

## EAST INDIA (BUDGET).

Return to an Address of the Honourable the  
House of Commons, dated 27th July, 1931; for,

### “RETURN OF THE BUDGET OF THE GOVERNOR GENERAL OF INDIA IN COUNCIL FOR 1931-32.”

India Office,  
28th July, 1931.

} S. F. STEWART,  
*Under Secretary of State for India.*

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BUDGET FOR 1931-32.

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**PART I.**  
**Railway Budget.**

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# Speech of the Railway Member

## introducing the

### Railway Budget for 1931-32

I rise to present to the House the Railway Budget for 1931-32. No important changes have been made in the papers which Honourable Members will shortly have in their hands, but with the approval of the Standing Finance Committee for Railways, we have made some small alterations, more particularly in the arrangement of the capital programmes of the railways, which will, I hope, be found to be improvements. Their sole object is to present the Budget in a more understandable form without unduly enlarging the mass of papers which Honourable Members are called upon to read. These changes are described in the proceedings of the Standing Finance Committee for Railways of the 21st January last (Vol. VIII, No. 1). Perhaps the most important is the addition to the Pink Books containing the programmes of individual railways of a column showing commitments for future years if the programmes are accepted by the Assembly. We have also adopted in the presentation of this Budget two alterations arising out of suggestions made this year in the Public Accounts Committee. We have now brought together under Demand No. 14 all the expenditure from revenue relating to strategic lines, and we have also provided under the "Capital" and "Depreciation Fund" heads small allotments for emergent expenditure, such as that incurred on the repair of flood damages, which unfortunately we have to incur in most years but the exact nature of which, or the line on which it will be incurred cannot of course be foreseen. Further, we have accepted a suggestion which was made by my Honourable friend, Sir Hugh Cocks, last year that we should add to the Budget papers a statement showing the details of the gain or loss in working the State Railways for a period of five years. This will now be found as an appendix to the Railway Board's Memorandum.

I should like to acknowledge here the great assistance I have received in the preparation of the Budget from the Members of the Railway Board, first and foremost, of course, from Mr. Parsons, the Financial Commissioner, on whom the main burden lies, and after him the Chief Commissioner, Mr. Russell and the Staff Member of the Board, Mr. Hayman. As always, their help has been cordially and ungrudgingly given, and to me its value has been very great.

2. As there are many new Members in the House, I should like once again to make the request that, when notices of motions for reductions in the Demands are given, they should be accompanied by a brief indication of the questions which it is intended to raise. This has now become the usual practice, and I think that besides helping Government Members to supply the information needed for our discussions, it is generally recognised that it conduces to an orderly debate.

3. *Financial results of 1929-30.*—When the Budget, which I presented to the House last year, was prepared, our weekly earnings had shown an

upward tendency and we expected to close the year 1929-30 with a gain from commercial lines of just over 7 crores. Though this sum would not have been sufficient to cover the whole of the loss on the strategic lines *plus* the contribution to general revenues, we hoped that it would be possible to pay the full contribution without drawing more than Rs. 86 lakhs from the Reserve. But the improvement was short-lived, and in February and March last the effect of the world wide trade depression began to be reflected in our traffic earnings, while earning power was further impaired by the serious strike which broke out on the Great Indian Peninsula Railway. As a result we failed to reach our revised estimate of 106½ crores by 1½ crores, and though our charges dropped by nearly half a crore, we had to withdraw over 2 crores from the Reserve.

4. *Revised estimate.*—Though the strike on the Great Indian Peninsula Railway ended in April, the trade depression has become more acute with the passage of the months, and the reflex effects of the civil disobedience movement have accentuated the decline in trade. We budgeted for total receipts from all sources of 109½ crores and total expenses, including interest and all other charges, of 103½ crores. We now expect that the total receipts will not exceed 96½ crores, a reduction of 12½ crores, while our total charges, though 1½ crores below the original estimate, are likely to amount to nearly 102 crores. As a result, we are faced with a loss of 5 crores 12 lakhs, in addition to which we have to find 5 crores 74 lakhs as a contribution to general revenues. It is, therefore, necessary for us to withdraw 10 crores 86 lakhs from the Reserve, instead of, as we hoped, adding 34 lakhs to it.

5. These figures can be presented in a slightly different form, which will perhaps make the position somewhat clearer. The surplus on the commercial lines, after providing for all charges except interest, is about 28 crores, whereas the interest debitable to the railways is a little over 31 crores. The deficit of nearly 11 crores therefore means this, that the earnings of the railways fell short of the amount necessary to provide for full interest charges by 3 crores, the loss on the strategic railways was 2½ crores and the contribution to general revenues 5½ crores. It has always been recognised that the loss on the strategic railways is a fair charge against general revenues rather than against the earnings of the commercial lines, and it is for this reason that, under the separation convention, the loss is deducted from the surplus on the commercial lines before arriving at the figure of the contribution payable. It was also recognised that we could not expect in bad years to be able to earn our full contribution to general revenues, and on this account the Reserve Fund was created out of the profits of the years of prosperity. In effect, therefore, the position is this, that looking at our commercial lines purely as a business proposition and ignoring for the moment the loss on strategic railways and the contribution, the loss on the commercial lines is only 3 crores. When the adverse circumstances of the current year are taken into account with the extreme depression in trade due to the fall in world prices and aggravated by all the circumstances connected with the civil disobedience movement, with which Members are well acquainted, unsatisfactory though the results are, I do not think they give ground for unmingled pessimism.

6. Before passing on to the Budget for the current year, I should like to explain that, if a comparison is made with the results of previous years, allowance must be made for a change in accounting procedure

which increases the expenditure under the head "Interest" to the extent of about one crore. Hitherto the interest on the loans raised since 1917 has been calculated at the nominal rate of interest at which Government borrowed during the period. This year account has also been taken of the discount at which some of the loans have been floated, and the expenses incurred in floating these loans. Unwelcome though the additional burden on the railways was, I felt that I could not contest the accuracy of the new method, since the cost at which Government borrows necessarily depends on the price at which the loans are issued.

7. Turning now to the details of our earnings and expenses, the total falling off, as compared with the actuals of 1929-30, is  $8\frac{1}{2}$  crores, of which about 3 crores comes under passenger and other coaching traffic earnings and  $5\frac{1}{2}$  crores under goods and other earnings. Given the conditions we have had to face, a falling off of this kind was inevitable. On the expenditure side, we expect a saving, as compared with 1929-30, of about a crore. This figure, however, does not do full justice to the efforts at economy which have been made, for the allocation to the Depreciation Fund has automatically risen by nearly half a crore while the amount deducted on account of worked lines accounts for a similar sum. On the expenditure side under the two main heads "Repairs and Maintenance" and "Operation", the reduction in gross working expenses amounts to about 235 lakhs. Of this sum, 84 lakhs is due to certain arrear adjustments with the Depreciation Fund, and the actual reduction of expenditure under these two heads is approximately  $1\frac{1}{2}$  crores. As usually happens, in a bad year the revenue fell off much faster than the expenditure could be reduced, and it will be necessary to carry on a vigorous economy campaign during coming months. I have preferred to make the comparison of the revised figures with the actuals of 1929-30, as our Budget for the current year has proved to be somewhat wide of the mark.

#### *Budget Estimate for 1931-32.*

8. Our Budget for next year assumes total receipts from all sources of  $102\frac{1}{2}$  crores and total charges of  $101\frac{1}{4}$  crores, leaving us with a net gain from all lines of  $1\frac{1}{4}$  crores. Our contribution to general revenues is 5 crores 36 lakhs, and to meet it we shall have to draw 4 crores 15 lakhs from the Reserve. Compared with the revised estimate, which shows a net loss of 512 lakhs, we expect an improvement of 6 crores 33 lakhs. Of this figure, 23 lakhs is expected to come from a reduction in the loss on strategic lines where we hope to get 12 lakhs more in receipts and reduce our expenditure by 13 lakhs, while the interest charges should not go up by more than 2 lakhs. Owing to the poor results of the current year, we shall have to pay away 40 lakhs less in surplus profits, and we hope by economical working to reduce our miscellaneous charges by 8 lakhs. The total of these three items—strategic lines, surplus profits and miscellaneous charges—is a betterment of 71 lakhs. Against this we shall have to pay 80 lakhs more in interest on commercial lines owing to the increase in the capital at charge, while owing to the depletion of our Reserve Fund balance we must expect to receive 16 lakhs less in interest on our balances. Our share next year of profits from subsidized companies and from branch lines in which we have invested, depends chiefly on the results of this year, and is likely to be down by 5 lakhs. Against the betterment of 71 lakhs we have therefore to set a deterioration of 101 lakhs in the other



items I have mentioned, which means that we have to cover a net deterioration of 30 lakhs, and in addition to obtain the additional 633 lakhs improvement mentioned, from the working results of commercial lines.

9. On the commercial lines we estimate the gross traffic receipts at 99½ crores against 93½ crores in our revised estimate, an improvement of about 6 crores. We anticipate an increase of about 2 crores from minor alterations in rates and fares, and for the rest, the estimate assumes that the latter part of next year will show some improvement in traffic. To make up the balance of 73 lakhs required if we are to obtain an improvement of 663 lakhs in the working results of the commercial lines, we have to look to a further reduction in working expenses. Actually, however, the reduction needed amounts to 194 lakhs, for the allocation to the Depreciation Fund goes up automatically by 37 lakhs, and the fortuitous credit of 84 lakhs to revenue from that fund in the current year will not be repeated. This reduction of Rs. 194 lakhs will have to be achieved notwithstanding the fact that we hope to handle more traffic in the cold weather of 1931-32 than we did this year, and notwithstanding the additional expenditure involved by the bringing into force of the hours of work conventions, the additional mileage to be opened and the recent increases in the wages of the lower-paid employees. The savings we anticipate fall under three heads:

- (i) Rs. 30 lakhs by reduction of establishments and contingent charges coming under the head of Administration;
- (ii) Rs. 157 lakhs by measures to reduce the cost of repairing and maintaining track and buildings and their equipment; and
- (iii) Rs. 2 lakhs only under Operation, where we have to provide 25 lakhs more for fuel. We are also expecting a larger payment by Rs. 5 lakhs from Companies and Indian States whose lines we work for them.

10. The figures I have given can again be presented in another form. We expect a surplus on the commercial lines of about 35½ crores, which exceeds by 3½ crores the interest debitable to the railways. Of the latter sum about 2 crores are required to meet the loss on the strategic railways, and there is a balance of 1½ crores left towards the contribution. We have therefore to draw upon the reserves to the extent of 4 crores in order to pay the contribution. If this estimate proves to be correct, the railways will be perfectly solvent, but will be unable to earn more than a small part of what they are expected to contribute in relief of the general tax-payer.

11. At this point it may be natural to enquire whether there is a reasonable prospect of attaining these results. So far as the reduction in expenditure is concerned, I am confident that, with the good will of all concerned and the strenuous efforts to effect economy which I know are being made on all railways, we should be able to reduce our expenditure to the extent contemplated. On the revenue side, the issue is of course much more uncertain. At the best of times the forecast of the earnings of the coming year is largely guess work, and under the abnormal conditions existing today the difficulty of making an estimate is very greatly increased. Almost everything of course depends upon whether the latter part of the coming year may see some lightening of the trade depression. Railway traffic figures are always a most sensitive barometer of the fluctuations in trade and the effect on railway revenues of any increased movement of goods and passengers would be immediate. It was only

after most careful consideration that I accepted the budget estimate of next year's earnings, but I think that, without being unduly optimistic, we may reasonably hope that next year's figures will show some improvement on the results of the current year. There is, however, one essential condition to be satisfied if our hopes are to be fulfilled. The restoration of peace in the country and the abandonment of methods of agitation which directly hamper and reduce trade are indispensable, if any real improvement is to take place. Granted these conditions, I have no doubt that some improvement may be looked for, since the effect of the civil disobedience movement has been to restrict temporarily the demand for a number of commodities and at the same time to create an accumulated demand which will claim satisfaction as soon as the barriers in the trade channels are removed.

12. The financial situation of the railways being such as I have attempted to describe, it is of course obvious that the most urgent duty of all concerned in their administration is to promote economy and bring about a reduction in working costs. To a limited extent savings occur automatically, because if fewer trains are run, less coal is burnt and a reduction in the operating staff becomes possible. Much more than this, however, is needed, and for some time past the Railway Board have been actively engaged in impressing on the Agents the necessity of reducing expenditure to the utmost extent possible. On page 9 of the Railway Board's Memorandum Honourable Members will find an indication of the directions in which it is hoped that costs can be brought down, as for example, the reduction of redundant establishments, the restriction of contingent charges to what is absolutely necessary and the cutting down of the standard of repairs and maintenance to the utmost extent possible, subject always to the proviso that, where safety is in question, no risks can be taken and the track and rolling stock must be maintained to the extent necessary to protect the public. We feel that at this juncture our primary duty is to stop up the hundreds of loopholes through which money is apt to leak away in times of prosperity, and we hope that the reduction in expenditure will come not from half a dozen large items, but from an immense accumulation of small items, the aggregate of which may be very substantial. This is an aspect of the case to which I specially desire to invite the attention of the House. I do not know whether Honourable Members share the difficulty I sometimes feel, when I read official reports and announcements, in translating into concrete terms the somewhat abstract phrases in which we are apt to deliver ourselves. Perhaps I can best explain what we are aiming at by giving two illustrations, not from the Railway Department at all, but from what came under my personal observation nearly a quarter of a century ago, when I had a good deal to do with the Telegraph Department. I hope my Honourable colleague Sir Joseph Bhore will pardon me for trespassing upon his province, but as the incidents took place so long ago I do not think I shall be in danger of hurting anyone's feelings.

13. About the year 1907, in order to improve the efficiency of the Telegraph Department, Mr. Newlands, a traffic expert from the British Post Office was invited to come to India, where he remained for more than a year, and as I can testify, did an extraordinary amount of valuable work in quickening up the whole telegraphic system. I was then Under Secretary in the Commerce and Industries Department, and was constantly in touch with what was going on. One of the matters which occupied

Mr. Newlands' mind was the possibility of reducing the number of letters which had to be signalled with every message as an official preamble. He spoke to me on the matter several times, and I gathered that what he hoped to do was to reduce the number of letters so signalled from 7 to 5. I ventured to suggest that this seemed a very small detail, and his immediate reply was that, though the operation might be very small, if it had to be repeated twenty million times a year, the total was not small either in time or in money. I have not the least doubt that there is a great field for economy of this kind in the railways. If a steady and constant effort is maintained to reduce to a minimum the operations which have to be done by hundreds or thousands of people every day throughout the country, much money can be saved.

14. The second incident was this. In those days in the Central Telegraph Office in Calcutta the booking counters were on the ground floor and the operating room on an upper floor, and the messages booked were sent upstairs by means of a pneumatic tube. At the foot of the tube there was a clerk with a register in which he entered the serial number of the telegram, the number given to it by the booking clerk, the date and hour of despatch, the name of the sender, the name of the addressee, the number of words in the telegram, the amount charged and some five or six other particulars. At the top of the tube in the operating room was a second clerk with an identical register in which he entered the same particulars over again. Mr. Newlands was inspecting the Calcutta Office and noticed what was going on. After reflecting for a moment or two he said, 'I should like to ask a question. Why do you not cut the tube half-way up and have a third clerk with a register there? Then you will have three registers instead of two'. Here the point was that the duplication of the registers was totally unnecessary, and in the Madras Office at that time exactly the same thing was going on, only there it was still more absurd, because the telegrams were passed from the booking counter to the operating room through a hutch in the wall, and the two clerks with their registers were within three feet of each other.

15. This duplication of registers and other parts of the official procedure is a danger against which it is constantly necessary to guard and I shall be very much surprised if the enquiries which are now proceeding do not disclose many opportunities for reducing work. In order to let the House see that the Railway Board are fully conscious of this danger and are determined to do all in their power to avert it, I think the House will be interested to know that Mr. Parsons and Mr. Hayman personally examined the system in force in the Office of the Divisional Superintendent at Delhi, and found it possible to effect a reduction in the establishment by eliminating exactly this sort of duplication. The results of their enquiries will be communicated to the Offices of all Divisional Superintendents, and the improvement effected will therefore not be for one office only but for a large number. Instructions have also been issued to Agents that, as soon as in any branch it has been found possible to effect an economy by reducing work, the result is to be communicated to all other Railway Administrations throughout the country. In this way it should be possible to multiply the effect of any saving.

16. I have laid stress on these examples, trivial though they may seem, because I believe that this method of securing economy is of first class importance and that our first and most urgent duty is to stop the leaks

in the ship which endanger her safety, and for the next few months I should like to see the energies of the whole staff of the railways from the Agents downwards concentrated on this vitally important task. It is indeed one of the advantages of a period of depression that the necessity for economy is imperiously enforced upon all concerned, and they have to set their wits to work to cut their coat according to their cloth. The method we are adopting to bring home to railway officers the position which has to be faced is that of rationing. The Railway Board do not propose to distribute to Agents the full sums provided in the Budget, but something less, and no further allotment will be made until conclusive reasons have been given. Agents will treat their heads of departments and the heads of departments their subordinates in exactly the same way. It should be possible, I believe, to effect in the course of a few months very substantial savings indeed.

17. At this point, Honourable Members may ask "Will these efforts at economy bring about the desired result in restoring solvency to the railways, and in any case, assuming that they did not or assuming that there was a further decline in earnings, would you leave the matter there? By March 1932 the Reserve Fund will have been reduced to negligible proportions and the railways will be operating on a very narrow margin. In these circumstances are not more drastic remedies called for?" These are most pertinent questions, and I will endeavour to reply to them as far as I can. My first answer is that in the contingency contemplated, it might well be necessary to carry the economy campaign a step further. It might be advisable, for example, to examine the possibility of more drastic and far-reaching economies than any we have yet contemplated, but any Committee appointed for this purpose would have to consist mainly, if not entirely of experts, because when we are dealing with a Department which is largely technical, it is only those who understand the whole position and appreciate exactly what has to be done and why it has to be done, who can deal with the question efficiently and expeditiously.

18. What has been said in the last paragraph brings me to a crucial point. When in the case of a commercial Department like the railways there is a wide gulf between earnings and expenditure, three questions naturally suggest themselves. Is it possible in the altered circumstances to restore solvency by a reduction in the scale of wages and salaries or by an increase in rates and fares or by a reduction in the taxation imposed on the undertaking? The last point may be briefly dismissed for the moment. Undoubtedly, if the fall in the general level of world prices proves to be permanent, the question whether the railways can continue to contribute towards general revenues on the scale on which they have been contributing for the last 7 or 8 years will have to be reviewed as well as a great many other questions, but it does not immediately arise in connection with this budget. The other two points are of greater importance and require somewhat fuller examination.

19. The question of the possibility of a reduction in the scale of wages and salaries on the railways has already been mooted in more than one quarter, and it is necessary to state clearly the view which Government take. Hitherto the complaint has been that the scale of wages, so far as any rate as the lowest class of railway employes are concerned, was inadequate and that measures were necessary to bring about an improvement. Two years ago in introducing the Railway Budget, I stated that Govern-

ment would approach the question with a desire to ascertain what was the most that could be done for the lower paid employes without injustice to other interests which Government were equally bound to safeguard. In pursuance of that statement, an immense amount of work has been devoted during the last two years to reviewing the scales of wages in force on almost the State-owned railways in India, and in preparing schemes in order to ameliorate conditions. The ultimate cost of the schemes for the revision of wages already sanctioned is about Rs. 32 lakhs per annum, and the bulk of the railway servants covered by these schemes draw pay not exceeding Rs. 30 per mensem. The first point I want to make here is this. In so far as we are dealing with this class of establishment and having regard to all that has passed in the last two or three years. I think that this House should be slow in arriving at the conclusion that any reduction in wages and salaries is feasible. Unquestionably these low paid servants of the railways must have gained substantially by the fall in prices, but before any question can arise as to a reduction in the scales of pay recently fixed, it should be shown that the new level of prices is likely to be permanent, and that having regard to all the considerations involved, the existing scales are excessive.

20. The second point I wish to make is this. I have endeavoured to ascertain the cost of the various classes of railway establishment, and while I must warn the House that the figures are only approximate so far as the subordinate establishments are concerned, certain facts emerge clearly. If we exclude the large class of railway servants who draw less than Rs. 30 a month, the cost of the remaining establishments is about 25 crores a year so that a ten per cent. cut in wages and salaries would mean a saving of 2½ crores. Out of the total, the salaries of gazetted officers amount to only 2 crores a year and a ten per cent. cut would give us only Rs. 20 lakhs. I have not been able to ascertain with accuracy the cost of the upper subordinate establishment, that is, of subordinates drawing Rs. 250 a month and over or on scales of pay rising to Rs. 250 a month and over, but probably Rs. 7 crores a year is an outside figure and the amount may actually be a good deal less. A ten per cent. cut in salaries applicable only to the gazetted and upper subordinate establishments would yield therefore a sum substantially less than Rs. 1 crore a year. It will be obvious from these figures that if a really substantial saving in expenditure is to be effected, the reduction will have to go right down the scale excluding only the lowest paid establishments of all who seldom draw more than Rs. 30 a month. It may be that this question will have to be faced and a reduction effected in order that the railways may become fully solvent and able to contribute to the extent the Legislature may consider proper to the general expenses of Government. But I think it is clear that when we are dealing with large bodies of Government servants on comparatively low rates of pay—and it must be remembered that the average wage of all the railway servants in India does not exceed Rs. 45 a month—it would be unfair to single out this Department alone for special treatment, and that if a reduction is finally found to be necessary, it should be general and applicable to all Departments of Government.

21. I turn now to the question of rates and fares. The question whether a deficit in the Railway Budget could be rectified by a general increase in rates and fares has been fully considered, and a number of minor

alterations—all of them I think within the powers of the Agents—have already been made and will be brought into force. As I have said in an earlier passage in my speech, we hope to get about Rs. 2 crores in the coming year from these increases, but our examination of the question has made it evident that so long as the acute stage of the world trade depression persists, it is exceedingly doubtful whether a general increase in rates and fares would in fact lead to an increase in earnings. Perhaps I can best illustrate this from a consideration of the passenger fares.

22. I find that during the last three years the third class passenger fares amount to very nearly 88 per cent. of the gross earnings from passenger traffic and in the three upper classes to little more than 12 per cent. I find further that between 1927-28 and 1929-30 the earnings from passengers carried in the three upper classes fell by from 6 to 8 per cent., whereas the earnings from the third class passengers fell by only one per cent. The inference to be drawn is obvious, that as prosperity conditions began to pass away and the impending trade depression grew nearer, there was an immediate tendency for passengers to travel a class lower than they had hitherto been accustomed to. That is to say, some of the first class passengers travelled second class, some of the second class passengers in intermediate class and some of the intermediate class passengers in the third class. If therefore the Government of India were now to increase the fares of three upper classes, I am afraid the only result would be to accentuate the tendencies which had disclosed themselves even in 1929-30, and which, from all I can hear, have been even more prominent during the current year, with the result that the fares indeed might be higher but the earnings much the same, if not lower. It follows that, if it were considered necessary to increase passenger fares, the increase would have to be general and applicable to the third class passengers. I do not say that it may not become necessary to face a general increase in third class fares, but before any decision is reached, two questions would require very close examination, namely, the limit imposed by the competition of the motor buses and the effect that the increase in fares might have on the total number of passengers travelling. What the railways are suffering from at present is a reduction in the total number of passengers, and it is very far from certain whether, until things begin to improve, railway receipts can in fact be increased appreciably by raising third class fares.

23. What I have said applies also to any general increases in the freight on goods. Here the considerations to be borne in mind are more complicated, but substantially the position is not very different. At a time when the purchasing power of the cultivator is narrowly restricted, even small increases in rates might have adverse effects on traffic and the gain to railway revenues from the increase might prove to be illusory. Our present conclusion is that while we shall be ready to make such increases in rates and fares as may prove to be practically feasible and likely to increase our earnings, it is not in this direction we can look for the means of bridging the gulf between the railway earnings and railway expenditure of all kinds.

24. It is not only from the point of view of obtaining a larger revenue that railway freight rates have come under review during the last few months. The general fall in world prices of agricultural produce has had a most serious effect on the position of the cultivating classes in India, and notwithstanding the very grave position of the railway finances we have

had to consider whether it was possible to reduce the railway freight on agricultural products. The products which have been specially examined are rice, wheat, oilseeds and cotton, and of these the first two may be dismissed briefly. About three months ago a reduction of nearly one-third was made in the railway freight on wheat to Karachi and as this route is the cheapest route from the Punjab Canal Colonies to Bombay, the reduction affected that centre also. Recently by arrangement with the Punjab Government a similar reduction has been made in the freight on wheat to Calcutta. Meanwhile, however, there has been a change in the relative level of prices, Indian wheat in the Punjab now stands at a price well above export parity, and so long as this condition of affairs exists, no reduction of railway freights which is practically feasible can lead to the export of wheat from India. As for rice, this is mainly a Burma problem, and the report which was called for from the Agent of the Burma Railways is now under examination.

25. So far as oilseeds are concerned, the case stands thus. The ground-nut crop which is grown mainly in the South of India is moving freely to the ports at the existing level of freights, and I may point out that on the Madras and Southern Mahratta and South Indian Railways the maximum lead to the ports does not exceed 350 miles, so that the railway freight is not likely to prove so burdensome as it may do when agricultural produce has to be brought to a port from a distance of 600 to 900 miles in Northern India. As to the other classes of oilseeds, the position appears to be this, that the Indian price in several cases is well above export parity and that a reduction in railway freight would make no difference. No more traffic would be moved and the price received by the cultivator would not be higher. It is very significant, I think, that no application has been received from the trade for a reduction in the railway freight on oilseeds, and all the information we have been able to obtain from those engaged in the export trade points to the conclusion that a reduction in railway freight at the present juncture would be ineffective. The position can perhaps be best illustrated by taking the case of cotton seed. Some three months ago the Agents of the two great railways leading into Bombay drew attention to the fact that cotton seed would not move at the level of freights then existing, and obtained the approval of the Railway Board to a substantial reduction in freight. For a few weeks this measure proved successful and the traffic increased, but recently there has been a further fall in world prices and the traffic has dropped back to its former level. So far as oilseeds are concerned, the Government of India have come definitely to the conclusion that at the moment there is nothing to be done, but that the position requires to be kept under constant observation, because the level of prices might so change that a reduction in freight would be beneficial both to the cultivator and to the railways.

26. The desirability of a reduction in freight has been more insistently pressed in the case of cotton than perhaps in the case of any other agricultural commodity, and the Government of India have given the question their most anxious consideration. The financial circumstances of the railways are such that so long as the cotton crop is moving freely at existing rates, they felt that a freight reduction could not be faced. In addition, they felt strongly that if a reduction was to be made at all, it should be made at the time when it was likely to prove of direct benefit to the cultivator, and also that before any final decision was taken, it was desirable to see how the traffic earnings were likely to shape in the

coming season. The position will therefore be reviewed in about six months' time, and meanwhile developments will be closely watched. But I should like to make it plain that this decision of Government does not imply any lack of consideration for the interests of the cultivator, or any failure to appreciate the broader aspects of the case which the railways, even when considered as a strictly commercial concern, ought to keep in view. A permanent reduction in the area under cotton in India, while undoubtedly injurious to the ryot, would affect the railways prejudicially in two ways, first because the cotton traffic itself would diminish, and second because food crops would probably be grown in the areas taken out of cotton with a consequent reduction in the railway traffic in food grains transported to these areas. This is an aspect of the case which will constantly be borne in mind. The Government of India are satisfied, however, that no reduction in cotton freight which could be made now would be likely to be of direct benefit to the cultivator.

27. What has been said in the foregoing paragraphs on the subject of rates and fares leads me to revert to a point which was only lightly touched on at an earlier stage. It will be that our railway services, like other branches of Government, may have to adjust themselves permanently to a lower level of prices. In that case, sooner or later the question will have to be faced how the adjustment is to be made. The three factors which will mainly affect the decision will, I think, be (1) the extreme importance to the national life of cheap transport, and in particular low rates for agricultural produce, (2) the desirability of satisfying the equitable claims of the great body of railway servants in India, and (3) the scale of contribution which, under the altered conditions, the railways can fairly be asked to make in aid of the general tax-payer. It is clear that each of these considerations will have to be balanced against the other two, and an attempt made to do justice to each of them. To attempt to deal with any one of them in isolation from the others could not lead to a satisfaction solution of our present difficulties.

28. It has been necessary, Mr. President, to deal at considerable length with the anxious problems of railway finance which emerge from the present trade depression, and the other aspects of railway administration, on which in introducing earlier Budgets I have dwelt at some length, can only be referred to briefly. There are three directions in which the ability of the railways to carry out desirable reforms and improvements has been sadly curtailed by the slump in trade and the reduction in railway earnings. One of them is the capital programme. Here all that can be said is that the programme has been cut to the bone and that nothing which is not absolutely essential has survived. We are unable to commence any new construction whatever, and can only carry on the works already in progress to completion. Of these the most important are the Sagaing bridge in Burma and the Raipur-Vizianagram Railway intended to open up a new outlet to the sea at Vizagapatam to a large area of the Central Provinces. Of the open line works now in progress or about to be undertaken, the most important are the doubling of the East Indian Railway from Cawnpore to Agra and the reconstruction of the Narbadda bridge which we have been compelled to undertake by considerations of safety. It is needless to say that this retardation of development work is a great disappointment, but conditions being what they are, there is no alternative.



29. The second direction in which desirable expenditure has had to be curtailed is the provision of greater amenities in all sorts of ways for third class passengers. At a time when all expenditure has to be severely restricted, it is impossible for the railways to provide services on the same scale as they are in a position to supply when times are prosperous, or to spend large sums in raising the standard of comfort. We can but hope that our present troubles are transitory, and that before long it will be possible to push on with the programme of improvements on which we were already engaged.

30. Finally, falling revenues mean slower progress in all the schemes which we hoped to undertake for the benefit of the railway staff and particularly for the lowest paid employes. This is inevitable, however regrettable, but while I am on this point I cannot close without paying a tribute to the indefatigable energy which during the last two years Mr. Hayman, the Staff Member of the Railway Board, has devoted to every question connected with the welfare of the staff and to the solution of a number of difficult staff problems which have arisen since the war and which could not be properly tackled until the headquarters organisation in the Railway Board was properly organised for the purpose. It is out of the question for me within any reasonable limit of time to describe in detail all that has been done, and indeed the bare enumeration of the various subjects which have come under examination might prolong my speech by twenty minutes or more. I can only refer here specially to the schemes which have been prepared and brought into force on most of the railways in India for improving the pay of the lowest paid employes, and the steps which have been taken to give effect to our obligations under the Geneva and Washington conventions regarding the hours of work of railway employes. Both these matters are now far advanced and Mr. Hayman and I will be ready during the budget discussions to give any additional information which Honourable Members may desire. Possibly also we may be able to circulate a memorandum so as to let the Honourable Members see that the numerous questions connected with the staff, to which attention is annually drawn in the discussion of the Railway Budget, have not been neglected or put on one side.

31. There are, however, two matters to which particular attention has been given, about which I should like to say a little more. One is the representation of Muslims in the railway service. Special enquiries have been made in three of the principal railways, and the Government of India have come to the conclusion that adequate steps have not yet been taken to give effect to the policy of Government and that further measures are necessary and must be introduced at a very early date. A memorandum on this point will be circulated. The other point to which I wish to refer is the question of Indianisation. I should like to bring to the notice of the House the fact that the percentage of officers of Indian domicile recruited for the State-managed railways during 1929-30 was 70·7 per cent. and when promotions from the Local Engineering and Traffic Service are taken into account, the percentage rises to over 75. I think this result is satisfactory. The position we have now reached is that except in the Transportation (Power) and Mechanical Engineering Departments, there is at present no difficulty in obtaining Indian recruits with the requisite qualifications. For these two branches special efforts have been made to obtain Indian recruits during the period before the scheme of apprenticeship instituted in 1926 comes to fruition. During the last two years applications

from Indians have been invited both in India and in the United Kingdom to fill vacancies in these branches in the hope that Indian candidates might be forthcoming in the open market, who would be likely to develop into efficient officers. The qualifying standard was lowered and the age limit relaxed and in this way seven recruits were obtained last year, and we hope to obtain five this year. In some cases candidates who were not fully qualified were engaged on probation for one year in the belief that with further experience and training they would come up to the required standard. I have thought it worth while to mention this in order to make it plain that no effort has been lacking to carry out the declared policy of Government.

32. Mr. President, I fear I have addressed this House at somewhat excessive length and I must thank Honourable Members for the indulgence with which they have heard me. My only excuse is that today the financial circumstances of the railways are as anxious and difficult as they have been at any previous period, and it seemed part of my task to convince the House, if I could, that all the difficult problems would receive full and ample consideration. I will not delay the House further, Mr. President, but recommend the budget proposals to their consideration. (Applause.)

**BUDGET**  
of the  
**Railway Revenue and Expenditure of the**  
**Governor-General in Council,**  
as laid before the  
**Indian Legislature 1931.**

**RAILWAY DEPARTMENT;**  
*New Delhi, the 17th February 1931.*

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

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

HEADS OF REVENUE.	ACCOUNTS, 1929-30.				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 . . . . .	4,20,50,791	...	...	4,20,50,791	3,79,00,000	...
Third class . . . . .	30,98,13,228	...	...	30,98,13,228	28,85,00,000	...
Other coaching traffic earnings.	5,68,69,083	...	...	5,68,69,083	5,31,00,000	...
Goods traffic earnings.	64,37,05,856	...	...	64,37,05,856	59,50,00,000	...
Sundry earnings . . . . .	2,12,27,303	6,43,141	3,944	2,18,74,390	1,52,49,000	6,43,000
<b>TOTAL EARNINGS . . . . .</b>	<b>1,07,38,65,063</b>	<b>6,43,141</b>	<b>3,944</b>	<b>1,07,43,13,149</b>	<b>98,87,49,000</b>	<b>6,43,000</b>
<b>Deduct—</b> { Refunds of Revenue collected.	14,59,913	...	...	14,59,913	18,00,000	...
Earnings of worked lines.	6,47,29,867	...	...	6,47,29,867	5,19,00,000	...
Earnings of State Railways.	1,00,74,83,984	6,43,141	3,944	1,00,81,30,069	93,53,49,000	6,43,000
Suspense . . . . .	30,16,886	...	...	30,16,886	...	...
Gross receipts of State Railways.	1,01,04,99,870	6,43,141	3,944	1,01,11,43,955	93,53,49,000	6,43,000
Deduct—Working expenses of State Railways.*	95,56,07,079	52,76,384	27,769	96,09,10,125	64,59,75,000	59,60,000
Surplus profits paid to Indian States and railway companies.	1,51,97,708	...	...	1,51,97,708	1,15,00,000	...
Net receipts . . . . .	33,94,95,083	—46,32,143	—23,818	33,50,39,123	27,78,74,000	—43,17,000
(b) Strategic lines—						
Gross receipts	1,58,95,380	...	...	1,58,95,380	1,40,10,000	...
Deduct—Refunds of Revenue collected.	14,080	...	...	14,080	10,000	...
Working expenses . . . . .	2,08,82,341	286	...	2,09,82,627	2,17,00,000	...
Net receipts . . . . .	—50,01,041	—286	...	—50,01,327	—77,00,000	...
Total net receipts, Commercial and Strategic lines.	33,46,94,042	—46,32,429	—23,818	33,00,37,795	27,01,74,000	—46,17,000
<b>XII.—Subsidised Companies: Government share of surplus profits, etc.</b>	12,37,361	46,01,616	1,761	58,70,738	17,53,000	3,44,000
<b>XII-A.—Miscellaneous Railway Receipts—</b>						
(a) Commercial lines—						
Interest on Depreciation and Reserve Fund balances.	1,24,57,407	...	...	1,24,57,407	1,33,53,000	...
Dividend on investments in branch lines and other Miscellaneous Receipts.	21,46,398	...	...	21,46,398	18,00,000	...
(b) Strategic lines—						
Interest on Depreciation Fund balances.	3,08,804	...	...	3,08,804	2,19,000	...
<b>TOTAL RECEIPTS . . . . .</b>	<b>35,08,48,813</b>	<b>—30,813</b>	<b>7,943</b>	<b>35,08,20,943</b>	<b>28,78,98,000</b>	<b>—43,73,000</b>
<b>XII-B.—Transfers from Railway Reserve Fund.</b>	2,08,31,708	...	...	2,08,31,708	10,85,99,000	...
<b>TOTAL . . . . .</b>	<b>37,16,65,518</b>	<b>—30,813</b>	<b>7,943</b>	<b>37,16,42,648</b>	<b>39,61,97,000</b>	<b>—43,73,000</b>

\*For details see statement 1 (a).

BUDGET FOR 1931-32.

Government from Railways in India and England.

1930-31.			BUDGET ESTIMATE, 1931-32.				Increase (+) Decrease (-) as compared with Revised, 1930-31.
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1930-31.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1930-31.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	3,79,00,000	-52,00,000	4,08,00,000	...	...	4,08,00,000	+29,00,000
...	28,86,00,000	-2,91,00,000	30,32,00,000	...	...	30,32,00,000	+1,47,00,000
...	5,21,00,000	-52,00,000	5,73,00,000	...	...	5,73,00,000	+52,00,000
...	59,80,00,000	-8,97,00,000	62,68,00,000	...	...	62,68,00,000	+3,38,00,000
8,000	1,59,00,000	-52,00,000	1,78,57,000	6,43,000	...	1,85,00,000	+26,00,000
8,000	98,94,00,000	-12,94,00,000	1,04,79,57,000	6,43,000	...	1,04,66,00,000	+5,93,00,000
...	15,00,000	-2,50,000	15,00,000	...	...	15,00,000	...
...	5,19,00,000	-30,50,000	5,21,00,000	...	...	5,21,00,000	+2,00,000
8,000	93,00,00,000	-12,51,00,000	99,43,57,000	6,43,000	...	99,50,00,000	+5,90,00,000
...	...	...	...	...	...	...	...
8,000	93,50,00,000	-12,51,00,000	99,43,57,000	6,43,000	...	99,50,00,000	+5,90,00,000
65,000	65,13,00,000	-2,96,82,000	63,88,88,000	51,42,000	...	64,40,00,000	-73,00,000
...	1,15,00,000	-7,00,000	75,00,000	...	...	75,00,000	-40,00,000
-57,000	27,32,00,000	-9,48,18,000	34,79,98,000	-44,99,000	...	34,35,00,000	+7,03,00,000
...	1,40,10,000	-24,00,000	1,50,10,000	...	...	1,50,10,000	+10,00,000
...	10,000	...	10,000	...	...	10,000	...
...	2,17,00,000	+7,57,000	2,03,00,000	...	...	2,03,00,000	-14,00,000
...	-77,00,000	-31,57,000	-53,00,000	...	...	-53,00,000	+24,00,000
-57,000	28,55,00,000	-9,79,75,000	34,26,98,000	-44,99,000	...	33,83,00,000	+7,27,00,000
4,000	21,00,000	+2,00,000	17,14,000	86,000	...	18,00,000	-3,00,000
...	1,33,53,000	-5,35,000	1,17,79,000	...	...	1,17,79,000	-15,74,000
...	16,00,000	+4,70,000	16,00,000	...	...	16,00,000	-2,00,000
...	5,19,000	+1,12,000	6,56,000	...	...	6,56,000	+1,37,000
-53,000	28,32,72,000	-9,77,26,000	35,54,48,000	-44,13,000	...	35,40,35,000	+7,07,53,000
...	10,55,99,000	+10,55,99,000	4,14,67,000	...	...	4,14,67,000	-6,71,32,000
-53,000	39,18,71,000	+1,08,71,000	39,99,15,000	-44,13,000	...	39,55,02,000	+30,31,000

## BUDGET FOR 1931-32.

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

Heads of working expenses.	ACCOUNTS, 1929-30.				REVISED ESTIMATE	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration . . . . .	13,85,99,358	48,75,284	24,810	14,02,99,152	13,80,80,000	48,60,000
Repairs and maintenance . . . . .	17,78,63,869	—	—	17,78,63,869	15,95,00,000	—
Operation . . . . .	25,35,15,633	4,00,000	3,152	25,39,18,785	24,85,93,000	4,00,000
Depreciation . . . . .	12,17,95,123	—	—	12,17,95,123	12,63,00,000	—
suspense . . . . .	—15,000	—	—	—15,000	—	—
<b>Total</b> . . . . .	<b>68,55,53,783</b>	<b>52,75,284</b>	<b>27,762</b>	<b>69,36,51,829</b>	<b>67,24,75,000</b>	<b>52,60,000</b>
Deduct—Share of Worked Lines.	3,29,51,704	—	—	3,29,51,704	3,25,00,000	—
<b>Working Expenses</b> . . . . .	<b>65,26,02,079</b>	<b>52,75,284</b>	<b>27,762</b>	<b>66,09,10,125</b>	<b>64,00,75,000</b>	<b>52,60,000</b>

BUDGET FOR 1931-32.

State Railways—Commercial Lines.

1930-31.		Increase (+) Decrease (-) as compared with Budget, 1930-31.	BUDGET ESTIMATE, 1931-32.				Increase (+) Decrease (-) as compared with Revised, 1930-31.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
60,000	14,30,00,000	-2,00,000	13,53,58,000	47,43,000	---	14,00,00,000	-30,00,000
---	15,95,00,000	-1,35,75,000	15,22,00,000	---	---	15,22,00,000	-73,00,000
5,000	24,90,00,000	-1,52,60,000	24,84,00,000	4,00,000	---	24,68,00,000	-2,00,000
---	13,63,61,000	-19,57,000	13,00,00,000	---	---	13,00,00,000	+37,00,000
---	---	---	---	---	---	---	---
65,000	67,78,00,000	-3,09,92,000	66,58,58,000	51,42,000	---	67,10,00,000	-68,00,000
---	2,65,00,000	-14,10,000	2,70,00,000	---	---	2,70,00,000	+5,00,000
65,000	65,13,00,000	-2,95,62,000	63,98,58,000	51,42,000	---	64,40,00,000	-73,00,000

## BUDGET FOR 1931-32.

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

HEADS OF EXPENDITURE.	ACCOUNTS, 1929-30.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>10. State Railways—</b>						
<b>(a) Commercial Lines—</b>						
<b>Interest—</b>						
on Government capital at charge . . . . .	16,91,39,381	10,69,68,336	7,94,731	27,69,02,348	18,76,94,000	10,90,84,000
on capital contributed by Indian States and Companies . . . . .	4,16,970	1,31,71,784	1,06,289	1,36,94,043	4,20,000	1,31,72,000
<b>Total interest, commercial lines . . . . .</b>	<b>16,95,56,351</b>	<b>12,01,40,020</b>	<b>9,01,020</b>	<b>29,05,96,391</b>	<b>18,83,14,000</b>	<b>12,30,96,000</b>
<b>(b) Strategic Lines—</b>						
Interest on capital at charge . . . . .	1,40,09,273	—	—	1,40,09,273	1,46,75,000	—
<b>TOTAL INTEREST . . . . .</b>	<b>18,35,64,624</b>	<b>12,01,40,020</b>	<b>9,01,020</b>	<b>30,46,05,664</b>	<b>20,29,89,000</b>	<b>12,30,96,000</b>
<b>11. Subsidized Companies—</b>						
Land and subsidy . . . . .	4,39,199	—	—	4,39,199	6,50,000	—
<b>12. Miscellaneous Railway expenditure—</b>						
Commercial lines . . . . .	59,53,133	13,07,927	10,908	53,61,968	42,35,000	19,66,000
Strategic lines . . . . .	40,864	—	—	49,864	40,000	—
<b>Payments to general revenues—</b>						
Contribution* . . . . .	6,11,65,963	—	—	6,11,65,963	5,73,67,000	—
One-third of the excess of railway surplus over three crores . . . . .	—	—	—	—	—	—
<b>Total payment to general revenues . . . . .</b>	<b>6,11,65,963</b>	<b>—</b>	<b>—</b>	<b>6,11,65,963</b>	<b>5,73,67,000</b>	<b>—</b>
<b>12A—Surplus Railway Revenue transferred to Railway Reserve Fund.</b>	—	—	—	—	—	—
<b>TOTAL . . . . .</b>	<b>24,91,92,773</b>	<b>12,16,57,947</b>	<b>9,11,938</b>	<b>37,16,43,648</b>	<b>26,53,71,000</b>	<b>12,50,61,000</b>

\* For details see Statement 3 (a).



BUDGET FOR 1931-32.

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

1930-31.		Increase (+) Decrease (-) as compared with Budget, 1930-31.	BUDGET ESTIMATE, 1931-32.					Increase (+) Decrease (-) as compared with Revised, 1930-31.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.		
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
13,52,000	29,91,70,000	+1,26,14,000	19,63,52,000	11,09,24,000	...	20,72,76,000	+81,06,000	
1,62,000	1,37,54,000	+1,42,000	4,20,000	1,31,72,000	...	1,35,92,000	-1,62,000	
15,14,000	31,29,24,000	+1,27,56,000	19,67,72,000	12,40,96,000	...	32,08,68,000	+79,44,000	
...	1,46,75,000	+8,35,000	1,46,52,000	...	...	1,48,52,000	+1,77,000	
15,14,000	32,75,99,000	+1,35,81,000	21,16,24,000	12,40,96,000	..	33,57,20,000	+81,21,000	
...	6,50,000	+50,000	7,00,000	...	...	7,00,000	+50,000	
25,000	62,35,000	+6,45,000	39,54,000	14,66,000	...	54,40,000	-7,85,000	
...	40,000	-10,000	40,000	...	...	40,000	...	
...	5,73,57,000	...	5,36,02,000	...	...	5,36,02,000	-37,55,000	
...	...	...	...	...	...	...	...	
...	5,73,57,000	...	5,36,02,000	...	...	5,36,02,000	-37,55,000	
...	...	-33,86,000	...	...	...	...	...	
15,39,000	39,18,71,000	+1,05,71,000	26,99,30,000	12,55,62,000	...	39,55,02,000	+36,31,000	

## BUDGET FOR 1931-32.

## 2 (a).—Contribution from Railway to General Revenues, 1930-31.

(Based on actuals, 1928-29.)

	Rs.	Rs.
1. 1 per cent. on capital of 6,93,73,40,683 at charge, commercial lines . . . . .	...	6,93,73,407
<b>2. (i) Receipts—Commercial lines—</b>		
Gross traffic receipts . . . . .	1,02,07,09,084	
Subsidised Companies, share of surplus profits . . . . .	38,84,026	
Interest on Depreciation and Reserve Fund balances . . . . .	1,01,13,368	
Dividend on investments in branch lines and other miscellaneous receipts . . . . .	11,57,53	
<b>(ii) Charges—Commercial lines—</b>		1,04,21,03,710
Working expenses . . . . .	63,87,84,630	
Indian States and Railway Companies' share of surplus profits . . . . .	1,53,14,166	
Interest—		
On capital at charge . . . . .	26,40,71,970	
On capital contributed by Indian States and Companies . . . . .	1,50,43,336	
Land and subsidy . . . . .	2,91,370	
Miscellaneous railway expenditure . . . . .	31,66,503	
Contribution at 1 per cent. on capital at charge . . . . .	6,93,73,407	
		1,01,62,43,341
<b>(iii) Surplus . . . . .</b>	...	2,60,20,369
<b>(iv) Contribution of one-fifth of surplus . . . . .</b>	...	51,64,074
<b>3. (i) Total contribution from railway revenues [1 plus 2 (iv)] . . . . .</b>		
	...	7,45,57,482
<b>Deduct—Loss on strategic lines borne by railway revenues—</b>		
(i) Interest on capital . . . . .	1,41,81,448	
(ii) Loss in working . . . . .	30,16,701	
		1,72,00,149
<b>(ii) Net payment due from railway to general revenues in 1930-31 . . . . .</b>	...	73,57,333

BUDGET FOR 1931-32.

23

2. (a).—Contribution from Railway to General Revenues, 1931-32.  
(Based on actuals, 1929-30.)

	Rs.	Rs.
1. 1 per cent. on capital of 7,23,54,27,832 at charge, commercial lines . . . . .		7,23,54,278
<b>3. (i) Receipts—Commercial Lines—</b>		
Gross traffic receipts . . . . .	1,01,11,46,955	
Subsidised Companies' share of surplus profits . . . . .	58,70,738	
Interest on Depreciation and Reserve Fund balances . . . . .	1,24,57,407	
Dividend on investments in branch lines and other miscellaneous receipts . . . . .	21,46,398	
<b>(ii) Charges—Commercial Lines—</b>		
Working expenses . . . . .	66,09,10,125	1,03,16,21,498
Indian States and Railway Companies' share of surplus profits . . . . .	1,51,97,708	
<b>Interest—</b>		
On capital at charge . . . . .	27,69,02,348	
On capital contributed by Indian States and Companies . . . . .	1,36,94,048	
Land and subsidy . . . . .	4,39,199	
Miscellaneous railway expenditure . . . . .	53,61,958	
Contribution at 1 per cent. on capital at charge . . . . .	7,23,54,278	
		1,04,48,59,659
(iii) Deficit . . . . .		1,32,38,161
(iv) Contribution of one-fifth of surplus . . . . .		
<b>3. (i) Total contribution from railway revenues [1 plus 2 (iv)] . . . . .</b>		
		7,23,54,278
<b>Deduct—Loss on strategic lines borne by railway revenues—</b>		
(i) Interest on capital . . . . .	1,40,09,273	
(ii) Loss in working . . . . .	47,42,587	
		1,87,51,860
(ii) Net payment due from railway to general revenues in 1931-32 . . . . .		5,36,02,418





## BUDGET FOR 1931-32.

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

HEADS OF EXPENDITURE.	ACCOUNTS, 1929-30.				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>						
<b>Open Line Works—</b>						
Rolling Stock . . . . .				5,48,44,000		
Other Works . . . . .				9,98,09,371		
New Construction . . . . .				6,50,37,000		
Suspense . . . . .				87,45,000		
Purchase of Railways and branch line shares . . . . .				7,05,55,000		
<b>Deduct—Probable Throw forward</b>				...		
<b>TOTAL</b>	12,53,10,331	6,95,03,205	11,76,735	20,89,90,271	8,45,06,000	5,72,00,000
<b>(b) Strategic Lines—</b>						
<b>Open Line Works—</b>						
Rolling Stock . . . . .				4,84,000		
Other Works . . . . .				8,82,404		
New Construction . . . . .				14,77,000		
<b>TOTAL</b>	28,43,404	...	...	18,43,404	26,00,000	...
<b>4 &amp; COMMERCIAL AND STRATEGIC LINES</b>	13,11,53,735	6,95,03,205	11,76,735	30,18,33,675	8,70,06,000	5,72,00,000
<b>53-C.—Discharge of Debentures</b>	...				...	...



## BUDGET FOR 1931-32.

## A.—Railway Depreciation Fund.

	Accounts, 1929-30.	Budget Estimate, 1930-31.	Revised Estimate, 1930-1.	Budget Estimate, 1931-32.		Accounts, 1929-30.	Budget Estimate, 30-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	11,40,96,631	12,50,96,631	12,24,20,420	16,29,20,420	Appropriation from Depreciation Fund.	11,76,18,314	8,50,00,000	9,00,00,000	8,55,00,000
Appropriation to Depreciation Fund.	12,59,42,109	13,35,00,000	13,05,00,000	13,48,00,000	Closing balance.	12,24,20,420	17,25,96,631	16,29,20,420	21,47,20,420
<b>Total</b>	<b>24,00,38,734</b>	<b>25,75,96,631</b>	<b>25,29,20,420</b>	<b>29,72,20,420</b>	<b>TOTAL</b>	<b>24,00,38,734</b>	<b>25,75,96,631</b>	<b>25,29,20,420</b>	<b>29,72,20,420</b>



BUDGET FOR 1931-32.

B.—Railway Reserve Fund.

	Accounts, 1929-30.	Budget Estimate, 1930-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.		Accounts, 1929-30.	Budget Estimate, 1930-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	18,42,43,980	17,56,18,980	16,34,22,274	5,43,23,274	Appropriation from Re- serve Fund.	2,08,21,706	...	10,65,09,000	4,14,67,000
Appropri- ation to Reserve Fund.	...	33,95,000	...	...	Closing Balance.	16,34,22,274	17,90,08,980	5,43,23,274	1,33,56,274
<b>TOTAL</b>	<b>18,42,43,980</b>	<b>17,90,08,980</b>	<b>16,34,22,274</b>	<b>5,43,23,274</b>	<b>TOTAL</b>	<b>18,42,43,980</b>	<b>17,90,08,980</b>	<b>16,34,22,274</b>	<b>5,43,23,274</b>

**Speech by the Hon'ble Mr. T. G. Russell, Chief Commissioner of Railways, in presenting the Railway Budget for 1931-32 in the Council of State.**

Sir,

I have the honour to present a statement of the estimated revenue and expenditure of the Governor General in Council for the year 1931-32 in respect of Railways. A Railway Budget, like any other budget, must of necessity be mainly composed of figures, the quotation of which *en masse* is not only wearisome to the speaker but even more so to the listener. I propose, therefore, as far as possible only to give the essential figures and leave Honourable Members to examine the figures in detail from the Budget Memorandum which will be placed in their hands at the conclusion of my speech.

2. I need only refer briefly to the results of 1929-30—these are already generally known. I confess that when I presented the budget estimate last year I was more optimistic than events proved to have been justified. Our weekly earnings had just shown indications of improving and I anticipated that we should have a net gain of 526 lakhs from all lines, commercial and strategic, and that to meet our contribution to general revenues it would be necessary to withdraw only 86 lakhs from our reserves. But the spirit was short-lived and instead of this our net gain was only 404 lakhs which entailed a withdrawal of 208 lakhs from our reserves, reducing them to 16,34 lakhs. The main reasons for our revenues failing to come up to expectations were the world trade depression and the strike on the Great Indian Peninsula Railway. The position of our depreciation fund is, however, more cheerful, and as a result of our transactions we were able to increase this from 11½ crores to approximately 12¼ crores.

3. Next we come to the current year. When last year at this time we framed our estimate of receipts—as we then thought on a conservative basis—we expected to have a net gain of 608 lakhs which would have sufficed to pay the fixed contribution of 574 lakhs to general revenues and give us a small surplus of 34 lakhs to place to our reserves. We were again, I confess, too optimistic. At the time the figures were placed before the Legislature there was little sign that the general economic depression and the civil disobedience movement would develop to the extent which they have, and we assumed that we could expect though not a bumper year, at least a year of normal or just below normal traffic, and it is indeed tantalising that the two factors, which I have mentioned, should have interfered with what, considering the wonderful crops which India has produced this year, should have been a year of marked prosperity for the railways. But we must face the facts, gloomy though they may appear to be, and the position is that instead of having a small surplus to put to reserves we shall not merely be unable to pay our contribution to the general revenues but shall also have to draw on our reserves to the extent of about 3 crores to pay our interest charges. In more detail the position is that against a budget estimate of 106 crores 11 lakhs we now estimate our gross traffic receipts for commercial lines at 93 crores 60 lakhs. This estimate has, of course, to be made before the results of two of the heaviest months of traffic are known, but I am afraid I cannot hold out hopes that there will be any increase in the figure of earnings estimated. I have already stated what we consider to have been the main reasons for the falling off in our traffic, but the Council will expect me to give some details of how these factors affected the position

The fall in the cost of agricultural products with its consequent effect on earning capacity has restricted the ability of large sections of the population to indulge in railway travelling as freely as usual, with the result that the reductions in passenger fares, which we made two or three years ago with the object of encouraging more travel, and incidentally increasing our revenues have not had the desired effect and have actually reduced our net earnings. The actual number of passengers carried during the first seven months of the financial year is 23 millions lower than carried during the same period of the preceding year.

As regards goods traffic, there has been a falling off in the amount of carriage of almost all commodities. The only commodity of any importance, which shows a substantial increase, is wheat, and of this commodity we carried 272 thousand tons more in the first 7 months of this year than in the preceding year.

4. Let us now turn to the slightly more cheerful side of the picture—working expenses. Last year we budgeted for working expenses 68 crores 9 lakhs. We now estimate that our working expenses for the current year will be 65 crores 13 lakhs, or a net saving on our budget estimate of 296 lakhs. Admittedly, 84 lakhs of this saving is due to a fortuitous adjustment between the depreciation fund and revenue, but the remainder 2 crores 12 lakhs is all real reduction. For this reduction railway administrations must be given full credit. It could not have been achieved without very strenuous efforts on the part of all railway staff. Our critics will, of course, say that reduced traffic must mean reduced working expenses. This is quite correct, but what they forget is that working expenses do not fall, and cannot fall, in the same ratio as a reduction in traffic. Actually only from 25 to 40 per cent. of the cost of running a railway is dependent on the amount of traffic moved. In addition, this year we have had to operate and maintain over 300 miles of new lines. We have had to take steps to engage additional staff in order to give effect to the Hours of Employment Regulations which are now being brought into force on State-managed Railways. We have improved the scales of wages of the lower paid men on three of the State-managed Railways as a result of the investigation which was promised last year. I think, therefore, that railways can claim that they have done their best to meet the present emergency. I may say that I have lately been reading Directors' Reports on railways in various parts of the world; many of these must make most depressing reading to their shareholders, but I think a perusal of them would probably make quite cheerful reading to Honourable Members as they would then realise that the position of Indian Railways is at least no worse than many railways in other parts of the world and is in fact better than many.

5. Having confessed to having been too great an optimist in forecasting the earnings of railways during the past two years I admit that I approach the task of making an estimate for the year 1931-32 with a good deal of temerity. He is a brave man who at the present time claims to be able to see far into the future; no one can tell when there will be a reaction from the present world-wide depression, but we can only do our best, and I feel sure that the Council will retrace the difficulties which beset us when we endeavour to make an estimate of what traffic the railways will carry next year. Even in normal times the difficulties are great. Everything in India depends on the monsoon, but, as usual, in making our estimate we have assumed that the monsoon will be normal. We have also assumed that there will be a slight improvement in trade, and we estimate our gross traffic receipts from commercial lines for the year 1931-32 at 99½ crores, or about 6 crores higher than our revised estimate

for this year. In making this estimate we have included an amount of from 1½ to 2 crores for minor alterations of rates and fares. My predecessors, Sir Clement Hindley and Sir Austen Hadow, when they presented their Budgets of two or three years back, were in the happy position of being able to announce popular measures, such as reductions in rates and fares. I regret, as I have mentioned, that I am in an unhappy position of having to announce that it will be essential to increase certain of our rates, but I can assure the Council that any changes which we make will be done with due regard to the trade of the country and care will be taken not to impose rates which will press too hardly on any particular section of the community. We have recently been pressed to make a general reduction in the rates for agricultural products. We have gone into the question in great detail and are convinced that in the present state of world over-production no decrease, with its consequent loss to railways, can possibly be made up by increased traffic, but I can assure the Council that all railways are alive to the position and are carefully watching the movement of agricultural products; and if there are signs that a reduction in rates on any particular commodity will stimulate traffic this will be considered. As examples of this, rates for wheat to Karachi and rates for cotton seed to Bombay have been reduced, and by a special arrangement with the Punjab Government rates for wheat from the Punjab to Calcutta have also been temporarily reduced. It remains to be seen whether these reductions will have the desired effect. Apart altogether from the railway position, a reduction in rates which does not lead to an increase of traffic can be of little benefit to the *ryot*, the man whom it is desired to benefit.

6. Now I must turn to our estimate of the working expenses for the current year. Here again there are considerable difficulties in making an accurate forecast, though these difficulties are nothing like as great as in the case of forecasting our earnings. Our budget estimate of ordinary working expenses for the year 1931-32 we place at 105 lakhs below our revised estimate for the current year; but, as I have said before, this year's saving has been increased by an unexpected windfall of 84 lakhs from the Depreciation Fund. Therefore, if we are correct in our estimate the reduction amounts to close on 2 crores of rupees. To get this reduction over a year in which railways have made special efforts to save will, it is realised, mean unremitting attention on behalf of every railway administration and on the part of every member of the staff. The task is made more difficult as additional expenditure in certain directions will be unavoidable. Additional staff must be engaged to give effect to the new Hours of Employment Regulations, and the full expense of the recent increases in the wages of the lower paid staff will only be felt next year. There will also be the cost of maintaining and operating nearly 900 miles of new lines which we expect to be opened during this and next year—lines the net earnings from which cannot in the first few years of their existence be expected to cover their interest charges. It must also be borne in mind that in making this estimate we are allowing for a moderate increase in traffic. We have, I admit, set railways a difficult task, but we feel confident that the railways and their staff are prepared and willing to shoulder the burden. It is our hope that the general public will realise that they also must be called upon to bear a certain portion of the burden. It will not be possible to give them certain luxuries which are taken as a matter of course in days of prosperity; but we can assure them that despite the efforts which we are making to cut down expenditure, no reduction will be allowed if it entails a lesser degree of safety for the travelling public than they have reason to expect at present. Reductions in expenditure of the magnitude which I have forecasted, must mean of necessity restrictive rationing of

staff on all railways. It will also mean that every man will have to do a little extra; but as I have said before, there is no fear that our staff will not loyally support the railway administrations in their efforts to effect the necessary economies. There are two items of expenditure over which we have no control. Under the rules governing the transactions of the Depreciation Fund 37 lakhs more than last year have to be placed to the credit of the fund from revenue. Also with an increase in capital our interest charges increase.

7. To sum up, we anticipate that our total receipts from commercial lines will be 101 crores 2 lakhs, or 5 crores 69 lakhs better than last year; while our charges ought to be 97 crores 85 lakhs, or 41 lakhs less than the current year. If our estimates prove correct we should obtain a surplus from commercial lines of 3 crores 17 lakhs, as against a loss of 2 crores 93 lakhs for the current year. Deducting 1 crore 96 lakhs from the surplus to meet the loss on strategic lines we are left with a balance of 1 crore 21 lakhs. Our contribution to general revenues next year will be 5 crores 36 lakhs; to meet this we shall again have to draw on our reserves to the extent of 4 crores 15 lakhs, reducing the balance to 1 crore 33 lakhs at the end of the year. Again, however, the Depreciation Fund gives a more cheerful picture, and we anticipate that it will stand at 21 crores 47 lakhs on the 31st March 1932. As I shall explain later, we only expect to withdraw 8 crores 25 lakhs next year against 13 crores 43 lakhs paid in from revenue according to the rules of the Fund.

8. Before I turn to the programme of works, there are one or two subjects which I should like to mention to the Council.

During the current year we have been able to make considerable headway with a number of schemes of improvement in the service conditions of the staff. First, with regard to wages, the investigation started last year into the rates of pay of the lower paid employees has been concluded, so far as the State-managed Railways are concerned, and schemes of improvement sanctioned for persons in inferior service on the Eastern Bengal, Great Indian Peninsula and East Indian Railways estimated to cost a recurring amount of 4½ lakhs on the Eastern Bengal and 5 lakhs on the Great Indian Peninsula Railways and 11 lakhs on the East Indian Railway, as also for workshop employees of the Eastern Bengal and East Indian Railways costing 5½ lakhs. Revisions of pay have also been sanctioned on some of the Company-managed Railways: thus on the Assam Bengal Railway the pay of persons in inferior service and of the lower paid subordinate staff has been revised at an annual cost of 1½ lakhs; on the Madras and Southern Mahratta Railway the pay of the clerical, lower subordinate, menial and workshop staff has been revised at an estimated annual cost of 4½ lakhs. Following the revision of wages on the Great Indian Peninsula Railway an investigation has also been made into the wages of the lower paid employees of the Bombay, Baroda and Central India Railway.

Next, as regards Hours of Work, it may be recalled that a Bill amending the Indian Railways Act with a view to giving effect to the provisions of the Washington and Geneva Conventions was passed by the Legislative Assembly on the 27th February, 1930, and by this House on the 19th March, 1930. Soon after, a senior officer was placed on special duty with the Railway Board to direct and co-ordinate the working out of the schemes on the various railways through the agency of officers placed on special duty on individual railways for the purpose and it is expected that the Hours of Employment and Periods of Rest Rules which have been made in pursuance of the Act, will be fully introduced on the North Western and East Indian Railways with

effect from the 1st April, 1931, on the Eastern Bengal and Great Indian Peninsula Railways some six months later and on Company-managed railways after a year or so. The total cost of these schemes is estimated to be 45 lakhs per annum on account of additional staff and 75 lakhs under capital for the provision of their quarters.

The question of speeding up payments has also received attention and a scheme has been introduced on one division of the East Indian Railway to ensure that the payments of salaries and allowances will be made within 7 and 14 days respectively of the close of the month to which they relate. Similar arrangements are in course of extension to the other divisions of the railway.

As a result of complaints made by the All-India Railwaymen's Federation that debits were raised against the staff in trivial matters and without proper enquiry, the Government of India have placed a senior Traffic Officer on special duty to enquire into the existing procedure on the East Indian Railway and are awaiting his report.

The Government of India have also placed an officer of the Education Department on special duty to frame an estimate of the cost of introducing new rules for the grant of assistance to railway employees towards the education of their children and to report on certain other outstanding questions in that connection, such as the standard of education up to which assistance should be given and other cognate matters. In the meantime the Railway Board have issued provisional rules for the grant of such assistance so as to eliminate all racial discrimination for future employees.

The question of devising measures to combat the evil of indebtedness particularly among the lower paid employees has received attention and a new fund called the 'lower paid staff loan fund' has been constituted on the East Indian Railway with the object of advancing loans at reasonable rates of interest to such employees.

The Government of India have also decided to replace the existing fine funds on the State-managed railways by staff benefit funds which shall receive a contribution from revenue in addition to fines and provident fund bonuses which may be withheld under the rules from subordinate employees, and which shall be managed by the representatives of the staff.

The total cost of all these schemes for welfare and improvement in the service conditions of the staff is estimated to be 43 lakhs during the current year and 83 lakhs during the next year while the ultimate cost may mount up to a crore-and-a-half: over and above this recurring cost from revenue is the capital expenditure of 25 lakhs already incurred and a further 50 lakhs to be incurred during the next few years on the provision of quarters for the additional staff required to give effect to the Hours of Employment Regulations.

In addition to the schemes referred to, which deal with welfare and improvements in the service conditions of the staff, we have had to deal with a number of staff questions, such as for instance, the introduction of the scheme of the reorganisation of superior cadres on State-managed railways, elimination of racial discrimination, representation of minority communities in the service, preparation of new rules for the recruitment and training of the subordinate staff and for their medical examination and the grant of medical certificates. Finally, the question of the re-employment of the Great Indian Peninsula Railway ex-strikers of whom about 5,000 men are, according to the latest reports, still out of employment, continues to receive special attention and

instructions have been issued to all the State-managed railways in India to give preference to them (including such of them as failed to offer for duty within the period prescribed in the Government of India Communiqué of March 1st, 1930) in filling posts for which they may be qualified over outsiders.

9. Last year I made a reference to the progress made with the standardization of Railway equipment. It was during the close of that year that the Central Standards Office for Railways was formed and all work connected with standardization centralised in one office. The benefits resulting from the new organisation are already beginning to be felt. Apart from the fact that the Railway Board's Office found itself unable to deal with the increasing volume of work which the extended application of standardization entailed, the locating of all such work in one office, in charge of a Controller of Standardization, enables a degree of co-ordination in the standardization of all classes of equipment to be obtained which was impossible when the various classes of equipment were dealt with by different branches of the Board's Office. As an example of the importance of such co-ordination, I need only refer to bridge, track and rolling stock—three separate factors, normally regarded as three separate branches of engineering, and yet the absence of close co-ordination between the three or their failure to advance together, hand in hand, can result, and often has resulted, in heavy financial loss to Railways.

As an example of the valuable work undertaken by the Central Standards Office since its formation I should like to mention the preparation and publication of the standard vacuum brake drawings. The vacuum brake is used exclusively for controlling trains in this country, and the value of the brake equipment fitted to the rolling stock of State Railways alone exceeds three crores of rupees. When first invented the brake was largely covered by patents and the manufacture of the equipment was limited to the patentees; but since the expiry of the original patents, other firms have come into the field. In order to limit competition, as far as possible, both the original patentees and their competitors have consistently refused to issue working drawings of the equipment they manufacture. This jealous guarding of information necessary to the accurate manufacture of the equipment has been so thorough, that besides securing the Manufacturers' ends by limiting competition, it has caused the equipment now in use on various Railways to be to a large extent non-interchangeable. This lack of complete interchangeability between fittings made by different manufacturers has, in the past, resulted in inflated stores balances, defective working of the brake and heavy maintenance charges.

With the issue of the standard drawings to which all equipment will, in future, be made, complete interchangeability is assured, and the manufacture of the equipment, instead of being limited to two or three firms, can be undertaken by any well-equipped engineering firm in India. I need hardly say that Railways cannot but benefit financially in consequence.

As another instance of how economy can be effected by standardization I would mention the East Indian Railway Carriage Underframes Workshop at Tatanagar. Carriage underframes are being manufactured there to-day at considerably less cost than they can be purchased from any other source. This reduction has become possible due to quantity production following the introduction of standard designs of underframes purchased by all Railways, in lieu of the old practice in which each administration purchased underframes to their own particular designs.

The various Standard Committees have continued to meet regularly throughout the year. The Locomotive Committee has been particularly engaged on modifications to the design and details of standard locomotives (of

which there are now more than 650 in service of sixteen different standard types) which further experience with the running of these engines has shown to be necessary. In this connection I should like to draw attention to the recent arrival in this country of a Dynamometer Car, with the aid of which it will be possible to record important data concerning the performance of our standard engines, which cannot be determined by any other means. This Car is the most completely equipped vehicle of its kind yet constructed, and is to serve as a pattern for the car about to be built at the expense of the British Government in response to the British Railways' demand for the provision of a National Locomotive Testing plant. Although the first cost of such a vehicle is necessarily high, the knowledge that can be derived from its use will, it is anticipated, enable the efficiency of our locomotive power to be further increased.

Another matter which has recently had the close attention of the Locomotive Committee is the application of grease lubrication to locomotives. Although the use of grease for locomotive lubrication has for many years been the general practice of Railways in the United States of America, it was not until the last few years that this method of lubrication was tried in this country. Results so far obtained indicate that considerable economy will result from the extended use of grease lubrication for locomotives.

The Carriage and Wagon Committee has recently completed detailed drawings of a standard Broad Gauge upper class coaching body of the I and II Class composite type. The issue of these drawings will, besides providing for a uniform standard of comfort on all Broad Gauge State Railways, enable the cost of construction of such bodies to be reduced considerably as has already been done in the case of lower class bodies. The Committee is now turning its attention to Metre Gauge coaching bodies and the standardization of electric train lighting equipment. My remarks regarding vacuum brake apply generally to train lighting equipment. Although it cannot be said that any one firm holds a monopoly for the manufacture of such equipment, its manufacture is at present limited to a few firms only. With the standardization of such equipment, and the issue of standard drawings and specifications, other engineering firms will be in a position to compete for our requirements.

Last year I made a reference to the work of the Committee on Standards and Specifications and pointed out that the drafting of specifications recommended by the Committee and approved by the Board had not, owing to shortage of staff, been undertaken. This work has been taken over by the newly formed Standards Office and to-date 150 specifications have been drafted of which the first 95 have either been published or are under print for publication. I think the Council will agree that much valuable work has been done by the Central Standards Office and that the expenditure on this is fully justified.

10. The Council may remember that when I presented the programme of Capital and Depreciation Fund expenditure last year for the year 1930-31 I remarked that our proposals were very modest ones. We budgeted for an expenditure of 25½ crores of which 8½ crores was debitable to the Depreciation Fund. We now expect to spend on works 22½ crores of which 14½ crores will be charged to Capital and the balance to the Depreciation Fund. The total expenditure from the Depreciation Fund will be 9 crores, as this fund has to provide, as I have previously mentioned, about three-quarters of a crore as a credit to revenue. Of the underspending of 2½ crores half is under new lines. We have continued the policy, which we introduced two years ago, of concentrating entirely on pushing schemes already in hand to



completion, and the reduction in expenditure will not reduce the mileage of new lines opened or which we anticipated would be opened when we prepared the budget. The most important lines opened or which will be opened during this financial year are certain sections of the Raipur-Vizianagram Railway, a total length of about 56 miles, Unao-Madhoganj, Mahrabpur-Padidan, Pudukkottai-Manamadura, Mashrak-Thawe and Sakro-Chinnasalem Railways, making a total mileage of just over 300 miles.

11. Turning to open line works, the most important events of the year were the completion of the Great Indian Peninsula Electrification from Bombay to Poona and Bombay to Igatpuri. This scheme is, I believe, the largest electrification scheme in the British Empire, and we hope very shortly to reap the full benefits in reductions in working expenses. We also opened during the year the new Central Station at Cawnpore and the new Central Station on the Bombay, Baroda and Central India Railway at Bombay.

12. If our budget estimate last year was a modest one it is still more so this year. We are providing for a total expenditure during 1931-32 of 21 crores 70 lakhs of which 8 crores 25 lakhs will be expenditure found from the Depreciation Fund. Material to the value of 2 crores of rupees already in stock will be utilised for our new works so that the actual new capital which it will be necessary to find will be only 11 crores 45 lakhs. We are again concentrating on completing works already in hand and on works which will increase the capacity of our main lines. In other words, in these times of scarcity we are making every endeavour to consolidate our position so that when the times of plenty come again our main trunk lines will be fully equipped to take the additional traffic which must follow construction of new lines in undeveloped country. 290 lakhs are allotted for capital expenditure for the completion of new lines under construction, and at the end of the year we hope to have all lines now under construction opened to traffic except the Sagaing Bridge over the Irrawaddy, the Lucknow-Sultanpur-Zaffarabad Railway, and the Tangla-Belsiri Railway in the north-east of India. Open line works in progress have been allotted 410 lakhs of which 98 lakhs will come from the Depreciation Fund, and if our anticipations are realised at the end of the year there will be only two works now in hand, the Dohad Workshops on the Bombay, Baroda and Central India Railway, and the doubling of the Cawnpore-Tundla section of the East Indian Railway, which will require substantial amounts for their completion during subsequent years. The only new work of any magnitude which it is proposed to take up during the year is the Narbadda Bridge on the main line of the Bombay, Baroda and Central India Railway between Bombay and Delhi. The cost of this is estimated at 87 lakhs, and an allotment of 15 lakhs has been made. A weak bridge of this description affects the capacity of the whole section, and its renewal is overdue. The position at the end of the year will be that our commitments for completion of works will be reduced to 357 lakhs of which 46 lakhs will come from the Depreciation Fund. This, I think, the Council will agree is a satisfactory position.

13. Turning to our programme for rolling stock. This, after a detailed examination with railway administrations, we have reduced to 5½ crores of rupees of which 2½ crores will come from the Depreciation Fund. It has only been possible to get to this figure by redistribution of existing rolling stock between the various railways. By this means it has been found possible to avoid purchases amounting to nearly half a crore. Other avenues of savings have been explored, e.g., it has been found possible by reconditioning second-hand wheels for carriages and wagons to make a further saving of just over 12 lakhs.

14. I have done my best to place before the Council the principal figures of our revised budget for this year and those for the budget estimate for 1931-32. I do not claim that my review has been exhaustive or that I have mentioned everything that is of public interest, but this is impossible in the short time available and it would certainly be wearisome to the Council. I hope I have made it clear, however, that though we are passing through depressing times there is hope for the future and that Indian Railways will be in a position to meet the requirements of traffic when trade begins to improve.

15. In conclusion, I would like to take the opportunity of bringing to the notice of the Council the valuable service which the Agents, officers and staff of the various railway administrations have rendered to the country during the past years often under very trying conditions, and the assistance which they have given to the Railway Board in their endeavours to improve efficiency and to introduce economies to meet the emergencies of the present day situation.

## BUDGET FOR 1931-32.

Schedule of demands for grants for expenditure of the Central Government on Railways for the year 1931-32 submitted for the vote of the Legislative Assembly.

Number of Demand.	Service to which demand relates.	Amount.
<b>EXPENDITURE CHARGED TO REVENUE.</b>		<b>Rs.</b>
<i>Commercial Railways.</i>		
1	Railway Board . . . . .	11,50,000
2	Inspection . . . . .	90,000
3	Audit . . . . .	14,20,000
4	Working Expenses : Administration . . . . .	13,00,00,000
5	Working Expenses : Repairs and maintenance and Operation . . . . .	37,54,00,000
6	Companies' and Indian States' share of surplus profits and net earnings.	75,00,000
9	Appropriation to Depreciation Fund . . . . .	13,00,00,000
11	Miscellaneous Expenditure . . . . .	10,75,000
12	Appropriation to the Reserve Fund . . . . .	..
<i>Strategic Railways.</i>		
14	Working Expenses (including Appropriation to Depreciation Fund and Miscellaneous Expenditure).	1,07,50,000
<b>EXPENDITURE CHARGED TO CAPITAL.</b>		
<i>Commercial Railways.</i>		
7	New Construction . . . . .	2,88,80,000
8	Open Line Works . . . . .	8,38,40,000
<i>Strategic Railways.</i>		
15	New construction and Open Line Works . . . . .	17,00,000
<b>OTHER EXPENDITURE.</b>		
10	Appropriation from Depreciation Fund . . . . .	8,25,00,000
<i>(Commercial and Strategic.)</i>		
13	Appropriation from the Reserve Fund . . . . .	4,14,67,000

# BUDGET\*

of the

## Railway Revenue and Expenditure of the Governor-General in Council, March 1931.

**RAILWAY DEPARTMENT;**  
*New Delhi, the 1st March 1931.*

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

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## BUDGET FOR 1931-32.

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

HEADS OF REVENUE.	ACCOUNTS, 1929-30.				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 . . . . .	4,20,50,721	...	...	4,20,50,721	3,79,00,000	...
Third class . . . . .	30,09,13,328	...	...	30,09,13,328	28,85,00,000	...
Other coaching traffic earnings . . . . .	8,68,89,033	...	...	8,68,89,033	6,21,00,000	...
Goods traffic earnings . . . . .	64,37,05,656	...	...	64,37,05,656	59,50,00,000	...
Sundry earnings . . . . .	2,12,27,305	6,43,141	3,944	2,18,74,390	1,52,49,000	6,43,000
<b>TOTAL EARNINGS . . . . .</b>	<b>1,07,36,65,063</b>	<b>6,43,141</b>	<b>3,944</b>	<b>1,07,43,13,148</b>	<b>93,87,49,000</b>	<b>6,43,000</b>
Deduct—						
Refunds of Revenue collected . . . . .	14,59,212	...	...	14,59,212	18,00,000	...
Earnings of worked lines . . . . .	6,47,29,887	...	...	6,47,29,887	6,19,00,000	...
Earnings of State Railways . . . . .	1,00,74,83,984	6,43,141	3,944	1,00,81,30,069	93,53,49,000	6,43,000
Suspense . . . . .	30,16,896	...	...	30,16,896	...	...
Gross receipts of State Railways . . . . .	1,01,04,99,870	6,43,141	3,944	1,01,11,43,955	93,53,49,000	6,43,000
Deduct—Working expenses of State Railways.*	85,88,07,079	82,75,984	27,769	86,09,10,126	64,69,75,000	82,80,000
Surplus profits paid to Indian States and railway companies . . . . .	1,51,97,708	...	...	1,51,97,708	1,15,00,000	...
Net receipts . . . . .	33,96,95,083	-46,32,143	-23,918	31,50,39,123	27,78,74,000	-43,17,000
(b) Strategic lines—						
Gross receipts . . . . .	1,58,95,380	...	...	1,58,95,380	1,40,10,000	...
Deduct—Refunds of Revenue collected . . . . .	14,080	...	...	14,080	10,000	...
Working expenses . . . . .	2,08,82,341	296	...	2,08,82,627	2,17,00,000	...
Net receipts . . . . .	-50,01,041	-296	...	-50,01,327	-77,00,000	...
Total net receipts, Commercial and Strategic lines.	33,46,94,042	-46,32,429	-23,818	33,00,37,795	27,01,74,000	-43,17,000
<b>XII.—Subsidized Companies: Government share of surplus profits, etc.</b>	12,37,361	45,01,816	31,761	58,70,738	17,62,000	3,44,000
<b>XII-A—Miscellaneous Railway Receipts—</b>						
(a) Commercial lines—						
Interest on Depreciation and Reserve Fund balances . . . . .	1,24,57,407	...	...	1,24,57,407	1,33,53,000	...
Dividend on investments in branch lines and other Miscellaneous Receipts . . . . .	21,41,399	...	...	21,46,395	18,00,000	...
(b) Strategic lines—						
Interest on Depreciation Fund balances . . . . .	3,03,604	...	...	3,05,604	6,19,000	...
<b>TOTAL RECEIPTS . . . . .</b>	<b>35,06,43,813</b>	<b>-30,813</b>	<b>7,943</b>	<b>35,06,20,943</b>	<b>28,75,96,000</b>	<b>-42,73,000</b>
<b>XII-B.—Transfers from Railway Reserve Fund.</b>	2,06,21,706	...	...	2,06,21,706	10,85,29,000	...
<b>TOTAL . . . . .</b>	<b>37,16,65,519</b>	<b>-30,813</b>	<b>7,943</b>	<b>37,16,42,648</b>	<b>39,61,25,000</b>	<b>-42,73,000</b>

\* For details see statement 1 (a).

