

EAST INDIA. (BUDGET).

Return to an Address of the Honourable the  
House of Commons, dated 10th July, 1928; for,

**“RETURN OF THE BUDGET OF THE GOVERNOR  
GENERAL OF INDIA IN COUNCIL  
FOR 1928-29.”**

India Office,  
12th July, 1928. }

A. HIRTZEL.  
*Under Secretary of State for India.*

*Ordered, by The House of Commons, to be Printed,  
12th July, 1928.*

LONDON:

PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

To be purchased directly from H.M. STATIONERY OFFICE at the following addresses:

Adastral House, Kingsway, London, W.C.2; 120, George Street, Edinburgh;

York Street, Manchester; 1, St. Andrew's Crescent, Cardiff;

15, Donegall Square West, Belfast;

or through any Bookseller.

1928.

PRINTED IN INDIA.

Price 1s. 6d. net.

GOVERNMENT OF INDIA  
FINANCE DEPARTMENT

BUDGET FOR 1928-29.

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**PART I.**  
**RAILWAY BUDGET.**

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# Speech of the Railway Member

introducing the

## Railway Budget for 1928-29.

I rise to present the Railway Budget for 1928-29, and as this is my maiden effort in budgets, I hope the House will extend to me the indulgence which inexperience is usually allowed to claim. Sir Charles Innes was wont to preface his speech by an explanation of any changes in procedure that had been made or in the form of the papers which it is customary to lay before the House. I do not think it is necessary for me to say much on that point. There must be many here to whom the apparatus of white papers and pink books is much more familiar, and consequently much less formidable, than it is to me. I will only say that a very marked improvement has been made in the form of the Railway Board's explanatory memorandum, and I am sure that Honourable Members will find it a much more informative and interesting document than it has been in the past. This improvement we owe to Mr. Parsons on whose shoulders the burden of preparing the Railway Budget chiefly rests, and I should like to say at once how deeply I am indebted to him for the assistance I have received not only at the budget season but throughout the year. From Sir Austen Hadow and from the members and officers of the Railway Board I have always received the most loyal co-operation and assistance.

2. Figures are a regrettable necessity in a Budget speech, but I shall try to reduce their number to a minimum, and I have the less compunction in doing so, because the Railway Board's Memorandum and its appendices contain a full and lucid explanation of the financial position of the Railways.

Before attacking my task I will only add that I shall be very grateful if, in accordance with past practice, Honourable Members who give notice of motions for reduction will add a few words to indicate the subjects which they wish to bring up for discussion. The practice is of great assistance to the Government members and I believe also to the House as a whole.

### *Financial Results of 1926-27.*

3. It will not be necessary to say more than a few words about the results of 1926-27. When the revised estimates for the year were submitted by Sir Charles Innes, he anticipated that the surplus of receipts over expenditure would not quite suffice to pay the railway contribution to General Revenues, and that it would be necessary to draw Rs. 7 lakhs from the reserve to make good the deficiency. Actually the surplus was higher than the estimate by about 1½ crores, and the reserve was increased by that amount. The improvement was due mainly to a remarkable increase in goods traffic on the East Indian Railway in February and March, and to a reduction in working expenses, as compared with the estimate. The year was not therefore in the end a bad one for the railways, and the figures of the last two months were distinctly encouraging.

### *Revised Estimates for 1927-28.*

4. The opening months of the current year maintained the promise of their predecessors. For some time it was impossible to be sure whether the lateness of the season had not thrown forward into 1927-28 traffic which

belonged naturally to 1926-27, but as the weeks passed and the traffic earnings continuously exceeded the earnings of the corresponding months of 1926-27, it became reasonably certain that with a normal monsoon we could look forward to a prosperous year. The disastrous floods in Guzerat and Orissa slowed up progress for about a month in July and August, but the check proved to be temporary, and by the end of October all anxiety about the financial results of the year had passed away. According to our present anticipations passenger earnings will be better than in 1926-27 by Rs. 1½ crores, and goods earnings by 3 crores, a total gain of 4½ crores. The figures for the earlier months of the year suggest that by the end of March we may realize an increase of 6 per cent. in the passenger mileage and of 3½ per cent. in the ton mileage. It is a satisfactory feature of the goods traffic that the increase is not confined to any one class of commodity, but with the single exception of cotton has extended to almost all. It has been most interesting to watch from week to week, as I have done, the steady increase in the loadings of grain and pulses, of oil seeds, of coal and coke and of what are termed miscellaneous full wagons and miscellaneous smalls.

Up to the 21st of January 1928, 230,000 more wagons had been loaded on the broad gauge and 90,000 on the metre gauge than in the same period last year. All the principal railways show substantial increases in traffic earnings with the single exception of the Bombay, Baroda and Central India Railway, where the receipts for the first ten months of the year are almost identical with those of 1926-27. As always, the railway results are dependent on the character of the season and particularly of the monsoon months, but I have no doubt that the ability of the railways to handle all the traffic offering without delay has contributed largely to our success. Had the conditions in 1927-28 been similar to those which prevailed five or six years ago when the wagons could not be turned round fast enough to carry the traffic, our earnings must have been distinctly smaller.

5. I have not thought it worth while to trouble the House with any comparison between the revised estimate of revenue and the budget figures. When we attempt to estimate the earnings of our railways during the coming twelve months, we are dealing with factors which we can neither control nor forecast with accuracy, and the best estimate we can make is largely guess-work. Working expenses stand on a different footing. They tend to rise, no doubt, when traffic increases, and to fall when it declines, but to a considerable extent they are subject to control by the responsible authorities. This year our traffic has brought us in Rs. 3½ crores more than we expected in the shape of traffic receipts, but our working expenses, we believe, will be Rs. 63 lakhs less than the estimate. As compared with 1926-27, we expect to carry extra traffic which will raise our receipts by 4½ crores, but will increase our working expenses by only Rs. 8 lakhs. That, I think, is a result which on the face of it is satisfactory, and it is even better than it looks. For owing to the increase in the capital at charge, our expenditure on depreciation has risen automatically by about half a crore. Under operation we expected to spend the same amount as in 1926-27, and we now expect to spend Rs. 50 lakhs less, while under repairs and maintenance we expected to spend Rs. 50 lakhs more and we now expect to spend Rs. 18 lakhs less. I shall have something to say about both heads.

6. Under operation we expect to spend half a crore less on fuel than in 1926-27. A more economical use of fuel has had a good deal to do with bringing down our expenditure, and it is a point to which the Railway Board rightly attach great importance. The quantity of coal consumed per thousand gross ton miles hauled is steadily diminishing, and will, we hope, decrease still further. Thus for example in 1927-28 the Bombay, Baroda and Central India Railway reduced its consumption by more than 9 per cent., the Eastern Bengal Railway by nearly 12 per cent., the Assam Bengal Railway by nearly 7 per cent., and the South Indian Railway by 6 per cent. The measures which have brought about the reduction include the fixing of maximum limits for the coal to be held at one time by each railway administration so as to avoid the rapid deterioration which takes place when certain classes of coal are stacked, the employment of fuel inspectors, greater attention to firing methods and the superheating of locomotives. Apart from fuel, the decrease in operation expenses during a year of higher traffic is clear proof of the attention which is given to economy.

7. The reduction of expenditure under Repairs and Maintenance, in spite of an addition of between 600 and 700 miles to the lines to be maintained is due very largely to economies in the railway workshops and the fact that our revised figure is nearly 70 lakhs less than the budget will no doubt be of special interest to my Honourable Friend Mr. Chetty. Honourable Members who were present during the discussion of the railway budget last year may remember that Mr. Chetty moved a reduction of 50 lakhs under this head, his argument being that we were asking for more money than we actually needed for workshop expenditure, and that a substantial reduction was possible. The revised estimates show that his anticipations were more correct than ours, but there is no difference of opinion between him and us as to the policy to be followed. The Railway Board have been fully alive to the necessity of economizing in workshop expenditure, and the results of the steps they have taken are now becoming apparent. In their memorandum on the budget the Board have given a number of figures to illustrate the economies which have been effected, but I will quote only two. On the North Western Railway the average cost of a locomotive standard repair has been reduced from Rs. 14,011 in November 1926 to Rs. 11,612 in November 1927, and on the Great Indian Peninsula Railway from Rs. 11,967 to Rs. 9,573. These reductions are substantial, but the matter does not end there. With the new methods which have been adopted repairs are executed much more expeditiously than before. On the East Indian Railway, for example, the average number of days locomotives were in the shops has been reduced from 105 to 64, passenger carriages from 46 to 35 and wagons from 15 to 5. It follows of course that much fuller use is being made of our rolling stock, and that the need for buying new stock is proportionately diminished. The economies we have been able to effect are the direct result of the modernization of the workshops which was commenced some years ago and is still proceeding. Very large sums have been voted by the Assembly for this purpose, and I think the House has legitimate cause for satisfaction with the results achieved.

8. I will now summarize briefly the financial results of 1927-28. Our total receipts on the commercial lines we put at Rs. 103½ crores, which is nearly Rs. 5 crores higher than the total for the previous year. Our total expenditure at Rs. 90½ crores is up by Rs. 1½ crores, but this increase is more than accounted for by the fact that our interest charges have risen by Rs. 1½ crores owing to the capital expenditure incurred during the year.



The surplus of receipts over expenditure on the commercial lines is Rs. 12½ crores as against about Rs. 9 crores in 1926-27 and in our budget. Out of this surplus the loss on the strategic railways absorbs 1½ crores, and of the balance Rs. 4½ crores, under the operation of the convention, goes to the Railway reserve fund and Rs. 6½ crores is our contribution to general revenues.

*Rates and fares.*

9. The return from our railways during the current year having proved thoroughly satisfactory, the House will naturally be anxious to know what we propose to do with our surplus. When Sir Charles Innes introduced the budget for the current year, he was unable to announce any reduction in rates and fares apart from certain minor reductions in third class fares made by the Agents of particular lines. The circumstances then existing did not justify any large sacrifice of revenue, and it was necessary to wait and see what 1927-28 had in store for the railways. The position now is very different, and for some time past we have been considering what could be done to assist trade. In order to restore solvency to the railways, it was necessary some years ago to raise rates and fares to a much higher level than any of us would wish to see, and when we are prosperous enough to make substantial reductions, it is important to select those which are most likely to be beneficial. We came to the conclusion, as I think any railway administration in similar circumstances must have done, that the decisive consideration must be whether the reduction was likely to be followed by an early and substantial increase in traffic. What we hope for in the end is a general reduction in all rates and fares. If then we begin with those rates which operate to restrict traffic, we may hope to be able to deal with other commodities before very long, for our earnings will go up again as the traffic increases. But if, on the other hand, we begin with reductions which, however beneficial, are not likely to lead to increased traffic, it may be several years before further reductions become possible. It is on this basis that Government arrived at the decisions which I have now to communicate to the House.

10. In the first place, we propose to make a substantial reduction in the third class fares on the East Indian, North Western and Great Indian Peninsula Railways. Up to 50 miles no change will be made, but from 51 miles and upwards, the reduction will be half a pie per mile. On the East Indian and North Western Railways this means a reduction of 13 per cent. for a journey of 300 miles, 16 per cent. for a journey of 500 miles, and 20 per cent. for a journey of 900 miles. The corresponding percentages on the Great Indian Peninsula Railway are 11, 13 and 15. In addition we propose to abolish on the East Indian and Great Indian Peninsula Railways the distinction by which intermediate and third class mail fares are higher than by ordinary trains. If there were no growth of traffic, the reductions in third class fares would cost Rs. 122 lakhs in a complete year.

11. It may perhaps interest the House to know how the new rates for third class passengers compare with those in force before the war. On the Great Indian Peninsula Railway the increase is still substantial, varying from 60 per cent. at 50 miles to 30 per cent. at 600 miles. On the East Indian Railway, the comparison is more favourable to the new rates. The increase is 40 per cent. at 50 miles, 23 per cent. at 300 miles, 14 per cent. at 600 miles and 10 per cent. at 900 miles. When the increase in salaries and wages and the prices of almost all commodities which has

occurred since 1913 is taken into account, the increase in third class fares on this railway is distinctly less than might have been expected. But the comparisons on the North Western Railway are better still. At 50 miles it is true the increase is 55 per cent., but at 300 miles it drops to 18 per cent. and for all distances over 466 miles, the new fares are actually lower than the pre-war fares, the difference at 900 miles being as much as 16 per cent. I ought to add that we propose to discuss with the Company-managed railways the desirability of similar reductions on their systems in order to stimulate the growth of third class traffic.

12. Second in importance comes a substantial reduction in the rates for parcels and luggage. This is a very strong case, for the figures of past years clearly suggest that the present rates are operating to restrict traffic and in another respect the scale is unsatisfactory because it proceeds by 10 seers at a time so that a parcel weighing 11 seers is charged the same as one weighing 20 seers. Instructions will be issued for the introduction of a revised scale with 5 seers instead of 10 seer divisions, and for a reduction of the rates by 15 per cent. The cost in a full year, if there were no increase in traffic, would be Rs. 74 lakhs, but we have every reason to expect a substantial increase.

13. In the case of goods rates, we propose four reductions which should be of substantial benefit to the poorer classes and to the agriculturist. At present on the State-managed railways kerosene is carried at a uniform rate which works out at 42 pies per maund per 100 miles. We propose to substitute a telescopic scale which fixes lower rates for all distances in excess of 300 miles and drops to 10 pies per 100 miles for distances in excess of 700 miles. This reduction means a decrease in freight of 16 per cent. for a haulage of 500 miles, 35 per cent. for 750 miles and 42 per cent. for 900 miles. The total cost is Rs. 28 lakhs a year with the present volume of traffic. In the second place, we propose to reduce the rates on manure and oilcake which vary at present on the State-managed railways, to the absolute minimum of a tenth of a pie per maund per mile. On the East Indian Railway this means a reduction varying from 42 to 54 per cent. for distances of 500 to 900 miles. In a full year the cost is Rs. 15 lakhs, but more manure carried means larger crops and larger crops mean more traffic for the railways, so that the indirect gain to the railways from the concession may in the long run be considerable. The third important reduction is in the rate for jagree. In this case also we propose to substitute a telescopic scale for a uniform rate at a cost of about Rs. 10 lakhs in a full year. For distances in excess of 500 miles this means a reduction rising from 43 per cent. to 55 per cent. at 900 miles. Here also we look for a substantial increase in traffic. Finally, we propose to make a small adjustment in the rates on grain, pulses and seeds. At present the rates on the East Indian Railway up to 97 miles and on the North-Western Railway up to 232 miles are higher than on the Great Indian Peninsula Railway. We propose to remove this distinction at a cost of Rs. 12 lakhs a year.

14. In order to complete my account of the reductions in rates there are four others to be mentioned. Two of them cost very little but will, I hope, be appreciated. Petrol at present pays a uniform rate which works out at 83 pies per 100 miles. We propose to substitute a telescopic scale which will affect all distances in excess of 300 miles and means a reduction of 19 per cent. for 500 miles, 30 per cent. for 750 miles and 34 per cent. for 900 miles. The cost is only Rs. 2 lakhs in a full year. The

second concession is a reduction in the charges for horses, live stock and motor cars, which will cost about Rs. 3 lakhs a year. The other two reductions may be described as the removal of anomalous conditions on the East Indian Railway. It is more than two years since the Oudh and Rohilkhand Railway was absorbed, but the telescopic scales still stop short at the old junctions, and terminals are charged as if the two railways were separate. The abolition of this system will cost Rs. 33 lakhs in a full year. In the second place, the East Indian Railway charges a goods terminal of 6 pies a maund for through booking on which they render terminal services at one end only, though the terminal charge at either end for local booking is only 3 pies. The through terminal will now be reduced to the same figure.

15. Some of the reductions in rates and fares to which I have referred will be brought into force at once, but due notice must be given of the remainder, and we do not expect that all of them can take full effect till June at earliest. That fact will of course reduce the loss of revenue in 1928-29. We are giving up in a full year Rs. 122 lakhs in passenger traffic earnings, Rs. 77 lakhs in other coaching traffic and about Rs. 106 lakhs in goods earnings, that is Rs. 305 lakhs in all. We anticipate however, that the very substantial reductions made will have an immediate effect in stimulating the growth of traffic and that the actual loss will be much less. We have deliberately elected indeed to make substantial reductions in the case of particular commodities in the belief that the growth of traffic would thereby be insured, rather than to spread the reductions over a wider area and incur the risk that no one reduction would be large enough to stimulate bookings. On the whole we expect that the loss of revenue will not exceed Rs. 2 crores in 1928-29, when the dates at which the reductions are likely to become effective and the probable increase in traffic are taken into account.

#### *Budget Estimate for 1928-29.*

16. I turn now to the budget figures for 1928-29. But for the reductions in rates and fares which we propose, we should have budgetted for an increase of Rs. 1½ crores in the gross traffic receipts, the two basic assumptions being (1) a normal monsoon, and (2) a further growth in traffic but at a slower rate than in the current year. In view of the reductions in rates and fares we anticipate a fall of Rs. 55 lakhs in the traffic earnings, but owing to the increase in the interest on the balances of the reserve and depreciation funds, our total receipts are expected to be only Rs. 24 lakhs lower. On the expenditure side, working expenses are put at the same figure as in the previous year, making the fourth successive year in which they have stood at about Rs. 62½ crores notwithstanding the extension of our lines and the increase in the traffic with which we have to deal. During the period the expenditure on depreciation (which is governed automatically by the amount of the capital at charge) will have risen from Rs. 10¼ crores to Rs. 11½ crores, which means that the other working expenses will have fallen by Rs. 1¼ crores. This is a very satisfactory result and bears eloquent testimony to the resolute and continuous efforts of the Railway Board to secure economical administration. Operation expenses will, we anticipate, be about the same as in the current year, the increase in traffic very nearly offsetting a saving of Rs. 15 lakhs we expect in our fuel bill. Under repairs and maintenance, taking warning by this year's lesson, we are

budgeting for a reduction of Rs. 63 lakhs, and this estimate, I may say, is the result of a very close examination of the number of locomotives, carriages and wagons likely to be repaired, and takes full account of the fact that on most of the principal railways there are little or no arrears to be made good. We hope also that the progressive modernization of our workshops will again bring down the average cost of repairs.

Interest charges, owing to our new capital expenditure, will be higher by Rs. 1½ crores, and the surplus profits of companies by a quarter of a crore. The latter increase, however, is due to special causes and will not recur. It is occasioned by the fact that on the 1st of January 1929 our contract with the Burma Railways Company will expire, and the line will come under State management. It will be necessary, therefore, during the year to pay to the Company not only the surplus profits of the current year, but also those of the first nine months of 1928-29.

Our total receipts for the year we put at a little over Rs. 103 crores and the total charges (including the loss on the strategic railways) at Rs. 94 crores, leaving a final surplus of about Rs. 9 crores, of which general revenues will take Rs. 5½ crores and the railway reserve fund Rs. 3½ crores.

#### *Capital Expenditure.*

17. I do not propose to deal otherwise than briefly with our capital programme. During the current year we expect that our capital expenditure will be Rs. 30 crores, which is Rs. 5 crores more than the budget estimate and nearly Rs. 3 crores higher than the actuals of 1926-27. More rapid progress has therefore been made in the construction of new works than we anticipated, and this fact need occasion no regret, for it means that the new expenditure will become fruitful at an earlier date and contribute to our traffic earnings. The House will remember that when, after the war, it again became possible to devote large sums to railway capital expenditure, the actual outlay each year fell far short of the budget provision, and in order to meet this difficulty a system of over allotment was introduced. Each railway administration was given the amount which it thought it could spend, but a lump reduction was made in the total figure for all railways so as to bring it down to the amount which experience showed was likely to be spent. Thus in the current year the total allotment to all railways was Rs. 39½ crores, but was reduced to Rs. 25 crores by a *minus* entry of Rs. 14½ crores on account of probable savings. The experience of 1927-28 makes it clear that the railways are now much better equipped for dealing expeditiously with new projects and that closer estimating will be possible in the future. We have taken account of this fact in framing the estimates for 1928-29.

18. In next year's budget we are providing Rs. 28 crores for capital expenditure. The allotment for open line works is Rs. 15 crores and for new construction Rs. 9 crores. These are net figures and are arrived at after deducting nearly Rs. 5 crores on account of probable savings as against Rs. 14½ crores this year. The total of Rs. 28 crores is made up by a special provision of Rs. 4 crores for the acquisition of the Burma Railways on the expiration of the Company's contract at the beginning of 1929. The decision of the Government of India not to renew the contract but to take the line under direct management was in accordance with the expressed wishes of the Local Government and the local Legislature and will, I believe, commend itself to this House.

19. The only open line works of major importance which we propose to initiate next year are the remodelling of Erode junction on the South Indian Railway and the Madras suburban electrification. For the rest the completion of the works already in hand will, it is thought, give full scope for the energies of the railway administrations. Full details of the work which is going on are given in the Appendix to the Railway Board's explanatory memorandum, and I cannot attempt to summarize them now. I ought, however, to mention that the provision made for amenities for third class passengers, including the additions to, and improvements in, lower class carriages, amounts to nearly Rs. 2½ crores. This is a very important branch of our railway work, and I can testify that it receives close and constant attention from the Railway Board.

20. I turn now to new construction. When Sir Charles Innes spoke last year he expressed the hope that we should open nearly 900 miles of new line this year. We have not done quite so well as that but we expect to open 636 miles and to raise that figure to about 800 miles next year. The mileage of our construction programme indeed has now reached a formidable total, for 50 projects, aggregating 2,600 miles, have already been sanctioned, and 40 others covering 2,000 miles are under examination. Where the projects are so numerous it is difficult to single out any of them for special mention, but of those which we propose to open next year, the most important perhaps are the Daltonganj Barkakhana section of the Central Indian Coalfields Railway, the Kangra Valley line in the Punjab and the Villipuram Trichinopoly line in Southern India. The lines which will still be under construction at the end of the year are for the most part short branches or feeder lines to the main system, but in various parts of the country there are special features. Thus in Burma and Assam we are constructing pioneer lines to open out rich but undeveloped country; in southern India the branches will serve densely populated tracts where the traffic should at a very early date yield an ample return on the capital invested; in the Punjab they are for the most part cross connections running from east to west and linking up the existing lines most of which run from north to south; while in the Province of Sind we hope to commence the feeder lines which are the natural consequence of the construction of the Sukkur Barrage. To attempt an enumeration of the various projects would serve no useful purpose, but I am confident that any one who studies the Railway Board's Memorandum and its Appendices will realize that they are fully alive to their responsibility for extending and improving the communications of India.

21. I have now completed, Mr. President, my survey of the financial results of 1927-28 and have given our forecast for 1928-29. I have some general remarks to make as regards the financial position of the railways, but before I come to them there is one other matter to which I should like briefly to refer, I mean the progress made in recruiting Indians for the superior services of the railways. Members will find a very full account of what has been done in the last two years on pages 66 to 72 of the Railway Board's report on Indian Railways for 1926-27; but I am in a position to supplement the information there by some further and later figures. 32 per cent. of the permanent gazetted appointments created in 1925-26 and of the vacancies which occurred during that year in such appointments on State-managed railways were filled by Indians. In 1926-27, the percentage practically doubled; it was over 62 per cent. This year, on the latest available figures, it seems probable that 42 Indians will be appointed to superior railway services, including the 13 candidates who, as announced last week,

were successful in the examinations for the Indian Railway Service of Engineers and the Transportation and Commercial Departments of the State-managed railways. We are only expecting 18 European recruits this year for the State-managed railways, so Indians are likely to obtain 70 per cent. of the appointments. We are rapidly reaching the percentage recommended as our aim by the Lee Commission.

So far I have only been referring to permanent appointments. But we have also succeeded recently in obtaining a much larger proportion of suitable Indian recruits for the temporary engineer posts on the State-managed railways which our large construction programme requires. When in 1925 we began to recruit temporary engineers in large numbers we first of all advertised in this country for them; but the immediate response was not as good as we could have wished, and we only succeeded in obtaining 28 sufficiently well-qualified men, of whom 7 were Europeans. In order not to hang up the programme of development we had therefore to obtain recruits from England through the High Commissioner, and we got from him in all 43 temporary officers on 3-year agreements, of whom 9 were Indians and the rest Europeans. Subsequently, in January 1927 we advertised again for recruits in India and obtained a much more satisfactory response; we have consequently stopped the recruitment of temporary engineers in England altogether. Since January 1927, we have obtained 20 temporary engineers in India, of whom 18 are Indians, and we have now got arrangements for maintaining a register of approved candidates for employment, to whom appointments are offered as they fall vacant. I am conscious that this reference to Indianization breaks the sequence of my speech, but I thought the House would be glad to have these figures before the general discussion on the budget takes place.

22. The House will readily understand, Sir, that it is a source of great satisfaction to me that on the first occasion on which I have had the honour of presenting a Railway budget to the Assembly it should be my good fortune to announce substantial reductions in rates and fares and to put forward a financial statement showing clearly the prosperous condition of the Indian Railways, and my satisfaction is not in any way diminished by the obvious fact that I can claim no credit for these results and that the sound financial condition of the Indian Railways is due to the exertions of others. It would have been more in accordance with the fitness of things if it had fallen to Sir Charles Innes to make the announcements I have made to-day, and to inform the House that the success of the policy which he advocated so strenuously and in the formation of which he had so large a share could now be regarded as established beyond question. On the other hand, my own position may perhaps have certain advantages. When I took over charge of the Railway Department last April, I was free from responsibility for the policy which had been adopted or for any of the important schemes which were then in progress, and I approached the whole subject with an open mind prepared to hear all that could be urged for or against the system under which the Railways are at present administered. I shall not delay the House very long, but before I sit down I should like to say something of the convictions which have formed in my mind and which deepen with every month that passes regarding the railway policy which has commended itself to the Government of India and to this House.

23. As I have already explained to the House, we are about to make reductions in rates and fares involving a sacrifice in our traffic receipts exceeding 3 crores of rupees in a full year. We anticipate of course that part

of what we give up will be restored to us by the natural growth of traffic. But the question may be asked whether we are not incurring thereby an excessive risk. For the past five or six years we have enjoyed a succession of favourable seasons none of them appreciably worse than the average and some distinctly above it. Can we expect, it may be asked, that nature will continue to favour us with abundant rainfall, and in the ordinary course of things must we not be prepared for at any rate a partial failure of the monsoon and possibly for two years in succession? If that is a possibility, as unquestionably it is, what provision have the Railways made for such a contingency, and has it been taken into account in framing the budget estimates for 1928-29? These are fair questions and I will endeavour to reply to them.

24. One of the best features of the scheme for separation of railway and general finance put forward by the Government of India and accepted by this House is that, under it, in the years of prosperity provision is definitely made for the less favourable years which in course of time we shall undoubtedly have to pass through. Every year after our contribution to general revenues has been made, out of the surplus of receipts over expenditure, the balance goes into the Railway Reserve Fund which by the end of March 1928 will amount to about 16 crores and in March 1929, if our expectations are fulfilled, to over 19 crores. If, then, we had the bad fortune to experience two successive years in which the conditions were so unfavourable that the surplus of receipts over expenditure disappeared altogether, we could still meet our contribution to general revenues in full without exhausting what we have set aside in the reserve fund. That is a very important and interesting fact, for it enables us to adopt a much bolder policy in the way of reducing rates and fares or in making desirable improvements in our railways than otherwise we should be able to do. If our railway finances were still inextricably entangled with the ordinary finance of the year, it might be the duty of the Finance Member to impose a veto on reductions in rates and fares which from the railway point of view were very desirable, on the ground that he could not face the sacrifice of revenue which they were likely to entail. As it is, when the time comes for making his budget, he knows that for two years ahead he is sure of getting the 1 per cent. contribution on the capital at charge on the commercial lines, whatever the actual traffic earnings of the railways may be. A very valuable element of stability is thereby introduced into the finances of India. At the same time, those who are responsible for the railway administration can make their plans in advance with reasonable security that they will be able to proceed with them unimpeded, and need not apprehend any sudden interruption owing to the financial exigencies of the moment.

25. I have thought it right, Mr. President, to emphasise the value which the Government of India set on the scheme for the separation of railway finance and to explain the very important advantages which it secures. As the House are aware, it rests on the convention accepted in 1924 both by this House and by Government, and it was part of the convention that it should be tried for at least three years, with an implicit recognition that after the expiry of that period, it might be desirable to review its working. During the last budget debate, it was suggested by some members that the time for this review had arrived, and Sir Charles Innes then said that, if there was a general feeling in the House to that effect, he would be quite prepared to agree to it. It is therefore a matter which had been under my consideration since I took charge of the Railway Department last April, but I felt that it would be difficult, if not

impossible, to arrive at satisfactory decisions as to the changes, if any, in the system which might be thought desirable, until we were in a position simultaneously to decide what changes in railway accounting practice were necessary as a result of the enquiry made by Sir Arthur Dickinson. His report was received last Autumn and the Railway Board and the Auditor General are now engaged in studying its recommendations. We hope that those of them which have a direct bearing on the separation of railway finance will be ripe for discussion in the Railway Standing Finance Committee in the course of next summer. When that has been done, a natural opportunity will occur for considering again the terms of separation agreed to in 1924. The discussions which will take place during the next few days should serve to elucidate the general feeling in the House, and if there appears to be a general desire to review the terms of the convention, we shall push on with the examination of Sir Arthur Dickinson's report, and will do our utmost to have the opinions of the Standing Finance Committee ready for the consideration of this House when it meets again in the Autumn Session. If we are successful, then I would move during the course of that Session for the appointment of a Committee to examine the working of the convention and to report what alterations, if any, were desirable. I have made it plain that the Government of India attach great value to the convention and consider that it has worked most successfully, but I hope that by what I have just said I have made it equally plain that they do not regard it as a thing so sacrosanct that it should be withheld from scrutiny or that they have any desire to deny this House an opportunity of satisfying itself on the whole subject. I trust that the procedure I have suggested will commend itself to the House.

26. The budget which I have presented to-day must, I think, give the Assembly reasonable cause for satisfaction, and it may fairly be claimed by Government as affording evidence of the success of the policy vigorously pursued during the last five or six years. During that period, the railways of India, whether regard be had to their actual working, or their financial results, have improved more rapidly than at any previous period in their history. Six years ago, owing to the wagon shortage and the suspension during the war of the provision of new traffic facilities, the railways were unable to deal with the goods traffic offering without prolonged delays which were a source of annoyance to the mercantile community and inflicted serious injury on trade. For two years past our wagon supply has been ample and we have been in a position to deal expeditiously with all the traffic offering even at the busiest season of the year. Six years ago the financial position of the railways was thoroughly unsound, and very heavy increases in railway rates became necessary in order to restore solvency. To-day Railways are not only entirely solvent, but, after making a substantial contribution in relief of taxation and setting aside large sums to the reserve fund as a provision against the bad years that may come, we are able to make a substantial reduction in rates and fares without any apprehension that these may involve us in commitments too heavy for us to carry. Results like these cannot be achieved by any railway administration unless its policy is conceived on sound lines and unless those in charge of its administration possess the practical wisdom to devise the schemes necessary to secure economy and efficiency and the energy which enables them to carry these schemes to fruition. Many have contributed to bring about the satisfactory results which we see, and I sometimes doubt whether we give nearly enough credit to the



great body of the Railway servants of India. It is they, after all, who bear the burden and heat of the day, and every reform which is introduced means months of hard and unremitting toil for many officers. The modernization of our workshop methods, to take only one example, has involved an infinitely careful planning and strenuous effort on the part of all concerned, and I am glad to take this opportunity of acknowledging what we owe to the officers responsible. But while many have done well the main burden of responsibility has rested on the shoulders of two men—His Excellency Sir Charles Innes, now Governor of Burma, and Sir Clement Hindley, the Chief Commissioner of Railways. (Applause). I do not think, Sir, it will be out of place if I put on record to-day my deep conviction of the great debt which India owes to both of them for the work which they have done for the Railways of India.

27. There is another aspect of the case to which I must also refer. In all our calculations and estimates there is one element of uncertainty which can never be eliminated but will continue to affect the railway budget until the day comes when we have shut down our railways altogether and embark precariously in the motor car or the aeroplane—I mean the monsoon. Against that contingency we have provided, as far as possible, by means of our railway reserve fund. But in some of the years which followed the war there was another element of uncertainty almost equally serious which profoundly affected railway finance—I mean the variations in the exchange ratio. That factor has now been eliminated, I hope and believe permanently, by the legislation which was passed in March 1927. I do not wish to enter upon controversial topics, but it is important that every member of the House should realise clearly that variability in the exchange ratio introduces instability into the railway budget, that instability necessarily weakens confidence, and that this lack of confidence will certainly be reflected in an ultra conservative financial policy. If indeed we are anxious, as I believe every member of the House is anxious, to facilitate trade by the reduction of rates and fares and by the progressive improvement of the Indian railway system, then a stable rupee is one of the very first requisites. In this matter we in the Railway Department, as in many others, owe a very deep debt of gratitude to my Honourable Colleague Sir Basil Blackett, and I should like to take this opportunity of acknowledging on behalf of the Railway Department the assistance we have invariably received from his broad-minded and courageous outlook on all our railway financial problems. We owe him much in connection with the separation of railway and general finance and in many other matters too numerous to mention. But I am not sure that our deepest debt of all is not due to him for the work he did in stabilising the rupee, although in that matter the railways were only a subordinate issue.

28. The last matter to which I wish to refer is this. I have claimed on behalf of the Railway Department that the budget I have presented testifies to the success of the railway policy of the Government of India, and I have discussed some of the factors which made our success possible. But there is one aspect of it to which I have not referred, namely, that it has been based on co-operation between the Government and this House. I have not yet been present during the discussion of a railway budget, but I have heard it whispered that at times the spirit of co-operation has not always been visibly present, that speakers on the non-official benches have complained of the slowness of Government to give effect to strongly expressed views on Indianisation and other matters, and that those who sit in the benches on this side of the House have felt that something

less than justice was done by the critics to the admirable work of our Railway officers. In a week's time Mr. President, I shall be able to form my own opinion as regards that. But whatever acrimonies may from time to time have flavoured all our railway debates, I am quite sure that there has been a great deal of practical co-operation, and that this co-operation has been largely responsible for any success we have achieved. It was in agreement with this Assembly that the convention for the separation of railway finance was settled, and we continually receive practical proof of the spirit of co-operation throughout the year in the proceedings of the Standing Finance Committee. I should like to take this opportunity of acknowledging the debt which we owe to the members of that Committee for the interest they display in railway matters and for the assistance we receive from their work not only in connection with the projects placed before them from time to time, but also in connection with the preparation of the present budget.

29. Mr. President, it is time that I should bring my remarks to a conclusion. In what I have said I have had my eye chiefly on the past and the present, and I have said very little about the future. And yet a man with any imagination charged with some degree of responsibility for the administration of the railways of India must naturally have many thoughts regarding the possibilities of the future and the measures that ought to be taken in order that we may be ready to deal with all that the future has in store for us. But on these matters I will not dwell, not merely because I am unwilling to weary the House, and not only because it is unwise to prophesy until you know, but mainly perhaps because of a profound conviction of the truth of the old saying—

"Let not him that putteth on his armour boast himself as he that taketh it off."

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## BUDGET

OF THE

Railway Revenue and Expenditure of the  
Government of India,

February 1928

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ACCOUNTS . . . . .	1926-27
REVISED ESTIMATES . . . . .	1927-28
BUDGET ESTIMATES . . . . .	1928-29

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## 1.—Statement of the Revenue of the Centre

HEADS OF REVENUE.	ACCOUNTS, 1926-27.				REVISED ESTIMATE	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>XI.—State Railways—</b>						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings:—						
Upper class . . .	4,38,43,175	...	...	4,38,43,175	4,55,10,000	...
Lower class . . .	30,40,74,013	...	...	30,40,74,013	31,67,98,000	...
Other coaching traffic earnings.	6,06,98,134	...	...	6,06,98,134	6,12,62,000	...
Goods traffic earnings .	61,48,93,665	...	...	61,48,93,665	64,48,83,000	...
Hire charges and other payments from Railways.	61,71,467	...	...	61,71,467	71,02,000	...
Sundry earnings . . .	1,67,63,982	2,84,356	95,896	1,71,42,234	1,73,94,000	6,44,000
<b>TOTAL EARNINGS</b>	<b>1,04,64,43,436</b>	<b>2,82,356</b>	<b>95,896</b>	<b>1,04,68,20,688</b>	<b>1,00,24,49,000</b>	<b>6,44,000</b>
Deduct—						
Refunds of Revenue.	85,08,151	...	...	85,08,151	85,00,000	...
Earnings of worked lines.	6,76,85,390	...	...	6,76,85,390	6,88,60,000	...
Earnings of State Railways.	97,52,53,695	2,82,356	95,896	97,56,32,147	1,02,13,89,000	6,44,000
Suspense . . . . .	—5,79,611	...	...	—5,79,611	...	...
Gross receipts of State Railways.	97,46,74,284	2,82,356	95,896	97,50,52,536	1,02,13,89,000	6,44,000
Deduct—Working expenses of State Railways.*	62,03,43,795	37,00,408	12,66,300	62,63,00,497	62,15,04,000	46,11,000
Surplus profits paid to Indian States and railway companies.	1,65,55,739	...	...	1,65,55,739	1,58,00,000	...
<b>Net receipts . . . . .</b>	<b>33,77,74,750</b>	<b>—34,18,046</b>	<b>—11,60,404</b>	<b>33,31,96,300</b>	<b>38,40,85,000</b>	<b>—39,67,000</b>
(b) Strategic lines—						
Gross receipts . . .	1,53,45,101	...	...	1,53,45,101	1,54,65,000	...
Deduct—Working expenses	1,86,71,543	...	...	1,86,71,543	1,85,49,000	...
<b>Net receipts . . . . .</b>	<b>—33,26,442</b>	...	...	<b>—33,26,442</b>	<b>—30,84,000</b>	...
<b>Total net receipts, Commercial and Strategic lines.</b>	<b>33,44,48,308</b>	<b>—34,18,046</b>	<b>—11,60,404</b>	<b>32,98,69,858</b>	<b>38,10,01,000</b>	<b>—39,67,000</b>
<b>XII.—Subsidized Companies: Government share of surplus profits.</b>	<b>14,27,478</b>	<b>18,93,657</b>	<b>6,80,469</b>	<b>39,71,604</b>	<b>11,86,000</b>	<b>25,75,000</b>
<b>XII-A. Miscellaneous Railway Receipts—</b>						
Interest on Depreciation and Reserve Funds balances.	63,91,750	...	...	63,91,750	62,30,000	...
Dividend on investments in branch lines and other Miscellaneous Receipts.	4,75,175	...	...	4,75,175	5,00,000	...
<b>TOTAL RECEIPTS</b>	<b>34,27,42,711</b>	<b>—15,24,389</b>	<b>—5,09,935</b>	<b>34,07,08,387</b>	<b>39,09,17,000</b>	<b>—13,92,000</b>

\*For details see statement 1 (a).

J. M. HARTLEY,

Accountant General, Railways.

NEW DELHI,  
RAILWAY DEPARTMENT;  
The 20th February 1928.

BUDGET FOR 1928-29.

Government from railways in India and England.

1927-28.			BUDGET ESTIMATE, 1928-29.				Increase (+) Decrease (-) as compared with the Revised Estimate, 1927-28.
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with the Budget Estimate, 1927-28.	India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	4,56,10,000	+ 17,15,000	4,62,25,000	...	...	4,62,25,000	+ 7,15,000
...	21,07,96,000	+ 21,55,000	21,40,30,000	...	...	21,40,30,000	-27,68,000
...	6,12,67,000	+ 9,77,000	5,72,37,000	...	...	5,72,37,000	-40,35,000
...	64,43,83,000	+ 2,79,39,000	64,50,06,000	...	...	64,50,06,000	+ 6,23,000
...	71,02,000	+ 5,82,000	66,52,000	...	...	66,52,000	-4,50,000
2,000	1,50,40,000	-9,91,000	1,75,66,000	6,44,000	...	1,82,10,000	+ 1,70,000
2,000	1,09,30,96,000	+ 3,38,76,000	1,08,67,06,000	6,44,000	...	1,08,73,50,000	-57,45,000
...	25,00,000	-7,00,000	25,00,000	...	...	25,00,000	...
...	6,88,80,000	+ 8,80,000	6,88,10,000	...	...	6,83,10,000	-2,50,000
2,000	1,02,20,38,000	+ 3,32,16,000	1,01,58,96,000	6,44,000	...	1,01,65,40,000	-54,95,000
...	...	...	...	...	...	...	...
2,000	1,02,20,38,000	+ 3,32,16,000	1,01,58,96,000	6,44,000	...	1,01,65,40,000	-54,95,000
16,000	69,61,21,000	-68,19,000	69,16,02,000	45,70,000	...	69,61,78,000	+ 47,000
...	1,88,00,000	+ 16,78,000	1,89,00,000	...	...	1,89,00,000	+ 24,00,000
-14,000	38,01,04,000	+ 3,67,80,000	37,60,94,000	-39,33,000	...	37,31,62,000	-79,43,000
...	1,54,65,000	+ 3,40,000	1,59,80,000	...	...	1,59,80,000	+ 4,95,000
...	1,88,40,000	-19,01,000	1,87,29,000	...	...	1,87,29,000	+ 1,78,000
...	-30,84,000	-15,41,000	-27,62,000	...	...	-27,62,000	+ 3,23,000
-14,000	37,70,20,000	+ 3,83,01,000	37,33,32,000	-39,33,000	...	30,94,00,000	-76,20,000
9,000	27,70,000	+ 7,17,000	22,63,000	24,27,000	...	46,80,000	+ 9,10,000
...	81,30,000	+ 7,64,000	1,04,20,000	...	...	1,04,20,000	+ 21,90,000
...	5,00,000	+ 25,000	5,00,000	...	...	5,00,000	...
-5,000	38,95,20,000	+ 3,96,07,000	38,66,06,000	-15,06,000	...	38,80,00,000	-45,30,000

A. A. I. PARSONS,  
Financial Commissioner.

## BUDGET FOR 1928-29.

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

Heads of working expenses.	ACCOUNTS, 1927-28.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration . . . . .	12,24,69,272	37,00,402	12,56,300	12,74,26,974	12,50,74,000	42,11,000
Repairs and maintenance . . . . .	17,64,54,114	...	...	17,64,54,114	17,47,40,000	...
Operation . . . . .	24,99,25,180	...	...	24,99,25,180	24,44,09,000	4,00,000
Depreciation . . . . .	10,53,14,246	...	...	10,53,14,246	11,02,31,000	...
Suspense . . . . .	-5,66,526	...	...	-5,66,526	...	...
<b>TOTAL</b> . . . . .	<b>65,35,96,366</b>	<b>37,00,402</b>	<b>12,56,300</b>	<b>65,85,52,988</b>	<b>65,44,54,000</b>	<b>46,11,000</b>
<i>Deduct—Share of Worked Lines.</i>	<i>3,32,52,491</i>	...	...	<i>3,32,52,491</i>	<i>3,29,50,000</i>	...
<b>Working Expenses</b> . . . . .	<b>62,03,43,795</b>	<b>37,00,402</b>	<b>12,56,300</b>	<b>62,53,00,497</b>	<b>62,15,04,000</b>	<b>46,11,000</b>

J. M. HARTLEY,  
Accountant General, Railways.

NEW DELHI,  
RAILWAY DEPARTMENT;  
The 20th February 1928.

BUDGET FOR 1928-29.

19

Railways—Commercial Lines.

1927-28.		Increase (+) Decrease (-) as compared with Budget, 1927-28.	BUDGET ESTIMATE, 1928-29.				Increase (+) Decrease (-) as compared with Revised, 1927-28.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
15,000	13,91,00,000	+15,00,000	13,64,24,000	41,76,000	...	13,06,00,000	+15,00,000
...	17,47,40,000	-68,80,000	16,84,00,000	...	...	16,84,00,000	-68,41,000
1,000	24,48,10,000	-80,90,000	24,41,00,000	4,00,000	...	24,45,00,000	-3,10,000
...	11,02,31,000	-5,19,000	11,56,38,000	...	...	11,56,28,000	+53,97,000
...	...	...	...	...	...	...	...
16,000	65,90,81,000	-1,11,89,000	65,45,52,000	45,76,000	...	65,81,28,000	+47,000
...	3,39,50,000	-49,50,000	3,39,50,000	...	...	3,39,50,000	...
16,000	62,61,31,000	-62,19,000	62,16,02,000	45,76,000	...	62,61,78,000	+47,000

A. A. L. PARSONS,  
Financial Commissioner.

## BUDGET FOR 1928-29.

## 2.—Statement of the expenditure on railways charged to

HEADS OF EXPENDITURE.	ACCOUNTS, 1928-27.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>10. State Railways:—</b>						
Interest: commercial lines:						
on Government capital at charge .	13,04,25,513	7,41,66,459	2,53,52,947	22,98,48,919	14,35,42,000	10,17,20,000
on capital contributed by Indian States and Companies.	3,05,963	1,14,90,680	38,93,281	1,56,89,903	3,17,000	1,48,16,000
Total interest, commercial lines .	13,07,31,475	8,56,57,119	2,91,46,228	24,55,34,822	14,38,59,000	11,65,45,000
Interest, strategic lines . . . . .	1,21,35,059	...	...	1,31,35,059	1,35,33,000	...
<b>TOTAL INTEREST</b> .	14,38,66,534	8,56,57,119	2,91,46,228	25,86,69,881	15,77,92,000	11,65,45,000
<b>11. Subsidized Companies: Land and subsidy.</b>	5,21,204	...	...	5,21,204	8,00,000	...
<b>12. Miscellaneous Railway expenditure—</b>						
-Commercial lines . . . . .	58,54,240	5,08,823	1,67,175	65,30,247	23,81,000	8,23,000
Strategic lines . . . . .	20,657	...	...	20,657	2,85,000	...
<b>Payments to general revenues—</b>						
Contribution* . . . . .	6,01,13,210	...	...	6,01,13,210	5,48,95,000	...
One-third of the excess of railway surplus over three crores.	...	...	...	...	8,63,000	...
Total payment to general revenues .	6,01,13,210	...	...	6,01,13,210	6,35,58,000	...
<b>12A—Surplus Railway Revenue transferred to Reserve</b>	1,48,52,988	...	...	1,48,52,988	4,73,26,000	...
<b>TOTAL</b> .	22,53,29,042	8,61,65,943	2,93,13,403	34,07,08,367	27,17,43,000	11,73,68,000

\* For details see Statement 2 (a).

NEW DELHI,  
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J. M. HARTLEY,  
Accountant General, Railways.



BUDGET FOR 1928-29.

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

1927-28.			BUDGET ESTIMATE, 1928-29.				
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1927-28.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1927-28.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,55,000	24,56,38,000	+ 10,62,000	15,80,36,000	10,46,84,000	...	26,07,03,000	+1,50,76,000
52,000	1,61,54,000	+ 2,53,000	3,30,000	1,49,48,000	...	1,52,08,000	+83,000
4,07,000	26,08,11,000	+ 13,15,000	15,03,58,000	11,96,12,000	...	27,69,70,000	+1,51,58,000
...	1,35,33,000	-1,67,000	1,40,00,000	...	...	1,40,00,000	+ 4,87,000
4,07,000	27,43,44,000	+11,48,000	17,03,58,000	11,96,12,000	...	28,99,70,000	+1,56,26,000
...	8,00,000	-4,76,000	10,00,000	...	...	10,00,000	+ 2,00,000
9,000	23,07,000	-10,46,000	33,03,000	8,72,000	...	41,75,000	+ 9,88,000
...	3,86,000	+ 3,62,000	25,000	...	...	25,000	-2,60,000
...	5,48,95,000	+ 67,000	5,22,86,000	...	...	5,22,85,000	-26,10,000
...	86,63,000	+ 86,63,000	25,15,000	...	...	25,15,000	-61,48,000
...	6,35,58,000	+ 87,80,000	5,48,00,000	...	...	5,48,00,000	-57,58,000
...	4,73,28,000	+ 3,11,68,000	3,80,30,000	...	...	3,50,30,000	-1,22,98,000
- 4,10,000	26,98,20,000	+ 2,98,07,000	26,45,16,000	13,04,84,000	...	28,50,00,000	-45,20,000

A. A. L. PARSONS,  
Financial Commissioner.

## BUDGET FOR 1928-29.

## 2 (a).—Contribution from Railway to general revenues, 1927-28.

(Based on actuals, 1925-26.)

	Rs.	Rs.
1. 1 per cent. on capital of 6,00,36,79,855 at charge, commercial lines . . . . .	...	6,00,36,799
<b>2. (i) Receipts—</b>		
Gross traffic receipts, commercial lines . . . . .	98,05,93,360	
Interest on Depreciation and Reserve Fund balances . . . . .	52,00,640	
Dividend on investment in branch lines and miscellaneous receipts . . . . .	66,451	
Subsidised Companies, share of surplus profits . . . . .	85,07,118	
		98,94,36,569
<b>(ii) Charges—</b>		
Working expenses, commercial lines . . . . .	62,61,62,460	
Indian States and Railway Companies' share of surplus profits . . . . .	1,77,41,943	
<b>Interest—</b>		
On capital at charge, commercial lines . . . . .	21,89,18,316	
On capital contributed by Indian States and Companies . . . . .	1,66,99,010	
Land and subsidy . . . . .	4,38,351	
Miscellaneous Railway expenditure . . . . .	25,94,699	
Contribution at 1 per cent. on capital at charge, commercial lines . . . . .	6,00,36,799	
		84,20,11,578
<b>(iii) Surplus . . . . .</b>	...	4,74,24,993
<b>(iv) Contribution of one-fifth of surplus . . . . .</b>	...	94,84,988
<b>3. (i) Total contribution from railway revenues [1 plus 2 (iv)] . . . . .</b>		
	...	6,95,21,797
<b>Deduct—Loss on strategic lines borne by railway revenues—</b>		
(i) Interest on capital of 30,94,88,969 . . . . .	1,30,94,196	
(ii) Loss in working . . . . .	- 15,33,052	
		1,46,27,248
<b>(ii) Net payment due from railway to general revenues in 1927-28 . . . . .</b>	...	5,48,94,549

J. M. HARTLEY,

Accountant General, Railways.

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Financial Commissioner.

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2 (a).—Contribution from Railway to General Revenues, 1928-29.

(Based on actuals, 1926-27.)

	Rs.	Rs.
1. 1 per cent. on capital of 6,20,56,51,923 at charge, commercial lines . . . . .	—	6,20,56,519
<b>2. (i) Receipts—</b>		
Gross traffic receipts, commercial lines . . . . .	97,50,52,536	
Interest on Depreciation and Reserve Fund balances . . . . .	62,51,651	
Dividend on investments in branch lines and miscellaneous receipts . . . . .	478,175	
Subsidised Companies' share of surplus profits . . . . .	39,71,804	
<b>(ii) Charges—</b>		
Working expenses, commercial lines . . . . .	62,59,00,497	98,57,50,966
Indian States and Railway Companies' share of surplus profits . . . . .	1,65,55,739	
<b>Interest—</b>		
On capital at charge, commercial lines . . . . .	22,98,44,919	
On capital contributed by Indian States and Companies . . . . .	1,56,69,903	
Land and subsidy . . . . .	5,31,204	
Miscellaneous railway expenditure . . . . .	65,30,347	
Contribution at 1 per cent. on capital at charge, commercial lines . . . . .	6,20,56,519	
		95,73,99,028
(iii) Surplus . . . . .	...	2,83,51,938
(iv) Contribution of one-fifth of surplus . . . . .	...	56,70,388
<b>3. (i) Total contribution from railway revenues [1 plus 2 (iv)] . . . . .</b>		
	...	6,86,26,907
<b>Deduct—Loss on strategic lines borne by railway revenues—</b>		
(i) Interest on capital of 31,60,50,185 . . . . .	1,31,85,059	
(ii) Loss in working . . . . .	32,07,200	
		1,63,43,259
(ii) Net payment due from railway to general revenues in 1928-29 . . . . .	...	5,22,84,648

J. M. HARTLEY,  
Accountant General, Railways.

A. A. L. PARSONS,  
Financial Commissioner.

NEW DELHI,  
RAILWAY DEPARTMENT;  
The 20th February 1928.

## BUDGET FOR 1928-29.

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

HEADS OF ACCOUNT.	ACCOUNTS, 1928-27.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways	59,375	...	...	59,375	...	...

NEW DELHI,

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The 20th February 1928.J. M. HARTLEY,  
Accountant General, Railways.

BUDGET FOR 1928-29.

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

1927-28.			BUDGET ESTIMATE, 1928-29.				
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1927-28.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1927-28.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
--	--	-2,68,92,000	--	3,08,80,000	--	3,08,80,000	+2,03,90,000

A. A. L. PARSONS,  
Financial Commissioner.

## 4.—Statement of the Capital Expenditure of the

HEADS OF EXPENDITURE.	ACCOUNTS, 1926-27.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Railway Capital not charged to Revenue:—</b>						
<b>53.—Construction of State Railways:—</b>						
<b>(a) Commercial Lines—</b>						
Open Line Works—						
Rolling Stock . . . .	...	...	...	4,17,90,000	...	...
Other Works . . . .	...	...	...	16,99,96,804	...	...
New Lines . . . . .	...	...	...	6,59,20,598	...	...
Suspense . . . . .	...	...	...	—1,04,96,000	...	...
<b>(b) Strategic Lines . . . .</b>	...	...	...	50,84,139	...	...
<b>TOTAL</b>	<b>15,94,11,069</b>	<b>8,40,99,799</b>	<b>2,87,67,871</b>	<b>27,22,78,539</b>	<b>17,45,65,000</b>	<b>12,50,00,000</b>
<b>Deduct—Probable Savings . . . .</b>	...	...	...	✓	...	...
<b>Net</b>	<b>15,94,11,069</b>	<b>8,40,99,799</b>	<b>2,87,67,871</b>	<b>27,22,78,539</b>	<b>17,45,65,000</b>	<b>12,50,00,000</b>
<b>53-A.—Discharge of Debentures . .</b>	...	1,96,89,000	66,84,425	2,63,73,425	...	66,87,000
<b>54.—Redemption of liabilities involved in purchase of Railways . . . .</b>	...	...	...	...	...	...

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J. M. HARTLEY,  
Accountant General, Railways

BUDGET FOR 1928-29.

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Central Government in India and England on Railways.

1927-28.			BUDGET ESTIMATE, 1928-29.				
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1927-28.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1927-28.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	5,51,56,000	-24,86,000	...	...	...	5,23,30,000	-29,36,000
...	14,54,51,000	-4,39,56,000	...	...	...	13,04,73,000	-1,49,78,000
...	9,50,00,000	-6,30,04,000	...	...	...	10,71,12,000	+2,21,13,000
...	46,91,000	+1,07,98,000	...	...	...	-1,00,47,000	-1,47,28,000
...	96,00,000	-19,000	...	...	...	76,00,000	-20,00,000
4,35,000	30,00,00,000	-8,76,81,000	16,09,97,000	12,64,81,000	...	28,74,68,000	-1,26,32,000
...	...	-14,76,81,000	76,64,000	3,98,14,000	...	4,74,68,000	+4,74,68,000
4,34,000	30,00,00,000	+5,00,00,000	15,33,33,000	8,69,87,000	...	24,00,00,000	-6,00,00,000
23,000	66,90,000	-2,64,96,000	...	2,08,80,000	...	2,08,80,000	+1,36,90,000
...	...	...	...	4,00,00,000	...	4,00,00,000	+4,00,00,000

A. A. L. PARSONS,  
Financial Commissioner.

## BUDGET FOR 1928-29.

## A.—Railway Depreciation Fund.

	Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.		Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	5,74,46,867	8,78,57,866	8,58,43,481	9,27,40,431	Appropriation from Depreciation Fund.	8,04,84,667	8,00,00,000	10,70,00,000	8,00,00,000
Appropriation to Depreciation Fund.	10,88,58,281	11,50,00,000	11,59,00,000	11,95,00,000	Closing balance.	8,58,40,481	11,28,57,866	9,27,40,481	12,22,40,481
<b>TOTAL</b>	<b>16,63,05,148</b>	<b>20,28,57,866</b>	<b>19,97,40,481</b>	<b>21,22,40,481</b>	<b>TOTAL</b>	<b>16,63,05,148</b>	<b>20,28,57,866</b>	<b>19,97,40,481</b>	<b>21,22,40,481</b>

J. M. HARTLEY,  
*Accountant General, Railways.*

A. A. L. PARSONS,  
*Financial Commissioner.*

NEW DELHI,  
RAILWAY DEPARTMENT;  
The 20th February 1928



BUDGET FOR 1928-29.

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B.—Railway Reserve Fund.

	Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.		Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	8,79,08,373	8,78,02,373	11,37,62,361	16,00,68,361	Appropriation from Re- serve Fund.	...	...	...	...
Appropriation to Reserve Fund.	1,40,62,968	1,61,58,000	4,75,28,000	3,80,30,000	Closing Balance.	11,37,62,361	11,38,61,373	16,00,68,361	19,81,18,361
TOTAL	11,37,62,361	11,38,61,373	16,00,68,361	19,81,18,361	TOTAL	11,37,62,361	11,38,61,373	16,00,68,361	19,81,18,361

J. M. HARTLEY,

Accountant General, Railways.

NEW DELHI,

RAILWAY DEPARTMENT;

20th February 1928.

A. A. L. PARSONS,

Financial Commissioner.

**Speech by the Hon'ble Sir Austen Hadow, Chief Commissioner of Railways, in presenting the Railway Budget for 1928-29 in the Council of State.**

INTRODUCTORY.

I rise to present to the Council a statement of the estimated expenditure and revenue of the Governor General in Council for the year 1928-29 in respect of railways.

2. As an introduction to a more detailed explanation of the budget, I think it is desirable that I should give a brief description of our railway property in order to present a more comprehensive picture to the Council and will quote a few figures. At the commencement of this financial year, *i.e.*, on April 1st, 1927, our mileage of railways opened to public traffic was 39,049, which means that in the year 1926-27, 421 miles of new lines were added to our previous total. Of this total the State owned 28,004 miles, Companies and District Boards 6,001, and Indian States 5,044 miles. The capital at charge of the State-owned railways on the same date was 701 crores out of a total capital of 789 crores. There was a reduction in the mileage of railways owned by Companies and District Boards in that year, this being due to the purchase by the State of the Delhi-Umbala-Kalka Railway, which was effected in the year 1926-27. By the end of March next, that is the end of this financial year, it seems likely that the total mileage of railways in India will have risen to close on 40,000; I shall deal more at length with our new construction programme presently.

3. I would remind the Council that, although the State-owned mileage amounted to 28,004 miles, four only of the big railway systems, namely, the North Western, East Indian, Great Indian Peninsula and Eastern Bengal Railways are managed directly by the State; six others in which the State is the predominant partner are worked by Companies under contract with the Secretary of State, and there are others worked by Companies in which distinct parts are owned by the Government and the Company. The Budget figures are arrived at, therefore, not only from the earnings and working expenses of the four State-managed lines mentioned above, but also from the results obtained on those railways in which Government is a part owner. Moreover, there are yet other lines owned by Companies, etc., on which Government has guaranteed a certain return to the owners and is entitled to a share of surplus profits, when earned; many such lines also are worked by the big railway administrations on behalf of the owners for a fixed proportion of the gross receipts; the results of all these affect the Budget in some measure. It is hardly possible to enter into a more specific definition of the varied contractual relations between the Secretary of State and such owners without wearying the Council with details, and my object is merely to show that there is a very small mileage of railways in India which does not affect the Budget figures in some degree, and the calculation of these figures is consequently a somewhat complicated business.

4. It must also be realised, as was pointed out by Sir Clement Hindley last year, that the responsibilities of the Railway Department are not limited to the administrative and financial control, the extent of which is illustrated by the Budget figures, but are largely augmented by their obligations in regard to the safe and efficient working of all railways and by questions of a technical nature which require a reference to the Government of India.

5. The members of this Council will shortly have in their hands a mass of information about the Budget and the financial position of the railways at the present time, but I will now proceed to explain briefly the main features of our revised estimates for the current year, so far as they are available up to date, and our anticipations for the year 1928-29. I may add that we have a considerable mileage of strategic lines on the North West Frontier of India, which form a part of the North Western Railway system and are treated distinctly in the accounts, as the interest on the capital cost of them and the loss on their working are met from the General Revenues. The distinction between the commercial lines and strategic lines is followed throughout the Budget papers, and for the purpose of my explanatory remarks I shall deal generally with the commercial lines only.

6. As a preliminary, I will refer to the final results for the year 1926-27. A year ago, when the Budget for the current year was put forward, it was anticipated that it would be necessary to withdraw 7 lakhs from the reserve in order to pay the contribution to General Revenues. The last few weeks of the financial year 1926-27, however, gave us unexpectedly good earnings; as a result of this, and of a large saving in working expenses, as compared with our revised estimate, we were able not only to fulfil our obligations to the General Revenues without drawing upon our reserves, but were able to add to our reserve fund about  $1\frac{1}{2}$  crores of rupees, bringing that fund up to a total of well over 11 crores. I should like to invite the attention of the members of this House to the Report on Indian Railways for the year 1926-27 which has lately been published, which contains much matter for thought and study by those who have leisure and desire to understand something of the activities of the Railway Board apart from the intricacies of the Budget.

*Revised Estimate, 1927-28.*

7. After a disappointing year in 1926-27 which, in spite of a bright finish yielded total gross receipts about half a crore less than the previous year, the current year has shown very much improved results. Throughout the year, so far, except for four weeks in July and August, when the railways in Guzerat and Orissa were seriously affected by floods, our earnings have been consistently higher than last year, and all descriptions of traffic have contributed to the improved results. We still have a few weeks of the current financial year to run, but on the latest information available, it is anticipated that our gross receipts from commercial lines will amount to nearly  $103\frac{1}{2}$  crores as compared with 100 crores, the figure anticipated in the Budget for the current year which was prepared twelve months ago. This figure of  $103\frac{1}{2}$  crores for gross receipts from commercial lines compares with a figure of  $98\frac{1}{2}$  crores for the year 1926-27, an increase of 5 crores, and is a considerably higher figure than our previous record year Rs. 99.96 crores in 1924-25.

8. As already stated the increase is well spread over all descriptions of traffic, and it is, moreover, shown in the results of almost every individual railway, in fact there is only one railway, the Bombay, Baroda and Central India Railway, which does not show an appreciable development of traffic. For the first seven months of the year, that is up to the end of October last, we carried 361 million passengers, or  $7\frac{1}{2}$  million more than in the same period of the previous year; the corresponding figure for passenger miles, 12,050 millions, is an increase of 6 per cent. on the previous year. This increase can no doubt be partly attributed to the stimulus given by certain reductions in fares in the last 2 years. Under goods traffic there was an increase of nearly 400 million ton miles in these first seven months, and for the full year it is anticipated that the increase will be 700 million ton miles over 1926-27. The improvement appears under nearly all commodities as shown by the figures of

wagons loaded, some particulars of which will be found in the Budget Memorandum.

9. Turning to working expenses, it will be seen that our working expenses are expected to exceed those of 1926-27 by Rs. 8 lakhs only in spite of the large increase of traffic. Now one of the items which make up the working expenses total is the annual contribution to the Depreciation Fund, and this contribution gradually rises with the increasing capital value of the railway property, so that in 1927-28 it will be 49 lakhs higher than it was in the previous year. If, therefore, our revised estimate works out as we anticipate, we shall be carrying the large increased traffic of the current year for an actual expenditure, apart from the increased provision for depreciation, 41 lakhs less than the carriage of the smaller traffic of 1926-27 cost us, a result from which we are, I submit, entitled to derive a good deal of satisfaction. In two directions the detailed figures will, I hope, be of much interest to the Council. With the better equipment, and more particularly with the better methods, which have been introduced in our workshops, our bill for the repair and maintenance of rolling stock of all descriptions is showing a most gratifying decrease. In the current year arrears of repairs have been caught up on a larger number of our important railways, and we are able to suggest in the revised estimates that the cost of repairing and maintaining locomotives will be over 25 lakhs less than in 1926-27 and about 33 lakhs less than we budgetted for, the repair and maintenance of coaching vehicles will be 7 lakhs less than the previous year and 21 lakhs less than we expected last February, and the repair and maintenance of goods vehicles will be 15 lakhs less than last year and 37 lakhs less than the Budget figure. These reductions represent a real improvement in the cost of keeping our rolling stock in good order, and I hope the Council will agree with me that they reflect very great credit on the Mechanical Departments of the various railways who deserve to be congratulated on the success of their strenuous efforts. We have an equally welcome reduction in operating costs to show. Here I think it is sufficient to mention a reduction of nearly half a crore in the cost of fuel. This is of course to a considerable extent due to the fall in the price of coal, but it is also to be attributed to the effect of the measures which we have taken in recent years to secure more economical coal consumption. Of our other charges I need only mention in this brief review a rise of 152 lakhs in interest, due of course to the large capital expenditure which we are now incurring on the improvement and expansion of Indian State Railways.

10. We arrive then at an anticipated total of 90 crores 67 lakhs for the total charges, and in the result the Revised Estimate shows that the difference between the gross receipts and total expenditure on commercial lines for the whole year 1927-28 is expected to yield a net gain of  $12\frac{3}{4}$  crores, or nearly 4 crores in excess of the Budget, and that, after deducting the loss on working strategic lines and paying the required contribution of Rs. 6.36 crores to General Revenues, we shall be able to add a sum of nearly  $4\frac{3}{4}$  crores to our Reserve Fund. If these anticipations are realised, we shall have a total of over 16 crores in our Reserve Fund at the end of this financial year, as well as a total of 9 crores or so in our Depreciation Fund, and we, therefore, considered it incumbent on us to take stock of our position. In connection with the question of our Reserve Fund, I should like to invite the attention of members of this Council to the remarks made by Sir Clement Hindley a year ago. He remarked that we have to learn by experience what amount we require in our reserve and pointed out that in that year 1926-27 we had to face a set-back in earnings. Now the set-back experienced in 1926-27 was not a serious one; it could not be classed as a really bad year for Indian Railways, and the possibility

of having to meet a series of really bad years must always be borne in mind. Nevertheless, after a careful examination of our position, not forgetting that our contribution to General Revenues will increase with our capital expenditure at the rate of about Rs. 25 lakhs a year, and remembering that on a good deal of our capital expenditure we cannot expect an immediate adequate return, we consider we can face an appreciable reduction of some of our rates and fares.

11. We anticipated some months ago that we might be able to face the initial loss of making some reductions in rates and fares, and consequently the ground had been prepared by making a preliminary investigation last August in order to determine the general lines that should be followed. More recently the matter has been examined in more detail, and our conclusions will be found in the Budget memorandum. It will be recognised that discrimination was necessary because we could not at once afford an all-round reduction and had to determine in what directions the first benefit should be given. I will now mention briefly the reductions we are making. first, there is our friend and good client the third class passenger ; he will be saved  $\frac{1}{2}$  a pie per mile on journeys of over 50 miles on the East Indian, North Western and Great Indian Peninsula Railways. There are certain Company-worked railways also, which we hope may be prepared to effect some reductions in fares, but the negotiations with them will at any rate delay their introduction somewhat. This, with the abolition of the distinction in Intermediate and Third class fares between mail and ordinary train, which will be effected on the East Indian and Great Indian Peninsula Railways, is estimated to cost us 122 lakhs on a full year with the existing traffic, but I hope a large increase in travelling will be the response to this reduction. Next, affecting our receipts from other coaching traffic, we propose to take in hand the present parcels and luggage rates, which are very much higher than they were at the end of the war. These are to be reduced by about 15 per cent., and the method of charging is also to be changed to the advantage of the trade, and we hope particularly of the retail trader. A revised scale for horses, live stock and motor cars is worth mentioning, especially as the big Delhi Horse Show is fresh in all our minds ; as an example of the effect of this I may say, that, whereas it would cost Rs. 118 to bring a horse to Delhi from Sargoda under the existing scale, it will only cost Rs. 88-8-0 under the new scale. Then there are very substantial reductions of rates for kerosine oil, manures and oil cake, jaggree, petrol, as well as certain reductions on the East Indian and North Western railways for grains, pulses and seeds, and the removal of certain anomalies in rates, which have existed on the enlarged East Indian Railway system since the old Oudh and Rohilkhand Railway was made a part of it. The commodities mentioned are those selected as most likely to respond quickly to a reduction in rates ; it is clear that this is the criterion from which to judge whether present rates tend to hinder the development of traffic, and our first aim has been to reduce such rates. The most important of these are the reduction on kerosine oil and the removal of anomalies in rates on the enlarged East Indian Railway system ; the latter is estimated to take away 33 lakhs from our earnings, but is clearly the right thing to do. It has been calculated that these reductions in rates and fares taken together would cost us over 3 crores on a full year's working if we failed to obtain from them the increased business which we confidently expect.

*Budget Estimate, 1928-29.*

12. If we turn now to our anticipations for next financial year, it will be seen from the tabular statement in paragraph 26 of the Memorandum that, as compared with our estimated total receipts of just under 103½ crores in 1927-28,

we have assumed receipts of under 103½ crores next year. That figure is arrived at as follows. It has been estimated that, if we were not to reduce rates and fares as we propose, these total receipts in 1928-29 might amount to 105·19 crores, calculating on a rather smaller increase of earnings than the average because 1927-28 has been such a favourable year. From this total then we must deduct a figure representing the effect which the reductions I have just mentioned will have on our earnings of next year. I have said that on a full year the reduction of earnings would amount to 3 crores, if no immediate development followed on them, but, although some of the reductions can be introduced with immediate effect, there are others of which due notice will have to be given, and they can hardly come into force before June next. Allowing for this and for the expectation that some of the loss will be quickly made good by the stimulus that will be afforded to travelling and to trade, we have assumed that our net loss in 1928-29 will be about 2 crores. We have, therefore, estimated in the Budget for gross receipts from commercial lines of 103·19 crores.

13. Turning now to our estimate of expenditure next year, we have put this at a little over 92½ crores as compared with 90¾ crores in the current year. Working expenses are practically identical in total with the current year, and the only important increase in expenditure over 1927-28 is under interest charges, which go up by 1½ crores owing to the expansion of capital. As regards working expenses it is worth mentioning that an increase of ½ crore in payments to the Depreciation Fund due to increased capital assets, and a small increase under Administration will, we hope, be both covered by further economies in repairs and maintenance. Although we expect to carry more traffic, we anticipate that the operation expenses of transportation can be kept down to slightly below our Revised Estimate for the current year.

