIMATES	1913-1914

CONTENTS.

	PAGES
I.—GENERAL STATEMENT of the REVENUE, and EXPENDITURE charged to REVENUE, of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	336—337
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA, and in ENGLAND	338—339
A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND	340—341
B.—STATEMENT of the EXPENDITURE charged to the REVENUES of INDIA, in INDIA and in ENGLAND	342—345
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	346—349
D.—ACCOUNTS of PROVINCIAL SAVINGS charged to REVENUE, and held at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL SETTLEMENTS	350
E.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND	351

E

FINANCIAL STATEMENT OF THE
I.—General Statement of the Revenue, and Expenditure charged to

	For details, vide State- ment.	Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
Revenue—					
Principal Heads of Revenue—					
		£	£	£	£
Land Revenue	A	20,764,697	21,276,000	21,244,900	21,399,900
Opium	"	5,961,278	3,622,000	5,062,800	1,445,000
Salt	"	3,391,212	3,427,800	3,336,700	3,405,300
Stamps	"	4,815,129	4,908,000	5,095,800	5,231,500
Excise	"	7,609,753	7,907,900	8,173,700	8,416,900
Customs	"	6,468,567	6,398,300	6,984,600	6,832,800
Other Heads	"	5,194,604	5,217,800	5,453,200	4,919,100
TOTAL PRINCIPAL HEADS	...	54,205,240	52,757,800	55,351,700	51,680,500
Interest	A	1,448,741	1,227,300	1,463,900	1,287,300
Post Office	"	2,134,279	2,218,900	2,259,500	2,360,800
Telegraph	"	1,087,425	1,065,100	1,142,000	1,191,800
Mint	"	367,100	205,700	532,000	240,600
Receipts by Civil Departments	"	1,238,131	1,226,600	1,295,300	1,396,300
Miscellaneous	"	813,076	552,400	713,100	589,200
Railways : Net Receipts	"	15,891,725	14,540,200	18,217,400	17,623,500
Irrigation	"	3,980,052	3,921,100	4,362,900	4,403,900
Other Public Works	"	326,924	320,900	300,900	386,900
Military Receipts	"	1,313,057	1,318,000	1,346,600	1,331,000
TOTAL REVENUE	...	82,835,750	79,354,000	86,985,300	82,921,800

DELHI,
FINANCE DEPARTMENT,
March 1st, 1913.

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

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

	For details, vide Statement.	Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	8,670,174	8,856,800	8,743,100	9,469,700
Interest	"	2,037,735	2,045,200	1,807,900	1,310,000
Post Office	"	2,008,470	2,049,200	2,036,400	2,057,200
Telegraph	"	1,093,934	1,094,500	1,121,100	1,231,000
Mint	"	116,507	101,400	142,300	103,700
Salaries and Expenses of Civil Departments	"	16,466,166	17,477,300	16,722,900	19,434,500
Miscellaneous Civil Charges	"	4,898,823	4,908,100	4,940,400	5,087,000
Famine Relief and Insurance	"	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	"	12,103,955	12,518,300	12,601,300	13,071,200
Irrigation	"	3,174,383	3,314,900	3,313,100	3,564,600
Other Public Works	"	5,454,048	5,655,200	6,193,600	6,513,100
Military Services	"	20,901,637	20,412,500	20,982,000	21,007,800
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL . . . . .	...	77,926,332	79,433,400	79,604,100	83,849,800
<i>Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.</i>	End of B	1,414,027	...	4,019,300	...
<i>Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.</i>	"	444,943	1,557,700	...	2,839,200
TOTAL EXPENDITURE CHARGED TO REVENUE [ . . . . .	...	78,895,416	77,875,700	83,623,400	81,010,600
SURPLUS . . . . .	...	3,940,334	1,478,300	3,361,900	1,311,200
TOTAL . . . . .	...	82,835,750	79,354,000	86,985,300	82,321,800

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

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

	For details, vide Statement.	RECEIPTS.			
		Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate 1913-1914.
		£	£	£	£
Surplus	C	3,940,334	1,478,300	3,361,600	1,311,200
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised and deposited by Railway Companies (net)	"	17,497	1,965,600	565,600	3,160,900
Debt, Deposits, and Advances—					
Permanent Debt (net incurred)	C	1,823,173	2,931,100	2,937,000	131,500
Unfunded Debt (net incurred)	"	1,815,193	1,318,700	1,774,700	1,501,400
Deposits and Advances (net)	"	2,209,480	...	4,592,300	...
Loans and Advances by Imperial Government (not Repayments)	"	201,914	...	187,000	13,100
Loans to Local Boards for Railway Construction	"	6,583	6,900	6,900	7,100
Remittances (net)	"	49,524	3,400	146,700	65,200
Secretary of State's Bills drawn	"	25,070,216	15,500,000	27,060,000	21,200,000
TOTAL RECEIPTS . . . . .	...	35,133,914	23,204,000	40,632,700	27,390,400
Opening Balance—India . . . . .	...	13,566,923	11,808,222	12,279,689	18,336,389
England . . . . .	...	18,174,349 ^(a)	19,395,949	19,463,723 ^(a)	10,627,923 ^(a)
TOTAL . . . . .	...	66,875,185	54,408,171	72,376,112	56,354,712

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

W. D. WOOLLAM,

Offg. Deputy Comptroller General.

DELHI,
FINANCE DEPARTMENT;
March 1st, 1913.

Government of India, in India and in England.

	For details, vide Statement.	DISBURSEMENTS.			
		Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
		£	£	£	£
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	C	1,536,531	1,415,500	1,500,000	1,466,700
Outlay on State Railways	"	6,981,384	7,836,700	9,042,000	10,113,400
Initial outlay on new Capital at Delhi	"	4,992	1,333,300	155,200	1,333,300
Outlay of Railway Companies (net)	"	986,530	1,319,500	1,245,000	2,048,300
TOTAL CAPITAL ACCOUNT DISBURSEMENTS . . . . .	...	9,509,437	11,905,000	11,942,200	14,961,700
Debt, Deposits and Advances—					
Temporary Debt (net Discharged)	C	500,000	4,500,000	4,500,000	...
Deposits and Advances (net)	"	...	1,184,300	...	2,175,300
Loans and Advances by Imperial Government (net Advances)	"	...	165,400	...	...
Loans and Advances by Provincial Governments (net Advances)	"	193,155	240,000	196,900	125,900
Secretary of State's Bill paid	"	24,929,181	15,769,000	26,772,700	21,202,000
TOTAL DISBURSEMENTS . . . . .	...	35,131,773	33,763,700	43,411,800	38,464,900
Closing Balance—India . . . . .	...	12,279,689	12,868,022	18,386,389	12,428,789
England . . . . .	...	(a) 19,463,723	7,776,449	(a) 10,627,923	(a) 5,461,023
TOTAL . . . . .	...	66,875,185	54,408,171	72,376,112	56,354,712

to the notes on pages 348 and 349.

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE	ACCOUNTS, 1911-1912.					REVISE	
	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at ₹15 = £1).	England.	TOTAL.	INDIA. (RUPEE FIGURES.)	
	Imperial.	Provincial.				Imperial.	Provincial.
Principal Heads of Revenue —	₹	₹	£	£	£	₹	₹
L.—Land Revenue	11,53,67,139	19,61,0 317	20,764,697	...	20,764,697	7,38,63,000	24,48,11,000
II.—Opium	8,94,19,170	...	5,961,278	...	5,961,278	7,59,42,000	...
III.—Salt	5,08,68,180	...	3,391,212	...	3,391,212	5,60,51,000	...
IV.—Stamps	3,66,41,120	3,55,83,820	4,815,129	...	4,815,129	3,38,29,000	3,76,08,000
V.—Excise	3,39,35,352	8,02,10,933	7,609,753	...	7,609,753	3,46,26,000	8,79,79,000
VI.—Provincial Rates	13,592	32,16,603	548,680	...	548,680	21,000	83,38,000
VII.—Customs	9,70,28,499	...	6,468,567	...	6,468,567	10,47,69,000	...
VIII.—Assessed Taxes	1,36,86,519	1,11,06,662	1,652,878	...	1,652,878	1,42,56,000	1,15,65,000
IX.—Forest	10,38,269	2,82,41,489	1,952,179	...	1,952,179	9,76,000	3,03,77,000
X.—Registration	67,394	66,20,543	445,862	...	445,862	79,000	71,40,000
XI.—Tributes from Native States	89,25,074	...	595,005	...	595,005	90,41,000	...
TOTAL	44,60,92,248	36,60,86,358	54,205,240	...	54,205,240	40,24,58,000	42,78,18,000
XII.—Interest	1,64,88,928	43,87,150	991,739	457,002	1,448,741	1,07,04,000	42,62,000
XIII.—Post Office	3,20,14,179	...	2,134,279	...	2,134,279	3,38,92,000	...
XIV.—Telegraph	1,62,36,543	...	1,082,436	4,989	1,087,425	1,70,37,000	...
XV.—Mint	55,04,452	...	366,963	137	367,100	79,80,000	...
Receipts by Civil Departments—							
XVI.—Law and Justice (Courts)	2,99,643	45,64,247	323,600	...	323,600	2,35,000	49,15,000
(Jails)	3,75,083	34,25,232	253,354	...	253,354	3,76,000	33,59,000
XVII.—Police	59,503	17,81,559	122,738	...	122,738	61,000	19,84,000
XVIII.—Ports and Pilotage . . . . .	...	22,76,072	151,737	...	151,737	...	23,68,000
XIX.—Education	44,906	30,39,247	205,610	...	205,610	50,000	32,40,000
XX.—Medical	7,658	9,82,168	65,988	859	66,847	9,000	11,26,000
XXI.—Scientific and other minor departments	2,75,801	14,22,008	113,187	998	114,185	2,43,000	14,40,000
TOTAL	10,53,597	1,74,90,513	1,236,274	1,857	1,238,131	9,74,000	1,84,32,000
Miscellaneous—							
XXII.—Receipts in aid of Superannuation	12,36,643	7,84,623	134,751	66,719	201,470	12,60,000	8,11,000
XXIII.—Stationery and Printing	6,61,671	7,91,691	93,891	...	93,891	6,33,000	7,95,600
XXIV.—Exchange	15,85,457	...	105,697	...	105,697	16,39,000	...
XXV.—Miscellaneous	25,34,016	30,50,543	372,304	36,714	4,9,018	15,16,000	28,68,000
TOTAL	60,17,787	46,26,830	709,643	103,433	813,076	50,48,000	41,74,000
Railways—							
XXVI.—State Railways (Gross Receipts)	50,35,67,021	1,16,455	33,578,899	230	33,579,129	55,58,90,000	1,10,000
Deduct:—Working Expenses	25,88,61,617	64,107	17,263,048	...	17,263,048	27,39,12,000	88,000
Surplus profits paid to Companies, etc.	72,30,008	...	452,001	...	452,001	98,19,000	...
Net Receipts	23,74,75,396	32,358	15,833,850	230	15,834,080	27,21,59,000	22,000
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	1,93,296	...	12,820	44,825	57,645	2,14,000	...
TOTAL	23,76,67,692	32,358	15,843,670	45,055	15,891,725	27,23,73,000	22,000
Irrigation—							
XXIX.—Major Works: Direct Receipts	1,47,35,150	2,09,87,838	2,381,533	...	2,381,533	1,66,61,000	2,24,24,000
Portion of Land Revenue due to Irrigation	1,10,88,126	91,83,851	1,351,465	...	1,351,465	1,22,52,000	1,03,38,000
XXX.—Minor Works and Navigation	13,91,829	23,13,980	247,054	...	247,054	14,16,000	23,52,000
TOTAL	2,72,15,105	3,24,85,669	3,980,052	...	3,980,052	3,03,29,000	3,51,14,000
Other Public Works—							
XXXI.—Civil Works	10,53,848	38,50,619	326,924	...	326,924	5,65,000	39,48,000
Military Receipts—							
XXXII.—Army: Effective	92,45,431	...	616,362	444,668	1,061,030	1,11,00,000	...
Non-Effective	12,45,992	...	83,066	35,270	118,336	12,78,000	...
XXXIII.—Marine	1,04,91,423	...	690,428	479,938	1,170,366	1,23,78,000	...
XXXIV.—Military Works	12,73,487	...	84,900	...	84,900	13,17,000	...
	11,81,866	...	78,791	...	78,791	11,00,000	...
TOTAL	1,29,46,776	...	863,119	479,938	1,343,057	1,47,95,000	...
TOTAL REVENUE	79,71,91,155	42,89,58,927	81,743,339	1,092,411	82,835,750	79,61,55,000	49,40,70,000

India, in India and in England.

ESTIMATE, 1912-1913.			Increase + Decrease— as compared with Budget Estimate, 1912-13.	BUDGET ESTIMATE, 1913-14.					Increase + Decrease — of Budget, 1913-1914, as compared with Budget Estimate 1912-1913.	Increase + Decrease — of Budget, 1913-1914, as compared with Revised Estimate, 1912-1913.
Total India (converted into £ at R15=£1).	England.	TOTAL.		INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R15=£1).	England.	TOTAL.		
				Imperial.	Provincial.					
£	£	£	£	₹	₹	£	£	£	£	
21,244,900	...	21,244,900	-31,100	12,55,99,000	19,53,99,000	21,399,900	...	21,399,900	+123,900	+155,000
5,062,800	...	5,062,800	+1,410,800	2,16,75,000	...	1,415,000	...	1,445,600	-2,177,000	-3,617,800
3,336,700	...	3,336,700	-91,100	5,10,89,000	...	3,495,300	...	3,405,300	-22,500	+68,600
5,095,800	...	5,095,800	+187,800	3,99,25,000	3,85,48,000	5,231,500	...	5,231,500	+323,500	+135,700
8,173,700	...	8,173,700	+265,800	3,57,89,000	9,04,73,000	8,416,900	...	8,416,900	+500,000	+243,200
557,300	...	557,300	+6,900	18,000	4,13,000	28,700	...	28,700	-521,700	-528,600
6,984,600	...	6,984,600	+586,300	10,29,42,000	...	6,862,800	...	6,862,800	+464,500	-121,800
1,721,400	...	1,721,400	+76,000	1,45,22,000	1,17,50,000	1,751,500	...	1,751,500	+105,100	+30,100
2,090,200	...	2,090,200	+115,700	10,11,000	2,94,38,000	2,029,800	...	2,029,800	+55,300	-60,400
481,300	...	481,300	+37,700	90,000	72,89,000	491,900	...	491,900	+48,300	+10,600
603,000	...	603,000	-£00	92,58,000	...	617,200	...	617,200	+13,300	+14,200
55,351,700	...	55,351,700	+2,593,900	40,19,00,000	37,33,03,000	51,689,500	...	51,689,500	-1,077,300	-3,671,200
997,700	466,200	1,433,900	+236,600	1,09,30,000	43,27,000	1,017,100	270,200	1,287,300	+60,000	-176,600
2,259,500	...	2,259,500	+40,600	3,54,12,000	...	2,360,800	...	2,360,800	+141,900	+101,300
1,135,800	6,200	1,142,000	+76,900	1,78,01,000	...	1,186,800	5,000	1,191,800	+126,700	+49,800
532,000	...	532,000	+326,300	36,09,000	...	240,600	...	240,600	+34,900	-291,400
343,300	...	343,300	+21,600	2,62,000	48,30,000	339,500	...	339,500	+17,800	-3,800
249,000	...	249,000	-500	3,94,000	33,71,000	251,000	...	251,000	+1,500	+2,000
136,300	...	136,300	+28,800	64,000	17,93,000	124,000	...	124,000	+16,500	-12,300
157,900	...	157,900	+11,700	...	23,08,000	159,900	...	159,900	+13,700	+2,000
219,300	...	219,300	+6,600	59,000	34,02,000	230,700	...	230,700	+18,000	+11,400
75,700	800	76,500	+11,200	10,000	10,84,000	72,900	700	73,600	+8,300	-2,900
112,200	800	113,000	-10,700	1,80,000	15,71,000	116,800	800	117,600	-6,100	+4,600
1,293,700	1,600	1,295,300	+68,700	9,69,000	1,84,52,000	1,294,800	1,500	1,296,300	+69,700	+1,000
138,100	63,100	201,200	+2,100	12,63,000	8,68,000	142,100	64,600	206,700	+7,600	+5,500
95,200	...	95,200	+200	6,29,000	7,85,000	94,300	...	94,300	-700	-900
109,300	...	109,300	+109,300	5,00,000	...	33,300	...	33,300	+33,300	-76,000
292,200	15,200	307,400	+49,100	13,44,000	21,53,000	233,100	21,800	254,900	-3,400	-52,500
634,800	78,300	713,100	+160,700	37,36,000	38,06,000	502,800	86,400	589,200	+36,800	-123,900
37,066,600	200	37,036,800	+4,499,900	55,11,90,000	1,10,000	36,753,300	200	36,753,500	+4,186,600	-313,300
18,266,600	...	18,266,600	-599,900	28,21,62,000	87,000	18,816,600	...	18,816,600	-1,149,900	-550,000
654,600	...	654,600	-243,500	59,70,000	...	398,000	...	398,000	+13,100	+256,600
18,145,400	200	18,145,600	+3,056,500	26,30,58,000	23,000	17,538,700	200	17,538,900	+3,049,800	-606,700
14,300	57,500	71,800	+20,700	2,19,000	...	14,600	70,000	84,600	+33,500	+12,800
18,159,700	57,700	18,217,400	+3,677,200	26,32,77,000	23,000	17,553,300	70,200	17,623,500	+3,063,300	-593,900
2,605,700	...	2,605,700	+313,200	1,66,32,000	2,26,61,000	2,619,500	...	2,619,500	+327,000	+13,800
1,506,000	...	1,506,000	+121,700	1,24,36,000	1,05,10,000	1,529,700	...	1,529,700	+145,400	+23,700
251,200	...	251,200	+6,900	14,58,000	23,62,000	254,700	...	254,700	+10,400	+3,500
4,362,900	...	4,362,900	+441,800	3,05,26,000	3,55,33,000	4,403,900	...	4,403,900	+432,800	+41,000
300,900	...	300,900	-20,000	5,20,000	37,84,000	286,900	...	286,900	-34,000	-14,000
740,000	324,300	1,064,300	+21,700	1,09,74,000	...	731,600	330,600	1,062,200	+19,600	-2,100
85,200	36,000	121,200	+8,900	12,97,000	...	86,500	38,000	124,500	+12,200	+3,300
825,200	360,300	1,185,500	+30,600	1,22,71,000	...	818,100	368,600	1,186,700	+31,800	+1,200
87,800	...	87,800	-3,300	14,74,000	...	98,300	...	98,300	+7,200	+10,500
73,300	...	73,300	+1,300	11,40,000	...	76,000	...	76,000	+4,000	+2,700
983,300	360,300	1,343,600	+28,600	1,48,85,000	...	992,400	368,600	1,361,000	+43,000	+14,400
86,015,000	970,200	87,985,200	+7,631,300	78,35,65,000	43,92,33,000	81,519,900	801,900	82,321,800	+2,967,800	-4,663,500

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1911-1912.					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—	R	R	£	£	£	R	R
1.—Refunds and Drawbacks	36,79,617	13,54,531	335,610	...	335,610	33,83,000	13,63,000
2.—Assignments and Compensations	81,92,300	1,01,31,423	1,221,581	...	1,221,581	81,94,000	1,02,04,000
Charges in respect of Collection, etc. :—							
3.—Land Revenue	40,90,099	5,26,76,175	3,784,418	2,035	3,786,454	41,19,000	5,45,34,000
4.—Opium (including cost of Production)	1,09,17,776	...	727,852	1,000	729,452	90,74,000	...
5.—Salt (including cost of Production)	55,16,410	...	367,761	729	368,490	56,29,000	...
6.—Stamps	-4,55,888	11,19,765	44,259	89,931	134,190	-2,72,000	11,92,000
7.—Excise	21,89,573	41,47,565	419,142	111	419,253	21,09,000	44,07,000
8.—Provincial Rates . . . . .	...	85,418	5,695	...	5,695	...	91,000
9.—Customs	37,53,695	...	250,243	437	250,713	38,96,000	...
10.—Assessed Taxes	2,13,525	2,10,648	28,278	...	28,278	2,22,000	2,17,000
11.—Forest	9,20,585	1,61,19,705	1,136,019	6,183	1,142,202	9,44,000	1,67,94,000
12.—Registration	20,348	37,03,481	248,256	...	248,256	24,000	36,98,000
TOTAL	3,89,88,040	8,95,48,711	8,569,117	101,057	8,670,174	3,73,22,000	9,25,00,000
Interest—							
13.—Interest on Debt	3,66,31,245	1,22,62,602	3,259,590	6,022,639	9,282,229	3,70,12,000	1,29,88,000
<i>Deduct—Amounts chargeable to Railways†</i>	<i>4,56,26,525</i>	<i>...</i>	<i>3,041,768</i>	<i>3,622,442</i>	<i>6,664,210</i>	<i>4,97,64,000</i>	<i>...</i>
<i> " Amounts chargeable to Irrigation</i>	<i>66,69,010</i>	<i>99,25,070</i>	<i>1,066,272</i>	<i>116,595</i>	<i>1,182,867</i>	<i>74,74,000</i>	<i>99,83,000</i>
<i>Remainder chargeable on Ordinary Debt</i>	<i>-1,56,64,290</i>	<i>29,37,532</i>	<i>-848,450</i>	<i>2,283,602</i>	<i>1,435,152</i>	<i>-2,02,26,000</i>	<i>30,05,000</i>
14.—Interest on other obligations	90,38,751	...	602,583	...	602,583	99,14,000	...
TOTAL	-66,25,539	29,37,532	-245,867	2,283,602	2,037,735	-1,03,12,000	30,05,000
15.—Post Office	2,93,03,231	...	1,953,549	54,921	2,008,470	2,97,25,000	...
16.—Telegraph	1,36,53,986	...	910,266	183,668	1,093,934	1,41,29,000	...
17.—Mint	16,63,540	...	110,903	5,604	116,507	20,23,000	...
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,70,71,107	1,56,86,466	2,183,838	442,403	2,626,241	1,03,45,000	1,28,57,000
19.—Law and Justice { Courts Jails	9,30,457	4,37,52,444	2,978,860	3,136	2,981,996	10,30,000	4,39,23,000
20.—Police	18,29,614	1,08,11,372	842,732	...	842,732	18,93,000	1,12,84,000
21.—Ports and Pilotage	30,02,378	6,60,17,209	4,601,903	1,671	4,602,977	31,56,000	6,66,21,000
22.—Education . . . . .	...	27,24,663	181,644	46	181,690	...	27,85,000
23.—Ecclesiastical	7,12,380	2,94,47,531	2,010,661	10,528	2,021,189	15,30,000	3,69,62,000
24.—Medical	18,62,747	...	124,183	305	124,488	18,80,000	...
25.—Political	8,31,604	1,63,26,671	1,143,885	11,605	1,155,490	26,60,000	1,79,83,000
26.—Scientific and other Minor Departments	1,27,54,099	16,21,737	958,389	9,769	968,158	1,28,75,000	20,26,000
69,16,326	71,44,832	937,414	23,791	961,205	58,74,000	84,90,000	
TOTAL	4,59,10,712	19,35,32,975	15,962,912	503,254	16,466,166	4,12,43,000	20,29,36,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	32,39,416	...	215,961	11,100	227,061	31,91,000	...
28.—Civil Furlough and Absentee Allowances	19,597	...	1,307	424,435	425,742	16,000	...
29.—Superannuation Allowances and Pensions	12,50,974	1,59,52,891	1,143,924	2,040,493	3,187,420	13,70,000	1,66,95,000
30.—Stationery and Printing	10,92,392	79,79,431	564,788	104,903	669,691	10,74,000	77,37,000
31.—Miscellaneous	9,82,113	43,47,828	353,996	34,913	388,909	11,83,000	34,19,000
TOTAL	65,64,492	2,76,80,150	2,282,976	2,615,847	4,898,823	68,34,000	2,78,51,000
Famine Relief and Insurance —							
32.—Famine Relief	17,14,503	-100	114,293	...	114,293	28,30,000	...
33.—Construction of Protective Railways	4,37,689	...	29,179	15,096	44,275	4,35,000	...
34.—Construction of Protective Irrigation Works	56,83,204	...	378,881	4,584	383,465	62,87,000	...
35.—Reduction or Avoidance of Debt	31,19,505	37,50,000	457,967	...	457,967	13,68,000	37,50,000
TOTAL	1,09,54,901	37,49,900	980,320	19,680	1,000,000	1,09,20,000	37,50,000
Carried over	14,04,13,363	31,74,49,268	30,524,176	5,767,633	36,291,809	13,18,89,000	33,00,42,000

	ACCOUNTS, 1911-1912.				REVISED 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.		
†Included under the following heads :—	R	£	£	£	R	£	£	£
State Railways—Interest on Debt	4,24,31,923	2,832,128	3,443,942	6,279,070	4,63,50,000	3,090,000	3,608,800	6,698,800
Ditto —Interest chargeable against Companies on Advances	31,44,602	209,640	175,500	385,140	34,14,000	227,600	175,500	403,100
TOTAL	4,56,26,525	3,041,768	3,622,442	6,664,210	4,97,64,000	3,317,600	3,784,300	7,101,900

Revenues of India, in India and in England.

ESTIMATE, 1912-1913.			Increase + Decrease - as compared with Budget Estimate, 1912-1913.	BUDGET ESTIMATE, 1913-1914.					Increase + Decrease - of Budget, 1913-1914, as compared with Budget Estimate, 1912-1913.	Increase + Decrease - of Budget, 1913-1914, as compared with Revised Estimate, 1912-1913.
Total India (converted into £ at R15 = £1).	England.	TOTAL.		INDIA. RUPEE (FIGURES).		Total India (converted into £ at R15 = £1).	England.	TOTAL.		
				Imperial.	Provincial.					
£ 316,400	...	£ 316,400	£ +41,200	R 32,44,000	R 12,78,000	£ 301,500	£ ...	£ 301,500	£ +29,300	£ -14,900
1,226,500	...	1,226,500	-1,700	81,89,000	1,03,55,000	1,236,300	...	1,236,300	+8,100	+9,800
3,910,200	2,000	3,912,200	-56,000	47,03,000	5,56,71,000	4,024,900	1,300	4,026,200	+58,000	+114,000
604,900	400	605,300	-82,400	1,70,25,000	...	1,135,000	400	1,135,400	+447,700	+530,100
575,300	900	576,200	-700	56,57,000	...	377,100	1,500	378,600	+1,700	+2,400
61,300	80,000	141,300	-13,700	-1,42,000	12,24,000	72,100	91,600	163,700	+8,700	+22,400
434,400	...	434,400	+400	21,74,000	46,10,000	452,300	...	452,300	+18,300	+17,900
6,100	...	6,100	+200	...	...	...	...	...	-5,900	-6,100
259,800	200	260,000	+4,000	40,03,000	...	266,900	100	267,000	+11,000	+7,000
29,300	...	29,300	-300	2,39,000	2,32,000	31,400	...	31,400	+1,800	+2,100
1,182,500	4,800	1,187,300	-9,900	12,86,000	1,70,14,000	1,220,000	4,600	1,224,600	+27,400	+37,300
248,100	...	248,100	+2,200	27,000	37,64,000	252,700	...	252,700	+6,800	+4,600
8,654,800	88,300	8,743,100	-113,700	4,64,05,000	9,41,48,000	9,370,200	99,500	9,469,700	+612,900	+726,600
3,333,400	6,204,100	9,537,500	-37,600	3,80,85,000	1,34,15,000	3,433,300	5,912,800	9,346,100	-229,000	-191,400
3,317,600	3,784,300	7,101,900	-160,700	5,37,06,000	...	3,580,400	3,806,800	7,387,200	-446,000	-285,300
1,163,800	124,800	1,288,600	-47,100	81,52,000	1,03,42,000	1,232,900	126,900	1,359,800	-118,300	-71,200
-1,148,000	2,295,000	1,147,000	-245,400	-2,37,73,000	30,73,000	-1,380,000	1,979,100	599,100	-793,300	-547,900
660,900	...	660,900	+8,100	1,06,64,600	...	710,900	...	710,900	+58,100	+50,000
-487,100	2,295,000	1,807,900	-237,300	-1,31,09,000	30,73,000	-669,100	1,979,100	1,310,000	-735,200	-497,900
1,981,700	54,700	2,036,400	-12,800	2,99,04,000	...	1,993,600	63,600	2,057,200	+8,000	+20,800
941,900	179,200	1,121,100	+26,600	1,45,96,000	...	973,100	257,900	1,231,000	+136,500	+109,900
135,200	7,100	142,300	+40,900	14,33,000	...	95,600	8,100	103,700	+2,300	-38,600
1,546,800	380,800	1,927,600	+23,600	1,04,07,000	1,28,27,000	1,548,900	390,000	1,938,900	+34,900	+11,300
2,996,900	3,200	3,000,100	+23,000	11,48,000	4,43,16,000	3,030,900	500	3,031,400	+54,300	+31,300
878,500	...	878,500	-10,700	19,44,000	1,14,83,000	895,100	...	895,100	+5,900	+16,600
4,651,800	1,600	4,653,400	-7,600	37,59,000	7,03,12,000	4,939,100	1,500	4,939,600	+278,600	+286,200
185,700	100	185,800	+10,200	...	29,83,000	198,900	100	199,000	+23,400	+13,200
2,566,100	10,500	2,576,600	-491,300	20,62,000	5,90,09,000	4,071,400	10,500	4,081,900	+1,014,000	+1,505,300
125,300	400	125,700	-6,200	129,200	...	128,800	400	129,200	-2,700	+3,500
1,376,500	12,100	1,388,600	-306,200	23,65,000	2,78,63,000	2,015,200	12,000	2,027,200	+332,400	+638,600
993,400	9,600	1,003,000	+76,700	1,32,70,000	25,73,000	1,056,200	22,800	1,079,000	+152,700	+76,000
957,600	26,000	983,600	-65,900	65,69,000	98,95,000	1,084,300	28,900	1,113,200	+63,700	+129,600
16,278,600	441,300	16,722,900	-754,400	4,32,56,000	24,12,61,000	18,967,800	466,700	19,434,500	+1,957,200	+2,711,600
212,700	11,300	224,000	-5,000	32,39,000	...	215,900	11,100	227,000	-2,000	+3,000
1,100	409,000	410,100	+5,600	12,000	...	800	404,000	404,800	+300	-5,300
1,204,300	2,074,000	3,278,300	+33,600	15,35,000	1,72,77,000	1,254,100	2,077,000	3,331,100	+86,400	+52,800
587,400	96,400	683,800	-7,900	11,96,000	77,15,000	594,100	84,600	678,700	-13,000	-5,100
306,800	37,400	344,200	+6,000	21,48,000	38,06,000	396,900	48,500	445,400	+107,200	+101,200
2,312,300	2,628,100	4,940,400	+32,300	81,30,000	2,87,98,000	2,461,800	2,625,200	5,087,000	+178,900	+146,600
188,700	...	188,700	+55,200	6,99,000	...	46,600	...	46,600	-86,900	-142,100
29,000	14,900	43,900	+600	1,29,000	...	8,600	...	8,600	-34,700	-35,800
419,100	7,100	426,200	-30,500	72,63,000	...	484,200	7,200	491,400	+34,700	+65,200
341,200	...	341,200	-25,300	30,51,000	37,50,000	453,400	...	453,400	+86,900	+112,200
978,000	22,000	1,000,000	...	1,11,42,000	37,50,000	992,800	7,200	1,000,000	...	...
30,795,400	5,718,700	36,514,100	-1,018,400	14,17,57,000	37,10,30,000	34,185,800	5,507,300	39,693,100	+2,160,600	+3,179,000

BUDGET ESTIMATE, 1913-1914.			
INDIA.		England.	TOTAL.
Amount in Rupees.	Equivalent in £ at R15 = £1.		
R	£	£	£
5,00,79,000	3,338,600	3,631,300	6,969,900
36,27,000	241,800	175,500	417,300
5,37,06,000	3,580,400	3,806,800	7,387,200

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1911-1912.					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	14,04,13,363	31,74,49,268	30,524,176	5,767,633	36,291,809	13,18,89,000	33,00,42,000
Railways—							
33.—State Railways: Interest on Debt	4,24,81,923	...	2,832 28	3,446,942	6,279,070	4,63,50,000	...
Annuities in purchase of Railways	...	...	...	3,357,301	3,357,301	...	...
Sinking Funds	...	...	...	177,677	177,677	...	...
Interest chargeable against Companies on Advances	31,44,602	...	209,640	175,500	385,140	34,14,000	...
Interest on Capital deposited by Companies	26,80,203	...	178,680	1,647,290	1,825,970	28,98,000	...
40.—Subsidized Companies: Land, etc.	8,96,204	13,190	60,626	...	60,626	7,64,000	19,000
41.—Miscellaneous Railway Expenditure	2,62,400	10,160	18,171	...	18,171	8,47,000	9,000
TOTAL	4,94,65,332	23,350	3,299,245	6,804,710	12,103,955	5,42,73,000	28,000
Irrigation—							
42.—Major Works: Working Expenses	75,78,960	95,97,583	1,145,103	...	1,145,103	76,90,000	94,45,000
Interest on Debt	66,69,010	93,25,070	1,066,272	116,595	1,182,867	74,74,000	99,83,000
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	...	...	...	...	...	...	...
43.—Minor Works and Navigation	39,65,123	87,25,975	846,073	840	846,913	41,93,000	90,11,000
TOTAL	1,82,13,092	2,76,48,628	3,057,443	117,435	3,174,883	1,93,57,000	2,84,39,000
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	...	12,535	836	...	836	...	61,000
45.—Civil Works	1,12,37,405	6,92,88,892	5,368,419	84,793	5,453,212	1,62,75,000	7,52,10,000
TOTAL	1,12,37,405	6,93,01,427	5,369,255	84,793	5,454,043	1,62,75,000	7,52,71,000
Military Services—							
46.—Army: Effective	20,84,03,972	...	13,893,598	2,439,364	16,332,962	20,51,01,000	...
Non-Effective	1,04,85,675	...	699,045	2,504,539	3,203,584	1,03,12,000	...
	21,88,89,647	...	14,592,643	4,943,903	19,536,546	21,57,13,000	...
46A.—Marine	37,61,939	...	250,793	199,932	450,723	37,92,000	...
47.—Military Works	1,30,86,104	...	872,407	37,250	909,657	1,27,59,000	...
47A.—Special Defences (1902)	40,570	...	2,705	2,001	4,706	1,00,000	...
TOTAL	23,57,78,260	...	15,718,551	5,183,086	20,901,637	23,23,64,000	...
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	45,51,07,452	41,44,22,873	57,968,675	19,957,657	77,926,332	45,41,53,000	43,37,80,000
Add—Portion of Allotments to Provincial Governments not spent by them in the year	...	2,12,10,407	1,414,027	...	1,414,027	...	6,02,90,000
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	...	66,74,153	444,943	...	444,943	...	...
Total Expenditure charged to Revenue	45,51,07,452	42,89,53,927	53,937,759	19,957,657	73,895,416	45,41,53,000	49,40,70,000

	ACCOUNTS, 1911-1912.			
	INDIA.		England.	Total.
	Amount in Rupees.	Equivalent in £ at R15 = £1.		
	R	£	£	£
Capital Expenditure not charged to Revenue—				
48.—State Railways	7,26,11,789	4,840,736	2,140,598	6,981,334
49.—Irrigation Works	2,17,33,193	1,448,890	87,651	1,536,531
TOTAL	9,43,44,987	6,289,626	2,228,249	8,517,915
51.—Initial Expenditure on new Capital at Delhi	74,799	4,936	6	4,992

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

ESTIMATE, 1912-1913.			Increase + Decrease— as compared with Budget Estimate, 1912-1913.	BUDGET ESTIMATE, 1913-1914.					Increase + Decrease— of Budget, 1913-1914, as compared with Budget Estimate, 1912-1913.	Increase + Decrease— of Budget, 1913-1914, as compared with Revised Estimate, 1912-1913.
Total India (converted into £ at R15 = £1).	England.	TOTAL.		INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R15 = £1).	England.	TOTAL.		
				Imperial.	Provincial.					
£	£	£	£	₹	₹	£	£	£	£	
30,795,400	5,718,700	26,514,100	-1,018,400	14,17,57,000	37,10,30,000	34,185,800	5,507,300	39,693,100	+2,160,600	+3,179,000
3,090,000	3,608,800	6,698,800	+185,200	5,00,79,000	...	3,338,600	3,631,300	6,969,900	+456,300	+271,100
...	3,357,700	3,357,700	-100	...	...	...	3,379,500	3,379,500	+21,700	+21,800
...	184,300	184,300	...	...	...	...	191,500	191,500	+7,200	+7,200
227,600	175,500	403,100	-24,500	36,27,000	...	241,800	175,500	417,300	-10,300	+14,200
193,200	1,654,900	1,848,100	-14,600	34,33,000	...	228,900	1,726,200	1,955,100	+92,400	+107,000
52,200	...	52,200	-69,000	16,00,000	10,000	107,300	...	107,300	-13,900	+55,100
57,100	...	57,100	+6,000	7,58,000	...	50,600	...	50,600	-500	-6,500
3,620,100	8,981,200	12,601,300	+83,000	5,94,97,000	10,000	3,967,200	9,104,000	13,071,200	+552,900	+469,900
1,142,300	...	1,142,300	+36,400	78,61,000	95,78,000	1,162,600	...	1,162,600	+56,700	+20,300
1,163,800	124,800	1,288,600	+47,100	81,52,000	1,03,42,000	1,232,900	126,900	1,359,800	+118,300	+71,200
...	...	...	-43,300	16,29,000	...	108,600	...	108,600	+65,300	+108,600
880,300	1,900	882,200	-42,000	45,91,000	93,05,000	26,400	7,200	933,600	+9,400	+51,400
3,186,400	126,700	3,313,100	-1,800	2,22,33,000	2,92,25,000	1,050	134,100	3,564,600	+249,700	+251,500
4,100	...	4,100	+600	...	32,000	2,100	...	2,100	-1,400	-2,000
6,099,000	90,500	6,189,500	+537,800	1,48,59,000	8,15,25,000	6,425,600	85,400	6,511,000	+859,300	+321,500
6,103,100	90,500	6,193,600	+538,400	1,48,59,000	8,15,57,000	6,427,700	85,400	6,513,100	+857,900	+319,500
13,673,400	2,692,500	16,365,900	+510,900	20,36,18,000	...	13,574,500	2,723,000	16,297,500	+442,500	-68,400
707,500	2,535,300	3,242,800	+13,100	1,06,40,000	...	709,400	2,549,000	3,258,400	+28,700	+15,600
14,380,900	5,227,800	19,608,700	+524,000	21,42,58,000	...	14,283,900	5,272,000	19,555,900	+471,200	-52,800
252,800	224,000	476,800	+29,700	34,01,000	...	226,700	251,600	478,300	+31,200	+1,500
850,600	30,000	880,600	+20,100	1,39,39,000	...	929,300	19,800	949,100	+88,600	+68,500
6,600	9,300	15,900	-4,300	2,62,000	...	17,400	7,100	24,500	+4,300	+8,600
15,490,900	5,491,100	20,982,000	+569,500	23,18,60,000	...	15,457,300	5,550,500	21,007,800	+595,300	+25,800
59,185,900	20,408,200	79,604,100	+170,700	47,02,06,000	48,18,22,000	63,468,500	20,381,300	83,849,800	+4,416,400	+4,245,700
4,019,300	...	4,019,300	+5,577,000	...	...	...	...	...	-1,281,500	-6,858,500
...	...	...		...	4,25,59,000	2,839,200	...	2,839,200		
63,215,200	20,408,200	83,623,400	+5,747,700	47,02,06,000	43,92,33,000	60,629,300	20,381,300	81,010,600	+3,134,900	-2,612,800
REVISED ESTIMATE, 1912-1913.				BUDGET ESTIMATE, 1913-1914.						
INDIA.		England.	TOTAL.	INDIA		England.	TOTAL.			
Amount in Rupees.	Equivalent in £ at R15 = £1.			Amount in Rupees.	Equivalent in £ at R15 = £1.					
Rs.	£	£	£	Rs.	£	£	£			
9,81,00,000	6,540,000	2,502,000	9,042,000	11,40,53,000	7,603,500	2,509,900	10,113,400			
2,20,01,000	1,466,700	33,300	1,500,000	2,06,77,000	1,378,500	88,200	1,466,700			
12,01,01,000	8,006,700	2,535,300	10,542,000	13,47,30,000	8,982,000	2,598,100	11,580,100			
22,23,000	148,200	7,000	155,200	1,99,25,000	1,328,300	5,000	1,333,300			

C.—Statement of Receipts and Disbursement of the

	ACCOUNTS, 1911-1912.			REVISED ESTIMATE, 1912-1913.			BUDGET ESTIMATE, 1913-1914.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	81,743,339	1,032,411	82,835,750	86,015,000	970,300	86,985,300	81,519,900	801,900	82,321,800
Excess of Revenue over Expenditure charged to Revenue			3,940,334			3,361,900			1,311,200
Railway, Irrigation, and other Capital not charged to Revenue—									
OUTLAY OF RAILWAY COMPANIES—									
Repayments . . . . .	...	2,029	2,029	...	4,000	4,000	...	2,000	2,000
NET			0			0			
RAISED AND DEPOSITED BY RAILWAY COMPANIES—									
On account of Subscribed Capital	57,497	...	57,497	70,600	905,000	975,600	160,900	4,415,000	4,575,900
NET			17,497			565,600			3,160,900
Permanent Debt Incurred—									
<i>Sterling Debt—</i>									
India Stock . . . . .	...	2,855,103		...	3,000,000		...	...
<i>Ruppes Debt—</i>									
Ruppes Loan	1,333,333	...		2,000,000	...		2,000,000	...	
TOTAL	1,333,333	2,855,103	4,188,436	2,000,000	3,000,000	5,000,000	2,000,000	...	2,000,000
NET			1,823,173			2,937,000			131,500
Temporary Debt Incurred—									
Temporary Loans . . . . .	...	4,500,000	4,500,000	...	...	...	...	...	...
NET			0			0			0
Unfunded Debt—									
Deposits of Service Funds	80,721	...		90,100	...		90,000	...	
Savings Bank Deposits	6,750,855	...		7,556,700	...		7,509,800	...	
TOTAL	6,840,576	...	6,840,576	7,646,800	...	7,646,800	7,599,800	...	7,599,800
NET			1,815,193			1,774,700			1,501,400
Deposits and Advances—									
Balances of Provincial Allotments	1,414,027	...		4,019,300	...		...	...
Appropriation for Reduction or Avoidance of Debt	457,067	...		341,200	...		453,400	...	
Deposits of Local Funds—									
District Funds	3,696,473	...		4,170,500	...		3,914,000	...	
Other Funds	1,194,862	...		1,347,500	...		1,182,500	...	
Deposits of Sinking Funds	27,552	...		42,100	...		43,800	...	
Gold Standard Reserve . . . . .	...	9,485,535		3,265,700	11,263,900		...	6,178,100	
Currency Reserve—									
Council Bills appropriated . . . . .	...	1,988,333		...	...		...	...
Gold received from India . . . . .	...	...		...	1,600,000		...	...
Gold transferred	1,088,333	...		...	...		...	...
Departmental and Judicial Deposits	24,065,219	...		26,870,900	...		26,204,700	...	
Advances	10,604,375	27,227		5,198,600	8,600		4,606,800	24,600	
Suspense Accounts	287,178	...		128,100	...		17,600	...	
Exchange on Remittance Accounts (not)	22,555	...		...	...		...	...
Miscellaneous	26,174	...		2,400	...		6,800	...	
TOTAL	44,684,715	11,501,005	56,185,810	45,986,900	12,872,500	58,258,800	36,429,600	6,202,700	42,632,300
NET			2,209,480			4,592,300			0
Carried over	184,659,460	10,050,638		141,118,700	17,751,800		127,710,200	11,421,600	

Government of India, in India and in England.

	ACCOUNTS, 1911-1912.			REVISED ESTIMATE, 1912-1913.			BUDGET ESTIMATE, 1913-1914.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
Expenditure, Imperial and Provincial (from Statement B)	£ 57,968,675	£ 19,957,657	£ 77,926,332	£ 59,195,900	£ 20,408,200	£ 79,604,100	£ 63,468,500	£ 20,381,300	£ 83,849,800
Add—Provincial Surpluses transferred to "Deposits"	1,414,027	...	1,414,027	4,019,300	...	4,019,300	...	...	...
Deduct—Provincial Deficits charged to "Deposits"	444,943	...	444,943	...	...	...	2,839,200	...	2,839,200
TOTAL	58,987,759	19,957,657	78,945,416	63,215,200	20,408,200	83,623,400	66,307,700	20,381,300	86,689,000
Railway, Irrigation, and other Capital not charged to Revenue—									
OUTLAY ON IRRIGATION WORKS	1,418,880	87,651	1,506,531	1,466,700	33,300	1,500,000	1,378,500	88,200	1,466,700
OUTLAY ON STATE RAILWAYS	4,840,786	2,140,598	6,981,384	6,540,000	2,502,000	9,042,000	7,603,500	2,509,900	10,113,400
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	4,986	6	4,992	148,200	7,000	155,200	1,328,300	5,000	1,333,300
OUTLAY OF RAILWAY COMPANIES—									
Payments for Capital outlay	314,614	673,945	988,559	171,700	1,077,300	1,249,000	227,400	1,822,900	2,050,300
NET			988,559			1,249,000			2,050,300
RAISED AND DEPOSITED BY RAILWAY COMPANIES—									
Payments for discharge of Debentures	...	40,000	40,000	...	410,000	410,000	...	1,415,000	1,415,000
NET			40,000			410,000			1,415,000
Permanent Debt Discharged—									
<i>Sterling Debt—</i>									
Madras Railway Debentures	...	868,700	...	...	249,700	...	...	170,000	...
Indian Midland Do.	...	907,500	...	...	1,227,900	...	...	1,111,200	...
India Bonds	...	500,000	...	...	500,000	...	...	500,000	...
<i>Eupea Debt—</i>									
4½ p. c. loans	67	...	...	...	...	...	...	...	...
4 p. c. Loans	80,910	...	...	82,400	...	...	82,400	...	...
3½ p. c. Loans	200	...	...	100	...	...	100	...	...
3 p. c. Loans	7,886	...	...	2,800	...	...	4,800	...	...
Provincial Debentures	...	...	...	100	...	...	...	...	...
TOTAL	89,063	2,276,200	2,365,263	85,400	1,977,600	2,063,000	87,300	1,781,200	1,868,500
NET			2,365,263			2,063,000			1,868,500
Temporary Debt Discharged—									
Temporary Loans	...	5,000,000	5,000,000	...	4,500,000	4,500,000	...	...	...
NET			5,000,000			4,500,000			...
Unfunded Debt—									
Special Loans	269	...	...	200	...	...	200	...	...
Deposits of Service Funds	93,577	...	...	93,700	...	...	96,200	...	...
Savings Bank Deposits	4,931,537	...	...	5,778,200	...	...	6,002,000	...	...
TOTAL	5,025,383	...	5,025,383	5,872,100	...	5,872,100	6,098,400	...	6,098,400
NET			5,025,383			5,872,100			6,098,400
Deposits and Advances—									
Balances of Provincial Allotments	444,943	...	...	...	...	...	2,839,200	...	...
Deposits of Local Funds—									
District Funds	3,593,981	...	...	4,015,800	...	...	3,847,300	...	...
Other Funds	1,121,303	...	...	1,215,200	...	...	1,134,300	...	...
Gold Standard Reserve	...	9,889,183	...	3,265,700	11,332,600	...	...	6,164,500	...
Currency Reserve—									
Council Bills appropriated	1,988,333	...	...	...	...	...	...	...	...
Gold Transferred	...	655,000	...	...	1,600,000	...	...	...	...
Sums invested	...	1,333,333	...	...	...	...	...	...	...
Departmental and Judicial Deposits	24,514,769	...	...	26,653,700	...	...	26,133,300	...	...
Advances	10,231,543	73,813	...	5,198,100	180,100	...	4,594,200	25,000	...
Suspense Accounts	111,078	...	...	186,700	...	...	69,800	...	...
Exchange on Remittance account (net)	...	...	...	18,600	...	...	...	...	...
Miscellaneous	19,027	24	...	...	...	...	...	...	...
TOTAL	42,024,977	11,951,353	53,976,330	40,553,800	13,112,700	53,666,500	38,618,100	6,189,500	44,807,600
NET			53,976,330			53,666,500			44,807,600
Carried over	112,688,448	42,127,410		118,053,100	44,028,100		115,970,800	34,193,000	

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1911-1912.			REVISED ESTIMATE, 1912-1913.			BUDGET ESTIMATE, 1913-1914.		
	India.	England.	TOTAL.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward . . .	134,659,460	19,950,638		141,118,700	17,751,800		127,710,200	11,421,600	
Loans and Advances by Imperial Govern- ment	264,742	...	264,742	260,000	...	260,000	199,000	...	199,000
NET			201,914			187,600			13,100
Loans and Advances by Provincial Governments	986,707	...	986,707	1,091,300	...	1,091,300	937,600	...	937,600
NET			0			0			0
Loans to Local Boards for Railway Con- struction	6,583	...	6,583	6,900	...	6,900	7,100	...	7,100
NET			6,583			6,900			7,100
Remittances—									
Inland Money Orders	32,427,579	...		33,333,300	...		34,693,400	...	
Other Local Remittances	87,885	...		440,100	...		434,700	...	
Other Departmental Ac- counts	6,226	...		...	...		...	...
Net Receipts by Civil Treas- uries from—									
Post Office	2,168,276	...		2,241,900	...		2,028,300	...	
Railways	12,606,038	...		14,765,700	...		13,704,100	...	
Public Works	8,700	...		...	...		...	...
Net Receipts from Civil Treas- uries by—									
Telegraph	733,423	...		733,700	...		718,300	...	
Marine	291,885	...		260,100	...		199,300	...	
Military Works	738,525	...		719,400	...		803,100	...	
Military	13,268,513	...		13,146,600	...		13,017,800	...	
Remittance Account between England and India—									
Purchase of Silver . . . . .	...	...		7,060,000	...		...	...
Railway transactions	2,195,707	7,655		3,650,300	24,600		4,914,900	504,800	
Other	903,508	1,253,414		2,559,900	1,877,700		771,800	1,390,000	
TOTAL	65,436,355	1,261,069	66,697,424	78,911,000	1,903,300	80,813,300	71,285,700	1,894,800	73,180,500
NET			49,524			146,700			65,200
Secretary of State's Bills drawn . . . . .	...	25,070,216	25,070,216	...	27,060,000	27,060,000	...	21,200,000	21,200,000
TOTAL RECEIPTS	201,353,847	46,281,023		221,387,900	46,714,100		200,139,600	34,516,400	
Opening Balance	13,566,022	18,174,349		12,279,689	19,463,723		18,336,389	10,627,923	
GRAND TOTAL	214,920,769	64,456,272		233,667,589	66,177,823		218,475,989	45,144,323	

(a) Of this amount £1,477,358 represents the funds of the Gold Standard Reserve.

(c) — — — — — £1,005,000 " " " " "

Government of India, in India and England—continued.

	ACCOUNTS, 1911-1912.			REVISED ESTIMATE, 1912-1913.			BUDGET ESTIMATE, 1913-1914.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	112,686,448	42,127,410		118,053,100	44,028,100		115,970,800	34,193,000	
Loans and Advances by Imperial Government .	62,828	...	62,828	72,400	...	72,400	185,900	...	185,900
NET			0			0			0
Loans and Advances by Provincial Governments .	1,179,862	...	1,179,862	1,288,200	...	1,288,200	1,063,500	...	1,063,500
NET			193,155			196,900			125,900
Remittances—									
Inland Money Orders	32,398,535	...		33,333,300	...		34,666,700	...	
Other Local Remittances	...	...		441,000	...		434,700	...	
Other Departmental Accounts	127	...		...	...		...	...
Net payments into Civil Treasuries by—									
Post Office	2,158,879	...		2,241,900	...		2,028,300	...	
Railways	12,704,524	...		14,647,300	...		13,704,100	...	
Net Issues from Civil Treasuries to—									
Telegraph	740,023	...		733,700	...		718,300	...	
Marine	292,953	...		260,100	...		199,300	...	
Military Works	749,165	...		719,400	...		803,100	...	
Military	13,268,720	...		13,146,600	...		13,017,800	...	
Remittance Account between England and India—									
Purchase of silver	...	...		...	7,060,000		...	...
Railway transactions	2,914	2,200,448		24,600	3,650,300		504,800	4,914,900	
Other	1,468,921	664,691		3,596,900	811,500		1,547,900	575,400	
TOTAL	63,782,761	2,865,139	66,647,900	69,144,800	11,521,800	80,666,600	67,625,000	5,490,300	
NET			0			0			
Secretary of State's Bills paid	24,929,181	...	24,929,181	26,772,700	...	26,772,700	21,202,000	...	21,202,000
TOTAL DISBURSEMENTS	202,641,080	44,992,549		215,331,200	55,549,900		206,047,200	39,683,300	
Closing Balance	12,279,689	19,463,723 ^(b)		18,336,389	10,627,923 ^(c)		12,428,789	5,461,023 ^(d)	
GRAND TOTAL	214,920,769	64,456,272		233,667,589	66,177,823		218,475,989	45,144,323	

(b) Of this amount £1,073,710 represents the funds of the Gold Standard Reserve.
 (d) " " £1,018,600 " " " " " "

M. F. GAUNTLETT,
 Comptroller General.

R. W. GILLAN,
 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 Provin- ces and Berar.	Burma.	Eastern Bengal and Assam.		Bengal.	United Provinces of Agra and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.	Equivalent in £ at R15=£1.
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	£
Accounts, 1911-1912.											
Balance at end of 1910-1911	27,72,214	54,08,065	72,89,698		1,30,78,265	83,90,485	69,74,978	1,55,90,102	1,63,06,351	7,61,10,158	5,074,010
Added in 1911-1912	12,14,573	...	52,18,802		82,96,235	1,44,240	33,98,055	29,38,502	...	2,12,10,407	1,414,027
Spent in 1911-1912 . . . . .	...	12,60,040	...		...	...	...	...	54,14,113	66,74,153	444,943
Balance at end of 1911-1912	39,86,787	41,48,025	1,25,08,500		2,13,74,500	88,34,725	1,03,73,033	1,85,28,604	1,08,92,238	9,06,46,412	6,043,094
Revised Esti- mate, 1912-1913.											
Balance at end of 1911-1912	39,86,787	41,48,025	41,96,000	1,66,25,000	1,30,62,000	88,34,725	1,03,73,033	1,85,28,604	1,08,92,238	9,06,46,412	6,043,094
Added in 1912-1913	44,97,000	69,12,000	35,59,000	1,17,73,000	65,69,000	83,28,000	84,36,000	43,01,000	59,15,000	6,02,90,000	4,019,300
Spent in 1912-1913 . . . . .	...	...	...	...	...	...	...	...	...	...	...
Balance at end of 1912-1913	84,83,787	1,10,60,025	77,55,000	2,83,98,000	1,96,31,000	1,71,62,725	1,88,09,033	2,28,29,604	1,68,07,238	15,09,36,412	10,062,394
Budget Esti- mate, 1913-1914.											
Balance at end of 1912-1913	84,83,787	1,10,60,025	77,55,000	2,83,98,000	1,96,31,000	1,71,62,725	1,88,09,033	2,28,29,604	1,68,07,238	15,09,36,412	10,062,394
Added in 1913-1914 . . . . .	...	...	...	...	...	...	...	...	...	...	...
Spent in 1913-1914	8,68,000	51,54,000	19,94,000	69,03,000	46,09,000	39,93,000	43,87,000	60,91,000	45,85,000	4,25,89,000	2,839,200
Balance at end of 1913-1914	76,15,787	59,06,025	57,61,000	1,94,95,000	1,50,22,000	1,31,64,725	1,44,22,033	1,47,38,604	1,22,22,238	10,83,47,412	7,223,194

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
March 1st, 1913.

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

REVENUE AND EXPENDITURE.	ACCOUNTS, 1911-1912.					REVISED ESTI-MATE, 1912-1913.		BUDGET ESTI-MATE, 1913-1914.	
	Revenue.	EXPENDITURE.		Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		Refunds and Assignments.	Cost of Collection and Production.						
	£	£	£	£	£	£	£	£	£
Revenue Heads.									
Land Revenue (excluding that due to Irrigation)	20,764,697	764,370	3,786,454	16,213,873		16,566,300		16,610,700	
Opium	5,961,278	3,614	729,452	5,228,212		4,448,400		306,000	
Salt	3,391,212	254,476	368,490	2,768,246		2,701,100		2,768,000	
Stamps	4,815,129	55,595	134,190	4,625,344		4,899,300		5,012,500	
Excise	7,609,753	76,873	419,253	7,113,627		7,660,500		7,877,400	
Provincial Rates	548,680	580	5,695	542,405		550,000		27,900	
Customs	6,468,667	181,837	250,713	6,036,017		6,574,100		6,445,600	
Assessed Taxes	1,652,378	10,827	28,278	1,613,773		1,681,600		1,709,600	
Forest	1,952,179	6,537	1,142,202	803,440		897,400		799,700	
Registration	445,862	1,124	248,253	193,482		231,800		238,100	
Tributes	595,005	201,353	...	393,647		398,100		415,300	
TOTAL	54,205,240	1,557,191	7,112,983	45,535,066		46,608,600		42,210,800	
Total deduction from Revenue		8,670,174							
Expenditure Heads.									
Debt Services Interest	1,443,741	2,037,735			588,994		344,000		22,700
Commercial Services Post office	2,134,279	2,008,470		125,809		223,100		303,600	39,200
Commercial Services Telegraph	1,087,425	1,093,934			6,509	20,900			
Commercial Services Railways	15,891,725	12,103,955		3,787,770		5,616,100		4,552,300	
Commercial Services Irrigation	3,980,052	3,174,883		805,169		1,049,800		839,300	
Other Public Works Civil Works, etc.	326,924	5,454,048			5,127,124		5,892,700		6,226,200
Mint Mint	367,100	116,507		250,593		389,700		136,900	
Civil Departments Civil Departments	1,238,131	16,436,166			15,228,035		15,427,600		18,138,200
Miscellaneous Superannuation	201,470	3,187,420			2,985,950		3,077,100		3,124,400
Miscellaneous Exchange	103,697	...		105,697		109,300		33,300	
Civil Services Miscellaneous	409,018	388,909		20,109			36,800		190,500
Civil Services Other heads	93,891	1,322,494			1,225,603		1,222,700		1,216,200
Famine Relief and Insurance Famine Relief	...	114,293			114,293		188,700		43,600
Famine Relief and Insurance Other heads	...	885,707			885,707		811,300		953,400
Military Services Army Effective	1,061,030	16,332,932			15,271,932		15,301,600		15,235,300
Military Services Army Non-effective	118,336	3,203,584			3,085,248		3,121,600		3,133,900
Military Services Marine	84,900	450,728			365,828		389,000		380,000
Military Services Military works	78,791	909,657			830,836		807,300		873,100
Military Services Special Defences (1902)	...	4,703			4,706		15,900		24,500
TOTAL	32,835,750	77,926,332		4,909,418		7,381,200			1,528,000
Provincial Adjustment Surplus		969,084			969,084		4,019,300		2,839,200
Provincial Adjustment Deficit		...							
TOTAL	32,835,750	78,895,416		3,940,334		3,361,900		1,311,200	
Capital Account Surplus				3,940,334		3,361,900		1,311,200	
Capital Account Railway and Irrigation Capital not charged to Revenue				17,497		565,600		3,160,900	
Capital Account Capital raised and deposited by Railway Companies (net)									1,436,700
Capital Account Outlay on Irrigation Works				1,536,531		1,500,000		10,113,400	
Capital Account Outlay on State Railways				6,981,384		9,042,000		1,333,300	
Capital Account Initial outlay on new Capital at Delhi				4,992		155,200		2,048,300	
Capital Account Outlay of Railway Companies (net)				986,530		1,245,000			
Capital Account Permanent Debt (net)				1,823,173		2,937,000		131,500	
Capital Account Temporary Debt (net)					500,000		4,500,000		
Capital Account Unfunded Debt (net)				1,815,193		1,772,700		1,501,400	
Debt, Deposits, Advances, and Remittances Loans and Advances by Imperial Government (net)				201,914		187,600		19,100	
Debt, Deposits, Advances, and Remittances Loans and Advances by Provincial Governments (net)					193,155		196,900		125,900
Debt, Deposits, Advances, and Remittances Loans to Local Boards for Railway Construction (net)				6,583		6,900		7,100	
Debt, Deposits, Advances, and Remittances Deposits and Advances (net)				2,209,480		4,592,300		2,175,300	
Debt, Deposits, Advances, and Remittances Remittances (net)				49,524		146,700		65,200	
Debt, Deposits, Advances, and Remittances Secretary of State's Bills drawn (net)				25,070,216		27,030,000		21,200,000	
Debt, Deposits, Advances, and Remittances Secretary of State's Bills paid (net)					24,929,181		26,772,700		21,202,000
Cash Balance Opening Balance (net)				35,133,914		40,632,700		27,390,400	
Cash Balance Closing Balance (net)				31,741,271		31,743,412		28,934,312	
TOTAL				66,875,185		72,376,112		56,354,712	

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
March 1st, 1913.

**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 the Council Chamber, Imperial Secretariat, Delhi, on Saturday, the 7th March, 1913.

PRESENT :

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

and 64 Members, of whom 57 were Additional Members.

FINANCIAL STATEMENT.

FIRST STAGE.

The Hon'ble Mr. Gillan :—"On behalf of the Hon'ble the Finance Member I beg to open the first stage of the discussion on the Financial Statement for 1913-14."

RESOLUTION REGARDING PROVINCIAL SETTLEMENT, MADRAS.

The Hon'ble Nawab Saiyid Muhammad :—"I beg to move the following Resolution which stands in my name :—

"That this Council recommends to the Governor General in Council that the Provincial Settlement with the Government of Madras be revised so as to increase the Provincial share of the excise revenue from one-half to three-fourths."

"By the present Permanent Provincial Settlements which were introduced with effect from April 1911 in the financial arrangements between the Imperial and the Provincial Governments, the Government of India, while making substantial concessions to other major Provinces in the shares of growing sources of revenue divided between the Provincial and the Imperial Government, left the Madras Government comparatively unchanged and cut them off, if I may say so, with a shilling, *i.e.*, except to the extent of three lakhs and odd due to the provincialization of Forest revenue and expenditure, this Government obtained very little benefit out of it. Now even this little sum will be

lost as a result of the forest policy which we hope and will be glad to see established in the Madras Presidency, in consequence of the recommendations of the Forest Committee which has recently submitted its report to the Government of Madras. The position of the Madras Government from next year will thus be practically what it was previous to the permanent settlements, and they would have obtained no benefit whatever from the arrangements which were designed to be permanent and to provide Local Governments with resources which they might develop and improve. On the other hand, the position of the other major Provinces and of some minor Provinces was improved in a substantial and special manner, as will be seen from the summary of the changes given by the Hon'ble Sir James Meston in his Memorandum of the Financial Statement of 1911.

“In the settlement of these permanent arrangements, it was clear that the Madras Government was not consulted specifically for I find that the Chief Secretary to that Government writing to the Hon'ble Mr. Ramachandra Rao in 1911 said that that Government was not consulted, although subsequently this was modified by Sir Murray Hammick by saying that there was always constant correspondence with the Government of India on the financial transactions between the two Governments, and although the Hon'ble the Finance Minister on the other hand in the Imperial Council then said that these questions should have been brought to the notice of the Imperial Government by Secretariat inter-communication, the fact remains that Madras has fared worst in a scramble which it was expected the Provincial settlements would put an end to. That Madras needs a larger share of the growing revenues for her purposes admits of no doubt, and the fact, that her Government is prudent and frugal and accumulated balances in the attempt to secure a more economical and efficient use of its revenues and of its grants from the Imperial Government, should surely not be made the ground for inflicting a penalty on that Province by cutting off her just share of the growing revenues. The needs of administrative expenditure, especially in the direction of education and sanitation are expanding enormously in the country and certainly not less so in Madras than elsewhere. The educational programme in the Madras Presidency is hampered very much by the difficulty of providing for recurring expenditure from the present shares of growing revenue and the system of Imperial non-recurring grant has only tended to make the situation worse in that by accumulation of these grants, it gives an inflated appearance to the balances at the disposal of Madras Government, and makes the Imperial Government less than just to the claims of this Province. In this respect the Madras Government will soon experience a repetition of the difficulty which they had to face in 1907-08. The Provincial Settlement by which the share of the Provincial Government in the revenues is unduly narrowed necessarily leads to a system of grants-in-aid from the Imperial Government, and when this is swollen to an inordinate extent the necessity for revising the shares in the divided heads becomes apparent. This was what happened in consequence of the *quasi*-permanent settlement of 1904. The Provincial expenditure was then estimated in 1904 at 350.48 lakhs as against the provincial revenues then assigned of 290.82 lakhs, *i.e.* 59.66 lakhs short of the allotted expenditure. This was made up by a fixed annual assignment of the Imperial revenues, but by the end of 1907-08 the fixed assignment had risen to the enormous figure of 150 lakhs of rupees, and the Government of India had then to substitute for the fixed assignment a larger proportion of growing revenue by raising the provincial share of divided heads from one-quarter to one-half. It was however unfortunate that with a large programme of recurring expenditure since that time, notably in the direction of education and sanitation, of the promotion and development of Local Self-Government no attempt was made to increase the resources of the Madras Government, while nearly every other important Provincial Government had its share increased. It is to redress this inequality to some small extent, that I propose that the Government will be pleased to raise the Provincial share of the excise revenue from one-half to three-fourths. In regard to excise revenue Madras is the solitary province among the major Provinces which has had the smallest share of it, and it may not be said that her share of other heads is larger

so as to compensate for it. It seems also desirable from the point of view of administrative convenience to make excise revenue and excise policy provincial and in the course of time, if possible, local. The enormous growth of excise revenue in the province has alarmed the public as to the growth in consumption and the increase in the drinking habits of the people, and if the Government should do their duty by the public and take further measures to combat the drinking evil not by treating it as a direct source of revenue but as a deterrent against excessive drinking, it is plain that its control should be in local hands and that to a large extent principles of local option have to be introduced. The tendency of all progressive Governments is to leave the regulation of the consumption of liquor which forms the main head of revenue under excise to local authorities or local committees and to make over the revenue therefrom derived to local authorities. In England, it is well known that what is described as whisky money forms one of the chief contributories made over by the Central Government to local authorities for the promotion of education. We may not be ready in India yet for that course, but certainly unless the Imperial Government ceases to treat excise revenue as an important divided head of its resources, the present evils will continue. The Resolution which I propose will bring Madras at least on a par with other provinces in regard to excise revenue, and will be an initial step towards a sounder excise policy in the country."

The Hon'ble Mr. Gillan:—"Sir, we have missed from the agenda this year the Resolution which, with patriotic persistence, my friend the Hon'ble Pundit Madan Mohan Malaviya has urged in previous years in favour of increasing the share of his Province under the head of Land-revenue. The revenue has now changed; it has gone from Land-revenue to Excise; from the United Provinces to Madras. But I confess it has come as a very considerable surprise to the Finance Department that the scene should have shifted so far south, and I have listened with even more astonishment to the gloomy picture which my Hon'ble friend has drawn of the finances of that Presidency. Before I have finished I think the Council will be able to judge on which side the right is; but the view that we have always taken in this Department is that Madras is a Presidency very well contented with the ample revenues which it enjoys, and which we acknowledge it administers with the greatest prudence and ability; and the view that we have taken is, I think, justified by the latest figures that we have. It is anticipated that on the 31st of March Madras will have a balance of $2\frac{1}{4}$ crores, and even if we exclude from this sum the money that it holds from Imperial grants which are earmarked for special purposes, it still will have 116 lakhs. Further, next year's budget shows that its ordinary revenue will exceed its recurring expenditure by a matter of 39 lakhs. That is a very handsome recurring margin.

"Now these figures in themselves might perhaps be taken as a sufficient answer to the proposal made by the Hon'ble Member, but as there is sometimes a misapprehension on the subject, and I am not quite certain that it is not shared by the Hon'ble mover, I may be permitted to say a few words on the general principles of our Provincial Settlements. We do not start on the Revenue side at all or determine on any *à priori* grounds the shares of revenues to be given to the Provinces. We begin—and it is really the only possible method—on the Expenditure side. We consider what a province ought to spend; we fix a standard of expenditure, and then we make over to the province, either by dividing certain heads of revenue or by making fixed assignments, sufficient revenues to cover the expenditure. Each settlement is consolidated, and it is really of very little relevance to inquire in what particular proportions the different heads of revenue are distributed in the different provinces. The requirements of a settlement are two, first that the revenue made over to the province should be sufficient to cover the charges with which it starts on its new settlement; that much may be taken for granted. Secondly, that its revenue should be elastic so that it should cover the inevitable growth in expenditure. For this reason there are two things, from the provincial point of view, which are important.

“ First that the fixed assignment should be of a small amount : secondly, that there should be a healthy growth in the divided heads of revenue. Now from this point of view what is the position in Madras? The revenue of next year according to the budget, is 740 lakhs. The fixed assignment from Imperial is only 15 lakhs, barely 2 per cent. of the total. In this particular, then, Madras is fortunate, and it has been fortunate also in the rate of growth of divided heads of revenue. Altogether its financial position is exceptionally strong and exceptionally favourable. Finally, the settlements which are now in force have been declared to be permanent. Their terms are to be varied only under certain specified conditions which in this case do not arise, and to this element of permanency we are bound to attach the very greatest importance. Sir, one cannot but sympathise with the sentiment which has moved the Hon'ble Member to put forward this Resolution. One cannot, I think, also but admire the boldness of his attack, in the circumstances, on the Imperial exchequer. For this share of excise which he is anxious to obtain is a matter of 60 or 70 lakhs. I have already shown that Madras has a margin of 39 lakhs, so that he would like to have a recurring margin of something over a crore. I am sorry, Sir, it is not possible in these circumstances for Government to accept the Resolution.”

The motion was put and rejected.

**RESOLUTION REGARDING ADDITIONAL ASSIGNMENT FOR
RECURRING EXPENDITURE ON EDUCATION FOR THE
UNITED PROVINCES.**

The Hon'ble Rai Sri Ram Bahadur :—“ Mr. President, I beg to move the following Resolution :—

‘ That this Council recommends to the Governor General in Council that the additional assignment for recurring expenditure on Education for the United Provinces of Agra and Oudh, announced in the Financial Statement, be raised by Rs. 1,200,000 a year.’

“ That expenditure on education is one of the first charges on the revenues of the country is a proposition which does not require any reiteration. Education of the people according to the Western methods is one of the most inestimable boons conferred by the British Raj on the people of India. No sentiment can be more humane, more sympathetic or more sublime than that expressed by His Most Gracious Majesty the King-Emperor in reply to the address of the Calcutta University, that the cause of education will ever be very close to His Majesty's heart. The people of India highly appreciate the benefits of education, and are deeply grateful to the Government for what has already been done and for what they intend to do for them in the future. The United Provinces have especial reason for gratitude to the Imperial Government for the large grants and assignments made in the past for expenditure on education. They are still more thankful for the announcement in the Financial Statement of the ensuing year of very liberal sums to be spent on education both on the recurring and on the non-recurring sides.

“ But, Sir, these sums are not enough to meet fully the pressing educational wants of our province. Our province is a growing province. Its population numbers more than 47 millions. Its people are now wide awake to the benefits of education and are eager to receive it. The total amount made up of imperial grants, sums allotted out of the provincial revenues, contributions made by the local bodies out of their incomes, and also of aid received from private persons, and spent on education is not enough to meet the educational demands of the province. I therefore beg to move that, in addition to the large non-recurring grants and sums assigned as recurring shown in the

Financial Statement, a sum of 12 lakhs be added to the recurring expenditure on education, to be spent on the following heads :—

	Rs.
<i>I.—Collegiate Education—</i>	
Grant-in-aid to Aided Colleges	70,000
<i>II.—Secondary Education—</i>	
	Rs.
(a) Government High Schools	1,50,000
(b) Aid to aided High Schools	1,00,000
(c) Establishment of a new Training College for teachers	25,000
	} 2,75,000
<i>III.—Primary Education—</i>	
(a) Lower and Upper Primary Schools	5,00,000
(b) Establishment of two new Normal Schools	45,000
	} 5,45,000
<i>IV.—Female Education</i>	30,000
<i>V.—European Schools</i>	1,00,000
<i>VI.—Inspecting Staff—</i>	
(a) Additional Inspectors and Assistant Inspectors	80,000
(b) Deputy and Sub-deputy Inspectors	1,00,000
	} 1,80,000
TOTAL	<u>12,00,000</u>

“I shall now proceed to give briefly the details of the objects for which this money is required.

“I shall take up Collegiate Education first. In almost all the aided colleges there is a great need for expansion. It is necessary that provision should be made for teaching a larger number of subjects than are taught at present. There should be an increase in the number of classes. The limit in the number of students fixed under the rules for each section has been reached. Many of these colleges require the addition of more sections. Unless more sections are added, many students who are eager to receive collegiate education cannot get that benefit. But new sections cannot be added unless additional expenditure be incurred in employing new professors. The salaries given to Indian professors in these colleges are very small. In order to secure greater efficiency and a better class of men, the salaries must be increased. A very modest estimate would require a sum of Rs. 70,000 a year to be added under this head.

“I come now to Secondary Education, and first I shall take up Government High Schools. It is necessary that a regrading of existing teachers by increments in their salaries should be done. Additional teachers ought to be employed. Improvement of the staff of teachers is one of the most urgent needs of the province. Competent teachers cannot be had unless they are handsomely paid. An additional sum of Rs. 1,50,000 a year is required for this purpose.

“There are many aided high schools which serve the place of Government high schools in many cities and towns, and thus save the Government from bearing the whole burden of expenditure on those institutions. The teachers in these schools generally get low salaries. No real improvement can be effected in them unless the pay of the teachers is raised. For this purpose and for the up-keep of science laboratories established in some of these schools, we require a sum of Rs. 1,00,000 a year.

“There is another matter which requires consideration in connection with Secondary Education. It is the establishment of a new training college for the western districts of the Province which should be located at Agra. The training college at Allahabad and the training school at Lucknow cannot train the requisite number of teachers. The annual cost of maintenance of the proposed training college would be Rs. 25,000 a year. The total additional cost, therefore, under the head of Secondary Education, comes to Rs. 2,75,000 a year.

“I now take up, Sir, Primary Education. This is the most important head for which a very considerable amount of recurring expenditure is required. Our success in educating the masses depends on the amount of money to be spent judiciously.

“In order to improve and advance Primary Education in our province, the following measures should be adopted. The pay of teachers ought to be increased. In many places it is as low as Rs. 8 per month. The minimum pay should not be less than Rs. 12 a month, and the maximum Rs. 50 a month, for teachers in secondary vernacular schools—with intermediate gradation. A large number of new schools should be opened, and many lower primary schools should be raised to the status of upper primary schools. One of the great needs is to get good and efficient teachers. New normal schools therefore ought to be opened.

“That there is a great and daily-growing demand for education in the United Provinces—provided facilities be placed within the reach of scholars—is evidenced by the fact that in the year 1911-12, 192 new schools were opened at an additional cost of Rs. 92,228, and the result was an increase of about 40,000 scholars in that year. To quote from a recent speech of His Honour Sir James Meston ‘The problem before you is clearly not to find children but to find schools and provide teachers.’

“The measures in short required for the improvement and advancement of Primary Education are (a) the opening of two new normal schools for teachers—one at Fyzabad at a cost of Rs. 25,000 a year, and the other at Jhansi at a cost of Rs. 20,000; (b) raising the pay of teachers; (c) opening of new schools and (d) raising lower primary schools to the status of upper primary ones. A sum of Rs. 5,45,000 is required for the present. This is only a very modest estimate. An inquiry is being made by the provincial Educational Department and within a short time more reliable facts and figures will be available which will show that a considerable additional expenditure will be necessary to carry out successfully the campaign against illiteracy.

“Female Education is the next item. I must own that no marked success has been attained in this branch of education in our province. It is in no small measure attributable to lack of sufficient funds. We require money to start normal schools for female teachers. To improve Female Education, we require a sum of Rs. 30,000 a year.

“European schools is another important subject. It was discussed lately in the Conference held at Simla. We find that the salaries paid to the majority of teachers in these schools is not adequate. An additional amount of at least 1 lakh a year is required for the present to effect improvement in this direction.

“Inspecting Staff is the last item which requires consideration. An increase in the number of educational institutions and scholars requires a proportionate increase in the number of Inspecting Staff. The number of Inspectors and Assistant Inspectors should be enlarged. At present these officers are over-worked. An addition to their number and the consequential increase in the office charges will require a sum of Rs. 80,000 a year.

“A still larger increase is required in the number of Deputy Inspectors and Sub-Deputy Inspectors who supervise the working of primary and secondary vernacular schools. The salaries of many of the officers of this class are inadequate and their regrading is very necessary. Their number is insufficient for a thorough inspection of the existing schools. Not more than 60 schools can be satisfactorily inspected by one officer during the course of the year. An addition to their numerical strength is required not only for the schools existing at present, but also for the new ones which are to be opened in future. This cannot be done without an additional expenditure under this head of 1 lakh of rupees. The total expenditure therefore under the head of Inspecting Staff comes to Rs. 1,80,000. The grand total as I have stated before comes to 12 lakhs a year.

“We require additional sums under the head of non-recurring expenditure, but as I find in the Financial Statement laid before the Council on 1st March

there are large assignments both under the head of non-recurring expenditure and also some assignments under the head of recurring expenditure, and no details have yet been furnished to us, I am not in a position to say what sum we require. But the Council will permit me to say that our needs are these: We require a hostel for the law college at Allahabad which will cost a lakh and fifty thousand. We have already got one hostel there, but it is not sufficient to accommodate the law students. Then we require a sum of Rs. 30,000 for the equipment of the law library attached to the newly established Law College. Thus the Law College requires 1,80,000. Then there are some other colleges which require additional buildings—either in the shape of an addition to existing buildings or new laboratories and science classes. St. John's College, Agra, requires 1 lakh for its new buildings. Bareilly College requires laboratory and science class which will cost approximately Rs. 50,000. Meerut College requires a new laboratory for Chemistry and Biology which will cost Rs. 75,000."

The Hon'ble Sir Harcourt Butler :—"I rise to a point of order, Sir. The Resolution relates to the additional assignments for recurring expenditure on education. The Hon'ble Member is now dealing with the non-recurring needs of his province."

The President :—"I think that the point of order raised by the Hon'ble Sir Harcourt Butler is sound—that the Hon'ble Member should deal with his own Resolution and with the expenditure which that Resolution covers."

The Hon'ble Rai Sri Ram Bahadur :—"Sir, the Resolution moved by me is that we require at least 12 lakhs a year for recurring expenditure. This is not a very high figure in view of the requirements which I have stated before the Council—requirements, which cannot be denied to be very urgent. A province which is contributing to the Imperial Exchequer the largest amount of land revenue—a province which has behaved so well during the time when trouble was experienced in some other parts of the country, a province which has a population of more than 47 millions, is not asking too much if it appeals to the Supreme Government for an increase in the grant for education.

"If the people of that province appeal to the Imperial Government for help in the shape of an additional sum being given for education, I submit that their appeal should be heard and should receive a favourable consideration. Fortunately for us we have, as the head of the Supreme Government, a most sympathetic ruler who is so keen on the advancement of education.

"The Hon'ble the Finance Minister, the guardian of the public purse, has also always been sympathetic to the appeals made to this Government for help with regard to deserving objects. And fortunately for us the Hon'ble Member of this Government who is in charge of education has personal knowledge of the wants of the United Provinces. I have every hope, therefore, that this appeal on behalf of the people of my province will receive a favourable response."

The Hon'ble Raja Kushalpal Singh :—"I have great pleasure in seconding the Resolution moved by my friend the Hon'ble Rai Sri Ram Bahadur. The strengthening of the staff of primary schools is the most urgent concern of my provinces. The present number of teachers is wholly inadequate to meet the increasing demand for education. We recognise that at least 100 teachers more should be taken on for each average district. Further progress will be checked unless funds are forthcoming for the purpose of increasing the number of teachers. Many of the schools are overcrowded and understaffed, and a large number of assistant teachers is an obvious corollary. The present mode of determining the number of teachers required for a school is faulty. It is based on attendance; but it is manifest that, the boys being distributed in different classes, the teaching of them all by one man must needs be very unsatisfactory. Money is most urgently in request for improving the pay and prospects of our primary school teachers. Living

has become more expensive, and ill-paid men put no heart into their work, whilst better-paid men will presumably do better work, and attract more scholars. District and Municipal Boards are at the end of their resources, and, unless they can be given substantial assistance, they cannot be expected to improve and extend primary education. Money is urgently required for improving the grade of teachers. The proper type of men cannot be induced to join training classes or to teach in schools, unless they can count upon fair remuneration. At present the grades above the prescribed minimum are everywhere low. The demand for trained teachers is much greater than the supply. The number of training classes should be considerably added to. The number of peripatetic drill instructors should be increased. In the lower primary section attached to the training classes, assistant instructors should be employed. Pupil teachers receive training for about two hours and a half or three hours daily, and can devote only one hour and a half to the teaching of lower primary classes. In order to increase the number of teachers, it is necessary that many more secondary vernacular schools should be opened. We require an additional recurring grant of Rs. 5,00,000 for primary education.

“Two more Normal Schools should be opened at Jhansi and Fyzabad, respectively. Their maintenance charges will be about Rs. 45,000 a year.

“The dearth of female teachers prevents the rapid expansion of female education. There is a clear call for more female teachers. The number of training classes for mistresses should be considerably raised. We require an additional recurring grant of Rs. 30,000 per annum for this purpose.

“A large increase is indicated in the number of Deputy and Sub-Deputy Inspectors. A larger inspecting staff is a desideratum not only for the present needs, but also in view of future expansion. The present pay of these officers is too small and does not attract the right type of men. The majority of these officers are always on the look-out for service in other departments to improve their prospects. One inspecting officer cannot efficiently inspect more than 60 schools. We want 90 more officers. The number of Inspectors and Assistant Inspectors should also be increased. To this end and for increasing the number of Sub-Deputy Inspectors, an additional outlay of Rs. 1,80,000 a year may reasonably be asked for.

“Desire for secondary education is extremely keen. Greatly increased expenditure on secondary education is a natural sequence. The Department does not attract graduates in sufficient numbers, nor does it get its fair share of the best men turned out by the University. An improvement in the pay and prospects of teachers in secondary schools is one of the most urgent needs of the United Provinces. We would name Rs. 1,50,000 more a year as a fair allotment for this purpose. In aided schools the pay of teachers is on a beggarly scale. We would ask for an additional recurring grant of Rs. 1,00,000 per annum for raising the pay of teachers in such schools.

“One more training college, which should be located at Agra, would meet a pressing need in the western districts. The recurring annual expenditure for its maintenance would be about Rs. 25,000 a year.

Colleges.

“Scholars are crowding into colleges in such numbers that neither can room be found for them nor can sufficient professors be entertained to teach them. Many additions to the professional staff should be made. Certain classes have grown beyond all reasonable proportions. They should be split up into sections. This would mean at least Rs. 70,000 a year for strengthening the staff of colleges.

“For European schools we require an additional recurring grant of Rs. 1,00,000 a year.

“With these few remarks, I beg to recommend this Resolution for acceptance by this Hon'ble Council.”

The Hon'ble Pandit Madan Mohan Malaviya:—“Sir, I beg to support the Resolution. As we have been told by the Hon'ble

Mr. Gillan, I have not brought forward the Resolution on the last occasion in asking for the land-revenue grant in the United Provinces to be raised. There is a reason for it. In the United Provinces the Lieutenant-Governor, Sir James Meston, has said that he will examine the expenditure and he has promised us that he will come with a representation to the Government of India as soon as he is satisfied that the needs of the Province require a large allotment. I hope that it will not be very long before Sir James Meston will have made up his mind to appeal to the Government of India, and it is because we expect his appeal will receive greater consideration from Government than perhaps the appeals of his predecessors did that we are waiting and looking forward to the day when it will be brought to the notice of the Government of India. I may mention, Sir, that our late Lieutenant-Governor, Sir John Hewett, on the last occasion when he spoke about Provincial finance expressed himself deeply disappointed and earnestly expressed the hope that the Government of India would see their way to remedying the injustice which has been done to the United Provinces, in not giving to them what has been given to other provinces, namely, half the amount of the land-revenue raised in each province. I could not advance a stronger argument in support of the Resolution of my Hon'ble friend than to point out to the Council and to remind the Hon'ble Member who is presiding over our deliberations to-day that in truth, in justice and in mercy the United Provinces should have 82 lakhs more than is provided in the budget for this Province, and if my Hon'ble friend has come forward and asked for the small sum of 12 lakhs to be added to the recurring grant of these Provinces, it is an extremely modest recommendation and deserved to be taken into the kindly consideration of the Government. It is extremely unfortunate, Sir, that the United Provinces have been treated as they are. We have been extremely grateful for every pice given to us and we have been grateful for the larger recurring grant made to us.

"We feel that neither in the lump sums allotted nor in the sums allotted under non-recurring grants, have we been treated as liberally as we might have been, in view of the fact to which I invited attention in my opening remarks, *viz.*, the fact that the United Provinces are alone among the Major Provinces of India who have not been given a half share of the land-revenue.

"Now, Sir, if the Council will turn to page 28 of the approved copy of the Memorandum of the Financial Statement, it will be seen that all that was granted to us in the share of non-recurring grants for Education is 6.38 lakhs. Our friends in Bengal are happy. They get 13.20 lakhs. Of the other Provinces, Madras gets 6.80 lakhs, Bombay 5.03 lakhs. We, who have been crying for more money to promote education, to combat the illiteracy and to remove the ignorance which sits like a pall upon the people, we still get nothing more than what is allowed to Madras, which has made tremendous progress in education, and nearly half of what is allowed to Bengal which again has made very great progress in education. I am not jealous, I may say, of the good fortune of the other Provinces, but I only plead for the grant which, in justice, is due to my Province. I do that, Sir, in view of the fact that only 6.38 lakhs have been allowed in the shape of recurring grants to the United Provinces. I hope the Government will yet see their way to accept the Resolution which has been moved by my friend the Hon'ble Rai Sri Ram, and add 12 lakhs more to that grant."

The Hon'ble Sir Harcourt Butler:—"Sir, the Hon'ble Mr. Sri Ram in moving his Resolution began by expressing his gratitude for the grants that have been made, and then, without a blush, he immediately proceeds to ask for more. I shall not take up the time of the Council for long in dealing with the Resolution because the answer is a very simple one: none of the speakers has suggested where the money is to come from."

The Hon'ble Pandit Madan Mohan Malaviya:—"We were trying to do so."

The Hon'ble Sir Harcourt Butler:—"I will make a suggestion. I think a good deal of it should come from the Local Government. Sir James

Meston, speaking at Meerut the other day, is reported in the *Pioneer* to have said 'I am glad of being given the opportunity of expressing, in your presence, the immense indebtedness of this Government and of this Province to the liberality which the Government of India has shown to us.'

"I think the Government of India have treated the United Provinces with the greatest liberality. If they had gone by the number of institutions alone, they would not have got as much as 6.38 lakhs, to which the Hon'ble Pandit takes exception. You will have in the course of the day laid upon the table a statement showing the distribution under the different heads, and a statement showing also the grants for non-recurring expenditure. The grant for Bengal is swollen by a big item for the University for Dacca. Otherwise, considering the number of institutions in Bengal, I do not think that the United Provinces need feel that they have been badly treated in comparison.

"There is a further consideration which must weigh with the Government of India, and that is that the grants already given have not been spent. In the United Provinces Rs. 6,05,000 of the grants already made have not been spent. Hon'ble Members must remember that these grants take a good deal of spending. You have an organisation for a particular scale of expenditure, and if you suddenly give the Local Government a grant of, say, the 12 lakhs that you are asking for that could not be spent in two or three years. I hope the United Provinces, if the finances of country continue to be prosperous, will get more grants, and I feel quite confident that before very long a good portion of the Hon'ble Member's desire will be fulfilled. The Government is not now in a position to increase the grant. It can only give it by taking it away from somebody else, and we do not propose to rob Peter to pay Paul."

The Resolution was put and rejected.

RESOLUTION REGARDING INCREASE OF ALLOTMENT FOR NON-RECURRING GRANTS FOR EDUCATION, SANITATION, ETC., FOR BIHAR AND ORISSA.

The Hon'ble Mr. Madhu Sudan Das:—"Sir, before I proceed to move the following Resolution which stands in my name :—

'That this Council recommends to His Excellency the Governor General in Council that the amount allotted to Bihar and Orissa under the head of non-recurring grants for education, sanitation and other beneficial purposes, be increased by five lakhs of rupees.'

I beg to be excused by the Council for offering my sincere and humble felicitations to the Hon'ble the Finance Member for the prosperity budget which he has presented. In a country like India, where the major part of the revenue comes from agriculture, which is always dependent on the mercies of the heavens, where also the sources of revenue dry up on account of social and other circumstances in other countries, the work of the Finance Member is not a very easy one, and certainly his office is not a bed of roses. When presenting the Financial Statement, the Hon'ble Member said that when he took charge of the portfolio the country was in a state of distressful scarcity. Distressful scarcity very often means feeding many mouths, and it is more distressing to the Member who holds the purse than to those perhaps who are critics outside, we also notice that the two matters which are at the present day considered most important in India, *viz.*, education and sanitation, are receiving his anxious attention and care. It is just possible I may not have an opportunity of meeting the Hon'ble Member before he lays down or rather makes over his portfolio to his successor; so I take this opportunity to assure him that he will carry with him the gratitude of the millions whom he has tried to educate and save from starvation."

The President:—"It causes me the greatest possible grief to inform the Hon'ble Member that he is not in order in praising me. I must ask him to speak to the Resolution."

The Hon'ble Mr. Madhu Sudan Das :—“ Sir, to proceed to the Resolution. When there are several children whose comforts have to be provided for, and the *pater familias* has a sum of money which he wants to distribute among his children in order to provide for their comforts, of course all the children plead for their share. Very often the grown-up sisters plead with eloquence, with power, but if there is a baby in the family it casts a look at the father and at the grown-up sisters.

“ It looks at the father and this look means, ‘ I am not responsible if I was born late ; I do not know what my needs are ; you ought to know what it has cost you to educate my sisters and you ought to provide for me.’ Looking at the sisters, it says, ‘ I understand all your eloquent pleading, that is due to the education for which you ought to be thankful to the father, will you please let me have my chance, let me have the same care and attention which you had in your education and bringing up.’ This Bihar and Orissa is a baby province, it was born of the benevolent wishes of His Excellency the Viceroy and the Members of the Executive Council. The memorable despatch of 25th August, 1911, is signed by them. They are all here. They are the fathers of this baby and to them I plead on behalf of the baby. It is unusual to have more than one father, but it is an advantage to have several fathers under the present circumstances, when I plead on behalf of this baby.

“ The above despatch says that the new province was created to give it a fair opportunity to development. The people of the three sub-provinces, Bihar, Orissa and Chota-Nagpur, cannot have a fair share of the attention of Government unless the Lieutenant-Governor resides a part of the year in each sub-province. In a durbar held at Cuttack, Sir Charles Bayley in his speech said that he had received injunctions to spend a part of the year at Puri. The only part of the year which the Lieutenant-Governor can spend at Puri, are the summer months, but that is the time when the great Car festival of Juggernath comes on. The influx of pilgrims is very large and, owing to the unsatisfactory sanitation of the place, cholera is an annual visitor.

“ Improved sanitation is necessary to make the residence of the Lieutenant-Governor safe. Government is bound to protect the lives of its high officials from epidemics. But the benefits of improved sanitation will be extended to the pilgrims. They hail from all parts of India, from Cape Comorin to the Himalaya mountains. Consequently improved sanitation in a place like Puri will be a benefit to all the provinces of India. That improved sanitation under the supervision of an expert in sanitation can stop the recurrence of cholera, was demonstrated early in the nineties. There was an unusual influx of pilgrims during one year owing to an especially auspicious festival, but Dr. Banks who had made a special study of the science of sanitation managed to prevent the recurrence of the epidemic. There was not a single case of cholera. Humane considerations induced Government to stop self-immolation under the wheels of Juggernath Car. Humanitarian considerations demand that the lives of the pilgrims should be saved from the cruel jaws of cholera.

“ Government cannot stop people going on pilgrimage, any more than Government can stop the influx of men to Calcutta. Men go to Calcutta on business, to make money ; they go to Puri from religious motives. If the Government could spend crores to improve the sanitation of Calcutta, surely they ought not to grudge a few lakhs, and that out of surplus money now in their hands to save the lives of men, who go to Puri not to serve mammon but to serve God. I am not a worshipper of Juggernath, but I owe it to my Hindu brethren of India to plead on their behalf, and that to save their lives. Government owes a duty to Juggernath. When the British Army from Madras was in a narrow pass in the vicinity of the Chilka Lake, Hunter in his history of Orissa says, a few hundred men would have successfully arrested its progress if they chose to do so ; but instead of that, the priests of the Temple of Juggernath invited the Army to take possession of the Temple. The Temple had always been the key to the province. The subsequent peaceful occupation of Orissa was due to this friendly attitude of the priests of Juggernath. After that the British Government in the early days of the East India Company managed

the temple and derived a surplus revenue from that source. Under the present policy of religious non-interference a revenue from such a source will not be acceptable to Government. The allotment of a portion of the surplus in the hand of the Government will give satisfaction to the general Hindu public of the present day and the future historian of Orissa would refer to it as a noble act on the part of a Christian Government to make such reparation, as was possible under the circumstances, for errors of the past. Fortunately there has not been up to this day an outbreak of plague in Puri. If the sanitation of the place is not improved in time, plague will invade it at no distant date. If plague once breaks out in Puri, the responsibilities of Government will be enormous. To enforce the ordinary rules of segregation will be very difficult. Any attempt in that direction will be interpreted as interference with religion. Puri with plague in it will be a centre for the spread of the disease to all parts of India. In the interests of the whole of India, in the interests of the Government Officials it is necessary that a large sum should be made over to the Government of Bihar and Orissa for the better sanitation of this town.

"I would bring it to the notice of the Government that Gya is another place of pilgrim resort in the new province. Thousands visit the place. Its sanitary condition is anything but satisfactory.

"The seat of the new Government, Patna, is plague-stricken. A high Government official, whose head-quarters is in Bankipore, told me that there is no road to take one from Bankipore to Patna, though Bankipore is the place where the Lieutenant-Governor now resides and the Officers have their canvas residences.

"The baby province requires more attention to its sanitation than the adult provinces. It cannot give a list of its requirements for it has not lived long enough to study them or to draw up a scheme. But every father knows that the wants of a baby cost more than those of the adult members, and provision has to be made by a contingent forecast of the future requirements."

The Hon'ble Mr. Qumrul Huda:—"Sir, I support the Resolution brought forward by my friend the Hon'ble Mr. Das. With your permission, Sir, I may add, that the Province, being newly created; and being rather more backward than some of the older Provinces, deserves consideration at the hands of the Government."

The Hon'ble Sir Harcourt Butler:—"Sir, I will not follow the Hon'ble mover of this Resolution in his humorous references to nursery finance, nor will I dwell at any length on the educational and sanitary arrangements of the particular nursery, beyond the remark that it is in accordance with experience that, in cases of doubtful paternity, or, shall I say polypaternity, there should be a disposition to pass on a claim for maintenance.

"In this particular case my reply must be somewhat on the lines of the reply to the last Resolution. We have recognised the special claims of the 'baby' Province, because when we worked out the figures of the grants on urban population, the baby Province would only have got about 8 lakhs; but for various reasons, and for other considerations, we raised the allotment to 10 lakhs. Similarly, in the recurring grant, they got 3 lakhs instead of Rs. 2,15,000 which would have been the amount due to them on a bare basis of population figures. And I may add that, at the present moment, out of the educational grants already made 4½ lakhs have not yet been expended.

"As regards Puri and Gaya, I am glad to be able to assure the Hon'ble Member that the Pilgrim Centres Committee over which Major Robertson, the Sanitary Commissioner with the Government of India, will preside, are going to Puri and Gaya with a view to concerting a large scheme for sanitary improvement in both places. That Committee, as you may perhaps remember, is meeting in all the Provinces of India with a view to preparing practical schemes for improving the sanitation at all the big centres of pilgrimage. The work will take some time, and I am sure that it will be very thoroughly

done, and I believe that it will be, in the end, one of the most important sanitary reforms ever carried out in this country. I am told that this Committee will go to Puri next July, and Gaya shortly afterwards. I do not think I need say anything more. I can assure the Council that the needs of the newly created Province are very carefully looked after up here."

The Resolution was put and rejected.

RESOLUTION REGARDING INCREASE OF ALLOTMENT OF RECURRING GRANTS FOR PROMOTION OF EDUCATION AND IMPROVEMENT OF SANITATION FOR BIHAR AND ORISSA.

The Hon'ble Mr. Madhu Sudan Das moved the following Resolution:—

"That this Council recommends to His Excellency the Governor General in Council that the amount allotted to Bihar and Orissa in the distribution of the recurring grants for the promotion of education and the improvement of sanitation be increased by five lakhs of rupees."

He said:—"The subject-matter of this Resolution is to be found in paragraphs 17 and 18 of the Financial Statement. The total amount of recurring grants allotted to Bihar and Orissa is 10·53 lakhs.

"The recurring grants for education ought to be determined by considerations other than the urban population and lists of schemes ready and waiting for funds.

"The urban population is not a safe guide in determining the demand for education. The urban population is made up to a large extent of business men and their employees and servants—men who resort to towns and cities to earn, not to learn. The population of a town depends on the nature and extent of business done there. In a city like Cawnpore, which commands an extensive business in the manufacture of leather and leather goods, the population would be a deceptive index to the demands of education, for a very large portion of the population either do not want to educate their children, or come to the place to earn their living, leaving their children in their villages.

"There are a very large number of Uryas in Calcutta. There are about a lakh of them in Calcutta and its vicinity. If an Urya Primary School were opened there, I do not think even fifty students will be forthcoming to join it; the reason for this being that these men leave their children at home and go to Calcutta to earn a living.

"As regards ready schemes to go by in determining the needs for education the province of Bihar and Orissa was created the other day, it is a new province, the Government is new; the head of the Government has hardly a place to live in; the Secretaries and high officials are moving about like a nomadic people; they have not had time and opportunities to study the wants of the province in matters of education and sanitation. Under these exceptional circumstances it would not be fair to judge of the wants of the Province by the number of schemes ready for execution.

"We know and believe that this Government's object in separating Bihar and Orissa from Bengal was to ensure to these sub-provinces a larger share of the attention of Government than they received under the old administration. In order to give effect to this noble object, it would not by any means be out of place to take a cursory view of the extent to which the interests of Orissa were neglected in the past.

"Besides the importance which the past has in its connection with the present and future, the past might show reasons for considerations of a compensating character.

"Orissa stands out prominent in the early history of East India Company's connection with Bengal. Their first factories were built in Orissa. The first

two Englishmen who came to Bengal in 1632 came from Orissa, and they were supplied with an Urya escort for their safe journey.

“In the beginning of the nineteenth century the British occupation of Orissa was achieved at the invitation of the priests of the great temple of Juggernath, a singular testimony from the residents of the holy land of Hindus, to their faith in British administration and their hope to participate in its advantages: and this faith they have cherished unabated to this day. But as regards their hopes to participate in the advantages of British administration, alas, they were blighted.

“Orissa was given away to Bengal as its partner; she found in Bengal a partner who demanded the whole absorbing attention of the paternal Government, leaving Orissa in an almost solitary confinement in the dark and cold regions of the zenana; Bengal waxed strong and fat. The endowment of a permanent settlement made Bengal rich. A similar endowment was promised to Orissa. Some promises have been compared to a pie crust. The crust was of no value when people came to know the nature of the contents within. This discovery led to the breaking of the crust. Orissa was completely lost sight of by the paternal Government. How dark the ignorance of Government was with regard to the affairs of Orissa a reference to the devastating results of the great famine of Orissa will show. Over a million of its population died of starvation while the Government as its head-quarters in Calcutta remained in blissful ignorance of this dreadful state of things. I could give a long list of the injustice to Orissa under the Bengal Government, but I shall conclude this mournful part of Orissa's past history by remarking that it was only in 1911 that the Bengal Government discovered that the Bengal land-law did not suit the peculiar agrarian conditions of Orissa, and that Orissa should have a special agrarian law to suit its peculiar local condition.

“What a discovery—after an administration of the country for over a century.

“Ignorance on the part of Government extending over nearly a century has crystallized into a strong prejudice. This is unfortunate and embarrassing to me being the first Urya who found his way to this Chamber. I noticed a remarkable instance of this prejudice born of sheer ignorance in the remarks made the other day by the Hon'ble Mr. Clark. The Hon'ble Member said there are rogues probably in the arcadian groves of Orissa. Had the Hon'ble Member acquainted himself with facts showing to what extent and with what result the Indian Company's Act has been worked in Orissa, he would have come to a different conclusion. No doubt there are rogue elephants in the jungles of Orissa. If the Hon'ble Member ever visits those arcadian groves, for on a sporting excursion he may find his life in dangers from these rogue elephants, but the contents of his pockets will be safer than they would be in Piccadilly circus.

“As regards education there was still greater injustice. Probably it was thought proper to enforce the zenana rules and the light of foreign education was shut out from Orissa. The first Urya young man (I can hardly believe I was ever young) who cherished the idea of a University education had to go to Calcutta, a journey of nearly three weeks.

“Long after Bengal had made gigantic progress in Western education the chance of high education on a very limited scale was given to Orissa. The college was ill-equipped. Cheap management was the main object in view. For a few years Urya students were given an opportunity to study law. There was no law college, but a cheap arrangement was made by which one of the Urya pleaders undertook to teach all the classes.

“Government would not pay a farthing. The lecturer was paid from the fees realized. But nevertheless the result was very creditable.

“The students from these law classes not only passed but secured distinguished positions among the successful candidates and some time topped the whole list of successful candidates. But subsequently the privilege was taken away from them, and now the Urya students have to go to Calcutta;

but this arrangement is not popular with some parents. They do not like young men to be away from parental influence. The last year's results of the Calcutta University in the Intermediate and Bachelor Degree examinations will show that Urya boys occupy high places among the successful candidates.

"Let us take female education. Government sent a Bengal lady as Government scholar to England to study training there. Government would not spend a pice for the Urya girls. But nevertheless Orissa sent a young lady to England with the same object. On her return from England she started a girl school in 1908. This was maintained by private subscription which amounted to several thousand rupees, while Government paid only a grant-in-aid. The school teaches up to the Matriculation standard and girls have passed Matriculation from the school.

"Even in the city of Calcutta the oldest girl school known as Bethune School is supported even now entirely by Government, and Government pays a much larger sum than they ever paid as grant-in-aid to the school in Orissa.

"Let us now take the percentage of literate population in the several provinces. The census figures of 1901 show that Orissa has the highest percentage of literate population in India. The figures are as follows:—

These figures show the number per 10,000 persons (of both sexes) over 15 years.

Bengal proper	. . . . .	938
Bihar	. . . . .	503
United Provinces	. . . . .	426
Punjab	. . . . .	526
Madras	. . . . .	903
Bombay	. . . . .	838
Orissa	. . . . .	1,019

"The facts given above furnish sufficient data for a reply to the following question:—

"Has Orissa made a proper use of the small educational advantages granted to her? The parable of the talents does not lay down a principle exclusively applicable to the relation of master and servant. It applies with great force to the relation between the paterfamilias and his children. To the several races of India the Viceroy occupies the position of a father. May it not be justly said of Orissa 'thou hast been faithful over a few things, I will make thee ruler over many things.'

"The benefits of education should not be judged by the number of graduates which the Colleges turn out. There is mal-assimilation in education as much as there is in the supply of nourishment to the body. Indigestion in the brain is more dangerous than indigestion in the stomach. The latter kills the sufferer only, whereas the former is a source of danger to society. The costs of treatment of the latter (indigestion of food) are borne by the sufferer, but ill-digested knowledge produces moral and political epidemics which have cost the State immense sums. There is another consideration which should influence Government in judging the claims of Bihar and Orissa for additional grants for education. Orissa is a temporarily settled area. That is a strong reason for preferring the claims of Orissa to provinces which enjoy the boon of permanent settlement. A permanent settlement produces a rich aristocracy, who should feel their obligations to the tenantry. The increasing prosperity of the tenantry arising from rise in prices and improved method of agriculture is shared by their landlords. No part of it comes to the State. But in a temporarily settled area, Government have their share in the rising prosperity of the country. It is but just that in the matter of the mass education the ryot who contributes to the Imperial Exchequer in a gradual ascending scale should have greater share in the distribution of the funds in the hands of Government available for education and sanitation.

"One more matter and I have done—

"I beg to be pardoned for offering a remark on the educational policy of Government: not generally, but so far as it concerns the noble anxiety of

Government to develop technical education. We all admire and are thankful to Government for spending large sums of money in sending young men to Europe to study the details of particular industries. The public have also liberally subscribed, lent their sympathy and worked on the same line with the same object in view. But what has been the result?

“I knew a young man who studied agriculture in England at Government expense, but he worked as a Magistrate and retired as a Sessions Judge. I know other Government scholars who became experts in agriculture, but are working now as Deputy Magistrates. I know a young man who learned the sugar industry as it exists in Japan; but he is now a Deputy Collector in a Native State. Instances might be multiplied. The mistake lies in beginning at the wrong end. Industries in Europe are managed on organised principles. The governing principle at the bottom of organised industry is division of labour. Division of labour secures finish, saves time and necessarily effects cheapness; and cheapness is an important consideration which all anxious to secure success in a competition with Europe should keep before their eyes. During ages in the past history of India, the caste system has developed a contrary principle, a principle which operates as a great obstacle to the introduction of division of labour. The various handicrafts rest on the basis of caste. The same man does a work in all its stages from start to finish. Consequently there is no division of labour in the sense it is adopted in the factories in Europe.

“The present need of the country is to educate the eye and the hand by means of such primary education which will impress on the mind of the student the advantages of skilled labour, of division of labour, of the value of time and of the value of carefulness in handling machines. Before skilled labour is available, before the country has its sufficient supply of literate workmen, all efforts to transplant the industries of Europe must fail. This embodies the result of my practical experience extending over several years.

“Orissa is a province especially suited for primary education on the above lines. The ancient architecture of Orissa shows the Oryas' capabilities in the direction. But alas the hand that carved out of rough sand stones the beautiful figures in the temple of Bhubneswar (figures referring to which a Lieutenant-Governor once remarked that if he had the time he would gaze on those figures for days), the hand which carved those figures now drives the plough for two annas daily wages. Can't anything be done to restore to that hand its original value?”

“The amount mentioned in the Resolution is five lakhs. I leave it to the discretion of Government to increase the present allotment by such amount that can be spared without injustice to other provinces. I shall be satisfied if I have succeeded in convincing Government that in the past injustice has been done to Orissa. I shall then consider the increase as an earnest of the Government's desire to accord a more sympathetic audience to the claims of Orissa in the future.”

The Hon'ble Sir Harcourt Butler:—“I really answered this Resolution in dealing with the preceding one when I pointed out that the Province of Bihar and Orissa had already got more money than it could spend for the time being, and that it had received a very liberal share of the allotments which have been made. The Hon'ble gentleman does not indicate where extra money is to come from. That is a difficulty which I feel faced with in regard to all these Resolutions that have been advanced this morning. One answer covers them all. We have every sympathy with the desire of the Provinces to advance in the matter of education and sanitation, and we have shown, I think, the sincerity of that desire by the liberal grants that have been made. That you want more is quite natural. That we must refuse as we have not got the money is also natural; and I must ask you to accept that as the answer of the Government to this Resolution.”

The Resolution was put and rejected.

RESOLUTION REGARDING INCREASE OF GRANT TO MAJOR PROVINCES FOR RECURRING EXPENDITURE ON EDUCATION AND SANITATION FOR DEVELOPMENT OF TECHNICAL EDUCATION.

The Hon'ble Mr. Fuzulbhoy Currimbhoy Ebrahim :—

“ Sir, I beg to move the following Resolution, for which I have obtained permission under rule 3 for the discussion of the Financial Statement :—

“ That this Council recommends to the Governor General in Council that the grant of 85 lakhs proposed to be distributed to the Major Provinces for recurring expenditure on Education and Sanitation in the Budget, be increased by an additional sum of Rs. 15 lakhs from the Imperial Revenue, which should be specially allotted for the development of Technical Education.”

“ I may frankly state at the outset that my object in bringing it forward, is to obtain from Government, if possible, the acceptance of the principle that the development of Technical Education in this country should be fostered and guaranteed by a special annual allotment in the same way as the development of railways or the improvement of irrigation. It is, I need hardly point out to this Council, on the same plane of importance as a means of advancing the material progress of the country as railways and irrigation works. It has been admitted again and again that the one certain safeguard against the recurring calamity of famine, is the development of industries which will provide the masses with work and wages at a time when the agricultural industry has become impossible in any part of the country owing to the failure of rains. I gratefully acknowledge all that has been done in recent years by the Government of India and by Local Governments to promote Technical Education. The admirable Resolution on Education, issued by the Government of India a few days ago, sums up the more important aspects of the recent growth of Technical Education during the last nine years, among which are the establishment of scholarships tenable in Europe and America, the opening of the Indian Institute of Science at Bangalore and the sanctioning of the establishment of a great Technological Institute at Cawnpore for the chemistry of certain important industries for which there is a favourable field in this country, and more especially in the United Provinces. Industrial schools have been opened in several Provinces during the last decade. The important Educational Conference, which was held at Allahabad under the distinguished presidency of the Hon'ble Member for Education, formulated certain definite recommendations which have been accepted by Government, and since then there has been the inquiry carried on by the Committee of which Colonel Atkinson and Mr. Dawson were members. With reference to the report of the last-named Committee, I may take this opportunity of saying that, although I agree with their main recommendations, namely, that Technical Education in colleges should be supplemented by a period of apprenticeship, I am unable to agree with them in their views on the subject of the State Technical Scholarships now in existence. So far from these scholarships being discontinued or reduced in value, I am of opinion that they should be given in larger numbers so as to enable young Indians of education and capacity to avail themselves of them. The hackneyed argument that education in foreign countries removes students from the environment of local conditions, has even less application to industrial than to any other branch of studies, because the environment we seek to create in this respect in India is essentially western. Although, therefore, I entirely appreciate the recommendations made by the Committee with a view to meet the demand of employers at present, I earnestly hope that nothing will be done which may have the effect of retarding the progress of higher Technical and Scientific Education, because, as was wisely pointed out by the Hon'ble Sir Harcourt Butler in his admirable memorandum on the subject which he drew up for the Government of the United Provinces six years ago, in countries yearning to be industrial, as India is yearning at the present moment,

Technical Education has begun largely at the top. It has been truly remarked in the recent Government Resolution *that no branch of education at present evokes greater public interest than Industrial and Technical Education*. The country is awakening to a realisation of the fact that its regeneration is largely dependent on its economic and industrial advancement. In my own province a large scheme has been formulated for developing the Victoria Jubilee Technical Institute into a central Technological Institution, controlling and guiding the technical schools in the districts. If the public and the Local Governments are assured, by the allocation of a definite annual amount in the Imperial Budget, of the support of the Government of India, I am sure that a powerful impetus would be given to their already strong interest in Technical Education. That is the reason why I have taken the liberty of placing the recommendation embodied in my Resolution before the Council. I should like, before resuming my seat, to state that this Resolution is in no way conceived in a spirit of hostility to other branches of education. On the contrary, it is my firm conviction that a large extension of primary education is essential to the industrial growth of the country, and those who are working hard to achieve that object, whether officials or non-officials, have my cordial sympathy. So also in regard to secondary and higher education, I do not think it possible to question the advantages, moral and material, which the country is bound to derive from their extension. My object in bringing forward this Resolution is simply, as I said at the outset, to give Technical Education a recognised and permanent place in the Budget as an object of constant concern to Government and as a means of developing the resources of the country.