# BUDGET FOR 1931-32.

43

## Government from Railways in India and England.

1930-31.		Increase (+) Decrease (-) as compared with Budget, 1930-31.	BUDGET ESTIMATE, 1931-32.				Increase (+) Decrease (-) as compared with Revised, 1930-31.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
...	3,79,00,000	-52,00,000	4,08,00,000	...	...	4,08,00,000	+20,00,000
...	28,85,00,000	-2,91,00,000	30,32,00,000	...	...	30,32,00,000	+1,47,00,000
...	5,21,40,000	-52,00,000	5,73,00,000	...	...	5,73,00,000	+52,00,000
...	59,50,00,000	-8,97,00,000	63,68,00,000	...	...	62,88,00,000	+3,88,00,000
8,000	1,59,00,000	-52,00,000	1,78,57,000	6,43,000	...	1,85,00,000	+26,00,000
8,000	98,94,00,000	-12,94,00,000	1,04,79,57,000	6,43,000	...	1,04,66,00,000	+5,92,00,000
...	15,00,000	-2,50,000	15,00,000	...	...	15,00,000	...
...	5,79,00,000	-30,50,000	5,21,00,000	...	...	5,21,00,000	+2,00,000
8,000	93,60,00,000	-12,51,00,000	99,43,57,000	6,43,000	...	99,50,00,000	+5,90,00,000
...	...	...	...	...	...	...	...
8,000	93,60,00,000	-12,51,00,000	99,43,57,000	6,43,000	...	99,50,00,000	+5,90,00,000
65,000	65,13,00,000	-2,95,82,000	63,88,58,000	51,42,000	...	64,40,00,000	-73,00,000
...	1,15,00,000	-7,00,000	75,00,000	...	...	75,00,000	-40,00,000
-57,000	27,33,00,000	-9,46,18,000	34,79,99,000	-44,99,000	...	34,35,00,000	+7,03,00,000
...	1,40,10,000	-24,00,000	1,50,10,000	...	...	1,50,10,000	+10,00,000
...	10,000	...	10,000	...	...	10,000	...
...	2,17,00,000	+7,57,000	2,03,00,000	...	...	2,03,00,000	-14,00,000
...	-77,00,000	-31,57,000	-53,00,000	...	...	-53,00,000	+24,00,000
-57,000	26,55,00,000	-9,79,75,000	34,20,99,000	-44,99,000	...	33,62,00,000	+7,27,00,000
4,000	21,00,000	+2,00,000	17,14,000	86,000	...	18,00,000	-3,00,000
...	1,33,53,000	-5,35,000	1,17,79,000	...	...	1,17,79,000	-15,74,000
...	15,00,000	+4,70,000	16,00,000	...	...	16,00,000	-2,00,000
...	5,00,000	+1,12,000	6,56,000	...	...	6,56,000	+1,37,000
-53,000	28,32,72,000	-2,77,25,000	35,74,45,000	-44,13,000	...	35,40,35,000	+7,07,63,000
...	10,55,99,000	+10,55,99,000	4,12,67,000	...	...	4,12,67,000	-6,72,32,000
-53,000	29,18,71,000	+1,06,71,000	39,99,15,000	-44,13,000	...	39,54,02,000	+25,21,000

## BUDGET FOR 1931-32.

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

Heads of working expenses.	ACCOUNTS 1929-30.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration . . . . .	13,63,99,358	48,75,284	24,610	14,07,99,153	13,80,80,000	48,80,000
Repairs and maintenance . . . . .	17,78,63,569	—	—	17,78,63,569	16,95,00,000	—
Operation . . . . .	25,35,15,633	4,00,000	3,153	25,39,13,785	24,85,95,000	4,00,000
Depreciation . . . . .	12,17,95,123	—	—	12,17,95,123	12,63,00,000	—
Suspense . . . . .	—15,009	—	—	—15,009	—	—
<b>TOTAL . . . . .</b>	<b>66,85,53,783</b>	<b>52,75,284</b>	<b>27,763</b>	<b>69,38,01,829</b>	<b>67,24,75,000</b>	<b>53,80,000</b>
<b>Deduct—Share of Worked Lines.</b>	<b>8,29,51,704</b>	<b>—</b>	<b>—</b>	<b>8,29,51,704</b>	<b>8,65,00,000</b>	<b>—</b>
<b>Working Expenses . . . . .</b>	<b>65,66,07,079</b>	<b>52,75,284</b>	<b>27,763</b>	<b>66,09,10,725</b>	<b>64,60,75,000</b>	<b>53,80,000</b>

BUDGET FOR 1931-32.

State Railways—Commercial Lines.

1930-31.		Increase (+) Decrease (—) as compared with Budget, 1930-31.	BUDGET ESTIMATE, 1931-32.				Increase (+) Decrease (—) as compared with Revised, 1930-31.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
60,000	14,30,00,000	—2,00,000	13,52,58,000	47,42,000	...	14,00,00,000	—30,00,000
...	15,95,00,000	—1,35,75,000	15,22,00,000	...	...	15,22,00,000	—73,00,000
5,000	24,30,00,000	—1,52,00,000	24,84,00,000	4,00,000	...	24,88,00,000	—2,00,000
...	12,63,00,000	—19,57,000	13,00,00,000	...	...	13,00,00,000	+37,00,000
...	...	...	...	...	...	...	...
65,000	67,78,00,000	—3,09,92,000	66,68,58,000	51,42,000	...	67,10,00,000	—65,00,000
...	2,65,00,000	—14,10,000	2,70,00,000	...	...	2,70,00,000	+5,00,000
65,000	65,13,00,000	—2,95,82,000	63,68,58,000	51,42,000	...	64,40,00,000	—73,00,000



## BUDGET FOR 1931-32.

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

HEADS OF EXPENDITURE.	ACCOUNTS, 1929-30.				REVISED ESTIMATE.	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>10. State Railways—</b>						
<b>(a) Commercial lines—</b>						
<b>Interest—</b>						
on Government capital at charge . . . . .	16,91,39,381	10,69,68,338	7,94,731	27,69,02,349	18,78,94,000	10,99,24,000
on capital contributed by Indian States and Companies . . . . .	4,15,970	1,31,71,784	1,06,289	1,36,94,043	4,20,000	1,31,72,000
<b>Total interest, commercial lines . . . . .</b>	<b>18,35,55,351</b>	<b>12,01,40,020</b>	<b>9,01,020</b>	<b>29,06,96,391</b>	<b>18,83,14,000</b>	<b>12,30,96,000</b>
<b>(b) Strategic lines—</b>						
Interest on capital at charge . . . . .	1,40,09,373	—	—	1,40,09,373	1,48,76,000	—
<b>TOTAL INTEREST . . . . .</b>	<b>18,35,54,624</b>	<b>12,01,40,020</b>	<b>9,01,020</b>	<b>30,46,05,664</b>	<b>30,29,89,000</b>	<b>12,30,96,000</b>
<b>11. Subsidised Companies—</b>						
Land and subsidy . . . . .	4,39,199	—	—	4,39,199	6,50,000	—
<b>12. Miscellaneous Railway expenditure—</b>						
<b>Commercial lines . . . . .</b>	<b>29,53,123</b>	<b>13,97,927</b>	<b>10,908</b>	<b>53,01,958</b>	<b>42,35,000</b>	<b>19,65,000</b>
Strategic lines . . . . .	49,864	—	—	49,864	40,000	—
<b>Payments to general revenues—</b>						
Contribution* . . . . .	6,11,85,963	—	—	6,11,85,963	5,73,57,000	—
One-third of the excess of railway surplus over three crores . . . . .	—	—	—	—	—	—
<b>Total payment to general revenues . . . . .</b>	<b>6,11,85,963</b>	<b>—</b>	<b>—</b>	<b>6,11,85,963</b>	<b>5,73,57,000</b>	<b>—</b>
<b>13A—Surplus Railway Revenue transferred to Railway Reserve Fund.</b>	—	—	—	—	—	—
<b>TOTAL . . . . .</b>	<b>24,01,92,773</b>	<b>12,13,27,947</b>	<b>9,11,928</b>	<b>37,10,42,648</b>	<b>36,53,71,000</b>	<b>12,50,01,000</b>

\* For details see Statement 3 (a).

BUDGET FOR 1931-32.

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

1930-31.		Increase (+) Decrease (-) as compared with Budget, 1930-31.	BUDGET ESTIMATE, 1931-32.				
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised 1930-31.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
13,52,000	29,91,70,000	+1,26,14,000	19,63,53,000	11,09,24,000	...	30,73,76,000	+81,06,000
1,62,000	1,37,54,000	+1,42,000	4,20,000	1,31,72,000	...	1,36,92,000	-1,62,000
15,14,000	31,29,24,000	+1,37,56,000	19,67,72,000	12,40,96,000	...	32,08,68,000	+79,44,000
...	1,46,75,000	+8,25,000	1,43,52,000	...	...	1,48,52,000	+1,77,000
15,14,000	32,75,99,000	+1,35,81,000	21,16,24,000	12,40,96,000	..	33,57,20,000	+81,21,000
...	6,50,000	+50,000	7,00,000	...	...	7,00,000	+50,000
25,000	62,25,000	+6,45,000	38,54,000	14,56,000	...	53,40,000	-8,85,000
...	40,000	-10,000	40,000	...	...	40,000	...
...	5,73,57,000	...	5,36,02,000	...	...	5,36,02,000	-37,55,000
...	...	...	...	...	...	...	...
...	5,73,57,000	...	5,36,02,000	...	...	5,36,02,000	-37,55,000
...	...	-33,95,000	...	...	...	...	...
15,39,000	39,18,71,000	+1,08,71,000	26,98,20,000	12,55,82,000	...	39,54,02,000	+35,31,000

## BUDGET FOR 1931-32.

## 2(a).—Contribution from Railway to General Revenues, 1930-31.

(Based on actuals, 1930-29.)

	Rs.	Rs.
1. 1 per cent. on capital of 6,93,73,40,868 at charge, commercial lines . . . . .	...	6,93,73,407
<b>2. (i) Receipts—Commercial lines—</b>		
Gross traffic receipts . . . . .	1,02,07,00,064	
Subsidised Companies, share of surplus profits . . . . .	38,84,026	
Interest on Depreciation and Reserve Fund balances . . . . .	1,04,13,368	
Dividend on investments in branch lines and other miscellaneous receipts . . . . .	11,57,252	
<b>(ii) Charges—Commercial lines—</b>		1,04,21,63,710
Working expenses . . . . .	64,83,84,600	
Indian States and Railway Companies' share of surplus profits . . . . .	1,59,14,166	
Interest—		
On capital at charge . . . . .	26,40,71,973	
On capital contributed by Indian States and Companies . . . . .	1,50,42,336	
Land and subsidy . . . . .	2,91,370	
Miscellaneous railway expenditure . . . . .	31,66,502	
Contribution at 1 per cent. on capital at charge . . . . .	6,93,73,407	
		1,01,62,43,341
<b>(iii) Surplus . . . . .</b>	...	2,59,30,209
<b>(iv) Contribution of one-fifth of surplus . . . . .</b>	...	51,84,074
<b>3. (i) Total contribution from railway revenues [1 plus 2 (iv)] . . . . .</b>		
	...	7,45,57,481
<b>Deduct—Loss on strategic lines borne by railway revenues—</b>		
(i) Interest on capital . . . . .	1,41,81,448	
(ii) Loss in working . . . . .	80,16,701	
		1,72,00,149
<b>(ii) Net payment due from railway to general revenues in 1930-31 . . . . .</b>	...	5,73,57,332

BUDGET FOR 1931-32.

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2(a).—Contribution from Railway to General Revenues, 1931-32.

(Based on actuals, 1929-30.)

	Rs.	Rs.
1. 1 per cent. on capital of 7,23,54,27,822 at charge, commercial lines . . . . .	..	7,23,54,278
<hr/>		
2. (i) Receipts—Commercial Lines—		
Gross traffic receipts . . . . .	1,01,11,46,955	
Subsidised Companies' share of surplus profits . . . . .	58,70,738	
Interest on Depreciation and Reserve Fund balances . . . . .	1,24,57,407	
Dividend on investments in branch lines and other miscellaneous receipts . . . . .	21,46,398	
(ii) Charges—Commercial Lines—		1,03,16,21,498
Working expenses . . . . .	66,09,10,125	
Indian States and Railway Companies' share of surplus profits . . . . .	1,51,97,708	
Interest—		
On capital at charge . . . . .	27,68,02,348	
On capital contributed by Indian States and Companies . . . . .	1,36,94,043	
Land and subsidy . . . . .	4,39,199	
Miscellaneous railway expenditure . . . . .	53,61,958	
Contribution at 1 per cent. on capital at charge . . . . .	7,23,54,278	
(iii) Deficit . . . . .		1,04,48,59,659
(iv) Contribution of one-fifth of surplus . . . . .		1,32,38,161
<hr/>		
3. (i) Total contribution from railway revenues [1 plus 2 (iv)] . . . . .		7,23,54,278
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital . . . . .	1,40,09,273	
(ii) Loss in working . . . . .	47,42,587	
(ii) Net payment due from railway to general revenues in 1931-32 . . . . .	..	1,67,51,860
		5,36,02,418

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

HEADS OF ACCOUNTS.	ACCOUNTS, 1929-30.				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	2,43,976	—	—	2,43,976	—	—



## BUDGET FOR 1931-32.

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

HEADS OF EXPENDITURE.	ACCOUNTS, 1929-30.				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>						
<b>Open Line Works—</b>						
Rolling Stock . . . . .				5,48,44,000		
Other Works . . . . .				9,98,09,371		
New Construction . . . . .				6,50,37,000		
Suspense . . . . .				87,45,000		
Purchase of Railways and branch line shares . . . . .				7,05,55,000		
<b>Deduct—Probable Throw forward</b>				—		
<b>TOTAL</b>	12,63,10,331	16,95,03,305	11,76,735	29,89,90,271	8,45,96,000	5,72,00,000
<b>(b) Strategic Lines—</b>						
<b>Open Line Works—</b>						
Rolling Stock . . . . .				4,84,000		
Other Works . . . . .				8,83,404		
New Construction . . . . .				14,77,000		
<b>TOTAL</b>	28,43,404			28,43,404	25,00,000	—
<b>TOTAL COMMERCIAL AND STRATEGIC LINES</b>	15,11,53,735	16,95,03,305	11,76,735	30,18,33,675	8,70,96,000	5,72,00,000
<b>53-C.—Discharge of Debentures</b>	—				—	—





## BUDGET FOR 1931-32.

## A.—Railway Depreciation Fund.

	Accounts, 1929-30.	Budget Estimate, 1930-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.		Accounts, 1929-30.	Budget Estimate, 1930-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	11,40,96,631	12,50,96,631	12,24,20,420	16,29,20,420	Appropriation from Depreciation Fund.	11,76,18,314	8,50,00,000	9,00,00,000	8,28,00,000
Appropriation to Depreciation Fund.	12,59,42,108	12,25,00,000	12,06,00,000	12,42,00,000	Closing balance.	12,24,20,420	17,25,96,631	16,29,20,420	21,47,20,420
<b>TOTAL</b>	<b>24,00,38,739</b>	<b>24,75,96,631</b>	<b>24,29,20,420</b>	<b>28,71,20,420</b>	<b>TOTAL</b>	<b>24,00,38,739</b>	<b>26,75,96,631</b>	<b>25,29,20,420</b>	<b>29,71,20,420</b>

BUDGET FOR 1931-32.

B.—Railway Reserve Fund.

	Accounts, 1929-30.	Budget Estimate, 1930-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.		Accounts, 1929-30.	Budget Estimate, 1930-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	16,42,43,980	17,56,13,980	16,34,22,274	5,43,23,274	Appropriation from Re- serve Fund.	2,08,21,706	...	10,85,09,000	4,13,67,000
Appropri- ation to Reserve Fund.	...	33,95,000	...	...	Closing Balance.	16,34,32,274	17,90,08,980	5,43,33,274	1,34,56,274
<b>TOTAL</b>	<b>16,42,43,980</b>	<b>17,90,08,980</b>	<b>16,34,22,274</b>	<b>5,43,23,274</b>	<b>TOTAL</b>	<b>16,42,43,980</b>	<b>17,90,08,980</b>	<b>16,34,22,274</b>	<b>5,43,23,274</b>

## Explanatory Memorandum of the Railway Budget for 1931-32.

1929-30.

### Commercial and Strategic Lines together.

When we presented the budget estimates this time last year to the Legislature we anticipated that we would end the year 1929-30 with a gain on commercial lines of 7,07 lakhs, of which 1,81 lakhs would be required to meet the prospective loss on strategic lines. The balance of 5,26 lakhs being insufficient to meet the contribution to General Revenues, we expected to withdraw 86 lakhs from previously accumulated reserves. The actual results were unfortunately worse. Economic depression, the civil disobedience campaign, and the strike on the Great Indian Peninsula Railway, combined to reduce our earnings, and the total receipts from all sources amounted to 1,04.78 crores or  $1\frac{1}{4}$  crores below our revised estimate, though, at the same time, as a partial set off, our total charges fell by nearly half a crore. Our net gain was only 4.04 lakhs and we had to withdraw 2,08 lakhs from the reserve, reducing it to 16,34 lakhs at the beginning of the current year.

Our Depreciation Fund expenditure (11,76 lakhs) was 26 lakhs more than was anticipated but was still 83 lakhs below the amount that was paid into the fund during the year in accordance with the rules of the fund. This increased the balance at the credit of the fund at the end of the year to 12,24 lakhs.

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1930-31.

### A.—Commercial Lines.

2. The general trade depression and disturbed condition of India which had such an ill effect on our revenues during the last part of 1929-30 have continued throughout the current year with the result that, so far as we can see at present, we shall be unable this year not merely to pay our usual contribution to General Revenues but even to meet our interest charges without drawing on our reserves. For the first time since railway revenues were separated from general revenues we are faced with a net loss of nearly three crores. We give below, as usual, a statement comparing the principal figures of the revised estimate with the figures of the budget estimate and the actual expenditure for 1929-30.

## BUDGET FOR 1931-32.

(Figures in lakhs of rupees.)

	Accounts, 1929-30.	1930-31.	
		Budget.	Revised.
Gross traffic receipts . . . . .	1,01,26	1,06,29	93,75
<i>Deduct</i> —Refunds of revenue . . . . .	15	18	15
<b>Total</b> .	<b>1,01,11</b>	<b>1,06,11</b>	<b>93,60</b>
Government share of profits, etc., from subsidised companies.	59	19	21
Interest on Depreciation and Reserve Fund balances .	1,25	1,39	1,34
Dividends on investment in branch lines and other miscellaneous receipts.	21	13	18
<b>Total Receipts</b> .	<b>1,03,16</b>	<b>1,07,82</b>	<b>95,33</b>
Working expenses (including depreciation) . . . . .	66,09	68,09	65,13
Surplus profits paid to Indian States and Railway Companies.	1,52	1,22	1,16
Interest charges . . . . .	29,06	30,02	31,29
Miscellaneous charges . . . . .	58	61	69
<b>Total Charges</b> .	<b>97,25</b>	<b>99,94</b>	<b>98,26</b>
Gain from Commercial lines . . . . .	5,91	7,88	—2,93

3. The estimates of gross traffic receipts for 1930-31 presented to the Legislature last February were made before either the trade slump or the civil disobedience movement had developed and therefore assumed a normal year giving us a moderate increase in both passenger and goods traffic. The estimated figure of receipts (1,06.11 crores), which included about a crore extra on account of the purchase of the Southern Punjab Railway from 1st January 1930, was 3½ crores above our revised estimate for 1929-30. As we have explained already, our actual receipts during 1929-30 were 1½ crores below the revised estimate, and, so far as we can see at present, the receipts for 1930-31 will be

about 7½ crores below the actual receipts of last year. The details of our estimates are as follows:—

(Figures in lakhs of rupees.)

	Accounts, 1929-30.	1930-31.	
		Budget.	Revised.
Passenger earnings . . . . .	35,18	36,07	32,64
Other coaching traffic earnings . . . . .	5,69	5,73	5,21
Goods earnings . . . . .	64,37	67,87	59,50
Other earnings . . . . .	2,19	2,11	1,59
Total . . . . .	1,07,43	1,11,78	98,94
<i>Deduct—</i>			
Refunds of revenue . . . . .	15	18	15
Worked lines . . . . .	6,47	5,49	5,19
Suspense . . . . .	30	..	..
Net Total . . . . .	1,01,11	1,06,11	93,60

4. Passenger earnings are now expected to be about 2½ crores below the figures of last year. The fall in the prices of most agricultural products has restricted the ability of large classes of the population to indulge their propensity for travelling as freely as before, and the disturbed condition of the country has diminished its attraction. Consequently in prevailing circumstances the reductions of fares that we gave effect to in the last two or three years have failed in their object and have tended only to reduce our net earnings. The actual number of passengers carried in the first seven months of the year has been nearly 23 millions lower than in the corresponding period of the previous year, a decrease of over 6 per cent. The passenger miles show a similar decrease of nearly 7 per cent, from 12,756 millions to 11,887 millions. The average lead per passenger has fallen from 34.76 miles to 34.54 miles.

Our other coaching traffic receipts will similarly, we expect, be down by nearly half a crore. This is partly due to the reductions in our luggage and parcels rates introduced two years ago.

5. In goods earnings, the decrease is still more noticeable. Our present expectations point to a reduction of nearly 5 crores as compared with last year, and 8½ crores as compared with our budget estimates. Up to the end of October 1930, the tonnage we carried was 5½ millions less, a decrease of over 8½ per cent. The average lead per ton was, however, somewhat higher and our ton mileage for the first seven months showed a diminution of only 6½ per cent., this year's figure being 7.42 millions lower than last year's.

The traffic carried has, with very few exceptions, been lower this year than last, the only commodity of any importance which shows an increase being wheat, of which we carried in the first seven months an additional 272,000

tons. The number of wagons loaded has decreased practically everywhere. Up to the 17th of January, we loaded, for example, 43,400 wagons less with coal and coke, a decrease of nearly 5 per cent, 22,600 wagons less with oil-seeds, a decrease of 10½ per cent., and 10,100 less with cotton, a decrease of 8½ per cent. The loading of miscellaneous wagons, which is one of the best indications of the general state of trade, has been equally disappointing. Miscellaneous full wagons show a decrease of 140,000 or about 7 per cent. during the period, and there has also been a decline, though smaller, in the loading of miscellaneous "small".

6. The present estimates of working expenses are compared in the following table with the budget figures and those of 1929-30.

(Figures in lakhs of rupees.)

	Accounts, 1929-30.	1930-31.	
		Budget.	Revised.
Administration . . . . .	14,03	14,32	14,30
Repairs and Maintenance . . . . .	17,79	17,31	15,95
Operation . . . . .	25,39	26,42	24,90
Depreciation . . . . .	12,18	12,83	12,63
Suspense . . . . .	..	..	..
<b>Total</b> . . . . .	<b>69,39</b>	<b>70,88</b>	<b>67,78</b>
<b>Deduct—</b>			
Worked lines . . . . .	3,30	2,79	2,65
<b>Net working expenses</b> . . . . .	<b>66,09</b>	<b>68,09</b>	<b>65,13</b>

7. Our total ordinary gross working expenses, exclusive of depreciation, will, we now estimate, be two crores and six lakhs less than last year. Some part of this (84 lakhs) is due to certain arrear adjustments with the Depreciation Fund which have come as a welcome relief into our accounts this year. This wind-fall is the net result of correction of items incorrectly debited or credited to the Depreciation Fund in past years, practically ever since the fund was started. To go into detail into these items would require a long explanation; briefly the facts are that formerly the Depreciation Fund was wrongly charged with expenditure on renewals and replacements on the companies' sections of the Bengal and North Western and Rohilkund and Kumaon Railways and incorrectly credited with the value on companies' railways of materials returned from works. These counterbalanced each other to a certain extent, but the amounts credited wrongly to the Fund in the past instead of to revenue were larger than the amounts debited incorrectly.

The balance of the decrease is a real reduction in expenditure and represents to a large extent the results of the measures of economy on the introduction of which railways have been strenuously engaged throughout the year. But for these special measures it would not have been possible to keep the expenditure down to our present figures. For, though a reduction in the cost of operation necessarily follows a reduction in traffic, we have had in the current year to provide for the operation and maintenance of over 300 miles of new lines, to take steps to engage additional staff in order to give effect to the hours of employment regulations which are now being brought into force

on the State-managed railways, and to improve the wages of lower paid employes on State-managed railways as a result of an investigation which was promised last year. For the last mentioned purpose sums aggregating 25 lakhs were entered in the budget under the 'Working Expenses' head. As a result of very careful enquiries, revisions of pay, which are estimated to cost 26 lakhs in a full year, have been introduced on the East Indian, Great Indian Peninsula and Eastern Bengal Railways which, in our opinion, should remove any cause for complaint that the employes affected are insufficiently paid; and the opportunity afforded by these revisions has been taken to remove inequalities which had gradually arisen in the emoluments paid to similar classes of employes.

In later paragraphs of this memorandum we describe in some detail the measures that have been, and are being, taken to reduce expenditure wherever feasible. The full effect of these measures will, however, only be experienced in the coming year.

8. Our estimate of the charges grouped under the head 'Administration' is 27 lakhs higher than last year. The normal growth of expenditure under this head, due to the accrual of increments and so forth is in the neighbourhood of 30 lakhs, and the causes referred to in the previous paragraph would have increased this, but for the special measures taken by Railway Administration to reduce establishments wherever possible.

9. The cost of repairs and maintenance of our works and rolling stock shows a very big decrease in the present year. Neglecting the adjustment of 84 lakhs already referred to, the reduction we expect at present is very nearly a crore. Our net cost of repairs and maintenance of Way and Works, taking all credits into account, is expected to be 5,87 lakhs against 6,07 lakhs last year, and the expenditure would have been about 12 lakhs lower still but for certain adjustments of past transactions on the Madras and Southern Mahratta Railway and the writing off on the Great Indian Peninsula Railway of the capital cost of a small line which has been dismantled, part of which is charged to revenue and part to Depreciation Fund. This reduction has been rendered possible only by the special efforts that every Railway Administration has been making to economise expenditure. We have had a selected officer on special duty who has co-ordinated the work on the engineering side on the different State-managed Railways, and has introduced many valuable changes which will, we hope, result not merely in a temporary decrease of expenditure, but will enable us to get a much better control over engineering expenditure than we at present possess. The main directions in which economies have been initiated during the current year are in repairs and maintenance of track services, buildings, residential quarters and station machinery; but care has been taken to see that, while no expenditure should be incurred on non-essentials, the standard of maintenance necessary to secure the safe passage of trains should not be lowered, and railway property should not be allowed to deteriorate.

On repairs to rolling stock, we expect at present to spend 8,85 lakhs net against 9,57 last year. Over 20 lakhs of the reduction is due to the larger credits that we expect this year from returned material, but nearly half a crore represents a real decrease.

10. Our total cost of operation is now put at 24,90 lakhs which is 49 lakhs less than the expenditure last year. The actual decrease is 71 lakhs, for last year's real expenditure was marked by a credit of 22 lakhs, due to arrear adjustments

## BUDGET FOR 1931-32.

of hire charges and other payments between railways which ought not ordinarily to affect our accounts to any considerable extent. More than half (41 lakhs) of this decrease is under Fuel and is directly due to the reduction in traffic mileage, the rate at which we purchased coal being somewhat higher this year.

Finally, the share of the expenditure which is debited to worked lines is 65 lakhs lower than in 1929-30, mainly owing to the purchase of the Southern Punjab Railway from 1st January 1930.

11. The amount which we have to pay to the Depreciation Fund grows with our capital expenditure, and is 45 lakhs higher this year than last; consequently our total net working expenses are only 96 lakhs below last year. The surplus profits payable under the relevant contracts to Companies and Indian States will be 37 lakhs lower: part of the decrease is of course due to the payment last year to the Burma Railways Company of their share, amounting to 19 lakhs, of the profits for the nine months ending December 1928. The rest is due to the disappointing traffic receipts in 1929-30 as compared with the previous year.

12. Interest charges on the other hand show an increase of nearly 2½ crores. Part of this is of course due to the increase in our capital at charge, owing to the new lines and open line works which are in course of construction. Partly, however, it is due to a change in the method of calculating the average rate of interest on capital outlay after 1916-17. The previous procedure had been to arrive at the rate by dividing the total interest charges on loans floated after that date by the *nominal* amount of debt outstanding. This did not represent the actual cost of borrowing as it did not make allowance for the circumstance of loans floated at a discount or a premium. It was decided, therefore, to substitute in the calculation the actual amounts realised for the nominal amounts. This has resulted in an increase of approximately one-third of one per cent. in the rate and of about a crore in the annual interest charges borne by railway revenues both in this year and the next.

## B.—Strategic Lines.

13. *Strategic Lines.*—The usual figures are given in the statement below:—

(Figures in lakhs of rupees.)

	Accounts, 1929-30.	1930-31.	
		Budget.	Revised.
Gross traffic receipts . . . . .	1,59	1,64	1,40
Interest on balances of Depreciation Fund . . . . .	3	4	5
<b>Total Receipts . . . . .</b>	<b>1,62</b>	<b>1,68</b>	<b>1,45</b>
Working expenses (including depreciation) . . . . .	2,09	2,09	2,17
Interest charges . . . . .	1,40	1,33	1,47
Miscellaneous charges . . . . .	..	1	..
<b>Total Charges . . . . .</b>	<b>3,49</b>	<b>3,48</b>	<b>3,64</b>
<b>Net loss in working . . . . .</b>	<b>1,87</b>	<b>1,80</b>	<b>2,19</b>



We need not dwell on the reduction in traffic receipts, nor on the increase in interest charges which are due to the same causes as in commercial lines; the increase in working expenses of 8 lakhs is explained by the debit to Revenue of the cost of the dismantled Decauville Railway.

**C.—Summary of results.**

14. Our total receipts from commercial lines, will, on these estimates amount to 95.33 crores, or 7.83 crores below last year's figure. Our total charges will be 98.26 crores, or a crore more than last year. This leaves us with a deficit of 2.93 crores. The loss on strategic lines of 2.19 crores brings up the total loss on all lines to 5.12 crores. Our contribution to General Revenues for the year 1930-31 amounts to 5.74 crores, which includes 52 lakhs, as 1/5 of the surplus of the year 1928-29, which we have to pay this year to General Revenues. To meet our total deficit in working, as well as to pay the contribution we have to draw on our reserves to the extent of 10.86 crores leaving a balance of 5.48 crores.

Withdrawals from the Depreciation Fund are expected to be 9 crores against a payment into the fund of 13.05 crores, and the balance at credit of the Fund should be increased to 16.29 crores at the end of the year.

**1931-32.**

**A.—Commercial Lines.**

15. The principal figures of the estimates for 1931-32 for commercial lines are compared in the following statement with our present estimate for the current year :—

(Figures in lakhs of rupees.)

	Revised, 1930-31.	Budget, 1931-32.
Gross traffic receipts . . . . .	93,75	99,65
Deduct—refunds of revenue . . . . .	15	15
<b>Total . . . . .</b>	<b>93,60</b>	<b>99,50</b>
Government share of profits, etc., from subsidised companies . . . . .	21	18
Interest on balances of depreciation and reserve funds . . . . .	1,34	1,18
Dividends on investment in branch lines and other miscellaneous receipts . . . . .	18	16
<b>Total Receipts . . . . .</b>	<b>95,33</b>	<b>1,01,02</b>
Working expenses (including depreciation) . . . . .	65,13	64,40
Surplus profits paid to Indian States and Railway companies . . . . .	1,15	75
Interest charges . . . . .	31,29	32,09
Miscellaneous charges . . . . .	69	60
<b>Total Charges . . . . .</b>	<b>98,26</b>	<b>97,84</b>
<b>Gain from commercial lines . . . . .</b>	<b>—2,93</b>	<b>3,18</b>

16. The gross traffic receipts for 1931-32 are estimated at 99½ crores or about 6 crores higher than this year. The Gross traffic receipts. estimate includes an amount of between 1½ and 2 crores for minor alterations of rates and fares; which raise no question of principle, and, as a whole, can be undertaken by Railways without higher sanction. It also allows for increased receipts for the extra day we have in

the next financial year, owing to 1932 being a leap year. For the rest, the estimate assumes that 1931-32 will see a modest improvement in traffic over the abnormally low figures of the current year, and that some further assistance will be obtained from other changes in rates and fares that are being investigated. It has unfortunately to be recognised that in present conditions the reductions made in recent years in both fares and rates have not achieved their object of stimulating traffic; and the depletion of our reserve makes it inevitable that railways should not only cut down expenditure in every possible direction but should explore all avenues by which their receipts can be increased without accentuating the present economic depression.

17. The estimates of earnings are compared in more detail with the current year's latest estimates in the statement below:—

(Figures in lakhs of rupees.)

	Revised, 1930-31.	Budget, 1931-32.
Passenger earnings . . . . .	32,84	34,40
Other coaching traffic earnings . . . . .	5,21	5,73
Total . . . . .	37,85	40,13
Goods earnings . . . . .	59,60	62,89
Other earnings . . . . .	1,53	1,85
Total . . . . .	98,94	1,04,88
<i>Deduct—</i>		
Refunds of revenue . . . . .	15	15
Worked lines . . . . .	5,19	5,21
Net total . . . . .	93,60	99,50

18. The additions to our Depreciation Fund during this year and the next have not made up for the continued withdrawals from our reserve fund, and the interest on the balances of the two funds together is 16 lakhs lower than in the current year.

Other receipts.

19. The estimates of working expenses are given in the following table with the current year's figures for comparison.

(Figures in lakhs of rupees.)

	Revised, 1930-31.	Budget, 1931-32.
Administration . . . . .	14,30	14,00
Repairs and Maintenance . . . . .	15,95	15,22
Operation . . . . .	24,90	24,88
Depreciation . . . . .	12,63	13,00
Total . . . . .	67,78	67,10
<i>Deduct—</i> Worked lines . . . . .	2,65	2,70
Net working expenses . . . . .	65,13	64,40

20. Our budget estimate of ordinary working expenses during 1931-32 is 1,05 lakhs below our present estimate for the current year. The real reduction in expenditure foreshadowed by the estimate is, however, considerably larger, for the current year's expenditure has been specially reduced by the credit of 84 lakhs from the Depreciation Fund already mentioned.

We realise that unremitting attention to the details of every item of expenditure, however small, will be needed to secure this result ; for, in some directions increased outlay is unavoidable. Additional staff must be engaged to give effect to the new hours of employment regulations, and the full expense of the recent increases in the wages of lower paid staff will only be felt next year ; there will be the cost of maintaining and operating nearly nine hundred miles of new lines which we expect to be opened this year and next ; and lastly the moderate increase in traffic, for which we are estimating, requires some extra provision for its carriage. (We are allowing for an increase of 25 lakhs under Fuel). It is only by the exercise of the most rigid economy in every direction that Railway Administrations will succeed in keeping their expenditure within the limits which we have imposed on them, and the task will require not only constant supervision by the Railway Board, Agents and their principal officers, but also ungrudging co-operation from every railway official. We are confident that it will be given.

We wish to mention some of the principal measures which we propose to take to reduce our working costs. The scale of establishment, particularly temporary establishment, and of contingent charges in every office will be carefully scrutinised to see whether, possibly with some change in the system of work, it cannot be reduced without loss of efficiency. We can hardly expect striking reductions in any one office, but from the combined effect of all such economies we hope not only to cover the normal growth of about 30 lakhs in the charges under 'Administration' but to obtain a reduction of the same amount in these charges. By reducing the strength of permanent way gangs, particularly on branch lines and sidings ; by the elimination of temporary gangs ; by economising the use of materials and cutting down the numbers of ballast trains ; by reducing, as far as is possible without risking depreciation in the value of the property, the cost of maintaining and repairing structures and buildings and by the employment for this purpose of cheaper material ; and in fact by lowering the previous standard of maintenance where this can be done without prejudice to safety or any real harm to the property, we aim at saving over a crore in the cost of repairing and maintaining way and works compared with the expenditure in 1929-30, and over 70 lakhs compared with the expenditure anticipated this year, in which some of these measures have already been adopted. We think that, without risk of deterioration, the newer rolling stock now on the line can be kept in proper condition with less frequent overhaul in workshops ; for example, that it should be sufficient for wagons recently purchased to go into shops after 36 months in traffic instead of after 24. By these and other means it is our object to keep the expenditure on repairing and maintaining rolling stock 70 lakhs below the figure of 1929-30 and 56 lakhs below the probable figure of this year. We are also reducing substantially the allotments for machinery, tools and plant, and miscellaneous expenditure. On the operation side we cannot, in view of this year's increases in the wages of lower paid employes and the necessity of engaging more staff to fulfil our obligations under the Washington and Geneva conventions, expect any large savings in the cost

of station and running staff, particularly as we are anticipating some increase of traffic. On the other hand, by rigid measures of economy, we expect reductions, which are in the aggregate substantial, in the expenditure on contingent charges, stationery, forms and tickets, stores, and other miscellaneous charges. Railway administrations have been asked to review their train services with the object of abolishing those which are not found to be sufficiently well patronised, and therefore not to fulfil a real public need. As a whole we are, in spite of the expectation of some improvement in traffic, budgeting for a reduction of 27 lakhs in the cost of operation, exclusive of fuel.

21. Under the rules governing the transactions of the Depreciation Fund, 37 lakhs more than in the previous year have to be placed to the credit of the fund from revenue.

22. The growth in our interest charges is due to the growth in our capital outlay, the rate for the two years being about the same. The surplus profits paid to Indian States and Railway Companies show, however, a large decrease of 40 lakhs. The surplus profits payable next year depend, in almost all cases, on the traffic receipts of this year, and reflect this year's abnormal depressed conditions.

#### Strategic Lines.

23. The figures of the revised estimate for 1930-31 and the budget estimate for 1931-32 are given in the following table:—

(Figures in lakhs of rupees.)

	Revised, 1930-31.	Budget, 1931-32.
Gross receipts . . . . .	1,40	1,50
Interest on balances of depreciation fund . . . . .	5	7
Total receipts . . . . .	1,45	1,57
Working expenses (including depreciation) . . . . .	2,17	2,03
Interest charges . . . . .	1,47	1,49
Miscellaneous charges . . . . .	..	1
Total charges . . . . .	3,64	3,53
Net loss in working . . . . .	2,19	1,96

There is nothing special for comment on. There is expected to be a reduction in expenditure as compared with last year apart from that due to the adjustment in last year's accounts of the capital outlay on the Decauville Railway.

#### C.—Summary of Results.

24. If our estimates prove correct, the net result of next year's working should be considerably better than this year's. Our total receipts from commercial lines will be 101.02 crores, or 5.69 crores more than this year; while our charges ought to be 97.84 crores or 42 lakhs less. On these

estimates, we should obtain a surplus from commercial lines of 3·18 crores, as against a loss of 2·93 crores in the current year. Deducting 1·96 crores from the surplus to meet the loss on strategic lines, we are left with a balance of 1·22 crores. Our contribution to general revenues, which is based on the results of 1929-30 when there was no surplus, is 1 per cent. of the capital at charge at the end of 1929-30 less the loss on strategic lines in that year, and amounts to 5·36 crores. To pay this, we shall have again to draw upon our accumulated reserves to the extent of 4·14 crores, reducing the balance to 1·34 crores at the end of the year.

The balance of the Depreciation Fund, on the other hand, is expected to stand at 21·47 crores on the 31st March, 1932. We expect to withdraw only 8·25 crores, against 13·43 crores paid in according to the rules of the Fund.

#### Capital Expenditure.

25. When we prepared our budget last February, we expected to spend on the programme of works which we asked the Assembly to approve, a total amount of 25½ crores of which 8½ crores was to be found from the Depreciation Fund and the balance of 16¾ crores was to be capital expenditure. Our present expectations are that the total expenditure on works will be 22¾ crores of which 14½ crores will be charged to capital. The balance of 8¼ crores will be met from the Depreciation Fund which has in addition to provide ½ of a crore for the rectification of the past erroneous adjustments to which we have referred. The total expenditure from the Depreciation Fund will thus, be 9 crores.

Of the saving of 2½ crores, half is under new construction, where we expect to spend only 3¾ crores against 5 crores originally provided. As we explained last year, our policy has been to concentrate entirely on pushing schemes already in hand through to completion, and the reduction in expenditure has not resulted in a reduction of the mileage opened during the year below that which we anticipated in preparing the budget. Under Open Line expenditure, the actual reduction is a crore and a quarter, of which a crore is under Capital. Part of it is due to the fact that, owing to the stringency of the tests, which every project had to pass through before finding a place in our next year's programme, where we are practically confining ourselves to carrying to completion works which have already been started, Railway Administrations found themselves compelled to give up the inception this year of certain works which they originally intended to start, but for the furtherance of which no funds could be provided next year.

26. From the reduced sum which it is possible to place at our disposal next year, it has been our first duty to provide adequately for the maintenance of the lines in a condition to carry traffic safely and economically, and for the completion of works already begun, including lines now under construction. Two hundred and ninety lakhs are allotted for capital expenditure on the latter, and should enable us to open all lines now being constructed to traffic except the Sagaing Bridge over the Irrawaddy, the Lucknow-Sultanpur-Zafarabad Railway, and a comparatively small branch, the Tangla Belsiri in the north east of India; and the allotment proposed should enable the Lucknow-Sultanpur-Zafarabad Railway to be opened to Sultanpur. Open line works in progress receive four hundred and ten lakhs of which ninety-eight lakhs will come from the Depreciation Fund, and with the expenditure of this sum only two of the works already in hand, the Dohad workshops on the Bombay, Baroda and Central India Railway, and the doubling of the

Cawnpore-Tundla section of the East Indian Railway, will require substantial amounts for their completion after 1931-32. The latter scheme is being taken up in three sections and the allotment proposed provides for the completion of the length from Tundla to Shikohabad, and the commencement of the length from Cawnpore to Phaphund. The doubling of these lengths alone will give considerable relief to the congestion on this important section of the East Indian Railway main line.

If our expectations of progress this year are fulfilled and the sums now proposed are allotted and spent, we estimate that the completion of all lines now under construction and all open line works in progress will not require more than three hundred and fifty seven lakhs after 1931-32, of which about forty-six lakhs will come from the depreciation fund.

It is above all essential that the track should be kept in a proper condition for the safe and efficient movement of traffic. We have not reduced the sums which are in our opinion needed for this purpose, and have provided just over 5½ crores for track renewals, of which about 4 crores will come from the depreciation fund.

Originally we prepared a programme for the purchase or manufacture of rolling stock involving the expenditure of 8.21 lakhs and obtained the approval of the Standing Finance Committee for Railways to this programme last May. It became quickly apparent, however, that it would not be possible to finance so large a programme without starving the works in progress and delaying their completion; and we had therefore to weigh the relevant urgency of some of the less essential items in the rolling stock programme with that of the various works which we also desired to see financed. Meanwhile the continued fall in traffic had to a certain extent diminished the justification for the immediate purchase or manufacture of some of the items originally proposed for inclusion in the rolling stock programme for 1931-32. As a result of the investigation which we conducted on these lines in close consultation with the heads of Railway Administrations, the rolling stock programme has been reduced to one involving the expenditure of 5½ crores, of which about 2½ crores will come from the Depreciation Fund. It should be added that in order to keep our expenditure next year to the lowest possible figure consistent with the fulfilment of our obligation to carry traffic, the possibility of reducing our actual purchases of rolling stock by a redistribution of the existing stock between the various railways has been under continuous examination throughout the year, and we have found it practicable in this way to avoid purchases amounting to about Rs. 49½ lakhs. We have also been successful in arranging with the wagon building firms in this country, with whom the railways, orders for the purchase of wagons were placed, to take component parts which the railways had already in stock, thereby avoiding the expenditure of about Rs. 4 lakhs. Further, by reconditioning second hand wheels for use on new carriage and wagon stock we have been able to avoid buying new wheels abroad at a cost of about Rs. 12½ lakhs.

Lastly there are new works. The rate of interest which we shall probably have to pay in 1931-32 renders many otherwise attractive projects unremunerative, and with the future so uncertain we are unable to propose the inception of any large schemes, the completion of which would commit the Government of India to heavy expenditure in future years. The one exception is the Narbadda bridge on the Bombay, Baroda and Central India Railway of which the girders require renewing urgently. The existing bridge is 49 years old and the girders are of wrought iron (no longer used for this purpose) and

are much below strength for modern loads. This has entailed a speed restriction of 5 miles an hour being imposed, as a result of which every train takes 11 minutes to cross the bridge as against 1 minute that would be taken at 55 miles an hour if the girders permitted unrestricted speed. The Senior Government Inspector considers the renewal of these girders urgent in the interests of public safety. The renewal of this bridge is estimated to cost 87 lakhs, and we propose to make a beginning by spending nearly 15 lakhs on it next year. For the rest we have concentrated on the provision of those minor traffic facilities, and conveniences for railway employees and the public using the railway, most of which can be finished in one year, and none of which will commit us to large expenditure after 1931-32. One item in the programme of the Bengal Nagpur Railway—the doubling of the line between Kharagpur and Bhadrak—might seem a departure from this policy, in so far as it is estimated to cost 168 lakhs of which only 13½ lakhs are to be spent next year. But, for this sum, it should be possible to complete the sections between Kharagpur and Bemapur (6·97 miles) and Markona and Bhadrak (8·85 miles) with an immediate advantage in relieving congestion which by itself justifies the expenditure; so that the inclusion of this scheme in no way commits us to further expenditure in future years. For the rest the programme of new works, which is estimated to cost about 3½ crores in 1931-32 (including 1 crore, from the Depreciation Fund) will require for its completion in subsequent years only 1·10 crores of which about 51 lakhs will fall on the depreciation fund. Of this sum of 110 lakhs nearly three quarters of a crore are on account of the Narbadda bridge.

The total expenditure in 1931-32, on the works in our programme will be 21·70 crores, of which 8·25 crores will be met from the Depreciation Fund. Part of the materials required, to the extent of two crores, will however be found from our balance of stores in stock, and the actual money that we require on capital account is only 11·45 crores.

27. We wish to acknowledge the assistance which we have received both from the Standing Finance Committee for Railways elected by the previous Assembly and from the members of the recently elected committee. The latter were called upon to consider our budget proposals at short notice and with only a limited time at their disposal, and we are specially grateful to them for the work which they had to perform at high pressure. We are glad that our proposals have throughout met with their approval.

Conclusion.

T. G. RUSSELL,

Chief Commissioner of Railways.

A. A. L. PARSONS,

Financial Commissioner of Railways.

NEW DELHI ;

The 1st March 1931.

## BUDGET FOR 1931-32.

## APPENDIX I.

## CAPITAL EXPENDITURE.

The total expenditure charged to capital and to the Depreciation Fund on State-owned railways in the three years 1929 30 to 1931 32 is set out in the table below :—

	Accounts, 1929-30.	1930-31.		Budget, 1931-32.
		Budget.	Revised.	
<b>England—</b>				
Sterling pay- ments. £	12,712,740	3,772,500	4,290,000	2,437,500
Converted into rupees at 1s. 6d. to the rupee. Rs.	18,95,03,205	5,03,00,000	5,72,00,000	3,25,00,000
Exchange . . Rs.	11,76,735	..	7,04,000	..
Total England . Rs.	17,06,79,940	5,03,00,000	5,79,04,000	3,23,00,000
Probable throw forward Rs.	..	67,00,000	..	..
Net England . Rs.	17,06,79,940	4,36,00,000	5,79,04,000	3,25,00,000
<b>India—</b>				
Payments in India Rs.	24,87,72,049	20,89,00,000	17,70,96,000	16,45,00,000
Total England and India Rs.	41,94,51,989	25,25,00,000	23,50,00,000	19,70,00,000

The distribution of the above between capital and depreciation fund is as follows :—

Capital . . . . .	30,18,33,675	17,14,00,000	14,50,00,000	11,45,00,000
Probable throw forward . . . . .	..	39,00,000	..	..
Net Capital . . . . .	30,18,33,675	16,75,00,000	14,50,00,000	11,45,00,000
Depreciation Fund . . . . .	11,76,18,314	8,78,00,000	9,00,00,000	8,25,00,000
Probable throw forward . . . . .	..	28,00,000	..	..
Net Depreciation Fund . . . . .	11,76,18,314	8,50,00,000	9,00,00,000	8,25,00,000



BUDGET FOR 1931-32.

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2. The statement below gives a comparison of the allotments made for open lines and lines under construction during the same period (viz., 1929-30 to 1931-32) under commercial and strategic lines separately :—

(Figures in thousands of rupees.)

	Accounts, 1929-30.	Revised Estimates, 1930-31.	Budget Estimates, 1931-32.
<b>Commercial.</b>			
Purchase price of Southern Punjab Railway .	7,04,55	..	..
Purchase of branch line shares . . . . .	1,00	1,00	..
Open line (including rolling { Capital stock) . . . . . { Dep. Fund .	16,33,98 11,59,21	10,49,00 8,79,60	8,39,00 8,07,00
Total open lines (Commercial) { Capital .	23,39,53	10,50,00	8,39,00
{ Dep. Fund .	11,59,21	8,79,60	8,07,00
Lines under construction—Capital . . . . .	6,50,37	3,75,00	2,89,00
Total Commercial . { Capital .	29,89,90	14,25,00	11,28,00
{ Dep. Fund .	11,59,21	8,79,60	8,07,00
Total	41,49,11	23,04,60	19,35,00
<b>Strategic.</b>			
Open line (including rolling { Capital stock) . . . . . { Dep. Fund .	13,67 16,97	24,50 20,40	15,86 13,00
Lines under construction—Capital . . . . .	14,77	50	1,14
Total Strategic . . . { Capital .	28,44	25,00	17,00
{ Dep. Fund .	16,97	20,40	13,00
Total Commercial and Strategic { Capital Lines . . . . . { Dep. Fund .	30,18,34 11,76,18	14,50,00 9,00,00	11,45,00 8,25,00
Total	41,94,52	23,50,00	19,70,00

3. The distribution of the total budget grant of 19.70 crores for 1931-32 is as follows :—

(Figures in thousands of rupees.)

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
<i>State Railways managed by the State.</i>						
<b>Burma Railways—</b>						
<i>New Construction—</i>						
Myingyan Natogyi Paleik	..	..	..	30	..	30
Sagaing Bridge	..	..	..	20,00	..	20,00
Open Line	Capital	10,05	31,95	42,00	..	..
	Dep. Fund	3,95	25,80	29,75	..	..
Total	Capital	10,05	31,95	42,00	20,30	20,30
	Dep. Fund	3,95	25,80	29,75	..	..
<b>Eastern Bengal Railway—</b>						
<i>New Construction—</i>						
Kalukhali Kamarkhali Bhateapara.	..	..	..	20,00	..	20,00
Tangla Belsiri	..	..	..	12,00	..	12,00
Open Line	Capital	26,55	47,95	74,50	..	..
	Dep. Fund	2,25	72,25	74,50	..	..
Total	Capital	26,55	47,95	74,50	32,00	32,00
	Dep. Fund	2,25	72,25	74,50	..	..
<b>East Indian Railway—</b>						
<i>New Construction—</i>						
Calcutta chord	..	..	..	33,70	..	33,70
Lucknow Sultanpur Zafarabad.	..	..	..	36,00	..	36,00
Open Line	Capital	32,20	95,60	1,27,80	..	..
	Dep. Fund	31,50	85,25	1,16,75	..	..
Total	Capital	32,20	95,60	1,27,80	69,70	69,70
	Dep. Fund	31,50	85,25	1,16,75	..	..

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
<b>Great Indian Peninsula Railway—</b>						
<i>New construction—</i>						
Darwha Pusad . . . . .	..	..	..	3,70	..	3,70
<i>Open Line .</i> { Capital . . . . .	40,80	73,15	1,13,95	..	..	..
{ Dep. Fund . . . . .	36,70	67,05	1,03,75			
<i>Total . . .</i> { Capital . . . . .	40,80	73,15	1,13,95	3,70	..	3,70
{ Dep. Fund . . . . .	36,70	67,05	1,03,75			
<b>North-Western Railway—</b>						
<b>Commercial lines—</b>						
<i>New construction—</i>						
Chiniot Kushab . . . . .	..	..	..	3,37	..	3,37
Kalabagh Bridge . . . . .	..	..	..	9,21	..	9,21
Kangra Valley . . . . .	..	..	..	64	..	64
Sind Left Bank Feeders . . . . .	..	..	..	29,68	..	29,68
<i>Open Line .</i> { Capital . . . . .	20,30	68,45	88,75	..	..	..
{ Dep. Fund . . . . .	21,80	87,20	1,09,00			
<i>Total . . .</i> { Capital . . . . .	20,30	68,45	88,75	42,90	..	42,90
{ Dep. Fund . . . . .	21,80	87,20	1,09,00			
<b>North Western Railway</b>						
<b>(Strategic Lines)—</b>						
<i>New construction—</i>						
Zhob Valley Railway Extension . . . . .	..	..	..	1,14	..	1,14
<i>Open Line .</i> { Capital . . . . .	4,25	11,61	15,86	..	..	..
{ Dep. Fund . . . . .	4,31	13,69	18,00			
<i>Total . . .</i> { Capital . . . . .	4,25	11,61	15,86	1,14	..	1,14
{ Dep. Fund . . . . .	4,31	13,69	18,00			
<b>State Railway Collieries . . . . .</b>	..	90	90	..	..	..
<b>Total State Lines managed by the State.</b>						
{ Capital . . . . .	1,34,15	3,29,61	4,63,76	1,69,74	..	1,69,74
{ Dep. Fund . . . . .	1,00,51	3,51,24	4,51,75			
<b>TOTAL . . . . .</b>	<b>2,34,66</b>	<b>6,80,85</b>	<b>9,15,51</b>	<b>1,69,74</b>	<b>..</b>	<b>1,69,74</b>

## BUDGET FOR 1931-32.

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
<i>State Railways managed by Companies or Indian States—</i>						
<b>Assam Bengal Railway—</b>						
<i>New construction—</i>						
Netrokona Mohangunj . . . . .	..	..	..	58	..	58
Senchoa Mairabari . . . . .	..	..	..	75	..	75
Chittagong Fatikchhari (Nazirhat) . . . . .	..	..	..	1,52	..	1,52
Chittagong Duhazari . . . . .	..	..	..	6,85	..	6,85
<i>Open Line</i> . . . . . { Capital . . . . .	15,45	5,70	21,15	..	..	..
{ Dep. Fund . . . . .	2,80	9,20	12,00	..	..	..
<b>Total</b> . . . . . { Capital . . . . .	15,45	5,70	21,15	9,70	..	9,70
{ Dep. Fund . . . . .	2,80	9,20	12,00	..	..	..
<b>Bengal Nagpur Railway—</b>						
<i>New construction—</i>						
Raipur Vizianagram . . . . .	..	..	..	65,00	..	65,00
<i>Open Line</i> . . . . . { Capital . . . . .	44,65	60,45	1,05,10	..	..	..
{ Dep. Fund . . . . .	52,40	69,10	1,21,50	..	..	..
<b>Total</b> . . . . . { Capital . . . . .	44,65	60,45	1,05,10	65,00	..	65,00
{ Dep. Fund . . . . .	52,40	69,10	1,21,50	..	..	..
<b>Berwada Railway—</b>						
<i>Open Line</i> . . . . . { Capital . . . . .	..	55	55	..	..	..
{ Dep. Fund . . . . .	..	..	..	..	..	..
<b>Bengal and North-Western Railway (Tirhut Section)—</b>						
<i>New construction—</i>						
Mashrak Thawe . . . . .	..	..	..	2,60	..	2,60
<i>Open Line</i> . . . . . { Capital . . . . .	14,70	3,85	18,55	..	..	..
{ Dep. Fund . . . . .	6,20	3,80	10,00	..	..	..
<b>Total</b> . . . . . { Capital . . . . .	14,70	3,85	18,55	2,60	..	2,60
{ Dep. Fund . . . . .	6,20	3,80	10,00	..	..	..

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
<b>Bombay, Baroda and Central India Railway—</b>						
<i>Open Line</i> . { Capital .	37,75	43,85	81,60	..	..	..
Dep. Fund .	32,50	65,40	97,90	..	..	..
Total . { Capital .	37,75	43,85	81,60	..	..	..
Dep. Fund .	32,50	65,40	97,90	..	..	..
<b>Dronachellam Kurnool Railway—</b>						
<i>Open Line</i> . { Capital .	..	2,30	2,30	..	..	..
Dep. Fund .	..	..	..	..	..	..
<b>Jodhpur Railway—</b>						
<i>Open Line</i> . { Capital .	..	1,80	1,80	..	..	..
Dep. Fund .	30	1,10	1,40	..	..	..
<b>Madras and Southern Mahratta Railway—</b>						
<i>Open Line</i> . { Capital .	26,70	44,75	71,45	..	..	..
Dep. Fund .	22,15	50,10	72,25	..	..	..
Total . { Capital .	26,70	44,75	71,45	..	..	..
Dep. Fund .	22,15	50,10	72,25	..	..	..
<b>Rohilkund and Kumaon Railway—</b>						
<i>Open Line</i> . { Capital .	85	4,35	5,20	..	..	..
Dep. Fund .	1,70	1,50	3,20	..	..	..
<b>South Indian Railway—</b>						
<i>New construction—</i>						
Shoranur Nilambur .	..	..	..	—59	..	—59
Virudhunagar Tenkasi .	..	..	..	40	..	40
Madura Bodinayakanur .	..	..	..	1,00	..	1,00
Villupuram Trichinopoly .	..	..	..	4,49	..	4,49
Dindigul Pollachi .	..	..	..	9,66	..	9,66
Cuddalore Vriddhachalam	..	..	..	3,00	..	3,00
Mayavaram Tranquebar .	..	..	..	6	..	6
Salem Metur Dam .	..	..	..	13	..	13

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
<b>South Indian Railway—concl'd.</b>						
<i>New construction—concl'd.</i>						
Trichinopoly Manamadura	..	..	..	7,32	..	7,32
Polachi Palghat . . .	..	..	..	12,00	..	12,00
Salem Attur Vriddhachalam	..	..	..	5,63	..	5,63
<i>Open Lines . . { Capital</i>	<i>18,40</i>	<i>39,00</i>	<i>57,40</i>	..	..	..
<i>{ Dep. Fund</i>	<i>7,95</i>	<i>39,05</i>	<i>47,00</i>	..	..	..
<b>Total . . { Capital . . .</b>	<b>18,40</b>	<b>39,00</b>	<b>57,40</b>	<b>43,10</b>	..	<b>43,10</b>
<b>{ Dep. Fund</b>	<b>7,95</b>	<b>39,05</b>	<b>47,00</b>	..	..	..
<b>Total State Railways managed by Companies or Indian States . . { Capital . . .</b>	<b>1,58,50</b>	<b>2,06,60</b>	<b>3,65,10</b>	<b>1,20,40</b>	..	<b>1,20,40</b>
<b>{ Dep. Fund</b>	<b>1,26,00</b>	<b>2,39,25</b>	<b>3,65,25</b>	..	..	..
<b>Total . .</b>	<b>2,84,50</b>	<b>4,45,85</b>	<b>7,30,35</b>	<b>1,20,40</b>	..	<b>1,20,40</b>
<b>Total all State Railways . . { Capital . . .</b>	<b>2,92,65</b>	<b>5,36,21</b>	<b>8,28,86</b>	<b>2,90,14</b>	..	<b>2,90,14</b>
<b>{ Dep. Fund</b>	<b>2,26,51</b>	<b>5,90,49</b>	<b>8,17,00</b>	..	..	..
Staff quarters . . .	..	20,00	20,00	..	..	..
For emergencies . . .	..	6,00	6,00	..	..	..
	..	8,00	8,00	..	..	..
<b>Total . . { Capital . . .</b>	<b>2,92,65</b>	<b>5,62,21</b>	<b>8,54,86</b>	<b>2,90,14</b>	..	<b>2,90,14</b>
<b>{ Dep. Fund</b>	<b>2,26,51</b>	<b>5,98,49</b>	<b>8,25,00</b>	..	..	..
<b>Grand Total . .</b>				<b>11,45,00</b>		<b>8,25,00</b>

NOTE.—Figures in italics represent expenditure from the depreciation fund.

*Open Line Works.*

4. *Engineering, structural and other works.*—The following is the distribution of the proposed expenditure among the various classes of works comprised in this group:—

(Figures in lakhs of rupees.)

	Capital.	Depreciation Fund.	Total.
(1) Track . . . . .	158	399	557
(2) Bridges . . . . .	88	81	169
(3) Traffic facilities . . . . .	227	65	292
(4) Workshops and Loco sheds . . . . .	99	24	123
(5) Staff quarters { Ordinary . . . . .	41	6	47
{ Special . . . . .	20	..	20
(6) Welfare Works . . . . .	19	2	21
(7) Electric installations . . . . .	13	2	15
(8) Signalling and interlocking . . . . .	17	4	21
(9) Electrification of track . . . . .	14	1	15
(10) Removal of infringements . . . . .	2	..	2
(11) Ferries . . . . .	..	1	1
(12) Collieries . . . . .	18	..	18
(13) Emergencies . . . . .	6	8	14
(14) Other Works . . . . .	40	6	46
(15) Suspense (Reduction of stores balances) . . . . .	-200	..	-200
<b>Total . . . . .</b>	<b>562</b>	<b>599</b>	<b>1,161</b>

(1) and (2). *Track and Bridges.*—The general policy followed hitherto of strengthening and improving the track and bridges is being maintained. The special object of bringing these up to a standard fit for running without restriction the new heavy standard locomotives is kept in view, and provision has been made on all the principal railways to the greatest extent which funds permit for the renewals of rails, sleepers and girders.

Among the more important schemes of bridge renewal may be mentioned the Narbadda bridge on the Great Indian Peninsula Railway and the Kotri bridge on the North Western Railway, which are to be completed in 1931-32. Provision is also made for carrying on the work on the Roopnarayan bridge on the Bengal Nagpur Railway, which is expected to be finished in 1932-33. It is also proposed to commence work in 1931-32 on the Narbadda bridge of the Bombay, Baroda and Central India Railway, a renewal somewhat over due, and this work will be spread over 3 years.

On the East Coast section of the Bengal Nagpur Railway it is proposed to relay 25 miles at a cost of 2.41 lakhs (Capital) and some 9 lakhs (Depreciation). The work of the 115 lb. relaying in the colliery area of the

East Indian Railway will be continued and a provision of 16·20 lakhs Capital and 27·50 lakhs Depreciation has been made for doing 81 miles of this track renewal. In addition, on the East Indian Railway, it is proposed to relay with 90 lb. section rails 20 miles in the Dinapur Division and 10 miles on the Hardwar-Dehra Railway. The work of 90 lb. relaying on the Itarsi-Agra section on the Great Indian Peninsula Railway is to continue and a provision of 16 lakhs Capital and 25·25 lakhs Depreciation has been made. On the Eastern Bengal Railway, a provision has been made for relaying the Parbatipur-Siliguri section with 90 lb. rails and, on the North Western Railway, it is proposed to relay with the same section of rails 35 miles on the Delhi-Umbala-Kalka section. On the latter railway a substantial provision has also been made for sleeper renewal throughout the whole system of some 7,000 odd miles. For this a provision of Rs. 35 lakhs Capital and Rs. 55·50 lakhs Depreciation has been made in 1931-32.

(3) *Traffic facilities.*—Under the rearrangement of the programme, doubling and quadrupling schemes are now included under the head 'traffic facilities', and the only two items of this nature which call for remark are the completion of the Ishurdi-Abdulpur section on the Eastern Bengal Railway for which a provision of Rs. 8·73 lakhs Capital and Rs. 27 lakhs Depreciation has been made, and a further instalment of Cawnpore-Tundla on the East Indian Railway for which Rs. 22·42 lakhs Capital have been provided.

The more important schemes which will be current in 1931-32 are :—

(Figures in lakhs.)

Name of schemes.	Estimated Cost.	Approximate outlay to end of 31st March 1931.	Provision for 1931-32.
Trichinopoly Junction and Fort Station remodelling (South Indian Railway)	59·65 <i>8·83</i>	53·33 <i>8·26</i>	6·32 <i>·57</i>
Erode Junction remodelling (South Indian Railway)	52·57 <i>7·42</i>	29·36 <i>1·10</i>	11·00 <i>3·25</i>
Lengthening of sidings to 1,800 ft. in length on the Itarsi—Jabulpur, Bhopal—Bina, Agra—Delhi sections (Great Indian Peninsula Railway)	18·31 <i>5·46</i>	2·99 <i>1·74</i>	12·23 <i>2·76</i>
Provision of additional crossing stations on the Nagpur main line (Bengal Nagpur Railway)	10·00 ..	.. ..	10·00 ..
Remodelling Naihati (Eastern Bengal Railway)	5·00 <i>1·00</i>	.. ..	5·00 <i>1·00</i>

NOTE—Figures in italics represent expenditure from the Depreciation Fund.



(4) *Workshops, Station and other buildings.*—The only important items under this head are as shown below :—

(Figures in lakhs.)

	Estimated cost.	Approximate outlay to end of 31st March 1931.	Provision for 1931-32.
Dohad (Scheme 'G') (Bombay, Baroda and Central India Railway)	43·68 <i>4·60</i>	5·99 <i>·01</i>	13·50 ..
Golden Rock (South Indian Railway)	318·04 <i>10·89</i>	314·04 <i>10·89</i>	4·00 —
Perambur shops (Madras and Southern Mahratta Railway)	244·41 <i>35·75</i>	216·33 <i>17·48</i>	24·91 <i>12·23</i>

NOTE.—Figures in italics represent expenditure from the Depreciation Fund.

(5) *Staff quarters.*—Below is given a table showing the distribution of the proposed expenditure for carrying on the policy of providing, as far as possible good dwellings in healthy surroundings for a large proportion of the staff

(Figures in lakhs.)

Railways.	Officers' Quarters.		Other Quarters.		Total.
	Provision to complete bungalows under construction.	Provision for new bungalows.	Provision to complete quarters under construction.	Provision for new quarters.	
Assam Bengal .	..	..	1·30	..	1·30
	..	..	..	..	..
Bengal Nagpur.	..	..	1·46 <i>·08</i>	4·54 <i>2·06</i>	6·00 <i>2·14</i>
Bengal and North-Western	..	..	·10 <i>·16</i>	2·67 <i>·13</i>	2·77 <i>·29</i>

## BUDGET FOR 1931-32.

Railways.	Officers' Quarters.		Other Quarters.		Total.
	Provision to complete bungalows under construction.	Provision for new bungalows.	Provision to complete quarters under construction.	Provision for new quarters.	
Dhone Kurnool	..	..	·67	..	·67
Bombay, Baroda and Central India.	..	·24	1·25	1·51	3·00
	..	..	·05	·14	·19
Burma . .	..	·28	1·50	·92	2·70
	..	..	..	·95	·95
East Indian .	..	..	7·15	4·20	11·35
	..	..	·20	·98	1·18
Great Indian Peninsula.	..	..	·69	..	·69
	..	..	..	..	..
Madras and Southern Mahratta.	..	..	·20	2·13	2·33
	..	..	..	..	..
North Western.	..	1·00	..	8·00	9·00
	..	..	..	1·00	1·00
Rohilkund and Kumaon.	..	..	·01	1·03	1·04
	..	..	..	·09	·09
South Indian .	..	..	..	·32	·32
	..	..	..	·04	·04
Jodhpur . .	..	..	..	·25	·25
	..	..	..	..	..
Total .	..	1·52	14·33	25·57	41·42
	..	..	·49	5·39	5·88

NOTE.—Figures in italics represent expenditure from the Depreciation Fund.

In addition to these sums a provision of Rs. 20 lakhs has been made mainly for additional quarters required in order that the Washington and Geneva Conventions may be given effect to which will be distributed to Railway Administrations later as their schemes are ready.

(9) *Electrification of Track.*—The year 1930-31 has seen the final opening of all the electrification schemes in the Bombay area on the Bombay, Baroda and Central India and Great Indian Peninsula Railways. A small provision of Rs. 10·29 lakhs Capital has, however, been made in 1931-32 for additional facilities required and for completion of all works in the Great Indian Peninsula Railway main line electrification scheme.

The South Indian Railway Suburban electrification schemes in the Madras area are expected to be completed in 1931-32, and a provision amounting in all to Rs. 8·45 lakhs Capital and 1·06 lakhs Depreciation has been made for the purpose.

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5. *Amenities for passengers.*—The statement below shows the expenditure proposed from Capital and Depreciation Fund in 1931-32 on the various categories under which these amenities are usually subdivided.

(Figures in thousands.)

Railways.	Water supply.	Waiting rooms and halls.	Indian refreshment rooms.	Booking facilities.	Latrines and sanitary arrangements.	Raised platforms.	Additions and betterments to lower class carriages.	Total.
1. Assam Bengal . . .	5	15	20	..	15	..	3,85	4,40
2. Benga Nagpur . . .	8	95	10	2	..	4	4,39	5,53
3. Bengal and North Western.	9	6	..	..	..	3	5,43	5,61
4. Bombay, Baroda and Central India.	1	23	2	7	1	85	20,77	21,96
5. Burma . . . . .	..	..	..	..	10	7	46	63
6. Donachellam Kurnool	..	..	5	..	..	..	..	5
7. Eastern Bengal . . .	3	5	..	4	..	13	12,17	12,42
8. East Indian . . . .	1,20	52	10	74	54	..	13,15	16,25
9. Great Indian Peninsula	8	34	16	..	10	..	9,46	10,14
10. Jodhpur . . . . .	..	7	..	..	..	..	..	7
11. Madras and Southern Mahratta.	10	25	6	..	20	20	3,64	4,45
12. North Western . . .	1,70	1,14	30	80	34	2,00	..	6,23
13. Rohilkund & Kumaon	..	..	..	..	..	..	5	5
14. South Indian . . . .	24	1,98	1,19	41	47	86	2,36	7,51
<b>TOTAL . . . . .</b>	<b>3,53</b>	<b>5,74</b>	<b>2,18</b>	<b>2,08</b>	<b>1,91</b>	<b>4,13</b>	<b>75,73</b>	<b>95,35</b>

6. *Rolling Stock.*—Of the total amounts provided for expenditure on rolling stock during 1931-32, 104.81 lakhs (of which 53.74 lakhs are from the Depreciation Fund) are for completion of works sanctioned in previous programmes. The expenditure on new items is shown in the statement below.

## BUDGET FOR 1931-32.

	Broad Gauge.			Metre	
	Additions.	Renewals.		Additions.	
	Capital.	Capital.	Depreciation Fund.	Capital.	
<i>I.—Locomotives—</i>					
(a) Engines and Tenders . . . . .	..	4,20	34,86	4,20	9,24
(b) Boilers . . . . .	3,20	88	19,24	4,08	..
(c) Superheating of Locomotives . . . . .	..	4,02	8,81	4,92	..
<i>II.—Coaching Stock—</i>					
(a) I and II Class . . . . .	21,05	8,57	9,12	29,62	36
(b) Inter and III Class . . . . .	18,83	11,71	10,64	30,54	1,26
(c) Other composite coaches . . . . .	15,33	11,42	9,53	26,75	3,24
(d) Miscellaneous expenditure . . . . .	..	—3	5	—3	20
<i>III.—Goods Stock—</i>					
(a) General Service . . . . .	14,13	46,16	53,52	60,29	9,82
(b) Other types . . . . .	6,37	5,93	4,47	12,80	2,50
(c) Miscellaneous expenditure . . . . .	..	..	..	..	..
<b>Total . . . . .</b>	<b>78,91</b>	<b>93,76</b>	<b>1,52,84</b>	<b>1,72,67</b>	<b>26,62</b>

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(Figures in thousands of rupees.)

Gauge.			Narrow Gauge.				Grand Total.	
Renewals.		Total.	Additions.	Renewals.		Total.		
Capital.	Depre- ciation Fund.	Capital.	Capital.	Capital.	Depre- ciation Fund.	Capital.	Capital.	Depre- ciation Fund.
4,43	9,71	13,67	..	1,50	2,01	1,50	19,37	46,58
30	3,80	30	..	..	61	..	4,38	24,26
8	2,38	8	..	..	..	..	5,00	11,19
40	65	76	44	..	..	44	30,82	9,77
..	5	1,26	72	35	69	1,07	32,87	11,28
2,45	2,68	5,69	14	66	1,03	80	33,24	13,24
87	..	1,07	..	..	..	..	1,04	5
5,12	10,07	14,94	..	..	..	..	75,23	65,59
3,57	1,80	6,07	15	24	5	39	18,76	6,32
87	5	87	..	..	..	..	87	
18,09	31,19	44,71	1,45	2,75	4,29	4,20	2,21,58	1,88,32

The programme provides for the construction of new units of stock shown in the table below, all of which, however, will not necessarily be completed and be available for use before the 31st March 1932.

	Broad Gauge.			Metre Gauge.		
	Additions No.	Renewals No.	Total No.	Additions No.	Renewals No.	Total No.
1. Locomotive engines	..	65	65	15	41	56
2. Coaching vehicles (in terms of four-wheelers)—						
(a) I and II class	70	64	134	2	10	12
(b) Inter and III class	124	76	200	26	..	26
3. Goods wagons (in terms of four-wheelers)	220	2,333	2,553	480	608	1,088

NOTE.—The figures in this paragraph are exclusive of Inter and III class composite coaches to be built with luggage, brakes, postal compartments, and restaurant cars, multiple coaches, 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, motor vans, store vans, etc.

The following statement shows in terms of four-wheeler the details of the new units of coaching and goods stock 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 Service.	
	Broad Gauge.	Metre Gauge.	Broad Gauge.	Metre Gauge.	Metre Gauge.	Broad Gauge.
East Indian . . .	18	..	..	..	..	..
Eastern Bengal . .	8	..	50	8	150	..
Great Indian Peninsula . . .	24	..	22	..	..	100
Bombay, Baroda and Central India . . .	8	..	44	..	..	..
South Indian . . .	12	2	6	6	..	..
Madras and Southern Mahratta . . .	..	..	2	..	230	120
Assam Bengal. . .	..	..	..	12	100	..
<b>Total</b> . . .	<b>70</b>	<b>2</b>	<b>124</b>	<b>26</b>	<b>480</b>	<b>220</b>

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

## New construction.

7. A complete list of new lines, whether under construction or likely to be commenced during the year 1931-32, for which the allotment of 2·90 crores proposed for new construction is intended, is given in the demands for grants for new construction of commercial and strategic lines. The total mileage of these new lines excluding that of the lines to be opened in 1930-31 aggregates 797 miles. The additions to the several main systems are indicated in the tabulated statement below :—

Railway system.	Mileage of lines in progress.	Mileage of lines, the construction of which has been sanctioned but not yet commenced.	Mileage of unsanctioned lines.	Total.
Assam Bengal . . . . .	25	..	..	25
Bengal Nagpur . . . . .	147	..	..	147
Bengal and North Western . . . . .	40	..	..	40
Eastern Bengal . . . . .	106	..	..	106
East Indian . . . . .	146	..	..	146
Great Indian Peninsula . . . . .	43	..	..	43
North Western . . . . .	174	..	..	174
South Indian . . . . .	116	..	..	116
<b>Total . . . . .</b>	<b>797</b>	<b>..</b>	<b>..</b>	<b>797</b>

8. It is expected that about 303 miles of railway will be opened in the current year and about 583 miles in 1931-32. The details are as follow:—

Lines opened and to be opened in 1930-31.

<i>Name of project.</i>	<i>No. of miles</i>
<i>Assam Bengal Railway—</i>	
Dhing Bazar Mairabari . . . . .	3
<i>Bengal Nagpur Railway—</i>	
Jemadipeta-Rayaghada . . . . .	9
Hari Shankar Road Titalagarh . . . . .	35
Rayaghada to mile 90 . . . . .	12
<i>Bengal and North Western Railway—</i>	
Mashrak Thawe . . . . .	40
<i>Bombay, Baroda and Central India Railway—</i>	
Vasad-Katana . . . . .	27
<i>Burma Railway—</i>	
Nysungdo-Kyaukpadaung . . . . .	11
<i>East Indian Railway—</i>	
Unao-Madhoganj . . . . .	48
<i>Central India Coalfields Railway—</i>	
(1) Manendragarh-Jhagrakhund siding . . . . .	2
(2) Manendragarh-Chirmiri siding . . . . .	13
<i>North Western Railway—</i>	
Mahrabpur Padidan . . . . .	44
<i>South Indian Railway—</i>	
Pudukkottai Manamadurai . . . . .	60
<b>Total</b>	<b>304</b>



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Lines expected to be opened during 1931-32.