As regards strategic lines, there is little to say; we hope for a small increase in gross traffic receipts and anticipate that the net loss in working these lines, which has to be borne by General Revenues, will be slightly less than in the current year.

14. To sum up briefly then the Budget shows a drop of 24 lakhs in gross receipts as compared with our Revised Estimate for the current year, an increase in expenditure of 188 lakhs, nearly all due to expanding interest charges and a larger provision for depreciation, giving a surplus from commercial lines of rather more than 10½ crores. Out of this estimated surplus over 1½ crores will be used to meet an anticipated loss on strategic lines, our contribution to General Revenues will be about 5½ crores and, if our anticipations are approximately correct, there will be a balance of 3½ crores to credit to the railway reserve.

#### *Capital Expenditure, 1927-28.*

15. I turn now to our Capital Budget. Our capital expenditure during the current year is expected to amount to Rs. 30 crores, as compared with a Budget figure of 25 crores. Perhaps I ought to explain that, although twelve months ago it was estimated that the capital expenditure would be 25 crores, railway administrations were allowed to include works involving expenditure of 39½ crores in 1927-28 in their approved programmes.

This latter figure was what they had asked for, but in the light of the experience of the previous years we believed that the spending capacity of our organisation would limit their progress to the Budget figure of 25 crores. Since the advantages to be expected from the works in question will not be realised until they are completed, it is satisfactory to be able to report that railway administrations now seem likely to make better progress than was

anticipated. Of the total figure of 30 crores shown in the Revised Estimate, about 21½ crores represent the probable amount to be spent on open line works and rolling stock, and 8½ crores on new lines, the latter figure being nearly 2 crores over the amount spent on new lines in 1926-27.

16. As regards new lines, I have mentioned that by the end of March we expect our open mileage of railways in India to approach the figure of 40,000, that is, an increase of over 900 miles during the current year. But this new mileage is not entirely on the State Railways, as something like one-third of it will have been constructed at the cost of Indian States and others. The latter includes the important north to south connection in His Exalted Highness the Nizam's territory from Balharshah to Kazipet, which will shorten very appreciably the distance of the journey from Madras to Delhi and the north of India; some portions of this connection are already open, and it is hoped that the remainder will be opened by the end of this financial year.

*Capital Expenditure, 1928-29.*

17. Though Railway Administrations have, as I have said, made better progress this year than we anticipated, they have still a large number of works uncompleted, and we want them to spend next year very largely in pushing on with these works, so that the capital employed in them may quickly become productive. For this reason, that is to say, because a larger proportion of their programmes than in recent years will consist of schemes already in hand, the initial delays to the inception of which have been already overcome, we find it unnecessary to make so large an over-allotment of funds to them as in the last few years. We are estimating, therefore, in the coming year for an expenditure of 15 crores on the open lines, but are only allotting 2½ crores more than this figure, showing in the aggregate of the programmes 12½ for works and 5½ for rolling stock. A good deal of information in regard to open line works and rolling stock is given in the Budget Memorandum, and the details of allotments for all the larger works are given in the pink books which show the programme of each railway separately. For reasons I have given there are in our programme only a very few large schemes which we find it necessary to commence in 1928-29, the only individual new project which I think it necessary to mention here being the reconstruction of Erode station on the South Indian Railway. Of other items I should like to point particularly to the provision of 3 crores for the improvement of track and strengthening of bridges, the object of this expenditure is the economical and efficient movement of increasing traffic in heavier train loads with more powerful locomotives, and it is clear that for this purpose the work on track and bridges has to be co-ordinated on the various sections of each railway in order that the best results may be obtained. The large electrification schemes in progress in the vicinity of Bombay are responsible for nearly all the expenditure, over 2 crores, allotted under the head electrification, but it has recently been decided to electrify the South Indian Railway suburban services in Madras, so a small provision is made for the commencement of that work. The anticipated expenditure on rolling stock amounts to nearly 9 crores, but about 3½ crores of this is a charge to the Depreciation Fund, so that the capital expenditure will be about 5½ crores. This includes provision for 549 additional units of coaching stock, each bogie carriage being reckoned as 2 units, and 860 additional metre gauge wagons.

18. For our new construction projects, including those that are already in hand, we have distributed over 11 crores and have estimated that we shall actually spend about 9 crores. Although we have 50 projects already sanctioned, this number is expected to increase to 90 in 1928-29, and of these I

hope that at least 20 will be opened in the course of the year. Taking a reasonably cautious view I think we may hope to add nearly 800 miles to our open mileage in the course of the next financial year.

19. Of these new lines which are already in progress, one of the most important, which has been known as the Central India Coalfields Railway and links up Daltonganj with the western end of the South Karanpura line at Barkakhana, is expected to be opened next year, and I hope also the branch from Anuppur to Karimati, which will eventually be linked up with the former, though this is not proposed immediately. Other lines of some importance which will, I hope, be opened throughout in 1928-29 are the Villupuram-Trichinopoly (108 miles) and the Dindigul-Pollachi (75 miles) in South India, and a part at least of the Kangra Valley Railway. The Assam Bengal, Eastern Bengal and other railways have been busy with short branches, and a number of these are likely to be opened next year. Other projects of major importance, which are in hand but will not progress quickly enough to be opened next year, are the Calcutta Chord Railway including the bridge over the Hooghly at Bally, the Lucknow-Sultanpur-Jaunpur, the Chiniot-Khushab cross connection in the Punjab, the Kalabagh Bridge at Mari Indus, the Raipur Vizianagram, the Sagaing Bridge and Minbu-Pakokku project in Burma both recently sanctioned, and the Trichinopoly-Manamadura Chord in South India.

20. A complete list of the new lines, some already in progress, which are included in next year's programme, is given in Appendix I of the Budget Memorandum. The more important of those which have not yet been commenced are the Dacca-Aricha and Sainthia-Berhampore-Halsa connections in Bengal, the Diva-Dasgaon and Nasik-Belapur-Sheogaon Railway in Bombay, the Lyallpur-Chananwala cross connection in the Punjab, Sind Left Bank Feeder Lines (163 miles) in Sind, the Megna Bridge at Bhairab in Eastern Bengal, and the Salem-Attur-Vridachallam Chord in South India. It must be remembered, however, that some of these new projects have not yet been sanctioned, and in one or two cases it may be found on completion of the survey investigations that the anticipated earnings will not justify construction. Last year Sir Clement Hindley explained at some length the steps we had been taking in organising a programme of new construction work, and I do not propose to go over this ground again. We are still actively pursuing the same policy, and the different large Railway Administrations are continuing their investigation into all possible schemes of development in collaboration with the Local Governments respectively concerned. I might mention that the procedure laid down for obtaining the assistance of the Local Governments in framing programmes for new construction in the various provinces was found to be defective in one particular, and steps have been taken to rectify this.

Recently we have found it advisable to depute one of our senior Civil Engineers to make a tour of inspection of the new lines which are being constructed in certain areas with the object of framing a report on costs and methods of construction in different parts of India. We think it probable that such a report will open up the possibility of effecting appreciable economies and will be of value to us in carrying on the large programme which we have on hand.

It may be of interest to some members of this Council to hear about the two main trunk routes, which were referred to a year ago, namely, the Bombay-Sind and Agra-Karachi connections. As regards the former, investigations are now well on towards completion, and we now have two senior officers working directly under us on a re-examination of the cost and prospects of the latter. Until we have arrived at a better appreciation of the advantages to be obtained from the construction of either of these links, we have considered it premature to enter them in our construction programme, for both of them are dependent.



for their financial justification on the development of long distance traffic, a large proportion of which will be taken from lines already in existence.

21. There is one very important figure in the Capital Budget to which I have not yet referred, namely, an item of 4 crores for the purchase of the Burma Railways. Notice has recently been given to the Burma Railways Company of the termination of their contract, and the system will come under State management from 1st January 1929. It has been estimated that, as a result of the purchase, we shall increase our net annual revenue by about half a crore.

*General Remarks.*

22. Before I close I should like to assure the Council that the activities to which Sir Clement Hindley referred in the concluding part of his speech, delivered 12 months ago, continue to receive our attention. Amongst these I may mention the prevention of fraudulent travelling, publicity, recruitment, the technical question of Bridge Design, and Workshop Reorganisation. As regards the latter, I have previously mentioned the economies which have been effected in our costs of repairs and maintenance of rolling stock, and we hope for yet further improvement in this direction. I refrain from dealing at length with any of these matters, as I think I have already taken up too much of the time of the Council.

23. I must, however, make a brief reference to our standardisation policy which is being energetically pushed on. The various Standing Committees have met at intervals during the past year, and satisfactory progress has been made. The standard designs of locomotives now comprise 8 types for the broad gauge and 6 for the metre gauge, but the work of designing all the details of these engines, which is being done by our Consulting Engineers in England, is taking longer than we expected, and the first consignment of new standard engines has only recently been received. New standard designs of wagons and underframes are also being proceeded with. As regards wagons, I might mention that we have had under investigation for some time the possibility of introducing higher capacity stock with a view to reducing operating costs. The question of the supply of special wagons to meet the requirements of mechanical loading at the collieries is also being considered. Other Committees are dealing with the standardisation of permanent-way fittings, signalling, and interlocking details and engineering structures of various kinds. We have also established recently a new Standing Committee to draw up and revise, where necessary, standard descriptions and specifications for the many classes of materials and stores in use on railways. This Committee, which is composed of the Controllers of Stores of the four State-worked Railways, has just held its first meeting.

24. As I explained at the beginning of my speech, four of the principal railway systems; including the two largest, are under direct State management, while the State owing to its financial interests has to take a considerable part in the control of all or practically all the other important lines. The results of that management during the year, which is coming to a close, and our forecast of what the result should be, if fortune is ordinarily kind to us, next year, are now before the Council. I hope the Council will admit that they prove Indian State Railways to be a live organisation, alive to the need for development of railway communications, alive in the introduction of modern improvements in their workshops, and ready to adopt any changes in operating methods or in standards which are likely to make for efficiency and economy both. They have been enabled and encouraged to follow this forward policy by the greater freedom which they now enjoy in managing their own finances; and for this greater freedom they have the separation of railway finances from general finances to thank.

Schedule of demands for grants for expenditure of the Central Government on Railways for the year 1928-29 submitted for the vote of the Legislative Assembly.

Number of Demand.	Service to which demand relates.	Amount.
	<b>A.—EXPENDITURE FROM REVENUE.</b>	Rs.
	<i>Commercial Lines—</i>	
1	Railway Board . . . . .	11,70,000
2	Inspection . . . . .	1,67,000
3	Audit . . . . .	10,44,000
4	Working Expenses : Administration . . . . .	12,62,00,000
5	Working Expenses : Repairs and Maintenance and Operation.	38,23,50,000
6	Companies' and Indian States' shares of surplus profits and net earnings.	1,82,00,000
9	Appropriation to Depreciation Fund . . . . .	11,95,00,000
10	Appropriation from Depreciation Fund . . . . .	9,00,00,000
11	Miscellaneous . . . . .	15,88,000
12	Appropriation to the Reserve Fund . . . . .	3,50,30,000
13	Appropriation from the Reserve Fund. . . . .	..
14	<i>Strategic Lines</i> . . . . .	1,44,95,000
	<b>B.—EXPENDITURE CHARGED TO CAPITAL.</b>	
	<i>Commercial Lines—</i>	
7	New Construction . . . . .	8,49,00,000
8	Open Line Work . . . . .	18,67,70,000
15	<i>Strategic Lines</i> . . . . .	75,60,000

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

**BUDGET**

OF THE

**Railway Revenue and Expenditure of the  
Governor-General in Council,**

**March 1928.**

**RAILWAY DEPARTMENT;**  
*New Delhi, the 31st March 1928.*

**A. A. L. PARSONS,**  
*Financial Commissioner.*

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## BUDGET FOR 1928-29.

## 1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1926-27.				REVISED ESTIMATE	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>XI.—State Railways—</b>						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings—						
Upper class . . .	4,38,43,175	...	...	4,38,43,175	4,55,10,000	...
Lower class . . .	30,40,74,013	...	...	30,40,74,013	31,67,98,000	...
Other coaching traffic earnings.	6,06,96,134	...	...	6,06,96,134	6,12,62,000	...
Goods traffic earnings .	61,48,93,665	...	...	61,48,93,665	64,43,63,000	...
Hire charges and other payments from Railways.	61,71,467	...	...	61,71,467	71,02,000	...
Sundry earnings . . .	1,87,63,983	2,82,355	95,898	1,71,42,334	1,73,94,000	6,44,000
<b>TOTAL EARNINGS</b> . . .	<b>1,04,64,43,437</b>	<b>2,82,355</b>	<b>95,898</b>	<b>1,04,68,20,688</b>	<b>1,09,24,49,000</b>	<b>6,44,000</b>
Deduct—						
{ Refunds of Revenue.	85,03,151	...	...	85,03,151	25,00,000	...
{ Earnings of worked lines.	6,76,85,390	...	...	6,76,85,390	6,85,60,000	...
Earnings of State Railways.	97,52,53,896	2,82,355	95,898	97,56,32,147	1,02,13,89,000	6,44,000
Suspense . . . . .	—5,79,611	...	...	—5,79,611	...	...
Gross receipts of State Railways.	97,46,74,285	2,82,355	95,898	97,50,52,538	1,02,13,89,000	6,44,000
Deduct—Working expenses of State Railways.*	62,09,43,795	37,00,402	12,56,300	62,53,00,497	62,15,04,000	48,11,000
Surplus profits paid to Indian States and railway companies.	1,85,55,739	...	...	1,85,55,739	1,53,00,000	...
Net receipts . . . . .	33,77,74,751	—34,18,047	—11,60,404	33,31,96,300	38,40,85,000	—39,67,000
(b) Strategic lines—						
Gross receipts . . . . .	1,53,45,101	...	...	1,53,45,101	1,54,65,000	...
Deduct—Working expenses	1,86,71,543	...	...	1,86,71,543	1,85,49,000	...
Net receipts . . . . .	—33,26,442	...	...	—33,26,442	—30,84,000	...
Total net receipts, Commercial and Strategic lines.	33,44,48,309	—34,18,047	—11,60,404	32,98,69,859	38,10,01,000	—39,67,000
<b>XII.—Subsidized Companies:</b>						
Government share of surplus profits.	14,27,478	18,93,657	6,50,469	39,71,604	11,86,000	25,75,000
<b>XII-A.—Miscellaneous Railway Receipts—</b>						
Interest on Depreciation and Reserve Funds balances.	63,91,750	...	...	63,91,750	82,30,000	...
Dividend on investments in branch lines and other	4,75,175	...	...	4,75,175	5,00,000	...
Miscellaneous Receipts.						
<b>TOTAL RECEIPTS</b> . . . . .	<b>34,27,42,713</b>	<b>—15,24,390</b>	<b>—5,09,935</b>	<b>34,07,08,387</b>	<b>39,09,17,000</b>	<b>—13,92,000</b>

\*For details see statement 1 (a).

BUDGET FOR 1928-29.

Government from railways in India and England.

1927-28.		Increase (+) Decrease (-) as compared with the Budget Estimate, 1927-28.	BUDGET ESTIMATE, 1928-29.				Increase (+) Decrease (-) as compared with the Revised Estimate, 1927-28.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	4,55,10,000	+ 17,15,000	4,62,25,000	...	...	4,62,25,000	+ 7,15,00
...	31,07,98,000	+ 21,55,000	31,40,30,000	...	...	31,40,30,000	- 27,68,000
...	6,12,63,000	+ 9,77,000	5,72,37,000	...	...	5,72,37,000	- 40,35,000
...	64,43,38,000	+ 2,79,39,000	64,50,06,000	...	...	64,50,06,000	+ 6,23,000
...	71,02,000	+ 5,52,000	66,52,000	...	...	66,52,000	- 4,50,000
2,000	1,50,40,000	- 9,93,000	1,75,66,000	6,44,000	...	1,82,10,000	+ 1,70,000
2,000	1,08,30,96,000	+ 3,23,78,000	1,08,67,06,000	6,44,000	...	1,08,73,50,000	- 57,46,000
...	26,00,000	- 7,00,000	26,00,000	...	...	26,00,000	...
...	6,85,80,000	+ 6,60,000	6,82,10,000	...	...	6,83,10,000	- 9,50,000
1,000	1,01,20,35,000	+ 3,22,16,000	1,01,58,96,000	6,44,000	...	1,01,65,40,000	- 54,95,000
...	...	...	...	...	...	...	...
2,000	1,02,30,35,000	+ 3,22,16,000	1,01,58,96,000	6,44,000	...	1,01,65,40,000	- 54,95,000
16,000	69,61,21,000	- 62,19,000	69,16,02,000	46,76,000	...	69,61,78,000	+ 47,000
...	1,58,00,000	+ 16,75,000	1,52,00,000	...	...	1,52,00,000	+ 24,00,000
-14,000	36,01,04,000	+ 3,67,60,000	37,60,94,000	-39,32,000	...	37,21,62,000	- 79,43,000
...	1,54,65,000	+ 3,40,000	1,59,60,000	...	...	1,59,60,000	+ 4,95,000
...	1,86,49,000	- 12,01,000	1,87,22,000	...	...	1,87,22,000	+ 1,73,000
...	-80,84,000	- 15,41,000	- 37,62,000	...	...	- 27,62,000	+ 3,22,000
-14,000	37,70,20,000	+ 3,88,01,000	37,33,32,000	-39,32,000	...	36,94,00,000	- 76,20,000
9,000	37,70,000	+ 7,17,000	22,63,000	24,37,000	...	46,80,000	+ 9,10,000
...	82,30,000	+ 7,64,000	1,04,20,000	...	...	1,04,20,000	+ 21,90,000
...	5,00,000	+ 25,000	5,00,000	...	...	5,00,000	...
-5,000	38,96,20,000	+ 3,98,07,000	38,65,05,000	- 15,05,000	...	38,50,00,000	- 45,20,000

## BUDGET FOR 1928-29.

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

Heads of working expenses.	ACCOUNTS, 1926-27.				REVISED ESTIMATE	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration . . . . .	12,24,69,273	37,00,402	12,56,300	12,74,25,974	12,50,74,000	42,11,000
Repairs and maintenance . . . . .	17,64,54,114	—	—	17,64,54,114	17,47,40,000	—
Operation . . . . .	24,99,25,180	—	—	24,99,25,180	24,44,09,000	4,00,000
Depreciation . . . . .	10,53,14,246	—	—	10,53,14,246	11,02,31,000	—
Suspense . . . . .	—5,66,526	—	—	—5,66,526	—	—
<b>TOTAL</b> . . . . .	<b>65,35,96,366</b>	<b>37,00,402</b>	<b>12,56,300</b>	<b>65,55,52,988</b>	<b>65,44,54,000</b>	<b>46,11,000</b>
<i>Deduct—Share of Worked Lines.</i>	<i>3,32,52,491</i>	—	—	<i>3,32,52,491</i>	<i>3,20,50,000</i>	—
<b>Working Expenses</b> . . . . .	<b>62,03,43,795</b>	<b>37,00,402</b>	<b>12,56,300</b>	<b>62,53,00,497</b>	<b>62,15,04,000</b>	<b>46,11,000</b>

BUDGET FOR 1928-29.

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Railway — Commercial Lines.

1927-28.		Increase (+) Decrease (-) as compared with Budget, 1927-28.	BUDGET ESTIMATE, 1928-29.				Increase (+) Decrease (-) as compared with Revised, 1927-28.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
15,000	12,93,00,000	+ 13,00,000	12,64,24,000	41,76,000	...	13,06,00,000	+ 13,00,000
—	17,47,40,000	—68,00,000	16,84,00,000	...	...	16,84,00,000	—63,40,000
1,000	24,48,10,000	—50,90,000	24,41,00,000	4,00,000	...	24,45,00,000	—3,10,000
—	11,02,31,000	—5,19,000	11,56,28,000	—	...	11,56,28,000	+ 53,97,000
—	...	...	...	...	...	...	...
16,000	65,90,81,000	—1,11,89,000	65,45,53,000	45,76,000	...	65,91,28,000	+ 47,000
—	3,39,50,000	—49,50,000	3,29,50,000	...	...	3,39,50,000	...
16,000	62,61,31,000	—62,19,000	62,18,02,000	45,76,000	...	62,61,78,000	+ 47,000

## BUDGET FOR 1928-29.

## 2.—Statement of the expenditure on railways charged to

HEADS OF EXPENDITURE.	ACCOUNTS, 1926-27.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>10. State Railways:—</b>						
Interest : commercial lines :						
on Government capital at charge .	13,04,25,513	7,41,66,459	2,52,52,947	22,98,49,919	14,35,42,000	19,17,29,000
on capital contributed by Indian States and Companies.	3,05,961	1,14,90,661	38,93,381	1,56,89,908	3,17,000	1,48,16,000
Total interest, commercial lines . . .	13,07,31,474	8,56,57,120	2,91,46,328	24,55,34,822	14,38,59,000	11,65,45,000
Interest, strategic lines . . . . .	1,31,35,059	...	...	1,31,35,059	1,35,33,000	...
<b>TOTAL INTEREST</b> . . . . .	14,38,66,533	8,56,57,120	2,91,46,328	25,98,69,881	15,73,92,000	11,65,45,000
<b>11. Subsidized Companies: Land and subsidy.</b>	5,21,204	...	...	5,21,204	8,00,000	...
<b>12. Miscellaneous Railway expenditure—</b>						
Commercial lines . . . . .	58,54,249	5,08,823	1,67,175	65,30,247	23,81,000	2,23,000
Strategic lines . . . . .	20,657	...	...	20,657	2,85,000	...
<b>Payments to general revenues—</b>						
Contribution* . . . . .	6,01,13,210	...	...	6,01,13,210	5,48,95,000	...
One-third of the excess of railway surplus over three crores.	...	...	...	...	86,63,000	...
<b>Total payment to general revenues .</b>	6,01,13,210	...	...	6,01,13,210	6,35,58,000	...
<b>12A—Surplus Railway Revenue transferred to Reserve . . . . .</b>	1,48,52,988	...	...	1,48,52,988	4,73,26,000	...
<b>TOTAL</b> . . . . .	22,52,29,041	8,61,65,943	2,93,13,403	34,07,08,387	27,17,42,000	11,73,68,000

\* For details see Statement 3 (a).



BUDGET FOR 1928-29.

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

1927-28.		Increase (+) Decrease (-) as compared with Budget, 1927-28.	BUDGET ESTIMATE, 1928-29.					Increase (+) Decrease (-) as compared with Revised, 1927-28.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.		
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
3,55,000	24,56,26,000	+ 10,62,000	15,80,39,000	10,46,64,000	...	26,07,02,000	+1,50,76,000	
52,000	1,51,86,000	+ 2,53,000	3,20,000	1,49,48,000	...	1,52,68,000	+ 83,000	
4,07,000	26,08,11,000	+ 13,15,000	15,63,58,000	11,96,12,000	...	27,59,70,000	+1,51,59,000	
...	1,25,33,000	-1,67,000	1,40,00,000	...	...	1,40,00,000	+ 4,87,000	
4,07,000	27,43,44,000	+ 11,48,000	17,08,68,000	11,96,12,000	..	28,99,70,000	+1,56,26,000	
...	8,00,000	-4,76,000	10,00,000	...	...	10,00,000	+ 2,00,000	
3,000	32,07,000	-10,46,000	33,03,000	8,73,000	...	41,75,000	+ 9,68,000	
...	3,88,000	+ 2,63,000	25,000	...	...	25,000	-2,60,000	
...	5,48,95,000	+ 87,000	5,22,85,000	...	...	5,22,85,000	-26,10,000	
...	86,63,000	+ 58,68,000	25,15,000	...	...	25,15,000	-61,48,000	
...	6,35,68,000	+ 87,50,000	5,48,00,000	...	...	5,48,00,000	-87,58,000	
...	4,73,26,000	+ 3,11,68,000	3,50,30,000	...	...	3,50,30,000	-1,22,96,000	
4,10,000	38,96,20,000	+ 3,98,07,000	28,46,16,000	12,04,84,000	...	38,50,00,000	-45,20,000	

## BUDGET FOR 1928-29.

## 2 (a).—Contribution from Railway to General Revenues, 1927-28.

(Based on actuals, 1925-26.)

	Rs.	Rs.
1. 1 per cent. on capital of 6,00,36,79,855 at charge, commercial lines . . . . .	...	6,00,36,799
<b>2. (i) Receipts—</b>		
Gross traffic receipts, commercial lines . . . . .	98,05,83,360	
Interest on Depreciation and Reserve Fund balances . . . . .	52,60,640	
Dividend on investment in branch lines and miscellaneous receipts . . . . .	66,451	
Subsidised Companies, share of surplus profits . . . . .	85,07,118	
<b>(ii) Charges—</b>		
Working expenses* commercial lines . . . . .	62,61,82,460	
Indian States and Railway Companies' share of surplus profits . . . . .	1,77,41,943	
<b>Interest—</b>		
On capital at charge, commercial lines . . . . .	21,83,18,316	
On capital contributed by Indian States and Companies . . . . .	1,66,99,010	
Land and subsidy . . . . .	4,38,351	
Miscellaneous railway expenditure . . . . .	25,94,669	
Contribution at 1 per cent. on capital at charge, commercial lines . . . . .	6,00,36,799	
		98,94,36,569
(iii) Surplus . . . . .	...	4,74,24,991
(iv) Contribution of one-fifth of surplus . . . . .	...	94,94,998
<b>3. (i) Total contribution from railway revenues [ 1 plus 2 (iv) ] . . . . .</b>		
		6,95,21,797
<b>Deduct—Loss on strategic lines borne by railway revenues—</b>		
(i) Interest on capital of 30,94,88,993 . . . . .	1,30,94,196	
(ii) Loss in working . . . . .	15,33,052	
		1,46,27,248
<b>(ii) Net payment due from railway to general revenues in 1927-28 . . . . .</b>		
		5,48,94,549

BUDGET FOR 1928-29.

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2 (a).—Contribution from Railway to General Revenues, 1928-29.

(Based on actuals, 1926-27.)

	Rs.	Rs.
1. 1 per cent. on capital of 6,29,56,61,923 at charge, commercial lines . . . . .	...	6,29,56,619
<b>A. (i) Receipts—</b>		
Gross traffic receipts, commercial lines . . . . .	67,50,52,536	
Interest on Depreciation and Reserve Fund balances . . . . .	62,61,651	
Dividend on Investments in Branch lines and miscellaneous receipts . . . . .	4,76,176	
Subsidiary Companies' share of surplus profits . . . . .	20,71,604	
<b>(ii) Charges—</b>		
Working expenses, commercial lines . . . . .	62,53,00,497	98,57,50,968
Indian States and Railway Companies' share of surplus profits . . . . .	1,65,55,739	
<b>Interest—</b>		
On capital at charge, commercial lines . . . . .	22,02,44,919	
On capital contributed by Indian States and Companies . . . . .	1,56,69,308	
Land and subsidy . . . . .	5,31,204	
Miscellaneous railway expenditure . . . . .	66,30,247	
Contribution at 1 per cent. on capital at charge, commercial lines . . . . .	6,29,56,619	
		65,73,90,028
(iii) Surplus . . . . .	...	2,63,61,939
(iv) Contribution of one-fifth of surplus . . . . .	...	56,70,388
<b>B. (i) Total contribution from railway revenues [1 plus 2 (iv)] . . . . .</b>		
	...	6,36,26,007
<b>Less—Loss on strategic lines borne by railway revenues—</b>		
(i) Interest on capital of 31,00,50,135 . . . . .	1,31,35,059	
(ii) Loss in working . . . . .	32,07,500	
		1,63,42,559
(ii) Net payment due from railway to general revenues in 1928-29 . . . . .	...	5,22,64,048

## BUDGET FOR 1928-29.

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

HEADS OF ACCOUNT.	ACCOUNTS, 1926-27.				REVISED ESTIMATE	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Es.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways . . . . .	59,275	...	...	59,275	...	...

BUDGET FOR 1928-29.

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

1927-28.			BUDGET ESTIMATE, 1928-29.				
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1927-28.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1927-28.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
--	--	-2,68,92,000	--	2,08,80,000	--	2,08,80,000	+2,08,80,000



BUDGET FOR 1928-29.

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Central Government in India and England on Railways.

1927-28.			BUDGET ESTIMATE, 1928-29.				
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1927-28.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1927-28.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
---	5,53,58,000	-24,85,000	---	---	---	5,28,30,000	-29,38,000
---	14,54,51,000	-4,39,59,000	---	---	---	13,04,73,000	-1,42,78,000
---	8,50,00,000	-6,20,04,000	---	---	---	10,71,13,000	+2,21,13,000
---	44,91,000	+1,07,99,000	---	---	---	-1,00,47,000	-1,47,38,000
---	96,00,000	-19,000	---	---	---	76,00,000	-20,00,000
4,35,000	20,00,00,000	-9,76,81,000	16,09,87,000	12,64,81,000	---	28,74,68,000	-1,25,32,000
---	---	-14,76,81,000	76,54,000	3,93,14,000	---	4,74,68,000	+4,74,68,000
4,35,000	20,00,00,000	+5,00,00,000	15,35,33,000	8,96,67,000	---	24,00,00,000	-6,00,00,000
25,000	66,50,000	-2,04,95,000	---	2,05,50,000	---	2,05,50,000	+1,38,90,000
---	---	---	---	4,00,00,000	---	4,00,00,000	+4,00,00,000

## BUDGET FOR 1928-29.

## A.—Railway Depreciation Fund.

	Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.		Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	5,74,46,667	8,78,57,866	8,58,40,481	9,27,40,481	Appropriation from Depreciation Fund.	8,04,84,667	9,00,00,000	10,70,00,000	9,00,00,000
Appropriation to Depreciation Fund.	10,88,58,281	11,50,00,000	11,39,00,000	11,95,00,000	Closing balance.	8,58,40,481	11,28,57,866	9,27,40,481	12,22,40,481
<b>TOTAL</b>	<b>16,63,05,148</b>	<b>20,28,57,866</b>	<b>19,97,40,481</b>	<b>21,22,40,481</b>	<b>TOTAL</b>	<b>16,63,05,148</b>	<b>20,28,57,866</b>	<b>19,97,40,481</b>	<b>21,22,40,481</b>



BUDGET FOR 1928-29.

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B.—Railway Reserve Fund.

	Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.		Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	8,79,08,873	8,72,08,873	11,37,62,361	16,00,88,361	Appropriation from Re- serve Fund.	...	...	...	...
Appropriation to Reserve Fund.	1,48,62,988	1,61,58,000	4,78,26,000	3,50,30,000	Closing Balance.	11,37,62,361	11,38,61,873	16,00,88,361	19,51,18,361
<b>TOTAL :</b>	<b>11,37,62,361</b>	<b>11,33,61,873</b>	<b>16,00,88,361</b>	<b>19,51,18,361</b>	<b>TOTAL</b>	<b>11,37,62,361</b>	<b>11,38,61,873</b>	<b>16,00,88,361</b>	<b>19,51,18,361</b>

## Explanatory Memorandum of the Railway Budget for 1928-29.

1926-27.

### COMMERCIAL AND STRATEGIC LINES TOGETHER.

Present practice requires us to render an annual account of the results of railway working about six weeks before the close of the year to which the account relates, when at best we are not in possession of the figures for two of the most important months to railways. We must start therefore by filling up the lacuna in the account of 1926-27, and bringing the tale of that year up-to-date. It will be remembered that the year had not been entirely favourable to Indian railways, and that the revised estimates of last February contemplated the possibility of our having to draw a small sum of about seven lakhs from the reserve, in order to pay the contribution due to general revenues. Actually we did better. Gross receipts at 99,39 lakhs were fifty-five lakhs over the revised estimate chiefly because of a phenomenal increase in goods traffic on the East Indian Railway, where during the last two months of the year the average daily ton mileage was more than twenty per cent. above the year's average, and about ten per cent. above the highest maximum ever reached before. On the other hand, sixty-nine lakhs less than the revised estimate anticipated was actually required for working expenses (64,75 lakhs), the Great Indian Peninsula and Bengal Nagpur Railways in particular spending less on repairs and maintenance. Our interest charges (at 25,87 lakhs) were seventeen lakhs less than the estimate; and the result of minor changes in other charges was also slightly in our favour. In the end our surplus, after meeting all charges, was 7,50 lakhs instead of 5,94 lakhs as estimated; of this 6,01 lakhs went to general revenues as our contribution; and we were able to place 1,49 lakhs to the railway reserve instead of taking seven lakhs from it. At the beginning of the current year the reserve then amounted to 11,28 lakhs.

The expenditure incurred from the depreciation fund (8,05 lakhs) was five lakhs more than we expected, and it was found that the appropriation to be made to the fund in accordance with its rules—was about fifteen lakhs less than the revised estimate. At the end of the year the actual balance in the fund was just over 8,58 lakhs, the figure of the revised estimate having been about twenty lakhs higher.

1927-28.

### A.—COMMERCIAL LINES.

2. We can now turn to the current year, of which six weeks have still to run. The principal figures of the revised estimates for commercial lines are, as heretofore, shown side by side with the figures of the budget estimate and of 1926-27.

[Figures in lakhs of rupees.]

	Actuals, 1926-27.	1927-28.	
		Budget.	Revised.
Gross traffic receipts . . . . .	97,82	99,24	1,02,39
Deduct—Refunds of Revenue . . . . .	35	32	25
Total carried over . . . . .	97,47	98,92	1,02,14

## BUDGET FOR 1928-29.

	Actuals, 1926-27.	1927-28.	
		Budget.	Revised.
Total brought forward . . . . .	97,47	98,92	1,02,14
Interest on balances of Depreciation and Reserve Funds . . . . .	62	75	80
Dividend on investment in branch lines . . . . .	5	5	5
Government share of profits, etc., from Sub-sidized Companies . . . . .	40	30	38
Other Miscellaneous Receipts . . . . .	4	6	8
<b>Total Receipts . . . . .</b>	<b>98,58</b>	<b>1,00,08</b>	<b>1,03,43</b>
Working expenses . . . . .	62,53	63,24	62,61
Surplus profits paid to Indian States and Railway Companies . . . . .	1,66	1,41	1,58
Interest charges . . . . .	24,56	25,95	26,08
Miscellaneous charges . . . . .	70	55	40
<b>Total charges . . . . .</b>	<b>89,45</b>	<b>91,15</b>	<b>90,67</b>
Gain from Commercial lines . . . . .	9,13	8,93	12,76

3. Though at the time of writing this memorandum, the figures for only ten months, and in some cases only nine months are available Gross traffic receipts. —and the remaining period is that in which traffic is usually most brisk, and both earnings and expenditure at their peak—it can already be stated with confidence that 1927-28 will be a most prosperous year for Indian railways. Except for a brief period between the middle of July and the middle of August, when they were hit by the disastrous floods in Guzerat and on the east coast, receipts from traffic have been consistently higher than in 1926-27, and all descriptions of traffic have contributed to the improvement. Gauging the prospects of the period for which we have not actual results to the best of our ability, we forecast our receipts from traffic as follows:—

[Figures in lakhs of rupees.]

	Actuals, 1926-27.	1927-28.	
		Budget.	Revised.
Passenger earnings . . . . .	34,79	35,84	36,23
Other coaching traffic . . . . .	6,07	6,03	6,13
<b>Total . . . . .</b>	<b>40,86</b>	<b>41,87</b>	<b>42,36</b>
Goods earnings . . . . .	61,49	61,65	64,44
Other earnings . . . . .	2,29	2,49	2,45
<b>Total . . . . .</b>	<b>1,04,64</b>	<b>1,06,01</b>	<b>1,09,25</b>
<i>Deduct—</i>			
Refunds of Revenue Worked lines . . . . .	35	32	25
Suspense . . . . .	6,77	6,77	6,86
	—5	..	..
<b>Net total . . . . .</b>	<b>97,47</b>	<b>98,92</b>	<b>1,02,14</b>

It will be seen that we expect our total receipts from traffic on commercial lines to be 4.67 lakhs more than in 1926-27.

4. To this increase passenger traffic should contribute 1.44 lakhs. Up to the end of October, the latest date for which, at the time of writing, figures are forthcoming, our railways had carried nearly three hundred and sixty-one million passengers, about seven and a half million more than in the same period of 1926-27 and during the same period passenger miles (on which of course the size of our earnings depends) had risen by six per cent. to 12,050 million. We cannot attribute this growth in the travelling habit entirely, or perhaps even mainly, to the better facilities which Indian railways can now offer and the reduction in charges to the public which have been effected in recent years; however, low fares may be, the great mass of India's population can only indulge their propensity to travel to the full, if they have had a prosperous year. But we have little doubt that the cheapening of railway fares has been a strong stimulus to increased travelling, and is partly responsible for the increase in our receipts.

5. There is every likelihood of an increase of about three crores in goods earnings, which we now put at 64.44 lakhs. Up to the end of October, the ton miles of goods carried amounted to 11,481 million, an increase of nearly 400 million over the figures of 1926-27 for the same period; and since then traffic has been so brisk that we have reason to expect the figure for the full year to reach 20,800 million, an advance of 700 million over 1926-27.

One particularly satisfactory feature of the year so far is that the improvement in traffic has been general, and not confined to one or two commodities. This is shown by the loading figures, which are available up to the 21st January. By that date about 21,000 more wagons had been loaded with grains and pulses, over 23,000 more with oilseeds, and over 62,000 more with coal and coke than in the corresponding period of 1926-27; and there had also been an increase of 87,000 in the number of miscellaneous full wagons, and of over 56,000 in the number of miscellaneous "smalls", figures which are probably indicative of brisker internal trade. Some part of the improvement in coal loadings has been due to an expansion of the export trade. In the first seven months of 1925-26, 108,000 tons were exported, and of 1926-27, 279,000 tons. This year the figure is 391,000 tons.

As a whole nearly 230,000 more wagons were loaded on the broad gauge, and 90,000 on the metre gauge than in the same period of last year.

6. The usual comparison of the revised estimates of working expenses with the budget figures and those of the previous year is given in the following statement:—

[Figures in lakhs of rupees.]

	Actuals, 1926-27.	1927-28.	
		Budget.	Revised.
Administration . . . . .	12.74	12.80	12.03
Repairs and Maintenance . . . . .	17.65	18.16	17.47
Operation . . . . .	24.99	24.99	24.48
Depreciation . . . . .	10.53	11.08	11.02
Suspense . . . . .	-6	..	..
<b>Total</b> . . . . .	<b>65.85</b>	<b>67.03</b>	<b>65.90</b>
<b>Deduct—Worked lines</b> . . . . .	<b>3.32</b>	<b>3.79</b>	<b>3.29</b>
<b>Net working Expenses</b> . . . . .	<b>62.53</b>	<b>63.24</b>	<b>62.61</b>

We expect to carry traffic which will bring in 4,67 lakhs more this year than last, and to do so at a net extra cost of only eight lakhs, and actually at a cost which would be below that of 1926-27 by forty-one lakhs, were we not setting aside forty-nine lakhs more for depreciation.

7. The expenses which are described as "Administration" are likely to be nineteen lakhs higher than in 1926-27. We have not here been quite as successful as we hoped last February in keeping the charges down. It will be remembered that, though expenditure on the existing scale, with an allowance for the opening of new lines and other fresh activities was put at 13,05 lakhs, we hoped to confine it to 12,80 lakhs by measures taken to enforce not retrenchment but economy. Both the Railway Board and Railway Administrations have given much attention to this matter during the year, but at present it seems unlikely that they will be able to obtain more than twelve lakhs out of the twenty-five lakhs of savings for which they hoped; with the result that the year's expenditure will be thirteen lakhs higher than the original estimate.

8. Expenditure on repairs and maintenance is expected to be eighteen lakhs less than in 1926-27 in spite of an addition of between 600 and 700 miles to the length of line to be maintained; and here we can lay claim to a clear improvement, the effect of which on railway revenues should be still more apparent next year. We are definitely reaping the benefit of the modernization of the equipment and methods of our workshops, which the large sums voted by the Assembly for this purpose in recent years have enabled us to carry out.

In previous years we have been confronted with large arrears in the repair of rolling stock on most of the important railway systems. In the current year these arrears have, in spite of the largely reduced expenditure on repairs been caught up by all railways, except the Assam Bengal, Bengal Nagpur, Madras and Southern Mahratta, and South Indian, and to a comparatively minor extent the Bombay, Baroda and Central India; on these railways the remodelling and re-equipment of workshops will not be completed in the current year, so that most of the advantage from it has still to come. A few typical instances, selected from the records of the State-managed railways, may be of interest, and will indicate the extent of the economies obtained. On the North Western Railway the average cost of a locomotive standard repair has been reduced from Rs. 14,011 in November 1926 to Rs. 11,612 in November 1927; on the Great Indian Peninsula Railway from Rs. 11,967 to Rs. 9,573. The average cost of repairing a passenger carriage has fallen on the Great Indian Peninsula Railway from Rs. 2,175 in November 1926 to Rs. 1,149 in November 1927; and, in the same period, of repairing a wagon on the East Indian Railway from Rs. 168 to Rs. 119. The actual cost of repairing stock is not the sole measure of the benefit we obtain from increased facilities for repair. To give again a few examples, locomotives were on average only 64 days in shops for heavy repairs in November 1927 on the East Indian Railway, against 105 days in November 1926; for passenger carriages the figures are 18 days against 84 on the Great Indian Peninsula Railway, 27 against 68 on the Eastern Bengal Railway, and 35 against 46 on the East Indian Railway; and for wagons 10 against 16 on the North Western Railway, 7 against 11 on the Great Indian Peninsula Railway, and 5 against 15 on the East Indian Railway. This means that loco-

motives, passenger carriages and wagons are out of commission for much shorter periods, and the necessity for purchasing fresh stock is *pro tanto* reduced.

9. The figures of expenditure at present available to us give us reason to expect an equally welcome decrease in the cost of operation; here the expenditure depends to a very considerable extent upon the volume of traffic, but we are able to forecast a decrease of fifty-one lakhs in spite of the increase we anticipate and have in part already obtained in traffic earnings. Except for the cost of fuel, little comment is required. With the growth of traffic six lakhs more will be needed for running staff and miscellaneous charges; but there should be a drop of about twelve lakhs in the cost of stores. The sum needed to pay compensation on goods lost or damaged, though now a small figure, perhaps deserves brief mention, we may reasonably hope for the last time. In 1922-23, we had to pay out over one hundred and twenty lakhs on claims, in 1923-24, nearly seventy-nine lakhs, in 1924-25, nearly fifty-seven lakhs, in 1925-26 over twenty-nine lakhs and last year a little over fifteen lakhs. The slight increase to about sixteen and a half lakhs expected this year is merely consequential on the increase in the volume of traffic, and there is fair ground for the view that this item of charge has ceased to be a disturbing factor in the results of railway working.

The cost of fuel, in spite of increased traffic, we expect to be about forty-eight lakhs less than in 1926-27. This is partly due to the lower prices at which coal was purchased. They averaged for State-managed railways Rs. 4-7-0 per ton, eleven annas per ton less than in the preceding year. But it is also due, quite definitely, to more economical consumption. Again it is only possible within the limits of this memorandum to give a few typical examples. On the Bombay, Baroda and Central India Railway (broad gauge) the amount of coal consumed for each thousand gross ton-miles hauled of goods (and a proportion of mixed) traffic was nearly 115 pounds in 1926-27, and only 104 pounds in the first seven months of this year; on the Eastern Bengal Railway the corresponding figures are nearly 115 pounds and 101½ pounds. Taking metre gauge railways, the figures for the Assam Bengal Railway are nearly 166 pounds in 1926-27, and 155½ pounds in the first seven months of this year, and for the South Indian Railway 134 pounds, and rather over 126 pounds. This real economy has been obtained by the adoption of various measures to conserve the consumption of coal. Superheating of locomotives (a process which is continuing), the employment of fuel inspectors, and greater attention to firing methods have had much to do with it; but it is also due to our having laid down maxima limits to the quantities of coal to be held at any one time by each railway administration, and the consequent reduction in their stocks. Certain classes of coal are found to deteriorate very rapidly in stock.

10. There is little to be said by way of explaining the remaining charges which we expect to fall on us in the current year. With the expansion of the railway property and equipment, we are required by the rules of the depreciation fund to set aside forty-nine lakhs more than in 1926-27 for depreciation; and owing to our large capital expenditure on both new and open lines, we expect to have to pay one hundred and fifty-two lakhs more in interest. Miscellaneous charges should be thirty lakhs less than in 1926-27 when they included about twenty-eight lakhs for the purchase and dismantlement of the Arakan Light Railway.

## BUDGET FOR 1928-29.

## B.—STRATEGIC LINES.

11. The usual figures are given in the following statement.

[Figures in lakhs of rupees.]

	Actuals, 1926-27.	1927-28.	
		Budget.	Revised.
Gross traffic receipts . . . . .	1,53	1,51	1,55
Interest on balances of Depreciation Fund . . . . .	2	..	2
Total receipts . . . . .	1,55	1,51	1,57
Working expenses (including depreciation) . . . . .	1,87	1,97	1,86
Interest charges . . . . .	1,31	1,37	1,35
Miscellaneous . . . . .	..	..	3
Total charges . . . . .	3,18	3,34	3,24
Net loss in working . . . . .	1,63	1,83	1,67

Very little comment is needed. At present the receipts of these lines cover all but about 30 lakhs of the cost of working; and the annual loss is brought up to a figure of between 1,60 and 1,70 lakhs by interest charges on the capital expenditure. The latter are gradually increasing owing to the construction of the Khyber and Quilla Saifullah-Fort Sandeman railways.

## C.—SUMMARY OF RESULTS.

12. We can now sum up the results of 1927-28, so far as they can be foreseen at the time of writing. Traffic has been almost uniformly good, and we can expect total receipts of 1,03,43 lakhs from commercial lines, an increase of 4,85 lakhs over last year's figure. Railway administrations have succeeded in carrying this larger volume of traffic at a cost which is likely to be 41 lakhs less than the cost in 1926-27 for a smaller volume; and it is only because we are providing 49 lakhs more for depreciation and shall be paying away 1,52 lakhs more in interest that our total charges are likely to be 1,22 lakhs more than in 1926-27. We put the total charges at 90,67 lakhs, leaving us with a surplus of 12,76 lakhs, or 3,63 lakhs more than last year.

13. The surplus will be apportioned as follows. 1,67 lakhs are required to meet the expected loss on strategic lines. General revenues will receive about 6,36 lakhs, which is about 88 lakhs more than was expected a year ago. And we shall have a little over 4,73 lakhs to place to the railway reserve fund.

14. Our fixed contribution to general revenues for 1928-29 is just short of 6,30 lakhs, and it is growing with our further capital expenditure at the rate of about twenty-five lakhs a year. On these estimates there will be a balance of 16,01 lakhs in the reserve at the end of the year, a sum more than sufficient

to cover the fixed contribution for two years successively, even if we earned no surplus at all. Simultaneously the balance in our depreciation fund, with-  
drawals from which are expected to be 10,70 lakhs this year against a payment  
of 11,39 lakhs into the fund, will have been built up to 9,27 lakhs.

We have carefully reviewed these and other factors in our financial posi-  
tion, not overlooking the continuance of expenditure, only indirectly and re-  
motely revenue producing, on the greater comfort of the clients of railways,  
and the probability that for some time to come we shall still have large capital  
sums out on projects of development and improvement, which until their  
completion—and sometimes for some years later—will not earn enough to  
cover interest and depreciation. We are satisfied that without hampering  
our activities in these directions, or risking a failure to fulfil our commitments  
to general revenues, we can face the initial, but we anticipate only tem-  
porary loss from a substantial reduction in rates and fares ; and we intend to  
make the following reductions as soon as the necessary arrangements can be  
made.

15. (i) First of all we propose to reduce third class fares, particularly for  
long distances, on the East Indian, North-Western and  
Great Indian Peninsula railways. The present scales,  
and those it is proposed to introduce, are as follows :—  
Third class pass-  
enger fares.

*East Indian and North-Western Railways.*

Miles.	Present	Proposed
	scale.	scale.
	Pies per	Pies per
	mile.	mile.
1—50 . . . . .	3½	3½
51—300. . . . .	3	2½
301 and over . . . . .	2	1½

*Great Indian Peninsula Railway.*

Miles.	Present	Proposed
	scale.	scale.
	Pies per	Pies per
	mile.	mile.
1—50 . . . . .	4	4
51—150. . . . .	4	3½
151—300 . . . . .	3½	3
301 and over . . . . .	3	2½

A few examples of what these reductions mean to the individual traveller  
may be of interest. A third class passenger from Delhi to Karachi, on the  
North-Western Railway will pay Rs. 8-14-0 instead of Rs. 11-2-0. The  
pilgrim from Bengal will be able to visit Hardwar from Howrah for Rs. 9 in-  
stead of Rs. 11-5-0 ; and the Pathan who has found employment in Calcutta  
to revisit Peshawar for Rs. 15-1-0 instead of Rs. 18-10-0. Even a journey over  
the comparatively short distance between Moradabad and Lucknow will cost  
seven annas less than at present, a reduction of about 13 per cent.



(ii). Intermediate and third class fares by mail train are higher than by ordinary train on the East Indian and Great Indian Peninsula Railways. The distinction will be abolished.

(iii). We also propose to discuss with Company-managed railways the desirability of similar reductions of third class fares with the object of encouraging increased third class passenger traffic on their systems.

We reckon that, if they did not lead to a growth of traffic, these reductions would cause a diminution of 1,22 lakhs in earnings in a full year. But they are so substantial that they should give an early stimulus to increased travelling, especially long distance travelling.

16. Next, we propose to tackle parcels and luggage rates. They are from 40 to 50 per cent. higher than in January 1921 and there are clear indications that they are restrictive. In addition there have been complaints that the present scale is unfair; under it charges are made on weights over 5 seers to 10 seers, 10 seers to 20, 20 to 30 and so on, so that for example a parcel weighing 11 seers is charged the same as a parcel weighing 20. We propose to issue instructions for the introduction of a more satisfactory scale, which will meet this complaint by substituting 5 seer divisions, and at the same time to provide for a reduction of fifteen per cent. in the charges. This should be of particular benefit to the retail trader. We calculate that it would cost us 74 lakhs in a full year, if we got no increase in traffic, but we expect as a result a considerable increase.

17. For reductions in goods rates we have selected those commodities, traffic in which is likely to be most rapidly and most materially increased by the reductions. It is obvious that it is on these commodities that present rates are comparatively the highest and tend most to restrict traffic; and that consequently the consumers of, and dealers in, them have the first claim for relief. We are glad that the result of applying this criterion is in the main to cheapen the cost of transporting articles of concern to the poorer classes, or to the agriculturist, in India.

18. We propose to stimulate long distance traffic in Kerosine oil by introducing a telescopic rate on State-managed railways. The present and proposed rates at owners' risk are as follows :—

Miles	Present rate.	Proposed rate.
	Pies per maund per mile.	Pies per maund per mile.
1—300	0·42	0·420
301—400	0·42	0·390
401—500	0·42	0·200
501—600	0·42	0·125
601—700	0·42	0·115
701 and over	0·42	0·100

Here again the extent of the proposed reductions can best be shown by one or two examples. It will, when they are introduced, cost Rs. 1-0-8 instead of Rs. 1-8-7 to send a maund of Kerosine oil from Bombay to Jhansi, Rs. 1-1-2 instead of Rs. 1-10-5 to send it from Karachi to Lahore, and Rs. 1-0-1 instead of Rs. 1-6-4 to send it from Calcutta (Budge Budge) to Lucknow. These rates are exclusive of terminal and other extra charges. In these instances the reduction in charge varies from 28 per cent. to 35 per cent.

If we failed to get the increase in traffic which we expect, the reduction would cost us 28 lakhs in a full year.

19. The rates for manures, and oil cake which is chiefly used as cattle food or manure, vary on different State-managed railways; and in view of the advantages, both direct and indirect, of encouraging the use of manure we propose to bring them down to the minimum of 0·100 pies per maund per mile, on all State-managed railways. It will then cost Rs. 0-2-4 instead of Rs. 0-4-0 to send a maund of manure from Ambala to Lyallpur, and Rs. 0-4-7 instead of Rs. 0-7-0 to send the same quantity from Poona to Nagpur. The transport of oilcake from Calcutta to Serajgunj will cost Rs. 0-1-8 a maund instead of Rs. 0-3-6, and from Karachi to Bhatinda Rs. 0-6-0 a maund instead of Rs. 0-11-2. These rates are exclusive of terminal and other extra charges.

This would cost us 15 lakhs in a full year, if we got no increase in traffic from so substantial a drop in rates.

20. The rates for jagree have increased very largely since prewar days, and we consider that the following telescopic rate at owners' risk, which we propose to introduce on all State-managed railways, will stimulate traffic.

Miles.	Pies per mile per maund.
1—100	0·380
101—300	0·220
301—600	0·130
601 and over	0·110

It means that the charge per maund, exclusive of terminal and other extra charges, from Agra to Bhopal will drop from ten annas to seven annas, and from Gorakhpur to Lahore from Rs. 1-3-5 to Rs. 1-0-11. It would cost us about 10 lakhs in a full year, if the reduction failed to produce a growth in traffic.

21. The scale of charge for the transport of grain, pulses, and seeds is on the East Indian Railway up to 97 miles, and on the North Western Railway up to 232 miles, higher than on the Great Indian Peninsula Railway. We propose to remove the distinction, at a cost in a full year of about 12 lakhs.

22. We consider the present a suitable time for reducing the rates on the carriage of petrol for long distances; and in order to encourage this traffic we intend to adopt the following telescopic rate at owners' risk on all State-managed railways, instead of the present rate of 0·83 pies per maund, per mile, for all distances.

Miles.	Pies per mile per maund.
1—300	0·83
301—600	0·42
601 and over	0·38

Petrol in bulk will then cost Rs. 0-3-8 per gallon to transport from Karachi to Rawalpindi instead of Rs. 0-5-7 exclusive of terminal and other extra charges. But for the increase in traffic for which we hope this would cost about two lakhs in a full year.

23. In two directions we are going to remove anomalies in rates to the general benefit of consignors or consignees of goods despatched to or from the area affected, and to the encouragement of traffic generally.

East Indian Railway rates.

(i) Though the old Oudh and Rohilkhand railway was amalgamated with the East Indian Railway over two years ago, there has

hitherto been no final co-ordination of goods tariffs. Telescopic scales stop short at the old junctions and terminals are charged as if the two railways were still separate. The removal of this anomaly will cost about 33 lakhs in a full year.

- (ii) The East Indian Railway charge a goods terminal of 6 pies for through booking, on which they only render terminal services at one end, though the terminal charge at either end for local booking is only 3 pies. The through terminal will now be reduced to 3 pies.

24. Lastly, with the object of encouraging traffic, we propose to make some reductions in the charges for carrying horses, live-stock and motor cars on State-managed Railways. They would cost us about 3 lakhs in a full year, if no increase in traffic resulted.

25. But for the early and marked improvement in traffic which we hope and expect from these substantial reductions in both rates and fares, they would mean a sacrifice in a full year of rather over three crores of rupees in gross earnings—122 lakhs in passenger traffic earnings, 77 lakhs in other coaching traffic earnings, and about 106 lakhs in goods earnings. Some of the reductions in passenger fares and goods rates can be brought in immediately, but due notice must be given of the remainder and we can hardly expect them to come into force before June at earliest.

1928-29.

A.—COMMERCIAL LINES.

26. The principal figures of the estimates for next year for commercial lines are compared with the revised estimates in the following statement.

	(Figures in lakhs of rupees.)	
	Revised, 1927-28.	Budget, 1928-29.
Gross traffic receipts . . . . .	1,02,39	1,01,84
<i>Deduct</i> refunds of revenue . . . . .	25	25
<b>Total . . . . .</b>	<b>1,02,14</b>	<b>1,01,59</b>
Interest on balances of depreciation and reserve funds . . . . .	80	1,02
Dividend on investment in branch lines . . . . .	5	5
Government share of profits etc. from subsidized companies . . . . .	38	47
Other Miscellaneous receipts . . . . .	6	6
<b>Total receipts . . . . .</b>	<b>1,03,43</b>	<b>1,03,19</b>
Working expenses . . . . .	62,61	62,62
Surplus profits paid to Indian States and Railway Companies . . . . .	1,58	1,82
Interest charges . . . . .	26,08	27,60
Miscellaneous charges . . . . .	40	51
<b>Total charges . . . . .</b>	<b>90,67</b>	<b>92,55</b>
<b>Gain from commercial lines . . . . .</b>	<b>12,76</b>	<b>10,64</b>

27. Except that a larger proportion than usual of this year's cotton crop is likely to be carried in the early months of next year, and that, though few years are without their set-backs in one or other part of India, we need hardly anticipate a repetition on the same scale of the disastrous floods of last summer, we have nothing definite yet to guide us as to what next year has in store for us. Our estimate of 1,01,59 lakhs for gross traffic receipts consequently assumes a normal monsoon, and a continued growth of traffic; though in view of the exceptional increase this year we think it safer to suppose that the growth will be somewhat less rapid than we should otherwise have prophesied. Apart from the proposed reductions in rates and fares, we should have estimated an increase of about a crore and a half in gross traffic receipts; partly because some of the reductions will not be in force for the whole of the year, but also because we expect them to lead to an immediate increase in traffic, we do not put the loss in revenue in 1928-29 above two crores and we are therefore estimating for gross traffic receipts only 55 lakhs below this year's figure.

28. The more detailed estimates of earnings are compared with the revised estimate in the following statement. The only explanation we need give of the figures is that we are assuming an increase from 20,700 million to 21,200 million in passenger miles, and from 20,800 million to 21,400 million in ton miles of goods carried.

(Figures in lakhs of Rupees.)

	Revised 1927-28.	Budget 1928-29.
Passenger earnings . . . . .	36,23	36,02
Other coaching traffic . . . . .	6,13	5,72
<b>Total . . . . .</b>	<b>42,36</b>	<b>41,74</b>
Goods earnings . . . . .	64,44	64,50
Other earnings . . . . .	2,45	2,43
<b>Total . . . . .</b>	<b>1,09,25</b>	<b>1,08,67</b>
<i>Deduct—</i>		
Refunds of revenue . . . . .	25	25
Worked lines . . . . .	6,86	6,83
Suspense . . . . .	..	..
<b>Net total . . . . .</b>	<b>1,02,14</b>	<b>1,01,59</b>

29. The estimates of other receipts call for little comment. We should earn twenty-two lakhs more on the higher balances of our reserve and depreciation funds; and get a small but welcome increase of nine lakhs in our share of the profits of subsidized companies, which have had, like us, a prosperous year in 1927-28.

30. Our estimates of working expenses in 1928-29 are shown, with the figures of the revised estimate in the following table. They as well as the other estimates of charges have been examined in detail and accepted by the Standing Finance Committee for

## BUDGET FOR 1928-29.

Railways for whose assistance not only here but throughout the year we wish to express our thanks,

	(Figures in lakhs of Rupees.)	
	Revised 1927-28.	Budget 1928-29.
Administration . . . . .	12,93	13,06
Repairs and Maintenance . . . . .	17,47	16,84
Operation . . . . .	24,48	24,45
Depreciation . . . . .	11,02	11,56
Suspense . . . . .	..	..
Total . . . . .	65,90	65,91
<i>Deduct</i> —Worked Lines . . . . .	3,29	3,29
Net working expenses . . . . .	62,61	62,62

We hope to be able to carry the increased traffic which we are expecting next year for 53 lakhs less than the probable cost this year of administration, operation, and repairs and maintenance, an amount which almost exactly yields the increased provision to be set aside for depreciation.

31. Of the increase of 13 lakhs anticipated under "Administration" about  $4\frac{1}{2}$  lakhs will go to the provident fund for railway employees, and two lakhs are for the new electric services which are proving very popular in Bombay. The balance of the increase is spread over a number of departments and railways, and is generally to be attributed to extensions of the railway system and the growth of its operations.

In order to keep the expenditure to the figure of 13,06 lakhs, it will be necessary for railway administrations to continue their efforts to cut out all work which owing to the developments of recent years has ceased to serve a really useful purpose. We consider it most desirable that they should do so, and shall continue to press this duty upon them. For we are of opinion that increased supervision, perhaps most particularly on the workshop side, will much more than pay for itself by a reduction of expenses; and both increased supervision, and our new activities, of which the establishments for the training of staff are possibly the most prominent example, must send up the expenditure under this head. It is all the more incumbent, therefore, on railway administrations to be constantly on the watch that expenditure which does not now give full value for the money does not continue to be incurred.

32. We expect repairs and maintenance to cost 63 lakhs less than this year, though a greater length of line will have to be maintained, and we are hoping for a greater use of the rolling stock. The estimates here are based on a careful examination of the numbers of locomotives, carriages and wagons which are likely to come into shops for repair, if traffic fulfils our expectations, and take into account the absence of arrears on many of the important railways. They allow also for the further drop in the cost of repairs, which should result from the introduction of up-to-date equipment and methods in railway workshops. A few examples of the reductions it is hoped to attain may be of interest. The East Indian Railway hope to bring down the average cost of a locomotive standard repair from Rs. 10,398 in November 1927 to Rs. 9,500. The Great Indian Peninsula Railway expect to reduce the cost of repairing a passenger carriage from Rs. 1,149 in November to an average for 1928-29 of Rs. 900.

33. Though the receipt estimates anticipate increased traffic, we hope to keep the expenses of operation a few lakhs below this year's figure. Here only the cost of fuel requires specific notice ; we put it at 3,49 lakhs which is 15 lakhs below the revised estimate. In taking this figure we have allowed for further economies in the consumption of fuel, and for the fact that contracts for about two million tons for the State-managed railways have just been placed at prices averaging five annas a ton below those for the current year.

In the current year the raisings of coal from State-worked collieries have been restricted to about one million nine hundred thousand tons, and about one million nine hundred and thirty thousand tons will have been purchased in the market. In the arrangements which we have made so far for supplies to the State-managed railways in 1928-29, we have restricted the raisings from State-worked collieries to about one million seven hundred thousand tons, and are purchasing two million tons of market coal. We give these figures to refute the suggestion which is sometimes made that we are expanding the output from our collieries and withdrawing our custom from the market ; on the contrary when coal of good quality can, as at present, be purchased at reasonable prices we are, as these figures show, very glad to take it in large quantities instead of relying on our own output, and we are actually proposing to reduce the quantity to be raised next year from collieries where quarrying can be resorted to. The output from these quarries can be rapidly increased without extensive expenditure on development, and we prefer to hold a good deal of it in reserve, in case prices should move against us.

34. The estimated appropriation for depreciation, in accordance with the rules of the depreciation fund, is, at 11,56 lakhs, 54 lakhs higher than the revised estimate ; and 1,52 lakhs more than this year are likely to be needed to pay interest charges, amounting to 27,60 lakhs. In both cases the rise is due to the heavy capital expenditure being incurred on the development and equipment of the lines. We also expect a rise of 11 lakhs in miscellaneous charges, spread over numerous items, and explained in the notes on the demands. Lastly we expect to have to pay Indian States and Railway Companies 24 lakhs more next year as their share of surplus profits. Here the increase is solely due to a dual payment to the Burma Railways Company, who on being bought out on the 31st December 1928 will be entitled to receive their share of surplus profits for the first nine months of the year, in addition to the usual payment on the results of 1927-28.

B.—STRATEGIC LINES.

35. The figures of the revised estimates for this year and the budget estimates for next year are given in the following table.

	(Figures in lakhs of Rupees.)	
	Revised 1927-28.	Budget 1928-29.
Gross traffic receipts . . . . .	1,55	1,60
Interest on balances of Depreciation Fund . . . . .	2	2
<b>Total Receipts . . . . .</b>	<b>1,57</b>	<b>1,62</b>
Working Expenses (including depreciation) . . . . .	1,86	1,87
Interest charges . . . . .	1,35	1,40
Miscellaneous . . . . .	3	1
<b>Total charges . . . . .</b>	<b>3,24</b>	<b>3,28</b>
<b>Net loss in working . . . . .</b>	<b>1,67</b>	<b>1,66</b>

We expect a small rise in traffic receipts sufficient to cover the growth in interest charges, and a small decline in charges, leaving a net loss of 1,66 lakhs. The appropriation for depreciation is 39 lakhs.

#### C.—SUMMARY.

36. The estimates for 1928-29 anticipate that, given a normal monsoon and normal conditions of trade and traffic, our total receipts from commercial lines, after the reductions in rates and fares which have been described, will be 1,03,19 lakhs, or 24 lakhs less than we expect this year. The expenses more directly connected with the carriage of traffic are expected to be 53 lakhs less than this year; but 54 lakhs more will probably be set aside for depreciation, 1,52 lakhs more are likely to be paid as interest on capital, Indian States and Railway Companies will take 24 lakhs more out of the surplus profits, and 11 lakhs more will be needed for miscellaneous expenses. Our total charges will then be 1,88 lakhs more than this year; and will amount to 92,55 lakhs. With a reduction of 24 lakhs in receipts, the surplus from commercial lines will fall by 2,12 lakhs, from 12,76 lakhs in 1927-28 to 10,64 lakhs in 1928-29.

Of this surplus, if it is obtained, 1,66 lakhs will be used to meet the anticipated loss on strategic lines; general revenues will take 5,48 lakhs; and 3,50 lakhs will remain to strengthen the railway reserve. If the results are in accordance with this forecast, the reserve at the end of the year will amount to 19,51 lakhs. The withdrawals from the depreciation fund for expenditure on renewals and replacements are estimated at 9,00 lakhs against an appropriation of 11,95 lakhs from revenue; and on these estimates the balance in the fund will be raised by 2,95 lakhs to 12,22 lakhs as a result of the year's operations.

#### CAPITAL EXPENDITURE.

37. We give in an appendix to this memorandum full details with the customary tables of the capital expenditure likely to be incurred this year and contemplated in 1928-29. But there are some remarks of a general character which we should like to make on the figures.

38. It will be remembered that, when large amounts were for the first time after many years made available for capital expenditure, railway administrations found considerable difficulty in spending the sums allotted to them each year. Their plans and estimates for many of the projects it was desired to take up were not ready, nor had the preliminary investigations, necessary in many cases before a start could be made, been completed. To meet this difficulty railways were allowed to include in their programmes a much larger number of approved projects than they were likely to be able to initiate in a single year; they were allotted funds for those projects; but for the purpose of estimating the sums actually likely to be spent in any individual year a large deduction was made from the resultant figure. This method proved successful. The expenditure on open and new lines, which only averaged a little less than 21 crores a year in 1923-24 to 1925-26, rose to 24½ crores in 1926-27, and it is expected to be 29½ crores this year; better progress has in fact been made with railways' programmes of improvement and development with the beneficial results to our revenues to which the earlier part of this memorandum bears testimony. We cannot put down quite the whole of the increase of about 5 crores this year to the better organization of railway administrations for the rapid completion of projects taken in hand. Owing partly at least to the general strike in Great Britain in 1926, a larger quantity than usual of material ordered abroad remained over for delivery in 1927-28, and to some extent the increased expenditure this year is no doubt due to this

cause ; it is also the cause of an anticipated rise of half-a-crore to about 15½ crores (making the total capital expenditure expected this year 30 crores) in stores balances, since it has not been possible to utilise all the material immediately. But this temporary inflation of stores balances should be remedied next year ; and though we have thought it right to draw attention to this factor in the increased expenditure, as a whole the increase can be attributed to quicker progress on works, which will therefore be completed more rapidly and yield a speedier return on the capital invested in them.

Though generally progress has been more rapid than anticipated, we have not in 1927-28 succeeded quite as well as we hoped in one direction. Railway Administrations considered that they might be able to open 914 miles of new lines in the year ; 636 miles is what now seems likely. They have had to put further ahead the dates for opening portions of the Central India Coal-fields Railway, and also the Furkating-Badulipara, Agra-Bah, Nidadavolu-Narasapur, and Gudivada-Bhimavaram railways, to mention those of most importance ; but all these lines are expected to be open for traffic before the close of 1928.

39. Our programme of capital expenditure on open lines next year 1928-29. is perhaps less interesting than it has been recently. For we think it desirable that railway administrations should devote most of their energies on this side to pushing on the completion of works which they have already taken in hand ; and the remodelling of the Erode Junction on the South Indian Railway is the only new work of major importance for which the programme provides apart from electrification schemes. It is proposed to make a beginning on the Madras Suburban electrification scheme which has just been sanctioned ; and money is also allotted for the possible extension of the electrification of the suburban area of the Bombay, Baroda and Central India Railway up to Virar.

40. For this reason we think it unnecessary to give railway administrations over-allotments for capital expenditure to anything like the same extent as in recent years, and propose only to distribute among them about 2½ crores more than the expenditure of 15 crores which is actually anticipated on open line works.

41. Our programme of new construction for 1928-29 is more ambitious ; it includes over 90 different projects covering more than 4,600 miles of new lines, of which 50 projects aggregating 2,600 miles have already been sanctioned. The majority of the new lines projected are short branches or feeder lines to the main systems, and construction is distributed over the whole country. In Burma and in Assam the proposed branches are in the main pioneer lines, which we have reason to believe will prove speedily remunerative and take an active part in opening out rich agricultural areas and developing the country as a whole. The lines proposed to be constructed in Southern India will serve thickly populated tracts where communications are at present somewhat deficient. Some of them form chords of existing lines and will, in addition to opening up the country they traverse, relieve congestion on present main lines. In the Punjab we propose to construct cross connections running from east to west in the large canal colony area where the existing lines run more or less north to south in the direction of Karachi. These branches should stimulate the development of traffic between the important trade centres that have sprung up in the different Doabs and are at present unconnected and separated by the great tributaries of the Indus. In the Bombay Presidency and the neighbouring provinces served by the Bombay, Baroda and Central India, the Great Indian Peninsula and the Madras and Southern Mahratta



Railway, we have under consideration a large number of short branches opening up fresh country where at present there is difficulty in bringing agricultural produce to market. Their construction will undoubtedly help the cultivators of cotton and other valuable crops. We should also mention a contemplated system of broad gauge feeder lines to serve the vast fertile area in Sind situated on the left bank of the Indus which is to be irrigated by the Rohri canals under the Sukkur Barrage scheme. For these projects we propose to place a little over 11 crores at the disposal of Railway Administrations next year and we hope they are not over-sanguine in expecting that with this allotment their expenditure will reach 9 crores. The Railway Administrations themselves put the mileage of lines to be opened in 1928-29 at 885. Judging from this year's experience, they may perhaps be a little optimistic but we trust that the mileage to be opened will in any event not fall far short of 800 miles.