“ Sir, for the information of Hon’ble Members I may say that the Persian Government has spent nearly 15 lakhs of rupees, the amount which I have just recommended, on the maintenance of one single Institute, namely, the Shah Technical High School. I think looking to that fact that this is a very modest recommendation, and I hope it will receive the approval of the Hon’ble Members of this Council.”

The Hon’ble Sir Harcourt Butler :—“ Sir, the Government of India are in sympathy with the Hon’ble Member as to the importance of Technical Education, and I think that they have shown that sympathy, because since the new Department was created they have given no less than Rs. 4,084,300 to capital charges for technical and industrial education and a recurring grant of Rs. 3,50,000 for the same purpose in addition. In the statement which I shall lay on the table in the course of the day you will see that Technical Education is provided for, conjointly with the education of girls. They have been put together because under neither head are schemes far advanced, and we wish Local Governments to push on whatever schemes are ready.

“ The Hon’ble Member will realise that great difficulties have been encountered, experiments have to be made and failures have to be overcome. I well recollect a particular Institution—the Industrial School at Lucknow—at which the curriculum has been revised about ten times to my knowledge, the difficulty being to attract boys and to get them employed at the end of their school course. As regards technical scholarships, I wish to correct an impression that there is any intention of discontinuing them. That is not the case. The only question is how best to employ them. I do not think I need say anything more. I welcome the interest that the Hon’ble Members have taken in Technical Education. I can only say that if any Member of this Council will come forward with a practical scheme to start in any place, the Government of India will be very glad to discuss it with the Local Governments. Technical Education, as other branches of education, is decentralised and in the hands of Local Governments. The Government of India will give the money as far as it can, but schemes must be worked out by Local Governments, and I am sure that all Local Governments will welcome any help on this very difficult branch of education.”

The Resolution was then put and rejected.

RESOLUTION REGARDING ADDITIONAL GRANTS FOR SANITATION IN BENGAL.

The Hon'ble Maharaja Ranajit Sinha :—“I beg leave to move the following Resolution that stands in my name :—

‘That this Council recommends to the Governor General in Council that an additional grant of Rs. 20 lakhs be given for Sanitation in Bengal.’

“In bringing forward this question I need hardly tell that I am neither actuated by any desire to shew my activity in the Council nor to embarrass the Government in any way. The sheer necessity of the Province which I have the honour to represent has led me to do so. I shall be wanting in my duty if I fail to express my deep appreciation of the kind attention which the Hon'ble Member in charge of the Finance Department has devoted to this important head of expenditure and for the liberal provision he has made for the same. In one portion of his speech at the time of presenting the Financial Statement, he said that ‘Education and Sanitation’ have the support of both official and non-official opinion, and in another portion of his speech he described ‘Sanitation and Education’ as twins of phenomenal development. Sir, these statements have encouraged me to hope that my appeal will not altogether go in vain, and that education and sanitation should go on hand by hand. I find that two and half crores have been provided for education, whereas only one and half crores are budgeted for sanitation. By quoting these figures, Sir, I do not at all mean to envy the grant for education or to question the reason of the differentiation between these two grants, but that my object is to plead for more liberal consideration for sanitation.

“Sir, as regards Bengal, it could lay better claim than any other sister province on the kind consideration of the Government. It is well known that Bengal is the most unhealthy Province in the whole British Empire, and as it is now constituted there is not a single district except Darjeeling which may be called a healthy station. If my information is correct, when the Civil Service cadre was under revision last year, all the European officers and even some of the Indian officers were eager to go to Bihar only because of the insanitary condition of Bengal. There is not a single district in the Province which is not afflicted with malaria. Whatever may be the scientific cause of the outbreak of malaria, it is certain that for the better sanitation we require free ventilation of air, light, and pure drinking-water. Sir, if one goes to the interior of a district he finds that almost all the houses even within the Municipal area are covered with jungles and trees so much so that houses are not visible even from the main road.

“There are pits and holes all round the houses where waters accumulate during the rainy season, and when they commence being dried up after the rains malaria breaks out in a virulent type.

“Sir, the rivers and water channels which were the main supply of drinking water in most of the villages are now gradually being silted up, and just after the cold weather the water becomes stagnant and unwholesome for drinking purposes. In various places the people have no other alternative but to resort to use the muddy waters which accumulate in *Bhils* and pits during the rains for bathing and drinking purposes, and I doubt not that my Hon'ble friends who have special experience of Bengal will bear testimony to this fact. I am grateful to the Government for giving up the whole of the public works cess, and I am sure they will be able to devote more money for rural sanitation. But, Sir, the needs of Bengal in this respect are so great, that I am afraid that even with this concession it will hardly be able to cope with it fully and specially that sum won't go to the Municipality which is also in no better position in that respect. I therefore hope that the Hon'ble the Finance Minister will be able to grant the sum which I have prayed for.”

The Hon'ble Mr. Sita Nath Roy:—"Sir, I beg to support the Resolution of my Hon'ble friend, Maharaja Ranajit Singh, in which he has asked that the Government of India would be pleased to increase the grant for Sanitation by 20 lakhs of rupees. In support of that I beg to say that I am aware, Sir, that the Government of India has been kind enough to treat Bengal very liberally, and that the Government of India has been good enough to set free the sum of 25 lakhs of rupees which is to be derived mainly from Public Works cesses. I do not enter into the history of those cesses, but suffice it to say that a great wrong has been remedied by remitting this grant of 25 lakhs of rupees and making it over to the District Boards. While we are grateful to the Government of India for the liberal way in which Bengal has been treated, it must be remembered, at the same time, that the requirements of Bengal are varied and various, and now that the Province has been raised to the status of a Presidency, it is necessary that it should be properly treated. Over and above that, I also recognise that the sum of 20 lakhs of rupees has been set apart for the sanitation of urban areas. But what about the rural areas? Millions and millions of people have their homes in rural areas. It is well known that malaria and cholera are the two greatest scourges of Bengal. Several districts which were formerly considered as sanatoria, for instance, Burdwan, Hughli, Nuddea and other districts, have now been deserted. Wealthy people have transferred their homes from those districts to Calcutta and other places. It is well known, and it was seen that in the last census, the population of Nuddea, and I believe of Jessore, were found to be less than what was found in the previous census. Bengal is water-logged and it is liable to be inundated for some months of the year, and, as my friend has told us, the greatest want of Bengal is the scarcity of good drinking-water. During the hot months this want is very keenly felt, and what the people do drink in the interior, in mofussil areas, is nothing more than diluted sewage. Under all these circumstances, the improvement of the water supply is essential if we are to get rid of cholera which is the greatest scourge of India and of Bengal especially, where this disease commits great havoc. During the cholera season when it breaks out in Eastern Bengal, the poor people in some places, far from seeing the face of a doctor, cannot even get a drop of medicine to relieve them from this epidemic disease. Under these circumstances, great care should be taken to establish more charitable dispensaries and to excavate new tanks in rural areas.

"Therefore, with the greatest pleasure, I support the Resolution moved by my Hon'ble friend."

The Hon'ble Sir Harcourt Butler:—Sir, as both Hon'ble Members have expressed their great gratitude for the liberality of the grants made by the Government of India, neither they nor the Council will expect me to occupy much time in my reply.

"The grant made to Bengal is really very liberal, as indeed I think the Bengal Government would probably admit, and they benefit to the extent of close on 25 lakhs by the addition to the resources of Local Boards of the full amount of land cesses. In regard to that, in the statement which I shall lay on the table at the close of the day I made these remarks:—

'The Government of India trust that a substantial portion of the sum now added to the resources of the Boards will be set apart for the improvement of rural water supply, for anti-malarial measures, for the protection of grain stores and markets in plague infected localities, and generally for the sanitation of villages and small towns. General schemes of rural sanitation are not yet sufficiently advanced to justify the Government of India in making large grants for this object; but the Government of India are deeply interested in the subject and will consider favourably any proposal to utilize for rural sanitation, part of the grants now made provided a practical scheme is put forward.'

"It was very evident at the Sanitary Conference at Madras that schemes for rural sanitation were not ready. If practical schemes are ready which will not be simply pouring money into a sieve, as would be at present, in most cases the Government of India will of course consider them. They are very deeply interested in the subject, but it is surrounded by very great difficulties,

and experiments are being conducted in different parts of India which show that there is need for very great caution.

“In addition, the Government of India have made a grant of Rs. 50,000 for research, particularly as to the effect on malaria of clearing away jungle round villages. That research is not yet completed.

“I do not think that I need say any more to satisfy the Council that the Government of India are in sympathy with the objects which Hon'ble Members have at heart. If I had accepted the five or six Resolutions which I have been answering in the course of this morning, it would have added 57 lakhs to the Budget, and I should have been more gratified than any body to see them there; but we have to find the 57 lakhs first. I can only say that the subject will continue to occupy the close interest of the Government of India.”

The Resolution was put and rejected.

RESOLUTION REGARDING SEPARATION OF JUDICIAL AND EXECUTIVE FUNCTIONS.

The Hon'ble Babu Surendra Nath Banerjee :—“Sir, I have the honour to move the following Resolution :—

‘That this Council recommends to the Governor General in Council that the grants made to Local Governments be increased by such allotments as the Government of India may think fit with a view to enable them to carry out the experiment of the separation of judicial and executive functions in the administration of criminal justice in areas to be selected by them with the approval of the Government of India.’

“Sir, the Resolution is a financial one involving, however, administrative issues of great moment. I have tried to make the Resolution as moderate as I could. The Resolution speaks of the separation of judicial and executive functions as an experiment. It is to be in the nature of a tentative measure, not to be definitely incorporated into the regular administrative machinery unless and until it has been tried and has been found successful. If it is attended with results other than those anticipated by its supporters, the experiment will have to be abandoned. The point upon which I desire to lay particular stress is this, that the dominating note of the Resolution is that the separation is to be an experiment for the present, and that its further extension and development is to depend upon the results obtained and the experience gained. Nor is this all. The experiment is not to be tried all over the country, nor even in the Regulation provinces, but only in such areas as may be selected by the Local Governments, subject to the supervision of the Government of India. Therefore, Sir, all that the Resolution seeks to secure is the acceptance of the principle in a definite and practical form, leaving its application to areas such as the Government may in its wisdom decide.

“I claim therefore, on behalf of this Resolution, that it is fenced round by conditions which ought to allay the fears and anxieties of the most cautious among administrators.

“Sir, not for one moment do I lay aside my own strong personal conviction on the subject, or my sense of the unspeakable boon which this reform will confer upon all those who may have to appear before our criminal Courts; but at the same time I feel that I have no right to thrust my convictions, however deep-seated they may be, upon a great Government weighted with a sense of its responsibility and naturally anxious to proceed with due caution and circumspection. Sir, no Englishman can regard this combination of judicial and executive functions, this lumping up of the prosecutor and the judge in one and the same person, without violence to his own in-born instincts and the traditions and environments in the midst of which he has been brought up. Accordingly we find, from the earliest days of British rule, many distinguished Anglo-Indian administrators, to whose testimony I shall presently refer, expressing themselves in terms of strong disapprobation of this defect in the administrative machinery and urging its modification. So far back as the year 1792, in the days of Lord

Cornwallis, under Regulation II of that year, it was declared that the combination of these two functions was extremely undesirable. That view was reiterated 40 years later by a distinguished Anglo-Indian administrator, Mr. Frederick Halliday, who, as President of a Committee that was appointed to inquire into the police organisation, said that it was most undesirable, and the same opinion was endorsed by his colleagues. With your permission, Sir, I will read what Mr. Frederick Halliday said in this memorandum:—

‘The union of Magistrate with Collector has been stigmatized as incompatible, but the junction—he is using much stronger terms than I have or mean to use—the junction of thief-catcher with judge is surely more anomalous in theory, more mischievous in practice. So long as it lasts the public confidence in our criminal tribunals must always be liable to injury and the authority of justice itself must often be abused and misapplied, and the power of appeal is not a sufficient remedy. The danger of injustice under such circumstances is not in a few cases, not in any proportion of cases, but in every case. In all, the Magistrate is constable, prosecutor and judge.’

“Sir, quite a distinguished galaxy of Anglo-Indian Statesmen have expressed the same view, including such men as Sir Cecil Beadon, Sir John Peter Grant, Sir Bartle Freer. The two former rose to the position of Lieutenant-Governor of Bengal; the latter completed a distinguished Indian career by becoming Governor of Bombay.

“Sir, this question came up for consideration before this Council in 1860 in connection with the Police Bill, which has since become Act V of 1861. It was then held—the Government of India held it—that that Bill in which there is this combination of judicial and executive functions, was a temporary measure, and Sir Barnes Peacock, Chief Justice of Bengal, who was then Vice-President of this Council—in those days Judges were permitted to be Members of this Council—strongly advocated—(I am quoting his words) ‘the total and complete severance of these two functions.’ The Hon’ble Mr. Scones complained that ‘the Bill was a half measure’; and Sir Bartle Freer in his reply observed that he would be glad to make it a whole measure, and, if the Government consented, he would bring about at once the separation of judicial and executive functions.

“That was said in 1860. Since then, Sir, the question has again and again come up before the public in consequence of instances of miscarriages of justice with which I need not trouble the Council. I may add that the Indian National Congress kept this question well in the forefront of its deliberations, and Lord Dufferin in 1884, adverting to the growing volume of public opinion in this connection, said that it was a counsel of perfection.

“Lord Cross, Conservative Secretary of State for India, Lord Kimberley, Liberal Secretary of State for India, in the discussions that took place in the House of Lords declared their adhesion to this principle. In 1899, a very important memorial was addressed to the Secretary of State for India, Lord George Hamilton, by several distinguished persons, including Lord Hobhouse, who at one time was Law Member of this Council, Sir Richard Garth, Sir Richard Couch, late Chief Justices of the High Court of Bengal, Sir Raymond West, of the Bombay Civil Service, Sir John Budd Phear, Sir William Markby, Judges of the High Court of Calcutta, Mr. Reynolds of the Revenue Board of Bengal. Nothing came of this memorial beyond a pious expression of hope that the needful would be done at some future time.

“Sir, the question received an added impetus by the discussions which took place in this Council in March, 1908, when Sir Harvey Adamson, Home Member, made a very important pronouncement on behalf of the Government. With your permission, Sir, I will read that pronouncement. ‘I fully believe—I am quoting from his speech delivered, I think, on the 27th March, 1908, though I am not quite sure of the exact date—‘I fully believe that Subordinate Magistrates very rarely do an injustice wittingly, but the inevitable result of the present system—the combination of judicial and executive functions—is that criminal trials affecting the general peace of the district are not always conducted in that atmosphere of cool impartiality which should pervade a Court of Justice. Nor does this completely define the evil (he calls it an evil)

which lies not so much in what is done as in what may be suspected to be done : for it is not enough that the administration of justice should be pure : it can never be the bedrock of our rule unless it is also above suspicion.'

"I do not think it is possible to add to the force and eloquence of these words. I therefore claim, Sir, that we have a vast body of official testimony coming from officials of the highest eminence, impregnated with a lofty sense of their responsibility as Members of this great Government in support of the principle underlying the reform which I have ventured to place before this Council. Not only that, Sir. We have passed the stage of discussion ; we are about to enter upon the stage of action. On this occasion, in the course of this debate, Sir Harvey Adamson declared that the Government of India had definitely decided to introduce the reform, it may be in a cautious and tentative way. I will quote his words. He said :—'The Government of India have decided to advance cautiously and tentatively towards the separation of judicial and executive functions in those parts of India where the local conditions render that change possible and appropriate.' Sir, the Local Governments take their cue from the Supreme Government. This was said in March, 1908. As I have just observed, the Local Governments derive their inspiration from the Supreme Government, and in the Budget discussion which took place in the Bengal Legislative Council in April, 1911, Sir William Duke, now Member of the Executive Council of Bengal, then Chief Secretary to the Government, held out the distinct promise that the reform would be introduced at an early date. I will quote his words :—

'The scheme for the separation of judicial and executive functions is continuously under the consideration of Government, and no doubt some proposal regarding it will be brought forward as early as possible. But a scheme of that kind is one which requires mature consideration, not merely by the Provincial Governments, and it is certainly unlikely that anything will take place within this year to which the Budget refers.'

"The Government of India decided that an advance should be made in a cautious and tentative way, and here, the Chief Secretary to the Government of Bengal with a due sense of the responsibility of his utterances, says that 'The scheme is continuously under the consideration of Government, and no doubt some proposals regarding it will be brought forward as early as possible.' Those are his words. But he goes on to add 'a scheme of that kind is one which requires mature consideration, not merely by the Provincial Governments, and it is certainly unlikely that anything will take place even this year the year to which the budget refers.' That was said, Sir, in April, 1911. We have a still later pronouncement. In September, 1912, round this table, though certainly not in this hall,—I think it was the Home Member, I am not sure, but it was a Member of the Government of India speaking on behalf of the Government who said in reply to a question asked by the Hon'ble Mr. Sacchidananda Sinha, that the matter was under the consideration of the Government of India. Therefore, Sir, we have three outstanding facts to be gathered from the three pronouncements to which I have called your attention. In the first place, that the Government of India have decided to inaugurate this experiment, tentatively or cautiously is immaterial, but that the Government have made up their mind to start this experiment. Secondly, we have it from the lips of the Chief Secretary to the Government of Bengal, speaking on behalf of that Government, that the experiment would soon be introduced, and lastly, we have the statement made, on the floor of this Council by a responsible Member of the Government of India, that the matter is under consideration. Therefore, Sir, I take it that the question has emerged from the stage of discussion, and has entered the stage of practical politics. And, Sir, it seems to me that one of the immediate effects of this separation would be an effect highly beneficial to the interests of the Indian Civil Service. We have heard a great deal about the necessity of judicial training of the members of the Indian Civil Service. I have no opinions of my own on that subject, because I myself am not a lawyer and have never been one ; but, Sir, it is clear that the effect of the separation of the executive and judicial branch would be a severance of that alliance between the executive and the judicial branches which, I think,

does not improve the tone of the judicial branch, and a concentration of the attention of the judicial branch upon its own appropriate duties. Well, Sir, it is clear that the Government have decided to introduce this experiment cautiously and tentatively, and the question is, when is that to be done? We have waited long enough; how much longer are we to wait? In 1911, the matter was under consideration. It was time that the deliberations of Government should bear fruit in some practical scheme inaugurating this experiment.

“The only possible objections that I have heard against the inauguration of this experiment are prestige and cost. Sir, with reference to the question of prestige, I will say this, that that indeed is a poor sort of prestige which is associated with a system that in theory is indefensible, and in practice is attended with miscarriage of justice. Such prestige is no aid to the Government: on the contrary it is a source of weakness and embarrassment to the Administration. With regard to this question of prestige, again, a convincing reply comes from Sir Harvey Adamson, and I venture to quote it. He says, in the course of the debate on the 27th of March, 1908 :—

‘Can any Government be strong whose administration of justice is not entirely above suspicion? The answer must be in the negative. The combination of functions, in such a condition of society, is a direct weakening of the prestige of the Executive! The fetish of prestige, in the larger sense has been altogether discarded, and no longer forms an operative part of the policy of the Government of India.’

“Here again I quote a very distinguished authority, namely, Mr. Montagu, the present Under-Secretary of State for India.

“Speaking at Cambridge in 1912 he referred to prestige as a principle and policy which has often controlled the actions of the Government of India. This is what he said :—‘Oh India! how much happier would have been your history if that word had been left out of the English vocabulary! But there you have Conservative Imperialism at its worst. We are not there mark you, to repair evil, to amend injustice, to profit by experience. We must abide by our mistakes, continue to outrage popular opinion simply for the sake of being able to say ‘I have said what I have said.’ I have in other places and at other times expressed my opinion freely on prestige. We do not hold India by invoking this well-mouthed word. We must uphold it by just institutions and more and more as time goes on by the consent of the governed.’

“The question therefore resolves itself into one of cost; and with reference to this aspect of the question of cost, I again appeal to the authority of Sir Harvey Adamson. He said the experiment may be costly, but the object is a worthy one. And Sir, in 1883, Mr. Romesh Chunder Dutt—a name honoured in Bengal, I hope, not only amongst my own country men but amongst the members of the Indian Civil Service—formulated a scheme. Mr. Romesh Chunder Dutt was a brilliant executive officer. He was the first Indian who rose to the position of Commissioner of a Division, and during the time he was District Officer he held charge of three of the heaviest districts in Bengal—Backergunge, Mymensingh and Midnapur. Mr. Romesh Chunder Dutt thought that an addition of about 30 Deputy Collectors ought to suffice for the purpose of the separation of judicial and executive functions. He gave this opinion before the days of the recent redistribution of territory. The size of Bengal is not now what it used to be in 1893. Assuming that 30 Deputy Collectors would even now be necessary for the separation of the functions, the cost would be 1½ lakhs, on the basis that each Deputy Collector with his establishment would cost Rs500 a month. Sir Harvey Adamson has also himself formulated a scheme. That scheme was laid before the Council in 1908. The central idea of the scheme was the complete separation of judicial and executive functions, and the appointment at the head-quarters of each district of a District Officer and a senior Magistrate,—the District Officer is to be in charge of the executive work, and the senior Magistrate of the judicial work. The District Officer is to be assisted by Civilians, Deputy Collectors and Sub-deputy Collectors. The senior Magistrate is to be assisted by Civilians, Deputy

Magistrates and Sub-deputy Magistrates. Sir, this scheme involves, so far as I can see, the appointment of a senior Magistrate in each district where the experiment is to be tried. Assuming that the senior Magistrate would be an officer of the position of a District Officer, the pay and establishment of the senior Magistrate would be about R2,000 a month, for every district to which the experiment is extended. Taking Bengal, at the present moment we have twenty-five districts in Bengal excluding the two non-regulation districts. I confine myself to Bengal because my experience does not extend to other parts of India. Assuming that the experiment is to be extended to all the twenty-five districts, the cost would not come to more than 6 or 7 lakhs a year for Bengal. But, Sir, there is the additional safeguard to which my Resolution points, namely, that the experiment is to be extended to such areas as the Government may select. The Government can thus always control the expenditure. But, Sir, whether the expenditure be great or whether it be small, it has to be faced; for in the words of Sir Harvey Adamson, 'the object is a worthy one.' Sir, justice is the bulwark of States and Thrones. Justice is and has always been the strongest support of British rule in India. 'A single act of injustice, or one held as such by the people' said a great Anglo-Indian authority in this Council Chamber, 'is more disastrous to British rule than a great reverse sustained on an Asiatic battlefield.'

"The Court of Directors again and again reminded their servants in India that not only is it necessary that justice should be done, but also that the people should be convinced that justice has been done. I can conceive no better investment of public money than its investment for the improved administration of justice, rendering it efficient, pure and above all suspicion. It will bring an abundant return in the added happiness, prosperity and contentment of the people.

"Sir, the Government of India makes a large surplus out of the law Courts. I have got the figures here before me. For 1913-1914 you estimate the receipts from the law Courts as amounting to 5½ crores, and the expenditure to 4½ crores, which means a surplus balance of 75 lakhs. That is not all. On the Miscellaneous side you have receipts to the extent of 48 lakhs. Deducting from it 11 lakhs as the cost of stamps, you have a revenue of 64 lakhs plus 48 lakhs, or a surplus balance of over a crore. I claim, Sir, that the first charge on this surplus balance should be the improved administration of justice. And no improvement is more urgent, more vital, or will be acclaimed with more genuine enthusiasm by a grateful people, than the separation of judicial and executive functions in the administration of criminal justice. I hold and my countrymen hold, that the Government is pledged to carry out this reform. I invite the Government to redeem its pledge; and when it will have done so, it will have conferred an unspeakable boon upon the masses of the people for whose welfare all Governments exist. For this reform will not sensibly affect the rich and the well-to-do or those who are able to take care of themselves, but the poor and helpless millions of my countrymen who have to attend the criminal Courts. With these words, Sir, I beg to move the Resolution that stands in my name."

The Hon'ble Maharaja Manindra Chandra Nandi of Kasim Bazaar :—"Sir, in supporting the Resolution moved by the Hon'ble Mr. Surendra Nath Banerjee, I may, with your permission, mention that among the questions drafted by the Royal Public Services Commission there is one referring to this very subject of the separation of judicial and executive functions in the administration of criminal justice. The result will be that a certain body of opinion will be recorded for and against the proposal. It appears to me, Sir, that the stage at which the accumulation of such evidence was necessary has gone by, and the time has arrived for a practical experiment. It may be in the recollection of Hon'ble Members that so far back as 1899 a memorial was presented to the Right Hon'ble Lord George Hamilton, then Her Majesty's Principal Secretary of State for India, urging the need for the separation of judicial and executive duties in India. Among the signatories to that memorial were such high authorities as Lord Hobhouse, Sir Richard Garth, Sir

Richard Couch, Sir Charles Sargent, Sir William Markby, Mr. Herbert Reynolds and others. The arguments used in that memorial made out conclusively a case for the separation of the two functions. It is not necessary for me to refer here and now at any length to such mature and considered proposals as those of Mr. Monomohan Ghose and Mr. Romesh Chandra Dutt. I respectfully submit that the matter should no longer be treated as an open question, and I hope the Resolution will receive the support it deserves."

The Hon'ble Raja Kushalpal Singh:—"Mr. President, after the very able, exhaustive, and eloquent speech of the Hon'ble mover of this Resolution, it may seem presumptuous on my part to address the Council on this subject. But it seems necessary to show to the Government that the conservative bodies like the landed aristocracy of the province of Agra are in favour of this Resolution. The union of executive and judicial powers is contrary to right principle. The combination of these functions is objectionable in principle and mischievous in practice. It has been well said that 'the frame of mind necessary for an executive officer and the frame of mind necessary for a judge are different. Executive officers ought to mix freely with the people; they ought to try to make friends with them, they ought to see this, and they ought to see that; a judge, on the contrary, ought to shut his ears against everything except that which comes before him in Court. But an executive officer has as such to learn everything and to do everything, and when he comes upon the bench, he is expected to divest his mind of whatever he has heard elsewhere. Even the best officer of Government is after all a human being'.

"As to the plea of increase of expenditure it would not be necessary to make any considerable increase in the total number of officers employed. The landed aristocracy of every province is beginning to take a fair share of public work and with the progress of education among the aristocracy their share will continue to grow. The disposal of the greater part of the criminal work can safely be entrusted to Honorary Magistrates sitting singly or by benches. It is not at all difficult to so distribute work and allot officers so as to make available a sufficient number of them for purely executive work. A portion of the surplus should be applied towards the inauguration of this reform. For the foregoing reasons, I beg to second this Resolution and to recommend it for acceptance by this Hon'ble Council."

The Hon'ble Rai Sri Ram Bahadur:—"Sir, I support the Resolution which has been so ably moved by the Hon'ble Mr. Surendra Nath Banerji. I come from a province in which about 35 years ago the judicial and executive functions used to be discharged by the same officer, *viz.*, the District Officer assisted by his subordinates. In the year 1879, the separation of purely civil functions took place and the District Officer remained District Magistrate and chief executive officer of the district. The functions which are now combined in the same officer are criminal and executive charge of the district. District Magistrates, Sub-divisional Magistrates and other subordinate Magistrates, *viz.*, Deputy Collectors and Deputy Magistrates still exercise criminal powers and try criminal cases. With regard to the last class of officers, that is Deputy Collectors and Deputy Magistrates, separation of the two functions can be very easily made. Some of them may be set apart exclusively to try criminal and revenue cases. They should be relieved of executive duties. Then there remain officers of the next higher grade, *viz.*, Sub-divisional Officers. As regards them also the separation of the two functions is not difficult. Lastly, comes the District Officer himself. As suggested by the Hon'ble mover of the Resolution the experiment may be tried in selected districts to relieve District Officers of their judicial functions and allow them to retain charge of executive matters only. The question of prestige need not be considered at all. We have the administrative head of the province, that is the Lieutenant-Governor or the Chief Commissioner who has no magisterial powers. The Member of the Board of Revenue and the Divisional Commissioners also have no magisterial powers. But are the people of the district or division or province

wanting in respect towards these officers because they have got no magisterial powers? I submit that this is a matter which need not come into consideration at all in deciding the question. Then, Sir, there is another advantage that will be gained by relieving the District Officer of his magisterial functions. He would have more time to devote to executive matters of his district. The executive work has now increased to such an enormous magnitude, that a District Officer hardly finds time to look after it properly. If he be relieved of judicial functions he will have more time at his disposal to devote to the proper discharge of his executive functions. It must also be considered that, if the District Officer has more time at his disposal, he will be able to mix more freely with, and see more frequently, the people of his district, and thus be in a position to receive more correct information regarding matters of public interest and gauge the real feelings of the people of this district. Therefore, Sir, for these additional reasons, I support the Resolution."

The Hon'ble Maharaja Ranajit Sinha of Nashipur:—

"Sir, I beg to support the Resolution which has just now been moved by my Hon'ble friend on the right. The Resolution asks for, as an experimental measure, the separation of executive and judicial functions. Sir, from personal experience I can say that sometimes District Officers are a little inclined to trust the Police. If the Police sends up a case to a Magistrate and he discharges the accused, the Magistrate instead of calling for an explanation from the Police officer as to why he sent up such a bad case, would generally ask the Subordinate Magistrate to explain why the accused has been acquitted. So Sir, I think there should be a separation of judicial and executive functions, but at the same time, I am inclined to think that this may weaken the District administration to a certain extent and will also involve large expenditure. But I think there is no harm in making the experiment in the matter. This may be done in some of the districts in each province, and if the experiment be found successful, then it might be extended. With these few observations, I beg to support the Resolution which has just now been made."

The Hon'ble Rai Sita Nath Roy:—"Sir, I beg to associate myself with the sentiments expressed by my Hon'ble friend, and I beg to express my sympathy with the Resolution moved by him. I know that there has been no greater blessing, and no blessing has been so much appreciated and none has gone so far to make the people more attached to the British Government and more contented with it than the blessing of the pure administration of justice. I know very well that lately an experiment of the separation of the judicial and executive functions was tried in some of the eastern districts. Additional Magistrates were appointed in some of the districts, as, for instance, Dacca, Mymensingh, Barisal and other places, and their functions were strictly confined to the administration of justice, while the District Magistrate devoted his attention purely to district work. I do not know what became of that experiment and why it has not been extended. What we pray for is that the experiment tentatively begun should be extended to some selected areas. I quite agree that there are occasional miscarriages of justice, and it is in cases where the Magistrate becomes displeased whenever a Deputy Magistrate discharges an accused who has been sent up by the police. It is fear I know that makes Deputy Magistrates hesitate to discharge an accused who has been sent up by the police. Under all these circumstances, it is absolutely desirable that these two functions should be separated, and the experiment should be begun in some selected areas."

The Hon'ble Sir Reginald Craddock:—"Sir, this Resolution which has been moved by the Hon'ble Mr. Banerjee is purely financial in nature. It does not in its terms go into the merits of the controversy regarding the separation of judicial and executive functions. What it asks is, that this Council should recommend to the Governor General in Council that the grants made to Local Governments be increased by such allotments as the Government of India may think fit with a view to enable them to carry out the experiment of the separation of judicial and executive functions

in the administration of criminal justice in areas to be selected by them with the approval of the Government of India. This Resolution simply implies that the Government should accept a motion in favour of making allotments only as it think fit, and it is therefore extremely vague in character. There are no indications given of the extent of the experiment and of the cost of the experiment, nor of the place of the experiment. In these circumstances, it is impossible for the Government to accept a Resolution of this kind. Before money can be allotted for the furtherance of some scheme, it is necessary that some scheme should be devised, cut and dried and approved by the proper authorities, and that an experiment to carry out this scheme so approved and so devised should be determined upon. If there exists at present no definite scheme, it is impossible to decide to what extent an experiment to carry out that definite scheme should be tried.

“Further, the Resolution supposes that, in order to make any such experiment, it is necessary that the Imperial Government should make a grant to the Local Government. It does not at all follow that if such an experiment were to be tried on a small scale, any such grant as that recommended would be necessary. And thirdly, when such allotments are made as that proposed in this Resolution, it will prove necessary to divert the funds required for that allotment from some other purpose which stands included in the Budget. That purpose has not been indicated, and, until that purpose is indicated, it would be impossible to determine how far money intended for carrying out the plans and proposals of the Government which have already received approval ought to be deflected from that and devoted to carrying out, in the vague manner suggested in this Resolution, schemes which have not yet been formulated, and the experimental carrying out of which cannot yet be determined.

“I am obliged to treat this Resolution in its purely financial aspect, and the reason for this I can explain very briefly to the Council.

“When Sir Harvey Adamson made his speech which the Hon'ble Member has quoted, he also foreshadowed consultation with the Local Governments. In consequence of that consultation various difficulties of a practical nature were elicited, and correspondence upon them took place between the Local Governments and the Government of India, and between the Government of India and the Secretary of State. That discussion is still going on. It is not yet finished, and although Hon'ble Members might say that the Government have taken an unnecessarily long time over this matter, that cannot affect the motion that the Hon'ble Mr. Banerjee has moved. The point remains the same, that to ask the Government of India to allot an unknown sum of money to undetermined experiments for a scheme that has not yet been devised, would be a course which, I think, everyone here must admit to be unreasonable.

“In these circumstances, Sir, on behalf of Government, I am unable to accept this Resolution, and I put it to the Hon'ble Members of this Council that it is unreasonable to ask the Government to accept this Resolution, whatever may be their views on the merits of the question. The question, as I have stated in reply to questions in Council, is still under consideration with the Secretary of State, and until these questions under discussion have been decided and a definite conclusion has been formed upon them, any action in the nature of that suggested by the Hon'ble Mr. Surendra Nath Banerjee would be wholly premature.”

The Hon'ble Pandit Madan Mohan Malaviya :—“Sir, I am sure my friend the Hon'ble Mr. Surendra Nath Banerjee and other friends who have spoken in support of this Resolution will recognise and feel grateful for the attitude which the Hon'ble Member has taken up, which, as I understand it, is an attitude not against the Resolution, but in sympathy with it. The remarks of the Hon'ble Member mean, so far as I understand them, that the matter is under the consideration of Government, and the Secretary of State, and as no definite scheme has been put forward, it is best to wait until the matter has received further consideration, and then ask for an allotment for such a purpose. Ordinarily, Sir, that announcement on behalf of the

Government should satisfy the supporters of such a Resolution as is now before the Council ; but I beg leave to point out that, in the special circumstances of the case, in the matter of the special reform with which it deals, perhaps it would be justifiable to press the matter upon the consideration of the Government and to ask the Government to be pleased to allot, tentatively, a sum of money which, in the event of the Secretary of State and the Government of India coming to an understanding during the course of the year as to the manner in which the reform should be carried out, should be available for initiating the reform. The Hon'ble the Home Member has said that no definite scheme has been put forward. The Council will recognise the difficulty of any private member putting forward a cut and dried scheme for the consideration of the Government in a Resolution like this. If the Government are pleased to set apart a certain sum of money, however small it may be, that would be a proof of the earnestness of Government, of the earnest desire of Government to carry out the reform and to give effect to the scheme at an early date : and, on that allotment being made, the Government may be pleased to appoint a committee of some officials and some non-officials to discuss the scheme and to make recommendations to the Government ; or the Government, as a result of the correspondence that has been going on, may find itself in a position to adopt one of two or three schemes which, I presume, are under consideration, and give effect to them. It has been stated by the Hon'ble the Home Member that at present the extent of the experiment has not been estimated, nor its cost nor the locality where it should be tried. That is too true, but that, I submit, is the very reason why the Resolution should be acceptable to Government. The Resolution leaves the determination of the extent, of the cost and of the localities in which the experiment should be made, to the Government. All that we seek is to press this matter upon the attention of Government in order that a beginning should be made. My Hon'ble friend Babu Surendra Nath Banerjee has drawn attention to the fact that it is now over 125 years since this matter has been under the consideration of one or other of the officers of Government. It was in 1792, I believe, that the first Regulation was planned, and nothing that has been said subsequently could, I venture to say, equal in intensity and clearness the expression of opinion that was contained in that Resolution of 1792. From that time forward the matter has off and on been considered by various officials of Government. The highest placed officials of the Crown have expressed themselves unreservedly in favour of the principle of the separation of these two functions. The condemnation of the combination has been as unequivocal as has been the desire to see it put an end to. The last statement of Sir Harvey Adamson to which my friend referred, left no room for doubt in any one's mind that the Government had definitely decided to carry out the experiment. The Hon'ble the Home Member has been pleased to point out that there has been some correspondence since that time between the Local Governments and the Government of India, and between the Government of India and the Secretary of State, and that difficulties of a practical character have been pointed out which require further consideration. I am sure, Sir, when a vast scheme is to be introduced difficulties of a practical character must manifest themselves ; but I submit that English statesmanship, that British-Indian statesmanship has surmounted difficulties of a far harder character, and many reforms have been initiated and carried out for the benefit of the people and the glory of the Government where the difficulties were of a very much harder character than any that can arise in a scheme like this. The only difficulty which can represent itself in a matter like this is the question of cost, and on that point my friend has shown that the cost is not a formidable one, certainly that it is not a forbidding one. That being so, I ask the Members of Government to consider the question in this light. Here is a reform, the beneficent character of which has been recognised by Government for over a hundred years, to which the Government, through its highest officials, has committed itself. The position taken up by the Government is one from which the Government cannot recede, and I have no doubt in my mind that it will not recede, that the two functions ought not to be confined in one officer. The whole question, so far

as practical politics are concerned, relating to the separation of judicial and executive functions, is one of time when the reform will be begun, when the experiment will be taken in hand. That being so, the Resolution, in asking that a certain sum should be set apart, only tries to bring that time when the experiment would be begun nearer than perhaps it might otherwise be."

"We all know that the Government has to consider numerous problems connected with the administration of the country; and it is no reflection upon the Government that the officers of Government should require a longer time to consider some of the questions which are presented to them than other questions. We all recognise it; but as the urgency of this reform has made itself manifest among the people, as there is a very keen desire among the non-official Indian public that this reform should be carried out, it is our duty to press it upon the attention of the Government in order that a beginning may be made. If an allotment is now made, that will ensure that matter will be considered during the course of the year, and that in some places at least an experiment will be made. Personally I do not see why there should be any such necessity of making the experiment in half a dozen places. The principle is an absolutely safe and sound one. The method of carrying it out does not admit of any complexity. Government have only to add a few Deputy Collectors or to appoint a few junior Magistrates to deal with judicial cases alone, and the question will be very near solution. The entire scheme might be too costly, but if a certain amount is allotted for the purpose to be spent in the course of the year, then there will be an assurance to the public mind that the matter will not be shelved for another twelve months, and that will give great satisfaction to a great body of the non-official public who are interested as keenly as the Government in upholding the purity of the administration of justice and in securing that great blessing to the people—a blessing which they value above most other blessings—that of being sure of feeling, in the most critical times, that the justice given to them will be untainted—entirely untainted by any consideration except the strict administration of justice. For these reasons I most earnestly urge upon the Government the desirability of reconsidering the decision which the Hon'ble the Home Member has announced; and if he is able to allot a certain sum, however small it may be, I hope the object of this Resolution may be gained".

"There is only one other remark of the Hon'ble the Home Member to which I will advert. The Hon'ble Member said it had not been indicated how this sum was to be spent. Now, Sir, I need not take up the time of the Council by reminding it that on many occasions sums are allotted for definite and distinct purposes, and at the end of the year it is found that these sums have not been spent. The Hon'ble Member for Education was pleased to say earlier in the day in regard to my province that the sums allotted to it had not been spent".

The Hon'ble Sir Reginald Craddock:—"May I have a word of explanation? I think the Hon'ble Pandit Malaviya misunderstood a remark of mine. I did not raise any objection to the request that an allotment might be made because it was not indicated how it was to be spent if the experiment could not be worked at any time. What I said was, that it had not been indicated from what source this sum could be diverted."

The Hon'ble Pandit Madan Mohan Malaviya:—"I thank the Hon'ble Member for his explanation, and would like to point out that the 15 lakhs of rupees which are unallotted to which my friend Mr. Fuzalbhoj Currimbhoj drew the attention of the Government this morning, and out of those 15 lakhs kept for Education and Sanitation, a small sum may be easily and usefully diverted to provide the money needed for this reform. I am sure I need not dilate upon the feasibility of the scheme any longer, because if the Council agrees that it is possible to initiate this scheme during the course of the year, no harm will have been done either to the finances of Government or to any other interest. The reform is a very urgent one, and the sooner it is adopted, the better will it be for the people of this country."

The Hon'ble Mr. Ghuznavi:—"Sir, I find that I can support the Hon'ble Mr. Banerjee with regard to the Resolution which he moves to-day. The question of the separation of the judicial from the executive functions is a very old one and has been discussed threadbare. Public opinion on this question is very much divided. The Decentralisation Commission, if I am not mistaken, in their Report advocated the separation of these two functions. But their recommendation so far has not been possible to give effect to owing to, I dare say, the question of finance. And, as on the present occasion, we have a good financial year and the Government coffers are full, it would be in my opinion a step in the right direction if an experiment of the kind advocated by my friend is made. So far as my part of the country is concerned I have a large number of friends among the district officials for whom I have the greatest regard. I have had the good fortune of being associated with them for a number of years, and have been able to see with my own eyes the amount of hard work which they have to do from the inspection of a pound to the writing of the Administration Report, not to say, of their primary duty of discharging the combined judicial and executive functions entrusted to them. For that consideration alone, if for no other, I agree with those who think that the two functions should be separated. For I am convinced that the work which a district head is called upon to do is far in excess of what an ordinary man can do and yet keep his temper sober. On these grounds, the time has come to make an experiment of the kind advocated. The experiment would at least have one good result, namely, it would be helpful in coming to a right decision whether the separation of the executive from the judicial in this country is feasible and whether it would be conducive to the best interest of the rulers and the ruled. With these few brief remarks I have much pleasure in supporting the Resolution.

"I am sorry I was not here to listen to the speech made by the Hon'ble the Home Member, and I do not know what line was taken by him. At the same time I am very thankful to the Government for shewing a certain amount of sympathy for this Resolution."

The Hon'ble Mr. Vijiaraghavachariar:—"Sir, I desire some information about what the Hon'ble the Home Member has said. I was not able to understand exactly what it is which he said is under the consideration of Government; whether it is the principle that is under consideration or whether the principle having been accepted, a workable scheme is under consideration and being devised. I beg to be furnished with this information."

The President (to the Hon'ble Sir Reginald Craddock):—"You will be able to answer the Hon'ble Member. I understand the Hon'ble Member is only asking a question."

The Hon'ble Sir Reginald Craddock:—"Perhaps I may be allowed to speak a little later on."

The Hon'ble Mr. Vijiaraghavachariar:—"Sir, whether or not I shall speak on the Resolution before us depends very much on the nature of the information that will be furnished to me. If it is the case, Sir, that the principle has been accepted and it is being considered how to carry it out, I don't wish to speak. But if the question of the principle itself is under consideration, I have a few words to say."

The Hon'ble Sir Reginald Craddock:—"Sir, the Hon'ble Member appears to be under some difficulty in understanding the position. I would just like to make it clear that I have carefully abstained throughout from dealing with this matter except purely from the financial point of view. My contention—the contention I made on behalf of Government—is that it is unreasonable to expect Government to depart from all its customs in making allotments."

The President:—"I am very sorry to interrupt my Hon'ble Colleague, but I am afraid we are getting a little bit out of order. The Hon'ble Member asks a specific question. I am afraid you will be losing your

chance of speaking later if you speak on the merits of the case now. Answer or not, as you like, the specific question of the Hon'ble Member."

The Hon'ble Sir Reginald Craddock:—"Will the Hon'ble Member state again what he wants?"

The Hon'ble Mr. Vijiaraghavachariar:—"What I ask is, has the question reached the stage of finality as to the principle? My own belief is that Government have long ago accepted the principle. However, I wish to make it clear, and hence my question is simply this:—'Whether what is now under the consideration of Government is the question of the acceptance of the principle, or the principle having been accepted, how to devise a workable scheme.'

The Hon'ble Sir Reginald Craddock:—"I have no objection to giving an answer on that point. It is quite impossible to differentiate either the question of principle from the details or *vice versa*."

The Hon'ble Mr. Vijiaraghavachariar:—"In that case I shall say a few words on this important question. Sir, it requires very great abilities to prove scientifically and by argument what everybody knows to be true instinctively. In my youth I read a remark made by the author of a treatise on Geometry, and that remark was to this effect:—'It was left to Euclid scientifically to prove the truth of the proposition that two sides of a triangle are together greater than the third, a truth which even asses knew instinctively. He said that if an ass had to go to a pond to quench its thirst and there were two ways to it, one direct in a single straight line and the other round about along two straight lines, the ass was sure to take the single short way.' Sir, I would say that the Hon'ble Babu Surendra Nath Banerjee has performed to-day a great feat in conclusively proving a similar proposition. On the other hand, I have never troubled myself with the reasons for this accepted creed in every civilised country, namely that the executive and the judicial functions should be kept separate. It is true that there have been some isolated opinions in this country to the contrary. But Government has nowhere ever said that the combination of its judicial and executive functions is necessary either for efficiency or in view to prestige. And what the meaning of the word prestige in this sense is, I do not know. Western nations often tell us that our Gods are Gods of fear and not of love. Perhaps one can only understand what this prestige means if one remembers this fact. The idea is in relation to fear and based on it. But it seems to me that greater prestige would attach itself to the position of executive officers if they would divest themselves of all judicial functions and leave them to Magistrates and Judges exclusively. Then there is far greater chance of really cordial relations being established between the people and the rulers. Then is the chance of more and greater truths being obtained by the District Officers divesting themselves of all show of fear. It is absurd for the District Officers to endeavour to get at the truth and the whole truth if they are to get it from people who are always afraid of them. To be at once Magistrate and Chief of the Police in the District, to be at once Judge and the Chief Executive Officer, does not make for the efficiency of the officer and the prestige of Government or the well-being of the people. I have never been able to reconcile myself to this extraordinary aspect of the question, that the association of the two functions is necessary in the interests of the prestige of Government. I believe that if marriages are made in heaven, so also is this separation between the judicial and executive functions ordained in heaven, and we must accept it as a divine principle and give full effect to it for better and for worse. I am not for making experiments piecemeal. I am for accepting the principle and acting on it fully throughout the country at once and for ever. The separation when applied to the question before us is one word no doubt, but as a practicable principle it implies a lot of things. It involves not only a complete severance of the whole agency from executive functions, but also questions as to special qualifications, mode of recruitment, promotion, as well as the kind of machinery for their supervision.

“The question of the separation of the judicial from the executive functions is incidentally now before the Royal Commission. It is true it is not part of the reference to the Commission, but I believe it arose incidentally in determining questions as to recruitment and qualifications, etc., of the services. I had the honour of being invited to be a witness before the Commission, and I then stated my views fully in writing. I do not think it necessary to reproduce them now. I think it is an absolute impossibility for one man to combine in himself these two functions efficiently. In the interest of everybody it is essentially necessary to separate the two at once. There is an intense and growing feeling in the country that the sooner that this heaven-born truth is given effect to, the better it will be for the Government and the people. As to the question of a workable scheme, I would suggest that Government should appoint a Committee for the purpose. I have equal faith in Committees appointed by the Government of India as in Royal Commissions. I once had very great faith in Royal Commissions, but I have now become a convert to commissions appointed by the Indian Government as well. These would be certainly much less expensive than Royal Commissions. The system of combined judicial and executive service we have now, was not invented by the Government. It is a survival of the growth of institutions that arose under the sovereign company of merchants. It arose incidentally and gradually, and the proper course now is, it seems to me, to appoint a Committee in India to overhaul the whole system and, in view to find ways and means, to see what expenditure can be curtailed and reduced here and there and what additional taxation, if any, is necessary for the purpose. This could all be easily investigated by a small Indian Commission. On this Commission may sit representatives of all shades of opinions. I do not object to representation of even hostile opinions, for instance, by persons like the Hon'ble Mr. Madge who, it appears, from his speech here three years ago is an apostle of prestige. After he finishes his labours on the Public Services Commission, he may be invited to sit on the Indian Commission and the whole matter may be investigated and a workable scheme arrived at; then Hon'ble Members of this and Local Councils and the country at large may scrutinise the scheme before it is finally accepted by Government. As I said before, I am against experiments and partial experiments, but as my Hon'ble friend asks for such partial and isolated experiments, I shall vote for his Resolution on the principle that half a loaf is better than no bread.”

The Hon'ble Sir Ibrahim Rahimtoola :—“Sir, I agree with my Hon'ble friend Mr. Malaviya in regarding it to be a gratifying feature of the debate that the Hon'ble the Home Member has not taken up a hostile attitude in connection with this question. Were it not for the answer which he gave to the question which my Hon'ble friend Mr. Vijiaraghavachariar put to him, I would not have risen to address the Council. The Hon'ble Sir Reginald said in reply that the question of principle of the separation of judicial and executive functions was under consideration and formed the subject of correspondence with the Secretary of State along with the details. Under the circumstances I think we are entitled to ask how long will this consideration last? The subject, as the Council is fully aware, is not a new one. It has been both before the public and the Government for many years, with the result that there is a general consensus of opinion in its favour. As the Hon'ble Mr. Banerjee pointed out many high officials of Government have also recognised the soundness of the principle that these two functions should be separated. If I remember rightly the only point that has been raised against the immediate application of it has been one of cost, and that has now been so for many years. May I venture to enquire how long it will take to provide funds to give effect to an admittedly useful reform? The Hon'ble the Home Member says that the Resolution puts forward no scheme before us and the amount that is required is not stated, and he argues that a vague demand for provision in the Budget is manifestly unreasonable. We may for argument's sake agree with that view. But may I inquire what other course is open to the non-official members if they wish to press and press with all the force at their command the desirability of getting the Government to come to a definite decision in regard to this matter within a reasonable time? It appears to me, Mr. President, that

the only course open to the non-officials who feel strongly on the subject is the one adopted by the Hon'ble Mr. Banerjee. If the explanation had been that the Government of India are as equally anxious to introduce this principle, and that all they are waiting for is the preparation of a workable scheme and its application within a reasonable time, I would have gladly appealed to the Hon'ble Mr. Banerjee not to press his Resolution to a division. As far as I have been able to follow the official explanation, it merely means that we are still to wait for years before anything tangible or definite may come out of a question of urgent reform in regard to which both official and non-official opinion is largely on one side. Under these circumstances, I think the Hon'ble Mr. Banerjee will be well advised to press for a division for this reason if for no other, *viz.*, to convince those people who may still have the smallest doubt on the point that non-official opinion in regard to this question is solid and unanimous."

The Hon'ble Mr. Madhu Sudan Das :—" Sir, it is perhaps absolutely too late at the present stage of this question to bring out facts and figures or the personal experience of any person in support of the desirability of this proposition. It has been before the public for over a century and, wherever one likes to go, he hears the cry for the separation of the judicial and executive functions surging round him. The Hon'ble Mr. Banerji in his speech has given several extracts from the opinions of Official Members of this Council and from gentlemen of great judicial experience who had been in positions such as Judges of the High Court—who had been in positions to form valuable opinion as to whether the combination of these two functions has worked satisfactorily or unsatisfactorily. There has been, Sir, enough material before the Government to come to a decision. If these opinions are not sufficient to induce the Government to accept the desirability or the popular desire for having a separation, it will be far better for Government to say ' No we do not consider this sufficient.' If this mass of evidence is not sufficient to enable Government to come to a definite conclusion, Government would be justified to take such measures, with the knowledge of the public, as they consider necessary to come to a definite conclusion on the subject. But from the answer that has been given by the Hon'ble the Home Member, I am perfectly unable to understand the present position of Government. First of all his reply was that he wanted to meet the question from a technical point of view as simply a financial question; that there was no scheme, cut and dry, before him, that there was nothing to show how much money was to be allotted, consequently he was not in a position to accept the Resolution. An answer of that character would lead one to think that what Government was waiting for was a definite scheme; that the principle had been accepted by Government and it was only for want of definite figures and a definitely formulated scheme, that Government could not accept this Resolution. But when the Hon'ble the Home Member replied to the question put by the Hon'ble Mr. Vijiaragavachariar he said the question of principle and the question of the details to be carried out were so mixed up, that it was impossible to give a reply. That means the principle has not been accepted yet. It may, perhaps be due to a particular lack of intelligence in me, but I cannot understand, Sir, how it is difficult to dissociate the principle from the scheme. The only possible way in which the difficulty could arise would be from the fact that the scheme having been accepted there are not funds enough at the disposal of Government to carry out that scheme. Then the question assumes this form. If a principle has been accepted by Government, Government is bound to find funds for carrying out the scheme; or if the funds necessary for carrying out the scheme are so exorbitantly high that it is beyond the power of the Government of India to carry out that scheme, then the public ought to be satisfied by a definite answer to that effect :—' that here is the sum required for carrying out the scheme and it is beyond the power of the Government of India to carry it out.' Then, if necessary, fresh taxation might be made. There has been such a cry for this throughout the country, that I should not be surprised, if the Government of

India were in need of fresh taxation, the people would be willing to pay a new tax for carrying this out.

“But the position of the Government of India has not been definitely explained. Certainly, Sir, after these clear enunciations and announcements of the opinions of men and officials in very high and responsible positions, and this continuous cry of the people for this separation extending over such a long period, the public have at least a right to know the exact position of the Government with regard to this question. I have been very much disappointed, and I am sure my disappointment has been shared by most of the non-official members, that the reply from the Hon'ble the Home Member, considering the gravity of this important question and the period for which it has been before the public, has not been as definite and as satisfactory as it ought to be.

“If the Government of India really are not prepared to accept the principle, the people should be informed that they are not so prepared, and allow the people to take such action as they may be best advised to take under the circumstances.”

The Hon'ble Meherban Sardar Khan Bahadur Jahangirji Vakil:—“Sir, unlike some of those Hon'ble friends of mine who have preceded me, I am only going to take two minutes. I am not aware of any instance of miscarriage of justice by the present state of things, that is, the combination of executive and judicial functions in one and the same person. However, I am inclined to believe that the separation of the two functions would be a distinct improvement on the present state of things.

“My Hon'ble friend Mr. Vijiaraghavachariar advocated the appointment of a Committee by the Government of India to inquire into the question and gather opinions from public bodies; but I suppose he does that on the assumption that the Government of India approves of the principle of the separation of these two functions. For this reason, I believe we ought to be first informed by the Government of India whether they have decided to accept the principle of the separation of the two functions. It was my misfortune to miss the speech of the Hon'ble the Home Member, and I am not therefore in a position to understand the exact position the Government of India have taken up; but whatever it may be, I think that, if we are expected to wait only because a practical scheme to work the reform is not ready, and if we are assured by the Government of some certain time-limit, that is, if they are going to give us some exact and definite time within which they would be able to give us the exact decision of the Government, then I say that we can afford to wait and I do not see any harm in waiting. But if nothing of that sort is going to come from the Government, then I suppose it is much better to see the Resolution put by my friend the Hon'ble Mr. Banerjee passed to-day. I again say that, if we are assured by the Government that, by waiting a little, the scheme to which they referred will be ready and put into operation wholesale, then I suppose that there is no harm at all in voting against the Resolution that has been moved by my Hon'ble friend. Otherwise I request the Members of the Council to vote for the Resolution, because we do not lose anything at all. The Resolution simply proposes to enable the Local Governments to carry out the experiment—only the experiment—of the separation of judicial and executive functions in the administration of criminal justice in areas to be selected by them with the approval of the Government of India. They may select only a very small area, only one small district, and I suppose Government does not lose anything in carrying out that experiment. I suppose the question of cost will not be a very great one.”

The Hon'ble Mr. V. Pandit:—“Sir, I rise to accord my support to the very modest Resolution moved by the Hon'ble Mr. Banerji. In spite of the objection to the Resolution which has been taken by the Hon'ble Home Member, I consider that it has been very considerably worded, for this reason that the Hon'ble mover of the Resolution has not asked for the introduction of this experiment in any particular area, but has left to Government the option of selecting the area which, from every point of view, they might consider best for a trial of the experiment.

“The Resolution really wishes the Government to give an earnest of the fulfilment of the promise which was made by Sir Harvey Adamson on behalf of the Government of India in this Council; and although the Resolution does not give all the details which would be required for working out a scheme, surely, as pointed out by the Hon'ble Pundit Madan Mohan Malaviya, the Government can show its active sympathy with the principle, or at any rate, with the proposal to try as an experiment whether the separation of executive and judicial functions will not be in the best interests of the country.

“The question of this reform, as other Hon'ble Members have told the Council, has been before the country for a very long time, and it is unnecessary to discuss the merits over and over again.

“There is no doubt that the objection on the score of prestige had been raised in bygone times, and mention was made of it in one of the speeches to-day, but prestige is a dead horse and it is no use flogging the horse any longer. In its best acceptation prestige has, as I understand it, been taken to mean this: If a District Officer appeared as a helpless person who, in spite of seeing any wrong or injustice perpetrated in his own presence, or proved to his satisfaction, came and told the people that he was unable to do anything, but that the persons aggrieved must go to some particular Court, that would lower that District Officer in the estimation of the people, and it would not conduce to the best administration of his charge. That is the highest interpretation which, as I understand it, has been given of prestige. And even from that point of view, the District Officer of to-day is no longer the District Officer as he was 30 or 40 years ago. We knew of District Officers who had in themselves combined all the powers of the administration so far as their districts were concerned. The District Officer was the head of the civil judiciary in the district; he was the head, as he is even now, of the magistracy; he was, as he is now, the head of the police, and he had large powers in respect of the District Board and the Municipality and all institutions combined in him, in the work whereof he was the active participator, the organising head of the district, who moved everything and carried out everything practically himself. We find that the District Officer has no longer anything to do with Civil work. The District Officer also, in heavier districts, practically does no criminal work himself, and even functions such as those conferred by section 30 of the Criminal Procedure Code are exercised by other Magistrates than the District Magistrate. Therefore, if whatever little power in connection with judicial administration may be left to the District Magistrate are taken away, it will not in any way cause any serious loss of the prestige which he possesses to-day. Moreover, the principle of this reform is not that injustice is done which ought to be avoided, but that there ought not to be the slightest chance of anyone conceiving on account of the union of the functions that injustice has been done although in fact, the fullest measure of justice has been meted out. It is the confidence in the administration of justice in the minds of the people which ought to be secured, and this is the principle at stake in the reform which has been advocated.

“I also think that the trial of this reform might enable us to see whether the police could also be made more efficient by this means. It seems to me, Sir, that the police, having been or being in constant touch with the head of the district and also with the magistracy, sometimes feel that if in their minds they have created a sufficiently strong suspicion, or according to their own view, created a moral conviction that a particular person has committed a crime, it is no part of their duty to exert and bring all the legal evidence that would be necessary to prove a conviction in a Court of law. And I speak not only from the point of the view of the accused persons, but also from the point of view of the prosecution that this not unoften has the effect of causing a failure of justice. The High Courts and various other Courts have, for example, from time to time remarked that the police, in investigating cases, seem to regard the confession of the accused, instead of the checking point of the investigation, as the goal they have to attain: and after they have obtained that confession, they do not proceed further and try to connect the links in the chain, and fully bring home the charge to the accused.

“Sir, the District Officer, as everyone knows, has now-a-days a very heavy burden thrown upon him. The complexity of the administration and the requisite development of various branches of the administration throw upon him so much work, that it is really not possible for him to devote his attention sufficiently to all those various branches of work as he would be able to do if certain of his duties were taken off, and he were left free to devote his attention more to the development of the district with which he is entrusted. From all these points of view, I think that, so far as the principle is concerned, it will not be denied that there is a great deal to hope for, and as this Resolution merely asks for a trial by way of an experiment, I submit that nothing will be lost by trying this experiment on the modest scale which is proposed. I therefore support this Resolution.”

The Hon'ble Mr. Fuzulbhoj Carrimbhoj Ebrahim:—“Sir, up to now I was under the impression that Government had accepted the principle of the separation of judicial and executive functions. As the Hon'ble mover of the Resolution has told us, many big officials in authority have pronounced in its favour, and the people of the country have been under the impression that the Government had already accepted the principle. But now I find that the Hon'ble the Home Member has not spoken one way or the other, and he hesitates to announce that the Government is in favour of the principle. I hope the Government will soon decide and will accept the principle. They know the opinion of the public. Without any exception the general opinion of the public is in favour of the separation.

“In regard to the expenditure, I must say that for Bombay, Madras, the United Provinces and some other Provinces, Government will take some time to formulate separate schemes, but I think Bengal is a province where they have got a Permanent Settlement and where it will be very easy to try the experiment. Taking this view, Sir, I support the Resolution.”

The Hon'ble Mr. Wheeler:—“It is perhaps inevitable, Sir, that a certain air of unreality has crept into this debate owing to the fact that the Hon'ble Members who have spoken, and the Hon'ble Sir Reginald Craddock who spoke on behalf of Government, have not, perhaps, been looking at the subject on identical lines. The Resolution of the Hon'ble Mr. Banerjee has raised the merits of a long and interesting controversy in the history of Indian administration, and we have had a view put which, as is well known, is held by a certain section of the people in this country. Assuming the merits of the question be established, one point of view which we have heard to-day is—let us make a small entry in the Budget, because it is so small that it will not matter. On the other hand, another Hon'ble Member is whole-heartedly in favour of the wholesale and immediate marriage of the Judicial and Executive branches, oblivious of the fact that a hasty marriage may possibly lead to domestic disturbances hereafter, though in this view he apparently desires a more ambitious provision. To-day's discussion has opened up vistas and has raised points which have engaged attention for many years past. It is possible to pursue such a discussion with interest, and possibly with benefit, but that is not the question which at the moment is before the Council, and that is not the standpoint from which Sir Reginald Craddock invited the Council to consider this matter. We are at present dealing with the Financial Statement, and the question before us is purely a matter of financial provision. The intention of Resolutions moved at this stage is that in the place of the proposals for the expenditure of the public funds which may have been inserted in the Budget, other preferable objects should be substituted. But one essential condition for a financial provision, as having been once connected with that not always popular Department, the Finance Department, I have occasion to know, is that at the time the Budget is prepared a definite scheme, or at any rate a scheme of which a reasonably approximate estimate can be framed, can be laid before the Finance Department by the administrative Department concerned. The Hon'ble Sir Reginald Craddock has explained to the Council that fortunately or unfortunately,

rightly or wrongly, this project is not at present in that position. The Hon'ble Member moving the Resolution naturally started its modern history from the statement of the Hon'ble Sir Harvey Adamson in this Council. Since that date, however, there have been discussions with Local Governments and correspondence with the Secretary of State. Those discussions are still proceeding, and it is not possible now to make any statement as to the results of them. The Hon'ble Mr. Vijiaraghavachariar asks us to say whether this correspondence dealt with questions of detail or principle, and the reply can only be, as made by the Hon'ble Sir Reginald Craddock, that matters of principle and detail are so intertwined that it is impossible to distinguish between them for the present purpose. If then, Sir, there is no scheme of the kind at present ready which would satisfy the Budget requirements, according to the ordinary administrative procedure, the motion to insert in the Budget, either a small provision or a large one, necessarily fails, and without any pronouncement on the merits of this question which has been argued in so many quarters to-day, that, I take it, is the standpoint of Government with reference to this Resolution."

The Hon'ble Babu Surendra Nath Banerjee:—"Sir, I desire to associate myself with the Hon'ble Pandit Madan Mohan Malaviya in appealing to the Government to reconsider its position. I think the Government have now some idea, as the result of the discussion which has taken place in this Council, of the intensity of public feeling which exists with regard to this matter. Indian Members of this Council who may differ in other matters are altogether of one mind in presenting an united front, and pressing for the acceptance of the Resolution which I have had the honour to move. And, Sir, this feeling which has been reflected here in this Council to-day, is the feeling of the country only expressed with perhaps less moderation, and less self-restraint. I earnestly beg of the Government to take note of this feeling, for, since the visit of His Majesty to this country, the policy of the Government has been a policy of conciliation and a policy to walk in the light of public opinion. Sir, exception has been taken to this Resolution on the ground that no scheme has been formulated by me. Is it my business to formulate a scheme? I claim, Sir, as a Member of this Council, as representing the non-official members, that it is our business to recommend principles to this Council for its acceptance, and for the Executive Government to work out the details. It is not our business to formulate schemes. It is our business to lay down principles and to suggest the outlines of schemes which may or may not be acceptable to the Executive Government. And then, Sir, when you talk of formulating a scheme, the scheme that will do for Bengal will not do for Madras: the scheme that will do for Madras will not do for Bombay. The conditions and the circumstances of the different provinces differ so widely: and if I were to undertake to formulate a scheme that would be applicable to Bengal, my friends round this table may not accept it.

"If therefore a scheme has to be formulated, it has to be formulated by the Executive Government, and not indeed by the Executive Government sitting at Delhi, but by the various Provincial Governments subject to the supervision and control of the Government of India. Sir, I have no doubt as to what the ultimate issue of this contention will be. I am perfectly certain that British sense of justice and fair play will eventually triumph, and that, if not now, in the near future, the Resolution and its underlying principle will be accepted. But is it wise, I ask, to prolong the day of contention, the day of controversy, the day of disappointment? I cannot help thinking that the statement of the Hon'ble the Home Member, which has been repeated by the Hon'ble the Home Secretary, will create a sense of profound dissatisfaction throughout the length and breadth of the country. If there is one question more than another which is at the present moment exercising the minds of my country men and which will (before long) become the burning topic of the day, it is the question of the separation of judicial and executive functions, and it is the clear duty of the Government to take note of the rising tide of public opinion and to formulate administrative measures that will bridge the gulf between the administration and the people. Once again, most earnestly

do I appeal to the Home Member to reconsider his decision and to give us the assurance that within a definite time a practical scheme will be laid before the Council, and that this experiment will be put upon its trial."

The Council divided, follows:—

Ayes—25.

The Hon'ble Mr. Ghuznavi; the Hon'ble Maharaja Manindra Chandra Nandi; the Hon'ble Raja of Mahmudabad; the Hon'ble Raja Kushalpal Sing; the Hon'ble Rai Sri Ram Bahadur; the Hon'ble Pandit Madan Mohan Malaviya; the Hon'ble Nawab Saiyid Muhammad; the Hon'ble Mr. C. Vijiaraghavachariar; the Hon'ble Mr. Panaganti Rama Rayaningar; the Hon'ble Khan Bahadur Mir Asad Ali Khan; the Hon'ble Sir Ibrahim Rahimtoola; the Hon'ble Khan Bahadur Rustomji Jehangirji; the Hon'ble Mr. Fuzulbhoy Currimbhoy Ebrahim; the Hon'ble Babu Surendra Nath Banerji; the Hon'ble Ranajit Sinha; the Hon'ble Raja Saiyid Abu Jafar; the Hon'ble Mr. Madhu Sudan Das; the Hon'ble Maharaj-Kumar of Tikari; the Hon'ble Mr. Qumrul Huda; the Hon'ble Rai Sita Nath Roy; the Hon'ble Malik Umar Hayat Khan; the Hon'ble Raja Jai Chand; the Hon'ble Mr. V. R. Pandit; the Hon'ble Sir G. M. Chitnis; the Hon'ble Mr. Srijut Ghanasyam Barua.

Noes.—37.

The Hon'ble Sir Guy Fleetwood Wilson; the Hon'ble Sir Robert Carlyle; the Hon'ble Sir Harcourt Butler; the Hon'ble Mr. Syed Ali Imam; the Hon'ble Mr. Clark; the Hon'ble Sir Reginald Craddock; the Hon'ble Mr. Hailey; the Hon'ble Sir T. R. Wynne; the Hon'ble Mr. Monteath; the Hon'ble Mr. Saunders; the Hon'ble Sir A. H. McMahon; the Hon'ble Mr. Wheeler; the Hon'ble Mr. Enthoven; the Hon'ble Mr. Sharp; the Hon'ble Mr. Porter; the Hon'ble Sir E. D. Maclagan; the Hon'ble Mr. Gillan; the Hon'ble Major-General Birdwood; the Hon'ble Mr. Michael; the Hon'ble Surgeon-General Sir C. P. Lukis; the Hon'ble Mr. Gordon; the Hon'ble Mr. Maxwell; the Hon'ble Major Robertson; the Hon'ble Mr. Kenrick; the Hon'ble Mr. Kesteven; the Hon'ble Mr. Kinney; the Hon'ble Sir William Vincent; the Hon'ble Mr. Carr; the Hon'ble Sir C. Armstrong; the Hon'ble Mr. Macpherson; the Hon'ble Mr. Maude; the Hon'ble Mr. Arthur; the Hon'ble Major Brooke Blakeway; the Hon'ble Mr. Meredith; the Hon'ble Mr. Walker; the Hon'ble Mr. Arbuthnott; the Hon'ble Mr. Eales.

So the Resolution was rejected.

FINANCIAL STATEMENT OF THE
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SECOND STAGE.

The Hon'ble Mr. Gillan:—"On behalf of the Hon'ble the Finance Member, I beg to open the second stage of the discussion on and to introduce the following heads of the Financial Statement for 1913-14:—

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 do not think it is the intention of the Hon'ble the Finance Member to add anything to what was said in the Financial Statement or explanatory memorandum."

The Hon'ble Sir Robert Carlyle:—"I rise, Sir, to introduce the following heads of the Financial Statement for 1913-14:—

REVENUE.	EXPENDITURE.
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.	42 A } Irrigation.
	43 } Irrigation.
	45. Civil Works.
	49. Capital outlay on Irrigation.

"I will take first the heads dealt with by the Revenue Department.

"The distribution of the special grant of 10 lakhs for agricultural and allied purposes is explained in paragraph 24 of the Financial Statement.

"I have nothing to add to the Financial Statement regarding Land Revenue and Provincial Rates.

"While our forests are essential to the well-being of India from other aspects, they are also of very great importance from the revenue point of view. It will probably be generations before we can get from our forests anything approaching the results obtained in some countries of Europe. Yet even now our net revenue is not inconsiderable, though it is a trifle to what we may reasonably expect when forest industries develop on a considerable scale. I foresee a great advance in the near future. I spoke last year of experiments made by a private firm in connection with the preparation of wood pulp from bamboos. These experiments appear to have been successful, and several concessions have already been given, while others are now under consideration, with a view to manufacturing paper pulp from trees, grass and bamboos. Though a beginning only has been made, it is a very promising beginning in the direction of utilising what are now over thousands of square miles practically waste products. One of the most important functions of the Forest Research Institute is to examine into the possibility of increasing the wealth of the country by the commercial

exploitation of our forest products. I would, in this connection, draw attention to a Commercial Guide to the Forest Economic Products of India recently issued by the Research Institute, and I can assure all desirous to investigate and utilize the resources of our forests that they will receive the co-operation of the Provincial Governments and of the Research Institute at Dehra Dun. Improved laboratories and apparatus are required to increase the efficiency of the Research Institute, also an increase of accommodation. For this purpose we have provided Rs. 30,000. We are also making small grants to aid two of the provinces, namely, Burma and Assam, where development is most urgent.

“Another very important line of development is to improve our methods of extracting forest produce, and a proposal is now before Government to appoint a Forest Engineer to enable us among other things to introduce more largely mechanical means of extraction. I am sure that once we seriously set ourselves to reduce the cost of extraction of forest products, the work will very rapidly expand, and in a few years the results on our revenue will be very marked.

“Under the head ‘scientific and other minor Departments’ I will deal with—

The Survey of India,
Meteorological Survey,
Bacteriology and Agriculture.

“So far as the Survey Department is concerned, the main point to notice is that with the sanction of the Secretary of State the pay and prospects of the Provincial Service have been greatly improved. Extra expenditure this year under the head of Provincial Survey was R78,000 and in 1913-14 it will be R80,000.

“The increase in the estimate under the head ‘Meteorological Survey’ for 1913-14 is due to our having decided to spend during the next ten years some three lakhs on inquiries into the conditions of the upper air, as knowledge of these conditions may enable us to form much more accurate forecasts than is now possible, and special arrangements will be inaugurated at Agra and elsewhere before the next rains to carry out this investigation. We have also under consideration the possibility of improving our arrangements for storm warnings in the Indian Ocean, and we have set aside R40,000 from our special grant of 10 lakhs for these and some other minor objects connected with the Department.

“Under the head of ‘Bacteriology’ I have to deal with the expenditure on bacteriological work carried out at the Government Laboratory at Muktesar and of the branch laboratory at Bareilly in the United Provinces. The laboratories now provide anti-rinderpest serum not only for India but also for other countries in the East, and we have during the year received a specially large order for the supply of serum to the Egyptian Government. Owing to the researches of the Officer in charge, Major Holmes, new methods of preparation have been discovered, which have enabled us to make considerable economies and to avoid the risk of a breakdown to which we were some years ago exposed. We hope to spend a substantial part of our special grant in providing increased accommodation at the branch laboratory at Bareilly, and in strengthening the staff at Muktesar.

“An increase of 3 lakhs, as compared with last year’s budget, shown under the head ‘Agriculture’ in the Budget for 1913-14 is mainly due to that portion of the special grant which has not been distributed to Provincial Governments and includes the special provision which we are making for Bacteriology. So far as Agriculture proper is concerned, we propose to spend some R60,000 of this grant in connection with the Agriculture Institute at Pusa. At Pusa our officers continue to do excellent work for the country, and I would invite such members as are interested in the agricultural progress of India to peruse the report issued recently of the work done at Pusa during the last year. I would specially draw attention to the work which is now being done in the

selection and cultivation of Indian wheats and in the examination of insect pests. We intend to expand and to improve the work done at Pusa by devoting part of our grant, among other matters, to the purchase of steam cultivating machinery, the development of fruit work, the testing of milling and baking qualities of wheats, bacteriological investigation into rice cultivation, the demonstration of improved methods of saltpetre refining, and the establishment of a dairy farm. We have distributed R4,85,000 of our special grant to Local Governments. We have not tied their hands, but we have indicated to them our desire that the grants should, as far as possible, be utilised for certain specific objects, such as the establishment of sugarcane farms, the extension and improvement of sugar and cotton cultivation, the boring of tube wells and the improvement of sericulture and fisheries. We hope too that the Local Governments may be able to utilize part of the general grant of one crore which has been made to them, on the development of agricultural resources.

"Famine relief is at present confined to the district of Ahmednagar and its neighbourhood in the Bombay Deccan and to the tracts round Mirzapore and Benares in the United Provinces, but the recent rain has done much good in the United Provinces. In Bombay the distress is at present almost entirely confined to classes incapable of earning wages. Test relief works were opened, but had to be closed as they did not attract labour, and gratuitous relief alone is being given. A serious feature of the situation is the want of water and fodder for cattle, and measures have been taken to cope with the situation in both respects. Among other measures, the rates for the transport of fodder by rail to the districts affected have been largely reduced. In the United Provinces the distress has been met mainly by relief on test works, but these have largely been supplemented by a considerable expansion of ordinary public works.

"The financial results for the current year of Major Irrigation Works are very satisfactory. The net profit after paying all charges inclusive of interest will be over 269 lakhs of rupees. This constitutes a record, the previous highest return being 228 lakhs in 1911-12. We anticipate for 1913-14 a slightly reduced net revenue but still higher than the previous record.

"The annual expenditure on new productive and protective works taken together continues to increase. The total provision in the Revised and Budget Estimates is 289 lakhs for the current year and 310 lakhs for the ensuing year. This is well in advance of the annual outlay of 220 lakhs contemplated by the Irrigation Commission. The Irrigation Commission submitted its report in 1903-04. It was not till 1908-09 that we were able to work up to anything near the annual expenditure of R2,20,00,000 proposed by them. Since then we have never gone back and during the last two years the expenditure in excess of the standard they suggested has been very considerable, and we will, I hope for many years to come, never go back to it. So far as productive works are concerned, I am glad to say that for several years in succession we have exceeded the original budget provision. This has not been the case with protective works. The estimated expenditure on protective works is 64 lakhs for the current year, and 90 lakhs for the next year. I regret that the original budget provision of 75 lakhs for protective works was not worked up to. There has again been some difficulty in working up to the programme in some provinces; but I am glad to say there is every prospect of a higher standard of expenditure being established in the near future. It is hoped that the contracts for the Nira Right Bank Canal in Bombay will be placed shortly and that construction will be pushed on rapidly. The expenditure on this canal in 1913-14 is expected to be about 28 lakhs, and the work will probably require an annual grant of some 25 lakhs for the next nine years to come. The Tendula Canal in the Central Provinces is in full progress, and will require ten lakhs or more of our annual grant during the next decade. The estimates for the Gokak Canal in Bombay, another large protective work, will, it is hoped, shortly be submitted for the sanction of the Secretary of State, and its programme provides for an annual expenditure of 15 lakhs for twelve years or more. These three large works are calculated to absorb about one-half of our annual protective works grant for several years to come and their prosecution will, I

hope, enable us soon to utilise the full maximum annual grant of 100 lakhs which the Secretary of State has sanctioned. But it is not only by the construction of new works that we are increasing the area protected by irrigation. The area protected by existing works is being steadily and largely extended by improvements in the works themselves, by better methods of distribution, by reduction in the supply to areas which receive at present more water than is actually required to bring the crops to maturity and by measures for preventing loss of water by percolation from government channels. There is no doubt that in many cases more water than is required for their crops is used by the cultivators, and I hope it may shortly be possible to appoint an Agricultural officer working in close touch with the Public Works Department to inquire into the best means of ascertaining and bringing to the notice of the cultivators the amount of water which can be most effectively utilised. Nothing would more tend to check the excessive use of water for irrigation purposes than the introduction of a system of selling water by volume; and we trust that the modules which are now being introduced on certain works will in time lead to the introduction of such a system.

“As regards Civil Works the grant provided next year is 102·32 lakhs (excluding 1 lakh for Archæological works) against the grant for the current year, of 86·57 lakhs. Of the sum provided in 1913-14, 4·43 lakhs represents the amount it is proposed to spend on Original Works chiefly to meet the requirements of Posts, Telegraphs, Customs and the Currency Department. Under Telegraphs there is a provision of R3·32 lakhs for Radio stations at Bangalore, Secunderabad, Madras, Peshawar, Quetta, Burma and Port Blair. As I pointed out last year, so far as the Original Works are concerned, the Public Works Department is practically in the position of an agent for other Departments, and the number and size of buildings to be put up must depend mainly on the demand of other Departments. The provision for repairs amounts to 18·75 lakhs which is 75 lakhs more than that allowed last year. The cost of repairs must necessarily increase *pari passu* with the maintenance of a larger number of civil buildings, roads, etc.”

The Hon'ble Sir Harcourt Butler:—“Sir, I beg to introduce the following heads of the Financial Statement: Revenue—‘Education,’ No. XIX and the sub-head ‘Sanitation,’ under ‘Medical,’ No. XX of the Budget heads and the same heads under Expenditure. I think it will be for the convenience of the Council, as my statements consist largely of a table statement of financial figures, if I lay them on the table. I lay on the table a statement of the educational grants and an educational summary with statistics showing educational progress during the year, which will be published in the next Gazette; also a statement showing in detail the sanitary grants and the objects for which they are given. I will now ask the Hon'ble Surgeon-General Sir Pardey Lukis to make a statement as to what is being done in the important department of research.”

The Hon'ble Surgeon-General Sir Pardey Lukis:—“Sir, as requested by the Hon'ble Member in charge of the Education Department, I rise to submit to Council a statement as regards both research work which has been carried out during the past year and the various inquiries which are either in progress or about to be undertaken in the immediate future. In so doing I will be as brief as is consistent with making clear to a lay audience this highly technical subject. The diseases with which I shall deal are seven in number. Five of these, namely, Malaria, Yellow Fever, Plague, Kala Azar, and Relapsing Fever are conveyed from man to man by biting insects. The remaining two—Cholera and Dysentery—are as a rule water-borne.

“I will first deal with what is being done in connection with malaria. There can be no doubt that this disease is responsible for more sickness and death in this country than any other individual cause. In some tracts it is a scourge worse than either plague or cholera, and in few places does the population escape entirely. To this the Government of India is keenly alive, and special exertions are being made to mitigate the evil. At the present time

there are eight officers on special duty in different parts of India studying the local conditions which underlie and are causing the malaria and devising schemes for its reduction or abolition. Special grants have been made by the Government of India for such investigations, and as schemes have been prepared, further grants have been given either to cover their full cost or assist in bringing them into effect. To Madras Rs. 28,000 has been given for a malarial inquiry in Ennore, and this as also a general investigation into malarial conditions throughout the whole presidency is in progress. A complete survey of the conditions favouring the prevalence of malaria in Bombay has furnished recommendations for the prevention of that disease within the City. A grant of Rs. 50,000 has been given to assist in carrying these out. Two other investigations—one in Sind and the other in the Canara District—are also in progress in this Presidency, and for these a grant of Rs. 21,380 has been made.

“In Bengal the conditions are very different from those in other parts of India, and, as the Hon'ble Member told you just now, malaria appears to be largely due to overgrowth of jungle. The Government of India suggested that an experiment might be made to see how far conditions could be ameliorated by the clearance of this jungle, and the grant of Rs. 50,000 has been made to help in carrying it out. Other experiments and investigations are in progress in this province which, it is hoped, will lead to further good results. In the United Provinces malarial surveys were undertaken in the towns of Saharanpur, Nagina, Kosi, Kairana and Meerut. These have all been completed and recommendations made for each place. In Saharanpur, Nagina and Kosi an active anti-mosquito campaign is being carried out with the aid of a grant of Rs. 1,80,000 from the Government of India. The schemes for Kairana and Meerut are still under consideration. From the Punjab Government a scheme regarding the town of Palwal, which lies in a specially malarious tract, has been received and Rs. 35,000 is being allotted towards its cost. In Burma the Malaria Officer has prepared a scheme for the town of Kyaukpyu, and in Delhi a full survey of all the conditions tending to malaria has also been made. This survey has placed us in possession of accurate information as to the nature and extent of malarial infection in and around old Delhi—information which will be of great use to the authorities when they are considering the location of the new Imperial City. The list of work in progress is a long and satisfactory one, but it is Government's intention to further extend it to other places as men and funds become available.

“In this connection I may mention that several interesting points were brought into prominence during the discussion at the recent Malarial Conference at Madras. Thus investigations have shown that the cultivation of rice and of other crops for which an abundance of water is necessary need not lead to the formation of dangerous breeding grounds for mosquitos. In the interests of agriculture, therefore, we are endeavouring to ascertain the precise conditions under which such cultivation is, or is not, likely to be harmful. We are also pursuing inquiries with a view to discovering what are the most effective larvicides and natural enemies of the mosquito and which of them are best suited for use in particular localities and under different conditions of environment. Here I must mention a very interesting paper on insect psychology, which was read by Professor Howlett before the last meeting of the general malarial committee. This paper shows that we must regard the biting insects not as intelligent beings consciously shaping a path through life, but as being in a state of active hypnotic trance and influenced by external stimuli such as particular scents and sounds. If Mr. Howlett's view is correct, it is obvious that it opens up great possibilities in mosquito control. Once we discover the stimulus which determines a mosquito's action we hold the key of the position since we can apply our knowledge to the mosquito's undoing. As Professor Howlett aptly puts it ‘it is no intelligent foe we have to fight, but a mere battalion of sonnambulists.’

“I turn now to Yellow Fever:—The Council will remember that Major James was sent to Panama to devise measures for keeping this disease out of the country. This officer has returned to India and submitted a most interesting and valuable report which will shortly be published. Meanwhile

Hon'ble Members will be glad to learn that after a careful study of the trade routes Major James is of opinion that the immediate danger to India on the opening of the Panama Canal is not as great as was anticipated originally. His chief reasons for this view are first that the very thorough precautions taken at Honolulu which is the first port of call for the trans-Pacific voyage to the East, affords a strong protection against the infection of Asia and the East Indies, and secondly, that on the usual route to Hong Kong, the ships after leaving Honolulu pass northwards into latitudes not as a rule favourable to the life of the mosquito so that there is little likelihood at present of the introduction of infected mosquitos into our ports. This however does not justify the conclusion that little or no action is at present necessary. Major James makes a number of important recommendations which are now under consideration. Time will not permit of my dealing with these, but I must say a few words with reference to the extermination of the stegomyia or 'tiger' mosquito or its reduction to non-dangerous numbers in our ports. The surveys already carried out show that the stegomyia is essentially a domestic mosquito which breeds in small collections of stagnant water such as old bottles, tins, water-barrels, etc., within house limits. Its extermination therefore is essentially a matter of house sanitation. But from the observations made it is clear that the key to the problem of reducing the number of stegomyia mosquitos in Indian sea-ports lies in the improvement of the water-supply. We can easily deal with discarded tins, bottles, etc., thrown away in yards, but if we are to attain success, it is necessary that arrangements should be made for a continuous water-supply to the houses, thus obviating the necessity for water storage in houses, for it is the receptacles for such storage which constitute the most important breeding grounds of this mosquito.

"I now come to Plague:—In connection with this disease, two very important points have been brought into prominence at the recent Sanitary Conference.

- (1) The large part played in the spread of plague by grain stores and grain markets. Captain White has shown clearly that there is a close correlation between the import of grain into each trade block and the amount of plague from which such areas have suffered in the past. It follows, therefore, that the protection of grain in bunnias' shops, the construction of rat-proof grain godowns and where possible their erection at some distance from human habitations are useful preventive measures. There is also the problem of the disinfection of grain in bulk. Last year I informed the Council that experiments were in progress at Parel with a view to solving the problem of how to disinfect bags of grain without damaging their contents. These experiments have proved encouraging under laboratory conditions, but we considered it necessary to carry out a practical experiment of disinfection of grain on a larger scale, and for that purpose a sum of one thousand rupees has been sanctioned from the research fund.
- (2) The second important point is that if a locality is infected late in the plague season the disease does not burn itself out and the locality thus becomes the starting point of an early epidemic in the next season and thus a potential source of widespread infection. It is obvious therefore that special attention should be paid to the definite marking down of such localities, and that the energies of plague preventive staffs instead of being relaxed as is so often the case, should be specially concentrated on them during the quiescent period.

"I now come to the Kala Azar inquiry. The researches into this disease have been carried out under the direction of a committee consisting of Surgeon-General Bannerman as Chairman, and Major Christophers and Dr. Bentley as Members. The actual investigations have been entrusted to Captains Patton and Mackie and Dr. Korke, the division of labour being as follows:—Captain Mackie has conducted an epidemiological inquiry into the distribution and prevalence of Kala Azar in Assam, where the conditions for

the spread of the disease appear to be peculiarly favourable. Captain Patton and Dr. Korke have worked in Madras, the former devoting himself chiefly to laboratory experiments in the King Institute, Guindy, while Dr. Korke undertook the investigation of the disease in the endemic area at Royapuram. Distinct progress has been made by all the officers working on this inquiry. Captain Patton has shown that under certain definite conditions the parasite of Kala Azar undergoes its full cycle of development in the body of the bug which he considers to be the insect-carrier of the disease. He has not yet succeeded however in transmitting the disease from one animal to another. The difficulty of course is to obtain a susceptible animal for the transmission experiments, but we hope that this difficulty will soon be surmounted. I must mention here that Colonel Donovan, who was the original discoverer of the parasite, has given good reasons for thinking it possible that the infection of Kala Azar may also be conveyed through the mouth and that Dr. Korke as a result of his investigations in Royapuram has elicited the interesting fact that the disease is not strictly speaking a house infection, but that it tends to cling to communities having close social intercourse with one another. It is obvious therefore that more work is needed, and it has been decided to continue the inquiry for another year both by laboratory experiments and investigations in the field.

“The last of the insect-borne diseases is Relapsing Fever :—This is a disease due to an animal parasite which from its peculiar spiral shape is called a spirochæte, and the insect-carrier of the disease, as was proved some time ago by Captain Mackie, is the body louse. The disease had practically died out in this part of India, but it has recently re-appeared in the United Provinces, and there are reasons for believing that it is endemic in the Jumna Kadir where it is frequently unrecognised and treated as Malaria. We have therefore at the request of the Local Government deputed Captain Brown from the Research Institute at Kasauli to proceed to the United Provinces for a period of three months in order to investigate the causes of the recent outbreak.

“I now come to the two so-called water-borne diseases, Cholera and Dysentery.

“Major Greig working at Calcutta and Puri has during the year carried out a most important series of observations which go to prove that in addition to contaminated water the following three factors are of great importance in the spread of cholera :—

- (a) Convalescents, who though showing no symptoms, are still infective.
- (b) Healthy persons who have been in contact with cholera cases and who are acting as ‘carriers’ without having themselves contracted the disease.
- (c) Flies.

“Major Greig is still continuing his researches which will, I trust, prove of much value to the Committee which is now inquiring into the possibility of improving the sanitary arrangements at the different pilgrim centres. As regards dysentery which is the cause of so much sickness and mortality throughout India generally and specially in Eastern Bengal and the Andamans, all I need say is that much uncertainty and doubt still exist as to the causation of its different varieties. It has been decided therefore that the whole subject shall be carefully and thoroughly investigated, and we have selected for this purpose Captain Cunningham, the assistant to the Director of the Central Research Institute, Kasauli.

“One word more and I have done. It is obvious that in dealing with water-borne diseases we must be in a position to say definitely whether or no a given sample of water is fit for human consumption. Now this is a point on which there is much difference of opinion. It is recognised that the bacteriological standards fixed for England are not always reliable in this country. Moreover, when samples of water are sent to distant laboratories, they are liable to undergo decomposition *en route*, and thus the analysis may be of little or no value.

It has been decided therefore to hold an exhaustive inquiry into the following points:—

- (a) What are the most suitable methods of water analysis?
- (b) Is it possible to fix definite bacteriological standards for India?
- (c) What plans should be adopted for conveying samples of water to and from distant laboratories?

“This, Sir, is our programme. I trust the Council will find it satisfactory.”

The Hon'ble Mr. Clark :—“Sir, I have to introduce the heads of Excise, Customs, the Post Office and Telegraphs, Stationery and Printing and Railways. As regards the heads of minor importance in this list, I have nothing to add to the memorandum explaining the details of the estimates, except that in relation to Stationery and Printing, I should like to take this opportunity of expressing an appreciation, in which I am sure Council will share, of the effective manner in which the difficult task of creating at Delhi a printing press adequate to meet the heavy strain imposed upon it during our Legislative Session, has been carried out by Mr. Cogswell, the Controller of the Stationery Department, and Mr. Meikle, the Superintendent of Printing. Great credit also is due to their staff for their loyal co-operation and for the excellent work they have done in their new surroundings.

“The record of the Post Office and of the Telegraphs for the year is eminently satisfactory. For the year 1911-12 the receipts of the Post Office amounted to £2,134,279 and the expenditure to £2,008,470, so that there was a surplus of £125,809. Adding to this the sum of £46,030, representing the surplus for the preceding year, we get a total of £171,839, which exceeds the deficit for the two years 1908-09 and 1909-10 taken together by £100,352. According to the revised estimates the receipts for the year 1912-13 will amount to £2,259,500 and the expenditure to £2,036,400; and, if our anticipations with regard to the coming year are realised, the surplus for the year will exceed £300,000. The expansion of business and the curtailment of expenditure during the past two years has fully restored the financial equilibrium of the Department, which was seriously disturbed for a time by the great reductions made in postage rates and the comprehensive measures taken to improve the pay of the staff in all grades. I think, therefore, I am fairly entitled to say that the financial position of the Post Office at the present time is highly satisfactory, and that we may look forward to even better results in the next few years.

“Turning to Telegraphs, the Revised estimates of revenue for the Indian Telegraph Department exceed the Budget estimates by £44,100 owing to the prosperity of the country during the year, while there is a corresponding increase of £36,500 in expenditure, which is chiefly accounted for by the purchase and installation of wireless apparatus. For next year we have budgeted for an increase of £50,600 in Revenue and £87,200 in Expenditure, of which Capital expenditure accounts for £44,500 and Revenue expenditure for £12,700. The former is due to the extension of the wireless system, and the latter is required to provide for the extra establishment necessary to deal with the growth in traffic and for the cost of remodelling the wireless stations in the Bay of Bengal. Provision has also been made for the expansion of the Telegraph and Telephone systems, and the Department has arranged to make their funds for this purpose go further than before by using cheaper material for erecting the less important lines.

“The details which I have just given belong to the every day life of the two Departments; I turn now to the event of special interest in their history during the current year, namely, the step forward which has been taken towards a permanent amalgamation of the Posts and Telegraphs. Last April, Sir Charles Stewart-Wilson, the Director-General of the Post Office, was placed provisionally in charge of the two Departments with instructions to report whether a complete fusion of the Postal and Telegraph services was feasible and advisable, and, if so, to prepare a scheme for their gradual amalgamation. Sir Charles

considered that the problem could only be satisfactorily solved by an experiment, and he accordingly proposed to Government that a tentative amalgamation should be carried out in two selected circles. The principle which he recommended for adoption was to entrust the traffic administration to the two Postmasters-General, and to place the engineering work of both Circles in charge of one officer of the Telegraph Department directly subordinate to himself. By this means he proposed to avoid the evils inseparable from the system of dual control which had long impaired the efficient administration of the traffic side of the Department. He proposed, in effect, that engineers should be employed solely for engineering work instead of also being entrusted, as has hitherto been the case in the Telegraph Department, with traffic duties, in the discharge of which specialised technical knowledge is not required. These proposals secured the approval of the Government of India, and the experiment was introduced in the Bombay and Central Circles, where it has worked smoothly and successfully. In addition to this experiment, Sir Charles Stewart-Wilson and the Hon'ble Mr. Maxwell have, either one or the other, visited nearly every important centre in India, and at every place have discussed the scheme with all bodies and persons who might be interested. They have devoted no less labour and care to the investigation locally of the interests and requirements of the staff, in accordance with the desire expressed by Government last year that all possible protection should be afforded to the personal interests and prospects of the existing staff of both Departments in all grades.

"The draft scheme which is the outcome of their investigations is now under consideration by the Government of India and the Secretary of State, and I cannot therefore discuss it to-day. But from what I have said I think Council will agree that Sir Charles Stewart-Wilson and the Hon'ble Mr. Maxwell, who has been his righthand man throughout, have dealt with their part of the task on an altogether admirable plan, which they have carried out at the expense of much time and labour to themselves. They have recognised—as Government have recognised from the beginning—that this is a matter in which the public have especial rights. Whatever affects postal and telegraphic communications, affects modern life on all its facets alike in its pleasures and its business, its public and private relations. They have spared no pains therefore to take the public, and especially the commercial public, thoroughly into their confidence, and the Chambers of Commerce on their side have been most helpful in meeting them and thoroughly discussing the scheme. They have equally spared no pains in investigating by personal discussion and inquiry the interests of the staffs of both Departments, with a view to devising proposals by which their prospects may be adequately and efficiently safeguarded.

"I cannot close this review of the work of the two Departments, without a reference, however brief, to the loss which they have sustained through the departure on leave of Sir Charles Stewart-Wilson, preparatory to retirement. Sir Charles Stewart-Wilson has been Director-General of the Post Office since 1906, and was made Director-General of the combined services of the Posts and Telegraphs, when the provisional appointment was created, in April of last year with a view to testing the possibilities of amalgamation. During the seven years of his rule over the Post Office, he brought that service to a pitch of efficiency of which this country has every right to be proud. His term will be especially memorable—apart from the question of amalgamation—as having witnessed the introduction of the reduced rates of postage which have conferred upon the millions of poor people in India the inestimable boon of probably the cheapest postal communication in the world. When the question of placing the two services under one head arose, there could be no doubt but that Sir Charles Stewart-Wilson was the best man who could be found for the post. Many men nearing the end of their service might have hesitated about accepting a task involving the heavy work and responsibility of the double administration and the preparation of the scheme of amalgamation; but Sir Charles undertook the duty readily and, in spite of health which was not at its best, threw himself into it with his accustomed energy and with a characteristic optimism which made light of diffi-

culties. I have already referred to the manner in which that work has been carried out, and I need only add here that if, as I hope, amalgamation becomes an accomplished fact in the future, if it proves the success which I venture to hope it may, this result will be due in very large measure to the manner in which it has been initiated under Sir Charles Stuart Wilson's guidance. It has been my good fortune at different times to be associated with men of widely variant types who each in their way have been gifted with a real genius for administration; one characteristic they have all had in common. They have possessed the power of devolving non-essential work on others; of avoiding the burden of excessive detail; while at the same time owning an intimate and almost magical knowledge of every essential factor in the organizations under their charge. Sir Charles possessed this faculty in no small degree. He never allowed himself to be overburdened with masses of work which could be done by subordinates; he was never too busy to give full time and thought to matters of importance; yet he knew intimately all the intricacies of the complex machine which he controlled, and could meet any defect or emergency with unflinching readiness and resource. Add to this that he was a co-adjutor of imperturbable good humour and kindness; a delightful companion and friend; and Council, I think, will realise that, ably as we know his work will be carried on by his successors, I, at least, as head of his Department, may well feel a very real sense of personal loss that the time has now come for his retirement.

"I turn now to the Railways. According to custom I will ask my Hon'ble friend, the President of the Railway Board, to lay before Council a review of the progress made during the year, but I think it is desirable that I should say a few words on the subject which has been of capital interest in the last 18 months—the question of congestion. It is a problem of far-reaching importance, affecting alike the commercial, industrial and agricultural interests of the country; and it is only right that Council should have Government's policy in the matter put clearly before them. First of all, as to the nature of the task which has been set the railways. There has been an enormous and altogether unprecedented expansion of trade in the last two years. Our total import and export trade in the calendar year 1912 showed an increase of £25½ millions over 1911 and of £42½ millions over 1910. Some of this increase must be put down to the rise in prices, but with all deductions made the figures are still enormous. The statistics of shipping tell a very similar tale. So great was the activity in foreign commerce that the total tonnage entered and cleared at Indian ports last year was more than a million tons in excess of the figures for 1911. The increases in exports of agricultural produce especially have been phenomenal. Shipments of grains of different kinds increased in the last two years by 48 million cwts. Barley alone, which in 1910 was exported in only a trifling quantity, amounted last year to 13½ million cwts. And it is not too much to say that, when foreign trade has been so markedly prosperous, the internal trade of the country, for which correspondingly recent figures are not yet available, will not have lagged far behind.

"Now these figures indicate two things. They indicate the great strain which has been put on the railways, and they also indicate that they have by no means broken down under it. I have no desire to minimise the serious losses caused to producers and manufacturers by the delays to traffic and by the undoubted failure of the railways to carry all that has been offered; but they are entitled to this much credit; for, if their failure had been anything like as complete as it has been represented in some quarters, this huge expansion of the country's trade could scarcely have taken place. Efficiency of railway transport is an essential factor of commercial expansion in any country, but especially so in a country of vast size like India, where a year of exceptionally good trade implies the movement of largely enhanced volumes of agricultural produce. In point of fact the carrying capacity of the railway has shown itself remarkably elastic. The actual weight of goods carried in 1912 reached the record figure of 84 million tons—13 million tons more than in 1911 and 19 millions more than in 1910. This, I venture to think, is no mean achievement.

“The prosperity of the last two years has not been peculiar to India; it has been world wide. Similarly the strain on railways would seem to have been a very general experience in the great commercial countries of the world. Students of the railway papers will have noticed that the same complaints have been heard in France, Germany, the United Kingdom, Australia, Canada and the United States of America. A great railway expert in the United States recently spoke of the disaster. I use his own word, with which the commerce of the country was threatened by the deficiencies of the railways. I do not mention these examples as in any way desiring to whittle away Government's responsibility for the losses and difficulties which the defects of the railway have caused in India, any more than the responsibilities of railway administrations in the United States could be lessened by American railway magnates citing the troubles of Indian railways. But it is a significant fact that the same phenomena should be producing themselves simultaneously in countries like India, France and Germany, where Government takes a hand in the administration and management of the railways, and in those, such as England and the United States, where railway management is altogether a matter of private enterprise. I think the fact illustrates the true nature of the difficulty—the difficulty, namely, that railway facilities cannot beyond a certain point be rapidly expanded to meet a sudden and violent increase in demand. It will be said, no doubt, that Indian railways, even in altogether normal years, are not equal to the demands made upon them. That is not an entirely fair way of putting the case, for the difficulties of Indian railway administration are enormously complicated by the seasonal nature of Indian business, which means great pressure for a relatively short period of the year, pressure which is enhanced by an immense proportion of the produce exported having to be shipped from one of two ports. The railways are judged by their success or failure during this busy period, and little or no allowance is made for difficulties of organising traffic economically to meet the varying demands at different times of the year. But I do not deny that there is truth in the charge, and the railway policy of Government in the last few years has aimed steadily at its removal. The rate of progress has had to be conditioned by finance, but at least Government have had a clear end in view. Desirable and tempting as the further extension of railway construction would be, Government has consistently stayed its hand, and instead has devoted far the larger part of the capital available in each year to the improvement of open lines and the provision of rolling-stock. In the last five years the average proportion so utilised has been some three-fourths of the whole. My Hon'ble Colleague, the Finance Member, dealt in his speech on the 1st March with the provision of capital for railways. I need only remind Council that this year the sum of £12 millions is being provided, representing an increase of 1½ millions over the revised figures for last year, and of more than £4 millions over the average expenditure during the three years 1909-10—1911-12. At the same time the question has been taken up of making it easier for the Railway Administrations to spend their allotted grants within the financial year and thus avoid lapses. Some of the causes which lead to lapses are outside our control; they depend on the activity of the English markets, the demand for railway material in other countries or the occurrence of labour troubles. But in so far as they depend on our machinery for financing railways, they are being closely examined and good results have already shown themselves in the current year in which the anticipated lapses seems likely to be much smaller than recently. I hope that an even greater improvement may be achieved in future.

“One other point I must touch on and I will then not detain Council further. It is not enough to have plenty of money to spend; we must be sure that it is being spent the right way, and that the existing railway facilities are being utilised to the best advantage. It was this consideration no doubt which led the Bengal Chamber of Commerce and the East India Committee of the London Chamber of Commerce to press for an outside expert inquiry into our railways. Government have very carefully considered this suggestion, but, on the whole, its adoption in the present circumstances has appeared to them inadvisable. I need not

give our reasons in detail, but broadly what has influenced us is that such an inquiry would inevitably take a very long time; it would *ex hypothesi* be conducted by a person or persons unfamiliar with the special conditions and difficulties of Indian railway administration, which has dangers of its own; and as there is no reason to suppose that the different Railway Administrations and the Railway Board are not fully cognisant of the immediate improvements required, insufficient grounds would seem to exist for risking these disadvantages. I think anyone who studies the detailed lists of works included in the Programme for the next three years will be satisfied that the needs of our railways are well understood and are being met. At the same time we are very far from wishing to debar ourselves from the advantage which may be reaped from experience in other lands. In a country such as India, cut off from actual railway contact with other countries, it would be always possible that our methods might be getting rusty; besides, every country has something to learn from another in railway matters, and it is of great value to see how difficulties have been surmounted or at least grappled with by other nations, whose railway problems are in some respects similar to our own. What has seemed to us the best policy is from time to time to send our own men, who of course are thoroughly conversant with Indian conditions, to study special methods in other countries and to examine how far they might be applicable in India; and to combine this with bringing over to India foreign experts to help us in specific cases and for specific purposes. We thus avoid the delay inseparable from a large inquiry; and we avoid the risk of having forced upon Indian railways methods not suited to their circumstances. In pursuance of this policy, Major Cameron, of the North-Western Railway, was sent early last year to Canada and America to study the possibility, of introducing on Indian railways the A. B. C. despatch system which has been specially devised to meet the requirements of traffic over long leads of single line—a very familiar condition in India. If in light of Major Cameron's Report, this system, which I understand has been amazingly successful in increasing the carrying capacity of American and Canadian lines, is found likely to prove workable in India, we shall endeavour probably to obtain the services of American or Canadian experts in introducing it experimentally on one of the State-worked railways. Similarly advantage has recently been taken of Mr. Merz, the well-known expert in electrification, being in the East, to obtain reports from him on the possibilities of electrification for suburban traffic on the Great Indian Peninsula and Bombay, Baroda and Central India Railways at Bombay and on the Eastern Bengal State Railway at Calcutta. The use of electrical power has played a very important part lately in western countries in expediting local traffic and preventing congestion in the neighbourhood of large terminal stations, and it has been well worth our while to obtain expert opinion as to its potentialities in our most crowded areas. It is on these lines, rather than by a general, and therefore perhaps rather diffuse, inquiry that Government think outside experience can be most practically and usefully applied to our railways. The two instances I have given are fraught with very far-reaching possibilities, and the Railway Board have under consideration whether action of a similar kind might not advantageously be taken in other directions. In the meantime, as Council is aware, Sir Henry Burt has been appointed temporarily as an Additional Member of the Railway Board solely to investigate on the spot causes of congestion, and to advise what steps might be taken to bring about some immediate relief; and I think the commercial representatives here in Council will agree that he has already achieved very valuable results in the areas which he has visited.

“ I have not attempted to discuss comprehensively the whole problem of congestion on Indian Railways, a task which would involve far too large a draft on the time of Council. I have merely endeavoured briefly to explain the principles on which we are grappling with it. Let me conclude by summarising them. As a purely temporary measure, Government have placed one of their most capable railway officers on special duty in order to assist and advise Railway Administrations in congested areas. Their policy for the future is to continue to devote to open lines, until they have reached the necessary

standard of efficiency, the lion's share of the annual capital grants. They are endeavouring to effect arrangements which will facilitate the expenditure within the year of the allotted grants and avoid the lapses which have been a too frequent characteristic of our railway finance in the past. Lastly, as I think I have shown, they are not neglecting the problem of how the grants may best be spent, and how India may best benefit by the experience gained by men responsible for the management of railways in other lands."

The Council adjourned to Saturday, the 8th March, 1913.

W. H. VINCENT,

Secretary to the Government of India,

Legislative Department.

DELHI,

The 17th March, 1913.

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 (21 & 25 Vict., c. 67, 55 & 56 Vict, c. 14 AND 9 Edw. VII. c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Saturday, the 8th March, 1913.

PRESENT :

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

and 58 Members, of whom 52 were Additional Members.

DISCUSSION OF FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Sir T. R. Wynne.—“The Budget Statement shows that the net results of the working of the State-owned Railways of India for the year 1912-13 has been the sum of £5,653,000 sterling as compared with £3,800,000 for the previous year, an increase of nearly two millions of pounds of profit.

“The credit for these splendid results is mainly due to the officers and subordinate staff of the Railways of India, who have worked under most trying and exceptional conditions with the greatest devotion to their duties.

“The figures also show that within the limitations within which the Railway Board have to operate the funds placed at their disposal have been well spent.

“Taking a period extending over 16 years from the year 1896-97 to 1912-13. I take 16 years, because the Railway Board has been constituted for the last 8 years.

“For the year 1896-97, the gross receipts of Indian Railways were only 23 crores of rupees.

“For the year 1904-05, the Railway Board being constituted at the beginning of 1905, the gross receipts were 37½ crores.

“For the year 1912-13 the gross receipts will be 55½ crores.

“During the first eight years of this period the gross receipts rose by 11 crores, during the second period they rose by 21½ crores, or for the whole period by 32½ crores. Furthermore the percentage of working expenses in 1912-13 has been the lowest on record.

"Now the Railways of India could not have earned such largely increased gross receipts unless the funds available had been judiciously spent on a fixed and steady policy, the charge made that there has been no such policy is not borne out by the figures before you. Whether the progress of development has been equal to the growth of trade is quite another point. The Hon'ble Member in charge of the Department has already dealt with the recent congestion and the efforts which are being made to meet it, and I will not therefore take up further time of Council in discussing it; but I wish to make it very clear that I am not in any way arguing that we should rest satisfied with what has been done. Far from it, I hold the opinion that the development of trade in India depends very largely on railway transport being thoroughly efficient and reliable as the certainty of being able to get prompt carriage for produce to the ports encourages trade to enter into larger transactions; and I am convinced that we should persevere in our policy of steadily improving our transport facilities.

"Turning now to what is actually being done in railway working. As you know the major part of our railway grant is being spent on open line improvements. Lines are being doubled, terminal facilities enlarged, larger accommodation is being provided at junctions, and in fact all works which will increase carrying capacity are being pushed on. Last, but not least, large orders have been placed for locomotives and wagons. Though not much money has been available for starting new lines this last year, it must not be thought that construction of new lines has come to a stand-still. For the year 1913-14, a sum of 350 lakhs will be spent on lines now under construction, and I will refer to a few of the projects in hand.

"In Bengal the most important work, the Sara Bridge, is well in hand and its completion will remove one of the biggest obstacles which now exists in the development of the trade between Northern Bengal and Calcutta. The cost of this bridge will be 4 crores, and it is expected it will be opened in 1915, that is two years from now. It will be one of the great engineering works of the world.

"In the Punjab the construction of valuable branch lines to Hoshiarpur, Abbottabad and Bannu is well in hand.

"In the United Provinces the Cawnpore-Banda Railway is nearing completion.

"In Assam the important connection between Chittagong and Dacca is being pushed on."

"In Burma ample funds have been provided for the construction of the line to open out the Southern Shan States, a country which offers great prospects of development.

"In the Central Provinces the Great Indian Peninsula Railway are completing their line from Itarsi to the Pench Valley coal fields and in Chota Nagpur a line is under construction to tap the Ramgarh Bokaro coal field, a most important work.

"These are only some of the lines which will at no distant date come into operation as useful feeders to the main system and they are all financed from the railway programme. Plans and estimates of new lines have been prepared, and as the demands for funds from the programme for lines in progress diminishes it will be possible to put in hand new extensions.

"But the most important development of railway construction is occurring in the direction of the formation in India of branch line companies with the financial assistance offered by Government in their resolution published in the year 1910. These lines are all being constructed by capital provided outside the funds supplied by Government under the railway programme and the capital so raised is in addition to that provided by Government.

"A very considerable number of proposals of this nature are now before the Railway Board, some from Indian firms of high repute.

"The Jessore-Jhenidah line promoted by Messrs. Khetter Mohun Dey and Company of Calcutta is almost ready for opening, and another Company was successfully floated a month ago in Calcutta to carry out some very useful branches in Northern Bengal.

“The great attraction of this investment is that the shares tend to rise in value, the shares of several such companies on the Bombay side being now at a substantial premium.