	<i>Mileage.</i>
<b>Assam Bengal Railway—</b>	
Chittagong Duhazari . . . . .	25
<b>Bengal Nagpur Railway—</b>	
Raipur-Parvatipuram section of Raipur Viziansgram Railway (part) . . . . .	74
<b>Eastern Bengal Railway—</b>	
Kalukhali-Bhateapara . . . . .	53
<b>East Indian Railway—</b>	
Calcutta Chord Railway . . . . .	10
Lucknow-Sultanpur-Zafarabad . . . . .	436
<b>Great Indian Peninsula Railway—</b>	
Dharwa Pused . . . . .	43
<b>North Western Railway—</b>	
Chiniot-Khushab Railway Shanpur City-Khushab. . . . .	6
<b>Sind Left Bank feeders—</b>	
Tharushah-Sakrand . . . . .	66
Tando Adam-Nawabshah. . . . .	54
<b>South Indian Railway—</b>	
Salem-Attur-Vridhdachalam . . . . .	83
Pollachi Palghat . . . . .	33
<b>Total</b>	<b>583</b>

## APPENDIX II.

## Capital expenditure on State-owned Railways.

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1929-30.	To end of 1929-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.	To end of 1931-32.
<b>OPEN LINES.</b>					
State Railways managed by State—					
Aden (Commercial) . . . . .	—9,47	4,56	..	..	4,56
Burma . . . . .	1,15,41	30,06,80	45,00	42,00	30,93,80
Eastern Bengal . . . . .	1,44,50	47,99,81	85,00	74,50	49,59,31
East Indian . . . . .	2,32,69	1,38,60,06	1,50,00	1,27,80	1,39,37,86
Great Indian Peninsula . . . . .	3,54,00	1,14,97,96	2,15,00	1,13,95	1,18,26,91
North Western . . . . .	1,73,35	99,44,58	1,10,00	88,75	1,01,43,33
Strategic Lines . . . . .	13,67	28,41,76	24,50	15,86	28,82,12
Miscellaneous . . . . .	3,75	2,39,37	..	..	2,39,37
Abandoned projects . . . . .	..	32,26	..	..	32,26
<b>Total State Railways managed by State . . . . .</b>	<b>10,27,90</b>	<b>4,60,27,16</b>	<b>6,29,50</b>	<b>4,62,86</b>	<b>4,71,19,52</b>
State Railways managed by Companies or Indian States—					
Assam Bengal . . . . .	44,99	20,47,87	38,00	21,15	21,07,02
Bengal Nagpur . . . . .	1,57,35	70,77,82	65,00	1,05,10	72,47,92
Bengal and North-Western (Tirhut) . . . . .	8,70	9,33,62	12,00	18,55	9,64,17
Beawada Extension . . . . .	14	17,64	5	55	18,24
Bombay, Baroda and Central India . . . . .	1,44,52	71,46,92	1,35,00	81,60	73,63,52
Dronachellam Kurnool Railway Extension . . . . .	36	10,48	2,00	2,30	14,78
Jodhpur . . . . .	88	83,72	50	1,80	86,02
Madras and Southern Mahratta . . . . .	1,52,46	54,36,91	79,00	71,45	55,87,36
Rohilkund and Kumaon (Lucknow Bareilly) . . . . .	—99	1,54,89	1,45	5,20	1,61,54
South Indian . . . . .	1,09,88	31,43,12	1,09,00	57,40	33,09,52
<b>Total State Railways managed by Companies or Indian States . . . . .</b>	<b>6,18,29</b>	<b>2,60,52,99</b>	<b>4,42,00</b>	<b>3,65,10</b>	<b>2,68,60,09</b>

BUDGET FOR 1931-32.

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APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1929-30.	To end of 1929-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.	To end of 1931-32.
Brought forward . . .	16,46,19	7,20,80,15	10,71,50	8,27,96	7,39,79,61
<b>OPEN LINES—<i>concl.</i></b>					
State Railway Collieries . . .	1,46	99,02	2,00	90	1,01,92
<b>Total Open Lines . . .</b>	<b>16,47,65</b>	<b>7,21,79,17</b>	<b>10,73,50</b>	<b>8,28,86</b>	<b>7,40,81,53</b>
<b>LINES UNDER CONSTRUCTION.</b>					
<b>State Railways managed by State—</b>					
<b>Burma Railways—</b>					
Pyinmana Taungdwingyi . . .	9	70,94	..	..	70,94
Segyi Ye U . . . . .	—1	13,84	..	..	13,84
Pegu Kayan . . . . .	5	54,29	..	..	54,29
Heho Shevenyaung . . . . .	24	26,64	2	..	26,66
Mandalay Madaya . . . . .	44	13,69	..	..	13,69
Taungdwingyi Kysukpa- daung . . . . .	14,80	92,55	3,00	..	95,55
Sagaing Bridge . . . . .	19,29	49,61	6,48	20,00	76,09
Myingyan Natogyi Paleik . . . . .	17,86	63,70	3,00	30	67,00
Kayan Thongwa . . . . .	1,23	14,23	10	..	14,33
Nyaunglebin Madauk . . . . .	2,51	12,06	50	..	12,56
<b>Taungdwingyi-Minbu Pakokku—</b>					
(a) Taungdwingyi Pata- nago . . . . .	27,57	57,18	—10	..	57,08
(b) Patanago Malun Pa- kokku . . . . .					
<b>Total . . . . .</b>	<b>84,07</b>	<b>4,68,73</b>	<b>13,00</b>	<b>20,30</b>	<b>5,02,03</b>

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1929-30.	To end of 1929-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.	To end of 1931-32.
<b>LINES UNDER CONSTRUCTION</b> — <i>contd.</i>					
<b>State Railways managed by State—<i>contd.</i></b>					
<b>Eastern Bengal Railway—</b>					
Baruipur Lakshmikan- tapur . . . . .	7,99	25,50	2,75	..	28,25
Dinajpur Ruhea . . . .	44	26,49	10	..	26,59
Tangla Belsiri . . . .	2,17	2,17	8,25	12,00	22,42
Dacca Aricha . . . . .	1,74	2,79	75	..	3,54
Kalukhali-Kamarkhali Bha- teapara . . . . .	13,35	17,21	9,15	20,00	46,36
Nawabganj Abdulpur . .	21,60	80,41	3,25	..	83,66
Purnea Murliganj includ- ing Behariganj Branch .	9,16	30,34	75	..	31,09
<b>Total . . . . .</b>	<b>56,45</b>	<b>1,84,91</b>	<b>25,00</b>	<b>32,00</b>	<b>2,41,91</b>
<b>East Indian Railway—</b>					
Central Indian Coal- fields . . . . .	23,73	3,94,72	8,00	..	4,02,72
Calcutta Chord . . . . .	64,09	2,08,70	66,00	33,70	3,08,40
Lucknow Sultanpur Zafar- abad . . . . .	26,35	34,69	20,00	36,00	90,69
Unao-Madhoganj . . . .	17,54	25,86	6,50	..	32,36
Chandpur-Bijnor Muazzam- pur Narian Branch . . .	8,11	22,75	2,50	..	25,25
<b>Total . . . . .</b>	<b>1,39,82</b>	<b>6,86,72</b>	<b>1,03,00</b>	<b>69,70</b>	<b>8,59,42</b>

BUDGET FOR 1931-32.

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APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1929-30.	To end of 1929-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.	To end of 1931-32.
<b>LINES UNDER CONSTRUCTION—<i>contd.</i></b>					
State Railways managed by State— <i>concl'd.</i>					
Great Indian Peninsula Railway—					
Agra Bah . . . . .	48	28,95	—25	..	28,70
Darwha-Pushad . . . . .	8,69	11,81	12,14	3,70	27,65
Kartal Kamasin . . . . .	19	2,36	1	..	2,37
Nasik-Belapur Sheo- gaon . . . . .	5	1,21	—2	..	1,19
Khamgaon-Chikli Hiwar—khed-Akot-Akola Bassim (late Khandwa Hingoli) . . . . .	87	1,87	10	..	1,97
Amraoti Narkhed . . . . .	—3	99	2	..	1,01
<b>Total . . . . .</b>	<b>11,85</b>	<b>50,18</b>	<b>12,00</b>	<b>3,70</b>	<b>65,88</b>
North Western Railway—					
Amritsar Nareval . . . . .	—3,57	61,30	20	..	61,50
Kangra Valley . . . . .	21,31	2,94,47	50	64	2,95,61
Shandara Narowal . . . . .	2	28,16	..	..	28,16
Jassar Shakargarh Chak Amru . . . . .	14	16,01	..	..	16,01
Rohtak Gohana Pani- pat . . . . .	9	24,55	—1	..	24,54
Lyalpur Jaranwala . . . . .	—7	15,39	..	..	15,39
Chak Jhumra Chiniot . . . . .	20	18,92	15	..	19,07
Khushab Chiniot . . . . .	27,88	1,08,89	14,50	3,37	1,26,76
Lyalpur Chananwala . . . . .	4,08	17,23	—5,00	..	12,23
Sind Left Bank Fee- ders . . . . .	26,25	28,68	15,36	29,68	73,72
Batala Beas . . . . .	1,79	16,04	—1,20	..	14,84
Kalabagh Bridge . . . . .	8,88	29,20	10,00	9,21	48,41
Strategic Lines . . . . .	14,77	4,96,96	50	1,14	4,98,60
Suspense . . . . .	—22	3	..	..	3
<b>Total . . . . .</b>	<b>1,01,55</b>	<b>11,55,83</b>	<b>35,00</b>	<b>44,04</b>	<b>12,34,87</b>
<b>Total State Railways managed by State . . . . .</b>	<b>3,93,74</b>	<b>25,46,37</b>	<b>1,88,00</b>	<b>1,69,74</b>	<b>29,04,11</b>

## BUDGET FOR 1931-32.

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1929-30.	To end of 1929-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.	To end of 1931-32.
<b>LINES UNDER CONSTRUCTION—<i>contd.</i></b>					
State Railways managed by Companies or Indian States—					
<b>Assam Bengal Railway—</b>					
Sibsagar Road Kha- wang . . . . .	19	31,79	1	..	31,80
Furkating Badulipara Jorhat . . . . .	43	31,23	40	..	31,63
Karimganj Longai Valley . . . . .	1,31	31,43	60	..	32,03
Netrakona Mohan- ganj . . . . .	1,60	19,18	30	58	20,06
Habiganj Shaistaganj Balla . . . . .	4,47	20,36	70	..	21,06
Senchoa Mairabari . .	8,01	20,40	2,90	75	24,05
Feni Belonia . . . .	3,80	13,03	50	..	13,53
Chittagong Nazirhat .	7,64	18,52	2,25	1,52	22,29
Chittagong Dohazari .	22,63	23,56	18,33	6,85	48,74
Megna bridge at Bhairab	1	1	1	..	2
<b>Total . . . . .</b>	<b>50,09</b>	<b>2,09,51</b>	<b>26,00</b>	<b>9,70</b>	<b>2,45,21</b>
<b>Bengal Nagpur Railway—</b>					
Rajpur Vizianagram . .	92,26	2,96,87	1,12,90	65,00	4,74,77
Tumsar Road Tirodi . .	5,81	39,77	-2,40	..	37,37
Guttitangar Branch . .	1	2,05	..	..	2,05
<b>Total . . . . .</b>	<b>98,08</b>	<b>3,38,69</b>	<b>1,10,50</b>	<b>65,00</b>	<b>5,14,19</b>

BUDGET FOR 1931-32.

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APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1929-30.	To end of 1929-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.	To end of 1931-32.
<b>LINES UNDER CONSTRUCTION—<i>contd.</i></b>					
State Railways managed by Companies or Indian States— <i>contd.</i>					
<b>Bengal and North-Western Railway—</b>					
Mashrak Thawe . . .	10,43	11,46	6,00	2,60	20,06
<b>Total . . .</b>	<b>10,43</b>	<b>11,46</b>	<b>6,00</b>	<b>2,60</b>	<b>20,06</b>
<b>Bombay, Baroda and Central India Railway—</b>					
Jambusar Kavi . . .	—5,85	..	..	..	..
Vasad Katana . . .	9,59	16,92	..	..	16,92
Samni Dehej . . .	—6,84	..	..	..	..
Boriavi Vadtal . . .	—1,82	..	..	..	..
Thasra-Virpur . . .	—1	..	..	..	..
<b>Total . . .</b>	<b>—4,93</b>	<b>16,92</b>	<b>..</b>	<b>..</b>	<b>16,92</b>
<b>Madras and Southern Maharashtra Railway—</b>					
Nidadavolu Narasapur .	—28	69,03	60	..	69,63
Cocanada Kotapam . . .	14,41	42,92	—10	..	42,82
Gudivada Bhimavaram .	1,76	40,73	10	..	40,83
Ho'g: Sholapur . . .	—6	7,55	35	..	7,90
Kannivihalli Swamihalli	..	5,76	5	..	5,81
Guntur-Gurzala-Macheria	13,56	44,28	2,50	..	46,78
<b>Total . . .</b>	<b>29,39</b>	<b>2,10,27</b>	<b>3,50</b>	<b>..</b>	<b>2,13,77</b>

## BUDGET FOR 1931-32.

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1929-30.	To end of 1929-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.	To end of 1931-32.
<b>LINES UNDER CONSTRUCTION</b> — <i>contd.</i>					
State Railways managed by Companies or Indian States — <i>contd.</i>					
South Indian Railway—					
Villupuram Trichinopoly	2,30	1,93,66	4,00	4,49	2,02,18
Virudunagar Tenkasi .	—44	68,39	50	40	69,29
Shoranur Nilambur .	17	79,49	50	—59	79,40
Dindigul Pollachi . .	—22	78,38	50	9,66	88,54
Trichinopoly Manama- dura. . . . .	27,21	98,47	13,00	7,32	1,19,79
Mayavaram Tranquebar	1,44	20,80	50	6	21,36
Madura Bodinayakanur	1,21	53,48	—20	1,00	54,28
Vriddhachalam Cudda- lore . . . . .	13	25,25	1,00	3,00	29,25
Salem Attur Vriddha- challam . . . . .	31,91	54,72	13,25	5,63	73,60
Pollachi Palghat . .	24,58	26,09	9,00	12,00	47,09
Salem Mettur Dam .	1,15	13,27	—5	13	13,35
Arantangi Manamadura .	—1,04	..	..	..	..
<b>Total . . . . .</b>	<b>88,40</b>	<b>7,12,00</b>	<b>42,00</b>	<b>43,10</b>	<b>7,97,10</b>



## APPENDIX II—concl'd.

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1929-30.	To end of 1929-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.	To end of 1931-32.
<b>LINES UNDER CONSTRUCTION—concl'd.</b>					
State Railways managed by Companies or Indian States—concl'd.					
Nizam's Guaranteed State Railways—					
Dhone (Dronachalam) Kurnool Extension . . . . .	—6	15,40	—50	..	14,90
Total State Railways managed by Companies or Indian States . . . . .	2,71,40	15,14,25	1,87,50	1,20,40	18,22,15
Total Lines under Construction . . . . .	6,65,14	40,60,62	3,75,50	2,90,14	47,26,26
Total Open Lines and Constructions . . . . .	23,12,79	7,62,39,79	14,49,00	11,19,00	7,88,07,79
Purchase of railways and branch lines shares . . . . .	7,05,55	7,58,31	1,00	..	7,59,31
Staff quarters . . . . .	..	..	..	20,00	20,00
For emergencies . . . . .	..	..	..	6,00	6,00
<b>Total Capital Expenditure . . . . .</b>	<b>30,18,34</b>	<b>7,69,98,10</b>	<b>14,50,00</b>	<b>11,45,00</b>	<b>7,95,93,10</b>

## APPENDIX III.

## Gross receipts, working expenses, and net receipts of State Owned Railways.

## Gross Receipts.

(Figures in thousands of rupees.)

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.		
	M.	M.	M.	M.	M.	M.	M.
Open mileage at end of year . . .	27,430	28,004	28,426	29,451	31,218	31,522	32,105
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>State Railways managed by the State.</b>							
Burma . . . . .	4,93,82	4,62,69	5,06,63	4,96,38	4,87,13	4,35,00	4,65,00
Eastern Bengal . . .	6,33,87	6,77,12	7,08,20	7,08,98	6,73,07	5,85,00	6,35,00
East Indian . . . . .	19,92,11	19,77,51	20,66,85	20,41,85	19,85,18	18,25,00	19,00,00
Great Indian Peninsula . . . . .	14,79,90	14,80,21	15,22,67	15,44,00	14,58,35	13,25,00	14,25,00
North-Western—Commercial Lines . . .	13,78,32	14,18,70	14,09,84	14,31,69	14,39,21	15,00,00	16,00,00
Strategic Lines . . . . .	1,64,07	1,53,45	1,60,40	1,66,65	1,58,81	1,40,00	1,50,00
<b>State Railways managed by Companies or Indian States.</b>							
Assam Bengal . . . . .	1,64,51	1,76,28	2,05,22	2,07,56	2,05,24	1,94,00	2,05,00
Bengal Nagpur . . . . .	8,39,99	8,22,29	9,17,45	9,14,15	9,31,44	8,15,00	8,80,00
Bombay, Baroda and Central India . . .	12,25,95	11,35,35	11,45,28	11,96,98	11,51,68	10,75,00	11,35,00
Madras and Southern Mahratta . . . . .	8,19,24	8,12,55	8,65,90	9,22,87	8,97,54	7,80,00	8,25,00
South Indian . . . . .	5,44,12	5,48,91	5,80,67	5,63,24	6,32,74	6,00,00	6,35,00
Other Railways . . . . .	2,34,10	2,38,92	2,44,61	2,39,39	2,49,80	2,26,00	2,45,00
<b>Total . . . . .</b>	<b>99,70,00</b>	<b>99,03,98</b>	<b>1,04,23,72</b>	<b>1,04,23,74</b>	<b>1,02,70,28</b>	<b>95,00,00</b>	<b>1,01,00,00</b>

APPENDIX III—contd.

Working Expenses.

(Figures in thousands of rupees.)

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>State Railways managed by the State.</b>							
Burma . . . . .	2,76,20	2,85,09	2,97,71	3,23,05	3,05,36	3,14,05	3,10,95
Eastern Bengal . . . . .	4,64,18	4,45,39	4,59,64	4,75,12	4,70,70	4,64,66	4,43,45
East Indian . . . . .	12,22,71	12,02,37	12,15,10	12,28,09	12,42,14	11,62,10	11,62,95
Great Indian Peninsula . . . . .	10,68,03	10,42,40	9,91,02	10,17,61	10,19,72	10,39,20	10,13,50
North-Western—Commercial Lines . . . . .	8,96,08	9,64,47	10,01,22	10,10,18	10,63,78	10,96,40	10,41,70
Strategic Lines . . . . .	1,80,14	1,86,72	1,94,67	1,98,60	2,08,83	2,17,00	2,03,00
<b>State Railways managed by Companies or Indian States.</b>							
Assam Bengal . . . . .	1,07,50	1,12,94	1,21,04	1,27,24	1,40,14	1,41,45	1,41,25
Bengal Nagpur . . . . .	5,92,88	5,60,55	6,22,94	6,31,28	6,74,84	6,81,00	6,70,55
Bombay, Baroda and Central India . . . . .	7,44,89	7,30,62	7,20,04	7,48,88	7,40,25	7,32,90	7,04,55
Madras and Southern Mahratta . . . . .	4,65,76	4,77,13	4,77,47	4,88,51	4,84,86	4,81,55	4,64,50
South Indian . . . . .	3,15,56	3,04,69	3,13,80	3,23,20	3,44,12	3,55,12	3,59,75
Other Railways . . . . .	1,08,03	1,27,35	1,09,70	1,10,69	1,23,19	1,28,87	1,26,85
Credit from Depreciation Fund being net result of correction of certain past erroneous adjustments . . . . .	..	..	..	..	..	—84,00	..
<b>Total . . . . .</b>	<b>64,41,96</b>	<b>64,39,72</b>	<b>65,24,35</b>	<b>66,82,45</b>	<b>68,17,93</b>	<b>67,30,00</b>	<b>66,43,00</b>

## BUDGET FOR 1931-32.

APPENDIX III—*concl'd.*

## Net Receipts.

(Figures in thousands of rupees.)

STATE RAILWAYS.	Accounts.					Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
	1925-26.	1926-27.	1927-28.	1928 29.	1929-30.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>State Railways managed by the State.</b>							
Burma . . . . .	2,17,62	1,77,60	2,08,92	1,73,33	1,81,77	1,20,95	1,54,05
Eastern Bengal . . . . .	1,69,69	2,31,73	2,48,56	2,33,86	2,02,37	1,20,34	1,91,55
East Indian . . . . .	7,69,40	7,75,14	8,51,75	8,13,76	7,43,04	6,62,90	7,37,05
Great Indian Peninsula . . . . .	4,11,87	4,37,81	5,31,65	5,26,39	4,38,63	2,85,80	4,11,50
North Western—Commercial lines . . . . .	4,82,24	4,54,23	4,98,62	4,21,51	3,75,43	4,03,90	5,58,30
Strategic lines . . . . .	—16,07	—33,27	—34,27	—31,95	—50,02	—77,00	—53,00
<b>State Railways managed by Companies or Indian States.</b>							
Assam Bengal . . . . .	57,01	53,34	94,18	80,32	65,10	52,55	63,75
Bengal Nagpur . . . . .	2,47,11	2,61,74	2,94,51	2,82,87	2,56,60	1,34,00	2,09,45
Bombay, Baroda and Central India . . . . .	4,81,06	4,04,73	4,25,24	4,48,10	4,11,43	3,42,10	4,30,45
Madras and Southern Mahratta . . . . .	3,53,48	3,35,42	3,88,43	4,34,36	4,12,68	2,98,45	3,60,50
South Indian . . . . .	2,28,56	2,44,22	2,66,87	2,40,04	2,85,62	2,44,88	2,75,25
Other Railways . . . . .	1,26,07	1,11,57	1,34,91	1,28,70	1,26,70	97,13	1,18,15
Credit from Depreciation Fund being net result of correction of certain past erroneous adjustments . . . . .	..	..	..	..	..	84,00	..
<b>Total . . . . .</b>	<b>35,28,04</b>	<b>34,64,26</b>	<b>39,99,37</b>	<b>37,51,20</b>	<b>34,52,35</b>	<b>27,70,00</b>	<b>34,57,00</b>

# BUDGET FOR 1931-32

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## APPENDIX IV.

Statement showing gain or loss in working of State-Owned Railways.

(Figures in thousands of rupees).

	Actuals.					Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.		
<b>Commercial Lines.</b>							
<b>Receipts.</b>							
Passenger Earnings .	(b) 35,98,98	34,79,17	35,73,35	34,72,06	35,18,63	32,64,00	34,40,00
Other Coaching Traffic Earnings.	5,93,99	6,06,96	6,17,17	6,03,19	5,68,69	5,21,00	5,73,00
Goods Earnings .	60,75,19	61,48,94	65,34,09	66,89,01	64,37,06	59,50,00	62,88,00
Other Earnings (a) .	1,73,88	1,71,42	1,98,77	2,08,90	2,18,74	1,59,00	1,83,00
<b>Total</b> .	1,04,42,04	1,04,06,49	1,09,23,35	1,09,73,10	1,07,43,12	98,94,00	1,04,86,00
<b>Deduct—</b>							
Refunds of revenue	(b)	(c) 35,03	13,55	15,33	14,52	15,00	15,00
Worked Lines .	7,12,23	6,76,85	7,18,06	7,26,71	6,47,30	5,19,00	5,21,00
Suspense .	35	—5,80	—9,36	—25,02	30,17	..	..
<b>Net total</b> .	97,30,16	96,88,81	1,01,82,41	1,02,06,94	1,01,11,47	93,60,00	99,56,00
Government share of profits, etc., from subsidised companies	35,07	39,72	35,60	38,84	53,71	21,00	18,00
Interest on Depreciation and Reserve Fund Balances.	52,70	62,52	79,86	1,04,13	1,24,57	1,33,53	1,17,79
Dividends on investments in Branch lines and other Miscellaneous receipts.	67	4,75	8,17	11,57	21,46	18,00	16,00
<b>Total Receipts</b> .	98,18,60	97,95,80	1,03,06,04	1,03,60,58	1,03,16,21	95,32,53	1,01,01,79

(a) The figures for hire charge and other payments from Railways have been shown as reduction of Working Expenses.

(b) Receipts for 1925-26 are after deducting refunds of revenue, figures for which are not separately available.

(c) The refunds of Revenue include remission of earnings also.

## BUDGET FOR 1931-32.

APPENDIX IV—*contd.*

(Figures in thousands of rupees.)

	Actuals.					Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.		
<b>Commercial Lines— contd.</b>							
<b>Charges.</b>							
Administration . . . . .	12,77,09	12,74,26	13,11,43	13,85,43	14,02,99	14,30,00	14,00,00
Repairs and Maintenance.	16,78,59	17,64,54	17,52,30	17,57,26	17,78,64	18,95,00	15,22,00
Operation (a) . . . . .	25,97,19	24,37,53	24,32,25	25,15,42	25,39,19	24,90,00	24,88,00
Depreciation . . . . .	10,31,70	10,53,14	11,00,86	11,60,47	12,17,95	12,63,00	13,00,00
Suspense . . . . .	-9,73	-5,67	2,97	-32,44	-15	..	..
<b>Total</b>	<b>65,74,94</b>	<b>65,23,80</b>	<b>65,99,81</b>	<b>67,86,14</b>	<b>69,38,62</b>	<b>67,78,00</b>	<b>67,10,00</b>
<b>Deduct—</b>							
Worked Lines . . . . .	3,88,78	3,32,52	3,51,04	3,63,35	3,29,52	2,65,00	2,70,00
<b>Working Expenses</b>	<b>61,86,06</b>	<b>61,91,28</b>	<b>62,48,77</b>	<b>64,22,79</b>	<b>66,09,10</b>	<b>65,13,00</b>	<b>64,40,00</b>
Surplus profits paid to Indian States and Railway Cos. . . . .	1,77,42	1,65,56	1,57,14	1,59,14	1,51,98	1,15,00	75,00
Interest charges . . . . .	23,50,17	24,55,35	25,93,05	27,91,14	29,05,96	31,29,24	32,08,68
Miscellaneous charges . . . . .	30,33	70,52	53,44	34,57	58,01	68,75	60,40
<b>Total charges</b>	<b>87,43,98</b>	<b>88,82,71</b>	<b>90,52,40</b>	<b>94,07,64</b>	<b>97,25,05</b>	<b>98,25,99</b>	<b>97,84,08</b>
Gain from Commercial lines . . . . .	10,74,62	9,13,09	12,53,64	9,52,94	5,91,16	-2,93,46	3,17,71

(a) The figures for hire charges and other payments from Railways have been shown as reduction of Working Expenses.

BUDGET FOR 1931-32.

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APPENDIX IV—*concl'd.*

(Figures in thousands of rupees.)

	Actuals.					Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.		
<b>Strategic Lines.</b>							
<b>Receipt.</b>							
Gross Traffic Receipts	1,64,07	1,53,45	1,60,40	1,66,65	1,58,81	1,40,00	1,50,00
Interest on balances of Depreciation Fund.	1,08	1,40	1,62	2,07	3,09	5,19	6,56
<b>Total Receipts</b>	<b>1,65,15</b>	<b>1,54,85</b>	<b>1,62,02</b>	<b>1,68,72</b>	<b>1,61,90</b>	<b>1,45,19</b>	<b>1,56,56</b>
<b>Charges.</b>							
Working expenses (including Depreciation).	1,80,14	1,86,72	1,94,66	1,98,61	2,08,83	2,17,00	2,03,00
Interest charges	1,30,94	1,31,35	1,34,03	1,41,81	1,40,09	46,75	1,48,52
Miscellaneous	34	21	2,06	30	50	40	40
<b>Total charges</b>	<b>3,11,42</b>	<b>3,18,28</b>	<b>3,30,75</b>	<b>3,40,72</b>	<b>3,49,42</b>	<b>3,64,15</b>	<b>3,51,92</b>
Net loss in Working Strategic lines.	1,46,27	1,63,43	1,68,73	1,72,00	1,87,52	2,18,96	1,95,36
Net gain on State Railways.	9,28,35	7,49,66	10,84,91	7,80,94	4,03,64	-5,12,42	1,22,35
Contribution to General Revenues.	5,49,04	6,01,13	6,27,83	5,23,20	6,11,86	5,73,57	5,36,02
Railway Reserve Fund	3,79,31	1,48,53	4,57,08	2,57,74	-2,08,23	-10,85,99	-4,13,67

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**PART II.**  
**General Budget.**

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# Speech of the Finance Member

introducing the

## Budget for 1931-32.

### INTRODUCTORY.

**The Honourable Sir George Schuster** (Finance Member): Sir, another year has passed and we meet once more in this Chamber to take stock of the business side of Government.

I think I may feel assurance that all Members of this Assembly, in whatever quarter of the House they sit, will agree with me at least in one thing, and that is that we meet in circumstances of great difficulty, and that the responsibility of which I have to render account tonight is a heavy and perplexing one.

2. If I can secure agreement from all sides on this point, perhaps it is not too much to hope that Honourable Members will carry their sympathy a stage further and approach the consideration of the problems and proposals which I shall explain tonight, in a spirit which recognises that the difficulties are mainly inherent in the present situation in India and that they require a common effort for their solution. Let me explain what I mean by this.

3. So far as economic factors alone are concerned, our problem is one which the whole world has to face, and in fact, our situation in India is, in that respect, easier and more straightforward than that of most other countries. But in India we have this added complication—that we are passing through a period of great political stress and strain, and stand on the eve of a fundamental change in the system of Government. This complicates the situation in many ways, and the one difficulty reacts on the other. For, on the one hand, the economic situation could be more easily dealt with if we stood on more stable political ground, while, on the other hand, the political changes could be more easily effected if the country were not in the midst of these economic difficulties. There is an old English saying: "Don't change horses in the middle of the stream". India today has to consider a change in political horses just when she is crossing a stream of economic difficulties which is sweeping down in dangerous flood upon her. If the operation of changing horses is to be accomplished without disaster to India, then all who are engaged in it must work in co-ordinated co-operation.

4. As a preface to my business statement, I will say this. Times are bad. We all know that. But there are two thoughts which we should not forget. The first is that India is not alone in this economic adversity. It is a condition through which the whole world is passing, and I am convinced that the state of many countries is, beyond all comparison, worse than that of India.

The second is that the country has been through such times before. Economic life, at least in the modern world, moves in cycles, or with ebb and flow. We are on the ebb now, but it is a safe prophecy that the tide will turn.

5. It is important to remember these things, not as affording any justification for thoughtless optimism or for lack of determination in dealing with the present problems, but in order to preserve a sense of proportion both as regards those problems and the remedies. So far as India is concerned, the fundamental position is still sound. The time has not yet come for panic measures or desperate experiments which might land us in unknown complications or endanger the efficiency of the whole machinery of Government. What we need rather is to give unremitting care to details, to stick to principles of sound finance, to work hard, keep our heads, and pull together. Above all, it is necessary to be sound in our finance. There must be no doubts about our determination in this at the present critical time.

6. *Economic review.*—I must now turn to my main task tonight. For the purpose of the review and the forecast which are necessary, our Government finances are in this period so affected by surrounding conditions that, in order to judge the present position and to forecast the future, a very careful study of those conditions is necessary. In order to assist Honourable Members and the public, on whose proper understanding of the position we so much depend, I have had prepared an economic review of the main items of trade for the past calendar year. This has been done by Dr. Meek, the Director-General of Commercial Intelligence and Statistics, and will be distributed at once with the usual financial papers. This step represents an effort to provide information in more up-to-date form than is available from the usual annual trade review—which normally appears rather too late after the event to be of full value.

7. It would be impossible for me tonight to attempt anything like an exhaustive account of the situation and I shall content myself with referring to certain main features and stating certain broad conclusions.

8. *Trade depression and fall in prices.*—So far as concerns those conditions which normally affect our Indian estimates, there is nothing adverse of which to complain. Crops during the agricultural season 1929-30 were fairly good and the monsoon of 1930 was generally normal, producing, on the whole, satisfactory results. On the other hand, the year which we are just completing has witnessed one of the worst industrial and trade depressions in history. The downward trend of the trade movement started in October, 1929, after the Wall Street collapse in America and from there the movement spread to other countries all the world over. The depression deepened at an accelerated rate in 1930, and conditions became progressively worse as the year advanced. As a result of the fall in prices and the trade depression, practically all classes in all countries are suffering from a lack of purchasing power. It is too early yet to say whether the bottom of this movement has been reached, but in considering prospects for next year, I think it is necessary to reckon that, as regards prices and the general volume of commercial activity throughout the world, recovery will be slow.

9. The fall in prices has affected most severely those countries whose economic activity is mainly directed to the production of primary agricultural products. This is brought out most clearly from the index numbers of wholesale prices in various countries, for, in India, the fall in the Calcutta wholesale prices index corresponds very closely with the falls in countries like Australia and Japan, and is heavier than the fall in the wholesale figures for the United States or the United Kingdom. The

same point is seen by comparing falls in the prices of articles which India exports with the fall in the prices of those articles which she imports. The fall in the former between September, 1929 and December, 1930, was 36 per cent., and the fall in the latter 16 per cent. India may therefore perhaps be said to be going through the worst time now. She has felt the severity of the fall in the case of what she has to sell, but has not obtained a corresponding advantage of the fall in prices of what she has to buy.

10. *Political situation.*—Apart from the effects of the economic crisis, the situation in India has been aggravated by special factors which are only too familiar—internal disturbances and the uncertainty caused by the prospects of fundamental constitutional changes.

11. Now, judging from questions which have been asked in this Assembly and discussions in the press, a good deal of interest has been taken in the question as to how much of the present economic depression in India is due principally to world causes, and how much to political disturbances in India and to certain special features of the civil disobedience movement. If discussion on this subject is to be used as a basis for a campaign of recrimination, that is a purpose to which I do not intend to lend myself tonight, but there is some practical importance in making an objective study of the situation in order to form an opinion as to the extent of improvement for which we may hope if normal internal conditions and confidence in the future can be restored.

The facts recorded in the Report which I am circulating, will enable Honourable Members to form an opinion on certain aspects of this question. If I were to endeavour to answer it shortly, I should summarise my views as follows.

12. So far as the total volume of India's external trade is concerned, the main course of events has been determined by world economic conditions. Exports have kept up well in volume, and the total imports have not declined to a degree appreciably out of proportion to the drop in the value of the exports. On the other hand, certain classes of imports have shown major variations from the normal—notably cigarettes and cotton piece-goods, but, as to the latter, it is necessary to remember that a part of the variation might have been expected as a result of the higher import duties imposed last year.

13. On the other hand, although the course of external trade may have been mainly governed by economic causes, internal trade has suffered disastrously as a result of political disturbances. Unnecessary losses to private traders must have been very great, while enormous sums of money must have been diverted from productive purposes. This kind of effect is seen in Provincial budgets, but there must be much more which does not appear in any public accounts.

14. Lastly, and above all, the most damaging effects have been caused in what I may describe as the region of Finance. The implications of the movement have weakened confidence in India as a field for investment both at home and abroad, and this has led to a decline in the price of Indian securities, both Government and private, to a lack of credit for traders and of capital for new enterprise, and to a steady export of capital from the country. This has meant increased expenditure on

loans for Government and has forced Government to take measures to protect the position which have resulted in high money rates, with a consequent increase in the difficulties of traders in these very difficult times. With these particular points I shall have to deal more fully later.

15. I have stated the case in the preceding sentences with studied moderation, but I must guard against that moderation being misunderstood. The country has, it is true, survived the past year without irreparable disaster. But the reserves and credit of all—individuals and public authorities alike—have been seriously weakened, and any continuance of internal disorders is a matter which all who have the true interests of India at heart must view with the gravest possible concern. It might, in fact, mean that India, on the day when she should be inaugurating her new constitution with bright hopes of success, would find herself, instead, struggling desperately for mere existence in a morass of economic troubles.

This is the general picture which I would give.

16. *External trade.*—As regards external trade there are some features which deserve special comment.

The visible balance of trade in favour of India (including private imports of treasure) for the first 9 months of the current financial year was 34.43 crores comparing with 41.62 crores for 1929, 39.76 crores for 1928, and 33.07 crores in 1927. The balance was therefore not strikingly worse than the average of the last few years and was actually better than in 1927.

As against this, of course, the value of trade has declined enormously—exports of merchandise for the 9 months being down by 61 crores, as compared with last year, and imports by 56 crores.

17. But, in forming a view of the state of Indian trade, it is necessary, to consider the volume as well as the values. If we compare the results for the calendar year 1930 with the calendar year 1929 and reduce them to a common basis as regards price, we find that the volume of exports declined by less than  $\frac{1}{2}$  per cent. (to be exact .4 per cent.), while the volume of imports declined by just under 18 per cent. This greater decline in the volume of imports was natural. The country pays for its imports with its exports and since, as already pointed out, the price of the goods India exports fell much more than the price of goods which she normally imports, the same volume of the former could only buy a smaller quantity of the latter.

It is, I think, worthy of special comment that, in these times of bad world conditions and of general over-production of the agricultural commodities on which India relies, she has been able to maintain the volume of her exports. It is a sign of general health in the economic condition which, in spite of the diminished prices received, must, on an impartial view, be regarded as satisfactory.

18. As regards the export trade, the main facts to note are the large decline, both in quantity and value, of jute exports, and the satisfactory position, at least as regards quantities of exports, shown for Indian cotton. Exports of raw jute, on the nine months to date, show a fall of nearly 12 crores—a decline in value of 54 per cent. and in quantity of 29 per cent. Cotton exports for the nine months are up to last year's level, but show a decline in value of 24 per cent. I should like to say something

about cotton, for, although the present price is so unsatisfactory, this is an item which has certain very encouraging features for India's future, while there are important economic lessons to be learnt in this particular case. There is no doubt that Indian cotton is steadily gaining ground in the world's markets. For 1930 the total exports were 727,000 tons as against 702,000 in 1929. This increase is extremely satisfactory in times, like the present, of diminished consumption throughout the world. Many manufacturers, especially in Lancashire, are now adapting their mills so as to substitute Indian for American cotton. The new Lancashire combine—the Lancashire Cotton Corporation—whose mills a year or two ago only took about 10,000 bales a year of Indian cotton, hope shortly to be taking upto 4,000 bales a week and eventually more than double this quantity. But the strength of the Indian cotton position depends on its price. It is being bought because it is cheaper than American cotton. If the relative price of Indian cotton is forced up, the advantage will disappear, and the tendency which is now going on for a change-over to Indian cotton will be stopped. I mention this because there have been frequent demands that Government should intervene to support the price of Indian cotton. We could not accede to these demands because we felt that experience proved that all such attempts made in other countries to interfere with normal economic forces had ended disastrously. But it might have had an added evil effect in the case of Indian cotton, because if special efforts had succeeded temporarily in putting Indian cotton up to an artificially high level, they would just have defeated that tendency—so favourable, in the long run, to India—of which I have been speaking, and checked the establishment of a permanent new market for Indian cotton.

19. These are some of the points which, I think, are worthy of notice. If there are any favourable features or if the evidence shows that the underlying position is healthy, these things do not of course counteract the immediate effects of the great drop in the value of trade and the consequent serious direct loss to Government revenues from customs duties or the indirect loss through lower trading profits.

20. *Revised estimates for 1930-31.*—The figures which have already been before the House in connection with the Railway estimates, have shown with unpleasant clarity the scale of deterioration which has to be faced. These Railway results have not, of course, as yet (owing to the method of calculating the Railway contribution) affected our normal revenue, though they have had a serious effect on our ways and means position, and they have raised a danger signal for revenue also in the future.

21. Apart from this, I shall only refer now to the most important features in the results for the current year, for the details of the revised estimates are shown in the Financial Secretary's Explanatory Memorandum which will soon be in the hands of Honourable Members along with the other budget papers. I expect that we shall lose as much as 9½ crores under Customs, of which cotton piece-goods and jute contribute 3,45 lakhs and 85 lakhs, respectively. To the extent that duties are specific, we are hit by the reduction in the volume of imports and exports. To the extent that the duties are *ad valorem*, revenue automatically falls even if the volume of imports is maintained at the former level. Under Taxes on Income, I expect that we shall lose 2-20 crores notwithstanding

## BUDGET FOR 1931-32.

the fact that the assessments have reference to the incomes of the previous year. The revenues of the Indian Posts and Telegraphs Department have also been seriously affected by the prevailing conditions and the working of the Department is expected now to result in a loss of no less than 1,36 lakhs against 48 lakhs anticipated a year ago. The deterioration on the Finance headings is in a large measure due to the ways and means operations of Government which I shall deal with later. The main items of deterioration as compared with the budget may now briefly be summarised as follows:

	Lakhs.
Important revenue heads, viz., Customs, Taxes on Income, Salt and Opium (net)	12,10
Posts and Telegraphs (including the Indo-European Telegraph Department)	89
Finance headings, viz., Debt Services, Currency and Mint.	1,38
Other heads	5
Total	14,42

As the final budget estimates showed a surplus of 86 lakhs, the revised estimates work up to a deficit of 13.56 crores.

## PROSPECTS FOR THE YEAR 1931-32.

22. *General considerations.*—I can now turn to the estimates for 1931-32. In making these, I have been influenced by the following considerations. So far as concerns the special disturbances as affecting economic activity in India, we may at least hope that these will not be aggravated during the coming year, and that their effect will gradually diminish. On the other hand, so far as general conditions are concerned, although I believe that a return to peace and co-operation in India might have a direct influence on a world recovery, nevertheless, it would be prudent to reckon that as regards the general level of prices, and as regards the general volume of commercial activity throughout the world, recovery will be slow. There is a mass of wreckage to be cleared away, and although there are signs that we have reached the limit of the ebb, nevertheless, some time must elapse before the tide sets strongly towards a permanent recovery in world conditions. On these grounds I think it necessary to be cautious in the revenue estimates for next year. And I would at this point emphasise that a very special duty rests on those of us who are responsible for handling public affairs in this transitional stage and on the eve of constitutional changes. That duty is to face and overcome present difficulties with present measures, and not to leave an unsound position with hidden weaknesses to our successors.

At the same time, we must not go too far in our pessimism. For, a policy which magnifies unduly the burden to be put upon the tax-payer of today, may defeat its own object by placing upon the commercial life of the country a load which would itself retard recovery.

23. Keeping these counterbalancing considerations in mind, I have framed the revenue estimates on a basis which is cautious so far as world conditions are concerned, but which otherwise assumes fairly normal conditions in India.

24. I must now turn to the problem of balancing the budget, and endeavour to show in broad outline the component elements of that problem. The best way in which to do this is to take, as a basis for comparison, the budget figures for the current year and show how our prospects for next year have deteriorated. In this way I can make clear what is the gap which we have to fill—a gap which can only be filled by making, on the one hand, cuts in expenditure and, on the other, providing new sources of revenue.

The position from which I have to start presents itself as follows.

25. *Tax revenue*.—I calculate that we must face a fall in tax revenue, as compared with the current budget estimates, of no less than 13·16 crores. In order to make clear the main features, I need only now refer specially to the large heads of Customs and Taxes on Income.

For Customs I estimate total receipts of 46·64 crores, which is 8 crores worse than the budget estimates for the current year, but 1½ crores better than what we now expect to realise this year. It would certainly not be safe to count on getting more than this, having regard to the low level of prices and the diminished purchasing power of India.

For Taxes on Income I estimate receipts of 13·50 crores which is 4½ crores worse than the current budget and 2·30 crores worse than what we expect to realise this year. Under this heading, of course, an improvement in internal conditions next year will not help us, for next year's income-tax assessments will be based on the current year's results, and so we shall suffer from the bad conditions through which we are now passing.

These two heads alone account for a deterioration of 12½ crores. Apart from this, there will be the normal drop in opium revenue, due to our policy of reducing exports, and other minor deteriorations which make up the figure of 13·16 crores which I have given as total loss on tax revenue as compared with the current budget estimates.

26. *Commercial undertakings*.—I come next to the prospects for the great commercial undertakings—Posts and Telegraphs and Railways.

As regards Posts and Telegraphs, business is badly affected by the current depression, and we must face a net deficit of 1·41 crores in the Indian Posts and Telegraphs Department, or, adding capital expenditure charged to revenue, of 1·52 crores. The budget estimate for the current year was bad enough, but the revised estimate under the head as a whole is 80 lakhs worse than that.

As to Railways, I need not say very much. Honourable Members already know the results from the Railway budget. Here, as I have also noted in the case of the current year, owing to the way in which the "Railway contribution" is calculated, our own budgetary estimates are not yet seriously affected. But that does not mitigate the serious nature of the underlying position, and I must here sound a serious note of warning. We are living on our Reserves now and this process cannot be indefinitely continued. If there is no improvement in sight by the end of next year, the whole position will have to be reconsidered. I will say no more on that subject at this stage. The actual Railway contribution is estimated at 5·36 crores instead of 5·74 crores in the current budget, so that here we have a deterioration of 38 lakhs.

Taking these figures together with those for Posts and Telegraphs, the total deterioration on our main commercial undertakings is 1,18 lakhs.

27. *Finance*.—Next we must consider the general Finance headings, Interest receipts, Currency and Mint receipts, Interest on Debt and the Reduction and Avoidance of Debt provision. It is right, for a proper understanding of the position, that these should be considered together.

These headings have a most important bearing on the financial results this year, and I shall deal with them more fully when reviewing our general financial policy later in my speech. For the present, I merely wish to state the actual facts. Our position has been adversely affected under these headings in three ways:

*First* and mainly, there is a loss of profit to the Government from currency, partly owing to the decreased volume of currency in circulation, which is a necessary result of the general fall in prices and the decreased commercial activity, and partly owing to lower rates of interest on the Gold Standard Reserve. The former, under the headings Currency and Mint, accounts for a net deterioration of 2,27 lakhs, and the latter, under the heading Interest receipts, for a deterioration of 54 lakhs.

*Secondly*, there are higher charges on Interest on Ordinary Debt due to increased rates of interest payable on new loans and to the borrowing necessary for covering the deficit in the current year. Under this head, however, the net deterioration is only 1 lakh, because we have revised the basis on which interest charges are made to the Commercial Departments. This revision—which has already been explained by my Honourable Colleague, Sir George Rainy, in introducing the Railway budget,—has done no more than to put upon the commercial undertakings the full cost of the Government loans from which they benefited. The previous method of calculation meant that general revenues were actually losing interest on a part of the loans made to Commercial Departments.

*Thirdly*, there is an increased charge, under the heading Interest on Other Obligations, of 16. This increase is accounted for by the larger liability for bonus on cash certificates, which is 22 lakhs higher this year. Apart from this, the total balance of funds held by Government is reduced—mainly owing to the reduction in the Railway Reserve Fund balance.

*Lastly*, there is the automatic increase, in the provision for Reduction and Avoidance of Debt, of 78 lakhs. This is a heavy item, but at this stage in India's constitutional development, when the outside world is watching closely the effect of the coming constitutional changes on India's financial stability, I am sure that all Honourable Members will agree that it would be fatal to make any diminution in this provision.

28. To sum up—the total deterioration under the Finance headings is 3,76 lakhs, of which 2,81 represents the diminution of profits from currency, mainly due to the decreased volume of currency in circulation.



and 95 increased net charges for debt, of which no less than 78 is due to the automatic increase in the Reduction and Avoidance of Debt provision.

29. We can now survey the whole of the picture of which I have thus presented the main features. Comparing the forecast for next year with the current budget, we lose—

13·16 crores in Tax revenue,

1·18 crores on Commercial Departments, and we are worse off by

3·76 crores on general Finance headings. This means a total deterioration of 18·10 crores as compared with the budget estimates for the current year. As those estimates provided for a surplus of 86 lakhs, the net deficit, on the basis of the current year's figures for all the other items, would be 17·24 crores. This is the gap which we have to fill either by cutting down expenditure or finding new sources of revenue. To this task I must now turn.

30. *Military expenditure.*—I propose to deal first with military expenditure—and here I am glad to say that we can put forward a substantial reduction of no less than 1,70 lakhs, bringing the figure (exclusive of the Territorial Force grant) to 52½ crores. I do not think I need repeat the detailed explanations of the arrangement affecting the Army budget which I gave in my budget speeches of the last two years. But I must explain how it is possible to make this cut. The original plan was based on a stabilised budget of 55 crores for four years from 1928 to 1932 and this was the figure included for 1928-29 and 1929-30. In my last budget speech I explained that we had arranged to lengthen the period by one year and reduce the average amount for the remaining period to 54·20 crores. We propose to repeat the same process this year, thus spreading the re-equipment programme over one additional year, so that instead of allowing for a budget stabilised at 54·20 crores for the next two years with a reduced figure thereafter, we shall have a basic figure of 53·63 crores for three years. On top of this, by taking advantage of reduced costs of various articles and savings effected by the military authorities by their economy campaign, and also by postponing part of the ordinary military engineering services, further cuts of no less than 1,13 lakhs have been made. I wish, however, to make it clear that the possibility of this economy depends partly on special savings and partly on the continuance of low prices for grain and other stores, so that it may not be possible to repeat it. This is an exceptional cut made in exceptional circumstances to meet the present emergency, and it means a retardation in the programme of re-equipment which the military authorities could not, acting purely on military considerations, have recommended. But they have proposed this special cut in order to help out the general situation, and I wish to take this occasion to express my appreciation of the way in which they have helped to reduce expenditure this year. I am afraid that many desirable projects for improving barracks and providing other amenities for the troops have had to be postponed, and in many cases officers who, according to the stabilised budget arrangement, had been led to expect that savings would be available for such projects have had to be disappointed.

The position has, however, been accepted, and I think it right that this House should know that a whole-hearted and substantial effort has been made by all the officers concerned to help in meeting the present financial situation

A further small saving has been provided for in the Territorial Force grant, bringing the total military saving to 1,75 lakhs.

31. *Civil expenditure.*—This heading raises the whole question of retrenchment on which Honourable Members are doubtless expecting me to say a good deal today. I shall not shirk the task. I propose to divide it into two parts, first, dealing with what I will describe as immediate practical measures designed primarily to meet next year's difficulties, and secondly, discussing the possibility of a more far-sighted and considered policy for permanently reducing the general standard of Government expenditure. The distinction is perhaps not logically exact, because several of the emergency measures may have a permanent effect—but it is a useful distinction for my present purpose.

To put the same idea in another way, there are two questions before us: "What cuts can we make in next year's budget?" and "What steps can we take to hammer out a policy of retrenchment which will have a lasting effect?"

32. *Cuts made in the budget.*—I will start with the former and thus complete the budget picture. In considering this question, I must ask Honourable Members at the outset to appreciate the limitations and difficulties besetting the task. Although the Civil expenditure of the Government reaches apparently a large figure, the headings of normal administrative expenditure, which alone offer a straightforward task, are really confined to those shown in the accounts as Civil Administration and Civil Works, together accounting for about 16 crores. Even in this reduced total, when one gets down to the actual task, the scope for action is further limited. Thus, about 3 crores out of this total represents expenditure on the North-West Frontier Province, and here, at the present moment, instead of finding a margin for economics, I am faced with new and irresistible demands for new expenditure. I say irresistible, for how can we resist the claim that in this centrally administered area the standard of services, education, health, etc., should be brought up to that of the adjoining and similar districts of the Punjab? The most I can say in the face of such demands is that, in present financial conditions, we must advance slowly. But it has to be an advance. Then again, there are headings like Audit on which we spend over a crore, where the needs mainly depend on what the Provincial Governments require, while there are others where expenditure represents fixed liabilities. In the case of others again, fixed and increasing commitments have been recently undertaken as part of policies approved by this Assembly. I refer to such items as Agricultural Research grants, grants to the Aligarh and Benares Universities, and the development of civil aviation.

33. Apart from this, I would ask Honourable Members to appreciate the special work which is now falling on all Departments of the Central Government in connection with the constitutional Reforms. Special studies and enquiries are necessary in all directions, and this work is super-imposed on that of current administration, which in itself has been greatly increased owing to the demands made on the time of officials by this Assembly.

34. I have dealt so far with the general head of Civil Administration. There is one other main head where we have power to control expenditure and that is Civil Works. But here again our powers are limited. There is, first, the fixed burden of normal maintenance and repair charges, which

can hardly be reduced, and to this must be added the cost of works actually in progress. These works cannot be stopped without involving real waste of public money.

35. It is necessary that these facts should be appreciated, though it is not for me to exaggerate the difficulties, and I shall welcome any support which I can get from Honourable Members in pressing for economies which do not endanger efficiency at vital points.

36. In any case, in spite of all the difficulties, we have made a great effort to restrict expenditure with results that are really substantial. In this we have of course had the advantage of the enquiry by the officer appointed last year to examine the course of expenditure, as to whose Report I shall have more to say later.

37. In the first place, on departmental expenditure we have made special cuts in the provision for contingencies and in the scale of certain allowances. These amount to 26 lakhs—an important percentage on the grants concerned. It is by the cut on contingencies that we hope mainly to check all minor extravagances and leakages. Then we have drastically curtailed expenditure on works for Frontier Watch and Ward to the extent of 22 lakhs and on other special grants to the extent of about 14 lakhs. As regards Civil Works, by refusing all new major works, by slowing up expenditure on works in progress, and by severely reducing the grant for minor works, we have made a saving of 33 lakhs as compared with the current year's grant.

In this way we have made special economies of about 95 lakhs, and to this may be added the automatic decrease—owing to smaller revenue receipts—in the Road Fund grant of 7 lakhs, which brings the total economy as compared with last year on this head to 1,02 lakhs.

38. Apart from these definite economies, other adjustments show a decrease of 24—bringing the total reductions up to 1,26 lakhs after allowing for several items of new expenditure in the North-West Frontier Province. Against this there must be put certain unavoidable increases and new demands which I reserve for special mention, although they are of a fairly normal nature. There is, first of all, the automatic growth in the pay-bill owing to the operation of the time-scale system which involves us in an extra charge of about 23 lakhs. Further, in spite of the present hard times, we have decided to include a provision of about 2½ lakhs as part of our programme for improving statistical records bearing on the economic condition of the country, while the grant to the Aligarh University will also go up by 3 lakhs. These items totalling about 29 lakhs reduce the net saving to 97 lakhs.

39. This figure of 97 lakhs may be fairly said to represent the economy in normal Civil expenditure this year; but I have still to mention two very heavy non-recurring items, which would have had to be dealt with differently if I had not been able to balance them by a wind-fall on the receipt side which I must now explain. The two items of expenditure to which I refer are 34 lakhs for the census and 19 lakhs for abnormal capital expenditure (mainly for new aeroplanes and ground works) in connection with the plan for a State Air Service and the general development of civil aviation. The census is of course unavoidable, while, as to civil aviation, it is necessary to carry on with this expenditure unless we are deliberately to abandon the policy which has already been accepted by this House.

40. *A wind-fall.*—The special wind-fall to which I have referred is a sum of about 54 lakhs net to be realised from the sale of the Indo-European Telegraph undertaking.

In the course of this year the negotiations regarding the disposal of the Indo-European Telegraph Department have been concluded. For some time past, this Department has been running at an increasing loss, partly owing to wireless competition and partly as a result of the general trade conditions. Difficulties have also been experienced in administering this Department most of whose operations were conducted in Persian territory, and of late the Persian Government have been pressing for the transfer of control of Persia's internal telegraph system to Persian hands, a demand with which we had naturally considerable sympathy. Under the settlement now reached, it will be possible to satisfy Persia's national wishes in this respect by transferring the Persian Section of the Department to Persia, while, in consideration of our agreeing to release the Communications Company from an old agreement regarding the apportionment of the receipts, India receives a cash payment of £450,000 from that Company and also transfers the liability for maintaining and working the unremunerative Persian Gulf Section to the Company. After allowing for compensatory payments to the staff discharged and for various other adjustments, we shall realise a net sum of about 54 lakhs.

41. As the assets thus disposed of were originally paid for out of revenue, it is quite proper that the connected credit should be taken to revenue and, as I have said, I regard it as specially balancing, and in a sense justifying, the heavy non-recurring expenditure on census and civil aviation which unfortunately falls on next year.

42. *Gap to be filled.*—As the receipt is 54 lakhs and the provision for these two items is 53, that gives me 1 lakh in hand to be added to the net saving of 97. Adding the resulting figure of 98 lakhs to the saving of 1,75 lakhs on the Military budget, we have a total of 2,73 lakhs to put against the deficit of 17.24 crores with which I started.

This therefore reduces the gap to 14.51 crores, and this is the sum for which we must provide by new taxation.

43. *Retrenchment Committee.*—But, before I explain my proposals for taxation, I must deal with the second aspect of retrenchment to which I have referred.

I hope that I have said enough to demonstrate that we have made a great effort this year to cut expenditure. But in times like these, when we are asking the House to impose upon the country a heavy burden of new taxation, I recognise that Honourable Members may legitimately demand some means of satisfying themselves as to the possibility of still further and more permanent economies in expenditure. Speaking as Finance Member, I should welcome such a demand. We therefore propose that, if it should be the desire of this Assembly, there should be constituted a Retrenchment Committee consisting of five non-official members to be elected by the Assembly and two officials to be nominated by His Excellency the Governor General, one of whom would be a representative of the Finance Department.

44. I wish to say something more than the mere announcement of this intention. Last year, when motions for general percentage cuts on all grants were moved by my Honourable friend, Sir Hari Singh Gour, I

emphasised to the House the danger of indiscriminate "axing". I think all of us have seen examples of this. In normal times expenditure inevitably grows from year to year. Then, for some reason or other—generally an economic crisis with a sudden drop in revenue—the burden becomes too heavy to be borne and there is a sudden demand for retrenchment. In such cases of emergency, the axe is often wielded with a view rather to immediate than to ultimate results. Indiscriminate cuts are made regardless of their effects—officials are discharged, and thereby additional pension charges are prematurely incurred—and then, when the sudden feeling of enthusiasm has calmed down, and the crisis is past, it is found that essentials as well as non-essentials have been cut away. New men are engaged, their salaries added to the extra pension charges of "axed" officials, and in the end net result may prove, in many cases at least, to have been false economy. With these considerations in mind, I resisted last year the demand for indiscriminate cuts. I promised, on the other hand, that a careful analysis of the growth of expenditure in the preceding five years should be prepared and laid before the House. I wanted Honourable Members to see exactly where and why expenditure had been increased, so that they might launch a well-directed, and not an indiscriminate, attack on the position. This analysis will now be available for them in the form of a very full Report by the officer whom we specially appointed for this duty. His Report will show exactly why, how, and where expenditure has grown, and indicate the main fields to which the search for economies can be most usefully directed. The Retrenchment Committee will thus be able to start work with the assistance of much valuable material with all the preliminaries for their work carefully prepared.

45. *Mr. Jukes' Report.*—I must here make a digression to explain that, owing to circumstances beyond our control, there has been a delay, which I regret, in completing this Report. Mr. Jukes—the officer appointed—after presenting an *interim* Report which was laid on the table during the last Simla session, had to be taken away from his work from the end of September till the middle of February in order to act either as Finance Member or as Financial Secretary in the absence, on duty in London, of Sir Arthur McWatters and myself. I had hoped that in the past two weeks he would have completed his Report for the press so that it might be available on the presentation of my budget. Unfortunately, he has been seriously ill and the work has been delayed. But I hope that the Report will be before Honourable Members in good time before the end of this session.

46. The primary task of the Retrenchment Committee will be to investigate possibilities of retrenchment in the Civil expenditure of Government as examined in this Report. But this work must be co-ordinated with other steps in a comprehensive plan. Retrenchment in its fullest sense involves a wide range of subjects, some technical and others which now form part of the whole constitutional issue which is before us. For such subjects, in certain cases, other agencies must be employed, and with these the work of the special Committee of this House, if appointed, must be co-ordinated.

47. *Commercial Departments.*—Let me deal first with the Commercial Departments.

As regards the Posts and Telegraphs, Honourable Members are aware that a special Committee, to be presided over by a distinguished Member of this House, has just been appointed to examine the working of the system of commercial accounts for that Department. This Committee will throw light on an important question which exercises the minds of Honourable Members, *vis.*, whether the account figures as now shown present a fair picture of the commercial working of the service. When that Committee has reported, the way will be open for Government to explore means and methods by which this Department may, most effectively and rapidly, but without detriment to its efficiency, be placed on a sound commercial basis and made to cease its drain on general revenues. If, after that, the Assembly consider it desirable that a further search for economy should be pursued, Government will consult with them as to the best way of giving effect to this.

Turning to the Railways, my Honourable Colleague, Sir George Rainy, has dealt with the question of economy in Railway administration and informed the House of the steps already being taken. He has also indicated that if the Railway results were to continue in such a way as to threaten the financial fabric of the Government of India, then it might be necessary to make a thorough enquiry into the possibilities of improving the position, and that a special technical Committee would be required for such work.

48. *North-West Frontier Province.*—Then there is another form of special enquiry to which I must refer, namely, expenditure in the North-West Frontier Province. I have already spoken of the inevitable growth of expenditure on beneficial services in this Province. But, as regards Frontier Defence, we have recognised that the search for economy must be rigorously taken up, and the Government of India have decided that the time has come to review the whole policy and to consider whether there is any chance of saving money by a better co-ordination of irregular troops, the Regular Army, and the Air Force. A special Committee has been appointed to investigate this matter, and their Report should be available in a few weeks.

49. *Military expenditure.*—Apart from this, I must also mention the whole field of military expenditure. Here, obviously, no substantial economies would be possible without changes in the composition and strength of the forces in India, which would raise issues, military and constitutional, of vital importance. The study of this subject cannot be undertaken independently of the constitutional issue. It is a subject which has already received special consideration at the Round Table Conference, and I would refer Honourable Members to the Report of the Defence Sub-Committee of that Conference.

50. *Pay and conditions of service.*—Lastly, I come to a very important question, one which, in fact, pervades all the others, the question of pay and conditions of service. A good deal has been said and written on this subject lately, and attention has been directed to reductions in the pay of Government servants which have recently been effected in other countries. The subject has also been ventilated in the discussion on the Railway budget, so that, to that extent, I am not treading on new ground in this House. It is an extremely difficult subject and one on which clear thinking is essential.

51. Let me say something first as to its scope and significance in India. It is often brought as a charge against British administration that India,

a poor country, has been burdened with a heavy load of pay for costly officials at the top, specially British officials, and that the money required for education and other beneficial services cannot be available until this burden is drastically reduced. If the matter is to be discussed on these lines, it is essential to be clear as to the facts.

I am not going to attempt tonight to deal in detail with the charge that the administrative machine in India is unduly costly. That would require elaborate comparison with other countries and a mass of figures with which I do not wish to burden my speech tonight. But perhaps at this point, I, as one who brings an outside vision to bear on this subject, may be allowed to express the view that no country has ever had more devoted and self-sacrificing work, or, to descend to material grounds, better value for her money, than India has had from her Civil Services. Their standards of work among the people, started in days when justice was not so well understood as now, have been unique, and have set an example to the whole world. I believe that Honourable Members, whatever they may think of our shortcomings on these front benches as official members of this Government, will agree with me on the work done throughout the country. Moreover, if Honourable Members will trouble to compare figures for other countries, they will, I think, convince themselves that the administration of India has hitherto been carried out, on the whole, at a very low cost. But, as I have said, I cannot deal with this relative aspect of the question fully now. It might with advantage be studied by the proposed Retrenchment Committee.

52. What, however, may impress Honourable Members more directly is an examination of the actual facts of the case in India, for the purpose of demonstrating the scope of any saving which might be accomplished.

In order to make the position clear, I have compiled certain figures which are of great significance. The figures are taken from the 1928-29 accounts, being the latest actual figures available when I made the calculation.

Taking the Civil Departments (exclusive of the Railways), the total pay of all the officials of Government, British and Indian, high-paid and low-paid, Central and Provincial, amounts to just under 57 crores. Of this sum, the Central Government's share is about 16 crores, and the Provincial Governments' about 41 crores. This total is distributed between gazetted officers on the one side and what are called 'establishments' on the other. The term 'establishment', as Honourable Members are aware, covers all the clerical and lower-paid staff. Roughly speaking, with a few exceptional cases, it may be said that this part of the staff includes posts with pay ranging to a maximum of about Rs. 500 per month. I may add incidentally that it also includes all the police, and the irregular levies employed in frontier defence, to which special considerations apply.

Taking these two classes, the total cost of establishments amounts to 41 crores, and of officers, British and Indian, Central and Provincial, all together, and including all leave pay, amounts to 16 crores, of which the Central Government's share is just under 4 crores and the Provincial Governments' just over 12. Incidentally, I may mention that out of this total the cost of British officers amounts only to about 6½ crores.

Now, if the total pay of officers, British and Indian, Central and Provincial combined, amounts to only 16 crores, it is clear that no practicable cut in this figure could produce a revolutionary change. If all salaries were

cut by 10 per cent, the total saving for the whole of India would only be 1,60 lakhs of which the Central Government would get about 38 lakhs and the Provincial Governments about 1,22 lakhs, or not more than about 14 lakhs each. Even if this cut were multiplied to impossible percentages, it would not produce an effect which could really affect the fundamental financial problem, and it is clear that, if effects which are even worth considering are to be produced, drastic reductions right down to the very lowest ranks would be necessary. This would be a very difficult task for any Government to face and one which might produce hard results for the lower-paid men. It is clearly not a case for hasty action.

53. Having thus done something to demonstrate the scope of the problem, it is next necessary to clear our minds as to the nature of action contemplated.

A very clear distinction must be made between a review of conditions for future entrants and an alteration in the position of serving officials.

54. In the latter case too, a distinction must be drawn between cuts, on the one hand, in allowances or in portions of pay which, according to the terms of service, are variable, and, on the other hand, alterations in basic and fixed rights. Action of the former kind is easy, and when comparisons are made with other countries, I must point out that, in several cases at least, the action taken has been of this kind. We also, so far as variable allowances are concerned, are taking action, as I have already explained.

55. On the other hand, an alteration in the basic and fixed rights of serving officials is a step of an extremely grave nature. Even apart from the constitutional rights of certain classes of officers, it would be, in a sense, a breach of contract, cutting at the roots of confidence in the good faith of Government, and likely to create a feeling of uncertainty in the public service which would be particularly detrimental at the present period of constitutional transition.

56. Apart from these considerations, there are others which stand in the way of hasty action by the Central Government.

The Central Government cannot take action alone. Quite apart from the constitutional responsibilities of the Secretary of State, it is also necessary to discuss the matter with the Provinces, for there must be uniformity of policy between the Central and Provincial Governments. Unless this is achieved, it is inevitable that great and justifiable discontent would be caused among the officials affected.

Again, it must be remembered that the future of the services—especially the All-India Services—is a matter of constitutional importance. It has already been considered by a special Sub-Committee of the Round Table Conference, and its consideration must be continued as part of the constitutional discussions.

57. I do not wish anything that I have said to be interpreted as meaning that we do not recognise that, in a case of national emergency, some sacrifice may be demanded from all concerned. We are also impressed by the fact that, at the present time, the prospects, on the one hand, of lower price levels and lower revenue, and, on the other, of the needs of an increasing number of officials under the new constitution, demand that policy on this question should be reconsidered with far-sighted vision.



58. For both of these reasons, some action is now called for, and what we propose is as follows:-

*First*, so far as concerns a sacrifice to meet the present emergency, we consider that this can be most fairly put upon all classes in the form of an increase in the income-tax—a measure which will not select the particular class of Government officials for bearing a special burden. When I come to my proposals under this heading, it will be clear to all that they do involve a sacrifice from all members of Government services, the severity of which I deplore, but which has been regulated as far as possible in proportion to their ability to make it.

*Secondly*, as regards measures for the future, it has been decided to hold a Conference on this subject in Simla, as early as possible after the Delhi session, with representatives of all the Provincial Governments, at which the possibility of revising the terms of service for new entrants into the services will be explored. The field for discussion at this Conference will of necessity be governed by the constitutional aspects of the question to which I have already referred.

59. The account which I have given of these matters shows, I think, clearly the general framework of the wider enquiries into which the work of a Retrenchment Committee of this Legislature—if this is appointed—will have to be fitted. Their recommendations will, in fact, have to be brought into relation with wider issues. But this will increase, rather than diminish, their importance.

#### PROPOSALS FOR NEW TAXATION.

60. *General plan.*—I must now turn to my proposals for new taxation. In devising a plan to deal with the present situation, it is necessary, in the first place, to make some estimate of its nature. Can we say—It is a temporary emergency for which it will suffice to devise temporary expedients? Or is there a need for the permanent addition of new weapons to our armoury of taxation? The truth, I think, lies between these two views. On the one hand, one may say that, to a great extent, the situation is essentially abnormal and that, given a return to normal conditions, Central revenues, on the existing basis of taxation, might be adequate for the purposes of Central Government expenditure. On the other hand, we are not concerned merely with Central Government needs, and behind our own temporary emergency, there lies a permanent need for more resources for the reinforcement of the Provincial Governments' finances.

Therefore, of the new taxation proposed this year, my view is that some at least will be permanently needed, or at least cannot be abolished unless substitutes are found. This general idea will be found to underlie my proposals.

My plan for new taxation is all confined under the heads of Customs and Taxes on Income, for these are the only two sources ready to our hand for providing sums of the magnitude now required.

61. *Customs.*—I will deal first with Customs. My proposals fall into two distinct classes. I have first singled out a number of items on which

it has seemed that the substantive rates can fairly be changed, and secondly, I am proposing a schedule of surcharges on other items. This distinction no doubt conveys a certain implication that the surcharges may possibly be less permanent than the other changes, but I do not wish to make too much of this. Future policy must inevitably depend on the revenue needs of the future. The heads in respect of which I propose alterations of the substantive tariff itself, are liquors, sugar, silver bullion, betel-nuts, spices and exposed cinematograph films. The *liquor duties* are to be enhanced appreciably; the duty on beer and the like is at present undoubtedly low relatively to those on other alcoholic beverages and will be raised by about 66 per cent. above the present level, while those on wines and spirits (except denatured spirit and spirit used in drugs and medicines) will be raised by between 30 and 40 per cent. As regards sugar, this is a special case which I must deal with separately. The duty on silver bullion I propose to increase from 4 to 6 annas per ounce. I must reserve for a later stage of my speech my remarks on our general policy as to our silver holdings. The other items mentioned will be transferred from the general rate of duty (now 15 per cent. *ad valorem*) to the "luxury" rate at 30 per cent.

62. Of the surcharges I shall not attempt in the time now at my disposal to speak in detail; we have at a stroke added to the 10 per cent. schedule a surcharge of 2½ per cent. to the general or 15 per cent. schedule one of 5 per cent., and to the "luxury" or 30 per cent. schedule one of 10 per cent. By far the most important of these surcharges is that of 5 per cent. on the general revenue schedule of 15 per cent., and connected with this, I must mention a feature of particular importance. We propose for this purpose to treat the basic duty of 15 per cent. on cotton piece-goods on the same lines as the general 15 per cent. schedule and to place the surcharge of 5 per cent. on these goods also. The surcharge on the 15 per cent. schedule is expected to yield 90 lakhs for cotton piece-goods and 2,63 lakhs for other goods.

63. Coming now to the schedule of non-protective special duties, here we have made additions appropriate to the general scheme, and I need only mention specially the surcharges that I propose to levy upon kerosene and motor spirit. Both customs and excise duty on kerosene are to be raised by 9 pies per gallon, while motor spirit is to bear a surcharge of 2 annas per gallon.

64. *Sugar*.—Finally, I must explain my proposals as regards sugar. The case of sugar is a special one. I have included it in the list of items on which the basic rate is to be charged, but, in a sense, our proposal is actually in the nature of a surcharge. The position is special, because, while I am now proposing an increase in the duty for revenue purposes, we had received, just when my budget proposals were on the point of completion, the recommendations of the Tariff Board for the protection of sugar. Although I, as Finance Member, in bringing forward a Finance Bill, must look at the matter entirely as a revenue question, nevertheless, it would obviously be absurd for us to pretend that, with the Tariff Board's proposals in our hands, we can consider revenue measures with no reference in our minds to the plan for protection on which the Government will have to take a decision at an early date. At the same time, sugar duties cannot be permanently adopted as protective measures until they have been

carefully examined by the Government and discussed, as protective measures, by the Legislature. My budget proposals must therefore be regarded purely as revenue measures which are, however, provisional in the sense that they may shortly have to take on a permanent protective aspect.

65. The Tariff Board's Report will, I understand, be almost immediately available to Honourable Members. In the meanwhile, I must explain what are their recommendations as regards sugar duties. Summarised, the Board's recommendations are:

- (1) A basic duty of Rs. 6-4-0 per cwt. on all classes of sugar, including sugar candy, to be imposed for 15 years.
- (2) An additional duty of Re. 1 per cwt. on all classes of sugar to be imposed for the first 7 years.
- (3) Power to be taken to add 8 annas per cwt. to the duty at any time if the landed price of sugar at Calcutta *ex-duty* falls below Rs. 4 per maund.
- (4) No protective duty on molasses.

66. Comparing these proposals with the present rates of duty, the position is as follows:

Leaving out of consideration, for the moment, the lower grades which are of minor importance, the Government would, if they adopted the Tariff Board's recommendation, have to raise the duty on sugar of 23 D. S. and over from its present rate of Rs. 6 per cwt. to Rs. 7-4-0, *i.e.*, to impose an additional duty of Re. 1-4-0 per cwt., while they would further have power to add an additional 8 annas per cwt., to the duty if the landed price at Calcutta falls below Rs. 4 per maund. I may say that at present the price is hovering just about this level.

67. So much for the Tariff Board's plan. My own proposals for revenue purposes had been very close to this, for I had actually contemplated an extra duty round about Re. 1 to Re. 1-8-0 per cwt. What I have now included is an increase of Re. 1-4-0 per cwt. on all grades of sugar. This, as I have said, must be regarded purely as a revenue measure pending consideration of the Tariff Board's recommendations. But Honourable Members will see that it is not inconsistent with those recommendations.

68. The combined effect of all these proposals as regards Customs duties will be to produce an additional revenue next year of 9.32 crores. We shall also obtain about 50 lakhs more from the increased import duties on galvanized pipes and sheets which the House discussed on 23rd January last. This will raise the additional yield to 9.82 crores.

Incidentally, the new duties, which will operate from 1st March, and the increased duties on galvanized pipes and sheets, which came into force on 30th December, will add to our revenue for the current year a sum estimated at 88 lakhs, thus reducing the current year's deficit to 12.68 crores.

69. *Taxes on Income.*—I must now deal with Taxes on Income—the other head on which I must mainly rely for help to fill in the gap.

My proposals as to *income-tax* are as follows. The taxable minimum income for income-tax—Rs. 2,000—will not be lowered. The rate of tax on

the lowest zone, up to Rs. 4,999 will be raised by 4 pies. The rates on higher grades up to Rs. 39,999 will be raised in some cases by 5 pies, in some cases by 6 pies, and in the highest of these grades by 7 pies. At present the highest rate is reached at Rs. 40,000. It is now 19 pies. I propose a rate of 25 pies on incomes from Rs. 40,000 to Rs. 99,999, and a maximum rate of 26 pies on incomes of Rs. 1 lakh and over. The estimated yield of these increases is 5,07 lakhs gross or, deducting 53 lakhs on account of increased refunds, 4,54 lakhs net.

70. In addition to this, I propose certain changes as regards *super-tax*. At present all assesses except Hindu undivided families are allowed a deduction of Rs. 50,000 in computing the income liable to super-tax. This will be lowered to Rs. 30,000 except for Hindu un-divided families and Companies, which will be allowed, as at present, a deduction of Rs. 75,000 and Rs. 50,000 respectively.

In the new zone, Rs. 30,001 to Rs. 50,000 the super-tax rate will be 9 pies. Above Rs. 50,000 the graduated scales will be increased by 2 pies throughout. The flat rate for Companies will be 1 anna as at present. These changes will yield, it is estimated, 46 lakhs. Thus the total estimated additional net revenue from Taxes on Income will be 5 crores.

71. In the Explanatory Memorandum will be found a statement which shows exactly how these proposals will affect income-tax payers at various levels of increase. Briefly, they will add an extra charge of about 2 to 5 per cent. on all incomes. The rates of additional tax have been so adjusted as to produce, in the final result, an evenly graduated scale of burden increasing as the income increases, and this object must be borne in mind in interpreting our proposals.

72. *Final surplus*.—The total yield from the proposed changes in Customs duties and Taxes on Income thus amounts to 14.82 crores, as against which the gap to be filled is 14.51 crores, so that I am left with a small surplus of 31 lakhs.

73. *Possibility of grants for Sugar and Jute*.—From this balance I wish to preserve the possibility of making certain grants for beneficial purposes.

It is particularly the desire of the Government to support schemes for the encouragement of the sugar industry, and there are certain schemes which may shortly be put before us by the Imperial Council of Agricultural Research which may require a provision of 5 to 10 lakhs next year.

Then again, there is the question of the establishment of a Central Committee for Jute, which Government also are most anxious to promote. This matter is now under discussion between the Government of Bengal and the various jute interests in Calcutta. The financial basis of the plan would be that Government should make some reduction in the rate of the jute export duty, and legislate for a corresponding amount to be levied as a cess for financing the Jute Committee. The total sum contemplated as required for this is estimated at about 5 lakhs annually, and in order to enable the Committee to undertake useful work from the outset, the Government would be prepared to make a proportionate grant at this rate as soon as it is actually needed—pending the passage of the necessary legislation for the imposition of the cess. I mention this point in order to make it clear that the Government of India are anxious to see this Committee established as quickly as possible. It is for the various jute interests.

concerned to agree to the scheme which has already been worked out, and Government stand ready at any time to help financially.

74. In the case of both these possible demands, it would be necessary for us to ask the Assembly to approve supplementary grants. It has not been possible to include provision in the budget, because the demands are not yet before us.

75. *Need for averting another deficit.*—While mentioning the possibility of supplementary demands for moderate sums under these heads, I must also make clear that it will be necessary to maintain a very close financial control throughout the year. Our estimates are framed on sound and reasonable lines, but if internal disturbances continue, they are of course liable to be upset. Expenditure and revenue returns will have to be carefully watched, and, if conditions show signs of deterioration, it may be necessary to take *interim* measures to counteract that. It is vitally important to the financial stability of the country that we should not find ourselves at the end of another year with a large realised deficit.

76. *Plan of new taxation.*—That concludes my account of the measures for balancing the budget, but before I turn to explain our borrowing programme and the ways and means position, I wish to make certain general observations on the whole plan of new taxation.

77. *Customs.*—As regards the customs proposals, I trust that these will, on the whole, receive commendation from this House. They involve, of course, a substantial addition to the cost payable by consumers; but as against this, I would point out that prices are low and that it is just for this very reason that additional percentages in our duties are necessary. Although the rates are enhanced, we shall not in fact be raising more in this form of taxes than was to be expected as the yield from Customs at the old rates in a normal year, while, as far as Indian industry is concerned, the general effect of the new duties should be beneficial.

78. *Silver.*—It is necessary for me to make special reference to the proposed increase in the tax on silver because this has a general bearing on the whole question of our policy in relation to silver and its effect on the world position.

79. The increase of 2 annas an ounce which we are proposing is estimated to produce 75 lakhs from the import duty and 7 lakhs from the excise or 82 lakhs in all. In itself it is a clearly justifiable form of raising revenue as part of the general plan designed to meet the situation which confronts us this year. The only possible objection to it might be based on broader grounds, that is to say, on a fear that it might tend to check consumption of silver in India and thus further weaken the price of silver to the disadvantage not only of India but of the whole world. We have given the fullest weight to this consideration, but with the very moderate increase in the duty which we now propose, we do not think that the fear is justified. Similar apprehensions were expressed in certain quarters last year when we imposed the duty of 4 annas. But although this weakened the price for a few days, the market almost immediately recovered, and in spite of the duty and of the great decline of India's purchasing power, the consumption of silver in the current year is keeping up to the normal level. In fact, we anticipate a consumption, taking all sources of supply into account, of between 100 and 110 million ounces.

India's consumption should not therefore this year be seriously affected by the increased duty, while, as regards helping to maintain the price of silver, we are prepared to consider action in other ways.

80. *Steps to maintain price of silver.*—I announced in my budget speech last year that the Government of India would be prepared to co-operate with other silver interests if any practical scheme could be devised for controlling the production of new silver and the sale of new and existing stocks. Unfortunately, the only response to my offer has been on the lines indicated in certain utterances which have appeared in the press by representatives of the main producing interests in America. In general, these gentlemen propose that their own production of new silver should remain unrestricted, but that Governments and others who hold large stocks of silver should refrain from realising their holdings, and leave the world's markets free for the new production. Now, whatever criticisms non-official Members in this House may have made in the past on our policy of selling silver, I am sure that they would not expect the Government of India to part with the country's rights by acceding to any such one-sided arrangement.