42. In addition to the 15 crores for open line works and 9 crores for new construction, a total of 24 crores, which we hope to spend next year, capital expenditure of 4 crores is required for the purchase of the Burma Railways. By this payment we expect to increase our net annual revenue by about half-a-crore. Our total capital expenditure in 1928-29 on these estimates will be 28 crores and we expect simultaneously to reduce our stores balances by 1 crore to a little under 14½ crores.

F. A. HADOW,

*Officiating Chief Commissioner of Railways.*

A. A. L. PARSONS,

*Financial Commissioner of Railways.*

NEW DELHI ;

*The 31st March 1928.*

APPENDIX I.

*Capital Expenditure.*

1. The distribution of the total capital allotment on State Railways worked by the State and by Companies, under England and India, in each of the three years from 1926-27 to 1928-29, is as follows :—

Item.	Actuals 1926-27.	1927-28.		Budget 1928-29.
		Budget.	Revised.	
England—				
Sterling payments . . . £	8,409,980	12,000,700	9,375,000	12,486,100
Converted into rupees at 2s. to the rupee . . . Rs.	8,40,99,800	12,00,07,000	..	..
Converted into rupees at 1s. 6d. to the rupee . . . Rs.	..	..	12,50,00,000	16,64,81,000
Exchange . . . Rs.	2,87,67,671	4,00,02,000	4,35,000	..
Total England . . . Rs.	11,28,67,471	16,00,09,000	12,54,35,000	16,64,81,000
Probable savings . . . Rs.	..	4,66,76,000	..	3,98,14,000
Net England . . . Rs.	11,28,67,471	11,33,33,000	12,54,35,000	12,66,67,000
India . . . Rs.	15,94,11,068	23,76,72,000	17,45,65,000	16,09,87,000
Probable savings . . . Rs.	..	10,10,05,000	..	76,54,000
Net India . . . Rs.	15,94,11,068	13,66,67,000	17,45,65,000	15,33,33,000
Total England and India . . . Rs.	27,22,78,539	25,00,00,000	30,00,00,000	28,00,00,000

2. The following table compares the allotments made for open lines and lines under construction in 1928-29, separately under Commercial Lines and Strategic Lines, with the actual expenditure of 1926-27 and the estimated expenditure of the current year.

## BUDGET FOR 1928-29.

(Figures in thousands of rupees).

Items.	Actuals, 1926-27.	Revised estimates, 1927-28.	Budget estimates, 1928-29.
<b>Commercial—</b>			
Purchase price of Burma Railways . . .	..	..	4,00,00]
Purchase of branch line shares . . .	29,95	2,00	..
Open lines (including rolling stock) . . .	19,82,99	20,52,00	17,27,56
<b>Total . . . . .</b>	<b>20,12,94</b>	<b>20,54,00</b>	<b>21,27,56</b>
<i>Deduct—Probable savings . . . . .</i>	<i>..</i>	<i>..</i>	<i>2,59,56</i>
<b>Net Open lines (commercial) . . . . .</b>	<b>20,12,94</b>	<b>20,54,00</b>	<b>18,68,00</b>
<b>Lines under construction—</b>			
(a) Started in previous years . . . . .	6,27,11	} 8,50,00	6,99,14
(b) Started in current year . . . . .	32,10		3,71,98
<b>Total . . . . .</b>	<b>6,59,21</b>	<b>8,50,00</b>	<b>10,71,12</b>
<i>Deduct—Probable savings . . . . .</i>	<i>..</i>	<i>..</i>	<i>2,15,12</i>
<b>Net lines under construction . . . . .</b>	<b>6,59,21</b>	<b>8,50,00</b>	<b>8,56,00</b>
<b>Total Commercial . . . . .</b>	<b>26,72,15</b>	<b>29,04,00</b>	<b>27,24,00</b>
<b>Strategic—</b>			
Open lines (including rolling stock) . . .	33,38	66,50	32,23
<b>Lines under construction—</b>			
(a) Started in previous years . . . . .	} 17,26	29,50	43,77
(b) Started in current year . . . . .		..	—
<i>Deduct—Probable savings . . . . .</i>	<i>..</i>	<i>..</i>	<i>..</i>
<b>Net Strategic lines . . . . .</b>	<b>50,64</b>	<b>96,00</b>	<b>76,00</b>
<b>Total Commercial and Strategic . . . . .</b>	<b>27,22,79</b>	<b>30,00,00</b>	<b>28,00,00</b>

BUDGET FOR 1928-29.

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3. The details of the budget grant for 1928-29 are shown below :—

(Figures in thousands of rupees).

Railways.	Open Lines.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
State Railways worked by the State— Aden (Commercial) . . . . .	16	76	92	..	..
Eastern Bengal . . . . .	87,62	32,38	1,20,00	..	..
Baruipur-Lakshmikantapur . . . . .	..	..	..	9,00	..
Dinagepur Ruhea . . . . .	..	..	..	2,00	..
Nawabganj Abdulpur . . . . .	..	..	..	22,00	..
Purnea Murliganj including Be- hariganj Branch . . . . .	..	..	..	13,00	..
Sainthia Berhampur Halsa . . . . .	..	..	..	..	4,00
Dacca Aricha . . . . .	..	..	..	..	4,00
Kalukhali-Kamarkhali-Bhatea- para . . . . .	..	..	..	..	11,00
East Indian . . . . .	1,10,50	1,89,50	3,00,00	..	..
Central Indian Coalfields . . . . .	..	..	..	85,71	..
Calcutta Chord . . . . .	..	..	..	70,21	..
Lucknow Sultanpur Jaunpur . . . . .	..	..	..	25,58	..
Unao Madhoganj Branch. . . . .	..	..	..	10,00	..
Chaudpur Bijnor Muazzampur Narain . . . . .	..	..	..	12,50	..
Great Indian Peninsula . . . . .	73,79	3,01,21	3,75,00	..	..
Agra-Bah . . . . .	..	..	..	9,34	..
Darwaha-Pushad . . . . .	..	..	..	10,60	..
Diva-Dasgaon . . . . .	..	..	..	..	18,00
Kartal-Kamasin . . . . .	..	..	..	..	14,00
Nasik Belapur-Sheogaon . . . . .	..	..	..	..	14,00
Khamgaon-Caikli . . . . .	..	..	..	..	9,66
Hiwarkhed Akot Akola Basim . . . . .	..	..	..	..	14,00
Harpalpur Bharwa Sumerpur . . . . .	..	..	..	..	5,54
Orai Jalaun-Madhogarh Jaga- manpur . . . . .	..	..	..	..	4,86

(Figures in thousands of rupees)

Railways.	Open Lines.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
<b>State Railways worked by the State</b> <i>—contd.</i>					
North Western . . . . .	45,69	1,62,45	2,08,14	..	..
Kangra Valley . . . . .	..	..	..	57,00	..
Amritsar-Narowal . . . . .	..	..	..	85	..
Jassar-Shakargarh Amru . . . . .	..	..	..	33	..
Layallpur-Jaranwala . . . . .	..	..	..	30	..
Rohtak-Gohana-Panipat . . . . .	..	..	..	50	..
Chiniot Khushab . . . . .	..	..	..	42,50	..
Kalsabagh Bridge . . . . .	..	..	..	15,74	..
Gujranwala Sialkot Chuharkhana . . . . .	..	..	..	..	12,95
Lyallpur-Chananwala . . . . .	..	..	..	..	12,00
Rohtak-Bhiwani . . . . .	..	..	..	..	10,00
Thaneswar-Jagadhri . . . . .	..	..	..	..	3,00
Sindh Left Bank Feeders . . . . .	..	..	..	..	12,00
Batala-Butari . . . . .	..	..	..	..	8,64
<b>Strategic Lines (North-Western Railway)</b> . . . . .	8,75	23,11	31,86	..	..
Khyber Railway . . . . .	..	..	..	14,42	..
Quilia Saifullah-Fort Sandeman Extension . . . . .	..	..	..	29,35	..
<b>Strategic Lines (Aden Railway)</b> . . . . .	..	37	37	..	..
<b>State Railway Collieries.</b> . . . .	..	9,95	9,95	..	..
<b>Total State Lines worked by State</b>	<b>3,26,51</b>	<b>7,19,73</b>	<b>10,46,24</b>	<b>4,30,93</b>	<b>1,57,65</b>
<b>State Railways worked by Companies or Indian States—</b>					
<b>Assam Bengal</b> . . . . .	20,13	29,87	50,00	..	..
Furkating-Badulipara Jorhat . . . . .	..	..	..	1,71	..
Karimganj-Longai Valley . . . . .	..	..	..	3,00	..
Netrakona-Mohanganj . . . . .	..	..	..	10,29	..

BUDGET FOR 1928-29.

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(Figures in thousands of rupees.)

Railways.	Open Lines.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
<b>State Railways worked by Companies or Indian States—contd.</b>					
Habiganj Shaistaganj Balla . . . . .	..	..	..	5,00	..
Chittagong-Fatikchari . . . . .	..	..	..	..	6,00
Senchoa Mairabari . . . . .	..	..	..	..	5,00
Feni-Belonia . . . . .	..	..	..	..	4,00
Megna Bridge at Bhairab . . . . .	..	..	..	..	1,00
Chittagong-Duhazari . . . . .	..	..	..	..	2,00
Bengal Nagpur . . . . .	24,31	1,18,03	1,42,34	..	..
Turnsar Tirodi Conversion . . . . .	..	..	..	23,75	..
Raipur-Parbatipur . . . . .	..	..	..	68,84	..
Contai Road-Contai . . . . .	..	..	..	..	5,00
Bally Bridge Connection . . . . .	..	..	..	..	7
Bengal and North Western . . . . .	3,63	1,73	5,36	..	..
Mashrak Thawe . . . . .	..	..	..	..	7,25
Chakia Parsauni . . . . .	..	..	..	..	4,00
Bezwada Extension . . . . .	..	43	43	..	..
Dronachallam Kurnool Railway Extension . . . . .	..	..	..	5,99	..
<b>Bombay, Baroda and Central India.</b>	<b>30,88</b>	<b>1,29,71</b>	<b>1,60,59</b>	..	..
Jambusar Kavi . . . . .	..	..	..	6	..
Samni Dehej . . . . .	..	..	..	2,61	..
Boriavi Vadtal . . . . .	..	..	..	1,00	..
Vasad-Katana . . . . .	..	..	..	..	4,66
Nadiad Kaira . . . . .	..	..	..	..	5,09
Kapadvanj via Modassa to Mehraj . . . . .	..	..	..	..	10,00
Thasra Virpur . . . . .	..	..	..	..	11,00
Deesa via Deodhar to Tharad . . . . .	..	..	..	..	10,00
Kotah Bundi . . . . .	..	..	..	..	5,00
Burma . . . . .	33,67	36,33	70,00	..	..

(Figures in thousands of rupees.)

Railways.	Open Lines.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
<b>State Railways worked by Companies or Indian States—contd.</b>					
<b>Burma—contd.</b>					
Kayan Thongwa . . . . .	..	..	..	1,50	..
He-ho Tayou . . . . .	..	..	..	1,09	..
Taungdwingyi Kyaukpadaung.	..	..	..	15,00	..
Myingyan Natogyi Paleik . . . . .	..	..	..	19,41	..
Nyaunglebin Madauk . . . . .	..	..	..	6,00	..
Taungdwingyi-Minbu Pakokku :					
(a) Taungdwingyi-Patahago . . . . .	..	..	..	..	20,00
(b) Patanago-Malun-Pakokku . . . . .	..	..	..	..	5,00
Sagaing Bridge . . . . .	..	..	..	..	25,00
Jodhpur . . . . .	..	10,60	10,60	..	..
Jhol Sanghar Hiral Branch . . . . .	..	..	..	..	5,00
<b>Madras and Southern Mahratta . . . . .</b>	<b>46,85</b>	<b>88,15</b>	<b>1,35,00</b>	..	..
Nidavolu-Narasapur . . . . .	..	..	..	13,28	..
Coconada-Kotepalle . . . . .	..	..	..	12,42	..
Gudivada-Bhimavaram . . . . .	..	..	..	6,03	..
Guntur-Gurzala Macherla . . . . .	..	..	..	20,00	..
Madras-Renigunta . . . . .	..	..	..	..	5,00
Belgaum-Hubli . . . . .	..	..	..	..	9,00
Dundur-Nargund . . . . .	..	..	..	..	1,27
Nipani Raibag . . . . .	..	..	..	..	3,00
Raibag Jamkhandi Bagalkot . . . . .	..	..	..	..	5,00
<b>Rohilkund and Kumaon . . . . .</b>	..	<b>-77</b>	<b>-77</b>	..	..
Shabaznagar Mailani . . . . .	..	..	..	..	1,00
<b>South Indian . . . . .</b>	<b>46,07</b>	<b>93,93</b>	<b>1,40,00</b>	..	..
Shoranur-Nilambur. . . . .	..	..	..	67	..
Villupuram-Trichinopoly . . . . .	..	..	..	31,41	..
Virudhunagar Tenkasi . . . . .	..	..	..	1,45	..
Dindigul-Pollachi . . . . .	..	..	..	7,14	..
Madura Bodinaikanur . . . . .	..	..	..	1,10	..

[Figures in thousands of rupees.]

Railways.	Open Lines.			Construction of	
	Rolling stock.	Other items.	Total.	Lines in progress.	New lines.
<b>State Railways worked by Companies or Indian States—<i>concd.</i></b>					
Cuddalore-Vridhachalam . . . . .	..	..	..	1,00	..
Mayavaram Tranquebar . . . . .	..	..	..	2,23	..
Trichinopoly Manamadura . . . . .	..	..	..	50,00	..
Salem Metur Dam . . . . .	..	..	..	..	7,9
Pollachi-Palghat . . . . .	..	..	..	..	15,03
Salem Attur Vridhachalam . . . . .	..	..	..	..	20,00
Bodinaikanur-Cuddalore . . . . .	..	..	..	..	3,00
Satyamangalam-Palni . . . . .	..	..	..	..	2,00
Karaikudi Devacottah . . . . .	..	..	..	..	4,00
Thattakad Valparai . . . . .	..	..	..	..	1,00
Manamadura-Virudhunagar or Maniyachi . . . . .	..	..	..	..	1,00
Tellicherry-Paravur-Makut . . . . .	..	..	..	..	1,00
<b>Total State Railways Worked by Companies or Indian States . . . . .</b>	<b>2,05,54</b>	<b>5,08,01</b>	<b>7,13,55</b>	<b>3,11,98</b>	<b>2,14,33</b>
<b>Grand Total . . . . .</b>	<b>5,32,05</b>	<b>12,27,74</b>	<b>17,59,79</b>	<b>7,42,91</b>	<b>3,71,98</b>
				11,14,89	
				28,74,68	
<i>Add</i> —purchase price of Burma Railways . . . . .				4,00,00	
<i>Deduct</i> —Probable Savings . . . . .				4,74,68	
<b>Net . . . . .</b>				<b>28,00,00</b>	

*Open Line Works.*

4. The distribution of the allotment of 17.60 crores over the Open Line Capital programme is as follows:—

1. Open Line facilities . . . . .	Crores of Rs. 13.28
2. Rolling Stock . . . . .	5.32
3. Reduction in stores balances and fluctuations in suspense . . . . .	—1.00
	17.60



5. *Open Line facilities.*—The following shows the distribution of the proposed gross allotment of 13·28 crores among the various classes of open line works :—

	Crores of Rs.
(a) Doubling and Quadrupling . . . . .	·51
(b) Improvement of Rails and Sleepers . . . . .	2·17
(c) Strengthening of Bridges . . . . .	·91
(d) Remodelling of station yards . . . . .	1·75
(e) Staff Quarters . . . . .	·53
(f) Workshops, Stores and station buildings . . . . .	1·37
(g) Plant and Machinery . . . . .	·40
(h) Electrification of Lines and Stations. . . . .	2·19
(i) Sidings, Diversions, Links, Collieries, etc. . . . .	1·08
(j) Miscellaneous works . . . . .	2·37
	13·28

(a) *Doubling and Quadrupling.*—The most important of the projects for increasing the capacity of congested sections, for which provision has been made in the next year's budget, is the comprehensive scheme of doubling and quadrupling undertaken for the improvement of traffic facilities in the Madras suburban area. Work on this scheme is in progress and a sum of 27½ lakhs has been provided to meet the expenditure on it during 1928-29.

Among the other important schemes provided for, mention may be made of the doubling of the Goilkera Manharpur section of the Bengal Nagpur Railway which has been undertaken to improve the capacity of the line for carrying coal and other traffic, and of the Ishurdi Abdulpur section of the Eastern Bengal Railway which, it is expected, will be found necessary with the development of traffic consequent on the opening of the Abdulpur Nawabgunj chord line now under construction. The provision made for these two works is 6 and 1½ lakhs respectively.

(b) *Improvement of Rails and Sleepers, and (c) Strengthening of Bridges.*—With the object of enabling the railways, more particularly the main lines, to carry the increasing traffic with efficiency and economy by utilising modern type locomotives with their heavy train loads, the programmes of strengthening and improvement of trackwork and bridges have been co-ordinated so as to steadily eliminate the remaining sections of light track and weak girders on the main lines.

The major schemes on which expenditure is expected next year are on the Great Indian Peninsula, East Indian, North-Western, Bengal Nagpur, and Jodhpur Railways. Among the more important projects for the improvement of track should be mentioned the relaying on the Jubbulpore Allahabad, Khandwa-Itarsi and Poona-Sholapur sections of the Great Indian Peninsula Railway and on the Howrah Khargpur and Barang Waltair sections of the Bengal Nagpur Railway for which an aggregate provision of 15·46 and 9·86 lakhs respectively has been made. The more important schemes for the im-

provement of bridges and the provision made for each in the next year's budget are noted below :—

	Lakhs.
Regirdering of the down track of the Lower Sone Bridge (East Indian Railway) . . . . .	10.26
Regirdering of the up track of the Allahabad Jumna Bridge (East Indian Railway) . . . . .	9.76
Strengthening of the down track of the Upper Sone Bridge (East Indian Railway) . . . . .	6.97
Reconstruction of the Sher Bridge (Great Indian Peninsula Railway) . . . . .	6.06
Reconstruction of the Sukkur Bridge (Great Indian Peninsula Railway) . . . . .	4.20
Strengthening of the Attock Bridge (North-Western Railway) . . . . .	5.39

(d) *Remodelling of Station Yards.*—As explained in the last year's Explanatory Memorandum of the Budget, the question of remodelling yards with a view to providing improved marshalling facilities at stations where the present lay outs are inadequate or unsuited to modern conditions is one of great importance in the programme of railway betterment. It is a matter that is receiving the attention of all Railway Administrations particularly in connection with the new branches and extensions now under construction.

The more important of the schemes for remodelling or constructing station yards and the amounts proposed to be spent thereon during the next year are detailed below :—

	Lakhs.
Keighly Street (Burma Railways) . . . . .	4.36
Cawnpore (East Indian Railway) . . . . .	23.00
Moradabad (East Indian Railway) . . . . .	5.69
Belur (East Indian Railway) . . . . .	5.50
Victoria Terminus (Great Indian Peninsula Railway) . . . . .	11.92
Bhore Ghat (Great Indian Peninsula Railway) . . . . .	8.66
Miraj (Madras and Southern Mahratta Railway) . . . . .	5.00
Central Station (Madras and Southern Mahratta Railway) . . . . .	5.00
Rawalpindi (North-Western Railway) . . . . .	11.53
Khan Alampura (North-Western Railway) . . . . .	3.00
Trichinopoly (South Indian Railway) . . . . .	7.00
Erode (South Indian Railway) . . . . .	4.00

The most important new project for station yard remodelling is that relating to the junction station at Erode. The remodelling of this station has been found necessary in consequence of the conversion of the Erode Trichinopoly line from metre to broad gauge ; and as the expansion of the station on the existing site is not practicable it is proposed to build a new station at a little distance from the present station. The scheme provides for the construction of a yard specially designed to admit of the quick handling of trains and goods stock and the erection of a locomotive Depot at Erode on the site of the existing station. It also contemplates the revision of the engine runs in the neighbourhood of Erode entailing the abandonment of Salem and Podanur as locomotive stations except for shunting and banking engines. The cost of the entire scheme is estimated at about Rs. 60 lakhs, of which approximately 51 lakhs is chargeable to capital. It is expected that as a result of the proposed remodelling of the station it will be possible to set free 7 goods and 2 passenger engines, and taking into account the further savings anticipated on account of the reduction in shunting engine hours and wages to engine crews it is considered that the total economies likely to be secured will represent a return of over 8 per cent. on the capital outlay involved.

(e) *Staff quarters.*—With a view to introducing a system under which it will be possible to provide suitable dwellings in healthy surroundings for as large a proportion of railway staff as practicable and at the same time to ensure a reasonable return being obtained on the capital invested, certain revised principles regulating the provision of quarters for railway staff and the assessment of rents for these quarters were formulated with the approval of the Standing Finance Committee for Railways. These revised principles, full details of which are contained in the memorandum at pages 59-62 of Volume III No. 1 of the proceedings of the Standing Finance Committee, were intended for adoption as a general policy to be aimed at by all Railways and as a definite policy for State-managed Railways. The introduction of the comprehensive revision of the whole policy affecting the provision of staff quarters contemplated in the revised principles has been attended with a considerable amount of practical difficulty, and in order to find a suitable solution the whole question was recently discussed with the Agents of the State-managed Railways. Necessary measures are now being taken, in accordance with the conclusions arrived at as a result of this discussion, to ensure the introduction of the new rules at an early date.

The following are the details of the provision made in the Budget for 1928-29 for the construction of staff quarters on individual railways.

(Figures in thousands of rupees).

Railways.	Officers' quarters.		Other quarters.	
	Provision to complete bungalows under construction.	Provision for new bungalows.	Provision to complete quarters under construction.	Provision for new quarters.
Assam Bengal . . . . .	..	..	3,08	..
Bengal and North Western . . . . .	..	..	50	..
Bombay, Baroda and Central India . . . . .	..	..	4,00	2,50
Burma . . . . .	1,29	..	4,33	69
East Indian Railway . . . . .	..	..	14,86	1,80
Great Indian Peninsula . . . . .	..	..	9,80	3,00
Eastern Bengal . . . . .	..	..	10	..
Madras and Southern Mahratta . . . . .	..	..	3,82	..
North-Western . . . . .	..	..	1,50	1,00
South Indian . . . . .	51	..	45	..
	1,80	..	42,44	8,99

(f) *Workshops and Stores and Station Buildings, and (g) Plant and Machinery.*—The imperative necessity for heavy expenditure, at any rate for some time to come, on the remodelling and improvement of State Railway Workshops in general has been established as a result of the investigations recently carried out by the State Railway Workshops Committee and the recommendations of the Committee regarding the lines on which the re-organisation and improvement of the workshops should proceed, as far as these have been accepted by the Railway Board, are now being given effect to by Railway Administrations.

The statement below gives particulars of the more important schemes of workshop construction and remodelling for which provision has been made in the budget for the ensuing year :—

(Figures in thousands of rupees).

	Estimated capital expenditure.	Amount likely to be spent to the end of 1927-28.	Provision for 1928-29.
Dohad—New locomotive shops (Bombay, Baroda and Central India Railway)	1,71,84	92,63	49,00
Kanchrapara—Remodelling of locomotive shops (Eastern Bengal Railway)	36,00	26,30	5,37
Charbagh—Extension to locomotive shops (East Indian Railway)	40,97	37,75	3,22
Perambur—Remodelling of shops (Madras and Southern Mahratta Railway)	2,12,35	89,34	25,00
Trichinopoly—New workshops (South Indian Railway)	3,16,51	2,93,21	20,00
Jamalpur—Remodelling of Workshops (East Indian Railway)	1,02,73	23	12,97

The remodelling of the East Indian Railway workshops at Jamalpur is the only important new scheme provided for, all the other schemes having already been taken in hand. The Workshops were originally constructed in 1862 and have been added to and altered from time to time. The lay out of the shops as they now stand has several drawbacks and is defective in many respects. The majority of the existing shop buildings are unsuitable for present requirements as they are cramped and dark and have for the most part to be artificially lighted on dull days, and generally these old brick-built structures are in such a condition that to repair them satisfactorily would cost a considerable amount and even then they would still prove to be a great handicap to efficient working. The question of remodelling these workshops was examined by the State Railway Workshops Committee and it is essentially on the basis of the recommendations of this Committee that the present scheme of remodelling the workshops has been drawn up.

Abstract estimates have been prepared by the East Indian Railway Administration separately for the Engineering, Electrical and Mechanical portions of the remodelling of the Workshops including Stores which show that the cost of the entire scheme is likely to amount to Rs. 102.73 lakhs. These estimates are being examined to see whether the various items of work included therein are necessary and justified from the financial point of view.

(h) *Electrification of Lines and Stations.*—The importance of the adoption of electric traction on the railway lines in the neighbourhood of busy towns and important trade centres, such as Bombay, Madras and Calcutta, was explained in the Explanatory Memoranda of the last two years' budget.

The only scheme which it has so far been possible to take in hand is that in the Bombay area, and it comprises the electrification of the suburban lines up to Kalyan and the main lines to Igatpuri and Poona on the Great Indian Peninsula Railway and of the suburban lines between Church Gate and Borivli and the main line between Grant Road and Bandra on the Bombay, Baroda and Central India Railway. Electrified services have already been established on the Harbour Branch, the Mahim Chord and the local lines between Victoria Terminus and Kurla and Thana on the Great Indian Peninsula Railway, and also quite recently on the Colaba Borivli section of the Bombay,

Baroda and Central India Railway. The work on the remaining sections is being vigorously pushed forward by the Railway Administrations concerned with a view to introducing electrified services on the whole of these sections at the earliest possible date.

Of the other schemes in contemplation, the possibilities of the electrification of the Calcutta suburban lines and also of an extension of the Bombay, Baroda and Central India Railway electrification from Borivli to Virar are still under examination. The investigations in the Madras area have been completed and it is now proposed to introduce electric traction on the Madras suburban section of the South Indian Railway.

The estimated capital cost of the various schemes of electrification of lines and the amounts provided therefor in the next year's budget are detailed below :—

(Figures in thousands of rupees).

	Estimated capital cost.	Approximate expenditure to end of 1927-28.	Provision for 1928-29.
<b>Bombay, Baroda and Central India Railway—</b>			
(i) Bombay local section—Electrification between Church Gate and Borivli Engineering portion . . . . .	1,25,66	1,02,39	4,11
(ii) Bombay local section—Extension of Electrification to Virar . . . . .	34,27	..	4,32
<b>Great Indian Peninsula Railway—</b>			
(i) Electric locomotives for main line . . . . .	1,68,96	20,90	30,00
(ii) Track equipment for main line . . . . .	2,02,84	28,61	35,00
(iii) Power sub-station for main line . . . . .	88,17	20,15	18,00
(iv) Power transmission system for main line . . . . .	79,03	21,78	20,00
(v) Steel Buildings, Cranes, etc., . . . . .	30,20	8,50	16,16
(vi) Miscellaneous expenditure on electrified services . . . . .	3,11,52	2,30,83	67,76
<b>South Indian Railway—</b>			
Electrification of Madras Suburban Section . . . . .	37,43	..	2,00

(i) and (j) *Sidings, Diversions and other Miscellaneous Works.*—The provision under these heads includes the expenditure proposed on miscellaneous works such as watering arrangements, development of collieries, train control installations, lengthening and isolation of loops, conversions, overbridges, jetties, etc. The following are among the more important works provided for :—

	Amount of provision made (in lakhs.)
Long distance terminal at Bellasis road, (Bombay, Baroda and Central India Railway)	17.91
Extension of guide bunds of Junna River and straightening of east channel in Delhi Division (North Western Railway)	6.00
Water supply scheme at Jhansi (Great Indian Peninsula Railway)	5.00
Overbridge at Elephant Gate, Madras (Madras and Southern Mahratta Railway)	5.42
Talchir Colliery (Madras and Southern Mahratta Railway)	5.24
Construction of a fifth jetty at Chittagong (Assam Bengal Railway)	5.00
Conversion of Erode Branch (South Indian Railway)	2.55

An item of particular importance for which provision has been included under these heads is the expenditure on schemes for the improvement of training facilities for railway staff. The following are the details of the provision made for the more important institutions :—

	Lakhs
Staff College at Dehra Dun (East Indian Railway) . . . . .	10·70
Training School at Gomoh (East Indian Railway) . . . . .	6·41
Training School at Lyallpur (North Western Railway) . . . . .	4·42

6. *Amenities for third class passengers.*—The forward policy which has in recent years been adopted in the matter of the provision of amenities for lower class passengers with a view to improving the conditions of their travel is being steadily continued by Railway Administrations in close consultation with the Local Railway Advisory Councils.

As explained in the last year's Explanatory Memorandum of the Budget, in as much as the lower class passengers share the facilities provided when schemes of general improvement such as remodelling of station yards, electrification of station yards, electrification of stations, and improvement of train services, are undertaken, an appreciable proportion of the amounts provided for expenditure on such schemes falls under this head. Quite apart from, and in addition to this, provision has been made in the next year's budget to the extent of 220·04 lakhs for amenities which are specially intended for improving the conditions of travel of lower class passengers. The following are the details of this provision :—

	Lakhs.
1. Arrangements for water supply to passengers . . . . .	5·30
2. Waiting sheds, waiting rooms and waiting halls . . . . .	16·04
3. Indian refreshment rooms . . . . .	4·50
4. Booking facilities . . . . .	2·21
5. Latrines and sanitary arrangements . . . . .	4·84
6. Raised platforms . . . . .	6·02
7. Additions and betterments to lower class carriages . . . . .	181·13
Total . . . . .	220·04

7. *Rolling Stock.*—The approved programmes of Railway Administrations contemplate the following expenditure on account of rolling stock during 1928-29.

	Lakhs.
(a) <i>Capital Expenditure</i> —	
(i) for additional stock . . . . .	209·50
(ii) for improvement to existing stock . . . . .	268·96
Total Capital . . . . .	478·46
(b) Expenditure chargeable to the Depreciation Fund for renewals of worn-out stock, etc. . . . .	331·90
Total Expenditure . . . . .	810·36

In addition to the above expenditure provision has been made in the programme for the following expenditure to complete works sanctioned in previous years' programmes :—

	Lakhs.
Capital . . . . .	53·59
Depreciation Fund . . . . .	29·67
This brings the total provision for rolling stock in 1928-29 to—	
Capital . . . . .	532·05
Depreciation Fund . . . . .	361·57
Grand total . . . . .	893·62

## BUDGET FOR 1928-29.

Specific allotments set apart for

	Broad Gauge.			Metre	
	Additions.	Renewals.		Additions.	
	Capital.	Capital.	Depreciation Fund.	Capital.	
<b>I.—Locomotives—</b>					
(a) Engines and Tenders . . . . .	8,16	98,16	66,70	1,06,32	37,81
(b) Boilers . . . . .	..	21	6,83	21	91
(c) Electric Headlights for locos . . . . .	..	4,58	35	4,58	..
(d) Superheating of locos. . . . .	..	24,89	66,36	24,89	..
(e) Miscellaneous Expenditure . . . . .	..	10	26,03	10	..
<b>II.—Coaching Stock—</b>					
(a) I and II Class . . . . .	13,36	18,04	18,16	31,40	3,03
(b) Inter and III Class . . . . .	27,64	17,63	16,70	45,27	27,77
(c) Other composite coaches . . . . .	41,53	49,00	33,56	90,53	15,61
(d) Conversions from gas to electricity . . . . .	..	7,00	..	7,00	..
(e) Miscellaneous Expenditure . . . . .	..	-13,64	14,30	-13,64	..
<b>III.—Goods Stock—</b>					
(a) General Service . . . . .	..	2,62	3,04	2,62	15,52
(b) Other types . . . . .	5,90	15,61	12,82	21,51	11,99
(c) Miscellaneous Expenditure . . . . .	..	-2,84	2,84	-2,84	..
<b>Total . . . . .</b>	<b>96,59</b>	<b>2,21,36</b>	<b>2,67,69</b>	<b>3,17,95</b>	<b>1,12,64</b>

BUDGET FOR 1928-29.

85

various items are shown below :—

(Figures in thousands of rupees).

Gauge.			Narrow Gauge.						
Renewals.		Total.	Additions.	Renewals.		Total.	Grand Total.	Grand Total.	
Capital.	Depre- ciation Fund.	Capital.	Capital.	Capital.	Depre- ciation Fund.	Capital.	Capital.	Depre- ciation Fund.	
23,75	22,07	61,56	..	..	..	..	1,67,88	88,77	
1,88	6,69	2,79	..	..	..	..	3,00	13,52	
...	..	..	..	..	..	..	4,58	35	
2,68	2,66	2,68	..	..	..	..	27,57	69,02	
...	75	..	..	..	..	..	10	26,78	
3,06	3,60	6,09	..	..	..	..	37,49	21,76	
5,56	9,90	33,33	..	..	..	..	78,60	26,60	
4,59	3,68	20,20	27	..	..	27	1,11,00	37,24	
10	..	10	..	70	16	70	7,80	16	
20	..	20	..	..	..	..	-13,44	14,30	
4,25	11,07	19,77	..	..	..	..	22,39	14,11	
83	3,63	12,82	..	..	..	..	34,33	16,45	
...	..	..	..	..	..	..	-2,84	2,84	
46,90	64,05	1,59,54	27	70	16	97	4,78,46	3,31,90	



## BUDGET FOR 1928-29.

The programme authorised by the Railway Board at the time of the preparation of the budget for 1928-29 provides for the construction of new units of stock shown in the table below, all of which, however, will not necessarily be completed and available for use before the 31st March 1929.

	Broad Gauge.			Metre Gauge		
	Additions No.	Renewals No.	Total No.	Additions No.	Renewals No.	Total No.
1. Locomotive engines	8	149	157	40	73	113
2. Coaching vehicles (in terms of four wheelers).—						
(a) I and II class	66	100	166	45	51	96
(b) Inter and III class	138	194	332	300	177	477
3. Goods wagons (in terms of four wheelers)	..	232	232	860	646	1,506

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

The following statement shows for the broad, and metre gauge lines, the details of the new units of coaching and goods stock in terms of four-wheeler units included in the programme for 1928-29 which will be constructed as *additions* to the authorised stock of the railways :—

Railways.	I and II Class coaching vehicles.		Inter and III Class coaching vehicles.		Goods wagons. General Services
	Broad Gauge.	Metre Gauge.	Broad Gauge.	Metre Gauge.	Metre Gauge.
East Indian	13	..	21	..	..
Eastern Bengal	46	12	10	32	..
Great Indian Peninsula	..	..	40	..	..
Burma	..	28	..	116	300
Bombay, Baroda and Central India	4	5	..	72	..
South Indian	..	..	46	..	460
Madras and Southern Mahratta	3	..	21	..	..
Assam Bengal	..	..	..	80	100
Total	66	45	133	300	860

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

*New Lines.*

8. A complete list of new lines, whether under construction or likely to be commenced during the year 1928-29, for which the allotment of 11·15 crores proposed for new construction is intended, is given in the demands for grants for new construction and strategic lines. The total mileage of these new lines excluding that of the lines to be opened this year aggregates 4,670 miles. The additions to the several main systems are indicated in the tabulated statement below :—

Railway System.	Lines in Progress.	Lines the construction of which has been sanctioned but not yet commenced.	Unsanctioned lines.	Total.
Assam Bengal . . . . .	133	30	71	234
Bengal Nagpur . . . . .	381	..	41	422
Bengal and North Western . . . . .	..	..	55	55
Bombay, Barods and Central India . . . . .	73	..	188	261
Burma . . . . .	432	..	..	432
Eastern Bengal . . . . .	185	..	153	338
East Indian . . . . .	405	..	..	405
Great Indian Peninsula . . . . .	88	98	424	610
Jodhpur . . . . .	..	..	73	73
Madras and Southern Mahratta . . . . .	195	..	295	490
North Western . . . . .	201	140	258	599
Rohilkhand and Kumaon . . . . .	..	..	70	70
South Indian . . . . .	304	..	298	592
Strategic . . . . .	89	..	..	89
<b>Total</b> . . . . .	<b>2,486</b>	<b>268</b>	<b>1,916</b>	<b>4,670</b>

9. It is expected that about 636 miles of railway will be opened in the current financial year and 885 miles in 1928-29. The details are as follows :—

*Lines opened and to be opened in 1927-28.*

<i>Name of Project.</i>	<i>Number of miles.</i>
<i>Assam Bengal Railway—</i>	
Simaluguri (Sibsagar Road) Khowang . . . . .	39
<i>Burma Railways—</i>	
Heho Tayaw . . . . .	11
Taungdwingyi Kyaukpadaung Railway (Taungdwingyi Natmauk Section) . . . . .	25
Myingyan Natogyi Paleik Railway (Myingyan Natogyi Section)	19
<i>Eastern Bengal Railway—</i>	
Dinajpur Ruhea . . . . .	48
<i>East Indian Railway—</i>	
Rikhikesh Road Rikhikesh . . . . .	7
<i>Madras and Southern Mahratta Railway—</i>	
Hotgi Sholapur . . . . .	10
Kannivihalli Swamihalli Extension . . . . .	11
<i>Nizam's Guaranteed State Railway—</i>	
Dronachalam (Dhone) Kurnool Extension . . . . .	5
<i>North-Western Railway—</i>	
Hindubagh Quilla Saifulla . . . . .	39
Lyallpur Jaranwala . . . . .	22
Rohtak Panipat . . . . .	44
Jassar Shakargarh . . . . .	26
Amritsar Narowal . . . . .	40
Chak Jhumra Chiniot . . . . .	17
<i>South Indian Railway—</i>	
Virudhunagar Tenkasi. . . . .	76
Shoranur Nilambur Railway (Angadipuram Nilambur Section)	24
Villupuram Trichinopoly Railway (Golden Rock Bikshander Kovil Section) . . . . .	8
Dindigul Pollachi . . . . .	75
Madura Bodinaikanur . . . . .	55
Cuddalore Vriddhachalam . . . . .	35
<b>Total . . . . .</b>	<b>636</b>

*Lines to be opened in 1928-29.*

<i>Name of Project.</i>	<i>Number of miles.</i>
<i>Assam Bengal Railway—</i>	
Furkating Badulipara Jorhat . . . . .	42
Karimganj Longai . . . . .	48
<i>Bengal Nagpur Railway—</i>	
Kedla Colliery Branch . . . . .	5
<i>Bombay, Baroda and Central India Railway—</i>	
Jambusar Kavi . . . . .	18
Samni Dehej . . . . .	25
<i>Burma Railways—</i>	
Kayan Thongwa . . . . .	11

*Lines to be opened in 1928-29—contd.*

	<i>Number of miles.</i>
<i>Eastern Bengal Railway—</i>	
Baruipur Lakshmikantapur . . . . .	24
Purnea Murliganj . . . . .	53
Abdulpur Nawabganj . . . . .	55
<i>East Indian Railway—</i>	
Daltonganj Barkakhana . . . . .	114
Anuppur Karimati . . . . .	40
<i>Great Indian Peninsula Railway—</i>	
Agra Bah . . . . .	43
<i>Madras and Southern Mahratta Railway—</i>	
Nidadavolu Narasapur . . . . .	47
Cocanada Kotipalli . . . . .	27
Gudivada Bhimavaram . . . . .	44
<i>North Western Railway—</i>	
Quilla Saifulla Fort Sandeman . . . . .	89
Kangra Valley . . . . .	103
<i>South Indian Railway—</i>	
Villupuram Trichinopoly. . . . .	100
<b>Total</b>	<b>885</b>

10. Since the last budget was presented to the Assembly proposals for the construction of the railways detailed in the following statement were placed before, and accepted by, the Standing Finance Committee for Railways. Full details of these projects are contained in the proceedings of the Standing Finance Committee quoted against each.

Name of Project.	Capital cost (including interest during construction).	Return expected.	Reference to proceed- ings of the Standing Finance Committee for Railways.
	Lakhs of Rs.	Per cent.	
(i) Bridge over the Indus at Kalabagh (North Western Railway).	45·81	4·98	Item No. 1 in Vol. IV, No. 3.
(ii) Khushab Chak Jumra Railway.	1,27·05	6	Item No. 2 in Vol. IV, No. 3.
(iii) Darwaha Pusad Railway	30·24	6·81	Item No. 17 in Vol. IV, No. 4.
(iv) Rohtak Bhiwani Rail- way.	18·90	5	Item No. 18 in Vol. IV, No. 4.
(v) Bridge over the Irrawaddy at Sagaing (Burma Railways).	1,38·85	The project cannot be classed as remunerative and has been undertaken on the guarantee of the local Government.	Item No. 20 in Vol. IV, No. 4.

Name of Project.	Capital cost (including interest during construction).	Return expected.	Reference to proceed- ings of the Standing Finance Committee for Railways.
	Lakhs of Rs.	Per cent.	
(vi) Boriavi Vadtal Railway	2.52	5	Item No. 2 in Vol. IV, No. 5.
(vii) Lucknow Sultanpur Jaunpur Railway.	1,27.83	5.8	Item No. 3 in Vol. IV, No. 5.
(viii) (a) Purnea Murliganj Railway.	17.80	6.6	} Item No. 4 in Vol. IV, No. 5.
(b) Dhima Behariganj Branch.	8.54	6.5	
(ix) Trichinopoly Karaikudi Manamadura Railway.	1,36.00	5.37	Item No. 5 in Vol. IV, No. 5.
(x) Habiganj Shaistaganj Railway.	7.92	6.8	Item No. 6 in Vol. IV, No. 5.
(xi) Unao Madhoganj Rail- way.	38.00	6.3	Item No. 7 in Vol. IV, No. 5.
(xii) Chandpur Bijnor Maa- zampur Narain Railway.	25.42	6.1	Item No. 8 in Vol. IV, No. 5.
(xiii) Quilla Saifulla Fort Sandeman Railway.	46.23 (excluding interest).	It is a strategic line and will be worked at a loss which will be gradually reduced by the develop- ment of public tra- ffic.	Item No. 3 in Vol IV, No. 6.
(xiv) Abdulpur Nawabganj Railway.	66.70	6.2	Item No. 12 in Vol. IV, No. 6.
(xv) Salem Metur Dam Rail- way.	18.99	The project is not ex- pected to be remun- erative and has been undertaken on the guarantee of the Madras Govern- ment.	Item No. 1 in Vol. IV, No. 7.
(xvi) Salem Attur Vriddha- chalam Railway.	89.00	5.8	Item No. 2 in Vol. IV, No. 7.
(xvii) Batala Butari Railway	35.80	5.16	Item No. 3, Vol IV, No. 7.
(xviii) Kalukhali Bhateapara Railway.	43.46	5	Item No. 4, Vol. IV, No. 7.
(xix) Feni Belonia Railway.	14.72	5.8	Item No. 5, Vol. IV, No. 7.
(xx) Minbu and Pakokku Districts Railway.	5,04.30	5.32	Item No. 6, Vol. IV, No. 7.
(xxi) Khamgaon Chikli Rail- way.	38.84	6	Item No. 13, Vol. IV, No. 8.
(xxii) Senchoa Mairabari Railway.	22.76	13	Item No. 14, Vol. IV, No. 8.
(xxiii) Kartal Attara Kama- sin Railway.	42.59	6.66	Item No. 15, Vol. IV, No. 8.
(xxiv) Lyallpur Chananwala Railway.	1,22.00	5.8	Item No. 16, Vol. IV, No. 8.

11. The more important new lines included in the budget but not yet sanctioned are described below. Details of the less important projects are given in the budget books of individual railways.

#### BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

*Kapadvanj Modassa Meghraj Railway (2' 6" gauge, 54 miles).*—This line will form an extension of the 2' 6" gauge Nadiad Kapadvanj branch, and was suggested by the Government of Bombay in 1911 while the branch was under construction. Alternative alignments from Kapadvanj to Modassa and Kapadvanj via Malpur to Meghraj were surveyed by Messrs. Killick, Nixon and Co., the promoters of the branch line, in 1913. Proposals to construct the line as far as Modassa were under consideration in 1915, but the Idar Durbar through whose territory the line was to pass desired that the line if constructed should terminate at Meghraj and in order to meet their wishes it was decided to carry the line as far as Meghraj. The project, however, was held up at this stage owing to the financial conditions brought about by the war.

The extension will develop a thickly populated tract of country and provide direct railway communication to the important towns of Baad, Modassa and Meghraj. On the recommendation of the Local Government the engineering and traffic estimates have been brought up to date by the Bombay, Baroda and Central India Railway Administration, and are at present under examination. It is expected that the construction of the extension will prove a remunerative proposition.

*Deesa via Deodhar to Tharad Railway (metre gauge, 61 miles).*—This line will form an extension of the Palanpur Deesa Railway, a branch of the Bombay, Baroda and Central India Railway metre gauge system, and will serve the western portion of the Palanpur Agency. The line was surveyed in 1900 and was demarcated as a famine relief work in 1911-12. The revision of the estimates in the light of present-day conditions is in hand, and the information already available indicates that the line is likely to prove financially justifiable.

#### EASTERN BENGAL RAILWAY.

*Sainthia Berhampur Halsa Railway (5' 6" gauge, 100 miles).*—This line will form a useful cross connection between the East Indian and Eastern Bengal Railways and while acting as a relief to the existing routes for the carriage of coal from the Bengal coalfields to these two Railways will also reduce the lead on this traffic.

The proposal for this connection has been under consideration since 1907 and several alternative alignments have been investigated. The estimates for the alignment now selected are under preparation and although considerable waterway is necessary it is estimated that the line will prove remunerative.

*Dacca Aricha Railway (5' 6" gauge, 53 miles).*—The construction of this line has for several years been pressed for by the local public as being very necessary in order to improve communications between the city of Dacca and Manickganj sub-division on the one hand and between Dacca and Calcutta on the other. Recently, additional reasons have been advanced for the construction of the line as forming a link with the proposed Sainthia Berhampore Halsa connection which will reduce considerably the lead on all coal from the Bengal coalfields to Eastern Bengal and Assam.

The first survey of the line was carried out in 1877-79, and the line was re-surveyed in 1900 and again in 1915. Various alternative projects have been

considered from time to time for railway extension in this area, and a special Committee was appointed by the Government of Bengal in 1921 to investigate the question of the most suitable means of opening out by railway extension the whole of the area between the Padma and the Dhaleswari rivers. This committee advocated the construction of the Dacca Aricha Railway on an alignment following the District Board road between the two places. It was held at the time, however, that the construction of the line though feasible was likely to prove unremunerative and as such would require a guarantee from the local Government or District Board.

At the instance of the local Government a fresh survey has been undertaken for a light railway between Dacca and Aricha, and in this connection the reconnaissance of an alternative connection between Tangi and Aricha has also been recently sanctioned. The reports and estimates of the Dacca Aricha Railway have been prepared and are under examination.

#### GREAT INDIAN PENINSULA RAILWAY.

*Diva Dasgaon Railway (5' 6" gauge, 93 miles).*—This line will open out and develop the portion of the Konkan lying in the Thana and Colaba districts to the south of the existing railway between Bombay and Kalyan. Schemes for railway extension in this area have been under consideration since the year 1894 when a proposal was first put forward by the Madras and Southern Mahratta Railway Company for a line from Karad to the southern side of Bombay Harbour near Hog Island. In 1919 a survey was undertaken by the Madras and Southern Mahratta Railway Administration for a line of railway from Karad *via* Chiplun to Ulva. The results of this survey and subsequent investigations showed that the through line could not be justified and that the most promising line for the immediate development of the district below the ghats would be a branch of the Great Indian Peninsula Railway from Mumbra to Mahad. A detailed survey of this line was therefore sanctioned in 1926, and as a result of this survey the alignment proposed is from Diva to Dasgaon, Diva being selected as the most suitable point for the junction.

The estimates of the cost and traffic earnings of the project have been prepared and are at present under examination. The project is expected to be remunerative.

*Nasik Belapur Sheogaon Railway (5' 6" gauge, 135 miles).*—This project is one that has been strongly advocated by the Government of Bombay from time to time, and now stands first in importance in their list of railway schemes recommended for construction. It will serve a rich and well irrigated country the agricultural resources of which are undergoing rapid development as a result of the important irrigation schemes now in hand in this area.

The project comprises two lines, *viz.*,

- (i) a line from Nasik to Belapur with a branch from Wavi to Sangamner, 89 miles ; and
- (ii) a line from Belapur to Sheogaon, 45 miles.

The whole line from Nasik to Sheogaon was reconnoitred in 1916 alternatively on the broad, metre and narrow gauges, and the Nasik Belapur section with the proposed branch from Wavi to Sangamner was also surveyed in detail in 1921-22 as a broad gauge line. The estimates of cost and traffic earnings prepared as a result of these surveys have been revised recently by the Great Indian Peninsula Railway Administration allowing for the construction of a

light broad gauge line. These revised estimates are at present under examination. There is every prospect of the line proving a remunerative proposition particularly in view of the agricultural development that is taking place in this area in consequence of the extension of irrigation.

*Hiwarkhed Akot Akola Basim Railway (5' 6" gauge, 91 miles).*—This line originally formed part of a project for a metre gauge railway from Khandwa via Akola to Hingoli which was proposed as a link between the existing isolated metre gauge systems of Northern and Southern India and has been under consideration for many years. It was surveyed in 1912 as a metre gauge railway, but as a result of subsequent investigations it was decided that the country through which this line was projected could best be developed by branches off the Great Indian Peninsula Railway from Akola. As there is a probability of the Godavari Valley Railway being converted to broad gauge in the near future, the scheme for a metre gauge link has been definitely abandoned and the Hiwarkhed Akot Akola Basim line has been projected as a broad gauge line.

The line will serve a well populated and fertile country and will pass through the Akot, Akola and Basim taluqs of the Akola district. On the basis of the results of surveys previously carried out in this area upto date abstract estimates of the cost and traffic earnings of the line have recently been prepared by the Great Indian Peninsula Railway Administration, and these estimates are at present under examination. The project has every prospect of proving a remunerative undertaking.

#### JODHPUR RAILWAY.

*Jhol Sanghar Hiral Railway (metre gauge, 73 miles).*—This is a line that will connect up Hiral on the British Section of the Jodhpur Bikaner Railway to one of the stations, Jhol, Sinjharo or Khadro on the Mirpur Khas Khadro Railway. It forms part of the proposal for a line from Jhudo to Khadro via Hiral, put forward by the Bombay Government as a result of a representative conference convened by the Commissioner in Sind in April 1926 to consider the question of railway communications for the development of the South Eastern portion of Sind. An engineering survey of the line by the Agency of the Jodhpur Railway Administration has recently been sanctioned.

#### MADRAS AND SOUTHERN MAHRATTA RAILWAY.

*Madras Renigunta (or Tirupati) Railway (metre gauge, 81 miles).*—This line will link up the metre gauge section of the Madras and Southern Mahratta Railway with Madras. A proposal for such a connection was made in 1913 and a survey was carried out in 1914-15.

The natural route for this connection would be one direct from Madras to Renigunta, but on account of the intervening hills on this alignment two other lines which would serve the same purpose are being considered: one from Madras to Tirupati which would serve a large pilgrim traffic, and the other from Madras to Kalahasti which, though serving a smaller pilgrim traffic, would offer possibilities for further extension northward. Both routes are likely to open up country suitable for residential suburbs of Madras.

A reinvestigation of the project has recently been undertaken by the Madras and Southern Mahratta Railway Administration and the prospects of



*Belgaum Hubli Railway via Saundatti and Dharwar (metre gauge, 81 miles).*—The Belgaum Hubli railway was surveyed in 1913 at the request of the Bombay Government, but as the results of this survey indicated that a return of only 3·5 per cent. could be expected the project was held in abeyance. A fresh investigation was sanctioned in 1925 and alternative routes are being investigated, one *via* Nargund and Navalgund and the other *via* Dharwar and Saundatti. The investigation has not yet been completed but from the information available the Saundatti Dharwar proposal appears the more-favourable, and is likely to prove financially justifiable. This line if built will afford considerable relief to the existing single line between Belgaum and Hubli, which is already being worked to its full capacity.

*Raibag Jamkhadi Bagalkot Railway (metre gauge, 77 miles).*—This line forms a portion of a projected railway from Nipani to Ilkal *via* Raibag, Bagalkot and Hungund, parts of which have been under consideration since 1897, and were last surveyed in 1922. It will form a cross connection between the Hotgi Gadag and Poona Miraj Belgaum sections of the Madras and Southern Mahratta Railway system and will traverse in parts the Kolhapur, Sangli and Jamkhadi States. The main objects of the connection are to serve the important town of Jamkhadi, to open out the country traversed which possesses good prospects for cotton cultivation, and to mitigate the effects of famine which occurs on occasions when the normal rainfall is deficient. The construction of the line has for some time been pressed for by the local inhabitants, the Durbars of the States traversed, and by the Bombay Government. The whole project has been reinvestigated by the Madras and Southern Mahratta Railway Administration and the revised estimates of the cost, etc., are at present under preparation.

#### NORTH WESTERN RAILWAY.

*Sind Left Bank Feeder Railways (5' 6" gauge, 162 miles).*—This proposal is for the construction of a system of broad gauge feeder lines to serve the vast fertile area in Sind situated on the left bank of the Indus which is to be irrigated by the Rohri canals under the New Sukkur Barrage Scheme.

The project comprises the following lines :—

- (i) A loop line from Mehrabpur to Pad Idan *via* Tharushah (43·07 miles).
- (ii) A loop line from Nawabshah to Tando Adam (54·13 miles).
- (iii) A chord line connecting Tharushah with Sakrand (64·9 miles).

The lines have been surveyed and estimates prepared. The financial prospects of the lines are not sufficiently attractive to enable construction to be undertaken without a guarantee. The Government of Bombay have expressed their willingness to guarantee the return on these lines and the exact terms of this guarantee are at present under negotiation.

*Gujranwala Sialkot and Gujranwala Chuharkhana Railway (5' 6" gauge, 65 miles).*—This line will form a useful cross connection bringing the important town of Gujranwala into closer rail communication with the important Mandi at Chuharkhana and the industrial centre of Sialkot. It will also serve an important and prosperous rural area and at the same time relieve the pressure on the heavily burdened main line between Gujranwala and Wazirabad. The survey and estimates have been completed and are under examination.

## SOUTH INDIAN RAILWAY.

*Pollachi Palghat Railway (metre gauge, 33 miles).*—This line, linking up Pollachi with the broad gauge section of the South Indian Railway at Palghat, will complete the Dindigul Palghat Railway project originally surveyed in 1915-16 and of which the portion from Dindigul to Pollachi is at present being constructed. In connection with the Pollachi Palghat Railway it is proposed to lay a third rail between Palghat and Olavakkot so as to allow the metre gauge trains to run into Olavakkot and thus avoid a double transhipment for passengers at Olavakkot and Palghat.

This extension will open out a thickly populated and fertile tract of country and will improve the existing facilities for the export of timber from the Nellyambadi and Annamalai Hills and the Cochin State, and of coffee and paddy from the interior. The traffic prospects of the line have recently been re-investigated by the South Indian Railway administration and the estimates have been revised in the light of the changed conditions. These revised estimates are at present under examination. The line is expected to prove a remunerative proposition.

*Satyamangalam Palni (metre gauge, 96 miles).*—Several proposals have been considered from time to time for railway extensions to serve the area south of the Mysore border, and the line from Satyamangalam to Palni via Tiruppur and Dharmapuram has been selected as the one which while being most suitable for this purpose will at the same time form eventually the most convenient means of linking up the metre gauge system of the South Indian Railway with the Mysore Railways.

The Mysore Government have intimated their willingness to further the scheme for this connection and the survey of the portion from Satyamangalam to the border is at present in hand. The estimates for the project are under preparation.

*Manamadura Virudhunagar or Maniyachi Railway (metre gauge, 65 miles).*—This line will, in conjunction with the Trichinopoly Manamadura line now under construction, form a direct through connection from Trichinopoly to Tuticorin. The alternative alignments are being investigated but from information available the Manamadura Maniyachi alignment appears the more favourable proposal as it will traverse a rich cotton area the development of which has been hampered on account of the lack of adequate communications.

## APPENDIX II.

Capital at charge on State Railways at end of 1925-26, capital expenditure during 1926-27 and estimated capital expenditure in 1927-28 and 1928-29.

(Figures in thousands of rupees.)

RAILWAYS.	To end of 1925-26.	Accounts, 1926-27.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.	To end of 1928-29.	REMARKS.
<b>Open Lines.</b>						
<b>State Railways worked by State—</b>						
Aden (Commercial) . . . . .	14,97	1	40	92	16,30	
Eastern Bengal. . . . .	42,41,17	57,88	1,20,00	1,20,00	45,39,05	
East Indian . . . . .	1,11,60,20	2,70,12	3,00,00	3,00,00	1,20,30,32	
Great Indian Peninsula . . . . .	89,59,72	2,85,39	3,90,00	3,75,00	1,00,10,11	
North Western . . . . .	80,13,98	7,80,49	4,10,00	2,08,14	94,02,56	
Strategic Lines . . . . .	28,24,18	33,37	66,50	32,23	29,56,28	
Stores transactions . . . . .	2,35,62	29,95	2,00	..	2,67,47	
Abandoned projects . . . . .	32,26		..	..	32,26	
<b>Total State Railways worked by State</b>	<b>3,54,81,95</b>	<b>14,57,21</b>	<b>12,78,90</b>	<b>14,36,29</b>	<b>3,92,54,35</b>	
<b>State Railways worked by Companies or Indian States,</b>						
Assam Bengal . . . . .	18,90,42	20,93	60,00	50,00	20,21,35	
Bengal Nagpur . . . . .	64,42,33	84,28	1,20,00	1,42,24	67,88,85	
Bengal and North-Western (Tirhut) . . . . .	8,88,61	1,25	10,00	5,36	9,05,22	
Bezwada Extension . . . . .	17,11	20	2	43	17,76	
Bombay, Baroda and Central India . . . . .	59,77,67	1,71,94	2,34,00	1,60,59	65,44,40	
Burma . . . . .	25,58,12	65,15	1,05,00	70,00	27,98,27	
Jodhpur Hyderabad . . . . .	58,09	5,59	7,98	10,60	62,26	
Madras and Southern Mahratta	44,69,41	1,02,88	1,83,00	1,35,00	48,90,29	
Bohilkund and Kumaon (Lucknow Bareilly) . . . . .	1,56,44	—76	—1,21	—77	1,53,70	
South Indian . . . . .	23,77,85	1,21,28	1,16,38	1,40,00	27,55,51	
<b>Total State Railways worked by Companies or Indian States,</b>	<b>2,48,36,15</b>	<b>5,72,74</b>	<b>8,35,17</b>	<b>7,13,55</b>	<b>2,69,57,91</b>	

BUDGET FOR 1928-29.

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APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	To end of 1925-26.	Accounts, 1926-27.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.	To end of 1928-29.	REMARKS.
Brought forward	2,46,36,15	5,72,74	8,35,17	7,13,55	2,69,57,61	
<b>Open Lines—<i>contd.</i></b>						
State Railway Collieries	60,43	16,87	6,43	9,95	1,02,17	
● Total Open Lines	6,06,87,52	20,46,83	21,30,50	17,59,79	6,63,14,13	
<b>Lines under construction.</b>						
<b>State Railways worked by State—</b>						
<b>Eastern Bengal—</b>						
Bardipar Lakshmikantapur	9	3,25	14,00	9,00	26,34	
Dinajpur Rubea	11	5,85	18,00	2,00	25,96	
Sainthia-Berhampur-Hales	...	...	...	4,00	4,00	
Dacea Aricha	...	...	...	4,00	4,00	
Kalukhali-Kamarkhali Bhatapara	...	...	1,00	11,00	12,00	
Krishnagar Navadwip	...	1	...	...	1	
Nawabganj Abdulpur	...	...	4,00	22,00	26,00	
Natore Hampur Boalia Nachoul	...	6	...	...	6	
Purnea Murli ganj including Behariganj Branch	...	...	8,00	13,00	16,00	
<b>East Indian—</b>						
Central Indian Coalfields	1,33,71	82,94	89,00	85,71	3,81,36	
Phaphund Aariya	...	...	2,00	...	2,00	
Rajghat Buland-shahar Branch	...	...	1,00	...	1,00	
Chandrapura Gomoh	...	...	55	...	55	
Calcutta Chord	56	28,89	39,00	70,21	1,38,66	
Rikhikesh Road Rikhikesh	8,36	6,37	2,70	...	17,38	
Kedia Colliery	...	...	3,75	...	8,75	
Lucknow Sultanpur Jaunpur Railway	...	...	7,00	25,58	32,58	
Unao-Madhoganj	...	...	1,00	10,00	11,00	
Chandpur-Bihar Mussampur Narain Branch	...	...	1,00	12,50	13,50	
<b>Great Indian Peonies—</b>						
Agra Bah	28	4,73	13,00	9,34	27,35	
Carried over	1,33,01	1,52,10	3,00,00	2,78,34	7,48,46	

## BUDGET FOR 1928-29.

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	To end of 1926-26.	Accounts, 1926-27.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.	To end of 1928-29.	REMARKS.
Brought forward	1,33,01	1,32,10	2,00,00	2,78,34	7,48,45	
<b>Lines under construction— <i>contd.</i></b>						
<b>State Railways worked by State <i>—contd.</i></b>						
Kurla Trombay Line	..	6,43	1,50	..	7,93	
Darwha-Pushad	..	..	1,00	10,80	11,80	
Kartal Kamsin	..	..	50	14,00	14,50	
Nasik Belapur Shegaon	..	..	50	14,00	14,50	
Divs-Dasgaon (late Mumbra Mahad) Railway	..	..	50	18,00	18,50	
Khamgaon-Chikli Railway	..	..	50	9,66	10,16	
Hiwar Khed-Akot-Akola Bassim (late Khandwa Hingoli) Rail- way	..	..	50	14,00	14,50	
Harpalpur-Bharwa Sumerpur Railway	..	..	..	5,54	5,54	
Orai Jalain-Madhogarh Jaga- manpur (late Kunch Mad- hogarh) Railway	..	..	..	4,86	4,86	
Jhol Sanghar Hiral Branch	..	..	..	5,00	5,00	
<b>North Western—</b>						
Amritsar Narowal	30	3,11	25,00	85	60,26	
Kangra Valley	5,34	56,75	90,00	57,00	2,09,09	
Shahdara Narowal	6,06	19,73	2,00	..	27,79	
Jassar-Shakargarh Chak Amru	..	4,22	11,50	33	16,05	
Rohtak Gohana Panipat	..	5,38	..	50	5,88	
Lyalpur Jaranwala	..	5,42	8,31	30	14,03	
Chak Jhumra Chiniot	..	43	18,50	..	18,93	
Rohtak Bhiwani	..	..	15,00	10,00	25,00	
Khushab Chiniot	..	..	24,09	42,50	66,59	
Lyalpur Chananwala	..	..	..	12,00	12,00	
Thanesar-Jagadhri	..	..	..	3,00	3,00	
Sind Left Bank Feeders	..	..	1,00	12,00	13,00	
Batala Butari	..	..	1,00	8,64	9,64	
Nasibagh Bridge	..	..	3,00	15,74	18,74	
Gujranwala-Sialkot Chuharkana	..	..	60	12,96	13,56	
Strategic Lines	2,70,71	17,27	29,50	43,77	3,61,25	
<b>Total State Railways worked by State</b>	<b>4,15,43</b>	<b>2,81,84</b>	<b>4,34,50</b>	<b>5,93,58</b>	<b>17,25,34</b>	

BUDGET FOR 1928-29.

APPENDIX II—contd.

(Figures in thousands of rupees.)

RAILWAYS.	To end of 1925-26.	Accounts, 1926-27.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.	To end of 1928-29.	REMARKS.
<b>Lines under construction—</b> <i>contd.</i>						
<b>State Railways worked by Companies or Indian States—</b>						
<b>Assam Bengal—</b>						
Bibsagar Road Khawang . . . . .	22,59	5,90	3,40	..	82,19	
Furkating Badulpore Jorhat . . . . .	12,58	7,81	6,50	1,71	28,58	
Karimganj Longai Valley . . . . .	1	13,98	11,95	3,00	28,94	
Netrakona Mohanganj . . . . .	...	...	4,00	10,29	14,29	
Habiganj Shatstaganj Balla . . . . .	...	...	3,00	5,00	8,00	
Benchoa Mairabari . . . . .	...	...	2,15	5,00	7,15	
Feni Belonia . . . . .	...	...	2,00	4,00	6,00	
Chittagong-Fatikchhari . . . . .	...	...	2,00	6,00	8,00	
Megna Bridge at Bhairab . . . . .	...	...	...	1,00	1,00	
Chittagong Duhasari . . . . .	...	...	...	2,00	2,00	
<b>Bengal Nagpur—</b>						
Railpur Vizanagram . . . . .	17,86	31,53	67,37	68,84	1,85,59	
Tummar Road Tirodi . . . . .	53	7,04	12,31	23,75	44,23	
Talcher Coalfields . . . . .	79,86	14,05	...	...	93,91	
Barkakhana Chandil . . . . .	1,17,40	49,88	...	...	1,67,28	
Guttitangar Branch . . . . .	1,08	1,45	-28	...	2,22	
Kedia Colliery Branch . . . . .	...	30	58	...	78	
Contal Road Contal . . . . .	...	...	...	5,00	5,00	
Bally Bridge connection . . . . .	...	...	...	7	7	
<b>Bengal and North-Western—</b>						
Mashrak Tawa . . . . .	...	...	...	7,25	7,25	
Chakia Karnaul Parasnani . . . . .	...	...	...	4,00	4,00	
<b>Bombay, Baroda and Central India—</b>						
Jambusar Kavi . . . . .	1,06	1,62	3,00	6	5,74	
Vasad Katana . . . . .	...	...	...	4,66	4,66	
Nadiad Kaira . . . . .	...	...	...	5,08	5,08	
Samni Debet . . . . .	...	2,23	4,20	2,61	9,04	
Borjavi Vadtal . . . . .	...	...	80	1,00	1,80	
Kadapvanj Meghraaj . . . . .	...	...	...	10,00	10,00	
<b>Carried over . . . . .</b>	<b>2,53,30</b>	<b>1,36,28</b>	<b>1,23,00</b>	<b>1,70,33</b>	<b>6,82,80</b>	

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	To end of 1926-28.	Accounts, 1926-27.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.	To end of 1928-29.	REMARKS.
Brought forward	2,53,20	1,36,28	1,23,00	1,70,32	6,82,80	
<b>Lines under construction— <i>contd.</i></b>						
<b>State Railways worked by Com- panies or Indian States—<i>contd.</i></b>						
Thasra-Virpur-Railway	...	...	...	11,00	11,00	
Deessa Via Deodhar to Tharad Railway	...	...	...	10,00	10,00	
Kotah-Bundi Railway	...	...	...	5,00	5,00	
<b>Burma—</b>						
Bauktaw Mingaladon	6,30	85	78	...	7,90	
Pyinmana Taungdwingyi	73,59	-5,44	2,51	...	70,66	
Moulmein Ye	1,03,30	-8,51	-1,33	...	93,47	
Segyi Ye U	11,97	1,19	...	...	13,16	
Pegu Kayan	30,41	16,52	7,17	...	54,10	
Heho Tayaw	3,90	9,96	6,50	1,00	21,35	
Mandalay Madaya	6,14	5,14	2,52	...	13,80	
Taungdwingyi Kyaukpadaung	9,30	3,47	20,00	15,00	77,77	
Sagaing Bridge	...	...	5,00	25,00	30,00	
Myingyan Natogyi Paleik	...	3,37	23,00	19,41	45,78	
Kayan Thongwa	35	4,10	7,83	1,50	13,77	
Nyaunglebin Madauk	...	38	5,00	6,00	11,38	
Alon Saingbyin	19,89	-5,11	64	..	15,42	
<b>Taungdwingyi-Minbu Pakokku—</b>						
(a) Taungdwingyi Patanago	...	...	4,41	20,00	24,41	
(b) Patanago Malun Pakokku	...	...	1,00	5,00	6,00	
<b>Madras and Southern Mahratta—</b>						
Nidadavolu Narasapur	1,38	26,79	15,00	13,28	56,45	
Cocanada Kotepalli	...	7	10,00	12,43	22,49	
Gudivada Bhimavaram	66	16,68	12,24	6,03	35,61	
Hotgi Sholapur	12	5,54	2,32	...	7,96	
Kannivihalli Swamihalli	...	1,86	6,44	...	8,30	
Guntur-Gurzala-Macherla	...	37	18,00	20,00	33,37	
Belgaum Hubli via Saundatti and Dharwar	...	...	...	9,00	9,00	
Balbag-Jamkhandi-Bagalgot	...	...	...	5,00	5,00	
Madras Benigunta Railway	...	...	...	5,00	5,00	
Dandur Nargund Bail way.	...	...	...	1,27	1,27	
Nijani Raibag Railway	...	...	...	3,00	3,00	
Carried over	5,30,41	2,43,51	2,67,00	3,64,32	13,95,24	

BUDGET FOR 1928-29.

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APPENDIX II—concl'd.

(Figures in thousands of rupees.)