“The terms of this resolution may not be familiar to Hon'ble Members, and it might be useful to briefly explain them.

“What the Government of India offer is this. Provided the project is a sound one the Government of India agree that if a Company is formed to provide the capital, and the proposed line is in connection with a State-worked line, it will work it at a fixed percentage of the gross receipts and in addition either give a guarantee of $3\frac{1}{2}$ per cent. and a share in the surplus profits, or give such an addition in the net receipts of the line as will enable a dividend of 5 per cent to be paid, *plus* a share of surplus profits, such addition being subject to the limitation of not exceeding the net profits of the main line on the traffic interchanged.

“The capital must be in rupees and the Company must be domiciled in India.

“These terms have the very great advantage of offering to rupee capital in India a form of investment which is sound and has possibilities of growing in value, and experience is showing that it is a form of investment which is beginning to be much appreciated by Indian investors.

“In a speech at the recent meeting of the Bombay Chamber of Commerce Mr. Marshall Reid referred to the large source of capital available in this country, and expressed the opinion that he could not think of any public security which would appeal more to the Indian mind than the very tangible one of a railway security. I am fully in accord with Mr. Reid's view and think that the capital required for branch lines in the future can be raised mainly by Companies domiciled in India formed under the branch line terms of 1910 with rupee capital. There is every sign that Indian investors are turning their attention to this class of investment which the Railway Board has done its best to encourage, and its development will add largely to the amount spent every year on railways in India and be a most substantial addition to the funds provided by Government in the programme which could, as has been the steady policy of the past, continue to be mainly devoted to improving the capacity of the existing lines.

“With this increase in the source of capital available, it should be possible for the Government of India to continue their conservative and sound financial policy of financing their railways, and at the same time ensure the construction of the many branch lines required. It should be able to raise such additional capital as was wanted for branch lines on terms it was willing to give and without affecting the rate of interest at which it now raises capital for railway construction.

“Another very marked feature in railway construction in India is the great interest some of the leading Chiefs are taking in railway construction in their States. Schemes are now being worked out which collectively will involve the expenditure of some 5 crores of rupees, the whole of which capital will be found by these Chiefs.

“In conclusion, I think it would be useful to explain the conditions under which the Railway Board work, as considerable misconception appears to exist on this point.

“In a recent memorial by the Indian Mining Association, which has been published in the papers, reference was made to the gigantic task of the Railway Board in managing and controlling all the railways in India.

“The Railway Board is not responsible for the provision of capital funds. It is liable to be overruled in the amount it considers should be provided for working expenses required in order to enable railways to be worked efficiently and for the provision of works debitable wholly or partly to revenue.

“In times of dull trade, and when railway receipts do not come up to budget anticipation, they are accused of extravagance.

“Time passes, trade improves and the Railway Board are blamed for more money not having been spent in the past so that the railways might have been in a better condition to deal with the growth of traffic.

“What the Railway Board has done is to plod steadily along with the settled policy of improving the carrying capacity of railways as far as the means placed at their disposal permitted.

“I do claim that it has spent well the money with which it has been supplied, as is illustrated by the financial results shown in the budget. I also claim that as far as its powers go it has done its best to settle differences between trade and railways and to assist in the development of industries and commerce.

“Such differences exist in every country. In England Mr. Lloyd George, speaking last month in the House of Commons on a Railway Bill, made the following remark in connection with English Railways:—

‘They ought to have a reconsideration of the railway system, not merely for the protection of the shareholders, but for the protection of trade and industry.’

“I believe the railways of India are fully alive to the need for doing their best for the development of the trade and industry of India, but there is still large room for improvement and in many ways railways could, I think, deal in a more businesslike way with trade than they do now. But while I hold this view, and while the Railway Board are always willing to help as I have said in the adjustment of differences, it must be remembered that the daily dealings between railways and traders is a matter for them to deal with and not the Railway Board. There is a very general tendency in the mind of the public to hold that the Railway Board is responsible for the whole of the working and detailed management of the railways of India. This is not the position the Railway Board have been placed in, and if this is appreciated I think the work the Railway Board do would be judged more fairly than at present, and they would not be held liable and be made responsible for every detail in railway working regarding which any of the public or any branch of trade may consider that they have a grievance against a railway.”

The Hon'ble Sir Reginald Craddock:—“Sir, I beg to introduce the heads of the Financial Statement for 1913-14 which belong to my Department. These heads are Registration, General Administration, Courts of Law, Jails, Police and Medical. Under all these heads, except Medical, the bulk of the expenditure involved goes in maintaining these necessary services, and any fluctuations and alterations in these heads which require notice are sufficiently explained in the memorandum which accompanies the Financial Statement. I propose, therefore, to confine any remarks that I may have to make, to the head ‘Medical.’ Under the head ‘Medical’ is included the very large expenditure devoted to sanitation, which is in the charge of my Hon'ble Colleague the Member for Education, and by the side of the sums that are spent on sanitation, the sums that are spent on medical, apart from sanitation, are comparatively small. But as you all know, and as the proverb goes, ‘Prevention is better than cure,’ and therefore larger sums have to be spent for prevention in the shape of sanitation than for cure in the shape of medical relief.

“But in the present budget there has been included a special provision of 10 lakhs for grants-in-aid for medical purposes. I could have wished that my Hon'ble Colleague, the Finance Member, had been able to spare more for this particular head, but it is gratifying to find a grant of this kind for the first time, and in so far as part of it will be concerned with medical education, treating medical education as a part of technical education, I have hopes that my Hon'ble Colleague, the Member for Education, may be able to find, in apportioning the large sums at his disposal for education generally, that he can apportion some for the improvement of medical colleges and schools. However, this grant of ten lakhs will be of great value to the various provinces among which it is distributed. For the present 1 lakh is being kept in reserve. The provinces of Madras, Burma and the Central Provinces receive $1\frac{1}{2}$ lakhs each; Bengal, the United Provinces and Bombay 1 lakh each; Bihar and Orissa

and the Punjab $\frac{1}{2}$ lakh each, and Assam and the North-West Frontier Province, $\frac{1}{4}$ lakh each. These are modest beginnings, and I must confess that the sums given bear only a small proportion to the sums asked for. Some of the provinces sent up large demands under these heads, and others sent more modest demands; but in apportioning them the principle generally followed was to pay regard, first, to the definite schemes which the provinces were able to point to as being ripe for execution, and secondly, to their own financial ability to help themselves and, thirdly, to the extent to which medical institutions and medical relief in those provinces were advanced or backward. On these three principles this sum of 10 lakhs has been distributed, after full consultation with the Director-General of the Indian Medical Service, who, in the course of his extended tours to the various provinces is fully able to advise us on the relative merits of the projects and schemes that are in operation. I hope that at some future time it may be possible to increase the grant made for such excellent purposes. For the present I am sure that the Council will be interested to know that this subject has received our attention."

RESOLUTION REGARDING OPENING OF A PORT BETWEEN
CHANDBALI AND SHORT'S ISLAND.

The Hon'ble Mr. Madhu Sudan Das :—"Sir, in the despatch in which it was first proposed to create the new province of Bihar and Orissa there is mention of the intention of Government to give a port to the new province. There are, at present, three ports in Orissa: there is Puri, False Point and Chandbali, but all these three ports are maintained by Government at a loss. Puri is nominally a port, because it is very shallow and steamers cannot approach it within a distance of some miles. It can never serve the commercial purpose which a port is naturally meant to do. At present it imports only diseases and exports the sins of the Hindus who go and bathe there. Doctors consider it a sanatorium and recommend Puri to most patients and all that we import are microbes, and they will never pay Government. False Point was used in former days very largely, but unfortunately the sea is receding there towards the east now. As a matter of fact it was used in those days when there was no other communication between Orissa and the outside world, and the communication between the busy markets of trade in the interior of the province—between these places and False Point—is by creeks and channels over which it is very tedious and costly to travel, and they are by no means attractive from a commercial point of view.

"In rough weather steamers cannot go near False Point; they have to anchor at a very considerable distance as it is impossible for these steamers to unload and load their contents there. Consequently, for all practical and all commercial purposes, the port does not exist. The only port that is now used is Chandbali; but within the last few years the river there, near the port, has silted up. It was always a narrow river, and is used only by small steamers which ply between that port and Calcutta. It is not a place where a sea-going vessel would go; but that has become worse now within the last few years as the river has silted up.

"Orissa exports a large quantity of rice. A good deal of it is exported to Ceylon, and a large portion also to Mauritius. Mauritius sends sugar in return to Orissa. At present all these things which are used for export and import have to come to Calcutta, and then they have to be re-booked either by steamer to Chandbali or by railway to different parts of the province. There is a large export trade in hides. These hides are exported to Europe and to foreign countries. At present they go by Chandbali to Calcutta or by railway to Calcutta, and then they are re-shipped by sea-going vessels to foreign countries. Jute is a growing—(I do not know what to call it)—agricultural pursuit or by what name—it is growing very much. At the last revenue settlement of the province, as far as I remember, there were only a few hundred acres

of land which were used for jute cultivation; but within the last few years the area has increased by leaps and bounds, and now it is several thousands. All this jute is for export to foreign countries. As it is, it comes to Calcutta now, and then it is exported to foreign countries. It is a remarkable fact that, notwithstanding that we have so many coal mines in India, Japan can supply coal cheaper than we can, the reason for that being merely greater facilities of transportation. There are coal mines in Orissa which have never been worked, simply because they are now in places which are inaccessible. The country has not been worked up—I mean to say, opened up; capital is wanting, enterprise is wanting, and the present state of the country is not inviting either to capital or to enterprise. Kerosene oil is a thing which is used in every household, and of course it comes from abroad. It is now carried from Calcutta by railway, and brought to Calcutta by steamer, by some of those steamers, which are called tramps. They go about coasting and unloading their contents at places where they can find a place to unload. Now any steamer coming through the Bay of Bengal to Calcutta must pass through that part of the sea which is near the mouth of the Dhamra. The route to Calcutta, besides being circuitous, is expensive on two grounds: (1) because the Hughly river being what it is there is the cost of the pilot: (2) sailing vessels cannot come, so they have to be towed by steamers, and that means additional expenditure. If there were a port near Dhamra or somewhere in the neighbourhood of it, where vessels could safely anchor, and load and unload, there would be a great saving.

“The iron works of Kalamati will soon require a port for the export of its contents. It has been considered the second largest factory in Asia. It has just been opened, but it has a great future before it. It is an immense organisation. I have not got the figures except for 1905-06, and they show that Chandbali exported things to the value of about 34 lakhs, and imported about 29 lakhs, and the passenger traffic was about 80,000. Of course it should be taken into consideration that Chandbali is not connected by railway or any other means of communication, not even by decent roads, with the interior of the country; and therefore my Resolution is that, if a railway line be constructed connecting Bhudruck with Chandbali or any other place where a suitable site could be had for use as a port, the country will be opened up, commerce will benefit and the public will be benefited by it.

“Sir T. Wynne, in just making his remarks on the budget, enlightened me on the policy of the Government, and that policy is that feeder railway lines are patronised by Government in some form, if outside capital is raised under certain conditions. Chandbali from Bhudruck is about 30 miles, and if the site selected for a new port be a few miles more, I don't think it will exceed 40 or 45 miles. That would be approximately the length of the railway line. There is no large river which requires bridging. In putting these facts before Council and the Government in this Resolution I don't suppose that Government expect me to specify whether it would be profitable to the country and to the investor. On the contrary I do sincerely hope that, in taking into consideration this Resolution, which is more in the nature of a suggestion, the Government would not expect that I would put before them a scheme which was cut-and-dry and give them facts and figures to enable them to give me a definite reply. Of course first of all a site has to be found; that may be done by taking soundings of the river, a survey of the country has to be made and statistics gathered. I sincerely hope that Government would not expect that non-official members would go about and give them soundings of the river unless they expect them to sink in debts or be drowned in the river. All that I expect is to hear it is the intention of Government to develop the resources of the country by the supply of a port. I need not trouble the Council with the ancient history of Orissa, which, if referred to, will show that Orissa had several ports to carry on trade with foreign countries long before the advent of the British Government. In putting this Resolution before the Council, I wish it to be clearly understood that I do not wish Government to understand me to say that I am asking Government to commit itself to any site. I should in fact withdraw the Resolution if I received an assurance from Government that it is the intention of Govern-

ment to take steps in the near future to fulfil the promise contained in the memorable despatch.

I beg to move the Resolution that stands in my name, namely :—

‘That this Council recommends to the Governor General in Council that necessary measures be taken to find out a suitable place between the present port of Chandbali and the vicinity of Short’s Island which may with necessary improvements be used as a port by sea-going vessels, and that the new port be connected with the Bhudruck Station on the Bengal Nagpur Railway by a new railway line.’

The Hon’ble Sir T. R. Wynne :—“ Sir, it is a very natural desire on the part of the new Province to wish to have a port of its own. The Hon’ble Member who has just spoken has very correctly described the character of the ports on the Orissa coast. I know them all personally ; they are not ports at all ; they are roadsteads. In his Resolution he has distinctly indicated where he thinks the port of this new province should be, namely in the vicinity of Chandbali. In the course of his remarks two points arise ; one is whether if a port is opened there trade would use it, and the second is whether a port can be made in the particular locality. With regard to the question of trade using the port, trade, as many of you know, has many peculiarities. You may make a port but it does not follow it will be used. Trade is carried on in certain grooves, and it is very difficult to get it to diverge from these grooves in which it has been running for many years and in which merchants are making a very good profit.

“The Hon’ble Member referred to the possibility of the Orissa coal developing if there was a port at Chandbali. As far as I know the coal is absolutely unfitted, in regard to its quality for export, and therefore it is extremely unlikely that any coal would go to that port. Then as regards the hide trade. I think I am right in saying that the hide trade is concentrated in Calcutta. Hides are brought there and treated before being exported, and one great advantage of Calcutta is that you can get a ship to any part of the world to which you may wish to despatch the hides.

“As regards the Tata Iron and Steel Works, Calcutta is far nearer to Kalmati where the Steel Works are situated than the new port would be. There is another difficulty. You may open a port but you cannot get sea-going vessels to go there. I will give as an illustration the port of Chittagong. You may think that from its situation it would be a port which would do an enormous amount of business. Trade there is increasing slowly, but you cannot get a port to develop until you get a regular line of steamers to go there. A steamer will not go to a port for a small amount of cargo ; it will not go unless it can expect to pick up a large amount of export cargo. The thing goes round in a vicious circle. Steamers will not go to the port unless they see cargo there for them and unless they go trade will not develop. Turning now to his next point there is no possibility of a port being made near Chandbali which would be a satisfactory one. When I was Agent of the Bengal Nagpur Railway, I went personally into the possibility of establishing a port in the particular locality that the Hon’ble Member refers to. I know the place well. After passing the light-house by Short’s Island you proceed up the Dhamra river for 8 or 9 miles and you find a place where there is very deep water, but to get to this place you have some very nasty shoals to pass over beyond the mouth of the river. The ships that trade between Calcutta and Chandbali do not draw more than 12 feet of water, some even less, and even with that depth I have been aground in one of them both in approaching Short’s Island and in the river. To make the port it would be absolutely necessary to spend a great deal of money in dredging. The investigation I have personally made included also the construction of a railway from Bhudruck.

“Since I have left the Bengal Nagpur Railway that line has again made a further investigation. I may also say that a leading steamship company of Calcutta has also looked into the possibility of establishing a port in the locality referred to by the Hon’ble Member. They had at their disposal seamen who made soundings and consulted all the charts that were necessary, but they ultimately came to the same conclusion as I did, namely, that the only justification for a port in that particular position, namely, in the River Dhamra, would be that

the export coal trade from the Bengal coal fields could be attracted to it; but as things stand at present this is not possible. I am afraid, therefore, that from the point of view of suitability and of cost and the problematical possibility of attracting trade to it, the establishing of a port near Chandbali for sea-going ships is not a practical matter. I can assure the Hon'ble Member that the proposal to establish a port there has been fully investigated. I speak from my own personal knowledge of what I did myself, from what I know has happened since I left the Bengal Nagpur Railway, and also from what I know the well known steamship company did. If a port is established on that side of India, I think the port that will be most suitable and one which will be of considerable advantage to the new Province would be the port of Vizagapatam; that possesses very much greater possibilities than Bhudruck. To begin with Vizagapatam is already a trading centre of considerable importance. It also does a large amount of business in manganese which, as a basis for a trade with a port, would be a very valuable one.

"The Hon'ble Member asks that necessary measures might be taken to find a suitable place for a port in the locality referred to by him. I can assure him that the possibility of this site has been fully investigated, not only by the Bengal Nagpur Railway, but also by a steamship company. As both those parties came to the conclusion that for financial and other reasons there would be no advantage in spending money in opening such a port, I am afraid I must oppose the Resolution brought forward by the Hon'ble Member."

The Hon'ble Mr. Madhu Sudan Das:—"I beg to withdraw the Resolution."

The President:—"The Resolution is, by permission, withdrawn."

RESOLUTION REGARDING CONSTRUCTION OF A NEW RAILWAY CONNECTING ORISSA, CHOTA NAGPUR AND PATNA.

The Hon'ble Mr. Madhu Sudan Das:—"Sir, the next Resolution that I desire to move is:—

'That this Council recommends to the Governor General in Council that necessary measures be adopted for the construction of a new railway line to improve the communication between Orissa, Chota Nagpur and Patna, the capital of the new Province of Bihar and Orissa'

"Before I proceed, Sir, I beg to submit that, perhaps my defective knowledge of English or something else has caused me to make a mistake. I do not mean a single line of railway. What I mean to propose is the opening up of the country by railway communications, so that different parts of the Province may be linked up by several lines instead of there being only one line. Of course the Resolution, as it stands, might be misunderstood: I am sorry for it but that is what I mean. Of course I need not say much—in fact, I need not say anything—as regards the usefulness of railways in opening up the resources of a country. In the speech made by the Hon'ble the Finance Member he spoke of the value of railways in the following terms:—"I recognise fully their immense significance as an instrument of general progress, their necessity for the development of trade, their growing and indeed momentous importance to the finances of India." Well they are not only useful to the people; they are useful also to Government. Not to open up a country is to keep the people in confinement, shutting out the light of heaven from them. Inhalation and exhalation are very necessary processes in human existence. We perform them every moment, and we could not exist for a moment without these processes; and what these processes are to the body, import and export are to a country. With inhalation we take in what we want, and with exhalation we send out what we do not want. So what we want

we import: what we do not want we export. Just as a human being cannot live without these necessary processes, so a country cannot prosper without export and import. And not only do railways promote trade, but they serve the purpose of circulation; and what circulation of blood is to the system, that railways are to the prosperity and growth of a country. If a part of the body does not share in the circulation, of course that part suffers from atrophy or paralysis; so also if the two parts of a country are not connected by communication the result is that one part must suffer. I am not pleading, Sir, for the baby Province, because all its fathers have conspired to throw it overboard; I am pleading for this from a business point of view, because if the country is opened out its resources will improve, and that is certainly a sufficient inducement to Government. We know that the Feudatory States of Orissa have not been touched. We know also that there are mines there. I was very glad to notice from the speech made by the Hon'ble Sir T. Wynne that some of the Chiefs of India have come forward with large sums to improve railway communications in their States. If that part of the country be opened up, I have no doubt that the Chiefs will contribute, at least so far as that portion of the railway line which lies within their territories is concerned. I am certain they would guarantee a certain percentage of dividend on the capital spent on that portion of the line which would pass through their States.

"There are many things there, for instance coal. Sir T. Wynne was pleased to say that the coal found there was not fit for export. As far as my information goes, the boring has been done only to a certain depth, but I was told by a person who is supposed to be an expert in such matters (I myself do not profess to understand these things) that if we bore down lower, better coal will be found. Of course I am no authority on this subject, but then there are other things there—minerals for example—which may be of use and which will certainly find a market in Europe, Japan and places like that. To develop these resources would go a long way towards developing the sources of revenue to Government.

"Of course, Sir, the Member in charge will kindly understand that I do not ask Government in this Resolution to accept any particular line, but to give a general assurance that Government will do what is necessary to open up the parts of the country; and I may mention here that Orissa was the last in railway exploiting, if I may use such an expression. It was only in 1901 that railways were, for the first time, introduced into the Province, and I am quite certain I can say that so far as the railway line between Howrah and Puri is concerned there are very few lines in India which pay so well as that line.

"I heard yesterday that there was a large scheme before the Government of India to make certain improvements of a sanitary character in the resorts of pilgrimage, and the new Province has two places of remarkable interest, Gya and Puri, which are resorted to by a very large number of pilgrims. They are a great source of income to the railway, and the Bengal Nagpur Railway I suppose derives a large income from them. But I do not know whether Sir T. R. Wynne has seen sometimes, during the car festivals, how pilgrims are packed, not in carriages, but in wagons, meant not for cattle, but for goods. Cattle are far better treated. On the continent I have seen cattle taken by rail; they are taken to be slaughtered but there is more humanity shown towards them.

"I may mention here that for years past we have heard of a line connecting Sambalpur with Cuttack, or some place in the vicinity. I understand that the line has been surveyed; that ought to open up that part of the country, and I am sure it will run through some of the Feudatory States, but nothing has been done in the matter.

"I mention this and I also beg to mention that, if I am favoured with a sympathetic reply from Government that the Government have these ideas before them, and in the near future, as opportunity offers efforts will be made to improve the railway communication in the Province, I shall withdraw the Resolution with pleasure."

The Hon'ble Sir T. R. Wynne:—"Sir, before answering the particular Resolution which the Hon'ble Member has just put forward I should like to say a word or two about the quite gratuitous excursion he has taken in the direction of the question of pilgrims being packed in wagons and the inhuman way in which he alleges they are treated. This is, I think, a very un-called for attack. The pilgrim wants to go to Puri; he wants to go on all pilgrimages; and pilgrims have a habit of coming in huge numbers and they insist on being carried, and if you do not carry them then you would have an extremely strong complaint because they were not carried. Further when they are put in wagons every care is taken that a larger number are not put in than can travel in comfort.

"Furthermore the numbers who now go on pilgrimage largely increase year after year, and if they were treated so badly the result would be that there would not be that increase. Therefore I cannot accept in any way the Hon'ble Member's strictures as regards pilgrims.

"Now referring to this particular Resolution, I take it that what the Hon'ble Member really wants is that more railways should be made in the new Province in order to develop it. If that is the intention of his Resolution, then I can say that I most cordially agree with him. There is no doubt that there are certain parts of the new Province which are very backward in the matter of railway facilities. The trouble in connection with this Province is that in the greater part of Chota Nagpur and the portion to the north of Orissa—and mind you I am speaking from personal experience because I made the railway through the heart of Chota Nagpur and also down to Orissa—the difficulty is that it is a very barren, uncultivated country, and an extremely hilly and difficult country in which to make railways. Therefore if you make a railway there it is a long time before any return comes back. The old original Bengal Nagpur Railway, running through Chota Nagpur, took 20 years before it began to return a reasonable dividend. All the same, in relation to these railway propositions in the particular parts I have referred to in the new Province, there is no reason why, when funds are available, money should not be provided to build there and open the country out. Of course there is a certain amount of opening out going on already. The Bengal Nagpur Railway have made a line from Purulia to Ranchi, and this is being extended to Lohardagga and Palkot. These extensions will reach the heart of Chota Nagpur, but there still remains that portion of the country north of Cuttack.

"The only thing that I can say is that I fully appreciate the claim that the new Province makes for having more railways made to develop it, and I feel sure that Government will not lose sight of this claim, and when money is available the opportunity will be taken to construct lines to open up that part of the Province which most requires them."

The Hon'ble Mr. Madhu Sudan Das:—"Sir, I beg to withdraw the Resolution."

The President:—"The Resolution is, by permission, withdrawn."

RESOLUTION REGARDING SCHOLARSHIPS FOR TRAINING IN THE IMPERIAL AGRICULTURAL INSTITUTE AT PUSA.

The Hon'ble Sree P. Rama Rayaningar Venkataranga Bahadur:—"Sir, the Resolution standing in my name is in these terms:—

'That this Council recommends to the Governor General in Council that, with a view to popularise knowledge of scientific agriculture in the country, at least one scholarship of the annual value of Rs. 1,200 out of the recurring annual grants for Education, be created for each province, tenable by sons of landholders who have decent home farms of their own, for training in the Imperial Agricultural Institute at Pusa.'

"The Resolution recommends the appropriation of a portion of the recurring annual Imperial grant for education in the interests of higher agricultural education,—for dissemination of scientific agricultural knowledge among

a class of people who would turn it to the best account. This subject of scientific agriculture has engaged the attention of Government about a quarter of a century; evidence of increased official interest in it is found on all hands. Thanks to the initiative of Government, agricultural improvement has come to occupy its legitimate place of prominence in the thoughts of the people. It should therefore be a matter of satisfaction to Government that a Resolution directly bearing upon it is moved to-day in the premier Council of the land by a non-official Member. Agricultural education has acquired the dignity of an Imperial question even in popular estimation.

“Sir, Government efforts in this direction have been unremitting. Since the memorable Orissa Famine of 1866, Government have been anxious to ascertain the practical lines of development in Indian agriculture. Each succeeding famine has only stimulated Government action. Investigation has followed investigation until, under expert advice, agricultural inquiry has been systematised, and a special department has been created in each province to ensure regularity and co-ordination in it. Numerous conferences have been held all over the country, and their reports have been carefully and sympathetically considered by the Government of India. The services of the Consulting Chemist to the Royal Agricultural Society were engaged in 1889 for a thorough scientific examination of the whole position. Sir, Dr. Vœlekar’s mission is a landmark in the agricultural history of India. His conclusions, coinciding in material particulars with those of the Famine Commission of 1878, have informed and inspired the subsequent Government policy.

“Sir, the past fifty years’ record of Government action is thus one of necessary and invaluable spadework. We have got through the preliminaries and have gone one step further. The foundations have been laid for agricultural education, both theoretical and practical. An Imperial Institute for higher scientific education and agricultural research has been established at Pusa at a recurring annual charge of four lakhs of rupees. The existing colleges have been overhauled, and new colleges established; but all this has been a recent growth, the practical influence of which has been little felt. Hon’ble Members will recollect that Dr. Vœlekar insisted in 1893 upon agricultural education—high, secondary and primary—as one of the first conditions of agricultural success and improvement. Workable institutions have, however, been established within only the last seven years, after a lull of twelve years. So late as 1905 Lord Curzon gave an impetus to agricultural education. The time has been too short for any important practical results, but for the attainment of such results Government would be well advised to devise means to attract the agricultural classes to these agricultural schools and colleges. In view of the social and economic conditions of India, the expectation is not justified that the training of the non-agricultural classes will be of much practical value. At the same time the fact may be faced that the cultivating classes will not go beyond the primary, or it may be, secondary agricultural schools; it is the landholding classes who, at least for a long time to come, must supply students to these agricultural colleges and the Imperial Institute at Pusa, if these are at all to produce their normal economic effect on the agriculture of the country. But the Indian landholder is thoroughly conservative in his ideas and ways, and is slow to profit by the educational facilities provided by an enlightened Government. This class must therefore be attracted by special inducements into the agricultural colleges and ultimately into the Imperial Institute for study in the higher branches of the subject. The Imperial Government can only be approached on the subject of the policy which Provincial Governments should adopt, specially in regard to landholders having cultivation of their own. In my humble opinion, the cause of agricultural improvement will gain much by Government attracting into the agricultural colleges by special inducements young landholders. They will return to their farms with new and improved ideas of cultivation which will in time revolutionise the agricultural methods of the neighbourhood. They will in fact be missionaries in the cause. Correct notions of scientific agriculture will easily spread among agriculturists through these young graduates demonstrating their practical utility on their own farms. The Resolution accordingly recommends the creation of scholarships tenable

by this class. This inducement of scholarships is necessary only in the initial stages. The time will come when landholders' sons would flock to the agricultural colleges for the requisite scientific knowledge without the artificial stimulus of scholarships, but it is distant yet.

"Sir, it may be argued that landholders should be able to pay all the expenses of the higher agricultural education of their sons. Scholarships for their support while at college create a diversion of the public funds which is prejudicial to the interests of the poor. The answer is that the conservatism of the class has to be broken through before they will spend their own money for the agricultural education of the younger members. We shall have to wait long for this consummation, and meanwhile the country will not derive the maximum of good from the agricultural institutions. So long as the landholding classes do not introduce scientific agriculture on their farms the chances of a general agricultural improvement are little. The landholder must do the pioneer work. He is both the capitalist and the leader of the rural population. A great deal therefore depends upon his initiative and example. The sooner this landholding class is initiated into the principles and methods of scientific agriculture the better for the country. The money spent on the agricultural education of this class will accordingly be well spent. The diversion is thus not prejudicial to the larger interests of the community. The Government of India, in consultation with the Provincial Governments, can determine the number and the value of the suggested scholarships. The impulse must come from the Government of India, and Provincial Governments will readily adopt the policy indicated by that Government. Such scholarships will provide an effective incentive to the landed classes, and there will not be a dearth of trained agriculturists in the country.

"Sir, the importance of scientific agriculture in an agricultural country like India cannot be overrated. Agriculture is the main source of the State revenue and the mainstay of the people. Fully 80 per cent. of the people depend upon the land for a living. With the normal increase in population and the absence of industrial careers larger and larger numbers press upon the soil every year. There is need therefore in this country, if anywhere in the world, for both extensive and intensive cultivation; there is immense scope for the application of agricultural science. Sir, science applied to agriculture has produced marvellous results in the West, and agricultural science is not stationary there. Improvements are going on daily, with incalculable effects on the economic situation. At an American competition ten farmers were awarded prizes who had grown 'from 87 to 115 bushels of Indian corn to the acre.' In Florida, the average yield of marketable vegetables per acre is '445 to 600 bushels of onion, 400 bushels of tomatoes and 700 bushels of sweet potatoes.' In M. Dessprez's experiment in wheat culture '600 grains were obtained on the average from each grain.' Professor Grandeau, after a series of experiments on the lines of Major Hallet concluded 'that under proper treatment 2,000 and even 4,000 grains could be easily obtained from every planted grain.' On the other hand, according to the Government of India's Fourth Resolution on Agriculture, 'the value of wheat annually destroyed by the weevil alone is estimated at some crores of rupees.' The time may thus come, if we do not learn and apply the most up-to-date agricultural methods, when India, the granary of the East, will have to depend for her wheat and, for the matter of that, her grain supply upon the progressive West, with the inevitable consequence that millions of people would be thrown out of employment and Government revenue will seriously suffer. We lack even a rudimentary knowledge. The Hon'ble Sir Robert Carlyle, in his very interesting speech yesterday, referred to the waste of canal water caused by the cultivator's ignorance of his requirements. There is need for improvement in almost every direction connected with our agriculture and the industries dependent upon agriculture. Western methods are sure to produce here the same satisfactory results. In the United Provinces a simple experiment in 1885 at an outlay of Rs. 3,000 only converted in the course of ten years a waste area 'a net work of ravines affording grazing of the poorest description' into a valuable property yielding an annual income of Rs. 1,000. In

the Bombay Presidency the labours of the imported Swiss expert were crowned with even greater success. But these two experiments were in connected departments and not in agriculture proper. Multiplication of instances are, however, superfluous. The great need is high class agricultural education among men who can put it to practical use. And as an important step towards the spread of this instruction these scholarships will be found valuable.

“With these remarks I commend the Resolution to the Council.”

The Hon'ble Maharaja Manindra Chandra Nandi :—

“Sir, I have pleasure in supporting the Resolution moved by the Hon'ble Mr. Rayanagar. The Agricultural Institute at Pusa and the other agricultural schools and colleges in other provinces have been established with the avowed object of promoting and popularising the knowledge of scientific agriculture in the country, and the suggestion of founding scholarships tenable in these institutions by sons of landholders who have home farms of their own appears to be an eminently reasonable and practical one. It is too early yet to express any opinion on the advantages that have accrued from the various agricultural institutes and colleges, but the Institute at Pusa has been doing valuable work in the fields of experiment and inquiry and the bulletins and other publications issued periodically by that Institute are as informing as they are useful. In order, however, that the labours of these institutions should bear fruit, it is necessary that the instruction imparted at agricultural schools and colleges should be carried out in actual practice in the farm and the field. The establishment of such stipends as is proposed in the Resolution before the Council will attract young men who are likely to make use of the knowledge they acquire in introducing improved methods of farming, and thereby stimulating the introduction of such methods among neighbouring landholders and the better class of farmers. I believe this proposal will have the support of Local Governments and the heads of the Education Department in the various Provinces, and accordingly commend the Resolution to the acceptance of the Council.”

The Hon'ble Rai Sita Nath Roy Bahadur :—“Sir, I beg to express my full sympathy with the Resolution moved by my Hon'ble friend. Considering that agriculture is the greatest industry of India, and that nearly 85 per cent. of its population of 300 millions are entirely dependent for their food on agriculture, it is of the utmost importance that every encouragement should be shown to the landholding classes to acquire a scientific training in agriculture.

“I am fully aware that an Agricultural College exists at Pusa, and that numerous demonstration farms have been started in different parts of the country; but the information they publish is rarely available to the people in the interior, and hardly ever reaches the agriculturists themselves. It is therefore of the utmost importance that every encouragement should be shown to the improvement of agriculture by scientific methods in India where it is at present confined to the most primitive methods and the best instruments of agriculture are bullocks and buffaloes. Under these circumstances I hope that considering the modest nature of the request made in this Resolution, which will cost only a few thousand rupees, the Government will accept it.”

The Hon'ble Maharaja Ranajit Sinha of Nashipur :—

“Sir, I beg to support the Resolution just now moved by my Hon'ble friend. I endorse whole-heartedly every word that has fallen from the mover of the Resolution and also from the Hon'ble Members who have supported him. India is an agricultural country, and it is necessary for the improvement of the land and for increasing the produce of crops that we should have scientific knowledge on the matter. Sir, if the landlords are trained how to improve their land by scientific methods, I think it will be conducive to the interests of both the tenants and the landlords. As the recommendation of my Hon'ble friend Mr. Rayanagar is very moderate, I hope the Government will accept the Resolution.”

The Hon'ble Sir Robert Carlyle :—“ Sir, I can assure the Hon'ble mover of this Resolution that he has the warm sympathy of the Government of India in his desire to encourage the study of scientific agriculture* by young men who belong to families interested in the cultivation of their own lands. They are the class who are most likely to propagate quickly and with success improved agricultural methods. My Hon'ble friend will not misunderstand me if I tell him I cannot accept the Resolution in its present form. Pusa is not intended for the ordinary student, but for the advanced student who intends to devote his life to agricultural research. Few men are capable of this work and till the taste for science and especially for agricultural science is more general than is at present the case, we cannot expect to get annually from every province men of the stamp suggested by my Hon'ble friend and capable of profiting by the research training available at Pusa. It is true that at present Pusa also holds agricultural classes for scientifically untrained agriculturists, devoted to some special point in agricultural work; but these classes are for short periods and would not be suitable for scholarships.

“It appears to me that the Hon'ble Mr. Rayaningar's object would be best attained if Local Governments encourage men of the stamp he has in mind to attend their provincial agricultural colleges. If the Hon'ble Mr. Rayaningar would agree to amend his Resolution in this sense, the Government of India would be prepared to accept it and to invite Local Governments to consider the suggestion. I would suggest the following amended Resolution :

‘That this Council recommends to the Governor General in Council that, with a view to popularise knowledge of scientific agriculture in the country, the Local Governments be consulted as to the advisability of giving out of the recurring grants for education scholarships tenable by the sons of landholders and zamindars in the Provincial Agricultural Colleges.’

The Hon'ble Sree P. Rama Rayaningar Venkataranga Bahadur :—“ I am perfectly willing to accept the very reasonable amendment suggested by the Revenue Minister, and I am sure the object I have in view will be very easily attained by the amended Resolution. I feel deeply grateful to the Department of Agriculture and the Government for having expressed their intention to accept my Resolution, if amended, as suggested by Sir Robert Carlyle, and for their sympathetic treatment of my Resolution.”

The President :—“ Will the Hon'ble Member agree to a small verbal alteration in the Resolution suggested by my Hon'ble Colleague Sir Robert Carlyle—substituting for the words ‘be consulted as to’ the words ‘be asked to consider’ ?”

The Hon'ble Sree P. Rama Rayaningar Venkataranga Bahadur :—“ I have no objection.”

The original Resolution was withdrawn, and the Resolution as amended was then put and adopted.

RESOLUTION REGARDING FORMATION OF ADVISORY BOARDS TO HELP IN ASSESSMENT OF INCOME-TAX.

The Hon'ble Sree P. Rama Rayaningar Venkataranga Bahadur :—“ Sir, with your permission, I would withdraw the following Resolution with a view to moving it on a future occasion after amendment.”

‘That this Council recommends to the Governor General in Council that Advisory Boards composed of non-official local gentlemen nominated by the Revenue Head of the District be formed to help official assessors in the work of assessment under the Income Tax Act.’

The President :—“ The Resolution is withdrawn by permission.”

The Council adjourned to Tuesday, the 11th March, 1913.

W. H. VINCENT,

*Secretary to the Government of India,
Legislative Department.*

DELHI; }
The 17th March, 1913.

Speech of the Honourable Finance Member

INTRODUCING THE

BUDGET FOR 1913-14.

I have to lay before the Council the Budget for 1913-14 in its final form. The Financial Statement which I presented on the 1st of March has since then been subjected to criticism and discussion, and as the result I think I am entitled to claim that our financial arrangements have the approval of the great majority of Hon'ble Members. We have made a further examination of the figures in the light of the latest information available and the final form which they take is shown in the statements which are in the hands of Hon'ble Members, and in the explanatory memorandum which also has been revised and brought up to date.

2. The changes in the figures which I have to describe on a comparison with those entered in the Financial Statement are few and of no great importance, and I need engage but little of the time of the Council in describing them.

3. In the year which is about to close our Imperial surplus is now likely to be £31,800 higher. In the March sale we have obtained a very high price for uncertified opium and the estimate of opium receipts is increased accordingly by £51,800. Land revenue has increased by £32,000 in consequence of very high collections in Burma, and Customs also advance. On the other hand, there has been a distinct falling off in recent weeks in railway earnings chiefly on the North-Western Railway and we have had to reduce our estimate under this head by £100,000. The provincial account shows a betterment of £54,600, nearly the whole of which has accrued under land revenue with less important alterations which practically cancel each other under other heads.

4. As regards the Budget of next year I have only to notice that the Imperial surplus has been increased by a matter of £15,100, chiefly in consequence of certain corrections proposed in the budget estimates of heads of revenue, such as excise, which are divided with Local Governments. The provincial account on the other hand is £73,400 worse than in the Financial Statement; the Local Governments of Bombay and Burma having increased their provision for expenditure on Civil Works by 11 lakhs.

5. In the matter of Ways and Means, the most important feature I have to notice is the drop which has recently taken place in Council Bills, the amount offered for sale having fallen from 80 lakhs on the 5th of March to 60 lakhs on the 12th of March and again to 50 lakhs on the 19th. The Secretary of State has in consequence reduced his estimate of drawings to £25,660,000 which is £1,400,000 less than the estimate given in the Financial Statement. In view of this decline in the drawings and of the large proportion which is likely to be drawn in telegraphic transfers instead of bills, we have reduced the estimate of probable outstandings at the end of the year by £502,000. These outstandings represent bills which have been drawn and for which we have received the money in London, and which have not been cashed by us in India. It will be obvious, therefore, that a reduction in outstandings means a deterioration of the same extent in our total balance. On the other hand, there is the improvement I have already described in our revenue account which contributes an additional £86,000 to our balances; there are lapses in capital expenditure of £251,000, and an improvement under Deposits and remittances of £122,000. On the whole therefore our closing balance for the current year is likely to be only £43,000 less than the figure which I gave in the Financial Statement. I may mention that for next year the Secretary of State has increased his estimate of drawings by £450,000, and there will be in addition a remittance Home of the same amount in light weight sovereigns. These transactions do not affect our balance as a whole; but as I have just said the opening balance will be £43,000 less, there is a deterioration in the revenue account of £58,000 and the estimate of net credits from remittances has been reduced by £131,000, so that the final figures show a closing balance for 1913-14, £232,000 less than in the Financial Statement. There are no other points which it is necessary for me to bring to notice of Hon'ble Members, and I need only add before sitting down that while there will be no discussion on the Budget to-day, it will be open to them next Monday to offer any observations on it which they think proper, without moving Resolutions or dividing the Council.

GUY FLEETWOOD WILSON.

20th March 1913.

BUDGET

OF THE

GOVERNMENT OF INDIA

MARCH 1913

ACCOUNTS	1911-1912
REVISED ESTIMATES	1912-1913
BUDGET ESTIMATES	1913-1914

CONTENTS.

	PAGES
I.—GENERAL STATEMENT of the REVENUE, and EXPENDITURE charged to REVENUE, of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	108—109
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA, and in ENGLAND	110—111
A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND	112—113
B.—STATEMENT of the EXPENDITURE charged to the REVENUES of INDIA, in INDIA and in ENGLAND	114—117
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	118—121
D.—ACCOUNTS of PROVINCIAL SAVINGS charged to REVENUE, and held at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL SETTLEMENTS	122
E.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	123
MEMORANDUM EXPLAINING the DETAILS of the ESTIMATES	125—236
APPENDIX	237

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

	For details, vide Statement.	Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
Revenue—					
Principal Heads of Revenue—					
		£	£	£	£
Land Revenue	A	20,764,637	21,276,000	21,323,700	21,373,200
Opium	"	5,961,278	3,622,000	5,114,600	1,445,000
Salt	"	3,391,212	3,427,800	3,333,700	3,405,300
Stamps	"	4,815,129	4,903,000	5,079,100	5,218,200
Excise	"	7,609,753	7,907,900	8,183,000	8,452,900
Customs	"	6,468,567	6,398,300	7,007,900	6,832,800
Other Heads	"	5,194,604	5,217,800	5,452,400	4,925,800
TOTAL PRINCIPAL HEADS . . . . .	...	54,205,240	52,757,800	55,499,400	51,683,200
Interest	A	1,448,741	1,227,300	1,463,900	1,287,300
Post Office	"	2,134,279	2,218,900	2,259,500	2,360,800
Telegraph	"	1,037,425	1,065,100	1,142,000	1,191,800
Mint	"	367,100	205,700	532,000	240,600
Receipts by Civil Departments	"	1,238,131	1,226,600	1,300,000	1,296,300
Miscellaneous	"	813,076	552,400	713,100	589,300
Railways: Net Receipts	"	15,891,725	14,540,200	18,117,400	17,623,500
Irrigation	"	3,980,052	3,921,100	4,362,900	4,403,900
Other Public Works	"	336,924	320,900	315,600	336,900
Military Receipts	"	1,343,057	1,318,000	1,346,600	1,361,000
TOTAL REVENUE . . . . .	...	82,835,750	79,354,000	87,052,400	82,324,500

DELHI,
FINANCE DEPARTMENT,
March 20th, 1913.

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

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

	For details, vide Statement.	Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	8,670,174	8,856,800	8,731,900	9,469,700
Interest	"	2,037,735	2,045,200	1,807,900	1,310,000
Post Office	"	2,008,470	2,049,200	2,036,400	2,057,200
Telegraph	"	1,093,934	1,094,500	1,121,100	1,231,000
Mint	"	116,507	101,400	142,300	103,700
Salaries and Expenses of Civil Departments	"	16,466,166	17,477,300	16,716,500	19,424,100
Miscellaneous Civil Charges	"	4,898,823	4,908,100	4,940,400	5,087,000
Famine Relief and Insurance	"	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	"	12,103,955	12,518,300	12,601,300	13,071,200
Irrigation	"	3,174,883	3,314,000	3,291,200	3,564,600
Other Public Works	"	5,454,043	5,655,200	6,213,800	6,584,500
Military Services	"	20,901,637	20,412,500	20,982,000	21,007,800
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL . . . . .	...	77,926,332	79,433,400	79,584,800	83,910,800
<i>Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.</i>	End of B	1,414,027	...	4,073,900	...
<i>Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances:</i>	"	444,943	1,557,700	...	2,912,600
TOTAL EXPENDITURE CHARGED TO REVENUE . . . . .	...	78,895,416	77,875,700	83,658,700	80,998,200
SURPLUS . . . . .	...	3,940,334	1,478,300	3,393,700	1,326,300
TOTAL . . . . .	...	82,835,750	79,854,000	87,052,400	82,324,500

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

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

	For details, vide Statement.	RECEIPTS.			
		Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate 1913-1914.
		£	£	£	£
Surplus	C	3,940,334	1,478,300	3,393,700	1,328,300
Railway, Irrigation and other, Capital not charged to Revenue—					
Capital raised and deposited by Railway Companies (net)	"	17,497	1,965,600	565,600	3,160,900
Debt, Deposits, and Advances—					
Permanent Debt (net incurred)	C	1,823,173	2,931,100	2,937,000	131,500
Unfunded Debt (net incurred)	"	1,815,193	1,318,700	1,741,400	1,501,400
Deposits and Advances (net)	"	2,209,480	...	4,736,900	...
Loans and Advances by Imperial Government (net Repayments)	"	201,914	...	187,600	13,100
Loans to Local Boards for Railway Construction	"	6,583	6,900	6,900	7,100
Remittances (net)	"	49,524	3,400	161,600	...
Secretary of State's Bills drawn	"	25,070,216	15,500,000	25,660,000	21,650,000
TOTAL RECEIPTS . . . . .	...	35,133,914	23,204,000	39,440,700	27,790,300
Opening Balances—India . . . . .	...	13,566,922	11,808,222	12,279,639	19,543,889
England . . . . .	...	18,174,349 ^(a)	19,395,949	19,463,723 ^(a)	9,377,923 ^(a)
TOTAL . . . . .	...	66,875,185	54,408,171	71,184,112	56,712,112

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

W. D. WOOLLAM,

Offg. Deputy Comptroller General.

DELHI,
FINANCE DEPARTMENT,
March 20th, 1913.

Government of India, in India and in England.

	For details, vide Statement.	DISBURSEMENTS.			
		Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
		£	£	£	£
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	C	1,536,531	1,415,500	1,441,800	1,466,700
Outlay on State Railways	"	6,981,384	7,836,700	8,942,000	10,113,400
Initial outlay on new Capital at Delhi	"	4,992	1,333,300	111,900	1,333,300
Outlay of Railway Companies (net)	"	986,530	1,319,500	1,195,000	2,048,300
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	9,509,437	11,905,000	11,690,700	14,961,700
Debt, Deposits and Advances —					
Temporary Debt (net Discharged)	C	500,000	4,500,000	4,500,000	...
Deposits and Advances (net)	"	...	1,184,300	...	2,248,700
Loans and Advances by Imperial Government (net Advances)	"	...	165,400	...	...
Loans and Advances by Provincial Governments (net Advances)	"	193,155	240,000	196,900	125,900
Remittances (net) . . . . .	...	...	...	...	68,100
Secretary of State's Bill paid	"	24,929,181	15,769,000	25,874,700	21,650,000
TOTAL DISBURSEMENTS	...	35,131,773	33,763,700	42,262,300	39,054,400
Closing Balance—India	...	12,279,689	12,868,022	19,543,889	12,546,689
England	...	19,463,723 ^(a)	7,776,449	9,377,923 ^(a)	5,111,023 ^(a)
TOTAL.	...	66,875,185	54,408,171	71,184,112	56,712,112

in the notes on pages 716 and 717.

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1911-1912.					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—	R	R	£	£	£	R	R
I.—Land Revenue	11,53,67,139	19,61,03,817	20,764,697	...	20,764,697	7,43,43,000	24,55,42,000
II.—Op'um.	8,94,19,170	...	5,961,278	...	5,961,278	7,67,18,000	...
III.—Salt	5,08,68,180	...	3,91,212	...	3,91,212	5,00,51,000	...
IV.—Stamps	3,66,41,120	3,55,83,820	4,815,129	...	4,815,129	3,87,04,000	3,74,83,000
V.—Excise	3,39,35,352	8,02,10,933	7,609,753	...	7,001,753	3,47,51,010	8,79,94,000
VI.—Provincial Rates	13,592	82,16,603	548,680	...	548,680	21,000	83,38,000
VII.—Customs	9,70,28,499	...	6,468,567	...	6,485,567	10,51,19,000	...
VIII.—Assessed Taxes	1,36,86,519	1,11,06,663	1,652,878	...	1,652,878	1,43,01,000	1,16,09,000
IX.—Forest	10,38,209	2,82,44,480	1,952,179	...	1,952,179	9,76,000	3,02,77,000
X.—Registration	87,394	66,20,543	445,862	...	445,862	79,000	71,40,000
XI.—Tributes from Native States	89,25,074	...	595,005	...	595,005	90,43,000	...
TOTAL	44,69,92,248	36,60,86,358	54,205,240	...	54,205,240	40,41,08,000	42,83,83,000
XII.—Interest	1,04,88,928	43,87,150	991,739	457,002	1,448,741	1,07,04,000	42,62,000
XIII.—Post Office	3,20,14,179	...	2,134,279	...	2,134,279	3,38,92,000	...
XIV.—Telegraph	1,62,38,549	...	1,082,436	4,989	1,087,425	1,70,87,000	...
XV.—Mint	55,04,452	...	366,963	137	367,100	79,80,000	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	2,91,643	45,64,247	323,900	...	323,600	2,35,000	49,15,000
{ Jails	3,75,083	34,25,232	253,354	...	253,354	3,71,000	33,59,000
XVII.—Police	59,503	17,81,559	122,778	...	122,778	61,000	19,84,000
XVIII.—Ports and Pilotage . . . . .	...	22,76,013	151,737	...	151,737	...	23,80,000
XIX.—Education	44,908	30,39,247	205,410	...	205,410	50,000	32,40,000
XX.—Medical	7,658	9,82,168	65,988	859	66,847	9,000	11,97,000
XXI.—Scientific and other minor departments	2,75,801	14,22,008	113,187	998	114,185	2,43,000	14,40,000
TOTAL	10,53,597	1,74,90,513	1,236,274	1,857	1,238,131	9,74,000	1,85,03,000
Miscellaneous—							
XXII.—Receipts in aid of Superannuation	12,36,843	7,84,623	134,751	66,719	201,470	12,60,000	8,11,000
XXIII.—Stationery and Printing	6,81,671	7,91,091	96,891	...	96,891	6,33,000	7,95,000
XXIV.—Exchange	15,85,457	...	105,697	...	105,697	16,39,000	...
XXV.—Miscellaneous	25,34,016	30,50,543	372,304	36,714	4,9,018	15,16,000	28,68,000
TOTAL	60,17,787	46,26,830	709,643	103,433	813,076	50,48,000	44,74,000
Railways—							
XXVI.—State Railways (Gross Receipts)	50,35,57,021	1,16,435	33,578,899	230	33,579,129	55,43,90,000	1,10,000
Deduct :—Working Expenses	25,88,61,617	84,107	17,263,048	...	17,263,048	27,39,12,000	68,000
Surplus profits paid to Companies, etc.	72,30,008	...	482,001	...	482,001	98,19,000	...
Net Receipts	23,74,75,396	32,358	15,833,850	230	15,834,080	27,06,59,000	22,000
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	1,92,296	...	12,820	44,825	57,645	2,14,000	...
TOTAL	23,76,67,692	32,358	15,843,670	45,055	15,891,725	27,08,73,000	22,000
Irrigation—							
XXIX.—Major Works: Direct Receipts	1,47,35,150	2,09,87,838	2,381,533	...	2,381,533	1,65,61,000	2,24,24,000
Portion of Land Revenue due to Irrigation	1,10,83,126	91,83,851	1,351,435	...	1,351,465	1,22,52,000	1,03,38,000
XXX.—Minor Works and Navigation	13,91,829	23,13,980	247,054	...	247,054	14,16,000	23,52,000
TOTAL	2,72,15,105	3,24,85,669	3,980,052	...	3,980,052	3,03,29,000	3,51,14,000
Other Public Works—							
XXXI.—Civil Works	10,53,848	38,50,019	326,924	...	326,924	7,86,000	39,48,000
Military Receipts—							
XXXII.—Army: Effective	92,45,431	...	616,862	444,668	1,061,030	1,11,00,000	...
Non-Effective	12,45,992	...	83,066	35,270	118,336	12,78,000	...
XXXIII.—Marine	1,04,91,493	...	699,428	479,938	1,179,366	1,23,78,000	...
XXXIV.—Military Works	12,73,487	...	84,900	...	84,900	13,17,000	...
	11,81,866	...	78,791	...	78,791	11,00,000	...
TOTAL	1,29,46,776	...	863,119	479,938	1,343,057	1,47,95,000	...
TOTAL REVENUE	79,71,91,155	42,89,58,927	81,743,339	1,092,411	82,835,750	79,65,26,000	49,47,06,000

India, in India and in England.

ESTIMATE, 1912-1913.			Increase + Decrease - as compared with Budget Estimate, 1912-13.	BUDGET ESTIMATE, 1913-14.					Increase + Decrease - of Budget, 1913-1914, as compared with Budget Estimate, 1912-1913.	Increase + Decrease - of Budget, 1913-1914, as compared with Revised Estimate, 1912-1913.
Total India (converted into £ at R15 = £1).	England.	TOTAL.		INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R1 = £1).	England.	TOTAL.		
				Imperial.	Provincial.					
£	£	£	£	₹	₹	£	£	£	£	
21,325,700	...	21,325,700	+ 49,700	12,53,99,000	19,51,99,000	21,373,200	...	21,373,200	+ 97,200	+ 47,500
5,114,500	...	5,114,500	+ 1,492,600	2,13,7,000	...	1,445,000	...	1,445,000	- 2,177,100	- 3,669,600
3,336,700	...	3,336,700	- 91,100	5,10,89,000	...	3,405,300	...	3,405,300	- 22,500	+ 68,000
5,079,100	...	5,079,100	+ 171,100	3,93,25,000	3,84,48,000	5,218,200	...	5,218,200	+ 310,100	+ 1,39,100
8,183,000	...	8,183,000	+ 275,100	3,61,00,000	9,06,91,000	8,452,900	...	8,452,900	+ 545,000	+ 269,900
557,300	...	557,300	+ 6,900	18,000	4,13,000	28,700	...	28,700	- 521,700	- 528,600
7,007,900	...	7,007,900	+ 6,99,800	10,29,42,000	...	6,862,800	...	6,862,800	+ 464,700	- 145,100
1,77,300	...	1,77,300	+ 81,900	1,47,75,000	1,18,00,000	1,758,200	...	1,758,200	+ 112,800	+ 30,900
2,081,500	...	2,081,500	+ 109,000	10,11,000	2,94,31,000	2,029,800	...	2,029,800	+ 55,300	- 53,700
481,300	...	481,300	+ 37,700	90,000	72,83,000	491,900	...	491,900	+ 48,300	+ 10,800
603,000	...	603,000	- 300	92,58,000	...	617,200	...	617,200	+ 13,300	+ 14,200
55,493,400	...	55,499,400	+ 2,741,600	40,19,70,000	37,32,78,000	51,683,200	...	51,683,200	- 1,074,600	- 3,816,200
997,700	466,200	1,433,900	+ 236,600	1,09,30,000	43,27,000	1,017,100	270,200	1,287,300	+ 60,000	- 173,600
2,259,500	...	2,259,500	+ 40,000	3,54,12,000	...	2,360,800	...	2,360,800	+ 141,900	+ 101,300
1,135,800	6,200	1,142,000	+ 76,900	1,78,01,000	...	1,183,800	5,000	1,191,800	+ 126,700	+ 49,800
532,000	...	532,000	+ 326,300	36,09,000	...	240,600	...	240,600	+ 34,900	- 291,400
343,300	...	343,300	+ 21,600	2,62,000	48,30,000	339,700	...	339,500	+ 17,800	- 3,800
249,000	...	249,000	- 500	3,94,000	33,71,000	251,000	...	251,000	+ 1,500	+ 2,000
133,300	...	133,300	+ 28,800	64,000	17,9,000	124,000	...	124,000	+ 16,500	- 12,300
157,900	...	157,900	+ 11,700	...	23,8,000	1,9,900	...	159,900	+ 13,700	+ 2,000
219,300	...	219,300	+ 6,600	59,000	34,02,000	230,700	...	230,700	+ 18,000	+ 11,400
80,400	800	81,200	+ 15,900	10,000	10,84,000	72,900	700	73,600	+ 8,300	- 7,000
112,200	800	113,000	- 10,700	1,80,000	15,71,000	116,800	800	117,600	- 6,100	+ 4,600
1,298,400	1,600	1,300,000	+ 73,400	9,69,000	1,84,52,000	1,294,800	1,500	1,296,300	+ 69,700	- 3,700
138,100	63,100	201,200	+ 2,100	12,63,000	8,68,000	142,100	64,600	206,700	+ 7,000	+ 5,500
95,200	...	95,200	+ 200	6,29,000	7,85,000	94,300	...	94,300	- 700	- 900
109,300	...	109,300	+ 109,300	5,00,000	...	33,300	...	33,300	+ 33,300	- 76,000
292,200	15,200	307,400	+ 49,100	13,44,000	21,53,000	233,100	21,800	254,900	- 3,400	- 52,500
634,800	78,300	713,100	+ 160,700	37,36,000	38,06,000	502,800	86,400	589,200	+ 36,800	- 123,900
36,936,600	200	36,936,800	+ 4,397,900	55,11,90,000	1,10,000	36,753,300	200	36,753,500	+ 4,186,600	- 213,300
18,266,600	...	18,266,600	- 599,900	28,21,62,000	87,000	18,816,600	...	18,816,600	- 1,149,900	- 550,000
654,600	...	654,600	- 243,700	59,70,000	...	398,000	...	398,000	+ 13,100	+ 256,600
18,045,400	200	18,045,600	+ 3,556,500	26,30,58,000	23,000	17,538,700	200	17,538,900	+ 3,040,800	- 506,700
14,300	57,500	71,800	+ 20,700	2,19,000	...	14,000	70,000	84,600	+ 33,500	+ 12,800
18,059,700	57,700	18,117,400	+ 3,577,200	26,32,77,000	23,000	17,553,300	70,200	17,623,500	+ 3,083,300	- 493,900
2,605,700	...	2,605,700	+ 313,200	1,66,32,000	2,26,61,000	2,619,500	...	2,619,500	+ 327,000	+ 13,800
1,506,000	...	1,506,000	+ 121,700	1,24,36,000	1,05,10,000	1,529,700	...	1,529,700	+ 145,400	+ 23,700
251,200	...	251,200	+ 6,900	14,58,000	23,62,000	254,700	...	254,700	+ 10,400	+ 3,500
4,362,900	...	4,362,900	+ 441,800	3,05,26,000	3,55,33,000	4,403,900	...	4,403,900	+ 482,800	+ 41,000
315,600	...	315,600	- 5,300	5,20,000	37,84,000	286,900	...	286,900	- 34,000	- 28,700
740,000	324,300	1,064,300	+ 21,700	1,09,74,000	...	731,600	330,000	1,062,200	+ 19,600	- 2,100
85,200	36,000	121,200	+ 8,900	12,97,000	...	86,500	38,000	124,500	+ 12,200	+ 3,300
825,200	360,300	1,185,500	+ 30,000	1,22,71,000	...	818,100	368,600	1,186,700	+ 31,800	+ 1,200
87,800	...	87,800	- 3,300	14,74,000	...	98,300	...	98,300	+ 7,200	+ 10,500
73,300	...	73,300	+ 1,300	11,40,000	...	76,000	...	76,000	+ 4,000	+ 2,700
983,300	360,300	1,343,600	+ 28,600	1,48,85,000	...	992,400	368,600	1,361,000	+ 43,000	+ 14,100
86,082,100	970,300	87,052,400	+ 7,698,400	78,36,85,000	43,92,03,000	81,522,600	801,900	82,324,500	+ 2,970,500	- 4,727,900

Revenues of India, in India and in England.

ESTIMATE, 1912-1913.			Increase + Decrease— as compared with Budget Estimate, 1912-1913.	BUDGET ESTIMATE, 1913-1914.					Increase + Decrease— of Budget, 1913-1914, as compared with Budget Estimate, 1912-1913.	Increase + Decrease— of Budget, 1913-1914, as compared with Revised Estimate, 1912-1913.
Total India (converted into £ at R15 = £1).	England.	TOTAL.		INDIA. RUPEE (FIGURES).		Total India (converted into £ at R15 = £1).	England.	TOTAL.		
				Imperial.	Provincial.					
£	£	£	£	R	R	£	£	£	£	
316,400	...	316,400	+41,200	32,44,000	12,78,000	301,500	...	301,500	+29,300	-14,900
1,226,500	...	1,226,500	-1,700	81,89,000	1,03,55,000	1,236,300	...	1,236,300	+8,100	+9,800
3,910,200	2,000	3,912,200	-56,000	47,03,000	5,56,71,000	4,024,900	1,300	4,026,200	+58,000	+114,000
691,700	400	692,000	-85,700	1,70,25,000	...	1,135,000	400	1,135,400	+447,700	+533,400
375,900	900	376,800	-700	56,57,000	...	377,100	1,500	378,600	+1,700	+2,400
61,300	80,000	141,300	-13,700	-1,42,000	12,24,000	72,100	91,600	163,700	+8,700	+22,400
434,400	...	434,400	+400	21,74,000	46,10,000	452,300	...	452,300	+18,300	+17,900
6,100	...	6,100	+200	...	...	...	...	...	-5,900	-6,100
259,300	200	259,500	+4,000	40,03,000	...	266,900	100	267,000	+11,000	+7,000
29,300	...	29,300	-300	2,39,000	2,32,000	31,400	...	31,400	+1,800	+2,100
1,174,700	4,800	1,179,500	-17,800	12,86,000	1,70,14,000	1,220,000	4,600	1,224,600	+27,400	+45,200
248,100	...	248,100	+2,200	27,000	37,64,000	252,700	...	252,700	+6,800	+4,000
8,643,600	88,300	8,731,900	-124,900	4,64,05,000	9,41,48,000	9,370,200	99,500	9,469,700	+612,900	+737,800
3,333,400	6,204,100	9,537,500	-37,600	3,80,85,000	1,34,15,000	3,433,300	5,912,800	9,346,100	-229,000	-191,400
3,317,600	3,784,300	7,101,900	-160,700	5,37,06,000	...	3,530,400	3,806,800	7,337,200	-443,000	-285,300
1,163,800	124,800	1,288,600	-47,100	81,52,000	1,03,42,000	1,232,900	126,900	1,359,800	-118,300	-71,200
-1,148,000	2,295,000	1,147,000	-245,400	-2,37,73,000	30,73,000	-1,38,000	1,979,100	599,100	-793,300	-547,900
660,900	...	660,900	+8,100	1,03,64,000	...	710,900	...	710,900	+53,100	+50,000
-487,100	2,293,000	1,807,900	-237,500	-1,31,09,000	30,73,000	-669,100	1,979,100	1,310,000	-735,200	-497,900
1,981,700	54,700	2,036,400	-12,800	2,99,04,000	...	1,993,000	63,000	2,057,200	+8,000	+20,800
941,900	179,200	1,121,100	+26,000	1,45,96,000	...	973,100	257,900	1,231,000	+136,500	+109,900
135,200	7,100	142,300	+40,900	14,33,000	...	95,000	8,100	103,700	+2,300	-38,000
1,546,800	380,800	1,927,600	+23,600	1,04,07,000	1,28,27,000	1,548,900	390,000	1,938,900	+34,900	+11,300
2,996,900	3,200	3,000,100	+23,000	11,48,000	4,43,15,000	3,030,900	500	3,031,400	+54,300	+31,300
878,700	...	878,500	-10,700	19,44,000	1,14,83,000	895,100	...	895,100	+5,900	+16,000
4,651,800	1,600	4,653,400	-7,600	37,59,000	7,03,12,000	4,938,100	1,500	4,939,600	+278,000	+286,200
185,700	100	185,800	+10,200	...	29,33,000	198,900	100	199,000	+23,400	+13,200
2,579,400	10,500	2,589,900	-478,000	20,02,000	5,30,09,000	4,167,400	10,500	4,077,900	+1,010,000	+1,488,000
125,300	400	125,700	-6,200	19,32,000	...	128,800	400	129,200	-2,700	+3,500
1,376,800	12,100	1,388,900	-325,900	22,69,000	2,78,63,000	2,038,800	12,000	2,050,800	+326,000	+651,900
993,400	9,600	1,003,000	+76,700	1,32,70,000	25,73,000	1,056,000	22,800	1,079,000	+152,700	+76,000
957,600	26,000	983,600	-65,900	63,69,000	98,95,000	1,084,000	28,900	1,113,200	+63,700	+129,000
16,272,200	444,300	16,716,500	-760,500	4,31,00,000	24,12,61,000	18,957,400	463,700	19,424,100	+1,946,300	+2,707,000
212,700	11,300	224,000	-5,000	32,39,000	...	215,900	11,100	227,000	-2,000	+3,000
1,100	409,000	410,100	+5,600	12,000	...	800	404,000	404,300	+300	-5,300
1,204,300	2,074,000	3,278,300	+33,600	15,35,000	1,72,77,000	1,254,100	2,077,000	3,331,100	+83,400	+52,800
587,400	96,400	683,800	-7,900	11,90,000	77,15,000	594,100	84,600	678,700	-13,000	-5,100
306,800	37,400	344,200	+6,000	21,48,000	38,06,000	395,900	48,500	444,400	+107,200	+101,200
2,312,300	2,628,100	4,940,400	+32,300	81,30,000	2,87,98,000	2,461,800	2,625,200	5,087,000	+178,900	+146,600
195,300	...	195,300	+61,800	6,99,000	...	46,600	...	46,600	-86,900	-148,700
29,000	14,900	43,900	+600	1,29,000	...	8,600	...	8,000	-34,700	-35,300
40,800	7,100	47,900	-43,800	72,64,000	...	481,200	7,200	491,400	+34,700	+78,500
347,900	...	347,900	-18,600	30,51,000	37,50,000	453,400	...	453,400	+83,900	+105,500
978,000	22,000	1,000,000	...	1,11,42,000	37,50,000	992,800	7,200	1,000,000	...	...
30,777,800	5,718,700	36,496,500	-1,036,000	14,16,01,000	37,10,30,000	34,175,400	5,507,300	39,682,700	+2,150,200	+3,186,200

BUDGET ESTIMATE, 1913-1914.			
INDIA.		England.	TOTAL.
Amount in Rupees.	Equivalent in £ at R15 = £1.		
R	£	£	£
5,00,79,000	3,338,600	3,631,300	6,969,900
36,27,000	241,800	175,500	417,300
5,37,06,000	3,580,400	3,806,800	7,387,200

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1911-1912.					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	14,04,13,363	31,74,49,268	30,524,176	5,767,633	36,291,809	13,19,35,000	32,97,32,000
Railways—							
33.—State Railways: Interest on Debt	4,24,81,923	...	2,832,128	3,446,942	6,279,070	4,63,50,000	...
Annuities in purchase of Railways	...	...	...	3,357,301	3,357,301	...	...
Sinking Funds	...	...	...	177,677	177,677	...	...
Interest chargeable against Companies on Advances	31,44,602	...	209,640	175,500	385,140	34,14,000	...
Interest on Capital depo- sited by Companies	26,80,203	...	178,680	1,647,290	1,825,970	28,98,000	...
40.—Subsidized Companies: Land, etc.	8,96,204	13,190	60,626	...	60,626	7,64,000	19,000
41.—Miscellaneous Railway Expenditure	2,62,400	10,160	18,171	...	18,171	8,47,000	9,000
TOTAL	4,94,65,332	23,350	3,299,245	8,804,710	12,103,955	5,42,73,000	28,000
Irrigation—							
42.—Major Works: Working Expenses	75,79,960	95,97,583	1,145,103	...	1,145,103	76,90,000	94,45,000
Interest on Debt	66,69,010	93,25,070	1,066,272	116,595	1,182,867	74,74,000	99,83,000
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	...	...	...	840	...	...	...
43.—Minor Works and Navigation	39,65,122	87,25,975	846,073	...	846,913	41,28,000	87,47,000
TOTAL	1,82,13,092	2,76,48,628	3,057,448	117,435	3,174,883	1,92,92,000	2,81,75,000
Other Public Works—							
44.—Construction of Railways charged to Pro- vincial Revenues	...	12,535	836	...	836	...	61,000
45.—Civil Works	1,12,37,405	6,92,83,392	5,368,419	84,793	5,453,212	1,61,88,000	7,56,01,000
TOTAL	1,12,37,405	6,93,01,427	5,369,255	84,793	5,454,048	1,61,88,000	7,55,62,000
Military Services—							
46.—Army: Effective	20,84,03,972	...	13,893,598	2,439,364	16,332,932	20,51,01,000	...
Non-Effective	1,04,85,675	...	699,045	2,504,539	3,203,584	1,06,12,000	...
	21,88,89,647	...	14,592,643	4,943,903	19,536,546	21,57,13,000	...
46A.—Marine	37,61,939	...	250,796	199,932	450,728	37,92,000	...
47.—Military Works	1,30,81,104	...	872,407	87,250	909,657	1,27,59,000	...
47A.—Special Defences (1902)	40,570	...	2,705	2,001	4,703	1,00,000	...
TOTAL	23,57,78,260	...	15,718,551	5,183,086	20,901,637	23,23,64,000	...
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	45,51,07,452	41,44,22,673	57,968,675	19,957,657	77,926,332	45,40,52,000	43,35,97,000
<i>Add</i> —Portion of Allotments to Provincial Govern- ments not spent by them in the year	...	2,12,10,407	1,414,027	...	1,414,027	...	6,11,09,000
<i>Deduct</i> —Portion of Provincial Expenditure defrayed from Provincial Balances	...	66,74,153	444,943	...	444,943	...	...
Total Expenditure charged to Revenue	45,51,07,452	42,89,58,927	58,937,769	19,957,657	78,895,416	45,40,52,000	49,47,06,000

	ACCOUNTS, 1911-1912.			
	INDIA.		England.	Total.
	Amount in Rupees.	Equivalent in £ at R15 = £1.		
	R	£	£	£
Capital Expenditure not charged to Revenue—				
48.—State Railways	7,26,11,789	4,840,786	2,140,598	6,981,384
49.—Irrigation Works	2,17,33,198	1,448,880	87,651	1,536,531
TOTAL	9,43,44,987	6,289,666	2,228,249	5,179,155
51.—Initial Expenditure on new Capital at Delhi	74,799	4,986	6	4,992

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

ESTIMATE, 1912-1913.			Increase + Decrease— as compared with Budget Estimate, 1912-1913.	BUDGET ESTIMATE, 1913-1914.					Increase + Decrease— of Budget, 1913-1914, as compared with Budget Estimate, 1912-1913.	Increase + Decrease— of Budget, 1913-1914, as compared with Revised Estimate, 1912-1913.
Total India (converted into £ at R15 = £1).	England.	TOTAL.		INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R15 = £1).	England.	TOTAL.		
				Imperial.	Provincial.					
£	£	£	£	₹	₹	£	£	£	£	
30,777,800	5,718,700	36,496,500	-1,036,000	14,16,01,000	37,10,30,000	34,175,400	5,507,300	39,682,700	+2,150,200	+3,186,200
3,090,000	3,608,800	6,698,800	+185,200	5,00,79,000	...	3,338,600	3,681,300	6,969,900	+456,300	+271,100
...	3,357,700	3,357,700	-100	...	...	...	3,379,500	3,379,500	+21,700	+21,800
...	184,300	184,300	...	...	...	...	191,500	191,500	+7,200	+7,200
227,600	175,500	403,100	-24,500	36,27,000	...	241,800	175,500	417,300	-10,300	+14,200
193,200	1,654,900	1,848,100	-14,600	34,33,000	...	228,900	1,726,200	1,955,100	+92,400	+107,000
52,200	...	52,200	-69,000	16,00,000	10,000	107,300	...	107,300	-13,900	+55,100
57,100	...	57,100	+6,000	7,53,000	...	50,600	...	50,600	-500	-6,300
3,620,100	8,981,200	12,601,300	+83,000	5,94,97,000	10,000	3,967,200	9,104,000	13,071,200	+552,900	+469,900
1,142,300	...	1,142,300	+36,400	78,61,000	95,78,000	1,162,600	...	1,162,600	+53,700	+20,300
1,163,800	124,800	1,288,600	+47,100	81,52,000	1,03,42,000	1,232,900	126,900	1,359,800	+118,300	+71,200
...	...	...	-43,300	16,29,000	...	108,600	...	108,600	+65,300	+108,600
858,400	1,900	860,300	-63,900	45,91,000	93,05,000	926,400	7,200	933,600	+9,400	+73,300
3,164,500	126,700	3,291,200	-23,700	2,22,33,000	2,92,25,000	3,430,500	134,100	3,564,600	+249,700	+273,400
4,100	...	4,100	+600	...	32,000	2,100	...	2,100	-1,400	-2,000
6,119,200	90,500	6,209,700	+553,000	1,48,59,000	8,25,95,000	6,497,000	85,400	6,582,400	+930,700	+372,700
6,123,300	90,500	6,213,800	+553,600	1,48,59,000	8,26,27,000	6,499,100	85,400	6,584,500	+929,300	+370,700
13,673,400	2,692,500	16,365,900	+510,900	20,36,18,000	...	13,574,500	2,723,000	16,297,500	+442,500	-68,400
707,500	2,535,900	3,242,800	+13,100	1,06,40,000	...	709,100	2,549,000	3,258,400	+28,700	+15,000
14,380,900	5,227,800	19,608,700	+524,000	21,42,58,000	...	14,283,900	5,272,000	19,555,900	+471,200	-52,800
252,800	224,000	476,800	+29,700	34,01,000	...	226,700	251,600	478,300	+31,200	+1,500
850,600	30,000	880,600	+20,100	1,39,39,000	...	929,100	19,800	949,100	+88,600	+68,500
6,600	9,300	15,900	-4,300	2,62,000	...	17,400	7,100	24,500	+4,300	+8,600
15,490,900	5,491,100	20,982,000	+569,500	23,18,60,000	...	15,457,300	5,550,500	21,007,800	+595,300	+25,800
59,176,600	20,403,200	79,584,800	+151,400	47,00,50,000	48,28,92,000	63,529,500	20,381,300	83,910,800	+4,477,400	+4,326,000
4,073,900	...	4,073,900	+5,631,600	...	...	...	...	...	-1,354,900	-6,986,500
...	...	...		...	4,36,89,000	2,912,600	...	2,912,600		
63,250,500	20,408,200	83,658,700	+5,783,000	47,00,50,000	48,92,03,000	60,618,900	20,381,300	80,998,200	+3,132,500	-2,660,500
REVISED ESTIMATE, 1912-1913.				BUDGET ESTIMATE, 1913-1914.						
INDIA.		England.	TOTAL.	INDIA		England.	TOTAL.			
Amount in Rupees.	Equivalent in £ at R15 = £1.			Amount in Rupees.	Equivalent in £ at R15 = £1.					
Rs.	£	£	£	Rs.	£	£	£			
9,66,00,000	6,440,000	2,502,000	8,942,000	11,40,53,000	7,803,500	2,509,900	10,113,400			
2,11,27,000	1,408,500	33,300	1,441,800	2,06,77,000	1,378,500	88,200	1,466,700			
11,77,27,000	7,848,500	2,535,300	10,383,800	13,47,30,000	8,982,000	2,593,100	11,580,100			
15,73,000	104,900	7,000	111,900	1,99,25,000	1,328,300	5,000	1,333,300			

C.—Statement of Receipts and Disbursement of the

	ACCOUNTS, 1911-1912.			REVISED ESTIMATE, 1912-1913.			BUDGET ESTIMATE, 1913-1914.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A) .	81,743,339	1,092,411	82,835,750	86,082,100	970,300	87,052,400	81,522,600	801,900	82,324,500
Excess of Revenue over Expenditure charged to Revenue			3,940,334			3,393,700			1,326,300
Railway, Irrigation, and other Capital not charged to Revenue—									
OUTLAY OF RAILWAY COMPANIES—									
Repayments . . . . .	...	2,029	2,029	...	4,000	4,000	..	2,000	2,000
NET			0			0			0
RAISED AND DEPOSITED BY RAILWAY COMPANIES—									
On account of Subscribed Capital	57,497	...	57,497	70,600	655,000	725,600	160,900	4,415,000	4,575,900
NET			17,497			565,600			3,160,900
Permanent Debt Incurred—									
<i>Sterling Debt—</i>									
India Stock . . . . .	...	2,855,103		...	3,000,000		...	...
<i>Rupee Debt—</i>									
Rupee Loan	1,333,333	...		2,000,000	...		2,000,000	...	
TOTAL NET	1,333,333	2,855,103	4,188,436	2,000,000	3,000,000	5,000,000	2,000,000	...	2,000,000
			1,823,173			2,937,000			131,500
Temporary Debt Incurred—									
Temporary Loans . . . . .	...	4,500,000	4,500,000	...	...	...	...	...	...
NET			0			0			0
Unfunded Debt—									
Deposits of Service Funds	89,721	...		90,100	...		90,000	...	
Savings Bank Deposits	6,750,855	...		7,523,400	...		7,509,800	...	
TOTAL NET	6,840,576	...	6,840,576	7,613,500	...	7,613,500	7,599,800	...	7,599,800
			1,815,193			1,741,400			1,501,400
Deposits and Advances—									
Balances of Provincial Allotments	1,414,027	...		4,073,900	...		...	...
Appropriation for Reduction or Avoidance of Debt	457,967	...		347,900	...		453,400	...	
Deposits of Local Funds—									
District Funds	3,696,473	...		4,170,500	...		3,914,000	...	
Other Funds	1,194,862	...		1,347,500	...		1,182,500	...	
Deposits of Sinking Funds	27,552	...		42,100	...		43,800	...	
Gold Standard Reserve . . . . .	...	9,485,535		3,265,700	11,363,900		...	6,178,100	
Currency Reserve—									
Council Bills appropriated . . . . .	...	1,988,333		...	...		...	...
Gold received from India . . . . .	...	...		...	1,600,000		...	...
Gold transferred	1,988,333	...		...	...		...	...
Departmental and Judicial Deposits	24,965,219	...		27,004,200	...		26,204,700	...	
Advances	10,604,375	27,227		5,198,600	8,600		4,606,800	24,600	
Suspense Accounts	287,178	...		128,100	...		17,600	...	
Exchange on Remittance Accounts (net)	22,575	...		...	...		...	...
Miscellaneous	26,174	...		2,400	...		6,800	...	
TOTAL NET	44,684,715	11,501,095	56,185,810	45,580,900	12,972,500	58,553,400	36,429,600	6,202,700	42,632,300
			2,209,480			4,786,900			0
Carried over	124,659,469	12,930,638		141,347,100	17,601,800		127,712,900	11,421,600	

Government of India, in India and in England.

	ACCOUNTS, 1911-1912.			REVISED ESTIMATE, 1912-1913.			BUDGET ESTIMATE, 1913-1914.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
Expenditure, Imperial and Provincial (from Statement B)	£ 57,908,675	£ 19,957,657	£ 77,926,332	£ 59,176,600	£ 20,408,200	£ 79,584,800	£ 63,529,500	£ 20,381,300	£ 83,910,800
Add—Provincial Surpluses transferred to "Deposits"	1,414,027	...	1,414,027	4,073,900	...	4,073,900	...	...	...
Deduct—Provincial Deficits charged to "Deposits"	444,943	...	444,943	...	...	...	2,912,600	...	2,912,600
TOTAL	58,937,759	19,957,657	78,895,416	63,250,500	20,408,200	83,658,700	60,616,900	20,381,300	80,998,200
Railway, Irrigation, and other Capital not charged to Revenue—									
OUTLAY ON IRRIGATION WORKS	1,448,880	87,651	1,536,531	1,408,500	83,300	1,441,800	1,378,500	88,200	1,463,700
OUTLAY ON STATE RAILWAYS	4,840,786	2,140,598	6,981,384	6,440,000	2,502,000	8,942,000	7,603,500	2,509,900	10,113,400
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	4,986	6	4,992	104,900	7,000	111,900	1,328,300	5,000	1,333,300
OUTLAY OF RAILWAY COMPANIES—									
Payments for Capital outlay	314,614	673,945	988,559	171,700	1,027,300	1,199,000	227,400	1,822,900	2,050,300
NET	314,614	673,945	988,559	171,700	1,027,300	1,199,000	227,400	1,822,900	2,050,300
RAISED AND DEPOSITED BY RAILWAY COMPANIES—									
Payments for discharge of Debentures	...	40,000	40,000	...	160,000	160,000	...	1,415,000	1,415,000
NET	...	40,000	40,000	...	160,000	160,000	...	1,415,000	1,415,000
Permanent Debt Discharged—									
<i>Sterling Debt—</i>									
Madras Railway Debentures	...	868,700	...	...	249,700	...	...	170,000	...
Indian Midland Do.	...	907,500	...	...	1,227,900	...	...	1,111,200	...
India Bonds	...	500,000	...	...	500,000	...	...	500,000	...
<i>Rupee Debt—</i>									
4½ p. c. Loans	67	...	...	...	...	...	...	...	...
4 p. c. Loans	80,910	...	...	82,400	...	...	82,400	...	...
3½ p. c. Loans	200	...	...	100	...	...	100	...	...
3 p. c. Loans	7,886	...	...	2,800	...	...	4,800	...	...
Provincial Debentures	...	...	...	100	...	...	...	...	...
TOTAL	89,033	2,276,200	2,365,233	85,400	1,977,600	2,033,000	87,300	1,781,200	1,838,500
NET	89,033	2,276,200	2,365,233	85,400	1,977,600	2,033,000	87,300	1,781,200	1,838,500
Temporary Debt Discharged—									
Temporary Loans	...	5,000,000	5,000,000	...	4,500,000	4,500,000	...	...	...
NET	...	5,000,000	5,000,000	...	4,500,000	4,500,000	...	...	...
Unfunded Debt—									
Special Loans	269	...	...	200	...	...	200	...	...
Deposits of Service Funds	93,577	...	...	93,700	...	...	93,200	...	...
Savings Bank Deposits	4,931,537	...	...	5,778,200	...	...	6,002,000	...	...
TOTAL	5,025,383	...	5,025,383	5,872,100	...	5,872,100	6,098,400	...	6,098,400
NET	5,025,383	...	5,025,383	5,872,100	...	5,872,100	6,098,400	...	6,098,400
Deposits and Advances—									
Balances of Provincial Allotments	444,943	...	...	...	...	...	2,912,600	...	...
Deposits of Local Funds—									
District Funds	3,593,981	...	...	4,015,800	...	...	3,847,300	...	...
Other Funds	1,121,303	...	...	1,215,200	...	...	1,134,300	...	...
Gold Standard Reserve	...	9,889,183	...	3,265,700	11,432,600	...	...	6,164,500	...
Currency Reserve—									
Council Bills appropriated	1,983,333	...	...	...	...	...	...	...	...
Gold Transferred	...	655,000	...	...	1,600,000	...	...	...	...
Sums invested	...	1,333,333	...	...	...	...	...	...	...
Departmental and Judicial Deposits	24,514,709	...	...	26,853,700	...	...	26,133,300	...	...
Advances	10,231,543	73,813	...	5,198,100	180,100	...	4,594,200	25,000	...
Response Accounts	111,078	...	...	186,700	...	...	69,800	...	...
Exchange on Remittance account (net)	...	...	...	18,600	...	...	...	...	...
Miscellaneous	19,027	24	...	...	...	...	...	...	...
TOTAL	42,024,977	11,951,353	53,976,330	40,553,800	13,212,700	53,766,500	38,691,500	6,189,500	44,881,000
NET	42,024,977	11,951,353	53,976,330	40,553,800	13,212,700	53,766,500	38,691,500	6,189,500	44,881,000
Carried over	112,086,448	42,127,410	...	117,893,900	43,808,100	...	116,631,000	64,000,000	2,248,700

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1911-1912.			REVISED ESTIMATE, 1912-1913.			BUDGET ESTIMATE, 1913-1914.		
	India.	England.	TOTAL.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	134,659,460	19,950,638		141,347,100	17,601,800		127,712,900	11,421,600	
Loans and Advances by Imperial Govern- ment	264,742	...	264,742	260,000	...	260,000	199,000	...	199,000
Net			201,914			187,600			13,100
Loans and Advances by Provincial Governments	986,707	...	986,707	1,091,300	...	1,091,300	937,600	...	937,600
Net			0			0			0
Loans to Local Boards for Railway Con- struction	6,583	...	6,583	6,900	...	6,900	7,100	...	7,100
Net			6,583			6,900			7,100
Remittances—									
Inland Money Orders	32,427,579	...		33,333,300	...		34,693,400	...	
Other Local Remittances	87,885	...		573,400	...		434,700	...	
Other Departmental Ac- counts	6,226	...		...	...		...	...
Net Receipts by Civil Trea- suries from—									
Post Office	2,168,276	...		2,208,500	...		2,028,300	...	
Railways	12,606,038	...		14,547,300	...		13,704,100	...	
Public Works	8,700	...		...	...		...	...
Net Receipts from Civil Trea- suries by—									
Telegraph	733,423	...		733,700	...		718,300	...	
Marine	291,885	...		260,100	...		199,300	...	
Military Works	738,525	...		719,400	...		803,100	...	
Military	13,268,513	...		13,146,600	...		13,017,800	...	
Remittance Account between England and India—									
Purchase of Silver . . . . .	...	...		7,000,000	...		...	...
Remittance of gold from India . . . . .	...	...		...	327,900		...	450,000	
Railway transactions	2,195,707	7,655		3,500,300	24,600		4,914,900	504,800	
Other	903,598	1,253,414		2,559,900	1,549,800		771,800	1,300,000	
TOTAL	65,436,355	1,261,039	66,697,424	78,692,560	1,902,300	80,594,800	71,285,700	2,344,800	73,630,500
Net			49,524			161,600			0
Secretary of State's Bills drawn . . . . .	...	25,070,216	25,070,216	...	25,660,000	25,660,000	...	21,650,000	21,650,000
TOTAL RECEIPTS	201,353,847	46,281,923		221,397,800	45,164,100		200,142,300	35,416,400	
Opening Balance	13,566,922	18,174,349 ^(a)		12,279,689	19,463,723 ^(b)		19,543,889	9,377,923 ^(c)	
GRAND TOTAL	214,920,769	64,456,272		233,677,489	64,627,823		219,686,189	44,794,323	

(a) Of this account £1,477,358 represents the funds of the Gold Standard Reserve.

(c) " " £1,005,000 " " " " " "

Government of India, in India and England—continued.

	ACCOUNTS, 1911-1912.			REVISED ESTIMATE, 1912-1913.			BUDGET ESTIMATE, 1913-1914.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	112,686,448	42,127,410		117,886,900	43,828,100		116,031,800	34,193,000	
Loans and Advances by Imperial Government	62,828	...	62,828	72,400	...	72,400	185,900	...	185,900
NET			0			0			0
Loans and Advances by Provincial Governments	1,179,863	...	1,179,863	1,288,200	...	1,288,200	1,063,500	...	1,063,500
NET			193,155			196,900			125,900
Remittances—									
Inland Money Orders	32,398,535	...		33,333,300	...		34,666,700	...	
Other Local Remittances	...	...		441,000	...		568,000	...	
Other Departmental Accounts	127	...		...	...		...	...
Net payments into Civil Treasuries by—									
Post Office	2,158,879	...		2,208,500	...		2,028,300	...	
Railways	12,704,524	...		14,547,300	...		13,704,100	...	
Net Issues from Civil Treasuries to—									
Telegraph	740,023	...		733,700	...		718,300	...	
Marine	292,953	...		260,100	...		199,000	...	
Military Works	749,165	...		719,400	...		803,100	...	
Military	13,268,720	...		13,146,600	...		13,017,800	...	
Remittance Account between England and India—									
Purchase of silver	...	...		...	7,060,000		...	...
Remittance of gold to England	...	...		327,900	...		450,000	...	
Railway transactions	2,914	2,200,448		24,600	3,550,300		504,800	4,914,900	
Other	1,466,921	664,691		3,269,000	811,500		1,547,900	575,400	
TOTAL	63,782,761	2,835,139	66,647,900	69,011,400	11,421,800	80,433,200	68,208,300	5,490,300	73,698,600
NET			0			0			63,100
Secretary of State's Bills paid	24,929,181	...	24,929,181	25,874,700	...	25,874,700	21,650,000	...	21,650,000
TOTAL DISBURSEMENTS	202,641,080	44,992,549		214,133,600	55,249,900		207,139,500	39,683,300	
Closing Balance	12,279,689	19,463,723 ^(b)		19,543,889	9,377,923 ^(c)		12,546,689	5,111,023 ^(d)	
GRAND TOTAL	214,920,769	64,456,272		233,677,489	64,627,823		219,686,189	44,794,323	

(b) Of this amount £1,073,710 represents the funds of the Gold Standard Reserve

(d) " £1,018,600 " " " " " " "

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
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 of Agra and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.	Equivalent in £ at Rs 15 = £1.
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	£
Accounts, 1911-1912.											
Balance at end of 1910-1911	27,72,214	54,08,035	72,89,698		1,30,78,265	83,90,485	69,74,978	1,55,90,102	1,63,03,351	7,61,10,158	5,074,010
Added in 1911-1912	12,14,573	...	52,18,802		82,93,235	1,44,240	33,98,055	29,38,502	...	2,12,10,407	1,414,027
Spent in 1911-1912 . . . . .	...	12,60,040	...		...	...	...	...	54,14,113	66,74,153	444,943
Balance at end of 1911-1912	39,86,787	41,48,025	1,25,08,500		2,13,74,500	88,34,725	1,03,73,033	1,85,28,604	1,08,92,238	9,06,43,412	6,043,094
Revised Estimate, 1912-1913.											
			Assam.	New Bengal.	Bihar and Orissa.						
Balance at end of 1911-1912	39,83,787	41,48,025	41,93,000	1,66,25,000	1,30,62,000	88,34,725	1,03,73,033	1,85,28,604	1,08,92,238	9,03,46,412	6,043,094
Added in 1912-1913	44,97,000	75,37,000	37,55,000	1,16,98,000	65,69,000	81,28,000	83,36,000	43,76,000	59,13,000	6,11,09,000	4,073,900
Spent in 1912-1913 . . . . .	...	...	...	...	...	...	...	...	...	...	...
Balance at end of 1912-1913	84,83,787	1,16,85,025	79,51,000	2,83,23,000	1,96,31,000	1,69,62,725	1,90,09,033	2,29,04,604	1,68,05,238	15,17,55,412	10,116,994
Budget Estimate, 1913-1914.											
Balance at end of 1912-1913	84,83,787	1,16,85,025	79,51,000	2,83,23,000	1,96,31,000	1,69,62,725	1,90,09,033	2,29,04,604	1,68,05,238	15,17,55,412	10,116,994
Added in 1913-1914 . . . . .	...	...	...	...	...	...	...	...	...	...	...
Spent in 1913-1914	8,68,000	58,54,000	19,94,000	89,53,000	46,09,000	38,43,000	43,87,000	80,21,000	51,55,000	4,36,89,000	2,912,600
Balance at end of 1913-1914	76,15,787	58,31,025	59,57,000	1,93,70,000	1,50,22,000	1,31,14,725	1,46,22,033	1,48,83,604	1,16,50,238	10,80,66,412	7,204,394

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
March 20th, 1913.

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

REVENUE AND EXPENDITURE.	ACCOUNTS, 1911-1912.					REVISED ESTI- MATE, 1912-1913.		BUDGET ESTI- MATE, 1913-1914.	
	Revenue.	EXPENDITURE.		Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		Refunds and Assignments.	Cost of Collection and Production.						
	£	£	£	£	£	£	£	£	£
Revenue Heads.									
Land Revenue (excluding that due to Irrigation)	20,764,697	764,370	3,786,454	16,213,873		16,647,100		16,584,000	
Opium	5,961,278	3,614	729,452	5,228,212		4,503,500		306,000	
Salt	3,391,212	254,476	368,490	2,768,246		2,701,100		2,768,000	
Stamps	4,815,129	55,595	134,190	4,625,344		4,882,600		4,999,200	
Excise	7,609,753	76,873	419,253	7,113,627		7,669,800		7,913,400	
Provincial Rates	548,680	580	5,695	542,405		550,000		27,900	
Customs	6,485,667	181,837	250,713	6,036,017		6,597,400		6,445,600	
Assessed Taxes	1,652,378	10,827	28,273	1,613,773		1,687,500		1,715,300	
Forest	1,952,179	6,537	1,142,202	803,440		898,600		799,700	
Registration	445,862	1,124	248,256	193,482		218,800		238,100	
Tributes	595,005	201,358	...	393,647		398,100		415,300	
TOTAL	54,205,240	1,557,191	7,112,983	45,535,066		46,767,500		42,213,500	
Total deduction from Revenue			8,670,174						
Expenditure Heads.									
Debt Services Interest	1,448,741	2,037,735			588,994		844,000		22,700
Commercial Services				125,809		223,100		303,600	39,200
Post office	2,134,279	2,008,470				20,900			
Telegraph	1,087,425	1,098,934			6,509				
Railways	15,891,725	12,103,955		3,787,770		5,516,100		4,552,300	
Irrigation	3,980,052	3,174,883		805,169		1,071,700		839,300	
Other Public Works					5,127,124		5,898,200		16,297,600
Civil Works, etc.	326,924	5,454,048							
Mint	367,100	116,507		250,593		389,700		136,900	
Civil Departments					15,228,035		15,416,500		18,127,800
Miscellaneous					2,985,950		3,077,100		3,124,400
Superannuation	201,470	3,187,420				109,300		33,300	
Exchange	105,697	...		105,697					
Civil Services									
Miscellaneous	409,018	388,909		20,109		36,800		190,500	
Other heads	93,891	1,322,494			1,225,603		1,222,700		1,216,200
Famine Relief and Insurance									
Famine Relief	...	114,293					195,300		46,600
Other heads	...	885,707			885,707		804,700		953,400
Military Services									
Army									
Effective	1,061,030	16,332,932		15,271,932		15,201,600		15,235,300	
Non-effective	118,336	3,203,584		3,085,248		3,121,600		3,133,900	
Marine	84,900	450,728		365,828		389,000		380,000	
Military works	78,791	909,657		830,836		867,300		873,100	
Special Defences (1902)	...	4,706		4,706		15,900		24,500	
TOTAL	82,835,750	77,926,332		4,909,418		7,467,600		1,586,300	
Provincial Adjustment					969,084		4,073,900		2,912,600
Surplus									
Deficit									
TOTAL	82,835,750	78,895,416		3,940,334		3,393,700		1,326,300	
Capital Account									
Surplus				3,940,334		3,393,700		1,326,300	
Railway and Irrigation Capital not charged to Revenue									
Capital raised and deposited by Railway Companies (net)				17,497		565,600		3,160,900	
Outlay on Irrigation Works					1,536,531		1,441,800		1,436,700
Outlay on State Railways					6,981,884		8,942,000		10,113,400
Initial outlay on new Capital at Delhi					4,992		111,900		1,333,300
Outlay of Railway Companies (net)					986,530		1,195,000		2,048,300
Permanent Debt (net)				1,823,173		2,937,000		131,500	
Temporary Debt (net)					500,000		4,500,000		
Unfunded Debt (net)									
Loans and Advances by Imperial Government (net)				1,815,193		1,741,400		1,501,400	
Loans and Advances by Provincial Governments (net)				201,914		187,600		13,100	
Loans to Local Boards for Railway Construction (net)				6,783		6,900		7,100	
Deposits and Advances (net)				2,209,480		4,786,900			2,248,700
Remittances (net)				49,524		161,600			
Secretary of State's Bills drawn (net)				25,070,216		25,680,000		21,650,000	
Secretary of State's Bills paid (net)					24,929,181		25,874,700		21,650,000
Cash Balance									
Opening Balance (net)				35,133,914	35,131,773	39,440,700	42,262,300	27,790,300	39,054,400
Closing Balance (net)				31,741,271	31,743,412	31,743,412	28,921,812	28,921,812	17,657,712
TOTAL				66,875,185	66,875,185	71,184,112	71,184,112	56,712,112	56,712,112

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
March 20th, 1913.

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 1913-14 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.

Introductory.

2. The figures for the newly created province of Delhi have been entered separately and explained under each major head of account. It may be stated however at the outset that while the Revised estimates for 1912-13 under each head represent the probable receipts and outlay in six months of the current year, the Budget makes full provision for the revenue and the charges of a whole year; and that where the difference between the two sets of figures arises solely from this cause, no explanation of the variation has been given in this memorandum.

3. It is also necessary to explain at this stage that the figures entered against Delhi in this memorandum represent only the revenue and expenditure of the Delhi administration and do not by themselves indicate the cost of change of the Imperial Capital. In order to ensure that, although brought into account under varying heads, expenditure connected with Delhi shall not be lost sight of, instructions have already been issued for the record of all such outlay under special descriptive sub-heads which have been opened in our accounts. Thus, the whole of the expenditure on the Delhi Project proper chargeable to capital will be shown under the new capital head "51" opened for this purpose. Charges connected with the construction of Temporary Delhi will be shown under a special descriptive sub-head under the major head "45—Civil Works—Imperial." Similarly, expenditure on the new cantonment will be shown under a specific descriptive head in the Military section of the accounts. Lastly, charges connected with the administration of the Delhi province will be brought together in a special Appendix to the Civil Estimates under the appropriate service heads, and in this will also be included expenditure from special sanitary or other grants for such objects as water supply, town improvements, preservation of antiquities, medical relief, etc.

Treatment of cost of Imperial Delhi.

In order to present in one view not only the gross expenditure arising from the change of Capital, but also the very substantial sums which will from time to time come to be taken by way of set-off, it has been decided to maintain a special *pro forma* statement with effect from 1912-13. The general form of the statement will be somewhat as shown in the appendix to this memorandum; but modifications in the detailed heads may have to be made as advised from time to time by the Comptroller General. It will not, however, be possible to present these figures until the accounts of 1912-13 are made up, and for the present it has been thought sufficient to compile a statement of the gross expenditure only arising out of the change of Capital which is included in the

126 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

accounts of 1911-12, the Revised estimate of 1912-13 and the Budget estimate of 1913-14. The figures are given below in lakhs of rupees :—

	1911-12, Accounts.	1912-13, Revised.	1913-14, Budget.
I.—Capital expenditure :—			
Initial outlay on Permanent Delhi (<i>vide</i> paragraphs 235 and 236)	·75	16·78	200·00
II.—Revenue expenditure :—			
(a) Administration of Delhi Province (as recorded under the various heads of account in this memorandum) . . . . .	...	17·74	20·47
(b) Construction and maintenance of temporary works at Delhi for the accommodation of the Government of India (<i>vide</i> paragraphs 191 and 192)	8·61	47·00	8·25
(c) Cost of new Cantonment (<i>vide</i> paragraphs 214 and 224) . . . . .	...	·11	16·00
(d) Expenditure on provision of postal and telegraphic facilities including cost of new buildings . . . . .	...	3·91	·85
(e) Maintenance of Viceregal residence at Delhi . . . . .	...	...	1·59
(f) Cost of permanently moving Imperial offices (<i>vis.</i> , a section of the Government Press and the Office of the Comptroller General) from Calcutta or elsewhere to Delhi . . . . .	...	1·15	·49
(g) Other indirect expenditure incurred mostly in the Secretariats owing to employment of special staff in connection with work arising from the change of Capital, grant of special concessions to camp offices brought to Delhi, etc. . . . .	...	1·02	·37
	3·61	70·93	48·02

The whole of the capital outlay undoubtedly represents additional expenditure which would have been avoided but for the change of Capital. Of the charges recorded in the revenue account, the whole of item (b) must for the present fall under this class, though there will be small counterbalancing receipts in the shape of rents of the residential buildings, and a substantial portion of the outlay will in all probability be recouped when the temporary buildings are no longer required. Item (c) also represents mostly extra expenditure. But the same can hardly be said of the other items given above. The expenditure shown against items (f) and (g) will probably be more than counterbalanced by the savings accruing from the shorter move of the Government of India to Delhi. The whole of the outlay shown against items (d) and (e) is being met from ordinary Imperial grants; and all that has happened is that money is being now spent at Delhi which would have been spent elsewhere for the same purpose if the change of Capital had not been made, or else that being the Imperial Capital, Delhi is now receiving a larger share of the money than it used to get. Lastly, a good portion of the expenditure shown against item (a) represents the cost of the ordinary civil administration of the territory which used to be met by the Government of the Punjab before Delhi became the Imperial Capital; and the only effect of the change has been to transfer all such ordinary expenditure from the Provincial to the Imperial section of the accounts. But the revenue of the tract has also been so transferred, resulting in a gain to the Imperial Government of about R3½ lakhs in 1912-13, and R7 lakhs in 1913-14; and it may also be necessary to make a reduction in the present assignment of Imperial land revenue received by the Punjab

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 127

if a detailed examination of the accounts indicates that the Provincial expenditure in the tract prior to its transfer to Imperial control exceeded the Provincial revenue derived from it, though pending such examination no such reduction has been entered in the estimates. A small portion of the expenditure, about Rupees one lakh a year, also represents the cost of certain wholly Imperial Services, *e.g.*, Ecclesiastical, which has been merely transferred from the books of the Punjab to those of the new province; while a further portion of it representing special outlay on sanitation, etc., is being actually met, or, but for the change, would have been met from special Imperial grants.

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

General results.

	Accounts, 1911-1912.
	£
Revenue	82,835,750
Expenditure charged to Revenue	78,895,416
	<hr/>
Surplus	£ 3,940,334
	<hr/>
	Revised, 1912-1913.
	£
Revenue	87,052,400
Expenditure charged to Revenue	83,658,700
	<hr/>
Surplus	£ 3,393,700
	<hr/>
	Budget, 1913-1914.
	£
Revenue	82,324,500
Expenditure charged to Revenue	80,998,200
	<hr/>
Surplus	£ 1,326,300
	<hr/>

These figures exclude all capital, debt and remittance transactions.

5. The accounts of 1911-12 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.

Accounts, 1911-12.

6. The total revenue turned out about £796,900 more and the total expenditure about £50,400 less than the Revised estimate, with the result that the surplus was £847,300 larger than was anticipated. To this improvement, the net earnings of Railways contributed no less than £606,500. There was an increase of £425,600 in the gross receipts, the growth of traffic in March 1912, on the North-Western, the Bombay Baroda and Central India, and a few other lines having far exceeded expectation; while there was a net saving of £180,900 distributed among a number of lines, in the provision for working expenses and payment of surplus profits to companies. Eliminating the Provincial figures, the balance of the improvement in the surplus, *viz.*, £240,800, occurred chiefly under the following heads. There was an increase of £56,600 in the Opium revenue owing to a rise in the auction price at the sales of Malwa opium in March 1912. Increases of smaller magnitude were also realised under some of the other heads of revenue; but these were more than counterbalanced by a decrease of £100,000 under Customs, distributed among a number of tariff heads. The net Military expenditure was less than the Revised estimate by

128 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

£70,100 mainly in consequence of a smaller expenditure on the purchase of stores in England and in connection with the Royal Visit in India, and there were savings of £58,900 and £53,200 respectively in the miscellaneous charges of Railways and in the expenditure of Civil Departments. Smaller lapses also occurred under a number of other heads, but they were nearly counterbalanced by an increase of £32,000 under Civil Works. Of the latter sum £57,400 (R8.61 lakhs) represents expenditure on Temporary Delhi and was incurred mainly in taking over the electric installations, etc., erected, and certain articles of furniture purchased, in connection with the Coronation Durbar.

Authors of Memorandum.

7. Paragraphs 203 to 227 of this Memorandum have been communicated by the Hon'ble Mr. W. H. Michael, 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, 1913-14. 129

I AND 3.—LAND REVENUE.

REVENUE.

(Including the portion due to Irrigation.)

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	8,81,223	8,08,539	7,11,075	7,17,000	7,59,000	7,48,000
2. Delhi . . . . .	...	...	...	...	2,09,000	3,84,000
3. Baluchistan	10,02,440	8,91,261	9,51,489	9,03,000	9,15,000	9,25,000
4. North-West Frontier	23,30,699	21,79,157	21,48,843	21,83,000	21,83,000	22,13,000
5. Other Provinces	10,43,159	11,46,179	7,05,376	16,92,000	14,98,000	18,72,000
Total	52,57,521	50,25,136	45,17,783	54,95,000	55,64,000	61,42,000
<i>Divided and Provincial.</i>						
1. Central Provinces	1,87,74,671	1,81,31,128	1,85,87,860	1,87,60,000	1,80,85,000	1,83,50,000
2. Burma	4,20,29,468	4,06,18,783	4,18,73,511	4,27,82,000	4,42,60,000	4,30,98,000
3. Assam . . . . .	...	...	...	76,93,000	78,00,000	77,00,000
4. Bengal (new) . . . . .	...	...	...	2,69,88,000	2,74,66,000	2,72,66,000
5. Bihar and Orissa . . . . .	...	...	...	1,51,97,000	1,50,60,000	1,51,19,000
6. United Provinces	6,98,61,785	6,74,96,264	6,60,96,192	6,70,65,000	6,67,97,000	6,62,98,000
7. Punjab	3,13,87,524	2,97,80,632	3,47,90,783	3,52,82,000	3,89,32,000	3,52,62,000
8. Madras	6,49,15,137	6,61,22,570	6,70,19,897	6,83,93,000	6,88,69,000	6,96,70,000
9. Bombay	5,43,03,513	5,42,16,103	4,94,05,849	5,22,48,000	4,96,42,000	5,41,39,000
Eastern Bengal and Assam	2,01,21,586	2,01,84,470	2,03,12,357	...	...	...
Bengal (old)	2,95,91,734	2,92,57,800	2,91,38,198	...	...	...
Total	33,14,85,420	32,58,07,750	32,72,24,650	33,44,08,000	33,69,11,000	33,74,02,000
TOTAL REVENUE R	33,67,42,941	33,08,32,886	33,17,42,433	33,99,03,000	34,24,75,000	34,35,44,000
Shown under I.—Land Revenue R	31,99,62,121	31,31,62,808	31,14,70,456	31,91,39,000	31,98,85,000	32,05,98,000
Shown under XXIX.—Irrigation R	1,67,60,820	1,76,70,078	2,02,71,977	2,07,64,000	2,25,90,000	2,29,46,000
Equivalent of total Revenue in Sterling £	22,449,529	22,055,526	22,116,162	22,660,300	22,831,700	22,902,900
Shown under I.—Land Revenue £	21,332,141	20,877,521	20,764,697	21,276,000	21,325,700	21,373,200
Shown under XXIX.—Irrigation £	1,117,388	1,178,005	1,351,465	1,384,300	1,506,000	1,529,700

EXPENDITURE.

<i>Imperial.</i>						
1. India General	4,93,158	4,48,303	4,02,758	3,98,000	3,96,000	3,96,000
2. Delhi . . . . .	...	...	...	...	56,000	1,00,000
3. Baluchistan	2,16,185	2,21,950	2,39,346	2,35,000	2,40,000	2,33,000
4. North-West Frontier	5,87,200	5,88,174	6,03,664	6,85,000	6,15,000	6,74,000
5. Other Provinces	26,21,913	27,93,330	26,72,719	29,50,000	28,12,000	33,00,000
Total	39,18,506	40,51,757	39,18,487	42,68,000	41,19,000	47,03,000
<i>Divided and Provincial.</i>						
1. Central Provinces	38,16,408	39,07,049	39,07,629	39,04,000	39,00,000	40,00,000
2. Burma	66,35,721	65,12,019	68,23,955	69,17,000	69,91,000	69,79,000
3. Assam . . . . .	...	...	...	14,27,000	14,57,000	15,13,000
4. Bengal (new) . . . . .	...	...	...	33,50,000	33,63,000	33,48,000
5. Bihar and Orissa . . . . .	...	...	...	25,30,000	25,00,000	25,39,000
6. United Provinces	83,67,891	83,90,829	86,42,061	88,60,000	87,68,000	95,58,000
7. Punjab	47,85,927	46,30,491	48,02,974	50,3,000	47,39,000	47,88,000
8. Madras	1,24,04,066	1,27,50,336	1,29,37,965	1,45,67,000	1,42,95,000	1,46,51,000
9. Bombay	80,21,443	78,67,486	82,72,746	86,04,000	85,21,000	82,95,000
Eastern Bengal and Assam	30,68,240	30,51,163	33,30,750	...	...	...
Bengal (old)	37,24,433	36,96,519	41,29,707	...	...	...
Total	5,08,24,159	5,08,55,892	5,28,47,787	5,52,40,000	5,45,34,000	5,56,71,000
TOTAL INDIA R	5,47,42,665	5,49,07,649	5,67,66,274	5,95,08,000	5,86,53,000	6,03,74,000
Equivalent in Sterling £	3,649,511	3,660,510	3,784,418	3,967,200	3,910,200	4,024,900
England	568	1,916	2,036	1,000	2,000	1,300
TOTAL EXPENDITURE £	3,650,079	3,662,426	3,786,454	3,968,200	3,912,200	4,026,200

130 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

Statement showing the distribution between Imperial and Provincial of the Land Revenue shown in the preceding table under 1912-13 and 1913-14.

	1912-13.		Budget, 1913-1914.
	Budget.	Revised.	
1. Total divided revenue	81,72,05,000	81,94,88,000	82,01,78,000
<i>Imperial.</i>			
2. Imperial share according to the terms of the provincial settlements	16,15,03,000	16,24,19,000	16,28,53,000
3. <i>Deduct</i> :—			
(a) Fixed recurring assignments from Imperial to Provincial under the terms of the provincial settlements, including permanent additions subsequently made to them	61,15,000	72,05,000	2,43,15,000
(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	15,67,000	5,98,000	3,26,000
(ii) in aid of outlay on the improvement of education treated as a special appropriation from the opium revenue of the year . . . . .	...	69,00,000	...
(iii) in aid of outlay on the improvement of education, sanitation, medical relief, agriculture and other beneficial services . . . . .	...	4,62,70,000	15,35,000
(iv) in aid of development of communications, etc., in Burma and Assam . . . . .	...	50,00,000	...
(v) in aid of provincial resources generally . . . . .	...	1,00,00,000	...
(vi) other items	2,06,000	16,65,000	12,34,000
Total assignments	1,16,38,000	8,13,88,000	3,11,60,000
4. Net Imperial share of divided revenue	14,98,65,000	8,10,31,000	13,16,93,000
5. <i>Add</i> —Wholly Imperial Revenue	54,95,000	55,64,000	61,42,000
TOTAL	15,53,60,000	8,65,95,000	13,78,35,000
Shown under I.—Land Revenue	14,40,38,000	7,43,43,000	12,53,99,000
" " XXIX.—Irrigation	1,13,22,000	1,22,52,000	1,24,36,000
<i>Provincial.</i>			
1 Share of divided revenue (including assignments from Imperial)	16,73,40,000	23,84,57,000	18,84,85,000
2. Wholly Provincial Revenue	1,72,03,000	1,74,23,000	1,72,24,000
TOTAL	18,45,43,000	25,58,80,000	20,57,09,000
Shown under I.—Land Revenue	17,51,01,000	24,55,42,000	19,51,99,000
" " XXIX.—Irrigation	94,42,000	1,03,38,000	1,05,10,000

8. The Imperial expenditure shown against "Other Provinces" in the table at page 23 represents the cost of survey and record-of-right operations on a large scale in Bengal and in Bihar and Orissa, undertaken more for administrative than for fiscal purposes. The expenditure is of a temporary and varying character and was accordingly not considered suitable for inclusion in the financial settlements with the two provinces. Three-fourths of the charges are eventually recovered from landlords and tenants for the protection of whose rights the operations are primarily undertaken; and the recoveries are shown in the table as Imperial revenue against "Other Provinces."