81. The demand that the Government of India should refrain from selling is, indeed, an astonishing proposition when the facts are studied. For, in fact, the whole world depends on India as a consumer. In the five years ending March 31, 1930, India absorbed about 540 million ounces of silver or 108 million ounces per annum. According to present indications, her absorption, even in the current year, will be up to this average, so that the total absorption in 6 years will be about 650 million ounces. As against this, the Government of India have sold out of their own holdings a total of only about 90 million ounces since 1926. Yet it is suggested that even this moderate realisation is to stop, and that India is to stand aside and keep her own home market free to absorb the production from the mines of Mexico and the United States. This is clearly an unacceptable idea, and however anxious we may be—as indeed we are—to help, we must, as a condition of co-operation, secure fair consideration of India's interests. In the meanwhile, we must retain a free hand.

82. We must also ask ourselves whether co-operation is likely to lead to the desired result. The more I study the matter the more convinced I am that the fall in the price of silver is part of a much wider movement, and the more doubtful I become whether silver can be dealt with successfully in isolation. The fall in silver prices, in fact, has not really been out of relation to that in the case of other metals. Taking the price of silver, tin, lead, spelter and copper on March 31, 1926, and treating these prices as 100, the figures for the various metals at the end of January 1931 were 46·3 for silver, 41·4 for tin, 44·8 for lead, 38·1 for spelter and 78·1 for copper. Therefore, with the sole exception of copper, all these metals had fallen more than silver. Without going into further details, these facts alone indicate that, although a fall in silver prices may have wider results—owing to its currency uses—than a fall in the prices of other metals, nevertheless, the causes of that fall may be the same. Any action which does not touch the causes of the disease is hardly likely to provide a sound remedy. The conclusion to which this leads me is that, if there is to be an international Conference of any kind for dealing with silver, it would be of far greater value to the world if it could also deal with all those other factors in the present world situation which might be

affected by international co-operation. I believe that such international co-operation is needed, and that India can play a very important part in it. But the development of this idea would take me into a wider sphere than I can traverse to-night. I hope to find other occasions for its discussion.

83. *Taxes on Income.*—As to the income-tax proposals, I wish to make clear that we regard these very specially as measures designed to meet the present emergency, but not necessarily permanently required. Certain features, indeed, may be permanently retained, such as the adjustments in the grading of income-tax, and the reduction of the super-tax level, but, in the main, I would ask that these proposals should be regarded as a temporary measure, a provisional defence thrown up to meet the present need, behind which the situation can be studied and more permanently consolidated: We want during the next year to consider, first, whether we have to face a permanent reduction in our general revenues due to a permanent lowering in prices all round, and whether, as a result of this, there is any means for permanently reducing the cost of Government; secondly, how our plans for distribution of revenue to Provincial Governments under the new constitution can be fairly adjusted; thirdly, whether any alternative methods of raising revenue can be devised which will be less hampering to the economic life of the country. These are some of the main questions which have to be studied before it can be said that taxes on income must be retained at these rates.

84. In the meanwhile, the proposals represent, as I have already stated, a sacrifice to be imposed, in order to meet the present emergency, on all the monied classes of the country, and falling especially with unerring aim and full weight on the whole class of Government officials. So far as these officials are concerned, the increased levy operates as a cut in salaries. I do not, however, attempt to conceal the fact that, by achieving such a purpose in this way, the Central Government is in a sense benefiting at the expense of the Provincial Governments, and, for this reason, our earnest attention will be required during the forthcoming year to devise measures for some other means of adjusting the position.

85. I must, at this stage, mention two other measures as regards income-tax which are under consideration by Government.

86. *Carry-forward of business losses.*—In the first place, there is the question of allowing assesses to set off against business profits losses incurred in preceding years. I explained in my last budget speech that, if the revenue position made it possible, it was our intention to make a start in the introduction of such a provision—but that we had to be guided not so much by considerations of principle as by the practical conditions as regards revenue. It would mean a substantial loss of revenue, and the question for us is whether the country can afford it. Unfortunately, we cannot at present rely on having any margin for sacrifice, while there are certain practical considerations affecting the immediate introduction of such a measure which have special force just now. If the principle were to be introduced next year by allowing losses incurred on the current year's assessments to be carried forward, we should be starting at a very bad moment, for there must have been an exceptional number of cases of trading at a loss this year. At the same time, it is probable that no immediate benefit would be felt by those concerned. Assessments for the current year are based on results of 1929-30. Assesses who incurred a loss during that year are not very likely to have made any profit during 1930-31, so

that they would have no margin from which to obtain relief on next year's assessment. On the other hand, looking further to the future, if the principle of carrying forward losses were gradually extended up to 3 or 6 years starting with 1929-30, we should be imposing a heavy burden to be made up whenever a recovery in trading conditions takes place. That would be severely felt in the early years of the new constitution and would affect the amount which can be spared from Central revenues for the relief of the Provinces. Honourable Members will, I feel sure, appreciate our reluctance to impose such a burden on the future constitution, even if we could afford the immediate loss which, according to present estimates, we cannot do.

87. In these circumstances, we feel that there are two conditions which must be satisfied before we can take action; first, the revenue position must show signs of improvement; and secondly, we must be assured that public opinion, after fully appreciating all the implications, is definitely in favour of such action. As regards the second of these conditions, I shall be glad if Honourable Members would take occasion to express their views on this matter in the course of debate.

88. *Taxation of foreign incomes.*—The second point on which I wish to speak is this. It has for some time been apparent that there is a serious lacuna in the existing provisions for taxing income from foreign investments. In fact, our law affords a direct incentive to investors to place their money in foreign securities for the sake of avoiding income-tax.

89. I need not now go into any detailed explanation of the position—which is, indeed, well known—I will only say that we intend to introduce legislation this session for the taxation of income from foreign investments on the lines of the law now prevailing in the United Kingdom. This legislation, if passed, may bring in some additional revenue, but I have not made any allowance for this in the budget estimates. Our primary purpose will be to remove an incentive towards the export of capital which is extremely detrimental to Indian interests.

#### WAYS AND MEANS.

90. *Summary.*—I will now turn to a review of the ways and means position for the current year and the next, which I may preface with a summary in the usual form:

	(In crores of rupees.)	
	Revised, 1930-31.	Budget, 1931-32.
<i>Liabilities.</i>		
Railway capital outlay (construction) . . . . .	14·50	11·45
Other capital outlay . . . . .	3·53	1·93
Provincial drawings . . . . .	11·50	9·50
Discharge of permanent debt (net) . . . . .	18·88	29·54
Discharge of India Sterling Bills . . . . .	8·00	..
Contraction against rupee securities . . . . .	28·92	..
Other transactions . . . . .	·76	—18
	88·09	52·24



# BUDGET FOR 1931-32.

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(In crores of rupees.)		
	Revised 1930-31.	Budget 1931-32.
<i>Resources.</i>		
Revenue surplus . . . . .	-12·68	·31
Rupee loan (net) . . . . .	29·71	15·00
Sterling loan (net) . . . . .	35·64	24·76
Treasury bills with public . . . . .	8·96	·
Loan from Imperial Bank . . . . .	5·40	-5·40
Post Office cash certificates and savings bank . . . . .	2·46	4·06
Other unfunded debt . . . . .	2·46	5·64
Appropriation for reduction, etc., of debt . . . . .	5·00	6·17
Depreciation and Reserve Funds . . . . .	-5·92	·98
Reduction of cash balances . . . . .	15·06	·72
	86·09	52·24

91. *Current year.*—In the budget for 1930-31, I estimated that a loan of 23½ crores in India, together with borrowings in London to the extent of £6 millions would enable Government not only to meet the excess of disbursements over receipts but also to reduce the amount of treasury bills outstanding in India by 4 crores. The position now is that in spite of a loan of 29·71 crores in India and sterling borrowing amounting to £31 millions (details of which I shall explain later), it is estimated that the amount of treasury bills outstanding with the public in India at the end of the year will be 45 crores, i.e., 25 crores in excess of the amount shown in the budget. The total real deterioration is therefore nearly 64½ crores. The main reasons for this exceptionally large deterioration are;

*First*, the increased demands for finance made on the Government in their capacity as bankers for the Provincial Governments and the Railways.

*Secondly*, diminished receipts from Savings Bank deposits and Post Office Cash Certificates.

*Thirdly*, the deficit on the Central Government budget.

*And, lastly*, the effects of the withdrawal of redundant currency from circulation by contraction.

I will explain these factors more fully.

92. *Demands on the Government as bankers for the Provinces and the Railways.*—The Government of India are bankers and financiers to the Provincial Governments and the Railways, and this capacity involves a large additional strain on the Government resources in times of stress. Owing to the unfavourable economic situation and the political disturbances, *Provincial Governments* have to face a serious diminution in revenues and the probability of considerable additional expenditure on the relief of agricultural distress. It is anticipated that their requirements will exceed by 3½ crores the budget estimate of about 8 crores. As the House knows, the finances of the *Railways* have been more seriously affected. They will draw 9·65 crores more than was anticipated.

93. *Post office Cash Certificates and Savings Bank deposits.*—The receipts from these sources have also been seriously affected by general conditions. Since the 15th September, when the yield on Post Office Cash Certificates was increased to 6 per cent., sales have shown a welcome

increase, but encashments are still heavy and withdrawals of Savings Bank deposits, which have been considerable in past months, still continue. It is therefore anticipated that receipts from these two sources will be 3.74 crores less than the budget estimate.

94. *Budget deficit.*—As I have already explained, the estimated deficit of 12.68 crores will remain uncovered and will be an addition to the unproductive debt. As the budget provided for a surplus of 96 lakhs, the total worsening in the ways and means position on this account comes to 13.54 crores.

95. *Contraction.*—Lastly, I come to the operations of Government as currency authority which have inevitably had an effect of great magnitude on the ways and means position this year. In my last budget speech I explained how falling prices and trade depression necessitate contraction of the currency, and how in India, where Government are the currency authority, such contraction adversely affects the ways and means position. The universal fall in prices which began in 1929 has continued throughout the year. The ebb in the world trade has been exceptionally large, while, in India, political disturbances have led to further restriction of commercial activity. Government have, therefore, as part of their normal duties as currency authority, been obliged to continue the withdrawal of redundant currency from circulation, and between 1st April and 7th February have effected a contraction of about 36½ crores. The return of silver rupees from circulation amounting to about 17½ crores has counter-balanced to a large extent the contraction against securities and gold, the net result being that the note issue on 7th February amounted to 159 crores as against 177 crores on 1st April.

96. It is of course only the contraction against rupee securities which affects the ways and means position, and this is seen in the substitution of treasury bills issued to the public for treasury bills issued to the Paper Currency Reserve, or, in other words, the substitution of interest-bearing obligations to the public for obligations in the form of currency notes. The contraction against rupee securities during the current year has amounted to 29 crores and contraction of 5 crores not provided for in the estimates was effected in March 1930. The resources of Government have, therefore, been depleted by 34 crores on this account. In this connection, it is worth noting that the increase in the estimated amount of treasury bills outstanding with the public at the end of the year is 9 crores less than the amount of the deterioration in the ways and means position due to contraction.

97. The four headings which I have now explained account for practically the entire deterioration of 64½ crores with which I started.

98. *Next year.*—The ways and means programme for next year is necessarily tentative and subject to modification in the light of the actual circumstances which may arise. As the House knows, the Railway capital expenditure has again been drastically reduced, the provision for 1931-32 being 11.45 crores compared with 16.75 crores in the current year. As regards the Provinces, their borrowing programme has also been rigidly controlled so far as new works are concerned, but, in present circumstances, they have certain unavoidable financial requirements. Provision for their demands has, however, been reduced from 11½ crores anticipated this year to 9½ crores. With this reduced provision for Railway capital expenditure and for the Provinces, I estimate that the

total amount of new money required will be 7½ crores only. Assuming that all this new money required is raised in India, and that 7¼ crores of 6 per cent. 1931 Rupee bonds are converted, a total loan of 15 crores only would be required. So far as sterling operations are concerned, I assume that the £15 millions outstanding from the 5½ per cent. 1932 loan maturing in January 1932 will be converted. Given normal conditions as regards borrowing and remittance from India, no further sterling loans will be required. But this, of course, will be dependent on the conditions to which I have referred.

99. The estimate which I have just given for the borrowing required in India, assumes that the amount of treasury bills outstanding at the end of the year will be the same as at the beginning, *viz.*, 45 crores. I hope, however, that conditions will be sufficiently favourable to enable Government to fund a portion of this floating debt, and as far as I can see at present, there should be no difficulty in accomplishing this without disturbing the market for Government securities.

100. *Home charges.*—In my general review of the financial position to which I shall shortly turn, I shall have to refer to the fact that a substantial export of capital has characterised the period through which we are now passing. This export, occurring at a time when normal trade is depressed, has seriously curtailed the ability of the Government to make remittances through the market and funds have been obtained in London mainly by sterling borrowing. £19 millions were obtained by the issue of 6 per cent. sterling bonds in May and October, while the recent issue of 5½ per cent. sterling bonds will provide £7·8 millions during the current year, the last instalment of the subscriptions on this loan being payable only in April. In addition, £6 millions were borrowed from the Imperial Bank of India in instalments in July and August and repayable between January and April. Instalments of £3 millions from this loan falling due in January and February were renewed for three months, but the remaining instalments will be repaid from the proceeds of the 5½ per cent. sterling bond issue, the net result being that £4 millions of the loan will be outstanding at the end of the year. On the other hand, £6 million India bills falling due in December were repaid. The net sterling borrowings during the year will, therefore, have been nearly £25 millions. This amount, together with the purchases of sterling already made, *viz.*, £5,395,000, will enable the Secretary of State to close the year with a balance of £4·8 millions. For next year, assuming that £15 millions outstanding on account of the 5½ per cent. 1932 loan are converted directly or indirectly, I estimate that the net requirements of the Home Treasury will be £33½ millions inclusive of £2·4 millions for Railway capital expenditure. With a reversion to normal conditions in the political sphere, and a restoration of confidence in the future stability of India under the new constitution, there should be no difficulty in obtaining this sum by remittance through the market. The future in this respect lies really in the hands of responsible Indian leaders.

#### REVIEW OF CURRENCY POLICY.

101. Before leaving this subject, I feel it necessary to put before the public a general review of the Government's currency policy, and its effects on the financial situation.

102. Much misapprehension exists in the public mind on these questions. The main charges which are made against the Government are that their currency policy has, first, by excessive contraction created a shortage of currency in the country producing a fall in prices; secondly, resulted in the Government incurring a heavy floating debt with serious loss to revenue; thirdly, increased the difficulties of the business world by the artificial creation of dear money; and fourthly, reacted on the credit of India and led to costly sterling borrowing.

103. *Contraction justified.*—I wish to deal with all these charges and to explain in very elementary terms (for which those who are experts on this subject must excuse me) the manner in which our duties as currency authority have unavoidably reacted unfavourably on our financial position. I will take them in order beginning with the charge of contraction. Here I must at the outset, emphasise two points:

*First*, that the reduction in the volume of currency in circulation is by no means excessive, having regard to the fall in prices and the diminished money value of business transactions.

*Secondly*, that India plays a minor part in the world action affecting prices. India is not a large enough factor to be able to take the lead in international economics, and the level of prices in India for all commodities which are handled in international trade must follow world prices. Our contraction, therefore, has been a necessary consequence of, or sequel to, the fall in world prices. It cannot be regarded as a cause of that fall. If we failed to regulate our currency policy in such a way as to keep internal prices in India on a parity with world prices, it would mean the establishment of an inflationary position in India, which would upset the balance of trade by encouraging imports and discouraging exports, and lead inevitably to a loss of India's gold reserves. This is elementary.

104. Now, as to the extent of our contraction, I believe that an impartial observer, far from saying that this has been excessive, would be more likely to take the contrary view and criticise Government as currency authority for not having contracted currency sufficiently. It is not easy to prove this assertion by precise figures because so many factors have to be taken into account, but the following calculations bring out the main consideration and afford striking general support to the thesis which I have stated.

105. According to the evidence tendered to the Currency Commission, the amount of rupee coin outstanding on the 1st April 1926 was 350—400 crores of which 77 crores were held in the Paper Currency Reserve, while the note issue on that date amounted to 193 crores. The total amount of currency in circulation at that time therefore, taking notes and silver currency together, was somewhere between 466 and 516 crores. Between 1st April 1926 and 31st December, 1930, the return of rupees from circulation amounted to about 64 crores, while the note issue on the latter date was 161 crores, so that the total amount of currency in circulation was about 370 to 420 crores. That is to say, since April 1926, there was a reduction of 18 to 20 per cent. In the same period the Calcutta index number of wholesale prices fell 31.5 per cent., that is to say, from an average of 148 in 1926 to 101 in December

1930. The percentage reduction in the amount of currency in circulation is therefore small in comparison with the percentage reduction in prices.

106. This, then, is my answer to the first charge:

*The contraction effected by the Government has been an essential sequel to the fall in world prices, and it has not been carried to an excessive extent.*

107. *Deterioration in financial returns inevitable.*—I now come to the second charge. This is no more than a complaint about what in fact is an inescapable result. For it is unavoidable that contraction of currency should have an adverse effect on Government finances when the Government are the currency authority. The Government, by putting into circulation coin or notes, make thereby a profit. For they have the use of, or get the credit for, currency which cost them much less than the face value of the currency produced, and are able to save or earn interest on this money. The Government thus get the benefit, in the case of coin, of the difference between its face value and its bullion value, and, in the case of currency notes, of the currency value less the cost of printing the notes. To the extent that currency has to be contracted, the Government inevitably lose this benefit. Thus they suffer not an absolute loss, but a diminution in the profit which they would otherwise make as currency authority if more notes and silver currency were in circulation. The effect is seen in the form of, on the one hand, a drop in the amount of treasury bills held in the Currency Reserve, the discount on which comes back to the Government as currency profits and on the other hand, an increase in the treasury bills held by the public, on which, of course, the discount goes to the public. My answer to the second charge therefore is this—*The deterioration in the Government's financial returns is inevitable if the volume of currency in circulation has to be reduced.* It is no use blaming the Government for what is called their "ruinous policy." Government have no choice in the matter if they are to perform their first duty as currency authority—the duty of maintaining stability of the currency.

108. *Policy of dear money forced on Government.*—I now come to the third charge. As to this I venture to assert that the following is a true appreciation of the position. While contraction of currency has been the normal sequel to the fall in world prices, there would have been no necessity for maintaining rates of interest in the money market at such a high level if there had not been present other reasons of a nature special to India. I must say something of these special reasons. The disturbance created by the civil disobedience movement, combined with the general uncertainty as to the political future of India and the effect of constitutional changes, has created a general feeling of nervousness among Indian investors and caused a considerable flow of capital from India. It is impossible to obtain even approximate figures of amount of capital exported, but an examination of the trade figures and the Government remittances gives some idea of its magnitude. The visible balance of trade in favour of India for the nine months April to December 1930 was 34.43 crores as compared with 41.62 crores in 1929 and 39.76 crores in 1928. This figure is, in all the circumstances and having regard to the abnormal fall in the world prices for India's exports, remarkably favourable. On the basis of this balance of trade, it would have been legitimate to expect that, even in this bad year, Government would have been able to effect large remittances to London; but the actual facts are

that during the last three months, Government have had to make considerable sales of sterling to meet demands for private remittance and these sales have practically balanced purchases made earlier in the year. This phenomenon must be ascribed almost entirely to export of capital, partly movement of real investment money and partly speculative remittance due to apprehensions regarding the financial stability of India. Now, this is a process which the Government of India, both in order to maintain stability of currency and in the general interests of India, are bound to fight. And this they have done. In order to check this export of capital and attract money to India for investment, they have taken the measures which the currency authority of every country is bound to take in similar circumstances in order to maintain the value of the currency; that is to say, measures designed, on the one hand, to make it difficult to obtain rupees for conversion into foreign currency, and on the other, to make it attractive for foreign funds to seek employment in India. With this object Government have had to maintain interest rates at a higher level than would otherwise have been necessary, and have had to draw surplus funds off the market by issue of treasury bills at expensive rates. This policy has, of course, inevitably, not only had an adverse effect on Government finances but has also reacted unfavourably on private traders; *but it has been forced on the Government by those private interests who, for various reasons—nervousness as to India's future or the desire for speculative gain,—are sending money out of the country.*

109. *Cost of borrowing governed by political factors.*—This brings me lastly to the fourth charge which is closely connected with that which I have just discussed—the charge that this policy has depreciated India's credit and led to costly borrowing—particularly sterling borrowing. It is, of course, true, as a general proposition, that high rates in the money market have a tendency to depress the price of Government securities. But this is no more than a general tendency, and in the case of India, high rates for short money this year have certainly not been a major factor in the security market. Though money rates in India have been high in relation to the rest of the world, they have been no more than normal for the busy season in India. The experience of recent years shows clearly that, with an effective bank rate of 7 per cent., the long term Government securities may quite well be selling on a 4½ per cent. basis. Money has only been tight for short periods this year, and we must look elsewhere for the main cause of the decline in Indian securities. Their prices have, in fact, been governed almost entirely by political factors. It is of course inevitable that, with great but uncertain constitutional changes hanging over the whole position, the price of securities should fall. Rupee securities in India must, in the main, move in relation to London prices, and the London business world dislikes uncertainty above all things. It need not necessarily mean distrust in those who may be responsible for working the new constitution, but rather a fear of the unknown, and a feeling that the new machine must prove itself. On top of this, however, the effect of uncertainty has been enormously increased by some of the aspects of the civil disobedience movement. I do not wish to dwell on these matters to-night, nor do I share the general lack of confidence in the future, but it is perhaps not unreasonable to ask those who resent it to realise that the changes now under discussion are sudden and vital and that the outside world must get accustomed to new ideas, and, in the meanwhile, demand some proof or guarantee for the new order.

110. *Safeguards.*—If, for these reasons, safeguards are proposed, their object is the maintenance of confidence and credit until the new order has proved its stability. In these circumstances, the best service that representative Indians can render to their country is to convince the world that safeguards will never have to be called into play, and this they can best do by joining us in a common effort to work out means both for solving the problems of the immediate future and for effecting, without shock or weakening, the coming change in the foundations on which the whole structure of Government depends.

111. In the meanwhile, we who bear the present responsibility can do no more than carry out our task with honest purpose and fixed determination. If that common effort to which I have just referred could be made, many of India's present difficulties would disappear. I believe that, if we could restore trust in the future, investors would regain confidence, the movement of capital would stop, further borrowings in London would become unnecessary, securities would rise, and India could enjoy, with the rest of the world, that help which cheap money can give to commerce and industry. All this lies rather in Indian hands than in ours.

112. *The ratio question.*—At this point there will, of course, occur to many the well-known argument that it is only because the Government are maintaining the so-called "unnatural ratio" of 1s. 6d. that all these difficulties are being felt. I have no time to enter fully to-night into that old controversy; but there are some points which I must emphasise.

113. Every single one of the steps which we have had to take this year in the way of contraction of currency to meet the fall in world prices would have been equally necessary in order to maintain stability of exchange, whatever the level at which the ratio had been fixed. If the rupee had been stabilised at 1s. 4d. in 1926, the present fall in world prices would have been felt in India with exactly the same severity, and similar contraction of currency would have been necessary. Those who, in order to avoid such steps, and to meet present difficulties, are pressing for a change in the rupee ratio, are really asking (although they do not always realise it) not for a mere change from 1s. 6d. to 1s. 4d. but for a completely unstable currency as opposed to a currency stabilised in relation to gold.

114. Whether, if exchange had in the past been stabilised at 1s. 4d., the speculation and the export of capital to which I have referred would have been any less, is a question which I must leave to others to argue.

It is a barren speculation, for we are not concerned with what "might have been," but with the practical question: "What ought we to do now?"

115. On the answer to that question I can feel no shadow of doubt. I can imagine no course more fatal to India's financial well-being than to make a change in the currency system now. To those who urge this course I would say—Realise what you are doing. There is no question now of choosing between 1s. 6d. and 1s. 4d. It is a choice between a stable currency and complete instability. If once the country, having adopted stability and accepted a statutory obligation, repudiates that obligation in order to meet difficulties of the moment, what confidence can any one have in the future that such a step will not be taken again? You could not thereafter maintain stability. Do the Indian public really want a completely unstable currency? I am certain they do not. I am certain that, if that choice was made clear to them, they would reject it, and I am certain that they would be right in doing so. In any case, it would

be madness to risk a change amidst all the present uncertainties, when the old foundations on which the present India has been built up are to be withdrawn, and when the economic crisis is unsettling the whole world. It would be nothing less than a breaking away of the ship from its anchorage and letting it drift all unprepared into the storm. In saying all this, I am only repeating what I have often said before. I repeat it because the new circumstances have not lessened our duty to defend the position in India's interests. They have rather made it stronger. That defence must be continued; but if we could achieve that common effort of which I have spoken, it would be possible to divert the energy and resources which must now be expended in mere defence, into a constructive programme for the benefit of trade and of the economic life of the country which so badly needs it.

#### CONCLUSION.

116. I fear that I have detained Honourable Members very long in giving this review of the present position and my proposals for the future.

In conclusion, I would wish shortly to summarise the position as I see it and to consider how we stand and where we are going.

117. Confronted with a large deficit, we have made proposals which are, I venture to claim, adequate to meet the present situation, and which, while fairly distributing the burden which it is necessary to impose, may have some results not unpropitious for the development of Indian industry. But the work must not stop there nor can we rest satisfied that permanent provision has been made for the future. The present situation must, as I have already said, be kept under close control during the year, while, as to the future, that demands not merely that we should balance the Central Budget, but that we should provide a margin for distribution to the new Provincial Governments. Even if we have met the needs for the moment, there lies before us a mass of questions needing early investigation and action. The main task falls under three heads—the development of new sources of revenue, the reduction of expenditure wherever waste can be eliminated, and the formulation of a constructive policy to help the economic productivity of the country.

118. As an example of new sources of revenue which demand special study, I would specially refer to the consumption of tobacco, the consumption of matches, and possibly also death duties. If we examine the fiscal systems of European countries, we find that, in almost all cases, great reliance is placed on these sources of revenue. In India, however, they play practically no part.

119. As regards tobacco, I may take this opportunity of expressing my appreciation of a very valuable Memorandum which I have received from the Chairman of the Bengal National Chamber of Commerce, containing a study of the operation of a tobacco monopoly in other countries and suggesting the introduction of such a system in India. This is a matter which has often been considered, but never, I think, pursued to the end, and we are now consulting Provincial Governments, as to setting up a special Committee to study the question this year.

120. Then as regards matches. The question of imposing an excise duty on matches is also no new one. But, for various reasons, until there can be established some form of economic union between British India and the Indian States, providing for joint action on such matters, this source cannot be developed to produce important sums of revenue. The possibility for



such joint action will, I hope, be provided under the Federal constitution for India which has now come within the horizon of practical politics. Pending the achievement of this, we are studying the practical possibilities.

121. I have mentioned these two cases in order to show that we are actively studying possibilities on the first of the three main heads of action—the development of new sources of revenue.

122. As to the second—the reduction of the scale of expenditure,—I have already explained what is to be done—the appointment of a Retrenchment Committee for the Central Government—the appointment of a special Committee for Posts and Telegraphs—the action contemplated by the Railways—the holding of a Conference with Provincial representatives to consider the question of future rates of pay—and, combined with all these, the continuance of the constitutional discussions.

123. As to the third heading—a constructive policy to help the economic development of the country,—this is so wide a subject that it is more difficult to define exact proposals. At the moment, and for the sake of attaining immediate results, world conditions are of such dominating importance, that some kind of international action seems necessary. I have already made some reference to this possibility in dealing with silver. I believe that India could play an important part in such international action. If we turn from that to consider our domestic possibilities, the greater part of the field of action lies with the Provincial Governments, but I myself hope that the Banking Enquiry Committee, whose Report should now shortly be available, may open up for us in the Central Government some lines of action. Connected with the subjects with which the Banking Committee are concerned, are two which have always seemed to me to be of dominating importance for India—the proper organisation of the marketing of Indian agricultural produce and the development of the co-operative movement. I can merely mention these—there is no time now to develop all that is to be said about them. Apart from the Banking Committee's recommendations, there are several matters now before us—the Tariff Board's Report on Sugar, the creation of a Central Jute Committee, and the Tariff Board's Report on Salt, while Honourable Members are also aware that we have been studying the question of setting up an organisation for the better study of economic questions. As to this, we hope to receive Sir Arthur Salter's Report in the course of the next few weeks, and to publish it immediately.

124. All these measures represent small parts in the task which lies before India in this matter. We in the present Government appreciate the task, but I would ask the public also to appreciate our special difficulties at the present juncture. We are in a sense in the position of managers of a business, for which a change of management is under discussion. On the one hand, whatever steps we take now will affect the position of our successors; on the other hand, the value of the steps which we may take depends on how far our successors will be guided by those principles on the maintenance of which the success of any policy depends.

The transfer of management cannot be immediately effected, and upon us rests the responsibility of carrying on during the period of preparation for such transfer.

125. In such circumstances, in the case of a business, if I may continue that analogy, the parties concerned, if they were upright and sensible

men, would surely say: "We must co-operate during the period of preparation."

I can hardly imagine that, in such circumstances, the new proprietors would say: "Those whom we are succeeding are our enemies. We will try to trip them up at every turn and make their conduct of the business a failure."

126. Such co-operation is particularly necessary just now, for the business which is to be transferred is having to face very adverse world conditions and to go through very difficult times. Moreover, the very anticipation of the transfer is affecting its credit; because the world has not yet had the opportunity to gain confidence in the new managers. The simile which I have used gives, I think, not an untrue picture of the present position, and I hope that my words may cause the public and particularly the leaders of commercial opinion in this country, to ponder on what it means to all of them.

127. Speaking for myself, my main pre-occupation is to run the business well while I am responsible for it, and to hand it over in sound condition with no hidden weaknesses and with credit unimpaired. But that is merely the negative or defensive side of policy. The active and constructive side—the preparation for future development—must also be considered. Perhaps Honourable Members, truly interpreting these remarks which I have made, will be able, in the course of the debate, to suggest means and methods for that co-operation on which, in the conditions which now surround us, the welfare of India, for all the future which we can foresee, may possibly depend.

128. Sir, I have done. I will not attempt any rhetorical peroration, but merely say this. I have tried, in these proposals, to measure the needs fairly and to meet them fully, guided above all things by the purpose of handing over a sound business to my successor. (Applause.)

GEORGE SCHUSTER.

*The 28th February 1931.*

**BUDGET**  
of the  
**Governor-General in Council,**  
as laid before the  
**Indian Legislature, 1931.**

FINANCE DEPARTMENT,  
*New Delhi, the 28th February 1931.*

A. C. McWATTERS,  
*Secretary to the Govt. of India.*

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## BUDGET FOR 1931-32.

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

	For details, vide Statement.	Accounts, 1929-30.	Budget Estimate, 1930-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
		Rs.	Rs.	Rs.	Rs.
<b>Revenue—</b>					
<b>Principal Heads of Revenue—</b>					
Customs . . . . .	A	51,37,66,329	54,63,81,000	43,01,98,000	56,45,97,000
Taxes on Income . . . . .	"	16,70,00,831	17,93,78,000	15,79,83,000	18,49,54,000
Salt . . . . .	"	6,78,46,354	7,04,83,000	6,55,00,000	7,08,00,000
Opium . . . . .	"	3,04,09,783	2,71,80,000	2,62,60,000	2,16,58,000
Other Heads . . . . .	"	2,25,67,177	2,30,86,000	2,20,63,000	2,21,43,000
<b>TOTAL PRINCIPAL HEADS</b>		<b>80,04,43,369</b>	<b>64,71,08,000</b>	<b>73,49,93,000</b>	<b>86,37,55,000</b>
Railways: Net Receipts (as per Railway Budget) . . . . .		37,16,42,048	38,10,00,000	39,18,71,000	39,55,02,000
Irrigation: Net Receipts . . . . .	A	9,90,307	14,25,000	8,95,000	13,75,000
Posts and Telegraphs: Net Receipts . . . . .	"	1,49,901	21,52,000	-63,85,000	-54,21,000
Interest Receipts . . . . .	"	4,40,80,539	3,45,31,000	3,32,07,000	2,91,99,000
Civil Administration . . . . .	"	1,16,55,526	1,00,44,000	96,99,000	1,03,45,000
Currency and Mint . . . . .	"	2,73,83,808	2,99,16,000	1,25,93,000	63,34,000
Civil Works . . . . .	"	32,65,456	26,17,000	26,00,000	24,85,000
Miscellaneous . . . . .	"	95,62,413	86,11,000	85,63,000	73,89,000
Military Receipts . . . . .	"	2,98,08,743	3,62,08,000	3,67,30,000	4,47,57,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments . . . . .	"	3,011	...	...	...
Extraordinary Items . . . . .	"	1,68,94,440	32,00,000	96,64,000	30,44,000
<b>TOTAL REVENUE</b>		<b>1,32,68,56,102</b>	<b>1,35,64,11,000</b>	<b>1,23,43,61,000</b>	<b>1,36,87,64,000</b>
<b>DEFICIT</b>		...	...	12,68,42,000	...
<b>TOTAL</b>		<b>1,32,68,56,102</b>	<b>1,35,64,11,000</b>	<b>1,36,12,03,000</b>	<b>1,36,87,64,000</b>

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

	For details, vide Statement.	Accounts, 1929-30.	Budget Estimate, 1930-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
		Rs.	Rs.	Rs.	Rs.
<b>Expenditure—</b>					
Direct Demands on the Revenue . . . . .	B	4,08,49,232	4,35,57,000	4,40,14,000	4,40,34,000
Forest and other Capital outlay charged to Revenue . . . . .	..	5,13,198	6,33,000	5,69,000	2,16,000
Railways : Interest and Miscellaneous Charges (as per Railway Budget) . . . . .	..	31,04,56,686	32,36,43,000	33,45,14,000	34,19,00,000
Irrigation . . . . .	..	29,97,935	25,71,000	38,54,000	22,10,000
Posts and Telegraphs . . . . .	..	92,68,322	92,73,000	95,54,000	42,40,000
Debt Services . . . . .	..	16,58,67,427	17,81,58,000	17,22,26,000	18,77,40,000
Civil Administration . . . . .	..	12,65,91,393	13,28,59,000	13,54,35,000	13,16,36,000
Currency and Mint . . . . .	..	74,20,494	77,06,000	98,73,000	78,71,000
Civil Works . . . . .	..	2,58,27,070	2,61,06,000	2,63,19,000	2,41,28,000
Miscellaneous . . . . .	..	4,45,64,998	4,16,87,000	4,24,53,000	4,08,02,000
Military Services . . . . .	..	69,08,08,743	67,97,08,000	67,92,30,000	67,07,57,000
Miscellaneous adjustments between the Central and Provincial Governments . . . . .	..	...	...	...	...
Extraordinary Items . . . . .	..	6,062	50,000	15,62,000	25,000
<b>TOTAL EXPENDITURE CHARGED TO REVENUE . . . . .</b>		<b>1,32,41,71,604</b>	<b>1,34,78,11,000</b>	<b>1,36,12,08,000</b>	<b>1,35,56,58,000</b>
<b>SURPLUS . . . . .</b>		<b>26,83,598</b>	<b>66,00,000</b>	<b>...</b>	<b>31,06,000</b>
<b>TOTAL . . . . .</b>		<b>1,32,68,55,102</b>	<b>1,35,64,11,000</b>	<b>1,36,12,08,000</b>	<b>1,35,87,64,000</b>

## BUDGET FOR 1931-32.

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

	For details, vide Statement.	RECEIPTS.			
		Accounts, 1931-0.	Budget Estimate, 1930-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
		Rs.	Rs.	Rs.	Rs.
<b>Surplus</b> . . . . .	C	26,59,598	86,00,000	...	81,06,000
<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) . . . . .	C	2,43,676	...	...	...
<b>Debt, Deposits and Advances—</b>					
Permanent Debt (net incurred) . . . . .	C	20,39,87,264	4,63,00,000	46,47,65,000	10,21,63,000
Floating Debt (net incurred) . . . . .	"	20,10,65,000	...	...	...
Unfunded Debt (net incurred) . . . . .	"	1,04,22,471	9,36,52,000	4,92,67,000	9,69,73,000
Deposits and Advances (net) . . . . .	"	...	5,57,80,000	1,62,67,000	7,44,48,000
Railway Depreciation and Reserve Funds as per Railway Budget (net) . . . . .	"	...	5,06,95,000	...	1,05,32,000
<b>TOTAL DEBT, DEPOSITS AND ADVANCES.</b>		<b>63,54,44,755</b>	<b>24,69,27,000</b>	<b>53,02,99,000</b>	<b>23,39,10,000</b>
<b>Remittances (net)</b> . . . . .	C	...	4,05,000	9,10,000	6,47,000
<b>Total Receipts</b> . . . . .	"	<b>63,33,72,000</b>	<b>24,90,22,000</b>	<b>53,12,09,000</b>	<b>23,76,63,000</b>
Opening Balance {					
India . . . . .	...	9,20,46,007	17,79,20,007	24,76,33,077	12,74,00,077
England . . . . .	...	6,99,36,628	9,30,4,168	8,81,57,823	6,40,6,683
<b>TOTAL</b> . . . . .		<b>69,08,54,794</b>	<b>52,69,63,766</b>	<b>67,40,00,360</b>	<b>47,98,39,360</b>



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

HEADS OF REVENUE.	ACCOUNTS, 1929-30.				REVISED ESTIMATE.		
	India.	England.*	Exchange.	TOTAL.	India.	England.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Principal Heads of Revenue—</b>							
I.—Customs . . . . .	51,27,63,229	...	...	51,27,63,229	46,01,83,000	...	1
II.—Taxes on Income . . . . .	16,70,56,333	4,550	38	16,70,60,821	15,79,83,000	...	2
III.—Salt . . . . .	6,76,46,364	...	...	6,76,46,364	6,86,00,000	...	3
IV.—Opium . . . . .	3,04,09,788	...	...	3,04,09,788	2,62,60,000	...	4
V.—Land Revenue . . . . .	38,14,651	2,335	20	38,16,915	38,40,000	...	5
VI.—Excise . . . . .	54,74,463	...	...	54,74,463	48,30,000	...	6
VII.—Stamps . . . . .	27,49,660	...	...	27,49,660	27,31,000	...	7
VIII.—Forest . . . . .	31,28,738	73	...	31,28,801	31,10,000	3,000	8
IX.—Registration . . . . .	1,66,874	...	...	1,66,874	1,47,000	...	9
X.—Payments from Indian States . . . . .	72,23,464	...	...	72,23,464	74,12,000	...	10
<b>TOTAL</b>	<b>80,04,36,344</b>	<b>6,958</b>	<b>67</b>	<b>80,04,43,368</b>	<b>73,46,93,000</b>	<b>3,000</b>	<b>11</b>
<b>Irrigation, etc.—</b>							
XIII.—Works for which Capital accounts are kept—Gross Receipts . . . . .	21,70,203	...	...	21,70,203	21,60,000	...	12
Deduct—Working Expenses . . . . .	11,76,060	12	...	11,76,068	12,67,000	...	13
Net Receipts . . . . .	9,94,153	—12	...	9,94,141	8,93,000	...	14
XIV.—Works for which no Capital Accounts are kept . . . . .	2,066	4	...	2,060	2,000	...	15
<b>TOTAL</b>	<b>9,96,209</b>	<b>—8</b>	<b>...</b>	<b>9,96,201</b>	<b>8,95,000</b>	<b>...</b>	<b>16</b>
<b>Posts and Telegraphs—</b>							
IV.—Posts and Telegraphs—Indian Posts and Telegraphs Department—Gross Receipts . . . . .	11,29,49,633	...	...	11,29,49,633	10,73,83,000	...	17
Deduct—Working Expenses . . . . .	11,23,64,906	7,44,855	6,414	11,26,16,178	11,26,77,000	7,80,000	18
Net Receipts . . . . .	10,64,727	—7,44,855	—6,414	3,33,458	—67,94,000	—7,50,000	19
Indo-European Telegraph Department—Gross Receipts . . . . .	11,60,569	14,02,308	12,717	25,94,614	10,06,000	11,91,000	20
Deduct—Working Expenses . . . . .	26,01,497	1,76,186	1,488	27,79,171	24,02,000	1,89,000	21
Net Receipts . . . . .	—14,20,908	12,26,122	11,229	—1,43,567	—13,97,000	10,02,000	22
<b>TOTAL</b>	<b>—2,36,161</b>	<b>4,81,267</b>	<b>4,815</b>	<b>1,46,901</b>	<b>—66,91,000</b>	<b>2,02,000</b>	<b>23</b>
<b>Debt Services—</b>							
XVI.—Interest . . . . .	86,52,258	2,41,06,151	2,42,108	4,40,60,516	1,02,09,000	2,27,21,000	24
<b>Carried over</b>	<b>81,07,46,767</b>	<b>2,46,54,268</b>	<b>2,46,965</b>	<b>84,56,50,000</b>	<b>73,94,06,000</b>	<b>2,30,26,000</b>	<b>25</b>

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



BUDGET FOR 1931-32.

Government, in India and in England.

Item No.	1930-31.			BUDGET ESTIMATE, 1931-32.				Increase (+) Decrease (-) as compared with Revised 1930-31.
	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1930-31.	India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
1	...	46,01,93,000	-8,61,89,000	56,45,97,000	...	...	56,45,97,000	+ 0,44,04,000
2	...	15,79,89,000	-2, 9,95,000	15,49,54,000	...	...	18,49,51,000	+2,59,71,000
3	...	6,85,00,000	-19,83,000	7,05,03,000	...	...	7,05,00,000	+20,00,000
4	...	2,82,60,000	-9,20,000	2,15,58,000	...	...	2,15,58,000	-47,02,000
5	...	38,40,000	-77,000	37,81,000	...	...	37,81,000	-59,000
6	...	48,30,000	-5,52,000	48,04,000	...	...	48,04,000	-26,000
7	...	27,21,000	-1,63,000	27,22,000	...	...	27,22,000	+1,000
8	...	31,13,000	-1,32,000	32,43,000	...	...	32,43,000	+1,30,000
9	...	1,47,000	-13,000	1,61,000	...	...	1,61,000	+4,000
10	...	74,12,000	+14,000	74,45,000	...	...	74,45,000	+33,000
11	...	73,49,91,000	-1,21,09,000	66,37,55,000	...	...	66,37,55,000	+12,87,56,000
12	...	31,60,000	-2,22,000	23,57,000	...	...	23,57,000	+1,97,000
13	...	12,67,000	-3,06,000	9,84,000	...	...	9,84,000	+2,63,000
14	...	6,93,000	-5,28,000	13,73,000	...	...	13,57,000	+1,80,000
15	...	2,000	-2,000	2,000	...	...	2,000	-
16	...	6,95,000	-5,30,000	13,75,000	...	...	13,78,000	+4,80,000
17	...	10,73,83,000	-77,02,000	10,96,05,000	...	...	10,96,05,000	+22,22,000
18	9,000	11,34,36,000	-7,35,000	11,42,73,000	7,53,000	...	11,50,26,000	-15,90,000
19	-9,000	-60,53,000	-64,37,000	-46,63,000	-7,53,000	...	-54,21,000	+6,32,000
20	15,000	22,11,000	-2,59,000	...	...	...	...	-22,11,000
21	2,000	26,43,000	+1,59,000	...	...	...	...	+26,43,000
22	3,000	-3,32,000	-1,00,000	...	...	...	...	+3,32,000
23	4,000	-63,85,000	-85,37,000	-46,06,000	-7,53,000	...	-54,31,000	+9,64,000
24	2,60,000	3,32,07,000	-13,24,000	96,53,000	1,95,47,000	...	2,91,93,000	-40,08,000
25	2,64,000	76,27,16,000	-12,25,00,000	87,01,14,000	1,67,94,000	...	68,89,08,000	+12,61,92,000

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

HEADS OF REVENUE.	ACCOUNTS, 1929-30.				REVISED ESTIMATE		Item No.
	India.	England.	Exchange.	TOTAL.	India.	England.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	81,043,707	3,46,64,368	2,43,985	84,56,60,060	73,94,40,000	2,30,76,000	
<b>Civil Administration—</b>							
<b>XVII.—Administration of Justice</b>	9,11,060	...	...	9,11,000	2,82,000	...	1
<b>XVIII.—Jails and Convict Settlements.</b>	4,36,480	...	...	4,36,480	4,81,000	...	2
<b>XIX.—Police</b>	4,69,026	1,200	11	4,80,231	4,93,000	3,000	3
<b>XX.—Ports and Pilotage</b>	23,34,486	...	...	23,34,486	22,58,000	...	4
<b>XX(1).—Light houses and Light ships</b>	13,60,949	...	...	13,60,949	13,09,000	...	5
<b>XXI.—Education</b>	2,14,404	1,022	11	2,16,497	2,14,000	...	6
<b>XXII.—Medical</b>	3,93,879	6,136	65	3,87,080	3,63,000	1,000	7
<b>XXIII.—Public Health</b>	3,73,990	...	...	3,73,990	4,68,000	...	8
<b>XXIV.—Agriculture</b>	22,57,978	...	...	22,67,978	17,90,000	...	9
<b>XXV.—Industries</b>	36,052	...	...	36,052	30,000	...	10
<b>XXVI.—Miscellaneous Departments</b>	19,35,891	16,34	167	19,61,982	18,00,000	8,000	11
<b>XXVI-A.—Indian Stores Department</b>	15,93,732	...	...	15,93,732	2,70,000	...	12
<b>TOTAL</b>	1,16,54,690	21,662	254	1,16,59,596	96,87,000	12,000	13
<b>Currency and Mint—</b>							
<b>XXVII.—Currency</b>	2,20,49,750	26,89,331	23,438	2,47,61,517	1,19,69,000	1,66,000	14
<b>XXVIII.—Mint</b>	26,07,283	8	...	26,07,283	4,61,000	...	15
<b>TOTAL</b>	2,46,56,033	26,89,336	23,438	2,73,68,805	1,24,40,000	1,66,000	16
<b>Civil Works—</b>							
<b>XXX.—Civil Works</b>	32,66,767	-1,287	-14	32,65,466	28,01,000	-1,000	17
<b>Miscellaneous—</b>							
<b>XXXIII.—Receipts in aid of Superannuation</b>	16,34,412	4,48,710	5,690	20,76,612	13,92,000	2,47,000	18
<b>XXXIV.—Stationery and Printing</b>	39,36,890	84,082	291	39,61,263	39,63,000	19,000	19
<b>XXXV.—Miscellaneous</b>	23,67,654	11,66,300	17,664	35,24,318	15,09,000	15,22,000	20
<b>TOTAL</b>	74,08,856	16,89,992	14,565	95,62,413	67,63,000	17,68,000	21
<b>Military Receipts—</b>							
<b>XXXVI.—Army—</b>							
Effective	1,06,15,703	84,36,121	29,709	5,30,78,493	1,70,51,000	32,47,000	22
Non-effective	29,26,682	66,91,094	66,964	96,64,730	19,26,000	51,69,000	23
<b>TOTAL</b>	2,34,40,445	1,01,17,315	85,663	8,26,43,223	1,89,77,000	1,14,16,000	24
<b>XXXVII.—Marine</b>	14,73,335	9,705	79	14,83,019	21,86,000	47,000	25
<b>XXXVIII.—Military Engineer Services</b>	66,62,601	...	...	66,62,601	34,70,000	1,000	26
<b>XXXVIII-A.—Transfers from Military Reserve Fund</b>	...	...	...	...	...	...	27
<b>TOTAL</b>	2,95,96,141	1,01,26,920	85,642	3,98,08,749	2,46,32,000	1,14,67,000	28
<b>Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—</b>							
<b>XXXIX-A.—Miscellaneous adjustments between the Central and Provincial Governments</b>	3,011	...	...	3,011	...	...	29
<b>Extraordinary Items—</b>							
<b>XL.—Extraordinary Receipts</b>	1,56,00,000	33,63,369	29,081	1,89,92,440	60,90,000	47,36,000	30
<b>XL-A.—Transfers from Revenue Reserve Fund</b>	...	...	...	...	...	...	31
<b>TOTAL</b>	1,56,00,000	33,63,369	29,081	1,89,92,440	60,90,000	47,36,000	32
<b>Railway Revenues as per Railway Budget</b>	37,16,66,618	-30,918	7,943	37,16,43,643	39,61,97,000	-42,70,000	33
<b>TOTAL REVENUE</b>	1,37,39,79,763	4,24,87,457	4,07,692	1,37,68,65,102	1,19,70,08,000	3,69,01,000	34

\*Sterling converted into Rupees at 21 = Rs. 13½.

BUDGET FOR 1931-32.

Government, in India and in England—contd.

Item No.	1930-31.		Increase (+) Decrease (-) as compared with Budget, 1930-31.	BUDGET ESTIMATE, 1931-32.				Increase (+) Decrease (-) as compared with Revised, 1930-31.
	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs. 2,84,000	Rs. 76,27,16,000		Rs. -12,25,00,000	Rs. ₹7,01,14,000	Rs. 1,87,94,000	Rs. ...	
1	...	2,82,000	-31,000	2,84,000	...	...	2,84,000	+ 3,000
2	...	4,81,000	+78,000	4,84,000	...	...	4,84,000	+ 3,000
3	...	4,96,000	+16,000	6,56,000	...	...	6,56,000	+1,60,000
4	...	22,58,000	-1,84,000	22,86,000	...	...	32,89,000	+ 28,000
5	...	13,09,000	+24,000	12,98,000	...	...	12,98,000	-11,000
6	...	2,14,000	+8,000	2,09,000	...	...	2,09,000	-5,000
7	...	3,63,000	-2,32,000	5,49,000	...	...	5,49,000	+1,88,000
8	...	4,52,000	+79,000	4,05,000	...	...	4,06,000	-52,000
9	...	17,30,000	-6,78,000	17,77,000	...	...	17,77,000	+47,000
10	...	30,000	+1,000	20,000	...	...	20,000	-10,000
11	...	18,08,000	+2,42,000	19,95,000	9,300	...	20,07,000	+1,09,000
12	...	2,70,000	-2,69,000	3,69,000	...	...	3,69,000	+99,000
13	...	96,89,000	-9,45,000	1,03,36,000	9,000	...	1,03,45,000	+6,46,000
14	2,000	1,31,17,000	-1,31,50,000	58,78,000	...	...	68,78,000	-62,39,000
15	...	4,61,000	-31,67,000	4,56,000	...	...	4,56,000	-25,000
16	2,000	1,25,98,000	-1,63,17,000	63,34,000	...	...	63,24,000	-62,64,000
17	...	28,00,000	+1,83,000	24,85,000	...	...	2,85,000	-3,15,000
18	3,000	15,42,000	-3,88,000	13,43,000	2,72,000	...	16,15,000	+73,000
19	...	39,73,000	+1,51,000	33,82,000	18,000	...	34,00,000	-5,72,000
20	19,300	30,43,000	+1,59,000	17,31,000	6,43,000	...	23,74,000	-6,75,000
21	22,000	65,63,000	-48,000	64,56,000	9,33,000	...	73,89,000	-11,74,000
22	39,000	2,03,37,000	-87,000	2,17,02,000	34,57,000	...	2,51,59,000	+48,22,000
23	1,01,000	1,01,96,000	+32,69,000	18,68,000	77,04,000	...	95,72,000	-6,24,000
24	1,40,000	3,65,32,000	+3,82,000	2,35,70,000	1,11,61,000	...	3,47,31,000	+41,98,000
25	1,000	22,26,000	+90,000	14,78,000	4,000	...	14,82,000	-7,44,000
26	...	34,71,000	-6,43,000	56,68,000	...	...	56,68,000	+31,97,000
27	...	...	-26,07,000	28,76,000	...	...	28,76,000	+28,76,000
28	1,41,000	9,62,30,000	+22,600	3,35,92,000	1,11,65,000	...	4,47,57,000	+85,27,000
29	...	...	...	...	...	...	...	...
30	56,000	96,54,000	+66,64,000	...	30,44,000	...	30,44,000	-68,40,000
31	...	...	...	...	...	...	...	...
32	58,000	95,64,000	+86,64,000	...	30,44,000	...	30,44,000	-68,40,000
33	-63,000	39,18,71,000	+1,08,71,000	39,99,15,000	-44,13,000	...	39,55,02,000	+26,31,000
34	4,54,000	1,23,43,61,000	-12,20,50,000	1,32,92,32,000	2,95,32,000	...	1,35,67,64,000	+12,44,03,000

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

HEADS OF EXPENDITURE.	ACCOUNTS, 1929-30.				REVENUE	
	India.	England.	Exchange.	TOTAL.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Direct Demands on the Revenue —</b>						
1.—Customs . . . . .	96,12,726	1,37,437	1,155	97,51,318	94,58,000	1
2.—Taxes on Income . . . . .	70,34,804	1,48,879	1,249	71,84,932	74,53,000	2
3.—Salt . . . . .	1,25,92,533	1,03,943	845	1,26,96,326	1,27,13,000	3
4.—Opium . . . . .	47,59,479	1,20,898	886	48,81,273	74,00,000	4
5.—Land Revenue . . . . .	10,88,505	666	2	10,90,093	10,20,000	5
6.—Excise . . . . .	16,81,095	4,900	39	16,86,034	16,58,000	6
7.—Stamps . . . . .	59,771	39,552	268	89,592	41,000	7
8.—Post . . . . .	32,48,573	2,10,243	1,918	34,60,734	34,87,000	8
9.—Registration . . . . .	39,030	...	...	39,030	31,000	9
<b>TOTAL</b>	<b>4,00,87,516</b>	<b>7,55,344</b>	<b>6,372</b>	<b>4,08,49,232</b>	<b>4,32,37,000</b>	<b>10</b>
<b>Forest and other Capital outlay charged to Revenue —</b>						
3A.—Capital outlay on Salt Works . . . . .	1,12,206	...	...	1,12,206	71,000	11
7A.—Capital outlay on Central Stamp Store . . . . .	...	...	...	...	...	12
8A.—Forest Capital outlay . . . . .	3,72,858	37,970	164	4,00,992	4,98,000	13
<b>TOTAL</b>	<b>4,85,064</b>	<b>37,970</b>	<b>164</b>	<b>5,13,198</b>	<b>5,69,000</b>	<b>14</b>
<b>Irrigation, etc., Revenue Account—</b>						
14.—Works for which Capital accounts are kept—						
Interest on Debt . . . . .	12,31,726	...	...	12,31,726	12,68,000	15
15.—Other Revenue Expenditure . . . . .	15,54,840	53,880	453	16,09,173	21,72,000	16
<b>TOTAL</b>	<b>27,86,566</b>	<b>53,880</b>	<b>453</b>	<b>28,40,699</b>	<b>34,40,000</b>	<b>17</b>
<b>Irrigation, etc., Capital outlay charged to Revenue—</b>						
16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues . . . . .	1,57,036	...	...	1,57,036	3,31,000	18
<b>Posts and Telegraphs Revenue Account —</b>						
17.—Posts and Telegraphs—						
Interest on Debt—						
Indian Posts and Telegraphs Department . . . . .	65,77,989	...	...	65,77,989	75,83,000	19
Indo-European Telegraph Department . . . . .	5,51,678	...	...	5,51,678	6,10,000	20
<b>TOTAL</b>	<b>71,29,667</b>	<b>...</b>	<b>...</b>	<b>71,29,667</b>	<b>81,93,000</b>	<b>21</b>
<b>Posts and Telegraphs Capital outlay charged to Revenue—</b>						
18.—Capital outlay on Posts and Telegraphs—						
Indian Posts and Telegraphs Department . . . . .	11,66,936	...	...	11,66,936	13,25,000	22
Indo-European Telegraph Department . . . . .	—83,397	4,667	49	—25,781	1,31,000	23
<b>TOTAL</b>	<b>11,83,539</b>	<b>4,667</b>	<b>49</b>	<b>11,83,535</b>	<b>13,56,000</b>	<b>24</b>
<b>Debt Services—</b>						
19.—Interest on Ordinary Debt	31,28,32,073	18,91,24,067	13,83,655	40,33,41,785	21,47,72,000	25
Deduct—Amount chargeable to—						
Railways . . . . .	18,31,63,197	10,69,68,336	7,94,731	29,09,29,164	20,25,69,000	26
Irrigation . . . . .	12,31,726	...	...	12,31,726	12,68,000	27
Posts and Telegraphs . . . . .	72,90,445	...	...	72,90,445	83,72,000	28
Other heads . . . . .	17,77,099	...	...	17,77,099	21,81,000	29
Provincial Loans Fund . . . . .	8,19,72,177	...	...	8,19,72,177	8,51,00,000	30
<b>Remainder chargeable to Ordinary Debt</b>	<b>—4,26,02,564</b>	<b>8,21,55,821</b>	<b>5,93,924</b>	<b>4,01,47,191</b>	<b>—6,47,18,000</b>	<b>31</b>
20.—Interest on other Obligations . . . . .	6,20,04,017	3,40,854	3,573	6,23,47,246	8,97,19,000	32
21.—Reduction or Avoidance of Debt . . . . .	5,73,73,000	...	...	5,73,73,000	5,14,56,000	33
<b>TOTAL</b>	<b>8,27,73,453</b>	<b>8,24,96,475</b>	<b>5,97,149</b>	<b>16,58,67,427</b>	<b>8,34,54,000</b>	<b>34</b>
<b>Carried over</b>	<b>13,45,53,341</b>	<b>8,33,78,336</b>	<b>8,01,537</b>	<b>21,84,96,114</b>	<b>14,07,70,000</b>	<b>35</b>

of the Central Government, in India and in England.

Item No.	ESTIMATE, 1930-31.				BUDGET ESTIMATE, 1931-32.				Increase (+) Decrease (-) as compared with Revised, 1930-31.
	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1930-31.	India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
1	1,71,000	2,000	96,31,000	-1,88,000	96,40,000	1,68,000	...	98,08,000	+1,75,000
2	97,000	1,000	75,51,000	-38,000	75,87,000	1,39,000	...	77,26,000	+1,75,000
3	1,05,000	1,000	1,28,19,000	-3,48,000	1,23,10,000	1,03,000	...	1,24,13,000	-4,06,000
4	1,17,000	1,000	75,24,000	+10,67,000	72,62,000	1,01,000	...	73,63,000	-1,61,000
5	...	...	10,20,000	-16,000	9,77,000	12,000	...	9,69,000	-31,000
6	26,000	...	16,84,000	-75,000	16,81,000	29,000	...	19,10,000	+2,26,000
7	43,000	1,000	85,000	+20,000	43,000	28,000	...	71,000	-14,000
8	2,09,000	3,000	36,09,000	+29,000	35,25,000	1,99,000	...	37,24,000	+55,000
9	...	...	31,000	+1,000	32,000	...	...	32,000	+1,000
10	7,68,000	9,000	4,40,14,000	+4,57,000	4,32,57,000	7,77,000	...	4,40,34,000	+20,000
11	...	...	71,000	-1,11,000	1,02,000	...	...	1,02,000	+31,000
12	...	...	...	...	...	...	...	...	...
13	...	...	4,98,000	+47,000	1,14,000	...	...	1,14,000	-3,84,000
14	...	...	5,69,000	-64,000	2,16,000	...	...	2,16,000	-3,53,000
15	...	...	12,68,000	+30,000	12,87,000	...	...	12,87,000	+19,000
16	92,000	1,000	23,65,000	+13,15,000	6,56,000	78,000	...	7,34,000	-15,31,000
17	92,000	1,000	86,33,000	+13,45,000	19,43,000	78,000	...	20,21,000	-15,12,000
18	...	...	3,21,000	-62,000	1,69,000	...	...	1,69,000	-1,32,000
19	...	...	75,83,000	+3,54,000	86,98,000	...	...	86,98,000	+11,15,000
20	...	...	6,10,000	+24,000	...	...	...	...	-6,10,000
21	...	...	81,93,000	+3,78,000	86,95,000	...	...	86,93,000	+5,05,000
22	...	...	12,25,000	-2,65,000	10,50,000	...	...	10,50,000	-1,75,000
23	6,000	...	1,36,000	+1,68,000	-54,99,000	...	...	-54,99,000	-56,35,000
24	5,000	...	13,61,000	-97,000	-44,49,000	...	...	-44,49,000	-58,10,000
25	19,67,04,000	24,20,000	41,58,96,000	+63,67,000	33,35,49,000	21,13,99,000	...	43,49,48,000	+2,10,52,000
26	10,99,24,000	13,52,000	31,38,45,000	-1,34,29,000	21,12,04,000	11,09,24,000	...	32,21,28,000	-83,63,000
27	...	...	12,68,000	-30,000	12,67,000	...	...	12,67,000	-19,000
28	...	...	83,72,000	-3,79,000	88,77,000	...	...	88,77,000	-5,05,000
29	...	...	21,81,000	-1,01,000	24,42,000	...	...	24,42,000	-2,61,000
30	...	...	6,61,00,000	+1,29,000	6,95,00,000	...	...	6,95,00,000	-43,00,000
31	5,87,50,000	10,68,000	2,31,30,000	-74,53,000	-6,97,61,000	10,04,75,000	...	3,07,14,000	+75,84,000
32	9,13,000	11,000	6,70,40,000	+89,000	8,66,97,000	4,93,000	...	8,91,59,000	+15,40,000
33	...	...	6,14,56,000	+14,32,000	6,78,37,000	...	...	6,78,37,000	+63,61,000
34	8,76,93,000	10,79,000	17,22,26,000	-59,32,000	8,67,73,000	10,09,67,000	...	18,77,40,000	+1,55,14,000
35	8,85,58,000	10,59,000	23,02,17,000	-39,75,000	13,66,27,000	10,18,92,000	...	23,84,48,000	+82,32,000

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1929-30.				REVISED	
	India.	England.	Exchange.	TOTAL.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	13,46,53,241	9,33,38,336	6,04,537	21,84,96,114	14,06,70,000	
<b>Civil Administration—</b>						
22.—General Administration . . . . .	1,49,28,013	78,87,032	64,258	2,24,79,303	1,56,22,000	1
23.—Audit . . . . .	9,39,683	3,21,631	2,086	1,01,65,909	1,00,45,000	2
24.—Administration of Justice . . . . .	14,18,104	1,07,329	892	15,26,331	14,74,000	3
25.—Jails and Convict Settlements . . . . .	40,98,440	67,009	558	41,64,147	40,60,000	4
26.—Police . . . . .	74,43,191	1,80,890	1,496	76,24,276	84,60,000	5
27.—Ports and Pilotage . . . . .	22,47,589	2,87,695	2,266	25,37,539	23,01,000	6
27 (1).—Light houses and Lightships . . . . .	18,81,681	6,103	51	19,77,834	13,00,000	7
28.—Ecclesiastical . . . . .	23,33,396	8,22,732	6,683	31,62,811	33,42,000	8
29.—Political . . . . .	1,49,41,407	14,98,146	11,550	1,61,16,163	1,96,48,000	9
29-A.—Frontier Watch and Ward . . . . .	2,68,39,121	94,207	801	2,69,34,129	2,78,75,000	10
30.—Scientific Departments . . . . .	82,37,108	11,12,436	9,038	93,59,632	80,20,000	11
31.—Education . . . . .	51,83,440	62,912	477	52,46,829	62,06,000	12
32.—Medical . . . . .	80,36,538	1,94,574	1,426	82,31,538	30,93,000	13
33.—Public Health . . . . .	19,66,341	1,43,231	1,189	21,00,751	18,74,000	14
34.—Agriculture . . . . .	44,02,937	1,41,700	1,177	45,06,874	47,42,000	15
35.—Industries . . . . .	2,37,036	44,399	337	2,81,772	2,30,000	16
36.—Aviation . . . . .	17,03,593	2,26,240	1,879	19,31,712	18,71,000	17
37.—Miscellaneous Departments . . . . .	14,49,401	94,832	806	15,45,039	28,47,000	18
37-A.—Indian Stores Department . . . . .	19,89,647	86,407	567	20,56,711	8,84,000	19
<b>TOTAL</b>	<b>11,34,33,704</b>	<b>1,30,56,434</b>	<b>1,08,360</b>	<b>12,65,91,338</b>	<b>12,37,66,000</b>	<b>20</b>
<b>Currency and Mint—</b>						
38.—Currency . . . . .	35,23,350	9,12,364	7,426	44,43,140	49,65,000	20
39.—Mint . . . . .	28,68,533	1,17,114	969	29,77,234	48,37,000	21
<b>TOTAL</b>	<b>63,91,883</b>	<b>10,30,196</b>	<b>8,416</b>	<b>74,20,404</b>	<b>98,02,000</b>	<b>22</b>
<b>Civil Works—</b>						
41.—Civil Works . . . . .	2,87,63,176	68,387	507	2,88,37,070	2,97,40,000	23
<b>Miscellaneous—</b>						
43.—Famine—						
A.—Famine Relief . . . . .	528	358	3	885	26,000	24
44.—Territorial and Political Pensions . . . . .	30,76,361	1,31,771	960	32,09,092	31,72,000	25
45.—Superannuation Allowances and Pensions . . . . .	26,88,731	2,37,14,697	1,90,145	2,65,93,443	24,67,000	26
46.—Stationery and Printing . . . . .	49,08,931	5,69,960	7,777	54,81,678	53,19,000	27
47.—Miscellaneous . . . . .	69,67,270	18,88,957	14,014	88,70,241	58,84,000	28
<b>TOTAL</b>	<b>1,73,36,606</b>	<b>2,65,96,633</b>	<b>2,12,898</b>	<b>4,41,45,359</b>	<b>1,96,67,000</b>	<b>29</b>
<b>Miscellaneous capital outlay charged to Revenue—</b>						
48-A.—Commuted value of pensions financed from Ordinary Revenue . . . . .	4,19,659	...	...	4,19,659	50,000	30
<b>Military Services—</b>						
49.—Army—						
Effective . . . . .	36,88,942	8,91,84,393	7,41,677	44,87,46,091	34,56,82,000	31
Non-effective . . . . .	3,54,39,591	4,96,97,621	3,96,340	8,56,31,562	5,81,17,000	32
49.—Marine . . . . .	39,44,84,012	13,86,62,614	11,37,017	53,42,77,643	38,17,99,000	33
50.—Military Engineer Services . . . . .	51,73,738	30,64,657	24,563	82,62,153	62,67,000	34
50-A.—Transfers to Military Reserve Fund . . . . .	4,64,72,504	4,51,444	8,778	4,69,37,736	4,50,06,000	35
... . . . .	13,41,322	...	...	13,41,322	46,49,000	36
<b>TOTAL</b>	<b>44,73,44,470</b>	<b>14,23,98,915</b>	<b>11,65,358</b>	<b>59,08,08,743</b>	<b>44,07,43,000</b>	<b>37</b>
<b>Contributions and miscellaneous adjustments between Central and Provincial Governments—</b>						
51-A.—Miscellaneous adjustments between the Central and Provincial Governments . . . . .	...	...	...	...	...	38
<b>Extraordinary Items—</b>						
52.—Extraordinary Payments . . . . .	6,062	...	...	6,062	15,62,000	39
52-1.—Transfers to Revenue Reserve Fund . . . . .	...	...	...	...	...	40
<b>TOTAL</b>	<b>6,062</b>	<b>...</b>	<b>...</b>	<b>6,062</b>	<b>15,62,000</b>	<b>41</b>
<b>Railway Expenditure as per Railway Budget</b>	<b>18,80,04,810</b>	<b>12,18,37,947</b>	<b>9,11,978</b>	<b>21,44,54,655</b>	<b>20,79,14,000</b>	<b>42</b>
<b>TOTAL EXPENDITURE CHARGED TO REVENUE</b>	<b>91,31,38,513</b>	<b>8,00,23,848</b>	<b>30,11,843</b>	<b>1,22,41,71,604</b>	<b>98,81,14,000</b>	<b>43</b>

\* Sterling converted into Rupees at 21 = Rs. 13½.

BUDGET FOR 1931-32.

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

Item No.	ESTIMATE, 1930-31.				BUDGET ESTIMATE, 1931-32.				Increase (+) Decrease (-) as compared with Revised, 1930-31.
	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1930-31.	India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
	8,55,58,000	10,89,000	33,02,17,000	-39,75,000	13,08,27,000	10,18,22,000	---	23,84,49,000	+82,32,000
1	58,58,000	72,000	2,14,52,000	+4,97,000	1,54,58,000	55,38,000	---	2,09,89,000	-4,63,000
2	3,41,000	4,000	1,03,90,000	-1,55,000	1,03,46,000	3,68,000	---	1,07,14,000	+3,24,000
3	1,02,000	1,000	15,57,000	+8,000	14,04,000	1,22,000	---	15,96,000	+29,000
4	54,000	1,000	47,05,000	-1,32,000	42,24,000	54,000	---	43,78,000	-4,27,000
5	1,83,000	2,000	86,45,000	+5,62,000	82,78,000	1,91,000	---	84,69,000	-1,76,000
6	3,37,000	4,000	26,43,000	-1,58,000	26,14,000	3,65,000	---	29,79,000	+3,37,000
7	8,70,000	---	13,09,000	+24,000	12,95,000	---	---	12,98,000	-11,000
8	11,73,000	11,000	32,23,000	-21,000	24,00,000	8,43,000	---	32,46,000	+23,000
9	70,000	15,000	2,08,36,000	+34,27,000	1,82,13,000	12,76,000	---	1,64,89,000	-43,47,000
10	11,14,000	1,000	2,77,55,000	-53,000	2,52,35,000	1,10,000	---	2,53,45,000	-24,10,000
11	92,000	1,000	97,48,000	-2,50,000	90,67,000	11,61,000	---	1,02,18,000	+4,70,000
12	2,06,000	1,000	63,98,000	-27,000	67,01,000	80,000	---	67,81,000	+4,88,000
13	1,21,000	5,000	33,02,000	-36,000	31,76,000	1,78,000	---	33,54,000	+52,000
14	1,17,000	1,000	19,96,000	-60,000	18,79,000	1,42,000	---	20,21,000	+25,000
15	54,000	1,000	48,60,000	-2,90,000	36,83,000	1,46,000	---	38,28,000	-10,32,000
16	5,42,000	2,000	2,94,000	-21,000	3,29,000	41,000	---	2,70,000	-24,000
17	1,71,000	7,000	24,20,000	-7,56,000	25,76,000	10,01,000	---	35,77,000	+11,57,000
18	1,03,000	2,000	30,15,000	+2,33,000	51,16,000	1,42,000	---	52,58,000	+22,43,000
19	1,15,27,000	1,42,000	13,54,35,000	+27,76,000	11,97,76,000	1,18,60,000	---	13,16,36,000	-37,99,000
20	59,000	1,000	50,25,000	-47,000	50,24,000	34,000	---	50,58,000	+53,000
21	1,10,000	1,000	49,43,000	+23,54,000	26,68,000	1,45,000	---	28,15,000	-21,35,000
22	1,09,000	3,000	99,73,000	+22,07,000	76,92,000	1,79,000	---	78,71,000	-21,02,000
23	78,000	1,000	3,68,19,000	-12,87,000	2,39,70,000	1,58,000	---	2,41,28,000	-26,91,000
24	---	---	25,000	+25,000	1,31,000	---	---	1,31,000	+1,06,000
25	1,23,000	1,000	32,96,000	+25,000	31,30,000	1,07,000	---	32,37,000	+9,000
26	2,31,72,000	2,85,000	2,59,24,000	+13,98,000	29,72,000	2,20,51,000	---	2,50,53,000	-8,71,000
27	6,13,000	6,000	59,40,000	+6,38,000	57,17,000	6,62,000	---	65,89,000	+6,39,000
28	23,06,000	28,000	82,18,000	+3,15,000	42,72,000	15,80,000	---	58,52,000	-23,66,000
29	2,62,14,000	3,22,000	4,34,03,000	+23,01,000	1,62,32,000	2,46,20,000	---	4,08,42,000	-25,61,000
30	---	---	50,000	-5,35,000	50,000	---	---	50,000	---
31	8,43,08,000	10,37,000	43,10,27,000	-57,37,000	35,11,01,000	7,99,17,000	---	43,10,18,000	-9,000
32	4,90,86,000	6,04,000	8,65,07,000	+3,93,000	3,57,28,000	4,89,35,000	---	6,46,63,000	-11,44,000
33	13,33,94,000	16,41,000	61,88,34,000	-53,44,000	38,68,29,000	12,58,53,000	---	51,56,81,000	-11,53,000
34	28,96,000	36,000	92,19,000	+1,47,000	64,74,000	38,48,000	---	84,22,000	-7,97,000
35	5,14,000	6,000	4,65,28,000	+30,000	4,61,58,000	4,69,000	---	4,66,54,000	-18,74,000
36	---	---	146,49,000	+46,49,000	---	---	---	---	-46,49,000
37	13,68,04,000	16,83,000	57,92,30,000	-4,73,000	43,84,58,000	13,22,69,000	---	57,07,57,000	-84,73,000
38	---	---	---	---	---	---	---	---	---
39	---	---	15,62,000	+15,12,000	25,000	---	---	25,000	-15,37,000
40	---	---	---	---	---	---	---	---	---
41	---	---	15,62,000	+15,12,000	25,000	---	---	25,000	-15,37,000
42	12,50,61,000	15,89,000	33,45,14,000	+1,08,71,000	21,03,18,000	12,55,82,000	---	34,19,00,000	+73,86,000
43	33,84,11,000	47,78,000	1,56,12,03,000	+1,33,92,000	95,91,68,000	89,64,90,000	---	1,35,56,58,000	-65,45,000

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

	Accounts, 1930-30.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Revenue (from Statement A) . . . . .	1,27,39,79,753	5,24,67,457	1,32,64,47,210
Exchange added to Revenue . . . . .	4,07,892	...	4,07,892
<b>TOTAL</b> . . . . .	<b>1,27,43,87,645</b>	<b>5,24,67,457</b>	<b>1,32,68,55,102</b>
<b>Railway Capital not charged to Revenue—</b>			
As per Railway Budget . . . . .	2,43,676	...	2,43,676
<b>Public Debt Incurred—</b>			
<b>Permanent Debt—</b>			
<i>Sterling Debt—</i>			
New Sterling Loan . . . . .	...	...	...
6 per cent. Bonds . . . . .	...	7,92,00,000	...
5½ per cent. Stock 1936-38 . . . . .	...	...	...
Other 5½ per cent. Stock . . . . .	...	17,89,981	...
4½ per cent. Stock . . . . .	...	18,20,846	...
<i>Rupce Debt—</i>			
New Rupee Loan . . . . .	...	...	...
6 per cent. Bonds, 1933-36 . . . . .	...	...	...
5 per cent. Bonds, 1935 . . . . .	8,10,49,100	...	...
Do. Loan 1939-44 . . . . .	29,14,23,000	...	...
3½ per cent. Loans . . . . .	4,51,100	...	...
<b>TOTAL</b> . . . . .	<b>37,29,23,200</b>	<b>8,28,10,827</b>	<b>45,57,34,027</b>
<b>Floating Debt—</b>			
<b>Treasury Bills—</b>			
Issued to Public . . . . .	64,73,75,000	...	...
Issued to Paper Currency Reserve . . . . .	56,48,00,000	...	...
India Bills . . . . .	...	16,00,00,000	...
Temporary Loans . . . . .	12,00,00,000	...	...
<b>TOTAL</b> . . . . .	<b>1,33,21,75,000</b>	<b>16,00,00,000</b>	<b>1,49,21,75,000</b>
<b>Carried over</b> . . . . .	<b>2,97,97,29,521</b>	<b>29,52,78,284</b>	

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



BUDGET FOR 1931-32. \*

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

REVISED ESTIMATE, 1930-31.			BUDGET ESTIMATE, 1931-32.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,19,70,06,000 4,54,000	3,69,01,000 ...	1,23,39,07,000 4,54,000	1,32,92,32,000 ...	2,95,32,000 ...	1,35,87,64,000 ...
1,19,74,60,000	3,69,01,000	1,23,43,61,000	1,32,92,32,000	2,95,32,000	1,35,87,64,000
...	...	...	...	...	...
...	...	...	...	19,64,10,000	...
...	25,27,83,000	...	...	6,64,000	...
...	10,40,00,000	...	...	5,17,74,000	...
...	19,04,000	...	...	20,24,000	...
...	19,21,000	...	...	20,24,000	...
...	...	...	15,00,00,000	...	...
29,70,81,000	...	...	...	...	...
...	...	...	...	...	...
8,57,000	...	...	6,00,000	...	...
29,79,33,000	36,06,08,000	65,85,46,000	15,06,00,000	25,28,96,000	40,34,96,000
1,48,67,50,000 19,06,88,000 ...	...	...	1,08,50,00,000 5,65,15,000 ...	...	...
8,00,00,000	8,06,26,000	...	...	...	...
1,75,74,38,000	8,06,26,000	1,83,80,64,000	1,14,15,15,000	...	1,14,15,15,000
3,25,28,36,000	47,81,35,000	...	2,62,13,47,000	28,24,28,000	...

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

	ACCOUNTS, 1931-32.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	2,97,97,29,521	29,52,78,284	
<b>Unfunded Debt—</b>			
Deposits of Service Funds . . . . .	9,51,631	20,06,598	
Post Office Cash Certificates . . . . .	7,16,00,711	...	
Savings Bank Deposits . . . . .	37,42,94,272	5,67,55,085	
<b>TOTAL</b>	<b>44,68,46,614</b>	<b>5,87,61,683</b>	<b>50,56,08,297</b>
<b>Deposits and Advances—</b>			
Provincial Loans Fund . . . . .	31,02,91,655	...	
Posts and Telegraphs Depreciation Fund . . . . .	42,45,496	...	
Deposits of Local Funds—			
District Funds . . . . .	17,10,33,727	...	
Other Funds . . . . .	10,44,79,090	...	
Sinking Funds for Central Loans . . . . .	1,60,15,029	...	
Other appropriations for Reduction or Avoidance of Debt . . . . .	4,37,69,000	...	
Sinking Fund Investment Account . . . . .	16,16,829	...	
Sinking Funds for loans granted to local bodies . . . . .	4,11,518	...	
Gold Standard Reserve . . . . .	...	90,58,22,524	
Gold Standard Reserve Revenue Equalisation Fund . . . . .	...	59,02,788	
Paper Currency Reserve . . . . .	...	40,89,64,918	
Deposits of Branch Line Companies . . . . .	8,73,725	...	
Road Development Fund . . . . .	1,07,26,759	...	
Post Office Cash Certificate Bonus Fund . . . . .	...	...	
Departmental and Judicial Deposits Advances . . . . .	87,28,30,303	1,74,526	
Discount Sinking Fund . . . . .	30,04,37,304	...	
Suspense . . . . .	29,27,000	...	
Exchange on Remittance Accounts . . . . .	2,38,56,749	—14,91,845	
Miscellaneous . . . . .	31,06,375	...	
Military Reserve Fund . . . . .	32,66,828	1,51,20,138	
13,41,222	...	...	
<b>TOTAL</b>	<b>1,87,07,28,605</b>	<b>1,33,44,93,049</b>	<b>3,20,52,21,654</b>
Railway Depreciation and Reserve Funds as per Railway Budget . . . . .	12,59,42,103	...	12,59,42,103
Carried over	5,42,32,46,843	1,68,85,33,016	

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

BUDGET FOR 1931-32.