RAILWAYS.	To end of 1926-27.	Accounts, 1926-27.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.	To end of 1928-29.	REMARKS.
Brought forward . . . . .	5,30,41	2,43,51	2,67,00	3,04,33	13,95,24	
<b>Lines under construction— concl'd.</b>						
<b>State Railways worked by Com- panies or Indian States—concl'd.</b>						
<b>South Indian —</b>						
Villuparam Trichinopoly . . . . .	51,80	67,61	45,00	31,41	1,96,03	
Virudhunagar Tenkad . . . . .	60,79	21,75	13,00	1,45	65,99	
Shoranur Nilambur . . . . .	42,92	17,11	15,00	67	76,70	
Dindigul Pollachi . . . . .	5,63	21,65	35,00	7,14	69,42	
Trichinopoly Karaikudi Man- madura Railway . . . . .	...	68	7,00	50,00	57,68	
Mayavaram Tranquebar . . . . .	4,01	3,63	4,00	2,23	13,77	
Madura Bodinayakanur . . . . .	44	11,39	30,00	1,10	42,83	
Viridhachalam Cuddalore . . . . .	65	6,24	19,00	1,00	26,89	
Salem Attar Viridhachallam . . . . .	...	...	1,00	20,00	21,00	
Pollachi Palghat . . . . .	...	...	...	15,03	15,03	
Bodinaikanur-Gudalur . . . . .	...	...	...	3,00	3,00	
Salem Mettur Dam . . . . .	...	...	2,00	7,97	9,97	
Satyamangalam-Palni . . . . .	...	...	...	2,00	2,00	
Karaikudi Devacottah . . . . .	...	...	...	4,00	4,00	
Thattakad-Valparai . . . . .	...	...	...	1,00	1,00	
Manamadura-Virudhunagar or Maniyachi . . . . .	...	...	...	1,00	1,00	
Tellicherry-Paravur Makut . . . . .	...	...	...	1,00	1,00	
<b>Bohikund and Kumaon (L. B. Railway)—</b>						
Shahbansagar-Mallani . . . . .	...	...	...	1,00	1,00	
<b>Nizam's Guaranteed State Rail- ways—</b>						
Dhone (Dronachalam) Kurnool Extension . . . . .	...	1,21	3,00	5,99	15,20	
<b>Total State Railways worked by Companies or Indian States</b>	<b>6,56,05</b>	<b>3,04,63</b>	<b>4,45,00</b>	<b>5,21,31</b>	<b>20,17,59</b>	
<b>Total Lines under Construction</b>	<b>10,72,07</b>	<b>6,76,47</b>	<b>8,79,50</b>	<b>11,14,89</b>	<b>37,42,93</b>	
<b>Total Open Lines and Construc- tions</b>	<b>6,14,59,59</b>	<b>27,22,79</b>	<b>30,00,00</b>	<b>28,74,68</b>	<b>7,00,57,08</b>	
<b>Deduct—Probable savings</b>	...	...	...	<b>4,74,68</b>	<b>4,74,68</b>	
<b>Purchase price of Burma Railways</b>	...	...	...	<b>4,00,00</b>	<b>4,00,00</b>	
<b>Net</b>	<b>6,14,59,59</b>	<b>27,24,79</b>	<b>30,00,00</b>	<b>38,00,00</b>	<b>6,99,83,38</b>	



## APPENDIX III.

Gross receipts, working expenses, and net receipts of State Railways for five years ending 1926-27, with Revised Estimates for 1927-28 and Budget Estimates for 1928-29.

(Figures in thousands of rupees).

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.		
Open mileage at end of year .	M. 26,961	M. 27,162	M. 27,324	M. 27,430	M. 28,004	M. 28,640	M. 29,525
<b>Gross Receipts.</b>	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>STATE RAILWAYS WORKED BY THE STATE.</b>							
Eastern Bengal . . . . .	5,24,51	5,34,77	5,99,16	6,33,87	6,77,12	7,19,10	7,32,00
East Indian . . . . .	19,40,52	19,66,73	20,90,57	19,92,11	19,77,51	20,79,60	20,74,20
Great Indian Peninsula . . . . .	14,62,10	14,51,06	15,29,68	14,79,90	14,80,21	15,26,30	15,06,20
North Western—Commercial Lines . . . . .	12,95,24	13,46,96	15,39,35	13,78,33	15,18,99	14,94,20	14,60,30
Strategic Lines . . . . .	1,55,26	1,71,15	1,59,87	1,64,07	1,53,45	1,54,65	1,59,60
<b>STATE RAILWAYS WORKED BY COMPANIES OF INDIAN STATES.</b>							
Assam Bengal . . . . .	1,20,57	1,28,90	1,44,14	1,64,51	1,76,28	2,04,80	2,11,30
Bengal Nagpur . . . . .	7,70,71	7,70,94	8,39,16	8,39,99	8,22,29	8,74,10	8,85,00
Bombay Baroda and Central India . . . . .	11,75,19	11,95,42	12,39,54	12,25,95	11,95,35	11,85,40	11,44,70
Burma . . . . .	4,66,98	4,11,38	4,29,89	4,93,82	4,62,89	5,24,30	5,36,20
Madras and Southern Mahratta . . . . .	7,30,08	7,39,55	7,92,89	8,19,23	8,12,55	8,44,00	8,45,00
South Indian . . . . .	5,10,29	5,27,06	5,14,78	5,44,12	5,48,91	5,79,20	5,82,10
Other Railways . . . . .	2,10,74	2,01,60	2,25,53	2,34,10	2,38,93	2,39,85	2,38,40
Total Central India . . . . .	93,22,14	94,65,52	1,01,04,56	99,70,00	99,03,98	1,03,75,00	1,03,25,00
England . . . . .	4,83	4,83	4,83	4,82	2,83	6,44	6,44
Exchange . . . . .	2,53	2,21	1,79	1,58	98	2	...

APPENDIX III—*contd.*

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Working Expenses.</b>							
<b>STATE RAILWAYS WORKED BY THE STATE.</b>							
Eastern Bengal . . . . .	4,40,77	3,95,73	4,28,71	4,64,18	4,45,39	4,59,34	4,58,22
East Indian . . . . .	12,82,87	12,35,90	13,02,84	12,22,71	12,02,37	12,16,04	11,83,00
Great Indian Peninsula . . . . .	11,11,08	9,90,04	9,11,81	10,68,08	10,42,39	9,99,08	10,18,58
North-Western—Commercial Lines	10,06,98	9,11,82	9,52,44	9,98,09	9,64,47	9,58,53	9,51,40
Strategic Lines . . . . .	2,22,84	1,99,68	1,95,76	1,80,14	1,98,71	1,85,49	1,87,22
<b>STATE RAILWAYS WORKED BY COMPANIES OR INDIAN STATES.</b>							
Assam Bengal . . . . .	92,27	91,01	90,98	88,93	95,92	1,18,01	1,22,47
Bengal Nagpur . . . . .	4,49,17	5,11,27	5,15,73	5,25,36	4,74,21	6,01,55	5,95,08
Bombay, Baroda and Central India	8,24,17	7,14,56	6,70,85	7,51,90	7,14,10	7,36,29	7,08,88
Burma . . . . .	2,48,96	2,52,26	2,53,53	2,74,77	2,82,51	2,92,06	2,98,28
Madras and Southern Mahratta	4,75,26	4,34,21	4,34,98	4,77,09	4,54,80	4,70,52	4,81,18
South Indian . . . . .	3,50,09	3,04,75	2,82,57	3,16,51	2,98,80	3,12,92	3,28,80
Other Railways . . . . .	1,14,20	1,04,55	1,10,44	1,07,61	1,15,04	1,17,02	1,15,96
Difference between the actual expenditure from Depreciation Fund and the contribution to the Fund. . . . .	...	...	1,80,47	68,64	1,68,21	...	...
<i>Deduct</i> —Difference between book and market value of stores . . . . .	...	...	-38,29	...	...	...	...
<b>Total Central . . . . .</b>	<b>65,90,16</b>	<b>61,05,28</b>	<b>62,90,79</b>	<b>64,41,96</b>	<b>64,39,72</b>	<b>64,46,80</b>	<b>64,49,00</b>
<b>India . . . . .</b>	<b>65,90,16</b>	<b>61,05,28</b>	<b>62,90,79</b>	<b>64,27,63</b>	<b>63,90,15</b>	<b>64,00,53</b>	<b>64,03,24</b>
<b>England . . . . .</b>	...	...	...	10,79	37,01	46,11	45,76
<b>Exchange . . . . .</b>	...	...	...	3,55	12,56	16	...

## BUDGET FOR 1928-29.

APPENDIX III—*concl'd.*

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Net Receipts.</b>							
<b>STATE RAILWAYS WORKED BY THE STATE.</b>							
Eastern Bengal . . . . .	83,74	1,39,04	1,72,45	1,69,69	2,31,73	2,59,76	2,73,78
East Indian . . . . .	6,77,65	7,50,83	7,87,73	7,69,40	7,75,14	8,63,56	8,41,20
Great Indian Peninsula . . . . .	3,71,02	4,91,02	6,17,87	4,11,87	4,37,82	5,37,27	4,37,62
North Western—Commercial lines	2,88,26	4,35,64	5,86,91	4,82,24	4,54,22	5,35,67	5,08,00
Strategic lines . . . . .	-67,08	-18,53	-35,99	-16,07	-33,26	-30,84	-27,63
<b>STATE RAILWAYS WORKED BY COMPANIES OF INDIAN STATES.</b>							
Assam Bengal . . . . .	26,30	37,89	53,18	75,59	80,36	86,29	88,83
Bengal Nagpur . . . . .	3,27,54	2,59,67	3,23,44	3,14,63	3,48,09	2,73,55	2,89,92
Bombay, Baroda and Central India	3,51,02	4,80,86	5,68,69	4,74,05	4,21,25	4,09,11	4,35,84
Burma . . . . .	1,63,02	1,59,12	1,76,36	2,19,05	1,80,19	2,32,24	2,37,02
Madras and Southern Mahratta	2,54,77	3,05,34	3,57,91	3,42,14	3,57,95	3,73,49	3,63,97
South Indian . . . . .	1,51,20	2,23,31	2,32,31	2,27,61	2,55,11	2,66,28	2,53,30
Other Railways . . . . .	96,54	97,05	1,15,09	1,26,49	1,23,69	1,22,83	1,22,44
<i>Deduct</i> —Difference between the actual expenditure from Depreciation Fund and the contribution to the Fund . . . . .	...	...	-1,80,47	-68,64	-1,68,21	...	...
<i>Add</i> —Difference between the book value and the market value of stores . . . . .	...	...	+38,29	...	...	...	...
<b>Total Central</b> . . . . .	<b>27,25,98</b>	<b>33,60,24</b>	<b>38,13,77</b>	<b>35,28,04</b>	<b>34,64,26</b>	<b>39,28,20</b>	<b>38,76,00</b>
<b>India</b> . . . . .	<b>27,18,62</b>	<b>33,53,20</b>	<b>38,07,15</b>	<b>35,35,98</b>	<b>35,10,04</b>	<b>39,68,01</b>	<b>39,15,32</b>
<b>England</b> . . . . .	<b>4,83</b>	<b>4,83</b>	<b>4,83</b>	<b>-5,97</b>	<b>-34,18</b>	<b>-39,67</b>	<b>-39,33</b>
<b>Exchange</b> . . . . .	<b>2,53</b>	<b>2,21</b>	<b>1,79</b>	<b>-1,97</b>	<b>-11,60</b>	<b>-14</b>	<b>...</b>

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**PART II.**  
**GENERAL BUDGET.**

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# Speech of the Finance Member

Introducing the

## Budget for 1928-29.

### INTRODUCTORY.

Sir, before last Simla session, long before the Finance Department is usually called upon to make a close forecast of the budget of the succeeding year, questions raised by the report of the Tariff Board on the Cotton Industry necessitated a decision to sacrifice nearly a crore a year of our customs revenue. This decision which added to the risks already taken in framing a budget for 1927-28 which left a gap of about a crore and three-quarters on the wrong side in the prospective figures for 1928-29, has made the period of incubation of the present budget an exceptionally long one. Long preparation is apt to lead to a long budget speech. Moreover, last budget speeches, like speeches on other valedictory occasions, offer temptations to reminiscent prolixity. But, aware of the temptations that beset me in presenting the last budget statement that I shall have the honour of making to this House, I shall endeavour to signalise the occasion by making my speech a short one.

2. The revised estimates for 1926-27 published a year ago anticipated a Actual outturn of total revenue of 1,29·97 crores and a total expenditure of 1,27·15 crores, leaving a net surplus of 2,82 lakhs. The final figures show a total revenue of 1,31·70 crores and a total expenditure of 1,28·74 crores, leaving a net surplus of 2,96 lakhs. The increased figures on each side of the account arose mainly from the method adopted for bringing railway revenue and expenditure into the account. The only important variation is an excess of 42 lakhs under military expenditure, which has been converted by minor variations under other heads into a small gain of 14 lakhs. In accordance with the proposals I made last year, the entire surplus of 2,96 lakhs has been taken to the Revenue Reserve Fund. The close approximation of the revised estimate to the actual outturn is an encouraging sign of the improvement in our methods of budgetting. The extent of this improvement will be clear from the statement attached to the printed speech which gives the corresponding figures for a period of ten years.

### REVIEW OF THE YEAR 1927-28.

3. The visible balance of trade, including private imports of treasure, for the ten months ended 31st January, 1928, was in favour of India by 37·24 crores as compared with 27·05 crores a year ago. Both imports and exports of merchandise have increased

in value by 8 per cent. Improvement has been increasingly marked during the latter months of the year 1927, and it is a further sign of the inherent soundness of India's trade position that practically all the principal articles of import and export contribute to the increase. Among exports, raw cotton alone shows any appreciable falling off, reflecting the unsatisfactory conditions of the last harvest, but the figures for the present season, so far as they are available, hold out a better promise. I will not occupy the time of the House with figures for individual commodities except to refer to motor vehicles of which the statistics are of peculiar interest in relation to the development of India's road communications. Following the reduction in duty which came into force a year ago, increases of 16 and 35 per cent. respectively have been recorded in the number of motor cars and commercial motor vehicles imported during the first nine months of the year, but owing to lower prices, the yield of our customs duty on these imports has fallen below our expectations. During the last two years, however, prices in general have shown a stability unknown since the outbreak of the war. While more stable world conditions are partly responsible for this result without which there cannot be a healthy basis for the expansion of trade, the figures of India's trade reflect the advantages which have accrued from the stabilisation of the rupee. I always regard railway earnings as an important barometer of trade and the House has already been made aware of the remarkable improvement in the railway figures for 1927-28 which, by enabling important reductions to be made in railway charges, will itself give a new stimulus towards business and agricultural prosperity. In addition, I think I see other clear indications that during the last year Indian commerce has made a steady advance and that the effects of the post-war trade depression are at long last being dissipated. A noticeable feature of the trade returns is the reduction in the net imports of treasure by 6½ crores in the first ten months of the current year.

#### REVENUE, 1927-28.

4. The net customs receipts for 1927-28 were put at 48·73 crores. Present indications are that this estimate will be all but realised. There will, however, be rather wide variations under certain of the individual heads. For example, tobacco is now expected to yield 37 lakhs more, mineral oils 38 lakhs more, protective duties on iron and steel 25 lakhs more, and jute as much as 55 lakhs more than estimated, while there will be a deterioration of something like 70 lakhs under cotton piecegoods, and 40 lakhs under matches. On the whole, I think we shall be down by about 10 lakhs. This is very satisfactory when we remember that the estimate allows for the loss of about 45 lakhs due to the abolition of the import duties on mill stores and machinery consequent on decisions taken after the budget was framed. The stopping of the leakage in Kathiawar may be given as an important reason for improvement in our figures.

5. Taxes on Income have proved a disappointment, particularly in Bengal where the original estimate was unduly high. I have taken the revised estimate at 15·65 crores against the original estimate of 16·95 crores—a deterioration of 1,30 lakhs.

6. Salt revenue is down on the original estimate by 25 lakhs notwithstanding the fact that salt issues have so far been slightly in advance of last year. The system of credit sales accounts for a portion of the decrease, and I expect a better yield next year.

Salt.

7. The net revenue from opium scarcely varies from the original estimate, a slight reduction in the receipts being counter-balanced by a reduction in expenditure.

Opium.

8. The railway contribution, as the House is aware, is now estimated at 6.36 crores as compared with the budget figure of 5.48 crores. The latter estimate assumed that the net surplus would not exceed 3 crores and would therefore go in full to the Railway Reserve Fund. The improvement in railway earnings has the result of making the surplus considerably bigger, and one-third of the excess over 3 crores accrues to general revenues.

Railways.

EXPENDITURE, 1927-28.

9. I put military expenditure at 54.92 crores, the same figure as in the original budget. Savings owing to troops being sent to China and other causes have been or are being used towards financing a programme of expenditure upon modernisation which the Army authorities and the Government of India recognise as urgent but for which adequate provision could not be made in the budget. It is satisfactory to note that no excess is anticipated over the original estimate.

Military.

10. The head Debt Services shows a saving of 17 lakhs owing to an increase in the interest payable by Railways as a result of their having spent 30 crores on new capital works as against 25 crores provided in the budget. There is also an increase in the interest receivable from the Provincial Loans Fund owing to the larger advances made to it.

Debt Services.

11. The only other variation of importance which I need mention is a decrease of 18 lakhs in irrigation expenditure. This is more apparent than real, and represents mainly a transfer from revenue to capital in the North-West Frontier Province.

Other heads.

12. The above variations may be summarised as follows:

Summary.

	(Lakhs of rupees.)	
	Better.	Worse.
Customs . . . . .	..	10
Taxes on Income . . . . .	..	1,30
Salt . . . . .	..	25
Railways (net) . . . . .	88	..
Debt Services . . . . .	17	..
Irrigation expenditure . . . . .	18	..
Other heads . . . . .	42	..
	<hr/>	<hr/>
	1,65	1,65
	<hr/>	<hr/>

## BUDGET FOR 1928-29.

In other words, the revised estimate, like the original budget, exhibits neither a surplus nor a deficit. The latter put revenue and expenditure at 1,25·26 crores, the revenue figure including a special appropriation of 1,72 lakhs from the Revenue Reserve Fund to which the revenue surplus of last year was transferred. The revised estimates point to a total expenditure of 1,27·74 crores, and a total revenue of the same figures including a special appropriation of 1,69 lakhs from the Fund. Exclusive of this last item, the variation in the net result amounts to 3 lakhs only. Here again, we have reason to congratulate ourselves on the success of our budgetting.

## WAYS AND MEANS AND PUBLIC DEBT.

13. Before giving the figures for next year, I propose to deal with the Summary. Ways and Means position. This may be briefly summarised as follows:

	(Crores of rupees.)	
	Revised, 1927-28.	Budget, 1928-29.
<i>Liabilities.</i>		
Railway capital outlay . . . . .	30·0	28·0
Other capital outlay . . . . .	2·3	4·4
Provincial Governments' transactions . . . . .	8·0	7·0
Discharge of debt (net) . . . . .	25·4	19·1
Miscellaneous (net) . . . . .	3·0	—·2
	68·7	58·3
<i>Resources.</i>		
Rupee Loan (net) . . . . .	18·5	32·0
Sterling loan (net) . . . . .	9·1	..
Postal Cash Certificates and Savings Bank . . . . .	6·7	6·6
Other unfunded debt . . . . .	4·9	5·1
Debt redemption . . . . .	5·2	5·6
Depreciation and Reserve Funds . . . . .	5·8	6·8
Gain on revaluation of Securities in the Paper Currency Reserve, etc. (net) . . . . .	7·1	..
Reduction of cash balance . . . . .	11·4	2·2
	68·7	58·3

The net proceeds of the rupee loan in the current year amounted to 18½ crores only, while the total amount of debt redeemed amounted to 25·4 crores. Of this total 21½ crores represented the bonds maturing in 1927 and 1928 which were either converted or redeemed in cash. In our anxiety to guard the interests of the Indian taxpayer and in our desire not to disturb the market in Government securities which were being quoted at rather higher figures than we ourselves thought to be justified, we did not make the terms of our rupee loan as attractive as we possibly should have done, and the fact that it was a



short-dated loan seems to have militated against complete success. In the result, we had to tide over temporary difficulties by various expedients. The re-introduction of Treasury Bills in India was in full accordance with our plans, as we deliberately desired to improve the financial facilities of the Indian money market and check seasonal fluctuations in the market for Government securities by this means. We found it necessary, in addition, to resort to external borrowing, first by raising sterling bills to the extent of £5 million in England in July last which have since been repaid and later by the issue of a sterling loan of £7½ million about a month ago. Even so, the net cash receipts from the rupee and sterling loans aggregated only 27½ crores which was only about 2 crores more than the net amount of debt discharged and as much as 13 crores less than the amount required for railway and other capital outlay including that of Provincial Governments. It is no inconsiderable achievement to have financed a capital outlay of this magnitude in a year of rather difficult money conditions, in which our own calculations were upset by the fact that the capital expenditure was 6½ crores in excess of our original anticipations. It is, in my opinion, well worth India's while to persist in the policy of spending money freely on capital development for productive purposes. The railway budget introduced last week, with its big reductions in fares and freights, is evidence of the value of the policy we have been following. Very large sums are now being invested year by year in expansion of railways, in irrigation works, in harbour development and on hydro-electric and other projects. But if this policy is to be continued unchecked, there must be no slackening in the annual savings of the country and these must be made available without stint for loans for capital purposes whether issued by the Central Government, by Provincial Governments or by other authorities. For 1928-29 the capital programme of the railways is being restricted to 24 crores with a special addition of 4 crores for the purchase of the Burma Railways. The Railway Board would have liked a larger allotment, but we felt that this was as much as we could wisely provide in existing circumstances. The aggregate capital expenditure next year, including the drawings of Provincial Governments, is again expected to be in the neighbourhood of 40 crores, while the net amount of debt falling due for discharge will be 19 crores. Allowing for other capital resources available to us, I expect that it should be sufficient to raise a loan of about 32 crores only, of which about 13 crores will represent new money. I see no reason at present to think that the whole of this cannot be raised in India, but much must depend on the monsoon, and the fact that the payment to the Burma Railway Company has to be made in sterling adds to our sterling requirements. Indeed, if we effect the purchase out of money remitted from India, we shall really be paying off four crores of external indebtedness.

14. A year ago, we estimated that we should require to remit £35½ million to London during 1927-28. Actually, this Home remittances. would have been somewhat higher owing to our inability to carry out the remittance programme in full at the end of 1926-27, so that we started with abnormally low balances in London. In addition, the excess in our capital expenditure was partly incurred outside India. The sterling loan to which I have just referred has made it possible to reduce the net remittance figure to about £30½ million of which £28½ million is expected to be remitted through the market. For 1928-29 the remittance figure has been put tentatively at £36 million, which will enable us to close the year with a normal balance.

## BUDGET FOR 1928-29.

15. I quote, as in previous years, the market prices of Indian Government securities in India which show how India's credit has improved in recent years.

	Market price on					
	1st Feb- ruary 1923.	1st Feb- ruary 1924.	1st Feb- ruary 1925.	1st Feb- ruary 1926.	1st Feb- ruary 1927.	1st Feb- ruary 1928.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
5 per cent Tax-free loan, 1945-55	88 4	96 10	97 15	100 12	107 5	106 10
3½ per cent Indian Govern- ment rupee loan	57 0	66 0	66 9	70 8	77 7	75 15.

The following further figures compare the prices of India stock and other stock in London on certain dates. They show even more clearly than they did last year that the credit of the Government of India now stands considerably higher in the London market in relation to the British Government and other gilt-edged borrowers than it did in 1914.

	30th April 1914.	30th April 1923.	1st Feb- ruary 1926.	1st Feb- ruary 1927.	31st De- cember 1927.
India 3 per cent loan	75½	60½	58	59½	62½
India 3½ per cent loan	88½	70½	68	70½	72½
Local loans 3 per cent stock.	87	69½	64½	63½	65
London County Council:—					
3½ per cent stock	97	79½	73	74½	73½
3 per cent stock	81	68½	63	64	63½

The improvement of India's credit in London was strikingly demonstrated by the success of the recent sterling loan.

Last year I commented on the fact that the disparity between the prices of India 3½ per cent rupee stock and India 3½ per cent sterling stock was leading to very considerable transfers of money from India to London in order to take advantage of the higher yield of the sterling stock. This process has been continuing to a not inconsiderable extent, though checked by the final stabilisation of the rupee on a gold basis. It is significant that the disparity is much less now than it was last year. Nevertheless, the necessity for an external loan was partly due to the effects of this transfer of capital away from India, and if public and private transactions be taken together, I have little doubt that, in spite of the issue of a sterling loan of £7½ million in 1927-28, the net amount of India's external indebtedness has been considerably decreased and not increased in the course of the last year. It will be seen from the figures which I am about to give of the Government of India's total debt, that the increase during the year in our external indebtedness as a Government, is considerably less

BUDGET FOR 1928-29.

7

than the amount of the sterling loan and that the sterling debt is only £3½ million more than it was three years ago. During 1927-28 our total indebtedness has increased by 16 crores, while our deadweight debt has decreased by 22 crores.

16. The following statement gives the usual figures regarding India's debt, external and internal, productive and unproductive, from 1923 onwards:

Statement showing the Debt of India, outstanding at the close of each financial year.

	31st March 1923.	31st March 1924.	31st March 1925.	31st March 1926.	31st March 1927.	31st March 1928.
<i>In India :</i>	(In crores of rupees.)					
Loans	339·83	358·81	370·38	368·29	374·44	372·30
Treasury Bills in the hands of the public	21·59	2·12	..	..	..	9·00
Treasury Bills in the Paper Currency Reserve	49·65	49·65	49·65	49·65	41·47	31·94
Other Obligations—						
Post Office Savings Banks	23·20	24·79	25·64	27·23	29·51	31·99
Cash Certificates	3·13	8·42	13·12	20·96	26·68	30·86
Provident Funds, etc.	36·17	39·00	42·39	46·36	51·02	56·09
Total Loans, etc.	411·07	410·58	420·03	417·94	415·91	413·24
Total Other Obligations	62·50	72·21	81·15	94·65	107·21	118·94
Total in India	473·57	482·79	501·18	512·49	523·12	532·18
<i>In England :</i>	(In millions of £.)					
Loans	222·92	244·53	263·39	266·35	265·09	272·32
War Contribution	19·71	19·27	18·81	18·32	17·81	17·27
Capital value of liabilities undergoing redemption by way of terminable railway annuities	61·31	60·10	58·84	57·53	56·19	54·79
Provident Funds, etc.	·04	·13	·16	·21	·27	·19
Total in England	303·98	324·03	341·20	342·41	339·36	344·57
Equivalent at 1s. 6d. to the Rupee	(In crores of rupees.)					
	405·31	432·04	454·93	456·55	452·48	459·43
Total Debt	878·88	914·83	956·11	969·04	975·60	991·61
Productive { for Central Government	536·65	557·09	600·05	623·38	654·62	686·54
{ for Provinces	87·49	97·56	106·43	114·60	120·17	126·34
Total Productive	624·14	654·65	706·48	737·98	774·79	812·88
Unproductive	254·74	260·18	249·63	231·06	200·81	178·73
Total	878·88	914·83	956·11	969·04	975·60	991·61

In the five years since the 31st March, 1923, when the era of deficits came to an end, the aggregate debt has increased by 1,13 crores, the productive debt has increased by as much as 1,89 crores, and the unproductive portion has been reduced by 76 crores. By the end of 1928-29 we hope to have just about liquidated the debt due to the five years of revenue deficits from 1918-19 to 1922-23, and if the recent rate of progress is continued, our unproductive debt should vanish altogether in about twelve years' time.

### BUDGET ESTIMATE FOR 1928-29.

#### *Revenue.*

17. I now turn to the budget estimates for next year, 1928-29. Net customs revenue at 50.18 crores is expected to bring in 1,55 lakhs more than the revised estimate of the current year. Sugar, allowing for the effect of the establishment of the land customs line at Viramgam, should bring in about 40 lakhs more; motor cars and cycles which, in point of revenue though not in point of numbers, proved somewhat disappointing after last year's reduction of duty, should bring in about 26 lakhs more; cotton piecegoods have been disappointing in the current year, but should show an improvement in 1928-29 which I put at 30 lakhs. On the other hand, I have had to allow for the full effect of the loss of revenue resulting from the abolition of the import duty on mill stores and machinery which was only partially felt in the current year. This in itself means a further loss of 40 lakhs.

18. I have assumed that next year's receipts under the head of Taxes on Income will fully reflect the prosperity which the jute trade is enjoying in the current year, as is evidenced by the revised estimate of the export duty on jute; also that we shall obtain a full year's revenue under the altered method of assessment of tea companies. Allowing for these two factors, we are, I think, justified in taking the net total for next year at 17 crores which is 1,35 lakhs more than the revised estimate for the current year, but only 5 lakhs more than the original budget.

19. Under the head Salt I have repeated the current year's budget figure of 7 crores. This is 25 lakhs more than the revised estimate which, as I have said, does not represent the full duty upon the actual issues of 1927-28.

20. The result of our policy of gradual reduction and eventual extinction of opium exports is to reduce gross opium revenue by 32 lakhs next year, but there will be a saving of 7 lakhs in expenditure, so that the net sacrifice under this head will be 25 lakhs.

21. The contribution from Railways to general revenues for next year will, under the convention, be based on the results of the working of the year 1926-27, and yield only 5.23 crores. This will be reinforced by the addition of 25 lakhs representing one-third of the surplus over 3 crores assumed in the railway budget. Even so, we shall be getting 88 lakhs less than is anticipated in the revised estimates for 1927-28.

22. I have allowed for the reduction of 10½ lakhs in the subsidy due from Mysore, which was recently sanctioned. For the moment, I assume that we shall be receiving from the Provinces the entire amount of the contributions which have not been finally extinguished, namely, 2.58 lakhs, inclusive of 54 lakhs from Bengal.

Other heads.

*Expenditure.*

23. The following table exhibits the figures of net military expenditure for each year since 1921-22:

	(Crores of rupees.)
1921-22 . . . . .	69.81
1922-23 . . . . .	65.27
1923-24 . . . . .	56.23
1924-25 . . . . .	55.63
1925-26 . . . . .	56.00
1926-27 . . . . .	55.97
1927-28 (revised estimate) . . . . .	54.92
1928-29 (budget estimate) . . . . .	55.10

In 1928-29 military expenditure has been taken at 55.10 crores of which 10 lakhs represents a new provision for expanding the Territorial Force. Excluding this special provision, the figure is 8 lakhs more than the one for the current year. I warned the House a year ago that there was no immediate prospect, after the big reductions since 1921-22, of further substantial savings in military expenditure. The Government have given very special consideration to the matter during the current year and we have come to the conclusion that the figure proposed for next year cannot be reduced if India is to make a reasonable provision for her defence in modern conditions.

24. Under the head Debt Services, we have a saving, as compared with the revised estimate for 1927-28, of 67 lakhs. I should, however, draw the attention of the House to the fact that the budget estimate includes two abnormal items, namely, one of 81 lakhs for the premium on the 5½ per cent. Bonds issued in 1918 and maturing in 1928 at 105 and an increased charge of 25 lakhs for bonus on Cash Certificates. Both these charges are in the nature of deferred interest. But for these special items, the savings would have been as much as 1.73 lakhs. I have drawn attention in previous years to the way in which our steady pursuit of the policy of making regular provision for the reduction or avoidance of debt and confining new borrowings to productive purposes is bringing in an annual dividend to the taxpayer. The charge for interest on deadweight debt in the year 1923-24 amounted to 15.97 crores, while in 1928-29 it will be only 9.51 crores—a decrease of 6.46 crores. The increase in the provision for reduction or avoidance of debt during the same period is 1.78 crores, while the aggregate provision on this account next year is 5.40 crores. In other words, the saving in the interest on dead-

weight debt in the five years is more than three-and-a-half times the increase in the provision for debt redemption and over a crore more than the actual provision on this account in 1928-29.

25. The expenditure on Civil Administration next year is expected to be 41 lakhs more than the revised estimate for 1927-28. Beneficial Services. A portion of this is represented by annual increments, etc., but, although the increase is less than half a crore, a perusal of the proceedings of the Standing Finance Committee and of the Demands for Grants will show that we have not been niggardly in providing increased amounts for beneficial services. I would draw the attention of the House to the larger grant to the Indian Research Fund Association, to the new items of expenditure in the demand for Agriculture and to the scholarships to Indian artists for study and training in Europe. On the commercial, but none the less beneficial, side of our activities, the House will observe with interest the new or increased provision made for certain items of expenditure, particularly those relating to irrigation in Waziristan and Baluchistan, forests in the Andamans, the Trade Mission and the extension of the rupee purchase policy. We have also a number of new items relating to the development of Civil Aviation in pursuance of the policy accepted by the House a year ago. The expenditure on the five-year education programme, to which I referred in my budget speech last year, is of course continuing and progressive, but we have not been in a position this time to provide for any similar new programmes within the limited means now at our disposal.

26. The Indian Posts and Telegraphs Department, which was expected to work a year ago at a small loss of Rs. 76,000, is now expected to show in 1927-28 a net loss of about 4½ lakhs. There has been a considerable increase in the gross receipts of the department, but this has been rather more than counterbalanced by an increase in working expenses. The increased loss has been brought about mainly by the fact that an additional sum of 8 lakhs has had to be provided to enable the book value of a large volume of surplus, obsolete and over-valued stores to be written down to their current values. The department is, however, expected to show a small profit of Rs. 23,000 next year after making a provision of over 14 lakhs for additional expenditure on new measures of improvement of the conditions of service of the lower-paid staff. This provision represents yet another instalment of the scheme of improvement of the conditions of service of the establishments in question which, as I informed the House last year, has been under the personal investigation of my Honourable Colleague, Sir Bhupendra Mitra. When the details of this scheme were placed before the Standing Finance Committee a couple of months ago, special reference was made to the desire so often expressed in this House that the question of reducing postal and telegraph charges should be pursued. As was then pointed out, such reductions would involve a far greater loss than the present finances of the department would justify. I am not sure myself whether it will ever be possible to run the department without a subsidy from the taxpayer at much less than the present postal rates, regard being had to the index number of the cost of living to-day and the consequent increase in the wages bill. In any case, priority must be given to the staff. The Indo-European Telegraph Department, which was expected to show a loss of 3 lakhs in the current year, exhibits no appreciable change, though for 1928-29 the figure of loss will be somewhat larger, namely, 7½ lakhs. The earnings of the department are affected by the competition of the radio system of communications between India and England. It is suffering just as the cable companies are suffering.

BUDGET FOR 1928-29.

27. The aggregate revenue of 1928-29 is put at 1,32.23 crores and the expenditure at 1,29.60 crores. At this stage, therefore, we have a surplus of 2,63 lakhs. The main variations from the revised estimate for the current year may be summarised as follows:

	(Lakhs of rupees.)	
	Better.	Worse.
Customs	1,55	
Taxes on Income	1,35	
Salt	25	
Opium (net)		25
Railways		88
Provincial contributions	2,58	
Revenue Reserve Fund		1,60
Debt Services	67	
Civil Administration		41
Military Services		18
Other heads		36
	6,40	3,77
Net	2,63	

28. I do not doubt that the House will share the satisfaction of the Government at this surplus, which is all the more gratifying when we remember that considerable risks were taken a year ago in the original budget, and that, on top of those risks, we agreed during last summer to sacrifice nearly a crore a year of customs revenue for the sake of assisting the Cotton Industry. Before, however, considering what to do with the surplus, I

must draw attention to the accumulated liability in respect of the bonus on Cash Certificates. These certificates were first introduced in India in 1917 in connection with the first Indian War Loan and were designed to attract the small investor. They have been very popular and have done great service in promoting savings in India. Cash Certificates of the nominal value of no less than 40 crores will be outstanding on 31st March 1928. Unlike our regular annual rupee loans, they are always "on tap"; and they can be encashed at any time though they come to full maturity only after 5 years. Their capital value is not subject to depreciation, and the actual amount payable on encashment is on a progressive scale so fixed that the investor gets a growing return for his money after the first twelve months; consequently, the longer he keeps his certificates, the greater is the inducement to keep them till maturity. But this accrued bonus is paid along with the capital value only at the time of encashment, whenever that may be, and not half-yearly as in the case of our ordinary loans. All these factors combine to make it impossible to forecast precisely the amount of bonus that may have to be paid in any year, while there is the additional practical difficulty that the actual payments in a year are generally less than the accrued liability, and the accrued liability is constantly growing in amount. In the case of the ordinary debt, we can know exactly what we have to pay and provide for such payments from revenue accordingly. In the case of Cash Certificates, on the other hand, we have so far been providing out of revenue only for actual payments in the year and not for the accrued liability. I estimate that this accrued but undischarged liability

for bonus was about 3½ crores on the 1st October 1927 and will stand at about 5½ crores on the 1st October 1928. Following past practice, which is of course fully defensible in view of the fact that, in the main, our budget is a cash budget in which provision is normally made only for actual receipts and disbursements during the financial year to which it relates, and having regard to our revenue position generally, I have not been able to include, in the forecast for next year, anything more than the amount of the present estimate of actual payments of bonus, namely, 50 lakhs. Even this figure is 25 lakhs more than is required in 1927-28, but there remains a large balance which we may, theoretically, be called upon to pay at any moment and for which we have made no provision: and as soon as the revenue position permits it, we shall have to consider setting aside considerable sums from revenue in a separate fund in order to enable us to meet the full liability when we are called upon to do so. The liability is becoming too large for us to be content to leave the full burden to fall on later years, when a sudden increase may seriously disturb the equilibrium of the budget.

29. I do not think, however, that this liability need deter us from utilising the surplus disclosed in the budget as a recurrent surplus. In 1929-30 the special item of 81 lakhs for premium on bonds referred to by me earlier in my speech will disappear and substantial savings may be expected to accrue in future, as they have done in the past, under interest on deadweight debt. In 1929-30 also, we stand to gain considerably from the increased net earnings of our railways in 1927-28. The advent of a bad monsoon or other unforeseen circumstances would no doubt, disturb the position, but, on the other hand, our revenue from taxes on income should show some improvement from year to year. The same is true of our customs revenue subject to the proviso that there are good reasons for regarding the present figure of 15 per cent. for our general revenue tariff as unduly high, and it would undoubtedly be in the interests of the trade and industry of the country to reduce it, as soon as financial considerations permit, to a level at which it will compare less disadvantageously with the figure at which the revenue tariff of most of the advanced countries of the world is fixed. I do not, however, think that any reduction is possible in the present budget.

30. We have another and a prior claimant to our surplus. Last year we remitted the entire amount of the outstanding Provincial contributions, and although a portion of this, namely, 2,58 lakhs, was stated to be definitely temporary, I do not think that either the Assembly or the Government of India would care to face the storm of protest which would greet us from the Provinces if the final extinction of the Provincial contributions, which we have undertaken to remit at the earliest possible moment, were not effected now, and preference were given to remission of Central taxation or even to new expenditure. The Government of India accordingly propose that 2,58 lakhs of our surplus shall be utilised for such extinction, leaving a small surplus of 5 lakhs in the budget.

#### CONCLUSION.

31. Sir, I have now given to the House all the secrets of the budget of 1928-29. It is not a spectacular budget. After the budget of 1927-28 and the railway budget for 1928-29, with its large reductions in passenger fares and in freights, it might almost be called an anti-climax. It imposes no



new taxation and though it allows for reductions in the customs tariff to the tune of nearly a crore, these reductions were announced six months ago. What this budget does is to provide a surplus, in spite of the reduction in the customs tariff, sufficient finally to extinguish the Provincial contributions. I think it is a budget which both the Government and the country can view with pleasure. We have consolidated the ground won last year and can now establish our friends and allies, the Provincial Governments, firmly and finally, in the trenches which we won for them a year ago, but which have hitherto been debatable ground. The Provinces have now no further fears of a counter-attack. They can proceed to carry out the great task allotted to them in the governance of India, with the knowledge that no part of the revenues at their disposal will be diverted to the Central Government's purse. The Central Government too has reached a new vantage ground, from which it can begin to survey the country ahead. In opening my first Indian budget, the budget for 1923-24, I voiced some of what I called in the language of Mr. Punch my "first depressions." The only cause for depression that I see to-day in the matter of India's finances is personal. I have to say good-bye to the officials of the Finance Department to whose invaluable and devoted assistance during 5½ very strenuous years I desire to pay a very sincere tribute, and I cannot myself hope to take a share in solving any of the many interesting financial problems still remaining to be dealt with. Intrinsicly, the financial position of the Government of India seems to me to be sound and prosperous. From 1929-30 onwards, it will be the privilege of this House and of my friend and successor, Sir George Schuster, whose acceptance of the post is a matter of great personal satisfaction to me, to find no outside claimant to the recurring surpluses which I hope it will be their good fortune to enjoy in the coming years, and they will be free to turn their minds on the one hand to new directions in which money can be usefully laid out for India's advancement, and on the other hand to the re-adjustment of the burden of taxation and to those reductions of taxation, so welcome to tax-gatherer and taxpayer alike which, apart from some minor cases and with the one big exception of the Cotton Excise Duty, have been beyond our reach in my term of office. I cannot more fittingly close my statement than with the prayer that no storm from without or from within may descend upon India to disturb the bright prospects of financial well-being to which she seems to-day to be justified in looking forward.

BASIL P. BLACKETT.

*The 29th February 1928.*

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## BUDGET FOR 1928-29.

*Statement comparing the actual Revenue and Expenditure of the Central Government (Imperial Revenue and Expenditure before the Reforms) with the Revised Estimates for each year from 1917-18 to 1926-27.*

(See paragraph 2 of the speech.)

[ In thousands of Rupees.]

	Revised Estimate.			Actuals.		
	Revenue.	Expenditure.	Surplus (+) Deficit (-).	Revenue.	Expenditure.	Surplus (+) Deficit (-).
1917-18	1,14,84,48	1,06,27,74	+ 8,56,74	1,18,70,58	1,06,57,52	+ 12,13,06
1918-19	1,27,94,65	1,34,79,88	- 6,85,23	1,30,40,66	1,36,13,72	- 5,73,06
1919-20	1,44,07,56	1,59,18,67	- 15,11,11	1,37,13,98	1,60,79,27	- 23,65,29
1920-21	1,35,10,35	1,48,03,61	- 12,93,26	1,35,63,32	1,61,64,17	- 26,00,85
1921-22	1,13,15,32	1,41,94,52	- 28,79,20	1,15,21,50	1,42,86,52	- 27,65,02
1922-23	1,20,70,17	1,37,95,52	- 17,25,35	1,21,41,29	1,36,43,05	- 15,01,76
1923-24	1,31,96,04	1,29,89,97	+ 2,06,07	1,33,16,63	1,30,77,63	+ 2,39,00
1924-25	1,34,82,26	1,30,82,68	+ 3,99,58	1,38,03,92	1,32,35,66	+ 5,68,26
1925-26	1,31,35,25	1,30,04,87	+ 1,30,38	1,33,32,98	1,30,01,80	+ 3,31,18
1926-27	1,29,97,48	1,27,15,44	+ 2,82,04*	1,31,70,00	1,28,74,37	+ 2,95,63†

\* Estimated transfer to the Revenue Reserve Fund.

† Actually transferred to the Fund.

**BUDGET**  
of the  
**Governor-General in Council**  
as laid before the  
**Indian Legislature, 1928.**

FINANCE DEPARTMENT,  
*New Delhi, the 29th February 1928.* }

E. BURDON,  
*Secretary to the Govt. of India.*

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## BUDGET FOR 1928-29.

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

	For details, vide State- ment.	Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
		Rs.	Rs.	Rs.	Rs.
<b>Revenue—</b>					
<b>Principal Heads of Revenue—</b>					
Customs . . . . .	A	47,38,10,721	48,73,37,000	48,63,50,000	50,18,37,000
Taxes on Income . . . . .	"	15,64,96,338	16,96,06,000	16,64,62,000	16,99,58,000
Salt . . . . .	"	6,69,91,063	7,00,00,000	6,75,42,000	7,00,06,000
Opium . . . . .	"	4,33,13,748	3,63,08,000	3,80,22,000	3,47,77,000
Other Heads . . . . .	"	2,17,50,148	2,27,06,000	2,27,64,000	2,20,10,000
<b>TOTAL PRINCIPAL HEADS</b> . . . . .		<b>76,23,52,008</b>	<b>78,78,56,000</b>	<b>77,11,40,000</b>	<b>79,65,90,000</b>
Railways : Net Receipts (as per Rail- way Budget) . . . . .		34,07,08,387	34,97,13,000	32,95,20,000	38,50,00,000
Irrigation : Net Receipts . . . . .	A	10,25,576	10,36,000	10,47,000	13,36,000
Posts and Telegraphs : Net Receipts . . . . .	"	70,64,577	58,07,000	51,76,000	57,37,000
Interest Receipts . . . . .	"	4,08,59,285	3,16,13,000	3,30,50,000	2,91,97,000
Civil Administration . . . . .	"	86,05,079	84,21,000	95,34,000	1,01,32,000
Currency and Mint . . . . .	"	4,15,51,227	2,46,70,000	2,72,97,000	2,48,81,000
Civil Works . . . . .	"	15,78,791	17,45,000	15,63,000	14,41,000
Miscellaneous . . . . .	"	60,01,096	46,90,000	46,46,000	81,82,000
Military Receipts . . . . .	"	4,94,68,064	1,80,42,000	1,48,84,000	2,24,12,000
Provincial Contributions and miscel- laneous adjustments between Central and Provincial Governments . . . . .	"	5,17,75,451	...	10,59,000	...
Extraordinary Items . . . . .	"	60,10,258	1,87,65,000	1,84,79,000	26,67,000
<b>TOTAL REVENUE</b> . . . . .		<b>1,31,69,99,799</b>	<b>1,25,25,65,000</b>	<b>1,37,73,98,000</b>	<b>1,29,64,75,000</b>
<b>DEFICIT</b> . . . . .		...	...	...	...
<b>TOTAL</b> . . . . .		<b>1,31,69,99,799</b>	<b>1,25,25,65,000</b>	<b>1,27,73,98,000</b>	<b>1,29,64,75,000</b>

BUDGET FOR 1928-29.

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

	For details, vide Statement.	Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
		Rs.	Rs.	Rs.	Rs.
<b>Expenditure—</b>					
Direct Demands on the Revenues . . . . .	B	4,19,95,160	4,30,30,000	4,19,95,000	4,24,84,000
Salt and other Capital outlay charged to Revenue . . . . .	"	7,18,385	18,79,000	16,87,000	6,41,000
Railways: Interest and Miscellaneous Charges (as per Railway Budget) . . . . .	"	28,05,95,177	29,49,05,000	32,59,63,000	33,02,00,000
Irrigation . . . . .	"	15,50,436	18,70,000	92,000	23,10,000
Posts and Telegraphs . . . . .	"	75,82,192	84,61,000	81,67,000	81,60,000
Debt Services . . . . .	"	16,74,49,072	15,74,34,000	15,67,63,000	14,90,61,000
Civil Administration . . . . .	"	11,13,43,847	11,31,59,000	11,28,16,000	11,69,45,000
Currency and Mint . . . . .	"	76,37,072	74,55,000	91,49,000	69,63,000
Civil Works . . . . .	"	1,89,74,160	1,66,98,000	1,62,55,000	1,73,31,000
Miscellaneous . . . . .	"	3,96,16,605	3,97,15,000	3,91,74,000	4,10,08,000
Military Services . . . . .	"	60,91,63,899	56,72,49,000	56,40,84,000	58,04,12,000
Miscellaneous adjustments between the Central and Provincial Governments . . . . .	"	4,52,596	...	3,47,000	...
Extraordinary Items . . . . .	"	2,99,21,308	7,00,000	18,87,000	4,50,000
<b>TOTAL EXPENDITURE CHARGED TO REVENUE . . . . .</b>		<b>1,31,69,99,799</b>	<b>1,35,35,65,000</b>	<b>1,27,73,98,000</b>	<b>1,29,58,09,000</b>
<b>SURPLUS . . . . .</b>		...	...	...	<b>5,06,000</b>
<b>TOTAL . . . . .</b>		<b>1,31,69,99,799</b>	<b>1,35,35,65,000</b>	<b>1,27,73,98,000</b>	<b>1,29,64,75,000</b>

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

	For details, vide Statement.	RECEIPTS.			
		Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
		Rs.	Rs.	Rs.	Rs.
<b>Surplus</b> . . . . .	C	...	...	...	5,06,000
<b>Railway Capital not charged to Revenue—</b>					
Capital contributed by Railway Companies and Indian States towards outlay on State Railways (as per Railway Budget) . . . . .		59,275	2,58,92,000	...	2,03,80,000
<b>Debt, Deposits and Advances—</b>					
Permanent Debt (net incurred) . . . . .	C	3,31,65,705	7,22,41,000	4,45,25,000	12,88,09,000
Unfunded Debt (net incurred) . . . . .	"	12,72,14,115	11,63,39,000	11,60,52,000	11,74,84,000
Deposits and Advances (net) . . . . .	"	19,40,72,240	3,14,87,000	9,98,79,000	7,08,43,000
Railway Depreciation and Reserve Funds as per Railway Budget (net) . . . . .	"	4,32,46,602	4,11,58,000	5,42,28,000	6,45,30,000
<b>TOTAL DEBT, DEPOSITS AND ADVANCES.</b>		<b>39,77,06,662</b>	<b>26,12,25,000</b>	<b>31,46,82,000</b>	<b>38,14,66,000</b>
<b>Remittances (net)</b> . . . . .	"	1,21,88,516	...	6,46,000	28,53,000
<b>TOTAL RECEIPTS</b> . . . . .	...	<b>40,99,53,463</b>	<b>28,71,17,000</b>	<b>31,53,27,000</b>	<b>40,50,05,000</b>
Opening Balance { India . . . . .	...	25,14,68,041	24,73,44,041	27,87,75,089	12,73,48,069
{ England . . . . .	..	15,04,63,055	5,24,32,055	4,31,13,307	8,07,11,307
<b>TOTAL</b> . . . . .	...	<b>81,19,04,549</b>	<b>58,68,93,096</b>	<b>63,72,15,376</b>	<b>61,30,64,376</b>

BUDGET FOR 1928-29.

Central Government, in India and in England.

	For details, vide Statement.	DISBURSEMENTS.			
		Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
		Rs.	Rs.	Rs.	Rs.
<b>Deficit</b> . . . . .	G	...	...	...	...
<b>Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—</b>					
Capital outlay on Security Printing Press . . . . .	"	16,49,855	12,000	—9,79,000	67,000
Construction of State Railways (as per Railway Budget) . . . . .	"	27,22,78,539	25,00,00,000	30,00,00,000	24,00,00,000
Discharge of Debentures (as per Railway Budget) . . . . .	"	2,63,73,425	3,31,86,000	66,90,000	2,03,60,000
Redemption of liabilities involved in the purchase of Railways (as per Railway Budget) . . . . .	"	...	...	...	4,00,00,000
Construction of Irrigation Works . . . . .	"	—70,633	16,000	16,83,000	1,74,000
Capital outlay on Posts and Telegraphs . . . . .	"	32,62,130	58,03,000	57,56,000	68,02,000
Capital outlay on Vizagapatam Port . . . . .	"	31,56,405	39,48,000	37,61,000	47,53,000
Currency Capital outlay . . . . .	"	8,68,401	19,23,600	18,08,000	— 17,000
Initial expenditure on New Capital at Delhi . . . . .	"	61,62,117	70,00,000	54,00,000	78,68,000
Payment of commuted value of pensions . . . . .	"	28,86,322	33,35,000	35,82,000	34,85,000
Capital outlay on Bombay Land Scheme . . . . .	"	...	...	20,74,000	2,05,22,000
<b>TOTAL CAPITAL ACCOUNT DISBURSEMENTS</b> . . . . .		<b>31,65,91,522</b>	<b>30,52,17,000</b>	<b>32,97,55,000</b>	<b>34,40,68,000</b>
<b>Debt, Deposits and Advances—</b>					
Floating Debt (net discharged) . . . . .	"	8,18,00,000	...	53,20,000	...
<b>TOTAL DEBT, DEPOSITS AND ADVANCES</b> . . . . .		<b>8,18,00,000</b>	<b>...</b>	<b>53,20,000</b>	<b>...</b>
<b>Loans and Advances by Central Government (net Advances)</b> . . . . .	"	<b>5,68,76,626</b>	<b>3,03,02,000</b>	<b>7,58,04,000</b>	<b>6,10,92,000</b>
Remittances (net) . . . . .	"	...	14,95,000	...	...
<b>Balances of Provincial Governments (net)</b> . . . . .	"	<b>4,35,26,354</b>	<b>5,18,92,000</b>	<b>1,82,77,000</b>	<b>18,05,000</b>
<b>TOTAL DISBURSEMENTS</b> . . . . .	...	<b>50,07,94,502</b>	<b>38,69,06,000</b>	<b>42,91,56,000</b>	<b>42,70,65,000</b>
Closing Balance {	India . . . . .	27,67,76,069	14,78,00,041	12,73,48,069	11,98,78,069
	England . . . . .	2,28,34,978	5,00,87,055	8,07,11,307	6,61,31,307
<b>TOTAL</b> . . . . .	...	<b>81,16,04,549</b>	<b>68,68,98,086</b>	<b>68,72,15,376</b>	<b>61,30,64,376</b>

## BUDGET FOR 1928-29.

## A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1926-27.				REVISED ESTIMATE.		
	India.	Englan <sup>d</sup> .	Exchange.	TOTAL.	India.	Englan <sup>d</sup> .	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Principal Heads of Revenue—</b>							
I.—Customs . . . . .	47,38,10,721	...	...	47,38,10,721	48,63,50,000	...	1
II.—Taxes on Income . . . . .	15,72,50,510	-5,47,360	-1,56,812	15,64,96,338	15,65,02,000	-40,000	2
III.—Salt . . . . .	6,69,81,063	...	...	6,69,81,063	6,76,42,000	...	3
IV.—Opium . . . . .	4,33,13,748	...	...	4,33,13,748	3,50,22,000	...	4
V.—Land Revenue . . . . .	41,00,434	...	...	41,00,434	42,06,000	...	5
VI.—Excise . . . . .	41,13,217	...	...	41,13,217	47,45,000	...	6
VII.—Stamps . . . . .	26,68,723	...	...	26,68,723	27,59,000	...	7
VIII.—Forest . . . . .	23,57,879	...	...	23,57,879	24,06,000	...	8
IX.—Registration . . . . .	1,57,372	...	...	1,57,372	1,61,000	...	9
X.—Tributes from Indian States . . . . .	83,52,523	...	...	83,52,523	84,88,000	...	10
<b>TOTAL</b>	<b>76,30,86,180</b>	<b>-5,47,360</b>	<b>-1,56,812</b>	<b>76,23,52,008</b>	<b>77,11,80,000</b>	<b>-40,000</b>	<b>11</b>
<b>Irrigation, etc.—</b>							
XIII.—Works for which Capital accounts are kept—Gross Receipts	22,28,259	...	...	22,28,259	20,82,000	...	12
<i>Deduct—Working Expenses</i>	<i>12,06,672</i>	...	...	<i>12,06,672</i>	<i>10,38,000</i>	...	13
<b>Net Receipts</b>	<b>10,21,617</b>	...	...	<b>10,21,617</b>	<b>10,44,000</b>	...	<b>14</b>
XIV.—Works for which no Capital Accounts are kept	3,959	...	...	3,959	3,000	...	15
<b>TOTAL</b>	<b>10,25,576</b>	...	...	<b>10,25,576</b>	<b>10,47,000</b>	...	<b>16</b>
<b>Posts and Telegraphs—</b>							
XV.—Posts and Telegraphs—Indian Posts and Telegraphs Department—Gross Receipts	10,53,03,984	...	...	10,53,03,984	10,94,34,000	...	17
<i>Deduct—Working Expenses</i>	<i>9,83,89,230</i>	<i>5,45,079</i>	<i>1,85,724</i>	<i>9,90,70,033</i>	<i>10,37,20,000</i>	<i>7,01,000</i>	18
<b>Net Receipts</b>	<b>69,64,754</b>	<b>-5,45,079</b>	<b>-1,65,724</b>	<b>62,33,951</b>	<b>57,14,000</b>	<b>-7,01,000</b>	<b>19</b>
<b>Indo-European Telegraph Department—</b>							
Gross Receipts . . . . .	17,71,715	15,84,349	5,40,013	38,96,077	19,50,000	15,60,000	20
<i>Deduct—Working Expenses</i>	<i>29,34,507</i>	<i>97,738</i>	<i>83,208</i>	<i>80,65,451</i>	<i>31,76,000</i>	<i>1,73,000</i>	21
<b>Net Receipts</b>	<b>-11,62,792</b>	<b>14,86,611</b>	<b>5,06,807</b>	<b>8,30,626</b>	<b>-12,26,000</b>	<b>13,87,000</b>	<b>22</b>
<b>TOTAL</b>	<b>58,01,982</b>	<b>9,41,532</b>	<b>3,21,083</b>	<b>70,64,577</b>	<b>44,88,000</b>	<b>6,86,000</b>	<b>23</b>
<b>Debt Services—</b>							
XVI.—Interest . . . . .	69,56,427	2,37,89,443	51,13,415	4,08,59,285	70,14,000	2,59,45,000	24
<b>Carried over</b>	<b>77,88,70,145</b>	<b>2,41,83,615</b>	<b>82,47,686</b>	<b>81,13,01,446</b>	<b>78,37,29,000</b>	<b>2,65,91,000</b>	<b>25</b>



BUDGET FOR 1928-29.

Government, in India and in England.

Item No.	1927-28.		Increase (+) Decrease (-) as compared with Budget, 1927-28.	BUDGET ESTIMATE, 1928-29.				Increase (+) Decrease (-) as compared with Revised, 1927-28.
	Exchange.	TOTAL.		India.	† England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	...	49,63,80,000	-9,87,000	50,18,87,000	...	...	50,18,87,000	+1,54,87,000
2	...	15,64,03,000	-1,80,45,000	16,99,85,000	-27,000	...	16,99,58,000	+1,84,98,000
3	...	6,75,41,000	-24,85,000	7,00,69,000	...	...	7,00,08,000	+24,86,000
4	...	8,80,22,000	-2,65,000	8,47,77,000	...	...	8,47,77,000	-82,45,000
5	...	43,06,000	+8,000	40,71,000	...	...	40,71,000	-1,35,000
6	...	47,45,000	+2,56,000	45,63,000	...	...	45,63,000	-1,82,000
7	...	27,50,000	+1,13,000	28,52,000	...	...	28,52,000	+93,000
8	...	24,06,000	-3,16,000	29,87,000	...	...	29,87,000	+5,83,000
9	...	1,61,000	-5,000	1,62,000	...	...	1,62,000	+1,000
10	...	64,98,000	+2,000	73,75,000	...	...	73,75,000	-11,13,000
11	...	77,11,40,000	-1,67,16,000	79,66,17,000	-27,000	...	79,65,90,000	+2,74,50,000
12	...	...	...	...	...	...	...	...
13	...	20,82,000	-1,000	21,21,000	...	...	21,21,000	+39,000
14	...	10,88,000	+15,000	8,89,000	...	...	8,89,000	+1,49,000
15	...	10,44,000	+14,000	12,32,000	...	...	12,32,000	+1,88,000
16	...	3,000	-3,000	4,000	...	...	4,000	+1,000
17	...	10,47,000	+11,000	12,36,000	...	...	12,36,000	+1,69,000
18	...	...	...	...	...	...	...	...
19	...	10,94,94,000	+14,51,000	11,38,86,000	...	...	11,38,56,000	+44,52,000
20	3,000	10,44,94,000	-20,16,000	10,79,25,000	6,97,000	...	10,79,22,000	-34,98,000
21	-2,000	50,10,000	-5,65,000	66,61,000	-6,97,000	...	59,64,000	+9,54,000
22	...	...	...	...	...	...	...	...
23	5,000	35,15,000	-1,47,000	19,24,000	12,27,000	...	31,51,000	-3,64,000
24	...	83,49,000	+81,000	89,21,000	1,87,000	...	88,78,000	-29,000
25	...	1,06,000	-66,000	-12,97,000	10,70,000	...	-2,27,000	-3,93,000
26	2,000	51,76,000	-6,31,000	63,64,000	3,73,000	...	57,37,000	+5,61,000
27	...	...	...	...	...	...	...	...
28	91,000	3,30,50,000	+14,37,000	60,95,000	2,32,03,000	...	2,91,97,000	-38,63,000
29	93,000	81,04,13,000	-1,58,99,000	81,12,12,000	2,35,48,000	...	63,47,60,000	+2,43,47,000

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

## A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1926-27.				REVISED ESTIMATE.		Item No.
	India.	England.	Exchange.	TOTAL.	India.	England.	
Brought forward	Rs. 77,85,70,145	Rs. 2,41,83,615	Rs. 82,47,686	Rs. 81,13,01,446	Rs. 78,37,39,000	Rs. 3,65,91,000	
<b>Civil Administration—</b>							
XVII.—Administration of Justice	3,61,518	...	...	3,61,518	3,79,000	...	1
XVIII.—Jails and Convict Settlements.	3,43,195	...	...	3,46,195	3,44,000	...	2
XIX.—Police	—83,197	...	...	—83,197	1,62,000	...	3
XX.—Ports and Pilotage	25,73,143	...	...	25,73,143	26,49,000	...	4
XXI.—Education	1,73,703	...	...	1,73,703	2,12,000	...	5
XXII.—Medical	3,83,973	...	...	3,83,973	4,06,000	...	6
XXIII.—Public Health	1,97,103	...	...	1,97,103	3,61,000	...	7
XXIV.—Agriculture	18,08,964	...	...	18,08,964	18,98,000	...	8
XXV.—Industries	8,205	...	...	8,205	15,000	...	9
XXVI.—Miscellaneous Departments	14,76,556	...	...	14,76,556	15,95,000	...	10
XXVI-A.—Indian Stores Department	13,58,917	...	...	13,58,917	15,28,000	...	11
TOTAL	86,05,097	...	...	86,05,079	95,34,000	...	12
<b>Currency and Mint—</b>							
XXVII.—Currency	3,119,406	76,73,608	26,16,757	4,06,79,504	2,35,77,000	10,14,000	13
XXVIII.—Mint	1,026,263	84,791	11,683	8,71,723	27,02,000	1,000	14
TOTAL	3,12,14,309	77,08,399	26,28,440	4,15,51,227	2,62,79,000	10,15,000	15
<b>Civil Works—</b>							
XXX.—Civil Works	15,78,791	...	...	15,78,791	15,63,000	...	16
<b>Miscellaneous—</b>							
XXXIII.—Receipts in aid of Superannuation	17,73,182	3,33,740	1,10,161	23,12,083	15,22,000	3,98,000	17
XXXIV.—Stationery and Printing	19,61,455	9,769	3,328	19,74,562	12,61,000	13,000	18
XXXV.—Miscellaneous	12,15,467	4,48,665	1,50,379	18,14,511	12,64,000	1,79,000	19
TOTAL	49,55,044	7,82,174	2,63,878	60,01,096	40,57,000	5,90,000	20
<b>Military Receipts—</b>							
XXXVI.—Army—							
Effective	3,01,84,053	25,79,297	8,82,406	3,36,45,756	35,06,000	25,06,000	21
Non-effective	15,91,501	11,18,415	3,89,725	30,99,641	14,77,000	31,12,000	22
	3,17,75,554	36,97,712	12,63,131	3,67,36,697	49,83,000	48,20,000	23
XXXVII.—Marine	15,81,888	...	...	15,81,888	17,45,000	...	24
XXXVIII.—Military Engineer Services	1,11,49,479	...	...	1,11,49,479	35,20,000	...	25
TOTAL	4,46,07,231	36,97,712	12,63,131	4,94,68,064	1,02,48,000	48,20,000	26
<b>Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—</b>							
XXXIX.—Contributions to the Central Government by Provincial Governments	5,17,13,000	...	...	5,17,13,000	...	...	27
XXXIX-A.—Miscellaneous adjustments between the Central and Provincial Governments	63,451	...	...	63,451	10,59,000	...	28
TOTAL	5,17,75,451	...	...	5,17,75,451	10,59,000	...	29
<b>Extraordinary items—</b>							
XL.—Extraordinary Receipts	15,37,671	33,47,293	11,25,294	60,10,258	...	16,00,000	30
XL-A.—Transfers from Revenue Reserve Fund	...	...	...	...	1,68,73,000	...	31
TOTAL	15,37,671	33,47,293	11,25,294	60,10,258	1,68,73,000	16,00,000	32
<b>Railway Revenues as per Railway Budget</b>	34,27,43,713	—15,74,390	—5,09,935	34,07,06,887	39,69,17,000	—13,92,000	33
<b>TOTAL REVENUE</b>	1,26,57,86,503	3,91,94,803	1,30,18,493	1,31,69,99,799	1,21,43,50,000	3,30,24,000	34

\*Sterling converted into Rupees at £1 = Rs. 10.

BUDGET FOR 1928-29.

Government, in India and in England—contd.

Item No.	1927-28.		Increase (+) Decrease (-) as compared with Budget, 1927-28.	BUDGET ESTIMATE, 1928-29.				Increase (+) Decrease (-) as compared with Revised, 1927-28.
	Exchange.	TOTAL.		India.	† England.	Exchange.	TOTAL.	
	Rs. 00,000	Rs. 01,04,13,000		Rs. -1,56,99,000	Rs. 11,12,13,000	Rs. 2,36,48,000	Rs. 63,47,80,000	
1	...	3,79,000	+14,000	3,62,000	...	...	3,62,000	-17,000
2	...	3,44,000	+11,000	3,90,000	...	...	3,90,000	+46,000
3	...	1,62,000	+38,000	3,78,000	...	...	3,78,000	+3,16,000
4	...	23,46,000	+1,29,000	26,40,000	...	...	26,40,000	-9,000
5	...	2,12,000	+50,000	1,60,000	...	...	1,60,000	-32,000
6	...	4,06,000	+48,000	4,64,000	...	...	4,64,000	+58,000
7	...	3,61,000	+1,77,000	3,96,000	...	...	3,96,000	+35,000
8	...	18,96,000	+1,70,000	30,96,000	...	...	20,96,000	+1,73,000
9	...	18,000	+8,000	87,000	...	...	37,000	+23,000
10	...	15,64,000	+2,66,000	16,03,000	...	...	16,03,000	+17,000
11	...	15,26,000	+1,85,000	16,17,000	...	...	16,17,000	+69,000
12	...	96,34,000	+11,13,000	1,01,87,000	...	...	1,01,33,000	+5,54,000
13	...	...	...	...	...	...	...	...
14	3,000	2,45,94,000	+17,04,000	2,68,58,000	13,33,000	...	2,31,86,000	-24,09,000
15	...	27,05,000	+7,19,000	26,96,000	...	...	26,95,000	-8,000
16	3,000	2,72,97,000	+24,37,000	2,35,48,000	13,33,000	...	2,48,81,000	-24,16,000
17	...	18,68,000	-1,62,000	14,41,000	...	...	14,41,000	-1,32,000
18	...	...	...	...	...	...	...	...
19	3,000	19,32,000	+50,000	15,68,000	3,90,000	...	19,48,000	+26,000
20	...	12,84,000	-3,55,000	96,47,000	18,000	...	36,60,000	+28,96,000
21	...	14,65,000	+2,07,000	16,36,000	0,38,000	...	26,74,000	+11,11,000
22	3,000	46,49,000	-41,000	62,51,000	15,51,000	...	81,82,000	+86,33,000
23	...	...	...	...	...	...	...	...
24	9,000	60,23,000	-23,62,000	1,42,36,000	25,12,000	...	1,67,48,000	+1,07,26,000
25	7,000	15,96,000	+9,35,000	12,79,000	21,20,000	...	38,49,000	-3,47,000
26	16,000	96,19,000	-14,37,000	1,54,65,000	46,82,000	...	2,00,97,000	+1,04,78,000
27	...	17,48,000	+4,58,000	14,76,000	...	...	16,76,000	-69,000
28	...	25,20,000	-23,15,000	76,39,000	...	...	76,39,000	+41,19,000
29	16,000	1,47,84,000	-31,65,000	2,47,80,000	46,52,000	...	2,94,13,000	+1,45,28,000
30	...	...	...	...	...	...	...	...
31	...	10,69,000	+10,69,000	...	...	...	...	-10,69,000
32	...	10,69,000	+10,69,000	...	...	...	...	-10,69,000
33	6,000	16,06,000	+6,000	...	26,67,000	...	26,67,000	+10,61,000
34	...	1,65,73,000	-2,92,000	...	...	...	...	-1,68,73,000
35	6,000	1,84,79,000	-2,86,000	...	26,67,000	...	26,67,000	-1,58,13,000
36	...	...	...	...	...	...	...	...
37	...	...	...	...	...	...	...	...
38	...	...	...	...	...	...	...	...
39	...	...	...	...	...	...	...	...
40	...	...	...	...	...	...	...	...
41	...	...	...	...	...	...	...	...
42	...	...	...	...	...	...	...	...
43	...	...	...	...	...	...	...	...
44	...	...	...	...	...	...	...	...
45	...	...	...	...	...	...	...	...
46	...	...	...	...	...	...	...	...
47	...	...	...	...	...	...	...	...
48	...	...	...	...	...	...	...	...
49	...	...	...	...	...	...	...	...
50	...	...	...	...	...	...	...	...
51	...	...	...	...	...	...	...	...
52	...	...	...	...	...	...	...	...
53	...	...	...	...	...	...	...	...
54	...	...	...	...	...	...	...	...
55	...	...	...	...	...	...	...	...
56	...	...	...	...	...	...	...	...
57	...	...	...	...	...	...	...	...
58	...	...	...	...	...	...	...	...
59	...	...	...	...	...	...	...	...
60	...	...	...	...	...	...	...	...
61	...	...	...	...	...	...	...	...
62	...	...	...	...	...	...	...	...
63	...	...	...	...	...	...	...	...
64	...	...	...	...	...	...	...	...
65	...	...	...	...	...	...	...	...
66	...	...	...	...	...	...	...	...
67	...	...	...	...	...	...	...	...
68	...	...	...	...	...	...	...	...
69	...	...	...	...	...	...	...	...
70	...	...	...	...	...	...	...	...
71	...	...	...	...	...	...	...	...
72	...	...	...	...	...	...	...	...
73	...	...	...	...	...	...	...	...
74	...	...	...	...	...	...	...	...
75	...	...	...	...	...	...	...	...
76	...	...	...	...	...	...	...	...
77	...	...	...	...	...	...	...	...
78	...	...	...	...	...	...	...	...
79	...	...	...	...	...	...	...	...
80	...	...	...	...	...	...	...	...
81	...	...	...	...	...	...	...	...
82	...	...	...	...	...	...	...	...
83	...	...	...	...	...	...	...	...
84	...	...	...	...	...	...	...	...
85	...	...	...	...	...	...	...	...
86	...	...	...	...	...	...	...	...
87	...	...	...	...	...	...	...	...
88	...	...	...	...	...	...	...	...
89	...	...	...	...	...	...	...	...
90	...	...	...	...	...	...	...	...
91	...	...	...	...	...	...	...	...
92	...	...	...	...	...	...	...	...
93	...	...	...	...	...	...	...	...
94	...	...	...	...	...	...	...	...
95	...	...	...	...	...	...	...	...
96	...	...	...	...	...	...	...	...
97	...	...	...	...	...	...	...	...
98	...	...	...	...	...	...	...	...
99	...	...	...	...	...	...	...	...
100	...	...	...	...	...	...	...	...