REVENUE.

(a) Wholly Imperial.

9. Excluding the Delhi figures, the Revised estimate for 1912-13 is less than the Budget by R1.40 lakhs while the Budget for 1913-14 is R4.03 lakhs more than the Revised estimate for 1912-13. Both these variations are caused mainly by a postponement of the recovery in the current year of certain survey and settlement charges in Bengal and Bihar and Orissa, and by provision for the recovery of these arrears in 1913-14.

Revised, 1912-13.

Budget, 1913-14.

(b) Divided and Wholly Provincial.

10. The total collections in 1912-13 are likely to exceed the Budget estimate by R25.03 lakhs. A large improvement of R36.50 lakhs is anticipated in the Punjab in spite of the loss of the Delhi revenue, owing to higher receipts from the sale of proprietary rights in the canal colonies and the revision of assessments in the Chenab colony. Important increases will also take place in Burma (R14.78 lakhs) where the outturn of the year's crops is much above the average; in Bengal (R4.78 lakhs) where, owing to the territorial re-arrangement, the Budget was based on data which were more or less uncertain, while the Revised includes certain special receipts; and in Madras (R4.76 lakhs) mainly in consequence of the postponement of certain collections which were expected to be realised in 1911-12 at the time when the Budget for the current year was framed. In Assam also there will be an improvement of R1.07 lakhs owing to a larger recovery of arrears; but in the other provinces the collections will fall short of the Budget estimate. There will be a considerable deficiency of R26.06 lakhs in Bombay due to the unfavourable agricultural conditions prevailing in certain parts of the Presidency; and important shortages of R6.75 lakhs and R2.68 lakhs are also expected in the Central and the United Provinces respectively, owing to larger suspensions and postponement of collections in certain districts necessitated by an indifferent monsoon.

Revised, 1912-13.

11. The total Budget for 1913-14 is R4.91 lakhs more than the Revised estimate for the current year. An increase of R44.97 lakhs is expected in Bombay where provision has been made for the collection of a portion of the suspended revenue of the current year in addition to the normal demand for 1913-14. Important increases over the Revised estimate of the current year are also assumed in Madras (R8.01 lakhs) and in the Central Provinces (R7.65 lakhs) owing to normal growth in the revenue demand and to the recovery of arrears in the latter province. Provision for normal growth of the revenue demand has been made generally in the other provinces also. But the total collections in 1913-14 are expected to fall short of those in the current year in the Punjab (R36.70 lakhs) in consequence of smaller receipts from the sale of proprietary rights in the canal colonies; in Burma (R11.62 lakhs) where the estimates have been based on a normal outturn of next year's crops, while allowance has been made for a decrease in the petroleum revenue consequent on an expected falling-off in production in the Yenang-yaung oil-field; in the United Provinces (R4.99 lakhs) due to smaller recovery of revenue suspended in previous years, the outstanding amount of which will be considerably reduced by the end of the current year; and in Bengal (R2.00 lakhs) and in Assam (R1 lakh) owing to the absence of certain special receipts which have swelled the revenue in 1912-13.

Budget, 1913-14.

132. BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

(c) *Adjustments between Imperial and Provincial.*

12. The table at page 24 shows the amount of Imperial Land Revenue assigned for Provincial expenditure in the two years. The variations between the Budget and Revised estimates of the current year and between the latter and the Budget estimate for 1913-14 are explained below.

(1) *Recurring assignments.*

Revised, 1912-13.

13. The bulk of the increase of R10,90,000 in the Revised estimate over the Budget of the current year is contributed by the following three items, the balance consisting of petty corrections and re-adjustments:—

	Lakhs of rupees.
(1) Additional grants for educational reforms out of the reserve provision made in the current year's Budget under the head "22.—Education"	10.96
(2) Grants for the improvement of sanitary services out of the lump provision made for the purpose in the current year's Budget under the head "24.—Medical"	1.89
(3) Saving in the compensatory grant given to Madras in connection with the remission of the Proprietary Estates village service cess	—2.63
	<hr/>
	10.22
	<hr/>

Budget, 1913-14.

14. The increase of R1,71.10 lakhs in the Budget provision for next year over the Revised estimate of 1912-13 is made up as follows:—

	Lakhs of rupees.
(1) Compensatory assignments to the Governments of Bengal, Bihar and Orissa, United Provinces and the Punjab to enable them to forego the appropriations which are now made from the cess on land to meet expenditure which should be defrayed properly from Provincial revenues:—	
Bengal	24.93
Bihar and Orissa	22.92
United Provinces	29.53
Punjab	2.08
	<hr/>
TOTAL	79.46
(2) Additional recurring grants for the advancement of education	48.35
(3) Additional recurring grants for the development of sanitation	36.50
(4) Recurring grant to Assam for the proper administration of remote tracts on the north-east frontier	3.93
(5) Increase in compensatory assignment to Madras in connection with remission of village service cess in proprietary estates	2.43
(6) Additional recurring grants for the improvement of sanitary services . . . . .	.76
	<hr/>
	1,71.43
(7) <i>Deduct</i> —Petty adjustments of a recurring character . . . . .	.33
	<hr/>
TOTAL	1,71.10
	<hr/>

15. The fourth of these grants is intended to compensate the Government of Assam for political and police expenditure which it will have to incur in connection with the outlying territories on the north-east frontier, but for which no provision was made in its provincial settlement. The fifth grant is a necessary concomitant of the progress of resumption of *inam* lands of village servants—see paragraph 12 of last year's explanatory memorandum.

The sixth grant is an addition to the similar grant of R1.89 lakhs made in the current year, the object of the aggregate grant of R2.65 lakhs being to assist Local Governments in employing additional Deputy Sanitary Commissioners and municipalities in organising an efficient staff of health officers and sanitary inspectors. All the major provinces participate in the grant with the exception of Assam and the Central Provinces from which no schemes on the subject have yet been received.

16. In connection with the grants falling within the first of the categories mentioned above, it may be explained that certain appropriations have hitherto been made in some of the provinces, in aid of expenditure which is properly chargeable to Provincial revenues, from the proceeds of the land cess which is wholly applied elsewhere to finance rural boards. Thus in Bengal and in Bihar and Orissa, a moiety of the land cess—known as the public works cess—forms an item of Provincial revenue; in Agra about one-third of the land cess is appropriated by the Provincial Government to meet the cost of the rural police; and in the Punjab the district boards have to make over to the Provincial Government about one-fifth of the land cess as a contribution for general services. The arrangement has naturally resulted in a severe restriction of the activities of the rural boards in these provinces; and the Royal Commission on Decentralisation recommended in paragraph 773(i) of their report, that the resources of rural boards should be augmented by the surrender of these appropriations. It is proposed to accept the recommendation; and provision has accordingly been made in next year's Budget for the subventions required to compensate the four Provincial Governments for the loss of revenue entailed by the change. In calculating this loss due allowance has been made for the resumption of certain grants now made to the rural boards by the Provincial Governments. In the United Provinces a necessary corollary of the measure will be the abolition of the separate police rate in Oudh, the cost of the rural police becoming an item of Provincial expenditure, while advantage will be taken of the change to introduce another desirable reform, *viz.*, the substitution of cash-paid *chaukidars* in Gorakhpur for village watchmen who are paid by grants of land and whose *jagirs* will be resumed; and an addition has been made to the compensatory assignment to cover the fresh burden thrown on Provincial revenues. The figures given below show how the assignments to the four provinces have been worked out on the basis of the average actuals for the last three years:—

	(In lakhs of rupees).			
	Bengal.	Bihar and Orissa.	United Provinces.	Punjab.
Net amount of appropriation surrendered	29.42	24.52	22.19	3.82
Add—Cost of rural police in Oudh and <i>chaukidars</i> in Gorakhpur	...	...	11.02	...
	29.42	24.52	33.21	3.82
Deduct—Amount of contributions to rural boards to be resumed	4.49	1.60	3.54	1.74
Deduct—Provincial share of land revenue from resumed <i>jagirs</i> in Gorakhpur	...	...	.14	...
Amount of assignment	24.93	22.92	29.53	2.08

In the North-West Frontier Province also, the system of levying contributions from district boards for general services will be discontinued, a reduction being made in the grants received by the boards from Provincial revenues. The net loss of revenue in this province will amount to 22 lakh; and setting against this the Imperial share of the gain in land revenue in the United Provinces from the resumed *jagirs* the total cost of the measure will amount to R79.46 lakhs.

134 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

17. The following table gives the distribution among the different provinces of the recurring grants of R48·35 lakhs and R36·50 lakhs respectively for the promotion of education and the improvement of sanitation.

[Lakhs of Rupees.]

Province.	Grants for Sanitation.	Grants for Education.	Total Imperial grants for Education provided in the Budget for 1913-14.
1	2	3	4
	R	R	R
1. Central Provinces	3·00	2·59	5·54
2. Burma	3·00	3·07	6·07
3. Assam	·50	1·77	3·63
4. Bengal	5·00	13·20	25·45
5. Bihar and Orissa	3·00	5·23	10·53
6. United Provinces	6·00	6·38	14·63
7. Punjab	4·00	3·38	7·98
8. Madras	6·00	6·80	16·80
9. Bombay	6·00	5·93	13·68
Total	36·50	48·35	104·31

18. The subvention of R36·50 lakhs for sanitary expenditure represents the share assigned to the Governments of the nine major provinces, of the annual appropriation of R45 lakhs which it has been decided to make from Imperial revenues in aid of outlay on the improvement of sanitation. R5 lakhs out of this appropriation has been reserved for research for which there is a vast field in India, and the balance of R40 lakhs is intended to provide for urgent sanitary needs in cities. Out of the latter sum, R36·50 lakhs have been allotted to the major provinces, R1·50 lakhs to the minor administrations, and R2 lakhs kept in reserve for future distribution. The allotments to provinces have been made with reference to figures of urban population modified where necessary in accordance with lists of schemes ready and waiting for funds in each province.

19. The recurring assignments for education will be in addition to the similar grants made for this purpose from Imperial revenues in 1912-13, and the total provision in next year's Budget for special Imperial subventions to Provincial Governments in aid of educational expenditure will stand at R104·31 lakhs as shown in column 4 of the table in paragraph 17. Adding to this sum R3·69 lakhs allotted to meet the educational needs of the minor administrations and R7 lakhs held in reserve for future distribution, the special appropriation from Imperial revenues for outlay on the advancement of education will amount to R115 lakhs in 1913-14, or R55 lakhs more than the similar appropriation made in the current year. The distribution of this additional sum among the provinces has been made generally with reference to population, the demand for education and the expressed needs of Local Governments.

(2) *Non-recurring assignments.*

(i) *Grants for education, sanitation, and other beneficial services.*

Revised, 1912-13.

20. In the Budget estimate for the current year provision was made for a non-recurring appropriation of R65 lakhs from Imperial revenues for capital outlay on the promotion of education. Of this amount R62·50 lakhs have been allotted during the course of the year to the Provincial Governments to enable them to meet the requirements of universities and of certain special institutions, and the pressing demands for hostels; and the balance of R2·50 lakhs

has been utilised for similar purposes in the minor administrations. A small sum of R 20 lakh out of the portion of the current year's recurring grant which was held in reserve, has also been applied to meet an item of necessary capital expenditure in Madras. Further, it has been decided (a) to devote R2½ crores out of the general surplus of the current year to meet capital requirements of Provincial Governments in connection with universities, colleges and schools; and (b) to distribute R69 lakhs, representing roughly about a third of the opium revenue realised in the current year in excess of R5,40 lakhs, among the Provincial Governments to be applied almost wholly to the erection of hostels,— a small sum of R2 lakhs being allotted to the Calcutta University to enable it to purchase land which it urgently requires for purposes of extension. The total non-recurring subventions to Provincial Governments in 1912-13 for the promotion of education will thus amount to R381·70 lakhs.

21. It has also been decided to make further non-recurring grants to Provincial Governments aggregating R1½ crores out of the general surplus of the current year, the bulk of which will be devoted to meet pressing demands for the improvement of urban sanitation. The distribution of the non-recurring educational and sanitary grants among the several provinces has been made generally on the same basis as has been followed in distributing the recurring grants, and is given in the table below :

	EDUCATION.				SANITA- TION.
	Grant of R62·7 lakhs out of reserve provision in our rent year's Budget.	Additional grants of		Total.	
		R250 lak s.	R69 lakhs.		
Central Provinces	1·50	13·00	4·75	19·25	10·50
Burma	1·50	21·00	3·25	25·75	10·50
Assam	1·00	9·50	3·50	14·00	3·00
Bengal	28·00	52·50	22·50	103·00	20·00
Bihar and Orissa	3·00	26·50	7·25	36·75	10·00
United Provinces	6·50	34·00	8·25	48·75	27·50
Punjab	4·50	17·50	7·75	29·75	14·50
Madras	8·70	45·00	4·00	57·70	27·00
Bombay	8·00	31·00	7·75	46·75	27·00
Total	62·70	250·00	69·00	381·70	150·00

22. In the next place, it has been decided to give from our general surplus in 1912-13 a non-recurring grant of R30 lakhs to Burma and one of R20 lakhs to Assam for communications and general development. The Provincial resources of Burma are not yet quite sufficient to enable the Local Government to maintain a satisfactory rate of progress in the development of the country which its backward condition makes specially and urgently necessary. In Assam also the improvement of communications is a matter of vital importance and the Local Government has recently decided after careful consideration and with the help of a representative conference of leading Europeans and Indians of the province, to allot a sum of R15 lakhs for expenditure by local boards on new communication projects to be carried out in three years.

23. Lastly, it has been decided to allot from our general surplus in 1912-13 a sum of R1 crore for discretionary grants to the Provincial Governments; these grants will not be earmarked for any particular purpose and it will be left to the Local Governments to determine the application of the sums placed at their disposal according to the special and pressing requirements of each. Assam and the Central Provinces will each receive R8 lakhs of the grants of this class, while a sum of R12 lakhs will be given to each of the seven other provinces.

136 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

Budget, 1913-14.

24. From the surplus Imperial revenues in 1913-14 it has been decided to make two appropriations of R10 lakhs each for (a) agriculture and allied purposes and (b) medical relief. The first of these grants will be applied mainly to the development of cotton cultivation and of the sugar industry, small sums being also allotted for bacteriological and other laboratories, the extension of cinchona plantations, the development of forests and other desirable improvements. The second grant will be devoted to the improvement of hospitals and medical education. R6.60 lakhs of the former grant and R8.75 lakhs of the latter will be assigned to the nine Provincial Governments; and the balance will be either utilised to meet necessary Imperial outlay in the minor administrations, etc., or else held in reserve for future allotment. The distribution of the assignments to the Provincial Governments is given below:—

	AGRICULTURAL AND ALLIED OBJECTS.				MEDICAL RELIEF.
	Agriculture.	Forests.	Cinchona plantations.	Total.	
	R	R	R	R	R
Central Provinces . . . . .	.20	...	...	.20	1.50
Burma . . . . .	.75	.50	...	1.25	1.50
Assam . . . . .	.50	.25	...	.75	.25
Bengal	1.00	...	.50	1.50	1.00
Bihar and Orissa . . . . .	.50	...	...	.50	.50
United Provinces . . . . .	.60	...	...	.60	1.00
Punjab	1.20	...	...	1.20	.50
Madras . . . . .	...	...	.50	.50	1.50
Bombay . . . . .	.10	...	...	.10	1.00
Total	4.85	.75	1.00	6.60	8.75

(ii) *Other non-recurring grants.*

25. 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:—

	1912-1913.	1913-1914.
To bring the net Irrigation revenue in the United Provinces up to the amount guaranteed in the settlements	5.98	3.26

(b) Other grants—

(1) Contribution to meet Provincial expenditure in Burma and Assam in connection with Frontier Missions, Surveys, etc.	10.85	10.47
(2) Contribution to meet arrear charges in connection with the Royal Visit (mainly payment of bonus to subordinate civil employes of Government)	2.04	...
(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	1.30	...
(4) Annual contribution to the Calcutta Improvement Trust for a period of sixty years	1.50	1.50
(5) Miscellaneous adjustments representing mainly refund of expenditure undertaken on behalf of the Imperial Government or of Provincial revenue erroneously credited as Imperial . . . . .	.96	.37
	16.65	12.34

EXPENDITURE.

(a) Wholly Imperial.

26. Excluding the Delhi figures, the saving of ₹2·05 lakhs in the Budget grant for 1912-13 is chiefly due to lapses in the provision for survey and settlement expenditure in Bengal and Bihar and Orissa; and the increase of ₹5·40 lakhs in the Budget estimate for 1913-14 over the Revised for the current year occurs mostly in the same item of expenditure. The variations in the figures shown against the North-West Frontier Province are due to ordinary lapses in grants in 1912-13 and to normal provision for the sanctioned scale of expenditure in 1913-14.

*Revised, 1912-13.**Budget, 1913-14.**(b) Divided and Wholly Provincial.*

27. The total expenditure in the current year will be ₹7·06 lakhs less than the Budget estimate. Savings of considerable magnitude are expected in the Punjab (2·92 lakhs) owing to the separation of Delhi, and the total or partial non-utilisation of the provisions for the reorganisation of the Indian Civil Service and the extension of settlement operations; and in Madras (₹2·72 lakhs) in consequence of smaller payments to village servants and of delay in the introduction of the scheme for the revision of taluk establishments. The saving in the latter province would have been larger, but for the arrear payment of Royal bonus to certain establishments and an increase in the grain compensation charges. Important savings in the Budget grants are also expected in the United Provinces (₹·92 lakh), Bombay (₹·83 lakh) and Bihar and Orissa (₹·80 lakh) owing to ordinary lapses in grants, and the total or partial non-utilisation of the lump provisions for the revision of certain establishments. Burma is the only province in which there will be a material excess over the Budget grant. Here the increase in the land revenue collections will necessitate a larger payment of commission on the collections, while the expenditure on town and other surveys will be higher than was anticipated.

Revised, 1912-13.

28. The total Budget estimate for 1913-14 is ₹11·37 lakhs higher than the Revised for the current year. The increase is confined practically to two provinces—United Provinces (₹7·90 lakhs) and Madras (₹3·56 lakhs). Of the large increase anticipated in the former province, ₹6·25 lakhs represents the cost of a scheme for the revision of pay of clerical establishments in accordance with the recommendations of a committee which was appointed two years ago to enquire into the matter; while the balance is mostly made up of provisions for the extension of settlement operations and for an increase in the number of deputy collectors in pursuance of a scheme which has been recently sanctioned by the Secretary of State. The increase of ₹3·56 lakhs in Madras is chiefly due to provision for the revision of village establishments including those in proprietary estates, as well as for a full year's cost of the reorganised taluk establishments. Special provision has also been made in the Central Provinces for the revision of the patwari establishments and the extension of settlement operations; in Assam for a survey school; and in the Punjab for an increase in the number of extra assistant commissioners and for the regrading of tahsildars. In Bombay also, special provision has been made for the revision of the pay of subordinate revenue establishments, and of village servants in the Kaira district; but its effect is obscured by smaller allotments for grain compensation allowance and other indirect famine outlay, and by a change in the method of adjustment of certain charges which will result in the transfer of ₹1·43 lakhs of expenditure from the head "3—Land Revenue" to "19A—Courts of Law."

Budget, 1913-14.

II AND 4.—OPIUM.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
INDIA.						
Revenue—						
Bengal—Sale of Opium	6,81,92,200	10,86,83,616	7,48,64,728	3,10,57,000	4,98,06,000	1,62,00,000
Bombay—Pass and auction Fees	1,08,62,101	1,30,800	1,03,99,1	1,86,74,000	2,20,38,000	4,77,000
Excise Opium and other Revenue	39,65,944	40,15,017	41,55,337	46,00,000	48,74,000	49,98,000
TOTAL R	8,30,20,245	11,28,29,433	8,94,19,170	43,31,000	7,67,18,000	2,16,75,000
Equivalent in Sterling	5,534,683	7,521,962	5,961,278	3,622,000	5,114,600	1,445,000
Expenditure—						
Payments to Cultivators, including purchase of Opium	1,46,83,423	1,68,40,270	93,34,254	89,01,000	76,74,000	1,56,78,000
Other Charges	19,57,434	18,52,014	15,83,522	14,08,000	13,50,000	13,47,000
TOTAL INDIA R	1,66,40,862	1,86,92,284	1,09,17,776	1,03,09,000	90,24,000	1,70,25,000
Equivalent in Sterling	1,109,391	1,246,	727,852	687,200	601,600	1,135,000
ENGLAND.						
Other Charges £	764		1,600	500	400	400
TOTAL £	1,110,155	1,246,657	729,452	687,700	602,000	1,135,400
Statistics—						
Bengal—						
Chests sold { Certified }	42,300	(a) 37,590	(b) 26,860	{ 5,206	4,690	... 9,000
{ Uncertificated }				{ 12,200	13,200	...
Average price { Certified }	R1,612	R2,891	R2,787	{ R2,450	R5,063	... R1,800
{ Uncertificated }				{ R1,500	R1,963	...
Chests produced	28,125	29,000	15,000	...	14,000	...
Chests in Balance, March 31	41,153	(a) 32,568	20,708	...	16,818	...
Reserve, December 31	22,933	11,453	11,018	11,018	6,178	11,178
Bombay—						
Chests passed for export	18,103½	218	7,362	(c) 15,615	10,345½	...
Rate of duty (Government share)	R600	R600	R600, R800 and R900	R900	R900	...
Government share of auction proceeds . . . . .	...	...	R14,88,000	R16,20,000	R1,17,38,000	R4,77,000

(a) Inclusive of 100 chests supplied to the Government of Straits Settlements in March 1911, the price of which has been realised in 1911-12.
 (b) Inclusive of the 100 chests mentioned above.
 (c) Inclusive of 1,000 chests for markets other than China.

REVENUE.

(i) Bengal Opium.

Revised, 1912-13.

29. The Budget estimate for 1912-13 provided for the sale of 17,406 chests of Bengal opium; and it was assumed that 5,206 out of these would be specially certificated for China and would realise an average price of R2,450 a chest, while the remaining 12,200 chests would yield an average price of R1,500 each only. The total number of chests sold at Calcutta to end of March has amounted to 17,890 and they have brought in a revenue of R4,98 06, lakhs.

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 139

30. The Budget for 1913-14 provides only for the sale of 9,000 uncertificated chests of Bengal opium at an average price of R1,800 each, the total receipts on this account thus amounting to R1,62 lakhs. Budget, 1913-14.

(ii) *Malwa opium.*

31. As regards Malwa opium, the Budget estimate for the current year provided for the sale of 14,615 certificated chests and the export of 1,000 chests without certificates; and after making due allowance for the effect of the arrangement which permits of the payment of the premium for the right of export within a specified period from the date of sale, on the deposit of proper security, the estimate of revenue was placed at R186.74 lakhs. 9,428 chests of Malwa opium have been sold to end of December and R220.38 lakhs of revenue have been already credited to Government. No sales have been effected in the last three months of the year; and the Revised Estimate has accordingly been placed at R220.38 lakhs. Revised, 1912-13.

32. The Budget for 1913-14 provides only for the recovery of R4.77 lakhs of premium payable in respect of the December sale which is not likely to be received before April next. Budget, 1913-14.

(iii) *Excise opium and other Revenue.*

33. Under this head the Revised estimate for 1912-13 exceeds the Budget by R2.74 lakhs. About half the improvement occurs in Bombay where Bengal opium was substituted for Malwa opium for purposes of local consumption; while the remainder is distributed among a number of provinces. Revised, 1912-13.

34. The Budget estimate for 1913-14 provides for the normal annual growth of revenue. Budget, 1913-14.

EXPENDITURE.

35. There is a saving of R12.85 lakhs in the Budget provision for the current year mainly in consequence of reduced payments to cultivators resulting from a comparatively poor outturn of the crop of 1912. The Budget estimate of 1913-14 includes a special provision of R8.4 lakhs for the purchase of Malwa opium for excise purposes and allows for the reduced scale of cultivation of Bengal opium. Revised, 1912-13.
Budget, 1913-14.

III AND 5.—SALT.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
REVENUE.						
Northern India (a)	1,11,45,338	1,03,80,484	1,14,69,735	1,15,50,000	1,22,13,000	1,22,67,000
Burma (b)	21,01,194	20,89,510	22,07,835	23,00,000	21,10,000	21,60,000
Assam	...	...	...	...	1,000	2,000
Bengal (new) (b)	...	...	...	1,36,67,000	1,16,00,000	1,21,00,000
Bihar and Orissa	...	...	...	...	2,000	1,000
Madras (a)	1,08,73,640	1,08,64,310	1,07,48,794	1,09,00,000	1,11,00,000	1,11,50,000
Bombay (a)	1,30,85,922	1,27,87,690	1,38,13,414	1,30,00,000	1,30,25,000	1,31,00,000
Eastern Bengal (b)	13,26,822	12,87,081	12,49,966	...	...	...
Bengal (b)	1,14,59,851	1,02,30,178	1,13,48,433	...	...	...
TOTAL R	4,97,92,767	4,76,39,253	5,08,68,180	5,14,17,000	5,00,51,000	5,10,80,000
Equivalent in Sterling £	3,319,518	3,175,950	3,391,212	3,427,800	3,336,700	3,405,300
CHARGES.						
Establishment charges	39,84,025	43,21,535	41,61,308	42,71,000	42,73,000	43,08,000
Cost of Salt purchased by Government	9,68,524	12,96,663	13,55,102	13,70,000	13,56,000	13,49,000
Total India R	49,52,549	56,18,198	55,16,410	56,41,000	56,29,000	56,57,000
Equivalent in Sterling £	330,170	374,547	367,761	376,100	375,300	377,100
England	573	2,529	729	800	900	1,500
TOTAL £	330,743	377,076	368,490	376,900	376,200	378,600
Total Consumption Mds.	4,58,00,000	4,55,27,000	4,75,50,000	4,78,00,000	4,73,29,000	4,79,96,000

(a) Chiefly excise on local manufacture.

(b) Chiefly duty on imported Salt.

REVENUE.

Revised, 1912-13.

36. The total quantity of salt issued for consumption in 1912-13 is likely to be less than the Budget estimate by about 5 lakhs of maunds. This decrease is wholly due to the abnormally high issues in Bengal in the months of December, January and February last year, in consequence of speculative clearances which have overstocked the market and reduced the demands in that province in the current year. With a duty of R1 per maund, the decrease in consumption would have led to an equal decrease in the Budget estimate of revenue. But the actual shortage will be higher owing to a further development of the credit system of payment of duty in Bengal, and will amount to R13.66 lakhs.

Budget, 1913-14.

37. In the Budget estimate for 1913-14 provision has been made for a moderate growth in the consumption of $6\frac{3}{4}$ lakhs of maunds. The increase in revenue will, however, amount to R10.29 lakhs as the growth in the sales on credit in Bengal is not likely to be quite so large in 1913-14 as in the current year.

EXPENDITURE.

Revised, 1912-13.

38. The total Revised estimate for the current year does not differ materially from the Budget provision. An increase of R1.24 lakhs in Bombay, mainly in connection with land acquisition at Bhandup, has been more than counterbalanced by savings in other provinces. The Budget estimate for 1913-14 provides for the normal scale of expenditure, for a necessary replenishment of the reserve stock in Northern India, and for a steam launch required in Bengal; but owing to the absence of the special land acquisition charges incurred in Bombay in the current year the total Budget will be only R.28 lakh higher than the Revised estimate for 1912-13.

Budget, 1913-14.

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 141

IV AND 6.—STAMPS.

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	3,53,806	3,76,456	3,99,058	3,84,000	4,09,000	4,11,000
2. Delhi . . . . .	...	...	...	...	1,51,000	3,07,000
3. Baluchistan	82,580	87,703	90,832	88,000	87,000	87,000
4. North-West Frontier	5,20,724	5,02,016	5,69,412	5,47,000	5,75,000	5,73,000
TOTAL	9,57,110	9,66,175	10,59,302	10,19,000	12,22,000	13,78,000
<i>Divided.</i>						
1. Central Provinces	31,99,378	35,24,209	33,60,466	35,00,000	37,00,000	37,25,000
2. Burma	36,12,156	38,96,721	36,71,210	38,00,000	36,64,000	37,50,000
3. Assam . . . . .	...	...	...	12,25,000	12,60,000	13,40,000
4. Bengal (new) . . . . .	...	...	...	2,04,25,000	2,08,50,000	2,14,00,000
5. Bihar and Orissa . . . . .	...	...	...	61,50,000	66,80,000	68,80,000
6. United Provinces	1,10,40,162	1,20,50,270	1,09,90,235	1,12,00,000	1,15,00,000	1,17,50,000
7. Punjab	48,91,373	48,92,330	52,57,021	53,00,000	54,61,000	55,00,000
8. Madras	1,14,91,968	1,21,15,881	1,27,25,416	1,31,00,000	1,36,50,000	1,42,50,000
9. Bombay	72,50,861	81,95,947	76,63,815	79,00,000	82,00,000	83,00,000
Eastern Bengal and Assam	1,01,64,150	1,06,73,319	1,11,61,673	...	...	...
Bengal (old)	1,56,17,389	1,58,60,511	1,63,37,802	...	...	...
TOTAL	6,72,67,437	7,12,09,188	7,11,67,338	7,26,00,000	7,49,65,000	7,68,95,000
TOTAL REVENUE R	6,82,24,547	7,21,75,363	7,22,26,940	7,36,19,000	7,61,87,000	7,82,73,000
Distribution of Total Revenue :—						
Court Fees and Plain Paper	4,66,24,121	4,96,88,352	4,88,85,517	5,02,51,000	5,09,95,000	5,23,01,000
Commercial and other stamps	2,07,86,048	2,14,72,029	2,22,91,676	2,23,63,000	2,41,56,000	2,49,24,000
Other Revenue	8,14,378	10,14,982	10,49,747	10,05,000	10,36,000	10,48,000
Equivalent of total revenue in Sterling £	4,548,304	4,811,691	4,815,129	4,908,000	5,079,100	5,218,200

EXPENDITURE.

<i>Imperial.</i>						
1. India General :—						
(i) Superintendence and other charges	2,24,523	1,91,171	2,19,830	2,23,000	2,75,000	2,56,000
(ii) Credits for value of stamps supplied to Local Governments and administrations and to the Postal and Telegraph Departments.	-16,90,425	-17,10,136	-18,18,808	-18,70,000	-17,61,000	-16,49,000
2. Delhi . . . . .	...	...	...	...	2,000	6,000
3. Baluchistan	1,233	1,291	1,340	1,000	1,000	1,000
4. North-West Frontier	19,684	22,455	21,953	22,000	21,000	23,000
TOTAL	-14,44,985	-14,95,219	-15,75,655	-16,24,000	-14,62,000	-13,63,000
<i>Divided.</i>						
1. Central Provinces	1,21,904	1,18,475	1,26,550	1,30,000	1,27,000	1,28,000
2. Burma	1,01,910	1,03,632	1,02,695	1,06,000	1,10,000	1,11,000
3. Assam . . . . .	...	...	...	58,000	56,000	58,000
4. Bengal (new) . . . . .	...	...	...	6,72,000	6,87,000	7,25,000
5. Bihar and Orissa . . . . .	...	...	...	2,06,000	2,37,000	2,55,000
6. United Provinces	2,73,967	2,79,572	2,74,466	2,73,000	2,86,000	2,91,000
7. Punjab	1,71,602	1,62,914	1,76,897	1,69,000	1,73,000	1,78,000
8. Madras	4,26,685	4,30,450	4,48,473	4,40,000	4,68,000	4,62,000
9. Bombay	2,21,663	2,32,879	2,27,638	2,38,000	2,38,000	2,37,000
Eastern Bengal and Assam	4,19,750	4,05,153	4,44,942	...	...	...
Bengal (old)	4,31,964	4,27,563	4,37,871	...	...	...
TOTAL	21,69,445	21,60,628	22,39,532	22,52,000	23,82,000	24,45,000
TOTAL INDIA . R	7,24,460	6,65,419	6,63,877	6,68,000	9,20,000	10,82,000
Equivalent in Sterling £	48,297	44,361	44,259	44,500	61,800	72,100
England	103,492	79,459	89,931	110,500	80,000	91,600
TOTAL EXPENDITURE £	151,789	123,820	134,190	155,000	141,800	163,700

142. BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

REVENUE.

(a) *Wholly Imperial.*

Revised, 1912-13.

39. Excluding the Delhi figures, the total Revised estimate for 1912-13 is R 52 lakh higher than the Budget forecast owing to small improvements in the North-West Frontier Province and in other minor administrations, while the

Budget, 1913-14.

total Budget for 1913-14 is the same as the Revised estimate for the current year.

(b) *Divided.*

Revised, 1912-13.

40. The growth of revenue in 1912-13 is now expected to be R23.65 lakhs higher than the provision made in the Budget estimate. The greater part of this increase, *viz.*, R17.93 lakhs, will be derived from non-judicial stamps and reflects the remarkable activity of trade during the year. The revenue from court-fee stamps will also advance by R7.44 lakhs owing to the increase of litigation in a generally prosperous year. All the provinces share in the expansion of revenue with the exception of Burma, where the revenue will fall short of the Budget estimate by R1.36 lakhs in consequence of trade depression and financial stringency.

Budget, 1913-14.

41. The Budget for 1913-14 is taken at R19.30 lakhs more than the Revised estimate for 1912-13. Provision for normal growth has been made in every province.

EXPENDITURE.

42. 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) under Expenditure in the table on page 35.

(a) *Wholly Imperial (including outlay in England).*

Revised, 1912-13.

43. The net credit in 1912-13 in the Imperial section of the accounts in India is now taken at R1.62 lakhs less than the Budget estimate. Some extra expenditure has been incurred in connection with the insurance of consignments of stamps; and there will be a large decrease in the value of stamps supplied to the Postal Department owing to the lower prices which are charged under the new contract and which will result in a saving in the English outlay. In fact, taking India and England together, the Revised estimate of stamp expenditure in 1912-13 is R2.95 lakhs less than the Budget estimate; while the Budget provision for 1913-14 is R2.73 lakhs higher than the Revised estimate for the current year.

Budget, 1913-14.

(b) *Divided.*

44. The increase in expenditure in the current year over the Budget estimate, and the further advance provided for in the Budget for 1913-14 are concomitants of the growth in revenue.

V AND 7.—EXCISE.

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	14,38,707	15,73,639	15,46,244	16,08,000	16,20,000	16,47,000
2. Delhi . . . . .	...	...	...	...	1,35,000	2,93,000
3. Baluchistan	1,91,572	2,46,854	2,74,294	2,55,000	2,83,000	2,76,000
4. North-West Frontier	3,13,583	2,78,194	3,15,143	3,25,000	3,50,000	3,50,000
Total	19,48,862	20,98,737	21,33,681	21,88,000	21,00,000	25,63,000
<i>Divided and wholly Provincial.</i>						
1. Central Provinces	68,87,477	75,88,655	91,12,523	96,00,000	1,05,00,000	1,10,00,000
2. Burma	76,49,137	72,01,227	72,93,647	78,80,000	81,00,000	82,00,000
3. Assam . . . . .	...	...	...	46,00,000	48,00,000	48,75,000
4. Bengal (new) . . . . .	...	...	...	1,33,50,000	1,35,00,000	1,38,55,000
5. Bihar and Orissa . . . . .	...	...	...	1,01,00,000	1,02,85,000	1,05,50,000
6. United Provinces	86,76,811	1,02,79,365	1,11,31,787	1,15,00,000	1,23,00,000	1,27,00,000
7. Punjab	43,23,244	56,94,676	64,00,303	63,50,000	69,50,000	69,50,000
8. Madras	2,69,35,301	2,77,73,643	3,00,64,174	3,19,00,000	3,31,10,000	3,43,00,000
9. Bombay	1,75,46,814	1,89,72,896	2,02,94,345	2,06,50,000	2,08,00,000	2,13,00,000
Eastern Bengal and Assam	73,07,598	78,71,330	82,81,093	...	...	...
Bengal (old)	1,67,92,558	1,79,74,186	1,94,28,129	...	...	...
Total	9,61,18,940	10,33,55,978	11,20,09,604	11,64,30,000	12,03,45,000	12,42,30,000
TOTAL REVENUE R	9,80,67,802	10,54,54,715	11,41,43,235	11,86,18,000	12,27,45,000	12,67,93,000
Equivalent in Sterling £	6,537,854	7,030,314	7,609,753	7,907,900	8,183,000	8,452,900

EXPENDITURE.

<i>Imperial.</i>						
1. India General	1,55,028	1,55,579	1,42,043	90,000	98,000	97,000
2. Delhi . . . . .	...	...	...	...	3,000	6,000
3. Baluchistan	5,322	14,777	10,471	9,000	16,000	20,000
4. North-West Frontier	8,230	12,472	14,002	16,000	15,000	19,000
Total	1,68,630	1,82,828	1,67,121	1,15,000	1,32,000	1,42,000
<i>Divided and wholly Provincial.</i>						
1. Central Provinces	2,67,805	2,76,036	2,89,952	3,56,000	3,21,000	3,80,000
2. Burma	12,14,020	11,81,752	11,92,968	13,13,000	13,10,000	13,55,000
3. Assam . . . . .	...	...	...	1,13,000	1,19,000	1,10,000
4. Bengal (new) . . . . .	...	...	...	6,31,000	6,04,000	6,69,000
5. Bihar and Orissa . . . . .	...	...	...	5,01,000	5,25,000	5,48,000
6. United Provinces	3,24,223	3,59,805	3,92,403	4,01,000	4,08,000	4,20,000
7. Punjab	78,490	1,68,571	1,71,300	1,86,000	1,84,000	1,92,000
8. Madras	18,15,130	17,74,034	17,83,533	18,49,000	18,33,000	18,42,000
9. Bombay	9,33,919	9,45,547	10,57,043	10,44,000	10,80,000	11,26,000
Eastern Bengal and Assam	2,90,108	3,10,833	3,21,032	...	...	...
Bengal (old)	8,71,323	8,83,488	9,11,723	...	...	...
Total	57,95,028	59,00,116	61,20,017	63,94,000	63,84,000	66,42,000
Total India R	59,63,658	60,82,944	62,87,138	65,09,000	65,16,000	67,84,000
Equivalent in Sterling £	397,577	405,530	419,142	434,000	434,400	452,300
England £	336	464	111	...	...	...
TOTAL EXPENDITURE £	397,913	405,994	419,253	434,000	434,400	452,300

REVENUE.

(a) Wholly Imperial.

45. Excluding Delhi, the figures do not show any important variation and call for no remark.

*(b) Divided and wholly Provincial.*Revised, 1912-13.

46. The total Revised estimate for 1912-13 exceeds the Budget by R39.15 lakhs. The prevalence of favourable economic conditions throughout the greater portion of the country, the gradual enhancement of rates of duty, the raising of the issue price of opium, the establishment of confidence in the contract supply system and stricter excise control have again combined to secure a very substantial improvement in revenue over the Budget estimate in almost every province. Certain special factors have also contributed to the growth; and among these may be mentioned (1) a change in system in the Punjab whereby two months' license fees which are realised in advance at the annual auctions of the right of vend in March are now credited as revenue at the time of receipt instead of being held in deposit and credited as revenue in the ensuing year; and (2) the introduction of Bengal opium for excise purposes in Bombay and in the northern districts of Burma. In Bengal alone is the revenue now expected to fall short of the Budget estimate. The license fees at which country spirit shops were settled for 1912-13 were comparatively low owing apparently to the rise in the price of food grains at the beginning of the year which is said to have checked consumption; while a shortage of last year's *ganja* crop has forced up prices and has affected the revenue.

Budget, 1913-14.

47. The total Budget for 1913-14 is taken at R33.85 lakhs higher than the Revised estimate for 1912-13. The increase is distributed over all the provinces with the exception of the Punjab where the normal growth of revenue is expected to be wholly counterbalanced by the absence of the special receipts of the current year and the loss of the Delhi revenue for the first half of the year. In view of the high collections of the current year, and changes contemplated in the excise administration in some provinces, provision has generally been made only for a moderate growth of revenue in 1913-14.

EXPENDITURE.

(a) Wholly Imperial.

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

*(b) Divided and wholly Provincial.*Revised, 1912-13.

49. The Revised estimate for the current year does not differ materially from the Budget provision. Budget for 1913-14 provides for normal charges of sanctioned establishments, as well as for the additional staff required in Bombay, the re-organisation of the Excise department in Bengal and the revision of certain establishments in the Central Provinces.

Budget, 1913-14.

VI AND 8.—PROVINCIAL RATES.

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	27,801	1,357	10,819	14,000	18,000	15,000
2. North-West Frontier	2,214	2,013	2,773	3,000	3,000	3,000
<i>Provincial.</i>						
1. Assam . . . . .	...	...	...	7,000	8,000	8,000
2. Bengal (new) . . . . .	...	...	...	32,42,000	32,00,000	90,000
3. Bihar and Orissa . . . . .	...	...	...	26,00,000	27,40,000	1,28,000
4. United Provinces	23,88,185	24,05,151	23,74,149	23,65,000	23,60,000	1,57,000
5. Punjab	33,156	24,767	27,754	25,000	30,000	30,000
Eastern Bengal and Assam	16,60,067	17,23,440	17,58,032	...	...	...
Bengal (old)	39,76,925	41,53,949	40,56,638	...	...	...
TOTAL REVENUE R	80,88,348	83,15,677	82,30,195	82,56,000	83,59,000	4,31,000
Equivalent in Sterling £	539,223	554,378	548,680	550,400	557,300	28,700

EXPENDITURE.

<i>Provincial.</i>						
1. Bengal (new) . . . . .	...	...	...	53,000	45,000	...
2. Bihar and Orissa . . . . .	...	...	...	35,000	46,000	...
Eastern Bengal and Assam	31,796	27,143	26,755	...	...	...
Bengal (old)	42,379	42,220	58,663	...	...	...
TOTAL EXPENDITURE R	74,175	69,363	85,413	88,000	91,000	...
Equivalent in Sterling £	4,945	4,624	5,695	5,900	6,100	...

REVENUE.

(a) *Imperial.*

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

(b) *Provincial.*

51. The improvement of R 99 lakh in 1912-13 over the Budget estimate occurs mainly in the yield of the public works cess in Bihar and Orissa. The large decrease of R 79.25 lakhs in the Budget of next year as compared with the Revised estimate of 1912-13 is explained by the surrender to district boards of the public works cess in Bengal and in Bihar and Orissa, and the discontinuance of the appropriations hitherto made from the local rate in Agra to meet the cost of the rural police.

EXPENDITURE.

52. The Revised estimate for 1912-13 practically repeats the Budget. No provision for expenditure has been made in 1913-14 in view of the surrender of the public works cess in Bengal and Bihar and Orissa.

VII AND 9.—CUSTOMS.

SEA CUSTOMS. IMPORTS.	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Special Import Duties.</i>						
Arms, Ammunition, and Military Stores	4,82,061	5,00,005	5,17,612	4,71,000	6,34,000	6,12,000
Liquors—						
Ale, Beer, Porter, Cider and other fer- mented Liquors	5,45,508	7,99,863	7,99,670	8,13,000	8,83,000	9,00,000
Spirits and Liqueurs	95,57,088	1,06,87,535	1,10,83,333	1,12,00,000	1,10,80,000	1,10,81,000
Wines	4,12,199	5,70,996	5,75,383	5,90,000	5,71,000	5,68,000
Opium	3,580	7,594	6,430	8,000	7,000	6,000
Petroleum	46,87,886	60,63,193	75,69,066	70,00,000	66,19,000	68,00,000
Silver, Bullion and Coin	...	1,62,40,211	97,85,750	80,00,000	1,00,00,000	80,00,000
Sugar (countervailing duties, 1899)	734	1,524	448	...	15,000	...
Do. (do. 1902)	108	...	...	...	...	...
Tobacco	(a)	30,06,672	25,88,039	25,66,000	27,50,000	27,50,000
<i>General Import Duties.</i>						
Articles of Food and Drink (excluding Sugar)	24,91,089	25,81,083	27,59,294	28,00,000	29,37,000	31,15,000
Sugar (ordinary duties)	56,02,253	62,87,703	52,33,539	60,00,000	71,00,000	72,00,000
Chemicals, Drugs, Medicines and Dyeing and Tanning Materials	19,74,847	16,45,557	16,79,326	16,69,000	18,24,000	18,50,000
Cotton Manufactures	1,23,85,548	1,41,77,362	1,56,16,332	1,63,50,000	1,87,20,000	1,90,20,000
Metals and Manufactures of Metals—						
Silver, Bullion and Coin	53,46,983	(b)	(b)	(b)	(b)	(b)
Other Metals and Manufactures of Metals	45,83,334	53,03,530	51,25,168	53,00,000	50,50,000	50,50,000
Oils (excluding Petroleum)	1,24,234	1,38,891	1,16,498	1,29,000	1,55,000	1,60,000
Manufactured Articles	92,68,645	1,13,88,293	1,23,53,883	1,30,00,000	1,38,65,000	1,41,42,000
Raw Materials and Unmanufactured Articles	14,94,639	14,60,998	14,76,834	15,24,000	16,80,000	17,86,000
TOTAL IMPORTS	5,89,60,736	8,08,61,010	7,72,86,605	7,74,20,000	8,38,90,000	8,29,90,000
EXCISE DUTY ON COTTON GOODS	40,06,193	42,80,251	48,79,478	51,50,000	52,38,000	55,06,000
EXPORT DUTIES—						
Rice	1,04,63,698	1,30,87,908	1,36,23,196	1,22,33,000	1,45,99,000	1,30,66,000
LAND CUSTOMS AND MISCELLANEOUS.	10,46,118	10,15,969	12,39,220	11,72,000	13,92,000	13,80,000
GRAND TOTAL	R 7,44,76,760	9,92,85,138	9,70,28,499	9,59,75,000	10,51,19,000	10,29,42,000
Equivalent in Sterling	£ 4,965,118	6,619,009	6,468,567	6,198,300	7,007,900	6,862,800
CHARGES	R 32,56,867	35,83,963	37,53,695	38,39,000	38,96,000	40,03,000
Equivalent in Sterling	£ 217,124	238,931	250,246	255,900	259,800	266,900
England	£ 371	635	467	100	200	100
TOTAL	£ 217,495	239,566	250,713	256,000	260,000	267,000

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

REVENUE.

Revised, 1912-13.

53. The Revised estimate for 1912-13 exceeds the Budget by no less than R91.44 lakhs. Of this improvement, R20 lakhs are contributed by silver, the imports of the commodity being far in excess of the cautious estimate adopted last year; R23.66 lakhs by the export duty on rice owing to heavy demands from Ceylon and the Far East which stimulated exports not only from Burma but also from Bengal; R24.58 lakhs by the import and excise duty on cotton goods, and R8.65 lakhs by manufactured articles, the demand for these goods having expanded more rapidly than had been anticipated owing to the generally favourable economic conditions; and R11.15 lakhs by sugar, the imports of which were stimulated by good crops abroad and the consequent fall in prices. Increases of smaller magnitude are also expected under some of the other tariff heads, but they are largely counterbalanced by shortages under petroleum, the imports of which have declined to a greater extent than had been allowed for on the cessation of last year's rate war, and certain other heads.

Budget, 1913-14.

54. The Budget estimate for 1913-14 has been taken at R21.77 lakhs less than the Revised for the current year. A cautious estimate of R80 lakhs has again been adopted for the yield of the silver duty, while the revenue from the export duty on rice has been taken at a normal figure of R1,30.66 lakhs. Under the other tariff heads provision has been made generally for a moderate growth of revenue.

EXPENDITURE.

Revised, 1912-13.

55. The Revised estimate for the current year does not differ materially from the Budget and calls for no remarks. Budget for 1913-14 provides for the sanctioned scale of expenditure, and for the revision of certain establishments in Bombay.

Budget, 1913-14.

VIII AND 10.—ASSESSED TAXES.

REVENUE.

	Accounts, 19.9-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Bdget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General (Civil) .	8,87,448	8,90,196	9,26,515	9,20,000	9,14,000	9,00,000
2. Delhi . . . . .	...	...	...	...	76,000	1,51,000
3. Baluchistan (Civil) .	20,031	20,039	20,303	20,000	21,000	20,000
4. North-West Frontier (Civil)	1,32,049	1,32,998	1,43,555	1,39,000	1,48,000	1,48,000
5. Other Provinces (Civil)	4,043	23,232	20,005	18,000	32,000	18,000
6. Non-Civil Depart- ments	16,93,568	17,17,809	14,69,423	14,52,000	14,98,000	15,33,000
Total	27,37,139	27,84,274	25,79,857	25,49,000	26,89,000	27,70,000
<i>Divided.</i>						
1. Central Provinces . .	5,47,204	6,13,386	7,05,639	7,35,000	7,50,000	7,70,000
2. Burma	18,33,507	18,98,721	19,40,044	19,47,000	19,40,000	19,07,000
3. Assam . . . . .	...	...	...	3,60,000	4,14,000	4,50,000
4. Bengal (new) . . . .	...	...	...	51,25,000	56,00,000	56,00,000
5. Bihar and Orissa . .	...	...	...	11,60,000	13,34,000	13,84,000
6. United Provinces . .	22,18,211	23,22,361	24,13,901	24,99,000	25,19,000	25,69,000
7. Punjab	14,57,971	15,01,237	15,21,859	16,64,000	16,15,000	16,22,000
8. Madras	30,74,333	30,81,745	32,05,741	32,42,000	31,00,000	35,50,000
9. Bombay	47,17,309	50,99,847	54,13,445	54,00,000	56,08,000	56,90,000
Eastern Bengal and Assam	12,12,713	12,44,785	13,37,314	...	...	...
Bengal (old)	55,86,036	53,53,107	55,75,321	...	...	...
Total	2,06,47,324	2,11,15,239	2,22,13,324	2,21,32,000	2,32,20,000	2,33,02,000
TOTAL REVENUE R . .	2,33,84,463	2,38,99,513	2,47,93,181	2,46,81,000	2,59,00,000	2,63,72,000
Equivalent in Sterling £	1,558,964	1,593,301	1,652,878	1,645,400	1,727,300	1,758,200

EXPENDITURE.

<i>Imperial.</i>						
1. India General	1,506	1,504	1,504	2,000	1,000	2,000
2. Delhi . . . . .	...	...	...	...	1,000	2,000
3. North-West Frontier	991	1,079	1,376	1,000	1,000	1,000
Total	2,497	2,583	2,880	3,000	3,000	5,000
<i>Divided.</i>						
1. Central Provinces . .	9,805	8,574	9,788	22,000	22,000	24,000
2. Burma	39,210	41,430	42,311	44,000	44,000	45,000
3. Assam . . . . .	...	...	...	8,000	6,000	6,000
4. Bengal (new) . . . .	...	...	...	1,57,000	1,56,000	1,57,000
5. Bihar and Orissa . .	...	...	...	41,000	42,000	41,000
6. United Provinces . .	313	312	271	...	...	...
7. Punjab	11,020	10,660	10,971	11,000	11,000	11,000
8. Madras	38,892	35,495	37,058	37,000	37,000	37,000
9. Bombay	95,222	1,09,406	1,15,840	1,21,000	1,18,000	1,45,000
Eastern Bengal and Assam	39,214	40,399	39,401	...	...	...
Bengal (old)	1,56,715	1,56,004	1,65,653	...	...	...
Total	3,89,391	4,02,280	4,21,293	4,41,000	4,36,000	4,66,000
TOTAL EXPENDITURE R	3,91,888	4,04,863	4,24,173	4,44,000	4,39,000	4,71,000
Equivalent in Sterling £	26,126	26,991	28,278	29,600	29,300	31,400

148. BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

REVENUE.

(a) *Imperial.*

56. Excluding the Delhi figures, there is no material variation between the Budget and Revised estimates for the current year or between the latter and the Budget estimate for 1913-14.

(b) *Divided.*

Revised, 1913-13.

57. The total revenue in 1912-13 is likely to exceed the Budget by R10 88 lakhs. Of this improvement R4.75 lakhs are expected in Bengal where a cautious estimate was adopted last year in view of possible troubles in the jute business which however did not arise, while the briskness of trade has led to a large growth in the revenue. Important increases will also take place in Bihar and Orissa (R1.74 lakhs), Bombay (R2.48 lakhs) and Madras (R1.58 lakhs) owing generally to favourable trade conditions and improved arrangements for assessment. The Budget for 1913-14 provides for normal growth of

Budget, 1913-14.

revenue in almost all the provinces. In Bengal alone no provision has been made for an advance on the heavy collections in the current year.

EXPENDITURE.

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

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 1149

IX AND 11.—FOREST.
REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	5,12,136	7,39,418	8,59,920	8,58,000	7,56,000	7,78,000
2. Baluchistan	18,730	23,210	20,118	22,000	20,000	22,000
3. North-West Frontier	1,73,305	2,05,342	1,58,171	2,00,000	2,00,000	2,11,000
Total	7,04,171	9,67,970	10,38,209	10,80,000	9,76,000	10,11,000
<i>Divided and wholly Provincial.</i>						
1. Central Provinces	20,78,340	21,14,226	25,49,854	24,00,000	31,00,000	29,00,000
2. Burma	93,63,076	1,01,08,020	89,67,594	1,04,66,000	1,07,53,000	1,09,15,000
3. Assam . . . . .	...	...	...	13,10,000	11,99,000	12,35,000
4. Bengal (new) . . . . .	...	...	...	14,00,000	16,50,000	14,00,000
5. Bihar and Orissa . . . . .	...	...	...	4,05,000	4,00,000	4,82,000
6. United Provinces	23,01,164	23,78,439	30,18,180	26,45,000	32,00,000	30,25,000
7. Punjab	10,32,633	12,17,988	13,10,077	13,91,000	12,50,000	13,29,000
8. Madras	41,78,381	33,80,411	41,68,921	40,60,000	41,25,000	40,00,000
9. Bombay	37,57,656	37,18,225	43,30,569	44,60,000	46,00,000	41,50,000
Eastern Bengal and Assam	15,34,732	18,90,635	17,78,873	...	...	...
Bengal (old)	10,80,640	11,67,444	11,22,442	...	...	...
Total	2,53,26,622	2,64,75,388	2,82,44,480	2,85,37,000	3,02,77,000	2,91,36,000
TOTAL INDIA R	2,60,30,793	2,74,43,358	2,92,82,089	2,96,17,000	3,12,53,000	3,04,47,000
Equivalent in Sterling £	1,735,386	1,820,557	1,952,179	1,974,500	2,083,500	2,029,800

EXPENDITURE.

<i>Imperial.</i>						
1. India General	6,62,321	7,07,490	8,02,202	8,85,000	8,14,000	11,30,000
2. Baluchistan	26,549	26,386	28,047	30,000	30,000	30,000
3. North-West Frontier	77,391	72,492	89,435	1,00,000	1,00,000	1,26,000
Total	7,66,761	8,06,368	9,20,585	10,15,000	9,44,000	12,86,000
<i>Divided and wholly Provincial.</i>						
1. Central Provinces	15,86,852	15,89,533	18,38,379	17,80,000	19,46,000	18,55,000
2. Burma	37,89,303	40,04,865	42,57,225	43,29,000	42,32,000	44,59,000
3. Assam . . . . .	...	...	...	8,43,000	8,19,000	9,23,000
4. Bengal (new) . . . . .	...	...	...	7,28,000	6,88,000	6,70,000
5. Bihar and Orissa . . . . .	...	...	...	3,56,000	3,92,000	3,68,000
6. United Provinces	12,09,338	12,37,938	13,63,672	15,65,000	16,83,000	18,65,000
7. Punjab	6,67,752	7,40,542	7,51,146	7,97,000	8,22,000	10,25,000
8. Madras	33,39,635	32,25,801	34,14,882	35,10,000	31,60,000	32,03,000
9. Bombay	20,63,038	20,04,417	23,04,435	29,56,000	29,00,000	26,40,000
Eastern Bengal and Assam	10,12,541	10,87,339	11,09,591	...	...	...
Bengal (old)	5,91,099	6,43,235	7,06,374	...	...	...
Total	1,42,59,578	1,45,99,720	1,61,19,705	1,68,84,000	1,66,75,000	1,70,14,000
TOTAL INDIA R	1,50,26,339	1,54,06,088	1,70,40,290	1,78,79,000	1,76,19,000	1,83,00,000
Equivalent in Sterling £ England	1,001,756 4,941	1,027,072 6,189	1,135,019 6,183	1,191,900 5,300	1,174,600 4,800	1,220,000 4,000
TOTAL EXPENDITURE £	1,006,697	1,033,361	1,142,202	1,197,300	1,179,400	1,224,600
NET REVENUE £	723,689	796,296	809,977	777,300	904,100	805,200

REVENUE.

(a) Imperial.

Revised, 1912-13. 59. The falling-off in revenue in the current year as compared with the Budget estimate occurs mainly in Port Blair and is due to a smaller demand for, and a fall in the price of, padauk timber. The Budget estimate of 1913-14 provides for a small growth in all the minor administrations.

Budget, 1913-14.

(b) Provincial.

Revised, 1912-13. 60. The Revised estimate for 1912-13 exceeds the Budget by R17·40 lakhs. The improvement is shared by all the provinces with the exception of the Punjab and Assam, where the revenue will fall short of the Budget, and of Bihar where the Budget estimate will very nearly be realised. The more important increases occur in the Central Provinces (R7 lakhs) due to the introduction of new grazing rates in certain districts, an intensity of demand for grass, and the supply of grass to Bombay in connection with the famine fodder operations; in the United Provinces (R5·55 lakhs) owing to a larger demand for timber and the consequent improvement in prices, to more extensive resin operations and to other causes; and in Burma (R2·87 lakhs), where a special receipt of R6 lakhs on account of the second instalment of the sale-proceeds of the Mergui rubber plantations obscures a shortage of R3·13 lakhs in the Budget estimate caused by an unfavourable floating season in Upper Burma in the earlier part of the year and the postponement of the recovery of a portion of the sale-proceeds of the *kheddah* elephants. The variations in the other provinces are of smaller magnitude and are generally due to an increase or a reduction in the receipts from the sale of timber and other forest produce.

Budget, 1913-14. 61. The total revenue in 1913-14 is taken at R8·41 lakhs less than the Revised estimate of the current year. The bulk of this decrease is expected to take place in Bombay (R4·50 lakhs) and the Central Provinces (R2 lakhs) owing to a cessation of the special supply of grass required in connection with the famine fodder operations in the former province. A decline in revenue is also anticipated in Bengal and in Madras owing to the substitution of the contract system for departmental working; and in the United Provinces in view of the abnormally high sales of timber in the current year and the completion of the sale of trees killed by the drought of 1908. In Burma, Assam, Bihar and the Punjab provision has been made for a small normal growth of revenue.

EXPENDITURE.

(a) Imperial.

Revised, 1912-13. 62. The expenditure in 1912-13 will fall short of the Budget provision by R·71 lakh in consequence of lapses in grants in Port Blair. Budget for 1913-14 is R3·42 lakhs higher than the Revised estimate for the current year mainly owing to provision for increased outlay in connection with working plans in Port Blair and Coorg, on the eradication of lantana in the latter province, for the erection of a semi-portable saw-mill in Port Blair (R1·50 lakhs) and for Imperial expenditure (R·50 lakh) out of the special grant of R10 lakhs for agriculture and allied objects.

Budget, 1913-14.

(b) Provincial.

Revised, 1912-13. 63. The total Revised estimate for 1912-13 is less than the Budget by R1·89 lakh. There is a large excess of R1·66 lakhs in the Central Provinces in connection with the supply of grass to Bombay; and of R1·21 lakhs in the United Provinces owing to an expected larger payment of rent to the Raja of Tehri in consequence of an increase in the revenue from leased forests, and to the transfer of provision to this head from "26.—Scientific and other minor departments" to cover an allotment made for acquiring certain *babul* forests in the Hamirpur district out of the special Imperial grant of 1911-12 for agriculture and

allied objects. But these and smaller excesses in three other provinces, will be more than counterbalanced by a large decrease of ₹3 50 lakhs in Madras owing to the curtailment of departmental operations and by lapses in grants in Burma, Bombay and Bengal.

64. The total Budget for 1913-14 is ₹3 39 lakhs higher than the Revised *Budget, 1913-14.* for the current year. Increased provision has been made generally for establishment charges with reference to the sanctioned scales, as well as for special outlay on the development of forests in most of the provinces. But it is partly counterbalanced by a reduction of the expenditure in connection with famine grass operations in Bombay and the Central Provinces, and the absence of the outlay incurred from special Imperial grants in Bengal and Bihar in the current year. The Budget estimates for Burma and Assam include allotments of ₹ 50 lakh and ₹ 25 lakh respectively for expenditure from the special Imperial grants made in 1913-14 for agriculture and allied objects.

X AND 12.—REGISTRATION.

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	19,937	21,565	23,398	22,000	25,000	25,000
2. Delhi . . . . .	...	...	...	...	10,000	19,000
3. Baluchistan	2,266	3,223	3,313	3,000	3,000	3,000
4. North-West Frontier	39,311	33,941	40,653	41,000	41,000	42,000
Total	60,964	58,734	67,394	66,000	79,000	90,000
<i>Provincial.</i>						
1. Central Provinces	2,96,749	3,22,793	3,49,449	3,30,000	3,70,000	3,70,000
2. Burma	1,83,005	1,99,843	2,02,499	1,95,000	2,26,000	2,21,000
3. Assam . . . . .	...	...	...	90,000	93,000	93,000
4. Bengal new) . . . . .	...	...	...	16,77,000	18,51,000	19,00,000
5. Bihar and Orissa . . . . .	...	...	...	5,68,000	5,00,000	5,90,000
6. United Provinces	6,28,200	5,96,697	5,94,858	6,00,000	6,36,000	6,40,000
7. Punjab	3,21,714	2,99,763	3,15,910	3,30,000	3,35,000	3,25,000
8. Madras	19,37,640	19,23,477	20,57,799	20,80,000	22,85,000	23,50,000
9. Bombay	7,15,469	7,55,074	7,43,183	7,35,000	7,85,000	8,00,000
Eastern Bengal and Assam	9,59,199	9,67,385	10,58,653	...	...	...
Bengal (old)	13,52,720	12,59,120	12,98,213	...	...	...
Total	63,94,698	63,29,091	66,20,543	65,88,000	71,40,000	72,89,000
TOTAL INDIA R	64,55,660	63,87,825	66,87,937	66,54,000	72,19,000	73,72,000
Equivalent in Sterling £	430,377	425,855	445,862	443,600	481,300	491,900

EXPENDITURE.

<i>Imperial.</i>						
1. India General	6,809	7,751	8,714	8,000	9,000	9,000
2. Delhi . . . . .	...	...	...	...	3,000	6,000
3. Baluchistan	808	968	1,077	1,000	1,000	1,000
4. North-West Frontier	9,950	9,518	10,557	11,000	11,000	11,000
Total	17,565	18,237	20,348	20,000	24,000	27,000
<i>Provincial.</i>						
1. Central Provinces	1,14,802	1,19,498	1,28,069	1,27,000	1,33,000	1,34,000
2. Burma	83,123	88,855	93,040	93,000	1,02,000	1,00,000
3. Assam . . . . .	...	...	...	64,000	57,000	61,000
4. Bengal new) . . . . .	...	...	...	10,33,000	10,55,000	11,16,000
5. Bihar and Orissa . . . . .	...	...	...	3,24,000	3,23,000	3,34,000
6. United Provinces	2,76,187	2,82,650	2,93,213	2,91,000	2,84,000	2,88,000
7. Punjab	1,16,834	1,16,315	1,19,895	1,21,000	1,18,000	1,18,000
8. Madras	11,72,520	12,02,785	12,43,860	12,40,000	12,51,000	12,45,000
9. Bombay	3,62,301	3,77,721	3,80,184	3,75,000	3,65,000	3,67,000
Eastern Bengal and Assam	6,14,769	6,20,995	6,23,221	...	...	...
Bengal (old)	7,78,634	7,74,435	8,05,919	...	...	...
Total	35,18,169	35,92,254	37,03,451	36,68,000	36,98,000	37,64,000
TOTAL INDIA R	35,35,734	36,10,491	37,23,829	36,88,000	37,22,000	37,91,000
Equivalent in Sterling £	235,716	240,699	248,256	245,900	248,100	252,700

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 153

Imperial.

65. Excluding Delhi, the figures of both revenue and expenditure in the two years show little variation and call for no remark.

Provincial.

66. The favourable economic conditions which have prevailed generally Revised, 1912-13. during the current year have led to a more rapid expansion in the demand for registration than was allowed for in framing the Budget estimate, and the Revised estimate for 1912-13 has been taken at Rs 52 lakhs higher, the improvement being shared by almost all the provinces. In view of the high collections in the current year, no allowance for any important growth of revenue in 1913-14 has been made except in Bengal and Madras and the total Budget, 1913-14. Budget for next year is only Rs 49 lakhs more than the Revised estimate for 1912-13.

67. The estimates of expenditure for the two years do not show any important variations and call for no remark.

154 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

XI.—TRIBUTES.

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	18,87,417	22,57,990	21,34,346	20,09,000	20,61,000	19,92,000
2. Central Provinces . . .	2,38,587	2,42,437	2,3,437	2,39,000	2,35,000	2,39,000
3. Burma . . .	4,02,322	4,11,941	4,33,900	4,54,000	4,54,000	4,54,000
4. Assam . . .	...	...	...	50,000	50,000	50,000
5. Bengal new) . . .	...	...	...	68,000	68,000	68,000
6. Bihar and Orissa . . .	...	...	...	86,000	83,000	81,000
7. United Provinces . . .	...	...	3,13,223	3,21,000	3,29,000	3,21,000
8. Punjab . . .	3,76,890	2,76,849	1,48,283	1,45,000	1,41,000	1,44,000
9. Madras . . .	44,96,519	44,96,519	44,96,519	44,97,000	44,87,000	44,97,000
10. Bombay . . .	13,20,622	13,23,613	10,61,911	11,90,000	11,25,000	14,07,000
Eastern Bengal and Assam . . .	₹0,000	50,100	50,210	...	...	...
Bengal (old) . . .	52,250	52,250	52,250	...	...	...
TOTAL INDIA ₹ . . .	88,24,607	91,11,699	89,25,074	90,59,000	90,46,000	₹2,58,000
Equivalent in Sterling £	588,307	607,447	595,005	603,900	603,000	617,200

68. The revenue recorded under this head represents tributes received from the protected States, in several cases as a result of exchanges of territory and settlement of claims, and contributions made chiefly in lieu of former obligation to supply or maintain troops. The figures do not ordinarily show any important fluctuations from year to year except for arrears and their recovery. The Revised estimate for the current year practically repeats the Budget. The Budget estimate for 1913-14 provides for normal receipts and for the recovery of arrear contributions from Baroda.

Revised, 1912-13.
Budget, 1913-14.

1.—REFUNDS AND DRAWBACKS.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	43,484	41,104	47,452	42,000	45,000	42,000
2. Delhi . . . . .	...	...	...	...	2,000	6,000
3. Baluchistan	4,613	3,438	9,435	4,000	5,000	5,000
4. North-West Frontier	39,694	29,207	19,945	24,000	24,000	24,000
5. Other Provinces	50,86,374*	18,73,067	26,74,561	20,36,000	24,32,000	23,17,000
Total	51,74,165	19,46,816	27,51,393	21,06,000	25,08,000	23,94,000
<i>Divided and Provincial.</i>						
1. Central Provinces	1,30,512	73,314	86,508	84,000	83,000	76,000
2. Burma	2,29,920	2,55,456	2,47,386	2,45,000	2,84,000	2,58,000
3. Assam . . . . .	...	...	...	26,000	33,000	29,000
4. Bengal (new) . . . . .	...	...	...	2,51,000	2,88,000	2,61,000
5. Bihar and Orissa . . . . .	...	...	...	76,000	84,000	78,000
6. United Provinces	2,22,809	2,27,181	1,93,452	2,05,000	2,03,000	2,11,000
7. Punjab	1,45,351	1,47,756	1,54,029	1,49,000	1,65,000	1,62,000
8. Madras	3,21,867	3,69,324	3,91,708	2,91,000	3,46,000	3,31,000
9. Bombay	9,75,977	7,47,430	7,97,576	6,50,000	7,49,000	7,22,000
Eastern Bengal and Assam	79,418	1,41,000	1,17,038	...	...	...
Bengal (old)	2,73,264	2,76,060	2,95,058	...	...	...
Total	23,79,118	22,37,521	22,82,755	19,77,000	22,38,000	21,28,000
TOTAL INDIA R	75,53,233	41,84,337	50,34,148	40,83,000	47,46,000	45,22,000
Equivalent in Sterling £	503,552	278,956	335,610	272,200	316,400	301,500

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

(a) *Imperial.*

69. 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 ₹4.02 lakhs in the Revised estimate over the Budget for 1912-13 occurs mainly under refunds of customs duty and is due to a change in the method of accounting in Bombay by which duty paid in advance, pending the final settlement of the amount, is now credited as revenue, instead of under a deposit head, any excess over the correct amount being charged as Refunds when it is returned to the party concerned. The Budget estimate for 1913-14 does not differ materially from the Revised for 1912-13.

Revised, 1912-13.

Budget, 1913-14.

(b) *Divided and Provincial.*

70. The expenditure fluctuates considerably from year to year and is difficult to estimate. In 1912-13 the Budget will be exceeded by ₹2.61 lakhs owing chiefly to special refunds of Excise revenue in Bombay and to higher refunds of Land revenue in several provinces. For 1913-14 a normal expenditure has been assumed.

Revised, 1912-13.

Budget, 1913-14.

2.—ASSIGNMENTS AND COMPENSATIONS.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	32,53,920	32,22,237	31,42,898	32,39,000	31,86,000	31,83,000
2. Delhi . . . . .	...	...	...	...	4,000	7,000
3. Baluchistan	2,02,224	2,01,679	2,01,390	2,01,000	2,01,000	2,01,000
4. North-West Frontier	19,561	18,316	17,819	18,000	20,000	18,000
5. Other Provinces	35,00,923	34,81,774	36,19,308	35,47,000	35,57,000	35,23,000
Total	69,76,628	69,24,056	69,81,415	70,05,000	69,68,000	69,42,000
<i>Divided and Provincial.</i>						
1. Central Provinces	41,738	34,603	34,118	39,000	40,000	89,000
2. Burma	400	60	989	1,000	1,000	1,000
3. Assam . . . . .	...	...	...	32,000	32,000	33,000
4. Bengal (new) . . . . .	...	...	...	62,000	70,000	66,000
5. Bihar and Orissa . . . . .	...	...	...	92,000	1,10,000	1,48,000
6. United Provinces	2,96,939	3,05,047	2,80,026	3,13,000	2,98,000	2,98,000
7. Punjab	83,655	83,391	67,676	78,000	70,000	69,000
8. Madras	5,66,220	5,38,910	5,44,335	5,60,000	5,62,000	5,39,000
9. Bombay	1,02,01,508	1,01,66,559	1,02,01,357	1,02,41,000	1,02,47,000	1,03,59,000
Eastern Bengal and Assam	67,882	60,648	56,372	...	...	...
Bengal (old)	1,30,724	1,29,024	1,57,435	...	...	...
Total	1,13,89,066	1,13,18,242	1,13,42,308	1,14,18,000	1,14,30,000	1,16,02,000
TOTAL INDIA ₹	1,83,65,694	1,82,42,298	1,83,23,723	1,84,23,000	1,83,98,000	1,85,44,000
Equivalent in Sterling £	1,224,380	1,216,153	1,221,581	1,228,200	1,226,500	1,236,300

(a) *Imperial.*

71. The figures show little 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.

(b) *Provincial.*

72. The expenditure in 1912-13 will not differ materially from the Budget provision. The increase of ₹1.72 lakhs provided in the Budget for 1913-14 over the Revised estimate for the current year occurs chiefly in connection with the resumption of certain *abkari* rights in Bombay and the Central Provinces.

XII.—INTEREST RECEIPTS.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. Interest on Imperial loans and advances	42,79,584	41,14,612	39,20,707	36,61,000	38,39,000	37,14,000
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 over-drawn Capital of Railway Companies in India	20,60,085	27,41,654	24,21,272	25,27,000	26,47,000	30,77,000
4. Interest charged to Capital on advances to Railway Companies	3,57,338	4,33,384	5,33,823	6,29,000	6,05,000	5,17,000
5. Miscellaneous items	76,584	81,943	1,42,706	1,04,000	1,43,000	1,52,000
TOTAL ₹	1,02,44,011	1,08,42,013	1,04,88,928	1,03,91,000	1,07,04,000	1,09,30,000
<i>Provincial.</i>						
1. Central Provinces	2,54,085	2,52,242	2,17,160	1,91,000	1,90,000	1,81,000
2. Burma	1,13,423	1,09,321	1,26,882	1,47,000	1,47,000	1,48,000
3. Assam	...	...	...	18,000	15,000	47,000
4. Bengal (new)	...	...	...	5,06,000	4,90,000	4,85,000
5. Bihar and Orissa	...	...	...	2,48,000	2,18,000	1,94,000
6. United Provinces	16,19,313	15,99,518	13,58,202	11,92,000	13,72,000	11,72,000
7. Punjab	3,54,733	2,87,617	2,58,248	3,00,000	2,57,000	2,34,000
8. Madras	3,53,249	4,18,946	4,42,611	4,45,000	4,50,000	4,62,000
9. Bombay	13,59,132	13,69,088	11,03,205	10,94,000	11,23,000	14,04,000
Eastern Bengal and Assam	1,51,083	1,72,760	1,60,798	...	...	...
Bengal (old)	7,94,808	7,48,081	7,20,044	...	...	...
TOTAL ₹	50,04,826	49,57,573	43,87,150	41,45,000	42,62,000	43,27,000
TOTAL INDIA ₹	1,52,48,837	1,57,99,586	1,48,76,078	1,45,36,000	1,49,66,000	1,52,57,000
Equivalent in Sterling £	1,016,589	1,053,306	9,91,739	969,100	997,700	1,017,100
<i>ENGLAND.</i>						
1. Profits of Paper Currency Circulation	37,374	37,374	68,001	78,200	78,200	78,200
2. Interest realised from investment of cash balances	130,070	374,403	376,053	180,000	388,000	192,000
3. Interest on advances to the Imperial Bank of Persia for the purpose of the Persian Government	...	...	12,571	...	...	...
4. Miscellaneous	310	356	377	...	...	...
TOTAL £	167,754	412,133	457,002	258,200	466,200	270,200
TOTAL RECEIPTS £	1,184,343	1,465,439	1,448,741	1,227,300	1,463,900	1,287,300
<i>Loans and advances outstanding March 31:—</i>						
1. Imperial	£ 6,843,998	£ 6,639,577	£ 6,435,732	£ 6,625,677	£ 6,246,032	£ 6,280,932
2. Provincial	£ 6,011,458	£ 5,480,290	£ 5,646,902	£ 6,038,890	£ 5,839,002	£ 5,959,802

(a) India-Imperial.

73 The total revenue in 1912-13 is now expected to be ₹3·13 lakhs more than the Budget estimate. The principal items contributing to this improvement are an increase of ₹1·78 lakhs in the interest receivable in respect of *Revised, 1912-13.*

158 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

Budget, 1913-14. Imperial loans and advances, mainly owing to recovery of arrears from Native States in Bombay and the credit to Imperial of the interest due from the Delhi Municipality after 1st October 1912, on loans received by it from Government; and of R1 20 lakhs in the interest payable by railway companies on overdrafts of capital. The total Budget for 1913-14 exceeds the Revised estimate for the current year by R2 26 lakhs, a decrease of R1.25 lakhs in the interest recoverable from Native States due to the absence of the arrears mentioned above, being more than counterbalanced by an increase in the interest payable by railway companies in respect of overdrafts of capital.

(b) *India-Provincial.*

Revised, 1912-13. 74. The Revised estimate for 1912-13 is R1.17 lakhs higher than the Budget. An increase of R1.80 lakhs is expected in the United Provinces due to recovery of arrears and a larger issue of advances for wells and of loans in certain districts; but this will be partly counterbalanced by a small net decrease in the other provinces. The Budget estimate for 1913-14 provides for a decrease of R2 lakhs in the United Provinces owing to the absence of the arrears realised in the current year. On the other hand in Bombay there is an increase of R2 81 lakhs owing to expected recovery of arrears from Native States and from cultivators; and the total Budget for 1913-14 is slightly higher than the Revised estimate for the current year.

Budget, 1913-14.

(c) *England.*

Revised, 1912-13. 75. The receipts in England in the current year are expected to show a considerable improvement of R31.20 lakhs (£208,000) over the Budget estimate. 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 decrease of R29.40 lakhs (£196,000) in the Budget estimate for 1913-14 as compared with the Revised for the current year also occurs wholly in this item of revenue. The cash balances of the Home Treasury next year are not expected to remain as high as in the current year.

Budget, 1913-14.

13 AND 14.—INTEREST EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
Interest on Debt other than that charged to Railways—						
Interest on total Debt—						
1. India	R 4,84,98,139	4,81,21,945	4,88,93,847	5,10,50,000	5,00,00,000	5,15,00,000
2. England	£ 3,233,209 5,519,190	3,208,130 5,731,552	3,259,590 6,022,639	3,403,400 6,171,700	3,333,400 6,204,100	3,433,300 5,912,800
Total	8,752,399	8,989,682	8,282,229	9,575,100	9,537,500	9,346,100
Deduct amounts charged to—						
(a) Railways :						
(i) India	R 4,22,83,760	4,30,61,629	4,56,26,525	4,86,94,000	4,97,64,000	5,37,06,000
(ii) England	£ 2,818,917 3,303,274	2,870,775 3,396,910	3,041,768 3,622,442	3,246,300 3,694,900	3,317,600 3,784,300	3,580,400 3,806,800
Total Railways	£ 6,127,191	6,267,685	6,664,210	6,941,200	7,101,900	7,387,200
(b) Irrigation :						
(i) India	R 1,42,53,630	1,50,45,994	1,59,94,080	1,63,45,000	1,74,57,000	1,84,94,000
(ii) England	£ 950,246 108,465	1,003,066 112,344	1,066,272 116,595	1,123,000 118,500	1,163,800 124,800	1,232,900 126,900
Total Irrigation	£ 1,058,711	1,115,410	1,182,867	1,241,500	1,288,600	1,359,800
Total deduction	£ 7,185,902	7,383,095	7,847,077	8,182,700	8,390,500	8,747,000
Interest on Ordinary Debt	£ 1,566,497	1,606,587	1,435,152	1,392,400	1,147,000	599,100
Distribution of above—						
Imperial	£ 1,345,455	1,406,157	1,239,316	1,186,300	948,600	394,200
Provincial	£ 221,042	200,430	195,836	206,100	200,400	204,900
Interest on other Obligations—						
On Savings Bank Balances converted at R15=£1	£ 381,337	405,483	451,902	499,700	506,500	555,100
Other items	£ 167,211	156,832	150,681	153,100	154,400	155,800
TOTAL	£ 548,548	562,315	602,583	652,800	660,900	710,900
GRAND TOTAL	£ 2,115,045	2,168,902	2,037,735	2,045,200	1,807,900	1,810,000
Debt outstanding,						
March 31—	£	£	£	£	£	£
Sterling	176,105,911	182,998,335	182,986,597	179,599,635	179,508,997	177,727,797
Rupee Debt—						
4 per cent.	R 3,67,06,275	3,55,00,000	3,43,00,000	3,31,00,000	3,31,00,000	3,19,00,000
3½ per cent.	1,22,60,40,100	1,24,84,19,400	1,26,91,37,600	1,29,97,39,400	1,29,93,91,600	1,32,98,21,900
3 per cent.	9,39,25,800	8,53,20,800	8,44,88,100	8,37,84,800	8,41,93,100	8,36,93,100
Other Debt	1,17,60,930	1,17,31,955	1,17,10,505	1,16,84,955	1,16,70,505	1,16,31,505
Savings Bank Balances	19,48,83,468	21,14,72,500	23,78,20,070	25,69,34,500	26,29,74,070	28,44,10,070

INTEREST ON ORDINARY DEBT.

<u>Interest on total debt, 1912-13.</u>	76. The expenditure in 1912-13 on account of interest payable on the public debt as a whole falls short of the Budget estimate by R5.64 lakhs (£37,600). There is an increase of R4.86 lakhs (£32,400) in England due to the average price of issue of the new sterling loan of the year being lower than was anticipated. But on the other hand, a decrease of R10.50 lakhs is expected in India, mainly in consequence of a large saving in the provision for discount on the new rupee loan of the year. In the Budget of 1913-14 necessary provision has been made for a full year's interest on the sterling loan of £3 million and the rupee loan of 3 crores raised in the current year; and for the service of the new rupee loan which it is contemplated to raise in 1913-14. But the total expenditure will fall short of that in 1912-13 by R28.71 lakhs (£191,400) owing to the absence of the heavy discount paid in the current year on the sterling loan issued in April 1912.
<u>1913-14.</u>	
<u>Transfers to Railway and Irrigation Accounts.</u>	77. 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 practically complete 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 large increase of R31.17 lakhs (£207,800) in the Revised estimate of total interest to be transferred in 1912-13, 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 (<i>vide</i> paragraph 228). The increase in the amount of interest to be transferred in 1913-14 over the Revised estimate for 1912-13 is almost wholly due to the progress of capital expenditure.
<u>Transfers to Provincial.</u>	78. 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 1913-14, are explained by the variations in the outstanding balances of the Provincial Loan Account as shown in the table at page 51.

Revised, 1912-13.

INTEREST ON OTHER OBLIGATIONS.

<u>Budget, 1913-14.</u>	79. The increase of R1.21 lakhs (£8,100) in the Revised estimate of the current year over the Budget provision occurs almost wholly in the interest payable by the Post Office Savings Banks, the deposits in which have grown more largely than was anticipated (<i>vide</i> paragraph 262). In 1913-14 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.
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BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 161

XIII AND 15—POST OFFICE.

—	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
REVENUE.						
INDIA.						
1. Sale of postage stamps for postal purposes . . .	2,39,68,200	2,47,43,396	2,65,20,731	2,76,09,000	2,80,49,000	2,92,74,000
2. Commission on money orders . . .	47,61,044	50,06,943	52,80,818	54,50,000	56,45,000	59,50,000
3. Other receipts . . .	1,79,107	2,03,497	2,12,630	2,25,000	1,98,000	1,88,000
TOTAL . R	2,89,08,431	2,99,53,836	3,20,14,179	3,32,84,000	3,38,92,000	3,54,12,000
Equivalent in Sterling£	1,927,229	1,996,922	2,134,279	2,218,900	2,259,500	2,360,800
EXPENDITURE.						
INDIA.						
1. Establishment charges . . .	1,93,63,086	1,98,16,325	2,07,61,690	2,07,47,000	2,07,94,000	2,10,50,000
2. Conveyance of mails . . .	66,12,372	64,94,536	65,50,160	71,47,000	69,29,000	70,54,000
3. Stationery and Printing . . .	12,09,062	11,63,774	9,43,033	9,86,000	10,85,000	10,50,000
4. Cost of stamps and stamp paper . . .	8,36,339	8,71,622	9,54,029	9,45,000	8,25,000	6,59,000
5. Other items . . .	59,967	60,721	94,319	94,000	92,000	91,000
TOTAL . R	2,80,83,826	2,84,06,978	2,93,03,231	2,99,19,000	2,97,25,000	2,99,04,000
Equivalent in Sterling£	1,872,255	1,893,798	1,953,549	1,994,600	1,981,700	1,993,600
ENGLAND.						
1. Contribution to Eastern mail subsidy . . .	54,588	54,588	54,588	54,600	54,600	54,600
2. Stores, etc.	739	2,506	333	...	100	9,000
TOTAL . £	55,327	57,094	54,921	54,600	54,700	63,600
TOTAL OF EXPENDITURE . £	1,927,582	1,950,892	2,008,470	2,049,200	2,036,400	2,057,200
TOTAL NET REVENUE £	-353	46,030	125,809	169,700	223,100	308,600

REVENUE.

80. General prosperity and briskness of trade have led to a larger growth of revenue under this head in the current year than was allowed for in the Budget; and the Revised estimate shows an improvement of R6·08 lakhs. In the Budget of 1913-14 provision has been made for a further moderate advance of R15·20 lakhs. *Revised, 1912-13.*
Budget, 1913-14.

EXPENDITURE.

81. The total expenditure in 1912-13 is expected to fall short of the Budget grant by R1·92 lakhs. An increase of R·47 lakh under establishment, mainly in consequence of the grant of grain compensation allowance, and of R·99 lakh under stationery and printing necessitated by the revision of a large number of postal forms, will be more than counterbalanced by a lapse in the grant for conveyance of mails and by savings in the cost of stamps owing to the reduced rates now charged on their supply. The total Budget estimate for 1913-14 exceeds the Revised for the current year by R3·12 lakhs only. Due provision has been made for the normal development of the operations of the Department; but it is obscured to some extent by a decrease in the stationery and printing charges arising from the absence of the special expenditure in the current year mentioned above, and by a further reduction in the cost of stamps. *Revised, 1912-13.*
Budget, 1913-14.

XIV AND 16—TELEGRAPH.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
REVENUE.						
I. INDIAN :						
1. Message Revenue .	83,82,222	93,58,253	1,03,76,535	1,03,40,000	1,07,94,000	1,15,45,000
2. Other Revenue .	33,27,074	33,46,165	36,55,083	35,35,000	37,42,000	37,50,000
TOTAL {	1,17,09,296	1,27,04,418	1,40,31,618	1,38,75,000	1,45,36,000	1,52,95,000
£	780,620	846,961	935,441	925,000	969,100	1,019,700
II. INDO-EUROPEAN :						
1. Message Revenue .	17,52,281	21,66,925	21,90,149	20,00,000	24,80,000	24,85,000
2. Other Revenue .	18,278	20,984	14,776	19,000	21,000	21,000
TOTAL {	17,70,559	21,87,909	22,04,925	20,19,000	25,01,000	25,06,000
£	118,037	145,861	146,995	134,600	166,700	167,100
England (mainly Mes- sage Revenue). £	4,194	4,337	4,989	5,500	6,200	5,000
TOTAL £	122,231	150,198	151,984	140,100	172,900	172,100
GRAND TOTAL £	902,851	997,159	1,087,425	1,065,100	1,142,000	1,191,800
EXPENDITURE.						
I. INDIAN :						
1. Revenue . £	766,597	748,976	785,290	835,300	821,700	864,400
2. Capital . £	150,770	123,907	208,891	132,000	182,100	226,600
TOTAL £	917,367	877,883	994,181	967,300	1,003,800	1,091,000
II. INDO-EUROPEAN :						
1. Revenue . £	72,945	99,216	97,180	114,700	112,300	121,700
2. Capital . £	2,121	—297	2,573	12,500	5,000	18,300
TOTAL £	75,066	98,919	99,753	127,200	117,300	140,000
GRAND TOTAL £	992,433	976,832	1,093,934	1,094,500	1,121,100	1,231,000
TOTAL NET REVENUE £	-89,582	20,327	-6,509	-29,400	20,900	-39,200

REVENUE.

82. Here also the favourable economic conditions of the current year have led to a larger growth of revenue than was assumed in the Budget, and improvements of R6.61 lakhs and R4.92 lakhs respectively are expected in the receipts of the Indian and the Indo-European Departments. The Budget estimate for 1913-14 provides for a further advance of R7.59 lakhs in the revenue of the Indian Department; but in view of the very considerable development which has taken place in the receipts of the Indo-European Department in 1912-13 it is not considered prudent to budget for a further growth here next year.

Revised, 1912-13.

Budget, 1913-14.

EXPENDITURE.

(a) Indian.

83. The total expenditure in the current year is expected to exceed the Budget grant by R5.47 lakhs (£36,500). There is a saving of R2.04 lakhs (£13,600) in the revenue expenditure, due mainly to lapses in the grants for establishments and other general charges and to smaller outlay on line repairs. But this is more than counterbalanced by an increase of R7.51 lakhs (£50,100) in the capital expenditure chiefly in connection with the installation and equipment of radio offices. Revised, 1912-13.

84. The Budget estimate for 1913-14 is taken at R13.08 lakhs (£87,200) more than the Revised for 1912-13. There is an increase of R6.40 lakhs (£42,700) in the Revenue expenditure owing chiefly to full provision for sanctioned establishments, higher working expenses resulting from the growth in traffic, and contemplated outlay on the remodelling of existing wireless stations in the Bay of Bengal. Capital expenditure will also go up by R6.68 lakhs (£44,500) to provide for the requirements of radio stations. Budget, 1913-14.

(b) Indo-European.

85. The total expenditure in the current year will fall short of the Budget by R1.49 lakhs (£9,900), the decrease being made up of lapses of R1.13 lakhs (£7,500) and R.36 lakh (£2,400) respectively in the capital and revenue grants. The saving in the capital account is caused by the postponement for yet another year of the reconstruction of the Arabistan telegraph line and work on certain buildings in Persia, and would have been higher but for the utilisation of a portion of the available funds in the building of radio offices in the Persian Gulf. Revised, 1912-13.

86. The Budget estimate for 1913-14 is taken at R3.40 lakhs (£22,700) higher than the Revised for the current year. Provision has been made for capital outlay on most of the construction works postponed in the current year as well as on the radio offices, for repairs to the cable steamer, and for working expenses of the radio offices. Budget, 1913-14.

XV AND 17.—MINT.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
REVENUE.						
INDIA.						
1. Percentage chargeable on coinage of new rupees . . . .	...	...	...	...	3,204,000	...
2. Profit on circulation of—						
(a) Nickel coins	14,33,629	19,82,089	24,35,338	20,00,000	25,00,000	20,00,000
(b) Bronze coins . . . .	...	5,36,733	9,02,671	5,00,000	15,00,000	10,00,000
3. Fees for coining dollars, etc.	3,16,019	3,28,591	17,92,657	5,00,000	5,00,000	5,00,000
4. Other items	1,34,645	94,235	3,73,786	86,000	2,76,000	1,09,000
TOTAL	₹ 18,89,293	29,41,653	55,04,452	30,86,000	79,80,000	36,09,000
England	£ 125,953	196,110	366,963	205,700	532,000	240,600
TOTAL	£ 125,953	196,110	67,100	205,700	532,000	240,600
EXPENDITURE.						
INDIA.						
1. Establishment charges	6,69,379	6,91,459	7,91,732	7,54,000	8,94,000	7,69,000
2. Purchase of stores	77,055	1,11,273	2,01,189	1,45,000	2,25,000	1,45,000
3. Loss on Bronze coinage	7,42,899	...	...	...	...	...
4. Loss on re-coining old silver coins	3,63,894	4,08,345	3,93,294	4,50,000	4,78,000	5,00,000
5. Other coinage losses	82,197	93,591	2,77,325	66,000	4,31,000	19,000
TOTAL	₹ 19,35,424	13,04,673	16,63,540	14,15,000	20,28,000	14,33,000
England	£ 129,023	86,978	110,903	94,300	135,200	95,600
TOTAL	£ 143,758	92,369	116,507	101,400	142,300	103,700
TOTAL NET REVENUE	£ -17,805	103,741	250,593	104,390	389,700	136,900

REVENUE.

Revised, 1912-13.

87. The Revised estimate for 1912-13 exceeds the Budget by R48·94 lakhs. Of this increase R32·04 lakhs are contributed by the seigniorage on the coinage of rupees from purchased silver. An important increase of R15 lakhs is also expected in the profit on the circulation of subsidiary nickel and bronze coins the demand for which has been stimulated by the activity of trade. The resumption of the coinage of new rupees will also result in an increase in the operative gains included under "Other items" in the above table, but this will be counterbalanced by an increase in the debits on account of operative losses.

Budget, 1913-14.

88. The Budget estimate for 1913-14 is taken at R43·71 lakhs less than the Revised estimate for the current year, the decrease being due to the absence of the seigniorage and other special receipts of the current year and to a moderate provision for profit on the circulation of subsidiary nickel and bronze coins.

EXPENDITURE.

Revised 1912-13.

89. The excess of R6·13 lakhs in the expenditure in the current year over the Budget estimate is caused by the heavy coinage of rupees from purchased silver. The Budget for 1913-14 provides for normal operations only.

Budget, 1913-14.

18.—GENERAL ADMINISTRATION.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
INDIA.						
<i>Imperial.</i>						
1. Cost of the Central Government:						
(i) Salary and expenses of the Governor-General	10,62,546	11,78,964	11,20,363	11,66,000	11,10,000	11,54,000
(ii) Executive Council	4,31,088	4,19,420	4,63,122	4,67,000	4,77,000	4,67,000
(iii) Legislative Council	96,876	1,39,493	1,47,798	1,52,000	1,48,000	1,47,000
(iv) Charges of the Secretariats	33,17,664	35,34,858	36,21,923	33,07,000	34,58,000	33,35,000
(v) Cost of administration of the Imperial headquarters at Delhi . . . . .	...	...	...	5,00,000	...	...
2. Offices of Account and Audit	28,91,989	28,23,318	37,26,608	38,61,000	37,20,000	37,69,000
3. Currency Department and Reserve Treasury	5,76,074	6,07,769	6,52,274	6,57,000	6,96,000	7,08,000
4. Payments to Presidency Banks for treasury and public debt work	3,40,735	3,49,250	3,57,710	3,57,000	3,64,000	3,67,000
5. Ajmer-Merwara Administration	3,527	1,972	6,099	2,000	9,000	3,000
6. Royal visit and Coronation Durbar . . . . .	...	1,64,454	66,66,058	...	—42,000	...
7. Delhi . . . . .	...	...	...	...	49,000	1,10,000
8. North-West Frontier Administration	3,13,473	3,17,266	3,09,152	3,47,000	3,56,000	3,47,000
Total	90,33,972	95,41,764	1,70,71,107	1,08,16,000	1,03,45,000	1,04,07,000
<i>Provincial.</i>						
1. Central Provinces	8,42,364	8,93,760	10,69,052	8,94,000	8,65,000	9,77,000
2. Burma	14,27,642	14,83,411	19,07,353	15,43,000	15,39,000	15,40,000
3. Assam . . . . .	...	...	...	5,70,000	5,85,000	5,62,000
4. Bengal (new) . . . . .	...	...	...	22,00,000	24,50,000	23,02,000
5. Bihar and Orissa . . . . .	...	...	...	12,65,000	12,31,000	13,41,000
6. United Provinces	16,29,833	18,22,599	19,63,228	17,16,000	17,10,000	16,90,000
7. Punjab	10,52,403	11,32,920	13,64,724	11,69,000	12,40,000	11,58,000
8. Madras	12,09,190	12,55,461	18,19,549	13,11,000	13,81,000	13,78,000
9. Bombay	16,13,289	17,19,693	27,54,973	13,31,000	18,56,000	18,79,000
Eastern Bengal and Assam	12,32,564	12,73,699	18,89,451	...	...	...
Bengal (old)	19,01,892	19,91,451	29,18,136	...	...	...
Total	1,09,09,177	1,15,72,994	1,56,86,466	1,24,99,000	1,28,57,000	1,28,27,000
TOTAL INDIA	1,99,43,149	2,11,14,758	3,27,57,573	2,33,15,000	2,32,02,000	2,32,34,000
Equivalent in Sterling	£ 1,329,543	£ 1,407,651	£ 2,183,838	£ 1,554,300	£ 1,546,800	£ 1,548,900
ENGLAND.						
1. Cost of the Secretary of State's establishment, etc.	265,546	275,777	266,485	260,700	260,700	259,400
2. Stores, etc., for India	60,690	72,832	114,442	89,000	119,700	130,600
3. Royal Visit and Coronation Durbar . . . . .	...	...	61,476	...	400	...
TOTAL £	326,236	348,609	442,403	349,700	380,800	390,000
GRAND TOTAL £	1,655,779	1,756,260	2,626,241	1,904,000	1,927,600	1,938,900

(a) *India—Imperial.*

90. In the Budget estimate for the current year, a lump provision of R5 lakhs was made for the cost of administration of the Imperial Capital at Delhi. The expenditure incurred on this account is being recorded under the proper heads. Only the pay and other charges of the Chief Commissioner and his secretariat staff will be recorded under this head; and these are expected to amount to R49 lakh in 1912-13, while a provision of R1.10 lakhs has been made in next year's Budget to meet a full year's expenditure.

Revised, 1912-13.

91. Omitting the Delhi figures, the total expenditure in 1912-13 will amount to R102.96 lakhs against a Budget grant of R103.16 lakhs, while the Budget for 1913-14 has been fixed at R102.97 lakhs. In the current year an excess of R1.51 lakhs under Secretariat charges, due to the employment of additional officers in connection with special work and to higher expenditure on the enquiry on prices, will be more than counterbalanced by a saving of R.59 lakh in the tour expenses of His Excellency the Viceroy, and by a net decrease of R1.02 lakhs in the cost of the Account and Currency Departments caused by the debit of a portion of the expenditure to the public works heads of account. In 1913-14 there will be a reduction of R1.23 lakhs in the Secretariat charges owing to the termination of the enquiry on prices and the absence of special expenditure incurred in the current year; but on the other hand normal provision has been made for the Viceregal tours and there will be an increase in the cost of the Account and Currency Departments in consequence of the contemplated separation of the functions of the Comptroller-General and the appointment of a Controller of Currency.

Budget, 1913-14.

(b) *Provincial.*

Revised, 1912-13.

92. The total Revised for 1912-13 exceeds the Budget estimate by R3.58 lakhs. The bulk of the increase occurs in Bengal (R2.50 lakhs) and is due to the retention of the Board of Revenue and to higher expenditure on the purchase of pictures and the supply of crockery for Government House, and on the movement of records. The balance of the excess, *viz.*, R1.08 lakhs, is contributed by certain arrear charges in connection with the Royal visit in the Punjab and some other provinces and by other unimportant variations.

Budget, 1913-14.

93. The total Budget for 1913-14 does not differ materially from the Revised estimate for the current year. Savings of R1.48 lakhs and R.82 lakh respectively are expected in Bengal and the Punjab owing to the absence of the non-recurring and special expenditure incurred in the current year. But these will be nearly counterbalanced by an increase of R1.10 lakhs in Bihar and Orissa where provision has been made for a full year's cost of the Executive Council and certain head-quarters establishments; and of R1.12 lakhs in the Central Provinces caused by lump allotments for the provincial Legislative Council, a separate Inspector-General of Registration, the revision of the office of the Excise Commissioner, and a new railway saloon for the Chief Commissioner.

(c) *England.*

94. The excess over the Budget grant in the current year and the further increase provided for in the Budget of 1913-14 are mainly due to higher demands for currency note forms.

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 167

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

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	3,38,868	3,27,377	3,27,874	3,24,000	3,44,000	3,19,000
2. Delhi . . . . .	...	...	...	...	59,000	1,75,000
3. Baluchistan	27,965	25,940	22,627	20,000	21,000	21,000
4. North-West Frontier	5,52,444	5,70,203	5,79,956	6,34,000	6,03,000	6,33,000
Total	9,19,277	9,23,520	9,30,457	9,78,000	10,30,000	11,48,000
<i>Provincial.</i>						
Central Provinces	24,75,896	25,05,636	25,24,371	26,02,000	25,78,000	26,24,000
2. Burma	45,35,553	47,51,224	47,65,061	48,68,000	48,98,000	49,36,000
3. Assam . . . . .	...	...	...	3,35,000	8,93,000	9,38,000
4. Bengal (new) . . . . .	...	...	...	98,39,000	98,05,000	96,10,000
5. Bihar and Orissa . . . . .	...	...	...	31,19,000	31,34,000	32,58,000
6. United Provinces	59,05,155	60,05,317	62,23,925	61,27,000	61,59,000	62,98,000
7. Punjab	38,06,523	40,93,760	42,17,010	42,68,000	41,66,000	41,86,000
8. Madras	56,99,101	59,22,747	62,19,485	63,36,000	66,11,000	65,94,000
9. Bombay	52,61,867	54,54,392	55,30,750	56,60,000	56,79,000	58,72,000
Eastern Bengal and Assam	44,68,912	47,37,231	49,95,633	...	...	...
Bengal (old)	82,75,098	85,91,040	92,76,209	...	...	...
Total	4,04,28,105	4,20,61,347	4,37,52,444	4,36,54,000	4,39,23,000	4,43,16,000
TOTAL INDIA	4,13,47,382	4,29,84,867	4,46,82,901	4,46,32,000	4,49,53,000	4,54,64,000
Equivalent in Sterling £	2,756,492	2,865,653	2,978,860	2,975,500	2,996,900	3,030,900
England	257	1,372	3,136	1,600	3,200	500
TOTAL	2,756,749	2,867,030	2,981,996	2,977,100	3,000,100	3,031,400

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	1,34,338	1,14,414	1,56,543	1,18,000	91,000	1,08,000
2. Delhi . . . . .	...	...	...	...	9,000	19,000
3. Baluchistan	22,117	26,784	23,847	23,000	24,000	24,000
4. North-West Frontier	1,02,499	1,21,617	1,10,253	1,16,000	1,11,000	1,11,000
Total	2,58,954	2,62,815	2,90,643	2,57,000	2,35,000	2,62,000
<i>Provincial.</i>						
1. Central Provinces	2,21,084	2,19,404	2,06,735	2,14,000	2,25,000	2,12,000
2. Burma	4,66,537	4,36,046	5,60,324	5,40,000	6,35,000	6,03,000
3. Assam . . . . .	...	...	...	1,25,000	1,20,000	1,25,000
4. Bengal (new) . . . . .	...	...	...	7,25,000	7,77,000	7,65,000
5. Bihar and Orissa . . . . .	...	...	...	2,75,000	2,80,000	2,83,000
6. United Provinces	6,01,793	6,15,943	6,48,725	6,34,000	6,83,000	6,69,000
7. Punjab	4,06,377	4,35,651	4,34,527	4,38,000	4,73,000	4,63,000
8. Madras	8,44,767	9,44,878	9,22,333	9,62,000	10,07,000	9,95,000
9. Bombay	5,98,944	6,07,512	6,57,846	6,55,000	7,15,000	7,15,000
Eastern Bengal and Assam	4,00,907	4,43,257	4,51,058	...	...	...
Bengal (old)	6,00,716	6,94,441	6,92,199	...	...	...
Total	41,41,125	43,97,132	45,64,247	45,68,000	49,15,000	48,30,000
TOTAL	44,00,079	46,59,947	48,54,890	48,25,000	51,50,000	50,92,000
Equivalent in Sterling £	293,339	310,663	323,660	321,700	343,300	339,500

168 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

EXPENDITURE.

(a) *Imperial.*

95. Excluding Delhi, the figures show little variation and call for no remark.

(b) *Provincial.*

Revised, 1912-13. 96. The total Revised estimate for 1912-13 exceeds the Budget by ₹2·69 lakhs. A large increase of ₹2·75 lakhs is expected in Madras owing mainly to larger expenditure on grain compensation allowance, the opening of an additional number of temporary subordinate courts and the deputation of a district judge to enquire into the adequacy of the judiciary outside Madras city. The variations in the other provinces are unimportant and do not call for any remark.

Budget, 1913-14. 97. The total Budget for 1913-14 is ₹3·93 lakhs higher than the Revised estimate for 1912-13. A portion of this increase, *viz.*, ₹1·43 lakhs, is nominal and is caused by the transfer to this head of certain charges which used to be recorded under "3.—Land Revenue" (see paragraph 28); the balance is shared by all the provinces except Bengal and Madras. Provision for the full cost of sanctioned establishments and for normal growth has been made in all the provinces. Special allotments have also been made in the Central Provinces for the appointment of a third additional Judicial Commissioner; in the Punjab for the re-organisation of the superior judicial service; and in Bengal for the regrading of munsiffs. The resultant increase in expenditure will, however, be more than counterbalanced in Bengal by a large saving in law charges owing to the absence of the special expenditure incurred in the current year in connection with political cases; and in Madras by a reduced provision for grain compensation allowance and the absence of certain items of special outlay incurred in 1912-13.

REVENUE.

(a) *Imperial.*

98. The figures do not show any important variation and call for no remark.

(b) *Provincial.*

Revised, 1912-13. 99. The total revenue in the current year is expected to exceed the Budget estimate by ₹3·47 lakhs, the improvement occurring mainly under copying fees realised in cash in Burma, and under magisterial fines in several provinces. The Budget for 1913-14 provides for normal receipts in all the provinces.

Budget, 1913-14.

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 169

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

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	16,73,617	17,25,414	16,50,412	17,34,000	16,84,000	16,86,000
2. Delhi . . . . .	...	...	...	...	28,000	65,000
3. Baluchistan	30,516	32,049	31,365	31,000	31,000	32,000
4. North-West Frontier	1,25,123	1,31,858	1,47,837	1,49,000	1,50,000	1,61,000
TOTAL	18,29,256	18,89,321	18,29,614	19,14,000	18,93,000	19,14,000
<i>Provincial.</i>						
1. Central Provinces	6,14,104	5,67,818	5,52,623	5,75,000	5,74,000	6,00,000
2. Burma	12,31,706	13,37,102	13,60,332	13,84,000	16,08,000	15,18,000
3. Assam . . . . .	...	...	...	2,69,000	2,52,000	3,03,000
4. Bengal (new) . . . . .	...	...	...	20,74,000	19,60,000	20,79,000
5. Bihar and Orissa . . . . .	...	...	...	13,34,000	11,67,000	12,68,000
6. United Provinces	20,69,685	19,09,412	18,09,551	19,44,000	18,80,000	19,52,000
7. Punjab	11,06,045	11,09,187	12,27,575	11,90,000	13,03,000	12,03,000
8. Madras	14,86,801	15,09,425	14,06,873	15,00,000	14,00,000	14,10,000
9. Bombay	10,04,522	10,98,691	11,35,616	11,54,000	11,40,000	11,50,000
Eastern Bengal and Assam	9,24,423	9,73,988	9,31,926	...	...	...
Bengal (old)	25,29,72	23,73,312	23,86,876	...	...	...
TOTAL	1,09,67,006	1,08,78,935	1,08,11,372	1,14,24,000	1,12,64,000	1,14,83,000
TOTAL INDIA Rs.	1,27,96,262	1,27,68,256	1,26,40,986	1,33,38,000	1,31,77,600	1,34,27,000
Equivalent in Sterling £ England	853,084	851,217	842,732	889,200	878,500	895,100
TOTAL £	853,084	851,217	842,732	889,200	878,500	895,100

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	2,80,341	3,26,914	3,49,438	3,43,000	3,40,000	3,48,000
2. Delhi . . . . .	... 910	... 723	... 734	...	10,000	20,000
3. Baluchistan . . . . .	...	...	...	1,000	1,000	1,000
4. North-West Frontier	17,679	22,978	24,911	24,000	25,000	25,000
TOTAL	2,98,930	3,50,615	3,75,083	3,68,000	3,76,000	3,94,000
<i>Provincial.</i>						
1. Central Provinces	2,55,980	1,99,821	2,27,714	2,30,000	2,30,000	2,30,000
2. Burma	4,03,812	3,95,279	4,34,550	4,08,000	4,49,000	4,58,000
3. Assam . . . . .	...	...	...	1,05,000	85,000	94,000
4. Bengal (new) . . . . .	...	...	...	6,89,000	6,57,000	6,59,000
5. Bihar and Orissa . . . . .	...	...	...	5,00,000	5,25,000	5,25,000
6. United Provinces	3,41,367	3,38,884	3,62,682	3,50,000	3,50,000	3,55,000
7. Punjab	2,54,384	2,82,194	3,40,887	3,43,000	3,23,000	3,10,000
8. Madras	5,05,999	5,50,962	4,63,989	5,00,000	4,90,000	4,90,000
9. Bombay	1,88,536	2,29,460	2,19,507	2,49,000	2,50,000	2,50,000
Eastern Bengal and Assam	3,44,203	2,77,259	3,23,598	...	...	...
Bengal (old)	8,59,113	9,42,393	10,52,305	...	...	...
TOTAL	31,53,394	32,16,252	34,25,232	33,74,000	33,59,000	33,71,000
TOTAL Rs.	34,52,324	5,66,867	38,00,315	37,42,000	37,35,000	37,65,000
Equivalent in Sterling £	230,155	237,791	253,354	249,500	249,000	251,000

170 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

EXPENDITURE.

(a) *Imperial.*

100. Excluding Delhi, the figures do not show any important variation and call for no remark.

(b) *Provincial.*

Revised, 1913-13. 101. The total expenditure in 1912-13 will be R1.40 lakhs less than the Budget estimate. Savings in the allotments for the cost of dietary as well as in other grants are expected in all the provinces except Burma and the Punjab. In Burma and the Punjab, the Budget grants will be exceeded by R2.24 lakhs and R1.13 lakhs respectively, owing to a larger outlay on dietary in the former province caused by necessary replenishment of stock and a rise in the price of paddy, and in the latter to the conversion of the Lahore district jail into a central jail and an increase in the jail population.

Budget, 1913-14. 102. The total Budget estimate for 1913-14 exceeds the Revised estimate for the current year by R1.99 lakhs. The grants are generally based on the sanctioned scale of establishments, the probable jail population, the cost of dietary and the requirements for raw materials. Special provision has been made in Bengal for the improvement and stimulation of industries in the jails in the eastern districts; while in the Punjab due allowance has been made for the conversion of the district jails at Rohtak and Jhang into subsidiary jails.

REVENUE.