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

REVISED ESTIMATE, 1930-31.			BUDGET ESTIMATE, 1931-32.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Ra.	Ra.	Ra.	Rs.	Rs.	Rs.
3,25,28,36,000	47,81,35,000		2,62,13,47,000	28,24,28,000	
9,31,000	16,12,000		9,31,000	15,12,000	
11,76,00,000	...		11,50,00,000	...	
36,38,31,000	...		37,47,54,000	...	
48,23,62,000	16,12,000	48,39,74,000	49,06,85,000	15,12,000	49,21,97,000
18,11,00,000	...		16,17,00,000	...	
43,66,000	...		24,87,000	...	
17,34,80,000	...		17,57,26,000	...	
10,64,83,000	...		10,31,58,000	...	
2,00,90,000	...		1,96,34,000	...	
4,34,81,000	...		4,99,30,000	...	
97,90,000	...		1,00,00,000	...	
4,28,000	...		4,45,000	...	
...	96,54,00,000		...	81,36,00,000	
...	2,94,68,000		...	3,44,68,000	
...	6,66,16,000		...	...	
3,50,000	...		4,75,000	...	
98,00,000	...		1,01,00,000	...	
44,20,000	...		10,00,000	...	
84,09,80,000	...		84,54,16,000	...	
39,52,19,000	6,38,000		28,01,25,000	1,19,000	
46,06,000	...		48,41,000	...	
3,37,65,000	14,74,000		1,69,09,000	7,51,000	
57,48,000	...		...	...	
1,39,03,000	1,77,83,000		77,80,000	1,58,88,000	
46,49,000	...		...	...	
1,85,26,58,000	1,08,13,84,000	2,93,40,42,000	1,68,97,26,000	86,48,26,000	2,55,45,52,000
13,05,00,000	...	13,05,00,000	13,43,00,000	...	13,43,00,000
5,71,83,56,000	1,56,11,31,000		4,93,60,58,000	1,14,87,66,000	

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

	Accounts, 1929-30.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward . . . . .	5,42,32,46,843	1,68,85,33,016	
<b>Loans and Advances by the Central Government—</b>			
Advances to Provincial Loans Fund . . . . .	7,00,98,071	...	
Other Loans and Advances . . . . .	80,27,526	...	
<b>TOTAL</b>	<b>7,81,25,597</b>	<b>...</b>	<b>7,81,25,597</b>
<b>Remittances—</b>			
Remittances within India—			
Inland Money Orders . . . . .	93,70,69,750	...	
Other Local Remittances . . . . .	...	...	
Other Departmental Accounts . . . . .	...	...	
Net Receipts by Civil Treasuries from—			
Railways . . . . .	2,15,26,280	...	
Posts and Telegraphs . . . . .	55,08,474	...	
Net Receipts from Civil Treasuries by—			
Posts and Telegraphs . . . . .	...	...	
Army, Marine and Military Engineer Services . . . . .	38,02,34,050	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings . . . . .	...	79,50,000	
Sale of Sterling . . . . .	...	...	
Sale of Silver . . . . .	...	5,20,76,781	
Other transactions . . . . .	2,25,13,497	3,99,96,828	
Remittances from India for financing			
Home Treasury . . . . .	...	20,28,66,667	
Transfers through the Gold Standard Reserve . . . . .	...	...	
Transfers through the Paper Currency Reserve . . . . .	5,22,70,003	15,76,62,266	
<b>TOTAL</b>	<b>1,47,01,22,054</b>	<b>46,05,52,542</b>	<b>1,93,06,74,596</b>
<b>Balances of Provincial Governments</b> . . . . .	...	...	...
<b>TOTAL RECEIPTS</b> . . . . .	<b>6,97,14,94,494</b>	<b>2,14,90,85,558</b>	
Opening Balance . . . . .	9,20,46,097	(a) 6,99,36,668	
<b>GRAND TOTAL</b> . . . . .	<b>7,06,35,40,591</b>	<b>2,21,90,22,226</b>	

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

(a) Of this amount, £ 3,042 represents the funds of the Gold Standard Reserve.

BUDGET FOR 1931-32.

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

REVISED ESTIMATE, 1930-31.			BUDGET ESTIMATE, 1931-32.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,71,83,56,000	1,56,11,31,000		4,93,60,53,000	1,14,87,66,000	
90,56,000	...		86,70,000	...	
90,56,000	...	97,56,000	86,70,000	...	86,70,000
94,78,00,000	...		98,75,00,000	...	
22,93,000	...		23,02,000	...	
3,16,76,000	...		3,17,33,000	...	
1,09,66,000	...		9,31,32,000	...	
...	...		...	...	
...	...		...	...	
3,71,12,000	...		1,59,80,000	...	
37,60,82,000	...		37,25,72,000	...	
...	79,00,000		...	75,00,000	
8,00,00,000	...		...	...	
...	3,31,04,000		...	...	
1,80,25,000	2,85,16,000		1,57,67,000	2,59,87,000	
...	7,19,33,000		...	44,40,00,000	
1,14,00,000	10,17,80,000		...	...	
2,18,96,000	2,34,20,000		...	...	
1,53,72,50,000	26,66,53,000	1,80,39,03,000	1,51,89,86,000	47,74,87,000	1,99,64,73,000
...	...	...	1,39,30,000	...	1,39,30,000
7,26,46,62,000	1,82,77,84,000		6,47,76,44,000	1,62,62,53,000	
25,76,33,677	(b) 8,51,57,683		12,74,69,677	(b) 6,46,96,683	
7,52,22,95,677	1,91,29,41,683		6,60,51,13,677	1,69,09,49,683	

\*Sterling converted in Rupees at £1=Rs. 13½.  
(b) Of this amount, £3,748 represents the funds of the Gold Standard Reserve.

## BUDGET FOR 1931-32.

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

	Accounts, 1929-30.		
	India.	England.	Total.
	Ra.	Ra.	Ra.
Expenditure (from Statement B)	93,31,35,813	38,80,23,843	1,32,11,59,661
Exchange charged as Expenditure	30,11,843	...	30,11,843
<b>TOTAL</b>	<b>93,61,47,656</b>	<b>38,80,23,843</b>	<b>1,32,41,71,504</b>
<b>Irrigation, Posts and Tele- graphs and other Capital Out- lay not charged to Revenue—</b>			
SECURITY PRINTING PRESS	22,754	...	22,754
IRRIGATION, ETC., WORKS	2,99,477	...	2,99,477
POSTS AND TELEGRAPHS	26,15,974	6,91,365	33,07,339
VIZAGAPATAM PORT	31,17,839	4,57,179	35,75,018
LIGHT-HOUSES AND LIGHTSHIPS	3,20,563	3,33,381	12,821
CURRENCY	29,992	38,640	68,632
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	67,68,042	5,04,197	72,72,239
PAYMENTS OF COMMUTED VALUE OF PENSIONS	38,08,683	...	38,08,683
BOMBAY LAND SCHEME	...	...	...
<b>TOTAL</b>	<b>1,63,42,198</b>	<b>20,24,765</b>	<b>1,83,66,963</b>
RAILWAY CAPITAL NOT CHARGED TO REVENUE— As per Railway Budget	13,23,30,470	16,95,03,205	30,18,33,675
<b>Public Debt Discharged—</b>			
<b>Permanent Debt—</b>			
<i>Sterling Debt—</i>			
7 p. c. Stock	...	4,080	
5½ p. c. Stock	...	...	
State Railway annuities	...	1,98,94,808	
Do. Do. Sinking Funds	...	26,66,667	
<i>Rupce Debt—</i>			
6 p. c. Bonds, 1930	13,51,06,200	...	
Do. Do. 1931	3,94,62,000	...	
Do. Do. 1932	4,85,60,200	...	
Other 6 p. c. Bonds	4,78,500	...	
5½ p. c. War Bonds, 1929	15,40,725	...	
Other 5½ p. c. War Bonds	1,81,825	...	
5 p. c. Loan, 1945-55	24,00,000	...	
5 p. c. Loan, 1929-47	5,37,000	...	
5 p. c. Loan, 1939-44	...	...	
4 p. c. Terminable Loan	8,600	...	
Other Loans	5,27,138	...	
<b>TOTAL</b>	<b>22,92,11,188</b>	<b>2,25,65,555</b>	<b>25,17,76,743</b>
Carried over	1,31,40,31,512	58,21,17,373	

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

BUDGET FOR 1931-32.

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

REVISED ESTIMATE, 1930-31.			BUDGET ESTIMATE, 1931-32.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
96,80,14,000	38,84,11,000	1,35,64,25,000	95,91,68,000	39,64,90,000	1,35,56,58,000
47,78,000	...	47,78,000	...	...	...
97,27,92,000	38,84,11,000	1,36,12,03,000	95,91,68,000	39,64,90,000	1,35,56,58,000
4,43,000	...	4,43,000	-3,94,000	...	-3,94,000
46,000	...	46,000	67,000	...	67,000
59,10,000	-55,74,000	3,36,000	83,46,000	7,84,000	91,30,000
36,92,000	1,83,000	38,75,000	42,03,000	1,15,000	43,18,000
-1,08,000	1,08,000	...	-3,000	3,000	...
1,58,000	...	1,58,000	5,000	...	5,000
49,41,000	3,49,000	52,90,000	23,50,000	1,22,000	24,72,000
39,51,000	...	39,51,000	37,38,000	...	37,38,000
2,12,29,000	...	2,12,29,000	...	...	...
4,02,62,000	-49,34,000	3,53,28,000	1,83,12,000	10,24,000	1,93,36,000
8,78,00,000	5,72,00,000	14,50,00,000	8,20,00,000	3,25,00,000	11,45,00,000
...	2,000	...	...	...	...
...	...	...	...	19,64,10,000	...
...	2,05,85,000	...	...	2,13,00,000	...
...	26,67,000	...	...	26,67,000	...
15,50,00,000	...	...	20,00,000	...	...
...	...	...	7,00,00,000	...	...
...	...	...	...	...	...
2,70,000	...	...	1,50,000	...	...
3,50,000	...	...	3,00,000	...	...
1,45,000	...	...	1,25,000	...	...
8,94,000	...	...	...	...	...
83,20,000	...	...	31,80,000	...	...
45,46,000	...	...	45,00,000	...	...
2,000	...	...	2,000	...	...
10,00,000	...	...	7,00,000	...	...
17,05,21,000	2,32,54,000	19,37,81,000	8,09,57,000	22,03,77,000	30,13,34,000
1,27,13,87,000	46,39,31,000	...	1,14,04,37,000	65,03,91,000	...

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

	Accounts, 1929-30.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	1,31,40,31,512	58,21,17,373	
<b>Floating Debt—</b>			
<b>Treasury Bills—</b>			
Issued to Public	32,69,50,000	...	
Do. Paper Currency Reserve	66,41,60,000	...	
India Bills	...	8,00,00,000	
Temporary Loans	12,00,00,000	...	
<b>TOTAL</b>	<b>1,11,11,10,000</b>	<b>8,00,00,000</b>	<b>1,19,11,10,000</b>
<b>Unfunded Debt—</b>			
Special Loans	89,600	...	
Deposits of Service Funds	14,19,212	56,539	
Post Office Cash Certificates	4,45,76,963	...	
Savings Bank Deposits	29,84,26,845	3,06,66,667	
<b>TOTAL</b>	<b>34,44,62,620</b>	<b>3,07,23,006</b>	<b>37,51,85,826</b>
<b>Deposits and Advances—</b>			
Provincial Loans Fund	31,01,34,319	...	
Posts and Telegraphs Depreciation Fund	2,66,914	...	
<b>Deposits of Local Funds—</b>			
District Funds	17,13,01,644	...	
Other Funds	10,45,12,476	...	
Sinking Funds for Central Loans	33,34,849	...	
Sinking Fund Investment Account	42,819	...	
Gold Standard Reserve	...	90,58,18,106	
Gold Standard Reserve Revenue Equalisation Fund	...	58,47,263	
Paper Currency Reserve	...	40,89,64,918	
Deposits of Branch Line Companies	2,30,691	...	
Road Development Fund	...	...	
Departmental and Judicial Deposits	89,29,11,473	...	
Advances	31,16,09,941	1,44,072	
Discount Sinking Fund	1,77,59,207	...	
Gain or loss on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve	6,18,79,286	...	
Suspense	51,46,033	7,46,127	
Miscellaneous	31,565	1,52,04,306	
Military Reserve Fund	...	...	
<b>TOTAL</b>	<b>1,87,91,67,217</b>	<b>1,33,67,19,792</b>	<b>3,21,58,87,009</b>
Railway Depreciation and Reserve Funds as per Railway Budget	13,84,40,020	...	13,84,40,020
Carried over	4,78,72,11,369	2,02,95,60,371	

\* Sterling converted into Rupees at £1=Rs. 12½.



BUDGET FOR 1931-32.

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

REVISED ESTIMATE, 1930-31.			BUDGET ESTIMATE, 1931-32.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,27,13,81,000	46,39,31,000		1,14,04,37,000	65,03,91,000	
1,39,71,25,000	...		1,08,50,00,000	...	
42,63,43,000	...		5,65,15,000	...	
...	8,00,00,000		...	...	
8,00,00,000	2,66,66,000		...	5,39,60,000	
1,90,34,68,000	10,66,66,000	2,01,01,34,000	1,14,15,15,000	5,39,60,000	1,19,54,75,000
44,000	...		44,000	...	
14,26,000	63,000		14,27,000	78,000	
8,56,00,000	...		7,50,00,000	...	
32,14,85,000	2,60,89,000		31,86,76,000	...	
			76		
40,85,55,000	2,61,52,000	43,47,07,000	39,51,47,000	78,000	39,52,25,000
18,11,00,000	...		16,16,00,000	...	
1,51,000	...		1,14,000	...	
17,71,46,000	...		17,89,93,000	...	
10,46,83,000	...		10,73,73,000	...	
1,35,67,000	...		79,03,000	...	
...	96,54,00,000		...	81,36,00,000	
...	2,94,68,000		...	3,44,68,000	
...	6,66,16,000		...	...	
2,25,000	...		4,25,000	...	
1,82,00,000	...		1,08,00,000	...	
85,43,84,000	...		84,46,08,000	...	
39,40,07,000	6,38,000		28,19,38,000	1,19,000	
...	...		...	...	
5,24,33,000	...		...	...	
4,69,96,000	15,33,000		1,71,14,000	7,30,000	
...	1,62,28,000		...	1,74,48,000	
...	...		28,76,000	...	
1,83,78,92,000	1,07,98,83,000	2,91,77,75,000	1,61,37,44,000	86,63,65,000	2,48,01,09,000
19,85,99,000	...	19,85,99,000	12,39,67,000	...	12,39,07,000
5,61,93,95,000	1,67,66,32,000		44,48,10,000	1,57,07,94,000	

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

	ACCOUNTS, 1930-30.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	4,78,72,11,369	2,02,95,60,371	
<b>Loans and Advances by the Central Government—</b>			
Advances to Provincial Loans Fund	12,05,25,000	...	
Other Loans and Advances	2,96,12,013	...	
<b>TOTAL</b>	<b>15,01,37,013</b>	<b>...</b>	<b>15,01,37,013</b>
<b>Remittances—</b>			
Remittances within India—			
Inland Money Orders	98,80,88,406	...	
Other Local Remittances	9,50,043	...	
Other Departmental Accounts	5,46,247	...	
Net Payments into Civil Treasuries by—			
Railways	2,27,09,489	...	
Posts and Telegraphs	55,40,145	...	
Net Issues from Civil Treasuries to—			
Posts and Telegraphs	...	...	
Army, Marine and Military Engineer Services	39,25,14,100	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	78,50,000	...	
Sale of Sterling	...	...	
Sale of Silver	5,20,76,781	...	
Other transactions	4,60,54,052	1,66,58,809	
Remittances from India for financing Home Treasury	20,28,66,667	...	
Transfer through the Gold Standard Reserve	..	...	
Transfers through the Paper Currency Reserve	15,76,62,266	5,22,70,008	
<b>TOTAL</b>	<b>1,86,68,58,196</b>	<b>6,89,28,812</b>	<b>1,93,57,87,008</b>
<b>Balances of Provincial Governments</b>	<b>17,00,336</b>	<b>3,53,75,360</b>	<b>3,70,75,696</b>
<b>TOTAL DISBURSEMENTS</b>	<b>6,80,59,06,914</b>	<b>2,13,38,64,543</b>	
Closing Balance	25,76,33,677	(b) 8,51,57,683	
<b>GRAND TOTAL</b>	<b>7,06,35,40,591</b>	<b>2,21,90,22,226</b>	

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

(b) Of this amount, £3,748 represents the

BUDGET FOR 1931-32.

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

REVISED ESTIMATE, 1930-31.			BUDGET ESTIMATE, 1931-32.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,61,98,95,000	1,67,66,32,000		4,41,48,10,000	1,57,07,94,000	
6,49,00,000	...		6,29,00,000	...	
2,85,51,000	...		2,07,41,000	...	
9,34,51,000	...	9,34,51,000	8,36,41,000	...	8,36,41,000
94,70,00,000	...		98,70,00,000	...	
1,17,41,000	...		1,17,86,000	...	
2,21,18,000	...		2,21,02,000	...	
1,09,66,000	...		9,31,32,000	...	
...	...		...	...	
3,71,12,000	...		1,59,80,000	...	
37,60,82,000	...		37,25,72,000	...	
79,00,000	...		75,00,000	...	
...	8,00,00,000		...	...	
3,31,04,000	...		...	...	
2,85,16,000	1,80,25,000		2,59,87,000	1,57,67,000	
7,19,33,000	...		44,40,00,000	...	
10,17,80,000	1,14,00,000		...	...	
2,34,20,000	2,18,96,000		...	...	
1,67,16,72,000	13,13,21,000	1,80,29,93,000	1,98,00,59,000	1,57,67,000	1,99,58,26,000
98,08,000	4,02,92,000	5,01,00,000	...	4,60,30,000	4,60,30,000
7,39,48,26,000	1,84,82,45,000		6,47,85,10,000	1,63,25,91,000	
12,74,69,677	(b) 6,46,96,683		12,66,03,677	(b) 5,83,58,683	
7,52,22,95,377	1,91,29,41,683		6,60,51,13,677	1,69,09,49,683	

funds of the Gold Standard Reserve.

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

Revenue and Expenditure.	ACCOUNTS, 1929-30.		REVISED ESTIMATE, 1930-31.		BUDGET ESTIMATE, 1931-32.	
	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 . . . . .	50,30,14,911	...	45,05,62,000	...	55,47,91,000	...
Taxes on Income . . . . .	15,98,75,889	...	15,04,32,000	...	17,72,28,000	...
Salt . . . . .	5,49,50,028	...	5,58,81,000	...	5,80,87,000	...
Opium . . . . .	2,55,22,515	...	1,87,36,000	...	1,41,95,000	...
Other Heads . . . . .	1,62,24,794	...	1,55,74,000	...	1,54,20,000	...
<b>TOTAL</b>	<b>75,95,94,137</b>	<b>...</b>	<b>69,09,85,000</b>	<b>...</b>	<b>81,97,21,000</b>	<b>...</b>
Forest and other Capital Outlay charged to Revenue . . . . .	...	5,13,198	...	5,69,000	...	2,16,000
Irrigation . . . . .	...	20,01,734	...	29,59,000	...	8,35,000
Railways . . . . .	6,11,85,963	...	5,73,67,000	...	5,36,02,000	...
Posts and Telegraphs . . . . .	...	81,18,421	...	1,59,39,000	...	96,70,000
Debt Services . . . . .	...	12,18,06,888	...	13,90,19,000	...	15,88,41,000
Civil Administration . . . . .	...	11,49,31,612	...	12,57,36,300	...	12,12,91,000
Currency and Mint . . . . .	1,99,48,311	...	26,75,000	...	...	15,37,000
Civil Works . . . . .	...	2,35,61,614	...	2,40,19,000	...	2,16,48,000
Miscellaneous . . . . .	...	2,50,02,585	...	2,48,93,000	...	2,38,05,000
Military Services . . . . .	...	55,10,00,000	...	54,30,00,000	...	52,00,00,000
Provincial Contributions and Miscellaneous adjustments between Central and Provincial Governments. . . . .	2,011	...	...	...	...	...
Extraordinary Items . . . . .	1,89,84,378	...	63,22,000	...	20,19,000	...
<b>TOTAL</b>	<b>84,96,19,800</b>	<b>85,69,36,308</b>	<b>75,92,89,000</b>	<b>86,61,31,000</b>	<b>87,68,41,000</b>	<b>87,32,34,000</b>

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

Revenue and Expenditure.	ACCOUNTS, 1929-30.		REVISED ESTIMATE, 1930-31.		BUDGET ESTIMATE, 1931-32.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus or deficit . . . . .	26,83,698	...	...	12,68,42,000	31,06,000	...
<b>Capital Account—</b>						
Capital outlay on Security Printing Press . . . . .	...	22,754	...	4,43,000	...	—3,94,000
Railway Capital not charged to Revenue . . . . .	2,43,676	30,12,33,676	...	14,50,00,000	...	11,45,00,000
Construction of Irrigation Works . . . . .	...	2,99,477	...	46,000	...	67,000
Capital outlay on Posts and Telegraphs . . . . .	...	33,07,339	...	5,36,000	...	91,30,000
Capital outlay on Vizagapatam Port . . . . .	...	35,75,018	...	38,75,000	...	43,18,000
Capital outlay on Light-houses and Light-ships . . . . .	...	12,821	...	...	...	...
Currency Capital outlay . . . . .	...	68,632	...	1,58,000	...	5,000
Initial expenditure on New Capital at Delhi . . . . .	...	72,72,239	...	52,90,000	...	24,73,000
Payment of commuted value of pensions . . . . .	...	38,08,683	...	39,51,000	...	37,38,000
Capital outlay on Bombay Land Scheme . . . . .	...	...	...	2,12,29,000	...	...
<b>Debt, Deposits, Advances and Remittances—</b>						
Permanent Debt . . . . .	20,39,57,364	...	46,47,65,000	...	10,21,62,000	...
Floating Debt . . . . .	30,10,65,000	...	...	17,20,70,000	...	5,39,60,000
Unfunded Debt . . . . .	13,04,22,471	...	4,92,67,000	...	2,69,72,000	...
Deposits and Advances . . . . .	...	2,31,63,272	...	5,18,32,000	8,47,76,000	...
Loans and Advances by Central Government . . . . .	...	7,20,11,416	...	8,43,95,000	...	7,40,71,000
Remittances . . . . .	...	61,12,412	9,10,000	...	6,47,000	...
Balances of Provincial Governments . . . . .	...	3,70,75,696	...	5,01,00,000	...	3,21,00,000
Opening Balance . . . . .	16,19,63,765	...	34,27,91,360	...	19,21,66,360	...
Closing Balance . . . . .	...	34,27,91,360	...	19,21,66,360	...	18,46,62,360
<b>TOTAL</b> . . . . .	<b>60,03,54,794</b>	<b>60,03,54,794</b>	<b>65,77,32,360</b>	<b>65,77,32,360</b>	<b>47,96,20,360</b>	<b>47,96,20,360</b>

## THE INDIAN FINANCE BILL.

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 28TH FEBRUARY 1931.

*A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930.*

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930; It is hereby enacted as follows :—

Short title, and extent. 1. (1) This Act may be called the Indian Finance Act, 1931.

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

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, for the year beginning on the 1st day of April, 1931, 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. The amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894. Amendment of Schedule II to Act VIII of 1894.

4. In addition to the duties payable under the Indian Tariff Act, 1894, Additional customs and any other Act for the time being in force, there shall be levied and collected in every port to which that Act applies additional duties on the importation of articles specified in the first and second columns of the Second Schedule at the rates or obtained by the method shown against them in the third column thereof.

5. For the year beginning on the 1st day of April, 1931, the schedule contained in the Third Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as VI of 189 the First Schedule to that Act.

6. In sub-section (1) of section 3 of the Motor Spirit (Duties) Act, 1917, II of 1917. Excise duty on Motor Spirit. for the words "six annas" the words "eight annas" shall be substituted.

7. (1) Income-tax for the year beginning on the 1st day of April, 1931, shall be charged at the rates specified in Part I of the Fourth Schedule. Income-tax and super-tax.

(2) The rates of super-tax for the year beginning on the 1st day of April, 1931, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922; XI of 192. be those specified in Part II of the Fourth Schedule.

(3) For the purposes of the Fourth 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.

8. In the proviso to section 5 of the Indian Finance Act, 1922, for XII of 1922 Excise duty on kerosene. the words "one anna and six pies" the words "two annas and three pies" shall be substituted.

9. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, X of 1923. Amendment of section 19, Act X of 1923. for the figures "1931" the figures "1932" shall be substituted.

10. In sub-section (1) of section 3 of the Silver (Excise Duty) Act, 1930, XVIII of Excise duty on silver. for the words "four annas" the words "six annas" 1930. shall be substituted.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 3, 4, 6, 8 and 10 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918. XVI of 19

## SCHEDULE I.

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

[See section 3.]

1. For Items Nos. 28 to 33 inclusive the following Items shall be substituted, namely:—

		Rs. a.
28	ALC. beer, porter, cider and other fermented liquors.	0 12
	In barrels or other containers containing 27 oz. or more, per imperial gallon.	
	In bottles containing less than 27 oz. but not less than 20 oz., per bottle.	0 2
	In bottles containing less than 13½ oz. but not less than 10 oz., per bottle.	0 1
	In bottles containing less than 6½ oz. but not less than 5 oz., per bottle.	0 ½
	In other containers, per imperial gallon.	1 0
29	DENATURED SPIRIT . . . . .	Ad valorem . . . . . 7½ per cent.
30	SPIRITS (other than denatured spirit)—	
	(1) Brandy, gin, rum, whisky, and other sorts of spirits not otherwise specified, including wines containing more than 42 per cent. of proof spirit.	Imperial gallon of the strength of London proof. 30 0
	(2) Liqueurs, cordials, mixtures and other preparations containing spirit (other than drugs and medicines)—	
	(i) entered in such a manner as to indicate that the strength is not to be tested:	Imperial gallon . . . . . 40 0
	(ii) not so entered . . . . .	Imperial gallon of the strength of London proof. 30 0
	(3) Drugs and medicines containing spirit—	
	(i) entered in such a manner as to indicate that the strength is not to be tested:	Imperial gallon . . . . . 30 0
	(ii) not so entered . . . . .	Imperial gallon of the strength of London proof. 21 14
	(4) Perfumed spirits . . . . .	Imperial gallon . . . . . 48 0



Provided that—

(a) the duty on any article included in this Item shall in no case be less than the duty which would be charged if the article were included in Part V of this Schedule:

(b) where the unit of assessment is the imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.

31 WINES, not containing more than 42 per cent. of proof spirit—

(1) champagne and other sparkling wines.

Imperial gallon . . . . . 10

(2) other sorts . . . . .

Imperial gallon . . . . . 6 10

2. For Item No. 34 the following shall be substituted, namely:—

"34 SUGAR, excluding confectionery (see No. 124)—

(1) Sugar, crystallised or soft 23 Dutch Standard and above.

Cwt. . . . . 7 4

(2) Sugar, crystallised or soft inferior to 23 Dutch Standard but not inferior to 8 Dutch Standard.

Cwt. . . . . 6 12

(3) Sugar, below 8 Dutch Standard and sugar candy.

*Ad valorem* . . . . . 25 per cent. plus two rupees and twelve annas per cwt.

(4) Molasses . . . . .

*Ad valorem* . . . . . 25 per cent. "

3. In Item No. 37A, in the Note thereto, for the words "amount to be deducted on account of duties payable on importation to determine the real value in accordance with the provisions of clause (a) of the said section shall be Rs. 7 per thousand" the words "deduction allowed under clause (a) of that section shall be calculated in all cases as if the cigarettes were classified under sub-item (a)" shall be substituted.

4. In item No. 43BB, relating to silver bullion and coin, for the words "Four annas" in the fourth column, the words "Six annas" shall be substituted.

5. In Part V, the heading "SPICES" and Item No. 70 shall be omitted.

6. In Item No. 105, after the words "films", the words ", not exposed" shall be added.

7. After Item No. 124 and under the head "*I.—Food, Drink and Tobacco,*" the following item shall be inserted, namely:—

"124A | The following SPICES, namely:—  
Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper."

8. After Item No. 134, the following item shall be inserted, namely:—

"134A | CINEMATOGRAPH FILMS, exposed."

9. In Part VI, after Item No. 141, the following heading and item shall be inserted, namely:—

"*III.—Miscellaneous and unclassified.*"

141A | BETELNUTS."

### SCHEDULE II.

Articles liable to an additional duty of customs, and additional duties leviable thereon.

[See section 4.]

References to Part and No. of Item in Schedule II to the Indian Tariff Act, 1894.	Description of articles liable to additional duty.	Rate of additional duty or method of obtaining it.
<b>PART II.</b>		
27 . . .	FISH, SALTED, wet or dry . . . . .	5 per cent. <i>ad valorem</i> .
37 . . .	CIGARS . . . . .	15 per cent. <i>ad valorem</i> .
37A . . .	CIGARETTES . . . . .	Rs. 1 annas 8 per thousand.
38 . . .	All other sorts of TOBACCO manufactured . . . . .	Twelve annas per pound.
40 . . .	KEROSENE; also any other mineral oil included in Item No. 40.	9 pies per imperial gallon.
40A . . .	MOTOR SPIRIT . . . . .	2 annas per imperial gallon.
41 . . .	MINERAL OIL— (1) ordinarily used for the batching of jute or other fibre, as specified in sub-item (1) of Item No. 41;	Rs. 2 annas 8 per ton.
	(2) not ordinarily used for any other purpose than for lubrication as specified in sub-item (2) of Item No. 41;	4 pies per gallon.
	(3) not ordinarily used except as fuel or for some sanitary or hygienic purposes, as specified in sub-item (3) of Item No. 41;	2½ per cent. <i>ad valorem</i> .

BUDGET FOR 1931-32

References to Part and No. of Item in Schedule II to the Indian Tariff Act, 1894.	Description of articles liable to additional duty.	Rate of additional duty or method of obtaining it.
42	All ARMS, and other articles included in Item No. 42.	10 per cent. <i>ad valorem</i> .
42A	MOTOR CARS, motor cycles and other articles included in Item No. 42A.	10 per cent. <i>ad valorem</i> .
43C	ARTIFICIAL SILK YARN and THREAD	2½ per cent. <i>ad valorem</i> .
45A	SILK MIXTURES, all sorts included in Item No. 45A.	7½ per cent. <i>ad valorem</i> .
46C	PORTLAND CEMENT (excluding white portland cement).	Rs. 2 per ton.
<b>PART IV.</b>		
Nos. 58 to 64 inclusive.	All articles for the time being included in Part IV of the Second Schedule.	2½ per cent. <i>ad valorem</i> .
<b>PART V.</b>		
Nos. 65 to 123 inclusive.	All articles for the time being included in Part V of the Second Schedule, excluding "raw hemp" comprised in Item No. 78.	5 per cent. <i>ad valorem</i> .
<b>PART VI.</b>		
Nos. 124 to 141, inclusive, except Nos. 124A and 134A.	All articles for the time being included in Part VI of the Second Schedule, except—  (1) the following SPICES, namely—  Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper (see No. 124A);  (2) CINEMATOGRAPH FILMS, exposed (see No. 134A); and  (3) BETELNUTS (see No. 141A).	10 per cent. <i>ad valorem</i> .
<b>PART VII.</b>		
156A	COTTON PIECE-GOODS— all sorts included in Item No. 156A.	The figures for the rates of the <i>ad valorem</i> duties shall be deemed to be increased by 5 in each case.

**SCHEDULE III.**

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

[ See section 5.]

**"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.
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*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 IV.**

[ See section 7.]

**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 Ra. 2,000	Nil.
(2) When the total income is Ra. 2,000 or upwards, but is less than Ra. 5,000.	Nine pies in the rupee.
(3) When the total income is Ra. 5,000 or upwards, but is less than Ra. 10,000.	Eleven pies in the rupee.
(4) When the total income is Ra. 10,000 or upwards, but is less than Ra. 15,000.	One anna and two pies in the rupee.
(5) When the total income is Ra. 15,000 or upwards, but is less than Ra. 20,000.	One anna and four pies in the rupee.
(6) When the total income is Ra. 20,000 or upwards, but is less than Ra. 30,000.	One anna and seven pies in the rupee.
(7) When the total income is Ra. 30,000 or upwards, but is less than Ra. 40,000.	One anna and eleven pies in the rupee.
(8) When the total income is Ra. 40,000 or upwards, but is less than Ra. 1,00,000.	Two annas and one pie in the rupee.
(9) When the total income is Ra. 1,00,000 or upwards	Two annas and two pies in the rupee.
B. In the case of every company and registered firm, whatever its total income.	Two annas and two pies in the rupee.

PART II.

*Rates of Super-tax.*

In respect of the excess over thirty thousand rupees of total income—	Rate.
(1) in the case of every company—	Nil.
(a) in respect of the first twenty thousand rupees of such excess	Nil.
(b) for every rupee of the remainder of such excess	One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—	Nil.
(i) in respect of the first forty-five thousand rupees of such excess	Nil.
(ii) for every rupee of the next twenty-five thousand rupees of such excess.	One anna and three pies 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—	
(i) for every rupee of the first twenty thousand rupees of such excess	Nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess	One anna and three pies 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 next fifty thousand rupees of such excess.	One anna and nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess	Two annas and three pies in the rupee.
(iii) for every rupee of the next fifty thousand rupees of such excess	Two annas and nine pies in the rupee.
(iv) for every rupee of the next fifty thousand rupees of such excess	Three annas and three pies in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess	Three annas and nine pies in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess	Four annas and three pies in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess	Four annas and nine pies in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess	Five annas and three pies in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess	Five annas and nine pies in the rupee.
(x) for every rupee of the remainder of such excess	Six annas and three pies in the rupee.

L. GRAHAM,

*Secy. to the Govt. of India.*

## BUDGET FOR 1931-32.

### STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is to continue certain provisions of the Indian Finance Act, 1930, which would otherwise cease to have effect from the 1st April, 1930, and to provide the additional resources referred to in my speech introducing the budget for 1931-32 by varying the existing scale of customs duties, excise duties, income-tax and super-tax.

2. Clauses 2, 5 and 9 provide for the continuance, for a further period of one year, of the existing provisions regarding salt duty, inland postage rates and the credit to revenue of interest on securities forming part of the Paper Currency Reserve.

3. Clauses 3 and 4 seek to vary the customs duties on the lines indicated in paragraphs 61 to 67 of my budget speech. The exact variations in the tariff have been detailed in Schedules I and II.

4. Clauses 6, 8 and 10 respectively provide for increases in the excise duties on motor spirit, kerosene and silver, corresponding to the increases in the customs duties on the same articles.

5. Clause 7 provides for the continuance, for another year, of the levy of income-tax and super-tax, with the alterations as to rates mentioned in paragraphs 69 and 70 of my budget speech.

6. A comparison between the existing and the proposed rates and the estimated financial effect of the alterations in each case, will be found in the Financial Secretary's Explanatory Memorandum.

GEORGE SCHUSTER.

The 28th February, 1931.

## Speech of the Financial Secretary in the Council of State on the 28th February 1931.

THE HONOURABLE SIE ARTHUR MCWATTERS (Finance Secretary) : Sir, I rise to present the statement of the estimated revenue and expenditure of the Governor General in Council for the year 1931-32 in respect of subjects other than Railways.

It is usual, Sir, at the commencement of a budget speech to make a brief reference to the final results of the last year, that is, the year ending the 31st March, 1930, and to compare the audited accounts of that year which we now possess with the revised estimates which we gave to this House a year ago. On this occasion it seems more than ever past history and I think it will be sufficient if I tell the House that, whereas we estimated that we would finish the year with a surplus of 35 lakhs, we have actually realised a surplus of 27 lakhs. I think that that is sufficiently close estimating in a budget of this magnitude.

I wish I could say the same for the estimates of the current year. Every Member of this House must have realised from the statements which we publish from time to time, and particularly from the Customs returns, that this year must end with a heavy deficit. There is little that is novel which I can say about the circumstances which have caused that deficit. They are well known. But I must refer to them very briefly. From the agricultural point of view the year was a fairly good one, so far as the outturn of crops was concerned, and the monsoon rainfall in 1930 has been on the whole adequate. But we have been confronted with circumstances, both of world-wide influence and circumstances peculiar to India, which have upset all calculations. So far as the world-wide influences are concerned, the catastrophe which began in New York in October, 1929 gathered momentum all through the year and we are now in the depths of a trade and industrial depression which is probably without parallel in recent economic history. It is accompanied, as is always the case, with a tremendous fall in commodity prices, with the cost of living falling also, but lagging far behind the fall in commodity prices, with, in consequence, reduced power of consumption in all classes among all peoples; and a catastrophe of this kind falls most heavily and most rapidly upon countries such as India which are dependent mainly upon the export of raw materials and agricultural produce. We see exactly the same phenomenon if we look from Australia to the Argentine or from China—I was going to say to Peru, but I will take a better example—to West Africa. In the case of India the House will be able to measure the extent of this catastrophe if we estimate the fall in prices of our exports and of our imports. I am taking the period from September, 1929 to December, 1930. In that period the average price of our exports fell by no less than 36 per cent. The corresponding fall in imports was only 16 per cent. Some people may take some consolation from this in the thought that whereas we may perhaps have felt the full effect of the fall in prices on the articles which we sell, we perhaps have not yet obtained the full benefit of the fall in the things that we buy. Again, if we look at the balance of trade it is perhaps a little curious that the actual visible balance of trade during this last year has not been unfavourable. If we take the first nine months of the financial year we find that the visible balance of trade in India's favour has been no less than 34½ crores, and this, although somewhat less than the balance of trade in our favour in the two preceding years, is actually larger than the balance of trade in India's favour

in the year 1927. Furthermore, if we consider the actual volume of our exports, we find that in the calendar year 1930 the volume of exports was only 4 per cent. less than that of the preceding year 1929. But in India we have had our own special difficulties. There are two main causes of our troubles. One, are the internal disturbances, the attempt, quite unsuccessful, on the part of one section of the community to bring Government to a standstill, and the other is the nervousness and uncertainty which is naturally felt by a great many people at the prospects of great constitutional changes, especially—and this is what I want to emphasise—as these changes are taking place at a period of extreme economic depression.

The effect of all the causes which I have mentioned has been felt by us most severely in our Ways and Means and I shall tell the House some more about that later on; at the moment I am concerned only to show their effect upon the revenue budget of the current year. First of all as regards Customs. Here we have naturally felt the effect of the fall in prices and of the reduced volume of imports and we expect that our customs will be down by no less than 9½ crores, of which 3½ crores is contributed by cotton piece-goods. Secondly, under Income-tax, though here we have not yet felt the full effects of the troubles of the present year, we expect to be short of our estimate by 2 crores 20 lakhs. The third large head under which we have suffered has been in the Post and Telegraph Department. It is inevitable that this Department should have suffered from the reduction in trade activity. You will find exactly the same in the Post and Telegraph Departments of every other country in the world. We expected the Department would work during the current year at a deficit of 48 lakhs. We now expect that the deficit will be 136 lakhs. And finally, there is the large group of heads which I may call our general finance heads, about which I shall have more to say later on. Under these heads we expect to be down by 139 lakhs. The result is that so far as the current year is concerned, we anticipate now, instead of a surplus of 86 lakhs for which we budgeted, a deficit of 13 crores 56 lakhs. That is all that I wish to tell the House about the current revenue budget. Full details will be found in the papers which will shortly be circulated and I will now go on to the subject which is of more vital interest to all of us, the prospects for the coming year.

We have to ask ourselves what those prospects are? On what basis have our estimates been prepared? We have to consider the two classes of factors which I mentioned just now, the world factors and the factors peculiar to India. As regards the first, we are still in the depths of economic depression. Whether we are near the bottom of the curve or at the bottom of the curve may be a matter for dispute; but I think that every one who is competent to judge would say that recovery must be slow. At any rate it is only prudent to estimate that it will be slow. As regards the factors in India, we may at least hope that they will not be aggravated; we may perhaps hope that the evil effects will gradually pass away, and therefore, in framing this budget, Sir, we have been cautious, but we have not been unduly pessimistic; because, on the one hand, while we are determined not to leave an unsound position to our successors, while we are absolutely determined to present a budget which is soundly balanced, at the same time we have to be careful not to impose such taxation upon the tax-payer of to-day as would actually retard the process of improvement when it comes.

I think that I can explain the position most clearly to the House if I take the budget estimates of the current year and compare them with our budget estimates for the next under different heads. That will give the House the



## BUDGET FOR 1931-32.

measure of the gap which is to be made up on our present level of expenditure and on the present basis of taxation. First of all, as regards Customs, we expect that in the coming year we shall get  $1\frac{1}{2}$  crores more from Customs than we anticipate in the current year, but it will still be 8 crores below last year's Budget. As regards Income-tax, unfortunately here the tax is levied upon the profits of the current year and therefore we feel the full effect of the present year's depression. We expect to be down on the current year's Budget by  $4\frac{1}{2}$  crores, that is, 2 crores 30 lakhs worse than what we expect to realise this year. Apart from that, we have to allow for the falling off under our Opium receipts under the policy which reduces our opium exports year by year until they are finally extinguished. There are other smaller items, and under our tax revenue as a whole we expect to be down by 13 crores 16 lakhs.

I now turn to the Commercial Departments. Under the Posts and Telegraphs Department, we anticipate that next year will show a deficit of 141 lakhs, or if we include Capital which is charged to Revenue, 152 lakhs. Last year's Budget was bad enough, but this is 80 lakhs worse. As regards Railways, the deterioration under the Railways does not directly affect the revenue budget, but the House will realise very shortly from what I have to say that it has had a most serious effect upon our Ways and Means. So far as the revenue budget is concerned, the railway contribution next year will be 536 lakhs as against 574 lakhs in the current year, that is 38 lakhs less, so that under these two big Commercial Departments as a whole, we shall be worse by 1 crore 18 lakhs. Then there is the large group of heads which I have called general finance heads, that is to say, our interest receipts, our profits from Currency and Mints, our interest payments and the provision for Reduction and Avoidance of Debt. It is necessary to consider all these together for a proper understanding of the position. First and most important, our interest receipts. It is inevitable that there is a heavy fall here, because reduced prices mean reduced currency and our profits therefore from the interest on our Currency Reserve and also from Coinage and Mints are reduced. Under this head, we expect to be down by 2 crores 27 lakhs. Further, the interest on the Gold Standard Reserve, owing to the lower rate of interest prevailing in London, will be down by 54 lakhs. Next, as to our interest payments. Here we have been raising larger loans, raising loans at higher rates of interest, but actually the Budget will only show a loss under this head of 1 lakh. The reason for this mainly is that we have changed the system under which we debit interest charges to the Commercial Departments. The House will find a full explanation in the papers that will be circulated, but it amounts to no more than this, that we are charging the Commercial Departments, especially the Railways, the full rate of interest on the loans from which they have actually benefited. Then, there is finally the charge for Reduction and Avoidance of Debt. I think that every Member of the House will agree with me that this is not a year in which we could make a reduction under that head in the interest of our credit. Under the automatic working of the provision under this head, we shall have to allow for 78 lakhs more, so that under the general finance heads taken together we expect to be worse by 3 crores 76 lakhs. The figures which I have given to the House, if added together, 13 crores 16 lakhs under our tax revenue, 1 crore 18 lakhs under Commercial Departments, 3 crores 76 lakhs under our general finance heads, give a total gap of 18 crores 10 lakhs, against which we have to remember that last year's Budget contemplated a surplus of 86 lakhs, so that the gap to be made up is reduced to 17 crores 24 lakhs. This is the first figure which I wish the House to keep in mind. It is obvious that this gap can only be

made up by one of two ways, first by reduction in expenditure, and, secondly, by providing new sources of revenue ; and I will take these two heads in turn.

First, in connection with reduction in expenditure, I will deal with the Military Budget. Here, I am glad to be able to inform the House that we have been able to make a reduction of no less than 1 crore 70 lakhs. The Military Budget will now stand at a figure of 52½ crores. The House will remember that when the system of a stabilised Military Budget was introduced, it was to be at a figure of 55 crores for 4 years. Last year, we extended the period by one year and reduced the figure to 54 crores 20 lakhs. This year we propose to extend the same process, extending the period for one year more and reducing the figure to 53 crores 63 lakhs, but in addition to this we have been able to secure economies in the Military Budget of no less than 1 crore 13 lakhs. This has been possible partly from the fall in prices which has enabled the Army Department to buy cheaper a great many of the commodities which they use. In the second place, it is due to the special economy campaign which has been in force in the Army, and, thirdly, it is due to the postponement of certain parts of their ordinary military engineering programme. I think the House should realise that we cannot count on these economies necessarily as recurring, for, in the first place, they depend upon the level of prices ; in the second place, they represent special savings due to the economy campaign ; and in the third place, the retardation of the engineering programme which the military authorities have agreed to, they would not have agreed to for military reasons, but they have done it simply in order to meet us so far as they could in the present emergency, and I hope the House will agree with me that we owe a debt of gratitude to His Excellency the Commander-in-Chief and to all army officers for the help that they have given us this year in reducing the Military Budget. Taking into account also a small reduction in the provision for the Territorial Forces' grant, the total reduction in the Military Budget will be 175 lakhs.

I now turn to civil expenditure. There are two aspects of this. First of all, there are the immediate economies which we are able to make and to bring into force in connection with the present Budget, and, secondly, there is the wider question of a more permanent policy for reducing the cost of Government administration as a whole. I will take the immediate economies first, because they will enable me to complete the Budget picture. I am sure that every head of every Department will agree with me that this year we have been unusually drastic in our economies ; indeed we have been ruthless. We have resisted all new expenditure and we have attempted to cut down wherever we could. We have been able to make some appreciable reductions. First of all, under the head Contingencies and Allowances, a head which the Honourable Mr. Browne speaking in this House the other day referred to as the most serious head in any Budget—and I agree with him—under that head, we have made a reduction of no less than 26 lakhs, which represents a very large percentage reduction indeed. Secondly, in Frontier Watch and Ward we have made a reduction of 22 lakhs and in other special grants 14 lakhs. I would remind the House, in connection with the item, Frontier Watch and Ward, that we have also instituted a committee, which is now sitting, to enquire into the whole question whether by a better co-ordination of the various arms—irregular troops, regular troops and air force—we cannot make further reductions under this head.

Then I come to the big head—Civil Works. Here we have admitted no new works at all. We have cut down the provision for works in progress and we have made a large reduction under minor works, and the total savings

under this head will be 33 lakhs. The total economies in the civil administration which we have been able to make are 1 crore 26 lakhs. Against this unfortunately there are certain unavoidable increases in expenditure. First of all, under the time-scale system there is an automatic increase in the pay of our establishments of 23 lakhs. Secondly, there is the Census, a non-recurring item, for which we have to provide 34 lakhs. Then there is an item of 19 lakhs—a non-recurring item which is unavoidable—for Civil Aviation; unavoidable, that is, if the present policy is to be continued. We have admitted only two items which, I think, might be mentioned to the House: (1) 2½ lakhs for improvement of our economic statistics, and (2) an additional grant of 3 lakhs for the Aligarh University. Fortunately, however, we have also one large non-recurring extraordinary item of receipt. We have quite recently been able to sell to the Imperial Wireless and Communications Company our assets in the Indo-European Telegraph Department. The House knows that that Department has been for some years a deficit Department. On the other hand, it was of advantage to the Wireless and Communications Company to remove it from their path because of the working of the special arrangement for division of profits—what is known as “the pool”. Also it was of advantage to Persia who were anxious themselves to work their internal telegraph system. We shall receive for our assets in that department a sum of £450,000 and the amount which we shall be able to take credit for in the Budget is 54 lakhs. We are entitled to take this credit to revenue because those assets were constructed in all cases out of revenue, and we can legitimately set them against the non-recurring items for Census and Civil Aviation which are of almost exactly the same amount. Taking then our civil expenditure as a whole we are able to make a reduction of 97 lakhs, and if we add to this the 175 lakhs saving on the Military Budget we reduce our figure of 17 crores 24 lakhs to 14 crores 51 lakhs. That is the second figure which I would like the House to keep in mind.

Before however I proceed to explain to the House how we hope to raise this amount of money I have to refer to the second aspect of retrenchment in civil expenditure,—the question of framing a more permanent policy for the reduction in the general level of cost of Government administration. Here we are proposing to the Legislative Assembly that a small retrenchment committee should be formed. We are suggesting that the Assembly should elect five of its Members to this committee and that two Members should be nominated by the Governor General, one of whom will represent the Finance Department. We hope that this committee will get to work immediately. We hope also that it will not go in for indiscriminate retrenchment. Very often indiscriminate retrenchment proves in the long run to be no economy, but we do hope that they will search for true economies right through our civil administration. And in order to help them to do this we have in the course of this year prepared very elaborate details in every department of the growth of our expenditure and how it has arisen. The Special Officer, Mr. Jukes, who has been employed on this work has unfortunately been seriously ill for the last few weeks; otherwise I should have placed his review in your hands to-day. But we expect it to be ready in the next week or two, and in any case before the end of this Session. With regard to the work of this committee, I think it is right to mention one or two points. The position as regards Railways was very clearly explained to the House the other day by the Honourable the Commerce Member. If as a result of next year's working of the Railways it is found necessary to adopt any special method of inquiry, obviously a special committee of a technical kind would be necessary. So that the retrenchment committee which we are now proposing will not include Railways

in its scope; it would require a different kind of committee. Secondly, as regards the Post and Telegraph Department, the House knows that a committee is already sitting, the Chairman of which is a distinguished Member of the other House, to examine the commercial working of that Department. When that committee reports we shall know how far that Department is really working at a deficit or not, and then we shall be able, in consultation with the Legislature, to consider what further steps are necessary in regard to that Department.

There is one other subject connected with retrenchment which ought to be mentioned, which has been a good deal in the air, of making a lump cut in salaries of Government officials. I may say that we are not including in this Budget anything in the nature of an arbitrary lump cut from Government officials. It is a matter which has many important implications and I would invite the attention of the House particularly to what the Honourable the Finance Member is saying on this subject in his Budget speech. But two things I should say. The first is that in the proposals for new taxation, which I shall shortly mention to the House, you will find that some of them fall with full weight upon Government officials and indeed amount practically to a cut in salaries. In the second place, we are proposing to call a conference in Simla, as soon as possible after the Session, to which we have invited representatives of Local Governments to consider the question of reduction in salaries for new entrants to the services. This is an extremely important matter because I have not the slightest doubt that the Indian constitution of the future will find it difficult to work as economically as we are enabled to do and therefore if there is to be any saving from reduction in salaries of new entrants it is all the more necessary that we should begin at once.

After this digression, I now return to the basic figure of 14 crores 51 lakhs which requires to be made up. The first question which has to be considered, Sir, is whether this deficit is a temporary deficit, whether it is one for which purely temporary expedients are suitable, or whether it is more in the nature of a permanent loss of revenue. The situation is in some respects undoubtedly abnormal. But behind that abnormality there is the more permanent necessity of providing increased resources in view of the obligations which will come upon us under the new constitution—and especially the increased needs of Local Governments. Therefore, I think, that the truth lies half-way between the two extremes. And in the proposals which I am going to disclose to the House we have endeavoured to keep that principle in mind. The new sources of revenue will be provided under two heads only—Customs and Taxes on Income. They are indeed the only two heads which are large enough to meet obligations of the kind which we are now facing.

First of all, then, as regards Customs, what we have done is to select certain articles on which an increase in rates seems to us justified. On others we are proposing a system of surcharges. The articles which we have selected for increase in rates are, first of all, imported liquors, sugar, silver, betel-nuts, spices and exposed cinematograph films. The last three will be raised from the 15 per cent. *ad valorem* rate to the present luxury rate of 30 per cent. As regards imported liquors, we are proposing increases on wines and spirits which amount to from 30 to 40 per cent. On beer, which is at present rated more cheaply than the others, we are proposing an increase which amounts to 66 per cent. of the present duty. Under this head we expect to get 61 lakhs. Secondly, as regards sugar, what we are proposing here is an all-round increase of Rs. 1-4-0 a cwt. except on molasses which remains unchanged. This duty

is imposed purely for revenue purposes, but when we were actually considering it, we had before us the proposals of the Tariff Board on sugar and the Report of the Tariff Board will be in your hands in a few days' time. The rate which we are proposing, namely, Rs. 1-4-0 a cwt., although we arrived at it purely on revenue considerations, is as a matter of fact the basic rate which the Tariff Board are proposing in their Report as a protective duty. It is true, their proposals for protection contemplate an additional eight annas a cwt., in certain circumstances, that is, if the price of sugar falls below the landed price of Rs. 4 per cwt. But we have arrived at our proposals quite independently; it will be seen that they do not conflict with the proposals of the Tariff Board and it will make it easier to consider their proposals in due course. We expect to get from sugar 116 lakhs.

Then as regards silver, our proposal is to increase the duty on silver by two annas an ounce, that is to say, half of the increase which we made last year. Into this question some very important matters necessarily must enter. But I am not going to deal with the more general aspect of taxation on silver and will refer the House again to the comprehensive statement which the Honourable the Finance Member is making on this subject. I will deal with the matter purely as a revenue tax. We have found by the experience of last year that the increase which we then made of four annas an ounce has had very little effect upon the amount of imports of silver, and indeed, at the present price of silver, it is difficult to say why it should. Secondly, we found that the effect upon the price of silver, although there was a sentimental effect for a day or two, soon passed off. The real causes of the extreme fall in the price of silver are quite different. Thirdly, we think that this tax is justified to some extent because it protects the value of the silver holdings of the people.

I now come to the surcharges. What we propose is this. On articles which are tariffed at 10 per cent. *ad valorem* we propose an increase of 2½ per cent. There are very few of these articles. On articles which are tariffed at 15 per cent. *ad valorem* we propose a surcharge of 5 per cent. That will bring us 263 lakhs. The duty on articles which are tariffed at the luxury rate of 30 per cent. will be increased to 40 per cent. In connection with the articles tariffed at 15 per cent. *ad valorem* I should specially mention that on cotton piece-goods. We propose that the basic *ad valorem* rate of 15 per cent. should also be raised by 5 per cent. which will bring us 90 lakhs. There remain certain articles which are tariffed at specific rates, and the most important of these on which we are suggesting changes I will now mention. First of all, kerosene. We propose that the import and excise on kerosene should be increased by 9 pies per gallon, keeping the existing differentiation between the two rates. On motor spirit we propose an increase of two annas a gallon. On motor cars the original rate of 30 per cent. will be restored instead of 20 per cent. as at present. We are proposing finally certain changes in the import duties on tobacco, though not on unmanufactured tobacco. The rate on unmanufactured tobacco will remain unchanged. The only important item under tobacco from the revenue point of view is cigarettes. Here we are proposing an increase of Rs. 1-8-0 per thousand.

That, Sir, concludes my remarks about Customs. We expect to get from these changes 982 lakhs, which includes 50 lakhs from the protective duty on galvanized pipes and sheets which is already in force and which was discussed in this House the other day. On our Customs proposals generally I should only like to say that they will undoubtedly impose an increased cost to consumers. But at the same time we have to remember the fall in prices and that fall in prices is both the necessity and the justification for our proposals. I would also like to point out that in spite of the increases which we

are proposing, the total amount which we shall be taking from Customs is no greater than we should expect in a normal year from the customs duties at their old rates. And finally we may hope that in some cases at least the increases we are proposing may be of some benefit to Indian industry.

I now come to Taxes on Income. What we are proposing is this. The minimum exemption rate of Rs. 2,000 per annum will not be changed. On the first zone, i.e., from Rs. 2,000 up to Rs. 4,999 we propose an increase of 4 pies in the rupee. On the higher zones we propose increases which vary from 5 to 7 pies in the rupee. The deduction for super-tax will be reduced from Rs. 50,000 to Rs. 30,000 except for undivided Hindu families where the present deduction of Rs. 75,000 will remain, and also for companies where the present deduction of Rs. 50,000 will remain unchanged. On the lowest new zone in super-tax, Rs. 30,000 to Rs. 50,000, we propose a rate of nine pies in the rupee and on all the other zones of super-tax we propose an increase of two pies in the rupee. The flat rate for companies at one anna will remain unchanged. From the papers which will be circulated shortly the House will see that these rates, though they may seem rather arbitrary, do in fact work out to a graduated scale for incomes of various sizes, that they vary from 2 per cent. to 5 per cent. of the income, and the total amount which we expect to get from these increases is 454 lakhs under income-tax and 46 lakhs under super-tax, a total of 5 crores. These increases are undoubtedly heavy. But I may tell the House that we regard these proposals as being essentially of a temporary nature to deal with a temporary emergency. It may be that some parts of our scheme, the changes in graduation of different zones or the reduction of super-tax to Rs. 30,000 may be permanent. But before we can consider how far we can reduce income-tax there are other matters which will come under consideration in the course of the year. First of all, we shall have to decide whether the fall in prices really means a permanent reduction in our revenue. Secondly, we shall have to decide whether we are able in the course of the year to reduce the level of cost of Government administration; and, thirdly, we shall have to devise if we can some alternative methods of taxation which will press less hardly upon trade and industry. As regards income-tax, I should only refer again to what I said just now, that what we are proposing does operate as a direct cut in salaries of Government servants.

There is one other important matter in connection with income-tax. We are proposing, and a Bill will shortly be placed before the Legislature, to introduce the British system of residence as the basis of income-tax. At present our law affords a facility, almost an inducement, for the export of capital from India in order to escape this tax, and as the export of capital has for various reasons become one of the greatest dangers which confront us at the moment we hope that this change in the law may do something to counteract that tendency. This Bill will be introduced and circulated for the opinion of commercial bodies and others and will probably come up in the September Session.

The net result of what I have told the House is that, if our proposals for taxation are passed by the Legislature, we shall end the year with a surplus of 31 lakhs, and as 88 lakhs of the new taxation will be levied in March, the deficit on the current year will be reduced to 12 crores 68 lakhs.

I now turn to what is the most important part of my speech—the question of Ways and Means. This is always the most important part of the Budget, but in the present year it is not only the most difficult but it is also preponderantly important, because the various circumstances which I mentioned

earlier in my speech have affected our Ways and Means far more severely than they have affected our revenue budget. I will explain to the House very briefly some of the ways in which they have affected them. First of all, as the House knows, we are the bankers of the Provincial Governments and of the Railways. During this last year the Provincial Governments have had a very difficult time. They have had large revenue deficits; in most cases they have had to spend much money in relieving agricultural distress. Their drawings upon us as their bankers have increased by  $3\frac{1}{2}$  crores. Secondly, the Railways, as the House knows from the figures which have been placed before them recently, have been drawing on their reserves, and therefore they have been drawing on us as their bankers to the extent of  $9\frac{1}{2}$  crores. Next, in a year like the present it was probably inevitable that there should be some falling off in our receipts from postal cash certificates and savings banks. Last September we increased the rates on cash certificates to 6 per cent. and since then there has been a gratifying increase, but taking the year as a whole we expect that our Ways and Means will be affected to the extent of  $3\frac{3}{4}$  crores under this head. Thirdly, there is the deficit of the current year to be covered; and, fourthly, there is the very important question of contraction of currency. The House will understand that in a period of sharply falling prices it is inevitable that currency must contract. Whatever the ratio had been in September, 1929, the same process which we have had to go through would have had to be gone through, and as Government is the currency authority the contraction of currency directly affects our Ways and Means. That the contraction has not been excessive will I think be evident to any one who compares the amount of it with the actual fall in prices. We have contracted during the year  $36\frac{1}{2}$  crores, mostly against rupee securities in the reserve. As against this we have got back from circulation  $17\frac{1}{2}$  crores of silver rupees. The net effect of all these drains upon our Ways and Means has been a gap which we have had to make up of no less than  $64\frac{1}{2}$  crores during the year. The effect of it will be seen in the increase in the amount of Treasury Bills which are held by the public. The figure at the end of the year will be, we expect, 45 crores, against a figure of 20 crores which we anticipated in the Budget. That is to say, there will be a worseness of 25 crores. Treasury Bills held by the public will have been substituted for Treasury Bills in our reserve. So far as the rest of the gap is concerned, we have made it up through the larger takings from our rupee loan last year and by increased borrowings in London.

Now, as regards the next year, we have taken every step possible to reduce our capital commitments. The railway capital programme has been reduced by 5 crores to  $11\frac{1}{2}$  crores; the drawings of Local Governments, although next year too they will have difficulties, will be reduced by 2 crores to  $9\frac{1}{2}$  crores, and we expect that we shall require as new money only  $7\frac{1}{4}$  crores next year. We have also  $7\frac{1}{4}$  crores of 1932 bonds coming due for repayment, so that a total loan, including conversions, of 15 crores should meet all our requirements. If we obtain more than this we shall naturally apply it to reducing the burden of our floating debt. As regards borrowings in London, next January we have coming due what remains of the 20 millions loan, which is now reduced owing to the operations of last February to £15 millions. We expect to be able to convert that and, apart from that, we shall if normal remittances can be resumed, require no further borrowing.

But I must warn the House that this question of remittances to which I now come is one of the most difficult items in our Ways and Means operations. During the current year as I pointed out, in nine months we have had a visible balance of trade in India's favour of  $34\frac{1}{2}$  crores. Yet, the 5 millions or so which we were able to remit last summer have been almost exactly equalised by the

amount of sterling we have sold in recent months. So in point of fact we have met our requirements in London by borrowing, and for this there is only one reason, namely, the export of capital from India. It may be due to various causes, but I can name two. It is due partly to speculation; it is due partly to nervousness as to what the future Constitution is going to bring. The result of it of course is increased sterling borrowings, higher bank rates out here and depreciation of our securities and it is very much in the hands of Indians themselves if this tendency is to be counteracted. All I can say to the speculators is that they are going to be sadly disappointed. As regards those who are influenced by nervousness, I should say, "Get rid of it". What we want is a little more confidence and a good deal more co-operation. It is not necessary for me to make any appeal to this House; but if all persons in all classes in the midst of their not unnatural political enthusiasms, with which I for one feel great sympathy, if all of them could devote an equal amount of attention to matters which affect the financial stability and the credit of the country, then although the picture which I have drawn may seem gloomy and though some of the remedies we have proposed will undoubtedly be unpalatable, I feel certain that the recovery may be rapid. I also feel certain that, if the conditions for which I have appealed could be realised, India is in a better position than almost any other country to take advantage of improvement in economic conditions when it comes. (Applause.)



Schedule of demands for grants for expenditure of the Central Government (excluding Railways) for the year 1931-32 submitted for the vote of the Legislative Assembly.

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount
			Rs.
†	<b>A. Expenditure charged to Revenue.</b>		
16	Customs	Custom	75,53,000
17	Taxes on Income	Taxes on Income	71,75,000
18	Salt	Salt	80,48,000
19	Opium	Opium	71,56,000
20	Stamps	Stamps	1,000
21	Forest	Forest	8,36,000
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.	16,47,000
23	Indian Posts and Telegraphs Department (including Working Expenses).	Posts and Telegraphs	11,47,94,000
24	Indo-European Telegraph Department (including Working Expenses).		1,000
25	Interest on Debt and Reduction or Avoidance of Debt.	Interest on Ordinary Debt	3,27,09,000
26	Interest on Miscellaneous Obligations	Interest on other Obligations	45,48,000
27	Staff, Household and allowances of the Governor General.	General Administration	4,06,000
28	Executive Council		91,000
29	Council of State		90,000
30	Legislative Assembly and Legislative Assembly Department.		7,47,000
31	Foreign and Political Department		9,14,000
32	Home Department		6,93,000
33	Public Service Commission		94,000
34	Legislative Department		3,41,000
35	Department of Education, Health and Lands		6,08,000
36	Finance Department		10,77,000
37	Separation of Accounts from Audit	15,27,000	
38	Commerce Department	3,47,000	
39	Army Department	5,39,000	
40	Department of Industries and Labour	5,05,000	
41	Central Board of Revenue	1,70,000	
42	Payments to Provincial Governments on account of Administration of Agency subjects.	87,000	
43	Audit	Audit	39,14,000
44	Administration of Justice	Administration of Justice	55,000
45	Police	Police	1,96,000
46	Ports and Pilotage	Ports and Pilotage	13,17,000
47	Lighthouses and Lightships	Lighthouses and Lightships	12,82,000
48	Survey of India	Scientific Departments	33,43,000
49	Meteorology	" "	20,49,000
50	Geological Survey	" "	2,37,000
51	Botanical Survey	" "	2,54,000
52	Zoological Survey	" "	1,54,000
53	Archaeology	" "	13,74,000
54	Mines	" "	1,40,000
55	Other Scientific Departments	" "	3,24,000
56	Education	Education	18,72,000
57	Medical Services.	Medical	6,90,000
58	Public Health	Public Health	12,07,000
59	Agriculture	Agriculture	12,83,000
60	Imperial Council of Agricultural Research Department.	" "	7,01,000
61	Civil Veterinary Services	" "	7,41,000
62	Industries	Industries	1,74,000
		Carried over	21,90,030,000

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

Schedule of demands for grants for expenditure of the Central Government (excluding Railways) for the year 1931-32 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		Ra.
	<b>A.—Expenditure charged to Revenue—concl'd</b>		<b>21,90,09,000</b>
63	Aviation	Aviation	81,40,000
64	Commercial Intelligence and Statistics	Miscellaneous Departments	5,23,000
65	Census	" "	31,13,000
66	Emigration—Internal	" "	36,000
67	External	" "	2,03,000
68	Joint-Stock Companies	" "	1,16,000
69	Miscellaneous Departments	" "	6,21,000
70	Indian Stores Department	Indian Stores Department	6,42,000
71	Currency	Currency	43,38,000
72	Mint	Mint	26,53,000
73	Civil Works	Civil Works	2,26,40,000
74	Superannuation Allowances and Pensions	Superannuation Allowances and Pensions	41,66,000
75	Stationery and Printing	Stationery and Printing	62,57,000
76	Miscellaneous	Miscellaneous	8,09,000
77	Refunds		70,78,000
78	North-West Frontier Province		1,11,39,000
79	Baluchistan		31,27,000
80	Delhi		43,69,000
81	Ajmer-Merwara		16,97,000
82	Andamans and Nicobar Islands		40,08,000
83	Rajputana		5,55,000
84	Central India		5,66,000
85	Hyderabad		3,19,000
86	Expenditure in England—Secretary of State for India.		16,83,000
87	Expenditure in England—High Commissioner for India.		33,54,000
Non-oted.	Excise, Ecclesiastical, Political etc.		..
	<b>TOTAL</b>		<b>30,66,16,000</b>
	<b>B.—Expenditure charged to Capital.</b>		
88	Capital outlay on Security Printing	Capital outlay on Security Printing.	1,000
89	Forest Capital outlay	Capital outlay on Forest	1,000
90	Irrigation	Construction of Irrigation Works.	64,000
91	Indian Posts and Telegraphs	Capital outlay on Posts and Telegraphs.	33,09,000
92	Indo-European Telegraphs		53,17,000
93	Capital outlay on Currency Note Press	Currency Capital outlay not charged to Revenue.	5,000
94	Capital outlay on Vizagapatam Harbour	Capital outlay on Vizagapatam port.	43,15,000
95	Capial outlay on Lighthouse and Lightships	Capital outlay on Lighthouses and Lightships.	1,000
96	Commutated value of Pensions	Payment of Commuted Value of Pensions.	29,90,000
97	New Capital at Delhi	Initial Expenditure on New Capital at Delhi.	21,63,000
	<b>TOTAL</b>		<b>1,86,66,000</b>
	<b>C. -Disbursements of Loans and Advances.</b>		
98	Interest-free advances		79,29,000
99	Loans and advances bearing interest		8,36,41,000
	<b>TOTAL</b>		<b>9,15,70,000</b>
	<b>GRAND TOTAL</b>		<b>41,63,52,000</b>

THE INDIAN FINANCE BILL

AS AMENDED BY THE LEGISLATIVE ASSEMBLY IN CONSIDERATION STAGE.

*A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930.*

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930; It is hereby enacted as follows:—

Short title, and extent. 1. (1) This Act may be called the Indian Finance Act, 1931.

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

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, for the year beginning on the 1st day of April, 1931, 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. The amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894.

4. In addition to the duties payable under the Indian Tariff Act, 1894, additional customs and any other Act for the time being in force, there shall be levied and collected in every port to which that Act applies additional duties on the importation of articles specified in the first and second columns of the Second Schedule at the rates or obtained by the method shown against them in the third column thereof.

5. For the year beginning on the 1st day of April, 1931, the schedule contained in the Third Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.
- I of 1898. Inland postage rates.
- of 1917. 6. In sub-section (1) of section 3 of the Motor Spirit (Duties) Act, 1917, Excise duty on Motor Spirit for the words "six annas" the words "eight annas" shall be substituted.
7. (1) Income-tax for the year beginning on the 1st day of April, 1931, shall be charged at the rates specified in Part I of the Fourth Schedule.
- Income-tax and super-tax.
- (2) The rates of super-tax for the year beginning on the 1st day of April, 1931, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922; be those specified in Part II of the Fourth Schedule.
- I of 1922.
- (3) For the purposes of the Fourth 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.
- I of 1922. 8. In the proviso to section 5 of the Indian Finance Act, 1922, for the words "one anna and six pies" the words "two annas and three pies" shall be substituted.
- Excise duty on kerosene.
- of 1923. 9. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, Amendment of section 19, Act X of 1923. for the figures "1931" the figures "1932" shall be substituted.
- III of 30. 10. In sub-section (1) of section 3 of the Silver (Excise Duty) Act, 1930, for the words "four annas" the words "six annas" shall be substituted.
- Excise duty on silver.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 3, 4, 6, 8 and 10 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918.

I of 1918.

**SCHEDULE I.**

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

[See section 3.]

1. For Items Nos. 28 to 33 inclusive the following Items shall be substituted, namely:—

		Rs. s.
28	ALE, beer, porter, cider and other fermented liquors.	0 12
	In barrels or other containers containing 27 oz. or more, per imperial gallon.	
	In bottles containing less than 27 oz. but not less than 20 oz., per bottle.	0 2
	In bottles containing less than 13½ oz. but not less than 10 oz., per bottle.	0 1
	In bottles containing less than 6½ oz. but not less than 5 oz., per bottle.	0 ½
	In other containers, per imperial gallon.	1 0
29	DENATURED SPIRIT . . . .	Ad valorem . . . . . 7½ per cent.
30	SPIRITS (other than denatured spirit)—	
	(1) Brandy, gin, rum, whisky, and other sorts of spirits not otherwise specified, including wines containing more than 42 per cent. of proof spirit.	Imperial gallon of the strength of London proof. 30 0
	(2) Liqueurs, cordials, mixtures and other preparations containing spirit (other than drugs and medicines)—	
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Imperial gallon . . . . . 40 0
	(ii) not so entered . . . .	Imperial gallon of the strength of London proof. 30 0
	(3) Drugs and medicines containing spirit—	
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Imperial gallon . . . . . 30 0
	(ii) not so entered . . . .	Imperial gallon of the strength of London proof. 21 14
	(4) Perfumed spirits . . . .	Imperial gallon . . . . . 48 0

Provided that—		Rs.	a.
(a) the duty on any article included in this Item shall in no case be less than the duty which would be charged if the article were included in Part V of this Schedule;			
(b) where the unit of assessment is the imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.			
31	WINES, not containing more than 42 per cent. of proof spirit—		
	(1) champagne and other sparkling wines.	Imperial gallon . . . . .	10 8
	(2) other sorts . . . . .	Imperial gallon . . . . .	6 0"
2. For Item No. 34 the following shall be substituted, namely:—			
34	SUGAR, excluding confectionery (see No. 124)—		
	(1) Sugar, crystallised or soft 23 Dutch Standard and above.	Cwt. . . . .	7 4
	(2) Sugar, crystallised or soft inferior to 23 Dutch Standard but not inferior to 8 Dutch Standard.	Cwt. . . . .	6 12
	(3) Sugar, below 8 Dutch Standard and sugar candy.	Ad valorem . . . . .	25 per cent. plus two rupees and twelve annas per cwt.
	(4) Molasses . . . . .	Ad valorem . . . . .	25 per cent. "

3. In Item No. 37A, in the Note thereto, for the words "amount to be deducted on account of duties payable on importation to determine the real value in accordance with the provisions of clause (a) of the said section shall be Rs. 7 per thousand" the words "deduction allowed under clause (a) of that section shall be calculated in all cases as if the cigarettes were classified under sub-item (a)" shall be substituted.

4. In item No. 43BB, relating to silver bullion and coin, for the words "Four annas" in the fourth column, the words "Six annas" shall be substituted.

5. In Part V, the heading "SPICES" and Item No. 70 shall be omitted.

6. In Item No. 105, after the words "FILMS", the words "not exposed" shall be added.

7. After Item No. 124 and under the head "I.—Food, Drink and Tobacco," the following item shall be inserted, namely:—

"124A | The following SPICES, namely:—  
Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper."

8. After Item No. 134, the following item shall be inserted, namely:—

"134A | CINEMATOGRAPH FILMS, exposed."

9. In Part VI, after Item No. 141, the following heading and item shall be inserted, namely:—

"III.—Miscellaneous and unclassified.

141A—BETELNUTS."

**SCHEDULE II.**

Articles liable to an additional duty of customs, and additional duties leviable thereon.

[See section 4.]

References to Part and No. of Item in Schedule II to the Indian Tariff Act, 1894.	Description of articles liable to additional duty.	Rate of additional duty or method of obtaining it.
<b>PART II.</b>		
27 . . .	FISH, SALTED, wet or dry.	5 per cent <i>ad valorem</i> .
37 . . .	CIGARS . . . . .	15 per cent. <i>ad valorem</i> .
37A . . .	CIGARETTES . . . . .	Re. 1 annas 8 per thousand.
38 . . .	All other sorts of TOBACCO manufactured	Twelve annas per pound.
40 . . .	KEROSENE; also any other mineral oil included in Item No. 40.	9 pies per imperial gallon.
40A . . .	MOTOR SPIRIT . . . . .	2 annas per imperial gallon.
41 . . .	<b>MINERAL OIL—</b> (1) ordinarily used for the batching of jute or other fibre, as specified in sub-item (1) of Item No. 41;  (2) not ordinarily used for any other purpose than for lubrications, as specified in sub-item (2) of Item No. 41;  (3) not ordinarily used except as fuel or for some sanitary or hygienic purposes, as specified in sub-item (3) of Item No. 41;	Rs. 2 annas 8 per ton.       4 pies per gallon.       2½ per cent. <i>ad valorem</i> .

References to Part and No. of Item in Schedule II to the Indian Tariff Act, 1894.	Description of articles liable to additional duty.	Rate of additional duty or method of obtaining it.
42	All ARMS, and other articles included in Item No. 42.	10 per cent. <i>ad valorem</i> .
42A	MOTOR CARS, motor cycles and other articles included in Item No. 42A.	10 per cent. <i>ad valorem</i> .
43C	ARTIFICIAL SILK YARN and THREAD	2½ per cent. <i>ad valorem</i> .
45A	SILK MIXTURES, all sorts included in Item No. 45A.	7½ per cent. <i>ad valorem</i> .
46C	PORTLAND CEMENT (excluding white portland cement).	Rs. 2 per ton.
<b>PART IV.</b>		
Nos. 58 to 64 inclusive.	All articles for the time being included in Part IV of the Second Schedule.	2½ per cent. <i>ad valorem</i> .
<b>PART V.</b>		
Nos. 65 to 123 inclusive.	All articles for the time being included in Part V of the Second Schedule, excluding "raw hemp" comprised in Item No. 78.	5 per cent. <i>ad valorem</i> .
<b>PART VI.</b>		
Nos. 124 to 141, inclusive, except Nos. 124A and 134A.	All articles for the time being included in Part VI of the Second Schedule, except— (1) the following SPICES, namely— Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper (see No. 124A); (2) CINEMATOGRAPE FILMS, exposed (see No. 134A); and (3) BETELNUTS (see No. 141A).	10 per cent. <i>ad valorem</i> .
<b>PART VII.</b>		
156A	COTTON PIECE-GOODS—all sorts included in Item No. 156A.	The figures for the rates of the <i>ad valorem</i> duties shall be deemed to be increased by 5 in each case.



**SCHEDULE III.**

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

[ See section 5.]

**“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.
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*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 IV.**

[ See section 7.]

**PART I.**

*Rates of Income-tax.*

For Part I of Schedule IV to the Bill the following be substituted :—  
 “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.	Eight pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000.	Eleven pies in the rupee.
(5) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000.	One anna and one pie in the rupee.
(6) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna and five pies in the rupee.
(7) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and nine pies in the rupee.
(8) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000.	One anna and eleven pies in the rupee.
(9) When the total income is Rs. 1,00,000 or upwards	Two annas in the rupee.

B. In the case of every company and registered firm, whatever its total income.  
 Two annas in the rupee.”

## PART II.

*Rates of Super-tax.*

In respect of the excess over thirty thousand rupees of total income—

	Rate.
(1) in the case of every company—	
(a) in respect of the first twenty thousand rupees of such excess	Nil.
(b) for every rupee of the remainder of such excess	One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—	
(i) in respect of the first forty-five thousand rupees of such excess	Nil.
(ii) for every rupee of the next twenty-five thousand rupees of such excess.	One anna and three pies 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—	
(i) for every rupee of the first twenty thousand rupees of such excess.	Nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess.	One anna and three pies 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 next fifty thousand rupees of such excess.	One anna and nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess	Two annas and three pies in the rupee.
(iii) for every rupee of the next fifty thousand rupees of such excess	Two annas and nine pies in the rupee.
(iv) for every rupee of the next fifty thousand rupees of such excess	Three annas and three pies in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess	Three annas and nine pies in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess	Four annas and three pies in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess	Four annas and nine pies in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess	Five annas and three pies in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess	Five annas and nine pies in the rupee.
(x) for every rupee of the remainder of such excess	Six annas and three pies in the rupee.

In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, I, Edward Frederic Lindley, Baron Irwin, do recommend to the Legislative Assembly that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty), Act, 1930, in the form hereto annexed.

(Sd.) IRWIN,

Viceroy and Governor General.

The 26th March, 1931.

### THE INDIAN FINANCE BILL.

AS RECOMMENDED TO THE LEGISLATIVE ASSEMBLY BY THE VICEROY AND GOVERNOR-GENERAL ON THE 26TH MARCH 1931.

*A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930.*

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage VIII of 1894 under the Indian Post Office Act, 1898, to vary the excise duty on motor VI of 1898 spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of II of 1917. income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper XII of 1923 Currency Act, 1923, and to vary the excise duty on silver leviable under the X of 1923. Silver (Excise Duty) Act, 1930; It is hereby enacted as follows:— XVIII of 1930.

Short title and extent. 1. (1) This Act may be called the Indian Finance Act, 1931.

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

2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so XII of 1882 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, for the year beginning on the 1st day of April, 1931, 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.

- III of 1894. 3. The amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894.
- III of 1894. 4. In addition to the duties payable under the Indian Tariff Act, 1894, and any other Act for the time being in force, there shall be levied and collected in every port to which that Act applies additional duties on the importation of articles specified in the first and second columns of the Second Schedule at the rates or obtained by the method shown against them in the third column thereof.
- I of 1898. 5. For the year beginning on the 1st day of April, 1931, the schedule contained in the Third Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.
- of 1917. 6. In sub-section (1) of section 3 of the Motor Spirit (Duties) Act, 1917, for the words "six annas" the words "eight annas" shall be substituted.
7. (1) Income-tax for the year beginning on the 1st day of April, 1931, shall be charged at the rates specified in Part I of the Fourth Schedule.
- I of 1922. (2) The rates of super-tax for the year beginning on the 1st day of April, 1931, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Fourth Schedule.
- I of 1922. (3) For the purposes of the Fourth 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.
- II of 1922. 8. In the proviso to section 5 of the Indian Finance Act, 1922, for the words "one anna and six pies" the words "two annas and three pies" shall be substituted.
- of 1923. 9. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1931" the figures "1932" shall be substituted.
- VIII of 1930. 10. In sub-section (1) of section 3 of the Silver (Excise Duty) Act, 1930, for the words "four annas" the words "six annas" shall be substituted.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 3, 4, 6, 8 and 10 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918.