\* sterling converted into Rupees at £ 1 = Rs. 134.

## B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1926-27.				REVISED.	
	India.	England.	Exchange.	TOTAL.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Direct Demands on the Revenues -</b>						
1.—Customs . . . . .	79,72,352	1,15,554	30,318	81,27,324	83,53,000	1
2.—Taxes on income . . . . .	60,67,156	80,925	27,540	61,75,621	65,79,000	2
3.—Salt . . . . .	1,19,31,058	48,267	16,418	1,19,95,743	1,21,44,000	3
4.—Opium . . . . .	99,82,571	46,027	15,687	1,00,44,285	85,32,000	4
5.—Land Revenue . . . . .	12,45,588	3,215	1,095	12,49,998	11,58,000	5
6.—Excise . . . . .	10,24,547	15,887	5,397	10,45,831	12,65,000	6
7.—Stamps . . . . .	95,353	...	...	95,353	9,000	7
8.—Forest . . . . .	30,04,221	1,70,456	58,132	32,32,809	28,95,000	8
9.—Registration . . . . .	28,396	...	...	28,396	29,000	9
<b>TOTAL</b> . . . . .	<b>4,13,51,242</b>	<b>4,50,331</b>	<b>1,63,587</b>	<b>4,19,95,100</b>	<b>4,12,64,000</b>	<b>10</b>
<b>Salt and other Capital outlay charged to Revenue -</b>						
3A.—Capital outlay on Salt Works . . . . .	4,50,066	...	...	4,50,066	2,80,000	11
7A.—Capital outlay on Security Printing Press . . . . .	2,38,319	...	...	2,38,319	6,97,000	12
6A.—Forest Capital outlay . . . . .	...	...	...	...	7,10,000	13
<b>TOTAL</b> . . . . .	<b>7,18,385</b>	<b>...</b>	<b>...</b>	<b>7,18,385</b>	<b>16,87,000</b>	<b>14</b>
<b>Irrigation, etc., Revenue Account—</b>						
14.—Works for which Capital accounts are kept—						
Interest on Debt . . . . .	12,00,207	...	...	12,00,207	12,03,000	15
15.—Other Revenue Expenditure . . . . .	2,42,466	57,175	19,400	3,18,941	3,73,000	16
<b>TOTAL</b> . . . . .	<b>14,42,573</b>	<b>57,175</b>	<b>19,400</b>	<b>15,19,138</b>	<b>15,76,000</b>	<b>17</b>
<b>Irrigation, etc., Capital Account (charged to Revenue)—</b>						
16.—Construction of Irrigation, etc., Works—						
Financed from Ordinary Revenues . . . . .	31,288	...	...	31,288	-15,60,000	18
<b>Posts and Telegraphs Revenue Account—</b>						
17.—Posts and Telegraphs—						
Interest on Debt—						
Indian Posts and Telegraphs Department . . . . .	52,08,989	...	...	52,08,989	54,68,000	19
Indo-European Telegraph Department . . . . .	5,16,464	...	...	5,16,464	5,08,000	20
<b>TOTAL</b> . . . . .	<b>57,25,453</b>	<b>...</b>	<b>...</b>	<b>57,25,453</b>	<b>59,71,000</b>	<b>21</b>
<b>Posts and Telegraphs Capital Account (charged to Revenue)—</b>						
18.—Capital outlay on Posts and Telegraphs—						
Indian Posts and Telegraphs Department . . . . .	17,62,466	...	...	17,62,466	18,30,000	22
Indo-European Telegraph Department . . . . .	86,632	5,707	1,934	94,273	3,61,000	23
<b>TOTAL</b> . . . . .	<b>18,49,098</b>	<b>5,707</b>	<b>1,934</b>	<b>18,56,739</b>	<b>21,91,000</b>	<b>24</b>
<b>Debt Services—</b>						
19.—Interest on Ordinary Debt . . . . .	19,62,60,513	13,04,13,445	4,44,45,785	37,31,39,743	19,93,38,000	25
Deduct—Amount chargeable to—						
Railways . . . . .	14,35,60,672	7,41,66,469	2,62,52,947	24,29,79,979	15,70,75,000	26
Irrigation . . . . .	12,00,207	...	...	12,00,207	12,09,000	27
Posts and Telegraphs . . . . .	58,40,848	...	...	58,40,848	61,23,000	28
Other heads . . . . .	9,33,133	...	...	9,33,133	16,61,000	29
Provincial Loans Fund . . . . .	5,34,60,427	...	...	5,34,60,427	5,48,30,000	30
Remainder chargeable to Ordinary Debt . . . . .	-67,14,674	5,62,46,986	1,91,92,838	6,87,25,150	-2,10,53,000	31
20.—Interest on other Obligations . . . . .	4,58,19,842	1,41,005	47,659	4,90,05,506	5,25,52,000	32
21.—Appropriation for Reduction or Avoidance of Debt . . . . .	4,97,16,016	...	...	4,97,16,016	5,06,36,000	33
<b>TOTAL</b> . . . . .	<b>9,18,31,184</b>	<b>5,63,87,991</b>	<b>1,92,40,497</b>	<b>16,74,49,672</b>	<b>8,21,35,000</b>	<b>34</b>
<b>Carried over</b> . . . . .	<b>14,29,59,223</b>	<b>5,69,31,204</b>	<b>1,94,25,418</b>	<b>21,93,95,645</b>	<b>13,32,63,000</b>	<b>35</b>

\* Sterling converted into Rupees at £1 = Rs. 10.

BUDGET FOR 1928-29.

of the Central Government, in India and in England.

Item No.	ESTIMATE, 1927-28.			Increase (+) Decrease (-) as compared with Budget, 1927-28.	BUDGET ESTIMATE, 1928-29.				Increase (+) Decrease (-) as compared with Revised, 1927-28.
	England.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	2,05,000	1,000	55,57,000	-2,34,000	87,14,000	1,93,000	89,96,000	+3,49,000	
2	73,000	...	66,57,000	-1,98,000	68,54,000	87,000	69,41,000	+2,89,000	
3	1,50,000	1,000	1,33,04,000	-3,65,000	1,21,51,000	1,03,000	1,22,54,000	-50,000	
4	72,000	...	60,04,000	-1,55,000	60,29,000	1,20,000	61,49,000	-7,55,000	
5	8,000	...	11,63,000	-58,000	11,86,000	12,000	11,98,000	+35,000	
6	4,000	...	12,69,000	+1,14,000	12,88,000	12,000	13,00,000	+31,000	
7	...	...	9,000	-1,000	78,000	...	78,000	+69,000	
8	2,12,000	1,000	31,08,000	-1,40,000	34,01,000	2,36,000	33,57,000	+5,18,000	
9	...	...	29,000	...	31,000	...	31,000	+2,000	
10	7,16,000	2,000	4,19,95,000	-10,35,000	4,17,32,000	7,52,000	4,24,84,000	+4,89,000	
11	...	...	2,80,000	-1,78,000	2,96,000	...	2,93,000	+16,000	
12	...	...	8,97,000	-13,000	...	...	8,84,000	-6,97,000	
13	...	...	7,10,000	-4,000	3,45,000	...	3,45,000	-8,65,000	
14	...	...	16,87,000	-1,92,000	6,41,000	...	6,41,000	-10,46,000	
15	...	...	12,02,000	-3,000	12,15,000	...	12,15,000	+13,000	
16	77,000	...	4,50,000	-4,000	6,67,000	76,000	7,03,000	+3,13,000	
17	77,000	...	14,52,000	-50,000	19,02,000	76,000	19,78,000	+3,26,000	
18	...	...	-15,60,000	-17,28,000	3,32,000	...	3,32,000	+18,92,000	
19	...	...	54,62,000	-1,83,000	59,41,000	...	59,41,000	+4,73,000	
20	...	...	5,08,000	-26,000	5,21,000	...	5,21,000	+18,000	
21	...	...	59,71,000	-3,09,000	64,82,000	...	64,63,000	+4,91,000	
22	...	...	18,30,000	-1,70,000	17,00,000	...	17,00,000	-1,80,000	
23	8,000	...	3,66,000	+85,000	-1,000	8,000	4,000	-3,62,000	
24	8,000	...	21,96,000	-65,000	16,99,000	5,000	17,04,000	-4,92,000	
25	17,80,10,000	6,11,000	37,54,59,000	+9,54,000	30,04,73,000	17,44,79,000	37,49,51,000	-5,08,000	
26	10,17,89,000	8,55,000	26,91,59,000	-8,98,000	17,00,89,000	10,46,64,000	27,47,02,000	-1,55,48,000	
27	...	...	19,09,000	+2,000	19,16,000	...	19,16,000	-13,000	
28	...	...	67,38,000	+1,54,000	66,14,000	...	68,14,000	-4,91,000	
29	...	...	16,61,000	-1,61,000	30,78,000	...	30,79,000	-4,18,000	
30	...	...	5,49,20,000	-12,25,000	5,74,50,000	...	5,74,50,000	-20,20,000	
31	7,32,81,000	2,56,000	5,24,84,000	-12,91,000	-3,69,34,000	6,98,15,000	3,28,91,000	-1,95,93,000	
32	1,11,000	...	4,29,83,000	+1,64,000	6,20,55,000	1,29,000	6,21,84,000	+95,21,000	
33	...	...	4,06,36,000	-5,44,000	5,39,86,000	...	5,39,86,000	+33,50,000	
34	7,33,92,000	2,56,000	18,57,83,000	-16,51,000	7,91,17,000	6,99,44,000	14,90,61,000	-67,32,000	
35	7,64,02,000	2,56,000	20,77,24,000	-49,50,000	13,18,85,000	7,07,77,000	20,26,62,000	-50,62,000	

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

## B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1926-27.				REVISED	
	India.	England.	Exchange.	TOTAL.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	14,930,323	5,931,304	1,94,25,418	21,92,05,845	13,32,63,000	
<b>Civil Administration—</b>						
22.—General Administration—						
A.—Heads of Provinces (including Govern- General and Executive Councils.					22,9,000	1
B.—Legislative Bodies . . . . .					5,98,000	2
C.—Secretariat and Headquarters establish- ment . . . . .	1,27,92,698	28,37,910	9,65,034	1,65,95,637	60,80,000	3
D.—Commissioners . . . . .					18,12,000	4
E.—District Administration . . . . .					3,000	5
F.—Home Administration, etc. . . . .					3,000	6
G.—Miscellaneous, etc. . . . .					3,000	7
23.—Audit . . . . .	80,92,814	2,77,489	94,339	84,64,642	85,48,000	8
24.—Administration of Justice . . . . .	14,23,776	30,327	10,291	14,64,394	13,48,000	9
25.—Jails and Convict Settlements . . . . .	36,56,371	26,499	9,010	36,91,860	36,94,000	10
26.—Police . . . . .	90,73,21	1,45,495	49,413	93,67,124	98,19,000	11
27.—Ports and Pilotage . . . . .	30,13,525	8,33,919	1,13,406	34,60,850	31,13,000	12
28.—Ecclesiastical . . . . .	23,40,654	6,78,343	2,30,740	32,49,736	23,10,000	13
29.—Political . . . . .	3,32,21,716	7,23,941	2,45,929	3,31,91,586	1,37,63,000	14
29-A.—Frontier Watch and Ward . . . . .					2,46,53,000	15
30.—Scientific Departments . . . . .	75,33,399	7,22,295	2,45,554	85,01,248	83,31,000	16
31.—Education Departments . . . . .	37,08,154	66,014	22,485	37,96,653	48,28,000	17
32.—Medical . . . . .	27,65,755	1,83,043	62,270	30,11,068	27,71,000	18
33.—Public Health . . . . .	16,25,909	93,783	31,963	17,51,654	16,54,000	19
34.—Agriculture . . . . .	24,98,907	1,19,168	40,528	26,58,601	28,70,000	20
35.—Industries . . . . .	81,67,018	27,324	9,284	82,03,626	17,22,000	21
36.—Aviation . . . . .	13,03,806	1,663	630	13,06,099	10,29,000	22
37.—Miscellaneous Departments . . . . .	8,87,139			11,51,508	10,08,000	23
37-A.—Indian Stores Department . . . . .	15,77,331	1,97,261	67,088	15,77,331	14,60,000	24
<b>TOTAL</b>	<b>10,26,81,153</b>	<b>64,64,701</b>	<b>21,97,963</b>	<b>11,13,43,847</b>	<b>10,37,83,000</b>	<b>25</b>
<b>Currency and Mint—</b>						
38.—Currency . . . . .	29,00,044	23,34,684	7,69,562	60,54,190	37,63,000	26
39.—Mint . . . . .	15,09,031	55,120	18,731	15,82,882	16,80,000	27
<b>TOTAL</b>	<b>44,39,075</b>	<b>23,89,704</b>	<b>8,08,293</b>	<b>76,37,073</b>	<b>54,48,000</b>	<b>28</b>
<b>Civil Works—</b>						
41.—Civil Works . . . . .	1,88,18,067	1,16,609	8,484	1,89,74,160	1,61,64,000	29
<b>Miscellaneous—</b>						
43.—Famine Relief and Insurance—						
A.—Famine Relief . . . . .	96,749			96,749		30
44.—Territorial and Political Pensions . . . . .	29,62,798	73,070	24,831	30,60,699	28,92,000	31
45.—Superannuation Allowances and Pensions. . . . .	16,12,703	1,83,24,510	62,37,507	2,61,74,720	15,01,000	32
45-A.—Commutation of pensions financed from Ordinary Revenue . . . . .					8,80,000	33
46.—Stationery and Printing . . . . .	24,99,770	4,91,572	1,66,816	31,58,158	23,48,000	34
47.—Miscellaneous . . . . .	54,63,709	12,34,224	4,23,346	71,26,279	54,41,000	35
<b>TOTAL</b>	<b>1,26,35,729</b>	<b>2,01,27,376</b>	<b>68,52,500</b>	<b>3,96,15,605</b>	<b>1,20,62,000</b>	<b>36</b>
<b>Military Services—</b>						
48.—Army—						
Effective . . . . .	39,42,60,916	6,14,67,393	2,09,11,034	47,66,59,343	35,70,01,000	37
Non-effective . . . . .	3,46,39,315	3,52,01,083	1,19,61,281	8,18,11,529	3,44,85,000	38
49.—Marine . . . . .	42,88,90,131	9,66,88,426	3,28,92,315	55,84,70,872	39,14,56,000	39
50.—Military Engineer Services . . . . .	39,62,359	19,17,484	6,53,638	65,33,481	52,32,000	40
	4,86,20,931	4,01,940	1,36,685	4,41,59,536	4,40,95,000	41
<b>TOTAL</b>	<b>47,64,73,432</b>	<b>9,90,07,850</b>	<b>3,36,82,618</b>	<b>60,91,63,869</b>	<b>41,08,13,000</b>	<b>42</b>
<b>Contributions and miscellaneous ad-   justments between Central and Pro-   vincial Governments—</b>						
51-A.—Miscellaneous adjustments between the Central and Provincial Governments. . . . .	4,52,896			4,52,896	3,47,000	43
<b>Extraordinary Items—</b>						
52.—Extraordinary Payments . . . . .	3,57,997			3,57,997	18,87,000	44
52-I.—Transfers to Revenue Reserve Fund . . . . .	2,95,63,311			2,95,63,311		45
<b>TOTAL</b>	<b>2,99,21,308</b>			<b>2,99,21,308</b>	<b>18,87,000</b>	<b>46</b>
<b>Railway Expenditure as per Railway   Budget . . . . .</b>	<b>18,51,15,831</b>	<b>8,61,65,943</b>	<b>2,93,17,408</b>	<b>28,05,99,177</b>	<b>20,81,84,000</b>	<b>47</b>
<b>TOTAL EXPENDITURE CHARGED TO REVENUE</b>	<b>95,24,76,733</b>	<b>27,12,03,387</b>	<b>9,33,19,679</b>	<b>1,31,69,99,799</b>	<b>92,23,51,000</b>	<b>48</b>

\* Sterling converted into Rupees at £1 = Rs. 10.

BUDGET FOR 1928-29.

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

Item No.	ESTIMATE, 1927-28.			Increase (+) or Decrease (-) as compared with Budget, 1927-28.	BUDGET ESTIMATE, 1928-29.				Increase (+) or Decrease (-) as compared with Revised, 1927-28.
	↑ England.	Exchange.	TOTAL.		India.	↑ England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
	7,42,02,000	1,50,000	30,77,24,000	-40,50,000	13,18,85,000	7,07,77,000	20,38,62,000	-50,62,000	
1	...	...	23,69,000	+1,18,000	23,64,000	...	23,64,000	+95,000	
2	...	...	4,98,000	-35,000	6,25,000	...	4,25,000	+37,000	
3	...	...	90,000	-1,96,000	95,12,000	...	95,12,000	+5,32,000	
4	...	...	18,12,000	-60,000	18,10,000	...	18,50,000	+68,000	
5	60,68,000	14,000	40,70,000	-5,95,000	...	61,87,000	61,87,000	+31,17,000	
6	...	...	2,000	+3,000	3,000	...	3,000	...	
7	4,17,000	3,000	90,17,000	+1,83,000	95,41,000	4,18,000	99,56,000	+9,39,000	
8	21,000	...	15,69,000	-4,000	14,02,000	44,000	14,46,000	+77,000	
9	67,000	...	37,61,000	-3,64,000	38,70,000	41,000	39,11,000	+1,50,000	
10	1,77,000	1,000	69,97,000	-3,22,000	75,09,000	1,83,000	74,92,000	+4,95,000	
11	1,47,000	...	32,80,000	-3,63,000	31,27,000	1,12,000	31,39,000	+1,72,000	
12	8,50,000	3,000	33,00,000	-1,94,000	24,85,000	8,87,000	33,72,000	+1,79,000	
13	10,00,000	4,000	1,40,67,000	+1,15,000	1,37,80,000	12,80,000	1,50,60,000	+2,95,000	
14	1,20,000	...	3,47,74,000	+4,07,000	2,47,31,000	1,37,000	2,48,58,000	+65,000	
15	11,37,000	4,000	94,62,000	-4,47,000	94,71,000	12,38,000	93,99,000	+2,37,000	
16	9,000	...	40,17,000	-3,01,000	45,40,000	90,000	43,29,000	-2,87,000	
17	2,14,000	1,000	30,36,000	+1,13,000	27,60,000	3,05,000	29,65,000	+71,000	
18	1,01,000	...	17,55,000	+1,14,000	19,39,000	1,33,000	20,63,000	+4,97,000	
19	1,50,000	1,000	30,00,000	-0,000	29,37,000	1,64,000	31,01,000	+71,000	
20	37,000	...	17,59,000	+3,21,000	4,19,000	38,000	4,57,000	-13,02,000	
21	6,000	...	10,35,000	+0,35,000	5,84,000	64,000	6,28,000	-4,07,000	
22	3,77,000	1,000	29,46,000	+2,000	11,61,000	3,25,000	33,09,000	+3,63,000	
23	90,07,000	31,000	11,28,16,000	-3,73,000	10,64,53,000	1,14,92,000	11,69,45,000	+41,39,000	
24	36,21,000	13,000	74,03,000	+18,70,000	36,35,000	12,01,000	48,36,000	-26,60,000	
25	67,000	...	17,47,000	-2,06,000	18,59,000	3,68,000	21,27,000	+3,80,000	
26	24,80,000	13,000	91,49,000	+14,64,000	54,94,000	14,69,000	69,63,000	-21,86,000	
27	91,000	...	1,62,55,000	-4,43,000	1,72,62,000	69,000	1,73,31,000	+10,76,000	
28	1,50,000	1,000	30,51,000	+6,000	28,40,000	1,20,000	29,60,000	-91,000	
29	2,39,50,000	8,000	2,55,45,000	-91,000	10,63,000	3,35,06,000	2,46,71,000	-9,72,000	
30	1,25,000	3,000	8,00,000	+3,67,000	8,80,000	...	8,00,000	...	
31	14,79,000	4,000	38,75,000	-6,67,000	45,91,000	10,63,000	56,78,000	+28,01,000	
32	3,61,21,000	91,000	3,91,74,000	-5,41,000	1,48,95,000	3,61,11,000	4,10,06,000	+16,32,000	
33	7,11,98,000	2,40,000	65,44,44,000	-39,00,000	26,67,01,000	7,76,93,000	44,48,07,000	+1,69,53,000	
34	4,86,35,000	1,60,000	8,32,89,000	+1,51,000	3,45,57,000	4,93,59,000	8,38,96,000	+6,07,000	
35	11,80,00,000	4,17,000	61,17,30,000	-37,58,000	40,17,50,000	12,70,35,000	63,62,93,000	+1,65,80,000	
36	30,00,000	11,000	83,20,000	+2,78,000	56,67,000	26,30,000	85,19,000	+1,83,000	
37	80,000	...	4,40,15,000	+2,17,000	4,31,74,000	4,26,000	4,38,00,000	-4,15,000	
38	12,78,43,000	4,26,000	86,60,94,000	-31,65,000	45,01,19,000	13,02,93,000	68,04,12,000	+1,62,28,000	
39	...	...	3,47,000	+3,47,000	...	...	...	-3,47,000	
40	...	...	18,87,000	+11,67,000	4,50,000	...	4,50,000	-14,37,000	
41	...	...	18,87,000	+11,87,000	4,50,000	...	4,50,000	-14,37,000	
42	11,70,000	4,10,000	23,59,62,000	+3,10,57,000	30,97,16,000	15,04,64,000	35,03,00,000	+4,33,000	
43	36,33,18,000	12,32,000	1,37,73,96,000	+2,45,33,000	89,62,74,000	86,96,96,000	1,29,59,08,000	+1,55,71,000	

† Sterling converted into Rupee at £1 = Rs. 13½.

## BUDGET FOR 1928-29.

## C.—Statement of Receipts and Disbursements of the

	Accounts, 1926-27.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Revenue (from Statement A) . . . . .	1,26,57,86,503	3,81,94,803	1,30,39,81,306
Exchange added to Revenue . . . . .	1,30,18,493	...	1,30,18,493
<b>TOTAL</b> . . . . .	<b>1,27,88,04,796</b>	<b>3,81,94,803</b>	<b>1,31,69,99,799</b>
<b>Fairway Capital not charged to Revenue—</b>			
As per Railway Budget . . . . .	59,275	...	59,275
<b>Public Debt Incurred—</b>			
<b>Permanent Debt—</b>			
<i>Sterling Debt—</i>			
7 per cent. Stock . . . . .	...	1,01,762	
5½ per cent. Stock . . . . .	...	11,16,376	
4½ per cent. Stock . . . . .	...	9,65,479	
<i>Rupee Debt—</i>			
New Rupee Loan . . . . .	...	...	
4 per cent. Loan, 1960-70 . . . . .	29,49,70,600	...	
Do. 1934-37 . . . . .	...	...	
3½ per cent. Loans . . . . .	21,98,000	...	
<b>TOTAL</b> . . . . .	<b>29,71,68,600</b>	<b>21,83,617</b>	<b>29,93,52,217</b>
<b>Floating Debt—</b>			
<i>Treasury Bills—</i>			
Issued to Public . . . . .	...	...	
Issued to Paper Currency Reserve . . . . .	49,65,00,000	...	
India Bills . . . . .	...	...	
Temporary Loans . . . . .	...	...	
<b>TOTAL</b> . . . . .	<b>49,65,00,000</b>	<b>...</b>	<b>49,65,00,000</b>
Carried over . . . . .	2,07,25,32,87½	4,03,78,420	

\* Sterling converted into Rupees at £1 = Rs. 10.



BUDGET FOR 1928-29.

29

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

REVISED ESTIMATE, 1927-28.			BUDGET ESTIMATE, 1928-29.		
India.	† England.	TOTAL.	India.	† England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,24,42,59,000 1,15,000	3,30,24,000 ...	1,27,72,83,000 1,15,000	1,26,44,69,000 ...	3,20,06,000 ...	1,29,64,75,000 ...
1,24,43,74,000	3,30,24,000	1,27,73,98,000	1,26,44,69,000	3,20,06,000	1,29,64,75,000
...	...	...	...	2,03,80,000	2,03,80,000
...	...	...	...	...	...
...	15,83,000	...	...	16,84,000	...
...	9,28,58,000	...	...	15,46,000	...
...	...	...	32,00,00,000	...	...
...	...	...	...	...	...
19,53,79,000	...	...	10,28,000	...	...
12,00,000	...	...	...	...	...
19,65,79,000	9,44,41,000	29,10,20,000	32,10,28,000	32,30,000	32,42,58,000
...	...	...	...	...	...
81,84,05,000	...	...	35,00,00,000	...	...
51,71,60,000	...	...	62,87,60,000	...	...
...	6,66,67,000	...	...	...	...
4,00,00,000	...	...	...	...	...
87,55,65,000	6,66,67,000	94,22,32,000	97,87,60,000	...	97,87,60,000
2,31,65,18,000	19,41,32,000	...	2,56,42,57,000	5,56,16,000	...

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

## C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1926-27.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	2,07,25,32,871	4,03,78,420	...
<b>Unfunded Debt—</b>			
Deposits of Service Funds . . . . .	12,72,805	3,93,374	
Post Office Cash Certificates . . . . .	7,53,48,396	...	
Savings Bank Deposits . . . . .	29,83,07,134	3,45,086	
<b>TOTAL</b>	<b>37,49,28,335</b>	<b>7,38,460</b>	<b>37,56,66,795</b>
<b>Deposits and Advances—</b>			
<b>Deposits of Local Funds—</b>			
District Funds . . . . .	15,97,41,858	...	
Other Funds . . . . .	9,57,95,412	...	
Sinking Funds for Central Loans . . . . .	1,35,67,35	...	
Other appropriations for Reduction or Avoidance of Debt . . . . .	3,61,12,016	...	
Sinking Fund Investment Account . . . . .	52,95,296	...	
Sinking Funds for loans granted to local bodies . . . . .	3,65,764	...	
Gold Standard Reserve . . . . .	...	36,79,02,228	
Paper Currency Reserve . . . . .	...	92,02,05,813	
Deposits of Branch Line Companies . . . . .	12,73,600	...	
Posts and Telegraphs Depreciation Fund . . . . .	33,83,809	...	
Provincial Loans Fund . . . . .	12,44,48,185	...	
Departmental and Judicial Deposits . . . . .	88,69,03,863	...	
Advances . . . . .	17,01,28,967	6,24,967	
Discount Sinking Fund . . . . .	...	...	
Suspense . . . . .	4,61,48,044	1,76,03,401	
Exchange on Remittance Accounts . . . . .	11,13,69,063	...	
Miscellaneous . . . . .	58,18,593	1,17,48,228	
Revenue Reserve Fund . . . . .	2,95,63,311	...	
<b>TOTAL</b>	<b>1,69,10,04,516</b>	<b>1,31,80,84,637</b>	<b>3,00,90,89,153</b>
Railway Depreciation and Reserve Funds as per Railway Budget . . . . .	12,37,11,269	...	12,37,11,269
Carried over	4,26,21,76,591	1,35,92,01,517	

\* Sterling converted into Rupees at £1 = Rs. 10.

BUDGET FOR 1928-29.

31

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

REVISED ESTIMATE, 1927-28.			BUDGET ESTIMATE, 1928-29.		
India.	† England.	TOTAL.	India.	† England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,31,65,18,000	19,41,32,000	...	2,56,42,57,000	5,56,16,000	...
10,58,000	4,82,000		10,58,000	5,53,000	
6,20,00,000			5,80,00,000	...	
33,24,35,000	-16,01,000		36,13,72,000	...	
89,54,91,000	11,19,000	39,43,72,000	42,09,25,000	5,53,000	42,14,78,000
16,39,57,000	...		16,31,94,000	...	
9,72,03,000	...		9,69,18,000	...	
1,47,15,000	...		1,52,86,000	...	
3,70,32,000	...		4,03,82,000	...	
1,26,27,000	...		...	...	
3,80,000	...		3,93,000	...	
...	79,57,79,000		...	69,73,99,000	
...	20,23,17,000		...	13,95,19,000	
8,20,000	...		3,00,000	...	
37,00,000	...		40,32,000	...	
14,03,63,000	...		16,39,94,000	...	
95,48,53,000	...		91,12,57,000	...	
16,18,14,000	7,90,000		15,59,42,000	2,85,000	
4,37,000	...		17,88,000	...	
11,15,20,000	-31,37,000		3,25,06,000	2,88,000	
17,15,000	...		...	...	
2,00,000	1,49,76,000		1,72,000	1,42,20,000	
...	...		...	...	
1,70,13,66,000	1,01,07,25,000	2,71,20,91,000	1,58,61,67,000	85,17,11,000	2,43,78,78,000
16,12,20,000	...	16,12,26,000	15,45,30,000	...	15,45,30,000
4,57,43,01,000	1,20,37,38,000		4,72,58,79,000	90,78,80,000	

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

C

## BUDGET FOR 1928-29.

## C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1928-29.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward . . . . .	4,26,21,76,991	1,35,92,01,517	
<b>Loans and Advances by the Central Government—</b>			
Advances to the Provincial Loans Fund . . . . .	...	...	
Other Loans and Advances . . . . .	1,54,24,159	...	
<b>TOTAL</b> . . . . .	<b>1,54,24,159</b>	<b>...</b>	<b>1,54,24,159</b>
<b>Remittances—</b>			
Remittances within India—			
Inland Money Orders . . . . .	93,98,31,162	...	
Other Local Remittances . . . . .	36,93,930	...	
Other Departmental Accounts . . . . .	68,32,897	...	
Net Receipts by Civil Treasuries from—			
Railways . . . . .	5,77,35,636	...	
Posts and Telegraphs . . . . .	5,54,25,683	...	
Net Receipts from Civil Treasuries by—			
Marine . . . . .	40,52,782	...	
Army and Military Engineer Services . . . . .	39,32,43,507	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings . . . . .	...	1,38,89,021	
Sale of Silver . . . . .	...	...	
Other transactions . . . . .	1,57,20,160	3,13,86,258	
Remittances from India for financing			
Home Treasury . . . . .	...	2,11,50,000	
Sale of Sterling . . . . .	1,42,50,000	...	
Transfers through the Paper Currency Reserve . . . . .	...	23,42,70,435	
<b>TOTAL</b> . . . . .	<b>1,49,07,50,757</b>	<b>30,06,95,764</b>	<b>1,79,14,86,521</b>
<b>Balances of Provincial Governments</b> . . . . .	...	...	...
<b>TOTAL RECEIPTS</b> . . . . .	<b>5,76,83,91,907</b>	<b>1,65,98,97,281</b>	
Opening Balance . . . . .	25,14,88,041	(a) 15,04,63,055	
<b>GRAND TOTAL</b> . . . . .	<b>6,01,98,79,948</b>	<b>1,81,03,60,336</b>	

\* Sterling converted into Rupees at £1 = Rs. 10.

(a) Of this amount, £825 represents the funds of the Gold Standard Reserve.

BUDGET FOR 1928-29.

33

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

REVISED ESTIMATE, 1927-28.			BUDGET ESTIMATE, 1928-29.		
India.	† England.	TOTAL.	India.	† England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,57,46,01,000	1,20,37,38,000		4,72,58,79,000	90,78,80,000	
1,09,54,000	...		83,51,000	...	
1,09,54,000	....	1,09,54,000	83,51,000	...	83,51,000
96,75,00,000	...		98,95,00,000	...	
4,46,000	...		3,20,000	...	
3,59,84,000	...		3,47,00,000	...	
5,26,09,000	...		6,90,79,000	...	
4,38,10,000	...		4,38,10,000	...	
55,61,000	...		43,75,000	...	
39,30,60,000	...		38,84,12,000	...	
...	1,08,33,000		...	1,01,33,000	
...	1,44,00,000		...	...	
89,56,000	4,68,53,000		91,68,000	3,47,27,000	
...	38,00,00,000		...	48,00,00,000	
...	...		...	...	
4,43,52,000	7,42,88,000		...	...	
1,55,22,78,000	52,63,74,000	2,07,86,52,000	1,53,93,64,000	52,48,60,000	2,06,42,24,000
1,52,51,000	...	1,52,51,000	3,67,44,000	...	3,67,44,000
6,15,30,84,000	1,73,01,12,000		6,31,03,38,000	1,43,27,40,000	
27,87,75,069	(b) 4,31,13,307		12,73,48,069	(b) 8,07,11,307	
6,43,18,59,069	1,77,32,25,307		6,43,76,86,069	1,51,34,51,307	

† Sterling converted into Rupees at 21 = Rs. 13.  
 (b) Of this amount, 2:26 represents the funds of the Gold Standard Reserve.

## C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1928-29.		
	India.	England.	TOTAL
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	95,34,76,733	27,12,03,387	1,22,46,80,120
Exchange charged as Expenditure	9,23,19,679	...	9,23,19,679
<b>TOTAL</b>	<b>1,04,57,96,412</b>	<b>27,12,03,387</b>	<b>1,31,69,99,799</b>
<b>Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—</b>			
CAPITAL OUTLAY ON SECURITY PRINTING PRESS	16,49,855	...	16,49,855
CONSTRUCTION OF IRRIGATION WORKS	—70,632	...	—70,632
CAPITAL OUTLAY ON POSTS AND TELEGRAPHS	23,10,103	9,49,027	32,59,130
CAPITAL OUTLAY ON VIZAGAPATAM PORT	23,66,612	8,19,853	31,86,465
CURRENCY CAPITAL OUTLAY	8,61,259	5,142	8,66,401
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	59,53,932	2,09,185	61,63,117
PAYMENT OF COMMUTED VALUE OF PENSIONS	28,85,222	...	28,85,222
CAPITAL OUTLAY ON BOMBAY LAND SCHEME	...	...	...
<b>TOTAL</b>	<b>1,59,56,351</b>	<b>19,83,207</b>	<b>1,79,39,558</b>
RAILWAY CAPITAL NOT CHARGED TO REVENUE—			
As per Railway Budget	19,48,63,165	10,37,88,799	29,86,51,964
<b>Public Debt Discharged—</b>			
<b>Permanent Debt—</b>			
<i>Sterling Debt—</i>			
7 p. c. Stock	...	99,42,175	
State Railway annuities	...	1,34,73,481	
Do. Do. Sinking Funds	...	20,00,000	
Redemption of liabilities assumed in respect of British War Loan (1929-47)	...	51,20,094	
<i>Rupee Debt—</i>			
6 p. c. Bonds, 1926	19,81,45,600	...	
Do. Do. 1927	2,39,22,500	...	
Other 6 p. c. Bonds	1,800	...	
5½ p. c. War Bonds, 1928	1,00,99,400	...	
Other 5½ p. c. War Bonds	8,22,850	...	
5 p. c. Loan, 1945-55	1,700	...	
4 p. c. Terminable Loan	28,500	...	
Other Loans	26,28,412	...	
<b>TOTAL</b>	<b>23,56,50,762</b>	<b>3,05,35,750</b>	<b>26,61,86,512</b>
Carried over	1,49,22,66,690	40,75,11,143	

\* Sterling converted into Rupees at £1 = Rs. 10.

BUDGET FOR 1928-29,

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

REVISED ESTIMATE, 1927-28.			BUDGET ESTIMATE, 1928-29.		
India.	† England.	TOTAL.	India.	† England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
92,28,51,000	35,33,15,000	1,27,61,66,000	93,52,74,000	36,06,95,000	1,29,59,69,000
12,32,000	...	12,32,000	...	...	...
<u>92,40,83,000</u>	<u>35,33,15,000</u>	<u>1,27,73,98,000</u>	<u>93,52,74,000</u>	<u>36,06,95,000</u>	<u>1,29,59,69,000</u>
—9,79,000	...	—9,79,000	27,000	40,000	67,000
16,93,000	...	16,93,000	1,74,000	...	1,74,000
43,77,000	13,79,000	57,56,000	53,18,000	14,84,000	68,02,000
36,12,000	1,49,000	37,61,000	40,88,000	6,65,000	47,53,000
13,48,000	4,60,000	18,08,000	10,000	7,000	17,000
48,93,000	5,67,000	54,00,000	70,44,000	8,24,000	78,68,000
35,52,000	...	35,52,000	34,85,000	...	34,85,000
20,74,000	...	20,74,000	2,05,22,000	...	2,05,22,000
<u>2,05,10,000</u>	<u>25,55,000</u>	<u>2,30,65,000</u>	<u>4,06,68,000</u>	<u>30,20,000</u>	<u>4,36,88,000</u>
17,50,23,000	13,16,67,000	30,66,90,000	15,33,33,000	14,70,47,000	30,03,80,000
...	65,000	...	...	...	...
...	1,85,85,000	...	...	1,92,28,000	...
...	26,67,000	...	...	26,67,000	...
...	71,68,000	...	...	75,24,000	...
20,00,000	...	...	2,00,000	...	...
17,30,00,000	...	...	20,00,000	...	...
...	...	...	...	...	...
4,12,26,000	...	...	16,25,00,000	...	...
1,50,000	...	...	3,10,000	...	...
...	...	...	...	...	...
30,000	...	...	20,000	...	...
14,04,000	...	...	12,00,000	...	...
<u>21,80,10,000</u>	<u>2,84,85,000</u>	<u>24,64,95,000</u>	<u>16,62,30,000</u>	<u>2,94,19,000</u>	<u>19,56,49,000</u>
<u>1,33,76,26,000</u>	<u>51,60,22,000</u>	<u>1,85,36,48,000</u>	<u>1,29,55,05,000</u>	<u>54,01,81,000</u>	<u>1,83,56,86,000</u>

† Sterling converted into Rupees at 21 = Rs. 13½.

## BUDGET FOR 1928-29.

## C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1926-27.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	1,49,22,66,690	40,75,11,143	
<b>Floating Debt—</b>			
Treasury Bills—			
Issued to Public	...	...	
Do. Paper Currency Reserve	57,83,00,000	...	
India Bills	...	...	
Temporary Loans	...	...	
TOTAL	57,83,00,000	...	57,83,00,000
<b>Unfunded Debt—</b>			
Special Loans	14,928	...	
Deposits of Service Funds	15,84,890	21,522	
Post Office Cash Certificates	1,82,16,158	...	
Savings Bank Deposits	22,85,18,558	96,624	
TOTAL	24,83,34,534	1,18,146	24,84,52,680
<b>Deposits and Advances—</b>			
Deposits of Local Funds—			
District Funds	15,89,06,923	...	
Other Funds	9,60,30,127	...	
Sinking Fund Investment Account	1,93,49,821	...	
Gold Standard Reserve	...	36,79,03,649	
Paper Currency Reserve	...	92,02,05,813	
Deposits of Branch Line Companies	5,41,777	...	
Posts and Telegraphs Depreciation Fund	3,79,054	...	
Provincial Loans Fund	12,64,55,427	...	
Departmental and Judicial Deposits	87,59,78,284	...	
Advances	16,23,74,289	3,13,020	
Discount Sinking Fund	3,53,96,472	...	
Suspense	1,38,85,631	1,67,76,775	
Miscellaneous	45,12,468	1,16,92,383	
Revenue Reserve Fund	...	...	
TOTAL	1,49,81,13,273	1,31,68,96,640	2,81,50,09,913
Railway Depreciation and Reserve Funds as per Railway Budget	8,04,64,667	...	8,04,64,667
Carried over	3,89,74,79,164	1,72,45,25,929	

\* Sterling converted into Rupees at £1 = Rs. 10.



BUDGET FOR 1928-29.

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

REVISED ESTIMATE, 1927-28.			BUDGET ESTIMATE, 1928-29.		
India.	† England.	TOTAL.	India.	† England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,33,76,26,000	51,60,22,000		1,29,55,05,000	54,01,81,000	
22,84,05,000	...		35,00,00,000	...	
61,24,80,000	...		62,87,60,000	...	
...	6,66,67,000		...	...	
4,00,00,000	...		...	...	
88,08,85,000	6,66,67,000	94,75,52,000	97,87,60,000	...	97,87,60,000
18,000	...		18,000	...	
14,89,000	32,000		14,79,000	40,000	
2,02,00,000	...		2,52,00,000	...	
25,65,64,000	17,000		27,72,57,000	...	
27,82,71,000	49,000	27,83,20,000	30,39,54,000	40,000	30,39,94,000
16,44,71,000	...		16,41,46,000	...	
9,74,50,000	...		9,70,14,000	...	
2,73,44,000	...		1,52,86,000	...	
...	79,67,79,000		...	69,73,99,000	
...	20,33,17,000		...	13,95,19,000	
5,60,000	...		5,50,000	...	
1,72,000	...		1,33,000	...	
14,03,62,000	...		16,28,79,000	...	
93,79,43,000	...		89,81,37,000	...	
15,19,32,000	3,88,000		15,34,37,000	2,77,000	
1,07,46,000	...		...	...	
4,97,25,000	2,87,000		2,37,02,000	2,69,000	
7,80,000	1,50,63,000		...	1,42,87,000	
1,68,73,000	...		...	...	
1,59,83,78,000	1,01,38,34,000	2,61,22,12,000	1,51,52,84,000	85,17,51,000	2,36,70,35,000
10,70,00,000	...	10,70,00,000	9,00,00,000	...	9,00,00,000
4,20,21,60,000	1,50,65,72,000		4,18,35,03,000	1,39,19,72,000	

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

## C.—Statement of Receipts and Disbursements of the

	Accounts, 1927-28.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	8,99,74,79,164	1,72,45,25,929	
<b>Loans and Advances by the Central Government—</b>			
Advances to the Provincial Loans Fund	5,56,78,000	...	
Other Loans and Advances	1,86,22,785	...	
<b>TOTAL</b>	<b>7,43,00,785</b>	<b>...</b>	<b>7,43,00,785</b>
<b>Remittances—</b>			
Remittances within India—			
Inland Money Orders	23,89,98,038	...	
Other Local Remittances	...	...	
Other Departmental Accounts	...	...	
Net Payments into Civil Treasuries by—			
Railways	5,63,57,133	...	
Posts and Telegraphs	5,51,42,315	...	
Net Issues from Civil Treasuries to—			
Marine	40,52,838	...	
Army and Military Engineer Services	39,26,22,963	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	1,38,89,021	...	
Sale of Silver	...	...	
Other transactions	3,62,50,059	1,23,15,153	
Remittances from India for financing Home Treasury	2,11,50,000	...	
Sale of Sterling	...	1,42,50,000	
Transfers through the Paper Currency Reserve	23,42,70,485	...	
<b>TOTAL</b>	<b>1,75,27,32,852</b>	<b>2,65,65,153</b>	<b>1,77,92,98,005</b>
<b>Balances of Provincial Governments</b>	<b>1,65,92,078</b>	<b>2,69,34,276</b>	<b>4,35,26,354</b>
<b>TOTAL DISBURSEMENTS</b>	<b>5,74,11,04,879</b>	<b>1,77,80,25,358</b>	
Closing Balance	27,87,75,069	(b) 3,23,34,978	
<b>GRAND TOTAL</b>	<b>6,01,98,79,948</b>	<b>1,81,03,60,336</b>	

\* Sterling converted into Rupees at £1 = Rs. 10.

(b) Of this amount, £183 represents the

BUDGET FOR 1928-29.

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Central Government, in India and in England—*concl'd.*

REVISED ESTIMATE, 1927-28.			BUDGET ESTIMATE, 1928-29.		
India.	† England.	TOTAL.	India.	† England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,20,21,60,000	1,59,65,72,000		4,18,35,03,000	1,39,19,72,000	
6,17,23,000	...		6,86,95,000	...	
2,50,35,000	...		2,13,48,000	...	
8,67,58,000	...	8,67,58,000	9,00,43,000	...	9,00,43,000
96,70,00,000	...		98,89,00,000	...	
3,37,000	...		2,42,000	...	
3,59,48,000	...		3,45,25,000	...	
5,26,09,000	...		6,72,79,000	...	
4,38,10,000	...		4,38,10,000	...	
55,41,000	...		43,75,000	...	
39,30,60,000	...		38,84,12,000	...	
1,08,33,000	...		1,01,34,000	...	
1,44,00,000	...		...	...	
3,77,47,000	1,80,62,000		2,65,85,000	1,73,09,000	
38,00,00,000	...		48,00,00,000	...	
...	...		...	...	
7,42,88,000	4,43,52,000		...	...	
2,01,55,98,000	6,24,14,000	2,07,80,07,000	2,04,42,62,000	1,73,09,000	2,06,15,71,000
...	3,35,28,000	3,35,28,000	...	3,80,49,000	3,80,49,000
6,30,15,11,000	1,69,25,14,000 (b)		6,31,78,08,000	1,41,73,30,000 (b)	
12,73,48,069	8,07,11,307		11,98,78,069	6,61,21,307	
6,43,14,59,069	1,77,32,25,307		6,43,76,85,069	1,51,34,51,307	

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

funds of the Gold Standard Reserve.

## BUDGET FOR 1928-29.

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

Revenue and Expenditure.	ACCOUNTS, 1926-27.		REVISED ESTIMATE, 1927-28.		BUDGET ESTIMATE, 1928-29.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Principal Heads of Revenue—</b>						
Customs . . . . .	46,56,83,497	...	47,77,93,000	...	49,29,31,000	...
Taxes on Income " . . . . .	15,08,20,717	...	14,98,10,000	...	16,30,17,000	...
Salt . . . . .	5,49,55,310	...	5,52,38,000	...	5,77,54,000	...
Opium . . . . .	3,32,69,483	...	2,91,18,000	...	2,66,28,000	...
Other Heads . . . . .	1,60,97,861	...	1,71,66,000	...	1,57,76,000	...
<b>TOTAL</b>	<b>72,03,56,848</b>	<b>...</b>	<b>72,91,45,000</b>	<b>...</b>	<b>75,61,06,000</b>	<b>...</b>
Salt and other Capital Outlay charged to Revenue . . . . .	...	7,18,355	...	10,87,000	...	6,41,000
Irrigation . . . . .	...	5,24,860	9,55,000	...	...	10,74,000
Railways . . . . .	6,01,13,210	...	6,35,58,000	...	5,48,00,000	...
Posts and Telegraphs . . . . .	...	5,17,615	...	29,91,000	...	24,29,000
Debt Services . . . . .	...	12,65,90,387	...	12,27,33,000	...	11,98,64,000
Civil Administration . . . . .	...	10,27,32,768	...	10,33,82,000	...	10,63,13,000
Currency and Mint . . . . .	3,39,14,155	...	1,81,48,000	...	1,79,18,000	...
Civil Works . . . . .	...	1,73,95,369	...	1,46,92,000	...	1,58,90,000
Miscellaneous . . . . .	...	3,36,14,509	...	3,45,25,000	...	3,28,24,000
Military Services . . . . .	...	55,96,95,825	...	54,92,00,000	...	55,10,00,000
Provincial Contributions and Miscellaneous adjustments between Central and Provincial Governments. . . . .	5,13,22,555	...	7,13,000	...	...	...
Extraordinary Items . . . . .	...	2,39,11,050	1,65,92,000	...	22,17,000	...
<b>TOTAL</b>	<b>86,57,06,768</b>	<b>86,57,06,768</b>	<b>82,91,10,000</b>	<b>82,91,10,000</b>	<b>83,10,41,000</b>	<b>83,05,35,000</b>

BUDGET FOR 1928-29.

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

Revenue and Expenditure.	ACCOUNTS, 1926-27.		REVISED ESTIMATE, 1927-28.		BUDGET ESTIMATE, 1928-29.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus . . . . .	...	...	...	...	5,06,000	...
Capital Account—						
Capital outlay on Security Printing Press . . . . .	...	16,40,856	...	—9,79,000	...	67,000
Railway Capital not charged to Revenue . . . . .	...	20,65,92,669	...	30,66,90,000	...	28,00,00,000
Construction of Irrigation Works . . . . .	...	—70,632	...	16,98,000	...	1,71,000
Capital outlay on Posts and Telegraphs . . . . .	...	32,80,130	...	57,56,000	...	68,02,000
Capital outlay on Vizagapatam Port . . . . .	...	31,66,465	...	37,61,600	...	47,53,000
Currency Capital outlay . . . . .	...	8,66,401	...	18,08,000	...	17,000
Initial expenditure on new Capital at Delhi . . . . .	...	61,63,117	...	54,00,000	...	78,68,000
Payment of commuted value of pensions . . . . .	...	28,66,222	...	35,52,000	...	34,85,000
Capital Outlay on Bombay Land Scheme . . . . .	...	...	...	20,74,900	...	2,05,23,000
Debt, Deposits, Advances and Remittances—						
Permanent Debt . . . . .	3,31,66,706	...	4,43,35,000	...	12,66,09,000	...
Floating Debt . . . . .	...	8,18,08,000	...	53,20,000	...	...
Unfunded Debt . . . . .	12,72,14,115	...	11,60,32,000	...	11,74,84,000	...
Deposits and Advances . . . . .	33,73,25,643	...	18,41,06,000	...	13,58,73,000	...
Loans and Advances by Central Government . . . . .	...	5,98,76,636	...	7,58,04,000	...	8,16,92,000
Remittances . . . . .	1,31,66,516	...	6,45,000	...	26,53,000	...
Balances of Provincial Governments . . . . .	...	4,35,26,364	...	1,82,77,000	...	13,05,000
Opening Balance . . . . .	40,19,51,098	...	32,18,88,378	...	20,60,80,378	...
Closing Balance . . . . .	...	81,11,10,067	...	20,60,59,378	...	18,59,90,378
<b>Total . . . . .</b>	<b>81,18,66,374</b>	<b>81,18,66,374</b>	<b>83,72,15,378</b>	<b>83,72,15,378</b>	<b>60,26,64,376</b>	<b>69,26,84,378</b>

## THE INDIAN FINANCE BILL.\*

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 29TH FEBRUARY 1928.

*A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.*

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows:—

- Short title, extent and duration. **1.** (1) This Act may be called the Indian Finance Act, 1928.
- (2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.
- (3) Sections 2 and 3 shall remain in force only up to the 31st day of March, 1929.
- II of 1882.** **2.** The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of April, 1928, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.
- of 1898.** **3.** With effect from the 1st day of April, 1928, the schedule contained in the First Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.
- of 1923.** **4.** In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1928" the figures "1929" shall be substituted.
- of 1923.** **5.** (1) Income-tax for the year beginning on the 1st day of April, 1928, shall be charged at the rates specified in Part I of the Second Schedule.
- of 1922.** (2) The rates of super-tax for the year beginning on the 1st day of April, 1928, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Second Schedule.
- I of 1922.** (3) For the purposes of the Second Schedule, "total income" means total income as determined, for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

\* This Bill was passed—without modification—by the Legislative Assembly on the 19th March 1928 and by the Council of State on 22nd *idem*.

**SCHEDULE I.**

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

[ See section 3.]

**"THE FIRST SCHEDULE.**

**INLAND POSTAGE RATES.**

[ See section 7.]

*Letters.*

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

*Postcards.*

Single	Half an anna.
Reply	One anna.

*Book, Pattern and Sample Packets.*

For every five tolas or fraction thereof	Half an anna.
--	---------------

*Registered Newspapers.*

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

*Parcels.*

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

**SCHEDULE II.**

[ See section 5.]

**PART I.**

*Rates of Income-tax.*

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

## BUDGET FOR 1928-29.

## PART II.

*Rates of Super-tax.*

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

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



STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is to continue certain provisions of the Indian Finance Act, 1927, which would otherwise cease to have effect from the 1st April, 1928.

2. Clauses 2, 3 and 5 provide for the continuance of the rates of salt duty, postage, income-tax and super-tax prescribed by the Indian Finance Act, 1927, while clause 4 provides for the credit to revenue for a further period of one year, i.e., till the 31st March, 1929, of interest on securities forming part of the Paper Currency Reserve.

*The 29th February, 1928.*

BASIL P. BLACKETT.

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## Speech of the Financial Secretary in the Council of State on the 29th February 1928.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I rise to present the Budget Statement for the coming financial year. I have been concerned with Budget Statements before in a humbler capacity when I was Under Secretary in the Finance Department in the days of that eminent Finance Member the late Sir William Meyer. To-day I have a much greater responsibility; but in addressing myself to it I am fortified by the knowledge that in this Council I shall have an indulgent audience.

In a little while Honourable Members will receive, as usual, a complete set of the printed budget papers, including the Budget Statement proper, which sets forth the figures in detail under each account head; a copy of the valedictory Budget speech which the Honourable Finance Member is now making in another place; and also my own Explanatory Memorandum which will, I hope, furnish Honourable Members with all the material that they may require for closer study of our present financial situation and future prospects. I intend that my speech to-day shall merely serve as a general introduction to this volume of detail. I think that in this way I can best promote the convenience of the Council, and accordingly I propose to confine my remarks to broad facts and broad results, and to avoid figures, as far as I can do so, without detriment to my main purpose. As a small preliminary matter, I wish to refer to a point of form in the Budget Statement proper which will attract the practised eye of Honourable Members as soon as they see it. We have on this occasion for the first time dispensed with the signatures of the Auditor-General and the Controller of the Currency in a number of places in the Budget Statements. These now bear the Financial Secretary's signature alone in one place, as is the practice in the case of the Financial Statement presented to Parliament in England. The omission of the signatures of the two Officials mentioned does not in any way mean that safeguards hitherto in force have been relaxed. The same processes of check and certification continue to be applied, but the formality of signature has been dispensed with in order to avoid the necessity of the Auditor General and the Controller of the Currency being in attendance in New Delhi on the day of the presentation of the Budget when their presence may be more urgently required elsewhere.

I now turn to matters of substance, and the first of these must naturally be the actual outturn of the last financial year. The position in regard to this is particularly satisfactory. The accounts for 1926-27 disclose a revenue surplus of 2,96 lakhs against 2,82 lakhs which was anticipated in the revised estimate of a year ago. The difference is only 14 lakhs, and the success in estimation which is indicated by this result can, we believe, be attributed very largely to improved methods of work which have now been in operation for some little time. The entire surplus has been transferred to the Revenue Reserve fund which was instituted a year ago as part of a plan aiming at the complete remission of the provincial contributions.

The Council will next desire to have a brief appreciation of the general conditions of the current financial year. The visible balance of trade, including private imports of treasure, for the ten months ended 31st January 1928 was in favour of India by 37.24 crores as compared with 27.05 crores a year ago. Both imports and exports of merchandise have increased in value by 8 per cent. Improvement has been increasingly marked during the latter months of the year 1927, and it is a further sign of the inherent soundness of India's trade

position that practically all the principal articles of import and export contribute to the increase. Among exports, raw cotton alone shows any appreciable falling off, reflecting the unsatisfactory conditions of the last harvest, but the figures for the present season, so far as they are available, hold out a better promise. I will not occupy the time of the House with figures for individual commodities except to refer to motor vehicles of which the statistics are of peculiar interest in relation to the development of India's road communications. Following the reduction in duty which came into force a year ago, increases of 16 and 35 per cent., respectively, have been recorded in the number of motor cars and commercial motor vehicles imported during the first nine months of the year, but owing to lower prices the yield of our customs duty on these imports has fallen below our expectations. During the last two years, however, prices in general have shown a stability unknown since the outbreak of the war. While more stable world conditions are partly responsible for this result without which there cannot be a healthy basis for the expansion of trade, the figures of India's trade reflect the advantages which have accrued from the stabilization of the rupee. Again, Railway earnings may very fairly be regarded as an important barometer of trade, and the Council has already been made aware of the remarkable improvement in the railway figures for 1927-28 which, by enabling important reductions to be made in railway charges, will itself give a new stimulus towards business and agricultural prosperity. In addition there are other clear indications that during the last year Indian commerce has made a steady advance and that the effects of the post-war trade depression are at long last being dissipated. A noticeable feature of the trade returns is the reduction in the net imports of treasure by 6½ crores in the first ten months of the current year.

I shall now take the revised estimates for the current year and will mention individually a few of the more important heads of revenue and expenditure. In the first instance, however, I wish to remind the Council that our original calculations were considerably disturbed, not very long after they had been made, by the decision, arising out of the Report of the Tariff Board on the Cotton Industry, to sacrifice nearly a crore a year of our Customs revenue. The incidence of this in the current year may be taken as Rs. 45 lakhs. Notwithstanding this, we hope to realise under Customs in the current year all but 10 lakhs of the amount 48.73 crores for which we took credit in the Budget. Larger receipts from tobacco, mineral oils, protective duties, and jute have helped to balance a very considerable deterioration under other heads, principally cotton piecegoods and matches. As Honourable Members are aware, a Land Customs line between Kathiawar and British India was re-instituted early in July last, the line popularly known as the Viramgam Cordon, and we believe that this may be an important reason for the generally satisfactory aggregate result which is now in prospect. On the other hand, the yield from Taxes on Income is very disappointing, and we have to reckon upon a deterioration of 1.30 lakhs. This is occasioned in a minor degree only by the decision to assess to tax 40 per cent. of the aggregate profits of tea companies instead of 50 per cent. as originally contemplated. The main cause is to be found in an unexpected falling off in profits of the jute trade in Bengal. Salt is expected to yield 25 lakhs less than the amount estimated. Under Opium practically no change is anticipated. The Council will see at once that the large loss under Taxes on Income would have led inevitably to a considerable deficit but for the fact that the Railways have come to the rescue, the contribution from this source being 88 lakhs more than that assumed in the Budget.

On the expenditure side, outlay on military services shows no excess. Savings due to the despatch of troops to China and other causes have been

devoted to a programme of expenditure on modernising the equipment of the Army, the need for which is evident, but for which provision could not be made in the Budget. Debt services show a saving of 17 lakhs. There is another saving of 18 lakhs under Irrigation expenditure, but this is merely the effect of a book-keeping adjustment.

On the whole, expenditure in the current year is now taken at 1,25·26 crores and the revenue at the same figure, the net result being neither a surplus nor a deficit. I must at once explain, however, that the figure of revenue includes a transfer of 1,69 lakhs from the Revenue Reserve Fund instead of the sum of 1,72 lakhs provided for in the Budget. So far as the year 1927-28 taken by itself is concerned, therefore, the actual outturn as now forecasted will vary from the original estimate to the extent of 3 lakhs only, and that on the side of improvement.

Before I proceed to reveal the revenue and expenditure proposals for next year, the Council will wish to have some account of the Ways and Means position, and, as is customary, of certain other financial matters which are of great general interest. Briefly stated, the Ways and Means position is as follows. In the current year our liabilities are : Railway capital outlay 30 crores ; other capital outlay  $2\frac{1}{2}$  crores ; Provincial Governments' demands by way of drawings and advances 8 crores ; discharge of debt  $25\frac{1}{2}$  crores net ; miscellaneous demands 3 crores ; the aggregate liabilities being 68·7 crores. *Per contra*, our loan operations in India and England have produced  $27\frac{1}{2}$  crores net, while postal cash certificates and savings bank deposits have produced  $6\frac{1}{2}$  crores. We propose to trench upon our cash balances by  $11\frac{1}{2}$  crores, and will find the remaining assets required from miscellaneous resources including the depreciation and reserve funds and the provision for debt redemption. In 1928-29, our liabilities are as follows—Railway capital outlay 28 crores including 4 crores for the purchase of the Burma Railways ; other capital outlay  $4\frac{1}{2}$  crores ; Provincial demands 7 crores ; discharge of debt 19 crores net ; total 58 crores roundly. To meet these liabilities we reckon upon receiving  $6\frac{1}{2}$  crores from Postal cash certificates and savings bank deposits, and we will draw upon our cash balances to the extent of  $2\frac{1}{2}$  crores. Adding to these the receipts from miscellaneous resources, the provision for debt redemption, etc., we shall be able to close the year with sufficient working cash balances, both in India and in England provided we raise a loan of 32 crores of rupees. Of this, about 13 crores would represent new money. We see no reason at present to think that the whole of this loan cannot be raised in India, but much must depend on the monsoon, and the fact that the payment to the Burma Railway Company has to be made in sterling adds to our sterling requirements. Indeed, if we effect the purchase out of money remitted from India, we shall really be paying off 4 crores of our external indebtedness.

The net proceeds of the rupee loan in the current year amounted to  $18\frac{1}{2}$  crores only, while the total amount of debt redeemed amounted to 25·4 crores. Of this total  $21\frac{1}{2}$  crores represented the bonds maturing in 1927 and 1928 which were either converted or redeemed in cash. In our anxiety to guard the interests of the Indian taxpayer and in our desire not to disturb the market in Government securities which were being quoted at rather higher figures than we ourselves thought to be justified, we did not make the terms of our rupee loan as attractive as we possibly should have done, and the fact that it was a short-dated loan seems to have militated against complete success. In the result, we had to tide over temporary difficulties by various expedients. The re-introduction of Treasury Bills in India was in full accordance with our plans, as we deliberately desired to improve the financial facilities of the Indian money market and check seasonal fluctuations in the market for Government

securities by this means. We found it necessary, in addition, to resort to external borrowing, first by raising sterling bills to the extent of £5 million in England in July last which have since been repaid and later by the issue of a sterling loan of £7½ million about a month ago. Even so, the net cash receipts from the rupee and sterling loans aggregated only 27½ crores which was only about 2 crores more than the net amount of debt discharged and as much as 13 crores less than the amount required for railway and other capital outlay including that of Provincial Governments. It is no inconsiderable achievement to have financed a capital outlay of this magnitude in a year of rather difficult money conditions, in which our own calculations were upset by the fact that the capital expenditure was 6½ crores in excess of our original anticipations. It is, in our opinion, well worth India's while to persist in the policy of spending money freely on capital development for productive purposes. The Railway budget introduced last week, with its big reductions in fares and freights, is evidence of the value of the policy we have been following. Very large sums are now being invested year by year in expansion of railways, in irrigation works, in harbour development, and on hydro-electric and other projects. But if this policy is to be continued unchecked, there must be no slackening in the annual savings of the country, and these must be made available without stint for loans for capital purposes whether issued by the Central Government, by Provincial Governments, or by other authorities.

As regards Home remittances, the position is that a year ago we estimated that we should require to remit £35½ million to London during 1927-28. Actually a somewhat higher figure than this should have been taken, since we were unable to carry out the remittance programme in full at the end of 1926-27, and in consequence, we started with abnormally low balances in London. In addition, the excess in our capital expenditure, to which I have already referred, was partly incurred outside India. The sterling loan, however, has made it possible to reduce the net remittance figure to £30½ million, of which £28½ million is expected to be remitted through the market. In 1928-29, the remittance figure has been put tentatively at £36 million, which will enable us to close the year with a normal balance.

In considering questions of Ways and Means and of provision for Capital outlay it is a natural process and one of great interest and importance to take stock of the National Credit. Honourable Members will no doubt have observed for themselves the satisfactory course of prices of Government of India securities both in India and in England. The improvement of India's credit in London was strikingly demonstrated by the success of the recent sterling loan and is apparent from other evidence also. To select one example, London County Council 3½ per cent. stock stood at 97 on the 30th April 1914, had dropped to 73 on the 1st February 1926, and was quoted at 73½ on the 31st December 1927; on the other hand, the India 3½ per cent. loan which stood at 88½ on the 30th April 1914 and had dropped to 68 on the 1st February 1926, had risen to 72½ on the 31st December 1927.

The statistics of our debt also give real cause for satisfaction. These statistics will be found in full detail in the printed papers which Honourable Members will receive, but the Council will, I think, be glad to hear now very briefly what the general position is. It is this. In the five years since 31st March 1923 when the era of deficits came to an end, the unproductive debt was diminished to the extent of 76 crores. The aggregate debt has increased by 1.13 crores, the net result of the reduction which I have just mentioned and an increase of 1.89 crores in productive debt. Before the close of the ensuing year, we hope to have nearly liquidated the debt due to the five years of revenue

deficits from 1918-19 to 1922-23, and, if the present rate of progress is maintained, we should be justified in hoping that our unproductive debt will vanish altogether in about twelve years. I shall cite other facts of great interest relating to the public debt when I come to deal with the next year's expenditure on debt services charged to revenue.

I now turn to the Budget estimates for next year. Allowing for the effect of the establishment of the Viramgam Cordon, we hope to obtain under Customs about 40 lakhs more from sugar, and 26 lakhs from larger imports of motor cars and cycles. Cotton piecegoods too should show some improvement. On the other hand, we have to allow for the full effect of the loss of revenue resulting from the abolition of the import duty on mill stores and machinery of which we had only a foretaste in the current year. The further loss is estimated at 40 lakhs. But, on the whole, we feel justified in taking the figure of 50·18 crores, which is 1,55 lakhs more than the revised estimate. Under Taxes on Income, we look for 17 crores, which is only 5 lakhs more than the original budget for the current year, but 1,35 lakhs more than the revised estimate. The estimate is justified, we think, by *inter alia* the prosperity which the jute trade is enjoying in the current year. From Salt, we hope to get 7 crores, which is the current year's budget figure. Under Opium we must reckon on a net loss of 25 lakhs as the result of our policy of gradual reduction and eventual extinction of opium exports. The contribution from railways, which will be based on the actual results of 1926-27, will be 5·23 crores, with an addition of 25 lakhs representing our share of the surplus remaining after payment of the ordinary contribution under the convention. Even so, the total will be 88 lakhs less than the amount which we expect to receive from Railways this year. We have also to allow for a reduction of 10½ lakhs in the subsidy from Mysore, and, in order to cast the account on the basis of existing facts, I assume for the moment that we shall get from the Provinces the entire amount of 2,58 lakhs, the amount of contributions not finally extinguished last year.

On the expenditure side, the grant for military services has been taken at 55·10 crores, this including 10 lakhs for expansion of the Territorial Force. If this special provision be excluded from consideration, the grant is 8 lakhs more than the current year's grant. The Council have known for some time that after the large reductions of the last few years further curtailment of military expenditure cannot be hoped for if provision for defence is to be adapted to modern conditions. The possibility of reduction is constantly in mind, but the Government of India are satisfied that the time for further retrenchment has not yet come.

Under the head Debt Services, we have a saving as compared with the revised estimate for 1927-28 of 67 lakhs. I should, however, draw the attention of the House to the fact that the budget estimate includes two abnormal items, namely, one of 81 lakhs for the premium of the 5½ per cent. Bonds issued in 1918 and maturing in 1928 at 105 per cent., and an increased charge of 25 lakhs for bonus on Cash Certificates. Both these charges are in the nature of deferred interest. But for these special items, the savings would have been as much as 1,73 lakhs. Attention has been drawn in previous years to the way in which our steady pursuit of the policy of making regular provision for the reduction or avoidance of debt and confining new borrowings to productive purposes is bringing in an annual dividend to the taxpayer. The policy is one which has always had the strong support of certain distinguished members of this Council, and it is generally recognised both in India and England as very largely responsible for the improvement in India's credit to which I have alluded. The charge for interest on deadweight debt in the year 1923-24

amounted to 15·97 crores, while in 1928-29 it will be only 9·51 crores—a decrease of 6·46 crores. The increase in the provision for reduction or avoidance of debt during the same period is 1·78 crores, while the aggregate provision on this account next year is 5·40 crores. In other words, the saving in the interest on deadweight debt in the five years is more than three-and-a-half times the increase in the provision for debt redemption and over a crore more than the actual provision on this account in 1928-29.

The expenditure on Civil Administration next year is expected to be 41 lakhs more than the revised estimate for 1927-28. A portion of this is represented by annual increments, etc., but, although the increase is less than half a crore, a perusal of the proceedings of the Standing Finance Committee and of the Demands for Grants will show that we have not been niggardly in providing increased amounts for beneficial services. I would draw the attention of the House to the larger grant to the Indian Research Fund Association, to the new items of expenditure in the demand for Agriculture and to the scholarships to Indian artists for study and training in Europe. On the commercial, but none the less beneficial, side of our activities, the Council will observe with interest the new or increased provision made for certain items of expenditure, particularly those relating to irrigation in Waziristan and Baluchistan, forests in the Andamans, the Trade Mission, and the extension of the rupee tender policy. We have also a number of new items relating to the development of Civil Aviation in pursuance of the policy accepted by the Legislature a year ago. The expenditure on the five-year education programme, to which my predecessor referred in his budget speech last year, is of course continuing, but we have not been in a position this time to provide for any similar new programme within the limited means now at our disposal.

The Indian Posts and Telegraphs department, which was expected to work a year ago at a small loss of 76,000 rupees is now expected to show in 1927-28 a net loss of about 4½ lakhs. There has been a considerable increase in the gross receipts of the department, but this has been rather more than counterbalanced by an increase in working expenses. The increased loss has been brought about mainly by the fact that an additional sum of 8 lakhs has had to be provided to enable the book value of a large volume of surplus, obsolete and overvalued stores to be written down to their current worth. The department is, however, expected to show a small profit of 23,000 rupees next year after making a provision of over 14 lakhs for additional expenditure on new measures of improvement of the conditions of service of the lower-paid staff. This provision represents yet another instalment of the scheme of improvement of the conditions of service of the establishments in question, which has been under the personal investigation of the Honourable Sir Bhupendranath Mitra.