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

BUDGET OF THE GOVERNMENT OF INDIA 1913-14. 171

XVII AND 20.—POLICE.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	9,24,880	8,44,699	9,51,235	9,37,000	9,54,000	9,81,000
2. Delhi . . . . .	...	...	...	...	1,80,000	3,50,000
3. Baluchistan	4,16,376	4,09,057	4,19,242	5,09,000	4,29,000	6,85,000
4. North-West Frontier	15,42,553	15,59,953	16,31,901	16,25,000	15,93,000	17,43,000
Total	28,83,809	28,13,709	30,02,378	30,71,000	31,56,000	37,59,000
<i>Provincial.</i>						
1. Central Provinces	31,05,058	32,06,136	33,45,697	33,00,000	33,26,000	33,43,000
2. Burma	1,17,84,022	1,20,98,874	1,26,76,077	1,26,65,000	1,27,95,000	1,30,23,000
3. Assam . . . . .	...	...	...	22,27,000	21,01,000	23,86,000
4. Bengal (new) . . . . .	...	...	...	90,00,000	85,55,000	95,82,000
5. Bihar and Orissa . . . . .	...	...	...	40,89,000	41,39,000	46,48,000
6. United Provinces	1,02,13,040	1,03,31,881	1,10,42,737	1,12,17,000	1,09,69,000	1,24,10,000
7. Punjab	53,51,066	56,50,190	58,63,176	58,06,000	57,66,000	60,18,000
8. Madras	74,13,011	80,45,389	84,59,187	82,91,000	87,30,000	87,46,000
9. Bombay	93,10,472	94,80,081	1,01,50,038	1,02,26,000	1,02,40,000	1,01,56,000
Eastern Bengal and Assam	50,81,804	53,00,014	58,09,322	...	...	...
Bengal (old)	81,57,764	83,16,042	83,70,975	...	...	...
Total	6,04,16,237	6,24,28,607	6,60,17,209	6,68,21,000	6,66,21,000	7,03,000
TOTAL INDIA	₹ 6,33,00,046	₹ 6,52,42,316	₹ 6,90,19,587	₹ 6,98,92,000	₹ 6,97,77,000	₹ 7,40,71,000
Equivalent in Sterling £	4,220,003	4,349,488	4,601,803	4,659,500	4,651,800	4,938,100
England	2,303	2,124	1,671	1,500	1,600	1,500
TOTAL	£ 4,222,303	£ 4,351,612	£ 4,602,977	£ 4,661,000	£ 4,653,400	£ 4,939,600

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	46,888	22,300	25,283	14,000	19,000	21,000
2. Delhi . . . . .	...	...	...	...	1,000	3,000
3. Baluchistan . . . . .	...	36,704	11,243	11,000	10,000	17,000
4. North-West Frontier	82,029	1,11,774	22,980	24,000	31,000	23,000
Total	1,28,917	1,70,778	59,506	49,000	61,000	64,000
<i>Provincial.</i>						
1. Central Provinces	25,335	34,341	32,530	29,000	29,000	30,000
2. Burma	2,05,720	2,23,409	2,78,707	2,37,000	5,02,000	4,75,000
3. Assam . . . . .	...	...	...	1,06,000	1,10,000	1,14,000
4. Bengal (new) . . . . .	...	...	...	2,00,000	2,50,000	1,62,000
5. Bihar and Orissa . . . . .	...	...	...	38,000	65,000	46,000
6. United Provinces	92,183	91,288	91,032	1,01,000	93,000	81,000
7. Punjab	5,69,311	5,80,991	1,78,993	1,56,000	1,92,000	1,77,000
8. Madras	4,91,735	4,64,526	4,75,445	4,66,000	4,98,000	4,76,000
9. Bombay	3,95,538	3,88,422	3,88,184	2,31,000	2,45,000	2,35,000
Eastern Bengal and Assam	1,35,571	1,89,807	1,42,913	...	...	...
Bengal (old)	1,89,940	1,87,030	1,93,750	...	...	...
Total	21,05,333	21,59,814	17,81,559	15,64,000	19,84,000	17,96,000
TOTAL	₹ 22,34,250	₹ 23,30,592	₹ 18,41,065	₹ 16,13,000	₹ 20,45,000	₹ 18,60,000
Equivalent in Sterling £	148,950	155,373	122,738	107,500	136,300	124,000

EXPENDITURE.

(a) Imperial.

Revised, 1912-13. 104. Of the figures shown against Delhi about R·75 lakh in the current year and R1 lakh in 1913-14 represent additional expenditure required for the policing of the new Imperial Capital. Excluding the Delhi figures, the expenditure in 1912-13 is expected to fall short of the Budget estimate by R·95 lakh owing chiefly to lapses in the allotments for police reforms in Baluchistan and the North-West Frontier Province; while the increase of R4·33 lakhs in the Budget for 1913-14 over the Revised estimate for the current year is mainly due to full provision for the re-organisation of the police in Baluchistan and for the conversion of the border military police in the North-West Frontier Province into frontier constabulary, in accordance with schemes which have been recently sanctioned by the Secretary of State.

Budget, 1913-14.

(b) Provincial.

Revised, 1912-13. 105. The total expenditure in 1912-13 is expected to fall short of the Budget provision by R2 lakhs only. There is a saving of R4·45 lakhs in Bengal owing to the entire or partial lapse of the lump provisions for the strengthening of the Calcutta city police, the re-organisation of the river police in Eastern Bengal and other police reforms; of R2·48 lakhs in the United Provinces due to a partial utilisation of certain lump allotments for police reforms; and of R1·26 lakhs in Assam owing to the non-utilisation of lump provisions for the re-organisation of the river and other police. In the Punjab also, there will be a small lapse, a saving of about a lakh caused by the transfer of Delhi being partly counterbalanced by increased expenditure on the maintenance of municipal police buildings. On the other hand, there will be a large increase of R4·39 lakhs in Madras in connection with the payment of grain compensation allowance and more rapid progress with the recruitment of additional constables, and of R1·30 lakhs in Burma as the net result of higher cost of punitive police and smaller outlay on the purchase of supplies for the military police; while unimportant excesses over Budget grants are also expected in Bombay, Bihar and Orissa and the Central Provinces.

Budget, 1913-14.

106. The Budget estimate for 1913-14 is taken at R36·91 lakhs higher than the Revised for the current year. A considerable increase of R14·41 lakhs is expected in the United Provinces chiefly in consequence of lump provisions of R11·02 lakhs for the payment from Provincial revenues of village police in Oudh and Gorakhpur, of R3·13 lakhs for the conversion into regular constabulary of the village police in Act XX towns (which is partly counterbalanced by a saving of R1·65 lakhs in the police grants now made to the towns), and of R1·15 lakhs for expenditure in connection with the registration and better control of criminal tribes. Provision for the full cost of the police reforms already introduced, as well as for the introduction of further reform measures has been made in all the provinces; but in Madras and Bombay the resultant growth in expenditure is obscured by smaller allowance for grain compensation and other indirect famine charges.

REVENUE.

(a) Imperial.

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

(b) Provincial.

Revised, 1912-13. 108. The increase of R4·20 lakhs over the Budget estimate in the current year is mainly due to higher recoveries on account of punitive police employed in certain tracts in Burma, Bengal, Bihar and the Punjab. These special receipts are expected to fall off in the ensuing year; and this accounts for the decrease of R1·88 lakhs in the Budget of 1913-14 as compared with the Revised estimate for the current year.

Budget, 1913-14.

XVIII. AND 21.—PORTS AND PILOTAGE.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Provincial.</i>						
1. Burma	12,57,081	12,42,302	12,64,225	12,86,000	13,00,000	12,49,000
2. Assam . . . . .	...	...	...	49,000	58,000	52,000
3. Bengal (new) . . . . .	...	...	...	12,08,000	13,32,000	13,74,000
4. Bihar and Orissa . . . . .	...	...	...	1,000	1,000	1,000
5. Madras	17,776	22,112	21,138	21,000	26,000	24,000
6. Bombay	59,421	78,185	70,516	68,000	68,000	2,83,000
Eastern Bengal and Assam	1,07,065	91,447	1,13,059	...	...	...
Bengal (old)	11,79,559	12,33,468	12,55,725	...	...	...
Total India R	26,20,902	26,67,514	27,24,603	26,33,000	27,85,000	29,83,000
Equivalent in Sterling £	174,727	177,834	181,644	175,500	185,700	198,800
England	52	56	46	100	100	100
TOTAL . £	174,779	177,890	181,690	175,600	185,800	199,000

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Provincial.</i>						
1. Burma	4,81,538	5,00,723	4,83,315	5,00,000	5,05,000	4,88,000
2. Bengal (new) . . . . .	...	...	...	15,98,000	1,63,000	18,00,000
3. Madras . . . . .	...	...	105	...	...	...
4. Bombay	87,821	89,816	97,033	95,000	1,00,000	1,00,000
Eastern Bengal and Assam	9,405	8,057	9,509	...	...	...
Bengal (old)	15,22,485	15,99,367	16,80,080	...	...	...
TOTAL R	21,01,249	21,97,963	22,76,052	21,93,000	23,68,000	23,98,000
Equivalent in Sterling £	140,083	146,531	151,737	146,200	157,900	159,900

EXPENDITURE.

109. The increase of R1.52 lakhs in the expenditure in 1912-13 over the Budget provision is expected mostly in Bengal and will result from higher charges of pilot establishments necessitated by the briskness of trade and from the postponement of certain recoveries in connection with the agency for Government consignments. The total Budget for 1913-14 is R1.98 lakhs higher than the Revised estimate for the current year, mainly in consequence of provision in Bombay for the construction of two additional lights off the Sind Coast.

Revised, 1912-13.

Budget, 1913-14.

REVENUE.

110. The excess of R1.75 lakhs in the current year over the Budget estimate is caused by higher pilotage receipts in Bengal which more than counterbalance the increase in expenditure mentioned above. The Budget estimate for next year does not differ materially from the Revised for 1912-13.

Revised, 1912-13.

Budget, 1913-14.

174 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

XIX AND 22.—EDUCATION.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India, General	6,06,607	6,76,034	5,04,754	84,65,000	7,42,000	14,41,000
2. Delhi . . . . .	...	...	...	...	26,000	85,000
3. Baluchistan . . . . .	...	90,722	46,688	64,000	1,22,000	1,25,000
4. North-West Frontier	86,316	1,61,796	1,60,938	2,04,000	6,40,000	3,51,000
Total	6,92,923	9,28,552	7,12,380	87,33,000	15,30,000	20,02,000
<i>Provincial.</i>						
1. Central Provinces	16,55,200	17,26,086	17,82,548	22,90,000	20,73,000	33,96,000
2. Burma	18,99,675	18,75,342	20,21,673	27,34,000	23,33,000	40,03,000
3. Assam . . . . .	...	...	...	9,85,000	9,77,000	18,05,000
4. Bengal (new) . . . . .	...	...	...	78,45,000	76,69,000	1,34,88,000
5. Bihar and Orissa . . . . .	...	...	...	26,25,000	25,90,000	48,71,000
6. United Provinces	28,58,786	38,45,241	48,31,149	52,13,000	57,08,000	76,75,000
7. Punjab	22,61,241	22,83,817	23,55,101	28,63,000	33,37,000	44,83,000
8. Madras	37,90,145	39,86,111	45,66,761	58,88,000	65,60,000	97,63,000
9. Bombay	43,52,501	47,53,732	48,72,655	66,85,000	59,15,000	95,25,000
Eastern Bengal and Assam	23,38,345	21,10,708	31,58,532	...	...	...
Bengal (old)	55,68,813	55,21,364	58,54,112	...	...	...
Total	2,47,24,706	2,66,02,401	2,94,47,531	3,71,28,000	3,71,62,000	5,90,09,000
TOTAL INDIA R	2,54,17,629	2,75,30,953	3,01,59,911	4,58,61,000	3,86,92,000	6,10,11,000
Equivalent in Sterling £ England	1,694,509 10,363	1,835,397 10,846	2,010,661 10,528	3,057,400 10,500	2,579,400 10,500	4,067,400 10,500
TOTAL	1,704,872	1,846,243	2,021,189	3,067,900	2,589,900	4,077,900

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India, General	R 28,914	R 26,311	R 30,607	R 23,000	R 29,000	R 22,000
2. Delhi . . . . .	...	...	...	...	6,000	11,000
3. Baluchistan . . . . .	...	10,026	13,451	14,000	14,000	16,000
4. North-West Frontier	681	676	848	1,000	1,000	...
TOTAL	29,595	37,013	44,903	43,000	50,000	59,000
<i>Provincial.</i>						
1. Central Provinces	1,09,808	1,17,185	1,46,171	1,75,000	2,00,000	2,15,000
2. Burma	1,74,808	2,00,099	2,17,634	2,30,000	2,41,000	2,50,000
3. Assam . . . . .	...	...	...	88,000	1,13,000	1,10,000
4. Bengal (new) . . . . .	...	...	...	6,84,000	7,40,000	7,51,000
5. Bihar and Orissa . . . . .	...	...	...	1,95,000	2,27,000	2,49,000
6. United Provinces	2,48,092	4,26,511	4,85,072	5,12,000	5,02,000	5,47,000
7. Punjab	4,67,788	3,72,418	3,91,763	4,20,000	4,29,000	4,64,000
8. Madras	1,79,600	2,25,836	3,22,612	3,43,000	2,90,000	2,82,000
9. Bombay	4,09,209	4,22,292	4,54,345	5,00,000	4,98,000	5,34,000
Eastern Bengal and Assam	68,292	3,22,331	3,39,867	...	...	...
Bengal (old)	6,06,453	6,31,361	6,81,783	...	...	...
TOTAL	24,58,540	27,17,533	30,39,247	31,48,000	32,40,000	34,02,000
TOTAL INDIA R	24,88,135	27,54,546	30,84,153	31,91,000	32,90,000	34,61,000
Equivalent in Sterling £	165,875	183,636	205,610	212,700	219,300	230,700

EXPENDITURE.

(a) Imperial.

111. Excluding the Delhi figures, the Revised estimate for 1912-13 is R72·29 Revised, 1912-13. lakhs less than the Budget, while the Budget for 1913-14 exceeds the Revised estimate for the current year by R4·13 lakhs. The large decrease in the current year is nominal and is due to the assignment to the Governments of the major provinces of the bulk of the lump grants aggregating R80 lakhs for which provision was made in the Budget under this head. The portion of the grants so assigned amounts to R73·66 lakhs; and only R6·34 lakhs have been allotted to the minor administrations, *viz.*, R3·84 lakhs from the residue of the recurring grant of R60 lakhs, and R2·50 from the non-recurring grant of R65 lakhs. The former sum will be devoted mostly to the promotion of primary and secondary education; while of the latter, R2 lakhs have been given to the Islamia College at Peshawar and the remainder will be spent mainly on hostels. The Imperial expenditure in 1912-13, excluding Delhi, will thus exceed by R1·37 lakhs the allotments available for the purpose, either from specific provisions made in the Budget or from the special grants mentioned above. The excess is mainly due to higher demands for primary schools in the North-West Frontier Province and Coorg, and a special grant has been given recently to meet the expenditure.

112. The increase of R4·13 lakhs in the Imperial expenditure in 1913-14 Budget, 1913-14. mentioned in the preceding paragraph, is due to provision under this head of R6·65 lakhs out of the additional recurring grant of R55 lakhs from Imperial revenues for the promotion of education (*vide* paragraph 19). The sum has either been allotted to the minor administrations or else is being held in reserve for future distribution and it is partially obscured by the absence of the non-recurring Imperial outlay incurred in the current year.

(b) Provincial.

113. The total expenditure in 1912-13 is expected to exceed the Revised, 1912-13 Budget provision by R·34 lakh. The figures under this head, however, are not a complete index to the progress made by the various Local Governments with outlay on the promotion and reform of education out of the special Imperial grants—recurring and non-recurring—given in recent years; for a considerable portion of the expenditure is incurred in the Public Works Department on buildings, etc., and is recorded in the accounts under “45.—Civil Works.” The Budget estimate for the current year provided for an expenditure of R23·50 lakhs out of the recurring assignments amounting to R55·96 lakhs which have already been sanctioned, and of R47·50 lakhs out of non-recurring grants of previous years, or in the aggregate R71 lakhs. It is now expected that R40·82 lakhs of the recurring grant will be spent during the year and R67·22 lakhs against the non-recurring. The total expenditure in 1912-13 from special Imperial grants of both classes will then amount to R108·04 lakhs of which R75·23 lakhs will be recorded under “22.—Education” and the remaining R32·81 lakhs under other heads of account, mostly Civil Works. Thus there is an excess of R4·23 lakhs (R75·23—R71·00 lakhs) in expenditure from special grants, and as the aggregate expenditure under the head is R·34 lakh more than the Budget provision, there will apparently be a lapse of about R4 lakhs only in the ordinary grants, distributed among the nine provinces.

114. The Budget estimate of 1913-14 provides for a very considerable Budget, 1913-14. advance of R218·47 lakhs over the Revised estimate for 1912-13. Of this increase R186·48 lakhs will be financed from the special contributions made from Imperial revenues. The outlay chargeable to Education from the grants already distributed among provincial Governments will be higher by R32·48 lakhs than the similar expenditure in the current year; while special allotments to the extent of R154 lakhs will be made from the additional grants which it is now proposed to give, the whole of the recurring grants and about one-third of the non-recurring ones being made available for expenditure in 1913-14. Even so, there will remain a balance of R31·99 lakhs representing the contribution made from the growth of Provincial revenues to foster the progress of education. Provision has been made in every province for increased expenditure on scholarships and stipends, educational grants to local bodies, and the

strengthening and improvement of the inspecting and teaching staff. In the Central Provinces, lump allotments have been entered for the taking over by Government of the Morris College, Nagpur, and of certain anglo-vernacular schools, and for the improvement of selected vernacular schools. In the other provinces, the following additions have been made to the provincial budgets with reference to the recommendations of the respective Finance Committees :

	₹	
Assam	1·58 lakhs,	mainly for additional grants-in-aid and scholarships, the establishment of a Madrassa at Sylhet, and the improvement of the Cotton College.
Bengal	·73 lakh,	mainly for reform of the system of training in the eastern districts, taking over by Government of certain industrial schools and revision of pay of Sub-Inspectors of schools.
Bihar and Orissa	·42 "	mainly for additional grants-in-aid.
United Provinces	1·67 lakhs,	mainly for increased educational grants to local bodies.
Punjab	2·77 "	mainly for the taking over by Government of the Lawrence School, Murree, equipment and staff of the Mayo School of Art, revision of the subordinate educational service, additional subordinate inspecting staff, and a new school at Lyallpore.
Madras	8·98 "	mainly for grants to aided secondary and other schools for equipment, subsidies to local bodies for equipment of elementary schools, equipment of training schools for masters, opening of additional girls' schools, and development of the College of Engineering.
Bombay	2·31 "	mainly for the opening of new primary schools and the improvement of primary education.

115. The unspent balance of the various Imperial grants already made will stand at ₹68·59 lakhs at the end of the current year, *viz.*, ₹15·14 lakhs of the recurring grant and ₹53·45 lakhs of the non-recurring one. The Local Governments propose to spend in 1913-14 ₹40·98 lakhs of the latter sum, as well as ₹11·66 lakhs of the former, in addition to the recurring grant of ₹55·96 lakhs for next year. The total outlay from the old grants will thus amount to ₹108·60 lakhs, of which the whole excepting a small sum of ₹·89 lakh has been provided under "22—Education." The unspent balance of the old grants at the close of next year will stand at ₹15·95 lakhs only.

116. The following statement gives the distribution among the provinces of the provision of ₹107·71 lakhs under this head mentioned above and of the allotments aggregating 154 lakhs entered in next year's Budget for expenditure from the additional Imperial grants—non-recurring and recurring—which it is now proposed to make.

	[Lakhs of rupees].	
	Allotments from Imperial grants.	
	Old grants.	New grants.
Central Provinces	5·31	8·50
Burma	7·17	11·00
Assam	2·16	6·00
Bengal	36·93	38·00
Bihar and Orissa	7·09	16·50
United Provinces	11·52	20·50
Punjab	7·01	11·50
Madras	12·25	23·00
Bombay	18·27	19·00
	107·71	154·00

REVENUE.

Revised, 1913-13. 117. The growth in the number of students in 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 1913-14.
Budget, 1913-14.

23—ECCLESIASTICAL.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	1,92,225	1,63,524	1,58,913	1,73,000	1,68,000	1,71,000
2. De'hi . . . . .	...	...	...	...	8,000	14,000
3. Baluchistan . . . . .	...	25,449	23,247	24,000	22,000	25,000
4. Central Provinces	84,330	79,479	75,975	1,05,000	98,000	1,05,000
5. Burma	1,23,337	1,24,470	1,27,942	1,44,000	1,33,000	1,42,000
6. Assam . . . . .	...	...	...	20,000	18,000	22,000
7. Bengal (new) . . . . .	...	...	...	1,94,000	1,89,000	1,85,000
8. Bihar and Orissa . . . . .	...	...	...	37,000	39,000	33,000
9. United Provinces	2,60,160	2,49,723	2,53,035	2,62,000	2,75,000	2,70,000
10. Punjab	2,33,104	2,44,915	2,33,743	2,16,000	2,43,000	2,44,000
11. North-West Frontier	36,932	38,416	38,938	41,000	39,000	43,000
12. Madras	3,3,965	3,37,659	3,58,011	3,81,000	3,22,000	3,47,000
13. Bombay	3,33,613	3,52,009	3,43,913	3,45,000	3,35,000	3,30,000
Eastern Bengal and Assam	23,435	40,105	41,192	...	...	...
Bengal (old)	2,24,161	2,09,411	2,07,805	...	...	...
TOTAL INDIA ₹	18,53,312	18,65,160	18,62,747	19,72,000	18,80,000	19,32,000
Equivalent in Sterling £	123,554	124,344	124,183	131,500	1,25,300	1,28,800
England £	489	334	305	400	400	400
TOTAL £	124,043	124,678	124,488	131,900	1,25,700	1,29,200

118. The figures do not call for any remark. A saving of ₹ 92 lakh is Revised, 1912-13.
 expected in the total grant for the current year owing to the absence of the
 Lord Bishop of Madras and some of the Senior Chaplains on leave. In 1913-14 Budget, 1913-14.
 provision has been made for the sanctioned scale of expenditure.

XX AND 24.—MEDICAL.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	7,02,069	6,82,219	5,78,682	12,51,000	15,75,000	16,39,000
2. Delhi . . . . .	...	...	...	...	5,35,000	1,85,000
3. Baluchistan . . . . .	...	87,627	1,02,752	1,00,000	1,55,000	1,13,000
4. North-West Frontier	1,83,690	2,19,909	1,50,170	3,09,000	4,91,000	3,32,000
Total	8,85,759	9,89,755	8,31,604	16,60,000	27,56,000	22,69,000
<i>Provincial.</i>						
1. Central Provinces	7,93,349	8,73,489	9,81,058	14,51,000	13,79,000	21,78,000
2. Burma	21,23,201	19,08,768	21,88,473	31,95,000	20,62,000	29,75,000
3. Assam . . . . .	...	...	...	8,02,000	6,16,000	8,88,000
4. Bengal (new) . . . . .	...	...	...	36,5,000	26,88,000	41,01,000
5. Bihar and Orissa . . . . .	...	...	...	10,94,000	7,69,000	19,20,000
6. United Provinces	15,86,585	17,88,777	30,03,278	30,79,000	30,00,000	41,23,000
7. Punjab	13,31,758	14,19,589	21,20,662	31,50,000	27,37,000	28,68,000
8. Madras	17,84,589	18,22,660	18,27,119	29,39,000	19,87,000	39,14,000
9. Bombay	24,97,108	22,72,567	24,35,270	41,75,000	23,09,000	48,96,000
Eastern Bengal and Assam	10,23,998	10,67,623	12,57,082	...	...	...
Bengal (old)	23,35,148	24,27,015	25,05,729	...	...	...
Total	1,34,83,736	1,35,79,988	1,63,26,671	2,35,80,000	1,75,97,000	2,78,63,000
TOTAL INDIA R	1,43,69,495	1,45,69,743	1,71,58,275	2,52,40,000	2,03,53,000	3,01,32,000
Equivalent in Sterling £	957,967	971,316	1,143,885	1,682,700	1,356,800	2,008,800
England	9,866	11,606	11,005	12,100	12,100	12,000
TOTAL £	967,833	982,922	1,155,490	1,694,800	1,368,900	2,020,800

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	7,743	6,021	5,838	6,000	6,000	5,000
2. Delhi . . . . .	...	...	...	...	1,000	3,000
3. Baluchistan . . . . .	...	1,711	1,694	2,000	2,000	2,000
4. North-West Frontier	660	620	96	...	...	...
TOTAL	8,403	8,352	7,658	8,000	9,000	10,000
<i>Provincial.</i>						
1. Central Provinces	8,551	9,400	15,568	13,000	19,000	19,000
2. Burma	63,951	76,876	1,02,072	90,000	1,14,000	1,14,000
3. Assam . . . . .	...	...	...	14,000	18,000	20,000
4. Bengal (new) . . . . .	...	...	...	3,61,000	4,30,000	3,76,000
5. Bihar and Orissa . . . . .	...	...	...	13,000	16,000	20,000
6. United Provinces	37,687	46,408	54,592	52,000	63,000	1,00,000
7. Punjab	45,793	49,589	50,157	48,000	54,000	54,000
8. Madras	1,21,733	1,24,719	1,27,362	1,28,000	1,52,000	1,26,000
9. Bombay	2,28,215	2,36,064	2,44,092	2,40,000	3,26,000	2,55,000
Eastern Bengal and Assam	56,689	46,230	50,508	...	...	...
Bengal (old)	2,90,056	3,45,723	3,37,817	...	...	...
TOTAL	8,52,705	9,35,014	9,82,108	9,59,000	11,97,000	10,84,000
TOTAL INDIA R	8,61,103	9,43,366	9,89,826	9,67,000	12,06,000	10,94,000
Equivalent in Sterling £	57,407	62,891	65,988	64,500	80,400	72,900
England	828	806	859	800	800	700
TOTAL £	58,235	63,697	66,847	65,300	81,200	73,600

EXPENDITURE.

(a) Imperial.

(i) Delhi.

119. The figures shown against Delhi in the two years are made up as follows :—

	Revised, 1912-13.	Budget, 1913-14.
(1) Ordinary expenditure on services taken over from the Punjab	35	55
(2) Additional grant for hospital and conservancy charges necessitated by the move of the offices of the Government of India to Delhi . . . . .	...	80
(3) Special non-recurring contribution to the Municipality for the improvement of sanitation	5.00	...
(4) Special recurring allotment in aid of sanitary expenditure, representing Delhi's share of the Imperial sanitation grant of R45 lakhs . . . . .	...	50
	<u>5.35</u>	<u>1.85</u>

(ii) Other Provinces.

120. Excluding the Delhi figures, the Revised estimate for 1912-13 exceeds Revised, 1912-13. the Budget by R5.61 lakhs. The latter, however, included a reserve provision of R2.30 lakhs for contributions to Provincial Governments for the improvement of sanitary services. These contributions have been paid during the year where necessary, by assignments of Imperial land revenue; and the true increase in expenditure recorded under this head in 1912-13 over the Budget provision therefore amounts to R7.91 lakhs. This excess is more than accounted for by the following special grants not included in the Budget, which have been given to municipalities and other local bodies in minor administrations for non-recurring outlay on the improvement of sanitation.

	R
Bangalore	4.00 lakhs.
Peshawar	2.00 „
Indore	2.00 „
Quetta ... ..	.50 „
Coorg ... ..	.25 „
	<u>8.75 „</u>

On the other hand there will be a lapse of R.84 lakh in the ordinary grants for plague and other expenditure.

121. The Budget estimate for 1913-14 is R1.37 lakhs less than the Budget, 1913-14. Revised estimate for the current year. The latter, however, includes non-recurring expenditure amounting to R10.77 lakhs made up of R8.75 lakhs mentioned above and R2.02 lakhs in Ajmer, Coorg and Bangalore which were provided in the current year's Budget. The real increase in next year's grant over the Revised estimate for 1912-13 thus amounts to R9.40 lakhs. Nearly the whole of this excess is accounted for by the provision of R9.25 lakhs for the portions of the special Imperial appropriations for sanitation and medical relief (*vide* paragraphs 18 and 24) which will be utilised for research or allotted to

180 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

minor administrations, or else held in reserve for future disposal. The distribution of this amount among the minor administrations, etc., is given below :

(1) Allotments out of the recurring Imperial grant of R45 lakhs for sanitation :—

	Lakhs of R
North-West Frontier Province . . . . .	.50
Bangalore . . . . .	.50
Research fund	5.00
Reserve	2.00
	8.00

(2) Allotments out of the non-recurring Imperial grant of R10 lakhs for hospitals, etc. :—

North-West Frontier Province . . . . .	.25
Reserve	1.00
	1.25
	9.25

(b) Provincial.

Revised, 1912-13.

122. The Budget estimate for the current year included special allotments under this head aggregating about R75½ lakhs for outlay from the non-recurring Imperial grants made in 1910-11 and 1911-12 for sanitary and other medical expenditure. Out of these allotments R66 lakhs are expected to be spent in 1912-13; but only about R26 lakhs of the outlay will be recorded under this head, the balance being shown under Civil Works. This explains the bulk of the decrease of R59.83 lakhs in the Revised estimate as compared with the Budget. The balance is mainly due to lapses in the grants for ordinary and plague expenditure in several provinces, the non-utilisation of the provision of R2 lakhs made in Madras for contribution to the Edward VII Memorial Fund Committee in connection with the construction of a hospital and sanatorium for consumptives, the record under Civil Works of a portion of the expenditure in connection with special sanitation schemes in Bombay for which provision was made in the Budget under the Medical head, and the partial utilisation of the grant for the development of the Grant Medical College in the same province.

Budget, 1913-14.

123. The Budget estimate for 1913-14 exceeds the Revised for the current year by no less than R102.66 lakhs. The latter, however, includes about R26 lakhs of expenditure out of certain special Imperial grants given in 1910-11 and 1911-12 while only R13 lakhs on this account remain to be incurred under this head in 1913-14. The real increase in expenditure in 1913-14 over that in the current year will thus amount to R115½ lakhs. Of this excess about R4 lakhs are explained by the provision under this head in Bombay of the full amount of the recurring Imperial contribution of R4.5 lakhs made in 1908-09 for special sanitation schemes; and R95½ lakhs represent allotments made out of (1) the non-recurring Imperial subvention of R150 lakhs for sanitation in 1912-13, (2) the recurring Imperial subvention of R36.50 lakhs in 1913-14 for the same purpose and (3) the non-recurring Imperial subvention in 1913-14 for hospitals and medical education (*vide* paragraphs 18, 21 and 24). The whole of the last two subventions, as well as one-third of the first subvention, have been made available for expenditure in 1913-14, the sums added under this head to the Budget estimates of the several provinces being as shown below.

[Lakhs of R

Province.	Sanitation.	Hospitals, etc.	Total.
Central Provinces	6.50	1.50	8.00
Burma	6.50	1.50	8.00
Assam	1.50	.25	1.75
Bengal	11.75	1.00	12.75
Bihar and Orissa	6.25	.50	6.75
United Provinces	15.25	1.00	16.25
Punjab	8.75	.50	9.25
Madras	15.00	1.50	16.50
Bombay	15.00	1.00	16.00
Total	86.50	8.75	95.25

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 181

124. The balance of the increase in the Budget estimate for 1913-14 over the Revised for the current year, amounting to ₹16½ lakhs, represents the contribution from provincial resources proper for the development of the various beneficial services whose charges are recorded under this head. Provision has generally been made for the full cost of sanctioned establishments; and for increased expenditure on medical colleges, hospitals and dispensaries, as well as on measures for the prevention of plague and malaria. The Madras Budget again provides for the payment of the contribution of ₹2 lakhs to the Edward VII Memorial Committee mentioned above; while in the Central Provinces a special allotment has been made for a medical school at Nagpur.

125. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants made from Imperial revenues in 1910-11 and 1911-12 in aid of sanitary and medical expenditure.

Province.	Grants to end of 1911-12.	To end of 1911-12.	EXPENDITURE.				Total
			In 1912-13 (Revised) recorded under		In 1913-14 (Budget) recorded under		
			Medical.	Other heads.	Medical.	Other heads.	
Central Provinces	6.00	1.00	3.50	...	1.50	...	6.00
Burma	11.00	1.52	...	1.93	...	7.55	11.00
Assam	3.96	1.98	.16	1.15	.67	...	3.96
Bengal	25.55	5.69	1.00	15.25	3.61	...	25.55
Bihar and Orissa	7.82	1.20	...	2.43	4.19	...	7.82
United Provinces	18.50	9.48	9.02	...	...	...	18.50
Punjab	* 11.17	* 1.59	* 6.50	...	3.08	...	11.17
Madras	12.25	2.00	...	10.25	...	...	12.25
Bombay	12.75	2.00	...	9.25	...	1.50	12.75
Total	109.00	26.46	20.18	40.26	13.05	9.05	109.00

* Exclude grants earmarked for the Central Research Fund.

REVENUE.

(a) Imperial.

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

(b) Provincial.

127. The increase of ₹2.38 lakhs over the Budget estimate is due to the receipt of special contributions aggregating ₹1.49 lakhs in Bengal, Bombay and Madras from the Indian Research Fund for anti-malarial expenditure, and to a general improvement in hospital receipts and medical college fees. In the Budget of 1913-14, the absence of the special contributions obscures the provision for normal growth in some of the provinces.

Revised, 1913-13.

Budget, 1913-14.

25.—POLITICAL.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	53,19,919	84,88,401	61,56,080	58,12,000	62,25,000	63,23,000
2. Delhi . . .	...	...	...	...	4,000	3,000
3. Baluchistan . . .	22,69,291	22,70,805	23,47,055	23,91,000	23,11,000	24,21,000
4. North-West Frontier . . .	30,53,873	31,44,973	30,17,556	31,67,000	30,42,000	32,19,000
5. Punjab . . .	6,46,936	6,13,208	6,28,608	6,71,000	6,51,000	6,85,000
6. Other Provinces . . .	5,54,796	6,20,037	5,59,940	5,70,000	5,55,000	5,89,000
TOTAL . . .	1,18,44,8	1,51,37,424	1,27,54,099	1,26,14,000	1,28,75,000	1,32,70,000
<i>Provincial.</i>						
1. Central Provinces . . .	45,615	28,991	32,431	36,000	40,000	38,000
2. Burma . . .	4,03,949	4,26,369	4,51,115	4,33,000	7,58,000	5,75,000
3. Assam . . .	...	...	...	92,000	5,67,000	12,32,000
4. Bengal (new) . . .	...	...	...	34,000	33,000	27,000
5. Bihar and Orissa . . .	...	...	...	53,000	51,000	53,000
6. United Provinces . . .	5,617	9,877	6,273	4,000	5,000	10,000
7. Madras . . .	1,12,212	96,421	1,02,709	91,000	98,000	1,20,000
8. Bombay . . .	4,76,016	4,72,953	4,32,446	4,74,000	4,44,000	5,46,000
Eastern Bengal and Assam . . .	89,952	1,22,731	5,38,984	...	...	...
Bengal (old) . . .	51,943	62,041	57,779	...	...	...
TOTAL . . .	11,85,304	12,19,383	16,17,737	12,20,000	20,26,000	25,73,000
TOTAL INDIA . R	1,30,30,159	1,63,56,807	1,43,75,836	1,38,34,000	1,49,01,000	1,58,43,000
Equivalent in Sterling £	868,677	1,090,454	958,389	922,300	993,400	1,056,200
England . . . £	6,450	5,016	9,769	4,000	9,600	22,800
TOTAL . £	875,127	1,095,470	968,158	926,300	1,003,000	1,079,000

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

(a) *Imperial.—India and England.*Revised, 1912-13.

129. The excess of R3.45 lakhs over the Budget provision in 1912-13 is chiefly due to India's share of certain special expenditure in Muscat and Persia in connection with the suppression of the arms traffic and the buoying and lighting of the Persian Gulf, and to charges in connection with the State entry of His Excellency the Viceroy into Delhi. An increase of R1.28 lakhs in the cost of the political agencies in Native States owing mainly to higher payment of salaries in accordance with the scheme for the re-organisation of the Indian Political Department will be met by savings on this account as well as in the charges of frontier militia in the North-West Frontier Province. The Budget estimate for 1913-14 is R5.93 lakhs higher than the Revised estimate for the current year, in spite of the absence of the expenditure incurred in 1912-13 in connection with the State entry at Delhi, the excess being due to provision for increased expenditure in Muscat and Persia on the special services mentioned above, as well as for a full year's charges of the Kurram and Waziristan militia, and of the Zhob militia and certain district levies in Baluchistan, in accordance with schemes of re-organisation which have been recently sanctioned.

Budget, 1913-14.(b) *Provincial.*Revised, 1912-13.

130. The increase of R8.06 lakhs in the Revised over the Budget estimate for the current year is caused wholly by special expenditure in Burma

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 183

and Assam on political missions and surveys in the north-east frontier and for arrangements made for the administration and proper control of the Assam frontier. The further growth of expenditure amounting to ₹5.47 lakhs which has been provided in the Budget of 1913-14, arises chiefly from similar causes. Next year's outlay in Burma on this account is expected to be over ₹2 lakhs less than in the current year; but on the other hand, necessary allotments have been made in Assam for a full year's cost of the frontier agencies as well as for a continuance of the survey and exploration operations. As has been already mentioned in paragraphs 15 and 25, Imperial subventions have been given to both the Provincial Governments to compensate them for the special expenditure for which no provision has been made in their financial settlements. The increased provision of ₹1.02 lakhs in the Bombay Budget for 1913-14 is mainly due to provision for the re-organisation of the Bombay Political Department. *Budget, 1913-14.*

184 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

XXI AND 26.—SCIENTIFIC AND OTHER MINOR DEPARTMENTS.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Bud et.	Revised.	
<i>Imperial.</i>						
1. India General	54,57,101	55,31,182	53,18,986	52,54,000	51,59,000	58,64,000
2. Delhi . . . . .	...	...	...	...	5,000	15,000
3. Baluchistan	13,780	42,730	66,150	45,000	57,000	31,000
4. North-West Frontier	39,279	88,717	79,433	82,000	74,000	92,000
5. Other Provinces	2,72,575	6,14,787	14,51,752	3,14,000	5,79,000	3,67,000
TOTAL	57,82,735	62,77,416	69,16,323	62,95,000	58,74,000	63,69,000
<i>Provincial.</i>						
1. Central Provinces	4,32,729	4,43,936	5,63,365	6,99,000	6,70,000	7,25,000
2. Burma	4,27,388	3,81,263	4,40,284	6,60,000	5,38,000	6,62,000
3. Assam . . . . .	...	...	...	2,30,000	1,60,000	3,67,000
4. Bengal (new) . . . . .	...	...	...	17,13,000	17,07,000	17,15,000
5. Bihar and Orissa . . . . .	...	...	...	5,00,000	3,94,000	5,17,000
6. United Provinces	11,44,571	10,10,638	11,51,320	13,15,000	12,80,000	13,60,000
7. Punjab	7,01,968	6,65,617	7,71,226	10,75,000	8,75,000	13,89,000
8. Madras	13,36,626	13,82,185	13,36,183	17,37,000	18,83,000	18,23,000
9. Bombay	8,02,170	8,58,420	10,84,209	10,93,000	9,83,000	13,37,000
Eastern Bengal and Assam	4,54,083	4,51,867	4,45,124	...	...	...
Bengal (old)	12,20,110	13,47,063	13,53,166	...	...	...
TOTAL	65,20,145	65,40,989	71,44,882	90,22,000	84,90,000	98,95,000
TOTAL INDIA	1,23,02,880	1,28,18,405	1,40,61,208	1,53,17,000	1,43,64,000	1,62,64,000
Equivalent in Sterling £ England (mainly stores)	820,192	854,560	937,414	1,021,100	957,600	1,084,300
£	31,204	23,485	23,791	28,400	26,000	28,900
TOTAL	851,396	878,045	961,205	1,049,500	983,600	1,113,200

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	2,66,909	1,78,182	2,74,080	2,80,000	1,69,000	1,70,000
2. Delhi . . . . .	...	...	...	...	...	2,000
3. Baluchistan	960	788	849	1,000	2,000	2,000
4. North-West Frontier	77	83	872	7,000	2,000	6,000
5. Punjab . . . . .	...	...	...	...	70,000	...
TOTAL	2,67,946	1,79,053	2,75,801	2,83,000	2,43,000	1,80,000
<i>Provincial.</i>						
1. Central Provinces	94,288	96,041	94,029	1,02,000	1,10,000	1,32,000
2. Burma	4,389	9,199	7,805	9,000	10,000	15,000
3. Assam . . . . .	...	...	...	25,000	20,000	24,000
4. Bengal (new) . . . . .	...	...	...	3,83,000	2,76,000	2,26,000
5. Bihar and Orissa . . . . .	...	...	...	23,000	26,000	34,000
6. United Provinces	1,27,521	1,44,828	1,69,522	1,49,000	1,50,000	1,63,000
7. Punjab	1,08,979	1,09,437	1,06,095	1,20,000	1,22,000	1,99,000
8. Madras	5,41,142	6,50,363	6,41,764	6,29,000	6,16,000	6,53,000
9. Bombay	78,877	1,20,695	1,18,202	1,06,000	1,10,000	1,25,000
Eastern Bengal and Assam	45,584	41,784	45,051	...	...	...
Bengal (old)	3,46,717	3,31,173	2,39,540	...	...	...
TOTAL	13,47,447	15,03,520	14,22,008	15,51,000	14,40,000	15,71,000
TOTAL INDIA	16,15,393	16,82,573	16,97,809	13,39,000	16,83,000	17,51,000
Equivalent in sterling £ England	107,693	112,172	113,187	122,600	112,200	116,800
£	1,745	1,260	998	1,100	800	800
TOTAL	109,438	113,432	114,185	123,700	113,000	117,600

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 185

Details of expenditure shown against "Imperial" in the preceding table.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>(a) Scientific—</i>						
i. Survey of India	28,58,801	27,80,226	25,80,259	28,95,000	26,25,000	29,49,000
ii. Geological Survey	3,12,877	2,94,806	3,07,997	3,06,000	3,05,000	3,10,000
iii. Inspector of Mines	1,19,265	98,194	1,11,004	1,11,000	97,000	1,13,000
iv. Meteorological Survey	3,93,821	4,04,727	3,85,054	4,00,000	3,97,000	4,63,000
v. Archæological Survey	2,01,966	2,18,414	2,22,020	2,41,000	2,39,000	2,74,000
vi. Central Museum	1,17,473	1,38,430	1,75,269	1,52,000	1,54,000	1,43,000
vii. Bacteriology	1,95,508	2,13,967	2,07,272	2,17,000	1,79,000	2,10,000
viii. Central Research and X-Ray Institutes	1,51,033	1,71,980	1,65,716	1,83,000	1,47,000	1,65,000
ix. Other items	53,104	1,02,474	67,317	68,000	61,000	66,000
<i>(b) Agricultural—</i>						
i. Agriculture	4,72,726	4,73,362	5,25,633	5,38,000	5,64,000	7,98,000
ii. Veterinary charges	4,96,230	4,89,498	4,90,030	5,48,000	4,89,000	4,14,000
iii. Other items	12,844	29,025	1,369	13,000	17,000	30,000
<i>(c) Statistics—</i>						
i. Bureau of Commercial Intelligence, and other charges	1,94,232	1,76,553	1,73,872	1,60,000	1,58,000	1,55,000
ii. Census	18,222	4,87,319	13,08,525	2,39,000	2,18,000	25,000
<i>(d) Miscellaneous—</i>						
i. Imperial Library	47,815	46,742	41,059	42,000	40,000	45,000
ii. Examinations	53,429	62,022	61,846	57,000	52,000	55,000
iii. Inspector of Explosives	73,644	75,899	74,885	77,000	70,000	77,000
iv. Controller of Patents . . . . .	...	...	6,218	39,000	39,000	42,000
v. Actuary to Government of India . . . . .	...	...	...	...	6,000	26,000
vi. Other items	10,245	13,778	10,981	9,000	17,000	9,000
TOTAL ₹	57,82,735	62,77,416	69,16,326	62,95,000	58,74,000	63,69,000

EXPENDITURE.

131. The figures shown against "Other Provinces," in the table at page 78 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—India and England.

132. The decrease of R4.57 lakhs in the Revised estimate for 1912-13 as compared with the Budget is caused by the employment of survey detachments on frontier explorations, the cost of which is debited under the Political head, as well as by ordinary lapses in grants of the Survey of India, the Imperial Veterinary and certain other Departments. The larger saving in the Budget grant shown against "India General" in the table on page 78 and the considerable excess over the grant for "Other provinces" are due firstly to the transfer from the "India" books to those of the Accountant General, Punjab, of the charges of the Hissar Cattle Farm and of the veterinary officer employed in investigating camel diseases consequent on the transfer of their control to the Punjab Government; and secondly to allotments having been made for expenditure in the various provinces from the lump provision for census charges in the "India" estimates. The transactions of the Hissar farm will continue to be treated as Imperial in the current year; but from 1913-14 the charges exclusive of the salaries of Imperial veterinary officers, as well as the receipts, will become Provincial. *Revised, 1912-13.*

Budget, 1913-14. 133. The total Budget estimate for 1913-14 is higher than the Revised for the current year by Rs 38 lakhs; and if allowance is made for the saving of Rs 1.93 lakhs in census charges and for the transfer to the Provincial account of Rs 1.31 lakhs of the expenditure of the Hissar Cattle Farm the true increase amounts to Rs 8.62 lakhs. Of this excess, Rs 3.24 lakhs are expected in the charges of the Survey Department owing to the return of the survey detachments from frontier explorations and to full provision for the re-organisation of the Provincial Service which has been recently sanctioned by the Secretary of State; while Rs 2.90 lakhs represent the portion of the special grant for agriculture and allied objects which will be devoted to Imperial outlay under this head. Otherwise, the grants of the various departments have been generally fixed with reference to normal operations and the sanctioned scale of establishments. Rs 40 lakh of the special grant has been allotted to the Meteorological Department and the balance of Rs 2.50 lakhs will be spent on the Pusa Institute and on bacteriological laboratories.

(b) *Provincial.*

Revised, 1912-13. 134. The Budget estimate for the current year provided for an outlay of Rs 14 lakhs out of the non-recurring Imperial grants of Rs 20 lakhs for agriculture and allied objects and of 2 lakhs for the bacteriological institute in Burma made in 1911-12. The probable expenditure of Local Governments on this account in 1912-13 is likely to amount to Rs 14.15 lakhs, as the higher outlay in Bengal and Madras on the purchase of quinine will more than cover the lapses in other provinces. Only Rs 9.53 lakhs of the expenditure will however be recorded under this head, the balance being recorded under Forests (Rs 2.34 lakhs), Medical (Rs 2.7 lakh) and Civil Works (Rs 2.01 lakhs). This mainly explains the decrease of Rs 5.32 lakhs in the Revised estimate as compared with the Budget, the remainder being due to ordinary lapses in grants.

Budget, 1913-14. 135. The total Budget for next year is Rs 14.05 lakhs higher than the Revised estimate of 1912-13. An expenditure of Rs 6.30 lakhs is expected to be incurred in 1913-14 out of the balance of the special Imperial grants mentioned above, of which Rs 4.74 lakhs will be recorded under this head. Provision has also been made for an outlay of Rs 5.85 lakhs out of the non-recurring Imperial grants for the improvement of agriculture which will be given in 1913-14; and Rs 1.31 lakhs of the increase in the Punjab represent charges of the Hissar cattle farm which will be met from Imperial revenue surrendered to the Provincial Government. The total expenditure under this head met from special Imperial grants in next year's Budget thus amounts to Rs 11.90 lakhs against a similar expenditure of Rs 9.53 lakhs in the current year; and the increased outlay contemplated from Provincial resources proper amounts to no less than Rs 11.68 lakhs. Substantial additions to the grants for the development of the agricultural and veterinary departments have been provided in every province. Special allotments of Rs 1.68 lakhs have been made in Bombay for the establishment of two new seed farms, and of Rs 1.09 lakhs in the United Provinces for a seed and three cane-sugar farms.

REVENUE.

(a) *Imperial.*

Revised, 1912-13. 136. The decline of Rs 45 lakh expected in the receipts in the current year is caused by the discontinuance of recoveries from the Military Department for serum supplied from the Muktesar laboratory. The larger decrease shown against India in the table on page 78 and the entry against the Punjab arise in connection with the transfer of the Hissar farm to the control of the Punjab Government. The further loss of Rs 63 lakh in the Imperial revenue in 1913-14 is due to the transfer to the Provincial account of the receipts in connection with this farm.

Budget, 1913-14.

(b) *Provincial.*

Revised, 1912-13. 137. The decrease of Rs 1.11 lakhs in the revenue in 1912-13 as compared with the Budget estimate is due almost wholly to the indents for the supply of quinine from the Cinchona Department in Bengal being much less than had been anticipated. Budget for 1913-14 provides for normal growth in receipts in every province, as well as for the credit to the Provincial account of the receipts of the Hissar farm; but in Bengal a further decline has been allowed for in the receipts of the cinchona plantations.

Budget, 1913-14.

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 187

27.—TERRITORIAL AND POLITICAL PENSIONS.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	1,15,306	1,27,487	1,22,768	1,19,000	1,12,000	1,07,000
1a. Delhi . . . . .	...	...	...	...	23,000	47,000
2. Baluchistan	34,081	48,000	46,302	50,000	50,000	50,000
3. Central Provinces	1,94,096	1,87,278	1,89,250	1,92,000	1,92,000	1,92,000
4. Burma	1,58,792	1,65,413	1,50,959	1,65,000	1,61,000	1,58,000
5. Assam . . . . .	...	...	...	5,000	5,000	5,000
6. Bengal (new) . . . . .	...	...	...	8,11,000	7,66,000	7,68,000
7. Bihar and Orissa . . . . .	...	...	...	54,000	54,000	54,000
8. United Provinces	7,89,717	8,25,329	7,99,263	7,88,000	7,80,000	8,05,000
9. Punjab	1,43,351	1,47,650	1,35,266	1,42,000	1,18,000	94,000
10. North-West Frontier	61,665	60,206	63,444	62,000	64,000	62,000
11. Madras	3,85,307	3,77,369	3,24,861	3,56,000	3,42,000	3,55,000
12. Bombay	5,16,540	5,80,430	5,43,984	5,24,000	5,24,000	5,42,000
Eastern Bengal and Assam	9,643	9,014	9,420	...	...	...
Bengal (old)	8,89,046	8,49,031	8,48,899	...	...	...
TOTAL INDIA . R	32,97,544	33,77,212	32,39,416	32,68,000	31,91,000	32,39,000
Equivalent in Sterling £	219,336	225,148	215,961	217,900	212,700	215,900
England £	13,750	10,858	11,100	11,100	11,300	11,100
TOTAL . £	233,586	236,006	227,061	229,000	224,000	227,000

138. The variations in the figures are unimportant and call for no remark.

188 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

28 — CIVIL FURLOUGH AND ABSENTEE ALLOWANCES.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
India . . . R	3,630	6,273	19,597	8,000	16,000	12,000
Equivalent in Sterling £	242	418	1,307	500	1,100	800
England . . . £	397,574	394,893	424,135	404,000	409,000	401,000
TOTAL . . . £	397,816	395,311	425,742	404,500	410,100	401,800

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

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 189

XXII AND 29.—SUPERANNUATION.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	9,15,558	9,32,913	9,95,017	10,00,000	10,17,000	10,11,000
1a. Delhi . . . . .	....	....	....	....	80,000	1,00,000
2. Balu-histan	12,962	14,341	13,975	10,000	2,000	17,000
3. North-West Frontier	1,19,415	1,22,001	1,35,228	1,30,000	1,47,000	2,38,000
4. Other Provinces	1,23,891	1,19,682	1,06,754	1,00,000	1,00,000	1,00,000
TOTAL	11,71,826	11,88,937	12,50,974	12,40,000	13,70,000	15,35,000
<i>Provincial.</i>						
1. Central Provinces	6,15,979	6,76,899	7,24,164	7,70,000	7,55,000	7,90,000
2. Burma	7,01,693	7,75,519	8,03,470	8,70,000	8,54,000	8,57,000
3. Assam . . . . .	....	....	....	2,20,000	2,42,000	2,35,000
4. Bengal (new) . . . . .	....	....	....	28,46,000	29,03,000	30,20,000
5. Bihar and Orissa . . . . .	....	....	....	7,85,000	7,82,000	8,20,000
6. United Provinces	29,01,294	29,51,127	30,37,146	30,80,000	31,60,000	32,00,000
7. Punjab	16,73,65	17,57,504	18,71,378	19,80,000	18,89,000	19,20,000
8. Madras	24,2,338	25,23,021	25,98,314	26,94,000	27,20,000	28,20,000
9. Bombay	28,85,259	29,94,745	31,38,669	32,40,000	33,80,000	35,00,000
Eastern Bengal and Assam	7,34,541	8,00,212	8,63,089	....	....	....
Bengal (old)	27,2,983	27,87,151	29,16,661	....	....	....
TOTAL	1,46,46,252	1,52,71,178	1,59,52,891	1,64,83,000	1,65,55,000	1,77,00,000
TOTAL INDIA Rs.	1,58,18,073	1,64,00,115	1,72,03,885	1,77,20,000	1,80,65,000	1,88,12,000
Equivalent in Sterling £	1,054,538	1,037,311	1,143,924	1,181,700	1,201,300	1,274,100
England £	2,039,502	2,048,548	2,040,493	2,063,000	2,074,000	2,070,000
TOTAL £	3,094,040	3,145,889	3,187,420	3,244,700	3,278,300	3,331,100

RECEIPTS.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	2,91,348	3,08,811	3,18,587	2,81,000	3,03,000	3,03,000
2. Balu-histan	2,823	2,753	3,448	3,000	3,000	3,000
3. North-West Frontier	12,008	17,704	19,420	20,000	18,000	18,000
4. Other Provinces	8,80,361	9,13,517	8,95,188	9,07,000	9,30,000	9,39,000
TOTAL	11,86,550	12,42,785	12,36,643	12,11,000	12,60,000	12,63,000
<i>Provincial.</i>						
1. Central Provinces	62,203	73,136	91,430	90,000	1,11,000	1,43,000
2. Burma	25,342	24,494	22,594	25,000	20,000	20,000
3. Assam . . . . .	....	....	....	4,000	4,000	5,000
4. Bengal (new) . . . . .	....	....	....	42,000	46,000	42,000
5. Bihar and Orissa . . . . .	....	....	....	29,000	18,000	18,000
6. United Provinces	1,13,154	99,493	83,002	92,000	70,000	85,000
7. Punjab	87,045	62,344	78,973	67,000	81,000	81,000
8. Madras	79,84	85,837	87,537	85,000	88,000	90,000
9. Bombay	2,66,646	3,24,321	3,41,588	3,65,000	3,00,000	3,80,000
Eastern Bengal and Assam	10,116	10,160	10,140	....	....	....
Bengal (old)	66,558	64,392	66,359	....	....	....
TOTAL	7,10,253	7,49,227	7,84,623	7,99,000	8,11,000	8,68,000
TOTAL INDIA Rs.	18,96,803	19,92,012	20,21,266	20,10,000	20,71,000	21,31,000
Equivalent in Sterling £	123,153	132,801	134,751	134,000	138,100	142,100
England £	65,633	62,688	66,719	65,100	63,100	61,000
TOTAL £	192,086	195,489	201,470	199,100	201,200	206,700

190 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

140. The figures of Imperial revenue shown against "Other Provinces" represent the receipts of certain abolished funds, the assets and liabilities of which were taken over by the Government, as well as the subscriptions paid by members of the Indian Civil Service for securing certain pensionary benefits for their families. The charges on account of such pensions as well as of the pensions of the abolished funds are recorded in the accounts as Imperial expenditure.

EXPENDITURE.

Revised, 1912-13. 141. The growth in the pension charges in 1912-13, both in India and in England, has exceeded the provision made on this account in the Budget, a part of the increase being caused by a larger demand for commutation of pensions.

Budget, 1913-14. The estimates for next year provide for the normal growth of the retired list and for the grant of pensions and gratuities to discharged officers and men of the disbanded Border Military Police in the North-West Frontier Province.

REVENUE.

142. The variations in the figures are unimportant and call for no remark.

XXIII AND 30.—STATIONERY AND PRINTING.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. Central Stationery Office	2,73,459	2,53,854	2,56,521	2,60,000	2,49,000	2,41,000
2. Stationery purchased for Central stores.	44,50,415	44,57,724	40,06,020	39,85,000	37,80,000	40,80,000
3. Government Presses (mainly Calcutta, Simla and Delhi)	17,56,894	16,36,549	15,71,665	15,59,000	16,65,000	16,36,000
4. Other charges	12,002	20,473	13,455	15,000	9,000	7,000
5. Deduct—Value of supplies to Local Governments and Administrations and to Postal and Telegraph Departments, etc.	-54,60,855	-53,02,221	-48,40,837	-48,05,000	-47,29,000	-48,89,000
6. De hi Province . . . . .	...	...	...	...	6,000	9,000
7. Baluchi-tan	1,914	2,186	2,800	3,000	2,000	3,000
8. North-West Frontier	71,879	83,503	82,738	1,29,000	92,000	1,09,000
TOTAL	11,05,708	11,52,068	10,92,292	11,46,000	10,74,000	11,96,000
<i>Provincial.</i>						
1. Central Provinces	3,27,458	4,50,161	3,37,128	3,77,000	3,69,000	4,44,000
2. Burma	8,29,139	8,13,145	7,83,162	8,09,000	8,07,000	7,93,000
3. Assam . . . . .	...	...	...	1,48,000	1,73,000	1,80,000
4. Bengal (new) . . . . .	...	...	...	12,55,000	14,24,000	13,60,000
5. Bihar and Orissa . . . . .	...	...	...	5,00,000	3,17,000	4,65,000
6. United Provinces	8,47,854	8,65,724	8,24,460	8,54,000	8,44,000	8,65,000
7. Punjab	7,52,906	7,54,841	7,17,330	7,80,000	7,23,000	7,02,000
8. Madras	15,66,157	14,96,004	15,54,709	14,71,000	18,51,000	16,46,000
9. Bombay	15,13,361	13,34,884	13,61,930	13,25,000	12,29,000	12,47,000
Eastern Bengal and Assam	8,53,571	7,78,524	7,10,167	...	...	...
Bengal (old)	13,17,476	12,31,270	10,90,495	...	...	...
TOTAL	80,07,922	77,24,553	73,79,431	75,19,000	77,37,000	77,15,000
TOTAL INDIA ₹	91,13,630	88,76,621	84,71,823	86,65,000	88,11,000	89,11,000
Equivalent in Sterling £	607,575	591,775	564,788	577,700	587,400	594,100
England { Stores £	110,710	115,544	98,374	108,400	90,000	77,400
{ Other charges	6,437	6,850	6,529	7,600	6,400	7,200
TOTAL £	724,722	714,169	669,691	691,700	693,800	678,700

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	4,68,484	4,53,087	4,46,335	4,11,000	4,33,000	4,18,000
2. De hi . . . . .	...	...	...	...	3,000	6,000
3. Baluchistan	583	387	192	1,000	...	1,000
4. North-West Frontier	9,511	14,070	18,008	16,000	19,000	1,000
5. Other Provinces	1,83,876	2,13,430	1,97,133	1,74,000	1,78,000	1,87,000
TOTAL	6,62,454	6,80,974	6,61,671	6,02,000	6,33,000	6,29,000
<i>Provincial.</i>						
1. Central Provinces	45,532	45,133	37,537	44,000	40,000	59,000
2. Burma	54,137	58,890	62,280	63,000	56,000	56,000
3. Assam . . . . .	...	...	...	8,000	14,000	9,000
4. Bengal (new) . . . . .	...	...	...	1,35,000	1,32,000	1,30,000
5. Bihar and Orissa . . . . .	...	...	...	25,000	32,000	32,000
6. United Provinces	1,63,859	1,44,974	1,48,212	1,47,000	1,42,000	1,46,000
7. Punjab	1,39,492	1,47,293	1,43,944	1,77,000	1,54,000	1,34,000
8. Madras	1,10,014	1,14,164	1,03,898	1,09,000	1,05,000	1,04,000
9. Bombay	1,00,175	1,06,311	1,24,474	1,15,000	1,20,000	1,15,000
Eastern Bengal and Assam	15,821	17,941	47,283	...	...	...
Bengal (old)	1,38,569	1,49,162	1,24,033	...	...	...
TOTAL	7,67,399	7,53,868	7,91,691	8,23,000	7,95,000	7,85,000
TOTAL ₹	14,29,853	14,64,842	14,73,322	14,25,000	14,28,000	14,14,000
Equivalent in Sterling £	95,324	97,656	96,891	95,000	95,200	94,300

192 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

EXPENDITURE.

Revised, 1912-13. 143. The total expenditure on stationery and printing—Imperial and Provincial—in 1912-13, exclusive of the charges of the commercial departments, shows a satisfactory decrease of R1.18 lakhs (£7,900) as compared with the Budget estimate, while a further decline of R 76 lakh (£5,100) is anticipated in 1913-14. The Imperial outlay in the current year, in both India and England, will fall short of the Budget provision by R3 36 lakhs in spite of an increase of R1.06 lakhs in the charges of the Government of India presses caused mainly by the transfer of a portion of the Calcutta Press to Delhi; and the Budget for 1913-14 provides for a further decrease of R 55 lakh.

Budget, 1913-14.

Revised, 1912-13.

144. The Provincial expenditure in 1912-13 will exceed the Budget grant by R2.18 lakhs, a large excess of R3 80 lakhs in Madras mainly in connection with the purchase of the Lawrence Asylum press being partly counterbalanced by savings in Bombay and some other provinces. The large increase over the Budget provision shown against Bengal in the table at page 85 and the decrease shown against Bihar and Orissa are nominal and are caused by the printing of forms for the latter province by the former, payment for which is made by a transfer adjustment through Land Revenue. The total provision for Provincial expenditure in 1913-14 is R 22 lakh less than the Revised estimate for 1912-13, the allowance for normal growth in most of the provinces being counterbalanced by the absence of the special expenditure which will be incurred in Madras during the current year.

Budget, 1913-14.

REVENUE.

145 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.

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 193

XXIV AND 31.—EXCHANGE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
Revenue . . . R	6,67,215	10,51,256	15,85,457	...	16,39,000	5,00,000
Equivalent in Sterling £	44,481	70,084	107,697	...	109,300	33,300
Expenditure . . . R	...	...	...	...	...	...
Equivalent in Sterling £	...	...	...	...	...	...

146. 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 R15=£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.

147. In the current year the average rate to be obtained on the net remittance of funds from India to England is estimated at £1=R14.944, and there is accordingly a gain of R16.39 lakhs under this head. In the Budget estimate for next year, credit has been taken for a moderate receipt of R5 lakhs.

Revised, 1912-13.

Budget, 1913-14.

XXV AND 32.—MISCELLANEOUS.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911	Accounts, 1911-1912.	1912-1913.		Budget 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. Remittance charges mainly in connection with movements of Government funds	2,92,110	3,99,493	4,48,723	3,87,000	6,21,000	4,89,000
2. Special Commissions of enquiry	15,443	678	8,008	8,000	1,92,000	3,30,000
3. Other charges :—						
(a) in Delhi . . . . .	...	...	...	...	10,000	20,000
(b) in the Frontier Province	26,772	51,775	28,849	27,000	25,000	22,000
(c) elsewhere	4,48,033	5,71,730	4,76,533	7,80,000	3,35,000	12,87,000
Total	7,82,358	10,23,659	9,62,113	12,02,000	11,83,000	21,48,000
<i>Provincial.</i>						
1. Central Provinces	1,06,647	93,657	1,22,415	1,38,000	1,38,000	1,47,000
2. Burma	3,89,03	4,79,926	5,52,943	4,90,000	4,78,000	5,20,000
3. Assam . . . . .	...	...	...	3,47,000	3,66,000	3,88,000
4. Bengal (new) . . . . .	...	...	...	8,13,000	5,5,000	9,3,000
5. Bihar and Orissa . . . . .	...	...	...	1,23,000	97,000	1,68,000
6. United Provinces	13,63,207	6,57,232	2,51,451	1,47,000	1,64,000	1,85,000
7. Punjab	3,12,859	3,17,888	3,07,508	4,26,000	5,27,000	5,19,000
8. Madras	3,9,245	3,77,684	3,73,921	4,34,000	5,57,000	4,31,000
9. Bombay	2,88,843	3,94,007	17,79,762	4,81,000	5,35,000	4,95,000
Eastern Bengal and Assam	5,93,878	6,25,371	5,63,026	...	...	...
Bengal (old)	3,13,697	3,50,909	3,96,802	...	...	...
Total	38,17,411	32,96,674	43,47,828	33,99,000	34,19,000	38,06,000
TOTAL INDIA . R	45,99,769	43,20,333	53,09,941	46,01,000	46,02,000	59,54,000
Equivalent in Sterling £	306,652	288,022	3,3,996	306,700	306,800	399,900
England £	50,878	3,370	34,913	31,500	37,400	48,500
TOTAL . £	357,530	39,392	388,909	338,200	344,200	448,400

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	5,21,811	5,39,945	13,89,759	4,93,000	6,90,000	5,80,000
2. Delhi . . . . .	...	...	...	...	10,000	18,000
3. Baluchistan . . . . .	...	7,738	6,789	8,000	35,000	7,000
4. North-West Frontier	1,20,077	1,29,781	1,43,547	1,42,000	1,38,000	1,06,000
5. Other Provinces	6,03,324	8,41,284	9,93,941	4,95,000	6,40,000	6,33,000
TOTAL	12,45,222	15,18,748	25,34,016	11,33,000	15,16,000	13,44,000
<i>Provincial.</i>						
1. Central Provinces	6,88,715	2,78,708	1,17,049	1,51,000	1,61,000	78,000
2. Burma	74,033	1,06,094	76,016	72,000	78,000	78,000
3. Assam . . . . .	...	...	...	32,000	47,000	45,000
4. Bengal (new) . . . . .	...	...	...	4,87,000	6,35,000	5,91,000
5. Bihar and Orissa . . . . .	...	...	...	3,25,000	3,28,000	3,14,000
6. United Provinces	5,03,517	2,27,179	4,00,649	2,75,000	3,25,000	2,95,000
7. Punjab	9,42,339	7,89,241	9,69,675	7,37,000	8,63,000	3,87,000
8. Madras	2,85,386	3,10,584	3,29,036	2,93,000	2,86,000	2,93,000
9. Bombay	3,83,023	84,079	1,13,522	1,20,000	1,44,000	72,000
Eastern Bengal and Assam	2,60,160	3,02,650	3,76,197	...	...	...
Bengal (old)	10,09,099	6,57,848	6,68,402	...	...	...
TOTAL	41,46,272	27,56,333	30,50,546	24,92,000	28,68,000	21,53,000
TOTAL INDIA . R	58,14,844	42,75,131	55,84,562	36,30,000	43,84,000	34,97,000
Equivalent in Sterling £	359,432	285,009	372,304	212,000	292,200	233,100
England £	14,565	29,653	36,714	16,300	15,200	21,800
TOTAL . £	373,997	314,662	409,018	258,300	307,400	254,900

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. [195

148. 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 realised or expenditure incurred in the various provinces under this head are those of an extraordinary character exceeding ₹10,000 in amount.

EXPENDITURE.

(a) *India—Imperial.*

149. The Revised estimate for 1912-13 is only ₹19 lakh less than the Budget. The bulk of 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 almost wholly counterbalanced by an excess expenditure of ₹2·31 lakhs on the remittance of Government funds, caused by the heavy demand for rupees, and by the charges of the Public Service Commission which are expected to amount to ₹1·79 lakhs. Revised, 1912-13.

150. The Budget estimate for 1913-14 provides for normal charges, for a full year's cost of the Public Service Commission (₹3·30 lakhs), as well as for a reserve allotment of ₹10 lakhs for unforeseen expenditure. It exceeds the Revised estimate for the current year by ₹9·65 lakhs, the increase in the expenditure of the Public Service Commission being nearly counterbalanced by an anticipated reduction in the remittance charges. Budget, 1913-14.

(b) *India—Provincial.*

151. The total Revised estimate for 1912-13 does not differ materially from the Budget provision. There is a large decrease of ₹2·56 lakhs in Bengal, in spite of a lump entry of ₹1·50 lakhs to meet the cost of grain compensation allowances to menial servants, caused by the record under other heads of account, of expenditure incurred from certain reserve and other provisions which were made in the Budget under this head. But on the other hand, there is an increase of ₹1·23 lakhs in Madras, mainly in connection with the charges of certain commissions of enquiry; of ₹1·01 lakhs in the Punjab owing to the write-off of the balance of a loan given to the late Dehra Ghazi Khan municipality; and of ₹·54 lakh in Bombay caused by the grant of special contributions to local funds in aid of famine relief expenditure. The variations in the other provinces are of less importance and call for no remark. Revised, 1912-13.

152. The total Budget for 1913-14 is ₹3·87 lakhs higher than the Revised estimate for the current year. There is an increase of ₹3·96 lakhs in Bengal caused by a higher provision for grain compensation allowance and a reserve grant of ₹2·5 lakhs. Increases of smaller magnitude appear in the estimates of some of the other provinces. But on the other hand, there will be a decrease in expenditure in Madras, Bombay and the Punjab owing to the absence of the special items included in the Revised estimate of the current year. The decrease in the last named province would have been greater but for a reserve provision of ₹1 lakh for unforeseen expenditure. Budget, 1913-14.

(c) *England.*

153. The increase of £5,900 in the current year over the Budget estimate occurs chiefly in the miscellaneous charges connected with the supply of stores to India. The further increase of £11,100 in the Budget estimate for 1913-14 is mainly due to a provision of £10,500 for the charges of the Public Service Commission. Revised, 1912-13.
Budget, 1913-14.

REVENUE.

(a) *India—Imperial.*

154. The increase of ₹3·78 lakhs in the Revised estimate for 1912-13 over the Budget is due to higher receipts from premia on bills, the demand for which has been stimulated by the activity of trade, and to special receipts from Revised, 1912-13.

196 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

Budget, 1913-14. various sources. The Budget for 1913-14 is taken at R1.72 lakhs less than the Revised estimate for the current year. Provision has been made for normal receipts only and allowance has been made for the discontinuance of the twenty per cent. contributions on the land cess hitherto recovered from rural boards in the North-West Frontier Province.

(b) *India—Provincial.*

Revised, 1912-13. 155. The revenue in 1912-13 is expected to exceed the Budget by R3.76 lakhs. The bulk of the improvement will be caused by larger credits on account of unclaimed deposits mostly in Bengal, and by special receipts from sale of land in the Punjab as well as from certain other sources. The absence of these abnormal receipts and the discontinuance of the twenty per cent. contribution from rural boards in the Punjab account for the decrease of R7.15 lakhs in the Budget for next year as compared with the Revised estimate for 1912-13.

Budget, 1913-14.

(c) *England.*

Revised, 1912-13. 156. The Revised estimate for 1911-12 does not differ materially from the Budget. The increase in 1913-14 is due to a special receipt in respect of marine insurance and to higher receipts on account of diplomatic and consular services in Persia.

Budget, 1913-14.

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 197

33 TO 36.—FAMINE RELIEF AND INSURANCE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
INDIA.						
Famine Relief { Imperial	9,02,639	34,789	17,14,503	20,02,000	29,30,000	6,99,000
{ Provincial	2,93,728	252	—100	...	...	...
Construction of Protec- tive Railways	1,80,226	4,00,969	4,37,689	4,04,000	4,35,000	1,29,000
Construction of Protec- tive Irrigation Works	63,05,659	52,71,178	56,83,204	67,23,000	60,87,000	72,63,000
Reduction or Avoidance of Debt	71,30,068	90,16,422	68,69,505	54,98,000	52,18,000	68,01,000
TOTAL INDIA ₹	1,48,12,320	1,47,23,610	1,47,04,801	1,46,27,000	1,47,70,000	1,48,92,000
Equivalent in Sterling £	987,488	981,574	980,320	975,100	978,000	992,800
ENGLAND.						
Construction of Protec- tive Railways	...	10,164	15,096	16,400	14,900	...
Construction of Protec- tive Irrigation Works	12,512	8,262	4,584	8,500	7,100	7,200
TOTAL INDIA AND ENGLAND	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

157. The Revised estimate for the current year shows an outlay of ₹29.30 lakhs under the head "Famine Relief" against a Budget provision of ₹20.02 lakhs. The bulk of the expenditure occurs in Bombay (*viz.*, ₹28.40 lakhs), where relief operations have continued throughout the year in the northern districts and a payment of about ₹4 lakhs has been made to railways in connection with concession rates charged on the carriage of fodder. A small amount of expenditure will also be incurred in the United Provinces on account of relief operations in the Mirzapur district. The amount available for famine insurance accordingly amounts to ₹120.70 lakhs, of which ₹68.52 lakhs will be spent on Protective works and ₹52.18 lakhs appropriated for the reduction or avoidance of debt. *Revised, 1912-13.*

158. In the Budget estimate for 1913-14 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 ₹6.99 lakhs will be required for actual famine relief expenditure, in the Ahmednagar district of Bombay (₹4.00 lakhs), the Mirzapur district of the United Provinces (₹1.99 lakhs) and in Rajputana (₹1 lakh); and the remainder, *viz.*, ₹68.01 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. *Budget, 1913-14.*

CONSTRUCTION OF PROTECTIVE RAILWAYS.

159. The Revised estimate for 1912-13 shows a petty excess over the Budget grant. The whole of the grant for Protective Railways in 1913-14 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.

160. In the Budget estimate for 1912-13 a total allotment of ₹75 lakhs was made for outlay on Protective Irrigation works. Of this sum ₹68.5 lakhs represented the amount available from the Famine Insurance grant for this purpose, and the balance of ₹6.5 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 the separate head opened in the Irrigation section of the estimates. The probable expenditure, according to the Revised estimate, will, however, amount *Revised, 1912-13.*

198 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

Budget, 1913-14. to R61·93 lakhs only, chiefly in consequence of slow progress of work on the Tandula canal in the Central Provinces, and the Gangao dam in the United Provinces. The whole of this outlay will appear in the Famine Relief and Insurance section of the accounts, and the whole of the grant (R65 lakhs) provided in the Irrigation section will lapse.

161. In the Budget estimate for 1913-14 the total allotment for Protective Irrigation works amounts to R90 lakhs, of which R73·71 lakhs represent the amount available from the Famine Insurance grant for this purpose. The balance, *viz.*, R16·29 lakhs, has been provided under the special head in the Irrigation section of the estimates. The distribution of the total sum of R90 lakhs is given in the table below :

	1912-1913.		Budget, 1913-1914.
	Budget.	Revised.	
	R	R	R
1. Central Provinces :			
(i) Tandula Canal	18,45,000	10,66,000	11,64,000
(ii) Tank projects	7,56,000	5,38,000	4,55,000
(iii) Other projects, etc.	1,99,000	2,16,000	3,31,000
2. Bengal	15,000	15,000	7,000
3. Bihar :			
(i) Tribeni Canal	7,07,000	7,00,000	6,61,000
(ii) Other projects, etc.	53,000	46,000	39,000
4. United Provinces :			
(i) Betwa Canal (including Dhukwan weir)	26,000	60,000	27,000
(ii) Ken „ (including Gangao dam)	5,26,000	3,17,000	4,67,000
(iii) Dassan „	2,73,000	2,82,000	88,000
(iv) Ghaggar „	92,000	1,75,000	4,51,000
(v) Other projects, etc.	2,83,000	2,23,000	1,53,000
5. Madras :			
(i) Mopad project	1,50,000	50,000	3,69,000
(ii) Other projects	1,00,000	1,00,000	1,31,000
6. Bombay :			
(i) Godavari Canal	7,11,000	7,30,000	5,33,000
(ii) Chankapur Tank	67,000	62,000	99,000
(iii) Pravara river project	10,99,000	10,96,000	12,38,000
(iv) Nira Right Bank Canal	5,00,000	4,21,000	23,61,000
(v) Other projects, etc.	69,000	76,000	64,000
7. Minor administrations	9,000	5,000	7,000
8. Reserve provision	2,20,000	...	5,50,000
<i>Deduct</i> —Allowance for possible lapses in grants	2,00,000	...	7,00,000
	75,00,00	61,93,000	90,00,000
<i>Deduct</i> —Amount provided in the Irrigation Section (<i>vide</i> page 99) outside the Famine Insurance Grant	6,50,000	...	16,29,000
Net provision under head " 35.—Construction of Protective Irrigation Works"	68,50,000	61,93,000	73,71,000

162. The Nira Right Bank Canal was sanctioned by the Secretary of State in June 1912 and a large allotment of R28 61 lakhs has been made for it in next year's Budget. Considerable sums have also been provided for the Tandula, Tribeni, Godavari and Ghaggar Canals, the Gangao dam, and the Mopad and Pravara river projects.

XXVI to XXVIII and 38 to 41—RAILWAY REVENUE ACCOUNT.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
STATE RAILWAYS—	₹	₹	₹	₹	₹	₹
Gross Receipts	43,38,58,967	45,94,46,336	50,36,86,936	48,85,03,000	55,45,03,000	55,13,03,000
Deduct—						
Working Expenses	24,32,14,762	24,43,54,428	25,89,45,724	26,50,00,000	27,40,00,000	28,22,49,000
Surplus profits paid to Companies, etc.	48,37,249	69,60,184	72,30,008	61,67,000	98,19,000	59,70,000
Net Receipts	18,58,06,956	20,76,31,724	23,75,11,204	21,73,36,000	27,06,84,000	26,30,84,000
Net Revenue equivalent at Rs15=£1	£ 12,387,130	£ 13,842,115	£ 15,834,080	£ 14,489,100	£ 18,045,600	£ 17,538,900
Interest and capital re- demption charges—						
Interest on Debt	5,653,551	5,842,334	6,279,070	6,513,600	6,698,800	6,969,900
Annuities in purchase of Railways	3,357,708	3,357,634	3,357,301	3,357,800	3,357,700	3,379,500
Sinking Funds	165,206	171,264	177,677	184,300	184,300	191,500
Interest chargeable against Companies on advances	473,640	425,351	385,140	427,600	403,100	417,300
Interest on Capital deposited by Com- panies	1,894,316	2,007,339	1,825,970	1,862,700	1,848,100	1,955,100
	11,544,421	11,803,922	12,025,158	12,346,000	12,492,000	12,913,300
Net Result	842,709	2,038,193	3,808,922	2,143,100	5,553,600	4,625,600
GUARANTEED RAIL- WAYS—						
Net Result	1,716	710	...	...	...	...
Other Receipts	58,296	39,346	57,645	51,100	71,800	84,600
Other Charges	77,799	60,753	78,797	172,300	109,300	157,900
Net Result	-19,503	-21,407	-21,152	-121,200	-37,500	-73,300
TOTAL NET RESULT	824,922	2,017,496	3,787,770	2,021,900	5,516,100	4,552,300
Redemption of capital from revenue	760,398	786,187	812,928	342,135	340,561	869,165
STATISTICS—						
State Railways—						
Capital Expenditure to March 31st—						
Expenditure by Government	175,857,946	188,434,371	195,464,910	203,331,671	204,454,910	214,579,010
Expenditure by Companies	45,950,494	37,856,690	38,604,907	39,836,890	39,727,007	41,613,607
Outlay on the East Indian Railway from Debentures raised by the Company	14,587,268	14,587,268	14,587,268	14,587,268	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	3,253,158	3,253,158	3,253,158	3,253,158	3,253,158
TOTAL	239,827,768	243,604,667	254,383,423	263,532,167	264,495,623	276,506,223
Miles open on April 1	24,066	24,604	24,873	25,215	25,176	25,643

163. 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, 1909-10.	Accounts, 1910-11.	Accounts, 1911-12.	Budget, 1912-13.	Revised, 1912-13.	Budget, 1913-14.
	₹	₹	₹	₹	₹	₹
Gross Receipts	95,695	95,831	1,16,465	1,00,000	1,10,000	1,10,000
Working Expenses	96,184	80,828	84,107	85,000	88,000	87,000

Revised, 1912-13.

Gross Receipts

164. In view of the phenomenal growth of Gross Receipts of State Railways in 1911-12, and of the fact that a considerable portion of it was contributed by the specially favourable traffic conditions of the year, the Budget estimate for 1912-13 was deliberately taken at a moderate figure of about ₹48·85 crores. The traffic returns have again far outrun anticipations and the receipts are now expected to amount to about ₹55·45 crores or ₹6·60 crores more than the Budget estimate. The greater portion of the increase has already been earned. The improvement is due to a continuance of prosperous conditions both of trade and agriculture, which has led to an exceptionally heavy traffic in wheat, grain, and cotton; but a substantial portion of the growth is also contributed by the coaching traffic which has been stimulated by the activity of business and the marriages and pilgrimages of an auspicious Hindu year. All the principal lines share in this improvement. More than half of it is obtained naturally from the three lines, *viz.*, the East Indian, Great Indian Peninsula, and North-Western Railways, which traverse the tracts where the bulk of the exportable produce is grown. Important increases occur also on the Bombay, Baroda and Central India Railway in consequence of a brisk coaching traffic and heavy bookings of cotton, grain and fodder; on the Bengal-Nagpur Railway due to an exceptionally heavy pilgrim traffic to Puri and to larger transport of coal and other goods; on the Oudh and Rohilkhand Railway due to additional mileage opened during the year and to heavy traffic in wheat and grain; on the Madras and Southern Mahratta and South Indian Railways owing to a general development of both the passenger and the goods traffic; and on the Eastern Bengal Railway caused by a brisker movement of jute.

Working Expenses.

165. The Revised estimate of Working Expenses exceeds the Budget grant by ₹90 lakhs. The increase is due to the heavier traffic handled and also to larger expenditure on renewals of permanent-way and rolling-stock than was anticipated in the Budget.

Payment of Surplus profits, etc.

166. The increase of ₹36·52 lakhs in the provision for the payment of surplus profits to Companies is a concomitant of the improvement in the net revenue.

Budget, 1913-14.

Gross Receipts.

167. The Budget estimate of Gross Receipts in 1913-14 is taken at ₹32 lakhs less than the Revised estimate of 1912-13. It is considered prudent, in view of the heavy growth which has taken place in the revenue in the current year and of the falling-off in the earnings of the North-Western Railway as indicated in the latest traffic returns, to provide for a moderate revenue in the coming year.

Working Expenses.

168. The grant for Working Expenses in 1913-14 exceeds the Revised estimate for the current year by ₹82·49 lakhs. The increase is due to enhanced provision for necessary renewals of permanent-way and rolling-stock and to the continued rise in the price of coal. On the other hand, the Budget estimate allows for a decrease of ₹38·49 lakhs in the payment of Surplus profits to Companies, etc., in view of the lower estimate of net earnings in the coming year and of the payment in 1913-14 of surplus profits for nine months, and in some cases for only three months, consequent on the adoption of the financial in place of the calendar year for the distribution.

Payment of Surplus profits, etc.

INTEREST CHARGES.

Revised, 1912-13.

169. The rise in expenditure in 1912-13, as compared with the Budget estimate, under Interest on Debt is due to variation in the rate of interest charged on certain loan funds (*vide* paragraph 77) as well as to an increase in the Capital outlay. The saving in Interest on Capital deposited by Companies is due to failure to issue railway debentures to the extent anticipated in the

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 201

Budget, while the decrease in Interest chargeable against Companies on advances is caused by lapses in capital grants.

170. The increase in the total interest charge in 1913-14 is a result of the Budget, 1913-14. growth in the capital cost of Railways.

OTHER RECEIPTS.

171. The receipts shown under this head represent recoveries from the Travancore Durbar of its share of the loss on the Travancore branch of the South Indian Railway; the Government share of the surplus profits of the 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. The improvement of ₹3.10 lakhs (£20,700) in the receipts in the current year over the Budget estimate and the further increase of ₹1.92 lakhs (£12,800) provided in the Budget of 1913-14 occur mainly in the Government share of the surplus profits of the Southern Punjab Railway.

OTHER CHARGES.

172. 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, 1911-12.	1912-13.		1913-14. Budget.
		Budget.	Revised.	
<i>Imperial.</i>				
1. Subsidised Companies—Land	8,96,204	18,00,000	7,64,000	16,00,000
2. Miscellaneous expenditure	2,62,400	7,60,000	8,47,000	7,58,000
<i>Provincial.</i>				
1. Subsidised Companies—Land	13,190	19,000	19,000	10,000
2. Miscellaneous expenditure (Surveys)	10,160	7,000	9,000	...
TOTAL {	₹ 11,81,954	25,86,000	16,39,000	23,68,000
	£ 78,797	172,300	109,300	157,900

Land.—A large lapse of ₹10.36 lakhs is expected in the Imperial Budget grant for the current year mainly in the provision for the Jullundur-Doab, Mandra-Bhon and Tiruturaipundi-Vedaraniam Railways. The principal allotments made in 1913-14 are for the Bengal and North-Western, Darjeeling-Himalayan Extension, Vishnupur-Burdwan and Tiruturaipundi-Vedaraniam Railways.

Miscellaneous Expenditure.—The increase of ₹87 lakh in the Revised estimate for 1912-13 as compared with the Budget is due to the inception of certain surveys for which no provision was made in the Budget. The Budget for 1913-14 is made up as follows:— Revised. 1912-13. Budget, 1913-14.

Allotment for Surveys	8,00,000
Charges of the Railway Board and other establishments	16,08,000
Deduct—Recoveries from Railway Companies on account of cost of supervision	16,50,000
TOTAL	<u>7,58,000</u>

XXIX—XXX AND 42, 42-A and 43.—IRRIGATION.

IRRIGATION.	Accounts, 1909-10.	Accounts, 1910-11.	Accounts, 1911-12.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
MAJOR WORKS.	₹	₹	₹	₹	₹	₹
Revenue { Direct Receipts . . .	3,46,06,161	3,43,20,758	3,57,22,988	3,43,87,000	3,90,85,000	3,92,93,000
Revenue { Land Revenue . . .	1,67,60,820	1,76,70,078	2,02,71,977	2,07,64,000	2,25,90,000	2,29,46,000
Expenditure { Working Expenses . . .	1,64,13,166	1,66,44,319	1,71,76,543	1,65,88,000	1,71,35,000	1,74,39,000
Expenditure { Interest . . .	1,42,53,680	1,50,45,994	1,59,94,080	1,68,45,000	1,74,57,000	1,84,94,000
NET REVENUE IN INDIA . . . ₹	2,07,00,135	2,03,00,523	2,23,24,342	2,17,18,000	2,70,83,000	2,63,06,000
Equivalent in Sterling £	1,380,009	1,353,369	1,521,623	1,447,900	1,805,600	1,753,700
Expenditure in England (Interest) . . . £	108,465	112,344	116,595	118,500	124,800	126,900
NET REVENUE . . . £	1,271,544	1,241,025	1,405,028	1,329,400	1,680,800	1,626,800
CONSTRUCTION OF PROTECTIVE WORKS . . . £	...	...	...	43,300	...	108,600
MINOR WORKS.						
Receipts—Direct . . .	35,35,360	34,28,980	37,03,809	36,65,000	37,68,000	38,20,000
Expenditure . . .	1,35,14,021	1,32,72,185	1,26,91,097	1,38,45,000	1,28,75,000	1,38,96,000
NET EXPENDITURE IN INDIA . . . ₹	99,78,661	98,45,205	89,85,288	1,01,80,000	91,07,000	1,00,76,000
Equivalent in Sterling £	665,244	656,348	599,019	673,700	607,200	671,700
Expenditure in England £	...	290	840	1,200	1,900	7,200
NET EXPENDITURE . . .	665,244	656,638	599,859	679,900	609,100	678,900
STATISTICS OF MAJOR WORKS.						
Capital Outlay to March 31 . . . ₹	48,38,58,606	50,70,03,625	53,59,97,753	56,51,60,500	56,47,02,000	59,54,52,000
Equivalent in Sterling £	32,257,240	33,800,175	35,793,134	37,678,700	37,646,800	39,696,800

General Result.

173. Taking India as a whole, the net financial result of the working of Major Irrigation works in 1912-13 will be better than the Budget forecast by £351,400 (₹52·71 lakhs). There is a large improvement of ₹16·98 lakhs in the Direct Receipts and of ₹18·26 lakhs in the share of Land Revenue, but ₹12·53 lakhs of this are required to meet increase in expenditure. A small diminution of £54,000 (₹8·09 lakhs) in the net profit is likely to take place next year. Allowance has been made for an increase of ₹5·58 lakhs in the Gross Revenue; but this improvement will be more than counterbalanced by a higher provision of ₹3·04 lakhs for Working Expenses and a large growth of ₹10·69 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 1912-13 is slightly better than the Budget estimate, owing to a small improvement in revenue and a considerable saving in expenditure; the estimate for next year provides for a further small growth in the receipts and for a much larger expenditure.

Minor Irrigation.

174. The figures for Land Revenue due to Irrigation have already been examined in paragraphs 10 and 11 along with those for Land Revenue proper. The details of the other heads are exhibited in the following tables.

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 203

XXIX AND 42.—MAJOR WORKS.

Direct Receipts.

IRRIGATION.	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. Central Provinces . . .	31,580	57,701	58,708	85,000	76,000	90,000
2. Burma	8,10,710	8,20,748	9,15,430	10,52,000	10,23,000	10,72,000
3. United Provinces . . .	3,50,824	3,21,223	3,13,702	2,62,000	2,35,000	3,00,000
4. North-West Frontier . .	7,52,119	7,16,876	7,19,905	7,50,000	8,50,000	7,50,000
Total	19,45,233	19,16,548	20,07,545	21,49,000	21,89,000	23,12,000
<i>Divided and Provincial.</i>						
1. Bengal . . . . .	...	...	...	2,63,000	2,63,000	2,80,000
2. Bihar and Orissa . . .	...	...	...	22,87,000	22,50,000	23,50,000
3. United Provinces . . .	88,74,549	83,34,478	82,60,232	75,57,100	79,52,000	82,41,000
4. Punjab	1,93,96,790	1,99,88,912	2,13,07,959	2,05,25,000	2,48,43,000	2,44,70,000
5. Madras	4,21,018	2,68,820	2,53,100	2,64,000	2,60,000	2,58,000
6. Bombay	12,66,051	12,48,233	13,33,172	13,42,000	13,28,000	14,52,000
Bengal (old)	27,02,520	25,63,762	25,58,000	...	...	...
Total	3,22,60,928	3,21,04,210	3,37,15,443	3,22,38,000	3,68,96,000	3,70,81,000
TOTAL ₹	3,46,06,161	3,43,20,758	3,57,22,988	3,43,87,000	3,90,85,000	3,92,53,000
Equivalent in Sterling £ . .	2,307,077	2,288,051	2,381,533	2,292,500	2,605,700	2,619,500

WORKING EXPENSES.

<i>Imperial.</i>						
1. India General (Reserve provision) . . .	...	...	...	1,63,000	...	1,45,000
2. Central Provinces	23,106	29,600	34,938	70,000	70,000	50,000
3. Burma	2,19,178	2,61,250	3,62,822	4,43,000	4,67,000	4,45,000
4. United Provinces	2,35,640	2,49,611	3,73,614	4,28,000	3,78,000	4,50,000
5. North-West Frontier . . .	2,63,153	3,15,664	3,21,398	2,70,000	3,30,000	2,10,000
Total	7,41,077	8,56,125	10,92,772	13,74,000	12,45,000	13,00,000
<i>Divided and Provincial.</i>						
1. Bengal . . . . .	...	...	...	2,26,000	2,76,000	2,40,000
2. Bihar and Orissa . . . . .	...	...	...	12,23,000	11,25,000	12,66,000
3. United Provinces	34,63,138	32,06,415	31,11,394	30,18,000	30,00,000	30,17,000
4. Punjab	75,32,165	74,15,645	79,35,356	71,16,000	80,03,000	80,02,000
5. Madras	21,64,886	23,57,219	22,23,700	22,43,000	20,63,000	21,14,000
6. Bombay	10,49,428	13,53,730	14,11,214	13,88,000	14,23,000	15,00,000
Bengal (old)	14,62,472	14,55,185	14,02,067	...	...	...
Total	1,56,72,089	1,57,88,194	1,60,83,771	1,52,14,000	1,58,90,000	1,61,39,000
TOTAL INDIA ₹	1,64,13,166	1,66,44,319	1,71,76,543	1,65,88,000	1,71,85,000	1,74,89,000
Equivalent in Sterling £ . . .	1,094,211	1,109,621	1,145,103	1,105,900	1,142,300	1,162,600

The Imperial figures shown against the United Provinces represent the transaction of the Betwa, Ken and other "protective" canals.

DIRECT RECEIPTS.

(a) Imperial.

Revised, 1912-13.

175. The total revenue in 1912-13 will exceed the Budget estimate by R 40 lakh, an improvement of R1 lakh in the North-West Frontier Province owing to an increase in the irrigated area, being partly counterbalanced by unimportant shortages in collections in the other provinces. The Budget estimate for 1913-14 is generally based on the prospects of *rabi* irrigation in the current year and a normal *kharif* irrigation in the ensuing year, and the total collections are taken at R 23 lakh higher than in 1912-13.

Budget, 1913-14.

(b) Divided and wholly Provincial.

Revised, 1912-13.

176. The total Revised estimate for 1912-13 shows a large increase of R46.58 lakhs over the Budget. The bulk of this improvement, *viz.*, R43.18 lakhs, will occur in the Punjab where the progress made with the Triple Canal project is bringing new areas under irrigation. A rise of R3.95 lakhs in the collections is also expected in the United Provinces, where insufficient rain has necessitated the irrigation of larger areas for the *kharif*. The variations in the other provinces are unimportant and call for no remark.

Budget, 1913-14.

177. The total Budget for 1913-14 provides for a growth in the collections of R1.85 lakhs only. The estimates are generally based on the demand for *rabi* irrigation in the current year and on normal requirements in connection with next year's *kharif*. Provision for a large increase has been made in Bihar and Orissa, and in the United Provinces, the insufficiency of winter rains having stimulated the demand for canal water for the standing *rabi* crops; and also in Bombay owing to the opening of the Godavari left bank canal and the revision of rates on the Nira canal. On the other hand, the revenue in the Punjab has been taken at R3.73 lakhs less than the current year's Revised, in view of the doubtful prospects on some of the canals and the possible need for remissions, and also of the gradual supersession of owner's rates on certain canals by consolidated land revenue assessments.

WORKING EXPENSES.

(a) Imperial.

Revised, 1912-13.

178. The total Revised estimate for 1912-13 falls short of the Budget provision by R1.29 lakhs. The decrease is due to a lapse in the reserve provision, only a portion of which was utilised to push on work on the Kabul River and the Lower Swat canals. In the Budget estimate for 1913-14 provision has been made for a reserve allotment of R1.45 lakhs and for higher outlay on the Imperial canals in the United Provinces. But a large reduction is expected in the outlay on the canals in the North-West Frontier Province and the total Budget is only R.55 lakh higher than the Revised estimate for the current year.

Budget, 1913-14.

(b) Divided and wholly Provincial.

Revised, 1912-13.

179. The total expenditure in 1912-13 exceeds the Budget grant by R6.76 lakhs. There is a large excess of R8.87 lakhs in the Punjab chiefly in consequence of higher outlay on special works and repairs on some of the canals, higher collection fees on the Upper Bari Doab canal and purchase of tramway plant for the head works of the Sirhind and Lower Chenab canals. On the other hand, a considerable saving of R1.80 lakhs is expected in Madras owing mainly to want of labour and postponement of certain works for which provision was made in the Budget. The variations in the other provinces are unimportant and call for no remark.

Budget, 1913-14.

180. The estimates for 1913-14 provide generally for a normal scale of expenditure, and the total Budget exceeds the Revised estimate for 1912-13 by only R2.49 lakhs.

42A.—EXPENDITURE ON PROTECTIVE IRRIGATION WORKS IN ADDITION TO THAT CHARGED UNDER FAMINE RELIEF AND INSURANCE.

	Accounts. 1909-1910.	Accounts. 1910-1911.	Accounts. 1911-1912.	1912-1913.		Budget. 1 3-1914.
				Budget.	Revised.	
India	6,50,000	...	16,29,000
Equivalent in sterling £	43,300	...	108,600

181. The figures have been already explained in paragraphs 160 and 161.

XXX AND 43.—MINOR WORKS AND NAVIGATION.

Revenue.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	23,724	23,215	18,852	25,000	20,000	22,000
2. Delhi . . . . .	...	...	...	...	...	1,000
3. Baluchistan	45,833	25,060	46,405	70,000	67,000	71,000
4. Punjab	7,85,919	8,41,862	7,42,805	7,60,000	7,50,000	7,76,000
Total	8,55,556	9,09,937	8,08,162	8,55,000	8,37,000	8,70,000
<i>Divided and Provincial.</i>						
1. Central Provinces	19,210	31,673	31,045	35,000	37,000	50,000
2. Burma	11,75,072	10,05,119	12,75,025	12,50,000	12,82,000	13,03,000
3. Assam . . . . .	...	...	...	...	...	...
4. Bengal (new) . . . . .	...	...	...	6,45,000	7,26,000	7,36,000
5. Bihar and Orissa . . . . .	...	...	...	83,000	72,000	72,000
6. United Provinces	1,69,725	1,60,020	1,50,841	1,46,000	1,64,000	1,42,000
7. Punjab	62,139	62,456	56,339	61,000	65,000	60,000
8. Madras	2,47,299	2,08,406	2,16,985	2,15,000	2,25,000	2,14,000
9. Bombay	3,50,825	3,57,404	3,65,838	3,75,000	3,60,000	3,67,000
Eastern Bengal and Assam	14	74	43	...	...	...
Bengal (old)	6,65,520	6,91,891	8,01,498	...	...	...
Total	26,79,804	25,17,013	28,97,647	28,10,000	29,31,000	29,50,000
TOTAL	85,35,360	84,26,980	37,05,809	86,65,000	87,68,000	88,20,000
Equivalent in Sterling £	235,691	223,465	247,054	244,300	251,200	254,700

Expenditure.

<i>Imperial.</i>						
1. India General	1,14,102	1,01,264	78,641	8,02,000	1,05,000	7,17,000
2. Delhi . . . . .	...	...	...	...	2,000	3,000
3. Baluchistan	2,90,524	3,33,355	3,04,208	1,06,000	3,63,000	1,11,000
4. Punjab	9,94,141	10,47,668	10,00,200	10,10,000	9,58,000	8,92,000
5. North-West Frontier	49,739	90,069	39,090	58,000	35,000	61,000
Total	14,43,506	16,22,356	14,31,139	19,76,000	14,63,000	17,84,000
<i>Divided and Provincial.</i>						
1. Central Provinces	4,89,887	4,53,536	5,35,221	6,00,000	5,00,000	5,00,000
2. Burma	11,33,352	13,02,074	14,26,708	14,60,000	14,00,000	14,50,000
3. Assam . . . . .	...	...	...	72,000	70,000	2,01,000
4. Bengal (new) . . . . .	...	...	...	16,67,000	16,62,000	18,69,000
5. Bihar and Orissa . . . . .	...	...	...	5,03,000	5,04,000	5,05,000
6. United Provinces	4,74,842	5,35,848	4,22,432	3,39,000	4,34,000	2,53,000
7. Punjab	69,736	80,897	1,07,297	1,13,000	1,06,000	1,95,000
8. Madras	41,07,923	37,41,377	35,70,377	39,28,000	35,70,000	38,94,000
9. Bombay	85,11,195	83,56,346	81,73,167	81,87,000	82,25,000	82,40,000
Eastern Bengal and Assam	1,17,152	1,07,133	1,29,956	...	...	...
Bengal (old)	21,61,876	20,72,618	18,94,800	...	...	...
Total	1,20,65,515	1,16,49,839	1,12,59,958	1,18,69,000	1,14,12,000	1,21,12,000
TOTAL INDIA	1,35,14,021	1,32,72,185	1,26,91,097	1,38,45,000	1,28,75,000	1,38,96,000
Equivalent in Sterling £	900,935	884,819	846,073	923,000	858,400	921,400
England . . . . .	...	290	840	1,200	1,900	7,200
GRAND TOTAL	900,935	885,109	846,913	924,200	860,300	933,600

REVENUE.

(a) *Imperial.*

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

(b) *Divided and Provincial.*

183. The total Revised estimate for 1912-13 exceeds the Budget by R1.21 lakhs mainly owing to larger collections in Bengal where the Madaripur Bhil route is now kept open to steamer traffic throughout the year consequent on the deepening of its channel. In 1913-14 provision has generally been made for normal receipts, and the total Budget does not differ materially from the Revised estimate of the current year.

Revised, 1912-13.

Budget, 1913-14.

EXPENDITURE.

(a) *Imperial.*

184. 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 R1.52 lakhs to meet unforeseen requirements. R2.51 lakhs out of the special grant are being spent on the Nar Nallah scheme in Baluchistan; while R1.30 lakhs have 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 25). The balance of the special grant and the whole of the reserve provision will lapse. Savings are also expected in almost 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 R5.03 lakhs in the Revised estimate of the current year as compared with the Budget.

Revised, 1912-13.

185. The total Budget estimate for 1913-14 exceeds the Revised for 1912-13 by R4.00 lakhs. Allowance has been made for the special grant of R5 lakhs and a reserve of R.97 lakh; 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. The decrease in the Indian outlay in the Punjab is counterbalanced by the provision for higher purchase of stores for this province in England.

Budget, 1913-14.

(b) *Divided and Provincial.*

186. The total expenditure in 1912-13 is likely to fall short of the Budget grant by R4.57 lakhs. There is a decrease of R3.58 lakhs in Madras owing to non-utilisation of a lump provision made in the Budget with reference to a resolution of the provincial Legislative Council, and to a slower progress on works; and of R1 lakh in the Central Provinces due to transfer of funds to Civil Works to meet the cost of certain irrigation buildings. Lapses of smaller magnitude are expected in most other provinces. In the United Provinces the outlay on tank restoration works mentioned above is partly obscured by a lapse in ordinary grants, and the total expenditure will exceed the Budget provision by R.95 lakh only.

Revised, 1912-13.

187. The total Budget for 1913-14 exceeds the Revised estimate of the current year by R7 lakhs. There is an increase of R3.24 lakhs in Madras chiefly in consequence of a larger provision for expenditure on works and the restoration of the lump provision mentioned above; of R2.67 lakhs in Bengal caused mainly by provision for higher outlay on the Madaripur Bhil scheme; and of R1.30 lakhs in Assam where a special allotment has been made for a snag boat. In the Punjab also, a special provision has been made for the Kahan hill torrent reservoir scheme. But these excesses, as well as increases of less importance in Burma, Bombay, and Bihar and Orissa are partly counterbalanced by a decrease of R1.76 lakhs in the United Provinces due mainly to the absence of expenditure incurred in the current year from the special Imperial subvention for tank works.

Budget, 1913-14.

208 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

44.—CONSTRUCTION OF RAILWAYS CHARGED TO PROVINCIAL REVENUES.

	Accounts, 1909-910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Provincial</i>						
Assam . . . R	18,671	11,928	12,535	52,000	61,000	32,000
£	1,245	795	838	3,500	4,100	2,100

188. The charges represent capital outlay in connection with the Jorhat Railway and are unimportant in character.

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 209

XXXI and 45.—CIVIL WORKS.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	20,02,179	23,08,460	34,19,254	31,61,000	74,33,000	49,72,000
2. Delhi Province . . . . .	...	...	...	...	6,50,000	6,73,000
3. Baluchistan	8,11,172	9,91,034	8,60,851	9,00,000	9,11,000	10,30,000
4. North-West Frontier	21,45,032	21,51,275	23,35,238	27,61,000	27,00,000	32,40,000
5. Other Provinces	36,53,952	40,49,764	46,21,372	36,49,000	43,81,000	49,03,000
Total	86,12,335	95,05,533	1,12,37,405	1,04,71,000	1,61,68,000	1,48,59,000
<i>Provincial.</i>						
1. Central Provinces	60,27,432	57,45,570	56,31,222	62,33,000	66,33,000	61,83,000
2. Burma	67,23,437	85,40,210	1,01,61,370	86,98,000	83,30,000	1,10,50,000
3. Assam . . . . .	...	...	...	27,58,000	42,30,000	39,65,000
4. Bengal (new) . . . . .	...	...	...	94,00,000	1,04,40,000	1,04,50,000
5. Bihar and Orissa . . . . .	...	...	...	69,66,000	61,19,000	78,01,000
6. United Provinces	2,21,073	70,65,420	71,21,797	74,71,000	78,05,000	70,25,000
7. Punjab	50,24,580	51,27,731	62,75,248	83,23,000	67,00,000	1,03,61,000
8. Madras	73,97,567	95,37,540	1,10,12,637	1,50,74,000	1,54,21,000	1,51,85,000
9. Bombay	77,42,633	83,31,664	1,35,42,061	76,84,000	98,07,000	92,62,000
Eastern Bengal and Assam	64,83,969	64,30,307	67,18,032	...	...	...
Bengal (old)	66,27,302	65,59,036	88,21,485	...	...	...
Total	5,22,48,043	5,73,37,503	6,92,88,892	7,31,07,000	7,56,01,000	8,25,55,000
TOTAL INDIA	6,08,60,377	6,68,43,041	8,05,26,297	8,35,78,000	9,17,69,000	9,74,54,000
Equivalent in Sterling £ England	4,057,308	4,456,203	5,338,419	5,571,900	6,119,200	6,470,000
	78,548	80,464	84,793	79,800	(0,50)	85,400
TOTAL	4,135,906	4,536,667	5,453,212	5,651,700	6,209,000	6,582,400

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	80,792	79,646	6,38,618	59,000	1,34,000	1,12,000
2. Delhi . . . . .	...	...	...	...	...	1,000
3. Baluchistan	40,919	35,267	44,388	38,000	39,000	30,000
4. North-West Frontier	1,39,800	1,42,803	1,37,210	1,41,000	3,63,000	1,42,000
5. Other Provinces	2,48,698	2,32,559	2,33,632	2,09,000	2,30,000	2,25,000
Total	5,10,005	4,90,275	10,53,848	4,47,000	7,86,000	5,20,000
<i>Provincial.</i>						
1. Central Provinces	5,95,280	6,08,888	5,64,490	6,46,000	5,74,000	6,26,000
2. Burma	3,21,908	3,02,151	2,96,425	2,86,000	2,07,000	2,87,000
3. Assam . . . . .	...	...	...	1,43,000	1,47,000	1,48,000
4. Bengal (new) . . . . .	...	...	...	12,83,000	5,64,000	5,21,000
5. Bihar and Orissa . . . . .	...	...	...	2,10,000	2,91,000	3,25,000
6. United Provinces	3,40,318	3,83,019	4,27,046	3,57,000	4,82,000	4,45,000
7. Punjab	4,94,068	4,97,163	6,20,941	5,61,000	5,25,000	5,38,000
8. Madras	2,52,016	2,44,649	2,71,824	2,63,000	2,99,000	2,81,000
9. Bombay	7,53,872	7,23,318	7,04,497	6,18,000	7,59,000	5,98,000
Eastern Bengal and Assam	3,25,434	3,47,302	3,46,260	...	...	...
Bengal (old)	4,28,876	5,10,734	6,18,586	...	...	...
Total	35,21,772	36,17,224	38,50,019	43,67,000	39,48,000	37,84,000
TOTAL INDIA	40,31,787	41,07,499	49,03,867	48,14,000	47,34,000	43,04,000
Equivalent in Sterling £ England	268,786	273,833	326,924	320,900	315,600	286,900
	...	20,000	...	...	...	...
TOTAL	268,786	293,833	326,924	320,900	315,600	286,900

210 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

189. 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) Imperial:—India and England.

Revised, 1912-13.

190. The Civil Works expenditure of Delhi province proper in 1912-13 is likely to amount to Rs. 6.50 lakhs, exclusive of outlay on post and telegraph offices, etc., which is chargeable under standing rules to the ordinary grant for Imperial Civil Works. The amount is made up as follows:—

	Lakhs of Rs.
Ordinary expenditure	1.07
Special expenditure on:—	
(1) Buildings for additional police	1.24
(2) Improvements to roads, etc., inclusive of provision for a grant of Rs. 2.88 lakhs to the funds of the notified area for various public improvements	3.84
(3) Preservation of antiquities . . . . .	.35
	5.43
	6.50

191. Excluding Delhi the total Revised estimate for the current year exceeds the Budget by Rs. 52.27 lakhs. Of this increase, Rs. 47 lakhs represent outlay in connection with the temporary buildings required for the Government of India at Delhi; and the remainder is due to a higher payment of leave allowances in England and to certain pressing demands, *e.g.*, the purchase of a building for the Currency Office at Madras and the extension of the salt godowns at Sulkea, for which no provision was made in the Budget. The main details of the expenditure of Rs. 47 lakhs on Temporary Delhi in the current year are given below, the figures being in approximate lakhs:—

Buildings: Secretariat offices and Council Chamber	8
Quarters for Indian clerks and press workmen	7
Conversion of Circuit House into a temporary Government house	4
Housing of Viceregal staff	3
Quarters for additional members of the Imperial Legislative Council at Metcalfe House	2
Housing of officers	2
Press buildings	1
	27
Compensation for land required for temporary works	4
Establishments	3
Electric lighting	3
Furniture	2
Medical and sanitary arrangements including drainage and sewerage	3
Water-supply	1
Roads in temporary works area	1
Tools and plant	1
Other miscellaneous items	2
	47

Budget, 1913-14.

192. In 1913-14 the total Imperial grant has been fixed at Rs. 111.57 lakhs, exclusive of Rs. 3.53 lakhs allotted for petty expenditure incurred in the Civil Department in the several minor administrations, and of sums

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 211

aggregating Rs. 46.30 lakhs to be spent by the administrations of North-West Frontier Province (Rs. 31.60 lakhs), Baluchistan (Rs. 8.20 lakhs) and Delhi (Rs. 6.50 lakhs). The purposes to which this grant of Rs. 111.57 lakhs will be applied are shown below :—

		Lakhs of Rupees.
<i>(a) Ordinary grant :—</i>		
(1) Establishment and Tools and Plant and Suspense		17.61
(2) Repairs		18.75
(3) Works in progress		20.27
(4) New Works :—		
(a) Costing up to Rs. 5,000		9.55
(b) Costing more than Rs. 5,000		17.84
(5) Payments in England on stores, furlough allowances, etc.		12.81
(6) Reserve provision for archæological expenditure		1.00
(7) Reserve provision for other unforeseen expenditure		5.49
		103.32
 <i>(b) Special grant for temporary buildings at Delhi :—</i>		
(1) New works (mainly improvement of quarters for press workmen).		2.25
(2) Repairs (including rents of leased bungalows and taxes).		2.75
(3) Electric lighting		2.25
(4) Establishment		1.00
		8.25
		111.57

193. The following is a list of the new works and works in progress in which it is probable that allotments of Rupees one lakh or more will be made from the ordinary grant in the ensuing year :—

Provinces.	Name of Works.	Amount of grant.
		₹
India (General)	New Jail at Secunderabad	1,00,000
	Radio station at Bangalore	1,50,000
Central Provinces	Postal building at Nagpur	1,50,000
Burma	Customs House, Rangoon	1,50,000
Do.	Telegraph office, Rangoon	1,50,000
Bengal	Extension of Salt golas, Sulkea	1,50,000
Do.	Extension of Central Telegraph Office, Calcutta	3,00,000
Do.	Reconstruction of new Stamps and Stationery Office, Calcutta	1,50,000
Punjab	New Council Chamber, Simla	1,34,000
Bombay	Customs House, Karachi	1,50,000
Do.	Do. do., Bombay	3,00,000
Do.	Currency Office, Bombay	1,50,000

194. In the Budget estimate of the North-West Frontier Province for 1913-14 provision has been made for special expenditure for the improvement of roads and for certain works required in connection with the conversion of the Border Military Police to Frontier Constabulary. The Delhi Budget for next year includes provision for the following special items besides a reserve allotment of Rs. 50 lakh :—

		Lakhs of Rupee
(1) Improvement to roads, etc.		3.75
(2) New police buildings		1.00
(3) Archæological expenditure . . . . .		.25
		5.00

(b) India—Provincial.

Revised, 1912-13.