**SCHEDULE**

Amendment to be made in Schedule II to the Indian Tariff Act, 1894.

[See section 3.]

1. For Items Nos. 28 to 33 inclusive the following Items shall be substituted, namely :—

		Rs. a.		
" 28	ALE, beer, porter, cider and other fermented liquors.	In barrels or other containers containing 27 oz. or more, per imperial gallon.	0 12	
		In bottles containing less than 27 oz. but not less than 20 oz., per bottle.	0 2	
		In bottles containing less than 13½ oz. but not less than 10 oz., per bottle.	0 1	
		In bottles containing less than 6½ oz. but not less than 5 oz., per bottle.	0 ½	
		In other containers, per imperial gallon.	1 0	
29	DENATURED SPIRIT . . .	<i>Ad valorem</i> . . . . .	7½ per cent.	
30	SPIRITS (other than denatured spirit)—			
		(1) Brandy, gin, rum, whisky, and other sorts of spirits not otherwise specified, including wines containing more than 42 per cent. of proof spirits.	Imperial gallon of the strength of London proof.	30 0
		(2) Liqueurs, cordials, mixtures and other preparations containing spirit (other than drugs and medicines)—		
		(i) entered in such a manner as to indicate that the strength is not to be tested.	Imperial gallon . . . . .	40 0
		(ii) not so entered . . .	Imperial gallon of the strength of London proof.	30 0
		(3) Drugs and medicines containing spirit—		
		(i) entered in such a manner as to indicate that the strength is not to be tested :	Imperial gallon . . . . .	30 0
		(ii) not so entered . . .	Imperial gallon of the strength of London proof.	21 14
(4) Perfumed spirits . . .	Imperial gallon . . . . .	48 0		

Provided that—		Rs. a.
(a) the duty on any article included in this Item shall in no case be less than the duty which would be charged if the article were included in Part V of this Schedule ;		
(b) where the unit of assessment is the imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.		
31	Wines, not containing more than 42 per cent. of proof spirit—	
	(1) champagne and other sparkling wines. Imperial gallon . . . .	10 8
	(2) other sorts . . . . . Imperial gallon . . . .	6 0"

2. For Item No. 34 the following shall be substituted, namely :—

" 34	SUGAR, excluding confectionery (see No. 124)—		
	(1) Sugar, crystallised or soft 23 Dutch Standard and above. Cwt. . . . .	7 4	
	(2) Sugar, crystallised or soft inferior to 23 Dutch Standard but not inferior to 8 Dutch Standard. Cwt. . . . .	6 12	
	(3) Sugar, below 8 Dutch Standard and sugar candy. Ad valorem . . . . .	25 per cent. plus two rupees and twelve annas per cwt.	
	(4) Molasses . . . . . Ad valorem . . . . .	25 per cent."	

3. In Item No. 37A, in the Note thereto, for the words " amount to be deducted on account of duties payable on importation to determine the real value in accordance with the provisions of clause (a) of the said section shall be Rs. 7 per thousand ", the words " deduction allowed under clause (a) of that section shall be calculated in all cases as if the cigarettes were classified under sub-item (a) " shall be substituted.

4. In item No. 43BB, relating to silver bullion and coin, for the words " Four annas " in the fourth column; the words " Six annas " shall be substituted.

5. In Part V, the heading " SPICES " and Item No. 70 shall be omitted.

6. In Item No. 105, after the words " FILMS ", the words " not exposed " shall be added.

7. After Item No. 124 and under the head "I.—Food, Drink and Tobacco," the following item shall be inserted, namely:—

" 124A | The following SPICES, namely:—

Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper."

8. After Item No. 132, the following item shall be inserted, namely:—

" 134A | CINEMATOGRAPH FILMS, exposed;"

9. In Part VI, after Item No. 141, the following heading and item shall be inserted, namely:—

" III.—Miscellaneous and unclassified.

141A | BETELNUTS."

### SCHEDULE II

Articles liable to an additional duty of customs, and additional duties leviable thereon.

[See section 4.]

Reference to Part and No. of Item in Schedule II to the Indian Tariff Act, 1894.	Description of articles liable to additional duty.	Rate of additional duty or method of obtaining it.
<b>PART II.</b>		
27 . . .	FISH, SALTED, wet or dry . . . . .	5 per cent. <i>ad valorem</i> .
37 . . .	CIGARS . . . . .	15 per cent. <i>ad valorem</i> .
37A . . .	CIGARETTES . . . . .	Rs. 1 annas 8 per thousand.
38 . . .	All other sorts of TOBACCO manufactured	Twelve annas per pound
40 . . .	KEROSENE, also any other mineral oil included in Item No. 40.	9 pies per imperial gallon.
40A . . .	MOTOR SPIRIT . . . . .	2 annas per imperial gallon.
41 . . .	MINERAL OIL— (1) ordinarily used for the batching of jute or other fibre, as specified in sub-item (1) of Item No. 41 ;	Rs. 2 annas 8 per ton.
	(2) not ordinarily used for any other purpose than for lubrication, as specified in sub-item (2) of Item No. 41 ;	4 pies per gallon.
	(3) not ordinarily used except as fuel or for some sanitary or hygienic purposes, as specified in sub-item (3) of Item No. 41.	2½ per cent. <i>ad valorem</i> .

Reference to Part and No. of Item in Schedule II to the Indian Tariff Act, 1894.	Description of articles liable to additional duty.	Rate of additional duty or method of obtaining it.
42 . . .	All ARMS, and other articles included in item No. 42.	10 per cent. <i>ad valorem</i> .
42A . . .	MOTOR CARS, motor cycles and other articles included in Item No. 42A.	10 per cent. <i>ad valorem</i> .
43C . . .	ARTIFICIAL SILK YARN and THREAD .	2½ per cent. <i>ad valorem</i> .
45A . . .	SILK MIXTURES, all sorts included in Item No. 45A.	7½ per cent. <i>ad valorem</i> .
46C . . .	PORTLAND CEMENT (excluding white portland cement).	Rs. 2 per ton.
<b>PART IV.</b>		
Nos. 58 to 64 inclusive.	All articles for the time being included in Part IV of the Second Schedule.	2½ per cent. <i>ad valorem</i> .
<b>PART V.</b>		
Nos. 65 to 123 inclusive.	All articles for the time being included in Part V of the Second Schedule, excluding "raw hemp" comprised in Item No. 78.	5 per cent. <i>ad valorem</i> .
<b>PART VI.</b>		
Nos. 124 to 141, inclusive, except Nos. 124A and 134A;	<p>All articles for the time being included in Part VI of the Second Schedule, except—</p> <p>(1) the following SPICES, namely—</p> <p style="padding-left: 2em;">Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper (see No. 124A);</p> <p>(2) CINEMATOGRAPE FILMS exposed (see No. 134A); and</p> <p>(3) BETELNUTS (see No. 141A).</p>	10 per cent. <i>ad valorem</i> .
<b>PART VII.</b>		
156A . . .	COTTON PIECE GOODS—all sorts included in Item No. 156A.	The figures for the rates of the <i>ad valorem</i> duties shall be deemed to be increased by 5 in each case.†



**SCHEDULE III.**

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

[See section 5.]

**" 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 IV.**

[See section 7.]

**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.	Six pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Nine pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000.	One anna in the rupee.
(5) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000.	One anna and four pies in the rupee.
(6) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna and seven pies in the rupee.
(7) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and eleven pies in the rupee.
(8) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000.	Two annas and one pie in the rupee.
(9) When the total income is Rs. 1,00,000 or upwards	Two annas and two pies in the rupee.

B. In the case of every company and registered firm, whatever its total income. . . . . Two annas and two pies in the rupee.

## PART II.

*Rates of Super tax.*

In respect of the excess over thirty thousand rupees of total income—

Rate.

- (1) in the case of every company—
- (a) in respect of the first twenty thousand rupees Nil of such excess.
- (b) for every rupee of the remainder of such excess. One anna in the rupee.
- (2) (a) in the case of every Hindu undivided family—
- (i) in respect of the first-forty five thousand Nil rupees of such excess.
- (ii) for every rupee of the next twenty-five thousand rupees of such excess. One anna and three pies 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—
- (i) for every rupee of the first twenty thousand rupees of such excess. Nine pies in the rupee.
- (ii) for every rupee of the next fifty thousand rupees of such excess. One anna and three pies 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 next fifty thousand rupees of such excess. One anna and nine pies in the rupee.
- (ii) for every rupee of the next fifty thousand rupees of such excess. Two annas and three pies in the rupee.
- (iii) for every rupee of the next fifty thousand rupees of such excess. Two annas and nine pies in the rupee.
- (iv) for every rupee of the next fifty thousand rupees of such excess. Three annas and three pies in the rupee.
- (v) for every rupee of the next fifty thousand rupees of such excess. Three annas and nine pies in the rupee.
- (vi) for every rupee of the next fifty thousand rupees of such excess. Four annas and three pies in the rupee.
- (vii) for every rupee of the next fifty thousand rupees of such excess. Four annas and nine pies in the rupee.
- (viii) for every rupee of the next fifty thousand rupees of such excess. Five annas and three pies in the rupee.
- (ix) for every rupee of the next fifty thousand rupees of such excess. Five annas and nine pies in the rupee.
- (x) for every rupee of the remainder of such excess. Six annas and three pies in the rupee.

The Legislative Assembly has failed to pass this Bill in the form recommended by the Governor General.

IBRAHIM RAHIMTOOLA,

*President, Legislative Assembly.*

*The 27th March, 1931.*

¶ WHEREAS the Legislative Assembly has failed to pass in the form recommended by me the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, a copy of which Bill in the form recommended by me is hereto annexed;

Now, THEREFORE, I, Edward Frederick Lindley, Baron Irwin, in exercise of the power conferred by sub-section (1) of section 67B of the Government of India Act, do hereby certify that the passage of the said Bill is essential for the interests of British India.

IRWIN,

*Viceroy and Governor General.*

*The 27th March, 1931.*

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In pursuance of the provisions of sub-section (1) of Section 67B of the Government of India Act, I, Edward Frederick Lindley, Baron Irwin, do recommend to the Council of State that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, in the form hereto annexed.

IRWIN,

*Viceroy and Governor General.*

*The 27th March, 1931.*

## LEGISLATIVE DEPARTMENT.

New Delhi, the 4th April 1931.

The following Act, which has been assented to by the Governor General on the 30th March 1931, under the provisions of clause (b) of Sub-section (1) of Section 67B of the Government of India Act, and has been expressed to be made by the Governor General under the provisions of sub-section (2) of the same section, is hereby published for general information :—

*An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930.*

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax, and super-tax, and to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930; it is hereby enacted as follows :—

I of 1894.  
of 1898.  
of 1917.  
I of 1922.  
of 1923.  
VIII of  
30.

Short title and extent. 1. (1) This Act may be called the Indian Finance Act, 1931.

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

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, for the year beginning on the 1st day of April, 1931, 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. The amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, VIII of 1917, and in Schedule II to the Indian Tariff Act, VIII of 1918. Amendment of Schedule II to Act VIII of 1894.

\*4. In addition to the duties payable under the Indian Tariff Act, 1894, VIII of 1917, and any other Act for the time being in force, there shall be levied and collected in every port to which that Act applies additional duties on the importation of articles specified in the first and second columns of the Second Schedule at the rates or obtained by the method shown against them in the third column thereof. Additional customs duties.

5. For the year beginning on the 1st day of April, 1931, the schedule contained in the Third Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First VI of 1898. Inland postage rates. Schedule to that Act.

\*6. In sub-section (1) of section 3 of the Motor Spirit (Duties) Act, 1917, II of 1917, for the words "six annas" the words "eight annas" shall be substituted. Excise duty on motor spirit.

7. (1) Income-tax for the year beginning on the 1st day of April, 1931 shall be charged at the rates specified in Part I of the Fourth Schedule. Income-tax and super-tax.

(2) The rates of super-tax for the year beginning on the 1st day of April, 1931, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Fourth Schedule. XI of 1917.

(3) For the purposes of the Fourth 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 1917.

\*8. In the proviso to section 5 of the Indian Finance Act, 1922, for the words "one anna and six pies" the words "two annas and three pies" shall be substituted. Excise duty on kerosene. XII of 1917.

9. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1931" the figures "1932" shall be substituted. Amendment of section 19, Act X of 1923. X of 1917.

\*10. In sub-section (1) of section 3 of the Silver (Excise Duty) Act, 1930, for the words "four annas" the words "six annas" shall be substituted. Excise duty on silver. XVIII of 1930.

\* This section came into effect on 1st March 1931, by virtue of a declaration, inserted in the Bill under the Provisional Collection of Taxes Act, 1918 (16 of 1918).

## BUDGET FOR 1931-32.

## SCHEDULE I.

Amendments to be made in Schedule II to the Indian Tariff Acts, 1894.

[See section 3.]

1. For Items Nos. 28 to 33 inclusive the following Items shall be substituted, namely:—

		Ra. A.
28	ALK. beer, porter, cider and other fermented liquors.	0 12
	In barrels or other containers containing 27 oz. or more, per imperial gallon.	
	In bottles containing less than 27 oz. but not less than 20 oz. per bottle.	0
	In bottles containing less than 13½ oz. but not less than 10 oz. per bottle.	0 1
	In bottles containing less than 6½ oz. but not less than 5 oz. per bottle.	0 ½
	In other containers, per imperial gallon.	1 0
29	DENATURED SPIRIT	Ad valorem 7½ per cent.
30	SPIRITS (other than denatured spirit)—	
	(1) Brandy, gin, rum, whisky, and other sorts of spirits not otherwise specified, including wines containing more than 42 per cent. of proof spirit.	Imperial gallon of the strength on London proof. 30 0
	(2) Liqueurs, cordials, mixtures and other preparations containing spirit (other than drugs and medicines)—	
	(i) entered in such a manner as to indicate that the strength is not to be tested;	Imperial gallon . . . 40 0
	(ii) not so entered . . .	Imperial gallon of the strength London proof. 30 0
	(3) Drugs and medicines containing spirit—	
	(i) entered in such a manner as to indicate that the strength is not to be tested;	Imperial gallon . . . 30 0
	(ii) not so entered . . .	Imperial gallon of the strength of London proof. 21 14
	(4) Perfumed spirits . . .	Imperial gallon . . . 48 0

Provided that—		Rs.	A.
(a) the duty on any article included in this Item shall in no case be less than the duty which would be charged if the article were included in Part V of this Schedule ;			
(b) where the unit of assessment is the imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.			
31	WINES, not containing more than 42 per cent. of proof spirit—		
	(1) champagne and other sparkling wines.	Imperial gallon . . . .	10 8
	(2) other sorts.	Imperial gallon . . . .	6 0"

2. For Item No. 34 the following shall be substituted, namely:—

" 34 SUGAR, excluding confectionery (see No. 124)—		Rs.	A.
(1)	Sugar, crystallised or soft 23 Dutch Standard and above.	Cwt. . . . .	7 4
(2)	Sugar, crystallised or soft inferior to 23 Dutch Standard but not inferior to 8 Dutch Standard.	Cwt. . . . .	6 12
(3)	Sugar, below 8 Dutch Standard and sugar candy.	Ad valorem . . . . .	25 per cent. plus two rupees and twelve annas per cwt.
(4)	Molasses . . . . .	Ad valorem . . . . .	25 per Cent. "

3. In Item No. 37A, in the Note thereto, for the words " amount to be deducted on account of duties payable on importation to determine the real value in accordance with the provisions of clause (a) of the said section shall be Rs. 7 per thousand ", the words " deduction allowed under clause (a) of that section shall be calculated in all cases as if the cigarettes were classified under sub-item (a) " shall be substituted.

4. In Item No. 43BB, relating to silver bullion and coin for the words " Four annas " in the fourth column, the words " Six annas " shall be substituted.

5. In Part V, the heading " SPICES " and Item No. 70 shall be omitted.

6. In Item No. 105, after the word " FILMS " the words, " not exposed " shall be added.

7. After item No. 124 and under the head "I.—Food, Drink and Tobacco," the following item shall be inserted, namely:—

"124A | The following SPICES, namely:—  
Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper."

8. After Item No. 134, the following item shall be inserted, namely:—

"134A | CINEMATOGRAPH FILMS, exposed."

9. In Part VI, after Item No. 141, the following heading and item shall be inserted, namely:—

"III.—Miscellaneous and unclassified.

141A | BETELNUTS."

### SCHEDULE II.

Articles liable to an additional duty of customs, and additional duties leviable thereon.

[See section 4.]

References to Part and No. of Item in Schedule II to the Indian Tariff Act, 1894.	Description of articles liable to additional duty.	Rate of additional duty or method of obtaining it.
<b>PART II.</b>		
27 . . .	FISH, SALTED, wet or dry . . . . .	5 per cent. <i>ad valorem</i> .
37 . . .	CIGARS . . . . .	15 per cent. <i>ad valorem</i> .
37A . . .	CIGARETTES . . . . .	Rs. 1 annas 8 per thousand.
39 . . .	All other sorts of TOBACCO manufactured.	Twelve annas per pound.
40 . . .	KEROSENE; also any other mineral oil included in Item No. 40.	9 pies per imperial gallon.
40A . . .	MOTOR SPIRIT . . . . .	2 annas per imperial gallon.
41 . . .	MINERAL OIL—	
	(1) ordinarily used for the batching of jute or other fibre, as specified in sub-item (1) of Item No. 41;	Rs. 2 annas 8 per ton.
	(2) not ordinarily used for any other purpose than for lubrication as specified in sub-item (2) of Item No. 41;	4 pies per gallon.
	(3) not ordinarily used except as fuel or for some sanitary or hygienic purposes, as specified in sub-item (3) of Item No. 41;	2½ per cent. <i>ad valorem</i> .



References to Part and No. of Item in Schedule II to the Indian Tariff Act, 1894.	Description of articles liable to additional duty.	Rate of additional duty or method of obtaining it.
42 . .	All ARMS, and other articles included in Item No. 42.	10 per cent. <i>ad valorem</i> .
42A . .	MOTOR CARS, motor cycles and other articles included in Item No. 42A.	10 per cent. <i>ad valorem</i> .
43C . .	ARTIFICIAL SILK YARN AND THREAD .	2½ per cent. <i>ad valorem</i> .
45A . .	SILK MIXTURES all stores included in Item No. 45A;	7½ per cent. <i>ad valorem</i> .
46C . .	PORTLAND CEMENT (excluding white portland cement).	Rs. 2 per ton.
PART IV.		
Nos. 58. to 64 inclusive.	All articles for the time being included in Part IV of the Second Schedule.	2½ per cent. <i>ad valorem</i> .
PART V.		
Nos. 65 to 123 inclusive.	All articles for the time being included in Part V of the Second Schedule, excluding "raw hemp" comprised in Item No. 78.	5 per cent. <i>ad valorem</i> .
PART VI.		
Nos. 124 to 141. inclusive, except Nos. 124A and 134A.	<p>All articles for the time being included in Part VI of the Second Schedule, except—</p> <p>(1) the following SPICES, namely—</p> <p>Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper (<i>see</i> No. 124A);</p> <p>(2) CINEMATOGRAH FILMS exposed (<i>see</i> No. 134A); and</p> <p>(3) BETELNUTS (<i>see</i> No. 141A).</p>	10 per cent. <i>ad valorem</i> .
PART VII.		
156A . .	COTTON PIECE-GOODS—all sorts included in Item No. 156A.	The figures for the rates of the <i>ad valorem</i> duties shall be deemed to be increased by 5 in each case.

## BUDGET FOR 1931-32.

## SCHEDULE III.

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

[See Section 5.]

## "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.
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*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 IV.

[See section 7.]

## 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—

	<i>Rate.</i>
(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.	Six pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards but is less than Rs. 10,000.	Nine pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards but is less than Rs. 15,000.	One anna in the rupee.
(5) When the total income is Rs. 15,000 or upwards but is less than Rs. 20,000.	One anna and four pies in the rupee.
(6) When the total income is Rs. 20,000 or upwards but is less than Rs. 30,000.	One anna and seven pies in the rupee.
(7) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and eleven pies in the rupee.
(8) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000.	Two annas and one pie in the rupee.
(9) When the total income is Rs. 1,00,000 or upwards . . . . .	Two annas and two pies in the rupee.

B. In the case of every company and registered firm, whatever its total income. Two annas and two pies in the rupee.

PART II.

*Rates of Super-tax.*

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

	Rate.
(1) in the case of every company—	
(a) in respect of the first twenty thousand rupees of such excess.	Nil.
(b) for every rupee of the remainder of such excess .	One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—	
(i) in respect of the first forty-five thousand rupees of such excess.	Nil.
(ii) for every rupee of the next twenty-five thousand rupees of such excess.	One anna and three pies 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—	
(i) for every rupee of the first twenty thousand rupees of such excess.	Nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess.	One anna and three pies 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 next fifty thousand rupees of such excess.	One anna and nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess.	Two annas and three pies in the rupee.
(iii) for every rupee of the next fifty thousand rupees of such excess.	Two annas and nine pies in the rupee.
(iv) for every rupee of the next fifty thousand rupees of such excess.	Three annas and three pies in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess.	Three annas and nine pies in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess.	Four annas and three pies in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess.	Four annas and nine pies in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess.	Five annas and three pies in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess.	Five annas and nine pies in the rupee.
(x) for every rupee of the remainder of such excess.	Six annas and three pies in the rupee.

This Bill has been consented to by the Council of State.

H. MONCRIEFF SMITH,

*President, Council of State.*

*The 30th March, 1931.*

I assent to this Bill.

IRWIN,

*Viceroy and Governor General.*

*The 30th March, 1931.*

This Act has been made by me as Governor General under the provisions of section 67 B of the Government of India Act.

IRWIN,

*Viceroy and Governor General.*

*Monday, the 30th March, 1931.*

Whereas I, Edward Frederick Lindley, Baron Irwin, am of opinion that a state of emergency exists which justifies the direction by me that the Indian Finance Act, 1931, being an Act made by me under the provisions of section 67 B of the Government of India Act, shall come into operation forthwith:

Now, therefore, in exercise of the power conferred by the proviso to sub-section (2) of that section, I do hereby direct accordingly.

IRWIN,

*Viceroy and Governor General.*

*The 30th March, 1931.*

No. D./118-B.

GOVERNMENT OF INDIA.

## FINANCE DEPARTMENT.

*New Delhi, the 9th April 1931.*

## RESOLUTION.

The statements relating to the Revised estimates for 1930-31 and the Budget estimates for 1931-32, which were presented to the Legislative Assembly and the Council of State on the 17th and the 28th February 1931, have been reconsidered with reference to the reductions made by the Legislative Assembly in the Demands for Grants, and the course of legislation since the latter date. The changes made are explained below and the revised statements 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.
1—Railway Board . . . . .	1,00,000
Do . . . . .	— 100
16—Customs . . . . .	100
17—Taxes on Income . . . . .	100
28—Executive Council . . . . .	100
39—Army Department . . . . .	100

All these reductions have been accepted so far as the demands are concerned. The reductions relating to the Railway Board, however, do not affect the revenue surplus of the Central Government, nor do the other token cuts in view of the fact that the figures in these statements are in round thousands of rupees.

3. The Indian Finance Act, 1931, as made by the Governor General, involves a reduction of Rs. 1,05 lakhs in the income-tax revenue for the year 1931-32 as previously forecasted. The gap thus created has been partly filled

by a reduction of Military expenditure to the extent of Rs. 60 lakhs and by a reduction of Civil expenditure to the extent of 15 lakhs as indicated below:—

Head of Account.	Amount.
	Rs.
<b>XV—Posts and Telegraphs—</b>	
<b>Indian Posts and Telegraphs Department—</b>	
Working Expenses . . . . .	5,00,000
23—Audit . . . . .	1,00,000
36—Aviation . . . . .	1,00,000
<b>37—Miscellaneous Departments —</b>	
Census . . . . .	5,74,000
Bureau of Commercial Intelligence including Statistics . . . . .	2,28,000
<b>Total</b>	15,00,000

The remainder of the gap, viz., Rs. 30 lakhs has the effect of reducing the revenue surplus from Rs. 31,06,000 to Rs. 1,06,000. It has not been considered necessary at this stage to make any alteration in the estimates as a result of passing of the Salt (Additional Import Duty) Act, 1931, or the Wheat (Import Duty) Act, 1931, as their effect on the net revenue position of the Central Government will probably be inappreciable.

A. C. McWATERS,

*Secretary to the Government of India.*

**BUDGET**  
of the  
**Governor-General in Council,**  
**April, 1931.**

FINANCE DEPARTMENT,  
*New Delhi, the 8th April 1931.*

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*Secretary to the Govt. of India.*

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## BUDGET FOR 1931-32.

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

	For details, vide Statement.	Accounts, 1929-30.	Budget Estimate, 1930-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32. --
		Rs.	Rs.	Rs.	Rs.
<b>BUDGET</b>					
<b>Revenue—</b>					
<b>Principal Heads of Revenue—</b>					
Customs . . . . .	A	51,37,66,329	54,63,81,000	43,01,93,000	56,43,97,000
Taxes on Income . . . . .	"	16,70,00,831	17,93,78,000	15,78,83,000	17,44,54,000
Salt . . . . .	"	6,76,46,354	7,04,83,000	6,55,00,000	7,06,00,000
Opium . . . . .	"	3,04,09,783	2,71,80,000	2,62,80,000	2,15,58,000
Other Heads . . . . .	"	2,25,67,177	2,30,86,000	2,20,83,000	2,21,46,000
<b>TOTAL PRINCIPAL HEADS</b>		<b>80,04,43,369</b>	<b>84,71,08,000</b>	<b>73,49,93,000</b>	<b>85,32,55,000</b>
<b>Railways: Net Receipts (as per Railway Budget) . . . . .</b>	<b>A</b>	<b>37,16,42,648</b>	<b>38,10,00,000</b>	<b>39,18,71,000</b>	<b>30,84,02,000</b>
<b>Irrigation: Net Receipts . . . . .</b>	<b>"</b>	<b>8,93,301</b>	<b>14,25,000</b>	<b>8,95,000</b>	<b>13,75,000</b>
<b>Posts and Telegraphs: Net Receipts . . . . .</b>	<b>"</b>	<b>1,49,901</b>	<b>21,82,000</b>	<b>-63,65,000</b>	<b>-49,21,000</b>
<b>Interest Receipts . . . . .</b>	<b>"</b>	<b>4,40,60,589</b>	<b>3,43,31,000</b>	<b>3,32,07,000</b>	<b>2,91,90,000</b>
<b>Civil Administration . . . . .</b>	<b>"</b>	<b>1,16,53,528</b>	<b>1,06,44,000</b>	<b>96,90,000</b>	<b>1,03,46,000</b>
<b>Currency and Mint . . . . .</b>	<b>"</b>	<b>2,73,63,606</b>	<b>2,89,18,000</b>	<b>1,26,99,000</b>	<b>63,34,000</b>
<b>Civil Works . . . . .</b>	<b>"</b>	<b>22,65,458</b>	<b>26,17,000</b>	<b>28,00,000</b>	<b>24,85,000</b>
<b>Miscellaneous . . . . .</b>	<b>"</b>	<b>95,62,413</b>	<b>86,11,000</b>	<b>85,63,000</b>	<b>73,89,000</b>
<b>Military Receipts . . . . .</b>	<b>"</b>	<b>3,88,08,743</b>	<b>3,62,08,000</b>	<b>3,62,30,000</b>	<b>4,47,57,000</b>
<b>Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments . . . . .</b>	<b>"</b>	<b>3,011</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Extraordinary Items . . . . .</b>	<b>"</b>	<b>1,83,94,440</b>	<b>33,00,000</b>	<b>86,84,000</b>	<b>30,44,000</b>
<b>TOTAL REVENUE . . . . .</b>		<b>1,32,78,85,103</b>	<b>1,35,84,11,000</b>	<b>1,23,43,61,000</b>	<b>1,24,66,64,000</b>
<b>DEFICIT . . . . .</b>		<b>---</b>	<b>---</b>	<b>12,68,47,000</b>	<b>---</b>
<b>TOTAL . . . . .</b>		<b>1,32,78,85,103</b>	<b>1,35,84,11,000</b>	<b>1,36,12,08,000</b>	<b>1,24,66,64,000</b>



BUDGET FOR 1931-32.

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

	For details, vide Statement.	Accounts, 1929-30.	Budget Estimate, 1930-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
		Rs.	Rs.	Rs.	Rs.
<b>Expenditure-</b>					
Direct Demands on the Revenue	B	4,08,49,332	4,35,57,000	4,40,14,000	4,40,34,000
Forest and other Capital outlay charged to Revenue	"	5,13,198	6,33,000	5,69,000	2,16,000
Railways: Interest and Miscellaneous Charges (as per Railway Budget)	"	31,04,56,685	32,36,43,000	33,45,14,000	34,18,00,000
Irrigation	"	29,97,335	25,71,000	28,54,000	22,70,000
Posts and Telegraphs	"	52,68,323	92,73,000	95,54,000	42,49,000
Debt Services	"	16,58,67,437	17,81,58,000	17,22,26,000	18,77,40,000
Civil Administration	"	12,65,91,333	13,26,59,000	13,54,35,000	13,06,36,000
Currency and Mint	"	74,30,494	77,66,000	99,73,000	76,71,000
Civil Works	"	2,58,27,070	2,51,06,000	2,68,19,000	2,41,28,000
Miscellaneous	"	4,45,44,998	4,16,87,000	4,24,53,000	4,08,92,000
Military Services	"	53,08,08,743	57,97,08,000	57,92,39,000	56,47,57,000
Miscellaneous adjustments between the Central and Provincial Governments	"	---	---	---	---
Extraordinary Items	"	6,062	50,000	15,62,000	25,000
<b>TOTAL EXPENDITURES CHARGED TO REVENUE</b>		<b>1,32,41,71,604</b>	<b>1,34,78,11,000</b>	<b>1,36,12,03,000</b>	<b>1,34,65,58,000</b>
<b>SURPLUS</b>		<b>26,83,598</b>	<b>56,00,000</b>	<b>---</b>	<b>1,06,000</b>
<b>TOTAL</b>		<b>1,32,68,55,103</b>	<b>1,35,34,11,000</b>	<b>1,36,12,03,000</b>	<b>1,34,66,64,000</b>

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

	For details, vide Statement.	Receipts			
		Accounts, 1930-31.	Budget Estimate, 1930-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
		Rs.	Rs.	Rs.	Rs.
<b>Surplus</b>	C	25,88,598	88,00,000	...	1,00,000
<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)	C	2,43,676	...	...	...
<b>Debt, Deposits and Advances—</b>					
Permanent Debt (net incurred)	C	20,39,67,284	4,66,00,000	46,47,66,000	10,21,62,000
Floating Debt (net incurred)	"	20,10,66,000	...	...	...
Unfunded Debt (net incurred)	"	13,04,32,471	9,36,52,000	4,92,67,000	9,69,72,000
Deposits and Advances (net)	"	...	6,57,80,000	1,62,67,000	7,44,43,000
Railway Depreciation and Reserve Funds as per Railway Budget (net)	"	...	5,08,95,000	...	1,64,33,000
<b>TOTAL DEBT, DEPOSITS AND ADVANCES.</b>		63,64,44,755	24,69,27,000	53,03,99,000	28,40,10,000
<b>Remittances (net)</b>	U	...	4,95,000	9,10,000	6,47,000
<b>TOTAL RECEIPTS</b>		63,63,72,029	28,60,22,000	53,12,09,000	28,47,63,000
Opening Balance { India	...	9,30,46,097	17,79,30,677	25,76,33,677	12,74,69,677
{ England	...	6,99,36,668	9,30,41,668	8,51,57,638	6,46,56,633
<b>TOTAL</b>		60,03,54,794	52,69,93,765	87,40,00,360	47,69,20,360

BUDGET FOR 1931-32.

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Central Government, in India and in England.

	For details, vide Statement.	DISBURSEMENTS.			
		Accounts, 1929-30.	Budget Estimate, 1930-31.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
		Rs.	Rs.	Rs.	Rs.
<b>Deficit</b> . . . . .		...	...	12,68,42,000	...
<b>Railway, Irrigation, Posts and Telegraphs and other Capital outlay not charged to kevnuc-</b>					
Capital outlay on Security Printing Press . . . . .	C	22,754	45,000	4,43,000	—3,94,000
Construction of State Railways (as per Railway Budget) . . . . .	"	30,18,33,675	16,75,00,000	14,56,00,000	11,45,00,000
Discharge of Debentures (as per Railway Budget) . . . . .	"	...	...	...	...
Construction of Irrigation Works . . . . .	"	2,99,477	1,01,000	46,000	67,000
Capital outlay on Posts and Telegraphs . . . . .	"	83,07,339	68,71,000	3,36,000	91,30,000
Capital outlay on Vizagapatam Port . . . . .	"	85,75,018	84,20,000	88,75,000	43,18,000
Capital outlay on Light-houses and Light-ships . . . . .	"	12,831	...	...	...
Currency Capital outlay . . . . .	"	65,632	1,68,000	1,58,000	5,000
Initial expenditure on New Capital at Delhi . . . . .	"	72,72,339	51,84,000	52,90,000	24,72,000
Payment of commuted value of pensions . . . . .	"	58,08,683	33,59,000	39,51,000	37,88,000
Capital outlay on Bombay Land Scheme . . . . .	"	...	2,05,22,000	2,12,29,000	...
<b>TOTAL CAPITAL ACCOUNT DISBURSEMENTS</b> . . . . .		32,02,00,638	20,71,90,000	16,03,28,000	13,38,36,000
<b>Debt, Deposits and Advances—</b>					
Floating Debt (net discharged) . . . . .	"	...	4,00,00,000	17,20,70,000	5,39,60,000
Deposits and Advances (net) . . . . .	"	1,06,65,355	...	...	...
Railway Depreciation and Reserve Funds, as per Railway Budget (net) . . . . .	"	1,24,97,917	...	6,80,99,000	...
<b>TOTAL DEBT, DEPOSITS AND ADVANCES</b> . . . . .		2,31,63,272	4,00,00,000	24,01,69,000	5,39,60,000
<b>Loans and Advances by the Central Government (net Advances)</b> . . . . .	"	7,20,11,416	6,73,62,000	8,43,95,000	7,49,71,000
<b>Remittances (net)</b> . . . . .	"	51,12,412	...	...	...
<b>Balances of Provincial Governments (net)</b> . . . . .	"	3,70,75,696	2,61,13,000	5,01,00,000	3,21,00,000
<b>TOTAL DISBURSEMENTS</b> . . . . .		45,75,63,424	34,06,65,000	68,18,34,000	29,48,67,000
Closing Balance { India . . . . .		26,76,33,677	12,95,94,007	12,74,69,677	12,03,84,677
{ England . . . . .		8,51,57,653	5,67,24,688	6,46,96,653	6,16,77,683
<b>TOTAL</b> . . . . .		80,03,54,794	52,69,63,765	87,40,00,360	47,69,29,360

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

HEADS OF REVENUE.	Accounts, 1930-30.				REVISED ESTIMATE,		
	India.	England.	Exchange.	TOTAL.	India.	England.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Principal Heads of Revenue—</b>							
I.—Customs . . . . .	51,27,66,229	...	...	51,27,66,229	46,01,93,000	...	1
II.—Taxes on Income . . . . .	16,70,56,233	4,550	38	16,70,60,821	15,79,53,000	...	2
III.—Salt . . . . .	6,78,46,354	...	...	6,78,46,354	6,55,00,000	...	3
IV.—Opium . . . . .	3,01,00,788	...	...	3,01,00,788	2,67,61,000	...	4
V.—Land Revenue . . . . .	38,14,551	2,335	20	38,16,915	38,40,000	...	5
VI.—Excise . . . . .	54,74,463	...	...	54,74,463	49,30,000	...	6
VII.—Stamps . . . . .	27,49,680	...	...	27,49,680	27,21,000	...	7
VIII.—Forest . . . . .	31,28,738	73	...	31,28,801	31,10,000	3,000	8
IX.—Registration . . . . .	1,66,674	...	...	1,66,674	1,47,000	...	9
X.—Payments from Indian States . . . . .	72,23,464	...	...	72,23,464	74,12,000	...	10
<b>TOTAL</b> . . . . .	<b>60,04,36,344</b>	<b>6,958</b>	<b>67</b>	<b>60,04,43,369</b>	<b>73,49,96,000</b>	<b>3,000</b>	<b>11</b>
<b>Irrigation, etc.—</b>							
XIII.—Works for which Capital accounts are kept—Gross Receipts . . . . .	21,70,203	...	...	21,70,203	21,60,000	...	12
... Deduct—Working Expenses . . . . .	11,76,050	12	...	11,76,062	12,67,000	...	13
Net Receipts . . . . .	9,94,153	—12	...	9,94,141	8,93,000	...	14
XIV.—Works for which no Capital Accounts are kept . . . . .	2,056	4	...	2,060	2,400	...	15
<b>TOTAL</b> . . . . .	<b>9,96,209</b>	<b>—8</b>	<b>...</b>	<b>9,96,201</b>	<b>9,95,000</b>	<b>...</b>	<b>16</b>
<b>Posts and Telegraphs—</b>							
XV.—Posts and Telegraphs—Indian Posts and Telegraphs Department—Gross Receipts . . . . .	11,29,49,633	...	...	11,29,49,633	10,73,83,000	...	17
... Deduct—Working Expenses . . . . .	11,18,64,906	7,44,855	6,414	11,26,16,175	11,26,77,000	7,50,000	18
Net Receipts . . . . .	10,84,727	—7,44,855	—6,414	8,33,458	—5,29,000	—7,50,000	19
Indo-European Telegraph Department—Gross Receipts . . . . .	11,50,589	14,02,308	12,717	25,65,614	10,05,000	11,91,000	20
... Deduct—Working Expenses . . . . .	26,01,497	1,76,166	1,438	27,79,171	24,02,000	1,89,000	21
Net Receipts . . . . .	—14,30,908	12,26,122	11,279	—1,53,557	—13,97,000	10,52,000	22
<b>TOTAL</b> . . . . .	<b>—3,56,181</b>	<b>4,81,267</b>	<b>4,815</b>	<b>1,49,901</b>	<b>—66,91,000</b>	<b>2,02,000</b>	<b>23</b>
<b>Debt Services—</b>							
XVI.—Interest . . . . .	96,52,326	3,41,66,151	2,42,108	4,40,60,585	1,02,06,000	2,27,21,000	24
Carried over . . . . .	81,07,43,707	2,46,54,368	2,46,965	84,56,50,060	73,94,06,000	2,30,26,000	25

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

# BUDGET FOR 1931-32.

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Government, in India and in England.

Item No.	1930-31.			BUDGET ESTIMATE, 1931-32.				Increase (+) Decrease (-) as compared with Revised 1930-31.
	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1930-31.	India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	...	46,01,93,000	-8,61,89,000	56,45,97,000	...	...	56,45,97,000	+ 0,44,04,000
2	...	15,74,83,000	-2, 9,95,000	17,44,54,000	...	...	17,44,54,000	+ 1,64,71,000
3	...	6,85,00,000	-19,83,000	7,05,01,000	...	...	7,05,00,000	+ 20,00,000
4	...	2,65,00,000	-9,20,000	2,15,58,000	...	...	2,15,58,000	-47,03,000
5	...	32,40,000	- 77,000	37,81,000	...	...	37,81,000	- 9,000
6	...	48,30,000	-5,52,000	46,04,000	...	...	48,04,000	-26,000
7	...	27,21,000	-1,63,000	27,22,000	...	...	27,22,000	+ 1,000
8	...	31,13,000	-1,32,000	32,43,000	...	...	32,43,000	+ 1,30,000
9	...	1,47,000	-13,000	1,51,000	...	...	1,51,000	+ 4,000
10	...	74,12,000	+ 14,000	74,45,000	...	...	74,45,000	+ 33,000
11	...	73,49,93,000	-1,21,09,000	65,32,55,000	...	...	65,32,55,000	+ 11,82,56,000
12	...	21,60,000	-2,22,000	23,57,000	...	...	23,57,000	+ 1,97,000
13	...	19,67,000	-3,06,000	9,94,000	...	...	9,94,000	+ 2,63,000
14	...	8,63,000	-5,28,000	13,73,000	...	...	13,73,000	+ 4,80,000
15	...	2,000	-2,000	2,000	...	...	2,000	...
16	...	6,95,000	-5,30,000	13,75,000	...	...	13,75,000	+ 4,80,000
17	...	10,73,63,000	-77,02,000	10,96,05,000	...	...	10,96,05,000	+ 22,32,600
18	9,000	11,34,96,000	-7,35,000	11,37,73,000	7,53,000	...	11,45,26,000	-10,90,000
19	-9,000	-60,53,000	-64,37,000	-41,68,000	-7,53,000	...	-49,21,000	+ 11,32,000
20	15,000	22,11,000	-2,59,000	...	...	...	...	-22,11,000
21	2,000	26,43,000	+ 1,59,000	...	...	...	...	+ 25,43,000
22	13,000	-3,32,000	-1,00,000	...	...	...	...	+ 3,32,000
23	4,000	-63,85,000	-85,37,000	-41,68,000	-7,53,000	...	-49,21,000	+ 14,64,000
24	2,80,000	3,12,07,000	-13,24,000	86,52,000	1,95,47,000	...	2,91,99,000	-40,08,000
25	2,8,4000	76,27,16,000	-12,25,00,000	66,01,14,000	1,97,94,000	...	77,83,08,000	+ 11,61,92,000

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

HEADS OF REVENUE.	ACCOUNTS, 1930-30.				REVISED ESTIMATE		
	India.	England.	Exchange.	TOTAL.	India.	England.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	81,07,43,707	8,46,54,368	2,44,985	84,56,50,000	73,94,00,000	2,30,26,000	
<b>Civil Administration—</b>							
<b>XVII.—Administration of Justice</b>	3,11,000	—	—	3,11,000	2,62,000	—	1
<b>XVIII.—Jails and Convict Settlements.</b>	4,36,450	—	—	4,36,450	4,81,000	—	2
<b>XX.—Police</b>	4,53,020	1,200	11	4,60,231	4,03,000	5,000	3
<b>XXI.—Ports and Pilotage</b>	23,74,496	—	—	23,74,496	23,58,000	—	4
<b>XX(1).—Light houses and Light ships</b>	13,60,949	—	—	13,60,949	13,09,000	—	5
<b>XXI.—Education</b>	2,14,474	1,022	11	2,15,497	2,14,000	—	6
<b>XXII.—Medical</b>	3,34,879	6,136	65	3,37,000	3,02,000	1,000	7
<b>XXIII.—Public Health</b>	8,73,999	—	—	8,73,999	4,58,000	—	8
<b>XXIV.—Agriculture</b>	22,57,973	—	—	22,57,973	17,30,000	—	9
<b>XXV.—Industries</b>	30,052	—	—	30,052	30,000	—	10
<b>XXVI.—Miscellaneous Departments</b>	19,35,591	16,224	167	19,51,983	18,00,000	8,000	11
<b>XXVI-A.—Indian Stores Department</b>	15,93,739	—	—	15,93,739	2,70,000	—	12
<b>TOTAL</b>	1,10,54,080	24,552	254	1,10,59,526	98,87,000	12,000	13
<b>Currency and Mint—</b>							
<b>XXVII.—Currency</b>	2,20,48,760	28,80,331	23,436	2,47,61,117	1,19,59,000	1,56,000	14
<b>XXVIII.—Mint</b>	26,07,383	5	—	26,07,288	4,81,000	—	15
<b>TOTAL</b>	2,46,56,083	28,80,336	23,436	2,73,63,805	1,24,40,000	1,56,000	16
<b>Civil Works—</b>							
<b>XX.—Civil Works</b>	22,66,757	-1,287	-14	22,65,456	28,01,000	-1,000	17
<b>Miscellaneous—</b>							
<b>XXIII.—Receipts in aid of Superannuation</b>	16,24,412	-4,48,710	8,690	20,76,813	12,92,000	2,47,000	18
<b>XXIV.—Stationery and Printing</b>	30,26,800	84,082	291	30,61,263	39,53,000	19,000	19
<b>XXV.—Miscellaneous</b>	23,57,554	11,58,709	10,554	35,24,338	15,08,000	18,22,000	20
<b>TOTAL</b>	7,08,559	16,38,992	14,555	95,62,413	67,53,000	17,88,000	21
<b>Military Receipts—</b>							
<b>XXXVI.—Army</b>							
Effective	1,96,13,768	84,36,121	28,609	2,30,78,493	1,70,51,000	83,47,000	22
Non-effective	28,26,682	60,81,094	66,954	95,64,730	19,28,000	81,69,000	23
<b>TOTAL</b>	2,24,40,445	1,01,17,215	95,563	2,26,43,223	1,89,77,000	1,14,16,000	24
<b>XXXVII.—Marine</b>	14,73,235	9,705	79	14,83,019	21,86,000	40,000	25
<b>XXXVIII.—Military Engineer Services</b>	56,82,501	—	—	56,82,501	34,70,000	1,000	26
<b>XXXVIII-A.—Transfers from Military Reserve Fund</b>	—	—	—	—	—	—	27
<b>TOTAL</b>	2,96,90,181	1,01,26,920	95,642	3,98,08,743	2,46,82,000	1,14,57,000	28
<b>Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—</b>							
<b>XXXIX-A.—Miscellaneous adjustments between the Central and Provincial Governments</b>	3,011	—	—	3,011	—	—	29
<b>Extraordinary items—</b>							
<b>XL.—Extraordinary Receipts</b>	1,58,00,000	33,65,359	29,081	1,93,94,440	80,90,000	47,34,000	30
<b>XL-A.—Transfers from Revenue Reserve Fund</b>	—	—	—	—	—	—	31
<b>TOTAL</b>	1,58,00,000	33,65,359	29,081	1,93,94,440	80,90,000	47,34,000	32
<b>Railway Revenues as per Railway Budget</b>	37,16,65,518	-50,913	7,943	37,16,43,648	39,61,97,000	-42,71,000	23
<b>TOTAL REVENUE</b>	1,37,39,72,733	8,24,67,457	4,07,692	1,37,68,55,102	1,10,70,06,000	3,09,01,000	24

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

BUDGET FOR 1931-32.

Government, in India and in England—contd.

Item No.	1930-31.			BUDGET ESTIMATE, 1931-32.				Increase (+) Decrease (-) as compared with Revised, 1930-31.
	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1930-31.	India.	England.	Exchange.	TOTAL.	
	Rs. 2,64,000	Rs. 76,27,16,000	Rs. -12,25,00,000	Rs. 66,01,14,000	Rs. 1,67,94,000	Rs. ...	Rs. 87,89,08,000	
1	...	2,87,000	-31,000	2,84,000	...	...	2,84,000	+2,000
2	...	4,87,000	+78,000	4,84,000	...	...	4,84,000	+3,000
3	...	4,96,000	+10,000	6,56,000	...	...	6,56,000	+1,60,000
4	...	22,86,000	-1,84,000	22,86,000	...	...	22,86,000	+28,000
5	...	13,09,000	+24,000	12,95,000	...	...	12,98,000	-11,000
6	...	2,14,000	+9,000	2,09,000	...	...	2,09,000	-5,000
7	...	3,03,000	-2,32,000	5,49,000	...	...	5,40,000	+1,56,000
8	...	4,87,000	+79,000	4,07,000	...	...	4,06,000	-52,000
9	...	17,70,000	-6,78,000	17,77,000	...	...	17,77,000	+47,000
10	...	20,000	+1,000	20,000	...	...	20,000	-1,000
11	...	18,08,000	+2,42,000	19,98,000	9,000	...	20,07,000	+1,09,000
12	...	2,70,000	-2,69,000	3,69,000	...	...	3,69,000	-99,000
13	...	96,99,000	-8,45,000	1,03,36,000	9,000	...	1,03,45,000	+8,46,000
14	2,000	1,31,17,000	-1,31,50,000	58,78,000	...	...	58,78,000	-62,39,000
15	...	4,1,000	-31,67,000	4,56,000	...	...	4,56,000	-25,000
16	2,000	1,25,95,000	-1,63,17,000	63,84,000	...	...	63,84,000	-62,64,000
17	...	28,00,000	+1,83,000	24,85,000	...	...	24,85,000	-3,15,000
18	3,000	15,42,000	-3,88,000	13,43,000	2,72,000	...	16,15,000	+73,000
19	...	39,73,000	+1,61,000	38,82,000	18,000	...	34,00,000	-5,73,000
20	19,700	30,49,000	+1,89,000	17,31,000	6,43,000	...	33,74,000	-6,75,000
21	22,000	65,68,000	-49,000	64,56,000	9,33,000	...	73,89,000	-11,74,000
22	39,000	2,03,37,000	-87,000	2,17,02,000	34,57,000	...	2,51,59,000	+48,22,000
23	1,01,000	1,01,96,000	+32,69,000	18,68,000	77,74,000	...	25,72,000	-6,24,000
24	1,40,000	3,65,32,000	+31,62,000	2,35,70,000	1,11,61,000	...	3,47,31,000	+41,98,000
25	1,000	22,26,000	+90,000	14,78,000	4,000	...	14,82,000	-7,44,000
26	...	34,71,000	-6,43,000	56,68,000	...	...	56,68,000	+21,97,000
27	...	...	-26,07,000	28,76,000	...	...	28,76,000	+28,76,000
28	1,41,000	5,62,30,000	+22,000	3,35,92,000	1,11,65,000	...	4,47,57,000	+85,27,000
29	...	...	...	...	...	...	...	...
30	58,000	98,54,000	+66,84,000	...	30,44,000	...	30,44,000	-68,40,000
31	...	...	...	...	...	...	...	...
32	58,000	98,54,000	+66,84,000	...	30,44,000	...	30,44,000	-68,40,000
33	...	...	...	...	...	...	...	...
34	4,84,000	1,23,43,61,000	-12,70,50,000	1,31,91,32,000	2,85,32,000	...	1,34,66,64,000	+11,43,03,000

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

HEADS OF EXPENDITURE.	Accounts, 1929-30.				Revised	
	India.	England.	Exchange.	TOTAL.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Direct Demands on the Revenue —</b>						
1.—Customs . . . . .	96,13,726	1,37,457	1,155	97,51,318	94,58,000	1
2.—Taxes on Income . . . . .	70,34,804	1,48,779	1,449	71,84,932	74,53,000	2
3.—Salt . . . . .	1,25,92,513	1,01,944	845	1,26,95,302	1,27,13,000	3
4.—Opium . . . . .	47,59,479	1,20,878	896	48,81,173	74,00,000	4
5.—Land Revenue . . . . .	10,89,505	666	2	10,90,173	10,50,000	5
6.—Excise . . . . .	16,61,995	4,500	39	16,66,914	16,50,000	6
7.—Stamps . . . . .	59,771	29,532	268	89,569	41,000	7
8.—Forest . . . . .	32,48,573	2,10,243	1,918	34,60,734	34,57,000	8
9.—Registration . . . . .	29,080	...	...	29,030	81,000	9
<b>TOTAL</b>	<b>4,00,57,516</b>	<b>7,55,344</b>	<b>6,372</b>	<b>4,08,19,232</b>	<b>4,32,37,000</b>	<b>10</b>
<b>Forest and other Capital outlay charged to Revenue —</b>						
3A.—Capital outlay on Salt Works . . . . .	1,12,206	...	...	1,12,206	71,000	11
7A.—Capital outlay on Central Stamp Store . . . . .	...	...	...	...	...	12
8A.—Forest Capital outlay . . . . .	3,72,558	27,970	164	4,00,692	4,98,000	13
<b>TOTAL</b>	<b>4,85,064</b>	<b>27,970</b>	<b>164</b>	<b>5,13,198</b>	<b>5,69,000</b>	<b>14</b>
<b>Irrigation, etc., Revenue Account—</b>						
13.—Works for which Capital accounts are kept—						
Interest on Debt . . . . .	12,31,726	...	...	12,31,726	12,68,000	15
15.—Other Revenue Expenditure . . . . .	15,54,840	53,860	453	16,09,133	21,72,000	16
<b>TOTAL</b>	<b>27,86,566</b>	<b>53,860</b>	<b>453</b>	<b>28,40,599</b>	<b>34,40,000</b>	<b>17</b>
<b>Irrigation, etc., Capital outlay charged to Revenue—</b>						
16.—Construction of Irrigation, etc., Works—						
Financed from Ordinary Revenues . . . . .	1,57,036	...	...	1,57,036	3,21,000	18
<b>Posts and Telegraphs Revenue Account—</b>						
17.—Posts and Telegraphs—						
In respect of 1931—						
Indian Posts and Telegraphs Department . . . . .	65,77,989	...	...	65,77,989	75,83,000	19
Indo-European Telegraph Department . . . . .	5,51,978	...	...	5,51,978	6,10,000	20
<b>TOTAL</b>	<b>71,29,967</b>	...	...	<b>71,29,967</b>	<b>81,93,000</b>	<b>21</b>
<b>Posts and Telegraphs Capital outlay charged to Revenue—</b>						
18.—Capital outlay on Posts and Telegraphs—						
Indian Posts and Telegraphs Department . . . . .	11,66,936	...	...	11,66,936	13,28,000	22
Indo-European Telegraph Department . . . . .	-33,397	4,667	49	-28,581	1,31,000	23
<b>TOTAL</b>	<b>11,33,539</b>	<b>4,667</b>	<b>49</b>	<b>11,36,355</b>	<b>13,59,000</b>	<b>24</b>
<b>Debt Services—</b>						
19.—Interest on Ordinary Debt . . . . .	21,38,32,073	18,91,24,057	13,69,655	40,33,14,785	21,47,72,000	25
Deduct—Amount chargeable to—						
Railways . . . . .	18,91,63,197	10,69,68,936	7,94,731	20,09,26,864	20,25,69,000	26
Irrigation . . . . .	-12,91,726	...	...	-12,91,726	12,64,000	27
Posts and Telegraphs . . . . .	79,90,448	...	...	79,90,448	83,72,000	28
Other heads . . . . .	17,77,069	...	...	17,77,069	21,81,000	29
Provincial Loans Fund . . . . .	6,19,72,177	...	...	6,19,72,177	6,51,00,000	30
Remainder chargeable to Ordinary Debt . . . . .	-4,26,07,564	8,21,55,821	5,93,824	4,01,47,151	-6,47,14,000	31
Interest on other Obligations . . . . .	8,40,07,017	3,40,654	3,675	8,43,47,346	8,57,14,000	32
Deduct—Reduction or Avoidance of Debt . . . . .	8,74,78,000	...	...	8,73,73,000	6,14,50,000	33
<b>TOTAL</b>	<b>8,77,73,453</b>	<b>8,24,96,478</b>	<b>8,97,649</b>	<b>16,58,67,427</b>	<b>6,34,54,000</b>	<b>34</b>
<b>Carried over</b>	<b>13,45,53,241</b>	<b>8,33,48,336</b>	<b>6,04,837</b>	<b>21,84,96,114</b>	<b>14,05,70,000</b>	

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



BUDGET FOR 1931-32.

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of the Central Government, in India and in England.

Item No.	ESTIMATE, 1930-31.			Increase (+) Decrease (-) as compared with Budget, 1930-31.	BUDGET ESTIMATE, 1931-32.				Increase (+) Decrease (-) as compared with Revised, 1930-31.
	England.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
1	1,71,000	2,000	96,31,000	-1,63,000	96,40,000	1,68,000	...	98,06,000	+1,75,000
2	97,000	1,000	5,51,000	-3,5,000	75,87,000	1,39,000	...	77,26,000	+1,75,000
3	1,05,000	1,000	1,28,19,000	-8,48,000	1,23,10,000	1,03,000	...	1,24,13,000	-4,06,000
4	1,17,000	1,000	75,24,000	+10,67,000	72,62,000	1,01,000	...	73,63,000	-1,61,000
5	26,000	...	10,20,000	-16,000	9,77,000	12,000	...	9,69,000	-31,000
6	43,000	1,000	18,84,000	-75,000	18,81,000	29,000	...	19,10,000	+3,26,000
7	2,02,000	3,000	58,49,000	+29,000	35,25,000	1,99,000	...	37,24,000	-14,000
8	...	...	31,000	-4,1,000	32,000	...	...	32,000	+55,000
9	...	...	...	...	...	...	...	...	+1,000
10	7,08,000	9,000	4,40,14,000	+4,67,000	4,32,57,000	7,77,000	...	4,40,34,000	+20,000
11	...	...	71,000	-1,11,000	1,02,000	...	...	1,02,000	+51,000
12	...	...	...	...	...	...	...	...	...
13	...	...	4,98,000	+47,000	1,14,000	...	...	1,14,000	-3,85,000
14	...	...	8,69,000	-64,000	2,16,000	...	...	2,16,000	-8,63,000
15	...	...	13,68,000	+30,000	12,87,000	...	...	13,67,500	+19,000
16	92,000	1,900	22,85,000	+13,15,000	6,66,000	78,000	...	7,24,000	-15,91,000
17	92,000	1,000	35,33,000	+13,45,000	19,43,000	78,000	...	20,21,000	-15,12,000
18	...	...	3,21,000	-63,000	1,89,000	...	...	1,89,000	-1,32,000
19	...	...	75,33,000	+3,54,000	86,96,000	...	...	86,96,000	+11,15,000
20	...	...	6,10,000	+24,000	...	...	...	...	-6,10,000
21	...	...	61,93,000	+3,78,000	66,95,000	...	...	66,95,000	+5,05,000
22	...	...	12,25,000	-2,65,000	10,50,000	...	...	10,50,000	-1,75,000
23	5,000	...	1,56,000	+1,68,000	54,99,000	...	...	54,99,000	-56,35,000
24	5,000	...	13,61,000	-97,000	44,49,000	...	...	44,49,000	-68,10,000
25	19,67,04,000	24,20,000	41,38,96,000	+63,67,000	22,35,49,000	21,13,99,000	...	43,49,48,000	+2,10,53,000
26	10,59,24,000	13,52,000	31,38,45,000	-1,34,29,000	21,12,04,000	11,09,24,000	...	32,21,28,000	-62,63,000
27	...	...	12,63,000	-80,000	12,87,000	...	...	12,87,000	-19,000
28	...	...	83,72,000	-3,79,000	88,77,000	...	...	88,77,000	-5,05,000
29	...	...	21,81,000	-1,01,000	24,42,000	...	...	24,42,000	-2,61,000
30	...	...	6,61,00,000	+1,29,000	6,96,00,000	...	...	6,95,00,000	-44,00,000
31	6,67,50,000	10,65,000	2,31,30,000	-74,53,000	6,97,61,000	10,64,75,000	...	3,07,14,000	+75,84,000
32	9,13,000	11,000	5,76,40,000	+69,000	8,66,97,000	4,02,000	...	8,91,99,000	+15,49,000
33	...	...	6,14,56,000	+14,32,000	6,75,27,000	...	...	6,78,37,000	+63,61,000
34	8,76,93,000	10,79,000	17,22,26,000	-59,32,000	8,67,73,000	0,09,67,000	...	15,77,40,000	+1,55,14,000
35	6,56,58,000	10,69,000	23,02,17,000	-39,75,000	13,06,27,000	10,18,82,000	...	23,84,49,000	+62,32,000

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1929-30.				REVISED		Item No.
	India.	England.	Exchange.	TOTAL.	India.		
	Rs.	Rs.	Rs.	Rs.	Rs.		
Brought forward	13,45,53,241	8,23,38,338	6,04,637	21,84,96,116	14,06,70,000		
<b>Civil Administration—</b>							
23.—General Administration	1,43,78,013	75,87,033	64,259	2,24,79,303	1,55,22,000	1	
23.—Audit	9,39,53	3,21,611	2,095	1,01,63,000	1,10,45,000	2	
24.—Administration of Justice	14,18,164	1,07,330	1,992	15,6,391	14,64,000	3	
25.—Jails and Convict Settlements	43,96,430	67,700	5-8	41,64,147	47,50,000	4	
26.—Police	74,41,91	1,60,580	1,495	74,43,276	81,60,000	5	
27.—Ports and Pilotage	22,47,583	2,67,815	2,216	25,7,599	23,01,000	6	
27 (1).—Light Houses and Light Ships	13,81,681	6,102	51	13,7,834	13,09,000	6	
28.—Ecclesiastical	23,33,791	6,23,733	6,683	31,67,111	33,47,000	7	
29.—Political	1,46,1,467	14,98,146	11,550	1,61,1,163	1,9,45,000	8	
29-A.—Frugal Watch and Ward	2,88,3,121	94,307	201	2,99,34,129	2,76,75,000	9	
30.—Scientific Departments	62,37,108	11,12,436	9,638	93,58,632	69,20,000	10	
31.—Education	51,83,440	62,913	477	53,46,829	62,05,000	11	
32.—Medical	30,36,536	1,04,854	1,426	32,37,586	30,93,000	12	
33.—Public Health	19,56,341	1,43,231	1,189	21,00,751	18,74,000	13	
34.—Agriculture	44,62,877	1,41,700	1,177	46,05,674	47,42,000	14	
35.—Industries	2,37,036	44,399	387	2,81,722	2,39,000	15	
36.—Aviation	17,65,593	2,36,240	1,879	19,91,712	18,71,000	16	
37.—Miscellaneous Departments	18,47,401	94,832	808	18,45,039	28,47,000	17	
37-A.—Indian Stores Department	18,89,747	66,407	667	20,56,711	6,84,000	18	
<b>TOTAL</b>	<b>11,34,85,704</b>	<b>1,30,56,434</b>	<b>1,08,300</b>	<b>12,65,91,338</b>	<b>12,37,06,000</b>	<b>19</b>	
<b>Currency and Mint—</b>							
38.—Currency	83,23,356	9,12,384	7,426	44,43,160	49,65,000	20	
39.—Mint	28,56,593	1,17,513	969	29,77,394	48,37,000	21	
<b>TOTAL</b>	<b>63,61,883</b>	<b>10,30,198</b>	<b>8,415</b>	<b>74,20,554</b>	<b>98,02,000</b>	<b>22</b>	
<b>Civil Works—</b>							
41.—Civil Works	2,67,63,176	63,387	507	2,68,27,070	2,67,40,000	23	
<b>Miscellaneous—</b>							
43.—Famine							
A.—Famine Relief	528	358	2	885	28,000	24	
44.—Territorial and Political Pensions	30,76,361	1,31,771	960	31,99,093	31,72,000	25	
45.—Superannuation Allowances and Pensions	26,88,731	2,37,14,517	1,90,145	2,65,83,443	24,67,000	26	
46.—Stationery and Printing	4,03,931	9,19,950	7,777	61,81,678	53,19,000	27	
47.—Miscellaneous	69,67,270	18,88,957	14,014	88,70,241	88,54,000	28	
<b>TOTAL</b>	<b>1,73,36,506</b>	<b>2,65,06,633</b>	<b>2,12,698</b>	<b>4,41,46,339</b>	<b>1,68,67,000</b>	<b>29</b>	
<b>Miscellaneous capital outlay charged to Revenue—</b>							
48-A.—Committed value of pensions financed from Ordinary Revenue	4,19,650	...	...	4,19,650	50,000	30	
<b>Military Services—</b>							
49.—Army—							
Effective	35,88,9,421	8,91,84,393	7,41,677	44,87,49,091	34,56,82,000	31	
Non-effective	3,84,39,591	4,09,97,621	3,96,340	8,56,31,552	5,61,17,000	32	
50.—Marine	39,44,5,013	13,88,87,614	11,37,017	53,42,77,641	38,17,89,000	33	
50.—Military Engineer Services	51,72,733	30,64,857	24,563	62,62,152	62,87,000	34	
50.—Military Engineer Services	4,04,72,504	4,61,444	3,778	4,83,27,286	4,00,09,000	35	
50-A.—Transfers to Military Reserve Fund	13,41,222	...	...	13,41,222	40,49,000	36	
<b>TOTAL</b>	<b>44,73,44,470</b>	<b>14,23,98,915</b>	<b>11,65,356</b>	<b>59,08,08,743</b>	<b>44,07,43,000</b>	<b>37</b>	
<b>Contributions and miscellaneous Adjustments between Central and Provincial Governments—</b>							
51-A.—Miscellaneous Adjustments between the Central and Provincial Governments	...	...	...	...	...	38	
<b>Extraordinary Items—</b>							
52.—Extraordinary Payments	6,063	...	...	6,063	18,92,000	39	
52-L.—Transfers to Revenue Reserve Fund	...	...	...	...	...	40	
<b>TOTAL</b>	<b>6,063</b>	<b>...</b>	<b>...</b>	<b>6,063</b>	<b>18,92,000</b>	<b>41</b>	
<b>Railway Expenditure as per Railway Budget</b>	<b>18,60,07,610</b>	<b>12,15,37,947</b>	<b>9,11,928</b>	<b>31,04,56,695</b>	<b>20,79,14,000</b>	<b>42</b>	
<b>TOTAL EXPENDITURE CHARGED TO REVENUE</b>	<b>91,31,35,813</b>	<b>87,02,37,449</b>	<b>80,11,843</b>	<b>1,33,41,71,604</b>	<b>90,91,14,000</b>	<b>43</b>	

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

BUDGET FOR 1931-32.

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

ESTIMATE, 1930-31.				Increase (+) Decrease (-) as compared with Budget, 1931-32.	BUDGET ESTIMATE, 1931-32.				Increase + Decrease (-) as compared with Revised, 1930-31.
Item No.	England.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
	8,58,68,000	10,89,000	33,02,17,000	-39,75,000	13,66,27,000	10,18,22,000	—	23,84,49,000	+62,32,000
1	58,58,000	72,000	2,14,62,000	+4,97,000	1,54,56,000	55,33,000	—	2,09,89,000	-4,63,000
2	3,41,000	4,000	1,03,90,000	-1,55,000	1,02,46,000	3,68,000	—	1,06,14,000	+2,24,000
3	1,02,000	1,000	15,17,000	+8,000	14,64,000	1,22,000	—	15,89,000	+29,000
4	54,000	1,000	47,05,000	-1,32,000	42,24,000	64,000	—	43,78,000	-4,27,000
5	1,83,000	2,000	66,45,000	+5,62,000	62,78,000	1,91,000	—	64,69,000	-1,76,000
6	3,37,000	4,000	26,43,000	-1,58,000	26,14,000	3,65,000	—	29,79,000	+3,37,000
7	...	...	13,09,000	+24,000	12,93,000	...	—	12,98,000	-11,000
8	6,70,000	11,000	32,33,000	-21,000	24,00,000	8,46,000	—	32,46,000	+23,000
9	11,73,000	15,000	2,08,36,000	+24,27,000	1,52,13,000	12,76,000	—	1,64,89,000	-41,47,000
10	79,000	1,000	3,77,55,000	-63,000	2,52,35,000	1,10,000	—	2,53,45,000	-24,10,000
11	11,14,000	14,000	97,48,000	-3,50,000	90,37,000	1,61,000	—	1,02,18,000	+4,70,000
12	92,000	1,000	63,98,000	-7,000	67,01,000	80,000	—	67,81,000	+4,83,000
13	2,06,000	3,000	33,02,000	-35,000	31,76,000	1,78,000	—	33,54,000	+52,000
14	1,21,000	1,000	19,96,000	-50,000	18,79,000	1,42,000	—	20,31,000	+25,000
15	1,17,000	1,000	48,60,000	-2,90,000	56,82,000	1,46,000	—	58,38,000	-10,33,000
16	54,000	1,000	2,94,000	-21,000	2,39,000	41,000	—	2,70,000	-24,000
17	5,42,000	7,000	34,20,000	-7,68,000	24,76,000	10,01,000	—	34,77,000	+13,57,000
18	1,71,000	2,000	30,15,000	+2,33,000	43,16,000	1,42,000	—	44,58,000	+14,43,000
19	1,63,000	1,000	9,68,000	+3,000	6,32,000	1,04,000	—	9,36,000	-53,000
20	1,15,27,000	1,42,000	13,54,35,000	+2,76,000	11,87,76,000	1,18,60,000	—	13,06,36,000	-47,99,000
21	50,000	1,000	50,95,000	-47,000	50,24,000	34,000	—	50,58,000	+33,000
22	1,10,000	1,000	49,45,000	+22,54,000	26,68,000	1,45,000	—	28,13,000	-21,35,000
23	1,69,000	2,000	99,73,000	+9,07,000	76,92,000	1,79,000	—	78,71,000	-21,02,000
24	78,000	1,000	3,68,19,000	-12,87,000	2,39,70,000	1,58,000	—	2,41,28,000	-26,91,000
25	...	...	25,000	+25,000	1,31,000	...	—	1,31,000	+1,06,000
26	1,23,000	1,000	33,60,000	+35,000	31,30,000	1,07,000	—	32,37,000	-59,000
27	2,31,72,100	2,85,000	2,59,54,000	+13,98,000	29,72,000	2,20,51,000	—	2,50,53,000	-8,71,000
28	6,15,000	6,000	59,90,000	+4,38,000	17,17,000	6,52,000	—	65,69,000	+6,39,000
29	2,06,000	25,000	82,16,000	+8,15,000	4,72,000	15,80,000	—	18,52,000	-23,68,000
30	2,62,14,000	3,32,000	4,34,03,000	+26,01,000	1,62,50,000	2,46,20,000	—	4,08,42,000	-25,61,000
31	...	...	50,000	-5,85,000	50,000	...	—	50,000	...
32	8,43,06,000	10,77,000	43,10,57,000	-57,37,000	24,95,39,000	7,05,95,000	—	42,61,37,000	-48,90,000
33	4,90,80,000	6,04,100	8,58,77,000	+3,93,000	3,56,87,000	4,99,25,000	—	4,46,32,000	-11,75,000
34	3,03,94,000	10,41,000	51,60,34,000	-53,44,000	36,52,36,000	12,55,33,000	—	51,07,69,000	-60,65,000
35	28,98,100	36,000	99,19,000	+1,77,000	54,74,000	59,48,000	—	64,33,000	-7,97,000
36	5,14,000	6,000	4,65,76,000	+80,000	4,50,97,000	4,69,000	—	4,55,66,000	-29,62,000
37	13,08,04,000	16,83,000	67,92,30,000	+4,49,000	...	...	—	...	-46,41,000
38	...	...	...	-4,73,000	5,68,07,000	12,99,56,000	—	56,47,57,000	-1,44,73,000
39	...	...	...	...	...	...	—	...	...
40	...	...	15,62,000	+15,12,000	25,000	...	—	25,000	-15,37,000
41	...	...	15,62,000	+16,12,000	25,000	...	—	25,000	-15,37,000
42	12,80,61,000	15,39,000	53,45,14,000	+1,06,71,000	31,62,18,000	12,55,83,000	—	34,18,00,000	+72,86,000
43	13,84,11,000	47,75,000	1,36,12,03,000	+1,30,90,000	95,53,57,000	9,31,71,000	—	1,24,65,58,000	-1,16,45,000

## BUDGET FOR 1931-32.

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

	Accounts, 1930-30.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,27,39,79,753	5,24,67,457	1,32,64,47,210
Exchange added to Revenue..	4,07,892	...	4,07,892
<b>TOTAL</b>	<b>1,27,43,87,645</b>	<b>5,24,67,457</b>	<b>1,32,68,55,102</b>
<b>Railway Capital not charged to Revenue—</b>			
As per Railway Budget	2,43,676	...	2,43,676
<b>Public Debt Incurred—</b>			
<b>Permanent Debt—</b>			
<i>Sterling Debt—</i>			
New Sterling Loan	...	...	...
6 per cent. Bonds	...	7,92,00,000	...
5½ per cent. Stock 1936-38	...	...	...
Other 5½ per cent. Stock	...	17,89,681	...
4½ per cent. Stock	...	18,20,848	...
<i>Rupee Debt—</i>			
New Rupee Loan	...	...	...
6 per cent. Bonds, 1933-36	...	...	...
5 per cent. Bonds, 1935	8,10,49,100	...	...
Do. Loan 1939-44	29,14,23,000	...	...
8½ per cent. Loans	4,51,100	...	...
<b>TOTAL</b>	<b>37,29,23,200</b>	<b>8,28,10,827</b>	<b>45,57,34,027</b>
<b>Floating Debt—</b>			
<b>Treasury Bills—</b>			
Issued to Public	64,73,75,000	...	...
Issued to Paper Currency Reserve	58,48,00,000	...	...
India Bills	...	16,00,00,000	...
Temporary Loans	12,00,00,000	...	...
<b>TOTAL</b>	<b>1,33,21,75,000</b>	<b>16,00,00,000</b>	<b>1,49,21,75,000</b>
Carried over	2,97,97,29,521	29,52,78,284	

\* Sterling converted into Rupees at 21 = Rs. 13½.

BUDGET FOR 1931-32.

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

REVISED ESTIMATE, 1930-31.			BUDGET ESTIMATE, 1931-32.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,19,70,06,000 4,54,000	3,69,01,000 ...	1,23,39,07,000 4,54,000	1,31,91,32,000 ...	2,95,32,000 ...	1,34,86,64,000 ...
1,19,74,60,000	3,69,01,000	1,23,43,61,000	1,31,91,32,000	2,95,32,000	1,34,86,64,000
...	...	...	...	...	...
...	...	...	...	19,64,10,000	...
...	25,27,83,000	...	...	6,61,000	...
...	10,40,00,000	...	...	5,17,74,000	...
...	19,04,000	...	...	20,24,000	...
...	19,21,000	...	...	20,24,000	...
...	...	...	15,00,00,000	...	...
29,70,81,000	...	...	...	...	...
...	...	...	...	...	...
8,57,000	...	...	6,00,000	...	...
29,79,38,000	36,06,08,000	65,85,46,000	15,06,00,000	25,28,36,000	40,34,36,000
1,48,67,50,000 19,06,88,000 ...	...	...	1,08,50,00,000 5,65,15,000 ...	...	...
8,00,00,000	8,06,26,000	...	...	...	...
1,75,74,38,000	8,06,26,000	1,83,80,64,000	1,14,15,15,000	...	1,14,15,15,000
8,25,28,36,000	47,61,35,000	...	2,61,12,47,000	28,24,28,000	...

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

	Accounts, 1930-31.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	2,97,97,29,521	29,52,78,284	
<b>Unfunded Debt—</b>			
Deposits of Service Funds . . . . .	9,51,631	20,06,598	
Post Office Cash Certificates . . . . .	7,16,00,711	...	
Savings Bank Deposits . . . . .	37,42,94,272	5,67,55,085	
<b>TOTAL</b>	<b>44,68,46,614</b>	<b>5,87,61,683</b>	<b>50,56,08,297</b>
<b>Deposits and Advances—</b>			
Provincial Loans Fund . . . . .	31,02,91,655	...	
Posts and Telegraphs Depreciation Fund . . . . .	42,45,496	...	
Deposits of Local Funds—			
District Funds . . . . .	17,10,33,727	...	
Other Funds . . . . .	10,44,79,090	...	
Sinking Funds for Central Loans . . . . .	1,60,15,029	...	
Other appropriations for Reduction or Avoidance of Debt . . . . .	4,37,09,000	...	
Sinking Fund Investment Account . . . . .	16,16,829	...	
Sinking Funds for loans granted to local bodies . . . . .	4,11,516	...	
Gold Standard Reserve . . . . .	...	90,58,22,524	
Gold Standard Reserve Revenue Equalisation Fund . . . . .	...	50,02,788	
Paper Currency Reserve . . . . .	...	40,89,64,918	
Deposits of Branch Line Companies . . . . .	3,73,725	...	
Road Development Fund . . . . .	1,07,26,759	...	
Post Office Cash Certificate Bonus Fund . . . . .	...	...	
Departmental and Judicial Deposits . . . . .	87,28,30,303	...	
Advances . . . . .	30,04,37,304	1,74,526	
Discount Sinking Fund . . . . .	21,27,000	...	
Suspense . . . . .	2,39,56,749	-14,91,845	
Exchange on Remittance Accounts . . . . .	31,06,375	...	
Miscellaneous . . . . .	32,66,826	1,51,20,138	
Military Reserve Fund . . . . .	13,41,223	...	
<b>TOTAL</b>	<b>1,87,07,28,605</b>	<b>1,33,44,93,049</b>	<b>3,20,52,21,654</b>
Railway Depreciation and Reserve Funds as per Railway Budget . . . . .	12,59,42,103	...	12,59,42,103
Carried over . . . . .	5,42,32,46,843	1,68,85,33,016	

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

BUDGET FOR 1931-32.

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

REVISED ESTIMATE, 1930-31.			BUDGET ESTIMATE, 1931-32.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,25,28,36,000	47,81,95,000		2,61,12,47,000	28,24,28,000	
9,31,000	16,12,000		9,34,000	15,12,000	
11,76,00,000	...		11,50,00,000	...	
36,38,31,000	...		37,47,54,000	...	
48,23,62,000	16,12,000	48,39,74,000	49,06,85,000	15,12,000	49,21,97,000
18,11,00,000	...		16,17,00,000	...	
43,66,000	...		24,87,000	...	
17,34,80,000	...		17,57,26,000	...	
10,64,83,000	...		10,31,58,000	...	
2,00,90,000	...		1,96,34,000	...	
4,34,81,000	...		4,99,30,000	...	
97,90,000	...		1,09,00,000	...	
4,28,000	...		4,45,000	...	
...	96,54,00,000		...	81,36,00,000	
...	2,94,68,000		...	3,44,68,000	
...	6,66,16,000		...	...	
3,50,000	...		4,75,000	...	
98,00,900	...		1,01,00,000	...	
44,20,000	...		10,00,000	...	
84,09,80,000	...		84,54,16,000	...	
39,52,19,000	6,38,000		28,01,25,000	1,19,000	
46,06,000	...		48,41,000	...	
3,37,65,000	14,74,000		1,69,09,000	7,51,000	
67,48,000	...		...	...	
1,39,03,000	1,77,83,000		77,80,000	1,58,88,000	
46,49,000	...		...	...	
1,55,26,58,000	1,08,13,84,000	2,93,40,42,000	1,68,97,26,000	86,48,26,000	2,55,45,52,000
13,05,00,000	...	13,05,00,000	13,43,00,000	...	13,43,00,000
5,71,83,56,000	1,56,11,31,000		4,92,59,58,000	1,14,87,66,000	

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

	ACCOUNTS, 1929-30.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward . . . . .	5,42,32,46,843	1,68,85,93,016	
<b>Loans and Advances by the Central Government—</b>			
Advances to Provincial Loans Fund . . . . .	7,00,98,071	...	
Other Loans and Advances . . . . .	80,27,526	...	
<b>TOTAL</b>	<b>7,81,25,597</b>	<b>...</b>	<b>7,81,25,597</b>
<b>Remittances—</b>			
<b>Remittances within India—</b>			
Inland Money Orders . . . . .	99,70,69,750	...	
Other Local Remittances . . . . .	...	...	
Other Departmental Accounts . . . . .	...	...	
<b>Net Receipts by Civil Treasuries from—</b>			
Railways . . . . .	2,25,26,280	...	
Posts and Telegraphs . . . . .	55,08,474	...	
<b>Net Receipts from Civil Treasuries by—</b>			
Posts and Telegraphs . . . . .	...	...	
Army, Marine and Military Engineer Services . . . . .	38,02,34,050	...	
<b>Remittances between England and India—</b>			
<b>Remittance Account—</b>			
Iraq drawings . . . . .	...	79,50,000	
Sale of Sterling . . . . .	...	...	
Sale of Silver . . . . .	...	5,20,76,781	
Other transactions . . . . .	2,25,13,497	3,99,96,828	
<b>Remittances from India for financing</b>			
Home Treasury . . . . .	...	20,28,66,667	
Transfers through the Gold Standard Reserve . . . . .	...	...	
Transfers through the Paper Currency Reserve . . . . .	5,22,70,003	15,76,62,266	
<b>TOTAL</b>	<b>1,47,01,22,054</b>	<b>46,05,52,542</b>	<b>1,93,06,74,596</b>
<b>Balances of Provincial Governments</b> . . . . .	...	...	...
<b>TOTAL RECEIPTS</b> . . . . .	<b>6,97,14,94,494</b>	<b>2,14,90,85,558</b>	
Opening Balance . . . . .	3,20,46,097	(a) 6,99,36,668	
<b>GRAND TOTAL</b> . . . . .	<b>7,06,35,40,591</b>	<b>2,21,90,22,226</b>	

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

(a) Of this amount, 23,42 represents the funds of the Gold Standard Reserve.