I have now dealt with the main variations between the revised estimates of the current year and the budget estimates of next year. The net result of all the variations, large and small, is to place next year's revenue at 1,32·23 crores including 2,58 lakhs on account of the unremitted contributions, but not including any assistance from the revenue reserve fund; and the expenditure is placed at 1,29·60 crores. In other words, we anticipate a surplus of 2,63 lakhs. But even if we reckon with certainty on this surplus being realised, there is an adverse factor which we have had to weigh very carefully before deciding to what purpose the surplus should be applied. I refer to the liability which has accumulated in respect of the bonus on Cash Certificates. Honourable Members know well the history of these certificates, the introduction of which was intended to afford an easy and attractive means of investment of small savings and so to extend the practice of thrift. Cash Certificates of the nominal value of no less than 40 crores will be outstanding on 31st

March 1928. Unlike our regular annual rupee loans, they are always "on tap"; and they can be encashed at any time though they come to full maturity only after 5 years. Their capital value is not subject to depreciation, and the actual amount payable on encashment is on a progressive scale so fixed that the investor gets a growing return for his money after the first twelve months; consequently, the longer he keeps his certificates, the greater is the inducement to keep them till maturity. But this accrued bonus is paid along with the capital value only at the time of encashment, whenever that may be, and not half-yearly as in the case of our ordinary loans. All these circumstances combine to make it impossible to forecast precisely the amount of bonus that may have to be paid in any year, while there is the additional practical difficulty that the actual payments in a year are generally less than the accrued liability, and the accrued liability is constantly growing in amount. In the case of the ordinary debt, we can know exactly what we have to pay and provide for such payments from revenue accordingly. In the case of Cash Certificates, on the other hand, we have so far been providing out of revenue only for actual payments in the year and not for the accrued liability. It is estimated that this accrued but undischarged liability for bonus was about 3½ crores on the 1st October 1927 and will stand at about 5½ crores on the 1st October 1928. Following past practice which is of course fully defensible in view of the fact that, in the main, our budget is a cash budget and having regard to our revenue position generally, we have not been able to include, in the forecast for next year, anything more than the amount of the present estimate of actual payments of bonus, namely, 50 lakhs. This figure is 25 lakhs more than is required in 1927-28, but there remains a large balance which we may, theoretically, be called upon to pay at any moment and for which we have made no provision; and before very long we shall have to consider setting aside considerable sums from revenue in a separate fund in order to enable us to meet the full liability when we are called upon to do so. The liability is becoming too large for us to be content to leave the full burden to fall on later years, when a sudden increase may seriously disturb the equilibrium of the budget.

The Government of India have, however, in the end come to the conclusion that this liability need not deter them from utilising the surplus disclosed in the budget as a recurrent surplus. In 1929-30, the special item of 81 lakhs for premium on bonds referred to earlier in my speech will have disappeared and substantial savings may be expected to accrue in future, as they have done in the past, under interest on deadweight debt. In 1929-30 also, we stand to gain considerably from the increased net earnings of our Railways in 1927-28. The advent of a bad monsoon or other unforeseen circumstances would no doubt disturb the position, but, on the other hand, we are entitled to assume that with normal conditions our revenue from Taxes on Income should show some improvement from year to year. The same is true of our Customs revenue. Accordingly, balancing all these considerations, the Government of India feel that they may justifiably complete the policy to which they have already set their hands by remitting finally the remainder of the provincial contributions. This is the chief proposal which the Legislature will be asked to endorse in their consideration of the budget for 1928-29.

Out of the budget surplus of 2,63 lakhs we desire to give 2,58 lakhs to the Provinces and to retain for ourselves the small residue of 5 lakhs.

#### CONCLUSION.

That, Sir, is the end of my narrative. There is nothing sensational in the Budget for 1928-29. It does not involve any new taxation or propound any further reduction of existing taxation. It may, taken by itself, be described as



a commonplace Budget. But even if we did not proceed further than this in our analysis, we should still, I submit, have cause for congratulation. For a budget such as that which has been presented to-day may fairly be taken to reflect stability, and stability in the financial sphere is no small advantage. On the other hand, I think the Council will agree that for a proper appreciation of the matter, next year's Budget must be related to the cycle of six Budgets framed by the Honourable Sir Basil Blackett and should be viewed as the final phase—final so far as he is concerned—of an ordered financial policy which has brought great benefits to India. The results of this cycle are retrenchment of avoidable public expenditure, reduced taxation, a reduction in the burden of deadweight debt, financial encouragement to industrial enterprise in India, stabilisation of exchange, the emancipation of railway finance one product of which we have seen this month in the shape of reduced railway fares and railway freights, and, lastly, remission of the provincial contributions giving through the agency of the Provincial Governments increased scope for expenditure on nation-building services. I do not pretend that our present financial state is wholly satisfactory or that Government have been able to achieve all that they have wished for. But I think we may justifiably permit ourselves on this occasion the pleasure of looking to the brighter side of the picture and of basing upon the accomplishment of the past five years hopes of even greater national prosperity in the future.

**Schedule of demands for grants for expenditure of the Central Government (excluding Railways) for the year 1928-29 submitted for the vote of the Legislative Assembly.**

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.
			<b>Rs.</b>
	<b>A.—Expenditure charged to Revenue.</b>		
16	Customs . . . . .	Customs . . . . .	72,74,000
17	Taxes on Income . . . . .	Taxes on Income . . . . .	65,84,000
18	Salt . . . . .	Salt . . . . .	79,82,000
19	Opium . . . . .	Opium . . . . .	79,73,000
20	Stamps . . . . .	Stamps . . . . .	1,8,000
21	Forest . . . . .	Forest . . . . .	7,63,000
22	Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works.	Works for which capital accounts are kept, Miscellaneous Irrigation Expenditure, Construction of Irrigation, etc., Works.	16,61,000
23	Indian Posts and Telegraphs Department (including Working Expenses).	} Posts and Telegraphs . . . . .	10,88,14,000
24	Indo-European Telegraph Department (including Working Expenses).		
25	Interest on Debt and Reduction or Avoidance of Debt.	Interest on ordinary Debt . . . . .	1,05,87,000
26	Interest on Miscellaneous Obligations . . . . .	Interest on other Obligations . . . . .	37,85,000
27	Staff, Household and allowances of the Governor General.	} General Administration . . . . .	4,81,000
28	Executive Council . . . . .		81,000
29	Legislative Bodies . . . . .		4,87,000
30	Foreign and Political Department . . . . .		8,02,000
31	Home Department . . . . .		6,45,000
32	Public Service Commission . . . . .		1,17,000
33	Legislative Department . . . . .		5,70,000
34	Department of Education, Health and Lands.		5,97,000
35	Finance Department . . . . .		10,86,000
36	Separation of Accounts from Audit . . . . .		14,12,000
37	Commerce Department . . . . .		2,91,000
38	Army Department . . . . .		5,71,000
39	Department of Industries and Labour . . . . .		4,76,000
40	Central Board of Revenue . . . . .		1,93,000
41	Payments to Provincial Governments on account of Administration of Agency subjects.		
42	Audit . . . . .	Audit . . . . .	85,30,000
43	Administration of Justice . . . . .	Administration of Justice . . . . .	55,000
44	Police . . . . .	Police . . . . .	1,77,000
45	Ports and Pilotage . . . . .	Ports and Pilotage . . . . .	20,70,000
46	Survey of India . . . . .	Scientific Departments . . . . .	31,84,000
47	Meteorology . . . . .	" . . . . .	13,51,000
48	Geological Survey . . . . .	" . . . . .	2,12,000
49	Botanical Survey . . . . .	" . . . . .	4,51,000
50	Zoological Survey . . . . .	" . . . . .	1,76,000
51	Archæology . . . . .	" . . . . .	16,64,000
52	Mines . . . . .	" . . . . .	1,71,000
53	Other Scientific Departments . . . . .	" . . . . .	3,30,000
54	Education . . . . .	Education . . . . .	3,24,000
55	Medical Services . . . . .	Medical . . . . .	8,08,000
56	Public Health . . . . .	Public Health . . . . .	11,92,000
57	Agriculture . . . . .	Agriculture . . . . .	15,23,000
58	Civil Veterinary Services . . . . .	" . . . . .	6,66,000
59	Industries . . . . .	Industries . . . . .	2,68,000
60	Aviation . . . . .	Aviation . . . . .	5,68,000
		Carried over . . . . .	18,97,49,000

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

BUDGET FOR 1928-29.

55

Schedule of demands for grants for expenditure of the Central Government (excluding Railways) for the year 1928-29 submitted for the vote of the Legislative Assembly—concl'd.

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.
	Brought forward		Rs. 18,97,49,000
	<b>A.—Expenditure charged to Revenue</b>		
	<i>—contd.</i>		
61	Commercial Intelligence and Statistics	Miscellaneous Departments	3,09,000
62	Emigration—Internal	" "	36,000
63	External	" "	1,66,000
64	Joint-Stock Companies	" "	1,46,000
65	Miscellaneous Departments	" "	2,24,000
66	Indian Stores Department	" "	17,34,000
67	Currency	Currency	45,86,000
68	Mint	Mint	19,65,000
69	Civil Works	Civil Works	1,63,64,000
70	Superannuation Allowances and Pensions	Superannuation Allowances and Pensions.	37,59,000
71	Stationery and Printing	Stationery and Printing	54,78,000
72	Miscellaneous	Miscellaneous	16,43,000
73	Refunds		65,51,000
74	North-West Frontier Province		98,71,000
75	Baluchistan		27,91,000
76	Delhi		40,16,000
77	Ajmer-Merwara		14,54,000
78	Andamans and Nicobar Islands		42,92,000
79	Rajputana		5,50,000
80	Central India		5,90,000
81	Hyderabad		2,92,000
82	Expenditure in England—Secretary of State for India		13,45,000
83	Expenditure in England—High Commissioner for India		37,80,000
Non-voted	Ecclesiastical, Political, etc.		...
	<b>TOTAL</b>		<b>26,16,90,000</b>
	<b>B.—Expenditure charged to Capital.</b>		
84	Capital outlay on Security Printing	Capital outlay on Security Printing	67,000
85	Forest Capital outlay	Capital outlay on Forests	1,000
86	Irrigation	Construction of Irrigation Works.	1,74,000
87	Indian Posts and Telegraphs	Capital outlay on Posts and Telegraphs.	69,87,000
88	Indo-European Telegraphs		1,000
89	Capital outlay on Currency Note Printing Press	Currency Capital outlay not charged to Revenue.	10,000
90	Capital outlay on Vizagapatam Harbour	Capital outlay on Vizagapatam Port.	47,53,000
91	Commuted value of Pensions	Payment of Commuted Value of Pensions	21,34,000
92	New Capital at Delhi	Initial Expenditure on New Capital at Delhi.	1,38,39,000
Non-voted	Capital outlay on Bombay Land Scheme	Capital outlay on Bombay Land Scheme.	...
	<b>TOTAL</b>		<b>2,79,66,000</b>
	<b>C.—Disbursements of Loans and Advances.</b>		
93	Interest-free advances		98,95,000
94	Loans and advances bearing interest		9,00,43,000
	<b>TOTAL</b>		<b>9,94,38,000</b>
	<b>GRAND TOTAL</b>		<b>38,90,94,000</b>

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

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

Demand.	Amount.
	Rs.
28.—Executive Council . . . . .	80,999
38.—Army Department . . . . .	5,70,999
73.—Miscellaneous . . . . .	3,40,000
82.—Expenditure in England—Secretary of State for India . . . . .	13,44,999

E. BURDON,

*Secretary to the Government of India.*

*The 16th March 1928.*

GOVERNMENT OF INDIA.

**LEGISLATIVE DEPARTMENT.**

*Delhi, the 31st March 1928.*

The following Act of the Indian Legislature received the assent of the Governor General on the 27th March, 1928, and is hereby promulgated for general information :—

ACT No. V OF 1928.

*An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.*

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows :—

Short title, extent and duration. **1.** (1) This Act may be called the Indian Finance Act, 1928.

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

(3) Sections 2 and 3 shall remain in force only up to the 31st day of March, 1929.

II of 1882. **2.** The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of April, 1928, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in,

or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

3. With effect from the 1st day of April, 1928, the schedule contained in the First Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to VI of 1898 that Act.

Postal rates.

4. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, X of 1923 Amendment of Act X for the figures "1928" the figures "1929" shall be substituted.

5. (1) Income-tax for the year beginning on the 1st day of April, 1928, shall be charged at the rates specified in Part I of the Second Schedule.

Income-tax and super-tax.

(2) The rates of super-tax for the year beginning on the 1st day of April, 1928, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, XI of 1922 be those specified in Part II of the Second Schedule.

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

## BUDGET FOR 1928-29.

## SCHEDULE I.

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

[ See section 3.]

## "THE FIRST SCHEDULE.

## INLAND POSTAGE RATES.

[ See section 7.]

*Letters.*

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

*Postcards.*

Single . . . . .	Half an anna.
Reply . . . . .	One anna.

*Book, Pattern and Sample Packets.*

For every five tolas or fraction thereof . . . . .	Half an anna.
--	---------------

*Registered Newspapers.*

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

*Parcels.*

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

## SCHEDULE II.

[ See section 5.]

## PART I.

*Rates of Income-tax.*

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

PART II.

*Rates of Super-tax.*

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

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

L. GRAHAM,  
*Secy. to the Govt. of India.*

## BUDGET FOR 1928-29.

No. 3974-F.

GOVERNMENT OF INDIA.

## FINANCE DEPARTMENT.

*New Delhi, the 31st March 1928.*

## RESOLUTION.

The statements relating to the Revised estimates for 1927-28 and the Budget estimates for 1928-29, which were presented to the Legislative Assembly and the Council of State on the 20th and the 29th February 1928, have been reconsidered with reference to the reductions made by the Legislative Assembly in the demands for grants and the action taken by the Governor General in Council in respect thereto. As explained below, the statements need no alteration on the whole but are now published as usual for general information.

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

Demand.	Amount. Rs.
16.—Customs . . . . .	1
28.—Executive Council . . . . .	80,999*
38.—Army Department . . . . .	5,70,999*
40.—Central Board of Revenue . . . . .	10
72.—Miscellaneous . . . . .	3,40,000*
Ditto . . . . .	100
Ditto . . . . .	100
74.—North-West Frontier Province . . . . .	100
Ditto ditto . . . . .	100
82.—Expenditure in England—Secretary of State for India . . . . .	13,44,999*

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

The remaining alterations result in a reduction of the expenditure in 1928-29 by Rs. 411, but as the estimates are in round thousands of Rupees, they remain unaffected by these alterations.

E. BURDON,

*Secretary to the Government of India.*



# BUDGET

of the

## Governor-General in Council,

March 1928.

FINANCE DEPARTMENT,  
New Delhi, the 31st March 1928.

E. BURDON,  
Secretary to the Govt. of India.

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## BUDGET FOR 1928-29.

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

	For details, <i>vide</i> State- ment.	Accounts, 1928-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
		Rs.	Rs.	Rs.	Rs.
<b>Revenue—</b>					
<b>Principal Heads of Revenue—</b>					
Customs . . . . .	A	47,38,10,721	48,73,37,000	48,63,50,000	50,18,37,000
Taxes on Income . . . . .	"	15,64,96,338	16,95,06,000	15,64,62,000	16,99,58,000
Salt . . . . .	"	6,69,81,053	7,00,00,000	6,78,42,000	7,00,08,000
Opium . . . . .	"	4,33,13,748	3,83,08,000	3,80,22,000	3,47,77,000
Other Heads . . . . .	"	2,17,50,148	2,27,06,000	2,27,64,000	2,20,10,000
<b>TOTAL PRINCIPAL HEADS</b>		<b>76,33,52,008</b>	<b>78,78,56,000</b>	<b>77,11,40,000</b>	<b>79,85,90,000</b>
Railways: Net Receipts (as per Rail- way Budget) . . . . .		34,07,08,387	34,97,13,000	38,95,20,000	38,50,00,000
Irrigation: Net Receipts . . . . .	A	10,25,578	10,36,000	10,47,000	12,36,000
Posts and Telegraphs: Net Receipts .	"	70,64,577	58,07,000	51,76,000	57,37,000
Interest Receipts . . . . .	"	4,08,59,285	3,16,13,000	3,30,50,000	2,91,97,000
Civil Administration . . . . .	"	86,05,079	84,21,000	95,34,000	1,01,32,000
Currency and Mint . . . . .	"	4,15,51,227	2,48,70,000	2,72,97,000	2,48,61,000
Civil Works . . . . .	"	15,78,791	17,45,000	15,63,000	14,41,000
Miscellaneous . . . . .	"	60,01,096	46,90,000	46,48,000	61,82,000
Military Receipts . . . . .	"	4,94,63,064	1,80,49,000	1,48,94,000	2,94,12,000
Provincial Contributions and miscel- laneous adjustments between Central and Provincial Governments . . . . .	"	5,17,75,451	...	10,58,000	...
Extraordinary Items . . . . .	"	60,10,258	1,87,65,000	1,84,79,000	26,67,000
<b>TOTAL REVENUE</b>		<b>1,31,69,99,799</b>	<b>1,25,25,65,000</b>	<b>1,27,73,98,000</b>	<b>1,29,64,75,000</b>
<b>DEBIT</b>		...	...	...	...
<b>TOTAL</b>		<b>1,31,69,99,799</b>	<b>1,25,25,65,000</b>	<b>1,27,73,98,000</b>	<b>1,29,64,75,000</b>

BUDGET FOR 1928-29.

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

	For details, see Statement.	Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
		Rs.	Rs.	Rs.	Rs.
<b>Expenditure -</b>					
Direct Demands on the Revenue . . . . .	B	4,12,95,180	4,30,30,000	4,12,95,000	4,24,84,000
Salt and other Capital outlay charged to Revenue . . . . .	"	7,18,385	18,72,000	18,67,000	6,41,000
Railways: Interest and Miscellaneous Charges (as per Railway Budget) . . . . .		28,05,95,177	29,49,05,000	32,59,62,000	33,02,00,000
Irrigation . . . . .	"	15,50,436	18,70,000	92,000	23,10,000
Posts and Telegraphs . . . . .	"	75,82,193	84,61,000	81,67,000	81,66,000
Debt Services . . . . .	"	16,74,49,072	15,74,34,000	15,57,63,000	14,90,61,000
Civil Administration . . . . .	"	11,13,43,647	11,31,39,000	11,28,16,000	11,69,45,000
Currency and Mint . . . . .	"	76,37,072	74,65,000	91,49,000	69,63,000
Civil Works . . . . .	"	1,80,74,180	1,86,98,000	1,63,55,000	1,73,31,000
Miscellaneous . . . . .	"	3,94,15,805	3,97,15,000	3,91,74,000	4,10,06,000
Military Services . . . . .	"	60,91,63,689	56,72,49,000	55,40,84,000	58,04,12,000
Miscellaneous adjustments between the Central and Provincial Governments . . . . .	"	4,52,696	...	3,47,000	...
Extraordinary Items . . . . .	"	2,60,51,308	7,00,000	18,67,000	4,50,000
<b>TOTAL EXPENDITURE CHARGED TO REVENUE . . . . .</b>		<b>1,31,60,93,799</b>	<b>1,25,26,65,000</b>	<b>1,27,73,98,000</b>	<b>1,29,58,62,000</b>
<b>Surplus . . . . .</b>		<b>...</b>	<b>...</b>	<b>...</b>	<b>5,06,000</b>
<b>TOTAL . . . . .</b>		<b>1,31,60,93,799</b>	<b>1,25,26,65,000</b>	<b>1,27,73,98,000</b>	<b>1,29,64,75,000</b>

## BUDGET FOR 1928-29.

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

	For details, vide Statement.	RECEIPTS.			
		Accounts, 1927-28.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
		Rs.	Rs.	Rs.	Rs.
<b>Surplus</b> . . . . .	C	...	...	...	5,08,000
<b>Railway Capital not charged to Revenue—</b>					
Capital contributed by Railway Companies and Indian States towards outlay on State Railways (as per Railway Budget) . . . . .		59,275	2,58,92,000	...	2,03,80,000
<b>Debt, Deposits and Advances—</b>					
Permanent Debt (net incurred) . . . . .	C	3,31,65,705	7,22,41,000	4,45,25,000	12,86,09,000
Unfunded Debt (net incurred) . . . . .	"	12,72,14,115	11,63,39,000	11,60,52,000	11,74,84,000
Deposits and Advances (net) . . . . .	"	19,40,79,240	3,14,87,000	9,93,79,000	7,08,43,000
Railway Depreciation and Reserve Funds as per Railway Budget (net) . . . . .	"	4,32,46,603	4,11,58,000	5,42,28,000	6,45,30,000
<b>TOTAL DEBT, DEPOSITS AND ADVANCES.</b>		39,77,05,662	26,12,25,000	31,40,82,000	38,14,66,000
<b>Remittances (net)</b> . . . . .	"	1,21,88,516	...	6,45,000	26,53,000
<b>TOTAL RECEIPTS</b> . . . . .	...	40,99,53,458	28,71,17,000	31,53,27,000	40,50,05,000
Opening Balance { India . . . . .	...	25,14,88,041	24,73,44,041	27,87,75,069	12,73,48,089
{ England . . . . .	...	15,04,63,055	5,24,32,055	4,31,13,307	8,07,11,307
<b>TOTAL</b> . . . . .	...	81,19,04,549	58,68,03,096	63,72,15,376	61,30,64,376

BUDGET FOR 1928-29.

65.

Central Government, in India and in England.

	For details, vide Statement.	DISBURSEMENTS.			
		Accounts, 1926-27.	Budget Estimate, 1927-28.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
		Rs.	Rs.	Rs.	Rs.
<b>Deficit</b> . . . . .	C	...	...	...	...
<b>Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—</b>					
Capital outlay on Security Printing Press	"	16,49,655	12,000	—9,79,000	67,000
Construction of State Railways (as per Railway Budget)	"	27,22,78,539	25,00,00,000	30,00,00,000	24,00,00,000
Discharge of Debentures (as per Railway Budget)	"	2,63,73,425	3,31,66,000	66,90,000	2,03,80,000
Redemption of liabilities involved in the purchase of Railways (as per Railway Budget)	"	...	...	...	4,00,00,000
Construction of Irrigation Works	"	—70,683	16,000	16,93,000	1,74,000
Capital outlay on Posts and Telegraphs	"	32,62,180	58,02,000	57,56,000	68,02,000
Capital outlay on Vizagapatam Port	"	31,56,465	39,48,000	37,61,000	47,53,000
Currency Capital outlay	"	8,66,401	19,23,000	18,08,000	17,000
Initial expenditure on New Capital at Delhi	"	61,63,117	70,00,000	54,00,000	78,68,000
Payment of commuted value of pensions	"	28,85,322	33,35,000	35,52,000	34,95,000
Capital outlay on Bombay Land Scheme	"	...	...	20,74,000	2,05,22,000
<b>TOTAL CAPITAL ACCOUNT DISBURSEMENTS</b>		<b>31,65,91,522</b>	<b>30,52,17,000</b>	<b>32,97,55,000</b>	<b>34,40,68,000</b>
<b>Debt, Deposits and Advances—</b>					
Floating Debt (not discharged)	"	8,18,00,000	...	53,20,000	...
<b>TOTAL DEBT, DEPOSITS AND ADVANCES</b>		<b>8,18,00,000</b>	<b>...</b>	<b>53,20,000</b>	<b>...</b>
<b>Loans and Advances by Central Government (not Advances)</b>					
Remittances (net)	"	5,88,76,026	3,08,02,000	7,58,04,000	8,18,92,000
Balances of Provincial Governments (net)	"	...	14,95,000	...	...
	"	4,35,26,354	5,18,92,000	1,82,77,000	13,05,000
<b>TOTAL DISBURSEMENTS</b>		<b>50,07,94,502</b>	<b>38,89,06,000</b>	<b>42,91,56,000</b>	<b>42,70,65,000</b>
Closing Balance {	India	27,97,76,069	14,79,00,041	12,73,48,069	11,98,78,069
	England	3,23,34,978	5,00,87,055	8,07,11,307	6,81,21,307
		<b>81,19,04,549</b>	<b>58,68,93,096</b>	<b>63,72,16,376</b>	<b>61,30,64,376</b>

## A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1926-27.				REVISED ESTIMATE,		
	India.	England.	Exchange.	TOTAL.	India.	England.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Principal Heads of Revenue—</b>							
I.—Customs . . . . .	47,38,10,721	...	...	47,38,10,721	48,83,50,000	...	1
II.—Taxes on Income . . . . .	15,72,30,510	—5,47,360	—1,66,812	15,64,96,338	15,66,02,000	—40,000	2
III.—Salt . . . . .	6,69,31,053	...	...	6,69,31,053	6,76,42,000	...	3
IV.—Opium . . . . .	4,33,13,748	...	...	4,33,13,748	3,80,22,000	...	4
V.—Land Revenue . . . . .	41,00,434	...	...	41,00,434	43,06,000	...	5
VI.—Excise . . . . .	41,13,217	...	...	41,13,217	47,46,000	...	6
VII.—Stamps . . . . .	26,68,723	...	...	26,68,723	27,59,000	...	7
VIII.—Forest . . . . .	2,67,679	...	...	2,67,679	24,05,000	...	8
IX.—Registration . . . . .	1,67,372	...	...	1,67,372	1,61,000	...	9
X.—Tributes from Indian States . . . . .	83,52,523	...	...	83,52,523	84,88,600	...	10
<b>TOTAL</b>	<b>76,30,66,180</b>	<b>—5,47,360</b>	<b>—1,66,812</b>	<b>76,23,52,008</b>	<b>77,11,80,000</b>	<b>—40,000</b>	<b>11</b>
<b>Irrigation, etc.—</b>							
XIII.—Works for which Capital accounts are kept—Gross Receipts . . . . .	22,28,269	...	...	22,28,269	20,62,600	...	12
<i>Deduct—Working Expenses</i> . . . . .	<i>12,06,672</i>	...	...	<i>12,06,672</i>	<i>10,38,000</i>	...	13
<b>Net Receipts</b> . . . . .	<b>10,21,617</b>	...	...	<b>10,21,617</b>	<b>10,44,000</b>	...	14
XIV.—Works for which no Capital Accounts are kept . . . . .	3,959	...	...	3,959	3,000	...	15
<b>TOTAL</b>	<b>10,25,576</b>	...	...	<b>10,25,576</b>	<b>10,47,000</b>	...	<b>16</b>
<b>Posts and Telegraphs—</b>							
XV.—Posts and Telegraphs—Indian Posts and Telegraphs Department—Gross Receipts . . . . .	10,53,03,984	...	...	10,53,03,984	10,94,34,000	...	17
<i>Deduct—Working Expenses</i> . . . . .	<i>9,83,39,330</i>	<i>5,45,079</i>	<i>1,85,724</i>	<i>9,90,70,033</i>	<i>10,37,30,000</i>	<i>7,01,000</i>	18
<b>Net Receipts</b> . . . . .	<b>69,64,754</b>	<b>—5,45,079</b>	<b>—1,85,724</b>	<b>62,33,951</b>	<b>57,14,000</b>	<b>—7,01,000</b>	19
Indo-European Telegraph Department—Gross Receipts . . . . .	17,71,715	15,64,349	5,40,013	38,96,077	19,50,000	15,60,000	20
<i>Deduct—Working Expenses</i> . . . . .	<i>29,34,507</i>	<i>97,738</i>	<i>83,206</i>	<i>30,65,451</i>	<i>31,76,000</i>	<i>1,73,000</i>	21
<b>Net Receipts</b> . . . . .	<b>—11,62,792</b>	<b>14,86,611</b>	<b>5,06,807</b>	<b>8,30,626</b>	<b>—12,26,000</b>	<b>12,67,000</b>	22
<b>TOTAL</b>	<b>58,01,962</b>	<b>9,41,532</b>	<b>3,21,083</b>	<b>70,64,577</b>	<b>44,88,000</b>	<b>6,86,000</b>	<b>23</b>
<b>Debt Services—</b>							
XVI.—Interest . . . . .	69,66,427	2,37,59,443	61,13,415	4,08,59,285	70,14,000	2,59,45,000	24
<b>Carried over</b>	<b>77,88,70,145</b>	<b>2,41,83,615</b>	<b>82,47,686</b>	<b>81,13,01,446</b>	<b>78,37,29,000</b>	<b>2,65,91,000</b>	<b>25</b>

\* Sterling converted into Rupees at £1=Rs. 10.

# BUDGET FOR 1928-29.

67

Government, in India and in England.

Item No.	1927-28.			BUDGET ESTIMATE, 1928-29.				Increase (+) Decrease (-) as compared with Revised, 1927-28.
	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1927-28.	India.	† England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	...	44,68,50,000	-9,87,000	50,18,37,000	...	...	50,18,37,000	+1,54,87,000
2	...	15,61,82,000	-1,30,43,000	16,99,85,000	-27,000	...	16,99,58,000	+1,34,98,000
3	...	6,75,42,000	-24,58,000	7,00,08,000	...	...	7,00,08,000	+24,68,000
4	...	2,90,22,000	-3,80,000	3,47,77,000	...	...	3,47,77,000	-32,45,000
5	...	41,06,000	+9,000	40,71,000	...	...	40,71,000	-1,55,000
6	...	47,45,000	+2,56,000	45,63,000	...	...	45,63,000	-1,82,000
7	...	27,59,000	+1,12,000	28,52,000	...	...	28,52,000	+83,000
8	...	24,05,000	-3,16,000	29,87,000	...	...	29,87,000	+5,83,000
9	...	1,61,000	-5,000	1,62,000	...	...	1,62,000	+1,000
10	...	84,98,000	+2,000	73,75,000	...	...	73,75,000	-11,18,000
11	...	77,11,40,000	-1,67,16,000	79,66,17,000	-27,000	...	79,65,90,000	+2,74,50,000
12	...	...	...	...	...	...	...	...
13	...	20,82,000	-1,000	21,21,000	...	...	21,21,000	+39,000
13	...	20,82,000	+15,000	8,89,000	...	...	8,89,000	+1,49,000
14	...	10,44,000	+14,000	12,32,000	...	...	12,32,000	+1,88,000
15	...	3,000	-5,000	4,000	...	...	4,000	+1,000
16	...	10,47,000	+11,000	12,36,000	...	...	12,36,000	+1,89,000
17	...	10,94,24,000	+14,51,000	11,38,96,000	...	...	11,38,86,000	+44,52,000
18	8,000	20,44,84,000	-20,16,000	20,72,95,000	6,97,000	...	20,79,89,000	-84,98,000
19	-3,000	50,10,000	-5,65,000	66,61,000	-6,97,000	...	59,64,000	+9,54,000
20	8,000	35,15,000	-1,47,000	19,34,000	12,27,000	...	31,61,000	-3,64,000
21	...	82,49,000	+81,000	89,21,000	1,57,000	...	88,78,000	-29,000
22	5,000	1,66,000	-66,000	-12,97,000	10,70,000	...	-2,27,000	-3,93,000
23	2,000	61,76,000	-6,31,000	58,64,000	8,73,000	...	57,37,000	+5,61,000
24	91,000	2,30,50,000	+14,37,000	59,95,000	2,32,02,000	...	2,91,97,000	-38,53,000
25	83,000	81,04,13,000	-1,58,99,000	81,12,12,000	2,35,48,000	...	83,47,80,000	+2,43,47,000

† Sterling converted into Rupees at £1=Rs. 12½.

## A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1926-27.				REVISED ESTIMATE.		Item No.
	India.	England.	Exchange.	TOTAL.	India.	England.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	77,83,70,145	2,41,83,515	82,47,686	81,13,01,446	78,37,32,000	2,65,91,000	
<b>Civil Administration—</b>							
XVII.—Administration of Justice	3,61,518	...	...	3,61,518	3,79,000	...	1
XVIII.—Jails and Convict Settlements.	3,43,195	...	...	3,43,195	3,44,000	...	2
XIX.—Police	—83,197	...	...	—83,197	1,62,000	...	3
XX.—Ports and Pilotage	25,73,142	...	...	25,73,142	26,40,000	...	4
XXI.—Education	1,73,708	...	...	1,73,708	2,12,000	...	5
XXII.—Medical	3,83,973	...	...	3,83,973	4,06,000	...	6
XXIII.—Public Health	1,97,103	...	...	1,97,103	3,61,000	...	7
XXIV.—Agriculture	18,08,964	...	...	18,08,964	18,93,000	...	8
XXV.—Industries	8,205	...	...	8,205	15,000	...	9
XXVI.—Miscellaneous Departments	14,76,556	...	...	14,76,556	15,85,000	...	10
XXVI-A.—Indian Stores Department	13,58,917	...	...	13,58,917	15,28,000	...	11
TOTAL	86,05,907	...	...	86,05,079	95,34,000	...	12
<b>Currency and Mint—</b>							
XXVII.—Currency	3,03,59,139	76,73,608	26,16,757	4,06,79,504	2,35,77,000	10,14,000	13
XXVIII.—Mint	8,35,350	34,791	11,683	8,71,723	27,03,000	1,000	14
TOTAL	3,12,14,389	77,08,399	26,38,439	4,15,51,227	2,62,70,000	10,15,000	15
<b>Civil Works—</b>							
XXX.—Civil Works	15,78,791	...	...	15,78,791	15,63,000	...	16
<b>Miscellaneous—</b>							
XXXIII.—Receipts in aid of Superannuation	17,78,182	3,33,740	1,10,161	22,12,083	15,22,000	3,98,000	17
XXXIV.—Stationery and Printing	19,61,455	9,769	3,349	19,74,562	12,51,000	13,000	18
XXXV.—Miscellaneous	12,15,407	4,48,665	1,50,379	18,14,451	12,44,000	1,79,000	19
TOTAL	49,55,044	7,82,174	2,63,879	60,01,096	40,57,000	5,90,000	20
<b>Military Receipts—</b>							
XXXVI.—Army—							
Effective	3,01,84,053	25,79,297	8,82,406	3,36,45,756	35,06,000	25,08,000	21
Non-effective	15,91,801	11,18,415	3,80,725	30,90,941	14,77,000	21,12,000	22
	3,17,75,854	36,97,712	12,63,131	3,67,36,697	49,83,000	46,20,000	23
XXXVII.—Marine	15,81,868	...	...	15,81,868	17,45,000	...	24
XXXVIII.—Military Engineer Services	1,11,49,479	...	...	1,11,49,479	35,20,000	...	25
TOTAL	4,45,07,221	36,97,712	12,63,131	4,94,68,064	1,02,48,000	46,20,000	26
<b>Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—</b>							
XXXIX.—Contributions to the Central Government by Provincial Governments	5,17,13,000	...	...	5,17,13,000	...	...	27
XXXIX-A.—Miscellaneous adjustments between the Central and Provincial Governments	63,451	...	...	63,451	10,59,000	...	28
TOTAL	5,17,75,451	...	...	5,17,75,451	10,59,000	...	29
<b>Extraordinary items—</b>							
XL.—Extraordinary Receipts	15,37,671	33,47,293	11,25,294	60,10,258	...	16,00,000	30
XI-A.—Transfers from Revenue Reserve Fund	...	...	...	...	1,68,73,000	...	31
TOTAL	15,37,671	33,47,293	11,25,294	60,10,258	1,68,73,000	16,00,000	32
<b>Railway Revenues as per Railway Budget</b>	34,27,42,713	—15,24,390	—5,00,935	34,07,08,387	89,09,17,000	—13,92,000	33
<b>TOTAL REVENUE</b>	1,26,57,86,503	3,81,94,803	1,30,18,493	1,31,69,99,799	1,24,42,59,000	3,30,24,000	34

\*Sterling converted into Rupees at £1 = Rs. 10.



BUDGET FOR 1928-29.

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

1927-28.		Increase (+) Decrease (-) as compared with Budget, 1927-28.		BUDGET ESTIMATE, 1928-29.				Increase (+) Decrease (-) as compared with Revised, 1927-28.	
Item No.	Exchange.	TOTAL.		India.	† England.	Exchange.	TOTAL.		
	Rs. 00,000	Rs. 01,04,13,000	Rs. -1,56,99,000	Rs. 61,12,12,000	Rs. 2,35,45,000	Rs. —	Rs. 63,47,60,000	Rs. +2,43,47,000	
1	—	3,79,000	+14,000	3,62,000	—	—	3,62,000	-17,000	
2	—	3,44,000	+11,000	3,30,000	—	—	3,30,000	+46,000	
3	—	1,62,000	+36,000	1,26,000	—	—	1,26,000	+2,16,000	
4	—	26,48,000	+1,39,000	25,09,000	—	—	25,40,000	-9,000	
5	—	2,13,000	+60,000	1,53,000	—	—	1,50,000	-32,000	
6	—	4,05,000	+48,000	3,57,000	—	—	3,57,000	+58,000	
7	—	3,61,000	+1,77,000	1,84,000	—	—	1,84,000	+55,000	
8	—	16,93,000	+1,70,000	15,23,000	—	—	15,23,000	+1,70,000	
9	—	16,00,000	+4,000	15,96,000	—	—	15,96,000	+4,000	
10	—	15,86,000	+2,86,000	13,00,000	—	—	13,00,000	+2,86,000	
11	—	15,28,000	+1,55,000	13,73,000	—	—	13,73,000	+1,55,000	
12	—	96,34,000	+11,13,000	85,21,000	—	—	85,21,000	+11,13,000	
13	3,000	2,45,94,000	+17,06,000	2,28,88,000	17,06,000	—	2,45,94,000	-24,06,000	
14	—	27,08,000	+7,19,000	19,89,000	—	—	19,89,000	+7,19,000	
15	3,000	2,72,97,000	+24,37,000	2,48,60,000	24,37,000	—	2,72,97,000	-24,37,000	
16	—	15,68,000	-1,62,000	14,06,000	—	—	14,06,000	-1,62,000	
17	3,000	19,22,000	+50,000	18,72,000	50,000	—	19,22,000	+50,000	
18	—	17,64,000	-3,56,000	14,08,000	—	—	14,08,000	+3,56,000	
19	—	14,63,000	+2,67,000	11,96,000	—	—	11,96,000	+2,67,000	
20	2,000	45,46,000	-41,000	45,05,000	41,000	—	45,46,000	-41,000	
21	9,000	60,23,000	-23,62,000	36,61,000	23,62,000	—	60,23,000	-23,62,000	
22	7,000	16,96,000	+9,25,000	7,71,000	—	—	7,71,000	+9,25,000	
23	16,000	96,19,000	-14,37,000	81,82,000	14,37,000	—	96,19,000	-14,37,000	
24	—	17,45,000	+4,85,000	12,60,000	—	—	12,60,000	+4,85,000	
25	—	33,20,000	-22,15,000	11,05,000	—	—	11,05,000	+22,15,000	
26	14,000	1,47,84,000	-31,65,000	1,16,19,000	31,65,000	—	1,47,84,000	-31,65,000	
27	—	—	—	—	—	—	—	—	
28	—	10,58,000	+10,58,000	—	—	—	10,58,000	+10,58,000	
29	—	10,58,000	+10,58,000	—	—	—	10,58,000	+10,58,000	
30	6,000	14,06,000	+6,000	14,00,000	6,000	—	14,06,000	+6,000	
31	—	1,68,78,000	-2,97,000	1,65,81,000	—	—	1,65,81,000	+2,97,000	
32	6,000	1,64,78,000	-2,64,000	1,62,14,000	2,64,000	—	1,64,78,000	-2,64,000	
33	-4,000	35,95,20,000	+3,96,07,000	35,65,63,000	—	—	35,95,20,000	+3,96,07,000	
34	1,15,000	1,27,73,96,000	+2,48,37,000	1,25,25,59,000	2,48,37,000	—	1,27,73,96,000	-2,48,37,000	

## BUDGET FOR 1928-29.

## B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1926-27.				REVISED	
	India.	England.	Exchange.	TOTAL.	India.	Item No
	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Direct Demands on the Revenues</b>						
1.—Customs . . . . .	79,72,353	1,15,554	39,318	81,27,224	83,53,000	1
2.—Taxes on income . . . . .	60,87,156	80,925	27,540	61,75,621	65,79,000	2
3.—Salt . . . . .	1,19,31,058	48,207	16,418	1,19,95,743	1,21,44,000	3
4.—Opium . . . . .	99,82,571	46,027	15,687	1,00,44,285	98,32,000	4
5.—Land Revenue . . . . .	12,45,588	3,215	1,095	12,49,898	11,58,000	5
6.—Excise . . . . .	10,24,547	15,887	5,397	10,45,831	12,65,000	6
7.—Stamps . . . . .	95,353	...	...	95,353	9,000	7
8.—Forest . . . . .	30,04,221	1,70,456	58,132	32,32,909	28,95,000	8
9.—Registration . . . . .	28,396	...	...	28,396	29,000	9
<b>TOTAL</b>	<b>4,13,51,242</b>	<b>4,80,331</b>	<b>1,63,587</b>	<b>4,19,95,160</b>	<b>4,12,64,000</b>	<b>10</b>
<b>Salt and other Capital outlay charged to Revenue</b>						
3A.—Capital outlay on Salt Works . . . . .	4,80,066	...	...	4,80,066	2,80,000	11
7A.—Capital outlay on Security Printing Press . . . . .	2,38,319	...	...	2,38,319	8,97,000	12
8A.—Forest Capital outlay . . . . .	...	...	...	...	7,10,000	13
<b>TOTAL</b>	<b>7,18,385</b>	<b>...</b>	<b>...</b>	<b>7,18,385</b>	<b>16,87,000</b>	<b>14</b>
<b>Irrigation, etc., Revenue Account—</b>						
14.—Works for which Capital accounts are kept—						
Interest on Debt . . . . .	12,00,207	...	...	12,00,207	12,03,000	15
15.—Other Revenue Expenditure . . . . .	2,42,366	57,175	19,400	3,18,941	3,73,000	16
<b>TOTAL</b>	<b>14,42,573</b>	<b>57,175</b>	<b>19,400</b>	<b>15,19,148</b>	<b>15,75,000</b>	<b>17</b>
<b>Irrigation, etc., Capital Account (charged to Revenue)—</b>						
16.—Construction of Irrigation, etc., Works—						
Financed from Ordinary Revenues . . . . .	31,288	...	...	31,288	—15,63,000	18
<b>Posts and Telegraphs Revenue Account—</b>						
17.—Posts and Telegraphs—						
Interest on Debt—						
Indian Posts and Telegraphs Department . . . . .	52,08,989	...	...	52,08,989	54,68,000	19
Indo-European Telegraph Department . . . . .	5,16,464	...	...	5,16,464	5,08,000	20
<b>TOTAL</b>	<b>57,25,453</b>	<b>...</b>	<b>...</b>	<b>57,25,453</b>	<b>59,71,000</b>	<b>21</b>
<b>Posts and Telegraphs Capital Account (charged to Revenue)—</b>						
18.—Capital outlay on Posts and Telegraphs—						
Indian Posts and Telegraphs Department . . . . .	17,62,496	...	...	17,62,496	18,30,000	22
Indo-European Telegraph Department . . . . .	86,632	5,707	1,934	94,273	3,61,000	23
<b>TOTAL</b>	<b>18,49,099</b>	<b>5,707</b>	<b>1,934</b>	<b>18,56,739</b>	<b>21,91,000</b>	<b>24</b>
<b>Debt Services—</b>						
19.—Interest on Ordinary Debt . . . . .	19,82,80,513	13,04,13,445	4,44,45,785	37,31,39,743	19,98,38,000	25
Deduct—Amount chargeable to—						
Railways . . . . .	14,35,60,579	7,41,66,459	2,53,52,947	24,29,79,978	15,70,75,000	26
Irrigation . . . . .	12,00,207	...	...	12,00,207	12,02,000	27
Posts and Telegraphs . . . . .	58,40,848	...	...	58,40,848	61,23,000	28
Other heads . . . . .	9,23,133	...	...	9,23,133	16,61,000	29
Provincial Loans Fund . . . . .	5,34,60,427	...	...	5,34,60,427	5,48,30,000	30
Remainder chargeable to Ordinary Debt . . . . .	—67,14,674	5,62,46,986	1,01,92,838	6,87,25,150	—2,10,53,000	31
20.—Interest on other Obligations . . . . .	4,68,19,842	1,41,005	47,659	4,90,08,506	5,25,52,000	32
21.—Appropriation for Reduction or Avoidance of Debt . . . . .	4,97,18,016	...	...	4,97,18,016	5,06,38,000	33
<b>TOTAL</b>	<b>9,13,21,164</b>	<b>5,65,87,991</b>	<b>1,92,40,497</b>	<b>16,74,49,672</b>	<b>8,21,35,000</b>	<b>34</b>
Carried over . . . . .	14,29,59,223	5,69,31,204	1,94,25,418	21,93,95,845	13,32,63,000	35

\* Sterling converted into Rupees at £1 = Rs. 10.

# BUDGET FOR 1928-29.

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of the Central Government, in India and in England.

Item No.	REVENUE, 1927-28.			Increase (+) Decrease (-) as compared with Budget, 1927-28.	BUDGET ESTIMATE, 1928-29.				Increase (+) Decrease (-) as compared with Revised, 1927-28.
	↑ England.	Exchange.	TOTAL.		India.	↑ England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	2,05,000	1,000	95,87,000	-2,34,000	87,14,000	1,93,000	...	89,06,000	+3,49,000
2	73,000	...	66,85,000	-1,96,000	68,84,000	87,000	...	69,41,000	+2,69,000
3	1,59,000	1,000	1,23,04,000	-3,65,000	1,21,51,000	1,03,000	...	1,23,54,000	-50,000
4	72,000	...	60,04,000	-1,55,000	60,39,000	1,20,000	...	61,49,000	-7,55,000
5	8,000	...	11,03,000	-58,000	11,86,000	12,000	...	11,98,000	+35,000
6	4,000	...	12,69,000	+1,14,000	13,88,000	13,000	...	13,00,000	+31,000
7	...	...	9,000	-1,000	78,000	...	...	78,000	+69,000
8	2,12,000	1,000	31,08,100	-1,40,000	34,01,000	2,36,000	...	36,27,000	+5,19,000
9	...	...	29,000	...	31,000	...	...	31,000	+2,000
10	7,78,000	3,000	4,19,95,000	-10,35,000	4,17,33,000	7,52,000	...	4,24,84,000	+4,89,000
11	...	...	2,60,000	-1,76,000	3,96,000	...	...	3,96,000	+16,000
12	...	...	6,97,000	-13,000	...	...	...	...	-6,97,000
13	...	...	7,10,000	-4,000	3,45,000	...	...	3,45,000	-3,65,000
14	...	...	16,87,000	-1,92,000	6,41,000	...	...	6,41,000	-10,46,000
15	...	...	12,02,000	-2,000	12,15,000	...	...	12,15,000	+13,000
16	77,000	...	4,50,000	-45,000	6,87,000	76,000	...	7,63,000	+3,13,000
17	77,000	...	16,57,000	-50,000	19,07,000	76,000	...	19,78,000	+3,36,000
18	...	...	-15,00,000	-17,36,000	3,32,000	...	...	3,32,000	+18,92,000
19	...	...	84,68,000	-1,88,000	59,41,000	...	...	59,41,000	+4,73,000
20	...	...	5,03,000	-26,000	6,31,000	...	...	6,31,000	+13,000
21	...	...	59,71,000	-3,09,000	64,62,000	...	...	64,62,000	+4,91,000
22	...	...	18,30,000	-1,70,000	17,00,000	...	...	17,00,000	-1,30,000
23	5,000	...	3,96,000	+86,000	-1,000	5,000	...	4,000	-3,63,000
24	5,000	...	21,96,000	-6,000	16,99,000	5,000	...	17,04,000	-4,92,000
25	17,60,10,000	6,11,000	37,54,56,000	+9,54,000	30,04,73,000	17,44,79,000	...	37,49,51,000	-5,08,000
26	20,17,89,000	2,58,000	36,91,89,000	-6,96,000	17,00,99,000	10,48,64,000	...	27,47,09,000	-1,55,43,000
27	...	...	12,09,000	+2,000	12,15,000	...	...	12,15,000	-13,000
28	...	...	61,83,000	+1,54,000	66,14,000	...	...	66,14,000	-4,91,000
29	...	...	16,61,000	-3,91,000	30,79,000	...	...	30,79,000	-4,18,000
30	...	...	5,48,80,000	-12,26,000	5,74,60,000	...	...	5,74,60,000	-26,20,000
31	7,37,81,000	2,56,000	8,34,84,000	-17,91,000	-3,69,34,000	6,93,18,000	...	3,26,91,000	-1,95,95,000
32	1,11,000	...	4,36,63,000	+1,84,000	6,30,45,000	1,29,000	...	6,31,84,000	+95,21,000
33	...	...	6,06,36,000	-5,44,000	5,39,86,000	...	...	6,39,56,000	+33,60,000
34	7,33,92,000	2,64,000	18,67,63,000	-16,51,000	7,91,17,000	6,99,44,000	...	14,90,61,000	-67,32,000
35	7,41,02,000	2,84,000	20,77,24,000	-49,80,000	12,18,36,000	7,07,77,000	...	20,36,62,000	-80,62,000

† Sterling converted into Rupees at £1=Rs. 34.

## B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1926-27.				REVISED	
	India.	England.	Exchange.	TOTAL.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	14,29,39,229	5,69,31,204	1,94,25,418	21,92,95,845	13,32,63,000	
<b>Civil Administration—</b>						
22.—General Administration—						
A.—Heads of Provinces (including Governor General) and Executive Councils.					22,69,000	1
B.—Legislative Bodies					5,98,000	2
C.—Secretariat and Headquarters establishment	1,27,92,693	26,37,910	9,65,034	1,65,95,637	69,80,000	3
D.—Commissioners					18,12,000	4
E.—District Administration					3,000	5
F.—Home Administration, etc.					8,000	6
G.—Miscellaneous, etc.					3,000	7
23.—Audit	50,92,814	2,77,469	94,339	54,64,642	65,48,000	8
24.—Administration of Justice	14,23,776	30,327	10,291	14,64,394	13,48,000	9
25.—Jails and Convict Settlements	36,56,371	28,499	9,010	36,91,880	36,94,000	10
26.—Police	90,72,216	1,45,465	49,413	92,67,124	68,19,000	11
27.—Ports and Pilotage	30,13,525	3,33,919	1,13,408	34,60,850	31,13,000	10
28.—Ecclesiastical	23,40,654	6,73,342	2,30,740	32,44,736	33,10,000	12
29.—Political	3,22,21,716	7,23,941	2,45,929	3,31,91,566	1,37,63,000	13
29-A.—Frontier Watch and Ward					2,46,53,000	14
30.—Scientific Departments	75,33,399	7,22,295	2,45,554	85,01,248	83,31,000	15
31.—Education	37,05,154	66,014	22,485	37,96,653	45,18,000	16
32.—Medical	27,65,755	1,83,043	62,270	30,11,068	27,71,000	17
33.—Public Health	16,25,909	93,783	31,962	17,51,654	16,54,000	18
34.—Agriculture	24,98,907	1,19,166	40,528	26,58,601	24,70,000	19
35.—Industries	51,07,018	27,384	9,284	52,43,686	17,22,000	20
36.—Aviation	13,03,968	1,669		13,06,299	10,48,000	21
37.—Miscellaneous Departments	8,87,139	1,87,281	67,068	11,51,508	10,48,000	22
37-A.—Indian Stores Department	16,77,331			16,77,331	16,60,000	23
<b>TOTAL</b>	10,26,81,183	64,64,701	21,97,963	11,13,43,847	10,37,83,000	24
<b>Currency and Mint—</b>						
38.—Currency	29,50,044	23,34,554	7,69,562	60,54,160	37,68,000	26
39.—Mint	15,09,031	56,120		15,65,151	16,80,000	27
<b>TOTAL</b>	44,59,075	23,90,704	7,69,562	76,37,072	54,48,000	28
<b>Civil Works—</b>						
41.—Civil Works	1,58,18,067	1,18,609	59,484	1,69,74,160	1,61,84,000	29
<b>Miscellaneous—</b>						
43.—Famine Relief and Insurance—						
A.—Famine Relief	96,749			96,749		30
44.—Territorial and Political Pensions	29,62,798	73,070	24,831	30,60,699	26,92,000	81
45.—Superannuation Allowances and Pensions.	10,12,703	1,53,24,510	62,37,507	2,61,74,720	15,01,000	82
45-A.—Commutation of pensions financed from Ordinary Revenue					8,80,000	83
46.—Stationery and Printing	24,09,770	4,91,572	1,66,616	31,58,158	23,48,000	84
47.—Miscellaneous	154,63,709	13,38,224	4,23,346	172,25,279	53,41,000	85
<b>TOTAL</b>	1,26,35,729	2,01,27,376	68,52,500	3,96,15,605	1,29,62,000	86
<b>Military Services—</b>						
48.—Army—						
Effective	39,42,60,916	6,14,87,393	2,09,11,034	47,66,59,343	35,70,01,000	37
Non-effective	3,46,29,215	3,62,01,063	1,19,81,281	8,28,11,559	5,44,86,000	38
49.—Marine	42,68,90,131	9,66,58,426	3,16,92,315	55,54,70,872	39,14,86,000	39
50.—Military Engineer Services	39,62,359	19,17,494	6,53,639	65,33,481	62,32,000	40
	4,86,20,931	4,01,940	1,36,665	4,41,59,536	4,40,95,000	41
<b>TOTAL</b>	47,64,73,431	9,90,07,550	3,36,82,618	60,91,83,599	44,08,13,000	42
<b>Contributions and miscellaneous adjustments between Central and Provincial Governments—</b>						
51-A.—Miscellaneous adjustments between the Central and Provincial Governments.	4,52,696			4,52,696	3,47,000	43
<b>Extraordinary Items—</b>						
52.—Extraordinary Payments	3,87,697			3,87,697	18,87,000	44
52-I.—Transfers to Revenue Reserve Fund	2,95,63,311			2,95,63,311		45
<b>TOTAL</b>	2,99,21,308			2,99,21,308	18,87,000	46
<b>Railway Expenditure as per Railway Budget</b>	16,51,15,831	8,61,65,943	2,63,12,403	28,05,95,177	20,81,84,000	47
<b>TOTAL EXPENDITURE CHARGED TO REVENUE</b>	95,34,76,733	27,12,63,387	9,23,19,679	1,31,69,99,799	92,22,51,000	48

\* Sterling converted into Rupees at £1 = Rs. 10.

BUDGET FOR 1928-29.

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

Item No.	ESTIMATE, 1927-28.			Increase (+) or Decrease (-) as compared with Budget, 1927-28.	BUDGET ESTIMATE, 1928-29.				Increase (+) or Decrease (-) as compared with Revised, 1927-28.
	+	Exchange.	TOTAL.		India.	+	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
	7,42,02,000	2,58,000	20,77,24,000	-29,50,000	12,18,85,000	7,07,77,000	—	20,26,62,000	-50,62,000
1	...	...	22,69,000	+1,18,000	22,64,000	...	...	22,64,000	+95,000
2	...	...	6,80,000	-36,000	6,25,000	...	...	6,25,000	+37,000
3	...	...	69,80,000	-1,96,000	66,12,000	...	...	66,12,000	+5,32,000
4	...	...	...	-40,000	18,60,000	...	...	18,60,000	+68,000
5	60,54,000	14,000	40,70,000	-6,95,000	...	61,67,000	...	61,67,000	+21,17,000
6	...	...	3,000	+3,000	3,000	...	...	3,000	...
7	4,77,000	2,000	90,17,000	+1,83,000	95,41,000	4,15,000	...	99,56,000	+9,39,000
8	31,000	...	13,69,000	-4,000	14,02,000	44,000	...	14,46,000	+77,000
9	61,000	...	27,61,000	-3,64,000	30,70,000	41,000	...	30,11,000	+1,50,000
10	1,77,000	1,000	69,97,000	-3,22,000	73,09,000	1,65,000	...	74,92,000	+4,95,000
11	1,40,000	...	32,80,000	-3,83,000	32,27,000	1,15,000	...	34,29,000	+1,79,000
12	8,000	3,000	32,00,000	-1,94,000	24,65,000	6,67,000	...	33,72,000	+1,78,000
13	10,00,000	4,000	1,47,67,000	+1,15,000	1,27,60,000	12,80,000	...	1,60,60,000	+2,95,000
14	1,30,000	...	2,47,70,000	+4,07,000	2,47,31,000	1,37,000	...	2,45,58,000	+2,80,000
15	11,20,000	4,000	94,62,000	-4,47,000	84,71,000	12,30,000	...	98,99,000	+2,37,000
16	9,000	...	49,17,000	-3,91,000	45,40,000	69,000	...	46,29,000	-2,80,000
17	2,64,000	1,000	-0,36,000	+1,13,000	27,80,000	2,05,000	...	29,65,000	-71,000
18	1,01,000	...	17,55,000	+1,14,000	19,29,000	1,23,000	...	20,52,000	+2,90,000
19	1,50,000	1,000	30,00,000	-10,000	29,37,000	1,64,000	...	31,01,000	+71,000
20	37,000	...	17,60,000	+8,21,000	4,19,000	86,000	...	4,57,000	-13,04,000
21	6,000	...	10,35,000	+6,75,000	5,40,000	44,000	...	6,28,000	-4,07,000
22	2,77,000	1,000	29,46,000	+2,000	11,61,000	3,25,000	...	33,09,000	+3,63,000
23	9,000	31,000	11,26,16,000	-3,23,000	10,64,53,000	1,14,92,000	...	11,69,45,000	+41,29,000
24	34,71,000	13,000	74,02,000	+18,70,000	34,35,000	12,01,000	...	48,36,000	-25,66,000
25	67,000	...	17,47,000	+3,06,000	16,50,000	2,66,000	...	21,27,000	+3,80,000
26	54,60,000	17,000	91,49,000	+16,64,000	54,94,000	14,69,000	...	69,63,000	-21,86,000
27	9,000	...	1,62,55,000	-4,43,000	1,72,62,000	69,000	...	1,73,31,000	+10,76,000
28	...	...	...	...	...	...	...	...	...
29	1,50,000	1,000	30,51,000	+6,000	26,40,000	1,39,000	...	29,60,000	-91,000
30	2,30,50,000	83,000	2,56,43,000	-61,000	10,63,000	2,36,05,000	...	2,45,71,000	-8,72,000
31	...	...	8,50,000	+3,67,000	8,80,000	...	...	8,50,000	...
32	8,35,000	2,000	26,75,000	-6,67,000	45,93,000	10,63,000	...	56,76,000	+28,01,000
33	14,79,000	5,000	6,25,000	-1,06,000	55,19,000	14,00,000	...	69,19,000	+94,000
34	1,61,71,000	91,000	3,91,74,000	-5,41,000	1,46,95,000	3,61,11,000	...	4,10,06,000	+18,32,000
35	7,11,98,000	2,60,000	42,54,44,000	-39,09,000	26,67,01,000	7,76,96,000	...	44,43,97,000	+1,60,53,000
36	4,90,34,000	1,60,000	8,32,60,000	+1,51,000	3,45,57,000	4,93,39,000	...	8,39,96,000	+6,07,000
37	11,96,70,000	4,17,000	61,17,33,000	-37,66,000	40,12,55,000	12,70,35,000	...	53,62,93,000	+1,65,60,000
38	60,60,000	11,000	89,34,000	+2,76,000	58,67,000	26,32,000	...	85,19,000	+1,63,000
39	60,000	...	4,40,15,000	+3,17,000	4,21,74,000	4,26,000	...	4,26,00,000	-4,15,000
40	12,24,60,000	4,26,000	56,40,64,000	-31,66,000	46,01,19,000	13,02,63,000	...	58,94,12,000	+1,63,26,000
41	...	...	...	...	...	...	...	...	...
42	...	...	3,47,000	+3,47,000	...	...	...	...	-3,47,000
43	...	...	18,67,000	+11,67,000	4,50,000	...	...	4,50,000	-14,37,000
44	...	...	18,87,000	+11,67,000	4,50,000	...	...	4,50,000	-14,37,000
45	...	...	...	...	...	...	...	...	...
46	11,75,00,000	4,10,000	32,89,02,000	+2,10,57,000	30,97,16,000	13,04,64,000	...	33,02,00,000	+42,23,000
47	32,23,14,000	12,82,000	1,32,23,86,000	+2,40,33,000	81,62,24,000	24,08,96,000	...	1,29,69,80,000	+1,85,71,000

† Sterling converted into Rupee at £1 = Rs. 13½.

## BUDGET FOR 1928-29.

## C.—Statement of Receipts and Disbursements of the

	Accounts, 1926-27.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Revenue (from Statement A) . . . . .	1,26,57,86,503	3,81,94,803	1,30,39,81,306
Exchange added to Revenue . . . . .	1,30,18,493	...	1,30,18,493
<b>TOTAL</b> . . . . .	<b>1,27,88,04,996</b>	<b>3,81,94,803</b>	<b>1,31,69,99,799</b>
<b>Railway Capital not charged to Revenue—</b>			
As per Railway Budget . . . . .	59,275	...	59,275
<b>Public Debt Incurred—</b>			
<b>Permanent Debt—</b>			
<i>Sterling Debt—</i>			
7 per cent. Stock . . . . .	...	1,01,762	
5½ per cent. Stock . . . . .	...	11,16,376	
4½ per cent. Stock . . . . .	...	9,65,479	
<i>Rupee Debt—</i>			
New Rupee Loan . . . . .	...	...	
4 per cent. Loan, 1960-70 . . . . .	29,49,70,600	...	
Do. 1934-37 . . . . .	...	...	
3½ per cent. Loans . . . . .	21,98,000	...	
<b>TOTAL</b> . . . . .	<b>29,71,68,600</b>	<b>21,83,617</b>	<b>29,93,52,217</b>
<b>Floating Debt—</b>			
<b>Treasury Bills—</b>			
Issued to Public . . . . .	...	...	
Issued to Paper Currency Reserve . . . . .	49,65,00,000	...	
India Bills . . . . .	...	...	
Temporary Loans . . . . .	...	...	
<b>TOTAL</b> . . . . .	<b>49,65,00,000</b>	<b>...</b>	<b>49,65,00,000</b>
Carried over . . . . .	2,07,25,32,871	4,03,78,420	

\* Sterling converted into Rupees at £1 = Rs. 10.

BUDGET FOR 1928-29.

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

REVISED ESTIMATE, 1927-28.			BUDGET ESTIMATE, 1928-29.		
India.	† England.	TOTAL.	India.	† England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,24,42,59,000	3,30,24,000	1,27,72,83,000	1,26,44,69,000	3,20,06,000	1,29,64,75,000
1,15,000	...	1,15,000	...	...	...
1,24,43,74,000	3,30,24,000	1,27,73,58,000	1,26,44,69,000	3,20,06,000	1,29,64,75,000
...	...	...	...	2,03,80,000	2,03,80,000
...	...	...	...	...	...
...	15,83,000	...	...	16,84,000	...
...	9,28,58,000	...	...	15,48,000	...
...	...	...	32,00,00,000	...	...
...	...	...	...	...	...
19,53,79,000	...	...	...	...	...
12,00,000	...	...	10,28,000	...	...
19,55,79,000	9,44,41,000	29,10,20,000	32,10,28,000	32,30,000	32,42,58,000
...	...	...	...	...	...
31,84,06,000	...	...	35,00,00,000	...	...
51,71,60,000	...	...	62,87,60,000	...	...
...	6,66,67,000	...	...	...	...
4,00,00,000	...	...	...	...	...
87,55,66,000	6,66,67,000	94,22,32,000	97,87,60,000	...	97,87,60,000
2,21,65,18,000	19,41,32,000	...	2,56,42,57,000	5,56,16,000	...

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

## BUDGET FOR 1928-29.

## C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1926-27.		
	India.	England.	TOTAL.
	Rs.	Ra.	Rs.
Brought forward	2,07,25,32,871	4,03,78,420	...
<b>Unfunded Debt—</b>			
Deposits of Service Funds . . . . .	12,72,805	3,93,374	
Post Office Cash Certificates . . . . .	7,53,48,356	...	
Savings Bank Deposits . . . . .	29,83,07,134	3,45,086	
<b>TOTAL</b>	<b>37,49,28,335</b>	<b>7,38,460</b>	<b>37,56,66,795</b>
<b>Deposits and Advances—</b>			
Deposits of Local Funds—			
District Funds . . . . .	15,97,41,858	...	
Other Funds . . . . .	9,57,95,412	...	
Sinking Funds for Central Loans . . . . .	1,43,56,735	...	
Other appropriations for Reduction or Avoidance of Debt . . . . .	3,61,12,016	...	
Sinking Fund Investment Account . . . . .	52,95,296	...	
Sinking Funds for loans granted to local bodies . . . . .	3,65,764	...	
Gold Standard Reserve . . . . .	...	36,79,02,228	
Paper Currency Reserve . . . . .	...	92,02,05,813	
Deposits of Branch Line Companies . . . . .	12,73,600	...	
Posts and Telegraphs Depreciation Fund . . . . .	33,83,809	...	
Provincial Loans Fund . . . . .	12,44,48,185	...	
Departmental and Judicial Deposits . . . . .	88,69,03,863	...	
Advances . . . . .	17,01,28,967	6,24,967	
Discount Sinking Fund . . . . .	...	...	
Suspense . . . . .	4,61,48,044	1,76,03,401	
Exchange on Remittance Accounts . . . . .	11,13,69,063	...	
Miscellaneous . . . . .	58,18,593	1,17,48,228	
Revenue Reserve Fund . . . . .	2,95,63,311	...	
<b>TOTAL</b>	<b>1,69,10,04,516</b>	<b>1,31,80,84,637</b>	<b>3,00,90,89,153</b>
Railway Depreciation and Reserve Funds as per Railway Budget . . . . .	12,37,11,269	...	12,37,11,269
Carried over	4,26,21,76,091	1,35,92,01,517	

\* Sterling converted into Rupees at £1 = Rs. 10.



BUDGET FOR 1928-29.

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

REVISED ESTIMATE, 1927-28.			BUDGET ESTIMATE, 1928-29.		
India.	† England.	TOTAL.	India.	† England.	TOTAL.
Ra.	Ra.	Ra.	Ra.	Ra.	Ra.
2,31,65,18,000	19,41,32,000	...	2,56,42,57,000	5,56,16,000	...
10,56,000	4,82,000		10,53,000	5,53,000	
6,20,00,000			5,80,00,000	...	
33,24,35,000	-16,01,000		36,78,72,000	...	
39,54,91,000	-11,19,000	39,43,72,000	42,09,25,000	5,53,000	42,14,78,000
16,39,57,000	...		16,31,94,000	...	
9,72,03,000	...		9,69,18,000	...	
1,47,15,000	...		1,52,86,000	...	
3,70,32,000	...		4,03,82,000	...	
1,26,27,000	...		...	...	
8,80,000	...		3,96,000	...	
...	79,57,79,000		...	69,73,99,000	
...	20,23,17,000		...	13,95,19,000	
8,20,000	...		3,00,000	...	
37,00,000	...		40,32,000	...	
14,03,63,000	...		16,39,94,000	...	
95,44,53,000	...		91,12,57,000	...	
16,18,14,000	7,90,000		15,59,42,000	2,85,000	
4,37,000	...		17,88,000	...	
11,15,20,000	-31,37,000		3,25,06,000	2,88,000	
17,45,000	...		...	...	
2,00,000	1,49,76,000		1,72,000	1,42,20,000	
...	...		...	...	
1,70,18,66,000	1,01,07,35,000	2,71,20,91,000	1,58,61,67,000	85,17,11,000	2,43,78,78,000
16,12,20,000	...	16,12,26,000	15,45,30,000	...	15,45,30,000
4,57,46,01,000	1,20,37,38,000		4,72,58,79,000	90,78,80,000	

† Sterling converted into Rupees at £1 = Ra. 13½.

## C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1926-27.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	4,26,21,76,991	1,35,92,01,517	
<b>Loans and Advances by the Central Government—</b>			
Advances to the Provincial Loans Fund	...	...	
Other Loans and Advances	1,54,24,159	...	
<b>TOTAL</b>	<b>1,54,24,159</b>	<b>...</b>	<b>1,54,24,159</b>
<b>Remittances—</b>			
Remittances within India—			
Inland Money Orders . . . . .	93,98,31,162	...	
Other Local Remittances . . . . .	36,93,930	...	
Other Departmental Accounts . . . . .	68,32,897	...	
Net Receipts by Civil Treasuries from—			
Railways . . . . .	5,77,35,636	...	
Posts and Telegraphs . . . . .	5,54,25,683	...	
Net Receipts from Civil Treasuries by—			
Marine . . . . .	40,52,782	...	
Army and Military Engineer Services . . . . .	39,32,48,507	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings . . . . .	...	1,38,89,021	
Sale of Silver . . . . .	...	...	
Other transactions . . . . .	1,57,20,160	3,13,86,258	
Remittances from India for financing			
Home Treasury . . . . .	...	2,11,50,000	
Sale of Sterling . . . . .	1,42,50,000	...	
Transfers through the Paper Currency Reserve . . . . .	...	23,42,70,435	
<b>TOTAL</b>	<b>1,49,07,90,757</b>	<b>30,06,95,764</b>	<b>-1,79,14,86,521</b>
<b>Balances of Provincial Governments</b>	...	...	...
<b>TOTAL RECEIPTS</b>	<b>5,76,83,91,907</b>	<b>1,65,98,97,281</b>	
Opening Balance	25,14,88,041	(a) 15,04,63,055	
<b>GRAND TOTAL</b>	<b>6,01,98,79,948</b>	<b>1,81,03,60,336</b>	

\* Sterling converted into Rupees at £1 = Rs. 10.

(a) Of this amount, £225 represents the funds of the Gold Standard Reserve.

BUDGET FOR 1928-29.

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

REVISED ESTIMATE, 1927-28.			BUDGET ESTIMATE, 1928-29.		
India.	† England.	TOTAL.	India.	† England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,57,46,01,000	1,20,37,38,000		4,72,58,79,000	90,78,80,000	
1,09,54,000	...		83,51,000	...	
1,09,54,000	...	1,09,54,000	83,51,000	...	83,51,000
98,75,00,000	...		98,95,00,000	...	
4,46,000	...		3,20,000	...	
3,59,81,000	...		3,47,00,000	...	
5,26,09,000	...		6,90,79,000	...	
4,38,10,000	...		4,38,10,000	...	
55,61,000	...		43,75,000	...	
39,30,60,000	...		38,84,12,000	...	
...	1,08,33,000		...	1,01,33,000	
...	1,44,00,000		...	...	
69,56,000	4,68,53,000		91,68,000	3,47,27,000	
...	88,00,00,000		...	48,00,00,000	
...	...		...	...	
4,43,52,000	7,42,88,000		...	...	
1,55,22,78,000	52,63,74,000	2,07,86,52,000	1,58,93,64,000	52,48,60,000	2,06,42,24,000
1,52,51,000	...	1,52,51,000	8,67,44,000	...	8,67,44,000
6,15,30,84,000	1,73,01,12,000		6,31,03,38,000	1,43,27,40,000	
27,67,75,069	(b) 4,31,13,307		12,73,48,069	(b) 8,07,11,307	
6,43,18,59,069	1,77,32,25,307		6,43,76,86,069	1,51,34,51,307	

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

(b) Of this amount, £25 represents the funds of the Gold Standard Reserve.