195. The total Revised estimate for 1912-13 exceeds the Budget provision by Rs24.94 lakhs. The increase is, however, nominal and is caused by the record under this head of a portion of the expenditure from the special Imperial grants for education, sanitation and other beneficial services, for which provision was made elsewhere in the Budget. The total outlay of this class will amount to about Rs79 lakhs; and excluding this sum, the Revised estimate under Civil Works falls short of the Budget by about Rs54 lakhs. The real saving is larger, for a portion of the expenditure against some of the ordinary grants provided in the Budget under Education, Medical and other heads, is recorded in the accounts under Civil Works. Considerable lapses in the grants provided under the latter head are expected in the Punjab (about Rs25 lakhs), where it will be impossible to push through the heavy programme of new roads and buildings contemplated in the Budget; in Bihar and Orissa (about Rs15 lakhs) mainly in the allotments for special works at Bankipur and Ranchi; in Bengal (about Rs10 lakhs) owing to non-utilisation of a lump provision of Rs3.61 lakhs for grants to district boards and slower progress of work on new buildings; in Madras (about Rs10 lakhs) where the allotments for new buildings and for water-supply and drainage schemes will not be fully utilised owing to delay in the preparation of proper estimates and in the acquisition of site, and to other reasons; and in Burma where the Local Government has decided to save for future expenditure Rs9½ lakhs of the special Imperial grant given in 1911-12 for the development of communications. In the United Provinces also, lapses of about Rs5 lakhs are expected mainly in the allotments for the Lucknow Medical College and Allahabad High Court buildings; but it is probable that the money will be utilised for other purposes. In Assam and Bombay alone there will be any real excess over the Budget grants. In the former province a vigorous programme for the improvement of communications has been started, while considerable outlay is also being incurred in connection with frontier roads. In Bombay an additional grant of Rs3 lakhs has been sanctioned for urgent minor works.

196. The table below compares the details of the grants for 1913-14 in the various provinces, so far as settled at present with the probable expenditure in the current year.

REVISED, 1912-13.

[Lakhs of Rupees.]

PROVINCES.	GRANTS TO		OUTLAY IN THE PUBLIC WORKS DEPARTMENT ON			Other items.	Allotments from discretionary Imperial grant.	TOTAL.
	Local Boards and Municipalities.	Other local bodies.	Original works.	Repairs.	Establishment charges.			
1. Central Provinces .	2.20	...	32.29	20.43	9.72	1.69	...	66.33
2. Burma .	3.84	...	27.50	32.50	17.50	1.96	...	83.30
3. Assam .	5.48	...	20.51	10.56	5.00	.76	...	42.31
4. Bengal .	20.51	13.00	42.93	16.52	10.57	1.38	...	104.94
5. Bihar and Orissa .	10.27	...	37.22	5.85	7.00	.85	...	61.19
6. United Provinces .	9.59	...	36.76	21.71	8.79	1.20	...	78.05
7. Punjab .	7.69	...	32.99	15.28	8.39	2.66	...	67.01
8. Madras .	62.38	22.50	46.95	8.24	12.60	1.54	...	154.21
9. Bombay .	13.49	...	49.46	19.31	12.89	3.52	...	98.67
TOTAL .	135.45	35.50	323.64	150.40	92.46	15.56	...	756.01

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 213

BUDGET, 1913-14.

[Lakhs of Rupees.

PROVINCES.	GRANTS TO		OUTLAY IN THE PUBLIC WORKS DEPARTMENT ON			Other items.	Allotment from discretionary Imperial grant.	TOTAL.
	Local Boards and Municipalities.	Other local bodies.	Original works.	Repairs.	Establishment charges.			
1. Central Provinces .	2.27	...	2.01	21.74	10.00	1.36	2.50	69.88
2. Burma .	10.04	...	43.38	34.20	17.03	1.96	4.00	110.58
3. Assam .	7.01	...	11.76	11.45	6.12	.81	2.50	39.65
4. Bengal .	16.53	13.00	42.96	16.30	10.37	1.04	4.00	104.50
5. Bihar and Orissa .	9.02	...	50.07	6.85	7.25	.82	4.00	78.01
6. United Provinces .	4.29	...	29.23	21.46	9.5	1.	4.00	70.25
7. Punjab .	7.65	...	63.41	15.91	8.3	4.34	4.00	103.61
8. Madras .	66.12	18.50	44.60	7.81	12.85	2.98	4.00	156.85
9. Bombay .	8.02	...	43.77	20.30	14.20	2.25	4.00	92.62
TOTAL .	130.95	31.50	361.19	156.02	93.01	17.28	33.00	825.95

197. Of the total Budget grant of R825.95 lakhs proposed for 1913-14 *Budget, 1913-14.* R33 lakhs represent the portion (*viz.*, about one-third) of the discretionary grant of R100 lakhs from Imperial revenues (*vide* paragraph 23) which has been made available for expenditure in the ensuing year. Lump allotments have been added under this head as shown in the table in the preceding paragraph, from which each Local Government will be at perfect freedom to make necessary re-appropriations for any schemes to which it may decide to apply the funds placed at its disposal.

198. The total provision for grants to Local Boards and Municipalities in 1913-14 is R4.5 lakhs less than the similar expenditure in 1912-13. There is an increase of R6.20 lakhs in Burma in consequence of a lump allotment of the entire unexpended balance of the old Imperial subvention for sanitation; of R3.74 lakhs in Madras where provision has been made for large grants to local boards for roads, bridges and protected wells in rural areas; and of R1.53 lakhs in Assam where it is contemplated to make increased grants to local boards for the improvement of communications. But these increases are more than counterbalanced by reductions in the other provinces. The decreases in the grants in Bengal, Bihar and Orissa, and the United Provinces are caused by lump reductions which have been made to provide for the discontinuance of certain contributions in connection with the surrender to rural boards of the amounts which are now appropriated for Provincial use from the cess on land (*vide* paragraph 16). In the Punjab, also, a similar reduction has been made; but it is nearly counterbalanced by a lump allotment of R2 lakhs for feeder roads. In Bombay, the Revised estimate for the current year includes a payment of R3.91 lakhs to municipalities for special sanitation schemes out of the provision made for this purpose in the Budget under the medical head (see paragraph 122); and the absence of this special payment as well as a smaller provision for the improvement of water-supply in districts affected by the scarcity account for the decrease of R5.47 lakhs in the Budget of 1913-14 as compared with the Revised for 1912-13.

199. The figures shown under "Grants to other local bodies" consist of contributions to the Chittagong Port Trust (R1.5 lakhs), the Calcutta Improvement Trust (R11.50 lakhs), the Madras Corporation (R12.5 lakhs) and the Madras Port Trust (R6 lakhs). The second and third of these contributions represent grants from Imperial revenues passed through the Provincial accounts.

200. A higher provision for repairs has been made in most of the provinces to meet the requirements of new roads and buildings. The grant for "Original works" in Burma includes the unspent balance (R9½ lakhs) of the

Imperial subvention for the development of communications which was given last year and ₹20 lakhs out of the similar contribution which it is proposed to make in the current year. In the other provinces, the prosperous condition of provincial finances has again made it possible for the Local Governments to allot large sums in their Budgets for 1913-14 for new roads, buildings and other public improvements. Provision for an unusually heavy programme has been made in the Punjab where the provincial balances have been very largely swelled in consequence of the windfall received from the sale of proprietary rights in canal colonies; and the grant for 1913-14 is very nearly double the probable outlay in the current year. Large sums have been allotted for additional roads, official residences at Lahore and other places, police buildings, the enlargement of the Civil Secretariat building, and other public improvements. In Bihar and Orissa, a provision of ₹20 lakhs has been made for special works at Bankipur. The Madras Budget includes ₹4.63 lakhs for buildings required in connection with the Meyer scheme for the redistribution of districts.

REVENUE.

(a) Imperial.

Revised, 1912-13. 201. The revenue in the current year is likely to exceed the Budget estimate by ₹3.39 lakhs owing to a credit of ₹2.21 lakhs for earthwork done by the Public Works department for railways, special receipts from the sale of buildings, and the recovery of rents on account of the temporary quarters occupied by Government officials at Delhi. The absence of these special receipts explains the decrease of ₹2.66 lakhs in the Budget for 1913-14 as compared with the Revised estimate for the current year.

Budget, 1913-14.

(b) Provincial.

Revised, 1912-13. 202. The total Revised estimate for 1912-13 will fall short of the Budget by ₹4.19 lakhs. A large decrease of ₹7.19 lakhs in Bengal caused by the non-realisation of any portion of the sale-proceeds of the Sibpur College buildings is partly counterbalanced by increased receipts of ₹1.41 lakhs and ₹1.25 lakhs respectively in Bombay and the United Provinces from sale of buildings, old materials and other sources. The Budget estimate for 1913-14 provides generally for normal receipts in all the provinces.

Budget, 1913-14.

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 215

XXXII and 46.—ARMY.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		1913-1914. Budget.
				Budget.	Revised.	
INDIA—	₹	₹	₹	₹	₹	₹
EXPENDITURE.						
<i>Effective Services—</i>						
Administration	66,33,250	66,83,360	69,23,994	68,55,270	69,54,000	69,51,390
Military Accounts	26,12,931	29,05,030	29,15,540	28,58,380	28,69,000	28,92,650
Regimental Pay, etc.	12,27,98,340	12,36,87,512	12,45,65,223	12,23,53,830	12,19,55,000	12,27,71,940
Supply and Transport	3,21,18,557	3,18,62,808	3,01,50,763	3,12,33,340	3,28,55,000	3,16,46,030
Veterinary	4,70,215	4,83,010	4,93,567	4,98,163	5,00,000	5,00,000
Clothing	14,76,415	12,67,622	12,58,800	15,45,840	15,44,000	15,55,300
Remounts	50,89,503	58,56,219	47,13,862	48,81,530	48,55,000	50,31,810
Medical Services	58,96,437	59,31,695	57,83,758	59,05,120	57,64,000	56,87,100
Medical Stores	3,32,415	4,71,111	5,65,779	4,18,090	5,39,000	4,76,320
Ordnance	1,01,58,145	90,19,530	88,17,906	98,24,280	97,51,000	93,03,710
Ecclesiastical	4,24,433	4,14,366	4,17,979	4,25,730	4,40,000	4,37,200
Education	11,85,707	12,71,489	12,52,272	12,50,490	12,93,000	13,23,700
Compensation for food, etc.	62,66,369	48,22,562	48,96,685	48,29,560	55,95,000	43,60,560
Miscellaneous Services	17,68,261	24,82,495	19,22,432	26,21,000	27,64,000	22,51,240
Hutting	7,31,012	4,39,805	3,04,955	2,00,000	6,99,000	2,00,000
Conveyance by road, river and sea	7,96,838	8,62,527	8,74,556	14,20,420	14,71,000	13,04,320
Conveyance by rail	36,75,923	37,76,339	43,35,239	36,96,750	39,04,000	44,12,690
Cantonments	13,22,530	16,02,327	13,63,144	12,56,960	13,89,000	23,24,340
Unadjusted Expenditure	-6,19,050	8,08,319	-1,52,732	...	...	...
TOTAL	₹ 20,31,33,282	20,41,48,426	20,84,03,972	20,15,75,000	20,51,01,000	20,36,18,000
<i>Non-effective Services—</i>	₹ 1,02,58,085	1,05,14,653	1,04,85,675	1,04,81,000	1,06,12,000	1,06,40,000
TOTAL INDIA	₹ 21,33,91,367	21,46,63,079	21,88,89,647	21,20,56,000	21,57,13,000	21,42,58,000
Equivalent in sterling	£ 14,226,091	14,310,872	14,592,643	14,137,100	14,380,900	14,253,900
ENGLAND—						
<i>Effective Services—</i>	£	£	£		£	£
Payments to War Office for British Forces	916,057	935,055	914,000	935,000	941,800	947,000
Furlough allowances, etc., of British Forces	140,412	135,116	135,990	143,000	140,000	139,000
Consolidated clothing allowance of British soldiers . . . . .	...	17,194	48,460	15,200	32,200	15,200
Furlough allowances Indian Service	354,527	372,824	363,216	37,000	360,000	360,000
Indian Troop Service	274,685	236,927	273,947	231,500	264,700	307,900
Other heads	39,860	132,846	61,824	104,000	125,000	105,500
Clothing Stores	104,754	83,706	58,676	54,800	54,800	87,800
Ordnance and Miscellaneous Stores	249,225	268,084	340,189	352,500	533,500	539,300
Medical Store	73,627	86,247	104,612	89,800	96,000	90,400
Supply and Transport Stores	40,548	24,755	51,005	40,500	54,000	48,400
Operations in Persian Gulf (Stores)	18,287	9,896	50,620	17,000	43,200	50,000
Stores taken to India with Troops . . . . .	...	33,579	36,825	33,300	35,300	32,500
TOTAL	£ 2,211,982	2,336,229	2,439,364	2,416,600	2,692,500	2,723,000
<i>Non-effective Services—</i>						
Payments to War Office for British Forces	859,597	879,875	898,331	925,000	919,300	935,000
Pensions, Indian Service	1,434,100	1,432,801	1,431,735	1,430,000	1,437,000	1,435,000
Other heads	169,411	172,003	174,473	176,000	179,000	179,000
TOTAL	£ 2,463,108	2,484,679	2,504,539	2,531,000	2,535,300	2,549,000
TOTAL ENGLAND	£ 4,675,090	4,820,908	4,943,903	4,947,600	5,227,800	5,272,000
TOTAL EXPENDITURE	£ 18,901,181	19,131,780	19,536,546	19,084,700	19,608,700	19,555,900
RECEIPTS.						
India	₹ 84,75,854	85,94,755	1,04,91,423	1,19,42,000	1,23,78,000	1,22,71,000
Equivalent in sterling	£ 565,057	639,650	699,428	796,100	825,200	818,100
England	£ 412,671	418,999	479,938	858,500	360,300	368,600
TOTAL RECEIPTS	£ 977,728	1,058,649	1,179,366	1,154,900	1,165,500	1,186,700
TOTAL NET EXPENDITURE	£ 17,923,453	18,073,181	18,357,180	17,929,800	18,423,200	18,369,200

*Revised, 1912-13,
compared with
Budget, 1912-13.
Expenditure—
India.*

203. The Revised estimate of expenditure in India anticipates an excess of R36·57 lakhs (£243,800) over the Budget provision of R21,20·56 lakhs (£14,137,100). Of this excess the food charges account for R26·10 lakhs (£174,000) in consequence mainly of a rise in prices which was not anticipated when the Budget was framed; the provision in the latter was based on the probable actuals for 1911-12, so that the causes operating this year to keep up prices appear to be abnormal. The demand for military work parties in connection with the survey operations on the North-Eastern Frontier involves an extra outlay of R8·09 lakhs (£53,900); while another unexpected call arose from the National Health Insurance Act, under which we had to meet a liability in respect of the British soldiers serving in India amounting to R2·24 lakhs (£14,900). But for these three items which aggregate R36·43 lakhs (£242,800), and represent unforeseen liabilities which came into operation after the 1st April 1912, the Budget anticipations of March last would have proved in the main fairly accurate.

Various other causes have contributed to additional expenditure on the one hand and savings on the other, which, however, practically balance each other. More prominent among the former may be mentioned a grant of R3·00 lakhs (£20,000) towards laying in a reserve of fodder and of R4·00 lakhs (£26,700) to purchase about 1,200 mules from the Argentine with the object of reducing the excessive number of aged mules now serving. The assumption by the State of the liability of housing silladar cavalry units, in return for their present contributions, has necessitated the writing off to expenditure of the outstanding cavalry lines loan of R3·74 lakhs (£24,900); and additional assistance to the extent of R1·25 lakhs (£8,300) has been given for the urgent repairs needed in the lines of Indian troops. Then the expenditure on account of the Army in India Committee is expected to reach R1·50 lakhs (£10,000); railway charges are likely to be higher than anticipated by R2·07 lakhs (£13,800); and some additional maxim gun and ordnance mules are being purchased at a cost of R1·30 lakhs (£8,700). It has also been deemed expedient to procure certain local stores this year in reduction of next year's requirements, and to make an advance payment towards the annual grant-in-aid to cantonments; these anticipatory charges amount to R7·88 lakhs (£52,500).

On the other hand, savings have accrued under several heads, notably in the pay and allowances of British troops to the extent of R6·37 lakhs (£42,500); a lapse of R4·88 lakhs (£32,500) occurred in the grant for the purchase of remounts; and our Ordnance expenditure shows a decrease of R7·61 lakhs (£50,700), partially due to larger recoveries amounting to R3·92 lakhs (£26,100) from the Home Government for stores and equipment taken by the additional troops sent to China at the close of 1911-12. The Indian estimates also have been relieved by R0·93 lakh (£6,200) owing to the employment of certain troops in Somaliland at the expense of the Protectorate, and a saving of R4·85 lakhs (£32,300) is anticipated in India in connection with the Arms Traffic Operations.

Home.

204. The total Army expenditure at Home shows an increase of £280,200, of which about £155,000 relates to the additional rifles found necessary and demanded during the year. The outlay at Home in connection with the Arms Traffic Operations has exceeded the Secretary of State's budget anticipations by £17,200, but, as stated above, there has been a saving of £32,300 in India. The outlay on the trooping service is expected to be £35,200 in excess of the budget provision owing to the larger number of voyages found necessary. Our ordinary store expenditure also rose by £59,300, partly on account of arrear charges. On the other hand, a saving is expected in the furlough allowances of officers of the Indian Service, and in connection with the re-armament of artillery and the provision of panoramic sights.

Receipts.

India and Home

205. The Revised estimate of receipts anticipates an improvement of £30,600 which practically all occurs in India, and is mainly due to larger payment issues and sales of ordnance stores, and to the credit now taken for the equipment, stores and animals sent to China with Indian units in 1911-12. On the other hand, the expected realizations by the disposal of surplus clothing stores have not been fully attained, and dairy produce sales have been less than was anticipated.

206. The net expenditure of the year is expected to be £493,400 more than the Budget provision, and may broadly be attributed to causes not in evidence when the estimate was framed in March last. *Net Expenditure.*

207. The total provision for special or "Schedule" expenditure in the Budget of 1912-13 was R42.70 lakhs (£284,700), and it is anticipated that the actuals will amount to R58.74 lakhs (£391,600). An excess of £116,400 is expected in England, mainly due to an order having been placed for a large number of additional rifles on account of which about £155,000 will be paid this year, the difference being met from lapses due to non-compliance with the store demands put forward, notably in connection with the rearmament of the artillery now in hand and the supply of panoramic sights. This latter cause has retarded expenditure in India, where a lapse of £9,500 has occurred. *Special Expenditure.*

208. 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 1912-13.	
	Lakhs.	Equivalent in
	R	£
(I) Purchase of short rifles	33.64	224,300
(II) Rearmament of artillery	19.73	131,500
(III) New pattern bayonet for British troops	1.46	9,700
(IV) Panoramic sights for mobile artillery	1.11	7,400
(V) Increase of training grant	1.00	6,700

209. The Indian portion of the Army estimate for 1913-14 falls below the Revised estimate by R14.55 lakhs (£97,000). If we exclude the provision of R11.00 lakhs (£73,300) in 1913-14 for the acquisition of land for the new cantonment at Delhi, the decrease would be R25.55 lakhs (£170,300), and this may broadly be attributed to a variation of R26.10 lakhs (£174,000) in food charges as it has not been considered necessary to go beyond the Budget provision of the current year. Among other causes of decrease may be mentioned the following measures which have been specially sanctioned during the current year and do not find a place in next year's Budget—R3.00 lakhs (£20,000) incurred on a fodder reserve, R4.00 lakhs (£26,700) allotted for purchase of additional mules in the Argentine, remission of the loans outstanding against the Indian Cavalry line funds, R3.74 lakhs (£24,900), and the additional grant of R1.25 lakhs (£8,300) for the repair of the lines of Indian troops and followers. Anticipatory purchases of Ordnance and Supply and Transport stores and part payment in advance of the grant-in-aid to cantonments account for a decrease of R15.76 lakhs (£105,100), while the mustering out of the cavalry squadrons of the 42nd Deoli and 43rd Eripura regiments produces an economy of R1.17 lakhs (£7,800) in pay charges. On the other hand, the pay and allowances of the army are R9.42 lakhs (£62,800) higher, the augmentation and regrading of the dairy and grass farms personnel and their larger operations account for an increase of R3.46 lakhs (£23,100); while for the purchase of remounts and ordnance mules an additional outlay of R6.19 lakhs (£41,300) is required. Railway charges show an expansion of R5.08 lakhs (£33,900) as the reliefs during the current year were on a low scale, and the provision for ordnance requirements is higher by R9.29 lakhs (£61,900) apart from the advance purchases referred to above. *Budget, 1913-14, compared with Revised, 1912-13, Expenditure—India.*

210. The Home estimates for 1913-14 are £44,200 more than the present year's Revised estimate. Our store demands are expected to cost £22,600 more, due to an increase in ordinary requirements owing mainly to depletion of stocks which more than counterbalances the decrease in Schedule expenditure, e.g., on short rifles. For the Indian Troop Service £41,200 more will be required, owing to the expected employment of hired transports on a larger scale and a smaller use of Royal Indian Marine vessels. An unusual payment of £17,000 for clothing allowance is not repeated next year, and the outlay in connection with the Arms Traffic Operations is £14,200 lower. *Home.*

211. The anticipated receipts in 1913-14 amount to R1,78.00 lakhs (£1,186,700), i.e., an increase of R0.18 lakh (£1,200) over the Revised. *Receipts. India and Home.*

218 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

Net Expenditure.

212. The net Army expenditure for 1913-14 is less than the Revised, 1912-13, by £54,000. Under India there is a decrease of £89,900, and under Home an increase of £35,900.

Budget, 1913-14, compared with Budget, 1912-13, India and Home.

213. The gross estimated expenditure for 1913-14 is R29,33 38 lakhs (£19,555,900), or R70 68 lakhs (£471,200) above the Budget figure of the current year. Of this amount R22 02 lakhs (£146,800) occur in the Indian, and R48 66 lakhs (£324,400) in the Home estimates. The receipts show an improvement of R4 76 lakhs (£31,800), and the net Army expenditure for 1913-14 thus exceeds the original estimate for 1912-13 by R65 92 lakhs (£439,400).

Special Expenditure.

214. The expenditure on Schedule measures incorporated in the Budget of 1913-14 is R64 00 lakhs (£426,700), as compared with R58 74 lakhs (£391,600) in the Revised, and R42 70 lakhs (£284,700) in the Budget 1912-13. The following are the more important measures proposed to be undertaken:—

	Further expenditure proposed in 1913-14 (India and Home).	
	Lakhs.	Equivalent in
	R	£
(a) Measures in progress.		
(1) Rearmament of artillery	21.76	145,100
(2) Purchase of short rifles	17.85	119,000
(3) Panoramic sights for mobile artillery	1.40	9,300
(4) Light entrenching tools	1.17	7,800
(5) Web equipment	0.97	6,500
(6) Extension of dairies	0.80	5,300
(7) Wireless telegraph equipment	0.65	4,300
(8) New pattern sword	0.60	4,000
(b) New Measures.		
(9) Formation of a School of Aeronautics	2.33	15,500
(10) Acquisition of land for new cantonment at Delhi	11.00	73,300
(11) Increase of pay of silladar grasscutters	1.18	7,500
(12) Increase of training grant	1.00	6,700
(13) Increase of pay of regimental followers	0.84	5,600
(14) Increase of Army Bearer Corps	0.80	5,300
(15) Increase and regrading of Farms personnel	0.60	4,000

XXXIII AND 46A.—MARINE.

		Accounts, 1909-10.	Accounts, 1910-11.	Accounts, 1911-12.	1912-13.		1913-14, Budget.
					Budget.	Revised.	
EXPENDITURE.							
India	R	37,79,010	35,64,182	37,61,939	34,35,000	37,92,000	34,01,000
Equivalent in sterling	£	251,934	227,612	250,796	229,000	252,800	226,700
England	£	209,223	203,255	199,932	218,100	224,000	251,600
Total	£	461,157	445,867	450,728	447,100	476,800	478,300
RECEIPTS—							
India	R	12,51,892	13,76,810	12,73,487	13,66,000	13,17,000	14,74,000
Equivalent in sterling	£	83,460	91,787	84,900	91,100	87,800	98,800
England . . . . .	£	...	...	...	...	...	...
Total	£	83,460	91,787	84,900	91,100	87,800	98,800
NET EXPENDITURE	£	377,697	354,080	365,828	356,000	389,000	380,500

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14 219

215. The total expenditure (India and Home) exceeds the Budget by £29,700, and there is a fall in the receipts to the extent of £3,300; the net expenditure is thus £33,000 more than the Budget.

Revised, 1912-13, compared with Budget, 1912-13. Expenditure, Receipts and Net Expenditure. India and Home.

The increase in Indian expenditure is due chiefly to the advance purchase of local stores, to the chartering of a private steamer to convey a mule corps from Madras to Burma owing to our Royal Indian Marine transports being fully employed elsewhere, and to coal for the subsidised vessels for which no provision was made in the Home store estimates having been supplied on payment from the stock maintained for the Arms Traffic Operations. Larger demands of stores account for the higher Home expenditure. The decrease in receipts in India is largely due to smaller recoveries from the Imperial Government for the hire of Royal Indian Marine vessels.

216. The Budget included £750 for the provision of a ferry barge at Calcutta. This was ultimately found unnecessary, but an expenditure of £3,400 had to be incurred in providing additional life boats for the Royal Indian Marine transports.

Special Expenditure.

217. The Budget for 1913-14, as compared with the Revised of 1912-13, shows an increase of £1,500 in expenditure, and an increase of £10,500 in receipts, or a net decrease of £9,000. Omitting the transactions in connection with the purchase of advance stores and the chartering of a private steamer to convey a mule corps to Burma, referred to above, the Budget for next year would be Rs 60 lakhs (£24,000) more than the probable actuals this year. Of this increase, £27,600 occurs at home mainly for higher store demands owing to depletion of stocks, while the Indian provision is lower by £3,600. Larger receipts are anticipated for services rendered and stores supplied by the dockyards.

Budget, 1913-14, compared with Revised, 1912-13. India and Home.

No special expenditure is proposed in 1913-14.

Special Expenditure.

XXXIV and 47.—MILITARY WORKS.

	Accounts, 1909-10.	Accounts, 1910-11.	Accounts, 1911-12.	1912-13.		1913-14. Budget.
				Budget.	Revised.*	
ORDINARY EXPENDITURE.						
India	R 95,09,513	99,66,267	96,54,399	95,23,000	95,75,000	97,24,000
Equivalent in sterling	£ 633,968	664,418	643,627	634,900	638,300	648,300
England	£ 19,041	17,379	22,120	11,100	21,700	14,300
TOTAL	£ 653,009	681,797	665,747	646,000	660,000	662,600
RECEIPTS.						
India	R 11,36,600	10,58,888	11,81,866	10,80,000	11,00,000	11,40,000
Equivalent in sterling	£ 75,773	70,593	78,791	72,000	73,300	76,000
England . . . . .	£ . . . . .	.. . . .	.. . . .	.. . . .	.. . . .	.. . . .
TOTAL	£ 75,773	70,593	78,791	72,000	73,300	76,000
Net expenditure, Ordinary	£ 577,236	611,204	586,956	574,000	586,700	586,600
SPECIAL DEMANDS EXPENDITURE.						
India	R 28,47,665	31,09,187	34,31,705	31,35,000	31,84,000	42,15,000
Equivalent in sterling	£ 189,844	207,279	228,780	209,000	212,300	281,000
England	£ 15,489	11,361	15,130	5,500	8,300	5,500
TOTAL	£ 205,333	218,640	243,910	214,500	220,600	286,500
TOTAL NET EXPENDITURE	£ 782,569	829,844	830,866	788,500	807,300	873,100

Revised, 1912-13, compared with Budget, 1912-13, India and Home.

Ordinary Expenditure.

Receipts.

218. Under this head the Ordinary expenditure, and the expenditure on Military Works Schedule (Special Demands) measures, are separately compiled in the ordinary course of accounting. Under Ordinary expenditure the Revised anticipates an excess of £14,000, including an additional grant of ₹2 00 lakhs (£13,300) given for urgent repairs.

219. The Military Works receipts represent the rents derived from military quarters, recoveries for water supply and electrical power, the sale-proceeds of stores, and with effect from the 1st October 1912 the rental and repair recoveries from silladar cavalry units whose lines have been taken over by the Military Works Services. The improvement of ₹20 lakh (£1,300) is mainly due to the new recoveries from silladar regiments.

Special Demands Expenditure.

220. Under Special Demands there is an excess of ₹91 lakh (£6,100), mainly due to funds becoming available to admit of the acceleration of works in progress. The bulk of the expenditure has been applied to the improvement of the accommodation of Indian troops and followers (£82,700), to buildings in progress at Risalpur, Murree Hills, Kirkee, Takdah, Dacca and Rajkot, to the provision of improved water supply arrangements and of better storage accommodation for cordite at certain places.

Net Expenditure.

221. On Military Works expenditure as a whole, a net increase of ₹2 82 lakhs (£18,800) is expected.

Budget, 1913-14, compared with Budget, 1912-13, India and Home.

Ordinary Expenditure.

Receipts.

222. The Ordinary Military Works grant for 1913-14 has been fixed at ₹99 38 lakhs (£662,600), or ₹2 49 lakhs (£16,600) more than in 1912-13.

The allotment proposed for 1913-14 represents the normal accepted grant for this head, while that of 1912-13 was restricted by a curtailment of works which cannot be repeated.

223. The anticipated increase of ₹60 lakh (£4,000) in receipts, allows for the new receipts from silladar cavalry units, and for some expansion in rents and water rates.

Special Demands Expenditure.

Expenditure.

224. The provision made for Special Demands, namely, ₹12 98 lakhs (£286,500) is ₹10 80 lakhs (£72,000) more than that of 1912-13. The bulk of this expenditure has been allotted to the prosecution of the works mentioned in paragraph 220 including ₹12 75 lakhs (£85,000) for the lines of Indian troops under reconstruction, ₹5 00 lakhs (£33,300) for buildings in the new cantonment at Delhi, ₹3 47 lakhs (£23,100) for rentable quarters for officers and subordinates, ₹2 02 lakhs (£13,500) for the improvement of the water supply arrangements at various stations, ₹1 46 lakhs (£9,700) for the accommodation of British troops in the hills, and ₹0 62 lakh (£4,100) for aviation buildings.

The allotments for new works amount to ₹12 80 lakhs (£85,300).

Net Expenditure.

225. The net expenditure proposed in 1913-14 is thus ₹12 69 lakhs (£84,600) more than the Budget figure for 1912-13, represented by an increase of ₹1 89 lakhs (£12,600) under Ordinary, and of ₹10 80 lakhs (£72,000) under Special Demands.

47A.—SPECIAL DEFENCES.

EXPENDITURE.	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		1913-1914 Budget.
				Budget.	Revised.	
India	₹ 82,934	38,785	40,570	1,75,000	1,00,000	2,62,000
Equivalent in Sterling	£ 5,529	2,586	2,705	11,600	6,600	17,400
England	£ 23,075	5,401	2,001	8,600	9,300	7,100
TOTAL	28,604	7,987	4,706	20,200	15,900	24,500

Revised, 1912-13.

Budget, 1913-14.

Special Expenditure

226. The Revised shows a decrease due to delay in the supply of stores from England.

The allotment in 1913-14 is mainly required for works in progress.

The entire charges are treated as Special.

MILITARY SERVICES: SUMMARY.

		Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		1913-1914 Budget.
					Budget.	Revised.	
EXPENDITURE—							
India	₹	22,96,10,489	23,13,41,500	23,57,78,260	22,83,24,000	23,23,64,000	23,18,60,000
Equivalent in Sterling	£	15,307,366	15,422,767	15,718,551	15,221,600	15,490,900	15,457,300
England	£	4,941,918	5,063,304	5,183,086	5,190,900	5,491,100	5,550,500
Total expenditure	£	20,249,284	20,486,071	20,901,637	20,412,500	20,982,000	21,007,800
RECEIPTS—							
India	₹	1,08,64,346	1,20,30,453	1,29,46,776	1,43,88,000	1,47,95,000	1,48,85,000
Equivalent in Sterling	£	724,290	802,030	863,119	959,200	986,300	992,400
England	£	412,671	418,999	479,938	353,800	360,300	368,600
Total Receipts	£	1,136,961	1,221,029	1,343,057	1,313,000	1,346,600	1,361,000
NET EXPENDITURE	£	19,112,323	19,265,042	19,558,580	19,094,500	19,635,400	19,646,800

227. Summarising, the total net Military expenditure during the current year is expected to exceed the restricted Budget of 1912-13, by ₹81.14 lakhs (£540,900), and the net provision for the coming year is estimated at ₹82.86 lakhs (£552,300) over the present year's budget. In the main, the increase in the current year may be ascribed to—

Liabilities incurred after Budget, 1912-13, was closed.

	Lakhs of ₹	£
Additional Schedule expenditure, mainly for rifles	16.71	111,400
Purchase of additional mules	4.00	26,700
Reserve of fodder	3.00	20,000
Remission of loans outstanding against Indian Cavalry line funds	3.74	24,900
Contribution under the National Insurance Act	2.24	14,900
Expenditure in connection with the 3 Military work parties on the North-Eastern Frontier	8.09	53,900

Other increases.

Additional outlay on ordinary Home Army stores, partly due to arrears	8.90	59,300
Larger expenditure in connection with the Arms Traffic Operations	2.23	14,900
Increased food charges mainly on account of rise in prices	26.10	174,000
More ordinary Marine charges in India	3.17	21,100
Addition to the ordinary grant for Military Works	2.10	14,000
	80.28	535,100

The net increase in 1913-14 may be roughly explained as follows :—

	Lakhs of ₹	£
Restoration of the temporary reductions—ordinary and schedule—made in the Budget, 1912-13	26.43	176,200
Acquisition of land and commencement of building operations in connection with the new cantonment at Delhi	16.00	106,700
Additional Home Ordinary store demands	23.00	186,600
Additional Special or Schedule provision	5.36	35,700
Contribution under the National Health Insurance Act	3.22	21,500
Increased relief grant	2.44	16,300
	81.45	543,000

CAPITAL EXPENDITURE ON RAILWAYS AND IRRIGATION AND OTHER WORKS NOT CHARGED TO REVENUE.

RAILWAY CONSTRUCTION.

Revised, 1913-13.

228. In the Budget for 1912-13, a sum of R13·50 lakhs was allotted for expenditure on Railway Construction for which the Government of India undertake financial responsibility. During the course of the year the grant was raised to R15,76·41 lakhs of which R76·41 lakhs were specially added to meet the pressing demand for wagons. Special efforts were made during the year to avoid the heavy lapses in grants which have taken place in recent years; and as a result, the bulk of the enhanced grant is expected to be utilised, the Revised estimate standing at R15,09·62 lakhs. Of the total lapse of R66·79 lakhs, R58·11 lakhs are expected in the special grant for wagons.

Budget, 1913-14.

229. For 1913-14 the programme of Capital outlay on Railway Construction has been placed at R18 crores, *i.e.*, about R3 crores higher than the probable expenditure in the current year. Of this sum about R2 crores have been earmarked for the supply of additional wagons.

230. The distribution of the total expenditure on Railway Construction between State and Companies' agency in each of the three years from 1911-12 to 1913-14 is as follows :—

	Accounts, 1911-1912.	1912-1913.		1913-1914, Budget.
		Budget.	Revised.	
1. Outlay on State Lines :				
(a) India	{ R 7,26,11,790	8,38,01,000	9,66,00,000	11,40,53,000
	{ £ 4,840,786	5,586,700	6,440,000	7,603,500
(b) England	£ 2,140,598	2,250,000	2,502,000	2,509,900
TOTAL	£ 6,981,384	7,836,700	8,942,000	10,113,400
2. Outlay of Companies :				
(a) India	{ R 39,16,391	27,80,000	14,82,000	9,85,000
	{ £ 261,093	185,400	98,800	65,700
(b) England	£ 671,916	977,900	1,023,300	1,820,900
TOTAL	£ 933,009	1,163,300	1,122,100	1,886,600
Total of Programme	£ 7,914,393	9,000,000	10,064,100	12,000,000

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 :—

£2,152,576 3,240,500 3,481,700 4,359,200

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 223

The details of the Budget grant for 1913-14 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	32.50	10.30	42.80	...	...
(ii) Bhairab Bazar-Tangi . . . . .	...	...	...	17.86	...
(iii) Kalaora-Sylhet . . . . .	...	...	...	7.00	...
2. Bezwada Extension . . . . .	...	.02	.02	...	...
3. Bombay, Baroda and Central India :—					
(i) Main line	79.51	120.78	200.29	...	...
(ii) Broach-Jambusar . . . . .	...	...	...	4.00	...
(iii) Bavana-Agra . . . . .	...	...	...	.51	...
4. Burma Extensions :—					
(i) Open line . . . . .	...	1.00	1.00	...	...
(ii) Southern Shan States . . . . .	...	...	...	35.61	...
5. Dhone-Kurnool . . . . .	...	.05	.05	...	...
6. East Indian :—					
(i) Open line	91.8	69.26	161.04	...	...
(ii) Bokaro-Ramgarh . . . . .	...	...	...	4.52	...
(iii) Katwa-Barharwa . . . . .	...	...	...	9.24	...
7. Eastern Bengal System :—					
(i) Open line	52.14	79.74	131.88	...	...
(ii) Rajabhatkhawa-Dalsingpara . . . . .	...	...	...	.51	...
(iii) Rangia-Tangla . . . . .	...	...	...	.60	...
(iv) Singhjani-Fulchari . . . . .	...	...	...	6.71	...
8. Great Indian Peninsula System :—					
(i) Main line	119.40	169.49	288.89	...	...
(ii) Itarsi-Nagpur, etc. . . . .	...	...	...	25.37	...
(iii) Agra-Delhi Chord . . . . .	...	1.60	1.60	...	...
(iv) Bhopal . . . . .	...	.22	.22	...	...
(v) Harbour Branch Extension . . . . .	...	...	...	13.02	...
9. Jodhpur-Hyderabad (British Section) . . . . .	...	1.25	1.25	...	...
10. Lower Ganges Bridge . . . . .	...	...	...	88.00	...
11. North Western :—					
(i) Main line	136.76	85.42	222.18	...	...
(ii) Trans-Indus (Kalabagh-Bannu, etc.) . . . . .	...	...	...	3.43	...
(iii) Sarai Kala-Havelian . . . . .	...	...	...	3.50	...
(iv) Jakhai-Hissar . . . . .	...	...	...	2.94	...
(v) Jullundur-Hoshiarpur . . . . .	...	...	...	1.90	...
12. Oudh and Rohilkhand :—					
(i) Main line (including Allahabad-Rae Bareilly-Cawnpore and Dhakia-Sambhal Railways)	42.06	30.41	72.47	...	...
(ii) Cawnpore-Banda and Sumerpur-Belatal Branch . . . . .	...	...	...	18.00	...
13. South Indian System—					
(i) Main line	46.80	63.10	109.90	...	...
(ii) Coonoor-Ootacamund	2.80	.83	3.63	...	...
(iii) Tinnevely-Qailon—British Section . . . . .	...	.05	.05	...	...
(iv) Do. Native State Section . . . . .	...	.02	.02	...	...
14. Tirhoot and extensions :—					
(i) Open line	4.58	10.29	14.87	...	...
(ii) Samastipore-Roserah . . . . .	...	...	...	.99	...
(iii) Roserah-Shakarpur-Khagaria . . . . .	...	...	...	7.04	...
15. Payments to Bengal-Nagpur Railway Company for capital stock respecting which the holders exercised the option of transfer to the Secretary of State for India . . . . .	...	.71	.71	...	...
16. Reserve . . . . .	...	13.40	13.40	...	...
	608.33	657.94	1,266.27	250.75	...
II.—OUTLAY OF INDIAN RAILWAY COMPANIES :—					
1. Bengal-Nagpur	103.30	41.07	149.37	30.57	...
2. Burma	13.95	36.15	50.10	...	...
3. Lucknow-Bareilly . . . . .	...	—68	—68	...	...
4. Madras and Southern Mahratta	29.54	24.08	53.62	...	...
	151.79	100.62	252.41	30.57	...

224 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14

231. The policy of devoting the greater part of the programme grant to the improvement of open lines has been maintained, and an allotment of ₹15,18 68 lakhs made for open line works and rolling stock. The heavy demands of open lines have made it impossible to allot any portion of the increased grant to the construction of new lines; but funds to the extent of ₹2,81.32 lakhs have been provided for lines under construction to permit of a reasonable rate of progress being maintained on them.

232. The figures in the table in paragraph 230 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, 1911-1912.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
	₹	₹	₹
Total as in preceding table	11,87,15,888	15,09,62,000	18,00,00,000
Famine Protective Lines	6,64,132	6,58,000	1,29,000
Branch Lines	8,02,819	10,93,000	24,25,000
Provincial State Line	12,535	61,000	32,000
<hr/>			
Grand total in Rupees	12,01,95,374	15,27,74,000	18,25,56,000
Grand total in £ sterling at ₹15 to the£	8,013,025	10,184,900	12,172,400
<hr/>			

CONSTRUCTION OF PRODUCTIVE IRRIGATION WORKS.

233. The figures are—

	Accounts, 1911-12.	Budget, 1912-13.	Revised, 1912-13.	Budget, 1913-14.
Total in Rupees . . .	2,30,47,965	2,12,33,000	2,16,27,000	2,20,00,000
Equivalent in Sterling . . .	1,536,531	1,415,500	1,441,800	1,466,700

234. The Budget grant of ₹212.33 lakhs has been raised to ₹216.27 lakhs *Revised, 1912-13.* in the Revised, owing to satisfactory progress on the Triple Canal scheme in the Punjab and on the Upper Swat River Canal, as well as to the commencement of work on the permanent headworks of the Ganges Canal at Hardwar for which no provision was made in the Budget. The grant in next year's Budget has been fixed at ₹220 lakhs. *Budget, 1913-14.* The following table shows the projects included in the programme of 1912-13 as now revised and in that of 1913-14, together with the amount to be spent on each:—

Name of Project.	Expenditure in	
	1912-13.	1913-14
	₹	₹
<i>Canals in operation—</i>		
Mandalay Canal	1,000	3,000
Shwebo "	1,44,000	85,000
Ganges Canal, including Mat and Hathras branches and permanent head works	7,25,000	10,71,000
Lower Ganges Canal	62,000	45,000
Agra Canal	1,15,000	82,000
Eastern Jumna Canal	36,000	21,000
Western " "	80,000	41,000
Upper Bari Doab "	—2,10,000	7,00,000
Sirhind Canal	1,09,000	1,25,000
Lower Chenab Canal	8,30,000	8,50,000
Lower Jhelum "	—34,000	1,00,000
Indus Inundation Canal	22,000	1,00,000
Godavari Delta	1,22,000	2,16,000
Kistna "	—25,000	6,000
Cauvery "	43,000	70,000
Periyar Project	18,000	31,000
Divi Island Project	8,000	12,000
Jamrao Canal	37,000	80,000
Other Projects	3,55,000	3,23,000
<i>Canals under construction—</i>		
Asola Mendha Tank works	1,58,000	1,26,000
Weinganga Canal	4,42,000	7,99,000
Mahanadi "	4,50,000	10,75,000
Mon Canals	1,38,000	88,000
Ye-u Canal	6,12,000	8,24,000
Twante Canal	19,08,000	14,00,000
Upper Chenab Canal	24,07,000	23,00,000
Upper Jhelum "	57,58,000	52,12,000
Lower Bari Doab Canal	41,00,000	33,00,000
Upper Swat River Canal	31,23,000	32,00,000
Nagavalli River Project	93,000	65,000
Gorai Canal . . . . .	...	50,000
Reserve . . . . .	...	11,00,000
Probable savings . . . . .	...	—15,00,000
TOTAL ₹	2,16,27,000	2,20,00,000
Equivalent in Sterling £	1,441,800	1,466,700

Of the total grant of ₹220 lakhs, about ₹180 lakhs will be allotted to canals under construction and the balance (*viz.*, about ₹40 lakhs) will be devoted to the completion and development of canals in operation. A major portion of the former sum will be again applied to push on work in connection with the

223 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

Triple Canal project in the Punjab and with the Upper Swat River Canal in the Frontier Province. Large allotments of R14 lakhs and R10·75 lakhs have also been made respectively for the Twante Canal in Burma and the Mahanadi Canal in the Central Provinces. A considerable portion of the grant for canals in operation will be applied to meet outlay on the headworks of the Ganges Canal.

INITIAL OUTLAY ON THE NEW CAPITAL AT DELHI.

235. In the Budget estimate for the current year provision was made for a grant of R2 crores for the construction of the new Imperial Capital at Delhi. Careful investigations about the proper site of the Capital and other connected questions have, however, delayed the commencement of work on the permanent city and the total capital expenditure in 1912-13 is not likely to exceed R16·78 lakhs made up as follows:—

	India.	(Lakhs of Rupees) England.
(i) Cost of preliminary investigations including charges of experts	1·24	1·05
(ii) Land acquisition :		
(a) Establishment	·52	
(b) Purchase money	12·50	
	13·02	...
(iii) Value of copper wires and pipes taken over from Temporary Delhi	1·00	...
(iv) Charges of the Chief Engineer who has been recently appointed to control work in Permanent Delhi, and his staff	·41	...
(v) Malarial survey	·06	...
	15·73	1·05
	16·78	

236. In the Budget estimate of 1913-14 a provision of R2 crores has been made under this head to permit of a vigorous prosecution of work on the permanent city.

WAYS AND MEANS.

HOME TREASURY.

237. 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 the 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.

238. The following are the details of the transactions appearing in the Budget and Revised estimates of the Home Treasury for 1912-13 and in the Budget estimate of 1913-14.

	Budget, 1912-1913.	Revised, 1912-1913.	Budget, 1913-1914.
	£	£	£
RECEIPTS.			
Capital raised and deposited by Railway Companies—			
For Capital outlay	1,812,100	499,000	3,002,000
*For discharge of debentures	1,570,400	160,000	1,415,000
Deposits and Advances—			
Gold Standard Reserve	11,245,700	11,363,900	6,178,100
*Paper Currency Reserve . . . . .	...	1,600,000	...
Other items	1,000	8,600	24,600
Remittance Account between England and India—			
Railway transactions	5,300	24,800	504,800
Gold received from India . . . . .	...	327,900	450,000
Other transactions	1,008,000	1,549,800	1,390,000
Total Receipts, excluding Council Bills and Loans	15,642,500	15,533,800	12,964,500
DISBURSEMENTS.			
Excess of Expenditure over Revenue	19,298,400	19,497,900	19,579,400
Railway and Irrigation Capital not charged to Revenue—			
Outlay on State Railways, Irrigation Works and Delhi	2,278,800	2,542,300	2,603,100
Outlay of Railway Companies	980,000	1,027,300	1,822,900
*Payments to Railway Companies for discharge of debentures	1,570,400	160,000	1,415,000
Permanent Debt discharged	1,977,600	1,977,600	1,781,200
Temporary Debt discharged	4,500,000	4,500,000	...
Deposits and Advances—			
Gold Standard Reserve : Investments	11,266,400	11,432,600	6,164,500
*Paper Currency Reserve . . . . .	...	1,600,000	...
Other transactions	1,000	180,100	25,000
Remittance Account between England and India—			
Railway transactions	3,288,000	3,550,300	4,914,900
Purchase of Silver . . . . .	...	7,030,000	...
Other transactions	601,400	811,500	575,400
Total Disbursements	45,762,000	54,279,600	88,881,400
NET DISBURSEMENTS	30,119,500	38,745,800	25,916,900
<i>Financed as follows—</i>			
Council Bills	15,500,000	25,660,000	21,650,000
Permanent Debt incurred	3,000,000	3,000,000	...
Reduction of cash balance	11,619,500	10,085,800	4,266,900
Total	30,119,500	38,745,800	25,916,900
Opening balance	19,595,900	19,463,700	9,377,900
Closing Balance	7,776,400	9,377,900	5,111,000

* 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, 1912-13.

General.

239. The net disbursements in 1912-13 are now taken at £38,745,800 or £8,626,300 more than the Budget. A sum of £7,060,000 has been spent on the purchase of silver for the coinage of rupees in India, for which no provision was made in the Budget estimate. The deposits of capital by railway companies are less by £1,313,100 owing to a much smaller issue of debentures of the Madras and Southern Mahratta Railway Company than was contemplated in the Budget. There is an aggregate excess of £573,100 in the capital expenditure on railways and irrigation works, inclusive of outlay on companies and payments to companies working purchased railways. There is also an increase of £139,500 in the net expenditure chargeable to revenue; and of £210,100 in the miscellaneous payments which are treated in the Home Treasury accounts as remittances to India, caused chiefly by a larger demand for stores on the part of Provincial Governments, supply of national health-insurance stamps to British soldiers serving in India, and higher remittances by soldiers for deposit in the Post Office Savings Bank. The increase in the net disbursement from these various sources amount to £9,295,800; but a portion of it is counterbalanced by a total improvement of £669,500 under the other items shown in the table on the preceding page, which arises mainly from a special receipt of £327,900 in gold from India and a rise of £303,700 in the net receipts in connection with postal and money order transactions exchanged between England and India.

240. The briskness 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 £25,660,000, the whole of which will be used to meet the disbursements of the Home Treasury, against a Budget estimate of £15,500,000. The additional funds thus obtained will more than suffice to meet the increase in the net disbursements mentioned in the preceding paragraph; and the balances of the Home Treasury will be drawn on to the extent of £10,085,800 only instead of £11,619,500 as provided in the Budget. A remittance of £1,927,900 in gold was also received during the year from India; but of this amount £1,600,000 was deposited at the Bank of England on account of the Paper Currency Reserve, and only £327,900 was used for general purposes.

241. The details of the transactions in respect of capital raised and deposited by Railway Companies are as follows:—

1912-13. Capital raised and deposited by Railway Companies.

	RECEIPTS.	
	Budget, 1912-13.	Revised, 1912-13.
	£	£
(a) <i>Subscribed Capital</i> —		
(i) <i>To discharge Debentures</i> —		
Bengal-Nagpur Railway	1,160,400	...
Madras and Southern Mahratta Railway	410,000	160,000
(ii) <i>To meet Capital outlay</i> —		
Madras and Southern Mahratta Railway	1,810,000	495,000
	3,380,400	655,000
(b) <i>Miscellaneous</i> —		
Transfer fees, etc.	2,100	4,000
	3,382,500	659,000
	ISSUES	
	£	£
For discharge of Debentures	1,570,400	160,000
For Capital outlay, <i>i.e.</i> , Stores, Establishment Charges, etc.	980,000	1,027,800
	2,550,400	1,187,800
	TOTAL	1,187,800

The Budget estimate provided for the replacement by fresh capital of £1,570,400 debentures of the Bengal Nagpur and Southern Mahratta Railway Companies and for the raising of £2 millions of new capital by the latter Company, the net proceeds of which were expected to amount to £1,810,000. The Madras and Southern Mahratta Railway Company has actually issued only £500,000 of new debentures which have produced £495,000; and it expects to replace only £160,000 of the debentures maturing during the year. £250,000 of the debentures of this Company, as well as the whole of the debentures of the Bengal Nagpur Railway Company which fell in during 1912-13, have been renewed.

242. The following are the details of the Railway remittance transactions. ^{1912-13.}
As already explained, they occur almost wholly in connection with the capital ^{Railway} account of the purchased lines worked by companies:— ^{remittances.}

	Budget, 1912-13. £	Revised, 1912-13. £
RECEIPTS.		
<i>Miscellaneous—</i>		
Transfer fees, etc.	5,300	24,600
ISSUES.		
<i>Advances for purchase of stores—</i>		
East Indian Railway	875,200	890,500
South Indian Railway	519,000	562,700
Bengal and North-Western Railway	88,000	145,000
Great Indian Peninsula Railway	1,169,100	1,264,800
Bombay, Baroda and Central India Railway (including Rajputana-Malwa Railway)	594,500	643,300
TOTAL	3,245,800	3,506,300
<i>Miscellaneous payments—</i>		
East Indian Railway: Rental paid to South Behar Railway Company	30,000	30,000
Rohilkund and Kumaon Railway: Interest on Debenture Stock allocated to State works	7,200	9,000
South Indian Railway: Special payment to be adjusted against the Company's share of surplus profits	5,000	5,000
TOTAL ISSUES	3,288,000	3,550,300

243. In accordance with the Budget programme, an issue of £3 million ^{Loans, 1912-13.} India 3½ per cent. stock was made in April 1912, the price of issue being fixed at 93; and the whole of the outstanding India bills amounting to £4½ millions, were discharged together with £500,000 India bonds and £1,477,600 debentures of the Indian Midland and Madras Railway companies.

244. The Budget estimates provide for a net disbursement of £25,916,900. ^{1913-14.}
The decrease of £4,202,600 over the net disbursement in the current year's ^{The Budget} Budget is the net result of the following variations:— ^{Estimate.}

<i>Worse.</i>	£
Net expenditure on Revenue account, <i>more</i>	281,000
Outlay on State Railways, <i>more</i>	259,900
Net payments to Railway Companies, <i>more</i>	780,400
Outlay on Irrigation Works, <i>more</i>	59,400
New Capital at Delhi—Miscellaneous Payments, <i>more</i>	5,000
<i>Better.</i>	
Receipt of light-weight gold coins from India	450,000
Deposits, Advances and Miscellaneous Remittance transac- tions, net	44,900
Permanent Debt discharged, <i>less</i>	196,400
Temporary Debt discharged, <i>less</i>	4,500,000

230 BUDGET OF THE GOVERNMENT OF INDIA, 1913-14.

245. The details working up to the increase of £780,400 in the net payments to Railway Companies, shown in the preceding paragraph are given below :—

	Budget, 1912-1913.	Budget, 1913-1914.
	£	£
RECEIPTS—		
Capital deposits by Railway Companies—		
For capital outlay	1,812,100	3,002,000
For discharge of debentures	1,570,400	1,415,000
Remittance account between England and India—		
Railway transactions	5,300	504,800
	<hr/>	<hr/>
Total receipts	3,387,800	4,921,800
	<hr/>	<hr/>
DISBURSEMENTS—		
Railway and Irrigation capital not charged to Revenue—		
Outlay of Railway Companies	980,000	1,822,900
Payment for discharge of debentures	1,570,400	1,415,000
Remittance account between England and India—		
Railway Transactions	3,288,000	4,914,900
	<hr/>	<hr/>
Total disbursements	5,838,400	8,152,800
	<hr/>	<hr/>
NET DISBURSEMENTS	2,450,600	3,231,000
	<hr/>	<hr/>
Increase	780,400	

246. The Budget Estimate for 1913-14 provides for the receipt from India of £450,000 light-weight sovereigns and half sovereigns which have been withdrawn from circulation. The improvement under Deposit, Advance and Miscellaneous Remittance transactions is mainly due to an increased provision of £270,000 for receipts on account of postal and money order transactions, following the large improvement which has taken place under this item in the current year.

247. Provision has been made in the estimates for the discharge of the following liabilities which mature during the year :—

	£
Indian Midland Railway Debentures	1,111,200
Madras Railway Debentures	170,000
India Bonds	500,000
	<hr/>
	1,781,200

248. Of the net disbursement of £25,916,900, it is proposed to meet £21,650,000 by Council Bills and the balance of £4,266,900 by drawing on the cash balances of the Home Treasury which are estimated to stand on the 31st March 1914 at £5,111,000, inclusive of £1,018,600 held as cash at short notice on behalf of the Gold Standard Reserve. It is not contemplated to raise any sterling loan in the ensuing year.

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 231

249. The following are the details of the transactions of the Gold Standard Reserve in England :—

	1912-13.		1913-14.	Gold Standard Reserve.
	Budget. £	Revised. £	Budget. £	
RECEIPTS.				
(a) Dividend on investments, Discount on Treasury Bills and Interest on Loans at short notice	539,000	517,600	563,600	
(b) Withdrawals from Paper Currency Reserve . . . . .	...	1,200,000	...	
(c) Exchequer Bonds, British Treasury Bills and Colonial Government Securities, etc., paid off	10,706,700	9,646,300	5,614,500	
Total	11,245,700	11,363,900	6,178,100	
CHARGES.				
Investments made	11,266,400	9,812,600	5,614,500	
Deposit of Gold at the Bank of England . . . . .	...	1,620,000	550,000	
	11,266,400	11,432,600	6,164,500	

250. The following statement shows the transactions and balances of the fund in the two years in England and India taken together :—

	Budget, 1912-13. £	Revised, 1912-13. £	Budget, 1913-14. £
OPENING BALANCE—			
(a) Invested (cost price)	16,744,300	16,748,100	16,914,400
(b) Uninvested—			
(1) Gold set aside in the Bank of England . . . . .	...	...	1,620,000
(2) Rupees held in India	1,934,300	1,934,300	4,000,000
(3) Cash in the Home Treasury placed at short notice	1,075,300	1,073,700	1,005,000
	19,753,900	19,756,100	23,539,400
CLOSING BALANCE—			
(a) Invested (cost price)	17,304,000	16,914,400	16,914,400
(b) Uninvested—			
(1) Gold set aside in the Bank of England . . . . .	...	1,620,000	2,170,000
(2) Rupees held in India	1,934,300	4,000,000	4,000,000
(3) Cash in the Home Treasury placed at short notice	1,054,600	1,005,000	1,018,600
	20,292,900	23,539,400	24,103,000
Difference between opening and closing balance representing net income in the year and made up as follows :—			
(1) Interest, etc., on investments in England (<i>vide</i> paragraph 249)	539,000	517,600	563,600
(2) Profit on new rupee coinage in India . . . . .	...	3,265,700	...
TOTAL	539,000	3,783,300	563,600

251. The coinage of rupees from the silver which has been purchased for £7,060,000 is expected to yield a net profit of £3,265,700 which will be available for transfer to the Gold Standard Reserve. Of this sum £2,065,700 has been utilised to raise the rupees in the Indian branch of the Reserve to the prescribed amount of £4 millions. The balance, *viz.*, £1,200,000, will be remitted to England through the Paper Currency Department—the amount being paid to it in India against an opposite payment by it to the Gold Standard Reserve in England. The earmarking of gold on account of the Gold Standard Reserve at the Bank of England is in pursuance of the Secretary of State's decision to hold £5 millions of the Reserve in liquid gold in England.

252. The Secretary of State has also agreed that the limit which the sterling assets of the Gold Standard Reserve in England must attain before any portion of the profits on rupee coinage can be diverted for other purposes should be fixed at £25,000,000, the value of the securities held being taken at the market price instead of cost price. For this purpose, a half-yearly valuation of the securities is made on 30th September and 31st March and on the basis of the valuation made on 30th September 1912—the closing balances of gold in England for the Revised and Budget stand as follows:—

	Revised, 1912-13. £	Budget, 1913-14. £
1. Market price of securities on 30th September . . .	9,596,400	9,596,400
2. Cost price of securities purchased between 1st October and 31st March	6,354,800	6,354,800
3. Gold in the Bank of England	1,620,000	2,170,000
4. Cash in the Home Treasury	1,005,000	1,018,600
	<u>18,576,200</u>	<u>19,139,800</u>

The above gives a reduction of £963,200 as compared with the cost price given in paragraph 250.

253. 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 1912-13 and 1913-14:—

	Budget, 1912-1913. £	Revised, 1912-1913. £	Budget, 1913-1914. £
RECEIPTS.			
Council Bills	15,500,000	25,660,000	21,650,000
Permanent Debt incurred (India Stock)	3,000,000	3,000,000	...
Receipts on account of the Subscribed Capital of Railway Companies	3,380,400	6,55,000	4,415,000
Receipts on account of the Debenture Capital of Railway Companies working purchased Railways . . . . .	...	...	500,000
OUTGOINGS.			
Permanent Debt discharged ..	1,997,600	1,977,600	1,781,200
Temporary Debt discharged . .	4,500,000	4,500,000	...
Discharge of Railway Companies' Debentures (inclusive of debentures of companies working purchased lines)	1,570,400	160,000	1,915,000

254. 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.

INDIA.

255. The following is a summary of the Estimates of Ways and Means in India during 1912-13 and 1913-14 :—

	BUDGET ESTIMATE, 1912-1913.		REVISED ESTIMATE, 1912-1913.		BUDGET ESTIMATE, 1913-1914.	
	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.
RECEIPTS.						
	R	£	R	£	R	£
1. Excess of Revenue over Expenditure charged to Revenue . . .	31,16,51,000	20,776,700	34,24,74,000	22,831,600	31,35,85,000	20,905,700
2. Capital raised and deposited by Railway Companies . . .	23,34,000	155,600	10,59,000	70,600	24,13,000	160,900
3. Unfunded Debt incurred, mostly Savings Bank deposits (net) . . .	1,97,81,000	1,318,700	2,61,20,000	1,741,400	2,25,21,000	1,501,400
4. Appropriation for Reduction or Avoidance of Debt . . .	54,98,000	366,500	52,18,000	347,900	68,01,000	453,400
5. Other Deposits and Remittances (net) . . .	4,14,000	27,600	1,10,66,000	737,700	13,60,000	90,700
6. Remittance account between Eng. and India— (a) Silver remitted from England (b) Transactions of Railway Companies (net) excluding debenture capital . . .	...	...	10,59,00,000	7,060,000	...	...
4,92,41,000	3,282,700	5,28,85,000	3,525,700	6,61,51,000	4,410,100	
TOTAL RECEIPTS EXCLUDING LOANS . . .	38,89,19,000	25,927,800	54,47,22,000	36,314,900	41,28,31,000	27,522,200
DISBURSEMENTS.						
7. Capital Expenditure not charged to Revenue— (a) State Railways and Irrigation Works . . .	10,46,02,000	6,973,400	11,77,27,000	7,848,500	13,47,30,000	8,982,000
(b) Initial expenditure on new Capital at Delhi . . .	2,00,00,000	1,333,300	15,73,000	104,900	1,99,25,000	1,328,300
(c) Outlay by Companies (net) . . .	51,24,000	341,600	25,75,000	171,700	34,10,000	227,400
8. Permanent Debt discharged (net) . . .	13,69,000	91,300	12,81,000	85,400	13,09,000	87,300
*9. Provincial surpluses (—) or deficits (+) . . .	2,33,66,000	1,557,700	—6,11,09,000	—4,073,900	4,36,89,000	2,912,600
10. Imperial and Provincial Loans (net) . . .	59,79,000	398,500	86,000	2,400	15,86,000	105,700
11. Remittance account between Eng. and India— (a) Remittance of gold to Eng. and . . .	...	...	49,18,000	327,900	67,50,000	4,50,000
(b) Other transactions (net) . . .	60,48,000	403,200	106,37,000	709,100	1,16,41,000	776,100
12. Council Bills † . . .	28,65,35,000	15,769,000	38,81,20,000	25,874,700	32,47,50,000	21,650,000
TOTAL DISBURSEMENTS . . .	40,30,23,000	26,868,000	46,57,53,000	31,050,700	54,77,90,000	36,519,400
NET DISBURSEMENTS . . .	1,41,04,000	940,200	—7,89,64,000	—5,264,200	13,49,59,000	8,997,200
FINANCED AS FOLLOWS:						
Permanent Debt incurred . . .	3,00,00,000	2,000,000	3,00,00,000	2,000,000	3,00,00,000	2,000,000
Reduction of (+) or addition to (—) Treasury Balances . . .	—1,58,96,000	—1,059,800	—10,89,64,000	—7,264,200	10,49,59,000	6,997,200
TOTAL . . .	1,41,04,000	940,200	—7,89,64,000	—5,264,200	13,49,59,000	8,997,200
Opening Balance . . .	17,71,24,000	11,808,200	18,41,95,000	12,279,700	29,81,59,000	19,543,900
Closing Balance . . .	19,30,20,000	12,868,000	29,31,59,000	19,543,900	18,82,00,000	12,546,700

* Head 9 represents expenditure defrayed by reduction of Provincial balances.
† The figures shown under head 12 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.

256. In the Budget estimate of 1912-13, the cash balance in Indian Treasuries on the 1st April 1912, was taken at R17,71 lakhs. It was estimated (1) that the net Imperial revenue in India would amount to R31,17 lakhs (2) that the net deposits in Savings Banks and Provident Institutions would increase during the year by R1,98 lakhs, (3) that a sum of R55 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 R4,92 lakhs. On the other hand, provision was made: (1) for a net expenditure of R2,34 lakhs from Provincial balances, (2) for capital expenditure

Main features of Budget Estimates.

in India on railways (inclusive of outlay by companies) and canals to the extent of R10,97 lakhs, (3) for an outlay of R2,00 lakhs on the construction of the new Capital at Delhi, (4) for the discharge of R14 lakhs of the permanent debt, (5) for net payments of R60 lakhs and R33 lakhs, respectively, in connection with Imperial and Provincial loans and miscellaneous deposit transactions, and (6) for the payment of Council Bills to the extent of R23,65 lakhs. The total payments mentioned above aggregate R40,03 lakhs against a total receipt of R38,62 lakhs; and as the net disbursement of R1,41 lakhs would have reduced the cash balances at the end of the year to the inconveniently low figure of R16,30 lakhs, it was proposed to raise a loan of R3 crores to meet the deficit and to form a reserve for future capital expenditure on Imperial Delhi.

1912-13.

Main features of Revised Estimates.

257. The results according to the Revised estimates show considerable variations from this forecast. The year opened with a balance which was R71 lakhs higher than the Budget forecast mainly owing to a larger betterment in the revenue account in 1911-12 (*vide* paragraph 6), which was partly counterbalanced by a reduction in the net credits in connection with miscellaneous deposit and remittance transactions; and the full amount of the contemplated rupee loan of R3 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 the heavy lapse in the grant for Imperial Delhi will, however, enable the Government of India to incur higher outlay on railway construction, to remit to the Secretary of State in aid of the Home Treasury £3 millions more than was provided in the Budget, and still to close the year with a balance of R29,32 lakhs. Taking India as a whole, there will be a very considerable improvement of R11,53 lakhs over the Budget in the combined revenue account of the Imperial and Provincial Governments in the current year. Two-thirds of this increase occurs 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 20 to 24, R3,08 lakhs of the gain will appear in the Imperial section of the accounts and R8,45 lakhs as an addition to the Provincial balances. Silver of the value of R10,59 lakhs has been received from the Secretary of State for the coinage of new rupees. As the purchase in England was made from the balances of the Home Treasury, an equivalent sum was paid by the Currency Department to the Treasury in India on the transfer of the silver to the former for conversion into rupees. The increase in the net deposits in Savings Banks will be R63½ lakhs more than was allowed for; while increases of R36½ lakhs and R47½ lakhs respectively are also expected in the net credits from remittances of railway companies and miscellaneous deposit and remittance transactions. Further, there is a large saving of R1,84 lakhs in the capital grant for Imperial Delhi, and the net payments on account of *takavi* and other loans are expected to fall short of the Budget provision by R59½ lakhs. The total improvements from all these sources, including the increase in the opening balance of the year amounts to R26,74 lakhs. But this will be partly counterbalanced by (1) a reduction of R3 lakhs in the amount available from the Famine Insurance grant for the avoidance of debt; (2) larger capital expenditure to the extent of R1,05 lakhs on railways (inclusive of outlay by Companies) and on canals arising mainly from the expansion of the Railway programme; (3) a remittance of R49 lakhs. in gold to England; and (4) an increase of R15,16 lakhs in the payment of Council bills, of which R10,59 lakhs are intended to meet the expenditure incurred by the Secretary of State out of the balances of the Home Treasury on the purchase of silver. The closing balance on 31st March 1913 will thus be R10,01 lakhs more than the Budget estimate of R19,30 lakhs.

1912-13.

Rupee loan.

258. It was announced last year, subject to the usual reservations, that a new 3½ per cent. rupee loan of R3 crores would be raised in 1912-13. 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.
9,29,13,500	3,00,00,000	96 2 0·07	96 2 0

BUDGET OF THE GOVERNMENT OF INDIA, 1913-14. 235

259. In 1913-14 the net Imperial revenue in India is estimated at **₹31,36 lakhs**; Savings Banks and similar deposits are expected to yield a net receipt of **₹2,25 lakhs**; a sum of **₹68 lakhs** will be available from the Famine Insurance grant 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 **₹6,61 lakhs**. On the other hand, provision has been made: (1) for an expenditure of **₹4,37 lakhs** from Provincial balances, (2) for payments of **₹13 lakhs**, **₹16 lakhs** and **₹113 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 **₹13,47 lakhs** in India on railways and canals and of **₹1,99 lakhs** on Imperial Delhi; (4) for a remittance of **₹67½ lakhs** in gold coins to England; and (5) for payment of Council Bills to the extent of **₹32,47½ lakhs**. The total amount of funds required by the Government of India next year therefore aggregates **₹54,40 lakhs**, while the receipts at its disposal amount to only **₹40,90 lakhs**.

1913-14.
Main features of
Budget Estimates.

260. Of the net disbursement of about **₹13½ crores** it will be possible to meet about **₹10½ crores** from the heavy cash balance which will be held in India at the end of the current year; and to provide for the shortage it is proposed to raise a new rupee loan of **₹3 crores** in 1913-14. With a loan of this amount it will be possible to close the year, according to the present estimate, with a balance of about **₹18,82 lakhs**. 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.

1913-14.
New Rupee loan.

261. The following table gives details of the transactions of Savings Banks and Provident Funds during a series of years, and the estimated transactions for 1912-13 and 1913-14.

Post Office Savings Banks, etc.

YEAR.	Net additions to deposits, cash.	Interest.	Total addition.
	₹	₹	₹
1902-03	52,40,000	39,00,000	91,40,000
1903-04	66,99,000	42,15,000	1,09,14,000
1904-05	78,94,000	45,87,000	1,24,81,000
1905-06	31,49,000	46,80,000	78,29,000
1906-07	50,94,000	52,25,000	1,03,19,000
1907-08	14,86,000	53,50,000	68,36,000
1908-09	—26,22,000	54,63,000	28,41,000
1909-10	51,82,000	57,20,000	1,09,02,000
1910-11	1,05,06,000	60,82,000	1,65,88,000
1911-12	1,95,69,000	67,79,000	2,63,48,000
1912-13 (Revised)	1,75,57,000	75,97,000	2,51,54,000
1913-14 (Budget)	1,31,09,000	83,27,000	2,14,36,000

262. The growth in the net deposits in the Post Office Savings Banks in 1912-13 has again been phenomenally large, owing to the generally prosperous conditions of the year and also to the enhanced maximum limit now admissible for cash deposits; and the Revised estimate for the year is taken at **₹127 lakhs**, exclusive of interest, against a Budget of **60 lakhs**. For next year, the estimate of deposits in these banks is taken at a moderate figure of **₹80 lakhs**, while the deposits in the various Provident Funds for Government servants are expected to grow by **₹51 lakhs**.

R. W. GILLAN.

20th March 1913.

Appendix.**PRO FORMA ACCOUNT OF COST OF CHANGE OF IMPERIAL CAPITAL.**

(Referred to in paragraph 3 of the memorandum.)

I.—Non-recurring.

Expenditure.	Receipts.
(1) Delhi project	(a) Value or recoveries on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move.
(2) Cantonment	(b) Non-recurring receipts on account of Temporary Works.
(3) Temporary Delhi	(c) Any sums adjusted in favour of Imperial revenues from Punjab provincial funds in connection with the move.
(4) Special Departmental expenditure	(d) Recoveries on account of buildings vacated (if any) in the old cantonments of Delhi on completion of the new cantonment.
(5) Non-recurring assignments to Punjab revenues (if any), made by way of compensation for increased expenditure thrown on them by removal from Delhi.	
(6) Cost of moving Imperial offices from Calcutta or elsewhere to Delhi.	
(7) Special non-recurring monetary concessions to establishments of the Government of India and attached offices, such as lump allowances, etc.	

II.—Recurring.

Expenditure.	Receipts.
(1) *Cost of Delhi Administration	(a) *Revenues of Delhi province.
(2) Recurring assignments (if any) to Punjab provincial revenues.	(b) Any recurring assignments from Punjab provincial revenues to Imperial resulting from the move.
(3) Increase (if any) in maintenance of Viceregal buildings, as compared with cost prior to the move.	(c) Savings in Viceregal buildings maintenance (if any).
	(d) Savings under Calcutta House allowances, hill journey allowances, and travelling allowances.
	(e) Savings in contingencies on account of moving Secretariat and attached offices to and from Delhi as compared with move between Simla and Calcutta.

* These heads will be subdivided into the appropriate service heads, giving an abstract of the Delhi Province expenditure and revenue respectively.

APPENDIX.

APPEN
COMMERCIAL AND

TABLE I.—MIS

	1904-05.	1905-06.	1906-07.
Recorded Revenue compared with recorded expenditure excluding Capital Expenditure on Railways and Irrigation works not charged against Revenue—			
Surplus	£ 3,456,066	£ 2,091,854	£ 1,589,340
Deficit . . . . .	...	...	...
Capital Expenditure on Railways and Irrigation Works not charged against Revenue*	£ 6,258,195	£ 9,966,393	£ 8,712,668
Ditto charge involved in Redemption of Liabilities . . . . .	...	£ 12,980,960	...
Initial Expenditure on new Capital at Delhi . . . . .	...	...	...
Net Public Debt incurred	£ 3,413,480	£ 16,752,546	£ 4,166,102
Net Public Debt incurred, including Capital transactions with Guaranteed Railways and other Companies	£ 4,488,109	£ 18,567,395	£ 2,144,709
Value of commodities exported, excluding Gold and Silver R	1,57,72,20,000	1,61,83,50,000	1,77,03,00,000
Ditto imported, ditto ditto R	1,04,41,30,000	1,12,11,40,000	1,17,24,20,000
Excess of Exports over Imports, excluding Gold and Silver R	53,30,90,000	49,72,10,000	59,78,80,000
Net Imports of Gold R	9,70,60,000	45,80,000	14,85,60,000
Ditto of Silver R	13,24,10,000	15,72,30,000	24,00,60,000
TOTAL NET IMPORTS OF GOLD AND SILVER R	22,98,70,000	16,18,10,000	33,86,20,000
Excess of Exports over Imports including Gold and Silver R	30,34,20,000	33,54,00,000	20,92,60,000
Grand Total value of Imports and Exports of all kinds R	3,18,18,40,000	3,21,07,00,000	3,44,57,00,000
Secretary of State's Bills sold (Rupees) R	₹30,53,57,304	₹46,62,43,256 (a)	49,09,99,935
Sterling Equivalent received £	₹24,425,558	₹31,166,973 (a)	32,007,196
Silver coined at the Indian Mints R	11,37,04,366	20,00,14,452	26,08,57,405
Maximum price in pence of an oz. troy, standard Silver in London	23½ (Dec.)	30½ (Feb.)	33½ (Nov.)
Minimum ditto ditto ditto	2½ (Apl.)	2½ (Apl.)	29½ (Apl. & June)
Average Exchange upon Secretary of State's Bills sold per rupee	1s. 4'04½d.	1s. 4'04½d.	1s. 4'083d.
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	8 (from Mar. 9 to 22).	9 (from Feb. 1 to Mar. 14).	9 (from Dec. 6 to Mar. 31).
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	3 (June 23 to Oct. 5).	3 (July 20 to Aug. 16).	3 (from July 19 to Aug. 8).
Maximum rate of discount at the Bank of England	4 (Apl. 5 to 13)	4 (Sept. 28 to Mar.)	6 (Oct. 19 to Jan. 16).
Minimum ditto ditto	2½ (from Mar. 9).	2½ (Apl. 1 to Sept. 7).	3½ (Apl. 5 to May 2, June 21 to Sept. 12).
Maximum Government balances at the three Presidency Banks R	3,84,32,000 (Sept.)	3,82,91,000 (May)	3,68,23,000 (Aug.)
Minimum ditto ditto R	3,00,53,000 (Jan.)	2,84,08,000 (Nov.)	2,95,11,000 (Oct.)
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed)	99—9 (Aug. 16, Mar. 2 & 3).	100—4 (Aug. 4).	99—11 (Apl. 1 & 2).
Minimum ditto ditto	96—11 (Nov. 11)	97—8 (Jan. 9 & 10).	94—13 (Dec. 17 & 18).
Maximum price in Calcutta of 3 per cent Rupee Securities	87—4 (from Mar. 3).	88—12 (Aug. 10 to 16).	87—2 (Apl. 1 to 19 & Apl. 24 to May 14).
Minimum ditto ditto	85—4 (Apl. 5 to May 3).	87—0 (Dec. 21 and Mar. 19 to 22).	82—3 (Feb. 20 to 26 & Mar. 23).
Maximum amount outstanding on London Register of Rupee Securities encased for Interest Drafts R	17,02,89,000 (Apl.)	17,01,09,000 (May)	16,52,17,000 (Dec.)
Minimum ditto ditto ditto R	16,50,97,000 (Feb.)	16,21,03,000 (Dec.)	16,30,30,000 (July)
Maximum price in London of 3½ per cent (Rupee Securities in Gold)	66½ (Feb. & Mar.)	66½ (Aug.)	66½ (Apl.)
Minimum ditto ditto ditto	65 (July)	65½ (June)	64½ (Dec.)
Maximum price in London of India 3½ per cent Stock	109 (Feb.)	107½ (Apl.)	103 (Apl.)
Minimum ditto ditto ditto	103 (Apl.)	103½ (Oct.)	99½ (Mar.)
Maximum price in London of India 3 per cent Stock	99½ (Feb.)	98½ (Apl.)	97½ (Apl.)
Minimum ditto ditto ditto	93½ (Aug.)	94½ (Oct.)	88½ (Mar.)
Maximum price in London of India 2½ per cent Stock	85½ (Feb.)	84½ (Apl.)	82 (Apl.)
Minimum ditto ditto ditto	79½ (Apl.)	79½ (Oct.)	75 (Mar.)
Maximum Government Paper Currency outstanding R	42,51,61,000 (July)	44,65,66,000 (Mar.)	47,30,20,000 (July)
Minimum ditto ditto ditto R	36,11,06,000 (Apl.)	39,63,12,000 (Nov.)	42,89,24,000 (May)
Number of Post Office Savings Banks	7,855	8,071	8,049
Number of accounts in Post Office Savings Banks	1,058,813	1,115,758	1,150,220
Amount deposited in Savings Banks	13,40,70,130	13,99,23,280	14,76,69,789
Average of each deposit	126'62	130'83	133'99
Net addition to deposits	1,07,33,414	58,56,130	77,43,529

*Excludes capital charge involved in redemption of liabilities.
 † Include remittances of the Gold Standard Reserve.

DIX

FINANCIAL STATISTICS.

CELLANEOUS.

1907-1908.	1908-1909.	1909-1910.	1910-1911.	1911-1912.	1912-1913. Revised.	1913-1914. Budget.
£ 300,615	£ ...	£ 606,641	£ 3,936,287	£ 3,940,334	£ 3,393,700	£ 1,326,300
...	£ 3,737,710	...	...	...	...	...
£ 11,412,767	£ 10,471,657	£ 7,373,966	£ 10,119,093	£ 8,517,915	£ 10,383,800	£ 11,580,100
£ 2,144,800	...	...	£ 5,904,100	£ ...	£ ...	...
£ 10,725,963	£ 5,633,956	£ 10,408,347	£ 8,896,956	£ 4,992	£ 111,900	£ 1,333,300
...	...	...	...	£ 1,823,173	£ 2,937,000	£ 131,500
£ 13,311,920	£ 10,370,196	£ 10,747,575	£ 12,654,438	£ 854,140	£ 2,307,600	£ 1,244,100
1,77,48,50,000	1,53,14,30,000	1,87,96,80,000	2,09,96,20,000	2,27,98,80,000	2,25,07,70,000 (b)	
1,36,64,80,000	1,28,78,70,000	1,52,65,10,000	1,33,70,60,000	1,44,05,50,000	1,52,13,00,000 (b)	
40,83,70,000	24,35,60,000	65,31,70,000	76,25,60,000	83,93,30,000	72,94,70,000 (b)	
17,36,80,000	4,35,60,000	21,67,90,000	23,97,90,000	37,76,00,000	31,98,50,000 (b)	
19,46,80,000	12,06,80,000	9,44,50,000	8,63,00,000	5,33,70,000	16,38,60,000 (b)	
36,83,60,000	16,42,40,000	31,12,40,000	32,60,90,000	43,09,70,000	48,17,10,000 (b)	
4,00,10,000	7,93,20,000	34,19,30,000	43,64,70,000	40,83,60,000	24,77,60,000 (b)	
3,61,86,60,000	3,10,99,40,000	3,54,54,20,000	3,90,53,00,000	4,35,88,80,000	4,44,55,10,000 (b)	
\$24,30,65,151	\$20,98,37,188	\$40,54,12,663 (a)	40,02,50,114 (a)	40,37,70,748 (a)	38,34,80,000	32,47,50,000
\$16,232,061	\$13,915,426	\$27,096,586 (a)	\$26,733,303 (a)	27,058,549 (a)	25,660,000	21,650,000
18,11,56,540	2,85,35,914	2,17,56,166	2,19,25,112	2,80,74,320	19,19,00,000	
32 $\frac{3}{4}$ (Aug.) 24 (Dec.) 1s. 4'02 $\frac{1}{2}$ d.	25 $\frac{1}{2}$ (Apl.) 22 (Dec.) 1s. 3'96 $\frac{1}{2}$ d.	24 $\frac{1}{2}$ (May) 23 $\frac{1}{8}$ (October) 1s. 4'04 $\frac{1}{2}$ d.	26 $\frac{1}{2}$ (October) 23 $\frac{1}{8}$ (February) 1s. 4'06 $\frac{1}{2}$ d.	27 $\frac{1}{2}$ (February) 23 $\frac{1}{4}$ (July) 1s. 4'08 $\frac{1}{2}$ d.	29 $\frac{1}{2}$ (December) 26 $\frac{3}{8}$ (March) 1s. 4'05 $\frac{1}{2}$ d.	1s. 4d.
1s. 4d.	1s. 4d.	1s. 4d.	1s. 4d.	1s. 4d.	1s. 4d.	1s. 4d.
9 (from 'Apl. 1 to 17 and Jan. 16 to Mar. 4.) 3 (from July 25 to Sept. 11).	8 (from Jan. 28 to March 17). 3 (from July 16 to Sep. 2).	7 (from 1 to 28 Apl. & 3 to 31 March). 3 (from 1 July to 29 Sep.)	8 (from 22nd Feb. 1911 to 29th Mar. 1911) 3 (from 1st July to 21st Sept.)	8 (from 26th Jan. to 6th Mar.) 3 (from 3rd Aug. to 31st Aug. 1911.) 4 (from 21st Sept. 1911 to 7th Feb. 1912.) 3 (from 1st Apl. to 20th Sept. 1911.)	8 (from 9th Jan. to 10th Feb. 1913.) 3 (from 11th July to 11th Sept. 1912.) 5 (from 17th Oct. 1912 to Mar. 1913.) 3 (from 9th May to 23th Aug. 1912.)	
7 (Nov. 7 to Dec. 31). 3 $\frac{1}{2}$ (Mar.)	3 (Apl. 1 to May 27 & Jan. 14 to Mar.) 2 $\frac{1}{2}$ (May 27 to J n. 13)	5 (October 21st to Decr. 8th) 2 $\frac{1}{2}$ (Apl. 1st to October 6th).	5 (Oct. 20th to Nov. 30th). 3 (June 9th to Sept. 28th and Mar. 9th to Mar. 31st.)			
4,10,83,000 (Mar.) 2,86,56,000 (Apl.)	4,19,82,000 (July) 3,04,47,000 (Jan.)	4,58,77,000 (July) 3,07,61,000 (Apl.)	4,10,08,000 (Sept.) 3,53,92,000 (June)	4,48,68,000 (Nov.) 3,68,74,000 (Feb.)	5,45,68,000 (July) 4,00,35,000 (Apl.)	
98-6 (May 4 to 7)	96-15 (Apl. 7)	95-5 (24 Aug.)	96-10 (2nd Aug.)	93-14 (9th Dec.)	97-2 (3rd to 6th May.)	
95-8 (Jan. 14 and 15). 82-8 (Apl. 1 to May 14).	93-2 (Mar. 16) 81-0 (July 18 to Mar. 31).	92-12 (4 to 7 Dec.) 82-0 (31 Aug. to 11 Nov.)	93-6 (7th Nov.) 82-0 (12th July to 19th Aug. and 15th Feb. to 31st Mar.)	94-12 (3rd & 4th Oct.) 82-0 (1st to 23rd Apl., 5th May to 24th Sept., 27th Sept., to 9th Oct., 20th Nov. to 31st Mar.)	94-12 (3rd & 6th Jan.) 83-0 (7th to 14th Oct.)	
79-0 (Feb. to Mar. 31).	79-0 (Apl. 1 to May 3).	79-12 (27 Nov.)	80-4 (5th Dec.)	81-0 (25th & 26th Sept.)	82-0 (1st to 24th Apl. & 24th Oct. to March.)	
16,44,30,000 (Apl.) 15,23,22,000 (Mar.) 65 $\frac{1}{2}$ (Apl. & May) 62 $\frac{1}{2}$ (Nov.) 103 (Feb.) 96 $\frac{1}{2}$ (Aug.) 93 (Feb.) 84 $\frac{1}{2}$ (Sep.) 79 $\frac{1}{2}$ (Feb.) 70 $\frac{1}{2}$ (Aug.)	15,29,69,000 (Apl.) 14,43,66,000 (Mar.) 63 $\frac{1}{2}$ (Apl.) 61 $\frac{1}{2}$ (Mar.) 102 $\frac{1}{2}$ (June) 95 $\frac{1}{2}$ (Mar.) 92 $\frac{1}{2}$ (Apl.) 84 $\frac{1}{2}$ (Mar.) 78 $\frac{1}{2}$ (Apl.) 70 (Jan.)	16,06,73,000 (Oct.) 14,81,15,000 (Apl.) 63 $\frac{1}{2}$ (Oct.) 61 $\frac{1}{2}$ (Apl.) 100 $\frac{1}{2}$ (May) 95 (March) 90 $\frac{1}{2}$ (Apl.) 81 $\frac{1}{2}$ (March) 76 (Apl.) 69 (March)	15,07,31,000 (Apl.) 12,78,50,000 (Mar.) 64 $\frac{1}{2}$ (Feb.) 62 $\frac{1}{2}$ (Oct.) 97 $\frac{1}{2}$ (Feb.) 92 $\frac{1}{2}$ (Sept.) 84 $\frac{1}{2}$ (Feb.) 79 $\frac{1}{2}$ (Sept.) 70 $\frac{1}{2}$ (Feb.) 66 (Sept.)	12,68,10,000 (Apl.) 11,73,04,000 (Mar.) 64 $\frac{1}{2}$ (Dec.) 63 $\frac{1}{2}$ (Oct.) 96 $\frac{1}{2}$ (Apl.) 91 (Sept.) 84 $\frac{1}{2}$ (Apl.) 76 $\frac{1}{2}$ (Sept.) 70 $\frac{1}{2}$ (Apl.) 65 $\frac{1}{2}$ (Sept.)	11,65,47,000 (Apl.) 11,15,13,000 (July) 64 $\frac{1}{2}$ (May) 63 $\frac{1}{2}$ (Feb. & Mar.) 94 $\frac{1}{2}$ (Apl.) 89 $\frac{1}{2}$ (Oct.) 80 $\frac{1}{2}$ (Apl.) 76 $\frac{1}{2}$ (Oct.) 6 $\frac{1}{2}$ (Apl.) 63 $\frac{1}{2}$ (Oct.)	
52,74,31,000 (Sept.) 41,81,65,000 (Jan.) 8,328 1,262,763 15,18,14,343 12'22 41,44,554	48,09,87,000 (July) 42,07,01,000 (Dec.) 8,501 1,318,632 15,23,41,514 115'53 5,27,171	54,40,84,000 (Mar.) 43,64,99,000 (Apl.) 8,767 1,378,916 15,86,71,736 115'07 63,30,272	59,16,45,000 (July) 49,67,01,000 (Dec.) 8,429 1,430,451 16,91,88,224 118'28 1,05,16,438	61,36,25,000 (Mar.) 54,68,58,000 (Apl.) 9,502 1,500,834 18,83,85,439 125'92 1,97,9,215	68,32,77,000 (Sept.) 58,33,57,000 (Apl.)	

(a) Include remittance of the Currency Department.
(b) Figures for 11 months (April to February).

Appendix—continued.

Commercial and Financial Statistics.

Table II.—Capital Expenditure on State Railways in 1911-1912, and Estimated Expenditure on such works in 1912-1913 and 1913-1914, and to end of 1913-1914.

RAILWAYS.	To end of 1910-1911.	Accounts, 1911-1912.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.	To end of 1913-1914.	Sanctioned outlay.	Balance remaining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Open Lines.								
Agra-Delhi Chord	1,35,57,370	7,68,866	1,83,000	1,60,000	1,46,69,236	1,46,69,236	...	
Ahmedabad-Dholka (earthwork, etc.)	59,900	...	...	...	59,900	59,900	...	
Akbarpur-Tanda	40,305	2,85,570	1,83,000	...	4,58,875	4,58,875	...	
Allahabad-Rae-Bareilly-Cawnpore	65,69,906	33,90,011	21,18,000	...	1,20,77,917	1,20,77,917	...	
Assam-Bengal (Construction)	8,67,71,239	26,78,044	26,70,000	63,01,000	9,84,20,283	9,84,20,283	...	
Ditto (Land)	42,87,534	2,00,443	3,25,000	4,65,000	52,77,977	52,77,977	...	
Baran-Kotah	45,65,880	30,917	51,000	...	46,47,797	46,47,797	...	
Bezwada Extension	12,18,789	2,052	12,000	2,000	12,34,841	12,34,841	...	
Bhopal	37,65,384	97,713	1,09,000	22,000	39,94,097	39,94,097	...	
Bombay, Baroda and Central India	44,72,49,518	53,66,342	1,13,34,000	2,00,29,000	48,39,78,860	48,39,78,860	...	
Burma	9,74,12,324	...	...	...	9,74,12,324	9,74,12,324	...	
Burma, Railway Extensions	2,14,66,981	1,40,664	4,50,000	1,00,000	2,21,57,645	2,21,57,645	...	
Coonoor-Ootacamund	36,38,320	1,33,618	98,000	3,63,000	42,32,938	42,32,938	...	
Dhaka-Sambhal	35,816	5,34,263	1,10,000	...	6,80,079	6,80,079	...	
Dhone-Kurnool	9,55,395	1,29,820	28,000	5,000	10,18,215	10,18,215	...	
East Indian	45,81,42,236	1,09,37,924	1,41,40,000	1,70,28,000	50,02,48,160	50,02,48,160	...	
Eastern Bengal	24,09,53,749	93,50,163	1,23,55,000	1,31,88,000	27,58,46,912	27,58,46,912	...	
East Coast—Northern Section	3,09,29,430	...	...	...	3,09,29,430	3,09,29,430	...	
Frontier Railway Reserve Material	43,90,320	3,115	2,000	...	43,91,435	43,91,435	...	
Gajranala-Chandpur	5,91,250	1,19,910	16,000	...	7,27,160	7,27,160	...	
Carried over	1,42,66,01,646	3,40,69,435	4,41,30,000	5,76,63,000	1,56,24,64,081	1,56,24,64,081	...	

Appendix—continued.

RAILWAYS.	To end of 1910-1911.	Accounts, 1911-1912.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.	To end of 1913-1914.	Sanctioned outlay.	Balance remaining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	1,42,66,01,646	3,40,69,435	4,41,80,000	5,76,63,000	1,56,24,64,081	1,56,24,64,081	...	
Open Lines.								
Great Indian Peninsula System	31,96,90,499	1,23,75,334	2,16,28,000	3,01,91,000	38,38,84,833	38,38,84,833	...	
Jodhpur-Hyderabad (British Section)	42,42,544	—19,115	89,000	1,25,000	44,37,429	44,37,429	...	
Jorhat	9,67,126	12,535	61,000	32,000	10,72,661	10,72,661	...	
Lucknow-Bareilly	51,21,139	...	...	...	51,21,139	51,21,139	...	
Madras and Southern Mahratta Railway (Madras Section)	15,30,02,943	—75,293	...	...	15,29,27,650	15,29,27,650	...	
North-Western	68,93,39,033	2,21,46,156	2,37,98,000	2,22,18,000	75,75,01,189	75,75,01,189	...	
Oudh and Rohilkhand	24,64,44,222	27,90,334	30,80,000	72,47,000	25,95,11,556	25,95,11,556	...	
Petroleum Operations, Baluchistan	1,19,187	...	...	...	1,19,187	1,19,187	...	
Rohilkund and Kumaon Railway (Kachhaghhat bridge)	76,416	...	...	...	76,416	76,416	...	
Smastipur-Roserah	90,807	5,62,733	1,00,000	99,000	8,52,540	8,52,540	...	
Shorkot Road Chichoki	73,93,532	5,12,027	1,57,000	...	80,67,609	80,67,609	...	
South Indian	14,16,49,777	33,16,200	74,99,000	1,09,90,000	16,34,54,977	16,34,54,977	...	
Tinnevely Quilon (British Section)	44,27,069	962	—7,000	5,000	44,26,031	44,26,031	...	
Ditto (Native State Section)	1,18,46,843	—22,743	—6,000	2,000	1,18,20,100	1,18,20,100	...	
Tirhoot and Extensions	7,48,85,735	6,57,528	16,60,000	14,87,000	7,86,90,263	7,86,90,263	...	
Chemical Laboratory, Kalimati . . . . .	...	19,486	75,000	...	94,486	94,486	...	
" " Alipur . . . . .	...	...	51,000	...	51,000	51,000	...	
Warora Colliery	11,10,032	...	...	...	11,10,032	11,10,032	...	
TOTAL OPEN LINES	3,03,70,13,600	7,63,45,579	10,22,65,000	13,00,59,000	3,39,56,83,179	3,39,56,83,179	...	

Appendix—continued.

RAILWAYS.	To end of 1910-1911.	Accounts, 1911-1912.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.	To end of 1913-1914.	Sanctioned Outlay.	Balance remaining unspent.	REMARKS.
	R.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
TOTAL OPEN LINES brought forward	3,08,70,13,600	7,63,45,579	10,22,65,000	13,00,59,000	3,39,56,83,179	3,39,56,83,179	...	
LINES UNDER CONSTRUCTION.							...	
Dharmapuri-Hosur Extension	7,46,868	6,64,132	6,58,000	1,29,000	21,98,000	23,29,856	1,31,856	
Itarsi-Nagpur and branch to Pench Valley Coalfields	79,13,103	43,23,782	48,00,000	25,37,000	1,95,73,885	3,35,88,822	1,40,14,937	
Lower Ganges Bridge Project	1,06,77,083	89,58,932	88,45,000	88,00,000	3,72,81,015	4,76,68,863	1,03,87,848	
Rajabhatkhawa-Dalsingpara . . . . .	...	3,07,571	3,25,000	51,000	6,83,571	7,58,119	74,548	
Roserah-Shakarpur-Khagari . . . . .	...	5,16,756	6,98,000	7,04,000	19,18,756	25,04,382	5,85,626	
Rangiya-Tangla	5,33,565	3,11,861	3,50,000	60,000	12,55,426	12,11,096	—44,530	
Broach-Jambusar	410	2,90,672	4,25,000	4,00,000	11,16,082	13,97,858	2,81,776	
Bayana-Agra	(a)70,201	17,73,093	17,00,000	51,000	35,94,294	45,93,777	9,99,483	
Cawnpur-Banda with branch from Sumerpur to Belatal	(b)77,608	19,48,642	28,00,000	18,00,000	66,26,250	1,35,09,920	68,83,670	
Jakhal-Hissar	94,795	17,56,239	7,25,000	2,94,000	28,70,034	29,03,057	33,023	(a) Includes Rs. 20,225 on account of survey outlay brought on to the construction account during 1910-11.
Sarai Kala-Havelian	1,30,206	13,19,121	26,50,000	3,50,000	44,49,327	41,00,000	—3,49,327	(b) Ditto Rs. 28,318
Singhjani-Fulchhari	96,213	4,74,914	8,00,000	6,71,000	20,42,127	15,50,325	—4,91,802	Ditto ditto
Jullundur-Hoshiarpur	(c)26,651	7,63,887	10,00,000	1,90,000	19,80,538	19,65,143	—15,395	Ditto Rs. 12,120
Laki-Pezu Tank . . . . .	...	...	3,75,000	...	3,75,000	25,28,432	21,53,432	Ditto ditto.
Carried over	2,03,66,703	2,34,09,602	2,61,51,000	1,60,37,000	8,59,64,305	12,06,09,650	3,46,45,345	
TOTAL OPEN LINES, carried over	3,08,70,13,600	7,63,45,579	10,22,65,000	13,00,59,000	3,39,56,83,179	3,39,56,83,179	...	

Appendix—continued.

RAILWAYS.	To end of 1910-1911.	Accounts, 1911-1912.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.	To end of 1913-1914.	Sanctioned Outlay.	Balance remaining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
TOTAL OPEN LINES, brought forward	3,08,70,13,600	7,63,45,579	10,22,65,000	13,00,59,000	3,39,56,83,179	3,39,56,83,179	...	
Brought forward	2,03,66,703	2,34,09,602	2,61,51,000	1,60,37,000	8,59,64,305	12,06,09,650	3,46,45,345	
Second section of the Bokharo-Ramgarh B. N. & E. I. Railways joint Line	...	...	6,50,000	4,52,000	11,02,000	13,98,470	2,96,470	
Southern Shan States	31,56,533	27,64,073	39,67,000	35,61,000	1,34,48,636	1,98,43,996	63,95,360	
Trans-Indus (Kalabagh Bannu with ferry)	16,52,942	21,40,446	12,50,000	3,43,000	53,86,388	56,20,339	2,33,951	
TOTAL LINES UNDER CONSTRUCTION	2,51,76,208	2,83,14,121	3,20,18,000	2,03,93,000	10,59,01,329	14,74,72,455	4,15,71,126	
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	4,94,385	7,37,726	1,66,000	...	13,98,111	13,98,111	...	
Payments to Bengal Nagpur Railway Company for Capital Stock respecting which the holders exercised the option of transfer to the Secretary of State for India.	...	...	...	71,000	71,000	71,000	...	
Dholpur Durbar Loan	...	...	4,00,000	...	4,00,000	4,00,000	...	
Reserves	...	...	...	13,40,000	13,40,000	13,40,000	...	
GRAND TOTAL, carried over	3,13,12,80,318	10,53,97,426	13,48,49,000	15,18,63,000	3,52,33,89,744	3,56,49,60,870	4,15,71,126	

APPENDIX—concluded.

RAILWAYS.	To end of 1910-1911.	Accounts, 1911-1912.	Revised Esti- mate, 1912-1913.	Budget Esti- mate, 1913-1914.	To end of 1913-1914.	Sanctioned Outlay.	Balance remaining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Grand Total, brought forward	3,13,12,80,318	10,53,97,426	13,48,49,000	15,18,63,000	3,52,33,89,744	3,56,49,60,870	4,15,71,126	
Distributed as under—								
CAPITAL EXPENDITURE ON RAILWAYS (not charged to Revenue)—								
State Railways — Construction*	2,06,88,64,423	10,47,20,759	13,41,30,000	15,17,02,000	2,45,94,17,182			
Redemption of Liabilities†	90,75,31,543	...	...	...	90,75,31,543			
Famine Relief and Insurance—								
Protective Railways	7,73,37,397	6,64,132	6,58,000	1,29,000	7,87,88,529			
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	5,45,35,712	...	...	...	5,45,35,712			
CONSTRUCTION OF RAILWAYS (charged to Provincial Revenues).	73,66,372	12,535	61,000	32,000	74,71,907			
OTHER EXPENDITURE charged against Revenue.	1,56,44,871	...	...	...	1,56,44,871			
Total as above	3,13,12,80,318	10,53,97,426	13,48,49,000	15,18,63,000	3,52,33,89,744	3,56,49,60,870	4,15,71,126	

* INCLUDES DEBENTURES RAISED BY COMPANIES—

Bombay, Baroda and Central India Railway	1,48,90,464	...	...	...	1,48,90,464
East Indian Railway	21,88,09,015	...	...	...	21,88,09,015
Great Indian Peninsula Railway	4,87,97,864	...	...	...	4,87,97,864
South Indian Railway	2,27,07,287	...	...	...	2,27,07,287
TOTAL	30,47,04,080	...	...	...	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	8,88,85,250
Madras and Southern Mahratta Railway	3,21,72,000
North Western Railway	7,86,74,820
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 1911-12, and estimated expenditure on such works in 1912-13 and 1913-14, and to the end of 1913-14.

	Actual outlay to end of 1910-11.	Accounts. 1911-12.	Revised Estimate, 1912-13.	Budget Estimate, 1913-14.	Total actual and estimated outlay to end of 1913-14.	Sanctioned estimate.	Balance of sanctioned estimate remaining to be spent.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
IRRIGATION WORKS.							
CAPITAL EXPENDITURE NOT CHARGED TO REVENUE.							
<i>Central Provinces.</i>							
Mahanadi Canal	68,470	83,618	4,50,000	10,75,000	16,77,088	96,09,475	79,32,387
Asola Mendha Tank	9,41,217	2,03,049	1,58,000	1,26,000	14,28,266	17,30,346	3,02,080
<i>Burma.</i>							
Mandalay Canal	52,06,452	10,957	1,000	3,000	52,21,409	52,60,754	39,345
Shwebo Canal	55,54,385	98,254	1,44,000	85,000	58,81,639	...	...
Mon Canals	47,73,858	3,75,553	1,38,000	88,000	53,75,411	...	...
Ye-u Canal	10,05,407	2,19,639	6,12,000	8,24,000	26,61,046	48,04,988	21,43,942
Twante Canal	2,95,918	12,96,641	19,08,000	14,00,000	49,00,559	86,86,218	37,85,659
<i>Bengal.</i>							
Midnapur Canal	83,11,696	—3,942	1,000	2,000	83,10,754	...	...
Hijili Tidal Canal	25,50,805	...	...	...	25,50,805	...	...
<i>Bihar.</i>							
Orissa Canals	2,61,94,135	19,832	49,000	58,000	2,63,20,967	...	...
Sone Canal	2,58,20,458	56,495	26,000	32,000	2,59,34,953	...	...
<i>United Provinces.</i>							
Ganges Canal, including Mat and Hathras Branches	3,18,77,342	7,02,372	7,25,000	10,71,000	3,43,75,714	3,49,83,787	6,08,073
Lower Ganges Canal	3,86,86,540	64,382	62,000	45,000	3,88,57,922	...	...
Agra Canal	1,09,95,675	1,07,778	1,15,000	82,000	1,13,00,453	...	...
Eastern Jumna Canal	47,34,911	23,079	36,000	21,000	48,14,990	...	...
Dun Canal*	12,15,319	1,08,277	23,000	15,000	13,61,596	...	...
Bijnor Canal*	2,63,081	14,982	3,000	16,000	2,97,063	...	...
<i>Punjab.</i>							
Western Jumna Canal	1,65,86,401	47,784	80,000	41,000	1,67,55,185	...	...
Upper Bari Doab Canal	2,02,92,903	4,23,772	—2,10,000	7,00,000	2,12,11,675	...	...
Lower ditto	81,76,328	37,46,795	41,00,000	33,00,000	1,93,23,123	2,16,69,940	23,46,817
Sirhind Canal	2,38,75,799	76,655	1,09,000	1,25,000	2,41,86,454	...	...
Upper Chenab Canal	2,30,74,341	34,40,959	24,07,000	23,00,000	3,12,22,300	3,61,31,583	49,09,283
Lower ditto	2,83,46,792	10,99,998	8,30,000	8,50,000	3,11,26,790	...	...
Upper Jhelum Canal	1,82,06,076	69,89,561	57,58,000	52,12,000	3,61,65,637	4,29,40,282	67,74,645
Lower ditto	1,58,03,378	—30,120	—34,000	1,00,000	1,58,39,258	1,83,95,782	25,56,524
Indus Inundation Canals	24,64,292	2,19,582	22,000	1,00,000	28,05,874	35,11,381	7,05,507
<i>North-West Frontier Province.</i>							
Paharpur Inundation Canal	9,15,786	—10,342	...	50,000	9,55,444	...	...
Upper Swat River Canal	53,25,001	30,41,452	31,23,000	32,00,000	1,46,89,453	1,77,64,752	30,75,299
Lower ditto	41,25,948	7,732	6,000	28,000	41,67,680	...	...
Kabul River Canal*	10,32,471	...	37,000	14,000	10,83,471	...	...
<i>Madras.</i>							
Godavari Delta System	1,22,80,122	1,10,417	1,22,000	2,16,000	1,27,28,539	1,27,31,228	52,689
Kistna Delta System	1,50,38,662	35,431	—25,000	6,000	1,50,55,093	1,51,57,434	1,02,341
Penner River Canals System	56,04,760	31,385	...	...	56,36,145	...	...
Periyar Project	1,01,31,661	10,779	18,000	31,000	1,01,91,440	1,02,44,014	52,574
Cauvery Delta System	38,09,342	51,763	43,000	70,000	39,74,105	39,97,306	23,201
Nagavalli River Project	13,75,839	88,478	93,000	65,000	16,22,317	17,47,770	1,25,453
Divi Island Project	18,05,577	13,370	8,000	12,000	18,38,947	19,50,000	1,11,053
Lower Coleroon Anicut*	17,93,189	23,265	...	...	18,16,454	...	...
Shatiatepe Anicut*	7,99,875	33,200	...	...	8,33,075	...	...
<i>Bombay.</i>							
Desert Canal	26,37,410	3,168	...	...	26,40,578	...	...
Begari Canal	21,04,930	90,486	80,000	61,000	23,36,416	...	...
Eastern Nara Works	65,70,506	11,978	...	58,000	66,40,484	69,31,165	2,90,681
Jamrao Canal	80,65,031	24,882	37,000	80,000	82,06,913	83,58,288	1,51,375
Mutha Canal	73,47,398	42,522	4,000	2,000	73,95,920	...	...
<i>Other projects</i>	3,96,49,039	1,94,625	7,28,000	6,26,000	4,11,97,664	...	...
<i>Deduct—Outlay incurred from Ordinary Revenues</i>	45,57,34,526	2,32,05,543	2,17,87,000	2,21,90,000	52,29,17,039	...	...
<i>Carried over</i>	7,14,17,030	1,57,585	1,60,000	1,90,000	7,19,24,615	...	...
Carried over	38,43,17,496	2,30,47,958	2,16,27,000	2,20,00,000	45,09,92,454	...	...

*Transferred to "49" from 1st April 1907.

APPENDIX—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1911-12, and estimated expenditure on such works in 1912-13, and 1913-14, and to the end of 1913-14.

	Actual outlay to end of 191-1911.	Accounts, 1911-12.	Revised Estimate, 1912-13.	Budget Estimate, 1913-14.	Total actual and estimated outlay to end of 1913-14.	Sanctioned estimate.	Balance of sanctioned estimate remaining to be spent.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Brought forward	38,43,17,496	2,30,47,958	2,16,27,000	2,20,00,000	45,09,92,484		
PROTECTIVE IRRIGATION WORKS.							
<i>Central Provinces.</i>							
Tank Projects	71,32,305	14,98,152	16,04,000	16,19,000	1,18,53,457	1,84,45,278	65,91,819
<i>Behar.</i>							
Tribeni Canal	53,72,753	5,88,845	7,00,000	6,61,000	73,22,598	73,29,392	6,794
<i>United Provinces.</i>							
Botwa Canal (including Dukwa weir)	77,40,276	52,673	60,000	27,000	78,79,949	79,00,595	20,646
Ken Canal	42,67,054	3,59,283	3,17,000	4,67,000	54,10,337	54,78,333	67,996
Dassan Canal	38,30,863	3,17,552	2,92,000	88,000	45,28,415		
Ghaggar Canal . . . . .	...	...	1,75,000	4,51,000	6,26,000	33,22,950	26,96,950
<i>Madras.</i>							
Rushikulya Project	46,36,486	—138	6,000	10,000	46,52,348	46,60,622	8,274
Mopad Project	5,15,135	—7,982	50,000	3,69,000	9,26,153	20,53,877	11,27,724
<i>Bombay.</i>							
Godaveri Canal	58,08,573	14,87,603	7,30,000	5,38,000	85,64,176	88,34,597	2,70,421
Chankapur Tank	15,95,537	39,305	62,000	99,000	17,95,842		
Nira Canal (including Shetphal Tank)	60,70,183	1,828	40,000	18,000	61,30,011	64,74,292	3,44,281
Budhihal Tank	4,89,385	284	...	...	4,89,669	13,98,529	9,08,860
Pravara River Project	7,14,494	8,05,941	10,96,000	12,38,000	28,54,435	31,36,368	42,81,933
Nira Right Bank Canal . . . . .	...	...	4,21,000	28,61,000	32,82,000	2,49,71,868	2,16,89,608
<i>Other Projects.</i>	68,56,690	2,47,807	2,94,000	2,41,000	76,39,497		
	5,50,29,734	53,91,153	58,47,000	86,87,000	7,49,54,887		
<i>Deduct—Outlay incurred from Ordinary Revenues</i>	25,50,303	...	...	...	25,50,303		
TOTAL	5,24,79,431	53,91,153	58,47,000	86,87,000	7,24,04,584		
GRAND TOTAL	43,67,96,927	2,84,39,111	2,74,74,000	3,06,87,000	52,33,97,038		

Appendix—continued.

Commercial and Financial Statistics.

Table IV.—Gross traffic receipts, working expenses, and net traffic receipts of State Railways for five years ending 1911-1912, with Revised Estimates for 1912-1913 and Budget Estimates for 1913-1914.

(Omitting 000, except in accounts.)