BUDGET FOR 1931-32.

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

REVISED ESTIMATE, 1930-31.			BUDGET ESTIMATE, 1931-32.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,71,88,56,000	1,56,11,81,000		4,92,59,58,000	1,14,87,66,000	
90,56,000	...		86,70,000	...	
90,56,000	...	90,56,000	86,70,000	...	86,70,000
94,78,00,000	...		98,75,00,000	...	
22,98,000	...		23,02,000	...	
3,16,76,000	...		3,17,33,000	...	
1,09,66,000	...		9,31,32,000	...	
...	...		...	...	
...	...		...	...	
3,71,12,000	...		1,59,80,000	...	
37,60,82,000	...		37,25,72,000	...	
...	79,00,000		...	75,00,000	
8,00,00,000	...		...	...	
...	3,31,04,000		...	...	
1,80,25,000	2,85,16,000		1,57,67,000	2,59,87,000	
...	7,19,33,000		...	44,40,00,000	
1,14,00,000	10,17,80,000		...	...	
2,18,96,000	2,34,20,000		...	...	
1,53,72,50,000	26,66,53,000	1,80,39,03,000	1,51,89,86,000	47,74,87,000	1,99,64,73,000
...	...	...	1,39,30,000	...	1,39,30,000
7,26,46,62,000	1,82,77,84,000		6,46,75,44,000	1,62,62,53,000	
25,76,33,677	(b) 8,51,57,683		12,74,69,677	(b) 6,46,96,683	
7,52,22,95,677	1,91,29,41,683		6,59,50,13,677	1,69,09,49,683	

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

(b) Of this amount, £3,748 represents the funds of the Gold Standard Reserve.

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

	ACCOUNTS, 1929-30.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	93,31,35,813	33,80,23,843	1,32,11,59,661
Exchange charged as Expenditure	30,11,843	...	30,11,843
<b>TOTAL</b>	<b>93,61,47,656</b>	<b>33,80,23,843</b>	<b>1,32,41,71,504</b>
<b>Irrigation, Posts and Telegraphs and other Capital Outlay not charged to Revenue—</b>			
SECURITY PRINTING PRESS	22,754	...	22,754
IRRIGATION, ETC., WORKS	2,99,477	...	2,99,477
POSTS AND TELEGRAPHS	26,15,974	6,91,365	33,07,339
VIZAGAPATAM PORT	31,17,839	4,57,179	35,75,018
LIGHT-HOUSES AND LIGHTSHIPS	—3,20,563	3,33,384	12,821
CURRENCY	29,992	38,640	68,632
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	67,68,042	5,04,197	72,72,239
PAYMENTS OF COMMUTED VALUE OF PENSIONS	38,08,683	...	38,08,683
BOMBAY LAND SCHEME	...	...	...
<b>TOTAL</b>	<b>1,63,42,198</b>	<b>20,24,765</b>	<b>1,83,66,963</b>
<b>RAILWAY CAPITAL NOT CHARGED TO REVENUE—</b>			
As per Railway Budget	13,23,30,470	16,95,03,205	30,18,33,673
<b>Public Debt Discharged—</b>			
<b>Permanent Debt—</b>			
<i>Sterling Debt—</i>			
7 p. c. Stock	...	4,080	...
5½ p. c. Stock	...	...	...
State Railway annuities	...	1,98,94,808	...
Do. Do. Sinking Funds	...	26,66,667	...
<i>Rupee Debt—</i>			
6 p. c. Bonds, 1930	13,51,06,200	...	...
Do. Do. 1931	3,94,62,000	...	...
Do. Do. 1932	4,85,60,200	...	...
Other 6 p. c. Bonds	4,78,500	...	...
5½ p. c. War Bonds, 1928	15,49,725	...	...
Other 5½ p. c. War Bonds	1,81,825	...	...
5 p. c. Loan, 1915-55	28,00,000	...	...
5 p. c. Loan, 1929-47	5,37,000	...	...
5 p. c. Loan, 1939-44	...	...	...
4 p. c. Terminable Loan	8,600	...	...
Other Loans	5,27,138	...	...
<b>TOTAL</b>	<b>22,92,11,188</b>	<b>2,25,65,555</b>	<b>25,17,76,743</b>
<b>Carried over</b>	<b>1,31,40,31,512</b>	<b>58,21,17,373</b>	

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

BUDGET FOR 1931-32.

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

REVISED ESTIMATE, 1930-31.			BUDGET ESTIMATE, 1931-32.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Ra.	Ra.	Ra.	Ra.	Ra.	Ra.
96,80,14,000	38,84,11,000	1,35,64,25,000	95,53,87,000	39,31,71,000	1,34,85,58,000
47,78,000	...	47,78,000	...	...	...
<u>97,27,92,000</u>	<u>38,84,11,000</u>	<u>1,36,12,03,000</u>	<u>95,53,87,000</u>	<u>39,31,71,000</u>	<u>1,34,85,58,000</u>
4,43,000	...	4,43,000	-3,94,000	...	-3,94,000
46,000	...	46,000	67,000	...	67,000
59,10,000	-55,74,000	3,36,000	83,46,000	7,84,000	91,30,000
36,92,000	1,83,000	38,75,000	42,03,000	1,15,000	43,18,000
-1,08,000	1,08,000	...	-3,000	3,000	...
1,58,000	...	1,58,000	5,000	...	5,000
49,41,000	3,49,000	52,90,000	23,50,000	1,22,000	24,72,000
39,51,000	...	39,51,000	37,38,000	...	37,38,000
2,12,29,000	...	2,12,29,000	...	...	...
<u>4,02,62,000</u>	<u>-49,34,000</u>	<u>3,53,28,000</u>	<u>1,83,12,000</u>	<u>10,24,000</u>	<u>1,93,36,000</u>
8,78,00,000	5,72,00,000	14,50,00,000	8,20,00,000	3,25,00,000	11,45,00,000
...	2,000	...	...	...	...
...	...	...	...	19,64,10,000	...
...	2,05,85,000	...	...	2,13,00,000	...
...	26,67,000	...	...	26,67,000	...
15,50,00,000	...	...	20,00,000	...	...
...	...	...	7,00,00,000	...	...
...	...	...	...	...	...
2,70,000	...	...	1,50,000	...	...
3,50,000	...	...	3,00,000	...	...
1,45,000	...	...	1,25,000	...	...
8,94,000	...	...	...	...	...
83,20,000	...	...	31,80,000	...	...
45,46,000	...	...	45,00,000	...	...
2,000	...	...	2,000	...	...
10,00,000	...	...	7,00,000	...	...
<u>17,05,27,000</u>	<u>2,32,54,000</u>	<u>19,37,81,000</u>	<u>8,09,57,000</u>	<u>22,03,77,000</u>	<u>30,13,34,000</u>
1,27,13,81,000	46,39,31,000		1,13,66,56,000	64,70,72,000	

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

	ACCOUNTS, 1931-32.		
	India	England.	TOTAL
	Rs.	Rs.	Rs.
Brought forward	1,31,40,31,512	58,21,17,373	
<b>Floating Debt—</b>			
<b>Treasury Bills—</b>			
Issued to Public	32,69,50,000	...	
Do. Paper Currency Reserve	66,41,60,000	8,00,00,000	
India Bills	...	...	
Temporary Loans	12,00,00,000	...	
<b>TOTAL</b>	<b>1,11,11,10,000</b>	<b>8,00,00,000</b>	<b>1,19,11,10,000</b>
<b>Unfunded Debt—</b>			
Special Loans	89,600	...	
Deposits of Service Funds	14,19,212	56,539	
Post Office Cash Certificates	4,45,76,963	...	
Savings Bank Deposits	29,84,26,845	3,06,66,667	
<b>TOTAL</b>	<b>34,44,62,620</b>	<b>3,07,23,106</b>	<b>37,51,85,826</b>
<b>Deposits and Advances—</b>			
Provincial Loans Fund	31,01,34,319	...	
Posts and Telegraphs Depreciation Fund	2,66,914	...	
Deposits of Local Funds—			
District Funds	17,13,01,644	...	
Other Funds	10,45,12,478	...	
Sinking Funds for Central Loans	33,34,849	...	
Sinking Fund Investment Account	42,819	...	
Gold Standard Reserve	...	90,58,13,106	
Gold Standard Reserve Revenue Equalisation Fund	...	58,47,283	
Paper Currency Reserve	...	40,89,64,918	
Deposits of Branch Line Companies	2,36,691	...	
Road Development Fund	...	...	
Departmental and Judicial Deposits	89,29,11,473	...	
Advances	31,16,09,941	1,44,072	
Discount Sinking Fund	1,77,59,207	...	
Gain or loss on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve	6,18,79,286	...	
Suspense	51,46,033	7,46,127	
Miscellaneous	31,565	1,52,04,306	
Military Reserve Fund	...	...	
<b>TOTAL</b>	<b>1,87,91,67,217</b>	<b>1,33,67,19,792</b>	<b>3,21,58,87,009</b>
Railway Depreciation and Reserve Funds - as per Railway-Budget	13,84,40,020	...	13,84,40,020
Carried over	4,78,72,11,369	2,02,95,60,371	

\* Sterling converted into Rupees at £1=Rs. 12½.

BUDGET FOR 1931-32.

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

REVISED ESTIMATE, 1930-31.			BUDGET ESTIMATE, 1931-32.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,27,13,81,000	46,39,31,000		1,13,66,56,000	64,70,72,000	
1,39,71,25,000	...		1,08,50,00,000	...	
42,63,43,000	...		5,65,15,000	...	
...	8,00,00,000		...	...	
8,00,00,000	2,66,66,000		...	5,39,60,000	
1,90,34,68,000	10,66,66,000	2,01,01,34,000	1,14,15,15,000	5,39,60,000	1,19,54,75,000
44,000	...		44,000	...	
14,26,000	63,000		14,27,000	78,000	
8,56,00,000	...		7,50,00,000	...	
32,14,85,000	2,60,89,000		31,86,76,000	...	
40,85,55,000	2,61,52,000	43,47,07,000	39,51,47,000	78,000	39,52,25,000
18,11,00,000	...		16,16,00,000	...	
1,51,000	...		1,14,000	...	
17,71,46,000	...		17,89,93,000	...	
10,46,83,000	...		10,73,73,000	...	
1,35,67,000	...		79,03,000	...	
...	96,54,00,000		...	81,36,00,000	
...	2,94,68,000		...	3,44,68,000	
...	6,66,16,000		...	...	
2,25,000	...		4,25,000	...	
1,32,00,000	...		1,08,00,000	...	
85,43,84,000	...		84,46,08,000	...	
39,40,07,000	6,38,000		28,19,38,000	1,19,000	
...	...		...	...	
5,24,33,000	...		...	...	
4,69,96,000	15,33,000		1,71,14,000	7,30,000	
...	1,52,28,000		...	1,74,48,000	
...	...		28,76,000	...	
1,83,78,92,000	1,07,98,83,000	2,91,77,75,000	1,61,37,44,000	86,63,65,000	2,48,01,09,000
19,85,99,000	...	19,85,99,000	12,38,67,000	...	12,38,67,000
5,61,98,95,000	1,67,66,32,000		4,41,09,29,000	1,56,74,75,000	

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

	Accounts, 1932-30.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Brought forward	4,78,72,11,369	2,02,95,60,371	
<b>Loans and Advances by the Central Government—</b>			
Advances to Provincial Loans Fund	12,05,25,000	...	
Other Loans and Advances	2,96,12,013	...	
<b>TOTAL</b>	<b>15,01,37,013</b>	<b>...</b>	<b>15,01,37,013</b>
<b>Remittances—</b>			
Remittances within India—			
Inland Money Orders	98,80,88,406	...	
Other Local Remittances	9,50,043	...	
Other Departmental Accounts	5,46,247	...	
Net Payments into Civil Treasuries by—			
Railways	2,27,09,489	...	
Posts and Telegraphs	55,40,145	...	
Net Issues from Civil Treasuries to—			
Posts and Telegraphs	...	...	
Army, Marine and Military Engineer Services	88,25,14,100	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	78,50,000	...	
Sale of Sterling	...	...	
Sale of Silver	5,20,76,781	...	
Other transactions	4,60,54,052	1,66,58,809	
Remittances from India for financing Home Treasury	20,28,66,667	...	
Transfers through the Gold Standard Reserve	...	...	
Transfers through the Paper Currency Reserve	15,76,62,266	5,22,70,003	
<b>TOTAL</b>	<b>1,86,68,58,196</b>	<b>6,89,28,812</b>	<b>1,93,57,87,008</b>
<b>Balances of Provincial Governments</b>	<b>17,00,336</b>	<b>3,53,75,360</b>	<b>3,70,75,696</b>
<b>TOTAL DISBURSEMENTS</b>	<b>6,80,59,06,914</b>	<b>2,13,38,64,543</b>	
Closing Balance	25,76,33,677	8,51,57,683	
<b>GRAND TOTAL</b>	<b>7,06,35,40,591</b>	<b>2,21,90,22,226</b>	

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

(b) Of this amount, £3,748 represents the

BUDGET FOR 1931-32.

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

REVISED ESTIMATE, 1930-31.			BUDGET ESTIMATE, 1931-32.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,61,98,95,000	1,67,66,32,000		4,41,09,29,000	1,56,74,75,000	
6,49,00,000	...		6,29,00,000	...	
2,65,51,000	...		2,07,41,000	...	
9,34,51,000	...	9,34,51,000	8,36,41,000	...	8,36,41,000
94,70,00,000	...		98,70,00,000	...	
1,17,41,000	...		1,17,86,000	...	
2,21,18,000	...		2,21,02,000	...	
1,09,66,000	...		9,31,32,000	...	
...	...		...	...	
3,71,12,000	...		1,59,80,000	...	
37,60,82,000	...		37,25,72,000	...	
79,00,000	...		75,00,000	...	
...	8,00,00,000		...	...	
3,31,04,000	...		...	...	
2,85,16,000	1,80,25,000		2,59,67,000	1,57,67,000	
7,19,33,000	...		44,40,00,000	...	
10,17,80,000	1,14,00,000		...	...	
2,34,20,000	2,18,96,000		...	...	
1,67,16,72,000	13,13,21,000	1,80,29,93,000	1,98,00,59,000	1,57,67,000	1,99,58,26,000
98,08,000	4,02,92,000	5,01,00,000	...	4,60,30,000	4,60,30,000
7,39,48,26,000	1,84,82,45,000		6,47,46,29,000	1,62,92,72,000	
12,74,69,677	(b) 6,46,96,683		12,03,84,677	(b) 6,16,77,683	
7,52,22,95,677	1,91,29,41,683		6,59,50,13,677	1,69,09,49,683	

Funds of the Gold Standard Reserve.

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

Revenue and Expenditure.	ACCOUNTS, 1929-30.		REVISED ESTIMATE, 1930-31.		BUDGET ESTIMATE, 1931-32.	
	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 . . . . .	50,30,14,911	...	45,05,62,000	...	55,47,91,000	...
Taxes on Income . . . . .	15,99,75,889	...	15,04,33,000	...	16,67,38,000	...
Salt . . . . .	5,49,60,028	...	5,56,61,000	...	5,60,87,000	...
Opium . . . . .	3,55,22,515	...	1,87,36,000	...	1,41,95,000	...
Other Heads . . . . .	1,63,24,794	...	1,55,74,000	...	1,54,20,000	...
<b>TOTAL</b>	<b>75,95,94,137</b>	<b>...</b>	<b>69,09,65,000</b>	<b>...</b>	<b>80,93,21,000</b>	<b>...</b>
Forest and other Capital Outlay charged to Revenue . . . . .	...	5,13,198	...	5,69,000	...	2,16,000
Irrigation . . . . .	...	20,01,734	...	29,56,000	...	8,35,000
Railways . . . . .	6,11,65,963	...	5,73,67,000	...	5,36,03,000	...
Posts and Telegraphs . . . . .	...	61,18,421	...	1,59,39,000	...	91,70,000
Debt Services . . . . .	...	12,18,06,689	...	13,90,19,000	...	15,66,41,000
Civil Administration . . . . .	...	11,49,31,613	...	13,67,36,000	...	12,02,91,000
Currency and Mint . . . . .	1,99,46,311	...	26,56,000	...	...	16,37,000
Civil Works . . . . .	...	2,35,61,614	...	2,40,19,000	...	2,16,43,000
Miscellaneous . . . . .	...	2,50,02,565	...	2,48,90,000	...	2,35,08,000
Military Services . . . . .	...	55,10,00,000	...	54,30,00,000	...	52,00,00,000
Provincial Contributions and Miscellaneous Adjustments between Central and Provincial Governments. . . . .	2,011	...	...	...	...	...
Extraordinary Items . . . . .	1,88,63,378	...	63,22,000	...	30,19,000	...
<b>TOTAL</b>	<b>86,96,16,600</b>	<b>66,09,16,203</b>	<b>75,92,69,000</b>	<b>68,61,31,000</b>	<b>66,58,42,000</b>	<b>64,57,36,000</b>



BUDGET FOR 1931-32.

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

Revenue and Expenditure.	ACCOUNTS, 1929-30.		REVISED ESTIMATE, 1930-31.		BUDGET ESTIMATE, 1931-32.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus or deficit . . . . .	26,83,598	...	...	12,68,42,000	1,08,000	...
<b>Capital Account—</b>						
Capital outlay on Security Printing Press . . . . .	...	22,754	...	4,43,000	...	-3,94,000-
Railway Capital not charged to Revenue . . . . .	2,43,676	30,18,33,675	...	14,50,00,000	...	11,45,00,000-
Construction of Irrigation Work . . . . .	...	2,99,477	...	46,000	...	67,000 .
Capital outlay on Posts and Telegraphs . . . . .	...	38,07,339	...	3,36,000	...	91,30,000 .
Capital outlay on Vizagapatam Port . . . . .	...	35,75,018	...	38,75,000	...	48,18,000 -
Capital outlay on Light-houses and Light-ships . . . . .	...	12,821	...	...	...	...
Currency Capital outlay . . . . .	...	68,632	...	1,58,000	...	5,000 -
Initial expenditure on New Capital at Delhi . . . . .	...	72,72,289	...	52,90,000	...	24,72,000-
Payment of commuted value of pensions . . . . .	...	38,08,083	...	39,51,000	...	37,38,000-
Capital outlay on Bombay Land Scheme . . . . .	...	...	...	2,12,29,000	...	...
<b>Debt, Deposits, Advances and Remittances—</b>						
Permanent Debt . . . . .	20,39,57,284	...	46,47,65,000	...	10,21,62,000	...
Floating Debt . . . . .	30,10,65,000	...	...	17,20,70,000	...	5,39,60,000 -
Unfunded Debt . . . . .	13,04,22,471	...	4,92,67,000	...	9,69,72,000	...
Deposits and Advances . . . . .	...	2,31,63,272	...	5,18,32,000	8,48,76,000	...
Loans and Advances by Central Government . . . . .	...	7,20,11,416	...	8,43,95,000	...	7,49,71,000 .
Remittances . . . . .	...	51,12,412	9,10,000	...	6,47,000	...
Balances of Provincial Governments . . . . .	...	3,70,76,696	...	5,01,00,000	...	3,21,00,000 -
Opening Balance . . . . .	16,19,82,705	...	34,27,91,360	...	19,21,66,360	...
Closing Balance . . . . .	...	34,37,91,360	...	19,21,66,360	...	18,20,62,360 .
<b>TOTAL</b> . . . . .	<b>50,03,54,794</b>	<b>50,08,54,794</b>	<b>55,77,33,360</b>	<b>55,77,33,360</b>	<b>47,69,29,360</b>	<b>47,69,29,360-</b>

# Explanatory Memorandum

by the

## Financial Secretary.

(Unless otherwise stated, the amounts in the tables are in lakhs of rupees; the comparisons are with the budget estimate for 1930-31; and the expressions "last year", "current year", and "next year" stand for the financial years 1929-30, 1930-31, and 1931-32 respectively.)

The following table compares the total recorded revenue and expenditure of the Government of India in the year 1929-30 with the budget and revised estimates for the year:—

	Budget.	Revised.	Accounts.
Revenue . . . . .	1,34,06·33	1,32,84·08	1,32,68·55.
Expenditure . . . . .	1,34,06·33	1,32,49·08	1,32,41·71
Surplus +, Deficit — . . . . .		+ 35·00	+ 26·84

Both in the net result and under individual heads, the revised estimate was very near the mark, and there are no large variations requiring explanation.

2. The following statement compares the actual revenue and expenditure of the Central Government with the revised estimates from 1921-22 onwards. The figures are exclusive of transfers from and to the Revenue Reserve Fund which have been brought together in paragraph 3.

Year.	Revised estimate.			Actuals.			Actual out- turn better +, worse— than revis- ed estimate.
	Revenue.	Expen- diture.	Surplus (+) Deficit (—).	Revenue.	Expen- diture.	Surplus (+) Deficit (—).	
1921-22 . . . . .	1,13,15·32	1,41,94·52	—28,79·20	1,15,21·50	1,42,86·52	—27,65·02	+1,14·18
1922-23 . . . . .	1,20,70·17	1,37,95·52	—17,25·35	1,21,41·29	1,36,43·05	—15,01·76	+2,26·59
1923-24 . . . . .	1,31,96·04	1,29,89·97	+2,06·07	1,33,16·63	1,30,77·63	+2,39·00	+32·93
1924-25 . . . . .	1,34,82·26	1,30,82·68	+3,99·58	1,38,03·92	1,32,35·66	+5,68·26	+1,68·68
1925-26 . . . . .	1,31,35·25	1,30,04·87	+1,30·38	1,33,32·98	1,30,01·80	+3,31·18	+2,00·80
1926-27 . . . . .	1,29,97·48	1,27,15·44	+2,82·04	1,31,70·00	1,28,74·37	+2,95·63	+1,3·59
1927-28 . . . . .	1,26,05·25	1,27,73·98	—1,68·73	1,25,04·80	1,27,26·28	—2,21·48	—52·75
1928-29 . . . . .	1,31,19·67	1,30,90·04	+29·63	1,23,23·95	1,29,29·64	—1,05·69	—1,35·32
1929-30 . . . . .	1,32,84·08	1,32,49·08	+35·00	1,32,68·55	1,32,41·71	+26·84	—8·16

## BUDGET FOR 1931-32.

3. The transactions relating to the Revenue Reserve Fund were as follows:—

Year.	Transactions.	Closing balance.
1926-27 . . . . .	+2,95.63	2,95.63
1927-28 . . . . .	-2,21.48	74.15
1928-29 . . . . .	-74.15	..
1929-30 . . . . .	..	..

There is no balance in the Fund at present.

4. The broad results of the estimating for the current year and the next, as detailed in the budget statements, are as follows:—

	Budget, 1930-31.	Revised, 1930-31.	Budget, 1931-32.
Revenue . . . . .	1,35,64.11	1,23,43.61	1,34,86.64
Expenditure . . . . .	1,34,78.11	1,36,12.03	1,34,85.58
Surplus . . . . .	86.00	-12,68.42	+1.06

The above figures, however, take into account the net effect of the changes in taxation referred to in paragraphs 7 and 10, viz., an addition to revenue of 88 lakhs in the revised estimate for 1930-31 and 13,77 lakhs in the budget estimate for 1931-32. But for this, the estimates would have shown deficits of 13,56 lakhs and 13,76 lakhs respectively.

5. Thus, excluding the effect of changes in taxation, the revised estimate for the current year is worse than the budget by 14,42 lakhs; while the budget estimate for next year is worse than the revised estimate by 20 lakhs and worse than the budget for 1930-31 by as much as 14,62 lakhs. The variations are summarised in the three tables below:—

(i) Revised, 1930-31 compared with Budget, 1930-31.

	Better.	Worse.
Customs . . . . .	..	9,50
Taxes on Income . . . . .	..	2,20
Salt . . . . .	..	20
Opium (net) . . . . .	..	20
Irrigation (net) . . . . .	..	18
Posts and Telegraphs (net) . . . . .	..	89
Interest receipts . . . . .	..	13
Currency and Mint (net) . . . . .	..	1,85
Extraordinary items (net) . . . . .	51	..
Interest on Ordinary Debt . . . . .	75	..
Reduction or Avoidance of Debt . . . . .	..	15
Civil Administration expenditure . . . . .	..	27
Military (net) . . . . .	5	..
Other heads (net) . . . . .	..	16
Total . . . . .	1,31	15,73
Net . . . . .	..	14,42

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(ii) Budget, 1931-32 compared with Revised, 1930-31.

	Better.	Worse.
Customs . . . . .	1,50	..
Taxes on Income . . . . .	..	2,30
Salt . . . . .	20	..
Opium (net) . . . . .	..	46
Railways (net) . . . . .	..	38
Irrigation (net) . . . . .	22	..
Posts and Telegraphs (net) . . . . .	68	..
Interest receipts . . . . .	..	41
Currency and Mint (net) . . . . .	..	42
Interest on Ordinary Debt . . . . .	..	76
Interest on other Obligations . . . . .	..	16
Reduction or Avoidance of Debt . . . . .	..	63
Civil Administration expenditure . . . . .	50	..
Civil Works expenditure . . . . .	27	..
Extraordinary items (net) . . . . .	..	53
Military (net) . . . . .	2,30	..
Other heads (net) . . . . .	18	..
<b>Total</b> . . . . .	<b>5,85</b>	<b>6,05</b>
<b>Net</b> . . . . .	<b>..</b>	<b>20</b>

(iii) Budget, 1931-32 compared with Budget, 1930-31.

	Better.	Worse.
Customs . . . . .	..	8,00
Taxes on Income . . . . .	..	4,50
Opium (net) . . . . .	..	66
Railways (net) . . . . .	..	38
Posts and Telegraphs (net) . . . . .	..	21
Interest receipts . . . . .	..	54
Currency and Mint (net) . . . . .	..	2,27
Interest on Ordinary Debt . . . . .	..	1
Interest on other Obligations . . . . .	..	16
Reduction or Avoidance of Debt . . . . .	..	78
Civil Works (net) . . . . .	40	..
Military (net) . . . . .	2,35	..
Other heads (net) . . . . .	14	..
<b>Total</b> . . . . .	<b>2,89</b>	<b>17,51</b>
<b>Net</b> . . . . .	<b>..</b>	<b>14,62</b>

6. In Appendix I will be found the figures of *net* revenue and expenditure for each year from 1923-24 onwards, arranged in a convenient form different from that of the main budget statements and exhibiting Departmental transactions separately from Civil transactions. 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 II. For the rest, the details are given in the following paragraphs.

## CUSTOMS.

	Revenue (Receipts less Refunds).	Expenditure.	Net revenue.
1927-28 . . . . .	48,21.42	84.82	47,36.60
1928-29 . . . . .	49,28.01	93.59	48,34.42
1929-30 . . . . .	51,27.66	97.51	50,30.15
1930-31 { Budget . . . . .	54,63.81	98.14	53,65.67
{ Revised . . . . .	46,01.93	96.31	45,05.62
1931-32 Budget . . . . .	56,45.97	98.06	55,47.91

7. The revenue estimates include the following new items :—

	Revised, 1930-31.	Budget, 1931-32.
(i) Additional yield from increased import duties on galvanized iron and steel pipes and sheets, imposed with effect from the 30th December 1930 by Commerce Department Notification No. 260-T.(127)-Tariffs of that date .	10	50
(ii) Additional yield from increased customs and excise duties proposed in paragraphs 61—67 of the Finance Member's budget speech and detailed in Appendix III . . . . .	73	9.32
<b>Total . . . . .</b>	<b>83</b>	<b>9.82</b>

No alteration has been made in the estimates as a result of the passing of the Wheat (Import Duty) Act, 1931, as the effect on the revenue position of the Central Government will probably be inappreciable.

8. If the additional yield referred to in the preceding paragraph is excluded, the revenue estimates compare as follows :—

Budget, 1930-31 . . . . .	54.64
Revised, 1930-31 . . . . .	45.14
Budget, 1931-32 . . . . .	46.64

There is thus a deterioration of 9½ crores in the current year and 8 crores in the next. From the details which follow, it will be apparent that, with the exception of sugar, mineral oils, silver bullion, and land customs, almost all

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the heads, and particularly cotton piece-goods, tobacco, iron and steel, and jute, have contributed to this result. The causes of the deterioration, viz., the prevailing trade depression, the heavy fall in prices, the diminution in purchasing power, and the civil disobedience movement, have been discussed at length in the budget speech.

9. The details are as follows:—

	Accounts, 1927-28.	Accounts, 1928-29.	Accounts, 1929-30.	1930-31.		Budget, 1931-32.
				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, elder and other fermented liquors . . . . .	22'26	21'08	24'58	24'80	23'90	31'05
(b) Spirits and Liqueurs . . . . .	2,18'92	2,14'90	2,15'10	2,19'00	1,06'75	2,45'00
(c) Wines . . . . .	14'60	15'11	14'61	14'50	12'25	15'70
Sugar, all sorts . . . . .	6,51'19	7,77'20	8,69'70	9,40'00	10,50'26	11,16'00
Tobacco . . . . .	2,17'13	2,58'48	2,27'90	2,20'00	1,20'85	1,48'60
Coal, coke and patent fuel . . . . .	1'60	'95	1'19	1'33	1'03	1'16
Tin, block . . . . .	8'20	6'15	7'13	7'73	6'60	6'90
Mineral oils . . . . .	1,78'92	1,93'60	2,08'94	1,74'19	2,16'64	2,67'29
Arms, ammunition and military stores . . . . .	7'31	6'12	5'84	6'46	5'10	6'06
Motor cars and cycles . . . . .	89'53	1,02'14	95'01	1,08'00	72'00	1,01'50
Silver bullion, coin, sheets and plates not manufactured . . . . .	..	..	17'70	1,00'00	1,91'22	2,37'65
Artificial silk yarn and thread . . . . .	7'91	10'43	7'42	10'05	5'42	7'25
Cotton yarn and thread . . . . .	41'45	45'80	45'16	46'80	29'30	34'80
Silk mixture . . . . .	7'26	8'02	7'33	6'50	4'75	6'60
Portland Cement (excluding white Portland cement) . . . . .	9'96	11'53	10'52	10'35	10'24	13'09
Other Articles . . . . .	'40	2'66	3'49	3'20	2'80	4'15
<i>Duty at 2½ per cent.</i>						
Printing materials, vinegar and other articles . . . . .	23'12	'34	'25	'24	'16	'17
<i>Duty at 10 per cent.</i>						
Metals—Iron and Steel . . . . .	51'09	46'41	43'91	47'50	34'19	46'05
Railway plant and rolling stock . . . . .	28'94	20'16	20'60	23'00	15'66	19'85
Other articles . . . . .	1'07	'54	'41	'28	'72	'54

	Accounts, 1927-28.	Accounts, 1928-29.	Accounts, 1929-30.	1930-31.		Budget, 1931-32.
				Budget.	Revised.	
<b>REVENUE—contd.</b>						
<b>SEA CUSTOMS—contd.</b>						
<b>IMPORTS—contd.</b>						
<i>Duty at 15 per cent.</i>						
Articles of food and drink (excluding sugar and vinegar and grain and pulse but including flour other than wheat flour)	1,82·09	1,80·75	1,77·00	1,80·70	1,56·10	1,60·80
Raw materials and articles mainly unmanufactured	78·85	79·06	78·64	78·34	58·64	72·64
Articles wholly or mainly manufactured—						
(a) Cutlery, hardware, implements and instruments	1,37·47	1,45·67	1,40·81	1,46·00	1,11·15	1,44·20
(b) Broadcast wireless receiving apparatus and component parts	..	..	..	·62	·56	·41
(c) Metals, other than Iron and Steel	51·81	82·76	75·01	79·87	67·37	87·17
(d) Yarns and textile fabrics (other than cotton yarn and silk manufactures)	1,82·88	1,74·82	1,59·18	1,62·00	1,01·25	1,56·30
(e) Pneumatic rubber tyres and tubes	29·59	33·10	37·29	41·50	30·65	40·40
(f) All other articles wholly or mainly manufactured	4,14·58	4,13·11	4,36·33	4,36·50	3,37·10	4,45·15
Miscellaneous	64·71	64·34	63·55	64·05	55·05	67·00
<i>Duty at 33 per cent.</i>						
Spices	..	..	..	..	1·35	16·00
Silk piece-goods and other manufactures of silk	88·21	87·60	79·00	87·70	46·83	66·33
Cinematograph films, exposed	..	..	..	..	·50	6·00
Betelnuts	..	..	..	..	3·85	46·00
Other articles	96·02	1,00·92	1,05·27	1,03·00	05·60	88·75
<i>Protective Special Duties.</i>						
Iron and Steel						
(a) Liable to additional duties						
(b) Not liable to additional duties	2,96·43	2,62·45	2,13·23	2,45·00	1,47·25	1,93·00
Silver wire, thread and other manufactures	..	..	..	7·00	5·40	5·78
Paper and Stationery	25·34	23·10	29·41	29·86	20·86	23·86
Cotton piece-goods	6,25·17	6,04·49	5,83·63	7,20·00	3,32·32	5,65·00
Matches, match-splints and veneers	53·72	25·23	13·94	10·00	4·40	3·73
<i>Government stores.</i>						
Articles liable to protective duties—						
Iron and Steel						
(a) Liable to additional duties						
(b) Not liable to additional duties	1,08·14	67·10	58·73	47·52	43·72	38·19
Paper and Stationery						
Railway plant and rolling stock (non-protective)						
Others						
<b>TOTAL IMPORTS</b>	<b>40,46·17</b>	<b>40,92·07</b>	<b>40,72·81</b>	<b>44,04·69</b>	<b>36,44·80</b>	<b>45,36·12</b>

	Accounts, 1927-28.	Accounts, 1928-29.	Accounts, 1929-30.	1930-31.		Budget 1931-32
				Budget.	Revised.	
<b>REVENUE—concl'd.</b>						
<b>SEA CUSTOMS—concl'd.</b>						
<b>IMPORTS—concl'd.</b>						
Export duties—						
(a) Hides and skins, raw . . . . .	37·33	36·83	35·49	38·40	26·70	23·73
(b) Jute (raw and manufac- tured) . . . . .	4,59·97	4,21·99	4,66·24	4,20·52	3,35·32	3,60·42
(c) Rice. . . . .	1,06·54	99·45	1,20·48	96·26	91·71	93·58
(d) Tea . . . . .	1·33	..	..	..	..	..
(e) Government Stores . . . . .	·03	·01	..	·01	..	·01
Sea Customs—Miscellaneous . . . . .	14·43	13·37	12·15	13·41	10·33	10·57
Land Customs . . . . .	27·80	98·64	1,14·02	80·33	1,46·09	1,41·36
Excise Duty on Motor Spirit . . . . .	1,21·23	1,55·03	2,81·13	3,24·00	2,76·72	3,62·62
Excise Duty on Kerosene . . . . .	97·18	92·35	95·70	1,50·18	1,43·50	1,87·10
Excise Duty on Silver . . . . .	..	..	..	15·00	15·60	22·00
Warehouse and wharf rents and Miscellaneous . . . . .	5·68	5·80	5·65	5·90	5·50	5·33
<b>TOTAL RECEIPTS . . . . .</b>	<b>49,17·69</b>	<b>50,15·74</b>	<b>52,03·67</b>	<b>55,48·60</b>	<b>46,96·27</b>	<b>57,45·87</b>
<i>Deduct—Refunds . . . . .</i>	<i>96·27</i>	<i>37·73</i>	<i>76·01</i>	<i>84·79</i>	<i>94·34</i>	<i>99·90</i>
<b>NET TOTAL REVENUE</b>	<b>48,21·42</b>	<b>49,28·01</b>	<b>51,27·66</b>	<b>54,63·81</b>	<b>46,01·93</b>	<b>56,45·97</b>
<b>EXPENDITURE.</b>						
India . . . . .	82·90	91·53	96·13	96·36	94·53	96·40
England . . . . .	1·91	2·01	1·37	1·78	1·71	1·66
Exchange . . . . .	·01	..	·01	..	·02	..
<b>Total . . . . .</b>	<b>84·82</b>	<b>93·59</b>	<b>97·51</b>	<b>98·14</b>	<b>96·31</b>	<b>98·06</b>

TAXES ON INCOME.

	Revenue. (Receipts less re- funds and Pro- vincial Govern- ments' share of Income-tax revenue).	Expenditure.	Net revenue.
1927-28 . . . . .	15,06·39	65·56	14,40·83
1928-29 . . . . .	16,70·34	68·96	16,01·38
1929-30 . . . . .	16,70·61	71·83	15,98·76
1930-31 { Budget . . . . .	17,99·78	75·89	17,23·89
{ Revised . . . . .	15,79·83	75·51	15,04·32
1931-32 Budget . . . . .	17,44·54	77·26	16,67·28



10. The budget estimate of revenue includes 3.95 crores net on account of the proceeds of the additional taxation proposed in paragraphs 69 and 70 of the budget speech. Full details of this will be found in Appendix IV.

11. On the present basis of taxation, the revenue estimates show a fall of 2.20 crores in the current year and 4½ crores in the next. The fall is spread over practically all the Provinces and reflects the depression in trade. It is more marked in the coming year's budget as the assessments in that year will be based on the comparatively poorer results of 1930-31.

12. The following tables give the usual details:—

	Accounts, 1927-28.	Accounts, 1928-29.	Accounts, 1929-30.	1930-31.		Budget, 1931-32.
				Budget.	Revised.	
<b>REVENUE.</b>						
<b>EXCESS PROFITS DUTY.</b>						
1. Bengal	01	01	01	01	01	01
<b>SUPER-TAX.</b>						
1. India	2.57	2.04	4.01	3.30	2.60	2.02
2. Baluchistan	.29	.12	.25	.16	.20	.20
3. N.-W. Frontier	.82	.07	1.21	.81	.65	.60
4. Madras	19.59	20.90	21.65	23.00	21.00	23.00
5. Bombay	83.22	79.83	95.30	88.00	85.00	80.00
6. Bengal	1.89.14	2.55.10	2.05.94	2.84.50	2.30.38	1.93.68
7. United Provinces	15.88	19.74	19.33	21.20	19.00	13.10
8. Punjab	9.11	7.82	5.88	4.17	8.91	2.51
9. Burma	05.04	56.54	49.60	52.00	58.50	54.50
10. Bihar and Orissa	6.47	49.22	12.49	33.00	19.50	19.09
11. Central Provinces	8.37	4.95	2.90	7.73	5.17	4.51
12. Assam	3.27	3.59	3.01	2.57	2.16	1.96
<b>TOTAL</b>	<b>3,98.71</b>	<b>5,01.72</b>	<b>4,81.57</b>	<b>5,20.44</b>	<b>4,49.07</b>	<b>3,05.17</b>
<b>INCOME-TAX.</b>						
<b>1. India General—</b>						
Civil	35.25	41.74	48.87	47.99	51.68	80.63
Non-Civil Departments	64.36	66.58	69.16	69.05	71.26	71.80
2. Delhi	11.57	10.40	11.40	10.41	8.99	10.67
3. Baluchistan	1.62	1.76	1.70	1.65	1.50	1.47
4. North-West Frontier	9.87	9.56	9.82	8.70	8.94	8.56
5. Madras	1,34.51	1,34.45	1,39.71	1,48.00	1,40.00	1,79.00
6. Bombay	2,80.84	2,03.84	3,16.59	3,22.00	3,17.86	3,45.86
7. Bengal	3,25.50	3,91.93	3,97.57	4,14.93	3,53.67	3,67.87
8. United Provinces	68.63	73.21	74.55	80.72	78.02	82.52
9. Punjab	69.79	65.81	62.30	61.15	53.93	63.00
10. Burma	1,95.71	1,76.62	1,73.86	1,78.10	1,47.52	1,93.65
11. Bihar and Orissa	40.68	50.75	47.74	43.09	45.15	59.64
12. Central Provinces	34.56	36.87	37.54	41.15	56.45	45.01
13. Assam	19.69	20.36	19.46	18.52	16.12	20.83
14. Coorg	.21	.22	.25	.23	.24	.24
<b>TOTAL</b>	<b>12,92.83</b>	<b>13,73.65</b>	<b>14,09.61</b>	<b>14,52.85</b>	<b>13,26.38</b>	<b>15,30.25</b>

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	Accounts, 1927-28.	Accounts, 1928-29.	Accounts, 1929-30.	1930-31.		Budget, 1931-32.
				Budget.	Revised.	
<b>REVENUE—contd.</b>						
<b>MISCELLANEOUS.</b>						
1. India	..	..03	..04	..	..01	..01
2. N.-W. F. Province	..	..06	..02	..04	..03	..03
3. Madras	..02	..01	..04	..	..14	..14
4. Bombay	..05	..	..04	..01	..02	..02
5. Bengal	..	..	..10	..	..	..
6. United Provinces	..11	..65	..	..06	..03	..03
7. Punjab	..01	..06	..05	..05	..52	..02
8. Burma	..02	..08	..03	..06	..02	..03
9. Bihar and Orissa	..02	..31	..04	..07	..07	..03
10. Central Provinces	..02	..09	..03	..	..	..
11. Assam	..	..01	..	..	..	..
12. England	..	..	..05	..	..	..
<b>TOTAL</b>	<b>25</b>	<b>40</b>	<b>45</b>	<b>29</b>	<b>84</b>	<b>84</b>
<b>Total Receipts from Taxes on Income</b>	<b>16,91.80</b>	<b>18,75.78</b>	<b>18,91.64</b>	<b>19,73.59</b>	<b>17,75.80</b>	<b>19,25.77</b>
<b>Deduct—Refunds—</b>						
India	1,48.82	1,70.08	1,85.28	1,43.92	1,63.87	1,54.83
England	..34	..07	..01	..	..	..
Exchange	..	..	..	..	..	..
<b>TOTAL REFUNDS</b>	<b>1,49.16</b>	<b>1,70.13</b>	<b>1,85.29</b>	<b>1,43.92</b>	<b>1,63.87</b>	<b>1,54.83</b>
<b>Deduct—Share of Provincial Govern- ments in Income-tax revenue under the Devolution Rules</b>	<b>36.25</b>	<b>35.31</b>	<b>35.74</b>	<b>29.89</b>	<b>31.60</b>	<b>26.40</b>
<b>Total Revenue of the Central Gov- ernment</b>	<b>15,06.89</b>	<b>16,70.34</b>	<b>16,70.61</b>	<b>17,99.78</b>	<b>15,79.88</b>	<b>17,44.54</b>
<b>EXPENDITURE.</b>						
India	64.81	67.46	70.85	74.58	74.53	75.87
England	..75	1.50	1.49	1.81	1.97	1.39
Exchange	..	..	..01	..	..01	..
<b>TOTAL</b>	<b>65.56</b>	<b>68.96</b>	<b>71.85</b>	<b>75.89</b>	<b>75.51</b>	<b>77.26</b>
<b>Distributed as follows—</b>						
Payments to Provincial Govern- ments	2.58	1.90	.81	.24	.30	.24
Direct expenditure of Central Gov- ernment	62.98	67.06	71.64	75.65	75.21	77.02

Income-tax revenue payable to Provincial Governments on the present basis of taxation.

	Accounts, 1927-28.	Accounts, 1928-29.	Accounts, 1929-30.	1930-31.		Budget, 1931-32.
				Budget.	Revised.	
Madras	5.94	5.48	7.27	6.00	6.00	5.50
United Provinces	..	..	..71	..80	1.40	1.00
Punjab	4.83	4.02	3.60	1.21	..64	..
Burma	14.94	12.21	11.40	10.95	13.50	12.00
Bihar and Orissa	3.20	4.74	4.49	4.50	4.20	3.90
Central Provinces	1.72	2.23	2.74	1.63	1.66	..
Assam	5.62	6.63	5.53	5.00	4.20	4.00
<b>TOTAL</b>	<b>36.25</b>	<b>35.31</b>	<b>35.74</b>	<b>29.89</b>	<b>31.60</b>	<b>26.40</b>

## BUDGET FOR 1931-32.

## SALT.

	Revenue (Receipts <i>less</i> Refunds).	Expenditure (including Capital Expenditure charged to Revenue).	Net Revenue.
1927-28 . . . . .	6,63·18	1,27·01	5,36·17
1928-29 . . . . .	7,59·93	1,23·83	6,36·10
1929-30 . . . . .	6,76·46	1,23·08	5,43·38
1930-31 { Budget . . . . .	7,04·83	1,33·49	5,71·34
{ Revised . . . . .	6,85·00	1,28·90	5,56·10
1931-32 Budget . . . . .	7,05·00	1,25·15	5,79·85

No alteration has been made in the estimates as a result of the passing of the Salt (Additional Import Duty) Act, 1931, as the effect on the revenue position of the Central Government will probably be inappreciable.

13. A drop of 20 lakhs is expected this year in view of the progress of actuals, but the budget estimate for the coming year has again been taken at 7·05 crores. The drop in the current year occurs chiefly under local manufacture in Northern India and is counter-balanced to some extent by a rise in the imports into Bengal.

14. The relevant details are given below :—

	Accounts, 1927-28.	Accounts, 1928-29.	Accounts, 1929-30.	1930-31.		Budget, 1931-32.
				Budget.	Revised.	
<b>REVENUE.</b>						
Northern India (a) . . . . .	1,66·83	2,47·19	1,54·46	1,77·00	1,52·60	1,64·46
Madras (a) . . . . .	1,44·84	1,47·25	1,47·53	1,48·85	1,43·06	1,47·04
Bombay (a) . . . . .	1,55·25	1,59·20	1,59·25	1,63·82	1,57·92	1,56·42
Bengal (b) . . . . .	1,64·50	1,76·90	1,84·93	1,85·93	2,05·33	2,08·02
Burma (b) . . . . .	38·53	34·86	34·87	35·87	33·23	34·83
Bihar and Orissa . . . . .	·01	·01	·01	·01	·01	·01
Assam . . . . .	·01	·01	·01	·01	..	..
<b>TOTAL RECEIPTS</b> . . . . .	<b>6,67·87</b>	<b>7,65·82</b>	<b>6,80·88</b>	<b>7,10·29</b>	<b>6,92·15</b>	<b>7,09·68</b>
<i>Deduct</i> —Refunds . . . . .	<i>4·69</i>	<i>5·89</i>	<i>4·42</i>	<i>5·46</i>	<i>7·15</i>	<i>4·63</i>
<b>TOTAL REVENUE</b> . . . . .	<b>6,63·18</b>	<b>7,59·93</b>	<b>6,76·46</b>	<b>7,04·83</b>	<b>6,85·00</b>	<b>7,05·00</b>
<b>EXPENDITURE.</b>						
Cost of salt purchased by Govern- ment . . . . .	10·31	7·03	8·29	12·06	10·16	9·90
Assignments and compensations . . . . .	41·03	39·49	39·70	33·36	33·61	37·49
Interest . . . . .	4·03	4·37	4·39	5·11	4·73	4·74
Depreciation . . . . .	3·64	2·92	2·78	2·80	2·64	2·64
Other charges . . . . .	65·82	67·94	70·79	72·47	70·94	68·33
Capital Outlay on salt works . . . . .	·50	·58	1·12	1·82	·71	1·02
<b>Total India</b> . . . . .	<b>1,25·43</b>	<b>1,22·93</b>	<b>1,27·04</b>	<b>1,32·62</b>	<b>1,27·84</b>	<b>1,24·12</b>
England . . . . .	1·57	·90	1·03	·87	1·05	1·09
Exchange . . . . .	·01	..	·01	..	·01	..
<b>TOTAL</b> . . . . .	<b>1,27·01</b>	<b>1,23·83</b>	<b>1,28·08</b>	<b>1,33·49</b>	<b>1,28·90</b>	<b>1,25·15</b>

(a) Chiefly excise on local manufacture.

(b) Chiefly duty on imported salt.

OPIUM.

	Provision and medical opium.	Excise opium and miscellaneous (less refunds).	Total revenue (Receipts less refunds).	Purchase of opium.	Other charges.	Total expenditure.	Net revenue.
1927-28 . . . . .	3,15.99	78.53	3,94.52	74.08	12.93	87.01	3,07.51
1928-29 . . . . .	2,57.08	69.51	3,26.59	42.44	12.51	54.95	2,71.64
1929-30 . . . . .	2,31.20	72.90	3,04.10	37.01	11.80	48.81	2,55.29
1930-31 { Budget . . . . .	2,00.15	71.65	2,71.80	53.35	11.22	64.57	2,07.23
{ Revised . . . . .	1,91.26	71.34	2,62.60	63.83	11.41	75.24	1,87.36
1931-32 Budget . . . . .	1,54.35	61.23	2,15.58	62.27	11.36	73.63	1,41.95

15. 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.

16. The exports of provision opium in the current year are expected to amount to 4,733 chests, but will drop to 3,801 chests next year under the arrangement whereby they have to be extinguished not later than the 31st December 1935. This mainly accounts for the fall in the budget estimate of revenue for 1931-32. The demand for medical and excise opium has also gone down considerably since the budget estimate for the current year was framed.

17. The present estimates of expenditure in 1930-31 as well as in 1931-32 include a sum of over 7 lakhs for the purchase, in instalments, of the stocks of opium held in the Mewar State in pursuance of the policy which was explained to the Standing Finance Committee on the 24th January 1931.

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

	Revenue.	Expenditure.	Net revenue.
1927-28 . . . . .	2,29.99	54.99	1,75.00
1928-29 . . . . .	2,23.85	61.37	1,62.48
1929-30 . . . . .	2,25.60	63.35	1,62.25
1930-31 { Budget . . . . .	2,30.36	65.30	1,65.06
{ Revised . . . . .	2,20.63	64.89	1,55.74
1931-32 Budget . . . . .	2,21.46	67.26	1,54.20

18 These comprise Land Revenue, Excise, Stamps, Forest, Registration and Payments from Indian States. The drop in revenue in both years occurs principally under Excise.

## BUDGET FOR 1931-32.

## IRRIGATION.

		Revenue (Receipts <i>less</i> Working expenses).	Expenditure (including Capital expenditure charged to Revenue).	Net expenditure.
1927-28	. . . . .	9.06	17.39	8.33
1928-29	. . . . .	9.40	22.25	12.85
1929-30	. . . . .	9.96	29.98	20.02
1930-31	{ Budget	14.25	25.71	11.46
	{ Revised	8.95	38.54	29.59
1931-32	Budget	13.75	22.10	8.35

19. In the current year, the gross receipts in the North-West Frontier Province are expected to go down by 2 lakhs, while working expenses will go up by 3 lakhs. Other expenditure is also swollen to the extent of about 13 lakhs representing the Central Government's share of leave salaries and pensions which had been wholly debited to Provincial Governments in the past. The expenditure next year does not include any such adjustments and has been cut down as far as possible.

## POSTS AND TELEGRAPHS.

	Accounts, 1927-28.	Accounts, 1928-29.	Accounts, 1929-30.	1930-31.		Budget, 1931-32.
				Budget.	Revised.	
<b>INDIAN POSTS AND TELE- GRAPHS DEPARTMENT.</b>						
GROSS RECEIPTS . . . . .	10,82.71	11,03.65	11,29.49	11,50.85	10,73.63	10,96.05
WORKING EXPENSES—						
India . . . . .	10,46.78	10,87.53	11,18.75	11,19.72	11,26.77	11,37.73
England . . . . .	6.73	7.30	7.45	7.29	7.50	7.53
Exchange . . . . .	.02	.01	.06	..	.09	..
TOTAL . . . . .	10,53.53	10,94.84	11,26.16	11,27.01	11,34.36	11,45.26
NET RECEIPTS . . . . .	29.18	8.81	8.33	23.84	-60.53	-49.21
EXPENDITURE CHARGED TO REVENUE—						
Interest . . . . .	55.33	62.65	65.78	72.29	75.83	66.98
NET REVENUE . . . . .	-26.15	-53.84	-57.45	-48.45	-1,33.83	-1,36.19
CAPITAL OUTLAY CHARGED TO REVENUE—						
India . . . . .	15.78	13.12	11.07	14.90	12.25	10.50
England . . . . .	..	..	..	..	..	..
Exchange . . . . .	..	..	..	..	..	..
TOTAL . . . . .	15.78	13.12	11.07	14.90	12.25	10.50
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India . . . . .	86.59	46.40	28.75	62.32	61.41	29.70
England . . . . .	12.86	9.67	5.75	7.47	.69	3.43
Exchange . . . . .	.05	.02	.05	..	.01	..
TOTAL . . . . .	49.53	56.09	34.08	69.79	62.30	33.13

	Accounts, 1927-28.	Accounts, 1928-29.	Accounts, 1929-30.	1930-31.		Budget, 1931-32.
				Budget.	Revised.	
<b>INDO-EUROPEAN TELEGRAPH DEPARTMENT.</b>						
<b>GROSS RECEIPTS—</b>						
India . . . . .	18.42	15.27	11.81	11.90	10.05	..
England . . . . .	15.61	13.63	14.02	12.80	11.91	..
Exchange . . . . .	.03	.08	.13	..	.15	..
<b>TOTAL . . . . .</b>	<b>34.06</b>	<b>28.98</b>	<b>25.96</b>	<b>24.70</b>	<b>22.11</b>	<b>..</b>
<b>WORKING EXPENSES—</b>						
India . . . . .	30.16	23.67	26.02	25.50	24.02	..
England . . . . .	1.62	1.66	1.76	1.52	1.39	..
Exchange . . . . .	..	..	.01	..	.02	..
<b>TOTAL . . . . .</b>	<b>31.78</b>	<b>30.33</b>	<b>27.79</b>	<b>27.02</b>	<b>25.43</b>	<b>..</b>
<b>NET RECEIPTS . . . . .</b>	<b>2.28</b>	<b>-1.40</b>	<b>-1.83</b>	<b>-2.32</b>	<b>-3.32</b>	<b>..</b>
<b>EXPENDITURE CHARGED TO REVENUE—</b>						
Interest . . . . .	5.13	5.37	5.52	5.86	6.10	..
<b>NET REVENUE . . . . .</b>	<b>-2.85</b>	<b>-6.77</b>	<b>-7.35</b>	<b>-8.18</b>	<b>-9.42</b>	<b>..</b>
<b>CAPITAL OUTLAY CHARGED TO REVENUE—</b>						
India . . . . .	2.45	.44	-.33	-.37	1.31	-54.99
England . . . . .	.05	.05	.04	.05	.05	..
Exchange . . . . .	..	..	..	..	..	..
<b>TOTAL . . . . .</b>	<b>2.50</b>	<b>.49</b>	<b>-.29</b>	<b>-.32</b>	<b>1.36</b>	<b>-54.99</b>
<b>CAPITAL OUTLAY NOT CHARGED TO REVENUE—</b>						
India . . . . .	-3.53	-3.62	-2.16	-1.88	-1.62	53.76
England . . . . .	.87	.86	1.14	.80	-56.62	4.41
Exchange . . . . .	.01	..	.01	..	-.70	..
<b>TOTAL . . . . .</b>	<b>-2.65</b>	<b>-2.76</b>	<b>-1.01</b>	<b>-1.08</b>	<b>-58.94</b>	<b>58.17</b>

20. 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 of the Departments. Allowance has been made for a reduction of 5 in the working expenses of the Indian Posts and Telegraphs Department which has had to be made in the estimates owing to alterations in the budget proposals relating to Income-tax (*vide* G. I. F. D. Resolution No. D.-118-B., dated the 9th April 1931). The figures relating to the Indian Department, however, are inclusive of the following estimated losses on the non-commercial activities of the Wireless Branch :—

Actuals, 1928-29 . . . . .	6.28
Actuals, 1929-30 . . . . .	6.86
Budget, 1930-31 . . . . .	8.00
Revised, " . . . . .	8.00
Budget, 1931-32 . . . . .	8.00

21. In the Indian Posts and Telegraphs Department, the large deterioration in both years is again an index of prevailing economic conditions. The capital outlay, both charged and not charged to revenue, has, however, been considerably restricted.

22. The Indo-European Telegraph Department as such will cease to exist from the 1st March 1931 in the circumstances explained in paragraph 40 of the budget speech. The budget estimate for next year accordingly shows only certain residual transactions mainly connected with its dissolution and the transfer, from capital to revenue, of a receipt of about 54 lakhs representing the net realisations from the disposal.

## INTEREST RECEIPTS.

	Accounts, 1929-30.	Budget, 1930-31.	Revised, 1930-31.	Budget, 1931-32.
India . . . . .	96.53	1,07.33	1,02.06	96.52
England . . . . .	31.99	17.93	13.88	3.31
Interest on temporary investment of cash balances, etc. . . . .				
Excess over £40 millions in the Gold Standard Reserve . . . . .	3,06.67	2,20.00	2,08.00	1,35.48
Transfer from Gold Standard Reserve Revenue Equalisation Fund . . . . .	..	..	5.33	55.68
Exchange . . . . .	2.42	..	2.80	..
<b>TOTAL</b> . . . . .	<b>4,40.61</b>	<b>3,45.31</b>	<b>3,32.07</b>	<b>2,91.99</b>

23. The main item here is the excess over £40 millions in the Gold Standard Reserve, i.e., principally, interest on investments in the Reserve. There is a heavy fall under this item next year—the combined result of the replacement of some of the interest-bearing securities in England by gold in India and of the lower yield expected from investments in British Treasury Bills. The total revenue would have been considerably smaller still in 1931-32 but for the fact that the Gold Standard Reserve Revenue Equalisation Fund constituted last year can be drawn upon to the extent of about 57 lakhs. This draft, however, will entirely exhaust the balance in the Fund.

## INTEREST PAYMENTS.

	Accounts, 1929-30.	Budget, 1930-31.	Revised, 1930-31.	Budget, 1931-32.
<i>Interest on Ordinary Debt—</i>				
<i>Gross payments—</i>				
India . . . . .	21,28.32	21,06.33	21,47.72	22,35.49
England . . . . .	18,91.24	18,78.96	19,67.04	21,13.99
Exchange . . . . .	13.89	..	24.20	..
<b>Total</b> . . . . .	<b>40,33.45</b>	<b>40,75.29</b>	<b>41,38.96</b>	<b>43,49.48</b>
<i>Deduct—Amounts charged to—</i>				
Railways . . . . .	29,09.26	30,04.09	31,33.45	32,21.28
Irrigation . . . . .	12.32	12.38	12.68	12.87
Posts and Telegraphs . . . . .	72.91	79.93	83.72	88.77
Other heads . . . . .	17.77	20.80	21.81	24.42
Provincial Loans Fund . . . . .	6,19.72	6,52.29	6,51.00	6,95.00
<b>Total deductions</b> . . . . .	<b>36,31.98</b>	<b>37,69.46</b>	<b>39,07.66</b>	<b>40,42.34</b>
<b>Net</b> . . . . .	<b>4,01.47</b>	<b>3,05.83</b>	<b>2,31.30</b>	<b>3,07.14</b>

INTEREST PAYMENTS.—*contd.*

	Accounts, 1929-30.	Budget, 1930-31.	Revised, 1930-31.	Budget, 1931-32.
<i>Interest on other Obligations—</i>				
Bonus on Post Office Cash Certificates . . . . .	73·20	1,88·00	2,00·00	2,10·00
Post Office Savings Bank Deposits . . . . .	1,02·65	1,10·46	1,07·40	1,06·42
Provident Funds . . . . .	2,54·02	2,97·50	2,91·61	3,17·83
Service Funds . . . . .	11·77	13·25	12·45	13·06
Fixed Deposits of Provincial Governments . . . . .	23·45	23·50	23·45	17·25
Famine Relief Fund . . . . .	15·74	13·25	16·08	16·13
Railway Reserve Fund . . . . .	74·44	75·97	57·68	16·35
„ Depreciation Fund . . . . .	53·22	66·98	81·04	1,08·00
Posts and Telegraphs Depreciation Fund . . . . .	6·84	8·72	10·52	12·43
Other items . . . . .	68·14	77·88	76·17	74·42
<b>Total . . . . .</b>	<b>6,83·47</b>	<b>8,75·51</b>	<b>8,76·40</b>	<b>8,91·89</b>
<b>Total Interest payments . . . . .</b>	<b>10,84·94</b>	<b>11,81·34</b>	<b>11,07·70</b>	<b>11,99·03</b>

24. Details of payments of Interest on Ordinary Debt will be found in the volume of Demands for Grants. The payments are, as usual, affected by the nature and extent of the ways and means operations.

25. It is necessary, however, to explain, in this connection, certain changes which have been made, with effect from the current year, in the method of calculation of the average rate of interest charged to Commercial Departments in respect of the capital outlay incurred by them after the 31st March 1917. Until recently, this rate was arrived at by dividing the total amount of interest and discount brought to account during the year in respect of the loans raised during the period by the mean between the nominal amounts of the opening and closing balances. With effect from 1928-29, the commission and brokerage paid in connection with issues of new loans were added to the interest and discount. From 1929-30 a suitable addition was also made for the loss which general revenues sustained through the tax-free concession attached to some of the loans. The changes now made are as follows:—

- (i) The amount of interest taken into account will be the amount *due* for the year and *not* the amount *paid* in the year;
- (ii) a suitable addition will be made for charges for management of debt and advertisement charges connected with new issues; and
- (iii) the mean outstanding debt will be calculated with reference to the proportionate amounts of *cash received* and *not* with reference to the *nominal balances*.

26. (i) and (ii) are changes of comparatively little significance, but (iii) is one of considerable importance. It is clearly justified in view of the fact that the capital debited to Commercial Departments is the equivalent of cash expenditure. The changes are designed to secure that the average corresponds to the actual cost to Government of raising their funded, permanent, interest-bearing debt which is outstanding at the time.



27. The net effect of the alterations has been to increase the recoveries of interest from the Railways by about a crore this year as well as next, and the recoveries from other Commercial Departments by about 4 lakhs.

28. In consequence of these changes, it has been decided to allow, on the balances in the Reserve and Depreciation Funds, the same rate as that charged in respect of capital outlay, instead of 1 per cent below the rate charged on advances to the Provincial Loans Fund. This increases, to some extent, the payments falling under Interest on Other Obligations.

29. Two features relating to the estimates under this head which are worthy of note, are

- (i) the provision of 2 crores in 1930-31 and 2.10 crores in 1931-32 for bonus on cash certificates on a liability basis; and
- (ii) the heavy fall next year in the interest payable on the Railway Reserve Fund, due to the fact that in these two years it will have to be drawn upon to the extent of 15 crores.

30. The total interest charges have varied as follows in recent years :—

Actuals, 1923-24	15.97
" 1924-25	14.90
" 1925-26	13.37
" 1926-27	11.77
" 1927-28	10.57
" 1928-29	10.20
" 1929-30	10.85
Revised, 1930-31	11.08
Budget, 1931-32	11.99

31. It will be seen from the above figures that, while there was a steady reduction from 1923-24 to 1928-29, there has been an increase since then. The increase would have been greater had it not been for the changes described in paragraph 25. This is explained partly by the variations in the Government's borrowing rate and partly also by the fact that insufficient provision had been made in the past in respect of the liability for bonus on cash certificates. The following table will make the position clear :—

Year.	Approximate borrowing rate in India.	Balance held at close of the year on account of cash certificates.	Bonus paid or provided for from revenue.
1923-24	6 per cent.	8.42	28
1924-25	5½ "	13.12	16
1925-26	5½ "	20.95	16
1926-27	4½ "	26.63	16
1927-28	4½ "	30.70	23
1928-29	5 "	32.30	60
1929-30	5½ "	35.00	73
1930-31	6½ "	38.20	2.00
1931-32		42.20	2.10

APPROPRIATION FOR REDUCTION OR AVOIDANCE OF DEBT.

32. 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 consists 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, sterling debt being converted into rupees at Rs. 15 per £ for this purpose.

It has been decided that, pending further consideration of the scheme along with the Railway Convention, provision from the year 1930-31 onwards should be made on the same lines, except that, for the purposes of (b) above, sterling debt should be converted into rupees at Rs. 13½ per £.

33. On this basis, the estimates for the two years work out as follows:—

	(In lakhs of rupees, sterling amounts being converted at Rs. 13½ per £.)		
	31st March 1923.	31st March 1930.	31st March 1931.
Rupee Debt exclusive of Treasury Bills in the Paper Currency Reserve . . . . .	3,61,42	4,41,14	4,62,85
Sterling Debt . . . . .	3,23,51	4,15,67	4,48,99
Unfunded Debt . . . . .	62,56	1,40,92	1,45,85
Capital value of the liabilities undergoing redemption by way of Terminable Railway Annuities . . . . .	81,74	69,15	67,09
	<u>8,29,23</u>	<u>10,66,88</u>	<u>11,24,78</u>
<i>Deduct—</i>			
Discount included above but separately provided for . . . . .	7,32	18,21	18,52
Advances to Provincial Governments other than those representing pre-Reform Irrigation debt . . . . .	24,89	80,00	86,54
	<u>32,21</u>	<u>98,21</u>	<u>1,05,06</u>
NET . . . . .	7,97,02	9,68,67	10,19,72
Excess over outstanding debt on 31st March 1923 . . . . .		1,71,65	2,22,70
1/80th of above . . . . .		2,14 56	2,78 37
Add basic provision . . . . .		4,00 00	4,00 00
TOTAL . . . . .		<u>6,14 56</u>	<u>6,78 37</u>

34. These figures include the following specific items :—

	Revised, 1930-31.	Budget, 1931-32.
Sinking fund provision for 5 per cent. rupee loans	1,79·75	1,79·07
Capital portion of railway annuities . . . . .	2,08·38	2,13·00
Railway sinking funds . . . . .	27·00	26·67
<b>TOTAL</b>	<b>4,15·13</b>	<b>4,18·74</b>

35. The sums provided from revenue on this account from year to year are indicated below. The increase in the eight years ending the 31st March 1932 is only about 79 per cent. of the savings in interest on dead-weight debt during the same period (*vide* paragraph 30) :—

1923-24	3,62
1924-25	3,78
1925-26	4,97
1926-27	4,97
1927-28	5,04
1928-29	5,42
1929-30	5,74
1930-31	6,15
1931-32	6,78

#### CIVIL ADMINISTRATION.

	Revenue.	Expenditure.	Net expenditure.
1927-28 . . . . .	98·69	11,20·78	10,22·09
1928-29 . . . . .	1,00·93	11,43·51	10,42·58
1929-30 . . . . .	1,16·59	12,65·91	11,49·32
1930-31	Budget . . . . .	1,06·44	13,26·59
	Revised . . . . .	96·99	13,54·35
1931-32	Budget . . . . .	1,03·45	13,06·36
			12,02·01

36. The fall in revenue in the current year has occurred principally under Agriculture (7 lakhs) reflecting, mainly, a diminution in the demand for the products of the Muktesar Institute (4 lakhs) and in the realisations from the fumigation of American cotton (2 lakhs), and partly also in the receipts of the Indian Stores Department (3 lakhs).

37. The revised estimate of expenditure has gone up by 28 lakhs which is more than accounted for by increases of 34 lakhs under Political, 6 under Police, and 5 under General Administration, partly counterbalanced by savings under other heads including 8 lakhs under Civil Aviation.

38. The budget estimate of expenditure for the coming year, on the other hand, is actually 20 lakhs less. While Jails, Political, Frontier Watch and Ward, and Agriculture record decreases of 6, 9, 24 and 13 lakhs respectively, Police, Education Civil Aviation and Miscellaneous Departments show increases of 4, 5, 3 and 17 lakhs. These figures allow for the reductions made in the estimates under "Audit", "Civil Aviation" and "Miscellaneous Departments", *vide* G. I. F. D. Resolution No. D-118-B., dated the 9th April 1931. Specific variations of importance in Civil expenditure generally have been referred to in paragraphs 37—39 of the budget speech. Full particulars will be found in the Demands for Grants.

CURRENCY AND MINT.

	Revenue.	Expenditure.	Net revenue.
1927-28 . . . . .	2,77.46	87.67	1,89.79
1928-29 . . . . .	2,88.33	71.62	2,16.71
1929-30 . . . . .	2,73.69	74.21	1,99.48
1930-31	Budget . . . . .	2,89.15	2,11.49
	Revised . . . . .	1,25.98	26.25
1931-32 Budget . . . . .	63.34	78.71	-15.37

39. The estimates of revenue 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 in the current year includes 22 lakhs on account of loss on circulation of nickel coin. It represents approximately the difference between the nominal value and the metal value of the large amounts of coin which returned from circulation, the reduced demand being yet one more indication of the prevailing depression.

CIVIL WORKS.

	Revenue.	Expenditure.	Net expenditure.
1927-28 . . . . .	16.07	1,58.48	1,42.41
1928-29 . . . . .	17.04	1,59.28	1,42.24
1929-30 . . . . .	22.65	2,58.27	2,35.62
1930-31	Budget . . . . .	26.17	2,54.89
	Revised . . . . .	28.00	2,40.19
1931-32 Budget . . . . .	24.85	2,41.28	2,16.43

40. The current year's revised estimate of revenue includes a special receipt of 3.72 lakhs from the Government of Bengal in respect of the sale of premises Nos. 5 and 6, Government Place, Calcutta.

41. The expenditure estimates are made up as follows:—

	Ordinary expenditure.	Transfer to Road Development Fund.
Budget, 1930-31 . . . . .	1,73.06	1.08
Revised, ,, . . . . .	1,70.19	.98
Budget, 1931-32 . . . . .	1,40.28	1.01

The reduction in the ordinary expenditure next year represents a cut of nearly 20 per cent.

MISCELLANEOUS.

	Revenue.	Expenditure.	Net expenditure.
1927-28 . . . . .	52.46	3,75.31	3,22.85
1928-29 . . . . .	89.47	4,05.93	3,16.46
1929-30 . . . . .	95.62	4,45.65	3,50.03
1930-31	Budget . . . . .	86.11	3,30.76
	Revised . . . . .	85.63	3,48.90
1931-32 Budget . . . . .	73.89	4,08.92	3,35.03

42. The revised estimate of revenue includes 5·26 lakhs, being the Central Government's share of the receipt from His Majesty's Government towards the expenses of the Indian Statutory Commission. For the rest, the drop next year relates to the receipts in aid of Superannuation and under Stationery and Printing.

43. The revised estimate of expenditure includes 7 lakhs for the Labour Commission, 7 lakhs for the Banking Enquiry Committee, and 7 lakhs for the Round Table Conference. The coming year's budget provides for 1 lakh in all for the Labour Commission and the Banking Enquiry Committee and no other special provision.

## EXTRAORDINARY ITEMS.

	Accounts, 1929-30.	1930-31.		Budget, 1931-32.
		Budget.	Revised.	
<b>Receipts—</b>				
India . . . . .	1,55·00	..	50·00	..
England . . . . .	33·65	32·00	47·36	30·44
Exchange . . . . .	·29	..	·59	..
<b>TOTAL . . . . .</b>	<b>1,88·94</b>	<b>32·00</b>	<b>98·84</b>	<b>30·44</b>
<b>Payments—</b>				
India . . . . .	·06	·50	15·62	·25
England . . . . .	..	..	..	..
Exchange . . . . .	..	..	..	..
<b>TOTAL . . . . .</b>	<b>·06</b>	<b>·50</b>	<b>15·62</b>	<b>·25</b>

44. The Indian credit this year represents the sum held by the Government of India at credit of the Austrian Liquidation Account under the Treaty of Saint Germain-en-Laye, which, as a result of the decisions arrived at the Hague Conference, will now accrue to them. The credits in England represent Reparation receipts under the "Young Plan". The current year's receipts include about 16½ lakhs, being India's share of the German Reparation loan, which, however, will have the effect of reducing future receipts by about 1½ lakhs *per annum*.

45. The Indian payment in the current year relates to further compensations to lascars or their dependants for loss and damage caused by enemy action during the War.

## EXCHANGE.

46. 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 of 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 . . . . .	+1,21
" " 1927 . . . . .	+12,44
" " 1928 . . . . .	+12,69
" " 1929 . . . . .	+12,86
" " 1930 . . . . .	+13,17

47. 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.*

48. The above procedure is still in force except that 1s. 6d. is now taken in place of the old 2s. rate. The present estimates, however, assume an average of 1s. 5½d. in 1930-31 and 1s. 6d. in 1931-32.

49. The transactions in the current year are expected to be as follows :—

Gross gain on remittance transactions. . . . .	2.86
Add transfers to	
Revenue . . . . .	43.24
Capital . . . . .	6.42
Provinces . . . . .	4.96
	54.62
Total gain . . . . .	57.48

50. On this basis, the balance at credit of the Exchange head will be 13.74 crores. The question of the final adjustment of this book credit has been under consideration and it is probable that the adjustment will be made in the accounts of the current year. In view of the methods of accounting actually adopted, it would be clearly improper to appropriate the credit to revenue.

## WAYS AND MEANS.

### HOME TREASURY.

51. 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.

BUDGET FOR 1931-32.

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

[In millions of £.]

	Budget, 1930-31.	Revised, 1930-31.	Budget, 1931-32.
<b>RECEIPTS.</b>			
1. Discount on loans raised in previous years brought to account as debt incurred . . . . .	.31	.31	.40
2. Remittances between England and India—			
(a) Recoveries on account of drawings by Iraq administration on India . . . . .	.58	.59	.58
(b) Sale of silver . . . . .	.50	2.48	..
(c) Other transactions . . . . .	.86	.79	.77
3. Deposits and Advances . . . . .	.10	.22	..
<b>Total Receipts, excluding direct remittances and loans . . . . .</b>	<b>2.35</b>	<b>4.39</b>	<b>1.73</b>
<b>DISBURSEMENTS.</b>			
4. Excess of Expenditure of the Central Government over Revenue . . . . .	25.57	26.36	27.27
5. Disbursements on behalf of Provincial Governments . . . . .	3.08	3.02	3.45
6. Capital Expenditure not charged to Revenue—			
(a) Outlay on State Railways . . . . .	3.27	4.29	2.44
(b) Other items . . . . .	.13	.37	.08
7. Discharge of Permanent Debt . . . . .	2.37	1.74	16.63
8. Discharge of India Bills . . . . .	..	6.00	..
9. Payment of portion of purchase price of Southern Punjab Railway withheld under terms of contract (net) . . . . .	1.96	1.96	..
<b>TOTAL DISBURSEMENTS . . . . .</b>	<b>36.38</b>	<b>43.00</b>	<b>49.77</b>
<b>NET DISBURSEMENTS . . . . .</b>	<b>34.03</b>	<b>38.61</b>	<b>48.04</b>
Remittances from India (net) . . . . .	31.30	6.29	33.30
New Loan (less discount) . . . . .	..	26.73	18.57
Imperial Bank of India Loan (net) . . . . .	..	4.05	-4.05
<b>Reduction (+) or increase (—) of cash balance</b>	<b>+2.73</b>	<b>+1.54</b>	<b>+22</b>
Opening Balance . . . . .	6.98	6.39	4.85
Closing Balance . . . . .	4.25	4.85	4.63



53. Item 2 (a) has already been explained in paragraph 51. Normally, item 2 (c) 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.

54. The amount shown under the head 'Discharge of Permanent Debt' includes the provision for railway sinking funds and the capital portion of railway annuities. These payments are made out of the provision for reduction or avoidance of debt—*vide* paragraph 34.

55. The remittance programme, as estimated, is as follows :—

(In millions of £.)		
	Revised, 1930-31.	Budget, 1931-32.
Purchase of Sterling . . . . .	5.39	33.30
Transfers through Gold Standard Reserve .	7.62	..
"    "    Paper Currency Reserve	1.76	..
Less Sale of Sterling . . . . .	6.00	..
	<hr/> 8.77	<hr/> 33.30

The net figures shown in paragraph 52 take into account the transfer of sale-proceeds of silver—*vide* item 2 (b)—to the Paper Currency and Gold Standard Reserves. The programme for next year is only illustrative. The actual amount of remittance must, like the form, necessarily depend upon circumstances.

56. The sterling debt incurred in 1930-31 is as follows :—

Month of issue	Form of issue.	Nominal amount. £	Issue price per cent.	Cash received. £
(i) May 1930 . . . . .	6 per cent. Bonds, 1933-35 . . . . .	7,000,000	99	6,930,000
(ii) October 1930 . . . . .	6 per cent. Bonds, 1935-37 . . . . .	12,000,000	100	12,000,000
(iii) February 1931 . . . . .	5½ per cent. Stock, 1936-38 . . . . .	12,000,000 { 5,181,250(b)	97	11,640,000(a)

In addition, as explained in paragraph 100 of the budget speech, certain temporary loans were taken from the Imperial Bank of India, of which £1,047,000 will be outstanding on the 31st March 1931 and repaid next year.

57. The budget estimate for next year assumes the conversion of the remaining 5½ per cent. stock maturing in January 1932, which will stand at £14,730,750.

(a) Of this £7,800,000 will be received in 1930-31 and £3,840,000 in 1931-32.

(b) This is in conversion of £5,000,000 of India 5½ per cent. stock maturing in January 1932.

INDIA.

53. The following is a summary of the estimates of ways and means in India during 1930-31 and 1931-32 :—

(In crores of rupees.)

	Budget, 1930-31.	Revised, 1930-31.	Budget, 1931-32.
<b>RECEIPTS.</b>			
1. Excess of Revenue of the Central Government over Expenditure charged to Revenue . . . . .	34·96	22·47	36·37
2. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net) . . . . .	2·40	3·20	4·00
(b) Savings Bank deposits (net) . . . . .	9·43	4·18	5·55
3. Appropriation for reduction or avoidance of debt . . . . .	5·90	5·00	6·17
4. Railway Reserve and Railway and Posts and Telegraphs Depreciation Funds . . . . .	5·53	—6·39	1·28
5. Post Office Cash Certificate Bonus Fund . . . . .	·88	·44	·10
6. Miscellaneous Deposits and Remittances (net) . . . . .	—1·59	·95	1·16
<b>TOTAL RECEIPTS . . . . .</b>	<b>57·51</b>	<b>29·85</b>	<b>54·63</b>
<b>DISBURSEMENTS.</b>			
7. Capital Expenditure not charged to Revenue—			
(a) State Railways . . . . .	12·39	8·78	8·20
(b) Posts and Telegraphs . . . . .	·61	·59	·83
(c) Delhi . . . . .	·49	·50	·24
(d) Bombay I and Scheme . . . . .	2·05	2·12	..
(e) Other items . . . . .	·65	·82	·76
8. Permanent Debt discharged (net) . . . . .	16·10	16·97	8·03
9. Floating Debt discharged (net) . . . . .	4·00	14·50	..
10. Loss on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve (net) . . . . .	..	5·24	..
11. Loans by the Central Government—			
(a) To Provincial Loans Fund . . . . .	5·32	6·49	6·29
(b) Other Loans . . . . .	1·41	1·95	1·21
12. Remittances between England and India—			
(a) Remittances from India for financing Home Treasury . . . . .	41·73	11·69	44·40
(b) Drawings by the Iraq administration recoverable in England . . . . .	·77	·79	·75
(c) Other transactions (net). . . . .	1·81	1·05	1·02
13. Balances of Provincial Governments . . . . .	—1·49	·98	—1·39
<b>TOTAL DISBURSEMENTS . . . . .</b>	<b>85·84</b>	<b>72·57</b>	<b>70·34</b>
<b>NET DISBURSEMENTS . . . . .</b>	<b>28·33</b>	<b>42·72</b>	<b>15·71</b>
New Loan (less discount) . . . . .	23·50	29·71	15·00
Reduction (+) or increase (—) of cash balance . . . . .	+4·83	+13·01	+·71
Opening Balance . . . . .	17·79	25·76	12·75
Closing Balance . . . . .	12·96	12·75	12·04

59. Item 7 (d) represents a payment made to the Government of Bombay for reclaimed land at Colaba which has been taken over for the use of the Military Department. The payment will be utilised by the Bombay Government for the repayment of the advances taken by them in 1923-24. This will, accordingly, reduce the amount of the Central Government's advances to the Provincial Loans Fund during the current year and will not affect the ways and means position as a whole.