## C.—Statement of Receipts and Disbursements of the

	Accounts, 1926-27.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Expenditure (from Statement B) . . . . .	95,34,76,733	27,12,03,387	1,22,46,80,120
Exchange charged as Expenditure . . . . .	9,23,19,679	...	9,23,19,679
<b>TOTAL</b> . . . . .	<b>1,04,57,96,412</b>	<b>27,12,03,387</b>	<b>1,31,69,99,799</b>
<b>Irrigation, Posts and Tele- graphs and other Capital not charged to Revenue—</b>			
CAPITAL OUTLAY ON SECURITY PRINTING PRESS . . . . .	16,49,855	...	16,49,855
CONSTRUCTION OF IRRIGATION WORKS . . . . .	—70,632	...	—70,632
CAPITAL OUTLAY ON POSTS AND TELE- GRAPHS . . . . .	23,10,103	9,49,027	32,59,130
CAPITAL OUTLAY ON VIZAGAPATAM PORT . . . . .	23,66,612	8,19,853	31,86,465
CURRENCY CAPITAL OUTLAY . . . . .	8,61,259	5,142	8,66,401
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI . . . . .	59,53,932	2,09,185	61,63,117
PAYMENT OF COMMUTED VALUE OF PENSIONS . . . . .	28,85,222	...	28,85,222
CAPITAL OUTLAY ON BOMBAY LAND SCHEME . . . . .	...	...	...
<b>TOTAL</b> . . . . .	<b>1,59,56,351</b>	<b>19,83,207</b>	<b>1,79,39,558</b>
RAILWAY CAPITAL NOT CHARGED TO REVENUE— As per Railway Budget . . . . .	19,48,63,165	10,37,88,799	29,86,51,964
<b>Public Debt Discharged—</b>			
<b>Permanent Debt—</b>			
<i>Sterling Debt—</i>			
7 p. c. Stock . . . . .	...	99,12,175	
State Railway annuities . . . . .	...	1,34,73,481	
Do. Do. Sinking Funds . . . . .	...	20,00,000	
Redemption of liabilities assumed in res- pect of British War Loan (1929-47) . . . . .	...	51,20,034	
<i>Rupee Debt—</i>			
6 p. c. Bonds, 1926 . . . . .	19,81,45,600	...	
Do. Do. 1927 . . . . .	2,39,22,500	...	
Other 6 p. c. Bonds . . . . .	1,800	...	
5½ p. c. War Bonds, 1928 . . . . .	1,00,99,400	...	
Other 5½ p. c. War Bonds . . . . .	8,22,850	...	
5 p. c. Loan, 1945-55 . . . . .	1,700	...	
4 p. c. Terminable Loan . . . . .	28,500	...	
Other Loans . . . . .	26,28,412	...	
<b>TOTAL</b> . . . . .	<b>23,56,50,762</b>	<b>3,05,35,750</b>	<b>26,61,86,512</b>
Carried over . . . . .	1,49,22,66,690	40,75,11,143	

\* Sterling converted into Rupees at £1 = Rs. 10.

BUDGET FOR 1928-29.

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

REVISED ESTIMATE, 1927-28.			BUDGET ESTIMATE, 1928-29.		
India.	† England.	TOTAL.	India.	† England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
92,28,51,000	35,33,15,000	1,27,61,66,000	93,52,74,000	36,06,95,000	1,29,59,69,000
12,82,000	...	12,32,000	...	...	...
92,40,83,000	35,33,15,000	1,27,73,98,000	93,52,74,000	36,06,95,000	1,29,59,69,000
...	...	...	...	...	...
—9,79,000	...	—9,79,000	27,000	40,000	67,000
16,93,000	...	16,93,000	1,74,000	...	1,74,000
43,77,000	13,79,000	57,56,000	53,18,000	14,84,000	68,02,000
36,12,000	1,49,000	37,61,000	40,88,000	6,65,000	47,53,000
13,48,000	4,60,000	18,08,000	10,000	7,000	17,000
48,33,000	5,67,000	54,00,000	70,44,000	8,24,000	78,68,000
85,52,000	...	35,52,000	34,85,000	...	34,85,000
20,74,000	...	20,74,000	2,05,22,000	...	2,05,22,000
2,05,10,000	25,55,000	2,30,65,000	4,06,68,000	30,20,000	4,36,88,000
17,50,23,000	13,16,67,000	30,66,90,000	15,33,33,000	14,70,47,000	30,03,80,000
...	65,000	...	...	...	...
...	1,85,85,000	...	...	1,92,28,000	...
...	26,67,000	...	...	26,67,000	...
...	71,68,000	...	...	75,24,000	...
20,00,000	...	...	2,00,000	...	...
17,30,00,000	...	...	20,00,000	...	...
...	...	...	...	...	...
4,12,26,000	...	...	16,25,00,000	...	...
3,50,000	...	...	3,10,000	...	...
...	...	...	...	...	...
80,000	...	...	20,000	...	...
14,04,000	...	...	12,00,000	...	...
21,40,10,000	2,84,65,000	24,64,95,000	16,62,30,000	2,94,19,000	19,56,49,000
1,33,76,26,000	51,60,22,000	...	1,29,55,05,000	54,01,81,000	...

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

## C.—Statement of Receipts and Disbursements of ho

	ACCOUNTS, 1920-27.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	1,49,22,66,690	40,75,11,143	
<b>Floating Debt—</b>			
Treasury Bills—			
Issued to Public . . . . .	...	...	
Do. Paper Currency Reserve . . . . .	57,83,00,000	...	
India Bills . . . . .	...	...	
Temporary Loans . . . . .	...	...	
<b>TOTAL</b>	57,83,00,000	...	57,83,00,000
<b>Unfunded Debt—</b>			
Special Loans . . . . .	14,928	...	
Deposits of Service Funds . . . . .	15,84,890	21,522	
Post Office Cash Certificates . . . . .	1,82,16,158	...	
Savings Bank Deposits . . . . .	22,85,18,558	96,624	
<b>TOTAL</b>	24,83,34,534	1,18,146	24,81,52,680
<b>Deposits and Advances—</b>			
Deposits of Local Funds—			
District Funds . . . . .	15,89,06,923	...	
Other Funds . . . . .	9,60,30,127	...	
Sinking Fund Investment Account . . . . .	1,96,49,821	...	
Gold Standard Reserve . . . . .	...	36,79,08,649	
Paper Currency Reserve . . . . .	...	92,02,05,813	
Deposits of Branch Line Companies . . . . .	5,44,777	...	
Posts and Telegraphs Depreciation Fund . . . . .	3,79,054	...	
Provincial Loans Fund . . . . .	12,64,55,427	...	
Departmental and Judicial Deposits . . . . .	87,69,78,284	...	
Advances . . . . .	16,23,74,289	3,13,020	
Discount Sinking Fund . . . . .	3,53,96,472	...	
Suspense . . . . .	1,38,85,631	1,67,76,775	
Miscellaneous . . . . .	45,12,468	1,16,92,383	
Revenue Reserve Fund . . . . .	...	...	
<b>TOTAL</b>	1,49,81,13,273	1,31,68,96,640	2,81,50,09,913
Railway Depreciation and Reserve Funds as per Railway Budget . . . . .	8,04,64,667	...	8,04,64,667
Carried over	3,80,74,79,164	1,72,45,25,929	

\* Sterling converted into Rupees at £1 = Rs. 10.

BUDGET FOR 1928-29.

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

REVISED ESTIMATE, 1927-28.			BUDGET ESTIMATE, 1928-29.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,33,76,26,000	51,60,22,000		1,29,55,05,000	54,01,61,000	
22,64,05,000	...		35,00,00,000	...	
61,24,80,000	...		62,87,60,000	...	
...	6,66,67,000		...	...	
4,00,00,000	...		...	...	
58,09,55,000	6,66,67,000	94,75,52,000	97,87,60,000	...	97,87,60,000
18,000	...		18,000	...	
14,80,000	32,000		14,79,000	40,000	
2,02,00,000	...		2,52,00,000	...	
25,65,64,000	17,000		27,72,57,000	...	
27,52,71,000	49,000	27,83,20,000	30,39,54,000	40,000	30,39,94,000
16,44,71,000	...		16,41,46,000	...	
8,74,50,000	...		9,70,14,000	...	
2,73,44,000	...		1,52,86,000	...	
...	79,57,79,000		...	69,73,99,900	
...	20,23,17,000		...	13,95,19,000	
5,80,000	...		5,50,000	...	
1,72,000	...		1,33,000	...	
14,03,62,000	...		16,28,78,000	...	
93,79,43,000	...		89,81,37,000	...	
15,19,32,000	3,88,000		15,34,37,000	2,77,000	
1,07,46,000	...		...	...	
4,97,25,000	2,87,000		2,37,02,000	2,69,000	
7,60,000	1,50,63,000		...	1,42,87,000	
1,68,73,000	...		...	...	
1,59,83,78,000	1,01,33,34,000	2,61,22,12,000	1,51,53,84,000	85,17,51,000	2,36,70,35,000
10,70,00,000	...	10,70,00,000	9,00,00,000	...	9,00,00,000
4,30,21,60,000	1,59,65,72,000		4,18,35,03,000	1,39,19,72,000	

† Sterling converted into Rupees at 21 = Rs. 13½.

## BUDGET FOR 1928-29.

## C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1926-27.		
	India.	* England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	8,89,74,79,164	1,72,45,25,929	
<b>Loans and Advances by the Central Government—</b>			
Advances to the Provincial Loans Fund	5,56,78,000	...	
Other Loans and Advances	1,86,22,785	...	
<b>TOTAL</b>	<b>7,43,00,785</b>	<b>...</b>	<b>7,43,00,785</b>
<b>Remittances--</b>			
Remittances within India—			
Inland Money Orders	93,89,98,038	...	
Other Local Remittances	...	...	
Other Departmental Accounts	...	...	
Net Payments into Civil Treasuries by—			
Railways	5,63,57,133	...	
Posts and Telegraphs	5,51,42,315	...	
Net Issues from Civil Treasuries to—			
Marine	40,52,838	...	
Army and Military Engineer Services	39,26,22,963	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	1,38,89,021	...	
Sale of Silver	...	...	
Other transactions	3,62,50,059	1,23,15,153	
Remittances from India for financing Home Treasury	2,11,50,000	...	
Sale of Sterling	...	1,42,50,000	
Transfers through the Paper Currency Reserve	23,42,70,485	...	
<b>TOTAL</b>	<b>1,75,27,32,852</b>	<b>2,65,65,153</b>	<b>1,77,92,98,005</b>
<b>Balances of Provincial Governments</b>	<b>1,65,92,078</b>	<b>2,69,34,276</b>	<b>4,35,26,354</b>
<b>TOTAL DISBURSEMENTS</b>	<b>5,74,11,04,879</b>	<b>1,77,80,25,358</b>	
Closing Balance	27,87,75,069	(b) 3,23,34,978	
<b>GRAND TOTAL</b>	<b>6,01,98,79,948</b>	<b>1,81,03,60,336</b>	

\* Sterling converted into Rupees at £1 = Rs. 10.

(b) Of this amount, £183 represents the



BUDGET FOR 1928-29.

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

REVISED ESTIMATE, 1927-28.			BUDGET ESTIMATE, 1928-29.		
India.	† England.	TOTAL.	India.	† England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,20,21,80,000	1,59,65,72,000		4,18,35,03,000	1,39,19,72,000	
6,17,23,000	...		6,86,95,000	...	
2,50,35,000	...		2,13,48,000	...	
8,67,58,000	...	8,67,58,000	9,00,43,000	...	9,00,43,000
96,70,00,000	...		98,89,00,000	...	
3,37,000	...		2,42,000	...	
3,59,44,000	...		3,45,25,000	...	
5,28,00,000	...		6,72,79,000	...	
4,38,10,000	...		4,38,10,000	...	
55,81,000	...		43,75,000	...	
39,30,60,000	...		38,84,12,000	...	
1,08,33,000	...		1,01,34,000	...	
1,14,00,000	...		...	...	
3,77,47,000	1,80,62,000		2,65,85,000	1,73,09,000	
88,00,00,000	...		48,00,00,000	...	
...	...		...	...	
7,42,88,000	4,43,52,000		...	...	
2,01,56,93,000	6,24,14,000	2,07,80,07,000	2,04,42,62,000	1,73,09,000	2,06,15,71,000
...	3,35,28,000	3,85,28,000	...	3,80,49,000	3,80,49,000
6,30,15,11,000	1,69,25,14,000		6,31,78,08,000	1,41,73,30,000	
	(b)			(b)	
12,73,48,069	8,07,11,307		11,08,78,069	6,61,21,307	
6,43,18,59,069	1,77,32,25,307		6,43,78,86,069	1,51,34,51,807	

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

unds of the Gold Standard Reserve.

## BUDGET FOR 1928-29.

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

Revenue and Expenditure.	ACCOUNTS, 1926-27.		REVISED ESTIMATE, 1927-28.		BUDGET ESTIMATE, 1928-29.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Principal Heads of Revenue—</b>						
Customs . . . . .	46,56,93,497	...	47,77,93,000	...	49,29,31,000	...
Taxes on Income . . . . .	15,03,20,717	...	14,98,10,000	...	16,30,17,000	...
Salt . . . . .	5,49,85,310	...	5,52,38,000	...	5,77,54,000	...
Opium . . . . .	3,32,69,463	...	3,91,18,000	...	2,66,38,000	...
Other Heads . . . . .	1,60,97,861	...	1,71,68,000	...	1,57,76,000	...
<b>TOTAL</b>	<b>72,03,56,848</b>	<b>...</b>	<b>72,91,45,000</b>	<b>...</b>	<b>75,61,06,000</b>	<b>...</b>
Salt and other Capital Outlay charged to Revenue . . . . .	...	7,16,385	...	16,67,000	...	6,41,000
Irrigation . . . . .	...	5,24,860	9,55,000	...	...	10,74,000
Railways . . . . .	6,01,13,210	...	6,35,58,000	...	5,48,00,000	...
Posts and Telegraphs . . . . .	...	5,17,615	...	29,91,000	...	24,29,000
Debt Services . . . . .	...	12,65,90,387	...	12,27,33,000	...	11,93,64,000
Civil Administration . . . . .	...	10,27,38,768	...	10,33,82,000	...	10,68,13,000
Currency and Mint . . . . .	3,39,14,155	...	1,81,48,000	...	1,79,18,000	...
Civil Works . . . . .	...	1,73,95,369	...	1,49,92,000	...	1,58,90,000
Miscellaneous . . . . .	...	3,36,14,509	...	3,43,25,000	...	3,26,21,000
Military Services . . . . .	...	55,96,95,825	...	54,92,00,000	...	55,10,00,000
Provincial Contributions and Miscellaneous adjustments between Central and Provincial Governments. . . . .	5,13,23,555	...	7,13,000	...	...	...
Extraordinary Items . . . . .	...	2,39,11,050	1,85,92,000	...	22,17,000	...
<b>TOTAL</b>	<b>86,57,06,768</b>	<b>86,57,06,768</b>	<b>82,91,10,000</b>	<b>82,91,10,000</b>	<b>83,10,41,000</b>	<b>83,05,35,000</b>

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

Revenue and Expenditure.	ACCOUNTS, 1926-27.		REVISED ESTIMATE, 1927-28.		BUDGET ESTIMATE, 1928-29.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus. . . . .	...	...	...	...	5,06,000	...
<b>Capital Account—</b>						
Capital outlay on Security Printing Press . . . . .	...	16,40,858	...	—9,79,000	...	67,000
Railway Capital not charged to Revenue . . . . .	...	29,66,92,669	..	30,66,90,000	...	28,00,00,000
Construction of Irrigation Works . . . . .	...	—70,632	...	16,93,000	...	1,74,000
Capital outlay on Posts and Telegraphs . . . . .	...	32,59,130	...	57,56,000	...	68,02,000
Capital outlay on Vizagapatam Port . . . . .	...	31,56,465	...	37,61,000	...	47,53,000
Currency Capital outlay . . . . .	...	8,06,401	...	18,06,000	...	17,000
Initial expenditure on new Capital at Delhi . . . . .	...	61,63,117	...	54,00,000	...	78,68,000
Payment of commuted value of pensions . . . . .	...	28,65,323	...	35,53,000	...	34,65,000
Capital Outlay on Bombay Land Scheme . . . . .	...	...	...	20,74,000	...	2,05,23,000
<b>Debt, Deposits, Advances and Remittances—</b>						
Permanent Debt . . . . .	3,31,64,705	...	4,45,25,000	...	13,66,09,000	...
Floating Debt . . . . .	...	8,16,00,000	...	53,30,000	...	...
Unfunded Debt . . . . .	12,72,14,115	...	11,80,52,000	...	11,74,84,000	...
Deposits and Advances . . . . .	33,73,25,943	...	15,41,05,000	...	13,63,73,000	...
Loans and Advances by Central Government . . . . .	...	5,88,76,626	...	7,58,04,000	...	8,16,92,000
Remittances . . . . .	1,31,68,616	...	6,45,000	...	26,53,000	...
Balances of Provincial Governments. . . . .	...	4,35,26,354	...	1,52,77,000	...	13,06,000
Opening Balance . . . . .	40,19,51,096	...	32,18,85,376	...	20,80,59,376	...
Closing Balance . . . . .	...	31,11,10,047	...	20,80,59,376	...	18,59,99,376
<b>TOTAL</b> . . . . .	<b>61,18,44,374</b>	<b>61,18,46,274</b>	<b>63,72,15,376</b>	<b>63,72,15,376</b>	<b>59,38,64,376</b>	<b>59,38,64,376</b>

## Explanatory Memorandum

by the

### Financial Secretary.

(The amounts in the tables are in lakhs of rupees unless otherwise stated.)

The following table compares the actual revenue and expenditure of the Government of India in the year 1926-27 with the budget and revised estimates for the year :—

	Budget.	Revised.	Accounts.
Revenue . . . . .	1,30,42·97	1,29,97·48	1,31,70·00
Expenditure . . . . .	1,30,37·66	1,29,97·48	1,31,70·00
Surplus . . . . .	5·31	..	..

2. The revenue surplus according to the revised estimate was really 2,82·04 lakhs but it was intended to be transferred to the Revenue Reserve Fund, the creation of which was foreshadowed in paragraph 52 of the Finance Member's budget speech of the 28th February 1927, so that the published estimates exhibited neither a revenue surplus nor a revenue deficit. The actual transactions of the year resulted in a net surplus of 2,95·63 lakhs the whole of which has been included in the actual expenditure shown above by *per contra* credit to the Revenue Reserve Fund. The net variation from the estimated result is thus barely 14 lakhs. The net military expenditure, however, exceeded the estimate by 42 lakhs mainly on account of certain adjustments in respect of stores on the abolition of the cost accounting system. We had also to face a loss of 32 lakhs in customs revenue, practically all under cotton piece-goods. But certain other heads showed appreciable improvement, particularly Posts and Telegraphs and Opium and Interest receipts. None of the variations, however, is important enough to need special mention.

3. The broad results of our estimating for the current year and the next are as follows :—

	Budget, 1927-28.	Revised, 1927-28.	Budget, 1928-29.
Revenue . . . . .	1,25,25·65	1,27,73·98	1,29,64·75
Expenditure . . . . .	1,25,25·65	1,27,73·98	1,29,59·69
Surplus . . . . .	..	..	5·06

The budget estimate for the current year resulted, as a matter of fact, in a revenue deficit of 1,71·65 lakhs owing to the decision not to exact any contributions from the Provinces during the year. It was balanced by an equivalent transfer from the Revenue Reserve Fund referred to in the preceding paragraph.

The revised estimates show that the revenue deficit on other transactions will be 1,68·73 lakhs which means that we shall have to draw on the Fund only to this extent in order to balance revenue and expenditure. Accordingly, the variation in the net result from the original budget is under 3 lakhs. The budget figures for the coming year allow for the complete and final remission of the outstanding balance of Provincial contributions, *viz.*, 2,58 lakhs—*vide* paragraph 30 of the Finance Member's budget speech of the 29th February 1928.

4. The details of the railway figures embodied in the budget statements have been explained already in a separate memorandum. Those relating to the military heads will be found in Appendix I. For the rest, the details are given in the following paragraphs.

#### CUSTOMS.

	Revenue (Receipts <i>less</i> Refunds).	Expenditure.	Net Revenue.
1924-25 . . . . .	45,75·32	77·12	44,98·20
1925-26 . . . . .	47,77·95	81·77	46,96·18
1926-27 . . . . .	47,38·11	81·27	46,56·84
1927-28 { Budget . . . . .	48,73·37	87·91	47,85·46
{ Revised . . . . .	48,63·50	85·57	47,77·93
1928-29 Budget. . . . .	50,18·37	89·06	49,29·31

5. The revised estimate of customs revenue in 1927-28 is only about 10 lakhs less than the budget. There are, however, important variations in both directions under individual tariff heads. The outstanding increases appear under tobacco (37 lakhs), imports of cigarettes in the first nine months of the year being better than last year by 1·2 million lbs. ; mineral oils (38 lakhs) due to large imports of kerosene from Russia and Georgia and of fuel oils from Persia ; protective duties on iron and steel (25 lakhs) where the differential duties imposed under the Steel Industry (Protection) Act (III of 1927) are mainly responsible for the improvement ; and jute (55 lakhs), the increase reflecting the prosperity of the trade in the current year. On the other hand, cotton piece-goods, despite the rise in the quantity imported, do not show a corresponding rise in value and are expected to yield 70 lakhs less, while matches which form the subject of a current investigation by the Tariff Board—the yield has dropped from 1,54 lakhs in 1922-23 to 52 lakhs in 1927-28—will fall us to the extent of 40 lakhs. Further, the present estimate allows for the loss of about 45 lakhs following from the abolition of the import duties on mill-stores and machinery under the Indian Tariff (Amendment) Act (XXIV of 1927) which came into force on the 1st October 1927. What has largely helped to keep the net total revenue practically at the figure forecasted a year ago is the re-establishment, on the 5th July 1927, of the land customs line between Kathiawar and British India. It has led to an appreciable rise in the revenue from silk manufactures (3½ lakhs) and land customs (14 lakhs) and, what is more, has saved us from any fall under sugar which, in

BUDGET FOR 1928-29.

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previous years, has exhibited wide fluctuations, as will be clear from the following table :—

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

6. The budget estimate of revenue for 1928-29 exceeds the revised estimate of the current year by about 1,55 lakhs even after making allowance for the further loss, estimated at 40 lakhs, due to the abolition of the import duties on mill-stores and machinery referred to in paragraph 5. Sugar is expected, thanks to the land customs line at Viramgam, to bring in 40 lakhs more, cotton piece-goods 30 lakhs more, and motor-cars and cycles 26 lakhs more than in 1927-28. Owing to a fall in prices, these last have not given us in the current year as much as we had reason to expect even after allowing for the reduction in the import duty from 30 to 20 per cent. in March 1927. Under other heads, we have taken a normal increase generally though under mineral oils and jute we have had to budget for a fall of 10 lakhs and 15 lakhs respectively from this year's rather abnormal figures.

7. The details are as follows :—

	Accounts, 1924-25.	Accounts, 1925-26.	Accounts, 1926-27.	1927-28.		Budget, 1928-29.
				Budget.	Revised.	
<b>REVENUE.</b>						
<b>SEA CUSTOMS.</b>						
<b>IMPORTS.</b>						
<i>Non-protective Special Duties.</i>						
<b>Liquors—</b>						
(a) Ale, Beer, Porter, Cider and other fermented Liquors . . . . .	16.23	18.01	19.48	20.80	21.87	22.95
(b) Spirits and Liquors . . . . .	2,19.99	2,21.90	2,26.64	2,41.19	2,19.76	2,28.50
(c) Wines . . . . .	14.10	14.07	15.19	15.20	15.16	15.80
Sugar, all sorts . . . . .	5,76.90	6,47.81	7,00.72	6,70.00	6,70.00	7,10.00
Tobacco . . . . .	1,73.72	1,55.81	1,90.77	1,93.00	2,29.52	2,33.90
Coal, coke and patent fuel . . . . .	2.83	2.03	.86	2.85	1.50	2.25
Tin, block . . . . .	..	..	..	..	7.86	7.75
Mineral oils . . . . .	1,43.39	1,54.67	1,29.29	1,37.78	1,76.00	1,66.00
Arms, Ammunition and Military Stores . . . . .	8.64	8.60	7.95	9.05	7.42	8.60

## BUDGET FOR 1928-29.

	Accounts, 1924-25.	Accounts, 1925-26.	Accounts, 1926-27.	1927-28.		Budget, 1928-29.
				Budget.	Revised.	
<b>REVENUE—contd.</b>						
<b>SEA CUSTOMS—contd.</b>						
<b>IMPORTS—contd.</b>						
Opium . . . . .	03	02	03	03	04	04
Artificial silk yarn and thread . . . . .	..	..	..	..	6'41	11'95
Cotton yarn and thread . . . . .	51'41	43'33	36'45	39'36	47'99	53'11
Cotton piece-goods . . . . .	7,73'76	6,06'55	6,21'04	7,00'00	6,30'14	6,60'00
Matches . . . . .	1,25'85	1,18'30	80'18	92'09	53'29	50'00
Match Splints and Veneers . . . . .						
Silk mixtures . . . . .	..	3'80	5'43	6'52	6'99	7'16
Portland Cement . . . . .	..	..	9'06	7'02	11'04	11'65
Printer's Ink . . . . .	..	..	34	32	33	40
<i>Duty at 2½ per cent.</i>						
Machinery (including Locomotive Engines and tenders) . . . . .	42'83	43'86	33'17	43'28	22'63	50
Other articles . . . . .	1'16	87	55	72	52	57
<i>Duty at 10 per cent.</i>						
Metals—Iron and Steel . . . . .	84'12	42'30	42'82	43'20	52'07	55'90
Railway plant and rolling stock . . . . .	47'49	33'82	24'41	40'00	29'00	30'00
Other articles . . . . .	1'65	1'42	1'06	1'75	1'40	2'20
<i>Duty at 15 per cent.</i>						
Articles of Food and Drink (exclud- ing sugar and vinegar) . . . . .	1,39'15	1,59'83	1,74'89	1,87'26	1,83'48	1,92'30
Raw materials and articles mainly unmanufactured . . . . .	63'83	69'72	65'17	67'50	75'89	78'60
Articles wholly or mainly manu- factured—						
(a) Cutlery, hardware, imple- ments and instruments . . . . .	1,19'97	1,29'42	1,31'52	1,37'72	1,37'27	1,41'97
(b) Metals other than Iron and Steel . . . . .	1,12'97	1,10'31	96'84	1,06'80	80'40	86'85
(c) Yarns and textile fabrics (other than cotton manu- factures) . . . . .	1,42'91	1,44'20	1,63'49	1,39'10	1,85'90	1,99'25
(d) Pneumatic rubber tyres and tubes . . . . .	27'69	46'03	33'90	42'00	32'00	38'00
(e) All other articles wholly or mainly manufactured . . . . .	3,99'43	3,99'84	4,15'91	4,29'27	4,19'41	4,20'00
Miscellaneous . . . . .	56'46	55'67	62'46	59'50	62'94	63'55
<i>Duty at 20 per cent.</i>						
Motor cars and cycles . . . . .	79'44	1,05'30	1,04'95	1,03'39	89'61	1,16'00
<i>Duty at 50 per cent.</i>						
Silk piece-goods and other manufac- tures of silk . . . . .	90'05	78'16	79'84	82'05	85'54	83'53
Other articles . . . . .	98'59	1,03'73	1,04'78	1,14'81	99'38	1,04'40

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	Accounts, 1924-25.	Accounts, 1925-26.	Accounts, 1926-27.	1927-28.		Budget, 1928-29.
				Budget.	Revised.	
<b>REVENUE—contd.</b>						
<b>SEA CUSTOMS—contd.</b>						
<b>IMPORTS—contd.</b>						
<i>Protective Special Duties.</i>						
Iron and Steel { (a) Liable to additional duties . . . . . (b) Not liable to additional duties . . . . .	2,25'77	2,92'04	2,76'93	2,75'00	2,99'77	3,09'75
Paper and Stationery . . . . .	..	12'78	23'52	24'23	26'67	27'43
<i>Government stores.</i>						
Articles liable to protective duties—						
Iron and Steel { (a) Liable to additional duties . . . . . (b) Not liable to additional duties . . . . .	60'29	1,02'65	94'27	1,02'40	99'56	1,01'19
Paper and Stationery . . . . .						
Railway plant and rolling stock (non-protective) . . . . .						
Other Stores . . . . .						
<b>TOTAL IMPORTS</b>	<b>39,00'80</b>	<b>39,31'90</b>	<b>39,96'41</b>	<b>41,89'19</b>	<b>40,86'86</b>	<b>42,41'60</b>
<b>Export duties—</b>						
(a) Hides and skins, raw . . . . .	26'75	31'74	30'84	30'00	34'46	35'10
(b) Jute (raw and manufactured) . . . . .	3,75'04	3,63'05	3,95'06	3,80'00	4,35'42	4,20'45
(c) Rice . . . . .	1,23'97	1,40'81	1,16'68	1,21'05	1,21'69	1,22'07
(d) Tea . . . . .	49'12	43'09	50'96	..	1'09	..
(e) Government Stores . . . . .	'05	'03	'04	'04	'03	'01
Sea Customs—Miscellaneous . . . . .	13'50	11'43	9'80	12'15	14'26	14'47
Land Customs . . . . .	20'34	23'04	22'41	21'82	36'00	41'76
Excise Duty on Cotton Manufactures . . . . .	2,17'67	1,46'60	'87	..	..	..
Excise Duty on Motor Spirit . . . . .	78'86	76'82	96'40	1,00'00	1,24'55	1,24'80
Excise Duty on Kerosene . . . . .	93'39	97'88	1,04'70	1,10'00	1,01'21	1,10'56
Warehouse and wharf rents and Miscellaneous . . . . .	5'29	5'54	6'87	5'12	5'71	5'54
<b>TOTAL RECEIPTS</b>	<b>49,10'88</b>	<b>48,81'93</b>	<b>48,30'54</b>	<b>49,69'37</b>	<b>49,61'23</b>	<b>51,16'36</b>
<b>Deduct—Refunds</b>	<b>3,35'56</b>	<b>1,03'98</b>	<b>92'43</b>	<b>98'00</b>	<b>97'73</b>	<b>97'99</b>
<b>TOTAL REVENUE</b>	<b>45,75'32</b>	<b>47,77'95</b>	<b>47,38'11</b>	<b>48,71'37</b>	<b>48,63'50</b>	<b>50,18'37</b>
<b>EXPENDITURE.</b>						
India . . . . .	75'13	80'15	79'72	86'03	83'53	87'14
England . . . . .	1'45	1'22	1'16	1'41	2'03	1'82
Exchange . . . . .	'54	'40	'39	'47	'01	..
<b>Total</b>	<b>77'12</b>	<b>81'77</b>	<b>81'27</b>	<b>87'91</b>	<b>85'57</b>	<b>89'06</b>



## BUDGET FOR 1928-29.

## TAXES ON INCOME.

		Revenue. (Receipts less re- funds and Provi- vincial Govern- ments' share of Income-tax revenue).	Expenditure.	Net revenue.
1924-25	. . .	16,01·48	60·38	15,41·10
1925-26	. . .	15,85·93	58·72	15,27·21
1926-27	. . .	15,64·97	61·76	15,03·21
1927-28	{ Budget . . .	16,95·05	68·48	16,26·57
	{ Revised . . .	15,64·62	66·52	14,98·10
1928-29	Budget . . .	16,99·53	69·41	16,30·17

8. The revised estimate of revenue under this head is 1,30 lakhs worse than the budget. In paragraph 39 of the Finance Member's budget speech of the 28th February 1927, it was proposed to assess 50 per cent. of the profits of tea companies as representing non-agricultural profits instead of the previous 25 per cent. It was later decided to reduce the percentage assumed for budget purposes to 40 which has involved a loss of 18 lakhs. Refunds have gone up by 10 lakhs and the Provincial Governments' share is more by 4 lakhs. But the main portion of the loss is accounted for by the over-estimating, a year ago, of the profits of the jute trade in Bengal which Province alone is responsible for an aggregate deterioration of 48 lakhs and 86 lakhs in super-tax and income-tax revenue respectively.

9. In the coming year, the last-mentioned cause will disappear as the trade has latterly been doing well. We shall also have the full effect of the altered method of assessment of tea companies and a further appreciable accretion to our revenues from the substitution of tax-subject for tax-free Government of India securities in accordance with our recent loan operations. The total budget estimate of revenue is thus 1,35 lakhs more than the revised estimate for 1927-28 though only 5 lakhs more than the budget figure for that year. The principal increase over the revised estimate is naturally expected in Bengal—52 lakhs in super-tax and 77 lakhs in income-tax. The variations elsewhere are unimportant.

10. The following tables give the usual details :—

	Accounts, 1924-25.	Accounts, 1925-26.	Accounts, 1926-27.	1927-28.		Budget, 1928-29.
				Budget.	Revised.	
<b>REVENUE.</b>						
<b>EXCESS PROFITS DUTY.</b>						
1 Madras . . . . .	·08	..	·16	..	..	..
2. Bengal . . . . .	·15	·01	·01	·01	·01	·01
3. Bombay . . . . .	..	..	·01	..	..	..
<b>TOTAL</b> . . . . .	<b>·23</b>	<b>·01</b>	<b>·18</b>	<b>·01</b>	<b>·01</b>	<b>·01</b>

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	Accounts, 1924-25.	Accounts, 1925-26.	Accounts, 1926-27.	1927-28.		Budget, 1928-29.
				Budget.	Revised.	
<b>REVENUE—contd.</b>						
<b>SUPPER-TAX.</b>						
1. India	1'22	2'07	2'17	2'15	1'87	2'00
2. Baluchistan	..	..35	..22	..40	..29	..22
3. N.-W. Frontier	..24	..24	..98	..84	..68	..53
4. Madras	21'35	22'71	19'21	25'20	22'00	24'00
5. Bombay	1'27'34	58'62	78'62	94'71	85'00	85'00
6. Bengal	2'25'31	2'54'77	2'45'95	2'61'00	2'13'00	2'65'00
7. United Provinces	16'68	17'42	15'15	15'30	15'30	16'00
8. Punjab	6'90	6'67	6'27	8'40	7'00	7'00
9. Burma	56'56	57'87	64'56	70'15	70'15	67'00
10. Bihar and Orissa	6'54	4'86	20'80	8'84	17'19	12'00
11. Central Provinces	12'94	8'87	8'23	8'00	7'00	8'00
12. Assam	4'09	2'47	3'34	5'00	4'00	4'00
<b>TOTAL</b>	<b>4,79'02</b>	<b>4,65'92</b>	<b>4,65'50</b>	<b>4,99'49</b>	<b>4,43'39</b>	<b>4,90'75</b>
<b>INCOME-TAX.</b>						
1. India General—						
Civil	32'42	28'28	31'71	30'16	33'76	34'04
Non-Civil Departments	50'21	55'78	58'82	61'94	62'61	63'74
2. Delhi	8'33	11'44	11'21	10'42	11'46	10'96
3. Baluchistan	1'07	1'69	1'60	1'95	1'35	1'30
4. North-West Frontier	7'65	8'24	9'38	8'05	8'65	9'20
5. Madras	1,18'16	1,28'30	1,29'24	1,39'00	1,41'00	1,43'00
6. Bombay	3,13'10	2,89'07	2,74'46	2,97'00	2,97'00	2,95'00
7. Bengal	3,50'16	3,90'76	3,56'00	3,99'00	3,13'00	3,90'00
8. United Provinces	64'94	65'31	61'68	69'70	69'70	75'00
9. Punjab	63'33	64'91	67'42	70'84	70'00	71'00
10. Burma	1,31'31	1,65'45	1,87'05	1,74'63	1,95'00	1,97'00
11. Bihar and Orissa	39'42	36'53	43'09	42'00	45'00	40'00
12. Central Provinces	39'99	36'88	37'06	38'30	38'30	40'00
13. Assam	20'06	17'94	19'73	25'09	21'00	22'00
14. Coorg	..22	..23	..24	..23	..23	..23
<b>TOTAL</b>	<b>12,40'36</b>	<b>13,00'81</b>	<b>12,88'74</b>	<b>13,68'31</b>	<b>13,08'06</b>	<b>13,92'47</b>
<b>MISCELLANEOUS.</b>						
1. Bombay	..	..	..	..	..10	..10
2. Bihar and Orissa	..	..	..	..	..05	..05
3. Central Provinces	..	..	..	..	..02	..03
<b>TOTAL</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..17</b>	<b>..17</b>
<b>Total Receipts from Taxes on Income</b>	<b>17,19'61</b>	<b>17,66'74</b>	<b>17,54'42</b>	<b>18,67'81</b>	<b>17,51'63</b>	<b>18,88'40</b>
<b>Deduct—Refunds—</b>						
India	96'75	1,48'55	1,48'78	1,48'02	1,51'71	1,47'55
Knrjab	1'21	4'64	5'47	..	..40	..27
Exchange	..41	1'52	1'87	..	..	..
<b>TOTAL REFUNDS</b>	<b>98'37</b>	<b>1,54'71</b>	<b>1,56'12</b>	<b>1,48'02</b>	<b>1,52'11</b>	<b>1,47'82</b>
<b>Deduct—Share of Provincial Govern- ments in Income-tax revenue under the Devolution Rules</b>	<b>19'76</b>	<b>26'10</b>	<b>33'23</b>	<b>30'74</b>	<b>34'90</b>	<b>36'00</b>
<b>Total Revenue of the Central Gov- ernment</b>	<b>16,01'48</b>	<b>15,85'93</b>	<b>15,64'97</b>	<b>16,95'05</b>	<b>15,64'62</b>	<b>16,99'58</b>
<b>EXPENDITURE.</b>						
India	59'29	57'63	60'67	67'35	65'79	68'54
England	..79	..82	..81	..85	..73	..87
Exchange	..30	..27	..28	..28	..	..
<b>TOTAL</b>	<b>60'38</b>	<b>58'72</b>	<b>61'76</b>	<b>68'48</b>	<b>66'52</b>	<b>69'41</b>
<b>Distributed as follows—</b>						
<b>Payments to Provincial Govern- ments</b>	<b>11'16</b>	<b>3'62</b>	<b>2'50</b>	<b>2'36</b>	<b>2'48</b>	<b>1'92</b>
<b>Direct expenditure of Central Gov- ernment</b>	<b>49'22</b>	<b>55'10</b>	<b>59'26</b>	<b>66'12</b>	<b>64'04</b>	<b>67'4</b>

## BUDGET FOR 1928-29.

Amount of income-tax revenue payable to Provincial Governments.

	Accounts, 1924-25.	Accounts, 1925-26.	Accounts, 1926-27.	1927-28.		Budget, 1928-29.
				Budget.	Revised.	
Madras . . . . .	1.57	4.27	4.64	5.46	5.20	6.50
United Provinces . . . . .	..	.03	..	..	..	..
Punjab . . . . .	1.90	3.82	4.02	3.98	3.50	4.00
Burma . . . . .	5.90	8.92	14.32	10.20	15.00	14.00
Bihar and Orissa . . . . .	2.55	2.41	3.25	4.83	3.60	3.50
Central Provinces . . . . .	2.30	1.36	2.18	1.00	1.60	2.00
Assam . . . . .	5.54	5.29	4.92	5.27	6.00	6.00
<b>TOTAL . . . . .</b>	<b>19.76</b>	<b>26.10</b>	<b>33.33</b>	<b>30.74</b>	<b>34.90</b>	<b>36.00</b>

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

	Accounts, 1926-27.	1927-28.		Budget, 1928-29.
		Budget.	Revised.	
Madras . . . . .	1,28	1,45	1,44	1,47
Bombay . . . . .	3,21	3,55	3,46	3,45
Bengal . . . . .	5,70	6,24	4,90	6,19
United Provinces . . . . .	74	83	83	89
Punjab . . . . .	65	71	69	70
Burma . . . . .	1,94	1,96	2,06	2,06
Bihar and Orissa . . . . .	54	43	55	46
Central Provinces . . . . .	37	41	39	41
Assam . . . . .	16	23	15	17
Minor Administrations and Non-Civil Departments . . . . .	1,14	1,14	1,18	1,20
England (including Exchange) . . . . .	—8	..	..	..
<b>TOTAL . . . . .</b>	<b>15,65</b>	<b>16,95</b>	<b>15,65</b>	<b>17,00</b>

## SALT.

	Revenue (Receipts <i>less</i> Refunds).	Expenditure (including Capital Expenditure charged to Revenue).	Net Revenue.
1924-25 . . . . .	7,39.05	1,27.40	6,11.65
1925-26 . . . . .	6,32.97	1,32.24	5,00.73
1926-27 . . . . .	6,69.81	1,24.76	5,45.05
1927-28 { Budget . . . . .	7,00.00	1,31.25	5,68.75
{ Revised . . . . .	6,75.42	1,25.84	5,49.58
1928-29 Budget . . . . .	7,00.03	1,25.50	5,74.53

12. The revised estimate of revenue has been put at 25 lakhs less than the budget figure as cash receipts have so far been lagging behind the salt issues. It is expected that this will be made good in the coming year the budget for which has accordingly been taken again at 7 crores.

BUDGET FOR 1928-29.

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13. The relevant details are given below.

	Accounts, 1924-25.	Accounts, 1925-26.	Accounts, 1926-27.	1927-28.		Budget, 1928-29.
				Budget.	Revised.	
<b>REVENUE.</b>						
Northern India (a)	1,42·92	1,29·09	1,58·32	1,72·36	1,61·21	1,67·74
Madras (a)	1,94·99	1,47·72	1,43·12	1,49·68	1,48·54	1,51·18
Bombay (a)	1,75·40	1,53·67	1,59·72	1,63·07	1,63·92	1,63·61
Bengal (b)	2,37·84	1,72·85	1,77·45	1,79·68	1,68·38	1,79·04
Burma (b)	34·63	34·19	34·24	34·50	36·76	37·02
Bihar and Orissa	··01	·01	··01	·01	·01	·01
Assam	··01	·01	··01	·01	·01	·01
<b>TOTAL RECEIPTS</b>	<b>7,85·78</b>	<b>6,37·04</b>	<b>6,72·86</b>	<b>7,05·31</b>	<b>6,78·83</b>	<b>7,03·61</b>
<i>Deduct—Refunds</i>	<i>46·73</i>	<i>4·07</i>	<i>3·65</i>	<i>5·31</i>	<i>3·41</i>	<i>3·53</i>
<b>TOTAL REVENUE</b>	<b>7,39·05</b>	<b>6,32·97</b>	<b>6,69·21</b>	<b>7,00·00</b>	<b>6,75·42</b>	<b>7,00·08</b>
<b>EXPENDITURE.</b>						
Cost of salt purchased by Govern- ment	14·47	10·25	12·90	12·64	11·26	8·42
Assignments and compensations	38·38	40·27	33·18	33·24	39·48	39·49
Interest	3·01	3·72	3·89	4·19	4·10	4·26
Depreciation	2·60	2·54	2·66	2·86	2·82	2·74
Other charges	62·87	67·91	61·68	68·17	63·78	66·90
Capital Outlay on salt works	7·20	7·18	4·80	4·56	2·80	2·96
<b>Total India</b>	<b>1,26·63</b>	<b>1,31·87</b>	<b>1,24·11</b>	<b>1,30·66</b>	<b>1,24·24</b>	<b>1,24·47</b>
England	·63	·28	·48	·44	1·59	1·03
Exchange	·24	·09	·17	·15	·01	··
<b>TOTAL</b>	<b>1,27·40</b>	<b>1,32·24</b>	<b>1,24·76</b>	<b>1,31·25</b>	<b>1,25·84</b>	<b>1,25·50</b>

(a) Chiefly excise on local manufacture.

(b) Chiefly duty on imported salt.

OPIMUM.

	Provision and medical opium.	Excise opium and mis- cellaneous (less refunds).	Total revenue (Receipts less refunds).	Purchase of opium.	Other charges.	Total expendi- ture.	Net revenue.	
1924-25	2,74·97	1,04·79	3,79·76	2,14·82	20·75	2,35·57	1,44·19	
1925-26	2,82·76	1,32·24	4,15·00	1,90·30	21·17	2,11·47	2,03·53	
1926-27	3,51·49	81·65	4,33·14	85·98	14·46	1,00·44	3,32·70	
1927-28	Budget	3,00·07	83·01	3,83·08	75·34	15·25	90·59	2,92·49
	Revised	2,98·38	81·84	3,80·22	75·37	13·67	89·04	2,91·18
1928-29	Budget	2,65·33	82·44	3,47·77	67·67	13·82	81·49	2,66·28

14. The revenue from opium is derived mainly from exports of what is called provision opium to foreign countries, and from the sale to Provincial Governments of excise opium for internal consumption in India. The latter is sold to Provincial Governments at a fixed price based on the cost of production, and retailed by them to licensed vendors at rates fixed by them which vary from Province to Province. Opium is exported to foreign countries only after the prescribed import certificate from the Government of the importing country is produced. The entire quantity is now exported under the system of direct sales to Foreign and Colonial Governments,

that of auction sales in Calcutta to traders for export to foreign countries having been stopped with effect from the 7th April 1926.

15. The exports of provision opium in the current year are expected to amount to 7,125 chests but will drop to 6,300 chests next year under the arrangement whereby they have to be extinguished not later than the 31st December 1935. This accounts for the fall of 32 lakhs in the budget estimate of revenue in 1928-29. Simultaneously, however, there will be a reduction of 7 lakhs in the payments to cultivators etc., thus reducing the net loss under this head next year to 25 lakhs.

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

	Revenue.	Expenditure.	Net revenue.
1924-25 . . . . .	2,06·93	43·75	1,63·18
1925-26 . . . . .	2,12·60	60·57	1,52·03
1926-27 . . . . .	2,17·50	56·52	1,60·98
1927-28 { Budget . . . . .	2,27·06	56·63	1,70·43
{ Revised . . . . .	2,27·64	55·78	1,71·86
1928-29 Budget . . . . .	2,20·10	62·34	1,57·76

16. These comprise Land Revenue, Excise, Stamps, Forest, Registration and Tributes from Indian States. The budget estimate of revenue for 1928-29 includes an additional 6 lakhs accruing from forests, principally in the Andamans, and allows for the reduction of 10½ lakhs in the Mysore subsidy. The expenditure estimate of the year is swollen to the extent of 5 lakhs under the head Forest which, however, is more than counterbalanced by the increase in revenue.

#### IRRIGATION.

	Revenue (Receipts <i>less</i> Working expenses).	Expenditure (including Capital expenditure charged to Revenue).	Net Expenditure.
1924-25 . . . . .	10·92	22·36	11·44
1925-26 . . . . .	12·03	20·15	8·12
1926-27 . . . . .	10·25	15·50	5·25
1927-28 { Budget . . . . .	10·36	18·70	8·34
{ Revised . . . . .	10·47	·92	—9·55
1928-29 Budget . . . . .	12·36	23·10	10·74

17. The revised estimate of expenditure in 1927-28 appears much smaller than it really is owing to the transfer of about 17 lakhs, being the outlay on the Abazai Weir and the Doaba Canals from the accounts of the Upper Swat Canal which has been classed as an unproductive work to the Lower Swat Canal which belongs to the productive category, in other words, a transfer from revenue to capital. Next year's budget excludes this book-keeping adjustment but includes 2½ lakhs for surveys of the possibilities of irrigation in Waziristan and Baluchistan and 1½ lakhs for certain new drainage projects in the North-West Frontier Province.

BUDGET FOR 1928-29.

POSTS AND TELEGRAPHS.

	Accounts, 1924-25.	Accounts, 1925-26.	Accounts, 1926-27.	1927-28.		Budget, 1928-29.
				Budget.	Revised.	
<b>INDIAN POSTS AND TELEGRAPHS DEPARTMENT.</b>						
GROSS RECEIPTS . . . . .	9,97'28	10,21'37	10,53'04	10,79'83	10,94'34	11,38'26
WORKING EXPENSES—						
India . . . . .	8,82'01	9,23'90	9,33'39	10,16'80	10,37'20	10,72'25
England . . . . .	10'93	6'83	5'45	5'46	7'01	6'97
Exchange . . . . .	4'09	2'23	1'86	1'82	'03	..
TOTAL . . . . .	8,97'03	9,32'96	9,90'70	10,24'08	10,44'24	10,79'22
NET RECEIPTS . . . . .	1,00'25	83'41	62'34	55'75	50'10	59'64
EXPENDITURE CHARGED TO REVENUE—						
Interest . . . . .	68'60	46'38	52'09	56'51	54'68	59'41
TOTAL . . . . .	68'60	46'38	52'09	56'51	54'68	59'41
NET REVENUE . . . . .	31'65	37'03	10'25	—'76	—'58	'23
CAPITAL OUTLAY CHARGED TO REVENUE—						
India . . . . .	—56'89	—1,40'87	17'62	20'00	18'30	17'00
England . . . . .	10'45	..	..	..	..	..
Exchange . . . . .	3'83	..	..	..	..	..
TOTAL . . . . .	—42'71	—1,40'87	17'62	20'00	18'30	17'00
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India . . . . .	1,17'56	2,00'50	22'97	49'83	47'79	—56'50
England . . . . .	..	10'03	8'39	7'61	12'91	13'51
Exchange . . . . .	..	3'26	2'93	2'54	'04	..
TOTAL . . . . .	1,17'56	2,13'79	34'29	59'98	60'74	70'01
<b>INDO-EUROPEAN TELEGRAPH DEPARTMENT.</b>						
GROSS RECEIPTS—						
India . . . . .	29'38	22'39	17'72	17'15	19'50	19'24
England . . . . .	8'27	10'53	15'84	14'60	15'60	12'27
Exchange . . . . .	3'06	3'46	5'40	4'87	'05	..
TOTAL . . . . .	40'71	36'43	38'96	36'62	35'15	31'51
WORKING EXPENSES—						
India . . . . .	28'77	31'90	29'34	32'72	31'76	32'21
England . . . . .	'69	1'20	'98	1'19	1'73	1'57
Exchange . . . . .	'26	'39	'33	'39	..	..
TOTAL . . . . .	29'72	33'49	30'65	34'30	33'49	33'78
NET RECEIPTS . . . . .	10'99	2'94	8'31	2'32	1'66	—'27
EXPENDITURE CHARGED TO REVENUE—						
Interest . . . . .	..	4'31	5'16	5'29	5'08	5'21
TOTAL . . . . .	..	4'31	5'16	5'29	5'08	5'21
NET REVENUE . . . . .	10'99	—'37	3'15	—'97	—'37	—'748
CAPITAL OUTLAY CHARGED TO REVENUE—						
India . . . . .	—4'94	—14'10	'86	2'76	3'61	—'01
England . . . . .	7'35	1'80	'06	'04	'05	'05
Exchange . . . . .	2'58	'59	'02	'01	..	..
TOTAL . . . . .	4'99	—11'71	'94	2'81	3'66	'04
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India . . . . .	..	3'40	—3'17	—3'56	—4'06	—3'32
England . . . . .	..	1'02	1'10	1'20	'88	1'33
Exchange . . . . .	..	'33	'37	'40	..	..
TOTAL . . . . .	..	9'75	—1'70	—1'96	—3'18	—1'99

18. The above statement shows the position of both the Indian Posts and Telegraphs Department and the Indo-European Telegraph Department at a glance. The figures appearing as 'Net Revenue' show in both cases the profit or loss on the working on a commercial basis.

19. In the Indian Department, the comparatively large loss in the current year is more than accounted for by the fact that it has been decided in accordance with the recommendations of an expert Committee, to write off certain unserviceable and obsolete stores and to write down to their current value certain over-valued but serviceable stores to the extent of 2·43 lakhs and 5·54 lakhs respectively in excess of the budget provision for the purpose. The estimate of working expenses for next year includes a special provision of 14·18 lakhs for additional expenditure on further measures of improvement of the conditions of service of the lower-paid staff. It also provides, pending actuarial calculations, for an increase, from 50 to 58 lakhs, of the pensionary liability to be made good to the Civil Department, as also for an increase from 29 to 37·66 lakhs of the amount receivable therefrom for work connected with the Post Office Savings Bank and Cash Certificates.

20. The Indo-European Department shows a larger loss next year owing to the fact that its earnings have fallen as a result of the competition of the radio system.

21. The interest chargeable to both the Departments has been calculated throughout with reference to the value of the recently constructed block account as at the 31st March 1925 and the capital outlay subsequently incurred, after taking into account capital receipts as also the profit or loss on the annual working.

#### INTEREST RECEIPTS.

	Accounts, 1926-27.	Budget, 1927-28.	Revised, 1927-28.	Budget, 1928-29.	
India . . . . .	89·56	70·69	70·14	59·95	
England . . . . .	Interest on temporary investment of cash balances, etc. . . . .	43·11	21·58	19·45	15·36
	Excess of Gold Standard Reserve over £40 millions . . . . .	1,94·79	1,62·50	2,40·00	2,16·66
Exchange . . . . .	81·13	61·36	·91	..	
Total . . . . .	4,08·59	3,16·13	3,30·50	2,91·97	

22. The revised estimate of receipts in India for 1927-28 includes 23·67 lakhs on account of un-earned discount on Treasury Bills in the Paper Currency Reserve which were cancelled before maturity. The entire amount of discount was debited to revenue under the Interest head when the bills were issued: at the time of cancellation, only that portion of the discount which was actually earned was taken as currency receipts and the balance re-credited to revenue under this head. The disappearance of this special item, partly counterbalanced by an increase in the interest on loans to the public, accounts for the fall in the next year's budget. The receipts in England have been estimated by the Secretary of State on the basis of the latest information regarding the volume and composition of the Home balances, the prevailing interest rates, etc.

## INTEREST PAYMENTS.

	Accounts, 1926-27.	Budget, 1927-28.	Revised, 1927-28.	Budget, 1928-29.
<i>Interest on ordinary debt—</i>				
<i>Gross payments—</i>				
India . . . . .	19,82·81	20,26·14	19,98·38	20,04·72
England . . . . .	13,04·13	12,89·18	17,50·10	17,44·79
Exchange . . . . .	4,44·46	4,29·73	6·11	..
<b>Total</b> . . . . .	<b>37,31·40</b>	<b>37,45·05</b>	<b>37,54·59</b>	<b>37,49·51</b>
<i>Deduct—Amounts charged to—</i>				
Railways . . . . .	24,29·80	25,82·64	25,91·59	27,47·02
Irrigation . . . . .	12·00	12·04	12·02	12·16
Posts and Telegraphs . . . . .	58·41	62·77	61·23	66·14
Other heads . . . . .	9·33	13·80	16·61	20·79
Provincial Loans Fund . . . . .	5,34·61	5,36·05	5,48·30	5,74·50
<b>Total deductions</b> . . . . .	<b>30,44·15</b>	<b>32,07·30</b>	<b>32,29·75</b>	<b>34,20·60</b>
<b>Total Interest on Ordinary Debt (net)</b> . . . . .	<b>6,87·25</b>	<b>5,37·75</b>	<b>5,24·84</b>	<b>3,28·91</b>
<i>Interest on other obligations—</i>				
On Postal Savings bank balances . . . . .	79·21	85·14	87·56	97·84
On Provident Funds . . . . .	2,26·54	2,29·95	2,23·06	2,50·95
Bonus on Postal Cash Certificates . . . . .	16·19	16·00	25·00	50·00
On Fixed Deposits of Provincial Governments . . . . .	20·89	25·00	18·23	18·00
On Reserve and Depreciation Funds . . . . .	65·94	78·26	85·68	1,09·10
Other items . . . . .	81·32	90·44	87·10	95·95
<b>Total</b> . . . . .	<b>4,90·09</b>	<b>5,24·79</b>	<b>5,26·63</b>	<b>6,21·84</b>
<b>Total Interest payments</b> . . . . .	<b>11,77·34</b>	<b>10,62·54</b>	<b>10,51·47</b>	<b>9,50·75</b>

23. In view of the magnitude of the transactions, the variations in the current year from the budget are inappreciable. The revised estimate is based on the latest anticipations on the Ways and Means side of our budget. The discount on the year's rupee loan (1,07·46 lakhs) and that on the sterling loan (£637,500) have not been charged to revenue at once but will be provided for by the institution of separate discount sinking funds, so that the charge to revenue will be spread over the periods of currency of the loans.



24. The budget estimate for next year includes, over and above normal payments, 75 lakhs for the service of the loan to be raised during the year, 81.25 lakhs being the premium of 5 per cent. payable on the War Bonds, 1928, at maturity, and an additional provision of 25 lakhs for bonus on Cash Certificates in view of the probability of larger encashments. Nevertheless, the net total is about a crore less than in the current year. The steady reduction in these charges will be apparent from the following figures :—

1923-24	. . . . .	15,97
1924-25	. . . . .	14,90
1925-26	. . . . .	13,37
1926-27	. . . . .	11,77
1927-28	. . . . .	10,51
1928-29	. . . . .	9,51

In the five years ending the 31st March 1929, the reduction is fully 40 per cent. and is, among other things, an indication of the extent of the replacement of unproductive by productive debt.

#### APPROPRIATION FOR REDUCTION OR AVOIDANCE OF DEBT.

25. Under the scheme of debt redemption adopted by the Government of India for the five years 1925-26 to 1929-30, the annual charge against the revenues of India for the purpose of making provision for the reduction or avoidance of debt is made up of—

(a) a sum of 4 crores, and

(b) such additional sum as is equal to one-eightieth of any excess shown in the total of the debt outstanding on the 31st of March of the preceding year over the total outstanding on the 31st March 1923.

26. The amount required under this scheme is 4,90.30 lakhs in 1927-28, and 5,13.19 lakhs in 1928-29. The figures on which the calculation is based are given below :—

	(In lakhs of rupees, sterling amounts being converted at Rs. 15 per £.)		
	31st March 1923.	31st March 1927.	31st March 1928 (Estimate.)
Rupee Debt exclusive of Treasury Bills in the Paper Currency Reserve . . . . .	3,61,42	3,74,44	3,81,30
Sterling Debt . . . . .	3,63,95	4,24,35	4,34,38
Unfunded Debt . . . . .	62,56	1,07,62	1,19,22
Capital value of the liabilities undergoing redemption by way of Terminable Railway Annuities . . . . .	91,97	84,28	82,19
	<u>8,79,90</u>	<u>9,90,69</u>	<u>10,17,09</u>
<i>Deduct—</i>			
Discount included above but separately provided for . . . . .	8,23	14,10	16,02
Advances to Provincial Govern- ments other than those repres- enting pre-Reform Irrigation debt . . . . .	24,89	57,57	63,74
	<u>33,12</u>	<u>71,67</u>	<u>79,76</u>
	<u>8,46,78</u>	<u>9,19,02</u>	<u>9,37,33</u>
Excess over outstanding debt on 31st March 1923 . . . . .		72,24	90,55
1/8th of above . . . . .		90.30	1,13.19

27. These amounts should be increased further by 16.06 and 26.67 lakhs respectively, being the reparation receipts payable by Germany which have to be applied, under section 7 of the Indian Finance Act, 1926, to the reduction or avoidance of debt. The total provision is thus 5,06.36 lakhs in 1927-28 and 5,39.86 lakhs in 1928-29. These figures include the following specific items :—

	Revised, 1927-28.	Budget, 1928-29.
Sinking fund provision for 5 per cent. rupee loans	1,36.04	1,36.04
Capital portion of railway annuities . . . . .	1,86.50	1,92.28
Railway sinking funds . . . . .	26.76	26.66
Capital portion of liabilities assumed in respect of British 5 per cent. War Loan 1929—47 . . . . .	71.93	75.24
Reparation receipts . . . . .	16.06	26.67
<b>TOTAL</b>	<b>4,37.29</b>	<b>4,56.89</b>

28. The sums provided from revenue on this account from year to year are indicated below. The increase in the five years ending the 31st March 1929 is less than 23 per cent. of the savings in interest on dead-weight debt during the same period (*vide* paragraph 24).

1923-24 . . . . .	3.62
1924-25 . . . . .	3.73
1925-26 . . . . .	4.97
1926-27 . . . . .	4.97
1927-28 . . . . .	5.06
1928-29 . . . . .	5.40

CIVIL ADMINISTRATION.

	Revenue.	Expenditure.	Net Expenditure.	
1924-25 . . . . .	73.98	10,12.59	9,38.61	
1925-26 . . . . .	69.98	10,76.49	9,86.51	
1926-27 . . . . .	86.05	11,13.44	10,27.39	
1927-28	{ Budget . . . . .	84.21	11,31.39	10,47.18
	{ Revised . . . . .	95.34	11,28.16	10,32.82
1928-29 Budget . . . . .	1,01.32	11,69.45	10,68.13	

29. The improvement in revenue in the current year is distributed over a large number of heads including, principally, pilotage receipts in Bengal, receipts of the Kasauli Institute and the Muktesar Laboratory, and of the Survey of India and the Indian Stores Departments.

30. The revised estimate of expenditure in 1927-28 is practically the same as the budget in spite of an increase in the payments of bounties from 5 to 15 lakhs and of an addition of over 7 lakhs under Aviation for the mooring mast at Karachi. This result was rendered possible by a reduction in the expenditure on India House from 8 to 3½ lakhs and smaller savings in various other directions.

31. Next year's expenditure is expected to show an increase of over 41 lakhs notwithstanding the facts that the bounty figure will represent only a small residue of a lakh and that the special item of aviation expenditure referred to in paragraph 30 will disappear. For, besides the annual increments, etc., which are mainly responsible for the increase, we have a rise from 3½ to 17 lakhs in the outlay on India House, an expenditure of 2 lakhs on the Dum-Dum Aerodrome, financial assistance of about 1½ lakhs to Aeroplane Clubs, not to speak of numerous other small items of new expenditure detailed in the volume of Demands for Grants. About 11 lakhs of the increase is, however, nominal, being the result of the change in the method of accounting described in paragraph 34 below.

#### CURRENCY AND MINT.

	Revenue.	Expenditure.	Net Revenue.
1924-25 . . . . .	3,99·33	71·41	3,27·92
1925-26 . . . . .	4,63·89	70·11	3,93·78
1926-27 . . . . .	4,15·51	76·37	3,39·14
1927-28 { Budget . . . . .	2,48·70	74·85	1,73·85
{ Revised . . . . .	2,72·97	91·49	1,81·48
1928-29 Budget . . . . .	2,48·81	69·63	1,79·18

32. The estimates of receipts under this group largely depend upon the transactions connected with the securities in the Paper Currency Reserve and are subject to wide fluctuations. The revised estimate of expenditure includes 6 lakhs for the acquisition of a site for a new currency office at Lahore but, even so, it is much larger than it should have been mainly owing to advance deliveries of currency note forms from England which will practically cease from next year when the Currency Note Printing Press at Nasik Road will commence working. Next year's expenditure is lower for the same reason although it includes 4½ lakhs for the Electrolytic Silver Refinery at Bombay.

#### CIVIL WORKS.

	Revenue.	Expenditure.	Net Expenditure.
1924-25 . . . . .	13·21	1,77·73	1,64·52
1925-26 . . . . .	12·85	1,60·42	1,47·57
1926-27 . . . . .	15·79	1,89·74	1,73·95
1927-28 { Budget . . . . .	17·45	1,66·98	1,49·53
{ Revised . . . . .	15·63	1,62·55	1,46·92
1928-29 Budget . . . . .	14·41	1,73·31	1,58·90

33. The only variation of importance is in the budget estimate of expenditure for next year where the increase is practically all accounted for by the larger expenditure on the prison at Mach in Baluchistan, viz., 12 lakhs against 1 lakh in 1927-28.

MISCELLANEOUS.

	Revenue.	Expenditure.	Net Expenditure.	
1924-25 . . . . .	45.90	4,35.32	3,89.42	
1925-26 . . . . .	54.18	4,35.60	3,71.43	
1926-27 . . . . .	60.01	3,96.16	3,36.15	
1927-28 {	Budget . . . . .	46.90	3,97.15	3,50.25
	Revised . . . . .	46.49	3,91.74	3,45.25
1928-29 Budget . . . . .	81.82	4,10.06	3,28.24	

34. In the current year, the expenditure falls short of the original estimate due to larger recoveries on account of stationery supplied to, and printing work done for, the Provincial Governments and the Army Department. Next year's figures are swollen on both sides as a result of the alteration, which will come into force on the 1st April 1928, in the method of adjustment of certain recoveries which will appear as receipts instead of as deductions from expenditure. The most important example of this is the recoveries from the Provinces on account of stationery and printing, aggregating 22½ lakhs. Allowing for such readjustments, the expenditure in the coming year is smaller than it would otherwise have been, because of an increase of 8 lakhs in the receipts from the Posts and Telegraphs Department on account of pensionary liability (vide paragraph 19) which, however, will continue to be adjusted as a deduction from expenditure.

PROVINCIAL CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN CENTRAL AND PROVINCIAL GOVERNMENTS.

	Revenue.	Expenditure.	Net Revenue.
1924-25 . . . . .	9,25.21	50.74	8,74.47
1925-26 . . . . .	6,24.09	15.68	6,08.41
1926-27 . . . . .	5,17.75	4.53	5,13.23
1927-28 {	Budget . . . . .	..	..
	Revised . . . . .	10.59	3.47
1928-29 Budget . . . . .	..	..	..

35. The revised estimate for the current year on both sides represents recoveries from, and payments to, Provincial Governments in connection with the readjustment of the value of the stocks of non-postal stamps held on the 1st April 1921 and of later supplies from Home which had not been correctly charged at the time.

## BUDGET FOR 1928-29.

36. The following table brings out the whole position as regards *permanent* remissions of Provincial contributions which will be completely and finally extinguished in 1928-29 :—

Province.	Fixed contribution.	Remitted in 1925-26.	Remitted in 1926-27.	Remitted in 1927-28.	Now out-standing.	Proposed to be remitted in 1928-29.	Balance not finally remitted.
Madras . . . . .	3.48	1.26.02	56.79	1.16.46	48.73	48.73	..
Bombay . . . . .	56	..	..	18.73	37.27	37.27	..
Bengal . . . . .	63	..	..	8.53	54.47	54.47	..
United Provinces . . . . .	2.40	56.17	32.98	99.25	51.60	51.60	..
Punjab . . . . .	1.75	61.16	23.11	59.93	25.80	25.80	..
Burma . . . . .	64	6.65	7.12	31.60	18.63	18.63	..
Central Provinces . . . . .	22	..	..	7.67	14.33	14.33	..
Assam . . . . .	15	..	..	7.83	7.17	7.17	..
Coorg . . . . .	.12	..	..	.12	..	..	..
<b>TOTAL</b> . . . . .	<b>9,83.12</b>	<b>2,50</b>	<b>1,25</b>	<b>3,50.12</b>	<b>2,58</b>	<b>2,58</b>	<b>..</b>

37. The *temporary* remissions hitherto granted are also summarised below for convenience of reference :—

Province.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
Madras . . . . .	..	..	..	..	..	48.73
Bombay . . . . .	..	..	..	22	28	37.27
Bengal . . . . .	63	63	63	63	63	54.47
United Provinces . . . . .	..	..	..	..	..	51.60
Punjab . . . . .	..	..	..	..	..	25.80
Burma . . . . .	..	..	..	13	..	18.63
Central Provinces . . . . .	..	..	..	9	..	14.33
Assam . . . . .	..	..	..	6	..	7.17
<b>Total</b> . . . . .	<b>63</b>	<b>63</b>	<b>63</b>	<b>1,13</b>	<b>91</b>	<b>2,58</b>

In effect, the remission has been permanent for Bengal from 1922-23 and for all the other Provinces from 1927-28.

## EXTRAORDINARY ITEMS.

	Accounts, 1926-27.	1927-28.		Budget, 1928-29.
		Budget.	Revised.	
<b>Receipts—</b>				
India . . . . .	15·38	1,71·65	1,68·73	..
England . . . . .	33·47	12·00	16·00	26·67
Exchange . . . . .	11·25	4·00	·06	..
<b>TOTAL . . . . .</b>	<b>60·10</b>	<b>1,87·65</b>	<b>1,84·79</b>	<b>26·67</b>
<b>Payments—</b>				
India . . . . .	2,99·21	7·00	18·87	4·50
England . . . . .	..	..	..	..
Exchange . . . . .	..	..	..	..
<b>TOTAL . . . . .</b>	<b>2,99·21</b>	<b>7·00</b>	<b>18·87</b>	<b>4·50</b>

38. The receipt in India in 1927-28 represents the transfer from the Revenue Reserve Fund which will show a credit balance of 1,26·90 lakhs at the close of the year (*vide* paragraphs 2 and 3), while the receipts in England in both years represent India's share of the Dawes annuities which, however, will be appropriated for the reduction or avoidance of debt (*vide* paragraph 27).

39. The revised estimate of expenditure includes two adjustments, one of 8·91 lakhs on account of certain expenditure incurred in Persia during the war and another of 6·96 lakhs in respect of certain claims made by His Majesty's Government for vessels requisitioned during the same period for the carriage of commercial cargo.

## EXCHANGE.

40. From the 1st April 1920 to the 31st March 1927, the accounts were prepared on the basis of the rate of 2s. per rupee for the conversion of rupee transactions into sterling and *vice versa*. The sterling value of the rupee, however, stood at a lower level in recent years. In consequence of this variation from the 2s. rate, large sums were brought to account as credits or debits on account of exchange in respect of transactions involving remittances of funds to and from the Secretary of State. These were purely book-keeping transactions. Under that system, there was an accounts 'gain' by exchange when the Home remittances through the market were less than the amounts required by the Secretary of State for his aggregate net disbursements owing to the latter having been financed partly from other sources, e.g., a sterling loan floated in London. Similarly there was an accounts 'loss' when the remittances were greater in order to meet the demands of trade. These 'gains' and 'losses' fluctuated within very wide limits as will

be seen from the following statement balances at the end of each of the financial years from 1919-20 onwards :—

		Credit +, Debit —
31st March	1920	+5,23
" "	1921	—22,85
" "	1922	—11,48
" "	1923	+5,47
" "	1924	+8,55
" "	1925	+5,40
" "	1926	+1,31
" "	1927	+12,44

41. The procedure for the allocation of exchange gains and losses was as follows. All exchange gains and losses arising in respect of remittance transactions were recorded in the first instance under a suspense head; the portion attributable to the revenue and capital accounts in respect of outlay incurred in England was calculated every month on the basis of the average of the daily telegraphic transfer rates from Calcutta on London and transferred to these accounts, and the portion relating to the expenditure of Provincial Governments was similarly debited to the Provincial Governments concerned; and it was considered with reference to the circumstances of each year whether the balance remaining under the suspense head after these transfers were made should be written off to revenue or kept in suspense against the possibility of opposite results in succeeding years.