State Railways. (a)	ACCOUNTS.					Revised Estimate, 1912-1913.	Budget Estimate, 1913-14.
	1907-1908.	1908-1909.	1909-1910.	1910-1911.	1911-1912.		
Open mileage at beginning of year	M. 22,134	M. 23,643	M. 24,066	M. 24,604	M. 24,873	M. 25,176	M. 25,643
Gross Traffic Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
East Indian { England	3,450	3,450	3,450	3,450	3,450	3	3
{ India	8,18,29,919	8,22,05,033	8,08,60,767	8,79,77,711	9,24,96,744	10,45,00	10,40,00
Bhopal	4,83,588	4,29,276	4,68,717	5,70,168	5,58,428	9,00	7,00
Bengal-Nagpur	2,83,80,929	2,76,16,824	2,91,40,430	3,09,98,814	3,43,74,985	4,02,00	4,00,00
Burma Railways	1,74,88,747	1,78,99,015	1,82,14,382	1,86,56,276	1,96,08,933	2,02,00	2,00,00
Burma Railway Extensions	4,19,845	9,74,069	11,83,592	13,33,726	14,68,975	17,00	17,00
Assam-Bengal	47,94,957	47,40,919	49,62,475	52,65,372	57,94,913	66,00	66,00
Jorhat	98,874	99,592	95,895	95,331	1,16,465	1,10	1,10
Eastern Bengal	2,66,04,408	2,76,24,741	2,78,33,207	2,87,32,327	3,19,58,673	3,50,00	3,45,00
Bengal and North-Western, and Tirhoot.	77,40,075	81,56,998	77,47,023	82,93,536	90,52,105	95,00	95,00
Oudh and Rohilkhand	1,81,44,868	1,59,40,704	1,60,65,818	1,90,73,555	2,13,76,309	2,43,00	2,40,00
Lucknow-Bareilly	16,38,082	17,34,735	16,09,764	18,55,706	20,14,664	22,80	22,00
Hardwar-Dehra	3,90,329	3,76,179	3,79,351	3,94,918	4,54,183	4,20	4,20
North Western	6,86,60,087	5,64,77,585	7,13,05,408	7,36,47,723	8,23,59,967	8,98,00	9,00,00
South Indian	1,56,11,631	2,06,75,889	2,18,74,339	2,29,00,546	2,53,82,260	2,72,00	2,80,00
Mysore State lines	22,82,304	30,68,684	28,65,053	28,63,732	31,36,594	36,00	35,00
Dhone Kurnool	...	37,283	1,20,354	98,234	1,16,729	1,13	1,15
Nilgiri	3,34,093	...	...	...	...	...	...
Agra-Delhi Chord.	16,15,900	15,17,793	14,74,866	17,65,732	20,67,879	28,50	22,50
Bezwada Extension	3,15,375	3,38,623	3,12,154	3,42,614	3,54,266	3,90	3,90
Tinnevely-Quilon	6,17,960	6,54,829	6,45,739	7,03,544	7,79,707	8,20	8,35
Mayavaram-Mutupet	6,48,905	...	...	...	...	...	...
Jodhpur-Hyderabad (British Section)	8,36,348	6,66,318	8,38,085	9,11,724	12,63,365	13,50	13,50
Great Indian Peninsula including Indian Midland.	6,22,21,311	5,67,18,129	6,58,01,734	6,72,19,252	7,46,52,396	8,17,72	8,09,34
{ India	...	30,945	...	...	...	...	...
{ Eng-Indian Midland.	...	...	...	...	...	...	...
Bombay, Baroda and Central India system.	4,93,90,615	4,52,05,725	5,00,31,701	5,46,93,694	6,01,33,008	6,47,00	6,40,00
Bezwada-Masulipatam	47,640	...	...	...	...	...	...
Tirrupattur-Krishnagiri	43,173	...	...	...	...	...	...
Morappur-Dharmapuri	30,153	...	...	...	...	...	...
Kalka-Simla	8,11,867	...	...	...	...	...	...
Azikhah-Mangalore	1,41,890	...	...	...	...	...	...
Madras and Southern Maharashtra Railway	1,85,23,385	2,88,01,441	2,99,76,511	3,09,39,822	3,40,03,129	3,59,10	3,60,00
Baran-Kotah	...	3,536	48,152	1,03,829	1,58,809	2,85	1,96
In England	3,450	34,395	3,450	3,450	3,450	3	3
„ India	41,01,47,258	40,19,63,920	43,38,55,517	45,94,42,886	50,36,83,486	55,45,00	55,13,00
Total	41,01,50,708	40,19,98,315	43,38,58,967	45,94,46,336	50,36,86,936	55,45,03	55,12,03

Appendix—continued.

	ACCOUNTS.					Revised Estim. to, 1912-1913.	Budget Estimate, 1913-1914.
	1907-1908	1908-1909.	1909-1910.	1910-1911.	1911-1912.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Working Expenses.							
East Indian	3,37,69,955	3,77,78,791	3,15,30,260	3,46,89,701	3,78,56,380	3,91,00	3,84,54
Bhopal	2,56,517	2,66,974	2,70,261	3,22,174	3,08,269	4,65	4,03
Bengal-Nagpur	1,45,62,960	1,58,66,049	1,54,92,894	1,65,12,192	1,69,10,696	1,83,00	1,84,50
Burma Railways	1,06,50,234	1,07,64,252	1,17,45,957	1,18,78,505	1,22,08,310	1,24,00	1,24,35
Burma Railway Extensions	1,75,579	5,06,998	7,46,331	8,57,929	8,80,870	10,33	10,65
Assam-Bengal	43,23,165	46,61,697	44,68,125	44,19,964	45,37,442	45,50	47,60
Jorhat	90,157	80,960	96,184	80,826	84,107	88	87
Eastern Bengal	1,75,61,827	1,89,57,924	1,80,87,197	1,68,15,069	1,85,33,643	1,97,18	1,96,00
Bengal and North-Western, and Tirhoot	31,97,268	38,72,926	35,91,829	34,78,072	32,87,052	38,00	44,15
Oudh and Rohilkhand	1,24,02,628	1,19,18,752	96,19,432	94,10,663	98,21,809	1,08,00	1,14,77
Lucknow-Bareilly	8,08,758	8,35,010	9,08,190	7,93,862	9,44,794	8,85	9,80
Hardwar-Dehra	1,95,164	1,88,090	1,89,675	1,97,459	2,27,091	2,10	2,15
North Western	3,77,39,277	4,87,04,721	5,17,91,335	4,42,72,378	4,68,85,376	4,84,00	5,10,00
South Indian	75,02,146	1,15,81,369	1,15,05,566	1,21,01,646	1,28,95,102	1,50,00	1,65,90
Mysore State lines	13,78,810	19,32,434	16,87,667	17,58,808	18,01,729	19,50	19,61
Dhone Kurnool . . . . .	...	19,797	78,554	64,235	92,010	82	80
Nilgiri	2,82,952	...	...	...	...	...	...
Agra-Delhi Chord	8,70,411	9,47,681	8,52,669	10,13,130	12,04,585	14,98	13,02
Bezwada Extension	1,31,493	1,46,999	1,59,599	1,84,361	2,13,450	2,31	2,09
Tinnevely-Quilon	3,00,932	3,66,487	3,53,520	3,73,822	4,31,969	4,60	5,13
Mayavaram-Mutupet	3,55,157	...	...	...	...	...	...
Jodhpur-Hyderabad (British Sec- tion)	4,75,202	4,18,681	4,80,101	5,07,815	5,62,635	6,20	6,42
Great Indian Peninsula including Indian Midland	3,56,11,997	3,49,32,239	3,60,61,763	3,91,45,780	4,02,02,371	4,40,67	4,50,62
Bombay, Baroda and Central India System	2,48,78,191	2,57,74,435	2,50,80,694	2,72,54,979	2,99,73,315	3,11,00	3,20,00
Bezwada-Masulipatam	21,438	...	...	...	...	...	...
Tiruppattur-Krishangiri	36,932	...	...	...	...	...	...
Morappur-Dharmapuri	26,966	...	...	...	...	...	...
Kalka-Simla	4,50,581	...	...	...	...	...	...
Azikhah-Mangalore	87,005	...	...	...	...	...	...
Madras and Southern Mahratta Railway	1,19,61,808	1,83,57,779	1,83,91,988	1,86,69,948	1,90,03,314	2,01,00	2,04,37
Baran-Kotah . . . . .	...	1,955	24,971	51,109	79,405	1,42	1,12
Total	22,01,05,510	24,88,83,000	24,32,14,762	24,48,54,427	25,89,45,724	27,40,00	28,22,49

Appendix—continued.

	ACCOUNTS.					Revised Estimate, 1912-13.	Budget Estimate, 1913-14.
	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net Traffic Receipts.							
East Indian	4,80,63,414	4,44,29,692	4,93,33,957	5,32,91,460	5,46,43,814	6,64,03	6,55,49
Bhopal	2,27,071	1,62,302	1,98,456	2,47,994	2,50,159	4,35	2,97
Bengal-Nagpur	1,38,17,969	1,17,50,775	1,36,47,536	1,44,86,622	1,74,64,289	2,19,00	2,15,50
Burma Railways	68,38,513	71,34,763	64,68,423	67,77,771	74,00,623	78,00	75,65
Burma Railway Extensions	2,44,266	4,67,071	4,37,263	4,75,797	5,88,105	6,67	6,35
Assam-Bengal	4,71,792	79,222	4,94,350	8,45,408	12,57,471	20,50	18,40
Jorhat	8,717	18,632	—289	14,505	32,358	22	23
Eastern Bengal	90,42,581	86,66,817	97,46,010	1,19,17,258	1,34,25,030	1,52,82	1,49,00
Bengal and North-Western, and Tirhoot	45,42,807	42,84,072	41,55,194	48,15,464	57,65,053	57,00	50,85
Oudh and Rohilkhand	57,42,240	40,21,952	64,46,386	96,62,892	1,15,54,500	1,35,00	1,25,23
Lucknow-Bareilly	8,29,324	8,99,725	7,01,574	10,61,844	10,69,870	13,95	12,20
Hardwar-Dehra	1,95,165	1,88,089	1,89,676	1,97,459	2,27,092	2,10	2,05
North Western	3,09,20,810	77,72,864	1,95,14,073	2,93,75,345	3,54,74,591	4,14,00	3,90,00
South Indian	81,09,485	90,94,520	1,03,68,773	1,07,98,900	1,24,87,158	1,22,00	1,14,10
Mysore State lines	9,03,494	11,36,250	11,77,386	11,09,924	13,34,865	16,50	15,39
Dhone Kurnool . . . . .	...	17,486	41,800	33,999	24,719	31	35
Nilgiri	51,141	...	...	...	...	...	...
Agra Delhi Chord	7,45,489	5,70,112	6,22,197	7,52,602	8,63,294	13,51	9,48
Bezwada Extension	1,83,882	1,91,624	1,52,555	1,58,253	1,40,816	1,59	1,81
Tinnevely-Qulion	3,17,028	2,88,342	2,92,219	3,29,722	3,47,738	3,60	3,22
Mayavaram-Mutupet	2,93,748	...	...	...	...	...	...
Jodhpur-Hyderabad (British Section)	3,61,146	2,47,637	3,57,984	4,02,909	7,00,730	7,30	7,08
Great Indian Peninsula including Indian Midland	2,66,09,314	2,18,16,835	2,97,39,971	2,80,73,472	3,44,50,025	3,77,05	3,58,72
Bombay, Baroda and Central India System	2,45,12,424	1,94,31,290	2,49,51,007	2,74,38,715	3,01,59,693	3,36,00	3,20,00
Bezwada Masulipatam	26,202	...	...	...	...	...	...
Tirrupattur-Krishnagiri	6,241	...	...	...	...	...	...
Morrappur-Dharmapuri	3,187	...	...	...	...	...	...
Kalka-Simla	3,61,286	...	...	...	...	...	...
Azikhah-Mangalore	54,885	...	...	...	...	...	...
Madras and Southern Mahratta Railway	65,61,577	1,04,43,662	1,15,84,523	1,22,69,874	1,49,99,815	1,58,10	1,55,63
Baran-Kotah . . . . .	...	1,581	23,181	52,720	79,404	1,43	84
Total	19,00,45,198	15,31,15,815	19,06,44,205	21,45,91,909	24,47,41,212	28,05,03	26,90,54

APPENDIX—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works for five years ending 1911-12, with Revised Estimates for 1912-13, and Budget Estimate for 1913-1914.

	ACTUALS.					Revised Estimate, 1912-13.	Budget Estimate, 1913-14.
	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.		
DIRECT RECEIPTS—	Rs.	Rs.	Rs.	Rs.	Rs.		
Mandalay canal	3,91,658	2,76,217	2,91,443	2,86,156	2,94,909	2,88,000	2,90,000
Shwebo canal	2,68,091	3,15,471	5,19,267	5,34,592	6,20,521	6,20,000	6,22,000
Midnapur canal	1,53,330	1,74,734	2,02,123	2,07,396	2,15,470	2,14,000	2,27,000
Hijili Tidal canal	58,703	46,055	63,742	55,357	62,657	49,000	53,000
Orissa canals	4,87,689	5,14,772	5,27,884	5,17,673	5,37,234	5,23,000	5,39,000
Sone canals	16,63,360	18,71,088	18,95,202	17,69,789	16,95,488	16,69,000	17,62,000
Ganges canal (including Hathras Branch)	40,27,680	40,65,922	37,41,594	35,28,071	34,48,523	35,86,000	35,39,000
Lower Ganges canal	28,24,929	26,94,110	23,85,462	26,54,428	27,91,733	22,58,000	23,85,000
Ditto, Fatehpur Branch	3,01,590	3,64,066	3,45,349				
Agra canal	8,28,606	8,17,525	8,02,427	7,40,050	6,60,252	6,60,000	7,49,000
Eastern Jumna canal	15,27,883	18,84,614	14,53,383	12,64,610	12,30,994	11,60,000	12,82,000
† Dun canal	98,696	1,18,886	1,16,223	1,15,654	1,00,842	93,000	97,000
† Bijnor canal	18,760	26,778	30,111	31,665	27,888	33,000	25,000
Betwa canal	2,11,431	1,19,447	2,86,365	1,83,900	2,28,513	1,52,000	1,42,000
Western Jumna canal	30,70,580	24,11,139	21,64,690	20,67,901	23,50,104	27,60,000	27,00,000
Upper Bari Doab canal	33,86,707	35,16,300	35,33,808	35,80,939	38,33,926	43,03,000	42,50,000
Sirhind canal	31,05,728	30,19,407	21,04,786	20,23,490	30,60,221	47,00,000	44,27,000
Lower Chenab canal	60,71,272	71,18,579	84,95,508	90,10,924	86,28,091	87,90,000	88,26,000
Lower Jhelum canal	13,62,674	19,34,822	21,04,205	23,14,947	22,77,355	26,82,000	25,90,000
Indus Inundation canals	1,20,276	1,44,057	1,78,155	1,72,463	2,76,057	2,60,000	2,50,000
Lower Swat River canal	5,32,841	5,43,658	5,67,754	5,44,662	5,50,387	6,10,000	5,70,000
Kabul River canal	1,25,644	1,56,585	1,63,762	1,56,353	1,45,008	2,00,000	1,60,000
Godavari Delta system	1,17,722	1,24,262	1,27,098	1,29,856	1,25,557	1,27,000	1,27,000
Kistna " "	81,657	83,697	88,683	88,473	82,948	88,000	87,000
Cauvery Delta system	3,373	2,407	4,549	6,000	4,576	5,000	5,000
Pennér River canals	2,727	5,798	2,074	3,274	3,028	2,000	2,000
Periyar project	3,375	3,956	10,241	13,803	8,785	11,000	10,000
Rushikulya project	2,457	2,637	2,777	1,309	1,473	2,000	2,000
Lower Coleroon anicut system	2,591	1,679	2,320	2,187	1,281	2,000	1,000
Shatiatope anicut "	866	744	815	498	701	...	...
Desert canal	75,284	66,755	1,01,774	91,208	85,707	75,000	85,000
Begari " "	41,325	44,222	43,131	35,717	10,826	30,000	30,000
Eastern Nara works	49,406	31,654	23,572	23,572	26,486	23,000	23,000
Jamrao canal	16,438	16,101	20,238	27,066	29,310	25,000	25,000
Mutha canals	3,43,020	3,66,300	3,54,618	3,96,247	4,33,565	3,25,000	3,50,000
Nira canal	4,60,671	2,95,164	4,01,109	3,20,314	4,36,893	4,40,000	4,81,000
Other projects	12,31,125	10,34,748	14,49,919	14,20,214	14,35,679	17,15,000	23,46,000
TOTAL	3,31,20,215	3,37,14,356	3,46,06,161	3,43,20,758	3,57,22,988	3,84,80,000	3,90,59,000
PORTION OF LAND REVENUE DUE TO IRRIGATION—							
Mandalay canal	5,505	53,345	53,648	51,637	51,713	59,000	60,000
Shwebo canal	24,076	26,791	42,934	65,758	86,540	79,000	87,000
Ganges canal	9,22,411	9,23,276	9,29,409	9,35,716	9,43,958	9,44,000	9,44,000
Lower Ganges canal	4,16,669	4,16,669	4,29,702	4,43,493	4,58,555	4,58,000	4,58,000
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	24,980	25,000	25,000
† Bijnor canal	14,984	14,984	14,984	14,984	14,984	15,000	15,000
Carried over	16,62,965	17,14,385	17,49,997	17,90,520	18,34,632	18,34,000	18,43,000

* Excluding Civil Officers' figures as under :—

	Revised. Rs.	Budget. Rs.
United Provinces	1,62,000	1,64,000
Punjab	4,43,000	70,000
Total	6,05,000	2,34,000

† 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 1911-12, with Revised Estimates for 1912-13 and Budget Estimates for 1913-14—continued.

	ACTUALS.					Revised Estimate, 1912-13.	Budget Estimate, 1913-14.
	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
PORTION OF LAND REVENUE DUE TO IRRIGATION—contd.							
Brought forward	16,62,665	17,14,385	17,49,997	17,90,520	18,34,682	18,34,000	18,43,000
Western Jumna canal . . . . .	...	30	130	2,75,526	2,23,412	2,75,000	2,75,000
Upper Bari Doab canal	3,13,004	3,19,853	3,25,331	3,25,187	3,26,150	3,26,000	3,26,000
Lower Chenab canal	10,51,332	13,34,580	16,99,083	17,07,676	41,42,468	50,87,000	54,04,000
Lower Jhelum "	3,19,280	3,78,515	4,03,869	4,92,381	4,87,614	15,00,000	14,00,000
Indus Inundation canals	3,16,389	2,44,200	2,74,563	2,72,611	2,78,279	2,71,000	2,71,000
Lower Swat River canal	50,393	50,451	50,376	50,568	50,601	50,000	50,000
† Kabul River canal	2,175	39,872	5,436	5,649	14,869	6,000	6,000
Godavari Delta System	34,23,425	35,14,232	34,04,415	33,75,550	38,02,481	36,14,000	36,14,000
Kistna " "	31,27,650	32,07,665	32,62,547	32,92,091	33,31,473	33,72,000	33,72,000
Cauvery " "	9,32,393	9,32,320	9,37,511	9,40,214	9,97,224	9,97,000	9,97,000
Pennér River canals	5,30,680	5,74,297	4,08,308	5,79,763	5,38,177	5,38,000	5,38,000
Periyar project	5,19,689	5,20,865	5,34,958	5,34,393	5,49,381	5,44,000	5,77,000
Rushikulya Project	1,04,557	1,09,070	1,16,318	1,36,833	1,45,868	1,58,000	1,60,000
† Lower Coleroon anicut system	2,77,144	2,78,952	2,81,959	2,78,803	2,79,648	2,82,000	2,82,000
† Shatiatope anicut " "	1,04,152	1,06,654	1,00,733	1,01,874	1,03,736	1,04,000	1,04,000
Desert canal	1,32,387	2,68,678	2,29,577	2,51,332	2,09,297	2,44,000	2,87,000
Begari " "	5,27,973	5,49,748	4,80,083	4,57,215	1,53,850	2,45,000	2,55,000
Eastern Nara Works	4,62,011	5,53,772	5,28,887	5,88,428	6,13,899	6,37,000	6,38,000
Jamrao canal	6,24,200	4,59,024	5,57,621	6,42,662	6,68,637	7,40,000	7,57,000
Mutha canal	-9,208	-10,899	-10,117	-12,088	-14,020	...	...
Nira canal	-22,407	-14,214	-19,764	-15,768	-21,638	...	...
Other projects	11,57,797	12,33,550	14,39,471	15,97,585	15,55,889	17,66,000	17,90,000
TOTAL	1,56,07,889	1,63,65,668	1,67,60,820	1,76,70,078	2,02,71,977	2,25,90,000	2,29,46,000
TOTAL REVENUE—							
Mandalay canal	3,97,163	3,29,562	3,45,091	3,37,793	3,46,622	3,47,000	3,50,000
Shwebo canal	2,92,167	3,42,262	5,62,201	6,00,350	7,07,061	6,99,000	7,09,000
Midnapur canal	1,53,330	1,74,734	2,02,123	2,07,396	2,15,470	2,14,000	2,27,000
Hijili Tidal canal	58,703	46,055	63,742	55,357	62,657	49,000	53,000
Orissa canals	4,87,689	5,14,772	5,27,884	5,17,673	5,37,234	5,23,000	5,39,000
Sone canals	16,63,360	18,71,088	18,95,202	17,69,789	16,95,488	16,69,000	17,62,000
Ganges canal (including Hathras Branch)	49,50,091	49,89,198	46,71,003	44,63,787	43,92,481	45,30,000	44,83,000
Lower Ganges canal	32,41,598	31,10,779	28,15,164	30,97,921	32,50,288	27,16,000	28,43,000
Ditto Fatehpur Branch	3,01,978	3,64,454	3,45,737				
Agra canal	8,28,606	8,17,525	8,02,427	7,40,050	6,60,252	6,60,000	7,49,000
Eastern Jumna canal	17,81,825	16,38,566	17,07,335	15,18,562	14,84,846	14,14,000	15,36,000
† Dun canal	1,23,676	1,43,866	1,41,203	1,40,634	1,25,822	1,18,000	1,22,000
† Bijnor canal	33,744	41,762	45,095	46,649	42,872	43,000	40,000
Betwa canal	2,11,431	1,19,447	2,86,965	1,83,900	2,28,513	1,52,000	1,42,000
Western Jumna canal	30,70,580	24,11,169	21,61,820	23,43,487	25,73,516	30,35,000	29,75,000
Upper Bari Doab canal	26,99,711	38,26,153	38,59,139	39,06,126	41,60,076	46,29,000	45,76,000
Sirhind canal	31,05,728	30,19,407	21,04,786	20,23,490	30,60,221	47,00,000	44,27,000
Lower Chenab canal	71,22,604	84,53,159	1,01,94,591	1,07,18,600	1,27,70,559	1,38,77,000	1,42,30,000
Lower Jhelum canal	16,81,954	23,13,337	25,07,574	28,08,328	27,64,969	41,82,000	39,90,000
Indus Inundation canals	4,36,665	3,88,257	4,52,718	4,45,082	5,54,336	5,31,000	5,21,000
Lower Swat River canal	5,83,234	5,94,109	6,18,130	5,95,230	6,00,988	6,60,000	6,20,000
† Kabul river canal	1,27,819	1,96,464	1,69,198	1,62,002	1,59,877	2,06,000	1,66,000
Godavari Delta System	35,41,147	36,38,494	35,31,517	35,05,406	39,28,038	37,41,000	37,41,000
Kistna " "	32,09,307	32,91,362	33,51,230	33,80,564	34,14,421	34,60,000	34,59,000
Carried over	4,11,04,120	4,26,45,981	4,33,64,275	4,35,68,176	4,77,36,707	5,21,60,000	5,22,60,000

† 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 1911-12, with Revised Estimates for 1912-13, and Budget Estimates for 1913-14—continued.

	ACTUALS.					Revised Estimate, 1912-13.	Budget, Estimate, 1913-14.
	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TOTAL REVENUE—cont'd.							
Brought forward	4,11,04,120	4,26,45,981	4,33,64,275	4,35,68,176	4,77,36,707	5,21,60,000	5,22,60,000
Cauvery Delta System	9,35,766	9,34,787	9,42,068	9,46,219	10,01,800	10,02,000	10,02,000
Penner River canals	5,33,407	5,80,095	4,10,382	5,83,037	5,41,205	5,40,000	5,40,000
Periyar Project	5,23,064	5,24,821	5,45,199	5,48,196	5,58,166	5,55,000	5,87,000
Rushikulya Project	1,07,014	1,11,707	1,19,095	1,38,142	1,47,341	1,60,000	1,62,000
†Lower Coleroon anicut system	2,79,735	2,80,631	2,84,279	2,80,990	2,80,929	2,84,000	2,83,000
†Shatitope anicut system	1,05,018	1,07,398	1,01,548	1,02,372	1,04,437	1,04,000	1,04,000
Desert canal	2,07,671	3,35,433	3,31,351	3,42,540	2,95,004	3,19,000	3,72,000
Begari	5,63,298	5,93,970	5,23,214	4,92,932	1,64,676	2,75,000	2,85,000
Eastern Nara Works	5,11,425	5,85,427	5,52,459	6,12,000	6,40,385	6,60,000	6,61,000
Jamrao canal	6,40,688	4,75,125	5,77,867	6,69,728	6,97,947	7,65,000	7,82,000
Mutha canal	3,33,812	3,55,401	3,44,501	3,84,159	4,19,545	3,25,000	3,50,000
Nira canal	4,38,264	2,80,950	3,81,345	3,04,546	4,15,255	4,40,000	4,81,000
Other projects	24,38,922	22,68,298	28,89,398	30,17,799	29,91,568	34,81,000	41,36,000
TOTAL	4,87,28,204	5,00,80,024	5,13,66,981	5,19,90,836	5,59,94,965	6,10,70,000	6,20,05,000
WORKING EXPENSES—							
Mundlay canal	81,472	82,392	81,457	94,787	81,603	92,000	94,000
Shwebo canal	1,19,394	1,19,591	1,37,721	1,66,463	2,10,659	2,47,000	2,31,000
Midnapore canal	1,84,291	2,12,361	2,21,375	1,90,318	2,43,964	2,44,000	1,87,000
Hijili Tidal canal	40,783	46,676	55,740	74,508	33,122	32,000	53,000
Orissa canals	4,30,069	4,19,057	4,44,664	4,47,819	4,06,871	4,08,000	4,51,000
Sone canals	7,51,790	6,98,982	7,04,989	7,15,221	6,58,557	6,67,000	7,52,000
Ganges canal	12,22,219	12,56,713	12,97,630	11,86,609	12,22,142	9,53,000	9,84,000
Lower Ganges canal	10,43,099	10,36,765	10,08,748	11,18,824	10,39,189	10,66,000	10,21,000
Ditto Fatehpur Branch	1,33,344	1,37,413	1,34,651				
Agra canal	3,16,712	3,35,275	3,83,954	3,34,822	3,36,986	3,41,000	3,01,000
Eastern Jamna canal	4,18,193	4,11,535	4,83,584	4,38,285	4,05,534	3,77,000	3,45,000
†Dun canal	81,194	1,09,600	1,33,133	1,06,572	80,845	83,000	90,000
†Bijnor canal	16,589	16,765	21,395	21,303	26,698	26,000	22,000
Betwa canal	1,23,490	1,33,140	1,17,460	1,31,059	1,56,583	1,69,000	1,65,000
Western Jumna canal	9,89,606	9,92,668	10,61,811	10,43,129	11,49,041	11,00,000	11,45,000
Upper Bari Doab canal	14,86,234	13,44,928	13,24,386	13,26,549	16,32,005	16,00,000	16,00,000
Srhind canal	9,20,563	8,99,546	8,28,628	8,45,564	9,29,748	9,50,000	9,70,000
Lower Chenab canal	18,65,256	19,28,633	23,37,425	22,67,303	23,70,127	23,50,000	23,00,000
Lower Jhelum canal	7,23,559	8,26,808	8,00,166	8,29,014	9,94,308	9,20,000	8,25,000
Indus Inundation canals	3,69,311	4,47,559	6,83,949	6,76,704	4,04,818	4,00,000	3,00,000
Lower Swat River canal	1,18,842	1,36,679	1,40,726	1,43,055	1,70,436	1,59,000	71,000
†Kabul River canal	96,616	60,122	72,283	97,600	1,07,147	1,19,000	89,000
Godavari Delta System	7,11,456	7,69,866	8,32,095	7,80,126	7,73,247	7,00,000	7,52,000
Kistna	5,33,036	5,67,852	5,53,559	7,10,514	6,28,138	5,76,000	6,19,000
Cauvery	81,303	1,54,028	1,17,419	1,87,852	1,20,350	1,23,000	1,27,000
Penner River canals	67,953	70,682	68,934	75,370	52,498	58,000	69,000
Periyar Project	1,65,530	1,61,144	1,35,374	1,14,356	1,30,707	1,19,000	1,23,000
Rushikulya Project	41,387	47,355	43,383	36,767	44,334	36,000	39,000
†Lower Coleroon anicut system	75,771	59,902	60,021	92,123	88,904	1,03,000	50,000
†Shatitope anicut system	23,784	22,218	20,343	25,551	30,594	24,000	21,000
Desert canal	1,79,374	1,26,153	1,13,096	1,37,454	1,39,730	1,27,000	1,45,000
Carried over	1,34,12,220	1,36,32,408	1,44,35,099	1,44,15,621	1,46,68,885	1,41,69,000	1,39,41,000

† 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 1911-12, with Revised Estimates for 1912-13, and Budget Estimates for 1913-14—continued.

	ACTUALS.					Revised Estimate, 1912-13.	Budget Estimate, 1913-14.
	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.		
	Rs.	Rs.	Rs.	Rs.	Rs.		
Brought forward	1,34,12,220	1,36,32,408	1,44,35,099	1,44,15,621	1,46,68,885	1,41,69,000	1,39,41,000
WORKING EXPENSES—concl'd.							
Begari canal	56,636	1,00,364	79,377	1,80,608	1,30,759	1,10,000	1,66,000
Eastern Nara Works	1,65,291	2,19,669	1,64,741	1,94,170	2,49,693	1,67,000	1,50,000
Jamrao canal	2,92,478	3,42,833	2,70,771	2,81,773	2,94,425	3,15,000	2,90,000
Mutha canals	94,580	1,01,410	1,04,492	99,945	96,886	95,000	79,000
Nira canal	74,710	74,026	70,048	74,003	77,769	1,32,000	1,20,000
Other projects	9,64,222	10,78,116	12,88,638	13,98,199	16,58,126	21,26,000	26,73,000
TOTAL	1,50,60,137	1,55,48,826	1,64,13,166	1,66,44,319	1,71,76,543	1,71,14,000	1,74,19,000
						*	*
NET REVENUE—							
Mandalay canal	3,15,691	2,47,170	2,63,634	2,43,006	2,65,019	2,55,000	2,56,000
Shwebo canal	1,72,773	2,22,671	4,24,480	4,33,837	4,96,402	4,52,000	4,78,000
Midnapur canal	—30,961	—37,627	—19,252	17,078	—23,494	—30,000	40,000
Hijili Tidal canal	17,920	—621	8,002	—19,151	29,535	17,000	...
Orissa canals	57,620	95,715	83,220	69,854	1,30,363	1,15,000	88,000
Sone canals	9,11,570	11,72,106	11,90,213	10,54,568	10,36,931	10,02,000	10,10,000
Ganges canal (including Hathras Branch)	37,27,872	37,32,485	33,73,373	32,77,178	31,70,339	35,77,000	34,99,000
Lower Ganges canal	21,98,499	20,74,014	18,06,416	19,79,097	22,11,099	16,50,000	18,22,000
Ditto, Fatehpur Branch	1,68,634	2,27,041	2,11,086				
Agra canal	5,11,894	4,82,250	4,18,473	4,05,228	3,23,266	3,19,000	4,48,000
Eastern Jumna canal	13,63,642	12,27,031	12,23,751	10,80,277	10,79,412	10,37,000	11,91,000
Dun canal	42,482	34,266	8,070	34,062	44,977	35,000	32,000
Bijnor canal	17,155	24,997	23,700	25,346	16,174	22,000	18,000
Betwa canal	87,941	—13,693	1,68,905	52,841	71,930	—17,000	—23,000
Western Jumna canal	20,80,974	14,18,471	11,02,879	13,00,358	14,24,475	19,35,000	18,30,000
Upper Bari Doab canal	22,13,477	24,91,225	25,34,753	25,79,577	25,28,071	30,29,000	29,76,000
Sirhind canal	21,85,165	21,19,861	12,76,158	11,77,926	21,30,473	37,50,000	34,57,000
Lower Chenab canal	52,57,348	65,24,526	78,57,166	84,51,297	1,04,00,432	1,15,27,000	1,19,30,000
Lower Jhelum canal	9,58,395	14,86,529	17,07,408	19,79,314	17,70,661	32,62,000	31,65,000
Indus Inundation canals	67,354	—59,302	—2,36,231	—2,31,622	1,49,518	1,31,000	2,21,000
Lower Swat River canal	4,64,392	4,57,430	4,77,404	4,52,175	4,30,552	5,01,000	5,49,000
Kabul River canal	31,203	1,36,342	96,915	64,402	52,730	87,000	77,000
Godavari delta system	28,29,691	28,68,628	26,99,422	27,25,280	31,54,791	30,41,000	29,89,000
Kistna	26,76,271	27,23,510	27,92,671	26,70,050	27,86,283	23,84,000	23,40,000
Cauvery Delta system	8,54,463	7,80,759	8,24,649	7,58,367	8,81,450	8,79,000	8,75,000
Penner River canals system	4,65,454	5,09,413	3,41,448	5,07,667	4,88,707	4,82,000	4,71,000
Periyar Project	3,57,534	3,63,677	4,09,825	4,33,840	4,27,459	4,36,000	4,64,000
Rushikulya project	65,627	64,352	70,712	1,01,375	1,03,007	1,24,000	1,23,000
Lower Coleroon anicut system	2,03,964	2,20,729	2,24,258	1,88,567	1,92,025	1,81,000	2,33,000
Shatiatepe anicut	81,234	85,180	81,205	76,821	73,843	80,000	83,000
Desert canal	28,297	2,09,280	2,18,255	2,05,086	1,55,274	1,92,000	2,27,000
Begari	5,12,662	4,93,606	4,43,837	3,12,324	33,917	1,65,000	1,19,000
Eastern Nara Works	3,46,134	3,65,758	3,87,718	4,17,830	3,90,692	4,93,000	5,11,000
Jamrao canal	3,48,210	1,32,292	3,07,096	3,87,955	4,03,522	4,50,000	4,92,000
Mutha canals	2,39,232	2,53,991	2,40,009	2,84,214	3,22,659	2,30,000	2,71,000
Nira canal	3,63,554	2,06,924	3,11,297	2,30,543	3,37,486	3,03,000	3,61,000
Other projects	14,74,700	11,90,212	16,00,890	16,19,600	13,33,442	13,55,000	14,63,000
TOTAL	3,36,68,067	3,45,31,198	3,49,53,815	3,53,46,517	3,88,18,422	4,39,56,000	4,45,86,000

* Excluding Civil Officers' figures as under :—

	Revised. Rs.	Budget. Rs.
United Provinces	18,000	18,000
Punjab	3,000	2,000
	<u>21,000</u>	<u>20,000</u>

Appendix—continued.

Table VI.—Capital Account of Subsidized Railways.

Actuals, 1911-1912.

RAILWAYS.		Amount in Rupees.	Amount in sterling at contract rates.	Equivalent at Rs. 15 = £1.	Exchange.
		Rs.	£	Rs.	Rs.
Subsidized Railways.					
Receipts.					
Capital received in India.	Amritsar-Patti-Kasur	1,67,955	11,197	1,67,955	...
	Idar Road Brahmakhed . . . . .				...
	Ahmedabad-Dholka	3,30,495	22,093	3,30,495	...
	Ahmedabad-Parantij				
	Tapti Valley . . . . .				...
	Hardwar-Dehra	6,000	400	6,000	...
	Mymensingh-Jamalpur-Jagannathganj	34,005	2,267	34,005	...
Murtazpur-Ellichpur	3,24,000	21,600	3,24,000	...	
Total Receipts		8,62,455	57,497	8,62,455	...
Withdrawals in India.					
Assam Bengal		-5,73,617	-38,241	-5,73,617	...
Bengal Nagpur		2,93,036	19,536	2,93,036	...
Ditto Extensions		45,77,586	305,172	45,77,586	...
Burma		22,22,775	148,185	22,22,775	...
Lucknow-Bareilly		-76,669	-5,111	-76,669	...
Madras and Southern Mahratta		-25,26,719	-168,448	-25,26,719	...
		39,16,392	261,093	39,16,392	...
Amritsar-Patti-Kasur		1,08,874	7,258	1,08,874	...
Idar Road Brahmakhed . . . . .					...
Tapti Valley	}	3,01,345	20,000	3,01,345	...
Ahmedabad-Dholka					
Ahmedabad-Parantij . . . . .					...
Hardwar-Dehra		26,731	1,782	26,731	...
Mymensingh-Jamalpur-Jagannathganj		41,868	2,791	41,868	...
Murtazpur-Ellichpur		3,24,000	21,600	3,24,000	...
		8,02,818	53,521	8,02,818	...
Total Withdrawals		47,19,210	314,614	47,19,210	...
Net Withdrawals		38,56,755	257,117	38,56,755	...

Appendix—continued.

Table VI.—Capital Account of Subsidized Railways—continued.

Revised Estimate, 1912-1913.

RAILWAYS.		Amount in Rupees. (Omitting 000.)	Amount in sterling at contract rates. (Omitting 00.)	Equivalent at Rs. 15=£ 1. (Omitting 00.)	Exchange. (Omitting 000.)
Subsidized Railways.		Rs.	£	Rs.	Rs.
Receipts.					
Capital received in India.	Amritsar-Patti-Kasur	79	5,2	79	...
	Ahmedabad-Parantij
	Dhond-Baramati	58	3,9	58	...
	Murtajapur Ellichpur	6,22	41,5	6,22	...
	Murtajapur-Yeotmal	2,20	14,7	2,20	...
	Hardwar-Dehra	51	3,4	51	...
	Mymensingh-Jamalpur-Jagannathganj	29	1,9	29	...
	Total Receipts	10,59	70,6	10,59	...
Withdrawals in India.					
Assam Bengal	-6,33	-42,2	-6,33	...	
Bengal Nagpur	11,48	76,5	11,48	...	
Ditto Extensions	35,21	234,8	35,21	...	
Burma	5,00	33,3	5,00	...	
Lucknow Bareilly	-54	-3,6	-54	...	
Madras and Southern Mahratta	-30,00	-200,0	-30,00	...	
	14,82	98,8	14,82	...	
Amritsar Patti-Kasur	82	5,5	82	...	
Dhond-Baramati	58	3,9	58	...	
Idar Road Brahmakhed	40	2,6	40	...	
Hardwar-Dehra	25	1,7	25	...	
Mymensingh-Jamalpur-Jagannathganj	41	2,7	41	...	
Murtajapur Ellichpur	6,22	41,5	6,22	...	
Murtajapur-Yeotmal	2,20	14,7	2,20	...	
Tapti Valley	5	3	5	...	
	10,93	72,9	10,93	...	
Total Withdrawals	25,75	171,7	25,75	...	
Net Withdrawals	15,16	101,1	15,16	...	

Appendix—concluded.

Table VI.—Capital Account of Subsidized Railways—concluded.

Budget Estimate, 1913-1914.

Railways.	Amount in Rupees. (Omitting 000.)	Amount in sterling at contract rates. (Omitting 00.)	Equivalent at Rs 15=£1. (Omitting 000.)	Exchange. (Omitting 00.)
	Rs.	£	Rs	Rs.
Subsidized Railways.				
Receipts.				
Capital received in India.				
Ahmedabad-Dholka	7	5	7	...
Ahmedabad-Parantij	3	2	3	...
Amritsar-Patti-Kasur	35	2,3	35	...
Dhond-Baramati	4,53	30,2	4,53	...
Hardwar-Dehra	26	1,8	26	...
Idar-Road-Brahmakhed	55	3,7	55	...
Mymensingh-Jamalpur-Jagannathganj	78	5,2	78	...
Murtajapur-Ellichpur	5,64	37,6	5,64	...
Murtajapur-Yeatmal	11,22	74,8	11,22	...
Tapti Valley	70	4,6	70	...
Total Receipts	24,13	160,9	24,13	...
Withdrawals in India.				
Assam-Bengal	—32,50	—216,7	—32,50	...
Bengal-Nagpur	14,07	93,8	14,07	...
Ditto Extensions	30,57	203,8	30,57	...
Burma	21,05	140,4	21,05	...
Lucknow-Bareilly	—1,76	—11,7	—1,76	...
Madras and Southern Mahratta	—21,58	—143,9	—21,58	...
	9,85	65,7	9,85	...
Ahmedabad-Dholka	10	7	10	...
Ahmedabad-Parantij	10	7	10	...
Amritsar-Patti Kasur	35	2,3	35	...
Dhond-Baramati	4,53	30,2	4,53	...
Hardwar-Dehra	26	1,8	26	...
Idar Road-Brahmakhed	57	3,8	57	...
Mymensingh-Jamalpur-Jagannathganj	78	5,2	78	...
Murtajapur-Ellichpur	5,64	37,6	5,64	...
Murtajapur-Yeatmal	11,22	74,8	11,22	...
Tapti Valley	70	4,6	70	...
	24,25	161,7	24,25	...
Total Withdrawals	34,10	227,4	34,10	...
Net Withdrawals	9,97	66,5	9,97	...

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 (21 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4.)

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Monday, the 24th March, 1913.

PRESENT :

The Hon'ble SIR HARCOURT BUTLER, K.C.S.I.,-C.I.E., *presiding*,
and 50 Members, of whom 44 were Additional Members.

BUDGET, 1913-1914.

The Hon'ble Sir Harcourt Butler :—"I may remind the Hon'ble Members that the time-limit for speeches to-day is twenty minutes, and this limit will be strictly adhered to."

The Hon'ble Babu Surendra Nath Banerjee :—"Sir, my first words on this occasion will be words of congratulation to the Hon'ble Finance Minister on the Budget which he has presented to us. Our feelings to-day, Sir, are of the mixed order. While we rejoice over the financial prosperity of the country and grasp with gratitude the hand that has contributed to it, so far as it lies in the power of a Finance Minister to do so, we are filled with a sense of profound sorrow at his impending retirement and his approaching departure from this country. This feeling, I find is shared by Sir Guy Fleetwood Wilson himself. He says, in the speech with which he prefaced the Financial Statement on the 1st March last, that he views the severance of his connection with the Government of India with great sorrow. If he is sorry to leave us, we are also deeply sorry to part with him. If at the present moment India is prosperous and happy, the result is, in some degree at least, due to the successful financial administration over which Sir Guy Fleetwood Wilson presided with such conspicuous ability and such pre-eminent sympathy for the people. For, Sir, the Department of Finance covers every other Department and colours it with its hue. When Sir Guy Fleetwood Wilson came out to this country towards the end of 1908, the financial horizon was overcast with dark and ominous clouds. The budget which was presented in the course of the next three months disclosed a heavy deficit to the extent of nearly four millions. To-day, Sir, we have a surplus of seven millions. True, some new taxes have been imposed to which nobody in India has seriously objected, but the public expenditure has been well-maintained, the progressive requirements of the country met, and the prospects of steady and continuous advancement assured. In bidding Sir Guy Fleetwood Wilson good-bye, we wish him long life and prosperity in the old country, and may we couple this wish with the hope that he may continue to feel an abiding interest in that country whose prosperity and welfare he so sedulously tried to advance during the period of his official connection with India? He will be remembered, Sir, as one of the ablest and one of the most sympathetic of Finance Ministers whose outlook extended beyond the range of his own particular department and whose sympathies were co-extensive with the entire circle of our varied and multitudinous interests.

BUDGET.

[*Babu Surendra Nath Banerjee.*] [24TH MARCH, 1913.]

"Sir, there is one passage in the speech of Sir Guy Fleetwood Wilson to which I have already referred which will linger in our memories and will appeal to our imagination long after he has left these shores. While dwelling to the necessity of establishing a gold mint in this country, he made the observation that we are all united by the common bond, that we are fellow-citizens of one great Empire. Sir, no nobler sentiment could have been uttered, for it points to the essential equality of status on the part of His Majesty's Indian subjects; and here may I be permitted to make an appeal, if I am allowed to do so without impertinence or irreverence, to the Hon'ble Members who occupy those benches and who constitute the Government of India, that they may so discharge their exalted duties that this sentiment may be deepened and accentuated and that we may all feel and realize, no matter whether we are Englishmen or Scotchmen or Irishmen or Indians, that we are Britishers: fellow-citizens, participating in the privileges and also in the obligations of a common Empire, the greatest, perhaps the world has ever seen?"

"Sir, sanitation and education are the watchwords of modern India. They have been accepted by the Government with alacrity and enthusiasm. Sir Guy Fleetwood Wilson, in the speech to which I have referred, says that they are twins of phenomenal development. So they are. Sanitation is the first of our needs. We must live before we can be educated, and we must be educated in order that we may realise the commonest hygienic needs so indispensable for the purposes of effective sanitation. The inter-dependence between sanitation and education is recognised by the Government of India, which has made them the concern of a common Department. You, Sir, as the head of the Education and Sanitary Department are responsible for the health and the education of the millions of our fellow-countrymen. I can conceive of no higher duty or more exalted trust, and I may be permitted to add that educated India is watching the operations of your Department with interest and expectancy. Sir, we are grateful to the Government of India for the grants which it has made to the Local Governments in respect of sanitation, education and other matters, and here, perhaps, I may be permitted to utter a word of complaint. There has been, perhaps, too great a disposition on the part of the Government to earmark these grants, and the Local Governments, confronted with resolutions and interpellations, often find themselves in the difficult position that they have to refuse reasonable proposals put forward by non-official members on the ground that they are handicapped by the instructions of the Government of India. Sir, I do not for one moment dispute that the Government of India, having made these grants, ought to have a voice in their disposal; but I beg to submit, Sir, that in accordance with the spirit of the great Despatch of the 25th August, 1911, which holds out to us in prospect the boon of provincial autonomy, a greater and larger measure of discretion should be allowed to the Local Governments in the disposal of these funds. Sir, if sanitation and education are the watchwords of the Government of India, they are matters of absorbing interest to the Local Governments. Thus, for instance, the Government of Bengal has taken up the question of rural sanitation and of village water-supply with a degree of earnestness and a measure of practical sagacity which have won for that Government the unstinted gratitude of the people. In matters of sanitation and education the policy of the Government of India is the policy of the Local Governments. I, therefore, may be permitted in this Council Chamber to plead for the independence of the Local Governments in these matters: they have to carry out the instructions of the Government of India, varied by local conditions of which they are best cognisant.

"Sir, the release of the local cesses for local purposes has been an unspeakable boon to the people and is greatly appreciated by them. In Bengal, we get 25 lakhs a year, which, I understand, is to be devoted to village sanitation and rural water-supply. Thousands and hundreds of thousands of lives are lost every year through such preventible diseases as cholera and malarial fever. Good water-supply, a good system of drainage will go far to protect the people against the ravages of these diseases. The Government of Bengal has already started anti-malarial operations, and with admirable results. I can bear my personal testimony to the success of these operations in one particular area with

BUDGET.

[24TH MARCH, 1913.] [Babu Surendra Nath Banerjee.]

which I happen to be connected. Sir, if the 25 lakhs of rupees to which I have referred be devoted to the digging and repairing of tanks, taking the average cost of each tank to be Rs. 1,000, in the course of four years, we shall have about 10,000 tanks in Bengal, an unspeakable boon to the people in the rural areas.

“ Sir, the Hon'ble the Finance Minister has been pleased to speak in terms of sympathy with local self-government. He says the encouragement and development of local self-government is an object about which all are agreed, and he adds that these grants have been made with a view to strengthening their resources. Sir, I am perfectly certain that these grants will enormously add to the usefulness of local bodies. But, Sir, something more is needed for the encouragement and development of local self-government. With added funds larger powers should be vested in them. I think their constitution ought to be recast; they ought to be reorganised upon a more popular and liberal basis. With greater independence, with larger powers of initiative, with less of official control, these local bodies would be quickened into a new sense of awakened responsibility. I rejoice, Sir, that the recommendations of the Decentralisation Commission have been forwarded to the Secretary of State and are under his consideration. I hope early orders will be passed, and I hope and trust these orders will include the establishment of a Local Government Board in each province. Sir, this is a proposal which was made in the time of Lord Ripon. For some reason or another it was abandoned. I find, on reading through the Report of the Decentralisation Commission, that Mr. Romesh Chandra Dutt made this recommendation. I really hope, Sir, that this part of the recommendations of Mr. Dutt will be accepted. At the present moment the local bodies are supervised by hard-worked Magistrate-Collectors and Commissioners of Divisions. I think, Sir, the organisation of a central body supervising the self-governing institutions will have the effect of co-ordinating their labours, and helping forward their development along normal and natural lines.

“ Sir, we rejoice to find that the military expenditure is practically at a standstill, a sum of about £552,000 having been added in 1913-14 to the expenditure side over the expenditure of the current year. Sir, it is further expected that as the result of the labours of the Nicholson Committee there will be reductions. But, Sir, there is an ominous note of warning in the speech of the Hon'ble the Finance Minister. He says that a Committee has been appointed to inquire into what he calls the Marine expenditure.

“ I should like to know what this marine expenditure is. I do hope that this Committee will not make recommendations to add to the contribution which we pay at the present moment to the British Navy. Hon'ble Members will remember the discussion which took place in the English newspapers regarding the alleged inadequate grant which India makes in support of the British Navy. We were reminded of the *Dreadnoughts*—of the gift of *Dreadnoughts* made by the Colonies, and we were told that our contribution was below that of the Colonies. That is so, so far as this particular matter is concerned; but in regard to other matters, our contribution has been far in excess of that of the Colonies—and I may add far in excess, in some cases at any rate, of the requirements of justice and fair-play. The India Office—that magnificent pile of buildings which attracts the gaze of the beholder at Whitehall—was built by our money, and its establishment is maintained by us. The Colonial Office is maintained by the Home Government. The Indian Army is maintained on a footing so that it serves the purpose of an Imperial Reserve for which the Imperial Government does not pay a farthing. In 1899, we sent 10,000 troops to (South) Africa which saved the situation. In the Chinese War we sent an Indian Contingent which did admirable service. Formerly the charges of foreign expeditions in which Indian troops took part—both ordinary and extraordinary—were paid out of the Indian revenues. Happily things have altered for the better now. Lord Morley—then Mr. Morley—speaking in connection with the Sudan War—described this policy as ‘a policy of melancholy meanness.’ But, as I have said, there has been an improvement in this direction. The conscience of the British authorities has been stirred to a sense of justice

BUDGET.

[*Babu Surendra Nath Banerjee.*] [24TH MARCH, 1913.]

to the financial claims of India. In any case, Sir, I hope and trust, in view of our contributions in the past, and in view of the poverty of our people, that no addition will be made in the shape of Marine charges.

"The Hon'ble the Finance Minister refers to the improvements in communications as a source of revenue in which the Government of India is interested. Probably those remarks apply to roads; but they might as well hold good in respect of waterways. Sir, these waterways form an important branch of our communications. In country like ours with its long distances, with its fine and magnificent rivers, the maintenance of waterways in a high state of efficiency I conceive to be one of the greatest duties of Government. Sir, these waterways provide facilities for cheap transport; they help the development of inland trade; they constitute a perennial source of water-supply and thus further the interests of sanitation. Sir, the German Government pays the greatest possible attention to their canals and waterways, notwithstanding their magnificent railways, for the purposes of industrial development. I hold in my hand a book on Modern Germany written by Mr. Barker, who is an authority on German affairs, and with your permission, Sir, I will read a short extract from it:

'Recognising the importance of a cheap transport system, which would bring with it wholesome competition, Germany has steadily extended, enlarged, and improved her natural and artificial waterways, and keeps on extending and improving them year by year, and if a man would devote some years solely to the study of the German waterways, and make the necessary but very extensive and exceedingly laborious calculations, he would probably be able to prove that Germany's industrial success is due chiefly to cheap transport, and especially to the wise development of her waterways.'

"Well, Sir, we find in paragraph 187 of the Secretary's memorandum that only a sum of 2½ lakhs of rupees has been provided for the Madaripur Bheel in the Faridpur district. The provision is wholly inadequate. Many of our rivers—I am speaking of Bengal, and I am sure what is true of Bengal is true of the rest of India—many of our rivers are fast silting up and need dredging. My Hon'ble friend on the left, Maharaja Ranajit Singh, has been urging in the Local Council the need for dredging the Bhagirathi river. The silting up of these rivers is a serious matter, even from the sanitary point of view; as it obstructs drainage and constitutes a menace to the health of the surrounding country. Therefore, Sir, from whatever point of view you choose to view the matter—from the point of view of sanitation, of public convenience or of the development of inland trade—it seems to me that the maintenance of our waterways in a state of the greatest possible efficiency is an Imperial duty of the utmost importance and magnitude; and I desire to press this consideration upon the attention of the Government of India with all the emphasis that I can command.

"Sir, we find that the Government of India have made grants of a non-recurring character out of the surplus of this year. I hope, Sir—and I have reason to believe—that that surplus will be recurring. An analysis of the situation fortifies me in this hope. Sir, the railway revenue has of recent years developed a distinct tendency to grow and expand. From 1909 up till now there has been an increase in railway revenue year after year at the annual rate of from 2½ to 3½ million pounds. I cannot help thinking that the Finance Minister has been exceedingly cautious—I was going to say over-cautious—in his estimate. He has actually put the revenue of 1913-14 at 90 lakhs of rupees less than the revenue of this year. My countrymen do not share this pessimistic view. Railway revenue depends upon trade conditions as well as upon social causes working in the bosom of the community. So far as trade conditions are concerned, I am not competent to speak, and I think very few are in a position to make a confident forecast. But so far as these social causes are concerned, I may say this, that the greater the facilities offered by the Railway Administrations, the greater the attention paid to the comfort and convenience of railway passengers—especially of the third-class passengers, the greater will be the volume of passenger traffic; and if passenger traffic goes on increasing, the goods traffic is bound to increase too. The one will react on the other, and by their mutual interaction strengthen each other. I am therefore optimistic in the view that the railway receipts are likely to grow and expand year by year. And, Sir, if the surplus is a recurring surplus, as I believe it

BUDGET.

[24TH MARCH, 1913.] [*Babu Surendra Nath Banerjee; the President; Malik Umar Hayat Khan.*]

will be, it seems to me that the best, the wisest, the most economical thing for Government to do is, instead of making these non-recurring grants, to revise the provincial settlements and to give the Provincial Governments a larger share in the expanding revenues. This is the view which was urged by Sir William Duke on behalf of the Bengal Government from his place in the local Legislative Council."

The President:—"I am afraid I must ask the Hon'ble Member to stop as his time is up."

The Hon'ble Babu Surendra Nath Banerjee:—"Just one word more, Sir."

The President:—"I can make no exception."

The Hon'ble Babu Surendra Nath Banerjee:—"Sir, I just want to say one word."

The President:—"Order, order."

The Hon'ble Malik Umar Hayat Khan:—"Sir, while congratulating the Hon'ble the Finance Minister for the present surplus Budget, as well as the previous ones, one begins to think that his personality and prosperity of India are coupled together, and are one and the same thing. We pray that he may be spared for India for a much longer period than the orthodox limit of five years.

"I think some of the members would have read my Budget speech two years ago. I read it the other day after two years, and find that my views instead of having altered have been more confirmed in the same direction. I will ask Hon'ble Members who have not read it, to read it as a supplement to the few words that I am going to say to-day. I have been lucky to find that most of the things that I had suggested, at the end, the Government found it necessary in consistence with circumstances to adopt. I will give some interesting illustrations. In my Budget speech some four years ago, I ventured to suggest, for the consideration of the Government, the advisability of a commission to investigate and alter the system of education. The following year a separate Department was created which was far more useful for the purpose than even what I had suggested. The same year I had brought to the notice of the Government the expediency of the amendment of the Indian Penal Code, as well as the adoption of some severe measures for punishment of offenders against the State, and the grant of greater powers to the Criminal Investigation Department of the Police. I will quote the paragraphs respectively:—

- (1) The first of them is that there is a change most necessarily required of making such alterations in those sections of the Indian Penal Code which deal with the offences against the State as to make them more stringent, and I think the Government will have to do this sooner or later as a preventative measure, and I hope it will not wait as to be able to make a strong case by giving illustrations.
- (2) I strongly urge that we should award severe punishments to the State offenders and for the suppression of open and subterranean currents of sedition.
- (3) I should ask the Government to be still more liberal in increasing the power and scope of the Criminal Intelligence Department.'

"These are exactly the measures which Government has after four years' experience of what is going on in India to adopt by passing the Indian Penal Code and Criminal Procedure Code Amendment Bill. The succeeding year, in my Budget speech, I had alluded to the necessity of the change of capital to a more central place, and now I am glad to find ourselves in Delhi. I had said as follows:—

- (1) The rest of India, my Lord, cannot understand why a place like Calcutta, situated in a corner remote from England and with a bad climate, should have been selected as the capital of India.

BUDGET.

[*Malik Umar Hayat Khan.*] [24TH MARCH, 1913.]

I think it will be only fair, when funds allow, to select as the metropolis of this country a city which will be up to some extent at an equal distance from the remotest parts of this vast continent.'

"Sir, I have only invited the attention of those who are responsible for the administration, to my previous speeches because when I have once submitted a measure for the consideration of the Government, I don't think it right to repeat my suggestions. On this occasion I have got two suggestions to put before the Hon'ble the Home Member, and they are:—

- (1) Some measures are necessary to check the seditious preachers under a disguised garb.
- (2) To punish the papers whose line of policy is to criticise the Government in and out of season and by a long process to poison the minds of its readers, far more effectively than by one or two extremely seditious articles which has the inevitable effect on some minds to resort to violence and treason. I hope the adoption of these measures will not take another four years.'

"I will now touch certain subjects generally. I advocated two years ago the necessity of moving towards forming aerial and naval fleets for the efficiency of the Army. I have only said it again because circumstances have since been entirely altered. At that time the air craft was in its infancy, while now it is an accomplished fact, and I hope that, if funds be available, they should be placed in the hands of our mighty War Lord who by his sympathy and ability has not only won the hearts of the Indian soldiers, but has done a great deal towards the efficiency of the Indian Army.

"Turning towards education I would suggest, for the consideration of the Hon'ble Member in charge, that it is most essential to establish schools in central places from where the army is recruited as I hitherto find that there are a greater number of schools where the commercial classes reside. Perhaps this is because they have got much greater voice than that of the soldier class.

"It is well known that the Muhammadan College at Lahore is doing useful work as well as the schools attached to it. I have heard from authorities that it is not working properly. May I say this to the Hon'ble Member in charge that just as a man cannot live without food, so a College cannot get on without funds. I cannot understand why any other Muhammadan College, wherever it may be situated, should get better treatment than the one which is in the Punjab. I do hope that the Hon'ble Member in charge would give it a helping hand.

"I ask him also to allot money for its sanitation as the Sanitation Department is also under his sway.

"I now put before him a very urgent need and that is religious education. If a man is not taught to respect his God, there is no wonder if he does not respect his parents and Government. We have tried this experiment in the Chiefs' College with excellent results. I will not say anything about the technical and other education as it is already receiving the best possible attention of the Government.

"I have been a great advocate of the zamindars as I represented them last three years. As this duty is now devolved on the other Hon'ble Member, I will be saying a word on my personal behalf for their welfare. As to the un-even taxes of a landholder and money-lender, his being troubled by petty officials, the short period of their settlement, etc., has been urged by me in my recent speeches, but there is one thing that I want to say now and that is, that if a man possesses a certain amount of land which does not bring him an income of $\frac{1}{4}$ th of the wages of an ordinary labourer, such a small holding should be exempted from any Government dues in the shape of revenue otherwise he will be treated worse than even a cooly.

"To decide the amount of land is not very difficult, as the product and value, etc, are always worked out at the time of settlement. I think the amount of water in most of the Punjab colonies is far less than needed and people are very much alarmed at its further reduction which will cause not only the loss of income to them but also a great discontent. I hope something would be done to remedy it. I would also strongly urge the necessity

BUDGET.

[24TH MARCH, 1913.] [*Malik Umar Hayat Khan; Sir Charles Armstrong.*]

of improving the accommodation of 3rd class passengers, and hope that some improvements will be made to provide legitimate comforts for them.

“The service between Delhi and Peshawar is unsatisfactory, and still more so from Lahore to Peshawar. As the capital has now been shifted to Delhi, I think the defects in railways in the near neighbourhood should disappear. As the distance by sea from Aden to Karachi is shorter than that from Aden to Bombay, the distance from Karachi to Delhi is shorter than Bombay to Delhi, it will be most essential that all the mails should come by Karachi. This would have to be done one day, and I think the sooner it is done the better. I was glad to read that the questions of arrivals and departures of Delhi Trains are being considered. Therefore I will say nothing on that subject. I think it should be impressed on Railway officials, that when an Indian has got 1st class ticket he must be provided with a seat in the same compartment. It has been experienced over and over again that though there may be only one or two Europeans in one compartment, they try to do their best to keep out the Indian who has every right to a seat.

“Though I am not an expert but when I had prepared to appear before the Decentralization Commission, I had suggested that there should be no Imperial heads of revenue, nor should there be any grant to the Province, each Province should be self-dependent, and there should be only a contract of a fixed lump sum to be annually handed over to the Supreme Government for Imperial requirements. If this could be done, which I know is already done to a great extent, it will further simplify matters.

“I had some time back put before the Council as to the shortness of time given to members to form their opinions about certain legislative measures, and as this has been again the case, I bring it to notice again. Now there is one very serious thing which is felt by many a non-official heart, and that is that our existence and non-existence here has very little difference. I think the cause of it is the pre-arrangement of what is to be done, and when a man is urging and making a speech he thinks that he is talking to a wall and his best arguments would not have the least effect. The other cause has been, I think, the wholesale refusal of good and bad amendments. I think this can be easily remedied. If the non-official members were near the mark and by accepting their suggestions there was no injury done to the administrative machinery, then I think such suggestions should be accepted. This will go a long way to show that we are not only part and parcel of the Government, but we are of some use to them. That will give us an impetus to work with a greater zeal for the good of the country and its best Government which it has ever possessed under the Sun and for whose welfare we all work and pray.

“Last but not least my suggestion is the weeding out the weeds, that is a small percentage of Civilians who have entered the service but are entirely incapable of administration. From their isolated deeds the masses are mistaken to form their opinion regarding the whole Government policy. As a matter the smallest square pieces in round holes of the machinery go a long way in hampering the working of the whole machine. The public money would be far better spent if such men were given pay till the pension period without allowing them to make a muddle of things. I have taken the courage to put this before the Government from a very high sense of duty which equally affects the public and Government.”

The Hon'ble Sir Charles Armstrong:—“I desire, Mr. President, to offer a few remarks on two subjects only—Railways and a Gold Coinage—and as regards the former I regret the unsatisfactory character of paragraph 33 of the Financial Statement. It is, I think, very easy to be over cautious. Caution is always advisable, but if this matter was really regarded ‘as a strictly business proposition’ and these are the words used in paragraph 33—a scheme would surely, ere this, have been put forward to raise money for investment in an enterprise which in the current year has returned as much as 5·89 per cent. and in the three years previous an average of nearly 4½ per cent.; and as this is an all-over rate, the return on the main lines carrying the trade of the country must have been much greater. As a business proposition even if the money be raised at 4 per cent. the return on the whole system is satisfactory and in the hope—I might also say with the certainty—of something better during the next few years, a business man would strain every nerve to increase his wealth by investing more money in the undertaking. For the coming year thanks to ample

BUDGET.

[Sir Charles Armstrong.] [24TH MARCH, 1913.]

balances, a larger grant has been given; but if 12 months hence the balances are reduced as forecasted in the Financial Statement, railways in 1914-15 will have to look elsewhere for funds, and although supplies will no doubt be obtained from other sources—but whether sufficient or not time alone will show—the feeling is that so far as Railway Finance is concerned, there is no settled plan and that this is a most unfortunate position to be in. If the seasons are good and money flows in, Railways get an increased grant, although it may come too late to be spent, but if the reverse is the case, it is urged that there are no funds readily available, and the serious check to development that then takes place affects the trade and prosperity of the years to come. I do not think Chambers of Commerce are unfair critics in this matter. One can sympathise with merchants and shippers, many of whom have known for years that the railways were being neglected, when in a year of exceptional plenty trade is more or less completely disorganised by the inability of the railways to carry the traffic expeditiously. I admit that during the past year the railways have carried immense supplies, but when the pressure came it was obvious at once that the carrying capacity of the lines was deficient, and if it was excess caution that has kept development back the last few years, I can only say that the country has suffered for it; merchants have suffered for it and much trade has been lost. The President of the Railway Board told us the other day that the policy of the Board was to go on steadily improving existing lines, great care being taken at the same time that good value was obtained for the money spent. This is, of course, as it should be, but if money is stinted what can the Railway Board do?, and it is to this point of providing ample funds over a series of years that the commercial community are now so very anxious that special attention should be given. I felt sure there would be something in the Financial Statement bearing on this point, but what we are told is, that even temporarily, that is to say on the chance of an occasional bad season, our Railways must never be allowed to become again a burden on the general taxpayer, and to ensure this our expenditure on this rapidly growing business is apparently being kept within bounds merely, it seems, to prevent a small loss every now and again. The profit that might be made in prosperous years by increasing expenditure is, however, overlooked, and I feel sure, I can say with safety, that the average would always be a very satisfactory return.

“From the Financial Statement itself it is gathered, I much regret to say, that the total Budget Grant for Revenue expenditure on Railways in 1913-14 has been cut down considerably below the amount which the various Railways have put forward as necessary for their requirements, and this led me on the 14th to send up three questions on the subject, which most unfortunately arrived too late. Any step of this kind means a reduction in the Revenue provision for works, and has the effect also of reducing the capital expenditure as well. Surely this is not the time to curtail expenditure on works of improvement chargeable wholly or partly to revenue intended to increase the carrying capacity of the Railways and moreover as stores for works in 1913-14 have already been arranged for; if work is to be curtailed interest will have to be paid on the value of the material which cannot be drawn and utilized, and this creates an unfortunate position. I feel bound to say that, as regards methods and expenditure on Railways, the position is unsatisfactory, and this being so Chambers of Commerce must continue to urge, by all means in their power, that the Railway systems of the country shall be brought up as quickly as possible to a thorough state of efficiency.

“As regards a gold coinage, I desire in the first place to offer my warmest congratulations to the Government of India on their Despatch of 16th May last on the subject of the *establishment* of a Mint for the coinage of gold in India. The arguments advanced in favour of the coinage of gold appear to me to be overwhelming. It restores to our gold standard policy an essential principle which has been too long neglected when it says ‘it is, we think, an indisputable fact that the establishment of a gold currency was regarded as the logical and natural sequence of the closing of the mints to silver, and as the necessary accompaniment of the establishment of a gold standard’; and in a short historical survey of the opinions of the Herschell and Fowler Currency Committees, and of the intentions of both the Government of India and the Secretary of State following on the reports of those Committees, it is clearly demonstrated that a gold currency was regarded as, and intended to be, the

BUDGET.

[24TH MARCH, 1913.] [Sir Charles Armstrong.]

natural result of the introduction of the gold standard. It is of the utmost importance that that principle thus authoritatively laid down and accepted should be made effective. From a purely scientific point of view, I believe, the principle is unassailable. From a practical working point of view, it may be admitted that difficulties had to be met and overcome, but we now know from the correspondence which has been published that the chief difficulties which blocked the way to the provision of a gold coinage in India at a much earlier date were created by authorities in England. Apart from those obstacles there would probably have been difficulties to overcome in India at first in getting gold coins produced from an Indian Mint to pass into circulation with sufficient facility to obviate the coinage of token rupees on a large scale. That difficulty still remains so far as a large portion of the country is concerned; but another difficulty to the effective establishment of a circulation of gold has been added because of the enormous additions to the token coinage in the interval. That is a situation which must be accepted and faced however much we may regret it. But it affords no excuse for a continuance of the policy of drift of which it is the off-spring. We cannot retrace our steps and begin afresh. But we can determine that for the future every effort shall be made to minimise further inflation of the silver coinage and to encourage instead the use of gold in the circulation, and to that end recognition of the principle that a gold currency, in the words of the Despatch, is the necessary accompaniment of the establishment of a gold standard, is the first step, and the opening of a Mint to the free coinage of gold is the next. Efforts have been made in various directions to make it appear that the Government of India have been directing their energies to the establishment, not of a gold standard, but a gold exchange standard. It is a matter for congratulation to the whole community to find nothing in the Despatch which countenances such a preposterous idea.

“I have said that the principle I have been referring to has been too long neglected. The consequence has been that the token coinage has been added to, in the words of the Indian Correspondent of the ‘Times,’ to an extent beyond all sense of balance and proportion. The Despatch brings out in bold relief the disabilities of such a system when it emphasises the importance of the responsibilities which rest upon Government for the maintenance of the gold value of the rupee, notwithstanding the fact that Government do not undertake to give gold for rupees. That is a responsibility which appears to be lightly regarded in many directions, but it is satisfactory to find that the Government of India labour under no illusions respecting it. They admit that although the crisis of 1907-08 was safely tided over, the lesson went home that they must vigilantly aim at strengthening their gold position. They suggest that the situation which arose in 1907-08 may be experienced again, and the difficulties then encountered may on another occasion be much accentuated. No responsible person will venture to dispute that, when it is remembered that the vast additions to the token circulation have been made as the result of, and to carry, booming trade at high prices, and when the changing habits of the public in the matter of currency, referred to in the despatch, are also taken into account. The extent of the responsibility is an unknown quantity, while the measures taken to enable Government to meet it cannot be regarded as sound. Those measures take the form of reserves formed from the profits on all new silver coinage only—there being no separate reserve against the very large rupee circulation which existed before the change of standards. Those profits are of necessity of a fluctuating quantity—the greater the silver coinage requirements, the higher the price of silver will be forced, and consequently the smaller will be the profits to go to the reserve. The tendency is thus towards a minimum of reserves against the maximum of responsibility. As the liabilities increase the proportion of reserves tends to diminish. On the face of it that is not sound business. Under such circumstances it is not surprising to find Government saying ‘we are driven to the conclusion that our only possible policy is to base our standard on two sure foundations, adding gradually to the reserve of gold in England an effective gold currency in this country.’ The Secretary of State found the chief result anticipated from the proposals contained in the Despatch, would be to attract to the Mint bullion now held in India. I venture to think that it would have been more correct to say that the

BUDGET.

[*Sir Charles Armstrong.*]

[24TH MARCH, 1913.]

chief result anticipated by the Despatch was to 'diminish the pressure on the Government of India for the coinage of silver' and to 'keep down the heavy responsibility that rests on them for the convertibility of the rupee.' But in any case the necessity that Government should take measures to lessen as much as possible that responsibility appears to me to be the paramount consideration.

"It is a matter for regret that the Secretary of State does not appear to have received the proposals of the Government of India with the consideration which, I humbly think, was due to the proposals as a whole and to the supporting arguments. The conclusion he reached was that, having regard first to the ease with which holders of gold bullion in India can, as a rule, exchange it for currency whether sovereigns, notes or rupees, if they wish to do so, and secondly, to the probability that the gold imported into India is so imported because it is preferred in that form rather than in that of coin the adoption of the proposals would not be likely to have any considerable effect of the kind anticipated, but that the experiment is worth trying if it can be done at a moderate expense or on a self-supporting basis. Now I venture to say that the very worst thing that can be attempted in connection with the currency is that some action should be openly taken by way of experiment, and no more undesirable object of experimentation can be imagined than an open mint for gold. The arguments of the Government of India prove the absolute necessity for a gold coinage in India. Why, then, agree to open the Mint to gold and brand it with the repellent name of an experiment before it is born? That is not the way to inspire confidence in the minds of the public in such an important matter. A gold Mint being a necessity it should be opened to remain open, and every effort should be made to ensure that the new gold coinage shall be a success in the circulation. The Secretary of State would further make the opening of the Mint to gold conditional on it being done at a moderate expense or on a self-supporting basis. The Government of India Despatch had stated 'the objection that the sovereign would be an expensive coin is one that carries little weight.' The actual minting of the sovereign is, we believe, comparatively simple and cheap, and the cost of making the necessary additions to the present equipment of the Bombay Mint would be inconsiderable. The matter of expense does not appear therefore a material consideration. It is, I take it, unlikely that the minting of sovereigns would place the Mint on a self-supporting basis if the intention is adhered to not to charge a seignorage on minting.

"Also in view of the seasonal trade of India and the import of gold in satisfaction of the Indian trade balance occurring as a rule only during a portion of the year there might not be constant employment for the Mint. But place against any loss that may arise on that account the great responsibilities thrown on Government by the existing system, and I think the possible loss will be regarded as diminutive. The Secretary of State has himself undertaken to borrow if necessary to maintain the gold value of the rupee. An effective gold currency would greatly reduce his liability in that respect. Is it not worth securing such a reduction at the comparatively small cost of maintaining an open gold mint?

"Although, however, the Secretary of State is not, apparently, favourably disposed to the opening of a Mint for the coinage of sovereigns, he is prepared to sanction the coining of an Indian gold coin of the denomination of, say, R10, but here again he places obstacles in the way by making his sanction subject to a charge for seignorage, and to the expenditure to be incurred for buildings, plant and additional staff. The Government of India had proposed that no seignorage should be charged for the coining of sovereigns. The counter-proposal is to charge a seignorage on the minting of an Indian coin. It seems a penny-wise-pound-foolish policy to seek to obstruct the establishment of a gold mint on the score of expense, which can hardly be very heavy, when we reflect that the gold standard has been of immense benefit to India, that a gold coinage is a necessary part of the gold standard, and that if a gold coinage had been introduced years ago as intended, and the attainment of a gold currency had been steadily pursued in the interval, the currency would have been on a much more satisfactory footing to-day, and the contingent liability on the token coinage much reduced.

"In his speech introducing the Financial Statement, the Hon'ble Sir Guy

BUDGET.

[24TH MARCH, 1913.] [*Sir Charles Armstrong.*]

Fleetwood Wilson seemed to indicate that, to begin with, a special Indian coin would be struck at the mint in place of the sovereign which was contemplated, in the Despatch of the 16th May. I should like to ask him, on the supposition that the Mint will strike only an Indian coin, whether, in the event of sovereigns continuing to arrive in volume greater than the absorption into the active currency of those coins, Government would convert sovereigns so received into the Indian gold coins contemplated? The Despatch of last May only dealt with coinage from bullion, but it might be necessary to coin from sovereigns if these continued to arrive in excess of the absorptive powers of the active circulation. Also it appears to me that such conversion of sovereigns would be necessary to begin with by way of send-off to the new Indian coinage, and to provide the treasuries throughout the country with the means of familiarising the public with them. The object being to establish an effective gold coinage, it seems necessary to encourage the use of gold in every possible way, and encouragement to be of any practical value must be accompanied by supplies of the new coins in sufficient volume to prevent them from being regarded as mere specimens only. Also, measures are necessary to gain the confidence of the general public that they will not be losers by taking the new coins. One of the greatest obstacles to the sovereign attaining popularity is that the poorer classes fear a loss when they come to exchange it for rupees, a fear which is not groundless when to many the only means of exchange is at the hands of the sowcar. Government can improve the prospects of the success of an Indian gold coin by making as wide provision as possible for the conversion into rupees of gold coins to the poorer classes at treasuries, post offices, etc. On this point I think the proposals so far announced are defective. It will not be enough to merely open the Mint to the coinage of gold and pay no attention to the encouragement of the use of the gold coins to be struck. No one will advocate forcing the coins into circulation, but there are many ways by which the use of, and the circulation of, gold coins can be facilitated. The object ought to be to endeavour to minimise further additions to the token coinage by facilitating the use of gold to take the place of fresh silver coinage, and it would be of advantage to know what measures Government propose to take in this direction. A great deal is being heard of the fact that Government did not formally refer the question of the opening of the Mint to gold to Local Governments, Chambers of Commerce, etc. It seems to me, however, that Government are now proposing only to complete the gold standard policy on the lines originally laid down and accepted. It would be the height of incongruity to introduce a gold standard on the recommendations of one set of authorities, and make the most essential features of that policy dependent on the approval of a separate set of authorities. In this connection I would bring to the notice of the Council a shipment to London of over £600,000 of light gold coin which could have been dealt with in this country if we had a gold Mint. I hope this question of an open gold Mint for India will be properly investigated by the Royal Commission to which however India must be properly represented and before which competent Indian witnesses must be examined.

“Sir, I was also unfortunate, I regret to say, in sending up too late various questions on financial matters which seem to need an answer at the present time. My limit of time does not permit me to deal with them on this occasion, but it will be interesting later on to learn the original intentions of Government regarding the 5/4 crores of profit (less cost of manufactures), on the silver purchases of last year, whether the amount coined from this did not increase the silver branch of the Gold Standard Reserve beyond the maximum formerly fixed of six crores of rupees, and if so, why the surplus was coined and not carried to this Reserve? Also why it is necessary to maintain the silver branch of the Gold Standard Reserve in view of the large reserves in gold belonging to the paper currency reserve now held in London.

“In conclusion, Sir, I desire to congratulate Sir Guy Fleetwood Wilson on his successful management of our finances for the past five years, and to express my regret that this is his last Budget and that his work in India is now drawing to its close. Sir Guy has had critical times to contend with, and it must be very gratifying to him to feel that his last Budget shows a big surplus, and that prospects for the future are very hopeful. Sir Guy's personal contact with the commercial and banking communities has been very much appreciated on

BUDGET.

[*Sir Charles Armstrong; Rai Sita Nath Roy Bahadur.*]

[24TH MARCH, 1913.]

my side of India. We much regret his departure, and can only hope that his successor, whoever he may be, will be equally accessible."

The Hon'ble Rai Sita Nath Roy Bahadur.—"Sir, though remarks and observations made on an occasion like this are somewhat akin to what are called as mere expressions of pious hopes and cannot have the same effect as Resolutions formally moved in Council, I respectfully beg to submit that as no Resolutions, since the power was given to move Resolutions in Council, have, with the solitary exception of one or two perfectly innocuous ones, ever been accepted, the general effect of formulating and moving Resolutions and of making general observations, is exactly alike, that both of them leave a certain impress upon the official mind and occasionally may and do fructify and produce a goodly basket of sweet mangoes or other delicious fruits, but not as so humorously put by the Hon'ble Finance Minister, from the garden of an Indian gentleman, but from the garden of the Government of India.

"This is, Sir, my excuse for making a few observations. Now, I begin with offering my hearty and respectful congratulations to the Hon'ble Finance Minister for the very satisfactory Budget he has placed before us, and for the unexpectedly large surpluses he has presented, and the beneficent objects, such as sanitation and education to which he has been good enough to devote the greater part of the unexpected windfalls, for which the thanks and gratitude of the Indian public are pre-eminently due to the Hon'ble Finance Minister, and the same good luck still adheres to India, has been demonstrated by a small surplus of £1,311,200 declared for the year 1913-14. But our jubilation on account of this temporary prosperity is very largely tinged with the sad thought, that we are going to lose for ever the valued services and the ripe experience of a Finance Minister who combines in himself with the several qualifications of the head, numerous qualifications of heart as well. Capable and qualified Ministers of Finance may come and go, but where shall we have again a man so courteous, kindly, so just and sympathetic? What is more saddening is that with the loss of his services we lose the Hon'ble Sir Guy Fleetwood Wilson altogether, and necessarily the benefit of his advice, experience and guidance, for it is the characteristic of Indian official life that when the fever of Indian official life ceases life in India, as a matter of course, ceases with it. It is something like the recovery of the proverbial Tom from fever, that when Tom's fever went away, Tom himself went off with it.

"There is another thing which is causing us a good deal of anxiety. Though we rejoice over our temporary prosperity, over our unusual and extraordinary windfalls, we are saddened by the thought that these are only temporary, and that it is not unlikely that we may have to meet a heavy deficit in the near future. We are face to face with the total extinction of the opium revenue which yields every year without any hitch or difficulty the magnificent sum of 5 million pounds more or less. We are called upon to submit to this huge sacrifice for a sentiment, in the name of humanity, and that for the benefit of another nation. The arrangement which would entail such a heavy sacrifice was all made at the bidding of the ruling country, for the sole benefit of a third party to which India was not a consenting party, and as such, it is only fair and reasonable that England for the good reputation of her sense of justice, sense of fairness, and injustice to her dependency which is absolutely dependent on her, should come to her rescue and recoup the loss, or if that is not to be, should at least allow India sufficient fiscal autonomy so that she may adjust her finance in a way most suited to her advantage. England was once a protectionist herself, but now the pendulum has swung back and she is now a free trader, and it does not suit her interests to impose protective duties, but is that any reason why India, if additional taxation becomes necessary consequent on the approaching extinction of opium revenue, should not be allowed to levy protective duties on manufactured goods such as cotton goods, hardwares and numerous other things that are imported at least from foreign countries, such as Germany, France, Austria, Belgium, America and Japan? The imposition of such duties would be immensely advantageous to India in several ways, such duties will not only bring in money, but at the same time go to protect our nascent industries. It is said that fresh taxation may not be necessary consequent on the extinction of the opium revenue, but whether that is so or not

BUDGET.

[24TH MARCH, 1913.] [*Rai Sita Nath Roy Bahadur.*]

it is an admitted fact that India requires money for a variety of purposes and objects, such as elementary education, technical education, sanitation, water-supply, etc., but where is the money to come from? It would indeed be indulging in an extravagant hope to expect compensation from England, but India should at least be allowed to adjust her finance, and to levy taxes in a way most suited to her interests and which at the same time would not materially and prejudicially affect the interests of the Ruling country, but what could be more fair and reasonable, more conducive to the interests of India, than that she should be allowed to levy as proposed by the Hon'ble Mr. Sri Ram the other day, a duty of 5 per cent. on imported sugar which wholly comes from Java and Germany, it would not only add to our not very overflowing coffers a very large sum of money, but would at the same time go to materially help in the revival of a dying industry, and to stimulate it. At one time, and that not long ago, sugar was a very important and paying industry in this country. Besides meeting the whole requirements of India, a large quantity used to be exported abroad, and it necessarily gave employment to several hundred thousands of people, but that is gone; the sugar industry is nearly extinct, it having been superseded by the bounty-fed beet sugar from Germany, and that exported from Java, if not so much for revenue, at least for promotion and protection of our decaying and decayed industries, we badly want protective duties, but that is not to be, for we are helpless, and we have no right to exercise our judgment, and judgment we have none.

"I regret to have to state that it is in a manner useless for us to discuss questions of finance, as in all matters relating to finance we are to be governed by the will of the Ruling country and the policy she may pursue, all such discussions can only serve to show the trend of our feelings and nothing else. However, I may incidentally remark that it will require no small efforts, no little exercise of ingenuity to replace the heavy loss that would be caused by the total extinction of the opium revenue. The reply is often given. 'Trust to God, He will give you the relief.' The near extinction of the opium revenue is a disturbing factor of no mean magnitude, and will go to unsettle and prejudicially affect the financial arrangements of the country. It is therefore very opportune that a Royal Commission has been announced, the main object of which will be to inquire into the present state of the finance of the country. Sir, may we venture to suggest in this connection that the Government of India would be pleased to recommend to His Gracious Imperial Majesty the appointment of one or two non-official Indian gentlemen in the proposed Commission.

"Now, returning to our original subject of temporary surplus and the very large non-recurring grants liberally made to education and sanitation. I beg to point out that, while we cordially welcome these large additions to such noble objects as education and sanitation, it must be admitted on the other hand that fitful generosity and spasmodic efforts of charity cannot do much good of a permanent character, cannot have lasting effects on matters so vast as education and sanitation, concern as they both do a population of 300 millions and a country comprising an area of 1,770,109 square miles, the requirements of which must necessarily be varied and various and large and comprehensive.

"Now adverting to Bengal with which I am so closely associated, I beg to point out that its sanitary and educational requirements are indeed very large. Now that Bengal has been shorn of more than half of its former area, there has consequently been a reduction of receipts from different sources. The Hon'ble Sir William Duke, in presenting the Financial Statement of Bengal for the year 1913-14, frankly admitted that after meeting the ordinary recurring charges which amount to 5'63 crores of rupees a year, 11 lakhs of rupees per annum is all that is left to meet non-recurring charges, and consequently if the Government of India had not treated Bengal in a very liberal and generous spirit, by making large and liberal grants, both recurring and non-recurring, many departments would have been starved, and Bengal would have been placed in an awkward predicament.

BUDGET.

[*Rai Sita Nath Roy Bahadur.*] [24TH MARCH, 1913.]

“It is well known that malaria and cholera are the two greatest scourges of Bengal. If these two terrible scourges are to be uprooted, persistent, continuous and sustained efforts should be made to combat them. Considering the present not very solvent financial condition of Bengal, and while its varied needs and requirements are so large, it won't do for Bengal or any other large province to be dependent on the fitful doles of charity of the Supreme Government. In my humble opinion, instead of unsteady non-recurring, recurring grants of more or less permanent character and of a substantial nature, that is, fixed and tolerably large annual assignments should be made by the Government of India, at least for some years to come, to enable Bengal to tide over her difficulties, to enable Bengal to save her people from the scourges of malaria and cholera, to enable her to satisfy the intellectual cravings of her advanced and progressive people, and in fact to enable Bengal to make two ends meet. Her present embarrassed position is not of her own seeking, but has been thrust upon her against her will. With the abandonment of Calcutta as the seat of the Imperial Government, Bengal has been materially and prejudicially affected. It was in Calcutta that the British power was first established and consolidated, and it was from there the British Empire gradually expanded until it grew into a mighty one, and I may add, the most magnificent in the world, embracing within its fold that vast, extensive territory extending from the confines of Afghanistan to those of Siam, that Calcutta, the fairest of the fair, and the Queen of the East, and which is entirely the result of British enterprise, now lies forsaken and neglected, and she has been dethroned and the diadem which so long adorned her brow has been taken away.

“It is not the transfer of Capital alone, but along with it variety of adverse circumstances have combined together to depreciate Calcutta, and to detract from her importance and dignity and in all possible ways to prejudicially affect her interests as well as those of Bengal. Calcutta is gone, but her glorious traditions will last.

“But enough. I must restrain myself, for as a loyal subject, I must bow to the decision of His Gracious Imperial Majesty. Now returning to the subject of the very generous but non-recurring grants of $5\frac{1}{2}$ crores of rupees, made to different provinces and for different objects, I humbly beg to make a suggestion which I do with the utmost hesitancy that the $2\frac{1}{2}$ crores of the above amount which has been ear-marked for education in general, might with advantage be solely and wholly devoted to, and ear-marked for, the establishment of a Technological college at a central spot, and that the whole amount of $2\frac{1}{2}$ crores might be utilised in constructing suitable buildings and in equipping it with suitable laboratories, and that the Supreme Government should annually make a recurring grant of, say, 15 lakhs of rupees a year for the efficient up-keep of such an institution.

“My reasons for the above suggestion are as follows :—

“Non-recurring grants of $2\frac{1}{2}$ crores of rupees though apparently very large, cannot do much good which will have a lasting effect when we come to consider that the amount is intended for all branches of education and for all the provinces, big or small, throughout India, whereas if utilised for a single object of permanent character, for the benefit of the whole country as I have suggested, that is, in establishing a Technological college, for the whole of India, its results and benefit would be palpable, large, and at the same time lasting, and it would be more appreciated by the people themselves than otherwise.

“Sir, I venture to assert that all shades of opinion will unite in hailing the establishment of a Technological college, as a lasting and substantial boon. With the near extinction of opium revenue, such a large surplus is not likely to occur very soon. I do not deprecate elementary or higher education, but what I do say is, that mere literary education in the present state of our country is certainly less beneficial in its effects upon the people than technical education. If a plebescite were taken, I think the whole country would

BUDGET.

[24TH MARCH, 1913.] [*Rai Sita Nath Roy Bahadur.*]

vote for it. The question of technological education was discussed threadbare in this very Council about three years ago, when Rai Bahadur Mudhalkar moved a Resolution for the establishment of a centralised Technological college in India. I need not repeat the arguments that were used in support of the scheme.

“Now a word or two about the public works cess which has a history of its own. It is well known that the resources of our district and local boards are so limited that they can hardly cope with the several heavy obligations from the excavation of tanks down to cattle breeding that have been thrown on them. The road and public works cesses in Bengal and other local cesses elsewhere which go under different denominations in different provinces, were levied for particular objects and assurances were then given that they would be religiously applied to the objects for which they were levied, but we are all aware how in Bengal the public works cess was diverted and appropriated to totally different objects. However thanks to the sense of justice and fairplay which are the inherent characteristics of the British Government, and thanks also to the patriotic efforts of the Hon'ble Mr. Gokhale, the enormous sum of 79½ lakhs of rupees has at last been most generously set free and remitted to the several provincial Governments, and thus the district and local boards in Bengal will get the benefit of a new accession of revenue to the extent of 25 lakhs of rupees to their not very overflowing funds, which will enable the district boards to materially help the rural areas in the supply of pure drinking water and sanitation, the two objects of the greatest importance to them.

“Before concluding, I wish to say a word or two about the gold coinage and currency. The question of the gold coinage and gold currency in this country has been before the public for a very long time, and has been discussed threadbare. Nothing fresh or interesting can be added to its already vast and voluminous literature. Two things stand out very prominently in this controversy, first, whether it is good for India to have gold coins and gold currency, second, whether people themselves would appreciate it and take to its use. All other questions are beside the point, and need not be taken into serious consideration. Now, it has been proved beyond doubt that in the circumstances prevailing at present, when India has to hold commercial intercourse with other gold-using countries, and, moreover, when gold is locally procurable, it is to her utmost benefit that she should have gold coinage and gold currency, specially when she has set up a gold standard. Then about the second point, I may say that the fear, if any, of the melting pot and of the vaulted or buried hoards, is now no more. It has been acknowledged by the Government and proved by incontrovertible facts and figures that the habits of the people have changed and are changing very rapidly, and they like to use a handier currency than silver. I do not understand the morbid care and anxiety of a certain class of politicians and economists who have gone almost mad over the idea that what will become of the world if India now begins to attract and use gold, their fear is that gold would be absorbed and not be brought back into circulation. I may console them with the assurance that the story of hoarded and buried wealth is an absolute myth. Then our request is very modest. We do not advise Government to rush headlong into the matter, let us proceed cautiously. Let us have a free, open mint for the coinage of gold. That is all we want; then about the kind of coin to be adopted in this country, that is a matter of detail. I think sovereign is the best, it has been happily described by Sir Shapurji Broacha as the cement of the Empire. I may say here in passing that it is forgotten by the so-called foreign experts that we had our gold coinage before the advent of the English in this country. India still remembers her past and aspires to rise again in the scale of nations under the ægis of British rule, and I do not understand why unnecessary obstacles should be placed in her way to achieve her legitimate desire and when that desire is backed by incontrovertible facts. However, in spite of all our trials and troubles, I hope we are in sight of the promised land at last.

BUDGET.

[*Rai Sita Nath Roy Bahadur; the President; Mr. Fuzulbhoy Currimbhoy Ebrahim.*] [24TH MARCH, 1913.]

"We had hoped that the political outlook which was so sad and dismal some years before, would very soon clear up and bright prospect would dawn, bringing joy and restoring peace and order in this ill-fated land, but that is not to be. The abominable and dastardly outrage of the 23rd December last, that that day of India's lasting shame, which has cast an indelible stain on her fair name and fame and the reports of the weekly dacoities in Eastern Bengal and the recrudescence of other crimes of more or less heinous character, have aggravated the situation, and rendered life and property insecure. Sir, one of the greatest blessings of British rule, the much-prized security of life and property, is no more and a sense of insecurity and uneasiness pervades all parts of rural areas in Eastern Bengal."

The President:—"I must ask the Hon'ble Member to resume his seat as his 20 minutes are up."

The Hon'ble Mr. Fuzulbhoy - Currimbhoy Ebrahim:—"Sir, it is a matter of joy to us all that His Excellency the Viceroy is, through the grace of God, convalescent, that the cloud has passed away and that His Excellency means to rule over us during the rest of his term of office, and to pursue that enlightened and benevolent policy, so dear to his heart which intense physical suffering has not been able to change. We are also glad Her Excellency Lady Hardinge, with admirable self-sacrifice, has foregone for the present the holiday she intended to take, and has decided to stay among us in India.

"Sir, the Hon'ble the Finance Minister naturally attracts the chief interest on Budget day. That interest is heightened in the case of Hon'ble Sir Guy Fleetwood Wilson on account of his personality. He just now stands high in the esteem of the people. We Indians appreciate sympathy and good intentions, and if the Hon'ble Sir Guy Fleetwood Wilson has 'meant well by India,' he has the warm appreciation of the people in return, which is perhaps the highest reward of public service. On the Bombay side he has endeared himself still more by the genuine concern he has shown for our commercial and industrial progress. Details are unnecessary, reference to one incident will suffice. But for the inquiry he personally undertook at Bombay, resulting in the suspension of the opium sales, the loss to the merchants engaged in the trade would have been enormous. Some idea of the importance of the Government action will be had from the fact that at the time about 15 crores of rupees worth of opium was in stock. Suspension of further sales has thus clearly averted a financial crisis. But something more has to be done. On this subject I wish to speak with due reserve. The Hon'ble the Finance Minister himself will realise the gravity of the situation. The suspension of the sales has only prevented a decline in price, but the stock cannot be cleared. The Chinese Government, I regret to say, is either powerless to observe, or fails to observe, the treaty. A serious responsibility now rests on this Government. The holders purchased the opium in implicit faith in the inviolability of a British treaty. It is only equitable that either the Chinese Government should abide by the treaty, or buy the whole stock, thereby securing to itself all the advantages of a monopoly. If in future China wants to buy Indian opium, she may buy it in the same way as Japan does for Formosa.

"Sir, the next year's allotments for railway expenditure also show the Hon'ble Finance Minister's statesmanlike grasp of our real needs. Improvement on the open lines, instead of extension, absorbs more than five-sixths of the total allotment, and two crores of rupees out of the amount have been earmarked for additional wagons. The arrangement cannot but be regarded as satisfactory.

"Sir, allow me to point out that we expected that the Hon'ble Sir Guy Fleetwood Wilson would meet the most pressing demand of enlightened commercial opinion in India before he lays down the reins of office. However satisfactory his scheme of taxation may appear to him, the duty on our silver imports is a handicap on our export trade with China, and the arguments

BUDGET.

[24TH MARCH, 1913.]

[Mr. Fuzulbhoy Currimbhoy Ebrahim.]

advanced against it in 1910 have not lost in force by time. In 1911, the Hon'ble the Finance Minister pointed to the high price of silver then ruling and the absence of any diminution in the exports to China as supplying a complete refutation of these arguments. This position one would find it difficult to accept. It is true the price of the metal rose high for a time and the injurious effects of the duty upon our import trade with silver-using countries have not so far been apparent; but the phenomenon is due to a number of causes unconnected with the import duty. The apprehended contraction in our exports to China was expected to follow the consequential slump in the silver market, but adventitious circumstances prevented this fall. The influence of the duty upon our export trade has been obscured for the time being. The Hon'ble the Finance Minister knows full well the causes which have contributed to the high price of silver. It will be too much to claim for the import duty this appreciation as its normal effect. The conditions producing this result are from their nature temporary. With the restoration of normal conditions, the injurious consequences anticipated in 1910 will for a certainty develop themselves. As a matter of fact, the volume of Indian twists and yarn exported to China has contracted and the decline is steady. Weaving is now found more profitable than spinning by reason of the loss of the China market, on which Japan, progressive through a protective tariff, dumps her surplus goods to advantage; but the substitution of looms for spindles is a work of both time and extra capital which all cannot afford. These difficulties of the Indian cotton manufacture are increased by the heavy silver duty. The Indian silver imports are likewise sure to go down, producing a depressing effect upon the silver market. The Hon'ble the Finance Minister has himself budgeted for a smaller revenue from the duty in 1913-14, in consequence of smaller purchases of silver. How have then the very sound objections to the duty failed? The Indian public will not be reconciled to this duty, and it behoves Government to take the earliest opportunity to abolish it, or in the alternative to reduce it considerably. A succession of surpluses should enable Government to do this. With the demonetisation of silver, the imported metal has lost its currency value and is equivalent to an ordinary commodity. It is unfair that it should be burdened with a heavier duty than other commodities. The Bombay Millowners' Association is anxious that the duty should be abolished; and if I did not put forward a definite proposal to that effect in connection with the Budget, it was because of the conviction that the Hon'ble Sir Guy Fleetwood Wilson, on the eve of his retirement, would be reluctant to take such an important step.

"Sir, assuming that such a large revenue cannot be surrendered in view of the increasing financial wants of an advanced administration, the loss can be made up by the imposition of reasonable heavy duties upon some other imports. But this Government, in the present state of their relations with the Home Government, might and would hesitate to take this just course. The real difficulty arises from the absence of a reasonable degree of freedom to the Government of India to regulate the tariff according to their financial needs. Sir, apart from all considerations of free trade and protection, this want of fiscal independence or fiscal autonomy must strike any impartial critic as something radically wrong. The tariff in all countries and in all ages has been a productive source of revenue. Free trade England imposes heavy duties on some of her imports. Why is it then that the Government of India should not be allowed to arrange their tariff in the best way they think proper provided the duties are imposed for the purposes of revenue and do not exceed a fixed maximum, say 10 per cent. *ad valorem*? The British Colonies have the right, and much more. They can protect their industries even against the mother country. The case for India for fiscal autonomy with the limitations suggested above would seem to be unanswerable. This is a reform which can be introduced immediately without the abandonment on the part of either England or India of the orthodox principle of free trade. I hope that this Government will now take a practical step, and move the Home Government for the concession which cannot be withheld from us long. We shall not rest content as long as this little justice is done to us.

BUDGET.

[*Mr. Fuzulbhoy Currimbhoy Ebrahim.*] [24TH MARCH, 1913.]

"Sir, the Government decision to suspend the coinage of gold in India, pending the export investigation of Indian finances and currency, has been received with profound disappointment by the commercial public, showing as it does, our complete dependence upon England in all our financial arrangement. The jealous West would appear to be anxious to stop even the course of trade and to intercept the gold that flows into this country with the current. The demand comes for a Royal Commission of Inquiry from English financiers, and all our arrangements for introducing a supplementary coin agreeable to Indian sentiment are upset. Sir, we Indians do not mind the inquiry, but some explanation is due to us why at least a gold coin of a smaller denomination than the sovereign, although approved by the Secretary of State, should not be minted at Bombay forthwith, and why the proposed minting operations should be hung up for the approval of the Royal Commission? We Bombay merchants, manufacturers and bankers feel strongly on the point.

"Sir, the Indian public feels uneasy about two other facts. The Government of India have no independent relations with any foreign Government. And yet on the 14th February last the Hon'ble Sir Acland, in the course of his reply to the Hon'ble Sir John Rees, stated in the House of Commons:—

'The Government has undertaken jointly with the Government of India to make an advance earmarked for the administration of Shiraz.'

"This is a startling statement which requires elucidation. We are obviously making a new departure in our financial relations and responsibilities which are outside the legitimate sphere of dependency.

"Sir, the other disquieting factor is the expedition for the suppression of the arms traffic in the Persian Gulf. Year after year our Budget provides for expenditure on this account, but the people are completely in the dark as to the arrangement with the Home Government under which we have to pay for these operations. We do not seek to criticise in this Council the Government policy in this respect, but only seek to ascertain if our financial interests have received at the hands of the Home Government adequate consideration.

"Sir, the chief interest in the Budget centres round the liberal grants made out of Imperial revenues for the extension of education, primary, secondary and high. The total budgeted expenditure, both Imperial and Provincial in 1913-14, exceeds the Revised Estimate of the current year by about $2\frac{1}{2}$ crores of rupees. This is a hopeful sign. The apportionment of the Imperial grants, recurring and non-recurring, is, however, open to criticism. Bombay which is ahead of the other provinces in education, gets only 19 lakhs of rupees as against the 33 lakhs of Bengal, 23 lakhs of Madras and the $20\frac{1}{2}$ lakhs of the United Provinces. 'The distribution of the additional sum among the provinces has been made' according to the official explanation, 'generally with reference to population, the demand for education and the express needs of the Local Governments.' *A priori* the hardship upon a province like Bombay where the numerical strength of the population does not provide a fair test of the actual needs. Under the inspiring guidance of Lord Sydenham, our educational activity in Bombay has been varied and phenomenal, general education, primary, secondary and high; technical education, scientific education, commercial education and agricultural education alike are engaging the serious attention of both the people and the Government, and we could surely now utilise a much larger grant, notwithstanding the large unspent balance of the past education grant. A scheme for the conversion of the Victoria Jubilee Institute into a Central Technological Institute is ready; a college of science and a Commercial college will shortly be started; an agricultural school has been established at Poona; manual training has been introduced into the general schools; we have a fixed annual programme of 500 additional primary schools. This is a record of work which stands unequalled, and it does not require any strength of imagination to realise that our activity is only circumscribed by want of funds. To speak of only primary schools, 17,000 of them are required in the province. Bombay thus deserves special treatment.

BUDGET.

[24TH MARCH, 1913.] [Mr. Fuzulbhoy Currimbhoy Ebrahim.]

“Sir, Government should take note of the special educational needs of the Moslem community. The Mussalmans are admittedly backward in education. All are likewise agreed that unless they are educated there is not much hope for progress in India. Thanks to the operation of the invisible forces of time, there is now a general awakening among them; they are shaking off their stupor, they yearn for knowledge. Government should take them by the hand, and encourage Mussalmans' education by every means in their power. My Hindu brethren will not grudge the Mussalmans special favour in this matter of education. Experience has taught me that the Hindus are equally anxious for the education of my co-religionists. Government should therefore have no hesitation in pursuing a more liberal policy towards Mussalman education. And the policy must be shaped in frank recognition of the cardinal fact that in consequence of their religion, education, to be effective and popular, must be sectarian. Special schools are absolutely necessary in their case for training in Urdu and religious books. The establishment of such schools will be greatly encouraged by the raising of the maximum aid in the case of Mussalmans to a moiety under the Government system of grant-in-aid to private schools. And for the high education of the community, the proposed Moslem University at Aligarh should be an accomplished fact before long. Government are in possession of the fullest information about Mussalman sentiment. They are doing their best to secure for the Mussalmans all the powers and all the privileges that the circumstances would allow. An amicable and early settlement of the various issues involved in this all-important question of a Moslem University between Government and the leaders, should not be beyond the bounds of reasonable hope. I sincerely trust this Aligarh University will soon be established.

“Sir, in Bombay, Mussalman education is receiving a large share of the public attention. We are doing something for its promotion. Before long Poona will have a residential high school on the model of the English public school for Mussalmans, and a school for Mussalman girls will shortly be established at Bombay. The establishment of a college for Mussalmans is under the consideration of Government. A number of schools for Mussalman boys have been opened in the districts. The Government of Bombay is very sympathetic and is ready to lend us as much financial assistance as their limited resources would allow. Our great need is money. With more liberal Imperial grants we could show better results. I hope we shall have them in the next Budget, if not in this.

“Sir, on a broader review the allotments for education from the Imperial revenues disclose one serious defect. Government have undoubtedly broadened their educational policy, but technical education does not receive its adequate share of attention. The proposition is almost axiomatic that the development of manufacturing industry is the best insurance against the injurious effects of the uncertainties of agriculture. And not only that, manufactures are necessary for the profitable utilisation of the fruits of agriculture—raw produce. I am convinced Government is impressed with their importance. We surely have a higher purpose in life than to be the growers of raw material. And in so far as our industrial development is dependent upon the dissemination among us of technical knowledge, technical education should be an object of paramount interest to the Imperial Government. Sir, it is time Government recognised their responsibility in this matter, and sanctioned special allotment for the support of technical education.

“Sir, speaking of grants for education, I have one other suggestion to make. Residential high schools, on the model of English Public School, for their elevating influence upon the moral character of the students, are a necessity in India. Private enterprise in this matter should be encouraged and stimulated by liberal grants. I beg to suggest that these residential schools should receive preferential treatment.

“Sir, in my humble opinion, the corrective for the financial difficulties of Provincial Government I have just criticised above lies in greater decentralisation in the administration. The Hon'ble the Finance Minister has referred

BUDGET.

[*Mr. Fuzulbhoy Currimbhoy Ebrahim; Maharaja Manindra Chandra Nandi of Kasim Bazar.*] [24TH MARCH, 1913.]

in his introductory speech with some degree of legitimate pride to the Provincial Settlements and to the consequential betterment in the financial resources of the Local Government. But the lump grant of a crore of rupees out of the Imperial surplus in aid of provincial resources disproves the proposition that these resources are sufficient for the numerous needs of progressive administration. It would be far better if the arrangement is reversed, and instead of the Local Governments being the recipient of certain fixed proportions of the Imperial revenue the revenue is provincialised and the central Government is content to receive fixed contributions from the Local Governments. I also maintain that the time has come when larger financial powers, the powers of borrowing and taxation among them, should be given to provincial Governments. Sir, the Provincial Legislative Councils have been expanded on a popular basis, with a standing non-official majority. But they will not be the active units Government want them to be until some real power of financial control is given them. The illustrious Governor of Bombay, Lord Sydenham, in his speech at the meeting of the Bombay Legislative Council of the 17th March current, observed :

‘The work of this Council has increased, and it will increase still more if ever decentralisation, of which much has been said and nothing done, becomes an accomplished fact. Then in all matters of Provincial concern the Council will become a real power, and I am convinced the progress of this Presidency, now too often retarded because other provinces are not equally ready to advance will be vastly accelerated. I am quite convinced that this Council is now quite fit to assume a larger responsibility, which in my opinion ought, and I hope would, in time to come, be conferred upon it.’

“Every word of this is true. Lord Sydenham with a statesmanlike perception of the wishes and the needs of the people has indicated the direction in which reform is desirable. He has in this appeal the support of educated India. This Government will now be pleased to take this question into their serious and favourable consideration.

“Sir, one point more and I have done. The question of British contribution for the loss of our opium revenue is once again to the fore. The justice of the claim nobody will have the hardihood to deny. Without consultation with the people of India or even preliminary notice the British Government proceeded to knock off an important source of our revenue. The Government of India was deprived of an annual income of over 5½ crores of rupees for the satisfaction of the philanthropic Englishman. But we should not grudge the loss. India has for centuries been noted for spirituality and high morality. The claim for compensation for the abandonment of an immoral trade would be clearly opposed to her noble traditions. Proud in the possession of a magnificent code of ethics, we will not have any compensation from the British Exchequer for the loss of an immoral gain.”

The Hon'ble Maharaja Manindra Chandra Nandi of Kasim Bazar:—“Sir, I congratulate the Hon'ble the Finance Member on the fact that the Financial Statement before the Council bears testimony, for the third year in succession, to the material prosperity of the country. The estimated surplus for the official year which is about to close was about a million and a half pounds sterling, while the Revised Estimates show a surplus of £3,362,000, which is nearly two millions better than the estimate. The beginning of the present year was an anxious time in Northern and North-Western India on account of the delay in the winter rains, but all anxiety has been averted by the late but sufficient rains which have fallen in February and the current month. It is noteworthy that in spite of the large surplus in the years 1911-12, 1912-13, and the estimated surplus for the next year it has not been found possible to announce any reduction or remission of taxation. This, no doubt, is partly explained by the undertaking given by the Government of India in 1911 for the extinction of the opium trade with China by 1917, or earlier if the extinction of the production of the indigenous drug in China were proved. Considering the very important part that the revenue

BUDGET.

[24TH MARCH, 1913.] [*Maharaja Manindra Chandra Nandi of Kasim Bazar.*]

from opium plays in Indian finance the Hon'ble the Finance Minister is probably justified in not agreeing to any diminution in any source of income. We are within a measurable distance of the time when the opium revenue will be automatically wiped out under the terms of the agreement with the Chinese Government, and though it would be premature to attempt a forecast of the adjustment of revenue and expenditure when that contingency arises, it is to be earnestly hoped that the new situation will be met without recourse to fresh or enhanced taxation.

"In the distribution of the available surplus for 1912-1913 two and a half crores of rupees have been assigned for non-recurring expenditure on education, and one and a half crores for urban sanitation, but provincial allotments have not been specified. In the Budget estimates for the next year one crore has been allotted for recurring expenditure on education and sanitation, 85 lakhs being distributed to the major provinces, seven lakhs being assigned as Imperial expenditure and eight lakhs being retained as a reserve. The amounts set apart for expenditure on education leave Provincial Governments and Administrations unfettered discretion as regards the branches of education on which additional expenditure is to be incurred. I venture to think, Sir, that technical and industrial education has the strongest claim upon public revenue in view of the altered conditions which are rapidly appearing in the country. A mere literary education is no longer sufficient to equip our young men for the struggle of existence. The growing needs of the country and the people have to be supplied in a large measure by commodities brought from foreign countries. A wider spread of technical and industrial education will have the effect of opening up new vocations in life for our young men as well as developing the resources of the country. According to the fifth quinquennial report, 1902—07, on the progress of education in India there were, in 1906-07, 14 technical and industrial schools in the Madras Presidency, 31 in Bombay, 52 in Bengal, 11 in the United Provinces, 19 in the Punjab, 3 in Burma, 12 in Eastern Bengal and Assam and 5 in the Central Provinces and Berar. Confining my remarks to Bengal, which now once again includes Eastern Bengal, the number of technical and industrial schools is apparently the largest of any Presidency or province in India. Of course the number that falls within Bihar, then an integral portion of Bengal, has now to be excluded. But these schools in Bengal are very small institutions and are mostly aided or private. The report on Public Instruction in Bengal for 1910-11 shows that the total expenditure on technical and industrial schools managed by Government was barely Rs. 45,074, of which Rs. 39,414 were contributed from provincial revenue. The amount is wholly inadequate for the requirements of so important a Presidency as that of Bengal. Even if the establishment of a fully equipped Technological Institute is delayed, a much larger amount should be earmarked for technical and industrial education, and the Bengal Government should have no difficulty in doing so out of the allotments made by the Government of India from surplus and current revenue.

"As stated above, provision to the extent of 1½ crores has been made for urban sanitation from the surplus of the year about to close, as well as a moiety of one crore assigned in the Budget estimates for 1913-1914, but in the latter instance, it is not specified whether for urban or rural sanitation. To us in Bengal rural and suburban sanitation is a problem perhaps more important than urban sanitation since the former affects a much larger population and a wider area. The ravages of malaria in Bengal are well known, and village areas have suffered severely specially in the districts of Murshidabad, Nadia and Jessore. At the second all-India Sanitary Conference held at Madras in November last year, and over which the Hon'ble the Member for Education presided, the subject of rural sanitation in Bengal was discussed in a paper read by Mr. Mati Lal Ghose, a member of the Conference. He referred to the terrible ravages of malaria in Burdwan and other districts in 1861 and subsequent years. The Epidemic Fevers Commission of 1884 attributed the outbreak to miasm, polluted drinking-water, deficient ventilation

BUDGET.

[*Maharaja Manindra Chandra Nandi of Kasim Bazar ; Mr. Ghuznavi.*] [24TH MARCH, 1913.]

and other causes. Since then malaria has spread over an extensive area and has been undermining the health and constitution of the people, and injuriously affecting the development of the race. It was pointed out in the course of Mr. Ghose's paper with the views of which Rai Bahadur Dr. Kailas Chandra Bose, C.I.E., an eminent medical authority, generally agreed that the problem in Bengal was one of village sanitation, and there was an imperative necessity for improving the drainage and water supply. This should be supplemented by the clearance of jungle and the growths of rank underwood, the filling up of useless tanks, the freedom of tanks of which the water is used for drinking purposes from pollution, the prohibition of borrow-pits in the proximity of villages and other necessary measures. In his opening speech the Hon'ble the President announced that out of the grant of Rs 5 lakhs for anti-malarial measures Rs 50,000 had been assigned to Bengal for experimental jungle clearing, but the anti-malaria campaign should be carried on in a systematic manner in all directions, and then alone will our efforts be crowned with success. His Excellency the Governor of Bengal, it is satisfactory to note, takes a practical and keen interest in rural sanitation, and I am confident that with the additional funds placed at his disposal, His Excellency will endeavour to deal with the problem of rural sanitation in Bengal.