60. The estimates of Provincial Governments' transactions—*vide* items 11 (a) and 13—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 11½ crores in the current year and 9½ crores in the next. The former figure allows for the repayment just referred to.

61. The result of the current year's rupee loan, which was a 6 per cent. 1933-36 loan issued at par, is summarised below :—

(In lakhs of rupees.)	
Subscriptions in cash . . . . .	12,96·11
Subscriptions in the form of Indian treasury bills . . . . .	8,46·49
Subscriptions in the form of 1930 Bonds . . . . .	8,28·21
	-----
Total nominal value . . . . .	29,70·81
	-----

62. The amount of the new loan now estimated for next year has been shown separately at 15 crores. The estimate provides for the conversion or discharge of 7 crores of the 6 per cent. Bonds, 1931 of which there are 7·36 crores outstanding ; and also for the net discharge of 1,04 lakhs of other debt, including 77 lakhs of the 5 per cent. Loans, to be purchased out of the Depreciation Funds—*vide* details in Statement C. The new money required in the shape of Permanent Debt in India will thus be about 7½ crores only. The figure is, however, again illustrative only and the actual amount and other details will depend upon the circumstances of the time.

63. The balances of treasury bills have been taken in the estimates as follows :—

(In crores of rupees.)			
	31st March 1930.	31st March 1931.	31st March 1932.
With the public . . . . .	36·04	45·00	45·00
In the Paper Currency Reserve . . . . .	21	5·65	5·65

64. The figures relating to India's debt have been given in Appendix V. The balance of total interest-bearing obligations not covered by interest-yielding assets, cash, and bullion on the 31st March 1931 shows an increase of 16½ crores over the balance on the 31st March 1930. Neglecting various balancing items, this increase may be attributed to the book loss, on the sale

of silver, which is placed at 5.24 crores (*vide* item 10) and the uncovered revenue deficit of 12.68 crores (*vide* paragraph 4). Government, in their capacity as currency authority, have actually strengthened their position by the sale of silver as they have obtained liquid assets in exchange for assets which were frozen, but as the silver in the form of rupees was valued in the Paper Currency Reserve at Re. 1 per standard tola, the sale involved either a decrease in the note circulation or an increase in the rupee securities in this Reserve corresponding to the difference between the bullion value and the currency value of the rupees sold. In either case, the net effect on the ordinary Government accounts was an increase in the unproductive debt. For this reason, the increase in the current year in the balance of interest-bearing obligations not covered by the assets mentioned does not represent any real deterioration in the debt position except to the extent of the revenue deficit.

A. C. McWATTERS.

The  $\frac{31st\ March}{9th\ April}$  1931.

## APPENDIX I.

Statement of net revenue and expenditure (excluding transactions relating to the Revenue Reserve and Road Development Funds).

(In lakhs of rupees.)

	Actuals.							Revised, 1930-31.	Budget, 1931-32.
	1923- 24.	1924- 25.	1925- 26.	1926- 27.	1927- 28.	1928- 29.	1929- 30.		
<b>NET REVENUE (REVENUE LESS CORRESPONDING EXPENDITURE INCLUDING CAPITAL EXPENDITURE CHARGED TO REVENUE).</b>									
Civil.									
Customs . . . . .	33,98	44,98	46,96	46,57	47,36	48,30	49,32	44,08	54,47
Taxes on Income . . . . .	17,61	15,41	15,27	15,03	14,41	16,01	15,99	15,04	16,67
Salt . . . . .	8,65	6,12	5,01	5,45	5,35	6,36	5,48	5,56	5,80
Opium . . . . .	1,66	1,44	2,04	3,33	3,07	2,72	2,55	1,87	1,42
Other principal heads.	2,13	1,53	1,52	1,59	1,63	1,59	1,58	1,51	1,53
Currency and Mint.	2,14	3,28	3,94	3,39	1,90	2,17	2,00	26	-15
Provincial Contributions, etc.	8,34	8,74	6,08	5,11	3	3	..	..	..
Extraordinary . . . . .	-81	2,54	38	57	-4	29	1,89	83	30
Total, Civil . . . . .	79,20	84,94	81,20	81,06	73,71	77,47	78,91	69,15	80,04
Railways . . . . .	6,44	6,78	5,49	6,01	6,28	5,23	6,12	5,74	5,36
Total net revenue . . . . .	85,64	90,82	86,69	87,07	79,99	82,70	84,93	74,89	85,40
<b>NET EXPENDITURE (EXPENDITURE LESS CORRESPONDING REVENUE).</b>									
Civil.									
Irrigation . . . . .	6	11	8	5	8	13	20	30	8
Debt Services . . . . .	14,17	15,27	14,12	12,66	11,99	12,82	12,18	13,90	15,86
Civil Administration . . . . .	8,65	9,39	9,87	10,28	10,22	10,43	11,49	12,57	12,03
Civil Works . . . . .	1,33	1,65	1,48	1,74	1,42	1,38	1,38	1,42	1,15
Miscellaneous . . . . .	3,52	3,99	3,71	3,36	3,23	3,16	3,50	3,49	3,35
Total, Civil . . . . .	27,73	30,31	29,26	28,09	26,94	27,92	28,75	31,68	32,47
Posts and Telegraphs . . . . .	-71	-80	-1,88	5	47	74	81	1,59	92
Military . . . . .	56,23	55,63	56,00	55,97	54,79	55,10	55,10	54,30	52,00
Total net expenditure . . . . .	83,25	85,14	83,38	84,11	82,20	83,76	84,66	87,57	85,39
Surplus (+), Deficit (-).	+2,39	+5,68	+3,31	+2,96	-2,21	-1,06	+27	-12,68	+1

## APPENDIX II.

## Memorandum on the Military Estimates for 1931-32.

The Military Estimates for 1931-32 have been prepared in the same form as those for 1930-31. These follow a cash system of estimates and accounts which was re-adopted in 1927-28 in place of the elaborate system of cost accounts which was previously in force.

2. Since 1922-23 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.)
1922-23 . . . . .	65·27
1923-24 . . . . .	56·23
1924-25 . . . . .	55·63
1925-26 . . . . .	56·00
1926-27 . . . . .	55·97
1927-28 . . . . .	54·79
1928-29 . . . . .	55·10
1929-30 . . . . .	55·10
1930-31 (Budget Estimate) . . . . .	54·35
1930-31 (Revised Estimate) . . . . .	54·30
1931-32 (Budget Estimate) . . . . .	52·00

3. 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 expenditure in the year 1923-24 showed an actual reduction 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 thus the first stage of Rs. 57 crores mentioned by the Retrenchment Committee was 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 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 1922-23 at a glance:—

*Net expenditure on Military Services.*

(In crores of rupees.)

	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
Budget Estimate . . . . .	67.75	62.00	60.25	56.25	54.89	54.92	55.10	55.10	54.35	52.00
Revised Estimate . . . . .	67.09	59.74	56.33	56.28	55.55	54.92	55.10	55.10	54.30	
Actual expenditure. . . . .	65.27	56.23	55.63	56.00	55.97	54.79	55.10	55.10		

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 rate of exchange, the Retrenchment Committee having worked on a basis of 1s. 4d. = 1 Re. ; but certain additions have been made to the Military Budget of which the Retrenchment Committee did not take cognisance, i.e., the provision of over 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 1931-32 at Rs. 38 lakhs which is more properly accounted for under the former. The transfers which have been taken into account in the Budget for 1931-32 are shown below:—

(Thousands of rupees.)

1) Payments to Telegraph Department for care of Army stores . . . . .	34
(2) Customs duty . . . . .	23,81
(3) Printing and Stationery . . . . .	15,40
(4) Payments from the compassionate fund to personnel employed in the Military Department . . . . .	15
	<u>39,70</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 Ferim Light-House and Coal Depots at Basidu and Bushire . . . . .	24
	<u>1,58</u>
Net debt to military . . . . .	<u>38,12</u>

6. In the Memorandum on Military Estimates for 1930-31 it was stated that the original arrangement for the stabilisation of the Military Budget for a period of four years beginning with the year 1928-29 at a figure of 55 crores had been slightly altered by extending the period of stabilisation by one year and reducing the figure to 54.20 crores, exclusive of the amount allotted for the expansion of the Territorial Forces. According to that arrangement the budget estimate for the year 1931-32 should have been fixed at 54.20 crores *plus* an allotment for the expansion of the Territorial Forces, but owing to the present financial situation, it has been decided to make a reduction of 2.30 crores in the Military Budget. This decision includes the extension of the period of stabilisation for yet another year on a further reduced annual figure of 53.63 crores. Thus the Budget for 1931-32 stands at 51.90 crores *plus* an allotment of 10 lakhs for the expansion of the Territorial Forces. Any savings which may accrue within the total amount granted for military expenditure, exclusive of savings in the allotment for expansion of the Territorial Forces, will be carried to a Suspense Account "Military Reserve Fund" which may be drawn upon for expenditure in later years. As stated in previous Memoranda, this arrangement has been adopted to enable the military authorities, first, to carry out a programme of mechanisation and modernisation of equipment necessitated by recent developments in military organisation and, secondly, to repair certain deficiencies in equipment.

In accordance with this arrangement, the revised estimates for 1930-31 stand at 54.30 crores after surrendering to general revenues Rs. 5 lakhs, the savings anticipated in the original allotment of Rs. 15 lakhs for the expansion of the Territorial Forces. It was found possible in the current year to allot a sum of about 2 crores for expenditure on the military programme referred to above and it is anticipated that after meeting the normal charges for the maintenance of the military services in 1931-32 about 1 crore will be available for the same purpose.

7. 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.

*Part A-I.*—Pay and allowances and Miscellaneous cash expenditure on the Fighting Services.

	(In thousands of Rs.)		
	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	19,60,05	13,43	19,46,62
Budget, 1930-31 . . . . .	18,80,65	11,24	18,69,41
Revised, 1930-31 . . . . .	18,92,36	13,67	18,78,69
Budget, 1931-32 . . . . .	18,69,62	16,58	18,53,04

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 estimates for 1931-32 as compared with the estimates for 1930-31 is due mainly to a reduction in the rates of kit and clothing allowances and a receipt of the India's share of the surplus in the Army, Navy and Air Force Insurance Fund, partly counterbalanced by an increase owing to an over-estimate in 1930-31 of the savings which would accrue as a result of a reduction in pay charges of British Troops. The decrease as compared with the Revised estimate for 1930-31 is chiefly due to reduction of pay charges of British Troops, receipt of India's share of the surplus in the Army, Navy and Air Force Insurance Fund and a decrease in charges on account of leave allowances paid by Non-Military Department—the Revised estimate for 1930-31 includes certain arrear payments on this account.



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

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	6,66,72	12,72	6,74,00
Budget, 1930-31 . . . . .	7,35,47	12,01	7,23,46
Revised, 1930-31 . . . . .	7,00,78	12,27	6,88,51
Budget, 1931-32 . . . . .	7,31,74	12,23	7,19,51

The main charges compiled under this head are pay and allowances of the personnel of the Administrative Services.

The variation in the estimate for 1931-32 as compared with that of 1930-31 is small. The apparent increase as compared with the revised estimate for 1930-31 is due chiefly to the elimination in the latter of provision made for new and special measures and of the reserves at the disposal of the Principal Staff Officers, expenditure in connection with which has been distributed to the Heads under which the expenditure is incurred and the estimated unspent balances carried into the suspense account "Military Reserve Fund" for utilisation in future years.

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

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	3,24,48	2,20	3,22,28
Budget, 1930-31 . . . . .	2,90,71	4,01	2,86,70
Revised, 1930-31 . . . . .	2,98,74	1,30	2,97,44
Budget, 1931-32 . . . . .	3,21,00	68,76	2,52,24

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 decrease in the estimates for 1931-32 as compared with 1930-31 is mainly due to reduction in the volume of orders placed on the factories in connection with reorganisation measures owing to a smaller sum being available for military expenditure. Other contributory causes are fall in prices and lesser expenditure on grass farms owing to requirements of fodder being reduced owing to mechanisation.

10. *Part A-IV.*—Army Headquarters, Staff of Commands, etc.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	2,13,80	5	2,13,75
Budget, 1930-31 . . . . .	2,15,39	6	2,15,33
Revised, 1930-31 . . . . .	2,17,19	16	2,17,03
Budget, 1931-32 . . . . .	2,16,96	54	2,16,42

The variation in the estimate for 1931-32 as compared with that for 1930-31 is very small and does not, therefore, call for any remarks.

11. *Part A-V.*—Purchase and Sale of Stores, Equipment and Animals.  
(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	6,43,66	1,45,74	4,97,92
Budget, 1930-31 . . . . .	5,75,36	1,52,61	4,22,75
Revised, 1930-31 . . . . .	5,43,74	1,41,87	4,01,87
Budget, 1931-32 . . . . .	4,87,06	1,26,87	3,60,19

The decrease in the estimate for 1931-32 is due partly to a fall in the prices of certain commodities and partly to a decrease in orders for stores owing to the reduction of the military budget and the consequent smaller expenditure on the special programme of re-equipment.

12. *Part A-VI.*—Special Services.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	11	45	—34
Budget, 1930-31 . . . . .	12	..	12
Revised, 1930-31 . . . . .	12	8	4
Budget, 1931-32 . . . . .	11	1	10

The charges compiled under this head are for the extra expenditure incurred on troops on the Tibet frontier.

13. *Part A-VII.*—Transportation, Conservancy, Hot Weather Establishments and Miscellaneous Charges and Receipts.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	3,47,63	53,76	2,93,87
Budget, 1930-31 . . . . .	3,34,87	22,60	3,12,27
Revised, 1930-31 . . . . .	3,20,77	30,99	2,89,78
Budget, 1931-32 . . . . .	3,24,93	24,84	3,00,09

The decrease in budget estimate for 1931-32 as compared with that for 1930-31 occurs mainly under transportation charges and is due to economies. The increase as compared with the revised estimate, 1930-31, is on account of a reduction in receipts and to an increase in the cost of sea transport. The revised estimate for 1930-31 includes an abnormal credit from the sale of certain railway saloons which are the property of the Army.

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

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	8,53,01	95,65	7,57,36
Budget, 1930-31 . . . . .	8,51,76	69,27	7,82,49
Revised, 1930-31 . . . . .	8,55,17	1,01,96	7,53,21
Budget, 1931-32 . . . . .	8,43,12	95,72	7,47,40

The decrease in budget estimate for 1931-32 as compared with that for 1930-31 is due mainly to credits from His Majesty's Imperial Government as a result of reallocation of the shares of the pensions of officers, etc., between His Majesty's Imperial and the Indian Governments. The decrease in the estimate for 1931-32 as compared with the revised estimate for 1930-31 is due chiefly to the inclusion in the latter of larger provision for mustering out concessions due to reorganisations, exchange on English expenditure and smaller credits from His Majesty's Imperial Government. There were,

## BUDGET FOR 1931-32.

however, larger receipts from provincial, etc., Governments for their share of pensions paid to officers, etc., of the Army in 1930-31 which partly counter-balanced these increases.

15. *Total Part A.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	50,29,46	3,24,00	47,05,46
Budget, 1930-31 . . . . .	48,84,33	2,71,80	46,12,53
Revised, 1930-31 . . . . .	48,28,87	3,02,30	45,26,57
Budget, 1931-32 . . . . .	47,94,54	3,45,55	44,48,99

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

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	79,08	30	78,78
Budget, 1930-31 . . . . .	96,39	5	96,34
Revised, 1930-31 . . . . .	89,24	30	88,94
Budget, 1931-32 . . . . .	91,03	20	90,83

The decrease in the revised estimate and budget estimate for 1931-32 as compared with the budget for 1930-31 is due mainly to the reduction of Rs. 5 lakhs in the grant for expansion of the Territorial Forces.

17. *Part C.—Royal Air Force.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	2,34,24	2,13	2,32,11
Budget, 1930-31 . . . . .	2,41,06	1,66	2,39,40
Revised, 1930-31 . . . . .	2,50,23	2,73	2,47,50
Budget, 1931-32 . . . . .	2,22,12	1,56	2,20,56

The decrease in budget estimate for 1931-32 as compared with that for 1930-31 is due chiefly to smaller outlay on re-equipment as a result of reduction of the Military Budget and Royal Air Force Works. The decrease as compared with the revised estimate for 1930-31 is mainly due to smaller provision in the Budget for 1931-32 for re-equipment and also to the fact that the revised estimate included expenditure incurred on operations on the North-West Frontier.

18. *Total Army.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	53,42,78	3,26,43	50,16,35
Budget, 1930-31 . . . . .	52,21,78	2,73,51	49,48,27
Revised, 1930-31 . . . . .	51,68,34	3,05,33	48,63,01
Budget, 1931-32 . . . . .	51,07,69	3,47,31	47,60,33

19. *Marine.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	82,62	14,83	67,79
Budget, 1930-31 . . . . .	90,32	21,36	68,96
Revised, 1930-31 . . . . .	92,19	22,26	69,93
Budget, 1931-32 . . . . .	84,22	14,82	69,40

The variation in the net expenditure in 1931-32 as compared with the budget and revised, 1930-31, is inconsiderable. The variation in gross expenditure and receipts is due to lesser expenditure on account of developments in connection with reorganisation which is met from the sale proceeds of the Kidderpore Dockyard.

20. *Military Engineer Services.*

(In thousands of Rs.)			
	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	4,69,28	56,83	4,12,45
Budget, 1930-31 . . . . .	4,84,98	41,14	4,43,84
Revised, 1930-31 . . . . .	4,85,28	34,71	4,50,57
Budget, 1931-32 . . . . .	4,55,66	56,68	3,98,98

The reduction in the estimate for 1931-32 as compared with the estimate for 1930-31 is due to the fact that the programme for works has had to be curtailed owing to less money being available for military expenditure. The increase in receipts is due to larger credits anticipated from the land sales suspense account. To this account are credited all realisations from the disposal of lands and buildings surplus to requirements.

21. *Transfers to or from Military Reserve Fund.*

(In thousands of Rs.)			
	Gross Expenditure.	Receipts.	Net.
Actuals, 1929-30 . . . . .	13,41	..	13,41
Budget, 1930-31 . . . . .	..	26,07	-26,07
Revised, 1930-31 . . . . .	46,49	..	46,49
Budget, 1931-32 . . . . .	..	28,76	-28,76

This head was opened as a result of the stabilisation of military budget estimates whereby any savings in one year may be transferred to a suspense head for utilisation in a future year. The saving is charged to military expenditure by credit to a suspense account "Military Reserve Fund" and when the money is taken out in a future year to meet expenditure the "Military Reserve Fund" is debited and the Military Estimates are credited. The saving credited to the "Military Reserve Fund" in 1929-30 was Rs. 13.41 lakhs.

In the estimates for 1930-31, a credit of Rs. 26.07 lakhs from the "Military Reserve Fund" was allowed for, but owing to savings, chiefly as a result of fall in prices, it was not necessary to utilise this credit. It is anticipated that at the end of the current year a sum of Rs. 46.49 lakhs will be transferred to the Military Reserve Fund. This is not a free balance of savings but consists largely of amounts earmarked to cover the cost of specific commitments which will have to be met in subsequent years.

In the estimates for 1931-32 a credit of Rs. 28.76 lakhs has been taken by transfer from the suspense account "Military Reserve Fund" which represents the realised savings of 1928-29, viz., Rs. 26.07 lakhs plus Rs. 2.69 lakhs being a portion of the realised savings in 1929-30.

22. Statements are appended to this Memorandum which give actual and estimated gross and net expenditure figures from 1927-28 under Army, Marine, Military Engineer Services, Transfers to or from Military Reserve Fund and also the totals.

23. 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.

NEW DELHI :

The 30th March 1931.

A. MACLEOD,

Financial Adviser, Military Finance.

## ARMY.

	Actuals, 1927-28.	Actuals, 1928-29.	Actuals, 1929-30.	1930-31.		Budget, 1931-32.
				Budget.	Revised.	
<b>EXPENDITURE.</b>						
<b>India—</b>						
<b>Part A.—Standing Army.</b>						
<i>Effective Services.</i>						
Pay and allowances and Miscellaneous cash expenditure of the fighting services . . . . . R	16,11,88,376	16,19,21,357	16,01,33,629	15,24,70,000	15,41,61,000	15,19,11,000
Administrative services . . . . . R	5,92,54,415	6,28,77,053	6,43,06,670	6,32,55,000	6,59,06,000	6,88,62,000
Manufacturing establishments . . . . . R	2,72,28,655	2,67,50,454	2,41,50,971	2,27,63,000	2,29,51,000	2,64,64,000
Army Headquarters, Staff of Commands, etc. . . . . R	2,02,10,413	1,94,06,467	2,00,98,799	2,03,17,000	2,04,75,000	2,04,09,000
Purchase and sale of stores, equipment and animals . . . . . R	3,70,15,920	4,95,30,975	4,51,51,728	4,53,11,000	4,04,64,000	3,92,71,000
Special services . . . . . R	87,564	—25,123	10,792	12,000	12,000	11,000
Transportation, conservancy, anti-malarial measures, hot weather establishments and miscellaneous R	3,02,50,740	2,51,01,348	2,27,00,886	2,34,39,000	2,25,36,000	2,24,84,000
<b>TOTAL—EFFECTIVE . . . . . R</b>	<b>33,5,00,115</b>	<b>34,5,41,442</b>	<b>34,09,13,475</b>	<b>33,34,62,000</b>	<b>32,65,25,000</b>	<b>32,64,12,000</b>
<i>Non-Effective Services.</i>						
Non-effective charges . . . . . R	3,40,42,279	3,54,30,955	3,58,06,175	3,56,71,000	3,66,91,000	3,50,37,000
Part B.—Auxiliary and territorial forces—Effective . . . . . R	82,68,784	50,44,524	79,08,272	96,39,000	69,24,000	91,08,000
Part C.—Royal Effective . . . . . R	1,05,61,900	1,13,46,037	1,07,39,551	1,23,19,000	1,12,70,000	1,20,24,000
Air Force { Non-Effective . . . . . R	1,264	23,729	27,756	30,000	30,000	60,000
<b>TOTAL, PART C . . . . . R</b>	<b>1,05,63,164</b>	<b>1,13,70,366</b>	<b>1,07,67,107</b>	<b>1,23,49,000</b>	<b>1,13,00,000</b>	<b>1,20,54,000</b>
<b>TOTAL INDIA { Effective . . . . . R</b>	<b>35,41,36,799</b>	<b>36,50,33,603</b>	<b>35,95,61,098</b>	<b>35,54,20,000</b>	<b>34,67,19,000</b>	<b>34,95,39,000</b>
<b>{ Non-Effective . . . . . R</b>	<b>3,40,43,563</b>	<b>3,54,63,714</b>	<b>3,58,33,831</b>	<b>3,57,01,000</b>	<b>3,67,21,000</b>	<b>3,56,97,000</b>
	<b>R 35,81,50,362</b>	<b>40,04,97,317</b>	<b>39,53,95,029</b>	<b>39,11,21,000</b>	<b>38,34,40,000</b>	<b>38,52,36,000</b>
<b>EXPENDITURE.</b>						
<b>England—</b>						
<b>Part A.—Standing Army.</b>						
<i>Effective Services.</i>						
Pay and allowances and miscellaneous cash expenditure of the Fighting Services . . . . . £	2,775,223	2,662,169	2,690,392	2,669,625	2,629,125	2,628,625
Administrative services . . . . . £	578,973	289,868	327,374	321,900	312,900	323,400
Manufacturing establishments . . . . . £	700,519	514,218	599,758	473,100	519,325	422,700
Army Headquarters, Staff of Commands, etc. . . . . £	74,543	73,320	96,094	92,025	93,300	96,525
Purchase and sale of stores, equipment and animals . . . . . £	684,109	1,020,044	1,216,031	924,375	1,043,250	782,625
<b>Carried over { £</b>	<b>4,814,373</b>	<b>4,765,629</b>	<b>4,929,674</b>	<b>4,481,025</b>	<b>4,597,500</b>	<b>4,254,075</b>
<b>{ R</b>	<b>36,61,50,362</b>	<b>40,04,97,317</b>	<b>39,53,95,029</b>	<b>39,11,21,000</b>	<b>38,34,40,000</b>	<b>38,52,36,000</b>

BUDGET FOR 1931-32.

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ARMY—concl'd.

		Actuals, 1927-28.	Actuals, 1928-29.	Actuals, 1929-30.	1930-31.		Budget, 1931-32.	
					Budget.	Revised.		
Brought forward	R	38,61,80,362	40,04,97,317	39,53,95,039	39,11,21,000	38,34,40,000	38,52,36,000	
	£	4,614,673	4,765,639	4,929,874	4,481,025	4,597,800	4,254,075	
Special services	£	17,108	1,256	12	...	...	...	
Transportation, conservancy, anti-malarial measures, hot weather establishments and miscellaneous	£	491,349	606,238	825,156	753,600	715,575	750,675	
<b>TOTAL—EFFECTIVE</b>	£	5,123,128	5,373,123	5,754,842	5,234,625	5,313,375	5,004,750	
<i>Non-Effective Services.</i>								
Non-effective charges	£	3,597,814	3,647,947	3,712,121	3,712,875	3,661,950	3,650,625	
<b>Part C.—Royal Air Force—</b>								
Effective	£	455,854	661,459	984,033	566,175	1,009,725	740,100	
Non-Effective	£	15,800	14,800	15,200	15,600	19,500	19,500	
<b>TOTAL, PART C.</b>		471,654	676,259	999,233	581,775	1,029,225	759,600	
<b>TOTAL ENGLAND</b>	£	9,192,596	9,697,329	10,416,196	9,829,275	10,004,550	9,414,975	
<b>TOTAL ENGLAND</b>	Effective	R	7,43,86,436	8,04,61,090	8,91,84,993	8,13,44,000	8,43,08,000	7,65,98,000
	Non-Effective	R	4,81,81,529	4,88,36,630	4,96,97,621	4,97,13,000	4,90,66,000	4,89,35,000
	R	12,25,67,955	12,92,97,720	13,88,82,614	13,10,57,000	13,33,94,000	12,55,33,000	
<b>TOTAL EXPENDITURE</b>	Effective	R	42,85,23,225	44,54,94,693	44,87,46,091	43,67,04,000	43,10,27,000	42,61,37,000
	Non-Effective	R	8,22,25,092	8,43,00,344	8,55,31,652	8,54,14,000	8,58,07,000	8,46,32,000
	R	51,07,48,317	52,97,95,037	53,42,77,643	52,21,78,000	51,68,34,000	51,07,69,000	
<b>REVENUE.</b>								
India	Effective	R	41,08,003	1,77,24,350	1,96,42,372	1,75,12,000	1,70,90,000	2,17,02,000
	Non-Effective	R	16,21,654	17,90,634	28,63,636	16,74,000	26,27,000	18,68,000
	<b>TOTAL</b>	R	57,29,657	1,95,15,184	2,25,26,008	1,93,86,000	1,97,17,000	2,35,70,000
England	Effective	R	349,197	532,405	758,791	597,375	556,200	637,075
	Non-Effective	R	26,10,057	35,62,477	34,36,121	29,12,000	32,47,000	34,57,000
	<b>TOTAL</b>	R	46,55,964	70,98,740	1,01,17,215	79,65,000	1,14,16,000	1,11,61,000
<b>TOTAL REVENUE</b>	Effective	R	67,18,000	2,12,86,827	2,30,78,493	2,04,24,000	2,03,37,000	2,51,59,000
	Non-Effective	R	36,67,761	53,27,097	95,64,730	60,27,000	1,01,96,000	95,72,000
	<b>TOTAL</b>	R	1,03,85,821	2,66,13,924	3,26,43,223	2,73,51,000	3,05,33,000	3,47,31,000
<b>NET EXPENDITURE</b>	India	R	38,24,50,505	38,09,82,133	37,28,69,021	37,17,85,000	36,43,23,000	36,16,66,000
	England	R	11,79,11,991	12,21,98,980	12,87,65,399	12,30,92,000	12,19,78,000	11,43,72,000
	Effective	R	42,18,05,165	43,42,07,808	42,56,67,598	41,63,40,000	41,06,90,000	40,09,78,000
Non-Effective	R	7,66,57,331	7,89,78,247	7,69,68,822	7,84,87,000	7,56,11,000	7,50,60,000	
<b>TOTAL</b>	R	50,03,62,496	50,31,61,113	50,16,34,420	49,48,37,000	48,63,01,000	47,60,38,000	

## BUDGET FOR 1931-32.

## MARINE.

		Actuals, 1927-28.	Actuals, 1928-29.	Actuals, 1929-30.	1930-31.		Budget, 1931-32.	
					Budget.	Revised.		
<b>EXPENDITURE.</b>								
India	R	47,30,159	53,98,883	51,97,295	60,75,000	63,23,000	54,74,000	
England	£	213,736	209,109	229,865	2,21,775	217,300	221,100	
	R	29,16,481	27,88,120	30,64,857	29,57,000	28,96,000	29,48,000	
<b>Total Expenditure</b>	<b>R</b>	<b>76,36,640</b>	<b>81,86,903</b>	<b>83,62,152</b>	<b>90,32,000</b>	<b>92,19,000</b>	<b>64,22,000</b>	
<b>REVENUE.</b>								
India	R	14,75,272	13,60,709	14,73,314	21,36,000	21,66,000	14,78,000	
England	£	...	180	728	...	3,000	300	
	R	...	2,397	9,705	...	40,000	4,000	
<b>Total Revenue</b>	<b>R</b>	<b>14,75,272</b>	<b>13,63,106</b>	<b>14,83,019</b>	<b>21,36,000</b>	<b>23,28,000</b>	<b>14,82,000</b>	
<b>NET EXPENDITURE.</b>	India	R	32,44,887	40,37,974	27,23,981	39,39,000	41,37,000	39,96,000
	England	R	29,16,481	27,85,723	30,55,152	29,57,000	28,56,000	29,44,000
	<b>TOTAL</b>	<b>R</b>	<b>61,61,368</b>	<b>68,23,697</b>	<b>67,79,133</b>	<b>68,96,000</b>	<b>69,93,000</b>	<b>69,40,000</b>

## MILITARY ENGINEER SERVICES.

		Actuals, 1927-28.	Actuals, 1928-29.	Actuals, 1929-30.	1930-31.		Budget, 1931-32.	
					Budget.	Revised.		
<b>EXPENDITURE.</b>								
India	R	4,46,85,677	4,39,75,608	4,64,76,282	4,80,56,000	4,80,14,000	4,50,97,000	
England	£	24,320	27,695	33,858	33,150	33,550	35,175	
	R	3,24,259	3,69,266	4,51,444	4,42,000	5,14,000	4,69,000	
<b>TOTAL</b>	<b>R</b>	<b>4,50,09,936</b>	<b>4,43,43,874</b>	<b>4,69,27,726</b>	<b>4,84,98,000</b>	<b>4,85,28,000</b>	<b>4,55,66,000</b>	
<b>REVENUE.</b>								
India	R	35,88,219	59,60,421	56,82,501	41,14,000	34,70,000	56,68,000	
England	£	...	...	...	...	75	...	
	R	...	...	...	...	1,000	...	
<b>TOTAL</b>	<b>R</b>	<b>35,88,219</b>	<b>59,60,421</b>	<b>56,82,501</b>	<b>41,14,000</b>	<b>34,71,000</b>	<b>56,68,000</b>	
<b>NET EXPENDITURE.</b>	India	R	4,10,97,458	3,80,19,187	4,07,93,781	4,39,42,000	4,45,44,000	3,94,29,000
	England	R	3,24,259	3,69,266	4,51,444	4,42,000	5,13,000	4,69,000
	<b>TOTAL</b>	<b>R</b>	<b>4,14,21,717</b>	<b>3,83,88,453</b>	<b>4,12,45,225</b>	<b>4,43,84,000</b>	<b>4,50,57,000</b>	<b>3,98,98,000</b>

TRANSFERS TO OR FROM MILITARY RESERVE FUND.

		Actuals, 1927-28.	Actuals, 1928-29.	Actuals, 1929-30.	1930-31.		Budget, 1931-32.
					Budget.	Revised.	
<b>EXPENDITURE.</b>							
India	R	...	26,06,737	13,41,222	...	46,49,000	...
England	R	...	...	...	...	...	...
Total Expenditure	R	...	26,06,737	13,41,222	...	46,49,000	...
<b>REVENUE.</b>							
India	R	...	...	...	26,07,000	...	28,76,000
England	R	...	...	...	...	...	...
Total Receipts	R	...	...	...	26,07,000	...	28,76,000
NET EXPENDI- TURE.	India	R	26,06,737	13,41,222	-26,07,000	46,49,000	-28,76,000
	England	R	...	...	...	...	...
	Total	R	...	26,06,737	13,41,222	-26,07,000	46,49,000

TOTAL MILITARY SERVICES ; SUMMARY.

		Actuals, 1927-28.	Actuals, 1928-29.	Actuals, 1929-30.	1930-31.		Budget, 1931-32.	
					Budget.	Revised.		
<b>EXPENDITURE.</b>								
India	R	43,75,58,198	45,24,82,345	44,84,09,838	44,52,52,000	44,24,26,000	43,58,07,000	
England	£	9,435,652	9,934,133	10,679,919	10,084,300	10,260,300	9,671,350	
	R	12,58,08,695	13,24,55,108	14,23,98,915	13,44,56,000	13,68,04,000	12,89,50,000	
Total Expenditure	R	56,33,64,893	58,49,37,451	59,08,08,743	57,97,08,000	57,22,30,000	56,47,57,000	
<b>REVENUE.</b>								
India	R	1,07,93,348	1,63,36,314	2,96,61,823	2,62,43,000	2,47,73,000	3,35,92,000	
England	£	349,197	532,555	759,519	5,97,375	859,275	637,375	
	R	46,55,964	71,01,137	1,01,26,920	79,65,000	1,14,57,000	1,11,65,000	
Total Receipts	R	1,54,49,312	3,39,37,451	3,98,08,743	3,62,08,000	3,62,30,000	4,47,57,000	
NET EXPENDI- TURE.	India	R	42,67,92,850	42,56,46,031	41,87,28,005	41,70,09,000	41,76,53,000	40,23,15,000
	England	R	12,11,52,731	12,53,55,969	13,22,71,995	12,64,91,000	12,53,47,000	11,77,85,000
	Total	R	54,79,45,581	55,10,00,000	55,10,00,000	54,35,00,000	54,30,00,000	52,00,00,000





Description of articles liable to charge in substantive rates of duty.	Present rate of duty.	Proposed rate of duty.	Additional yield in lakhs of rupees.
<p>WINES, not containing more than 42 per cent of proof spirit—</p> <p>(1) champagne and other sparkling wines.</p> <p>(2) other sorts . . . .</p>	<p>Rs. 9 per gallon</p> <p>Rs. 4-8 per gallon</p>	<p>Rs. 10-8 per gallon</p> <p>Rs. 6 per gallon</p>	<p>3.7</p>
<p>SUGAR, excluding confectionery—</p> <p>(1) Sugar, crystallised or soft 23 Dutch Standard and above.</p> <p>(2) Sugar, crystallised or soft inferior to 23 Dutch Standard but not inferior to 8 Dutch Standard.</p> <p>(3) Sugar, below 8 Dutch Standard and sugar candy.</p>	<p>Rs. 6 per cwt.</p> <p>Rs. 5-8 per cwt.</p> <p>25 per cent. <i>ad valorem</i> plus Re. 1-8 per cwt.</p>	<p>Rs. 7-4 per cwt.</p> <p>Rs. 6-12 per cwt.</p> <p>25 per cent. <i>ad valorem</i> plus Rs. 2-12 per cwt.</p>	<p>1.16</p>
<p>SILVER bullion etc. as specified in Item 43 BB of Schedule II to the Indian Tariff Act, 1894.</p>	<p>4 annas per oz. . . .</p>	<p>6 annas per oz. . . .</p>	<p>75</p>
<p>SPICES . . . . .</p>	<p>15 per cent. <i>ad valorem</i></p>	<p>30 per cent. <i>ad valorem</i></p>	<p>8</p>
<p>CINEMATOGRAPH films, exposed.</p>	<p>Do.</p>	<p>Do.</p>	<p>3.4</p>
<p>BETELNUTS . . . . .</p>	<p>Do.</p>	<p>Do.</p>	<p>23.04</p>
<p><i>Excise duty.</i></p>			
<p>SILVER bullion etc. as above</p>	<p>4 annas per oz. . . .</p>	<p>6 annas per oz. . . .</p>	<p>7</p>
		<p>TOTAL . . . . .</p>	<p>2.93</p>

Description of articles liable to additional duty (References are to Items in Schedule II to the Indian Tariff Act, 1894).	Present rate of duty.	Proposed rate of additional duty or method of obtaining it.	Additional yield in lakhs of rupees.
<i>Customs duties.</i>			
FISH, SALTED, wet or dry.	Rate not exceeding Re. 1 per maund as fixed by the Governor-General in Council.	5 per cent. <i>ad valorem</i> .	1
CIGARS . . . . .	75 per cent. <i>ad valorem</i> .	15 per cent. <i>ad valorem</i> .	} 15
CIGARETTES . . . . .	Rs. 7 and Rs. 10-8 per thousand.	Re. 1-8 per thousand .	
All other sorts of TOBACCO manufactured.	Rs. 2-4 per pound .	12 annas per pound .	
KEROSENE ; also any other mineral oil included in Item No. 40.	2 annas 3 pies per gallon.	9 pies per gallon .	43
MOTOR SPIRIT . . . . .	6 annas per gallon .	2 annas per gallon .	7
MINERAL OIL—			
(1) ordinarily used for the batching of jute or other fibre, as specified in sub-item (1) of Item No. 41;	Rs. 10 per ton. . . .	Rs. 2-8 per ton . . . .	} 8
(2) not ordinarily used for any other purpose than for lubrication, as specified in sub-item (2) of Item No. 41 ;	1 anna 4 pies per gallon	4 pies per gallon	
(3) not ordinarily used except as fuel or for some sanitary or hygienic purposes, as specified in sub-item (3) of Item No. 41.	7½ per cent. <i>ad valorem</i> .	2½ per cent. <i>ad valorem</i> .	
All ARMS, and other articles included in Item No. 42.	Varying rates subject to minimum of 30 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i> .	1
MOTOR CARS, motor cycles and other articles included in Item No. 42A.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i> .	30
ARTIFICIAL SILK YARN and THREAD.	7½ per cent. <i>ad valorem</i> .	2½ per cent. <i>ad valorem</i> .	1
SILK MIXTURES, all sorts — included in Item No. 45A.	20 per cent. <i>ad valorem</i> .	7½ per cent. <i>ad valorem</i> .	1

Description of articles liable to additional duty (References are to Items in Schedule II to the Indian Tariff Act, 1894).	Present rate of duty.	Proposed rate of additional duty or method of obtaining it.	Additional yield in lakhs of rupees.
PORTLAND CEMENT (excluding white portland cement).	Rs. 9 per ton . . .	Rs. 2 per ton . . .	2
All articles for the time being included in Part IV of the Second Schedule.	10 per cent. <i>ad valorem</i> .	2½ per cent. <i>ad valorem</i> .	12
All articles for the time being included in Part V of the Second Schedule, excluding "raw hemp" comprised in Item No. 78.	15 per cent. <i>ad valorem</i> .	5 per cent. <i>ad valorem</i> .	2,63
All articles for the time being included in Part VI of the Second Schedule, except—	30 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i> .	30
(1) the following SPICES, namely—			
Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper;			
(2) CINEMATOGRAPH FILMS, exposed; and			
(3) BETELNUTS.			
COTTON PIECE-GOODS—all sorts included in Item No. 156A.	15 per cent. and 20 per cent. <i>ad valorem</i> , with minimum of 3½ annas per pound in certain cases.	The figures for the rates of the <i>ad valorem</i> duties shall be deemed to be increased by 5 in each case.	90
<i>Excise duties.</i>			
Kerosene . . . . .	1 anna 6 pies per gallon.	9 pies per gallon . . .	52
Motor Spirit . . . . .	6 annas per gallon.	2 annas per gallon . . .	83
		TOTAL . . . . .	6,39
		GRAND TOTAL . . . . .	9,32

## APPENDIX IV.

Statement showing the details of the Budget Proposals relating to Taxes on Income and their financial effect.

Income in Rs.	Rate of tax in pies per rupee.		Additional yield in lakhs of rupees.
	Present.	Proposed.	
<b>INCOME-TAX.</b>			
In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—			
1 — 1,999 . . . . .	..	..	
2,000 — 4,999 . . . . .	5	6	
5,000 — 9,999 . . . . .	6	9	
10,000 — 14,999 . . . . .	9	12	
15,000 — 19,999 . . . . .	10	16	
20,000 — 29,999 . . . . .	13	19	Gross . 3,87
30,000 — 39,999 . . . . .	18	23	Refunds . 38
40,000 — 99,999 . . . . .	19	25*	Net . 3,49
1,00,000 or upwards . . . . .	19	26	
In the case of every company and registered firm, whatever its total income.	19	26	

\*It may appear at first sight that under the new scheme the rates of increase on incomes above Rs. 30,000 are made in an anomalous fashion, but it will be found from the next statement that, when the effects of super-tax are also taken into account, the percentages of the increase rise in a fairly steady proportion and that the final result is an evenly graduated scale.

Income in Rs.	Rate of tax in pies per rupee.		Additional yield in lakhs of rupees.
	Present.	Proposed.	
<b>SUPER-TAX.</b>			
<i>Excess over 30,000 only.</i>			
<b>In the case of every company—</b>			
First 20,000 . . . . .	..	..	
Remainder . . . . .	12	12	
<b>In the case of every Hindu undivided family—</b>			
First 45,000 . . . . .	..	..	
Next 25,000 . . . . .	13	15	
<b>In the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company—</b>			
First 20,000 . . . . .	..	9	
Next 50,000 . . . . .	13	15	
<b>In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—</b>			
Next 50,000 . . . . .	19	21	46
Do. . . . .	25	27	
Do. . . . .	31	33	
Do. . . . .	37	39	
Do. . . . .	43	45	
Do. . . . .	49	51	
Do. . . . .	55	57	
Do. . . . .	61	63	
Do. . . . .	67	69	
Remainder . . . . .	73	75	
	<b>Total</b>		<b>3 95</b>

Income.	Present.		Proposed.		Increase.	Percent- age of (6) to (1).	Percent age of (5) to (1).
	Rate per rupee.	Tax.	Rate per rupee	Tax.			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Rs.	Pies.	Rs. a.	Pies	Rs. a.	Rs. a.		
2,000	5	52 1	6	62 8	10 7	·52	3·12
5,000	6	156 4	9	234 6	78 2	1·56	4·69
10,000	9	468 12	12	625 0	156 4	1·56	6·25
15,000	10	781 4	16	1,250 0	468 12	3·12	8·33
20,000	13	1,354 3	19	1,979 3	625 0	3·12	9·83
30,000	16	2,500 0	23	3,593 12	1,093 12	3·64	11·98

Super-tax now begins over Rs. 50,000 but will begin over Rs. 30,000.

35,000	16	2,916 11	23	4,427 1	1,510 6	4·31	12·65
40,000	19	3,958 5	25	5,677 1	1,718 12	4·29	14·19
50,000	19	4,947 15	25	7,447 14	2,499 15	5·00	14·89
1,00,000	19	13,281 5	26	18,385 6	5,104 1	5·10	18·39
1,50,000	19	23,177 3	26	30,625 2	7,447 15	4·97	20·42
2,00,000	19	34,635 8	26	44,426 15	9,791 7	4·90	22·21
2,50,000	19	47,656 6	26	59,791 7	12,135 1	4·85	23·92
3,00,000	19	62,239 13	26	76,718 9	14,478 12	4·83	25·57
3,50,000	19	78,385 11	26	95,208 4	16,822 9	4·81	27·20
4,00,000	19	96,094 0	26	1,15,260 1	19,166 1	4·79	28·81
4,50,000	19	1,15,364 14	26	1,36,874 10	21,509 12	4·78	30·42
5,00,000	19	1,36,198 5	26	1,60,051 10	23,853 5	4·77	32·01
5,50,000	19	1,58,594 4	26	1,84,791 1	26,196 13	4·76	33·60
6,00,000	19	1,82,552 5	26	2,11,092 14	28,540 9	4·76	35·18

\*Owing to the "slab system", the effective rates of super-tax vary continuously with the amount of income and have not therefore been shown. The income-tax rates only have been shown against income liable to super-tax.

APPENDIX V.

Statement showing the interest-bearing obligations of the Government 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.	31st March 1929.	31st March 1930.	31st March 1931.
<b>INTEREST-BEARING OBLIGATIONS.</b>									
<i>In India—</i>				(In crores of rupees.)					
Loans (a) . . . . .	339.83	358.81	370.33	368.29	374.44	372.25	390.73	405.11	417.85
Treasury Bills in the hands of the public . . . . .	21.59	2.12	..	..	..	7.59	4.00	36.04	45.00
Treasury Bills in the Paper Currency Reserve . . . . .	49.65	49.65	49.65	49.65	41.47	31.94	39.15	29.22	5.65
Other Obligations—									
Post Office Savings Banks . . . . .	23.20	24.79	25.64	27.23	29.51	32.67	34.49	37.13	36.39
Cash Certificates . . . . .	3.13	8.42	13.12	20.96	26.68	30.70	32.30	35.00	38.20
Provident Funds, etc. . . . .	36.17	39.00	42.39	46.36	51.02	55.82	60.52	65.41	70.33
Depreciation and Reserve Funds . . . . .	..	..	9.08	15.45	20.10	25.48	31.09	30.18	23.87
Provincial Balances (b) . . . . .	2.86	4.17	4.83	11.87	10.49	10.48	10.43	10.21	6.11
Total Loans, etc. . . . .	411.07	410.58	420.03	417.94	415.91	411.78	433.83	470.37	468.50
Total Other Obligations . . . . .	65.36	76.38	95.06	121.87	137.80	155.15	168.83	177.93	174.90
Total in India . . . . .	476.43	486.96	515.09	539.81	553.71	566.93	602.71	648.30	643.40
<i>In England . . . . .</i>				(In millions of £.)					
Loans (a) . . . . .	222.92	244.53	263.39	266.35	265.09	272.32	283.31	289.03	315.97
War Contribution . . . . .	19.71	19.27	18.81	18.32	17.81	17.28	16.72	16.72	16.72
Capital value of liabilities undergoing redemption by way of terminable railway annuities . . . . .	61.81	60.10	58.84	57.53	56.19	54.79	53.35	51.86	50.32
India Bills . . . . .	..	..	..	..	..	..	..	6.00	..
Imperial Bank of India Loan . . . . .	..	..	..	..	..	..	..	..	4.05
Provident Funds, etc. . . . .	..04	..13	..16	..21	..27	..19	..43	2.54	..70
Total in England . . . . .	303.98	324.03	341.20	342.41	339.36	344.58	353.81	366.15	387.76
				(In crores of rupees.)					
Equivalent at 1s. 6d. to the Rupee . . . . .	405.31	432.04	454.93	456.55	452.48	459.44	471.75	488.20	517.01
Total Interest-bearing obligations . . . . .	881.74	919.00	970.02	996.36	1,006.19	1,026.37	1,074.46	1,136.50	1,160.41
<b>INTEREST-YIELDING ASSETS—</b>									
Capital advanced to Railways . . . . .	517.22	537.02	(d) 578.05	(f) 605.61	635.46	668.60	700.69	730.79	745.29
Capital advanced to other Commercial Departments . . . . .	19.43	20.07	22.00	17.77	19.16	20.73	21.81	22.70	23.41
Capital advanced to Provinces . . . . .	87.49	97.56	106.43	114.60	120.17	126.34	137.52	142.60	149.14
Capital advanced to Indian States and other interest-bearing loans . . . . .	8.90	8.93	10.16	11.84	12.11	13.91	15.49	17.65	19.60
Total Interest-yielding assets . . . . .	633.04	663.58	716.64	749.8	786.90	829.58	875.51	913.74	937.44
Cash, bullion and securities held on Treasury account . . . . .	44.80	50.47	57.35	51.96	37.48	24.26	23.34	45.36	29.06
Balance of total interest-bearing obligations not covered by above assets . . . . .	203.90	204.95	196.03	194.58	181.81	172.53	170.61	177.40	193.91

(a) These figures represent the nominal amounts of loans outstanding and also include comparatively small amounts of expired loans which do not bear interest.  
 (b) The figures represent those portions of provincial balances which bear interest either because they form part of the old Famine Insurance Fund or the present Famine Relief Fund or because they have been placed with the Government of India on fixed deposit.  
 (c) Includes the liability assumed by the Secretary of State for East Indian Railway Debenture Stock, aggregating £18½ millions, on the termination of the contract with that Railway on the 1st January 1925. It therefore does not represent any increase in the foreign indebtedness of the country as a whole.  
 (d) Includes 27.07 crores on account of the liability referred to in (c) above.  
 (e) Includes the liability assumed by the Secretary of State for the Great Indian Peninsula Railway Debenture Stock, aggregating £3½ millions, on the termination of the contract with that Railway on the 1st July 1925. *Vide* also last sentence under (c) above.  
 (f) Includes 4.88 crores on account of the liability referred to in (c) above.



## APPENDIX VI.

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.]

	1930-31.				1931-32.			
	Voted.	Non-voted.	Total.	Per-centage of voted to total.	Voted.	Non-voted.	Total.	Per-centage of voted to total.
Expenditure charged to revenue	1,01,23	1,19,36	2,20,59	46	96,75	1,20,65	2,17,40	45
Expenditure not charged to revenue	19,06	2,19	21,25	90	13,25	13	13,38	99
<b>Total Expenditure both charged and not charged to revenue.</b>	<b>1,20,29</b>	<b>1,21,55</b>	<b>2,41,84</b>	<b>50</b>	<b>1,10,00</b>	<b>1,20,78</b>	<b>2,30,78</b>	<b>48</b>

\*These figures have been arrived at as follows:—

Expenditure as per Budget Statement	1,84,73	1,95,57
Add—Working expenses of—		
(a) Railway Department	71,40	67,18
(b) Posts and Telegraphs	11,54	11,50
(c) Irrigation	10	10
Add—Refunds	2,69	3,05
Recoveries included in Civil Works Demand	8	
	<u>2,20,59</u>	<u>2,17,40</u>

## APPENDIX VII.

## 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.

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 for 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.

## 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.

tem 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."

tem 3(b),  
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".

tem 2, *ibid.*

tem 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 Central 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 Central 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 heads Army and Military Engineer Services, 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 Posts and Telegraphs 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 formâ* account will take credit only for actual Central 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 obtain 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 formâ*  
account.

Item I 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 formâ* 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 1930-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.	Receipts.	Actuals to end of 1930-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
<b>2. DELHI PROJECT :</b>				<b>I.—Receipts on account of Central buildings vacated by the Government of India or attached offices in consequence of the move (a)§.</b>			
Capital outlay on Permanent Delhi chargeable to Head "67" (for details see Statement I-A)	14,15,63	51,84	24,72				
2. Temporary Delhi	54,38	...	...		20,72	1,18	43
3. Initial expenditure of non-Civil Departments :—							
(a) Military services †	1,13,32	2,89	93				
(b) Railways ‡	1,10,10	3,53	81				
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	1,36	...	...	<b>II.—Non-recurring receipts on account of Temporary Works</b>	2	...	...
5. Cost of withdrawal to Delhi of Central offices previously located at Calcutta or elsewhere	9,08	3,90	3,73	<b>III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi§</b>	...	...	...
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi	9,69	57	60	<b>IV.—Miscellaneous items</b>	5,46	...	...
7. Miscellaneous items §	11,85	63	67				
<b>TOTAL</b>	<b>17,25,50</b>	<b>62,15</b>	<b>30,98</b>	<b>TOTAL</b>	<b>29,20</b>	<b>1,18</b>	<b>43</b>
Total expenditure to end of 1931-32		18,18,61		Total receipts to end of 1931-32		30,81	
Net expenditure to end of 1931-32		17,87,80					

\* 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 1929-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
Acquisition of land	13,20	...	...
Cost of buildings	91,29	2,68	93
Establishment charges	6,77	1	...
Tools and plants	2,06	...	...
<b>TOTAL</b>	<b>1,13,32</b>	<b>2,69</b>	<b>93</b>

‡ Note 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nangal Raya. They include transactions on account of Delhi New Capital Railway Works.

§ Note 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Office of the Accountant General, Central Revenues, (Audit Staff, Delhi Experiments) and the cost of temporary establishments employed in the Secretariats in connection with the change of Capital.

¶ Note 5.—These heads 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 1913-14 to 1922-23 the Government of Bengal, by moving their offices into the vacated Central buildings in Calcutta, saved Rs. 7,69,860 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 I.

(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.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of rupees.]

Expenditure.	Actuals, 1929-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.	Receipts.	Actuals, 1929-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
1. Expenditure of Delhi Province*	96,17 —31,78(a)	1,00,52	1,15,93	I.—Revenue of Delhi Province*	47,44	42,49	39,78
2. Miscellaneous items	...	...	...	II.—Saving under Calcutta house allowances	30	29	30
				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	64,38	1,00,52	1,15,93	IV.—Miscellaneous items	46	46	46
Net expenditure	13,68	54,78	72,89	Total receipts	50,70	45,74	43,04

\* Note 1.—The details of this item are given in Statement II-A.

(a) Vide remarks in footnote marked \* (Statement II-A).

† Note 2.—The figure shown against item III is a minimum figure calculated once for all on the assumption that all offices or portions of offices 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 forma* account.

[Figures in thousands of rupees.]

Items.	Actuals to end of 1929-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
<b>A.—Pay and allowances—</b>			
<b>(a) Preliminary Investigation—</b>			
(i) Gazetted Government servants*	2,04	...	...
(ii) Non-gazetted Government servants . . .	14	...	...
<b>(b) Public Works and Electrical officers employed on the Project—</b>			
(i) Gazetted Government servants*	1,15,20	6,31	5,40
(ii) Non-gazetted Government servants . . .	95,13	10,19	9,91
<b>(c) Other officers employed on the Project—</b>			
(i) Gazetted Government servants*	6,03	23	20
(ii) Non-gazetted Government servants . . .	6,16	39	34
<b>B.—Travelling allowances of Officers and Establishment—</b>			
<b>(a) Preliminary Investigation—</b>			
(i) Gazetted Government servants*	23	...	...
(ii) Non-gazetted Government servants . . .	2	...	...
<b>(b) Public Works and Electrical officers employed on the Project—</b>			
(i) Gazetted Government servants*	9,77	52	49
(ii) Non-gazetted Government servants . . .	6,12	43	45
<b>(c) Other officers employed on the Project—</b>			
(i) Gazetted Government servants*	78	3	3
(ii) Non-gazetted Government servants . . .	60	5	4
<b>C.—Supplies, Services and Contingencies—</b>			
(a) Preliminary investigation . . .	51	...	...
(b) Public Works and Electrical officers employed on the Project . . .	8,89	70	68
(c) Other officers employed on the Project . . .	50	2	2
<b>Total A, B and C . . .</b>	<b>2,52,15</b>	<b>18,87</b>	<b>17,56</b>
<b>Deduct—Credits from other heads of accounts . . .</b>	<b>68,84</b>	<b>9,27</b>	<b>11,07</b>
<b>Net total A, B and C (carried over)</b>	<b>1,83,31</b>	<b>9,60</b>	<b>6,49</b>

\*Note—The town planners and other experts are included under this head.

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Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part I of *pro forma* account—*contd.*

[Figures in thousands of rupees.]

Items.	Actuals to end of 1929-30.	Revised Estimate, 1930-31.	Budget Estimate, 1931-32.
Net total A, B, C. (brought forward)	1,83,31	9,60	6,49
<i>D.—Works Expenditure—</i>			
(i) Buildings—			
(a) Government House	1,70,57	12,22	1,05
(b) Secretariats	1,84,36	43	50
(c) Other buildings	2,60,26	27,76	15,90
(d) Legislative Chambers	88,02	97	35
(ii) Communications	30,19	1,75	2,07
(iii) Miscellaneous Public Improvements	21,49	40	50
(iv) Electric Light and Power	63,35	3,75	3,92
(v) Irrigation	41,47	96	69
(vi) Sanitation including water supply, drainage and sewage	1,16,24	5,09	3,83
(vii) Purchase of tools and plant	94,68	48	12
(viii) Stock and Suspense	25,57	-2,49	-7,75
(ix) Miscellaneous items	91,37	1,56	1,48
(x) Maintenance during construction	91,90	3,35	2,70
(xi) Railway diversion	13,79	...	...
<i>E.—Acquisition of land</i>	34,17	...	19
<i>F.—Other Miscellaneous expenditure</i>	6	3,01	-39
<i>G.—Minus Unallotted Reserve</i>	...	-5,00	5,07
<i>Deduct—Receipts on Capital Account.</i>	95,17	12,00	11,00
<b>TOTAL</b>	<b>14,15,63</b>	<b>51,84</b>	<b>24,72</b>



**STATEMENT II-A.**  
**Revenue and Expenditure of Delhi and Delhi Province.**

[Figures in thousands of rupees.]

REVENUE.				EXPENDITURE.			
Major Heads of Account.	Actuals, 1929-30.	Revised Esti- mate, 1930-31.	Budget Esti- mate, 1931-32.	Major Heads of Account.	Actuals, 1929-30.	Revised Esti- mate, 1930-31.	Budget Esti- mate, 1931-32.
I.—Customs . . . . .	...	...	...	2. Taxes on Income . . . . .	68	87	85
II.—Taxes on Income . . . . .	11,40	8,99	6,67	5. Land Revenue . . . . .	66	64	66
IV.—Opium . . . . .	...	...	...	6. Excise . . . . .	3,66	3,69	3,68
V.—Land Revenue . . . . .	2,67	2,74	2,69	7. Stamps . . . . .	10	8	10
VI.—Excise . . . . .	8,77	5,33	5,96	8. Forests . . . . .	10	11	8
VII.—Stamps . . . . .	7,51	7,20	7,20	9. Registration . . . . .	4	4	5
IX.—Registration . . . . .	52	47	47	15. Miscellaneous Irrigation Expenditure . . . . .	2	3	5
XIV.—Irrigation works for which no Capital Account is kept . . . . .	...	1	1	22. General Administration . . . . .	3,83	4,23	4,39
XVI.—Interest . . . . .	23	14	14	23. Audit . . . . .	29	28	29
XVII.—Administration of Jus- tice . . . . .	38	45	45	24. Administration of Justice . . . . .	2,67	2,70	2,67
XVIII.—Jails and Convict Settlements . . . . .	21	14	14	25. Jails and Convict Settlements . . . . .	1,51	2,06	1,73
XIX.—Police . . . . .	38	32	32	26. Police . . . . .	9,93	13,19	11,62
XXI.—Education . . . . .	66	49	49	28. Ecclesiastical . . . . .	19	22	22
XXII.—Medical . . . . .	20	20	19	29. Political . . . . .	13	14	22
XXIII.—Public Health . . . . .	8	78	8	31. Education . . . . .	9,40	10,11	9,97
XXIV.—Agriculture . . . . .	5	5	5	32. Medical . . . . .	5,57	5,26	5,32
XXV.—Industries . . . . .	7	5	3	33. Public Health . . . . .	1,84	2,09	2,07
XXVI.—Miscellaneous Depart- ments . . . . .	15	13	13	34. Agriculture . . . . .	60	71	70
XXX.—Civil Works . . . . .	8,98	12,73	12,73	35. Industries . . . . .	27	33	32
XXXIII.—Receipts in aid of Superannuation . . . . .	2,58	12	12	37. Miscellaneous Departments . . . . .	3	4	4
XXXIV.—Stationery and Printing . . . . .	8	9	9	38. Currency . . . . .	11	13	17
XXXV.—Miscellaneous . . . . .	1,73	2,06	1,82	41. Civil Works—Delhi Province . . . . .	43,85	41,56	59,17
TOTAL . . . . .	47,44	42,49	39,78	Civil Works—Viceregal Estates, Delhi . . . . .	1,85	4,55	4,75
				44. Territorial and Political Pen- sions . . . . .	49	50	50
				45. Superannuation Allowances and Pensions . . . . .	3,25	3,29	3,28
				46. Stationery and Printing . . . . .	4	6	5
				47. Miscellaneous . . . . .	3,63	3,66	3,22
				60B. Commuted value of pensions . . . . .	1,51	—24	—24
				TOTAL . . . . .	96,17 —31,79*	1,00,52	1,15,68

\* Represents write-back of charges of interest on public debt, paid at the Delhi Treasury and erroneously included in the *Fre forme* Accounts of the Delhi Province for the years 1925-29 to 1930-31.

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DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC RESEARCH

**Appendix VIII.**  
**COMMERCIAL AND FINANCIAL STATISTICS.**

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DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC RESEARCH

**Appen**  
**COMMERCIAL AND**

	1922-23.	1923-24.	1924-25.	1925-26.
	Rs.	Rs.	Rs.	Rs.
<b>Recorded revenue compared with recorded expenditure excluding capital expenditure not charged to Revenue—</b>				
<b>Surplus . . . . .</b>	..	2,38,99,758	5,68,25,698	3,31,18,187
<b>Deficit . . . . .</b>	15,01,76,392	..	..	..
<b>Capital Expenditure on Railways and Irrigation works not charged to Revenue.</b>	18,45,67,524	20,80,11,576	13,46,94,254	19,23,53,256
<b>Capital charge involved in the purchase of Railways.</b>	..	..	..	3,42,73,830
<b>Capital outlay on the Posts and Telegraphs Department not charged to Revenue.</b>	65,62,006	75,21,560	1,17,55,881	2,23,54,139
<b>Capital outlay on Light-houses and Light-ships.</b>	..	..	..	..
<b>Capital outlay on Vizagapatam Port and Security Printing not charged to Revenue.</b>	..	..	..	81,16,371
<b>Initial Expenditure on New Capital at Delhi.</b>	1,84,79,432	1,54,73,652	1,42,13,868	99,06,184
<b>Commuted value of pensions not charged to Revenue.</b>	..	..	..	..
<b>Currency Capital outlay . . . . .</b>	..	..	..	..
<b>Outlay on Bombay Land Scheme . . . . .</b>	..	..	..	..
<b>Net Public Debt incurred . . . . .</b>	25,61,19,053	17,67,00,540	9,62,96,934	—4,03,60,224
<b>Value of commodities exported, excluding Gold and Silver.</b>	3,16,07,20,000	3,63,37,60,000	4,00,24,80,000	3,86,81,20,000
<b>Value of commodities imported excluding Gold and Silver.</b>	2,46,19,20,000	2,37,18,40,000	2,53,36,40,000	2,36,00,10,000
<b>Excess of Exports over Imports, excluding Gold and Silver.</b>	69,88,00,000	1,26,19,20,000	1,46,87,90,000	1,50,81,10,000
<b>Net Imports of Gold . . . . .</b>	41,19,10,000	29,18,70,900	73,92,60,000	34,85,50,000
<b>Net Imports of Silver . . . . .</b>	18,35,40,000	18,69,80,000	20,07,40,000	17,12,40,000
<b>TOTAL NET IMPORTS OF GOLD AND SILVER.</b>	59,54,50,000	47,88,50,000	94,00,00,000	51,97,90,000
<b>Excess of Exports over Imports including Gold and Silver.</b>	10,33,50,000	78,80,70,000	52,87,90,000	98,83,20,000
<b>Net Imports of Currency Notes* . . . . .</b>	1,01,70,000	1,64,60,000	3,00,000	(d)—33,00,000
<b>Excess of Exports over Imports including Gold, Silver and Currency Notes.</b>	9,31,80,000	76,66,10,000	52,84,90,000	99,16,20,000
<b>Council Bills and Purchase of sterling. (a) . . . . .</b>	26,40,026	218,33,705	40,770,162	463,16,5
<b>Rupee Equivalent thereof . . . . .</b>	3,84,77,840	31,45,48,173	55,38,97,524	61,23,87,6
<b>State of Sterling . . . . .</b>	..	..	..	..
<b>Rupee Equivalent thereof . . . . .</b>	..	..	..	..
<b>Silver coined at the Indian Mints . . . . .</b>	62,75,446	60,00,791	33,25,394	30,73,4

\* Recorded from

† Represents net

(a) Includes remittances of 11

(b) Figures for 11 months

(c) Net

(d) Net

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FINANCIAL STATISTICS.

1926-27.	1927-28.	1928-29.	1929-30	1930-31 Revised.	1931-32. Budget.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
..	..	..	28,83,598	..	1,06,000
..	..	31,54,002	..	12,68,42,000	..
27,22,07,907	82,48,48,928	25,36,12,112	30,18,80,476	14,50,46,000	11,45,67,000
..	..	3,99,30,676	..	..	..
32,59,130	46,87,947	53,33,185	33,07,339	3,36,000	91,30,000
..	..	..	12,821	..	..
48,36,320	19,28,440	24,47,840	35,97,772	43,18,000	39,24,000
61,63,117	46,57,732	36,64,623	72,72,239	52,90,000	24,72,000
28,85,222	44,26,219	36,09,034	38,08,683	39,51,000	37,38,000
8,66,401	12,94,577	3,37,014	68,632	1,58,000	5,000
-4,86,34,295	20,74,500	..	..	2,12,29,000	..
..	+2,44,27,984	+31,64,15 740	+50,50,22,284	+29,26,95,000	+4,82,02,000
3,11,05,00,000	3,30,26,40,000	3,39,15,10,000	3,18,99,00,000	(b)2,10,54,90,000	..
2,40,81,80,000	2,61,52,40,000	2,63,39,80,000	2,49,70,70,000	(b)1,59,36,60,000	..
70,23,20,000	68,74,00,000	75,75,30,000	69,28,30,000	(b)51,18,30,000	..
19,40,00,000	18,10,00,000	21,20,00,000	14,22,10,000	(b)12,49,50,000	..
19,86,80,000	12,83,60,000	9,77,00,000	8,62,10,000	(b)9,82,50,000	..
39,26,30,000	31,93,60,000	30,97,00,000	22,84,20,000	(b)22,32,00,000	..
30,96,40,000	36,80,40,000	44,78,30,000	46,44,10,000	(b)28,86,30,000	..
5,20,000	(d)-17,70,000	(d)-2,90,000	(d)-15,30,000	(d) (b)-2,60,000	..
30,91,20,000	36,98,10,000	44,81,20,000	46,59,40,000	(b)28,83,70,000	..
2,115,000	28,325,000	30,810,000	15,215,000	5,394,975	33,300,000
2,81,70,083	37,77,30,264	41,02,18,228	20,39,11,720	7,19,33,000	44,40,00,000
1,425,000	..	..	..	6,000,000	..
1,92,67,606	..	..	..	8,10,55,409	..
50,49,436	10,15,926	52,66,573	1,30,000	(b)18,23,532	..

April 1922.  
 exports of gold.  
 Currency Department.  
 (April to February).  
 imports.  
 exports.

## COMMERCIAL AND

	1922-23.	1923-24.	1924-25.	1925-26.
Maximum price in pence of an oz. troy standard Silver in London.	37½ (22nd May).	34 1/16 (3rd and 5th Jan., 13th and 14th Feb.).	36 1/16 (9th Oct.).	33 7/16 (5th Sept.).
Minimum price in pence of an oz. troy standard Silver in London.	30½ (15th Dec.).	30 11/16 (13th July).	31½ (29th Dec.).	30½ (19th and 22nd Mar.).
Average Exchange per rupee upon Secretary of State's Bills sold and sterling purchased.	1s. 4'448d.	1s. 4'534d.	1s. 6'028d.	1s. 6'15d.
Average of the daily telegraphic transfer rates from Calcutta on London.	1s. 3'76d.	1s. 4'46d.	1s. 5'51d.	1s. 6'08d.
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments.	1s. 3½, 1s. 3¼d., 2s. 3¼d., 1s. 4d., and 1s. 4¼d.	1s. 4d., 1s. 4¼d., 1s. 4½d., 1s. 5d., and 1s. 5¼d.	1s. 4¼d., 1s. 5d., 1s. 5¼d., 1s. 5½d., and 1s. 6d.	1s. 6d., 1s. 6½d.
Maximum rate of discount on loans on demand at the Imperial Bank of India.	8 (1st to 26th Apr. and from 11th Jan. to 31st Mar.).	9 (14th Feb. to 31st Mar.).	9 (1st to 9th Apr.).	7 (1st Apr. to 20th May).
Minimum rate of discount on Loans on demand at the Imperial Bank of India.	4 (6th July to 25th Oct.).	4 (28th June to 14th Nov.).	4 (31st July to 20th Aug.).	4 (3rd July to 27th Sept.).
Maximum rate of discount at the Bank of England.	4½ (1st to 12th Apr.).	4 (5th July to 31st Mar.).	5 (5th to 31st Mar.).	5 (1st Apr. to 4th Aug. and 3rd Dec. to 31st Mar.).
Minimum rate of discount at the Bank of England.	3 (13th July to 31st Mar.).	3 (1st Apr. to 4th July).	4 (1st Apr. to 4th Mar.).	4 (2nd Oct. to 2nd Dec.).
Maximum Government balance at the Imperial Bank of India. Rs.	33,19,07,000 (28th July).	29,74,54,000 (20th July).	32,18,07,000 (31st July).	28,96,81,000 (29th May).
Minimum Government balance at the Imperial Bank of India. Rs.	8,22,54,000 (10th Nov.).	6,22,69,000 (6th Nov.).	7,43,82,000 (31st Dec.).	4,29,57,000 (11th Dec.).
Maximum price in Calcutta of 5 per cent. War loan, 1929-47.	88-8	93-10	94-14	97-4
Minimum price in Calcutta of 5 per cent. War Loan, 1929-47.	81-6	87-12	92-14	94-13
Maximum price in Calcutta of 5 per cent. income-tax free loan, 1945-55.	93-8	98-14	99-8	101-7
Minimum price in Calcutta of 5 per cent. income-tax free loan, 1945-55.	87	93-2	97	98-13
Maximum price in Calcutta of Government 3½ per cent. Rupee Securities.	61-4 (22nd and 23rd Mar.).	63-3 (3th Ma.).	68-6 (10th July).	73-6 (27th Mar.).
Minimum price in Calcutta of Government 3½ per cent. Rupee Securities.	55-8 (1st to 17th Apr.).	61 (3rd to 5th Apr.).	63-4 (18th Sept.).	67-10 (5th May)
Maximum price in Calcutta of 3 per cent. Rupee Securities.	52-8 (22nd and 23rd Mar.).	57-12 (8th Mar.).	58-10 (10th July)	63-14 (25th Mar.).
Minimum price in Calcutta of 3 per cent. Rupee Securities.	47-12 (1st to 18th Apr.).	51-14 (3rd to 5th Apr.).	53-8 (18th Sept.)	57-15 (15th to 18th May).

FINANCIAL STATISTICS—contd.

1926-27.	1927-28.	1928-29.	1929-30	1930-31 Revised.	1931-32. Budget.
30½ (5th May).	27 (6th Dec.)	28½ (21st May).	25½ (2nd and 11th Apr.).	19½ (23rd April)	
24½ (20th Oct).	24½ (8th, 11th and 22nd Aug.).	25½ (16th Feb).	18½ (5th Mar.).	12½ (6th Feb.)	
1s. 6'02d.	1s. 5'997d.	1s. 6'02d.	1s. 5'709d.	1-5 ½d.	
1s. 5'902d.	1s. 5'93d.	1s. 5'97d	1s. 5'85d.	1s. 5'78d.	
1s. 5½d., 1s. 6d. and 1s. 6½d.	1s. 6d.	1s. 6d.	1s. 6d.*	1s. 6d.	
7 (10th Feb. to 31st Mar.).	7 (1st Apr. to 1st June, 22nd Dec to 31st Mar.).	8 (14th Feb. to 31st Mar.).	8 (1st to 10th Apr.).	1st and 2nd April and 15th Jan. to 31st Mar.	
4 (10th June to 31st Dec.).	4 (28th July to 7th Sept.).	5 (19th July to 14th Nov.).	5 (6th June to 9th Oct.).	5 (10th July to 19th Nov.).	
5 (throughout the year.)	5 (1st to 20th Apr.).	5½ (7th Feb. to 31st Mar.).	6½ (26th Sept. to 30th Oct.).	3½ (in April).	
..	4½	4½ (1st Apr. to 6th Feb.).	3½ (from 20th Mar.).	3 (from 1st May).	
86,41,18,000 (30th July).	19,97,83,000 (1st Apr.).	17,20,78,000 (24th Aug.).	20,85,78,000 (28th June).	23,70,44,000 (29th Aug.)	
8,85,92,000 (17th Dec.).	8,05,09,000 (7th Oct.).	3,71,10,000 (6th Apr.).	5,88,61,000 (7th June.)	6,94,35,000 (26th Dec.)	
102-6	101-11.	100-8.	99-4	95-9	
99-14	100-4.	99-2.	94-12	94-3	
110-4	108-13.	106-11.	108-12	101-9	
104-9	105-13.	103-4.	100	99-4	
79-1 (15th Dec.).	79-5 (29th Apr.).	75-10 (21st and 22nd June).	72-5 (10th May).	68-14 (1st and 2nd April).	
74-6 (1st Apr.).	74-6 (9th Dec.).	71-14 (27th Feb. and 1st Mar.).	63-15 (19th Feb.)	61-8 (2nd Mar.).	
67-14 (15th to 21st Dec.).	67-14 (29 Apr.).	64-12 (2nd to 5th Apr., 10th Apr. 14th to 25th June).	61-15 (10th May.)	59-1 (1st and 2nd April).	
63-8 (1st and 6th Apr.).	63-14 (8th Dec.).	60-13 (19th, to 21st Mar.).	54-13 (19th Feb.).	52-9 (2nd Mar.).	

	1923-24.	1923-24.	1924-25.	1925-26.
Maximum amount outstanding on London Register of Rupee Securities encased for Interest Drafts Rs.	10,50,48,000 (Nov.).	10,80,92,000 (Oct.).	10,80,98,000 (Apr.).	9,48,86,000 (Apr.).
Minimum amount outstanding on London Register of Rupee Securities encased for Interest Drafts Rs.	9,68,19,000 (May).	10,06,94,000 (Mar.).	9,59,36,000 (Mar.).	8,41,90,000 (Mar.).
Maximum price in London of 8½ per cent. Rupee Securities in Gold 2	39	45	49½	54½
Minimum price in London of 8½ per cent. Rupee Securities in Gold 2	34	39	45	49½
Maximum price in London of India 3½ per cent. Stock.	69½	72½	69½	69½
Minimum price in London of India 3½ per cent. Stock.	62½	61½	63	63½
Maximum price in London of India 3 per cent. Stock.	59½	62½	59½	59½
Minimum price in London of India 3 per cent. Stock.	53½	52½	54	54½
Maximum price in London of India 2½ per cent. Stock.	50½	52½	49½	49½
Minimum price in London of India 2½ per cent. Stock.	44½	44½	45	46½
Maximum price in London of 5½ per cent. Stock, 1932.	102½	105	103½	103
Minimum price in London of 5½ per cent. Stock, 1932.	93½	99	100	99½
Maximum price in London of 6 per cent. Stock, 1932-33.	..	..	..	..
Minimum price in London of 6 per cent. Stock, 1932-33.	..	..	..	..
Maximum price in London of 4½ per cent. Stock, 1950-55.	88½	93	89½	91½
Minimum price in London of 4½ per cent. Stock, 1950-55.	83½	82½	85½	85½
Maximum price in London of 4½ per cent. Stock, 1953-58.	..	..	..	..
Minimum price in London of 4½ per cent. Stock, 1953-58.	..	..	..	..
Maximum Government Paper Currency outstanding. Rs.	1,82,26,25,000 (Aug.).	1,86,97,61,000 (Jan.).	1,84,19,40,000 (Mar.).	1,98,84,10,000 (Mar.).
Minimum Government Paper Currency outstanding. Rs.	1,71,05,62,000 (May.).	1,70,94,60,000 (May.).	1,71,26,07,000 (June).	1,78,23,07,000 (May.).
Number of Post Office Savings Banks.	10,730	10,535	10,727	11,16
Number of accounts in Post Office Savings Banks.	2,043,502	2,089,814	2,164,473	2,817,89
Amount deposited in Savings Banks Rs.	23,19,93,761	24,78,83,170	25,68,94,907	27,23,14,764
Average of each deposit . Rs.	113.52	118.64	118.45	117.50
Net addition to deposits . Rs.	93,73,936	1,58,84,409	85,11,737	1,59,19,857

BUDGET FOR 1931-32.

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FINANCIAL STATISTICS—concl'd.

1926-27.	1927-28.	1928-29.	1929-30	1930-31 Revised.	1931-32. Budget.
8,59,21,000 (Oct.)	8,73,61,000 (Dec.)	9,06,98,000 (July).	8,71,22,000 (Apr.)	8,54,29,000 (May).	
8,19,29,000 (Sept.)	8,09,28,000 (Nov.)	8,23,92,000 (June).	8,41,97,000 (March.)	8,38,53,000 (Jan.)	
57½	58	56	53	49½	
54½	55½	52½	47	44½	
74½	73½	72½	70	66½	
67½	68	66½	55½	59½	
63½	63½	62½	60	57½	
57½	59	56½	47	50	
52½	52	52½	50½	48½	
48½	49	48½	40½	43	
104	103½	103½	102	103½	
101	100½	100½	96	99½	
..	..	..	..	104 13/16	
..	..	..	..	101½	
98½	94½	95½	91½	89	
88½	89½	89½	78	81	
..	..	95	91½	89½	
..	..	87	77	81½	
2,01,09,29,000 (Sept.)	1,86,28,22,000 (Jan.)	1,92,47,31,000 (Feb.)	1,87,70,73,000 (June).	1,74,14,84,000 (April).	
1,80,03,24,000 (Feb.)	1,69,68,18,000 (June).	1,77,15,84,000 (June).	1,77,23,06,000 (Mar.).	1,55,50,58,000 (Feb.).	
11,994	12,326	12,422	12,768		
2,518,142	2,606,071	2,020,832	2,304,904		
29,50,89,541	32,66,68,188	34,49,07,680	37,13,13,370		
117'19	125'34	170'67	161'30		
2,27,74,777	3,15,78,647	1,82,39,492	2,64,05,690		