42. The entire procedure outlined above will need reconsideration as a result of the fixation of exchange at 1s. 6d. the rupee with effect from the 1st April 1927. For the purposes of the present estimates, the old procedure has been maintained but 1s. 6d. has been taken in place of the old 2s. rate. In the current year, however, the average rate is expected to work out at 1s. 5 $\frac{1}{8}$ d. But the variation between this rate and the statutory and normal accounts rate of 1s. 6d. being small, the gains and losses are comparatively inappreciable. The budget estimate for the ensuing year assumes an average rate of 1s. 6d. and, therefore, no gains or losses. The estimate for 1927-28 is as follows :—

Loss on :

Remittances from India for financing the Home Treasury . . . . .	—1
Total Loss . . . . .	<u>—1</u>

Transfer to :

Revenue heads (net) . . . . .	11
Capital heads (Railways, Posts and Telegraphs, Delhi, etc.) . . . . .	5
Provincial Governments . . . . .	1
Total Transfers . . . . .	<u>17</u>
Net Credit under the suspense head . . . . .	18
Opening balance . . . . .	12,44
Closing balance . . . . .	<u>12,62</u>

## WAYS AND MEANS.

## HOME TREASURY.

43. The bulk of the payments made in England on account of the Government of India consists of expenditure chargeable to the Indian revenues and has normally to be met by direct remittance of funds from India. The capital outlay on the construction of Railways, however, sometimes necessitates heavy borrowing and a large portion of the money required has, when necessary, been raised in England, either direct or through the agency of Companies. Operations connected with the Gold-Standard and Paper Currency Reserves, and with the replacement of one particular form or item of direct or indirect debt by another, further swell the receipts and charges of the Home Treasury without affecting ordinarily the general Ways and Means programme. Recoveries are also effected by the Secretary of State against drawings of the Iraq administration on India. These recoveries represent, in effect, remittances from India to finance the Home Treasury and reduce the amount of direct remittances which would otherwise be necessary.

44. The following is a summary of the estimated transactions of the Home Treasury:—

[In millions of £]

	Budget, 1927-28.	Revised, 1927-28.	Budget, 1928-29.
<b>RECEIPTS.</b>			
1. Discount on loans raised in previous years brought to account as debt incurred . . . . .	.22	.22	.24
2. Remittances between England and India—			
(a) Recoveries on account of drawings by Iraq administration on India . . . . .	1.05	.81	.76
(b) Other transactions . . . . .	1.28	3.24	1.31
<b>Total Receipts, excluding direct remittances and loans . . . . .</b>	<b>2.55</b>	<b>4.27</b>	<b>2.31</b>
<b>DISBURSEMENTS.</b>			
3. Excess of Expenditure of the Central Government over Revenue . . . . .	24.56	24.02	24.65
4. Disbursements on behalf of Provincial Governments . . . . .	2.43	2.51	2.85
5. Capital Expenditure not charged to Revenue—			
(a) Outlay on State Railways . . . . .	8.50	9.37	6.50
(b) Discharge of Railway debentures . . . . .	.55	.50	..
(c) Redemption of liabilities involved in the purchase of Railways . . . . .	..	..	3.00
(d) Other items . . . . .	.19	.19	.23
6. Discharge of Debt . . . . .	2.13	2.14	2.21
7. Deposits and Advances . . . . .	— .08	.32	— .04
<b>Total Disbursements . . . . .</b>	<b>38.28</b>	<b>39.05</b>	<b>39.40</b>
<b>NET DISBURSEMENTS . . . . .</b>	<b>35.73</b>	<b>34.78</b>	<b>37.09</b>
Remittances from India (net) . . . . .	35.50	30.74	36.00
New Loan (less discount) . . . . .	..	6.86	..
<b>Reduction (+) or increase (—) of cash balance . . . . .</b>	<b>.23</b>	<b>—2.82</b>	<b>1.09</b>
Opening Balance . . . . .	5.24	3.23	6.65
Closing Balance . . . . .	5.01	6.05	4.96



45. Item 2 (a) has already been explained in paragraph 43. Normally, the succeeding item relating to 'Other transactions' is almost entirely made up of recoveries from the Governments of Hong-Kong, the Straits Settlements and Siam in respect of opium supplied from India under agreement, the other indirect remittances to and fro practically balancing one another. The revised estimate for 1927-28, however, includes a special item of £1·08 million representing the sale proceeds of currency silver.

Item 5 (b) represents the net amount of railway debentures discharged, while 5(c) represents the payment for the purchase of the Burma Railways.

The amount shown under the head 'Discharge of Debt' includes the provision for railway sinking funds and the capital portion of railway annuities and of the equated instalments in repayment of the war loan liability. These payments are made out of the provision for reduction or avoidance of debt.

46. The total amount required to be remitted to London for financing the Home Treasury in the current year is £30½ million while the corresponding amount for next year is £36 million. These, however, are only illustrative figures, representing the remittances necessary to provide the Home Treasury with a normal closing balance. The actual amount of remittance must, like the form, necessarily depend upon circumstances.

47. Six months' India Bills for £5 million were issued in July 1927 but have since been discharged. The statement does not therefore show any entry on this account. A 4½ per cent. sterling loan, 1958-68, of £7½ million was raised in January 1928 at a discount of 8½ per cent. The net receipts on this account amount to £6·86 million.

48. The Gold Standard Reserve usually stands at £40 million, any excess resulting from investments, etc., being transferred monthly to Revenue. The receipts and charges in the two years are as follows:—

	(In millions of £.)	
	Revised, 1927-28.	Budget, 1928-29.
Dividends, interest, etc. . . . .	1·74	1·64
Investments realised. . . . .	57·94	50·66
TOTAL . . . . .	59·68	52·30
Investments made . . . . .	57·46	50·68
Deposit of gold . . . . .	·42	..
Appropriation to Revenue. . . . .	1·80	1·62
TOTAL . . . . .	59·68	52·30

BUDGET FOR 1928-29.

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INDIA.

49. The following is a summary of the estimates of Ways and Means in India during 1927-28 and 1928-29 :—

(In crores of rupees.)

	Budget, 1927-28.	Revised, 1927-28.	Budget, 1928-29.
<b>RECEIPTS.</b>			
1. Excess of Revenue of the Central Government over expenditure charged to Revenue . . . . .	24.56	32.03	32.92
2. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net) . . . . .	5.40	4.18	3.28
(b) Savings Bank deposits (net) . . . . .	6.18	7.54	8.42
3. Appropriation for reduction or avoidance of debt . . . . .	5.24	5.17	5.57
4. Gain on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve (net) . . . . .	..	7.06	..
5. Railway Reserve and Railway and Posts and Telegraphs Depreciation Funds . . . . .	4.47	5.78	6.84
6. Exchange on Remittance Accounts . . . . .	—52	.18	..
7. Miscellaneous Deposits and Remittances (net) . . . . .	—34	.36	1.38
<b>TOTAL RECEIPTS</b> . . . . .	<b>44.99</b>	<b>62.30</b>	<b>58.41</b>
<b>DISBURSEMENTS.</b>			
8. Capital Expenditure not charged to Revenue—			
(a) State Railways . . . . .	16.50	17.50	15.33
(b) Discharge of railway debentures . . . . .	.18	..	.53
(c) Posts and Telegraphs . . . . .	.49	.44	.70
(d) Delhi . . . . .	.67	.48	2.05
(e) Bombay Land scheme . . . . .	..	.21	.78
(f) Other items . . . . .	.85	.93	..
9. Revenue Reserve Fund . . . . .	1.72	1.69	..
10. Permanent Debt discharged (net) . . . . .	17.87	21.68	16.52
11. Floating Debt discharged (net) . . . . .	..	.53	..
12. Loans by the Central Government—			
(a) To Provincial Loans Fund . . . . .	1.24	6.17	6.87
(b) Other Loans . . . . .	1.79	1.41	1.30
13. Remittances between England and India—			
(a) Remittances from India for financing Home Treasury . . . . .	35.50	41.00	48.00
(b) Drawings by the Iraq administration recoverable in England . . . . .	1.05	1.08	1.01
(c) Other transactions (net). . . . .	1.32	4.32	1.74
14. Balances of Provincial Governments . . . . .	2.76	—1.53	—3.67
<b>TOTAL DISBURSEMENTS</b> . . . . .	<b>81.94</b>	<b>95.91</b>	<b>91.16</b>
<b>NET DISBURSEMENTS</b> . . . . .	<b>36.95</b>	<b>33.61</b>	<b>32.75</b>
New Loan (less discount) . . . . .	27.00	18.47	32.00
Reduction of cash balance . . . . .	9.95	15.14	.75
Opening Balance . . . . .	24.74	27.68	12.74
Closing Balance . . . . .	14.79	12.74	11.99

50. Item 4 is made up as follows :—

Gain on the revaluation of the gold and sterling securities in the Paper Currency Reserve at 1s. 6d. the Rupee	9,30
Loss on the sale of 9·19 million fine ounces of silver held in the Reserve	-1,27
Loss on the transfer of 3½ per cent. paper of the nominal value of 5·1 crores from the Reserve to the Cash Balance Investment Account at market rates	-97
Net gain	<u>7,06</u>

51. Item 8 (e) represents payments to the Government of Bombay for reclaimed land at Colaba already taken over and to be taken over for the use of the Military Department. It was intended to pay for this land out of the sale-proceeds of certain properties held by that Department in Bombay but in view of the recent slump in land values, such sale at the present moment would not be in the interests of the tax-payer. The whole question is under the consideration of the Government of India and the provision under the new capital head is without prejudice to any decision which may be arrived at in due course. The total amount payable viz., 2·26 crores will be repaid by the Bombay Government into the Provincial Loans Fund in reduction of the outstanding advances of the year 1922-23 and on the whole, therefore, the ways and means position of the Government of India remains unaffected by the transaction.

52. The estimates of Provincial Governments' transactions—*vide* items 12 (a), and 14—are based on the assumption that the net drawings from the Central Government in India and England, including those in the shape of advances through the Provincial Loans Fund, will be 8 crores in the current year and 7 crores in the next. They allow for the repayment by the Bombay Government referred to in the preceding paragraph, as also for the fact that the Provincial contributions will be completely and finally extinguished with effect from 1928-29.

53. Full details of the debt incurred and discharged are given in statement C of the Budget. Out of the net amount of 21·68 crores shown as discharged in the current year, 17·30 crores represent 6 per cent. Bonds, 1927, which have been either converted into the new loan or discharged on maturity and 4·12 crores represent 5½ per cent. War Bonds, 1928, so converted. The net amount of 16·52 crores similarly shown in the budget for 1928-29 include 16·25 crores of the latter which mature during the year. The balance of treasury bills outstanding with the public at the close of both this year and next is estimated at 9 crores, while that in the Paper Currency Reserve is expected to stand at 31·94 crores against 41·47 crores on the 31st March 1927.

54. The result of the current year's rupee loan which was a 4 per cent. loan issued at 94½, is summarised below for ready reference :—

(In crores of rupees.)	
Subscriptions in cash	8·21
Subscription in the form of 6 per cent. Bonds, 1927	7·21
Subscription in the form of 5½ per cent. War Bonds, 1928	4·12
Total nominal value	<u>19·54</u>

The amount of the new loan estimated for next year has been shown separately at 32 crores inclusive of conversions. The figure is, however, again illustrative only and the actual amount and other details will depend upon the circumstances of the time.

55. Before concluding, I will refer to certain matters of form connected with the budget statements, the detailed estimates, and this memorandum. The statements have been signed by me in one place instead of by the Auditor General, the Controller of the Currency and the Financial Secretary in four different places as in the past. The change does not mean the relaxation of any of the checks exercised by the two former officials, which continue exactly as heretofore, but is designed to spare them the inconvenience of having to be present in Delhi on the day of presentation of the budget when their presence may be required elsewhere. The second change is in the size of the detailed statements relating to the Posts and Telegraphs and the Military estimates from foolscap to the more handy octavo and their form also is now generally in harmony with the plan adopted in connection with the Demands for Grants two years ago. The third and last change is the insertion, in this memorandum, of the statement which appears as Appendix II and shows the distribution of the Central Government's expenditure as between voted and non-voted. A similar statement was inserted in the final issue of last year's memorandum which was embodied in the published volume of the Budget for 1927-28 with reference to certain points made in the course of the general discussion of the budget in the Legislative Assembly in March 1927. Notwithstanding the alterations made in the classification as a result of the passing of the Government of India (Civil Services) Act, 1925, the proportion which the expenditure subject to the vote of the Assembly bears to the aggregate expenditure of the Central Government remains practically unchanged.

E. BURDON.

*The 31st March 1928.*

## APPENDIX I.

**Memorandum on the Military Estimates for 1928-29.**

The Military Estimates for 1928-29 have been prepared in the same form as those for 1927-28 which took into account the alterations necessitated by the reversion to a cash system of estimates and accounts, except that as a further improvement and in conformity with the Demands for Grants, the volume of the estimates has been reduced to Royal Octavo size.

Under the revised rules for the exhibition of recoveries of expenditure which have effect from April 1928, some of the recoveries now compiled by deduction from expenditure will be treated as receipts (revenue). The result of the new procedure has been allowed for in the estimates for 1928-29 in which consequently both the expenditure and receipts figures are comparatively larger. The net expenditure remains unaffected.

2. Since 1921-22 substantial reductions have been effected in the expenditure on the military services. The actual net expenditure as shewn in the final accounts or as estimated, where the accounts are not yet closed, is indicated in the following statement:—

	Rs. (Crores).
1921-22 . . . . .	69·81
1922-23 . . . . .	65·27
1923-24 . . . . .	56·23
1924-25 . . . . .	55·63
1925-26 . . . . .	56·00
1926-27 . . . . .	55·97
1927-28 (Budget Estimate) . . . . .	54·92(a)
1927-28 (Revised Estimate) . . . . .	54·92(b)
1928-29 (Budget Estimate) . . . . .	55·10(a)

3. In the first of the years shown above, expenditure was swollen by abnormal charges of Rs. 6½ crores on operations on the North-West Frontier and the occupation of Waziristan. The Indian Retrenchment Committee, after their exhaustive examination of every aspect of military administration, recommended that the net budget for 1923-24 should be fixed at Rs. 57½ crores, subject to such addition as would be necessary on account of the delay which must necessarily ensue in carrying out the proposed changes, and in order to meet special expenditure in Waziristan, etc. In their final review of Military expenditure, they envisaged further large automatic savings and they considered that, in subsequent years, expenditure would be susceptible of reduction to Rs. 57 crores and ultimately to Rs. 50 crores provided a further fall in prices took place. The actual expenditure in the year 1923-24 amounted to Rs. 56·23 crores, largely due to the rapidity with which retrenchments were effected under the orders of His Excellency the Commander-in-Chief; and the first stage of Rs. 57 crores mentioned by the Retrenchment Committee was thus passed in the first year.

4. The figure of Rs. 56·23 crores for the year 1923-24 included heavy expenditure on gratuities to demobilised officers and in Waziristan, but these abnormal items were counterbalanced by credits from the proceeds of sale and utilisation

(a) Includes sterling expenditure converted into rupees at 1s. 6d. = 1 R.

(b) Includes sterling expenditure converted into rupees at 1s. 5½d. = 1 R.

of surplus stores. The Budget for the year 1923-24 allotted a net sum of 62 crores for Military services. This was reduced in the Budget for 1924-25 to 60½ crores, but by the time when the Budget for 1925-26 was under consideration, the actual effect of the retrenchment operations, which it had been difficult to gauge in advance, had become apparent, and it was possible to reduce the budget provision for 1925-26 to Rs. 56·25 crores net. Further reductions have been made in subsequent Budgets. The following table brings out the results achieved from 1921-22 at a glance :—

*Net expenditure on Military services.*

(In crores of Rupees.)

	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.
Budget Estimate . . .	66·82	67·75	62·00	60·25	56·25	54·88	54·92	55·10
Revised Estimate . . .	69·35	67·09	59·74	56·33	56·28	55·55	54·92	
Actual expenditure . . .	69·81	65·27	56·23	55·63	56·00	55·97	..	

5. In each year from 1923-24, the expenditure is well below the Retrenchment Committee's figure of Rs. 57 crores. It will be realised that, with the heavy commitments for expenditure in England which are provided for in the Military estimates, a considerable part of the reduction below Rs. 57 crores is attributable to the present favourable rates of exchange, the Retrenchment Committee having worked on a basis of 1s. 4d. = 1R ; but certain additions have been made to the Military Budget of which the Retrenchment Committee did not take cognisance, i.e., the provision of about half-a-crore of rupees for the revision of pay and grant of free passages to officers of the Army, and the transfer to Military estimates from the civil estimates of certain expenditure estimated in 1928-29 at Rs. 47 lakhs which is more properly accounted for under the former. The transfers which are taken into account in the Budget of 1928-29 are as follows :—

(Thousands of rupees.)

(1) Payments to Telegraph Department for care of Army stores . . . . .	29
(2) Customs Duty . . . . .	31,16
(3) Printing and Stationery . . . . .	16,65
(4) Payments from the Compassionate Fund to personnel employed in the Military Department . . . . .	9
(5) Payments to the Public Works Department, Delhi for rent of buildings . . . . .	40
	<u>48,59</u>

On the other hand, the following items have been transferred from the military to the civil estimates :—

(1) Establishment of the Deputy Financial Adviser, Royal Air Force . . . . .	43
(2) Establishment of the Budget Section, Military Finance . . . . .	42
(3) Charges for the Nepal Escort . . . . .	49
(4) Charges for the Perim Light House and the Coal Depots at Basidu and Bushire . . . . .	24
	<u>1,58</u>

The net debit to the Military estimates by these interchanges is Rs. 47·01 lakhs.

6. The following is a brief summary of the main points affecting the major heads of the estimates. The variations in detail will be found described against each head in the volume of detailed estimates. By economising expenditure in certain directions, it has been possible to provide in the Budget Estimate for 1928-29 a sum of approximately 1 crore of rupees for the introduction of new measures for improving the efficiency of the Army and bringing its equipment up to date.

*Part A-I.*—Maintenance of the Standing Army.

(In thousands of rupees.)				
	Gross Expenditure.	Receipts.	Net.	
Budget, 1927-28 . . . . .	19,83,22	8,38	19,74,84	
Revised, 1927-28 . . . . .	19,79,07	10,39	19,68,68	
Budget, 1928-29 . . . . .	19,56,88	9,59	19,47,29	

This most important head in the Army Estimates records the pay and other cash charges in the fighting units constituting the Standing Army in India. The decrease in the Budget Estimate, 1928-29 represents mainly savings due to larger numbers of British Troops coming out to India on the reduced rates of pay, partly counter-balanced by smaller anticipated shortages in establishments, etc.

*7. Part A-II.*—Administrative Services.

(In thousands of rupees.)				
	Gross Expenditure.	Receipts.	Net.	
Budget, 1927-28 . . . . .	6,92,86	17,84	6,75,02	
Revised, 1927-28 . . . . .	6,57,09	18,13	6,38,96	
Budget, 1928-29 . . . . .	7,22,33	11,27	7,11,06	

The Budget Estimate, 1928-29 includes (1) all charges for all Accounts Offices and establishments including those for Royal Air Force, Marine and Military Engineer Services, corresponding reductions being made under Head VII of Part A, and Part C of Army, Marine and under M. E. S., and (2) the provision of Rs. 18 lakhs under special emergency grant for new measures. The decrease in the Revised Estimate, 1927-28 is due mainly to shortages in authorised establishments of ancillary services.

*8. Part A-III.*—Manufacturing Establishments.

(In thousands of Rs.)				
	Gross Expenditure.	Receipts.	Net.	
Budget, 1927-28 . . . . .	3,93,66	4,47	3,89,19	
Revised, 1927-28 . . . . .	3,75,35	3,71	3,71,64	
Budget, 1928-29 . . . . .	3,63,68	3,70	3,59,98	

Under this head are recorded the expenses of Medical Store Depots, Bakeries, Butcheries, Ordnance and Clothing Factories, Grass Farms and Dairy Farms which are all treated as producing and manufacturing formations in the Army. The decreases in the Revised Estimate, 1927-28 and Budget Estimate 1928-29 are due mainly to smaller purchase of material and smaller labour charges based on demands on Factories.

9. *Part A-IV.*—Army Head Quarters, Staff of Commands, etc.

(In thousands of Rs.)			
	Gross Expenditure.	Receipts.	Net.
Budget, 1927-28 . . . .	2,09,36	..	2,09,36
Revised, 1927-28 . . . .	2,13,50	..	2,13,50
Budget, 1928-29 . . . .	2,10,83	..	2,10,83

The increases in the Revised Estimate, 1927-28 and Budget Estimate, 1928-29 are due mainly to provision for larger debits by the Civil Department for printing and stationery supplies for the Army.

10. *Part A-V.*—Purchase and sale of stores, Equipment and Animals.

(In thousands of Rs.)			
	Gross Expenditure.	Receipts.	Net.
Budget, 1927-28 . . . .	5,16,28	32,95	4,83,33
Revised, 1927-28 . . . .	4,66,76	6,21	4,60,55
Budget, 1928-29 . . . .	6,08,34	1,20,84	4,87,50

Provision has been made in the Budget Estimate for 1928-29 on the basis of anticipated requirements, less credits from sale of stores. The decrease in the Revised Estimate, 1927-28 is due partly to a readjustment of a charge made in previous years.

11. *Part A-VI.*—Special Services.

(In thousands of Rs.)			
	Gross Expenditure.	Receipts.	Net.
Budget, 1927-28 . . . .	2,26	..	2,26
Revised, 1927-28 . . . .	3,16	..	3,16
Budget, 1928-29 . . . .	14	..	14

The large reduction in the provision for 1928-29 is due to the fact that charges on account of surplus officers of the Indian Army who were retired in 1922 and 1923 will not be incurred after 1927-28.

12. *Part A-VII.*—Transportation, Conservancy, Anti-Malarial Measures; Hot Weather Establishments and Miscellaneous Charges and Receipts.

(In thousands of Rs.)			
	Gross Expenditure.	Receipts.	Net.
Budget, 1927-28 . . . .	3,86,27	19,82	3,16,45
Revised, 1927-28 . . . .	3,47,34	21,26	3,26,08
Budget, 1928-29 . . . .	2,95,79	20,51	2,75,28

The Revised Estimate for 1927-28 includes provision for an abnormal item, viz., the loss in connection with the winding up of the Army Canteen Board. Both Revised, 1927-28 and Budget, 1928-29 anticipate smaller payments to the Board of Trade for transport of troops to and from India.

13. *Part A-VIII.*—Non-effective charges and receipts.

(In thousands of Rs.)			
	Gross Expenditure.	Receipts.	Net.
Budget, 1927-28 . . . .	8,29,36	26,71	8,02,65
Revised, 1927-28 . . . .	8,30,76	35,96	7,94,80
Budget, 1928-29 . . . .	8,37,05	33,49	8,03,56

More receipts than provided in the Budget Estimate, 1927-28 are anticipated both in India and in England. The increase in gross expenditure is due to more admissions than casualties of pensioners.



14. *Total Part A.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Budget, 1927-28 . . .	49,63,27	1,10,17	48,53,10
Revised, 1927-28 . . .	48,73,03	95,66	47,77,37
Budget, 1928-29 . . .	49,95,04	1,99,40	47,95,64

15. *Part B.—Auxiliary and Territorial Forces.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Budget, 1927-28 . . .	86,10	..	86,10
Revised, 1927-28 . . .	83,20	4	83,16
Budget, 1928-29 . . .	93,82	..	93,82

An additional provision of Rs. 10 lakhs for the Territorial Force has been made in Budget, 1928-29 to meet the cost of the recommendations of the Auxiliary and Territorial Forces Committee which have been accepted by Government. Otherwise, both Revised, 1927-28 and Budget, 1928-29 show decreases as compared with Budget, 1927-28 due mainly to shortages of establishments and smaller numbers coming up for training.

16. *Part C.—Royal Air Force.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Budget, 1927-28 . . .	1,85,54	39	1,85,15
Revised, 1927-28 . . .	1,61,10	49	1,60,61
Budget, 1928-29 . . .	2,28,07	1,57	2,26,50

The Revised Estimate, 1927-28, takes into account a credit to Army Estimates, in consequence of a readjustment of charges made in previous years, of Rs. 20 lakhs. The Budget Estimate for 1928-29 includes Rs. 57 lakhs for the extra initial and recurring cost of two new squadrons of the Air Force. Provision in Budget, 1928-29 for the cost of the Air Force Accounts office has been transferred from Part C to Part A of Army (see pages 142 and 143 of the detailed estimates).

17. *Deduct lump cut for probable saving and underspending.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Budget, 1927-28 . . .	80,00	..	80,00
Revised, 1927-28 . . .	..	..	..
Budget, 1928-29 . . .	34,00	..	34,00

BUDGET FOR 1928-29.

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18. *Total Army.*

(In thousands of Rs.)			
	Gross Expenditure.	Receipts.	Net.
Budget, 1927-28 . . . .	51,54,91	1,10,56	50,44,35
Revised, 1927-28 . . . .	51,17,33	96,19	50,21,14
Budget, 1928-29 . . . .	52,82,93	2,00,97	50,81,96

19. *Marine.*

(In thousands of Rs.)			
	Gross Expenditure.	Receipts.	Net.
Budget, 1927-28 . . . .	80,60	12,60	68,00
Revised, 1927-28 . . . .	83,36	17,45	65,91
Budget, 1928-29 . . . .	85,19	16,76	68,43

The expenditure on account of capital developments in connection with the reorganisation of the Royal Indian Marine to be met from Suspense funds, viz., sale proceeds of the Kidderpore Dockyard, has been taken at Rs. 1.50 lakhs in the Budget Estimate, 1927-28, Rs. 10.32 lakhs in the Revised Estimate, 1927-28 and Rs. 10.73 lakhs in the Budget Estimate, 1928-29.

20. *Military Engineer Services.*

(In thousands of Rs.)			
	Gross Expenditure.	Receipts.	Net.
Budget, 1927-28 . . . .	4,36,98	57,33	3,79,65
Revised, 1927-28 . . . .	4,40,15	35,20	4,04,95
Budget, 1928-29 . . . .	4,36,00	76,39	3,59,61

The increase in Net expenditure in the Revised Estimate, 1927-28 is nominal and is due mainly to the cost of building and electrification programme for troops in 1927-28 being met fully from savings under Army heads, the credit of Rs. 20 lakhs earmarked in the Budget Estimate for 1927-28, from the funds lying in deposit in the suspense account by accrual from sale of old or surplus buildings, not being required. On the other hand, these funds will be drawn to the extent of Rs. 40.5 lakhs in 1928-29 to meet the expenditure on the similar programme in that year. In the Budget Estimate for 1928-29 provision for the cost of accounts clerks has been transferred from M. E. S. to Part A of Army (see pages 136 and 141 of the detailed estimates) in consequence of transfer of the men to the Military Accounts Department.

21. Statements are appended to this Memorandum which give actual and estimated gross and net expenditure figures from 1924-25 under Army, Marine, Military Engineer Services and also the totals. The figures for Army from 1924-25 to 1926-27 cannot be classified under the new heads adopted from 1927-28.

22. If Honourable Members desire any further information on the details of the Military Budget, they are invited to obtain it by personal request to the Financial Adviser, Military Finance.

A. MACLEOD,

*Officiating Financial Adviser, Military Finance.*

NEW DELHI :

*The 31st March 1928.*

## ARMY.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	1927-28.		Budget, 1928-29.
				Budget.	Revised.	
<b>EXPENDITURE.</b>						
<b>India—</b>						
<b>Part A.—Standing Army.</b>						
<i>Effective Services.</i>						
	R	R	R	R	R	R
Maintenance of the Standing Army.				17,03,98,830	16,05,44,000	15,79,37,110
Administrative services . . . . .				6,52,39,080	6,08,32,000	6,70,62,180
Manufacturing establishments . . . . .				3,10,27,810	2,69,48,000	2,73,29,380
Army Headquarters, Staff of Com- mands, etc. . . . .				2,02,36,020	2,03,10,000	2,00,96,350
Purchase and sale of stores, equip- ment and animals . . . . .				4,38,38,030	3,93,56,000	5,30,93,900
Special Services . . . . .				65,800	40,000	14,060
Transportation, conveyance, anti- malarial measures, hot weather establishments and miscellaneous				2,69,36,550	2,81,58,000	2,25,12,060
<b>TOTAL—EFFECTIVE</b>	R			35,86,42,000	33,79,85,000	34,80,45,000
<i>Non-Effective Services.</i>						
Non-effective charges . . . . .	R			4,71,97,000	3,44,52,000	3,45,53,000
<b>Part B.—Auxiliary and Territorial Forces—Effective</b>	R			66,10,000	63,20,000	93,82,000
<b>Part C.—Royal</b> { Effective . . . . .	R			1,35,57,000	1,09,41,000	1,26,74,000
<b>Air Force</b> { Non-Effective . . . . .	R			52,000	2,000	4,000
	R			1,36,09,000	1,09,43,000	1,26,78,000
<i>Deduct—</i>						
(1) Probable savings in connec- tion with the introduction of new measures . . . . .				...	...	16,00,000
(2) Lump cut for under- spending . . . . .				80,00,000	...	18,00,000
<b>TOTAL INDIA.</b> { Effective . . . . .	R	39,73,36,326	41,17,74,810	41,51,71,950	37,28,00,000	35,72,49,000
{ Non-Effective . . . . .	R	5,10,79,766	4,55,64,772	4,66,10,496	4,72,49,000	3,46,54,000
		44,84,16,092	45,73,39,582	46,17,82,446	42,00,58,000	39,19,03,000
	£	£	£	£	£	£
<b>EXPENDITURE.</b>						
<b>England—</b>						
<b>Part A.—Standing Army.</b>						
<i>Effective Services.</i>						
Maintenance of the Standing Army.				2,792,300	2,802,200	2,831,300
Administrative services . . . . .				404,700	360,800	387,800
Manufacturing establishments . . . . .				743,900	644,000	677,900
Army Headquarters, Staff of Com- mands, etc. . . . .				70,000	75,000	74,000
Purchase and sale of stores, equip- ment and animals . . . . .				779,000	549,000	550,500
Carried over . . . . .	£			4,789,900	4,454,000	4,551,500
	R	44,84,16,092	45,73,39,582	46,17,82,446	42,00,58,000	39,19,03,000

BUDGET FOR 1928-29.

ARMY—contd.

		Actuals, 1924-26.	Actuals, 1926-26.	Actuals, 1926-27.	1927-28.		Budget, 1928-29.
					Budget.	Revised.	
Brought forward	{ R	44,84,16,002	45,73,39,562	46,17,62,446	42,00,68,000	39,18,03,000	40,12,58,000
Special Services	{ £				4,769,900	4,454,000	4,551,500
Transportation, conservancy, anti-malarial measures, hot weather establishments and miscellaneous	{ £				16,000	20,700	...
TOTAL—EFFECTIVE	{ £				609,000	493,500	530,000
	{ £				5,474,900	4,967,900	5,081,500
<i>Non-Effective Services.</i>							
Non-effective charges	{ £				3,573,900	3,031,800	3,686,400
<i>Part C.—Royal Air Force—</i>							
Effective	{ £				479,500	371,700	745,700
Non-Effective	{ £				15,000	16,500	14,000
TOTAL, PART C.	{ £				494,500	387,500	759,700
	{ £	9,838,909	9,704,376	9,868,942	9,543,300	9,987,200	9,537,600
<i>TOTAL ENGLAND</i>							
Effective	{ R	6,13,81,504	6,58,13,052	6,14,87,393	5,96,44,000	7,11,96,000	7,76,96,000
Non-Effective	{ R	3,68,66,484	3,12,29,714	3,52,01,033	3,58,89,000	4,86,35,000	4,93,39,000
	{ R	9,82,39,988	9,70,42,766	9,66,88,426	*9,54,33,000	*11,98,30,000	12,70,35,000
<i>TOTAL EXPENDITURE</i>							
Effective	{ R	46,97,17,830	47,75,67,862	47,68,69,343	43,28,53,000	42,84,44,000	44,43,97,000
Non-Effective	{ R	8,79,38,260	7,67,94,498	8,18,11,539	8,31,38,000	8,32,89,000	8,38,96,000
	{ R	54,66,56,090	55,43,62,348	55,84,70,872	51,54,91,000	51,17,33,000	52,82,93,000
<i>REVENUE.</i>							
<i>India</i>							
Effective	{ R	2,91,86,681	2,96,16,581	3,10,68,459	64,69,000	35,15,000	1,42,36,000
Non-Effective	{ R	19,99,086	15,73,770	19,72,526	16,52,000	14,84,000	13,29,000
TOTAL	{ R	3,11,84,766	3,01,89,351	3,30,38,985	81,21,000	49,99,000	1,54,65,000
<i>England</i>							
Effective	{ R	473,291	3,0,655	369,771	301,500	346,500	347,400
Non-Effective	{ R	36,41,413	26,55,818	26,79,397	16,96,000	25,08,000	25,13,000
TOTAL	{ R	47,32,902	28,06,547	36,97,121	*30,16,000	*49,20,000	46,32,000
<i>TOTAL REVENUE</i>							
Effective	{ R	3,28,37,093	3,12,71,397	3,36,46,766	63,85,000	60,23,000	1,67,49,000
Non-Effective	{ R	30,90,575	22,24,501	30,90,941	26,71,000	56,96,000	33,49,000
TOTAL	{ R	3,59,17,668	3,34,95,898	3,67,36,697	1,10,56,000	96,19,000	2,00,97,000
<i>NET EXPENDITURE</i>							
India	{ R	41,72,31,326	42,71,50,231	42,67,43,461	41,20,17,000	38,69,04,000	38,67,93,000
England	{ R	9,35,07,066	9,37,36,219	9,29,90,714	*9,24,18,000	*11,52,10,000	12,24,03,000
Effective	{ R	42,58,90,737	44,83,16,466	44,80,13,567	42,39,66,000	42,24,21,000	42,76,49,000
Non-Effective	{ R	8,48,47,675	7,46,09,965	7,87,20,588	8,04,67,000	7,96,93,000	8,65,47,000
TOTAL	{ R	51,07,38,412	52,08,96,460	52,17,34,175	50,44,33,000	50,21,14,000	50,81,96,000

\* For purposes of these entries, the sterling figures have been converted into rupees in the Budget time for 1927-28 at Rs.=1 R., and in the Revised Estimate for 1927-28 at 1s. 6d.=1 R.

## BUDGET FOR 1928-29.

## MARINE.

		Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	1927-28		Budget, 1928-29.	
					Budget.	Revised.		
<b>EXPENDITURE.</b>								
India	R	53,18,321	48,60,991	48,15,997	57,56,000	52,43,000	56,87,000	
England	£	219,240	186,903	191,749	230,400	232,000	212,400	
	R	21,92,396	18,69,037	19,17,484	*23,04,000	*30,93,000	28,32,000	
Total Expenditure	R	74,10,717	67,30,028	65,33,481	80,60,000	83,36,000	85,19,000	
<b>REVENUE.</b>								
India	R	11,12,931	14,74,245	15,81,889	12,60,000	17,45,000	16,76,000	
England	£	...	...	...	...	...	...	
	R	...	...	...	...	...	...	
Total Revenue	R	11,12,931	14,74,245	15,81,889	12,00,000	17,45,000	16,76,000	
NET EXPENDITURE.	India	R	41,05,300	33,56,746	30,34,109	44,96,000	34,98,000	40,11,000
	England	R	21,92,396	18,69,037	19,17,484	*23,04,000	*30,93,000	28,32,000
	Total	R	62,97,786	52,55,783	49,51,593	68,00,000	65,91,000	68,43,000

## MILITARY ENGINEER SERVICES.

		Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	1927-28.		Budget, 1928-29.	
					Budget.	Revised.		
<b>EXPENDITURE.</b>								
India	R	4,20,54,793	4,24,64,017	4,37,57,596	4,33,73,000	4,40,95,000	4,31,74,000	
England	£	53,028	34,066	40,194	32,500	= 6,000	32,000	
	R	5,30,287	3,40,652	4,01,940	*3,25,000	*—50,000	4,26,000	
TOTAL	R	4,25,85,080	4,28,34,669	4,41,59,536	4,36,98,000	4,40,15,000	4,36,00,000	
<b>REVENUE.</b>								
India	R	32,81,060	69,81,248	1,11,49,479	57,33,000	35,20,000	76,39,000	
NET EXPENDITURE.	India	R	3,97,73,733	3,35,02,769	3,26,08,117	3,76,40,000	4,05,75,000	3,55,35,000
	England	R	5,30,287	3,40,652	4,01,940	*3,25,000	*—50,000	4,26,000
	TOTAL	R	3,93,04,020	3,38,43,421	3,30,10,057	3,79,65,000	4,04,95,000	3,59,61,000

\*For purposes of these entries, the sterling figures have been converted into rupees in the Budget Estimate for 1927-28 at 2s.=1 R and in the Revised Estimate for 1927-28 at 1s. 6d.=1 R.

TOTAL MILITARY SERVICES: SUMMARY.

		Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	1927-28		Budget, 1928-29.	
					Budget.	Revised.		
<b>EXPENDITURE.</b>								
India . . . . .	£	40,56,59,206	50,46,54,590	51,01,56,039	46,91,87,000	44,12,41,000	45,01,19,000	
England . . . . .	£	10,094,367	9,925,244	9,900,755	9,500,200	2,213,200	9,772,000	
	£	10,09,62,071	9,92,52,455	9,90,07,850	*9,50,62,000	*12,25,43,000	13,02,93,000	
Total Expenditure . . . . .	£	50,66,51,877	60,39,37,045	60,91,63,889	56,72,49,000	56,40,54,000	58,04,12,000	
<b>REVENUE.</b>								
India . . . . .	£	3,55,76,757	4,06,44,544	4,57,70,353	1,50,34,000	1,02,64,000	2,47,80,000	
England . . . . .	£	478,391	350,655	369,771	301,500	343,500	547,400	
	£	47,32,903	33,06,547	36,97,713	*30,15,000	*46,20,000	46,33,000	
Total Receipts . . . . .	£	4,03,11,659	4,39,51,391	4,94,68,064	1,80,49,000	1,48,84,000	2,94,12,000	
Net Expendi- tures.	India . . . . .	£	46,01,10,446	46,40,39,746	46,43,65,687	45,41,53,000	43,09,77,000	42,53,39,000
	England . . . . .	£	9,62,29,709	9,59,45,908	9,53,10,138	*9,50,47,000	*11,82,23,000	12,56,61,000
	Total . . . . .	£	55,63,40,215	55,99,85,654	55,96,95,825	54,93,00,000	54,93,00,000	55,10,00,000

\* For purposes of these entries, the sterling figures have been converted into rupees in the Budget Estimate for 1927-28 at 2s.=1 R., and in the Revised Estimate for 1927-28 at 1s. 6s.=1 R.]

## APPENDIX II.

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

[In lakhs of rupees.]

	1926-27.				1927-28.				1928-29.			
	Voted.	Non-voted.	Total.	Per-centage of voted to total.	Voted.	Non-voted.	Total.	Per-centage of voted to total.	Voted.	Non-voted.	Total.	Per-centage of voted to total.
Expenditure charged to revenue.	97,79	1,14,59	2,12,38*	46	93,44	1,12,01	2,05,45*	45	96,12	1,13,87	2,09,99*	46
Expenditure not charged to revenue.	28,21	3,86	32,07	88	26,93	3,59	30,52	88	30,05	4,36	34,41	87
Total Expenditure both charged and not charged to revenue.	1,26,00	1,18,45	2,44,45	52	1,20,37	1,15,60	2,35,97	51	1,26,17	1,18,23	2,44,40	52

\*These figures have been arrived at as follows :—

Expenditure as per Budget Statement . . . . .	1,25,26	1,29,60
Add—Working expenses of—		
(a) Railway Department 68,81	66,94	66,31
(b) Posts and Telegraphs 10,53	10,53	11,13
(c) Irrigation . . . . . 12	11	9
Add—Refunds . . . . . 2,54	2,56	2,86
	<u>2,12,38</u>	<u>2,09,99</u>
	<u>2,05,45</u>	<u>2,09,99</u>

## APPENDIX II.

## PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

## PREFATORY NOTE.

## I.—Scope of pro formâ account.

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Auditor General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay*. The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II—*Annual Expenditure*.

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the construction of the accommodation of the troops already there had long been recognised as pressing. Similarly the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in the city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

## II.—Relation between the pro formâ account and the regular accounts.

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.



Item 1 of  
Part I of  
*pro formâ*  
account.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "57—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "53—State Railways."

Item 3(b),  
*ibid.*

Item 2, *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Auditor General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "41—Civil Works". Any non-recurring receipts which may eventually be obtained in connection with these temporary works, e.g., from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXX—Civil Works".

Item II, *ibid.*

Items 1 and I  
of Part II of  
*pro formâ*  
account.

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or secondly, as departmental expenditure chargeable to the Department in which it is incurred.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations. It will be noted that any grants which may be specially given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

Items 3 (a)  
and III of  
Part I of  
*pro formâ*  
account.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department neither the initial outlay nor the recurring receipts and expenditure have been included.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure on Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads "XXXV—Miscellaneous" and "XXX—Civil Works", and the *pro forma* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

Items 4 to 7  
and I and IV  
of Part I, and  
Items 2 and II  
to IV of  
Part II of  
*pro forma*  
account.  
Item 1 of  
Part I.

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro forma* account.

**PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE  
DELHI PROVINCE.**

**PART I.—INITIAL OUTLAY.**

[Figures in thousands of Rupees.]

Expenditure.	Actuals to end of 1926-27.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.	Receipts.	Actuals to end of 1926-27.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
<b>1. DELHI PROJECT :</b>				<b>I.—Receipts which may be obtained on account of Imperial buildings vacated by the Govern- ment of India or attached offices in consequence of the move (a)†</b>			
Capital outlay on Perma- nent Delhi chargeable to Head "57" (for details see Statement I-A)	12,50,68	54,00	78,88				
2. Temporary Delhi	54,33	...	...		19,20	1,60	47
3. Initial expenditure of non-Civil Depart- ments :—				<b>II.—Non-recurring receipts   on account of Tem-   porary Works</b>	2	...	...
(a) Military services ‡	1,00,49	1,59	1,44				
(b) Railways ‡	94,29	8,68	9,40				
4. Non-recurring grant to the Punjab Government in compensation for ex- penditure incurred on new headquarters buildings for the Com- missionership trans- ferred from Delhi	1,36	...	...	<b>III.—Recoveries on account   of land or buildings   vacated in the old   Cantonment of Delhi‡</b>	...	...	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	4,70	1,24	98				
Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi	8,45	63	78	<b>IV.—Miscellaneous items</b>	5,46	...	...
Miscellaneous items §	10,03	62	69				
<b>TOTAL</b>	15,43,33	67,36	92,06	<b>TOTAL</b>	27,68	1,60	47
Total expenditure to end of 1926-29	17,01,75			Total receipts to end of 1928-29	29,95		
Net expenditure to end of 1928-29	16,71,50						

\* NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

† NOTE 2.—The expenditure included under item 3 (a) is that relating to the formation of the new Cantonment. Its details are as follows :—

	To end of 1926-27.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
Acquisition of land	13,20	...	...
Cost of buildings	67,47	1,59	1,44
Establishment charges	6,76	...	...
Tools and plants	2,06	...	...
<b>TOTAL</b>	1,09,49	1,59	1,44

‡ NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nangal Rawa. These figures include transactions on account of Delhi New Capital Railway Work also.

§ NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Office of the Accountant General, Central Revenues, and the cost of temporary establishment employed in the Secretariats in connection with the change of Capital.

|| NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the Prefatory Note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus from 1912-14 to 1922-23 the Government of Bengal, by moving its offices into the vacated Imperial buildings in Calcutta, saved Rs. 7,69,460 partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation. With effect from 1923-24 rent is being recovered from the Local Government for the occupation of Central buildings at Calcutta and the receipts are being shown under head 1.

(a) Includes Rs. 19 lakhs on account of value of premises No. 3, Kollaghat Street sold to E. R. Railway and Rs. 20,000 on account of rent receipts.

BUDGET FOR 1928-29.

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PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1926-27.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.	Receipts.	Actuals, 1926-27.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
I. Expenditure of Delhi Province*	67.80	63.56	64.13	I.—Revenue of Delhi Province*	42.90	43.40	42.97
II. Miscellaneous items †	20	27	31	II.—Saving under Calcutta house allowances ‡	64	82	86
				III.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices ‡	2.50	2.50	2.50
Total expenditure	87.80	90.83	95.64	IV.—Miscellaneous items	6	15	21
Net expenditure	41.80	47.33	53.10	Total receipts	46.18	45.90	46.54

\* Note 1.—The details of this item are given in Statement II-A.

† Note 2.—The figure shown against item II will be subject to increase as additional officers are successively transferred from Calcutta to Delhi.

‡ Note 3.—The figure shown against item III is a minimum figure calculated once for all on the assumption that all officers or portions of officers which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been large owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

## STATEMENT I-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part I of *pro formá* account.

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1928-27.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
<b>A.—Salaries and allowances—</b>			
(a) Preliminary Investigation—			
(i) Gazetted officers . . . . .	2,04	...	...
(ii) Non-gazetted officers . . . . .	14	...	...
(b) Public works and electrical officers employed on the Project—			
(i) Gazetted officers . . . . .	93,26	7,52	6,90
(ii) Non-gazetted officers . . . . .	69,23	8,63	8,75
(c) Miscellaneous officers (including all others employed on the Project)—			
(i) Gazetted officers . . . . .	5,70	12	12
(ii) Non-gazetted officers . . . . .	4,92	39	46
(d) Leave allowances . . . . .	...	...	...
<b>B.—Travelling allowances of officers and Establishments—</b>			
(a) Preliminary Investigation—			
(i) Gazetted officers . . . . .	23	...	...
(ii) Non-gazetted officers . . . . .	2	...	...
(b) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers . . . . .	8,26	72	68
(ii) Non-gazetted officers . . . . .	4,86	44	45
(c) Miscellaneous officers including all others employed on the Project—			
(i) Gazetted officers . . . . .	71	2	2
(ii) Non-gazetted officers . . . . .	46	6	6
<b>C.—Supplies, Services and Contingencies—</b>			
(a) Preliminary investigation . . . . .	51	...	...
(b) Public Works and Electrical officers employed on the Project . . . . .	6,87	72	69
(c) Miscellaneous officers employed on the Project . . . . .	46	1	1
Loss on account of Exchange . . . . .	...	...	...
Total A, B and C . . . . .	1,97,67	18,63	18,14
<b>Deduct—Credits from other heads of accounts . . . . .</b>	<b>44,71</b>	<b>8,53</b>	<b>7,36</b>
Net total A, B and C carried over . . . . .	1,52,96	10,10	10,78

Details of Capital outlay on the Delhi Project working up to the total figures shown against item I in Part I of *pro forma* account—*contd.*

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1926-27.	Revised Estimate, 1927-28.	Budget Estimate, 1928-29.
Brought forward Net total A, B. C.	1,52,96	10,10	10,78
<i>D.—Works Expenditure—</i>			
(i) Buildings—			
(a) Government House . . . . .	94,08	22,57	44,34
(b) Secretariats . . . . .	1,68,72	11,57	3,03
(c) Other buildings . . . . .	2,12,43	12,66	20,95
(d) Legislative Chambers . . . . .	73,70	9,20	4,24
(ii) Communications . . . . .	28,55	1,00	1,21
(iii) Miscellaneous Public Improvements . . . . .	17,07	2,15	1,39
(iv) Electric Light and Power . . . . .	54,80	6,12	3,73
(v) Irrigation . . . . .	39,62	2,17	5
(vi) Sanitation including storm-water drains, sewage and sewerage disposal, water-supply and conservancy . . . . .	1,07,03	7,18	6,38
(vii) Tools and plant . . . . .	92,70	1,36	1,56
(viii) Stock and Suspense . . . . .	51,74	—23,59	—2,10
(ix) Miscellaneous . . . . .	89,99	58	60
(x) Maintenance during construction . . . . .	82,53	2,93	3,50
Railway division . . . . .	13,79	...	...
E.—Acquisition of land taken up for the Project . . . . .	34,23	...	...
F.—Other Miscellaneous expenditure . . . . .	6	...	...
Minus Reserve . . . . .	...	—2,50	—10,98
Deduct—Receipts on Capital Account . . . . .	54,32	9,50	10,00
<b>TOTAL</b> . . . . .	<b>12,59,68</b>	<b>54,00</b>	<b>78,68</b>

## BUDGET FOR 1928-29.

STATEMENT II-A.  
Revenue and Expenditure of Delhi and Delhi Province

[ Figures in thousands of rupees.]

RECEIPTS.				EXPENDITURE.			
Major Heads of Accounts.	Actuals for 1926-27.	Revised Estimate for 1927-28.	Budget Estimate for 1928-29.	Major Heads of Accounts.	Actuals for 1926-27.	Revised Estimate for 1927-28.	Budget Estimate for 1928-29.
I.—Customs . . . . .	—9	...	...	2. Taxes on Income . . . . .	47	58	64
II.—Taxes on Income . . . . .	11,20	11,46	10,96	5. Land Revenue . . . . .	58	55	56
IV.—Opium . . . . .	...	...	...	6. Excise . . . . .	3,41	3,90	3,74
V.—Land Revenue . . . . .	4,15	4,14	4,14	7. Stamps . . . . .	8	8	8
VI.—Excise . . . . .	8,59	8,14	8,55	8. Forests . . . . .		1	10
VII.—Stamps . . . . .	8,24	8,21	8,25	9. Registration . . . . .	6	4	4
IX.—Registration . . . . .	44	46	46	15. Miscellaneous Irrigation Expenditure. . . . .	6	5	5
XIV.—Irrigation works for which no Capital Account is kept . . . . .	2	2	2	19. Interest . . . . .	6,33	8,51	8,38
XVI.—Interest . . . . .	16	17	17	22. General Administration . . . . .	3,09	3,40	3,49
XVII.—Administration of Justice . . . . .	52	39	42	23. Audit (a) . . . . .	16	21	22
XVIII.—Jails and Convict Settlement . . . . .	22	24	21	24. Administration of Justice . . . . .	2,37	2,44	2,53
XIX.—Police . . . . .	6	21	14	25. Jails and Convict Settlements . . . . .	1,28	1,36	1,42
XXI.—Education . . . . .	46	46	46	26. Police . . . . .	8,38	8,93	9,64
XXII.—Medical . . . . .	8	16	21	28. Ecclesiastical . . . . .	21	25	25
XXIII.—Public Health . . . . .	...	...	8	29. Political . . . . .	1	8	2
XXXIV.—Agriculture . . . . .	...	...	5	31. Education . . . . .	6,18	8,60	9,19
XXV.—Industries . . . . .	...	1	15	32. Medical . . . . .	5,45	5,09	5,21
XXVI.—Miscellaneous Departments . . . . .	11	10	10	33. Public Health . . . . .	1,43	2,79	2,60
XXX.—Civil Works . . . . .	6,53	5,98	5,62	34. Agriculture . . . . .	52	51	58
XXXIII.—Receipts in aid of Superannuation . . . . .	29	42	42	35. Industries . . . . .	12	6	25
XXXIV.—Stationery and Printing . . . . .	2	2	3	37. Miscellaneous Departments . . . . .	2	3	4
XXXV.—Miscellaneous . . . . .	1,97	1,61	2,53	38. Currency . . . . .	9	20	10
TOTAL . . . . .	4,99	43,40	42,97	41. Civil Works . . . . .	37,06	34,92	36,13
				Civil Works -Viceregal Estates, Delhi . . . . .	2,13	1,46	1,66
				42. Territorial and Political Pensions . . . . .	51	51	51
				45. Superannuation Allowances and Pensions . . . . .	3,15	3,51	3,19
				46. Stationery and Printing . . . . .	1	4	3
				47. Miscellaneous . . . . .	3,69	3,78	3,79
				60B. Commuted value of pensions . . . . .	1,00	1,67	1,67
				TOTAL . . . . .	87,50	93,56	96,13

(a) Excludes proportionate cost of the office of the Accountant General, Central Revenues, Delhi, debitabie to Part I,

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**Appendix IV.**

**COMMERCIAL AND FINANCIAL STATISTICS.**

**TABLE I—MISCELLANEOUS.**

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**Appen**  
**COMMERCIAL AND**

TABLE I—

	1919-20.	1920-21.	1921-22.	1922-23.
	Rs.	Rs.	Rs.	Rs.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works, Posts and Telegraphs, Vizagapatam Port, Security Printing, the Delhi Capital, commuted value of pensions, Currency note printing and Bombay Land Scheme, Capital outlay not charged against Revenue—				
Surplus . . . . .	23,65,28,825	26,00,85,276	27,65,01,700	15,01,76,392
Deficit . . . . .				
Capital Expenditure on Railways and Irrigation works not charged against Revenue.	14,42,99,228	26,55,72,106	22,97,57,115	18,45,67,524
Capital charge involved in the purchase of Railways.	..	..	..	..
Capital outlay on the Posts and Telegraphs Department not charged against Revenue.	..	..	81,61,617	65,62,006
Capital outlay on Vizagapatam Port and Security Printing not charged against Revenue.	..	..	..	..
Initial Expenditure on New Capital at Delhi.	50,35,427	1,25,75,011	1,35,27,418	1,84,79,432
Commuted value of pensions not charged against Revenue.	..	..	..	..
Currency Capital outlay	..	..	..	..
Outlay on Bombay Land Scheme	..	..	..	..
India's Financial Contribution to the War.	..	..	..	..
Net Public Debt incurred . . . . .	8,90,79,517	52,34,07,498	49,19,30,108	25,61,19,053
Net public debt incurred, including Capital transactions with Railway Companies.	8,22,22,396	51,76,91,284	49,75,33,002	25,26,11,589
Value of commodities exported, excluding Gold and Silver.	3,36,02,20,000	2,67,76,80,000	2,48,65,80,000	3,16,07,20,000
Value of commodities imported, excluding Gold and Silver.	2,21,70,20,000	3,47,57,40,000	2,82,59,80,000	2,46,19,20,000
Excess of Exports over Imports, excluding Gold and Silver.	1,14,32,00,000	(c) —79,80,60,000	(c)—33,94,00,000	69,88,00,000
Net Imports of Gold . . . . .	35,83,00,000	2,10,80,000	†—2,86,40,000	41,19,10,000
Net Imports of Silver . . . . .	29,22,90,000	6,48,40,000	15,09,60,000	18,35,40,000
<b>TOTAL NET IMPORTS OF GOLD AND SILVER.</b>	<b>64,55,90,000</b>	<b>8,59,20,000</b>	<b>12,23,20,000</b>	<b>59,54,50,000</b>
Excess of Exports over Imports including Gold and Silver.	49,76,10,000	(c)—88,39,80,000	(c)—46,17,20,000	10,33,50,000
Net Imports of Currency Notes*	..	..	..	1,01,70,000
Excess of Exports over Imports including Gold, Silver and Currency Notes.	49,76,10,000	(c)—88,39,80,000	(c)—46,17,20,000	9,31,80,000
Council Bills and Purchase of sterling Rupee Equivalent thereof . . . . .	£ 31,226,219 34,54,98,000	..	..	2,640,026 3,84,77,840
Silver coined at the Indian Mints . . . . .	37,72,19,757	3,41,30,039	1,60,86,638	62,75,446

\*Recorded from

†Represents net

‡Includes remittances of the  
(a) Includes remittances of the  
(b) Figures for 11 months  
(c) Net  
‡ Net

dix IV.

FINANCIAL STATISTICS.

MISCELLANEOUS.

1923-24.	1924-25.	1925-26.	1926-27.	1927-28, Revised.	1928-29, Budget.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,36,99,758	5,68,25,698	3,31,18,187	..	..	5,06,000
..	..	..	..	..	..
20,80,11,576	13,46,94,254	19,23,53,255	27,22,07,907	30,16,98,000	24,01,74,000
..	..	3,42,73,830	..	..	4,00,00,000
75,21,560	1,17,55,881	2,23,54,139	32,59,130	57,56,000	68,02,000
..	..	81,16,371	48,36,320	27,82,000	48,20,000
1,54,73,652	1,42,18,868	99,06,184	61,63,117	54,00,000	78,68,000
..	..	..	28,85,222	35,52,000	34,85,000
..	..	..	8,66,401	18,08,000	17,000
..	..	..	..	20,74,000	2,05,22,000
..	..	..	..	..	..
17,67,00,540	9,62,96,934	-4,03,60,226	-4,86,84,295	+3,92,05,000	+12,86,09,000
16,64,06,856	9,13,70,596	-4,09,06,307	-7,49,48,445	+3,25,15,000	+12,86,09,000
3,63,37,00,000	4,00,24,30,000	3,86,81,20,000	3,11,05,00,000	(b)2,98,55,30,000	..
2,37,18,40,000	2,53,36,40,000	2,36,00,10,000	2,40,91,30,000	(b)2,38,85,20,000	..
1,26,19,20,000	1,46,87,90,000	1,50,81,10,000	70,13,70,000	(b)69,70,10,000	..
29,18,70,900	73,92,60,000	34,85,50,000	19,40,00,000	(b)15,44,90,000	..
18,69,80,000	20,07,40,000	17,12,40,000	19,46,80,000	(b)12,87,80,000	..
47,88,50,000	94,00,00,000	51,97,90,000	39,26,80,000	(b)28,32,70,000	..
78,30,70,000	52,87,90,000	98,83,20,000	30,86,90,000	(b)31,37,40,000	..
1,64,80,000	3,00,000	‡-33,00,000	5,20,000	(b)14,85,10,000	..
76,66,10,000	52,84,90,000	99,16,20,000	30,81,70,000	(b)16,52,30,000	..
21,838,705	40,770,162	46,316,500	2,115,000	28,500,000	36,000,000
31,45,48,173	55,33,97,524	61,23,87,652	2,81,70,083	38,00,00,000	48,00,00,000
50,00,791	33,25,394	30,73,478	50,49,436	(b)10,15,926	..

April 1922.  
 exports of gold.  
 Gold Standard Reserve.  
 Currency Department.  
 April to February).  
 Imports.  
 exports.

## COMMERCIAL AND

TABLE I—

	1919-20.	1920-21.	1921-22.	1922-23.
Maximum price in pence of an oz. troy standard Silver in London Rs.	89½ (11th Feb. 1920).	72½ (7th April 1920).	43½ (27th Sept. 1921).	87½ (22nd May 1922).
Minimum price in pence of an oz. troy standard Silver in London.	48 9/16 (4th April and 6th May 1919).	80½ (5th March 1921).	82½ (28th Feb. & 2nd Mar. 1922).	80½ (15th Dec. 1922).
Average Exchange upon Secretary of State's Bills sold per rupee.	1s. 9'691d.	..	..	1s. 4'448d.
Average of the daily telegraphic transfer rates from Calcutta on London.	..	1s. 8'66d.	1s. 8'85d.	1s. 8'76d.
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments.	1s. 6d., 1s. 8d., 2s. 4d. and 2s. 9d.	2s. 8d., 2s. 4d., 2s. 2½d., 2s., 1s. 11½d., 1s. 10½d., 1s. 8½d., 1s. 5½d., 1s. 8d., & 1s. 4½d.	1s. 3½d., 1s., 3½d., 1s. 8½d., 1s. 4d., 1s. 4½d., 1s. 6d., and 1s. 5½d.	1s. 3½d., 1s. 3½d., 2s. 3½d., 1s. 4d., and 1s. 4½d.
Maximum rate of discount on loans on demand at the Imperial Bank of India, Calcutta.	7 (12th to 31st Mar. 1920).	7 (1st Apl. to 9th June 1920, 18th Nov. 1920 to 2nd Mar. 1921).	8 (16th Feb. to 31st Mar. 1922).	8 (1st to 26th April 1922 and from 11th Jan. to 31st March 1923).
Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta.	5 (5th June 1919 to 14th Jan. 1920).	5 (1st July to 3rd Nov. 1920).	5 (2nd June to 14th Dec. 1921).	4 (6th July to 25th Oct. 1922).
Minimum rate of discount at the Bank of England.	6 (6th Nov. 1919 to 31st Mar. 1920).	7 (15th April 1920 to 31st Mar. 1921).	7 (1st Apl. to 1st Mar. 1921).	4½ (1st to 12th April 1922).
Minimum rate of discount at the Bank of England.	5 (1st Apl. 1919 to 5th Nov. 1919).	6 (1st to 14th Apl. 1920).	4½ (16th Feb. to 31st Mar. 1922).	3 (13th July 1922 to 31st March 1922).
Maximum Government balances at the Imperial Bank of India.	18,26,33,000 (Feb.)	20,38,41,000 (July)	25,87,46,000 (31st July).	33,19,07,000 (28th July).
Minimum Government balances at the Imperial Bank of India.	7,04,52,000 (Sept.)	5,84,98,000 (Feb.)	5,84,64,000 (18th Nov.)	8,22,54,000 (10th Nov.)
Maximum price in Calcutta of 5 per cent. War loan, 1929-47.	95	90	87	88-8
Minimum price in Calcutta of 5 per cent. War Loan, 1929-47.	90	77	78	81-6
Maximum price in Calcutta of 5 per cent. Income-tax free loan, 1945-56.	95½ to 96	95½ to 96	89	93-8
Minimum price in Calcutta of 5 per cent. Income-tax free loan, 1945-55.		78½	80	87
Maximum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed).	71 (1st April to 17th May 1919).	60 (1st to 16th April 1920 and 5th to 15th January 1921).	62 (30th & 31st May 1921).	61-4 (22nd and 23rd March 1923).
Minimum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed).	60 (27th Feb. to 31st Mar. 1920).	52 (1st Nov. to 12th Dec. 1920).	55-8 (from 11th March 1922).	55-8 (1st to 17th April 1923).
Maximum price in Calcutta of 3 per cent. Rupee Securities.	62 (1st April to 17th May 1919).	50 (1st April to 5th Oct. 1920 and 5th to 15th January 1921).	53 (31st May and 1st June 1921).	52-8 (22nd and 23rd March 1923).
Minimum price in Calcutta of 3 per cent. Rupee Securities.	50 (27th Feb. to 31st Mar. 1920).	42 (1st Nov. to 22nd Dec. 1920).	47 (1st to 4th April 1921).	47-12 (1st to 18th April 1922).

BUDGET FOR 1928-29.

FINANCIAL STATISTICS—*contd*

MISCELLANEOUS—*contd.*

1923-24.	1924-25.	1925-26.	1926-27.	1927-28, Revised.	1928-29, Budget.
24 1/16 (3rd and 5th Jan., 13th and 14th Feb. 1924).	26 1/16 (9th Oct. 1924).	23 7/16 (5th Sept. 1925).	30 1/4 (5th May 1926).	27 (6th Decr. 27)	
20 11/16 (13th July 1923).	21 1/2 (29th Dec. 1924).	30 1/4 (19th and 22nd March 1926).	24 1/2 (20th October 1926).	24 1/2 (8th, 11th and 22nd Augt. 1927).	
1s. 4'534d.	1s. 6'028d.	..	..	..	
1s. 4'46d.	1s. 5'51d.	1s. 6'08d.	1s. 5'902d.	1s-5 1/2 d. (estimate).	
1s. 4d., 1s. 4 1/2 d., 1s. 4 1/4 d., 1s. 5d., and 1s. 5 1/2 d.	1s. 4 1/2 d., 1s. 5d., 1s. 5 1/2 d., 1s. 5 1/4 d. and 1s. 6d.	1s. 6d., 1s. 6 1/2 d.	1s. 5 1/2 d., 1s. 6d., and 1s. 6 1/2 d.	1s.—6d.	
2 (14th Feb. to 31st March 1924).	2 (1st April to 9th April).	7 (1st April to 20th May).	7 (10th February to 31st March).	7 (1st April to 1st June, 22nd December to date).	
4 (29th June to 14th Nov. 1923)	4 (31st July to 20th Aug. 1924).	4 (3rd July to 27th September).	4 (10th June to 31st December).	4 (28th July to 7th Sept.).	
4 (since 5th July 1923).	5 (5th March).	5 (1st April to 4th August and 3rd December to date).	5 (throughout the year.)	5 (1st April to 20th April).	
3 (1st April to 4th July 1923).	4 (1st April 1924 to 4th March 1925).	4 (2nd October to 2nd December).	..	4 1/2	
29,74,54,000 (20th July).	22,18,07,000 (31st July).	28,06,31,000 (29th May).	36,41,13,000 (30th July).	19,97,83,000 (1st April).	
1,22,69,000 (6th Nov.).	7,42,62,000 (31st Dec.).	4,29,57,000 (11th Dec.).	3,85,92,000 (17th December).	3,05,09,000 (7th October).	
93—10	94—14	97—4	102—6	101—11.	
87—12	92—14	94—13	99—14	100—4.	
98—14	99—8	101—7	110—4	108—13.	
92—2	97	98—13	104—9	105—13.	
63—3 (8th Mar. 1924).	68—6 (10th July).	73—8 (27th March).	79—1 (15th Dec-ember).	79—5 (29th April).	
61 (3rd to 6th April 1923).	63—4 (18th Sep-tember).	67—10 (5th May)	74—6 (1st April).	74—6 (9th December).	
57—12 (8th Mar. 1923).	68—10 (10th July)	69—14 (25th March).	67—14 (15th to 21st December).	67—14 (29 April).	
51—14 (3rd to 5th April 1923).	53—8 (18th Sep-tember).	57—15 (15th to 18th May).	63—8 (1st and 6th April).	63—14 (6th December).	

## COMMERCIAL AND

TABLE I—

	1919-20.	1920-21.	1921-22.	1922-23.
	Rs.	Rs.	Rs.	Rs.
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.	8,16,74,000 (Apl.)	6,65,19,000 (Apl.)	7,80,08,000 (Feb.)	10,50,43,000 (Nov.)
Minimum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.	7,43,58,000 (Dec.)	6,13,12,000 (Sept.)	6,36,30,000 (Apl.)	9,63,19,000 (May)
Maximum price in London of 3½ per cent. (Rupee Securities in Gold).	74	63½	42½	39
Minimum price in London of 3½ per cent. (Rupee Securities in Gold).	49½	33½	34½	34
Maximum price in London of India 3½ per cent. Stock.	60½	61	63½	69½
Minimum price in London of India 3½ per cent. Stock.	54½	51½	55½	62½
Maximum price in London of India 3 per cent. Stock.	60½	53	55½	59½
Minimum price in London of India 3 per cent. Stock.	47½	43½	47½	53½
Maximum price in London of India 2½ per cent. Stock.	50½	43	46½	50½
Minimum price in London of India 2½ per cent. Stock.	40	37½	39½	44½
Maximum price in London of 5½ per cent. Stock.	..	..	94½	102½
Minimum price in London of 5½ per cent. Stock.	..	..	89½	93½
Maximum price in London of 4½ per cent. Stock.	..	..	..	88½
Minimum price in London of 4½ per cent. Stock.	..	..	..	83½
Maximum Government Paper Currency outstanding.	1,85,14,79,000 (Jan.)	1,70,73,89,000 (Apl.)	1,79,71,49,000 (Oct.)	1,82,26,25,000 (Aug.)
Minimum Government Paper Currency outstanding.	1,53,72,07,000 (Apl.)	1,57,62,82,000 (Sept.)	1,67,31,85,000 (Apl.)	1,71,76,07,000 (Apl.)
Number of Post Office Savings Banks.	10,670	10,713	10,753	10,730
Number of accounts in Post Office Savings Banks.	1,760,442	1,877,957	1,958,324	2,043,502
Amount deposited in Savings Banks	21,34,84,628	22,86,21,716	22,26,24,825	23,19,98,761
Average of each deposit . . .	121·26	121·73	113·68	113·52
Net addition to deposits . . .	2,52,39,787	1,51,37,088	— 59,90,891	93,73,936

BUDGET FOR 1928-29.

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FINANCIAL STATISTICS—*concl.*

MISCELLANEOUS—*concl.*

1923-24.	1924-25.	1925-26.	1926-27.	1927-28, Revised.	*1928-29, Budget.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10,80,92,000 (Oct.).	10,20,98,000 (Apr.)	9,48,86,000 (Apr.)	8,59,21,000 (Oct.).	8,73,81,000 (Dec.)	
10,06,94,000 (Mar.).	9, 69, 36,000 (Mar.).	8,41,90,000 (Mar.).	8,19,29,000 (Sept.).	8,09,28,000 (Nov.).	
45	49½	54½	57½	58	
39	45	49½	54½	55½	
72½	69½	69½	74½	738	
61½	63	63½	67½	68	
62½	59½	59½	63½	63½	
52½	54	54½	57½	59	
52½	49½	49½	52½	52	
44½	45	46½	48½	49	
106	108½	108	104	108½	
99	100	99½	101	100½	
93	89½	91½	93½	94½	
82½	85½	85½	88½	89½	
1,86,18,98,000 (Feb.).	1,84,19,40,000 (Mar.).	1,93,34,10,000 (Mar.).	2,00,53,42,000 (Aug.).	1,86,01,80,540 (January)	
1,71,23,35,000 (May.).	1,72,49,20,000 (June).	1,73,23,07,000 (May).	1,80,47,21,000 (Jan.).	1,71,44,71,000 (May.)	
10,535	10,727	11,162	11,994		
2,089,814	2,164,473	2,317,390	2,518,142		
24,78,83,170	25,63,94,907	27,23,14,764	29,50,89,541		
118'64	118'45	117'50	117'19		
1,59,84,400	85,11,737	1,59,19,857	2,27,74,777		

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