"Before resuming my seat, Sir, I hope you will permit me to refer briefly to the concluding portion of the Financial Statement. The Hon'ble Sir Guy Fleetwood Wilson has said that this is his last Budget and he will sever his connection with India with profound sorrow, but he rejoices exceedingly that he will leave her loyal and prosperous. We all sincerely share the last sentiment. Sir, by his unflinching courtesy, his affability and urbanity, Sir Guy Fleetwood Wilson has, in his exalted offices of Finance Member and Vice-President of this Council, won the respect and esteem of Hon'ble Members of this Council, while his sympathy for the people of India is remembered by them with affectionate gratitude. When the time comes for the parting word to be said the best wishes of all India for his continued prosperity and success in a different and, we hope, a higher sphere of activity will accompany him to his distant home beyond the wide seas."

The Hon'ble Mr. Ghuznavi:—"Sir, to-day I rise to congratulate my brethren, both European and Indian, my Hon'ble colleagues in this Council, on having come to the end of our labours and brought to a close this first session of the New Council in the historic Delhi of past glories and in the truly Imperial Delhi of future hopes.

"The momentous change of policy which while, upsetting the partition of Lord Curzon, ushered in the transference of the capital from the city of Job Charnock to the city of the Moguls, I confess, Sir, for a moment paralysed the Moslems of Eastern Bengal and Assam, from their rank and file to their accredited head, the Nawab Bahadur of Dacca, who had identified himself so much with the province that was born to die so young. At the time the news reached us, I, who was then stricken with a serious malady and was more dead than alive, thought with the rest of us that it was a veritable political debacle. But God in His infinite mercy not only restored me to a fresh lease of health and activity, but with it as it were brought the conviction to the minds of us, Mussulmans of Bengal, that the change was by far for the better. Although the change is written in the present Budget as it will be written in future Budgets in large figures of expenditure, it has converted our province into a Presidency with the British Statesman at its head of consummate ability, tact and genuine sympathy, courteous and affable with a keen regard for the true interests of those over whom he has been called upon to rule. It has given us a Government by an Executive Council composed of men like the Hon'ble Sir William Duke and Mr. Lyon and my friend and late colleague Syed Shamsul Huda, who have an intimate knowledge of the land and the people whose administration is under their charge. For these reasons, Sir, I for one, do not grudge any expenditure

BUDGET.

[24TH MARCH, 1913.]

[*Mr. Ghuznavi.*]

in the Budget which is the outcome of this policy which will ever be associated with the revered name of His Excellency Lord Hardinge.

“ Sir, I have no desire to criticise at any length the Budget—the prosperity Budget, if I may so use an old expression which has found favour in the past with many of my colleagues—for it hardly calls for any comment; nor do I desire to repeat what surplus it shows, what income it indicates, or what expenditure it advocates, for all that is within the easy reach of any one who wishes to turn over the so-called dry and dusty pages of the Financial Statement of the Budget which I must confess this year have been made a little less dry and a little more interesting by the magic hand of my friend, the Hon’ble Sir Guy Floetwood Wilson. I wish to take advantage, Sir, with your permission, of the general nature of to-day’s debate and dilate on a few matters of general policy. But there is one point strictly financial that I should like to touch upon and it is this—It is the financial relation between the Imperial and the Provincial Government. In the middle of May, 1912, a resolution was issued by the Government of India defining the future financial relations between the Imperial and the Provincial Governments. The first point which strikes one with regard to this is the absence of what the various Local Governments consulted on the subject said about the points referred to them. In the resolution, there is very little to show what their opinions were, and yet the Provincial Governments are as much interested in the question as is the Imperial. What I ask is this, will the Hon’ble Finance Minister be pleased to tell us what the opinions of the Local Governments were, and whether in the present Budget the relations between the Imperial and Provincial Governments have been adjusted in the light of those opinions. Before the year 1871 Local Governments, though responsible for the internal administration of the country, had no power of control over the financial affairs of their respective provinces, and therefore had no financial responsibility. The revenues of the whole Empire thus went into a common fund which was completely at the disposal of the India Government. The Supreme Government came to find in course of time that the demands of the Local Governments for money were practically unlimited, because there was almost no limit to their legitimate wants. Thus the constantly increasing demands of the Local Governments obliged Lord Mayo in 1871 to inaugurate the celebrated Decentralisation Scheme by which it was resolved to make over to the Local Governments a certain income to meet their local expenditure and leave to them subject to certain general rules and conditions, the responsibility of managing their own local affairs. Thus the financial control of Jails, Police, Education, Registration, Medical Service, Printing, Roads and Civil Buildings was transferred to the Local Governments. But as the Secretary of State for India kept for himself the lion’s share of the revenue and the Government of India in its turn followed suit, this arrangement proved unsatisfactory. Chiefly because it allotted to the Local Governments means which were at once insufficient and left them to carry on their administration as best they could within that amount. Thus thrown upon their own resources the Local Governments with the permission of the Government of India hit upon ingenious local taxes which gave birth for the first time to that wonderfully elastic taxation which is so dreaded by the unfortunate zemindars of Bengal, namely, the Road Cess and the Public Works cess. Other provinces such as Punjab, Madras, Bombay had similar taxes sprung upon them. Lord Lytton in 1877 further developed this decentralisation scheme, and Bengal and other Local Governments were entrusted with the management for their use on fixed terms of progressive payments, their Excise, Customs, Salt, Law and Justice, Marine, and miscellaneous, etc., and some heads of expenditure were also entrusted to the Local Governments. The Local Governments thus were authorised to develop the sources of the revenues placed at their disposal with the condition that the Government of India was also to get a share in the increase of this revenue every five years at certain fixed rates. Soon after Local Governments accordingly began to show increase under every head of revenue, the proceeds being rateably divided between themselves and the Supreme Government with the result that

BUDGET.

[*Mr. Ghuznavi.*]

[24TH MARCH, 1913.]

taxation reached almost its utmost limit in every province. Let us take an example. The revenue of Bengal, Bihar, Orissa and Chota Nagpur increased from 2 crores 69 lakhs odd to 3 crores 68 lakhs odd, and it went on increasing until we get in 1909—11 to 5 crores 77 lakhs odd for West Bengal and 2 crores 27 lakhs odd for East Bengal, subtracting 75 lakhs, that being the annual revenue of Assam. That is to say, within 30 years the revenue of Bengal was quadrupled. The question naturally rises as to how this huge increase of revenue was brought about. The answer is that it was mainly by forcing up the sources of the growing revenues such as Excise, Stamps, etc., year after year. Now the main features of the Resolution of the Government of India of May of last year are (1) the replacement of Government of India's cash assignments to Local Governments by making over sources of growing revenues to the latter, (2) making of the existing quasi-settlements permanent. Now there would be no objection to this arrangement if the sources of growing revenue placed at the disposal of Local Governments were to grow for ever. But this can never be. On the other hand, most of the sources of revenue have already been almost tapped dry. Hence we are justified in doubting whether the Local Governments will gain or lose by such commutation of the cash assignments to growing revenues which are bound to shrink in due course, and must ultimately reach the utmost limit of their goal. In the present budget the financial relations between the Central and Local Governments have been regulated in the light of the resolution referred to above. Hence I would respectfully urge upon the Government the desirability of reconsidering this complex question of financial relationship between the Central and the Local Governments in all its entirety.

“ Sir, I now pass on to general questions. At the outset I must express my deep gratitude to Government for their large-hearted and munificent educational policy. India is by far one of the most backward countries in the matter of education. And to my mind England can only fulfil her noble mission here by spreading education broadcast in the land. Comparatively speaking we Mussalmans are very backward, and personally I plead that in this matter the Mussalmans are entitled to a preferential treatment which I am sure no enlightened and broadminded Hindu would begrudge us. For they must remember that our educational advancement is equally to their interest. I am sure, you will be astonished, Sir, when I tell you that taking a single district like Mymensing, there are not more than 23 High English Schools in an area which is nearly equal to that of Ireland, and of these only two are under Mussalman management. Apart from the question of giving freely grants-in-aid so that schools might multiply, Inspectors of Schools specially in the Dacca Division might be advised with advantage not to put unnecessary obstacles in the way of the few schools that are started by private enterprise from receiving affiliation from the University. In my budget speech of 1910, I had the pleasure of congratulating Government for having recommended to Local Governments the advisability, in the interest of higher education, of affording substantial help for the raising of 2nd grade colleges to first grade, and I referred particularly to the Chittagong College. This year I would refer similarly to the Ananda Mohan College in Mymensing, and while expressing gratitude to Government for having already promised a considerable amount of help with regard to it, a little more is needed to bring about the desired end. If the Government of India consider the question of commending to Local Governments the advisability of raising 2nd grade colleges to 1st grade whenever possible, the desired consummation with regard to the Ananda Mohan College will easily be brought about.

“ I now turn to Moslem Female Education. It is a matter greatly to be deplored that there are hardly any Moslem Girls' Schools in any of the provincial capitals of India. Taking the case of Calcutta, we find that there is one small Girls' School called the Shakhawat Memorial Girls' School, and this too has been started only recently through the liberality and devotedness of a single

BUDGET.

[24TH MARCH, 1913.] [Mr. Ghuznavi; Maung Myé.]

lady. In my opinion there should be Government aided and Government controlled first class Moslem Girls' Schools in every important centre throughout India, and Local Governments should be commended accordingly.

"We are deeply grateful to the Government of India and the Hon'ble the Finance Minister for the money which he has provided for the Dacca University in the present budget. But I would respectfully and earnestly point out that a great deal more will be required before it can be made into a Cambridge or Oxford of East Bengal.

"I cannot conclude my remarks without expressing my personal obligations, and on behalf of the entire Mussalman community our deep gratitude to His Excellency the Viceroy and the Government of India for granting leave to Mussalman employés of the Government of India to say their Jum'a prayers as well as for commending to Local Governments the desirability of granting the same privilege. For this single act on the part of His Excellency the Viceroy and the Government of India, Mussalmans regard His Excellency Lord Hardinge as a great benefactor. We are also thankful to the Government of India for having accepted the resolution which was chiefly with regard to Mussalman holidays, and I would respectfully urge the Government to send their commendation embodying the principle of the Irreducible Minimum of Four Mussalman Religious days to the Local Governments concerned as early as possible so that due effect may be given to it without delay.

"In conclusion, I feel that I must give vent to what is uppermost in my mind. For four years out of five of the official career of the Hon'ble Finance Minister in this country, I have had the honour of being associated with him as a colleague in this Council, and I desire to give expression to the great admiration and the very high regard in which I have held him, in which, I am sure, we all hold him. Sir Guy Fleetwood Wilson came to us with his mind saturated with the best traditions of English public life, and his presence in this Council in its infant stage has been of incalculable benefit. His high-minded courtesy, his delightful suavity of manners, his warm sympathies, his sturdy independence of character, his deep devotion to the truest and the best interests of India have all earned for him an abiding place in our hearts.

"Sir, when the Hon'ble Sir Guy Fleetwood Wilson took up the portfolio of Finance, he found India in adversity and at the end of his five years' period he is leaving her in financial prosperity with the solemn assurance that should financial trouble come on India, she would be prepared to meet it,—'*L' India fara da se'*'. In pathetic terms he told us on that day that this was his last budget, and this day would practically be the last day of his career in India. Man proposes but God disposes, and we still hope that Providence may yet keep him amongst us and give us and India the benefit of his labours for a further term. But should that not come to pass and the best of friends have to part, we hope that when he is far away from these shores like so many friends who have gone before, with him Sir, it will not be the case of '*Lointan deggli occhi lontan del cuore'*'."

The Hon'ble Maung Mye:—"Sir, to-day being the closing day of the year, I do not wish to pass it without some expression of my gratitude on behalf of my Province, to the Imperial Government for the grant of 30 lakhs for road communications.

"Although very far short of fulfilling actual requirements, it is still a welcome start for an undeveloped and backward Province like Burma.

"According to calculations made by experts, she requires a little more than ten times that amount to equip herself with the necessary road communications, but she is content and grateful with what she has received.

"Burma is not asking for more for she knows now, since the Government of India recognizes her urgent wants, she can wait and hope that, whenever the financial situation permits in the future years, the Government of India

BUDGET.

[Maung Myé; Mr. Fenton.] [24TH MARCH, 1913.]

will not forget that Burma has a strong claim on the Imperial exchequer for further grants."

The Hon'ble Mr. Fenton:—"Sir, my friend and colleague, the Hon'ble and gallant Captain on my left has formulated so many suggestions, for the better government of India in general and the Punjab in particular, that it is perhaps unnecessary for me to occupy the time of the Council for many minutes.

"I do not propose to indulge in what the Hon'ble Finance Member calls patriotic pleadings. It is true that, three years ago, speaking on behalf of the finances of my Province, I had the temerity to ask for more. Well, Sir, we have got more. The financial position of the Punjab is now thoroughly well established. But I do not think the Hon'ble the Finance Minister does himself justice when he attributes to time alone the improvement which has taken place. He has, in fact, jogged the elbow of time. That is to say, the Government of India have very wisely decided to accept the claim of the Local Government to have a portion at least of our large fixed assignments converted into shares of growing revenue. Half the income under the land-revenue head and the net income from irrigation have been provincialised. Nor in attributing the amelioration that has taken place to time, and to time alone, has justice been done to the head of our Local Government who, both by his convincing presentation of the case for the reform which I have mentioned, and by his watchful supervision over our revenue and spending departments has very materially contributed to our present happy position? In view, therefore, of this present happy position, it is not necessary for me to plead, as I did three years ago, the cause of the provincial lamb. Our own particular provincial lamb has now grown up into a sheep,—a fine, fat, well-conditioned sheep. Judging from the distribution of the Imperial surplus which has taken place, it is not perhaps the most favoured sheep of the flock. Indeed I am not sure that Sir Guy Fleetwood Wilson and some of his colleagues do not still regard it as a black sheep. But if the Hon'ble Finance Member now approaches us and asks in the words of that well-known nursery rhyme 'Baa! baa! black sheep have you any wool?' the answer which will be given to him with complete assurance and satisfaction will be 'Yes Sir, Yes Sir, three bags full.' We have one bag for the Master, that is to say for the Finance Minister himself. The Government of India derive from the Punjab Province a contribution to the Imperial exchequer which is substantial and important, and will be still more substantial and important in future. We have also got a bag for Sir Louis Dane. The Punjab has at last come into some of its own. And, Sir, we have a third bag: a third bag for 'the little boy who lives up the lane.'

"And who is the little boy, and why does he live up the lane? We are all familiar with the *chhota saheb*, the Assistant Collector, the Assistant Commissioner; sometimes he is a hoary-headed 'Joint.' He is little in pay, little in prospects and little in position. But he is not little in years. He is running well on to 40 sometimes; and—he 'lives up the lane.' And why does he live up the lane? Because he cannot afford to live in any more respectable locality. Rents have gone up, prices have gone up, wages have gone up, steamer fares have gone up, the cost of living in every direction has gone up, and he really cannot afford to make both ends meet. Bitterly must many a *chhota saheb* regret,—many a one who once had an opportunity of choosing the Home Civil Service,—bitterly must he regret that he did not exercise his choice in that direction; for then perhaps—you never can tell—he might have aspired to be now occupying an honourable seat on one of the front benches opposite. But, it may be asked, what connection has all this with the budget? That brings me to the third bag of wool. We have got that bag, and it only requires the permission of Government to give it over to 'the little boy who lives up the lane'. Sir, the Government of India also have wool, lots of it, and I would here put in an earnest plea that they do not part with it too readily; that they keep it in reserve for the moment. Nothing that has taken place since the commencement of this

BUDGET.

[24TH MARCH, 1913.] [Mr. Fenton; Nawab Saiyid Muhammad.]

Session has, I believe, given more satisfaction to the rank and file of the Indian Civil Service than the words which dropped from your lips, Sir, in the course of the debate on the Hon'ble Mr. Gokhale's motion, in which you adumbrated the need for making provision to carry into effect the possible recommendations of the Public Services Commission. It would of course be presumptuous to indulge in any definite forecast as to what those recommendations will be, but it is permissible to build up hopes on the justice of our case. It is permissible to urge upon those who will have the responsibility of giving effect to any measures, which the Public Services Commission may recommend to look ahead and to maintain an adequate reserve so that when the time does come to give effect to these measures, their adoption will not be frustrated by any lack of provision in the Finance Department.

“Those Members of this Council who so recently have been giving so much study and attention to the question of Company law, are no doubt familiar with that bright and humane side of Company finance which so often marks the presentation of a balance-sheet exhibiting exuberant prosperity. There is on such occasions rarely a dissentient voice heard when the Directors propose to grant a bonus to the Staff and recommend that a substantial addition be made to the employes' pension fund. Sir, has not the time come for the Directors of the Empire of India, Limited, to take some step towards imitating a commercial practice so just and admirable? Does not the prosperity of the country carry with it some obligation to those under whose administration and by whose efforts it has been largely achieved?”

The Hon'ble Nawab Saiyid Muhammad :—“It is once again my pleasant duty to congratulate the Finance Member on his excellent budget and his clear and businesslike statement of our Financial affairs. Since the expansion of the Council the annual Financial Statements have been watched with deep attention, and have elicited warmest approbation all over the country. Sir Guy Fleetwood Wilson has introduced several healthy changes in the method of the preparation of our Financial Statement and Budget, which, I hope, his successors will loyally follow. Sir, the career of our Finance Minister has been followed by our countrymen with great interest. He has not merely been a Member of the Executive Council, but a statesman and a friend of the land he has served so well. I shall merely be voicing the unanimous opinion of our educated countrymen if I tell the Council how anxious they are to approach His Excellency the Viceroy with memorials and by holding public meetings, to use his good offices and to retain Sir Guy in the country for a further term however short that may be. We are passing through exceptional times, and we want men of his stamp to guide us.

“Sir, many important aspects of the budget have been so fully discussed in the Committee stage that hardly anything more is left for me to say. A few words however, about the new capital will not be altogether out of place. I notice that two crores have been provided for the capital expenditure on permanent Delhi, bringing the total to two crores and 17½ lakhs. I also notice that the total cost of the temporary works and the new Cantonment, amounting to about 64 lakhs, have been shown under Revenue Expenditure. Strictly speaking, these 64 lakhs should be charged to the capital cost of the new Imperial city. This is, however, a question for the Auditor General. I beg to draw the attention of the Government to this matter, as already articles have appeared in a section of the Anglo-Indian press suggesting that there has been cooking of Delhi accounts. Leaving aside the question of accounts, I am bound to say that the Council has not been kept fully informed about the affairs of the new Capital. In fact, we know little or nothing about it, although we know that a new capital is being built for us. The preliminary report of the experts which was placed in the Library of the House of Commons several weeks ago is not available for us even to-day. Since then, so far as I can see from the press, a second report has been submitted to the Government, and on the merits of this document the southern site has been finally fixed. My friend, Sir Gangadhar Rao, has tried his best to elicit some information on the subject of the new Capital, but without evident success. We are unaware of

BUDGET.

[*Nawab Saiyid Muhammad; Sri Rama
Raya of Panagallu.*]

[24TH MARCH, 1913.]

the financial effect of abandoning the northern site in favour of the southern. We do not know why the expenditure on sanitation of Delhi should not be charged to the capital account. We are also not aware of the reasons which have led to the cost of the Delhi Railway diversions not being charged to the capital outlay on permanent Delhi. It seems urgently necessary that general estimates should be prepared and discussed before the detailed scheme is fixed. It seems also essential that these estimates should include capital expenditure on old as well as on new Delhi in the matter of such paramount importance as the building of a new capital. I am inclined to think, Sir, that the non-official members of Council should have been taken into the fullest confidence and allowed all possible opportunities to co-operate with the Government. This, I regret to say, has not been done. I now hope, Sir, that it will be possible for the Government to place all available information at the disposal of the Council."

The Hon'ble Sri Rama Raya of Panagallu:—"Sir, I join the other Hon'ble Members in their congratulations to the Hon'ble Sir Guy Fleetwood Wilson on the Budget under discussion. I only regret it should be his last, but I have every hope his advanced policy will continue to be followed in the department which he has administered with such conspicuous ability, and that larger grants will be annually made for agriculture, irrigation, education and sanitation. He leaves India with profound sorrow. Perhaps the assurance will be some consolation to him that we Indians are as deeply moved at his retirement, and that he carries with him a nation's goodwill and admiration.

"Sir, the absence of His Excellency the Viceroy from the Budget meeting must be painful to all, but we earnestly hope that the All-Merciful God will give him strength to resume his duties shortly and to gladden us by his sympathetic rule during the full term of his high office.

"Sir, the Budget does not call for much comment. The operations of the year about to end have given us a large surplus, and the next year's anticipations are normal. One might perhaps wonder why an unusually large allotment has been made in 1913-14 for railway construction when the Hon'ble Finance Minister himself is sceptic about the utility of railways as a commercial asset. The Memorandum, however, supplies the explanation. The whole of the money is required for the maintenance of open lines and the completion of lines under construction. But one thought would occur to all in these circumstances. If such a large amount as Rs. 15,18,69,000 be required in one year for the first of these purposes, railway expansion must have reached a stage when a halt would be not only desirable but necessary in the interests of the taxpayer. A pronouncement of Government policy on this subject from the Hon'ble Sir Guy Fleetwood Wilson will be welcome to the Indian public.

"Sir, in my opinion, and I share that opinion with many others, greater concentration of our energy on the development of feeder lines, or what are known as light railways, at least for some years to come, will be a wiser policy. Of course they are the concern of Local Governments, but advice from the Government of India will accelerate their progress. These light railways do good to the country in a variety of ways, not the least of which is by providing a sound investment to the poorer classes for the remunerative employment of their capital. With adequate guarantee the whole of the capital can be, and should be, raised from the people. The guarantee of the Provincial Government will have a decidedly more encouraging effect than a District Board guarantee. It will inspire greater confidence among timid capitalists, as these poorer Indians are.

"Sir, to a representative of Madras the statement in the Memorandum that in 1913-14 'provision has been made for large grants to Local Boards for roads, bridges and protected wells in rural areas' has a profound interest. I am glad this need of the Madras Presidency has attracted the notice of this

BUDGET.

[24TH MARCH, 1913.] [Sri Rama Raya of Panagallu.]

Government. It would be still more gratifying if the Local Government be advised to make the outlying places of pilgrimage easily accessible by the construction of roads and bridges, before applying the funds elsewhere. Huge crowds visit most of these places, and at many places, Kalahasti for instance, the pilgrims suffer a great deal from the absence of bridges. The Local Government will no doubt settle the detailed programme of works, but this Government may with advantage indicate it as a general policy that places of pilgrimage should have the first claim upon the consideration of Government in this matter.

“ Sir, a bolder and more liberal policy in regard to the improvement of agriculture is called for by the increasing pressure upon land and the necessity of rapid improvement in agricultural methods. The importance of agriculture cannot be exaggerated. Agriculture has hitherto been, and still is, by far the most important industry in the world, and I have no doubt it will continue to be so hereafter. Even if to-day we are in a position to synthesise our food from free elements, we cannot dispense with agriculture. For it is no less a means of disposing of the dead and effete matter than it is a process of producing life-promoting stuff. In India it is the main industry of the people and supports directly or indirectly about eighty per cent of the population. And yet the condition of Indian agriculture is not what it should be. There is ever increasing foreign competition. Crop after crop is being threatened. German artificial blue dye has almost put a stop to the cultivation of indigo in this country. Java sugar is a standing menace to the indigenous cane cultivation. If these things continue, the Indian peasant will ere long have to be out of employment. The problem of agriculture, therefore, demands the most careful attention of the State. I do not deny that Government is alive to the importance of agricultural improvements, and is trying to effect it in various ways. The third report on the ‘Introduction of Improvements into Indian Agriculture’ contains interesting information regarding official activity in this important direction. I would, however, suggest the nationalisation of agricultural education by giving elementary agricultural training a recognised place in our primary schools as in Japan and some of the agriculturally advanced countries of the west. I do not apprehend any serious difficulty in the inclusion of a rudimentary agricultural syllabus in the course of study at these primary schools. But with a view to popularise agricultural knowledge, to disarm opposition and to make a cautious advance, an agricultural section may for the present be added to the village primary school, admission to which should be optional. Without therefore launching upon a scheme of primary agricultural schools, the desired facilities for special training may in this way be provided in the general elementary schools at a small cost. In paragraph 36 of the Education Resolution of the Government of India, dated 21st February 1913, it is noted :—

‘In the ordinary elementary schools, formal agriculture is not taught; but in some provinces a markedly agricultural colour is given to the general scheme of education.’

“ I submit this is not enough. A more comprehensive scheme of agricultural education is clearly required; but, on the 17th of February last, in reply to my question on the subject, Sir, you said :—

‘The Government of India are not aware . . . of any likelihood of such schools (of agriculture of a strictly elementary character) being brought into existence in the near future.’

“ This being the position, to suit present conditions, the scope of ordinary primary education may be extended in either of the two ways suggested above. Meanwhile, the progress of the vernacular boarding school for sons of substantial cultivators, village *patils* and small landowners, experimentally established of late at Bombay, should be watched.

“ Sir, agricultural improvement is intimately associated with, and is to a large extent dependent upon, judicious settlements of land revenue. Left to themselves, the tenants can do little to introduce improved methods. They have not got capital, and the only capitalist in the village who has a substantial interest in such improvements is the landlord. Capital must

BUDGET.

[*Sri Rama Raya of Panagallu.*] [24TH MARCH, 1913.]

for years to come at least, be supplied by him. Co-operative credit societies may in time free the agriculturist from his dependence upon the *soucar*, but the co-operative movement is new in India, and it will be enough if it helps the villager now to get money at a reasonable rate of interest for his pressing ordinary needs. For the application of the co-operative principle to production and agricultural improvement, we must wait long. State landlordism and forced cultivation which might ultimately result in improved agriculture, cannot succeed in a country like India. Even in Java where they have been tried, they were attended with signal failure. It is necessary that the landlord should have sufficient incentive to undertake large agricultural improvements. And the first effective condition, to my mind, is the introduction of long-term settlements. Unless he is secured in the enjoyment of the profits of his investment for a reasonably long period, no landlord would care to carry out improvements on his estate at his own cost. The period of settlements now varies in different parts of the country, and is generally much below the thirty years' limit fixed by the Secretary of State. A more uniform approximation to this maximum at least is an exigent necessity.

“Sir, the poor tiller of the soil has at least the comfort to know that he is the object of much philanthropic concern, but in India we have a still lower social stratum in which the members are denied the ordinary rights of humanity. The depressed classes are untouchables; they receive from the higher classes a treatment which is shocking to civilised notions; their very presence is abomination and their breath pollution. They are allowed to wallow in ignorance, barbarism and degradation. They are condemned to a low life of utter wretchedness. They are forced to lag behind in the race for advancement. The Indian nation with its progress limited to a particular section is like a tree with its branches expanding in one direction. Its equilibrium is unstable, and it is ever exposed to danger. Sir, the uplifting of these classes is not only a problem which ought to be grappled with spirit by social reformers, but also one which from its economic effects deserves the serious consideration of Government. The depressed classes form a large proportion of the total population. Government can and should do something for the amelioration of their hard lot, by appointing them, wherever convenient, at least as menial servants in public offices, by settling them as peasant proprietors on lands reclaimed by irrigation, by inducing them to apply themselves to cottage industries, by encouraging missionary societies to form special settlements for them and by unfolding before them an altogether new and nobler perspective of life and life's work. A beginning can be made by the reservation of a portion of reclaimed lands for them at the public auctions, and by either remitting the price of the lands so reserved or by recovering it from them by easy instalments. I expect important results from these measures. Their appointment, be it in the lowest rungs, in public offices will necessarily bring them into contact with the higher classes and a higher order of society and will revolutionise their ideas about living, exciting in them an earnest desire for betterment by education. Their position as peasant proprietor will give them a recognised status in village communities. But the Hon'ble Home Member's reply to my question on the subject was not as encouraging as it should be. In the name of humanity I appeal to Government to formulate a scheme for humanising the *pariah*, if necessary, after proper investigation by a small committee. In this noble work Government will have the hearty and loyal co-operation of all right-thinking men.

“Another matter, Sir, which I would like to draw the attention of Government to is the admission into the commissioned ranks of the Indian Army after preliminary training of the scions of ancient families who now in many cases live in dangerous idleness. It will be a wise act of statesmanship to reclaim and employ them in the King's army and convert them into loyal and devoted supporters of Government. Years ago, under the sympathetic inspiration of His Royal Highness the Duke of Connaught, a proposal was in the air that a military college should be established in India on the model

BUDGET.

[24TH MARCH, 1913.] [*Sri Rama Raya of Panagallu ; Khan Bahadur Mir Asad Ali.*]

of that at Sandhurst, for the training of respectable Indians with a view to their appointment to the commissioned ranks of the army; but somehow nothing practical resulted. The Indian Feudatory Chiefs have since then formed the Imperial Service Corps. But nothing has been done for the aristocracy of British India. The time has come when Government should take this question of military training and appointment of deserving Indians into their serious consideration.

“Sir, I cannot conclude without some reference to a reform, which is of paramount interest to us and which with years is becoming more and more pressing, but in regard to which this Government can only submit a proper representation to the authorities in England. With the reconstitution of the Legislative Councils on a popular basis, the people must make their voice heard in England through this Council. For more than a quarter of a century educated India has been agitating on the platform and the press for a thorough overhaul of the Council of the Secretary of State for India. We are grateful to Government for reforming it to some extent by the appointment to it of two Indian members for advising the Right Hon'ble the Secretary of State on all matters connected with the administration of India from the Indian standpoint. This is a great step forward. But it is desirable that something more should be done. I do not feel myself free on this occasion to undertake a detailed examination of the lines on which the Council should be reconstituted, but I beg leave to place before Government the growing desire of the people of this country for a more radical and comprehensive reform of the India Council, with the object that the Secretary of State may be formally informed of the existence of such a feeling among Indians.”

The Hon'ble Khan Bahadur Mir Asad Ali:—“Sir, regrettable as is the absence to-day of His Excellency the Viceroy, I rejoice that His Excellency has been restored to sound health.

“It is now my pleasant duty, Sir, to congratulate the Hon'ble Finance Minister and the Government on the satisfactory and successful Budget placed before the Council. During his régime as Finance Minister, Sir Guy Fleetwood Wilson has been able to present prosperity Budgets, and the Financial Statement for 1913-14 leaves little room for criticism. Not only does it record a large surplus of about three and a half million pounds, twice as much as was estimated at the last Budget, but shows signs of increasing expenditure on objects of public utility. When Sir Guy Fleetwood Wilson first assumed control of our finances, he had the misfortune to face a large deficit of about £3¼ millions. But he leaves to his successor an estimated surplus of about £1½ millions. On the eve of his retirement Sir Guy carries with him the sincere goodwill of his colleagues, and their high appreciation for service rendered to the Government of India.

“The needs of India to-day, Sir, are mainly educational, and I am happy to find that the Government of India has sufficiently recognised them, and provided large sums of money, especially for mass education. It is a matter for deep rejoicing that Government have committed themselves to a policy of extending truly popular education. The recent liberal policy pursued by Government has placed Indians under a debt of gratitude to the Government of India. Large as have been the recent grants made to education, they are not, and cannot be for some years to come, adequate to the growing needs of the country. Government ought, therefore, to be able to provide enough funds in the near future for the successful development of an extensive scheme of free elementary education. With increasing functions of Government in modern times it becomes the duty of the State to break down the general illiteracy of the large Indian population, ameliorate the condition of the poor and uplift morally and socially the so-called ‘untouchables.’

“Sir, the present Budget proposes to spend on education a large sum of over six crores of rupees, a remarkable increase of nearly 2¼ crores over the expenditure in the previous year.

BUDGET.

[*Khan Bahadur Mir Asad Ali; Rai Sri Ram Bahadur.*] [24TH MARCH, 1913.]

It is to be earnestly hoped that Local Governments will make vigorous efforts to utilise the sums placed at their disposal by carrying out each a definite programme of educational reforms without needless delay. In this connection, Sir, I feel it is my duty to express for myself and on behalf of my community deep thankfulness to the Hon'ble Member in charge of Education and Government for the following words of hope:—

'The Government of India are about to address Local Governments on the question of encouraging Mahomedan education generally, but they do not desire to delay any existing schemes, and they have no doubt that Local Governments, in distributing grants, will make provision for special Mahomedan institutions.'

"Attention, Sir, has to be paid to the development of commercial schools for Mahomedans. Mahomedans have greater inclination as well as aptitude for trade and commerce than their Hindu brethren. In Madras we have only three industrial schools for Mahomedans—two for boys and one, an embroidery school, for girls. More such schools are needed in large Mohamedan centres, such as Malabar, North Arcot, Tinnevely and the Ceded Districts.

"Considering the importance of high liberal education, I urge on Government the desirability of increasing the number of Government scholarships awarded to brilliant Indian students for prosecuting their studies in foreign countries. At least half a dozen annual scholarships should be instituted in each of the major provinces. Government scholars on their return home have distinguished themselves in various walks of life. In this scheme of scholarships the claims of deserving and competent Mahomedan youths, few as they are, should be recognised, especially in Madras.

"In his Financial Statement the Hon'ble Finance Minister referred to 'a shadow in the financial sunshine.' In view, therefore, to the probable diminution of our opium revenue in the immediate future, means have to be devised for meeting the financial crisis. We need more and more revenue to meet our growing wants. Some of our customs duties on imported articles may have to be raised, or by some other means an additional revenue has to be raised. At the same time regard must be had to the fact that no new taxation should prove burdensome to the Indian taxpayer."

The Hon'ble Rai Sri Ram Bahadur:—"Mr. President, the Hon'ble the Finance Member, is to be heartily congratulated for presenting a Budget having many pleasant features. In India it seldom falls to the lot of a Finance Minister to present three successive Budgets of prosperity. The Hon'ble Sir Guy Fleetwood Wilson has, by his successful handling of the finances of the Empire, succeeded in performing this admirable task. Starting with a deficit of no less than three three-quarter millions sterling in 1908-1909, he closes the year 1912-1913 with a very large surplus. It is also gratifying to note that he has made the best use of this surplus. There could have been no more judicious distribution of it than done by him. The bulk of this money will be spent on measures which are sure to secure a steady progress in Education and in Sanitation. A sum of two and half crores has been allotted for non-recurring expenditure on the former head and one and half crores on the latter. This proper application of the bulk of the surplus to the two most deserving objects is sure to meet with universal approbation.

"The year which is about to close has very appropriately been characterized by the Hon'ble the Finance Member as one of prosperity and plenty. Opium and railways are the two principal heads of revenue which have contributed so largely to swell the Imperial revenues. Opium sales gave much larger sums than anticipated. Improvement in trade increased to a very considerable extent receipts from railways than were provided for in the Budget. These two sources combined have given no less than five millions over and above the estimated amount.

"The swelled receipts from opium cannot be looked upon otherwise than windfalls; nor can much reliance be placed on railways for giving increased incomes constantly. A question requiring the most thoughtful consideration

BUDGET.

[24TH MARCH, 1913.] [Rai Sri Ram Bahadur.]

arises regarding these two sources of revenue. The following statement will show the annual receipts from opium for the last ten years, from 1902-03 to 1911-12 :—

	Rs.
1902-03	6,74,76,576
1903-04	8,60,40,675
1904-05	9,03,22,491
1905-06	8,20,31,694
1906-07	8,49,07,922
1907-08	7,86,74,786
1908-09	8,82,71,824
1909-10	8,30,20,245
1910-11	11,28,29,433
1911-12	8,94,19,170

“The revised figures for the current year, *i e*, 1912-13 are Rs. 7,67,18,000. The estimated income for 1913-14 entered in the Budget is Rs. 2,16,75,000 only.

“The period fixed for the cessation of opium trade with China is drawing close. It will end within four years or so. The much lower figure of estimated income for the next year, as compared with that of the year which is now passing, as well as the figures for the preceding ten years given above, show what a substantial loss the Indian finances are going to suffer from the stoppage of opium trade with China.

“We have been told by the Hon'ble the Finance Member that the Chinese Government are enforcing anti-opium measures with steadiness. They are carrying out the campaign against poppy cultivation as well as against opium consumption with great vigour. The day, therefore, is not far off when opium revenue will become a thing of the past.

“The next item is Railways. No doubt Railways have contributed in recent years very large sums to the Indian Exchequer, but this rise in the Railway receipts has been since a short time only. As recently as 1908-09 Indian Railways were worked at a net loss to the Government. Looked from a financial point of view the return from the capital spent on Railways gives a narrow margin. The Hon'ble the Finance Member tells us that this return was only 4.48 per cent. in 1909-10, 4.66 per cent. in 1910-11, and 4.99 per cent. in 1911-12, and that there is very narrow margin between the rate of profit given by railway capital expenditure and the rate of interest amounting to about 4 per cent. which the Government of India has to pay on the sums borrowed in London markets.

“In these circumstances it is not safe to rely upon railways for surpluses. Income arising from them cannot be trusted as a stable asset. Experience of the past fully justifies this position. Recent experience also leads to the same conclusion. The Hon'ble the Finance Member had to reduce his estimate of railway earnings given in the Financial Statement made on the 1st instant by £100,000 in the final Budget presented on the 20th instant. He tells us that this is due to a distinct falling-off in recent weeks in railway earnings and chiefly on North-Western Railway. Does not this afford a very good illustration of the instability of railway revenue?

“The total cessation of the opium revenue is sure to exercise a very great disturbing influence on the Indian finances. The time, therefore, in my opinion, has come to consider what steps should be taken to meet this contingency. Direct taxation being already heavy, the imposing of any fresh taxes is sure to meet with general disapproval. I would, therefore, take the liberty of suggesting that the Government will be pleased to appoint a committee consisting of official and non-official members of this Council who should go into the question thoroughly and submit a report as to the means to be adopted to meet the financial difficulties which are sure to face us in the very near future.

“The cost of the construction of the new Imperial Capital at Delhi is another important factor which is certain to affect the Indian finances in the coming years. In his speech made at the time of presenting Financial Statement last year, the Hon'ble the Finance Member was pleased to say that out of

BUDGET.

[*Rai Sri Ram Bahadur.*] [24TH MARCH, 1913.]

the three possible alternatives, described by him for financing the building of the new Capital, the most suitable one was to place these works on the same footing as railways and irrigation works, treating them as Capital expenditure and meeting them partly from loans and partly from the amount that may be spared out of the general revenues after meeting the ordinary administrative needs. He was further pleased to say that this course had been adopted with the full approval of the Secretary of State for India. But in my opinion the adoption of this course may result in one great disadvantage. It may lead to the contraction of the non-recurring grants required in future years for carry-out the educational policy of the Government to its full extent and for measures necessary for further improvement of sanitation. Such a state of things is most probable in years of straitened circumstances. These two are the most important heads on which large increase in expenditure is required in future years, and the bulk of the surpluses ought to be devoted on the furtherance of these two objects. The cost of the new Imperial City for these reasons ought to be met from loans alone. It is but just that not only the present generation but the future ones also ought to bear the burden of a portion of the cost of building the new Imperial Capital, in the shape of interest which will have to be paid on the loans raised for the purpose.

“As I have said before, the utilization of the bulk of the surplus for education and sanitation is the most gratifying feature of the Budget. The bulk of the opium surplus of the current year and also of the surplus of ordinary revenue has very judiciously been allotted as non-recurring grants for the promotion of education. A recurring grant also of 55 lakhs of rupees has been made for promoting education in its different branches. These allotments will no doubt remove a number of pressing wants and furnish means for securing steady progress in the future.

“When moving a Resolution for the increase of recurring expenditure on Education for the United Provinces I pressed before this Council the immediate requirements of those provinces. That the provinces require a special treatment at the hands of the Central Government with respect to sums to be spent on Education will be made more clear from the following facts. At the census of 1901 there were 6,286,109 boys of between 5 and 15 years of age of whom only 189,306 were literate, the rate of literacy thus being 2.90 per cent. At the census of 1911 there were 6,319,908 boys of similar age, of whom 232,162 only were literate, giving a rate of 3.67 per cent. A much more regrettable condition is shown in the case of girls. In the census of 1901 the number of girls between the ages of 5 and 15 was 5,359,839 of whom only 11,401 were literate. At the census of 1911, their number was 5,305,089 of whom only 26,102 were literate. These figures show that the progress of education in the United Provinces has been very slow in the last decade in comparison with other provinces. No efficiency or real progress can be expected in the national life of a people whose educational condition is so backward. To remove illiteracy is one of the noble missions of the British Government. The people of the United Provinces are grateful to the Government for the great activity shown during the last few years in advancing education amongst them and in spending larger sums for the attainment of that object. The additional grant of 48½ lakhs for non-recurring expenditure and the assignment of 6.38 lakhs more for recurring expenditure entered in the Budget will no doubt help them a great deal in the advancement of education. But for securing a steady and marked progress a still higher sum, both in the shape of recurring and non-recurring grants, is required in the coming years.

“Sanitation is another head which has received a very large share of the surplus. The Government has of late fully realized the importance of sanitation. But it is since the establishment of the Department of Education that activities are being shown in every branch. In the Budget a sum of Rs. 150 lakhs is allotted for non-recurring expenditure and 33½ lakhs for recurring. The share of the United Provinces under both these classes of expenditure is 27½ lakhs and 6 lakhs, respectively. But the whole amount of 27½ lakhs is earmarked to be spent on urban sanitation. As regards rural sanitation it is

BUDGET.

[24TH MARCH, 1913.] [Rai Sri Ram Bahadur.]

left to the Local Government to devote a portion of the cesses which are to be set free—for the improvement of water-supply, for anti-malarial measures, for the protection of grain stores in plague affected areas and for general sanitation of villages and small towns. It is a matter of regret that the Central Government did not see their way to allot a definite sum out of the surplus to be spent on rural sanitation. Sir, United Provinces deserve special consideration for the improvement of their sanitation both in urban and rural areas. This proposition cannot have a more telling support than from the high rate of mortality shown by the Census figures of 1911. Of the major provinces, the United Provinces and the Punjab occupy the unenviable distinction of showing a decrease in their population instead of the usual increase which is generally found not only in India but in other countries also. The decrease in the United Provinces population is to the extent of 510,233. I give below a table giving the increases and decreases in the principal Indian provinces in the last Census as compared with the previous one :—

NAME OF PROVINCE.	Population according to the Census of 1911.	Population according to the Census of 1901.	Increase or decrease.
Burma	12,115,217	10,490,624	1,624,593 (Increase)
Eastern Bengal and Assam	34,018,527	30,510,344	3,508,183 „
Bengal	52,668,269	50,715,794	1,952,475 „
United Provinces and Oudh	47,182,044	47,692,277	510,233 (Decrease)
Punjab	19,974,956	20,330,337	355,381 „
Bombay	19,672,642	18,559,650	1,112,992 (Increase)
Central Provinces and Berar	13,916,308	11,971,452	1,944,856 „
Madras	41,405,404	38,229,654	3,175,750 „

“The people residing in towns and cities can have their voice heard and get sanitary improvements but the voiceless millions living in the rural areas have no such means. The mortality from plague, cholera, malaria and other diseases is very high in the rural areas. It is obvious that the amount to be spent on the improvement of rural sanitation ought to be much higher than required for cities and towns. I hope that in the next Budget a special allotment will be made both on the recurring and non-recurring side for improvement in rural sanitation.

“The appointment of a Committee under the Chairmanship of the Hon'ble Major Robertson, Sanitary Commissioner with the Government of India, consisting of official and non-official members who are to visit places of pilgrimage and submit a report for the improvement of sanitation of those places is a very important measure and shows the solicitude of the Government to take measures for the benefit of the health of the millions of pilgrims who resort the sacred places. It is hoped that the report submitted to the Government will contain a complete scheme for the improvement of water-supply, lodging house and general sanitation and that the Government will lose no time and spare no costs in effecting improvements in this direction.

“It is needless to say that since the creation of the Department of Education a new life has been infused into the Educational policy of the country. The programme indicated in the resolution of the 24th February 1913 when fully carried out will place all branches of Education on a sure and sound footing and will confer on the people of India the full benefits of Education given on Western lines.

BUDGET.

[*Rai Sri Ram Bahadur; Maharaja Ranajit
Sinha of Nashipur.*]

[24TH MARCH, 1913.]

"Another topic of general interest on which I beg to offer a few remarks is railways. When the Railway Board was created in Lord Curzon's time the travelling public looked forward to get greater comfort and better convenience in their railway journeys. It must be owned that much has been done in this direction. But the insufficiency of the rolling stock, specially of coaching vehicles, is still a matter of general complaint. I know at least of one line that when there is a great rush third class passengers are still carried on in long journeys huddled together like inanimate objects in wagons constructed for the transit of goods. The number of wagons for goods traffic is also inadequate. The trading classes are not supplied with them in time for carrying their goods to sea-ports to be taken to foreign countries and much time is lost in this way. The figures given by the Hon'ble Sir T. R. Wynne, in reply to a question of mine, show that while the extension of the mileage in the three State Railways, namely, North Western, Oudh and Rohilkhand and Eastern Bengal Railway, has been 1,135, 426 and 489, respectively, in the decade which ended on the 31st December 1912, the number of passenger carriages added to the rolling stock, during the same period has been 428, 107 and 226 only, and the number of goods wagons newly built has been 11,837, 1,822 and 4,125, respectively, on the above-named three State-owned railways. These figures show that while the number of goods wagons has increased to a large extent the increase in the number of passenger vehicles, has not been in proportion to the additional miles newly opened for traffic. This is the condition of things on the lines owned and worked by the Government. As railways are now one of the most paying sources of revenue the comfort of the passengers, specially of the third class who contribute by far to the income, must be the first care. The exporters of goods also must get greater facilities for despatching their articles with the minimum possible loss of time. I hope that in the next year's Budget a more liberal provision will be made for building new vehicles of both kinds.

"Before I conclude there is one matter regarding which I ask your permission to make a few remarks. The Hon'ble Sir Guy Fleetwood Wilson has told us that the Budget now under discussion is the last which he has presented to this Council. The manner in which he has dealt with the finances of the Indian Empire, the objects on which he has devoted the large surpluses, and last though not the least, the sympathetic care which he has shown and the action which he has taken on measures beneficial to the public have earned for him the gratitude of the Indian people, and our earnest wish is that his prediction will remain unfulfilled, India will still get the benefit of his services for some time longer, and this will not be his last Budget."

The Hon'ble Maharaja Ranajit Sinha of Nashipur:—

"Sir, at the outset permit me to express our joy at the recovery of His Excellency the Viceroy, and we hope that, in a very short time, he will be as strong as before, and we shall have the privilege of seeing him presiding at our deliberations at the next Session.

"Sir, permit me also to offer my best congratulations to the Hon'ble Finance Minister for the satisfactory and prosperous Budget he has laid before the Council. Five years ago when he took charge of his portfolio the finances were in great disorder, and by his ability he has been able to bring them round to their present condition. Sir, I think he is right in not reducing any taxation by depending upon the prosperous Budget; but if in future years we find that our prosperity continues, I think the question of reducing taxation ought then to arise. After the Burma war during the time of Lord Dufferin, when the income-tax had to be imposed, it was considered to be a temporary tax; but, Sir, a long time has elapsed and nothing has been done except giving some relief to certain persons, that is, persons whose income is below ₹1,000 a year. In these hard days of living, Sir, I think from the highest to the lowest everyone feels this tax, and I hope a time will come when we shall either see this tax abolished, or if that cannot be done, some further relief will be given in this respect.

BUDGET.

[24TH MARCH, 1913.]

[*Maharaja Ranajit Sinha of Nashipur.*]

“The Government has already reduced the tax on salt, and I hope that in the near future we shall see this tax abolished.

“We are grateful to the Government for the Educational Policy which was published in the *Gazette of India* recently. With reference to primary education, the Government is not satisfied with the increase of schools only, but has also given attention to the matter of efficiency which is the most important thing. I am afraid even on ₹12 a month trained teachers will not be available for primary schools. However, the beginning is a good one, and we should wait for the results. The Education Department, as a whole, is not very well paid. I think the teachers of the High Schools as also the Professors of the Colleges should be so well paid that they may be able to devote their whole time and energy to the good of the institutions in which they are engaged.

“We are grateful to the Government for the advancement of female education in this country. The time has come when our countrymen appreciate and think that there should be a spread of female education. But there is one difficulty in the way. According to the custom prevalent, in some parts of India, the girls after they have attained a marriageable age are not allowed to attend schools. So, Sir, I think if some trained lady teachers are appointed to go round to the houses in the interior of the districts to impart education to ladies in the zenana, in a few years there will be real advance in that direction. In some villages Pardanasheen ladies may assemble in the house of a respectable neighbour and the lady teachers might with advantage go there and impart lessons to them.

“We are also grateful to Government for giving over the public works cesses and other similar cesses to the district boards for the improvement of rural water-supply and sanitation. I should like to draw the attention of the Government to one thing. In the interior of the districts there are no dispensaries, and it is not possible for the people who are living there to go to the suddar for medical treatment. In former times the people were accustomed to take Ayurvedic and Hakeem medicines which were less costly: but these systems are fast disappearing. In some provinces, as in Bengal, the Government deputed sub-assistant surgeons to go to the interior of the districts for the distribution of quinine and for treating patients at the time of malarial outbreaks. But, Sir, there are very few districts where there are no diseases all the year round. I have personal experience of Bengal, and from reports I also find that in the United Provinces and the Punjab, malaria has also appeared, plague, cholera and small-pox break out at almost all seasons; so it is essential that district boards should open small outdoor dispensaries for the treatment of patients, one in each Thana. Residents of the villages can very seldom afford to call doctors, and there are places where there are no doctors at all; so, unless there is a dispensary in the neighbourhood of each village it is impossible for the people to have any medical aid and thousands of them are dying for want of medical relief. When the Government is going to make over these cesses to the District Boards, I think they may be enjoined to open dispensaries at least in suitable places in the interior of the districts. Then, Sir, as regards Mufussil municipalities, their position is no better than that of the district boards. The grant which the Government has given to the district boards will not go to the municipalities. There are many towns in which the income of the municipality is so limited that they cannot afford to devote much money even to conservancy, and so it is impossible for them to set apart from their income a portion for sanitation, water-supply or drainage. In reply to a question in the Bengal Legislative Council, the Hon'ble Sir William Duke said that there was no scheme before the Government and no one applied to take the money. Is it possible that the municipalities are so negligent of their own condition and that they will not take money when offered to them? The thing is that Government wants to contribute only one-third of the estimated cost of drainage and water-supply, and the municipalities have to meet two-thirds, and as a rule it is not possible for a mufassal municipality to afford to pay so much as two-thirds, and so they are reluctant to submit schemes to the Government

BUDGET.

[*Maharaja Ranajit Sinha of Nashipur; Sir G. M. Chitnavis.*]

[24TH MARCH, 1913.]

lest they might be forced to contribute a sum beyond their means. In several municipalities large sums will not be needed and schemes may be prepared at a less cost according to their necessities of the place. The Government might then be able to judge how far the municipalities could contribute and then call upon them to pay their share, and the rest might be contributed by the Government as a grant to the municipalities.

“As regards the police, we find that there is a big increase under this head: but from my personal experience I could say that the sub-inspectors in charge of the respective thanas are so much handicapped in submitting reports and returns that they seldom get time for investigating crimes, and the result is that in many cases the crimes are left undetected. In my humble opinion a separate investigating officer should be posted at each thana who will devote his whole time to the investigation of cases. Sir, we often hear now-a-days of outrages on the lives and property of passengers travelling by rail, and as our income is to a great extent derived from railways, something should be done for the safety of the passengers. I think that a detective officer should travel with each train in order to watch the doings of persons who assemble on the platforms of stations.

“One thing also as regards court-fees: we derive a good income from our law-courts and so naturally the suitors may claim some relief. The amount of litigation is fast on the increase. In some cases the debtors, not in order to avoid payment, but on account of their poverty cannot pay off their dues to the creditors in time and the creditors also, in order to save limitation have to institute cases. But when the debtor finds that he shall have to pay the entire amount of the court-fees even if he give an *ex parte* decree or compromises the case, they naturally think that it is to their advantage to protract cases. I appeal to the Government that in cases where the court has no trouble, that is in the beginning if cases are decreed *ex parte* or if there be compromise, some portion of the court-fees might be remitted. I understand that in the Calcutta Small Cause Court, half the amount of court-fees is remitted in such cases.

“One word more and I am done. Sir, I beg to convey my grateful thanks to the Government for the accommodation provided for us—non-official members in Delhi. In Delhi, it would have been very difficult for us to get a single house, and so we are particularly grateful for the accommodation provided. We hope that in the near future we shall have better accommodation so that when coming here to perform our business, we may be able to bring our families with us.”

The Hon'ble Sir G. M. Chitnavis:—“Sir, it is customary for His Excellency the Viceroy to preside at the last meeting of the Session, and his absence to-day is a matter of sorrow to all of us. We are, however, glad that he is convalescent, and I hope when we meet again at Simla we shall have His Excellency among us, full of vigour and his accustomed cheery spirits.

“Sir, the Budget under discussion testifies to the admirable way in which the Hon'ble Sir Guy Fleetwood Wilson has managed our finances. The allotments bear the impress of his sympathy and statesmanship. He has financed education and sanitation with a liberality which cannot but appeal to us. I sincerely hope, though far away from India,—a country he has loved so well—he will still be able to do her good, and I hope from a higher sphere of action. I associate myself with what has been said of him by the other members, and I assure him that when he leaves he will carry with him the esteem and regard of the whole country.

“Sir, if here I refer at all to the loss of our opium revenue, it is only to emphasise the fact that India still claims adequate compensation for it from the British Exchequer. I am sorry I cannot agree with my friend Mr. Fuzulbhoj on this point. I do not discuss the question in detail, as I shall

BUDGET.

[24TH MARCH, 1913.] [Sir G. M. Chitnavis ; Mr. Pandit.]

shortly have an occasion to speak at length on it ; but the people expect that this Government will be pleased to submit to the Home Government a proper representation on the whole subject.

“Sir, I see that Government has made mention of a University at Nagpur in their recent Educational Resolution, but no provision has been made in 1913-14 for the establishment of that University, and I appeal to Government for an early and favourable decision on this point.

“Sir, as a representative of the Central Provinces, I repeat the prayer that Government will also favourably consider the question of raising our Provincial Government to the status of a Lieutenant-Governorship before long.

“Sir, I am glad that much is being done to extend irrigation in my Province, but I take this opportunity to refer to two other measures which, in my opinion, are absolutely necessary for agricultural India. Agriculture is our principal industry, and long-term settlements of land revenue, for their important bearing and wholesome influence upon its improvement and the material condition of at least four-fifths of the people, should be introduced. The existing settlements are not for a sufficiently long period. The view that long-term settlements are injurious to the interests of the community and are profitable only to a particular class, is fallacious. As a matter of fact, both the landlord and the tenant derive equal benefit from such settlements. I am glad mention has been made of the subject by Hon'ble Sri Rama Raya in his speech to-day.

“Sir, as a check upon too great sub-division of land and the preservation of aristocracy the English law of primogeniture and entail should be extended to India with necessary modifications. Our Mahomedan fellow countrymen have now got, thanks to the benevolent policy of Government, a wakf law which can and will ensure them reasonable security against minute sub-division of property. The Hindus should also move for a change in their law of succession with a view to attain a similar end. Government obviously cannot undertake such legislation, and a private Member's bill is the only means of effecting the reform ; but Government, it is hoped, will be considerate in their treatment of such bill, if prepared. Sir, these are the few words which I wish to contribute to the Budget discussions this day.”

The Hon'ble Mr. Pandit:—“Sir, it is an advantage to many of us that the Hon'ble the Finance Member is not in the chair to-day, for as on a previous occasion he might have ruled out of order most of us who are so genuinely eager to give expression to the sentiments which are uppermost in our minds—sentiments which are correlated to those expressed by the Hon'ble Sir Guy Fleetwood Wilson himself on the 1st of March in the few and simple but touching words with which he concluded the account of his stewardship of the finances of the country during the last five years. Hon'ble Members who have sat in this Council for years have had greater opportunities of appreciating the work and the worth of the Hon'ble the Finance Member, in the advancement of the best interests of this country, and they have in no uncertain terms given expression to their appreciation ; and although I—and many other Hon'ble Members like myself—have been in these seats for less than two months, I am happy to be able to associate myself fully with the observations which have been made by the Hon'ble Members as to the admiration which the Hon'ble the Finance Member has won from us and the high regard which we all entertain for him as well as the good wishes he carries in his retirement. With these observations of a personal nature I now turn to the subject upon which the Council is engaged.

“Sir, the Hon'ble the Finance Member has justly received the congratulations of this Council upon the success which has attended his efforts in steering the ship of Indian finance to a safe haven. The surplus from ordinary revenue which he was able to announce is an abundant one, exceeding over 6 millions sterling, while that from opium is about 1½ million pounds, and the manner in which the greater part of the former (over 3 millions) and a third of the latter (£460,000) have been

BUDGET.

[Mr. Pandit.]

[24TH MARCH, 1913.]

applied to the objects of great utility, in respect of which both Government and the people are agreed, is sure to meet with general approval. In saying so, however, and in expressing our gratitude for the devotion of the surplus to such useful objects, I hope I shall be permitted to make a few observations expressing the desire that the surplus might have been more evenly distributed, over the country, and certain provinces which deserve more consideration at the hands of the Government of India had received their due share. Sir, the Hon'ble the Finance Member in presenting the Financial Statement, said that the Government of India desired to make the provinces partners in their fortune. Whether this partnership be looked upon as one based upon a contract, or whether the Imperial and Provincial Governments be treated as members of a joint and undivided Hindu family owning a business—from whatever point of view it be looked at—I may be permitted to say that partners have not all been treated with equal consideration.

“ I refer more particularly to the province which I have the honour to represent in this Council. Sir, the Government of India in their resolution, dated the 21st February last, declaring their Educational Policy have been good enough to announce that with a view to satisfy the aspirations of the people they contemplate the establishment of Universities at Rangoon, Patna and Nagpur. I am, however, surprised and sorry to find that, while Rangoon and Patna have received a grant of 8 lakhs of rupees each from the bountiful surplus at the disposal of the Government of India, Nagpur has been left altogether in the cold. I am free to admit that the progress with regard to the schemes in Patna and Rangoon might be greater or is perhaps greater than it is with regard to Nagpur University. Nevertheless, since the Government were aware of this scheme, and as a year like the present—as the Hon'ble the Finance Member has reminded us—is not likely to come again for some time and so large a margin as in the present year is not likely to be left for distribution of substantial sums of money among the provinces, and, further, as grants have been made in anticipation of future liabilities I should have been glad indeed if the Hon'ble the Education Member—with your permission I would correct myself and say (*to the Chair*)—if you, Sir,—had not circumscribed your view of the needs of the immediate future, but had taken stock of the requirements of a few years beyond it and made a similar provision for a University at Nagpur.

“ Sir, while I am on this subject of the distribution of the non-recurring grant of two crores and a half, I should also like to draw the attention of the Council to the keen desire for the establishment of an Arts College in their midst evinced by the people of Berar. As far as I can see in the allotments made under the various heads, there is none for such an institution. I have no authority to speak in this Council on behalf of the people of Berar, but I know that they are eager to have such a college in their Division, and I fully sympathise with them in their aspiration. Berar, Sir, is a rich tract, and, as Rao Bahadur R. N. Mudholkar when he sat in this Council made a point of drawing the attention of the Government to the circumstance it has been contributing substantially to the resources of the province with which its fortunes are at present allied. I should, therefore, have liked the Government of India to have made some provision for this object also.

“ Sir, the need for a larger expenditure, recurring and non-recurring, on education in the Central Provinces and Berar—on education, collegiate, secondary and primary—is great and peremptory. It will be remembered that at the September Session of the Council, Mr. Mudholkar put some questions with regard to the pay and prospects of professors in Government colleges who had been recommended long ago by the Administration of the Central Provinces for such enhancement as were justly entitled to; but owing to the appointment of the Royal Commission on Public Services the question was, I believe, shelved, and I have now only to express the hope that in the light of the answer given by you to one of the questions put a few days ago in this Council, the Local Administration will be in a position to grant such allowances of a permanent nature as have been already granted in other

BUDGET.

[24TH MARCH, 1913.]

[*Mr. Pandit.*]

Provinces at least to those members of the Provincial Educational Service who are specially deserving of promotion.

“With regard to secondary education, again, there is a similar demand for the improvement of the position of teachers in high schools. Its satisfaction will stimulate the efforts of those already engaged in the responsible work of the training of youth as well as a better class of men to the calling. The policy of Government of establishing a Government or a model high school in every district has yet to be carried out in its entirety in the Central Provinces. There are a few districts, Sir, which are eager to have such high schools, and I hope that with the grants which have been made for the secondary education, it may be possible for the Local Administration to comply with the request of those districts in this connection.

“Closely allied to Secondary Education is the subject of the establishment of schools for training young men for professions such as Engineering and Medicine. In connection with the Victoria College of Science at Nagpur an Engineering Department is going to be opened. The Victoria Technical Institute cannot accommodate both, and if the work is to be satisfactory a new and suitable building must, with considerable outlay, be constructed to hold them together, and adequate funds provided for the maintenance of the institutions. Similarly although the special grant of a lakh and a half made under head ‘Medical’ for Hospitals, etc., may be drawn upon for the revival of a medical school the need whereof was demonstrated by the difficulty experienced for years in securing the services of Sub-Assistant Surgeons sufficient for provincial requirements yet as the Hon’ble Home Member said on the 8th instant pecuniary aid might well be expected, Sir for such institutions from the sums at your disposal. I earnestly hope that no false economy will be permitted to prevent the equipment of these institutions with an efficient staff of lecturers and adequate appliances.

“Lastly, there is the great question of Primary Education to which, after the debate of last month on the Hon’ble Mr. Gokhale’s Resolution, I shall only briefly advert later on in dealing with the position of local bodies, to whose care it is almost wholly committed.

“The financial difficulty is the one that has stood for long in the way of Educational progress in the Central Provinces, and there is a great lee-way to make up. The grants that have been made of recent years to the Province in common with other Provinces should, therefore, prove barely sufficient for works already in hand to be completed and small reforms to be started, and it would be hoping against hope to see any accumulation of funds for any new and important project, unless, of course, the Local Administration fails to utilise the grants on the objects for which they have been allotted.

“Education, Sir, is not the only object in respect of which there is the peremptory necessity for a liberal outlay in the Central Provinces. Local Government whether it is the administration of rural affairs by District and Local Boards, or of urban areas by Municipal Committees—requires for its due development a great deal of improvement in the finances of those institutions I have intended, Sir, to move a Resolution in this Council asking for a grant of 5 lakhs with the object of strengthening the resources of these local bodies, but in view of the large discretionary grants made by Government I thought that the Local Administration might be able to help them. Now, with regard to larger municipalities, I think they have been carrying on their work with considerable success and with the aid of the large Sanitation Grant made to them have been able to discharge their duties, satisfactorily but with regard to the smaller municipalities, and these include several at district head-quarters, the need for strengthening their resources remains unabated. Among other objects provision of an adequate supply of potable water to the people of such towns is one of the utmost urgency.

BUDGET.

[*Mr. Pandit.*]

[24TH MARCH, 1913.]

It involves costly schemes for water-works. This would naturally put a heavy strain on Provincial Resources, and the Local Administration, will therefore, have to make the best of the grants that have been made to it in trying to improve the present state of things by meeting to some extent the growing demands of municipal committees.

“With regard to district councils the case is still worse. Their income is limited practically to the collections of provincial land cesses, realization of cattle-trespass fines and rather the surplus of income from pounds and the doles made from Provincial Revenues from year to year. These provincial grants have been more or less of a fixed nature, and for several years past no addition worthy of mention has been made to them. Now, Sir, with regard to the Provinces, in which the Government shared the income derived from cesses on land with the local bodies, the Hon'ble the Finance Member the other day announced the Government of India's determination to allow the income from them to be made over to District Boards and thus to strengthen their resources and afford wider scope for their activities. The position of the District Councils in the Central Provinces which for several years past have been receiving the entire collections of the cesses is in no way improved.

“Their sphere of activity is very wide including, as it does, Education, Public Health and Communications. Without disregard of the just claims of other objects they have fostered Education to the best of their ability, but have only succeeded in improving schools already established and have not been able to increase appreciably their number. Funds have only just begun to be furnished them for an expansion of Primary Education. Some of the District Councils have all these years borne also the cost of a few Anglo-Vernacular Schools, and it is gratifying to see that they are at last about to be relieved of the burden. These local bodies bear the cost of Vaccination Establishment, contribute largely to the dispensaries both at head-quarters and in the district, maintain veterinary dispensaries, sink tanks and wells to supply drinking water in rural areas, with the aid of contributions, no doubt, from Government as well as the villagers, and they also bear no small a share of the cost of plague-preventive measures. They maintain several of the metalled roads and even construct new ones through their own Engineering staff and they are also bound to keep up village-roads. With such a wide range of duties their limited income is almost wholly absorbed by recurring charges and even—as there have been instances—some public spirited gentleman comes forward with a large donation for a useful object—say the starting of a dispensary the cost of construction whereof his donation is intended to meet—the District Council feel great hesitation in accepting the offer for fear of incurring the liability in respect of a portion of the maintenance charge in respect of the institution which they may find it difficult to discharge. And all this in spite of the desirability of opening dispensaries and affording medical aid to the people in the interior of the District! Sir, I should have expected these requirements of my Province to be met at least in the same liberal spirit as was displayed towards Assam. Too much importance cannot be attached to objects which are meant to promote the happiness and prosperity of the masses and it is in their interests that I have dwelt on this subject at some length. I have instanced a few of the principal requirements for the steady development of my Province but, no doubt, the Local Administration has to arrange for communications by means of feeder roads between Railway stations, where new lines have been opened and important towns or villages in the vicinity. I could multiply instances where the demand is great. All these objects must very seriously tax the resources of the Administration. I hope, Sir, that in the event of the grants made to the Central Provinces proving insufficient, and in the event of the Administration coming up to the Government of India with a request for supplementing these grants the Government of India will be well disposed towards the request and will meet such demands in a liberal spirit from some savings or the portions of the grants to Education and Sanitation which they have kept in reserve with themselves.

BUDGET.

[24TH MARCH, 1913.] [Mr. Pandit; the President; Raja Jai Chand; Sardar Daljit Singh; Sir Ibrahim Rahimtoola.]

“Sir, in conclusion, I have in the seconds left to me only to say that it is as much with a view to publicly drawing the attention of the Provincial Administration as to making to Government of India this appeal that I have referred to these matters because the Central Provinces do not at present have a Provincial Council of their own, and to express the hope that it will come soon and that in its wake will follow the raising of the status of the Administration to that of Local Government.”

The President:—“I have given the Hon’ble Member a minute over his time, and I must therefore now ask him to resume his seat.”

The Hon’ble Raja Jai Chand:—“I have no observation to offer on the Budget proposed for the coming financial year 1913-14, as it stands in its final form nor on the changes, in figure as compared with those entered in the Financial Statement, or on what the Government have in the way of better or worse, *gained or suffered*; however I shall not moan the loss of revenue caused by the fall of the sale of opium as it is my sincere wish that people will desist from the use of this pernicious drug. I am glad to say that the present condition of my province seems satisfactory to me and as such as does not leave any room for complaint. In conclusion I beg to thank the Government and the Hon’ble Financial Member for all what they have so kindly done to meet the requirements of both the public and country in each line of their demands.”

The Hon’ble Sardar Daljit Singh:—“I beg leave to make a few brief observations on our annual prosperity Budget laid before us by our worthy Finance Member whose masterly handling of the subject in all its details leaves nothing unelucidated. The only discordant note is the loss of income from fall of sale of opium abroad. It is, however, my pious wish that the Chinaman will eschew this degenerating and pernicious narcotic. I would wish indeed my own countrymen also to desist from the use of the drug. I shall not, therefore, mourn the loss of revenue on this head. We hope to make up the deficit, ere long.

“Now, Sir, about the Delhi expenditure. The Budget speech has removed all possible misconceptions on the subject, placing the matter above all criticism. We shall soon witness the ancient capital rehabilitated with all the splendour and embellishment to which it is rightfully entitled, and in a few years hence point to a model capital combining in itself all that modern science of architecture can provide—‘in capital,’ to quote the words of Hon’ble the Finance Member, of a contented Empire, the abode of peace and prosperity, of wise and prudent counsels, and I may also add that the Imperial capital will be the envy of the world if not absolutely unique in itself. It will be the genius of that ideal administrator whose equilibrium of mind nothing can ruffle or disturb, which will achieve the accomplishment of the gigantic task.”

“Coming now nearer home I should have expected a larger allotment from the Imperial exchequer for my province ‘the spear head of the Empire,’ whose needs are manifold. Were it not that our Local Government and the departments under it husbanded our resources and income so well that its financial position has been improved affording a protection for the future, I would have made a point of complaint on the score of placing us on par with similar administrations for the share of Provincial allotment.

“On the whole, we have to congratulate ourselves on the prosperous year that is just to close. While fully supporting the Budget, I cannot help regretting that we shall be deprived for succeeding years of the expert knowledge of our present Finance Member, whom we all wish to detain if we could and whom we can ill afford to spare.”

The Hon’ble Sir Ibrahim Rahimtoola:—“Mr. President, nothing would be easier or pleasanter than to join in the chorus of appreciation and congratulation which has been showered in this Council on what is termed a prosperous Budget, and the prosperous condition of Indian finances. Now, Sir, if the figures, as indicated in the Budget, really represent a pros-

BUDGET.

[*Sir Ibrahim Rahimtoola.*] [24TH MARCH, 1913.]

perous India in the real sense of the term, no one would be more ready to join in those congratulations than myself. But I do not think it can seriously be contended that because there is a large surplus in the Budget estimates, that therefore India is necessarily more prosperous.

"I will deal with the two items to which reference has been made in the Financial Statement, namely, the progress which agriculture has made and which trade has made; and I will also deal with the question of the balance of trade in favour of India, after payment of the liabilities to the Secretary of State for home charges, interest on debt incurred and other items and if as the result of that, we find that the country is growing prosperous, then I am quite prepared to admit that it is a matter for great congratulation.

"Well Sir, to take the point of the surplus first, it appears to me that a large surplus indicates that the State has taken more money from the people than it was justified in doing. Sir, before I deal with the principles underlying taxation, I will refer to what the Hon'ble Mr. Fenton said that if the Members of the Government of India consisted of a Board of Directors of the 'Indian Empire Trading Company,' then I am quite sure the result, as indicated by the Revised Estimates, would be pre-eminently satisfactory, and the claim which the Hon'ble Member put forward for a substantial portion of the profits to go to the officers of that Company as a bonus, and as a contribution to provident fund would be unanswerable. Sir, the Empire of India Trading Company would show that, after meeting all the liabilities during the current year, the profits of the Company were so large that there was a huge surplus for distribution amongst the shareholders; but unfortunately the analogy does not apply. The Government of India receive in the form of taxation money required for the purpose of carrying on the administration of India, and the principle underlying all levying of taxation is that a State or a public body authorised to impose taxation is not justified in taking from the people sums appreciably in excess of what their actual requirements are for the purpose of carrying on that administration. Sir, I do not wish to go into the causes of how this surplus was obtained, except as to one or two points to which I will refer later on. There is one feature at all events of the Budget which is very satisfactory, and that is that this surplus, whatever causes may have contributed to it, is proposed to be utilised in a manner which has received the unanimous approval of this Council and the public.

"Now, Sir, I will deal with one of the items which has led to this large surplus. I mean the profits made on the Railways in India, which I think call for some remarks. The present Revised Estimates show that the net return on the expenditure on railways in India, will be 5.89 per cent., or in other words, after meeting all liabilities (if I remember the figures correctly) there is a profit of over 5½ crores. Now, Sir, I am one of those who believe that the sources of State taxation are quite apart from those sources of revenue which are obtained for services rendered. In all Legislative enactments constituting municipalities, district local boards and other public bodies, it is laid down that, in the case of water-supply, drainage and other items of services to be rendered, that these public bodies shall not levy a percentage of taxation in excess of the expenditure incurred in regard to those services. I find that the Government of India are also practically following that principle in the matter of Posts and Telegraphs, where the figures practically work out to approximately the same. In the matter of railways, there is a very large sum which is taken from the public as profit. Now Sir, it appears to me that railways are also an item of services rendered, and therefore the large profits derived from railways ought not to be regarded as legitimate sources of revenue for the purpose of administration in the same manner as collections from taxes such as Excise, Land Revenue, Salt, etc. These two classes ought not to be put on the same footing. Sir, the Government are practically a monopolist in the matter of railways. All the trunk lines belong to them, though they are worked by private companies. If Government are so inclined and if some such restriction was not accepted of not making large profits out of this monopoly then by the mere raising

BUDGET.

[24TH MARCH, 1913.] [Sir Ibrahim Rahimtoola.]

of rates any amount of revenue can be derived, and that would clearly be for all purposes additional taxation on the people of this country without calling it by that name.

"I should like to know—and I will probably put some interpellations at the next meeting of the Council in Simla to find out—in what proportions this extra revenue is derived from the two main sources, the first source which is a perfectly legitimate one, *viz.*, the larger movement of trade and commodities, as evidenced by the growth of both our import and export trade dealt with in the able memorandum which the Finance Minister has placed before the country, and secondly what portion of it—that is a point which I think is of considerable importance—what portion of it is due to the increase of rates on goods and passengers carried by these railways. I think it would be interesting to know when the financial results of working the railways at the present time are so eminently satisfactory, as is proved by the figures whether there has been any increase in rates. If so, it is obvious that there has been no justification for such increase. I do not wish to urge that the whole of this extra revenue from railways should be utilised in reducing rates, but I do maintain that, in addition to providing large sums of money, as is actually done in the present instance, for the extension of railways in the country, a portion at all events of this large amount ought to be earmarked for encouraging what I would call inter-territorial trade in India itself as one of the items of promoting indigenous industrial enterprise in the different parts of the country. Sir, in one of the debates in this Council a year or two ago, the question was prominently brought forward that the railway rates were fixed in view of the long distances which imported goods alone would cover before they reached their destination. There is a marked difference in the scale of rates charged for imported goods which necessarily are carried over long distances, as against goods manufactured in the interior of India and carried to other parts of India. I venture to submit, Sir, that if the railway administration is earning such substantial profits, a portion at all events of those profits ought to be earmarked for encouraging the indigenous industries in India by substantially reducing the rates for carrying goods manufactured in one part of India to another part of this country,

"The other item of revenue which, from a business point of view, gives a large return is irrigation. The productive works give the large return of 8 81 per cent. Now, Sir, the whole country wishes that as much money as can possibly be spared should be spent in the promotion of works of irrigation, and I think that the best policy would be that the profits made on irrigation works of a productive character should be utilised for the purpose of increasing protective works to give relief in districts which are habitually subject to famine conditions. I am very glad to observe, Sir, that that policy is really being pursued. The profits of productive works of irrigation ought to go, and as a matter of fact a large portion of them do go, to the construction of what are called 'protective irrigation works' for the purpose of relieving those areas where famine conditions prevail more frequently than in other parts of the country.

"Sir, it must be regarded as a gratifying feature of the Budget that, in spite of a substantial reduction in the opium revenue which has come down to a little over two crores of rupees, the Budget Estimates indicate a surplus of two crores. So that even if the whole of the opium revenue had been extinguished this year, there would have been an equilibrium between revenue and expenditure. It must have been, however, particularly gratifying to the Hon'ble the Finance Minister, that even in the face of this state of things member after member got up at the meeting of this Council only a few days ago, saying in effect that 'even if you do not want the money, take more money from the people in the shape of sugar duties, or in the shape of other import duties.' It was most amusing, Mr. President, that at a time when the Financial condition, according to the estimates placed before this Council, is in a very satisfactory condition, we non-official members should have been so anxious, so keen, to suggest that more money should be taken from the people. Of course if

BUDGET.

[*Sir Ibrahim Rahimtoola, Mr.
Vijiaraghavachariar.*]

[24TH MARCH, 1913.]

that prayer had been coupled with a demand to spend it in the advancement of irrigation, in the advancement of education, in the advancement of the 'multifarious objects of public utility,' then I would have understood it; but it was difficult to follow the anxiety exhibited as it was put purely on the ground of loss of opium revenue.

"Well Sir, I am very glad that the question of gold currency has been taken up by the Government of India in all earnestness. The question must be decided soon. The currency policy of the Government of India may have, at the time when it was adopted, led to a lot of adverse criticism, and opinions may still differ as regards the results to the people of India of raising artificially the value of the rupee. But Sir, that policy has been put into force for better or for worse and it has worked for many years. It must now be carried to its logical conclusion, by gradually turning the gold standard into gold currency. I am very glad that steps are being seriously considered for the purpose of giving effect to the only logical outcome of the policy that Government laid down in the matter of our currency, and I hope that, before long, the question of gold coinage in India will be definitely decided upon, and that action will actually be taken.

"With these few remarks, I will conclude my observations."

The Hon'ble Mr. Vijiaraghavachariar.—"Sir, I wish most cordially to associate myself with the Hon'ble Members who have just given expression to their feelings of appreciation of the eminent services rendered to this country by the Hon'ble Sir Guy Fleetwood Wilson who, I am told, is on the eve of his retirement.

"Although I am new to this Council, I have not been altogether a careless reader of the proceeding of this Council. For sometime past I have looked through the proceedings relating to the Budget discussions with considerable care. Time was when it was considered that to make a successful Finance Minister it was necessary to be a clumsy speaker, to have a sort of stammering and to have a cold heart. This in spite of some rare exceptions was a sort of superstition, and I think the idol of this superstition was first broken by Mr. Gladstone. It was exactly 60 years ago that Mr. Gladstone brought his first Budget—I think in April 1853—when he subjected huge figures to his brilliant rhetoric, sweeping the whole horizon of the financial world, and stooping at the same time to pick up and scrutinize the minutest items, he kept the House spell-bound. Thenceforward it was an accepted belief that one could be an orator, a philosopher and a humanitarian and could bear warm feelings to the people, to the poor, to make life easier and cheaper and yet be equal to the greatest chartered accountant in examining figures. Something like that feeling came over me when I first read the speech of the Hon'ble Sir Guy Fleetwood Wilson some five years ago. Just as Mr. Gladstone introduced a new era in the financial history of England, we hope that Sir Guy has introduced a new era of financial administration in the Government of India; but I am unwilling to render my full thanks to him at once. On the principle of a sinking fund, I reserve a portion of the debt: I would not discharge it at once, firstly, because the debt is too great to be discharged by us in one lump, and nextly, because it is now inexpedient to render him a full account and to take a full acquittance from him. We are often told that political morality and private morality are not exactly identical. So, while it is improper to base gratitude in private affairs on a sense of favours to come, it seems to be otherwise in public affairs. I mean to follow this principle and to reserve a big portion of the debt for payment at some future time.

"Now, Sir, there is one important aspect in the Budget which alone would entitle him to our gratitude. He has distributed surpluses very much like a dying man in justice and in charity: but he has also administered—and, this I consider the more important—with the unselfishness of a dying patriarch, warnings too, which are of the utmost importance to us. The most important warning he administered is the warning to the railway service and to the railway administration. I wish to associate myself with all that has just been

BUDGET.

24TH MARCH, 1913.] [Mr. Vijiaraġhavachariar.]

said by the Hon'ble Sir Charles Armstrong except with that portion which relates to the railway policy of Government. I am very sorry I cannot agree at all with what he said about railway administration. The Indian Government is not a company of exploiters; it cannot go on administering its funds entirely on business principles. I believe that one brilliant satrap once upon a time, I think in a post-prandial speech, said that the Government of India are exploiters too. It is a most dangerous statement to make, and it ought to be authoritatively repudiated from time to time. I think the future of the Indian railway is, for economic purposes, a system of District Board railways on a gauge of 2 ft. or 2 ft. 6 inches, and for strategic purposes, a well equipped system of State-managed railways. The administration of railways must be no longer left with private companies, but must be gradually brought into the hands of Government. But be that as it may,—it would be somewhat irrelevant to develop that idea now—I would venture to call upon his successor on whom his mantle will fall, to accept this testamentary gift, *viz.*, the warning about railways, to accept it on trust for the millions. There is another and a cognate subject to the financial administration, and I would call attention to the Resolution so ably moved by the Hon'ble Sir Gangadhar Chitnavis, and to the sympathetic reply given by the Government. I thought it was a closed affair so far as this Council was concerned; but since then a question has been put by Sir John Rollaston in the House of Commons and that is my only excuse for making an allusion to that subject. The question is disquieting. I can't understand why ex-Indians should be excluded and all such who have had anything to do with the financial administration of this country for the long period of twenty years. No doubt the reply of Government was somewhat satisfactory, but it does seem to me that the question has the ring of an attempt at a conspiracy to pack the coming Commission. I believe we have reached an acute stage in the financial history of India, and I am entitled to beg and pray that the Government should be watchful, and it cannot be accused of being too vigilant on this occasion. Whatever may be the final view as to the currency question, one thing is certain—and Sir Charles Armstrong has emphasised that point—that we have reached a point where it is impossible for us to stay. The idea of the rupee being at once a token coin, with an enormous difference in the purchasing power between bullion and coin, and at the same time being legal tender to an unlimited extent and yet depending for its somewhat steady value upon a highly complex state of things such as Council Bills, telegraphic drafts, what is called balance of trade in favour of India, all which confuses an ordinary man, and a host of circumstances which it is impossible for an ordinary layman to analyse and grasp—all these must be examined not only from the standpoint of Lombard Street, but also, and more exclusively, from the standpoint of the people of India and the Indian Government. I deny that this can be done by experts and experts only from England, and we find that even England cannot boast of great financial experts unless there is some Jewish blood in their veins.

“I see that Lombard Street revives doctrines which in my school days I was taught were destroyed and buried by Adam Smith, never to be revived. The balance of trade in India means this: that India should ever be a greater international seller, and that of raw produce, than it is a buyer. The balance of trade always means that India should ever be creditor to the world, and yet we are told that no gold should come into India at the same time in payment of the dues to her by the world. I cannot understand the two things together, that we should ever be a creditor and yet we should not take gold in discharge of the debt due to us. All that I ask for is this: that at this time it is become absolutely necessary that Government should give full expression to the views of the people; that no opinions expressed by experts and no finality adopted by Lord Crewe on the faith of those opinions would be accepted by the people and Government of India unless and until the Government of India sends its own delegates—not witnesses merely—to sit on the Commission. No matter who those delegates are; it is premature to mention names. In these circumstances I cannot understand the full scope of the question put in Parliament. It seems to me exceedingly mischievous and has quite a sinister look about it.

BUDGET.

[*Mr. Vijayaraghavachariar.*] [24TH MARCH, 1913.]

There are ex-Indian officers and ex-Indian officers, and it is for the Government of India to select its own delegates. Whether it is those who are in service, or those who have left service, officials or non-officials, Hindus, Muhammadans, or Englishmen, it is for the Government of India to decide. It is not for factions and experts in England to dictate to India. All that I do hope is that the Government of India at this crisis will not let go this opportunity, and will use its utmost influence to secure a representation of Indian interests on the Commission itself from the point of view of this country.

"I have only one or two more points to allude to, Sir, and they are these: We are often accused of offering only destructive criticism. I wish to confine myself to one or two suggestions in the nature of what I may call constructive criticism. The first is this. I would suggest a redistribution of the business of the Government of India. I believe this can be easily done. The redistribution, I consider, is necessary as well in the interests of the business of Government, as, I think, in the interests of the country itself. I believe it would afford relief at once to the Home Department, and would also be expedient in public interests. What I ask for and what I am aiming at is that there should be a separate full-time Minister for law and justice. You will remember that there were two new Departments created within a short time, the Department of Commerce and Industry, and above all, the Department for Education. It must be conceded that within the short period of the creation of the Education Department it has made very rapid progress, though not adequate, to the needs of the country, and the country is very grateful for this step taken by Government. On the one hand this is so, and on the other hand, I believe the business of the Home Department is increasing and will certainly continue to increase greatly now that we have this Conspiracy law passed. I say it in all seriousness. It has to provide safeguards, to examine reports, etc. Therefore it has an immense amount of work to do and this work, the Hon'ble Home Member said, would not be judicially done; I do hope, however, that it will be judiciously done. He has to examine various reports submitted to him in each concrete case and upon these reports the question of sanction is to be determined in each particular case. I think he is entitled to relief. For the creation of a new Department for law and justice all that is necessary is the readjustment of the existing Departments, not by any alteration of the law nor by adding to the existing number of Members. This new department, I repeat, is absolutely necessary. I think that there would be a three-fold business for the Member who will be in charge of law and justice. The three-fold business will be, firstly the initiation or drafting of legislative measures of the Council, nextly, to deal with the supervision of the administration of justice, and lastly, to be able to deal with questions relating to money and applications for pardon and remission of sentences by prisoners, advising the Viceroy in the exercise of this noble, prerogative of the Crown. All this will take up the full time and more than the ordinary full time of the Law Member. I venture to state that this branch of the business entrusted to the Home Department has not been most satisfactory and has created considerable discontent.

"When I allude to discontent, I wish to allude to the discontent not only existing in public, but among the higher officers of the judicial service, as well both Indians and Englishmen. Rightly or wrongly a belief prevails—and I confess to a weakness that I share the belief—that those judges who are not quite loyal to the police view in the disposal of cases do not get promotions rapidly if at all. This is a belief shared by the members of the Indian Civil Service, and it is thus absolutely in public interests that such a belief should be removed. I know of some cases where persons who have been long judges are discontented. Curiously enough greater sympathy exists between these judges and the people of the country.

"I am very sorry to observe that there exists a belief that we can get full justice only from discontented Judges who no longer expect any promotion. It is not wise—it is not in the interests of Government—that such a belief should exist. One of the wittiest things I have ever been told was what a certain District Judge wrote in his diary. 'All is lost. Moral:—Marry a Councillor's daughter or a charming hostess.' Now this expedient of falling in love with

BUDGET.

[24TH MARCH, 1913.] [Mr. Vijayaraghavachariar ; Raja Kushal Pal Singh.]

a Councillor's daughter or a charming hostess is not available to all District Judges. So we must provide some other means of relieving this kind of feeling certainly existing among civilian officers too. This is an important matter, and I think the time has arrived for the appointment of a new Minister who will devote himself exclusively to the portfolio of law and justice. And in this connection I may as well point to a feeling which exists universally in India, that is, that the Law Membership of the Governor General's Council—this might require an alteration in the law—should not be confined to Barristers. For many a long year to come the Indian Membership in this Council and in the Local Councils will have to be recruited from the Bar. Now I do hope that the field of selection will be extended to the High Court vakils. No greater justification is necessary in proof of my demand than the fact there has been a galaxy of distinguished Judges who have sat upon all the High Courts and adorned the Bench.

“The next and last point I wish to call attention to is this : We all know that from 1833 to 1853, there was the Law Member—and the first Member was Lord Macaulay—who had nothing whatever to do with portfolios. For twenty years this system prevailed. When he was Law Member—such is my recollection : I have not got the old Acts—Lord Macaulay had nothing whatever to do with a portfolio, with the transaction of the Executive business of Government, and it was only by courtesy that he had access to the papers of Government. It is highly desirable that we should go back to that state of things. This requires an alteration in the law, and it requires money. But the money is worth spending, and the additions and alterations in the law can be easily made and are worth having. I consider that this Council should be presided over by a first-class parliamentarian who should relieve the Viceroy from doing this work. I am one of those who believe that the Viceroy ought not to preside over all the meetings of the Council. He may open a Session of the Council and he may close it ; but there should be a permanent Vice-President with experience of parliamentary life to preside over our deliberations, so as to make this Council really a model Council for all India, if not for all Asia. This is impossible under the existing state of things. I want a President who will be free from all bureaucratic influence, from the influence of red-tapism ; and therefore it is that I want him to have nothing whatever to do with portfolios. It won't cost us much. Let us have him for five years ; pay him highly, give him a residence here, and let him be in England for the summer months and come out every year for about five months in the cold weather with a fresh stock of English ideas. Tennyson says that old truth appears freshest in the garb of the day. Even though the ideas may not always be new and may be old, I believe they will be freshest in the latest English garb.

“I do hope that nobody suspects me of having any personal feeling against any Hon'ble Member. I shall be most glad to see Sir Guy Fleetwood Wilson occupy that position as the first Vice-President of the Council. And I have no objection to the Hon'ble the Home Member, divested of all his other functions, being made the Minister of law and justice. I do believe that if he did occupy it he won't say one day that it is impossible to consider principles and details apart from each other, and on another day that the principles and details of a measure are divorced from one another. I am sure of that, and therefore in making this suggestion I absolutely make no reference whatever to any Hon'ble Member. The suggestion I have ventured to make will, if adopted, pave the way for the realization of the universal Indian aspiration, a Royal Viceroy for the Indian Empire.”

The Hon'ble Raja Kushal Pal Singh.—“Mr. President, it affords me very great pleasure to tender my cordial congratulations to the Hon'ble the Finance Minister on the highly satisfactory prosperity Budget which he has presented to us. Unfortunately we have to couple with this felicitation an expression of our extreme regret at his impending departure from us. But we shall not easily lose our grateful sense of his consistently fair and magnanimous treatment of Indian questions, which has not only evoked, but will also ever keep alive, in us feelings of the deepest gratitude.

BUDGET.

[*Raja Kushal Pal Singh.*] [24TH MARCH, 1913.]

He has displayed not only signal capacity, but also the utmost tact and sympathy, in handling these questions; and his relations with the non-official members of this Council have always been marked by unfailing cordiality. I can confidently assure him, Sir, that he will be bearing away with him the heartiest good wishes of the entire population of India.

"On behalf of the landed community which I have the honour to represent in this Council, I beg to submit our grateful and most respectful thanks to the Government of India for the assignments, which they have made to the Local Governments, enabling them to forego the sums that at present stand as appropriations for *Provincial* purposes out of the cess on land. Henceforth the proceeds of the land cess will be wholly available for financing *District* and *Rural* Boards.

"The allocation of surpluses by the Government of India has given immense satisfaction to the people of India.

"There is a general feeling in the United Provinces that these provinces should get a good half of the land-revenue receipts. I understand that our able, sympathetic and popular Lieutenant-Governor is studying the financial position and needs of these provinces.

"With a view to making some desirable retrenchments in military expenditure, I beg to propose that careers in the army be provided for scions of the landed aristocracy of British India. At present Indians are given no scope for displaying military talent. Sir Valentine Chirol remarks,—'Whilst, subject to the maintenance of effective executive control, we have extended and must continue steadily to extend the area of Civil employment for Indians in the service of the State, there would certainly seem to be room also for affording them increased opportunities of military employment. 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. A good deal has no doubt been done to improve the quality of the native officer from the point of view of military education, but, under 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 combined with the strongest traditions of loyalty. By the creation of an Imperial Cadet Corps Lord Curzon took a step in the right direction which was warmly welcomed at the time, but has received very little encouragement since his departure from India. Something more than that seems to be wanted to-day. 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.'"

"A large number of the sons of the landed gentry and of the territorial aristocracy should be allowed to join the Imperial Cadet Corps. The class of people who would value the trust thus reposed in them are not men whose interest in the Government is of a mercenary character. The sentiment of loyalty is innate in them. They are as a body the lineal descendants of the ancient rulers and the faithful nobility of this country, the records of whose deeds of prowess and steady devotion still inspire feelings of chivalrous loyalty.

"As a means of relieving the congestion of judicial business, I would strongly advocate the advantage of utilizing the services of landowners in the offices of Honorary Magistrates, Honorary Munsiffs, and Honorary Assistant Collectors. In India the landed classes represent the governing forces. They should therefore be largely associated with the regular administration in the aforementioned capacities. The large increase in the number of special Magistrates in the United Provinces has already shown that the experiment of investing the landed gentry and the territorial aristocracy with magisterial powers has amply justified itself; and the above indicated honorary appointments will continue to be highly prized, to the great relief of the stipendiary Courts.

BUDGET.

[24TH MARCH, 1913.] [Raja Kushal Pal Singh.]

“The scheme of demonstrating on the spot the value of improvements in the agricultural methods, by operations on some plot rented from an actual cultivator or land holder, has proved to be a great success in most of the provinces of India. Everything is done as a cultivator himself might do it; and the man who is placed in charge of the rented plot is himself a practical cultivator well trained for the particular demonstration in hand. These model plots also serve as centres of seed distributions. At present the number of demonstration centres is miserably small. With all the emphasis I can lay on it, I most earnestly implore the Government to provide money for a considerably larger number of these model plantations. If the requisite money were allotted, the Hon'ble Mr. Hailey would be able to do an immense deal for the improvement of agriculture by his prodigious industry and his matchless devotion to the well-being of our provinces.

“To stimulate the sugar industry, I consider it absolutely necessary that there should be a strong body of agricultural specialists devoted entirely to the promotion of this cause; and I would ask for at least three such officers to be allotted to the United Provinces, where practically half the total of Indian cane is raised. The Government scheme, it is true, provides for the setting-up of demonstration farms; but I would move for a considerable increase of their number. It also strikes me as a sound idea that, co-ordinated with the model farms, there might with infinite advantage be training classes opened for instruction in cultivation methods, and if possible also a small model factory attached to each farm for instruction in the technology of sugar manufacture. Such a system has very successfully been tried in the United States of America.

“May I crave permission to enter here a few remarks on Irrigation as the all-essential means of helping the development of the agricultural products of India? Cultivators undoubtedly evince a strong preference for canal irrigation; hence it is extremely desirable that the canal system be extended wherever possible. Canal-watered tracts not only are sure of their crops, but also they become exceptionally prosperous and productive. I humbly implore the Government to push on the work of the Sarda scheme, with all possible expedition. Out of the area watered by the Lower Ganges canal, fifty per cent. is left unirrigated through lack of water. If this shortage of water supply could be supplemented by the proposed Sarda scheme, the area that would then be irrigated would be more than doubled without any additional expense.

“Large and costly projects of irrigation require years to be fully carried out; whereas the system of well irrigation is far less costly, and yields immediate results. To be sure, the more serious obstacles in the way of well-sinking is want of capital; but if the rate of interest on takavi loans were reduced, as recommended by both the Finance and the Irrigation Commission, from $6\frac{1}{4}$ to 5 per cent. the attractiveness of such loans would be considerably enhanced.

“The following extract from the report of the Indian Irrigation Commission goes to show the desirability of reducing the rate of interest:—

‘It would appear, from calculations made by Mr. Wilson and Colonel Grey, that the Punjab Government, with interest at $6\frac{1}{4}$ per cent., gains substantially by the present system. The Imperial Government which advances money for these loans to the Provincial Governments at 4 per cent., while itself able to borrow at little over $3\frac{1}{2}$, also presumably gains appreciably. We think that these loans ought not to be made a source of profit to the State, and that the interest on them should be reduced to a point sufficient merely to cover the risks taken. At present the amounts found to be irrecoverable are inappreciable; and the charge for risk might, therefore, be correspondingly small while the security remains as good as at present. We have made recommendations which may slightly increase the risk, but, even if they are accepted, we would suggest that the rate of interest may with advantage be reduced to 5 per cent. in all Provinces. We think that such a reduction will be likely to strike the popular imagination as an act of great liberality and may increase the attractiveness of takavi loans in far greater proportions than might be anticipated from the small diminution which would result in the actual payments by each individual cultivator.’

“I would add to what is there said that expenses are practically *nil*. Enquiries are made by Local Revenue Officers who also keep accounts and collect instalments.

“I respectfully request that the Government of India will generously make good to Local Governments any loss that may arise from a reduction of the rate of interest on takavi advances.

BUDGET.

[*Raja Kushal Pal Singh; Srijut Ghanasyam Barua.*] [24TH MARCH, 1913.]

"I would respectfully venture to propose the establishment, in every province, of schools, or even classes, for the agricultural training of zemindars' karindas or agents. A karinda fills an important place in rural polity; and there is a very large number of such functionaries in the United Provinces. It is generally felt that there is much room for improvement in the training given to these men. They need to be thoroughly well taught in general agriculture, in soil classification, and in the keeping of patwari's records.

"It is strongly recommended that the Government of India should provide money for the creation of reserves of wood, fuel, etc., for agricultural purposes. Even in well-wooded localities, many villages are becoming denuded of trees, the work of felling being freely carried on, while no attempt is made to plant new trees. The people seem to be losing that strong religious feeling they once had about the planting and preservation of trees. Would it be out of place for me to suggest that, at one or more suitable places in each district, the Government and the estates managed by the Court of Wards might with advantage establish 'fuel and fodder reserves'? These would serve as models for landholders to follow, for the example thus set them by the Government would surely prove a stimulus. Cow dung is the most valuable manure within the reach of cultivators, yet the practice is to burn dung-cakes as fuel in default of wood. If wood could be had for fuel, in lieu of dung, we should soon come to realise that more wood means more manure, and that more manure spells more and better crops.

"The following tabular statement shows that, in respect of Education, the United Provinces hold the lowest grade in comparison with the other major provinces of India.

	Madras.	Bombay.	Bengal.	Eastern Bengal.	United Provinces.
Number of Primary Schools for males in 1911-12 .	● 24,044	11,609	36,342	17,723	9,258
Number of male scholars in Primary Schools in 1911-12.	829,331	630,427	1,047,769	672,835	470,953
Number of Primary Schools for females in 1911-12.	1,162	1,154	3,124	4,957	957
Total Scholars (both male and female) in all institutions in 1911-12.	1,280,065	922,877	1,609,360	1,075,124	712,000

"There is little doubt that, had money been as freely devoted to the extension of education in the United Provinces, as it has been elsewhere, there would have been a large increase in the enrolment of scholars. My earnest appeal therefore to the Government of India is that they would pay special attention to the backwardness of these provinces in this vital matter of education."

The Hon'ble Srijut Ghanasyam Barua:—"Sir, on this important day of the Session I also wish to speak a few words. Being little of a financier or an orator I hope to be very brief and not take much of your time.

"I think the first thing that the Government would expect me to speak about would be what the people of the poor Province which I have the honour and privilege of representing here think of their new situation, how we are feeling under the new regime. And I am glad to say that I have numerous requests from various quarters to speak out that we greatly appreciate the change. There were indeed some misgivings in the beginning, when the Coronation boons were first published, that the reconstitution of Assam into a Chief Commissionership might mean a retrograde step, a reversion to the old 'one man rule' when the voice of the people was oftener than not a cry in the wilderness. But when it became patent that the intention of the Government was quite different, that it was not only granting us a local

BUDGET.

[24TH MARCH, 1913.]

[*Srijut Ghanasyam Barua.*]

Council, but was going to give us extra help and attention to make up for its past neglect, the feeling settled down into one of uniform and unalloyed satisfaction.

“Assam is indeed still very backward and poor ; but I venture to think that the backwardness is greatly due to the indifferent treatment she has received from the Government all along. Assam has vast resources to develop, enough of intelligence to stimulate and a past civilization to draw upon, her political significance in relation to the whole Indian Empire is also by no means mean. She has already its great Tea Industry—an industry to which the Government and the people alike owe a great deal for its valuable contribution to the development of the Province—she has her vast forests capable of immense development, her vast fields of culturable wastes, her coal and kerosine, lime and oranges, her cotton, silk, timber, agar, cane, rubber, lac and other forest produces and mines and minerals yet unexplored. If Assam has been backward, therefore, it is not because she has not her own potentialities, but because she has been grievously neglected in the past. One would wonder that a country can remain so backward after such a long period of British rule.

“We therefore offer our dutiful homage of gratitude to His Gracious Majesty and unbounded thanks to the Government of India for just the right step that has been taken to give her a push forward by forming her into a separate Province to enable the Government to give her a separate treatment and extra help she so eminently deserves.

“I shall not be doing justice if I omit to mention a small section belonging principally to Sylhet who are still prepared to raise a cry for going over to Bengal. But I am glad to say that from all inquiries I have been able to make, and from the words of a responsible leader of Sylhet to whose words I have reason to give very great weight, the agitation has its origin in a few high class gentlemen who have some profession or business in Calcutta and are anxious to rub shoulders with the great men of Bengal. I have been assured by the gentleman above referred to, that those agitators, with all the influence they command, will not be able to enlist the co-operation of even 1 per cent. of the whole population. And I hope they will soon begin to see that by being clogged to the most advanced presidency of India, whose needs and aspirations are more than she can meet for herself, we cannot get the extra aid we want and that the present one is the only best arrangement for us.

“We only hope and pray that Assam will now begin to be considered by the Government on her own account, and no longer treated as (in the apt words of the *Statesman and Friend of India*) a ‘pawn in the political game.’

“On behalf of my Province I respectfully offer my most sincere thanks to the Government of India for the special grant of 20 lakhs that it has made this year and the smaller special grant of last year, and also for giving us a good and sympathetic ruler like Sir Archdale Earle whose vigorous and energetic efforts for the advancement of the Province in all directions has already evoked admiration and affection of its people. But I venture to think that the Hon'ble the Finance Minister was not at all in need of making an apology by saying that the grant has been made in the way of an investment by a senior partner. For, I may say for the information of my Hon'ble non-official colleagues, if my calculation is correct the senior partner has been already drawing profits and even after the special grant of 20 lakhs and its ordinary Provincial grant, the Government of India will still retain some 19 lakhs to itself out of the contribution made by the poor Province.

“In view of the undeveloped condition of Assam whose population is now only about 120 to the square mile, one would feel justified in thinking that the Province should get extra grants in addition to her own resources. I greatly hope that the Government of India will be pleased to seriously consider at the time of the proposed permanent settlement whether the Province should not be allowed at least to have the full benefit of its own resources. I again thank the Government of India for all it is

BUDGET.

[Srijut Ghanasyam Barua.] [24TH MARCH, 1913.]

doing and all that it means to do for my poor Province, and I repeat my prayer that it will continue always to give us good rulers like Sir Archdale and for a long time yet to help us with suitable special grants.

"I also thank the Government for the enthusiastic interest it is taking in Education in response to the desire of our beloved King Emperor. Education is a subject than which nothing seems to be more important for over true regeneration and deliverance, and in it I always feel the greatest interest. It is admittedly still defective; and as we are studiously excluding God from interference in the sacred field of Education—the field for elevating the mind and building up character—I am afraid the defects will yet continue notwithstanding all that is possible to be done; but nevertheless we are all anxious to have all that we can. I entertain a pious hope that my countrymen will soon begin to see that none of us are so godless and that the God of the Hindu, the Mahomedan and the Christian is not so essentially different that, leaving aside sectarian rites and forms to be observed at home, we cannot find some common ground to stand upon for invoking the aid of the eternal Source of all good for the elevation of the mind and character of our plastic youths in schools and colleges. Of this, however, this is not the proper time to speak. What I want to say in this connection is that along with education we must remember the main feature of His Majesty's wish and command, *viz.*, that education and all that come in its train are but means to an end—and that is 'the union and fusion' of the culture and aspiration of His Majesty's European and Indian subjects. A higher ideal for the perfection and consummate development of the Great Empire of strength and beneficence that it has pleased God to build up by the union of England and India cannot indeed be conceived. For the realization of this great object there is ample field for all of us to do outside the limits of education proper; and with that end in view it behoves all His Majesty's loyal subjects, Indian and European, to work with common heart and will. We, Indians, have to see that while conserving what is needed of our old civilization, we should come forward with an open heart to imbibe and assimilate all that is good and high of what has come from the West and has been laid at our door by the hand of God; that a patriotism which aims at reverting to the old—a tendency to which seems to have been developing since some time—will not help us in getting what we want. To claim all the benefits and privileges of Western civilization without willingly giving up all that brought woe unto us is a paradox which to many minds will not be intelligible.

"The Europeans should also see that they can aid this great cause by shaking off their conservatism and all that stand in the way of their embracing the Indians as brothers—in need of further tuition no doubt—and not as bastards or half-brothers. And the Government can greatly help this cause by strictly enjoining all European officers down to the chota sahibs of sub-divisions and the teachers and professors in schools and colleges always to work with one spirit—to infuse all that they can of their higher ideals into the Indian mind, to treat the Indians with sympathy and love and not despise them for their shortcomings, to draw the Indians closer to them and to be themselves drawn closer to the Indians, to act as the mediators between the European and the Indian and to bring both into closer contact and better mutual understanding and appreciation. I hope the Government of India will find a way to bring about such a happy state of things through the numerous officers who come in daily contact with the great mass of the Indian population. How much happier would India at once be if the spirit now ruling the various Secretariats were carried by the officers who have to deal directly with the people!

"In conclusion, I most sincerely echo all the praise and congratulation that have been justly offered to our able and popular Finance Minister. The admirably lucid and attractive manner in which he has drawn up the financial statement, the way he has managed the financial affairs of India, and the very judicious distribution he has made of the surplus, are all matters that can evoke only one feeling and that has been given vent to by all my Hon'ble friends who have spoken before me. If we have to bid him good-bye as we have been told, we shall certainly part with him with sorrow, but in bidding him good-bye we would assure him that he carries our love with him; but in view of the strong non-official opinion which has unequivocally found

BUDGET.

[24TH MARCH, 1913.]

[*Srijut Ghanasyam Barua; Sir Guy Fleetwood Wilson.*]

expression, let us hope we may still have him at the helm of our finances for some years more to come."

The Hon'ble Sir Guy Fleetwood Wilson:—"I do not propose to detain the Council long to offer many remarks; but I should like to preface my remarks by saying how deeply I regret the absence of one who has proved himself to be a true servant of India, and that is Mr. Gokhale. I am sure that my regret will meet an echo in the hearts of every man here, and I especially regret that he is absent owing to rather serious ill-health. It is difficult for those who served in previous Councils to express to those who are new to this Council what a great blank Mr. Gokhale's absence creates. It seems to be the play of Hamlet without Hamlet, and I think we all agree in wishing him a return to good health and a return to the Council next year.

"Many points of much interest have been advanced during to-day's debate. I hope the Members who have urged them with ability, with force and at the same time with moderation will not hold me guilty of any discourtesy if I do not on the last day of the Session deal with them. Any remarks which I might make would be almost futile as I am not in a position to pledge my successor either from the standpoint of acquiescence or of objection.

"None the less, I am sure, that Hon'ble Members will not deny me an opportunity of bearing testimony to the great assistance which I have received from my staff and of testifying to the extreme value of their services to me, to this Council and to India.

"Mr. Gillan is well known to Members who have been brought in contact with him in his own province or who knew him when he was holding the high office of Comptroller and Auditor General and Head Commissioner of Paper Currency in Calcutta; and I think that every one of this Council will agree with me that the mantle of Sir James Meston has fallen on worthy shoulders, and that Mr. Gillan has already proved his exceptional fitness for his present high office. I am deeply indebted to him for the devoted help which he has given me from the first moment that he joined my Department.

"Mr. Johnston, as Deputy Secretary, is entrusted with work of the most important character, but which does not come quite so much under public view as that of his immediate superior. I should like to say that the sole reason why he did not fill the office which was ably held by Mr. Howard during my absence in England was that he had only just joined the Department and had had no previous financial experience. He has now had that experience, and I am glad to bear public testimony to his fitness for any financial duties which might be entrusted to him in the future.

"In Mr. Cook the Finance Department possess one of the ablest young financial officers I have come across, and it is in no small measure due to his ability and self-sacrificing devotion to work that the Budget has come out so well.

"Only one of the superior officers remains in the Department who was in it when I joined it, and he is Mr. Bhupendra Nath Mitra. Mr. Mitra's name will, I feel sure, always be received with honour in this Council in connection with Budget work. He is a man of quite exceptional gifts, of unflinching courage, of great personal charm, and is without exception one of the ablest Budget officers I have come across during the whole of my career. To him my warmest thanks are due, and I feel confident that whatever position he may hold in the future he will hold it with advantage to the State and honour to himself.

"Mr. Blunt who has been kindly lent us by Sir James Meston has rendered excellent service.

"I hardly like to mention more names, because if I mention the names of all those who have rendered good service, to-day's debate would be unduly extended, but I cannot refrain from thanking the present Chief Commissioner of Delhi, Mr. Hailey, for the valuable and loyal support which he rendered me when he was my colleague, and I must say that what is Delhi's gain is the Finance Department loss, because Mr. Hailey is undoubtedly one of the most able financiers that we have in India.

BUDGET.

[*Sir Guy Fleetwood Wilson.*] [24TH MARCH, 1913.]

"Lastly, I ask your permission to tender my thanks for, and my appreciation of, the valuable help and the invariable courtesy and kindness which have been accorded me by Sir William Vincent, to whom this Council is so deeply indebted

"I desire to refer to a matter which, I admit, is only remotely relevant to the Budget. I am invariably careful not to touch on topics outside my province; but since on this particular day discussion is permissible on any subject of general interest, and as this is the last occasion on which I shall address this Council, Hon'ble Members will bear with me, if I depart from my usual reserve.

"The matter in question is that 'racial question'—so called, which has been so prominent of late. Sir, for five years, I have served with and been served by Indian Civilians who are my countrymen, and I need say no more of my connection with that service than that I am immensely proud of it. What I wish to emphasize is this—that in my experience the best Civilians never give so much as a thought to this 'racial question,' unless circumstances force it upon them, and that they find the necessity to think of it, when thus forced upon them, utterly repugnant. The motto of such Civilians might well be '*Homo sum ; nihil humani a me alienum puto.*'

"Except from one (and that a very limited) point of view, there is no 'racial question.' So much is true, that one race, by habit and training, may be better fitted for a particular kind of work than another. No man in his senses would think of sending a Bengali to hunt outlaws on the frontier, or of sending an Afridi to cast accounts in Calcutta. Similarly no man would try to turn a city bred cockney into a Scotch deerstalker; or a Scotch gillie into a London bank clerk. But apart from that it is never a question of race *versus* race, but of man *versus* man.

"There are good Indians, indifferent Indians, and bad Indians; just as there are good Englishmen, indifferent Englishmen and bad Englishmen. That is in my opinion the sum of this matter.

"And in this connection, Sir, I ask to pay a tribute to the Indians whom I know best—the Indian officials, high and low, of my Department. Through the five years of my connection with them, they have proved themselves to be unsparing of service, helpful with advice, and absolutely trustworthy. When need arose, they have done ungrudgingly a double or treble rate of work; when their advice was sought, they have given it me fully and frankly. As for their trustworthiness, let me give an instance.

"Three years ago, when it fell to my lot to impose new taxes, it was imperative that their nature should remain secret till they were officially announced. Everybody in the Department and some concerned with, but outside of it, had to be entrusted with this secret. Any one of these, from the high officials to the low-paid compositors of the Government Press, might have become relatively a millionaire by using that secret improperly. Yet so well was it kept that a ship laden with silver in Bombay harbour delayed, unnecessarily, its unloading for three days, and was consequently caught by the new tax.

"I have said, Sir, that there are good and indifferent and bad Indians. I wish to add that my Indian staff takes the highest place in the first of these three classes. To them, individually and collectively, I wish to publicly acknowledge my indebtedness and my gratitude.

"It but remains for me to express my profound thanks for the patience and consideration which have been lavished on me by every man in this Council, from His Lordship, under whose dignified and essentially distinguished presidency we have the privilege of meeting, to the last joined member who has assisted at our deliberations."

The Council adjourned *sine die*.

DELHI ;
The 31st March, 1913. }

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

GOVERNMENT OF INDIA
FINANCE DEPARTMENT

FINANCIAL STATEMENT AND BUDGET

FOR

1913-14



DELHI
SUPERINTENDENT GOVERNMENT PRINTING, INDIA
1913